



Southern University and A&M College System

BOARD OF REGENTS OPERATING BUDGET REVIEW

September 21, 2016

ENROLLMENT PROJECTIONS FOR FALL 2016 & SPRING 2017 AND COMPARISON TO PREVIOUS YEAR

Campus	Actual Fall 2015	Actual Fall 2016	Increase/ (Decrease)	% Increase/ (Decrease)
SUBR	6,510	6,226	(284)	(4.36)%
SULC	620	556	(64)	(10.3)%
SUNO	2,709	2,420	(289)	(10.7)%
SUSLA	3,222	3,240	18	.05%

Campus	Actual Spring 2016	Projected Spring 2017	Increase/ (Decrease)	% Increase/ (Decrease)
SUBR	5,900	6,000	100	1.69%
SULC	573	544	(29)	(5.1)%
SUNO	2,500	2,500	0	0.00%
SUSLA	3,242	3,200	(42)	(.01)%

FINANCIAL WATCH – CAUSES OF FINANCIAL STRESS

Southern University at Shreveport

- 30.8% reduction in state appropriations since FY 2009
- Failure to pass GRAD Act targets for three consecutive years caused the University to lose the ability to increase tuition and fees as allowed by other colleges and universities
- A related party entity SUSLA Facilities, Inc. is blended into the financial statements for SUSLA
- SUSLA Facilities, Inc. is a nonprofit corporation organized to promote, assist, and benefit the University through acquiring, constructing, developing, renovating, rehabilitating, repairing, managing, and leasing residential, classroom, administrative, and other facilities on campus
- SUSLA Facilities, Inc. has experienced negative net assets over the last five years which caused the universities overall composite score to drop
- Per the bond agreement, the University is not responsible for the debt
- Excluding SUSLA Facilities Inc. financial statements from the calculation the composite score will increase from 1.40 to 1.70
- A preliminary review of the 2015-2016 financial statements revealed that the composite score for FY 2016 will exceed 1.75 even if SUSLA Facilities Inc. financial statements are included

FINANCIAL WATCH – CORRECTIVE ACTION PLAN

Southern University at Shreveport

The university has developed strategies to increase and diversify revenue sources for fiscal year 2016-2017. The strategies consist of the following:

- Continue to increase enrollment
- Continue to develop new marketing strategies
- Increase grant writing efforts to gain additional federal, state, and private funding
- Establish a revenue model for dual enrolled students and reduce faculty costs
- Increase and improve certificate and technical programs
- Establish a plan to offer more summer camps and programs to the community
- Revised fee structure for summer school
- Delay or eliminate the rehiring of non-critical personnel
- Place restrictions on travel, supplies, and operating services
- Implement energy efficiency methodologies

FINANCIAL WATCH – CAUSES OF FINANCIAL STRESS

Southern University at New Orleans

- 55.4% reduction in state appropriations since FY 2009
- 25.7% decline in enrollment since Hurricane Katrina
- Escalating mandated cost
- Ongoing high cost to maintain deteriorated buildings and equipment
- University cost to restore buildings from Hurricane Katrina that were not covered by FEMA
- SUNO housing has operated at a loss since inception due to low occupancy
- University cost to fund major repairs to housing, due to deficient construction which caused major damages and deterioration of the facility
- Major maintenance cost of The Lake Campus modular building due to constant water leaks, water line breakage, and failure of air conditioning systems
- Faulty construction of College of Business building – constructed after Hurricane Katrina. Ongoing roof leaks, causing damage to ceiling tiles throughout the facility

FINANCIAL WATCH – CORRECTIVE ACTION PLAN

Southern University at New Orleans

- Increase Housing occupancy to obtain profitability. SUNO has entered into an agreement with Dillard University to house approximately 80 of their students
- SUNO has obtained the assistance of a management group to recover unreimbursed costs from FEMA
- Reduce personnel costs
- Consider outsourcing major operations (grounds maintenance, custodial services, HVAC operations etc.)
- Review and eliminating academic programs, if necessary
- Reduction of General Fund supported scholarships to students
- Increase emphasis on recruitment and retention efforts
- Reduction of Adjunct Faculty
- Increase class sizes for efficient use of faculty resources
- Restrict overtime to emergency needs only
- Increase auxiliary revenues from facilities rental by utilizing aggressive marketing strategies

CRITICAL FUNDING NEEDS FOR FY 2016-17

Faculty recruitment and hiring to improve ratios:

- All chief academic officers in the Southern University System have been charged to launch an academic prioritization process to be implemented the Spring of 2017 that gives consideration to:
 - Low completer degree programs;
 - Converting temporary and adjunct faculty allocations into permanent and tenure-track positions; and
 - Improving the faculty-student ratios in alignment with accreditation and accountability metrics
- Baton Rouge campus initiated a Nursing Faculty Retention Program to improve the ratios in one of its marquee programs. Best practices dictate a 1:10 student faculty ratio
 - Target was threatened by faculty retirements, regional flooding, and increased staff attrition resulting from noncompetitive salary wages
 - Campus approved a unit-wide salary enhancement structure at the SREB average

CRITICAL FUNDING NEEDS FOR FY 2016-17

Critical Funding Needs:

Description	SUBR	SULC	SUNO	SUSLA	Amount
Faculty and Staff Recruitment and Hiring to improve ratios	\$1,045,688	\$252,000	\$285,000	\$300,000	\$1,597,688

Deferred Maintenance Needs:

Campuses	Amount
SUBR, SULC and SUAREC	\$111,609,000
SUNO	\$12,745,000
SUSLA	\$11,160,754

CRITICAL FUNDING NEEDS FOR FY 2016-17

Roofing Projects:

Campus	Number of Roofing Projects	Amount
SUBR	17	\$5,326,216
SULC	1	\$460,000
SUNO	4	\$1,375,000
SUSLA	6	\$1,195,000

CRITICAL FUNDING NEEDS FOR FY 2016-17

Utilization of Facility Fees / Deferred Maintenance Fees:

Campus	Use	Amount
SUBR	Used to assist in maintaining facilities and for emergency facility projects	\$361,787
SULC	Used to renovate Atrium for improved Student access, repair four (4) restrooms, upgrade lighting in crucial areas of the library, and paved additional parking lots, replaced door locks to secure classrooms and the facility.	\$375,930
SUNO	Used to make frequent repairs to aged equipment and cooling systems that were very costly, but necessary to continue University operations	\$533,116
SUSLA	To support numerous building maintenance and emergency repair projects that are outside the scope of the operational budget	\$70,000

CRITICAL FUNDING NEEDS FOR FY 2016-17

Amount spent on Major Repairs from the Operating/Auxiliary Budgets:

Campus	Total Amount
SUBR	\$724,630
SULC	\$119,640
SUNO	\$121,285
SUSLA	\$0

PROGRESSION OF TEMPORARY BRIDGE

Progress on Temporary Bridge:

- Southern University has included in the 2017-18 Capital Outlay budget a request for a permanent bridge to replace the temporary emergency bridge
- An e-CORTS will be prepared and submitted electronically

ADA COMPLIANCE CONSENT DECREE

Status of the ADA Compliance Consent Decree:

- The System hired an ADA Coordinator
- SUBR completed the self-evaluation in April, 2016 and will complete the transition plan by July 2017
- ADA Remediation to A. W. Mumford Stadium, F.G. Clark Activity Center and T.T. Allain:

The university was awarded in HB-2 during the 2016 legislative session \$6,010,000 in priority 1 and \$10,350,000 in priority 5 to fund ADA Consent Decree projects. A \$6,010,000 line of credit has been approved.

GRAD ACT – SOUTHERN UNIVERSITY SHREVEPORT

Retooling for GRAD-Act Impact:

- Recent GRAD Act challenges have provided a framework for enhancing student matriculation outcomes.
- In the final year of the GRAD Act the SUS will be working with all campuses to improve persistence and completion.
- GRAD Act fund will be allocated to increase student achievement and strengthen institutional effectiveness towards exceeding the GRAD Act targets.
- These improvement and remediation plans contain goals, activities, and deliverables that will be coordinated and implemented by the SUS.

GRAD ACT – SOUTHERN UNIVERSITY BATON ROUGE AND SOUTHERN UNIVERISTY LAW CENTER

Southern University and A&M College (SUBR) and the Southern University Law Center (SULC) plans detail activities that will assist both institutions with exceeding student performance.

SUS has targeted the funding lost by SUBR and SULC towards:

- Strengthening data governance practices across the SUS;
- Strengthening information technology by developing, testing, delivering, monitoring and supporting Information Technology (IT) services for increased student retention and graduation rates across the SUS campuses;
- Investing in the School of Nursing on the Baton Rouge campus; and
- Providing support to students who need financial assistance for increased recruitment and retention.

Thank You

For Your Continued Support



RAY L. BELTON
President - Chancellor

FY 2016-17
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