

Regular Session, 2012

SENATE BILL NO. 527

BY SENATORS WALSWORTH AND RISER AND REPRESENTATIVE FANNIN

POSTSECONDARY ED. Provides for the merger of Louisiana Tech and Louisiana State University at Shreveport. (gov sig)

1 AN ACT
2 To enact R.S. 17:3233 through 3233.6 and to repeal R.S. 17:3215(5), relative to
3 postsecondary education; to provide for the transfer of Louisiana State University at
4 Shreveport to the University of Louisiana System; to provide relative to the transfer
5 of the facilities, resources, funds, obligations, and functions of such institution and
6 related foundations; to provide for the merger of Louisiana Tech University and
7 Louisiana State University at Shreveport; to provide for the transition responsibilities
8 of the impacted institutions and postsecondary education boards; to provide for
9 cooperative agreements; to provide relative to accreditation issues; to provide
10 relative to student enrollment, program completion, and the awarding of diplomas;
11 to provide relative to employees; to provide relative to funding; to provide for
12 effectiveness; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 17:3233 through 3233.6 are hereby enacted to read as follows:

15 **§3233. Louisiana State University at Shreveport; transfer to the University of**
16 **Louisiana System**

17 **A. (1) Not later than August 1, 2012, the chancellor of Louisiana State**

1 University at Shreveport shall submit a letter to the president of the Southern
2 Association for Colleges and Schools, Commission on Colleges, stating his intent
3 for a change in governance for such institution from the Board of Supervisors
4 of Louisiana State University and Agricultural and Mechanical College to the
5 Board of Supervisors for the University of Louisiana System.

6 (2) The chancellor, faculty, and administration of Louisiana State
7 University at Shreveport shall take every action necessary to efficiently and
8 expeditiously comply with all established timelines, requirements, and
9 procedures to ensure that the requested change of governance may be effected
10 immediately upon receipt of commission approval.

11 B.(1) Pursuant to the authority granted to the legislature by Article
12 VIII, Section 5(D)(3) of the Constitution of Louisiana to transfer an institution
13 from one board to another by law enacted by two-thirds of the elected members
14 of each house, Louisiana State University at Shreveport , and the assets, funds,
15 obligations, liabilities, programs, and functions related thereto, are hereby
16 transferred to the University of Louisiana System, and shall be under the
17 management and supervision of the Board of Supervisors for the University of
18 Louisiana System.

19 (2) The provisions of this Subsection shall become effective immediately
20 upon receipt of approval from the Southern Association for Colleges and
21 Schools, Commission on Colleges, for the requested change in governance.

22 §3233.1. Merger of Louisiana Tech University and Louisiana State University
23 at Shreveport

24 A. Not later than July 1, 2013, the president of Louisiana Tech
25 University and the chancellor of Louisiana State University at Shreveport shall
26 jointly submit a letter to the president of the Southern Association for Colleges
27 and Schools, Commission on Colleges, stating their intent to merge, under the
28 management and supervision of the Board of Supervisors of the University of
29 Louisiana System.

1 **B. The administration and faculty of each institution and the Board of**
2 **Supervisors of the University of Louisiana System shall take every action**
3 **necessary to efficiently and expeditiously comply with all Southern Association**
4 **for Colleges and Schools, Commission on Colleges, requirements and**
5 **procedures to ensure that the requested merger may be effected immediately**
6 **upon receipt of approval from the commission and final approval from the**
7 **Board of Supervisors of the University of Louisiana System as provided by**
8 **commission policy.**

9 **C. Immediately upon receipt of approval from the Southern Association**
10 **for Colleges and Schools, Commission on Colleges, to merge institutions, and**
11 **final approval from the Board of Supervisors for the University of Louisiana**
12 **System as provided in commission policy, Louisiana State University at**
13 **Shreveport shall cease to exist as a separately accredited institution and shall**
14 **be merged, along with its assets, funds, obligations, liabilities, programs, and**
15 **functions, into Louisiana Tech University.**

16 **§3233.2. University of Louisiana System; transition responsibilities**

17 **The Board of Supervisors for the University of Louisiana System shall:**

18 **(1) Develop policies and procedures to resolve issues related to the status**
19 **and tenure of employees of Louisiana State University at Shreveport which may**
20 **arise from the transfer of the institution to the University of Louisiana System.**

21 **(2) Assist the administrative staff of Louisiana Tech University and**
22 **Louisiana State University at Shreveport to develop and implement a**
23 **comprehensive academic and operational plan to facilitate the merger thereof.**

24 **(3) Assist Louisiana Tech University and Louisiana State University at**
25 **Shreveport to prepare and submit their joint prospectus for merger to the**
26 **Southern Association for Colleges and Schools, Commission on Colleges.**

27 **§3233.3. Louisiana State University System; transition responsibilities;**
28 **restrictions**

29 **A. The Board of Supervisors of Louisiana State University and**

1 **Agricultural and Mechanical College shall:**

2 **(1) Continue to exercise its authority to supervise and manage Louisiana**
3 **State University at Shreveport until such time as the Southern Association for**
4 **Colleges and Schools, Commission on Colleges, grants approval for the**
5 **requested change in governance and transfer of Louisiana State University at**
6 **Shreveport to the University of Louisiana System.**

7 **(2)(a) Work cooperatively and collaboratively with the Board of**
8 **Supervisors of the University of Louisiana System to ensure that the requested**
9 **transfer may be effected immediately upon receipt of commission approval for**
10 **the change in governance.**

11 **(b) Prior to receipt of such approval, enter into agreements to transfer**
12 **as many administrative and supervisory functions as possible with respect to**
13 **Louisiana State University at Shreveport, without adversely impacting the**
14 **accreditation status of such institution.**

15 **(3) Upon receipt of such approval, immediately transfer all assets, funds,**
16 **facilities, property, obligations, liabilities, programs, and functions relative to**
17 **Louisiana State University at Shreveport to the University of Louisiana System.**

18 **B. The Board of Supervisors of Louisiana State University and**
19 **Agricultural and Mechanical College shall not:**

20 **(1) Interfere with, or impede in any way, the processes to transfer**
21 **Louisiana State University at Shreveport to the University of Louisiana System**
22 **and for the ultimate merger of such institution with Louisiana Tech University.**

23 **(2) Sell, transfer, or otherwise remove any asset or thing of value,**
24 **moveable or immoveable, tangible or intangible, attributable to or owned by**
25 **Louisiana State University at Shreveport or owned, leased by, or operated by**
26 **any foundation related to such institution. In addition, access to any asset leased**
27 **to any foundation related to Louisiana State University at Shreveport shall not**
28 **be restricted or denied.**

29 **(3) Incur, transfer, or assign any debt or other responsibility or**

1 obligation to Louisiana State University at Shreveport that is not properly
2 attributable to such institution.

3 (4)(a) Disproportionately reduce or reallocate the level of funding that
4 would otherwise be allocated to Louisiana State University at Shreveport
5 pursuant to the postsecondary education funding formula.

6 (b) Until such time as Louisiana State University at Shreveport is
7 transferred to the University of Louisiana System, impose any budget
8 reductions or changes in funding allocations upon the institution without prior
9 review and approval from the Joint Legislative Committee on the Budget.

10 (5) Take any personnel action with regard to any instructional or
11 administrative employee of Louisiana State University at Shreveport without
12 the prior approval of the Board of Supervisors for the University of Louisiana
13 System.

14 §3233.4. Board of Regents; transition responsibilities

15 The Board of Regents shall provide oversight, guidance, and support to
16 all postsecondary management boards, systems, and institutions throughout the
17 processes to transfer Louisiana State University at Shreveport to the University
18 of Louisiana System and the ultimate merger of Louisiana Tech University and
19 Louisiana State University at Shreveport.

20 §3233.5. Students; continuation of enrollment; courses of study; diplomas

21 A. Every student enrolled in, and in good standing with, Louisiana State
22 University at Shreveport at the time of the transfer of such institution to the
23 University of Louisiana System or at the time of the merger of such institution
24 with Louisiana Tech University, shall be allowed to continue their enrollment
25 and complete their prescribed course of study, provided they remain in good
26 standing with the institution in which they are enrolled.

27 B.(1) Students who complete their degree requirements and graduate
28 prior to the merger of Louisiana Tech University and Louisiana State
29 University at Shreveport and shall receive a diploma awarded by, and in the

1 name of, Louisiana State University at Shreveport.

2 (2) Students who complete their degree requirements and graduate
3 subsequent to the merger of the two institutions shall receive a diploma
4 awarded by, and in the name of, Louisiana Tech University.

5 §3233.6. Funds and funding

6 A. Effective beginning with the 2012-2013 Fiscal Year, any and all funds
7 previously paid by Louisiana State University at Shreveport to the Board of
8 Supervisors of Louisiana State University and Agricultural and Mechanical
9 College shall be paid instead to the Board of Supervisors for the University of
10 Louisiana System; however, the total amount of such payments shall not be less
11 than that paid during the 2011-2012 Fiscal Year.

12 B. The commissioner of administration shall ensure that sufficient funds
13 and resources are available to fully effect the transfer of Louisiana State
14 University at Shreveport to the University of Louisiana System. Such funding
15 and resources shall not impact the Board of Regents' formula for the equitable
16 distribution of funds to institutions of postsecondary education.

17 C. The legislature shall appropriate sufficient funds to the Board of
18 Supervisors of Louisiana State University and Agricultural and Mechanical
19 College and the Board of Supervisors for the University of Louisiana System to
20 fully effect the transfer of Louisiana State University at Shreveport to the
21 University of Louisiana System.

22 Section 2. R.S. 17:3215(5) is hereby repealed.

23 Section 3.(A) This Act is not intended to nor shall it be construed to impair the
24 contractual or other obligations of any agency, office, board, commission, department, or
25 political subdivision, or of the state as a result of the transfers of obligations in accordance
26 with this Act. Upon the effective date of the transfer of Louisiana State University at
27 Shreveport, all such obligations of the Board of Supervisors of Louisiana State University
28 and Agricultural and Mechanical College related to Louisiana State University at Shreveport
29 shall be deemed to be obligations of the Board of Supervisors for the University of Louisiana

1 System to the same extent as if originally incurred by it.

2 (B) All funds and revenues previously dedicated by authority of the constitution and
3 laws of this state to the payment of any bonds related to Louisiana State University at
4 Shreveport shall continue to be collected and dedicated to such payments unless and until
5 other provision is made for such payments in accordance with law. Upon the effective date
6 of the transfer of Louisiana State University at Shreveport, all acts relating to such bonds by
7 the Board of Supervisors of Louisiana State University and Agricultural and Mechanical
8 College shall be deemed to be the acts of the Board of Supervisors for the University of
9 Louisiana System in the same manner and to the same extent as if originally so done.

10 (C) No provision of this Act shall preclude a Memorandum of Understanding (MOU)
11 under which a bonded indebtedness obligation of the Board of Supervisors of Louisiana
12 State University and Agricultural and Mechanical College existing on the effective date of
13 this Act would remain in force after an agreement that the Board of Supervisors for the
14 University of Louisiana System would be responsible for all payments, costs, and other
15 covenants contained in said bonded indebtedness. If the maintenance of bonded indebtedness
16 by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical
17 College for properties or assets to be transferred to the Board of Supervisors for the
18 University of Louisiana System is advantageous to the state of Louisiana, then the Board of
19 Supervisors of Louisiana State University and Agricultural and Mechanical College shall
20 make every effort to maintain such bonded indebtedness under a Memorandum of
21 Understanding as described herein.

22 (D) The provisions of this Section shall have the full force and effect of law.

23 Section 4. This Act shall become effective upon signature by the governor or, if not
24 signed by the governor, upon expiration of the time for bills to become law without signature
25 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
26 vetoed by the governor and subsequently approved by the legislature, this Act shall become
27 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jeanne C. Johnston.

DIGEST

Proposed law provides for the transfer of Louisiana State University at Shreveport (LSU-S) from the LSU System to the University of Louisiana System as follows:

1. Requires the chancellor of LSU-S to submit a letter to the president of the Southern Association for Colleges and Schools, Commission on Colleges (SACS), not later than August 1, 2012, stating his intent for a change in governance from the Bd. of Supervisors of the LSU System to the Bd. of Supervisors for the UL System.
2. Requires the chancellor, faculty, and administration of LSU-S to take every action necessary to efficiently and expeditiously comply with all SACS timelines, requirements, and procedures to ensure that the requested change of governance may be effected immediately upon receipt of commission approval.
3. Transfers LSU-S to the UL System, pursuant to the authority granted to the legislature by the La. constitution to transfer an institution from one board to another by law enacted by two-thirds of the elected members of each house. Also transfers the assets, funds, obligations, liabilities, programs, and functions related to the institution. Provides that such transfer will become effective immediately upon receipt of SACS approval for the change in governance.
4. Requires the Bd. of Supervisors for the UL System to develop policies and procedures to resolve issues related to the status and tenure of LSU-S employees which may arise from the transfer.

Provides for the merger of La. Tech and LSU-S as follows:

1. Requires the president of La. Tech and the chancellor of LSU-S to jointly submit a letter to the SACS president, not later than July 1, 2013, stating their intent to merge, under the management and supervision of the UL System board.
2. Requires the administration and faculty of each institution and the UL System board to take every action necessary to efficiently and expeditiously comply with all SACS requirements and procedures to ensure that the requested merger may be effected immediately upon receipt of approval from the commission and final approval from the UL System board.
3. Provides that LSU-S will cease to exist as a separately accredited institution and will be merged, along with its assets, funds, obligations, liabilities, programs, and functions, into La. Tech immediately upon receipt of SACS approval and final approval from the UL System board.

Provides for the responsibilities for the UL System and requires the UL System board to:

1. Develop policies and procedures to resolve any issues related to the status and tenure of LSU-S employees which may arise from the transfer to the UL System.
2. Assist the administrative staff of La. Tech and LSU-S to develop and implement a comprehensive academic and operational plan to facilitate their merger.
3. Assist La. Tech and LSU-S to prepare and submit their joint prospectus for consolidation to SACS.

Provides that the LSU Bd. of Supervisors shall:

1. Continue to exercise its authority to supervise and manage LSU-S until such time as SACS grants approval for the requested change in governance and transfer of the institution to the UL System.
2. Work cooperatively and collaboratively with the UL System board to ensure that the transfer may be effected immediately upon receipt of SACS approval.
3. Enter into agreements to transfer as many LSU-S administrative and supervisory functions as possible to the UL System, prior to receipt of SACS approval, without adversely impacting the accreditation status of the institution.
4. Immediately transfer all assets, funds, facilities, property, obligations, liabilities, programs, and functions relative to LSU-S to the UL System, upon receipt of SACS approval for the transfer.

Provides that the LSU Bd. of Supervisors shall not:

1. Interfere with or impede in any way the processes to transfer LSU-S to the UL System.
2. Sell, transfer, or otherwise remove any asset or thing of value, movable or immovable, tangible or intangible, attributable to or owned by LSU-S, or owned, leased by, or operated by any foundation related to LSU-S. Further provides that access to any asset leased to any foundation related to LSU-S shall not be restricted or denied.
3. Incur, transfer or assign any debt or other responsibility or obligation to LSU-S that is not properly attributable to either institution.
4. Disproportionately reduce or reallocate the level of funding that would otherwise be allocated to LSU-S pursuant to the postsecondary education funding formula. Provides that until LSU-S is transferred to the UL System, no budget reductions or changes in funding allocations for the institution shall be imposed without prior review and approval from the Jt. Legislative Committee on the Budget.
5. Take any personnel action with regard to any instructional or administrative employee of LSU-S without the prior approval of the Bd. of Supervisors for the UL System.

Requires the Board of Regents to provide oversight, guidance, and support to all postsecondary management boards, systems, and institutions throughout the processes to transfer LSU-S to the UL System and the ultimate consolidation of these two institutions into the University of Louisiana at New Orleans.

Provides with respect to students enrolled in LSU-S at the time of transfer to the UL System or at the time of the merger with La. Tech as follows:

1. Every student enrolled in, and in good standing with LSU-S at the time of the institution's transfer to the UL System and at the time the institutions is merged with La. Tech shall be allowed to continue their enrollment and complete their prescribed course of study, provided they remain in good standing with the institution in which they are enrolled.
2. Students who complete their degree requirements and graduate prior to the merger of La. Tech and LSU-S shall receive a diploma awarded by and in the name of LSU-S.

3. Students who complete their degree requirements and graduate subsequent to the merger of La. Tech and LSU-S shall receive a diploma awarded by and in the name of La. Tech.

With respect to funding, proposed law provides as follows:

1. Effective beginning with the FY 12-13, any and all funds previously paid by LSU-S to the Bd. of Supervisors of LSU will be paid instead to the Bd. of Supervisors for the UL System; however, the total amount of such payments shall not be less than that paid during the FY 11-12.
2. Requires the commissioner of administration to ensure that sufficient funds and resources are available to fully effect the transfer of LSU-S to the UL System. Provides that such funding and resources will not impact the Board of Regents' formula for the equitable distribution of funds to institutions of postsecondary education.
3. Requires the legislature to appropriate sufficient funds to the Bd. of Supervisors of the LSU System and the Bd. of Supervisors for the UL System to fully effect the transfer.

Proposed law provides that proposed law is not intended nor shall it be construed to impair any contractual or other obligations of a state entity as a result of the transfer of LSU-S and obligations of the LSU Bd. of Supervisors related to LSU-S shall be deemed to be obligations of the UL Board as if originally incurred by it.

Proposed law provides that all funds and revenues previously dedicated to repay bonds related to LSU-S shall continue to be collected and dedicated to such payments. Provides that acts related to such bonds by the LSU Bd. of Supervisors related to LSU-S shall be deemed to be the acts of the UL Board as if originally so done.

Proposed law clarifies that proposed law does not preclude a Memorandum of Understanding (MOU) between the boards under which an existing bonded indebtedness of the LSU System Board would remain in force after an agreement that the Bd. of Supervisors for the UL System would be responsible for all payments, costs, and other covenants contained in the bonded indebtedness. Requires the Bd. of Supervisors of the LSU System "to make every effort" to maintain such bonded indebtedness under an MOU if it is advantageous to the state.

Present law (R.S. 17:3215(5)) places LSU-S in the LSU System.

Proposed law repeals this provision.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:3233 - 3233.6; repeals R.S. 17:3215(5))