

**RESPONSE TO ACT 418
OF THE 2011 REGULAR SESSION
OF THE LOUISIANA LEGISLATURE**

LOUISIANA BOARD OF REGENTS



JANUARY 2012

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INTRODUCTION and BACKGROUND

Act 418 of the 2011 Regular Session of the Legislature requests that the Board of Regents:

“...inventory all institutional student records systems and recommend a plan to standardize and integrate such systems to include student transcript analysis and degree auditing components. This system shall include all undergraduate students and at a minimum and by student, the number of course credits earned, the number of course credits needed for degree completion, a time line for successful degree completion that shows if the student is behind, on track, or ahead, and course credits needed as determined by the student's declared area of concentration. The Board of Regents shall report on the progress of such standardization to the legislature and the division of administration sixty days prior to the 2012 Regular Session of the Legislature of Louisiana and annually thereafter on the performance of qualifying institutions at achieving on-time graduation based on the student tracking and records system. The report shall be posted on the Board of Regents' website and shall be made easily accessible to the public.” (Attachment A)

The Board of Regents conducted a survey of public postsecondary institutions to determine what Enterprise Resource Planning (ERP) systems are in place across the state and what level of capability exists within these systems for student tracking and reporting. For the purposes of the survey, the following definitions were applied:

Student transcript analysis and **degree audit** are interchangeable terms for the same function - an electronic, personalized evaluation of a student's transcript to assist the student in choosing a major or to report progress toward completion of a program of study.

Student tracking system is an electronic system (within the ERP) used by the institution to identify students not on track for degree completion

or to plan future course offerings to assist students in completing their program of study in a timely manner.

All institutions were surveyed. The number of institutions responding, by system, are noted below:

LCTCS – Louisiana Community and Technical College System – 16

LSUS – Louisiana State University System – 4 (not including the Paul M. Hebert Law Center and 2 Health Sciences Centers)

ULS – University of Louisiana System – 9

SUS – Southern University System – 1 (not including the Southern University Law Center; 2 campuses did not respond to the survey)

SURVEY and FINDINGS

The following questions were posed on the survey and a summary of the responses, by system, is presented after each question.

Student Data Systems

1. *What ERP is your institution currently using for your student information systems?*

LCTCS – All 16 are using Banner

LSUS – 1 PowerCampus, 1 Legacy, 1 Jenzabar, 1 Integrow

ULS – 4 Banner, 2 PeopleSoft, 1 SCT IA Plus, 1 SIS Plus, 1 Legacy

SUS – 1 Banner

2. *Is your institution currently evaluating or implementing a change to your existing ERP? If yes, please explain and include timelines.*

LCTCS – All 16 are currently participating in a system-wide implementation of Banner to be completed in 2013

LSUS – 1 is currently implementing, 1 is preparing an RFP (Request for Proposals) to implement a new ERP

ULS – 1 is preparing an RFP for a new ERP, 1 is migrating to Banner in Spring 2012 with final implementation in Fall 2013

SUS – 1 is currently implementing a change to the existing ERP

Student Transcript Analysis/Degree Audit

3. *Does your institution currently utilize a student transcript analysis /degree audit system?*

LCTCS – 1 Yes, 15 No

LSUS – 4 Yes

ULS – 6 Yes, 3 No

SUS – 1 No

4. *If YES to #3, is it a component of your ERP system or was it developed /acquired separately and integrated into your ERP?*

LCTCS – 1 component

LSUS – 4 components

ULS – 3 components, 3 developed separately

SUS – N/A

5. *If NO to #3, is your institution currently evaluating or implementing a student transcript analysis /degree audit system? If yes, please explain and include timelines.*

LCTCS – 15 component implementations in Spring or Fall 2012

LSUS – N/A

ULS – 2 component implementations for Spring 2013 and Fall 2014, 1 separate system implemented for Fall 2013

SUS – 1 component implementation for July 2012

Student Tracking

6. *Does your institution currently utilize a student tracking system?*

LCTCS – 1 Yes, 15 No

LSUS – 1 Yes, 3 No

ULS – 1 Yes, 8 No

SUS – 1 Yes

7. *If YES to #6, is it a component of your ERP system or was it developed/acquired separately and integrated into your ERP?*

LCTCS – 1 component

LSUS – 1 component

ULS – 1 component

SUS – 1 separate

8. *If NO to #6, is your institution currently evaluating or implementing a student tracking system? If yes, please explain and include timelines.*

LCTCS – 3 No, 2 evaluating, 10 implementing in Fall 2012

LSUS – 1 No, 1 evaluating, 1 implementing in Spring 2013

ULS – 3 No, 3 evaluating, 2 implementing for Fall 2013 and Fall 2014

SUS – N/A

9. *Regardless of your answer to #6, is your institution capable of reporting to the Board of Regents on an annual basis for each undergraduate student: the number of course credits needed for completion of their chosen degree, the number of total course credits they have earned, and the number of course credits they have earned toward the degree? (as might be required by the NCAA for student athletes)*

LCTCS – 8 Yes, 8 No

LSUS – 3 Yes, 1 No

ULS – 2 Yes, 7 No

SUS – 1 Yes

SUMMARY and CONCLUSION

As anticipated, the survey confirmed that there is wide variation in student records systems in use in postsecondary education, ranging from created, in-house

Legacy systems to purchased systems like Banner and PeopleSoft. Because education is a student-centered enterprise, implementation of and transition to any new student record system is extraordinarily expensive in terms of both the software and the manhours required to reprogram everything from curricula to student schedules, transcripts, course files, and accounting systems. The survey results indicate that among the 30 public postsecondary institutions responding to the survey:

- All 30 institutions have some form of an ERP system in place
- 19 institutions are in the process of implementing a new system, but the new systems are not all the same
- 2 institutions are planning to develop requests for proposals for new systems, following state guidelines for issuing the RFP and awarding the contract
- 11 institutions currently utilize a student transcript/degree audit system to evaluate a student's transcript to assist the student in choosing a major or to report progress toward completion of a program of study
- 4 institutions currently utilize a student tracking system to identify students who are not on track for degree completion or to plan future course offerings to assist students in completing their program of study in a timely manner.
- 14 institutions are capable of reporting to the Board of Regents on an annual basis certain information about students' progress toward completing their programs of study.

RECOMMENDATIONS

The Board of Regents easily recognizes the potential benefits of standardized and integrated student records systems to aid in students' ability to plan for transfer and articulation of courses from one institution to another, track progress

toward graduation, plan for and sequence course offerings each semester or term, increase collaboration among faculty and institutions in developing and delivering unique degree program opportunities, and even calculate the impact of changes in funding on academic or workforce program delivery. Institutions are well aware of the potential benefits as well. All are also very aware of the prohibitive costs (in both time and in money) involved in choosing, adopting, and implementing a new system to achieve that standardization.

The Board acknowledges the amount of resources already invested in the successful implementation of an ERP system by the 30 public postsecondary institutions surveyed. The Board also acknowledges that there may be opportunities to standardize systems through future implementation among the institutions and systems.

Both the Board and the public postsecondary institutions are represented on the Louisiana Postsecondary Education Information Technology Council (PSEC), created under RS 39:15.6 and charged to study the issue of standardization of information systems and operations within the postsecondary education system. It is through this council that the Board of Regents will work to identify opportunities to standardize information systems, as well as to move more institutions toward having the capability of tracking and reporting on student progression. As a start, the PSEC will be involved in standardizing report specifications to assist in degree tracking, course offerings, and implementation of statewide common course numbering.

ATTACHMENT A: ACT 418

HOUSE BILL NO. 549

BY REPRESENTATIVES TUCKER, ANDERS, ARNOLD, BOBBY BADON, BURFORD, HENRY BURNS, CARMODY, CARTER, CHANDLER, CHANEY, CONNICK, DOVE, DOWNS, EDWARDS, FOIL, GREENE, GUILLORY, HARDY, HARRISON, HOFFMANN, HUTTER, KATZ, LIGI, LITTLE, LOPINTO, LORUSSO, NOWLIN, PEARSON, PONTI, PUGH, RICHARD, RICHARDSON, SCHRODER, SEABAUGH, SMILEY, GARY SMITH, JANE SMITH, ST. GERMAIN, TALBOT, TEMPLET, THIBAUT, AND WILLIAMS AND SENATORS NEVERS AND THOMPSON

AN ACT

To amend and reenact R.S. 17:3139(B), (C)(3)(a) and (5)(introductory paragraph) and (i), (D), (F)(introductory paragraph), (4), (5), and (6), and (G)(1), (2)(introductory paragraph) and (iii), and (3)(introductory paragraph), and 3386(E), and to enact R.S.17:3139(C)(1)(e) and (5)(j) and (k), and (G)(4), relative to the Louisiana Granting Resources and Autonomy for Diplomas Act; to provide for additional operational autonomies to be granted to public postsecondary education institutions, including but not limited to authority and exemptions relative to budgetary management, capital outlay, risk management, and procurement; to provide relative to legislative review and approval of the granting of certain autonomies; to provide relative to required reporting by public postsecondary education institutions and certain cost data to be included in such reports; to provide relative to renewal periods of institutions' performance agreements by the Board of Regents; to provide relative to the termination of autonomies in certain circumstances; to require achievement of certain standards for retention of first-year students; to require the Board of Regents to report on the standardization of student tracking and records systems and the performance of institutions relative thereto; to provide relative to the retention of certain unused funds by certain institutions; to direct the Louisiana State Law Institute to redesignate certain statutory provisions; to provide for applicability; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana: Section 1. R.S. 17:3139(B), (C)(3)(a) and (5)(introductory paragraph) and (i), (D), (F)(introductory paragraph), (4), (5), and (6), and (G)(1), (2)(introductory paragraph) and (iii), and (3)(introductory paragraph), and 3386(E) are hereby amended and reenacted and R.S. 17:3139(C)(1)(e) and (5)(j) and (k), and (G)(4) are hereby enacted to read as follows:

§3139. Louisiana Granting Resources and Autonomy for Diplomas Act; purpose; agreements; monitoring and renewal; reporting

* * *

B. Purpose. The purpose of this Section is to support the state's public postsecondary education institutions in remaining competitive and increasing their overall effectiveness and efficiency by providing requiring that the institutions achieve specific, measurable performance objectives aimed at improving college completion and at meeting the state's current and future workforce and economic development needs, by improving the quality and type of data available on these objectives and institutions' respective progress towards them, and by granting the institutions limited operational autonomy and flexibility in exchange for achieving such objectives.

C. Performance agreements; objectives. Effective beginning with the 2011 Fiscal Year, any public postsecondary education institution, including professional schools, may enter into an initial performance agreement with the Board of Regents in order to be granted limited operational autonomy and flexibility as provided in Subsection F of this Section in exchange for committing to meet established targets for the following performance objectives as applicable to the institution as determined by the Board of Regents: (1)

* * *

(e) For the purposes of this Section, successful attainment of the student success objectives shall be required for determination by the Board of Regents that an institution has met the short-term targets of the performance agreement as provided in this Subsection. An institution which has failed to meet its same-institution graduation rate, program completer, and retention rate targets, as appropriate for the mission of the institution, shall not be deemed by the Board of Regents to have met the requirements of its performance agreement for the year.

* * *

(3) Workforce and economic development. (a) Eliminate academic program offerings that have low student completer rates as identified by the Board of Regents or are not aligned with current or strategic workforce needs of the state, region, or both as identified by the Louisiana Workforce Commission and Louisiana Economic Development.

* * *

~~(5) Submit a report to the Board of Regents, the legislative auditor, and the legislature containing certain organizational data, including but not limited to the following:~~ Each institution annually shall submit a report to the Board of Regents, which shall publish the report on its website, the legislative auditor, the legislature, and the division of administration containing certain organizational data, including but not limited to the following:

* * *

(i) A cost performance analysis to include by institution:

(i) Total operating budget by function, amount, and percent of total, reported in a manner consistent with the National Association of College and University Business Officers guidelines.

(ii) Average yearly cost of attendance as reported to the United States Department of Education.

(iii) Average time to degree for completion of academic programs at all levels.

(iv) Average cost per degree awarded by degree level.

(v) Average cost per non-completer by degree program entered.

(j) All expenditures of the institution for that year.

(k) Any additional data requested by the speaker of the House of Representatives or the president of the Senate.

* * *

D. Annual review; revocation; modifications.

(1) The initial performance agreement and each subsequent agreement shall be a six-year agreement and shall be reviewed annually by the Board of Regents. The Board of Regents may revoke an agreement at any time if it determines that an institution has failed to abide by the terms of the agreement.

(2) The Board of Regents may modify lower the established targets for performance objectives contained in an institution's performance agreement only in the event extraordinary circumstances prevent the institution from meeting such targets. Such modifications shall be subject to approval by the Joint Legislative Committee on the Budget. The Board of Regents, in consultation with the institution and its management board, may raise, at the time of the annual review, the established targets for performance objectives contained in an institution's performance agreement to continue institutional progress and shall notify the House Committee on Education and the Senate Committee on Education, in writing, of any such increases.

* * *

F. Autonomies granted. ~~Each~~ Notwithstanding any other provision of law to the contrary, each institution that enters into a performance agreement as provided in this Section shall be granted the following: shall be granted the authorities and autonomies as provided in this Subsection. However, nothing herein shall suspend the requirements of R.S. 39:1593.1.

* * *

~~(4) A base level of operational autonomy as determined by the Board of Regents subject to the approval by the division of administration which, at a minimum, shall include greater flexibility in:~~

~~(a) Carrying forward unexpended and unobligated funds from one fiscal year to the next.~~

~~(b) Procuring information technology products and services.~~

~~(c) Adhering to state travel regulations.~~

~~(5) The Board of Regents, in collaboration with the division of administration, shall identify additional operational autonomies, including but not limited to exceptions from procurement and construction regulations. However, no exception from any provision of the Louisiana Procurement Code or from Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950 shall be granted, and, unless specifically authorized by the legislature, no design-build contract shall be authorized pursuant to this Paragraph. The Board of Regents may grant such autonomies to an institution during the initial agreement period if all of the following are met:~~

~~(a) After three years, the institution has achieved a sufficient number of the performance objectives provided in Subsection C of this Section as determined by the Board of Regents.~~

~~(b) The institution has demonstrated the ability to successfully operate with the base levels of autonomies granted by this Section as determined by the Board of Regents.~~

~~(6)(4) Each postsecondary education management board shall establish criteria for waiving any tuition or mandatory fee increase as authorized in this Subsection in cases of financial hardship. Information relative to such waivers and the criteria and procedures for obtaining a waiver shall be made available to all prospective students in a timely manner such that each student is informed of the availability of a waiver prior to the student making a final decision concerning attendance at any public institution of postsecondary education.~~

(5) Operational autonomies. (a) Base level. Notwithstanding any provision of law to the contrary, any institution that is determined by the Board of Regents to have met the short-term targets established in the performance agreement may be granted the autonomies as provided in this Subparagraph; however, no institution shall be granted such an autonomy until after the division of administration determines that for the following year the institution possesses the capacity relevant to the autonomy including, at a minimum, a review of the most recent fiscal audit by the legislative auditor.

(i) Authority to retain any funds which remain unexpended and unobligated at the end of the fiscal year for use at the institution's discretion pursuant to R.S.17:3386, and subject to the prior review and approval of the Joint Legislative Committee on the Budget.

(ii) Authority to execute contracts up to a value of forty-nine thousand nine hundred ninety-nine dollars within a twelve-month period in accordance with the delegation of authority by the office of contractual review pursuant to R.S. 39:1488.

(iii) Authority to identify and dispose of obsolete equipment, excluding vehicles and items deemed by federal law to be of a dangerous nature, up to an original acquisition value of five thousand dollars.

(iv) Authority to be excluded from oversight or review by the office of information technology, as provided in R.S. 39:15.3, for purchases with an academic research or classroom instructional purpose.

(v) Authority to exclude from its table of organization any position that is fully funded by nonappropriated funds.

(b) Intermediate level. Notwithstanding any provision of law to the contrary and in addition to the base level autonomies granted pursuant to Subparagraph (a) of this Paragraph, any institution that is determined by the Board of Regents to have met the short-term targets established in the performance agreement may be granted the autonomies as provided in this Subparagraph; however, no institution shall be granted such an autonomy until after the division of administration determines that for the following year the institution possesses the capacity relevant to the autonomy including, at a minimum, a review of the most recent fiscal audit by the legislative auditor, and the institution has met the Board of Regents' requirements for significantly streamlining its academic service delivery to students to meet regional workforce needs as provided in Item (vi) of this Subparagraph. Any autonomy granted pursuant to this Subparagraph shall be subject to the prior review and approval of the Joint Legislative Committee on the Budget.

(i) Notwithstanding the provisions of R.S. 39:1702, authority to procure materials, supplies, equipment, and services through any purchasing agreements established by a not-for-profit cooperative buying organization located in the United States, if such purchasing agreements have been established pursuant to a competitive bid proposal process. Prior to joining a not-for-profit cooperative buying organization, the institution shall publish a notice of intent to join such not for-profit cooperative buying organization in the official journal of the state and of the parish in which the institution is located. Prior to entering any purchasing agreement with a not-for-profit cooperative buying organization, the institution shall publish a notice of intent to enter such purchasing agreement through a centralized, electronic, interactive environment administered by the division of administration as provided in R.S. 39:1593 and on

the institution's website and shall allow fifteen days for interested vendors to submit proposals for the materials, supplies, equipment, or services. The proposals submitted by interested vendors shall adhere to the request for proposal or solicitation issued by the cooperative buying organization. The institution shall review the proposals submitted by interested vendors and compare the proposals to the cooperative buying organization agreement to determine the lowest responsive and responsible vendor. The institution shall utilize the lowest responsive and responsible vendor for the procurement. For purposes of this Item, lowest responsive and responsible bidder shall be defined as set forth in R.S. 39:1591.

(ii) Authority to directly administer minor facility capital outlay projects without oversight or control by the office of facility planning and control. For purposes of this Item, minor facilities projects shall mean, in addition to the authority provided in R.S. 39:128, those that do not require the use of and coordination between more than two trades or that do not require the use of the professional services of an architect or engineer pursuant to the provisions of R.S. 39:1482 and 1484.

(iii) Authority to join an existing cooperative purchasing agreement in accordance with R.S. 39:1702 and Item (i) of this Subparagraph. Prior to joining a not-for-profit cooperative buying organization, the institution shall publish a notice of intent to join such not-for-profit cooperative buying organization in the official journal of the state and of the parish in which the institution is located. Prior to entering any purchasing agreement with a not-for-profit cooperative buying organization, the institution shall publish a notice of intent to enter such purchasing agreement through a centralized, electronic, interactive environment administered by the division of administration as provided in R.S. 39:1593 and on the institution's website and shall allow fifteen days for interested vendors to submit proposals for the materials, supplies, equipment, or services. The proposals submitted by interested vendors shall adhere to the request for proposal or solicitation issued by the cooperative buying organization. The institution shall review the proposals submitted by interested vendors and compare the proposals to the cooperative buying organization agreement to determine the lowest responsive and responsible vendor. The institution shall utilize the lowest responsive and responsible vendor for the procurement. For purposes of this Item, lowest responsive and responsible bidder shall be defined as set forth in R.S. 39:1591.

(iv) Authority to use reverse auctions. For purposes of this Item, reverse auction means a competitive online solicitation process on the Internet for products, supplies, services, and other materials in which vendors compete against each other in real time in an open and interactive environment.

(v) Authority for the director of purchasing at a college or university to make a determination to use a competitive request for proposal process as provided in R.S. 39:1593(C) without the approval of the commissioner of administration or the director of state purchasing.

(vi) For purposes of this Subparagraph, for an institution to meet the requirement of significantly streamlining academic service delivery, the institution shall have acted on at least two items from a list approved by the Board of Regents, which shall include the following:

(aa) The review of all of its programs and academic offerings and appropriate action to improve those programs and academic offerings through modification, consolidation, or elimination, including consideration of online delivery of academic offerings to meet workforce needs and maximize resources.

(bb) The review and streamlining of all course offerings to align with program requirements and facilitate on-time graduation.

(cc) If a two-year institution, the review of nonacademic programs and degrees and appropriate action to improve such programs and degrees through modification, consolidation, or elimination, including consideration of online delivery of academic offerings.

(dd) If a four-year institution, raised the minimum composite score on the American College Test required for admission to at least two points higher than the Board of Regents baseline appropriate for its type of institution. This requirement shall be notwithstanding a student's grade point average. Opting not to participate in this requirement shall not preclude an institution from implementing minimum admission standards in accordance with Board of Regents policy.

(c) High level. Notwithstanding any provision of law to the contrary and in addition to the base level and intermediate level autonomies granted pursuant to Subparagraphs (a) and (b) of this Paragraph, any institution that is determined by the Board of Regents to have met the short-term targets established in the performance agreement may be granted the autonomies as provided in this Subparagraph; however, no institution shall be granted such an autonomy until after the division of administration determines that for the following year the institution possesses the capacity relevant to the autonomy including, at a minimum, a review of the most recent fiscal audit by the legislative auditor and has a one hundred fifty percent of normal-time Integrated Postsecondary Education Data System graduation rate within five percent of the average graduation rate for its classification according to the Southern Regional Education Board.

(i) Authority to participate in a pilot procurement code as established by the initial qualifying institution to be in place for an initial period of three years and approved by the division of administration. The initial qualifying institution shall establish any pilot procurement code pursuant to rules and regulations adopted in accordance with the Administrative Procedure Act. An institution granted this autonomy may use this pilot procurement code in lieu of the Louisiana Procurement Code as provided in R.S. 39:15.3, 196 through 200, 1481 through 1526, and 1551 through 1755, subject to the prior review and approval of the Joint Legislative

5 Committee on the Budget.

(ii)(aa) Exemption from participation in the state's risk management program established by R.S. 39:1527 et seq. and administered by the office of risk management, pursuant to a phased-in plan of implementation as determined by the institution in collaboration with the attorney general and the division of administration, subject to the prior review and approval of the Joint Legislative Committee on the Budget. This exemption shall not include the coverage provided by the state's risk management program pursuant to R.S. 40:1299.39.

(bb) Nothing in this exemption shall abrogate, amend, or alter the authority of the attorney general or the Department of Justice under Article IV, Sections 1 and 8 of the Constitution of Louisiana or any other provision of law to represent the state and all departments and agencies of state government in all litigation arising out of or involving tort or contract. Any institution that is granted an exemption under this Item shall enter into an interagency agreement with the attorney general and pay the attorney general reasonable attorney fees and expenses incurred in representing the institution.

(cc) Nothing in this Item shall be construed as creating any independent or separate cause of action against the state. The state shall continue to be sued only through the exempt institution's management board and cannot be sued in addition to or separately from the exempt institution's management board in any cause of action asserted against the exempt institution. Neither the state nor the office of risk management shall be responsible for payment of any judgment against the exempt institution's management board. The state's obligation to indemnify a covered individual as provided in R.S. 13:5108.1 shall not be performed by the office of risk management.

(dd) Any contract between the exempt institution's management board and its insurer shall name the state as an additional insured. Any provision in any contract between the exempt institution's management board and its insurer that conflicts with the provisions of this Section shall be deemed null and void.

(ee) Nothing in this Item shall be construed to adversely affect any of the substantive and procedural provisions and limitations applicable to actions against the state, including but not limited to the provisions of R.S. 13:5106, 5107, 5108.1, and 5112, and R.S. 9:2800 which would continue to apply equally to any exempted institution. Those provisions that will not apply are those that are specifically excluded in this Section. Upon transfer of each line of coverage to the exempted institution under this Section, the provisions of R.S. 39:1527 et seq., as well as the provisions of R.S. 13:5106(B)(3)(c), shall not apply to the line of coverage so transferred, nor to any claims asserted against the exempted institution within the transferred line of coverage.

(iii) Notwithstanding the provisions of R.S. 39:113, authority to administer all facilities projects funded with self-generated revenue, federal funds, donations, grants, or revenue bonds,

including all projects falling under R.S. 39:128; however, excluding those projects falling under R.S. 39:128, these projects shall not be exempted from the capital outlay budget or any requirements as pertains thereto.

(iv) Authority to invest funds as defined by R.S. 49:327(C), in addition to those instruments laid out in R.S. 49:327(B)(1), in tax exempt bonds and other taxable governmental bonds issued by any state or a political subdivision or public corporation of any state, provided that such bonds are rated by a nationally recognized rating agency as investment grade. The investment policy governing such investment as defined by R.S. 49:327(C)(1)(b) shall define the allocation of funds among instruments and the term of maturity of the instruments, subject to the prior review and approval of the investment advisory committee. If an institution pursuant to the Board of Regents' annual review is either no longer meeting its short-term targets or is determined by the division of administration to no longer possess the capacity relevant to this autonomy, or both, authority to invest additional funds shall be limited to those instruments defined by R.S. 49:327(B)(1) and (C), and shall exclude further investments in tax exempt bonds and other taxable government bonds issued by any state or a political subdivision or public corporation of any state.

(6)(a) Any operational autonomies granted to an institution pursuant to this Subsection shall terminate immediately upon revocation of the institution's six-year performance agreement by the Board of Regents. The Board of Regents shall notify the Joint Legislative Committee on the Budget of any such revocation of a performance agreement.

(b) Any operational autonomy granted to an institution pursuant to this Subsection shall terminate immediately upon determination by the division of administration that an institution has failed to maintain the operational capacity relevant to that autonomy. The division of administration shall notify the Joint Legislative Committee on the Budget of any institution's failure to maintain the operational capacity relevant to any previously granted operational autonomy.

G. Monitoring; reporting; renewal.

(1) The Board of Regents annually shall monitor and report to the legislature and the governor on each participating institution's progress in meeting the established targets for performance objectives as specified in Subsection C of this Section. At the end of the ~~initial agreement period~~ first six years and each subsequent ~~agreement~~ six-year period, the Board of Regents shall determine whether to recommend renewal of an institution's performance agreement subject to the approval of the Joint Legislative Committee on the Budget. Such determination shall be based on the recommendations of a review panel established by the Board of Regents to conduct a comprehensive review and evaluation of the institution's progress in meeting the performance objectives. The composition of the review panel shall be the same as is provided in R.S. 17:3138(C) with the addition of two representatives from the business

community, who each possess a postsecondary degree, one recommended by the speaker of the House of Representatives and one recommended by the president of the Senate.

(2) If an institution's initial performance agreement is renewed ~~for a second six-year period,~~ after six years, the institution in exchange shall:

* * *

(iii) A graduation rate of at least fifty percent for any institution classified as a "Four-Year 3", "Four-Year 4", or "Four-Year 5", or "Four-Year 6" institution by the Southern Regional Education Board.

* * *

(3) If an institution's performance agreement is renewed ~~for subsequent periods following the first renewal period,~~ after six years, the institution in exchange shall:

* * *

(4) The Board of Regents shall inventory all institutional student records systems and recommend a plan to standardize and integrate such systems to include student transcript analysis and degree auditing components. This system shall include all undergraduate students and at a minimum and by student, the number of course credits earned, the number of course credits needed for degree completion, a time line for successful degree completion that shows if the student is behind, on track, or ahead, and course credits needed as determined by the student's declared area of concentration. The Board of Regents shall report on the progress of such standardization to the legislature and the division of administration sixty days prior to the 2012 Regular Session of the Legislature of Louisiana and annually thereafter on the performance of qualifying institutions at achieving on-time graduation based on the student tracking and records system. The report shall be posted on the Board of Regents' website and shall be made easily accessible to the public.

* * *

§3386. Surplus funds; retention; use; exceptions

* * *

~~E. The provisions of this Section requiring at least fifty percent of retained funds to be maintained in a reserve fund and used only for preventative maintenance purposes and prohibiting more than two percent of certain state general fund appropriations or allocations from being carried forward shall not apply to any public postsecondary education institution entering into a~~ Notwithstanding any provision of law to the contrary, an institution that is determined by the Board of Regents to have met the short-term targets established in the performance

agreement entered into pursuant to R.S. 17:3139 ~~if the agreement so provides.~~ may retain any funds appropriated or allocated to such college, university, or consortium thereof, excluding those as specified in Subsection C of this Section, which remain unexpended and unobligated at the end of the fiscal year, in accordance with R.S. 17:3139(F)(5)(a)(i) and such funds shall be used at the institution's discretion.

Section 2. The Louisiana State Law Institute is hereby directed to designate Sections 3121 through 3138 of Chapter 24 of Title 17 of the Louisiana Revised Statutes of 1950 as "Part I. General Provisions" and Section 3139 of Chapter 24 of Title 17 of the Louisiana Revised Statutes of 1950 as "Part II. Louisiana Granting Resources and Autonomy for Diplomas Act". The institute generally shall designate each Subsection in R.S. 17:3139 as a Section in Part II of Chapter 24 and make appropriate adjustments to designations and citations throughout.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.