

FINANCE AND AUDIT COMMITTEE

(Following the Academic Affairs Committee)

Friday, March 26, 2010

J. S. Clark Administration Building – Second Floor

J. S. Clark Administration Building

Southern University and A & M College

Baton Rouge, Louisiana

AGENDA

1. Call to Order
2. Roll Call
3. Adoption of the Agenda
4. Public Comments
5. Action Items
 - A. Authorization for Tuition Increases
 - 1.) 3% Tuition Increase at SUSLA
 - 2.) 5% Tuition Increase at SUNO
 - 3.) 5% Tuition Increase at SUBR
 - 4.) 10% Tuition Increase at SULC
 - B. Authorization for Student Union Fee Increase, SUBR
 - C. Authorization for 5% Residential Housing Fee Increase, SUBR
 - D. Approval of Proposal to Equalize Out-of-State Fees, SULC
 - E. Adoption of Budget Reduction Strategy for FY 2010-2011 and FY 2011-2012
6. Informational Item(s)
 - A. Report on Fiscal Year 2010-2011 Appropriations
7. Other Business
8. Adjournment

MEMBERS

Mr. Myron K. Lawson – Chair; Atty. Warren A. Forstall - Vice Chair; Ms. Raushanah S. Hunter, Atty. Patrick O. Jefferson,
Mr. Darren G. Mire, Atty. Tony M. Clayton - Ex Officio



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Office of the Chancellor

March 11, 2010

Dr. Kassie Freeman, Interim President
Southern University System Office
4th Floor, J. S. Clark Administrative Building
Baton Rouge, La 70813

RE: 3% Mid-Year Tuition Increase (SUSLA)

Dear Dr. Freeman:

This correspondence comes seeking your endorsement to implement a three (3%) percent tuition increase as approved by the Louisiana State Legislature during the most recent Legislative session. If so approved, implementation of the increase would become effective July, 1, 2010.

Further, the funds derived from the increase will serve to buffer the costs associated with mid-year budget reductions and absorb in part the unfunded mandates that to date have not been addressed through the Legislative process.

Indeed, if you find merit in this action, it is also requested that this matter be forwarded to the Southern University Board of Supervisors for their kind consideration.

Thank you in advance for your usual cooperation and advisement.

With warm regards,


Ray L. Belton, Ph.D.
Chancellor

RLB/lw



SOUTHERN UNIVERSITY AT NEW ORLEANS

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New Orleans, LA 70126-0002
(504) 286-5311
FAX (504) 284-5500
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OFFICE OF THE CHANCELLOR

MEMORANDUM

To: Kassie Freeman, Ph.D.
Interim President, Southern University System

From: Victor Ukpole, Ph.D. *VU*
Chancellor

Date: March 16, 2010

Re: Tuition Increase Request

The purpose of this memorandum is to request approval for Southern University at New Orleans to increase tuition by 5% for the term beginning Fall 2010. This increase will allow SUNO to address overall budget reductions and future prospects of an economic decline. Thanks for your consideration.

VU/hec



Office of the Chancellor
P. O. Box 9374
[225] 771-5020
FAX [225] 771-2018

March 12, 2010

Dr. Kassie Freeman, Interim President
Southern University System
J.S. Clark Administration Building
Baton Rouge, LA 70813

Dear Dr. Freeman:

This communication comes to request your approval and the approval of the Southern University Board of Supervisors to implement a 5% tuition increase, effective Fall 2010. Such an increase was authorized during the 2008 Regular Session (House Bill No. 734, Act No. 915).

These funds will be used to assist in offsetting the costs of unfunded mandates (e.g., increases in retirement, group insurance, retiree group insurance, risk management insurance etc.). Should you have questions or desire additional information, please let me know.

Sincerely,

Kofi Lomotey
Chancellor

/kkw



SOUTHERN UNIVERSITY LAW CENTER

261 A.A. LENOIR HALL

POST OFFICE BOX 9294

BATON ROUGE, LOUISIANA 70813-9294

OFFICE OF THE CHANCELLOR
(225) 771 - 2552
FAX (225) 771 - 2174

March 11, 2010

Dr. Kassie Freeman
Interim President
Southern University System
J.S. Clark Administration Bldg., 4th Floor
Baton Rouge, Louisiana 70813

Re: Request Permission to Seek Legislative Approval for Tuition Increase In Excess of Five Percent

Dear Dr. Freeman:

After the mid-year budget cut, it becomes imperative that the Law Center seek additional revenues to maintain the quality legal education that we have been able to provide our students. Having sustained approximately 2 Million Dollars in budget reductions over the past 13 months has seriously affected our staffing, both at the faculty and support staff levels. I am therefore requesting authority from the Board of Supervisors to seek legislative approval to increase our current tuition by 10%, beginning the next academic year. A 10% increase in tuition would raise approximately \$500,000 for an academic year.

I note that, approximately 90% of our students receive financial aid, with an entitlement ceiling of \$21,500, regardless of their credit worthiness. A 10% increase would impact students at approximately \$400 per semester or \$800 per year. We recognize that this may present a burden upon some who may wish to matriculate at our institution, but we also recognize that a law degree is a very valuable commodity and warrants a consideration more appropriate for its value. Again, this is a move toward the right pricing concept that was so prominently discussed during the Tucker Commission hearings.

I, therefore, request your concurrence and that you place this matter on the Southern University System Board of Supervisor's March meeting agenda for their approval and authorization.

Your assistance and cooperation are greatly appreciated.

Sincerely,

Freddie Pitcher, Jr. (Judge Ret.)
Chancellor SULC

Enclosure



Office of the Vice Chancellor
For Student Affairs
(225) 771-3922

March 12, 2010

Dr. Kofi Lomotey
Chancellor
Office of the Chancellor
Baton Rouge Campus

Dear Dr. Lomotey:

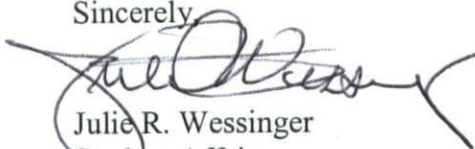
We are requesting that the student union fee be increased from \$30.00 to \$45.00 per semester. We are also requesting that this fee be assessed to all students, except students enrolled in off-campus centers. Currently, the student union fee is not assessed to on campus part-time graduate students. The Smith Brown Memorial Student Union is available to all students. The current fee of \$30.00 has not changed in 21 years.

The Smith Brown Memorial Student Union is a center that provides activities for the Southern University community. It plays an important role in the University's total educational process. The union serves as a centralized service center, provides opportunities for activities and events, and promotes social interaction among members of the Southern University family.

Funds derived from this fee increase will be used to partially offset the costs of unfunded mandates (e.g., increases in retirement, group insurance, retiree group insurance, risk management insurance) maintenance and other operating costs.

Your approval of this request and the approval of the Southern University Board of Supervisors will be greatly appreciated.

Sincerely,



Julie R. Wessinger
Student Affairs

Approval: _____
Kofi Lomotey, Chancellor Southern University Baton Rouge



Office of the Chancellor
P. O. Box 9374
[225] 771-5020
FAX [225] 771-2018

March 12, 2010

Dr. Kassie Freeman, Interim President
Southern University System
J.S. Clark Administration Building
Baton Rouge, LA 70813

Dear Dr. Freeman:

We are requesting that the cost of residential housing be increased by 5%, effective the 2010 Fall Semester. Funds derived from this increase will be used to partially offset the costs of unfunded mandates (e.g., increases in retirement, group insurance, retiree group insurance, risk management insurance), preventive maintenance, debt service and other operating costs.

Your approval of this request and the approval of the Southern University Board of Supervisor will be greatly appreciated.

Sincerely,

Kofi Lomotey
Chancellor

/kkw



SOUTHERN UNIVERSITY LAW CENTER

261 A.A. LENOIR HALL

POST OFFICE BOX 9294

BATON ROUGE, LOUISIANA 70813-9294

OFFICE OF THE CHANCELLOR
(225) 771 - 2552
FAX (225) 771 - 2174

March 8, 2010

Dr. Kassie Freeman
Interim President
Southern University System
J.S. Clark Administration Bldg., 4th Floor
Baton Rouge, Louisiana 70813

Re: Request to Raise Out-of-State Tuition

Dear Dr. Freeman:

The Southern University Law Center currently charges non-resident student an out-of-state tuition in the amount of \$2,300 per semester or \$4,600 per year, which is \$1,000 below the Baton Rouge Campus. When we consider right pricing as was discussed rather prominently during the Tucker Commission hearings, it is quite clear that we should, especially for a professional degree, charge at least the same amount as the Baton Rouge Campus, which is \$5,600 per year. Hence, I request permission to raise the Southern University Law Center out-of-state tuition by \$1,000, beginning the 2010 fall semester. Funds generated from this increase would go a long way toward off-setting our mid-year budget cut.

I ask, therefore, that this request be forwarded to the Southern University System's Board of Supervisors for its approval, authorizing an increase of \$1,000 in the out-of-state tuition for non-resident students, beginning the fall semester of the 2010.

Your support and assistance is always greatly appreciated.

Sincerely,

Freddie Pitcher, Jr. (Judge Ret.)
Chancellor SULC

Enclosure



SOUTHERN UNIVERSITY AND A & M COLLEGE SYSTEM BUDGET REDUCTION STRATEGIES

Submitted to the Board of Supervisors

The Southern University and A&M College System (System) and its member campuses are committed to managing the current and future state budget reductions. In order to meet this commitment, the System must develop and implement budget reduction strategies for the upcoming fiscal year and prepare for the drastic budget cuts predicted for 2012. The 2012 budget cuts are projected to be approximately \$290 million dollars for higher education in Louisiana.

The System recommends the Board of Supervisors approve the following strategies to become effective by July 1, 2010. Given the current political climate (in particular the mandated 30% budget reduction), we recommend expedited approval of the following recommendations. For your review and comparison, please find attached a detailed comparison of our System with other University Systems in Louisiana.

We also request authorization to develop and to implement the changes immediately to demonstrate a proactive commitment to streamlining our System while enhancing our overall quality of service and efficiency. It is imperative that we develop these strategies prior to the 2010 Legislative Session to reassure the Governor's Office, our legislative leaders and key stakeholders of our commitment to this process.

System Office

Centralize Services

- Human Resources
- Information Technology
- Payroll
- Internal Audit
- Institutional Advancement
- Food Services
- Bulk Purchasing (Energy, Technology Products, and Supplies)

Merge Office and Staff Functions

Downsize Staff

- Review Museum staffing
- Downsize overstaffed offices
- Offer retirement incentives to qualified employees

Campuses

Programmatic Review

- Eliminate Unproductive Programs
- Strengthen Signature Programs
- Eliminate Duplicative Services that will be offered at the System level
- Faculty Early-retirement Incentives

Outsource Services (Review and Analysis of Cost Effectiveness)

- Landscaping Services
- Custodial Services/Maintenance

**SUMMARY OF PROJECTED MEANS OF
FINANCING -PER HOUSE BILL NO. 1, 2010**

As of March 12, 2010

State General Fund by:	
Interagency Transfer Revenues	\$ 3,350,479
Fees & Self-generated Revenues	54,610,784
Statutory Dedications:	
Tobacco Tax Health Care Fund	1,000,000
Southern University AgCenter Program Fund	750,000
Pari-Mutuel Live Racing Facility Gaming Control Fund	50,000
Federal Funds	3,379,752
TOTAL MEANS OF FINANCING	\$ 63,141,015

Out of the funds and authorized positions appropriated herein to the Southern University Board of Supervisors, the following amounts shall be allocated to each higher education institution.

Southern University Board of Supervisors- Auth. Pos. 0	\$ 1,169,291
Southern University -Agricultural & Mech. College Auth Pos 0	39,502,630
Southern University -Law Center-Auth. Pos. 0	4,299,865
Southern University -New Orleans-Auth. Pos. 0	7,763,453
Southern University-Shreveport, Louisiana-Auth. Pos. 0	5,276,024
Southern University-Agri. Research & Ext. Ctr.-Auth. Pos. 0	5,129,752
TOTAL MEANS OF FINANCING-ALL INSTITUTIONS	\$ 63,141,015

The amounts below have been transferred to the Board of Regents , pending final distribution as deemed appropriate:

Southern University Board of Supervisors- Auth. Pos. 0	\$ 2,652,890
Southern University -Agricultural & Mech. College Auth Pos 0	46,947,753
Southern University -Law Center-Auth. Pos. 0	6,681,398
Southern University -New Orleans-Auth. Pos. 0	13,710,189
Southern University-Shreveport, Louisiana-Auth. Pos. 0	7,590,938
Southern University-Agri. Research & Ext. Ctr.-Auth. Pos. 0	3,411,053
AMOUNT TRANSFERRED TO BOARD OF REGENTS	\$ 80,994,221

Projected Budgets 2011 as of 3-05-10