



Office of the President and Chancellor

February 21, 2014

The Honorable James R. "Jim" Fannin, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294
Baton Rouge, LA 70804

Dear Representative Fannin,

In accordance with Act 418 of the 2011 Regular Legislative Session, Louisiana State University & Agricultural and Mechanical College (LSU) seeks approval by the Joint Legislative Committee on the Budget for the High Level Risk Management Autonomy. The Division of Administration has determined LSU possess the requisite operational capacity for the autonomy as evidenced by the attached letter dated December 16, 2013. Subsequent discussions between the Division of Administration and LSU have now concluded and a final decision on an implementation schedule has been reached.

Pursuant to R.S. 17:3139.5(5)(c)(ii)(aa) LSU is finalizing a phased-in-plan of implementation developed in collaboration with the Attorney General and the Division of Administration that will be submitted for review by the Joint Legislative Committee on the Budget.

We respectfully request placement of this matter on the agenda for the March 19, 2014 meeting of the Joint Legislative Committee on the Budget.

Please do not hesitate to contact my office with any questions or requests for additional materials.

Sincerely,

A handwritten signature in black ink, reading "F. King Alexander".

F. King Alexander
LSU President and Chancellor

BOBBY JINDAL
GOVERNOR



KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of the Commissioner

December 16, 2013

Dr. Jim Purcell
Commissioner of Higher Education
1201 N. Third St., Suite 6-200
Baton Rouge, LA 70802

RECEIVED
OFFICE OF
RISK MANAGEMENT
2013 DEC 16 PM 1:40

Re: Capacity Determination for Risk Management Autonomies – LSU at Baton Rouge

Dear Dr. Purcell:

The Division of Administration has completed its review of the application for Risk Management autonomy submitted by LSU at Baton Rouge. Our review has concluded that the University has the operational capacity to perform the risk management function, as defined by Act 418 of the 2011 Regular Session of the Legislature.

Our understanding is that tentative implementation dates have been discussed, but that no final decision has been made in that regard. Once all parties have agreed to a schedule, the Office of Risk Management will provide assistance as needed to ensure the ultimate success of this transition.

If you have any questions or need further information regarding this matter, please contact Bud Thompson at 225-342-6331.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristy H. Nichols".

Kristy H. Nichols
Commissioner of Administration

KHL/pg

cc: Dr. F. King Alexander, Louisiana State University System President
J. S. "Bud" Thompson, Jr., State Risk Director ✓

R.S. 17:3139.5(5)(c)(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.

IMPLEMENTATION PLAN OUTLINE

- A. Background
 - (1) La Grad Act 2.0
 - (2) Operational Capacity
 - (3) BOS Approval/Support
- B. Risk Management Program Overview
 - (1) Overview of Scope and Size of Current Program
 - (2) High-deductible Transition
- C. Timeline
- D. Program Development
 - (1) Claims Management
 - (a) Past
 - (b) Future
 - (2) Coverages
 - (a) Property
 - (b) Workers Compensation
 - (c) Casualty
 - (d) Auto Physical Damage
 - (e) Bonds & Crime
 - (f) Other
 - (3) State Reporting Procedures
- E. Claims Litigation
 - (1) Interagency Agreement with Attorney General
- F. Fiscal Impact Analysis