

**Rules of the Health Education Authority of Louisiana
ACT 112 of the 1968 Regular Session of the Louisiana Legislature
(R.S. 17:3051–3060)**

Article I- Corporate Office

1.01 Domicile and Principal Office

The domicile and principal office of the Health Education Authority of Louisiana (“HEAL” or “Authority”) is located at 300 LaSalle Street, Suite B, New Orleans, Louisiana 70112.

1.02 Registered Office and Agent

HEAL shall have and continuously maintain within the State of Louisiana its registered office located at 300 LaSalle Street, Suite B, New Orleans, Louisiana 70112. The registered agent of HEAL shall be its Executive Director, who is authorized to accept service and legal notices on behalf of the Board of Trustees.

Article II – Board of Trustees

2.01 Membership

HEAL shall be governed by a 13-member Board of Trustees appointed as provided in its enacting legislation, who shall serve without compensation.

2.02 Performance of Duties

HEAL has authority to exercise the functions and carry-out the duties and responsibilities set forth in its enacting legislation and these Rules. HEAL may enter into contracts, make service commitments, make applications for and receive grants and funds, to sue and be sued, and to engage in any other lawful activity that its Board of Trustees deems necessary or proper to carry out the purpose and mission of HEAL. The foregoing is illustrative of only, and all powers and duties of HEAL can be found in LSA R.S. 17:3051, *et seq.* This includes but is not limited to:

- (1) To operate in accordance with a master plan, a cooperative and coordinated multi-institutional complex that will serve to attract, encourage and assist public and private institutions and organizations that are dedicated to exemplary patient care, health science education and biomedical research, as well as organizations providing facilities and/or services deemed appropriate by the authority, to locate and/or operate in a functional geographic relationship with said complex.

- (2) To aid in the development of health care and education programs by the primary and participating institutions and to assist in the coordination of planning and in implementing the attainment of the objectives of such institutions.
- (3) To acquire or assist in the acquisition of land and the planning, acquisition, construction, reconstruction, rehabilitation, improvement and development of facilities in the complex and primary service area for the use of the primary and participating institutions, and the development, acquisition, construction, reconstruction, rehabilitation, improvement and operation of jointly usable facilities for such institutions, and
- (4) To assist in or provide for the financing of any of the above and foregoing activities or facilities in the manner hereinafter authorized.

2.03 Authority to Act

No individual Board member may act on behalf of HEAL without specific authority from HEAL, and no Board member of HEAL shall be held individually responsible for the actions of HEAL. However, the Executive Director is authorized to carry out the policies and directives of the Board of Trustees, and to manage and oversee HEAL's daily operations and activities.

2.04 Resignation

Any member may resign by filing a written resignation submitted to the Secretary of the Board of Trustees or its Executive Director. Notice of the resignation will be forwarded to each remaining member of the Board of Trustees and the Governor or Mayor of New Orleans, depending upon the appointing authority of the resigning member.

2.05 Vacancies

A vacancy occurring on the board for any reason shall be filled in the same manner as the original appointment.

2.06 Conflict of Interest and Ethics laws

2.06.1 No officer or Board member of HEAL shall have any direct financial interest in any contract with HEAL or in any firm which has a contract with HEAL.

2.06.2 No family member of any officer or Board member of HEAL may enter into any contract for services with HEAL.

- 2.06.3 No officer or Board member of HEAL, and no spouse, sibling or direct descendant of any officer or Board member of HEAL may be employed by HEAL.
- 2.06.4 No officer or Board member of HEAL shall participate in any transaction in which he has a personal “substantial economic interest,” as defined in the Louisiana Code of Governmental Ethics, and of which he may be reasonably expected to know involving the governmental entity. Any Board member whose participation in a vote before the Board would violate this part shall recuse himself or herself from voting on the transaction.
- 2.06.5 In addition to and notwithstanding the foregoing, the Louisiana Code of Governmental Ethics shall apply to all officers, Board members and employees of HEAL.

Article III - Meetings

3.01 Regular Meetings

Regular meetings of the Board of Trustees shall be held four times per year, occurring once every three months pursuant to a schedule submitted by the Executive Director and approved by the Board of Trustees in the prior year. The schedule of meetings including date, time, and location shall be published on HEAL’s website after it is approved, and at the beginning of the calendar year. The schedule of regular meetings may be modified and revised as deemed appropriate by a majority of the members of the Board of Trustees. Regular meetings shall occur at the domicile and principle office of HEAL located at 300 LaSalle Street, Suite B, New Orleans, Louisiana 70112. All regular meetings shall be noticed, published, and conducted in strict accordance with the Louisiana Open Meetings Law and these Rules.

3.02 Special Meetings

Special meetings of the Board of Trustees may be called by or at the request of the Chairman or by the Secretary at the request of any two Board members. The authorized person or persons calling a special meeting of the authority may fix the location of the meeting at any place within the parish of Orleans or not more than ten (10) miles from 300 LaSalle Street, Suite B, New Orleans, Louisiana 70112. Special meetings shall be noticed, published, and conducted in strict accordance with the Louisiana Open Meetings Law and these Rules.

3.03 Emergency Meetings

In cases of extraordinary emergency as described in LSA-R.S. 42:17 of the Louisiana Open Meetings law, the Executive Committee of HEAL comprising a

quorum of Board members is authorized to conduct emergency meetings to conduct urgent and time-sensitive business for HEAL as provided under LSA-R.S. 42:17. However, written minutes of the meeting are required and shall be provided to the full Board of Trustees as expeditiously as is reasonable under the circumstances. All interim decisions and resolutions passed by the Executive Committee must be ratified or cancelled by the full Board of Trustees at a regular meeting or a special meeting called for that purpose.

3.04 Notice of Regular Meetings

Notice of regular meetings shall comply with the provisions of LSA-R.S. 42:19. Additionally, written or printed notices stating the agenda, place, day and hour of any meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting by the Executive Director not less than five (5) days in advance of the date listed in the schedule of regular meetings.

3.05 Notice of Special Meetings

Notice of special meetings shall comply with the provisions of LSA-R.S. 42:19. The purpose or purposes for which the meeting is called shall be stated in the notice. Additionally, written or printed notices stating the agenda, place, day and hour of any meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting by the Executive Director not less than five (5) days in advance of the date the special meeting is to occur.

3.06 Notice of Emergency Meetings

Written notice of any emergency meeting of the Board of Trustees or its Executive Committee shall not be required. However, the public body shall give such notice of the meeting as it deems appropriate and circumstances permit. To the extent feasible, notice of an emergency meeting shall be given at least two (2) days in advance by written notice delivered by the same method set forth in 3.05 above, or through electronic correspondence or facsimile.

3.07 Waiver of Notice

Any Board member may waive notice of any meeting. The attendance of a Board member at any meeting shall constitute a waiver of notice of such meetings, except where the Board member attends a meeting for the express purpose of objecting to the transaction of any business.

3.08 Quorum

A quorum shall consist of eight (8) voting members of the Board of Trustees physically present at the meeting. If a quorum is not present at any meeting, a majority of the members present may adjourn the meeting.

3.09 Proxy Voting and Phone Participation Prohibited

On any matter requiring a vote for action by the Board of Trustees, only members physically present at a properly called and noticed meeting that complies with the Louisiana Open Meetings law shall be allowed to vote. No voting by proxy or via telephone participation shall be permitted or counted.

3.10 Conduct of Meetings

All meetings whether regular or special shall be conducted in accordance with Roberts' Rules of Order, except as they may be modified by these Rules.

3.11 Meeting Agenda

At all regular meetings of the Board of Trustees, the Order of Business, unless otherwise transposed by Board action which complies with the provisions of the Louisiana Open Meetings law, shall be as follows:

1. Call to Order and roll call
2. Determination of quorum
3. Approval of minutes of previous meeting
4. Report of Executive Director
5. Report of Officers
6. Report of Standing Committees
7. Report of Special Committees
8. Unfinished business
9. New business
10. Election of Committees or Officers
11. Public comment
12. Adjournment
13. Any change to the agenda requires the unanimous consent of the Board.

3.12 Public Comment

In every meeting of the Board of Trustees or any standing or special committee of the board that is subject to the notice requirements of LSA-R.S. 42:19(A) of the Louisiana Open Meetings law, the public shall be afforded the right to comment before any vote to take action or to otherwise adopt, modify, or rescind any resolution. The Chairperson of the meeting may set the comment period for each individual wishing to comment, which shall not be less than two minutes per speaker. The Chairperson has the authority to maintain order and may cause the removal of any individual whose actions disrupt the orderly conduct of business.

3.13 Closure of Public Meeting

3.13.01 In accordance with the provisions of LSA R.S. 42:16, the Board may hold executive sessions upon an affirmative vote, taken at an open meeting for which notice has been given pursuant to R.S. 42:19, of two-thirds of its constituent members present. An executive session shall be limited to matters allowed to be exempted from discussion at open meetings by R.S. 42:17; however, no final or binding action shall be taken during an executive session. The vote of each member on the question of holding such an executive session and the reason for holding such an executive session shall be recorded and entered into the minutes of the meeting. Nothing in this Section or R.S. 42:17 shall be construed to require that any meeting be closed to the public, nor shall any executive session be used as subterfuge to defeat the purposes of the open meetings law.

3.13.02 Executive sessions may be held concerning personnel matters, negotiations concerning collective bargaining or litigation or other matters specifically listed in LSA R.S. 42:17.

3.13 Written Minutes

The Secretary shall keep written minutes of all meetings of the Authority which shall contain the date, time, and location of the meeting; a recordation of the members present or absent from the meeting; the specific wording or a written copy of any resolutions adopted; a general description of all matters proposed, discussed, decided or tabled; and a record of any vote taken, together with any statement made on the record by any member regarding his vote. The minutes shall be made publicly available for review, inspection and/or copying in accordance with the Louisiana Public Records Law, LSA-R.S. 44:1, *et. seq.*

Article IV – Responsibilities/Duties of HEAL

4.01 Adoption and Amendment of Rules

The Board of Trustees has adopted these Rules of the Authority, which shall be implemented and carried out by the Board, officers and staff of HEAL. The Board may amend the Rules as needed by a majority vote of the members present at any regular meeting or special meeting duly called for that purpose for which there is a quorum of voting members. These Rules have been adopted in accordance with LSA R.S. 17:3054.

4.02 General Policies

The Board of Trustees shall establish all general policies, including personnel, fiscal and bond issuance policies, in furtherance of the purpose and mission of HEAL. Such policies shall include availability of services, location and hours of operations, and audit procedures.

4.03 Administrative Policy

The Board of Trustees has the exclusive right and authority to select and dismiss the Executive Director. The Board shall delegate to the Executive Director those powers it deems necessary and proper to implement its policies and to supervise the operations of the authority. HEAL shall hold the Executive Director accountable for execution of the policies and procedures implemented, and shall evaluate the Executive Director's performance on an annual basis.

4.04 Financial Oversight

The Board of Trustees shall control major resource decisions and shall monitor the financial viability of HEAL through monthly financial statements and reports prepared by or at the direction of the Executive Director demonstrating HEAL's revenue and expenditure projections.

4.05 Compliance with Other Laws

The Board of Trustees shall ensure that HEAL is operated in accordance with all applicable Federal, State and local laws and regulations. These include, but are not limited to, the Louisiana Code of Governmental Ethics, The Louisiana Public Bid Law and Procurement Code, the Louisiana Public Lease law, the Louisiana Open Meetings law, and the Louisiana Public Records law.

4.06 Public Records

The Board of Trustees shall ensure that the records of HEAL are maintained and made available for public inspection in full accordance with the Louisiana Public Records law. All public records for which HEAL is custodian shall be maintained for a period of not less than three years, and shall be made immediately available to any requester of the public if not in active use by HEAL. HEAL shall make every effort to comply with the statutory time periods for public inspection of documents specified in the Louisiana Public Records law. In conformity with LSA-R.S. 44:32, HEAL shall provide copies of public records to individuals so requesting, and may charge fees for copies according to the uniform fee schedule adopted by the commissioner of administration, as provided by LSA-R.S. 39:241.

Article V – Officers

5.01 Officers

The officers of HEAL shall include a Chairperson, Vice-Chairperson, Secretary and Treasurer. HEAL may elect or appoint such other officers as it deems necessary or appropriate.

5.02 Election and Term of Office

Each officer specified in Section 5.01 other than Chairperson, who is selected as described in Section 5.05.1, shall be a member of the Board of Trustees elected by majority vote at which a quorum of the Board is present at the last regular meeting in the preceding calendar year for the officers' term. The term of office for all officers shall be one (1) year commencing in January and ending in December of the same calendar year, with the exception of the Chairperson as provided in Section 5.05.1.

5.03 Removal

Each officer specified in Section 5.01 other than the Chairperson, who is selected as described in Section 5.05.1, may be removed by majority vote at a regular meeting or special meeting called for that purpose at which a quorum of the Board is present.

5.04 Vacancies

A vacancy in any office other than the Chairperson because of death, resignation, removal, disqualification, or otherwise, may be filled in the same manner as outlined in Section 5.02.

5.05 Duties of Officers

5.05.1 Chairperson

The Chairperson shall be designated by the Governor from among the members of the Board of Trustees duly appointed as per LSA-R.S. 17:3054 and shall continue to serve at the pleasure of the Governor without a fixed term. The Chairperson shall preside at all meetings of the Board and may sign letters, reports, or other communication on behalf of the Board. Further, the Chair may perform such other duties as necessary or desirable.

5.05.2 Vice Chairperson

The Vice Chairperson shall be elected by the Board of Trustees from among its members, and shall serve a one-year term. The Vice Chairperson shall preside at meetings of the Authority and perform all duties incumbent upon the Chairperson during the absence or disability of the Chairperson.

5.05.3 Treasurer

The Treasurer shall be elected by the Board of Trustees from among its members, and shall serve a one-year term. The Treasurer shall have supervision over the financial affairs of HEAL and shall review the quarterly financial report listing the revenues and expenditures of HEAL for each prior month.

5.05.4 Secretary

The Secretary shall be elected by the Board of Trustees from among its members, and shall serve a one-year term. The Secretary shall keep the minutes of all meetings, certify all resolutions issued by the Board of Trustees, maintain custody of the Authority seal, and shall execute such documents and perform such other duties as directed by the Authority from time to time.

5.05.5 Executive Director

The Executive Director shall be employed by the Board of Trustees and shall carry out its policies as per LSA-R.S. 17:3053 and Article IV of these Rules. The Executive Director is responsible for the management, oversight and execution of HEAL's daily operations and the resolutions issued by the Board. Additionally, the Executive Director shall oversee the formulation, preparation and periodic revision of the general master plan of the Authority as directed by the Board.

Article VI - Committees

6.01 Standing and Special Committees

The Standing Committees of HEAL shall be the Executive Committee, the Performance Evaluation Committee, the Finance Committee, and the Bond Committee. The Chairperson of the Board of Trustees may appoint such special committees as he or she shall deem necessary. There shall be no restriction as to the number of members appointed to any standing or special committee other than the Executive Committee, whose membership shall be limited to that provided in Section 6.02 below. A majority of the members of each committee shall constitute a quorum.

6.02 Executive Committee

6.02.1 Membership

The Executive Committee shall consist of the Chairperson, Vice Chairperson, Treasurer and Secretary. The Chairperson of the Board of Trustees shall chair the Executive Committee.

6.02.2 Duties

“The Executive Committee shall convene and take action on any matter referred to it by the Board of Trustees and on all matters involving the routine, daily activities and operations of the authority, which may include authorizing procurement of goods and services and approving execution of contracts up to \$50,000.00 in value. Meetings of the Executive Committee shall be called by the Chairperson. The Executive Committee is authorized to take action on behalf of the Board of Trustees in the interim between meetings of the full Board by way of resolution, provided that a copy of the agenda of the meeting of the Executive Committee to consider the action is transmitted and circulated to all members of the Board not less than seven (7) days before the scheduled meeting. Any action of the Executive Committee shall be presented to the full board for ratification at the next meeting of the board.”

6.03 Performance Evaluation Committee

6.03.1 Membership

The Performance Evaluation Committee shall consist of the Chairperson, Vice Chairperson, and any other members whom the Chairperson shall appoint annually, but the committee shall not consist of less than three Board members, inclusive of its Chairperson. A quorum shall consist of a majority of the members of the committee. The Chairperson of the Board of Trustees shall chair the Performance Evaluation Committee.

6.03.2 Duties

The Performance Evaluation Committee shall convene as often as deemed appropriate and necessary to evaluate the performance and efficiency of HEAL programs and staff, to evaluate and recommend appropriate compensation of HEAL employees, and to report the committee’s findings to the Board of Trustees on not less than an annual basis.

6.04 Finance Committee

6.04.1 Membership

The Finance Committee shall consist of the Chairperson, Vice Chairperson, Treasurer and Secretary. The Chairperson of the Board of Trustees shall chair the Finance Committee.

6.04.2 Duties

The Finance Committee shall convene as often as deemed appropriate and necessary to provide oversight and monitor the revenues, expenditures, and financial condition of HEAL, but the Finance Committee shall meet not less than four times and on a quarterly basis during each calendar year, during which the Treasurer shall present monthly financial reports listing the revenues and expenditures of HEAL, and other financial information as might be required by the committee. The Finance Committee shall report the financial condition of HEAL to the Board of Trustees on not less than a semi-annual basis.

6.05 Bond Committee

6.05.1 Membership

The Bond Committee shall consist of the Chairperson and three (3) other members of the Board of Trustees whom the Chairperson shall appoint annually. A quorum shall consist of a majority of the members of the Committee. The Chairperson of the Board of Trustees shall chair the Bond Committee.

6.05.2 Duties

The Bond Committee shall convene and take such action on all matters arising out of the provisions of LSA R.S. 17:3056 subject to full board action and to carry out its stated purposes and duties as follows:

6.05.2.1 Inform the Board

The Committee shall inform the Board concerning current bond proceeds to ensure that bond proceeds are expended only for the purposes set forth in the Bond Covenant.

6.05.2.2 Review of Bond Expenditures

The Committee shall establish a meeting schedule which shall provide for meetings to be conducted at least annually. At such meetings, the Committee shall review expenditure reports provided by the outstanding bond and, if available, the annual performance audit and financial audit prepared by an independent auditor to ensure that (a) bond proceeds are expended only pursuant to Bond Covenant, and (b) no bond proceeds are used for any other operating expenses.

6.05.2.3 Annual Report of Committee

The Committee shall issue a written report on the results of its activities at least once every 2 years. Such report shall be presented to the HEAL Board, in public meeting, and shall include the following: (a) a statement indicating whether HEAL is in compliance with the requirements of General Resolution Providing for the Issuance of Revenue Bonds; and (b) a summary of the Committee's proceedings and activities for the preceding year. The Committee may issue additional written reports as it so determines in order to effectuate its duty to inform the public on the expenditure of bond proceeds.

6.05.2.4 Role of Committee

All written reports shall be a matter of public record and shall be made available on the HEAL's internet website. Pursuant to Bond Covenant, the Committee is charged with overseeing the expenditure of bond proceeds and reviewing and reporting on expenditures after they have been made. HEAL has not charged the committee with responsibility for, and the Committee shall not have oversight with respect to matters beyond the scope of reviewing and reporting on the expenditure bond proceeds. Matters outside the scope of review of the Committee include but are not limited to: (a) Projects financed without bond proceeds, including projects financed through the metropolitan New Orleans and LSU Health – Shreveport & University Health – Shreveport.

Article VII – Indemnification

7.01 Indemnification

7.01.1 HEAL shall indemnify any person who was or is a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Authority) by reason of the fact that the person is or was a member, officer or employee of HEAL, or such member, officer or employee was serving at the request of HEAL as an officer, employee, agent, attorney, trustee, trust, or other enterprise of another business, foreign or non-profit corporation, partnership, joint venture or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection therewith, if the person acted in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the

Authority, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; provided that in case of actions by or in the right of the Authority, the indemnity shall be limited to expenses (including attorney's fees, judgments, fines, costs, penalties, and amounts paid in settlement not exceeding, in the judgment of the Board of Trustees, the estimated expense of litigating the action to conclusion) actually and reasonably incurred in connection with the defense or settlement of such action and no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for negligence or misconduct in the performance of his duty to HEAL unless and only to the extent that all the circumstances of the case, he is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of HEAL and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- 7.01.2 To the extent the indemnity provided in Section 7.01.1 above is less extensive than that permitted by applicable law, the indemnification provided in Section 7.01.1 above shall be made so extensive and shall be deemed identical to the maximum indemnification permitted by applicable law.
- 7.01.3 Entitlement to indemnification hereunder shall be presumed, and HEAL shall have the burden of proof in the making of any determination contrary to such presumption. Unless the person or persons so empowered to make such a contrary determination shall do so within forty-five (45) days after receipt by HEAL of written request for indemnification, the entitlement to indemnification hereunder shall be conclusively established and the person claiming such indemnification shall be conclusively established and the person claiming such indemnification shall be absolutely entitled to such indemnification, absent actual and material fraud. A contrary determination shall be made by the Authority only as authorized in a specific case upon a determination that the standard of conduct upon which HEAL may refuse to provide indemnification hereunder has been met. Such contrary determination shall be made (1) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who are not parties to such action, suit or proceedings, or (2) if such quorum is not obtainable or quorum of disinterested Trustees so directs by independent legal counsel.

- 7.01.4 The indemnification hereunder shall be provided pursuant to the procedure specified above regardless of whether payment of said indemnity may be in advance of the final disposition of the action, suit, or proceeding that is the subject of indemnification.
- 7.01.5 The indemnification and advancement of expenses provided by or granted herein shall not be deemed exclusive of any other rights to which one indemnified or obtaining advancement of expenses is entitled under any Rule, agreement, authorization of the Board of Trustees, regardless of whether Trustees authorizing such indemnification or beneficiaries thereof, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Board member or Officer, and shall inure to the benefit of his heirs and legal representatives.
- 7.01.6 HEAL may procure insurance on behalf of any person who is or was a Trustee or Officer of the Authority, or is or was serving at the request of HEAL as a director, officer, employee or agent of another non-profit, business or foreign corporation, partnership, joint venture or other enterprise, against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such, whether or not the Authority would have the power to indemnify him against such liability under the provisions of this Article or under applicable law.
- 7.01.7 In addition to the foregoing provisions of this Article, and consistent with LSA-R.S. 13:5108.1, HEAL may seek defense and indemnification of any HEAL member, officer or employee against any claim, demand, suit, complaint, or petition seeking damages filed in any court over alleged negligence or other act by the individual, including any demand under any federal statute when the act that forms the basis of the cause of action took place while the individual was engaged in the performance of the duties of the individual's office, employment with HEAL, or engaged in the provision of services on behalf of HEAL through the coverage process provided in LSA-R.S. 13:5108.1.