

LOUISIANA'S POSTSECONDARY EDUCATION SYSTEM



INFORMATIONAL REPORT
PERFORMANCE AUDIT SERVICES
ISSUED SEPTEMBER 14, 2011

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 14, 2011

The Honorable Joel T. Chaisson, II,
President of the Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides information on the five oversight boards within Louisiana's postsecondary education system.

Appendix A contains the scope and methodology of our report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Board of Regents, the Louisiana State University System, the Louisiana Community and Technical College System, the Southern University System, and the University of Louisiana System for their assistance.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/dl

PSE 2011

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE, Legislative Auditor



September 2011

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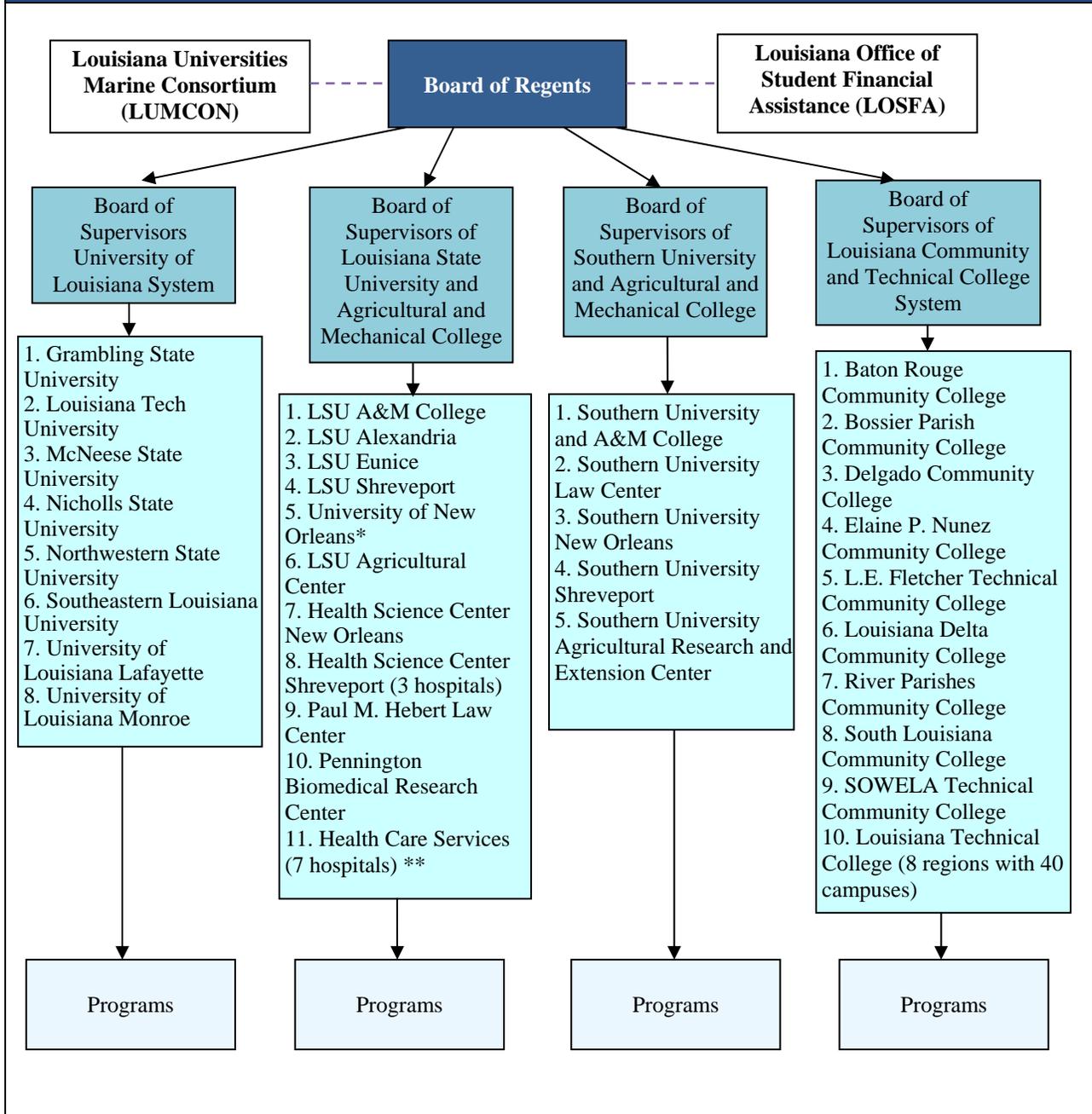
Overview of Louisiana's Postsecondary Education System

Article 8 of the Louisiana Constitution establishes the Board of Regents (BoR), the Louisiana State University (LSU) System, the Louisiana Community and Technical College System (LCTCS), the Southern University (SU) System, and the University of Louisiana System (ULS) and their respective scope and powers. BoR and each of the four university systems are governed by a board and supported by a full-time staff.

BoR's Relationship to the University Systems. BoR is directed to act as a policy-making and coordinating board, while the system boards (or management boards) oversee the day-to-day operations of college campuses. Although statutes provide BOR and management boards similar authorities in some areas such as budget and academic program review, the activities performed at the BoR level consist primarily of final approval and are conducted from a statewide perspective versus a system-specific view. BoR administers the funding formula and sets guidelines for preparing campus budgets, but the management boards have the responsibility of preparing and administering those budgets. BoR determines what academic programs an institution may offer and assesses the quality and need for those programs, but the management boards oversee instructional operations.

Exhibit 1 on the following page illustrates the relationship of the five boards and oversight of institutions and programs administered within the system. The Louisiana Office of Student Financial Assistance (LOSFA) and the Louisiana Universities Marine Consortium (LUMCON) are independent organizations within the postsecondary education system that coordinate with BoR to support postsecondary education. LOSFA administers a number of scholarship and financial aid programs as the administrative arm of the Louisiana Student Financial Assistance Commission and the Louisiana Tuition Trust Authority. LUMCON reports to BoR and coordinates marine research and education.

Exhibit 1
Structure of Louisiana’s Postsecondary Education System



*University of New Orleans will be transferred to ULS with an anticipated effective date of December 2011.

**The executive budget divides the postsecondary education system into Higher Education and Health Care Services; however, Health Care Services is part of the LSU System.

Source: Developed by legislative auditor’s staff using information from the management boards.

Legal Authority of BoR. BoR is charged to plan, coordinate, and exercise budgetary responsibility for all public postsecondary education in Louisiana. BoR also serves as the primary representative of public postsecondary education to the legislature and governor. BoR has the following responsibilities:

1. Formulates and maintains a Master Plan that provides for an equitable funding formula for public postsecondary education and establishes a mission statement for each university system and institution
2. Studies and reports on the feasibility and need for establishing new institutions and/or systems as well as any reorganization of existing institutions and systems
3. Establishes geographic regions of the state to better use resources and increase student access
4. Approves, disapproves, or modifies degree programs, departments of instruction, divisions, or similar subdivisions of all public postsecondary education institutions
5. Submits recommendations to the governor and the legislature for operating budget and for capital construction of and improvements to all institutions of public postsecondary education in the state
6. Adopts appropriate measures, definitions, and program guidelines to implement an accountability process that includes performance measures for institutions and systems, reporting formats, performance-based allocation of funds, and incentives and rewards for high performance
7. Administers LUMCON
8. Performs other duties as provided by law

Legal Authority of University System Management Boards. The four university system boards ("Board of Supervisors") are charged to manage and supervise the business and academic operations of the institutions under their control. For example, some of their authorized oversight activities include the following:

1. Receive and expend/allocate any monies appropriated
2. Determine some student fees
3. Employ and approve salaries for personnel in accordance with BoR's administrative policy guidelines
4. Review and approve curricula and programs of study, subject to final approval by BoR

5. Adopt, amend, and repeal rules and regulations for governing the system, institutions, and students
6. Award certificates and diplomas
7. Develop academic calendars and personnel policies for academic staff

System Size. As stated previously, the system management boards oversee the institutions within their systems. Exhibit 2 provides a summary of each system’s size in terms of students and institutions along with the staff of its board as of Summer 2011.

Exhibit 2 System Size and System Board Staff As of Summer 2011			
System	Institutions	Student Enrollment by Headcount Fall 2010	Management Board Staff by Headcount
BoR	NA	NA	73
LSU*	11	54,869	58
LCTCS**	10	73,403	63
SU	5	14,011	35
ULS	8	82,915	15
*We have counted LSU’s Health Care Services as one institution although it includes 7 hospitals. In addition, the 3 hospitals attached to LSU Health Science Center-Shreveport are not included as separate institutions. **The LCTCS has 10 administrative institutions with 49 campuses or sites statewide. Source: Developed by legislative auditor’s staff based on information from management boards.			

Administrative Organization. We did not identify any legal requirements regarding the organizational structure of these boards. By-laws from each of the boards set out similar committee structures that align with constitutional and statutory responsibilities. Similarly, we did not identify any legal requirements regarding the administrative structure for each board’s support staff (referred to as BoR or system office). There appear to be some similarities in how BoR and the system offices organize basic business operations such as fiscal affairs, human resources, and information technology. However, each organization’s administrative structure varies as a result of unique functions performed and the type and maturity of institutions within their respective systems. The following sections outline the structure, staffing, functions, and budgetary resources for each of the five boards.

Board of Regents

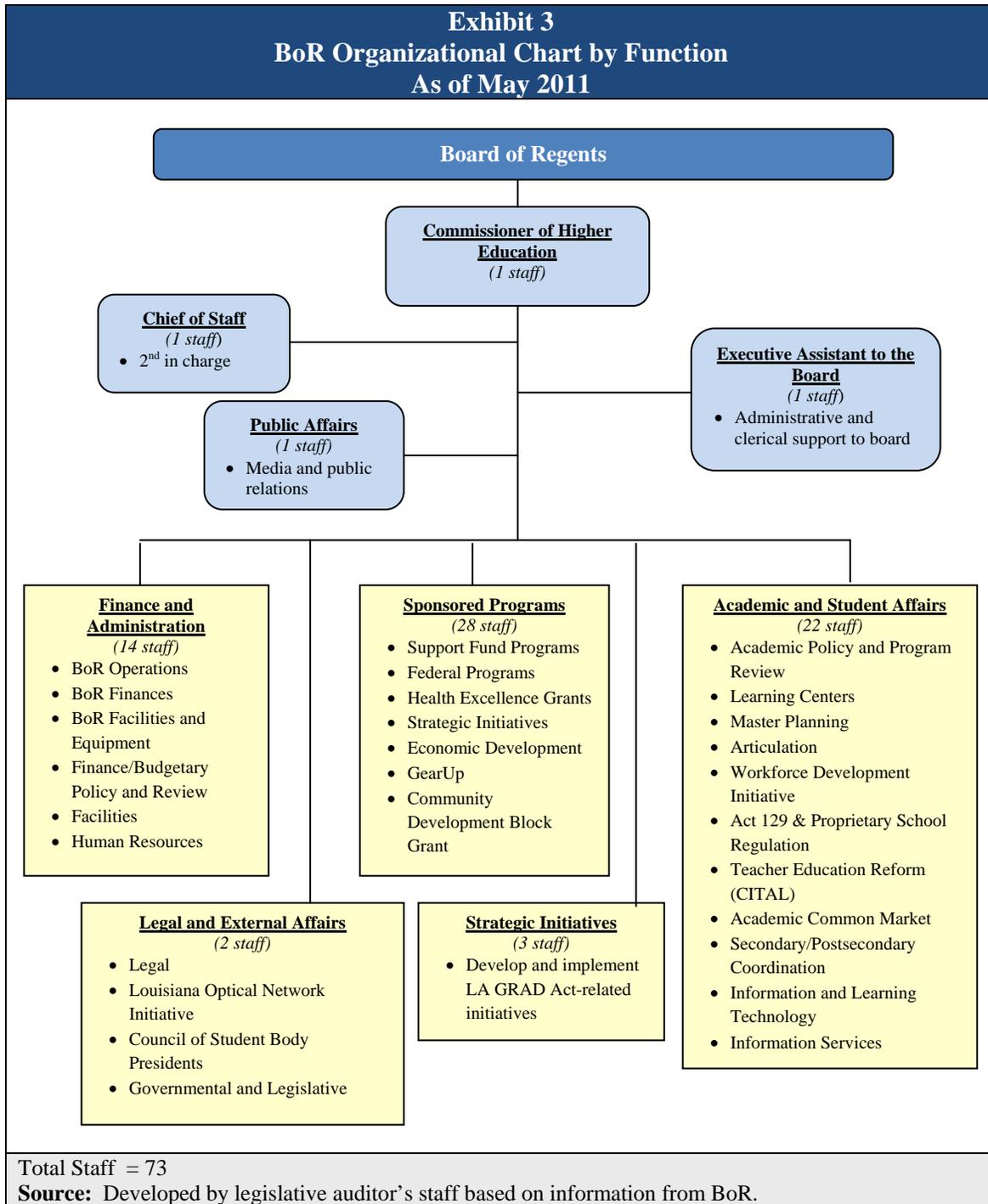
Board of Regents. The management board of BoR is composed of 15 members with two members from each congressional district and one member from the state at large appointed by the governor, with consent of the Senate. Members serve overlapping terms of six years. The board is required to be representative of the state's population by race and gender to ensure diversity. BoR was created by the 1974 Louisiana Constitution to coordinate all public higher education in Louisiana. The board’s policies and decisions are administered by a full-time staff headed by the commissioner of higher education.

BoR Mission Statement
<p>“To plan, coordinate and have budgetary responsibility for all public postsecondary education as constitutionally prescribed in a manner that is effective and efficient, quality driven, and responsive to the needs of citizens, business, industry, and government.”</p>

Staffing and Functions. BoR consists of five divisions with a total of 68 staff members. These divisions handle the day-to-day business operations of BoR in addition to the oversight and administration of education-related programs. BoR staff also provides information and support to committees of the board regarding system and institutional proposals and statewide education initiatives.

A new commissioner of higher education was appointed in February 2011. The new commissioner's vision is for BoR to be the definitive source of information on postsecondary education in the state of Louisiana. He has taken steps to reorganize BoR and realign its staff and functions according to this vision of BoR's role. These changes are currently under implementation.

Exhibit 3 on the following page illustrates BOR’s system office organizational chart as of May 2011. The chart also provides the number of staff for each section of the organizational chart as well as a brief description of each section’s primary functions as reported by BoR staff.



Revenues. Exhibit 4 summarizes revenue sources for BoR over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, BoR's overall revenues decreased by \$68,224,867 or 63%. According to BOR officials, this decrease is mainly due to General Fund reductions over the time period and a reduction in earnings from the Louisiana Quality Education Support Fund. The projection for the Support Fund comes from the Treasury and the Revenue Estimating Conference.

Exhibit 4			
BoR Budgeted Revenues for Fiscal Years 2009-2011			
Revenue Source	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
General Fund	\$48,445,554	\$35,045,236	\$12,393,610
Interagency Transfer	8,549,574	8,812,748	5,546,375
Self-Generated Revenue	1,563,636	1,253,263	540,364
LA Quality Education Support Fund	35,659,558	29,117,651	14,184,673
Higher Education Initiatives Fund	118,000	111,250	0
Proprietary School Fund	65,370	57,878	57,380
Health Excellence Fund	89,115	0	0
Overcollections Fund	1,405,872	0	0
Interim Emergency Board	0	0	0
Federal Funds	12,401,070	12,027,957	7,350,480
Total Revenue	\$108,297,749	\$86,425,983	\$40,072,882
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

Expenditures. Exhibit 5 summarizes expenditures for BoR over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, BOR's overall expenditures decreased by \$68,224,867 or 63%. The largest categorical decrease in this 3-year period occurred in "Other Charges" with a decrease of \$57,670,449 or 66%. The "Other Charges" category consists of several sub-categories including "Miscellaneous Charges," "Other Charges - Professional Services," and "Other Charges - Interagency." According to BOR officials, BOR decreased expenditures by 100% for the following activities and initiatives included in "Other Charges": Aid to Private Institutions program; Louisiana Endowment for the Humanities; Gene Therapy; Teacher Quality and Recruitment; Enrollment Management; Performance Assessment; Evaluation, Planning & Assessment, Energy Research Initiative; Dual Enrollment Initiative; and the Campus Security Initiative. BOR also decreased expenditures in "Other Charges" by more than 50% in the following areas: Louisiana Library Network; Distance Learning; Southern Regional Education Board; and Healthcare Workforce Development.

Exhibit 5			
BoR Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Personnel Services	\$7,280,431	\$7,608,713	\$6,000,612
Salaries	5,713,204	5,969,250	4,516,644
Other Compensation	56,160	52,646	49,367
Related Benefits	1,511,067	1,586,817	1,434,601
Operating Services	3,211,538	3,054,735	2,296,247
Travel	106,037	92,153	55,519
Operating Services	2,997,447	2,884,227	2,207,355
Supplies	108,054	78,355	33,373

Exhibit 5			
BoR Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Other Charges, Debt Service, & Interagency Transfers	\$96,789,904	\$75,138,098	\$31,267,595
Other Charges	87,253,943	71,895,785	29,583,494
Debt Service	0	0	0
Interagency Transfer	9,535,961	3,242,313	1,684,101
Acquisition & Major Repairs	541,577	216,587	43,524
Acquisition	541,577	216,587	43,524
Major Repairs	0	0	0
Professional Services	474,299	407,850	464,904
Total Expenditures	\$108,297,749	\$86,425,983	\$40,072,882
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

LSU System

LSU System Board of Supervisors. The Board of Supervisors for the LSU System is composed of 16 members, including two members from each congressional district, one student member, and one member from the state at large appointed by the governor and approved by the Senate. Members serve overlapping terms of six years. According to LSU’s bylaws, the board was officially created by the 1974 state constitution. According to its bylaws, the LSU System is committed to enhancing the lives of students from a diverse range of backgrounds through academic, health-care, and research institutions which provide accessible and cost-effective education to undergraduate, graduate, and professional school students. LSU System board bylaws set forth the rights, duties, responsibilities and regulations of the board and their officers and staff; which explain in more detail the academic and administrative organization, committees and other policies.

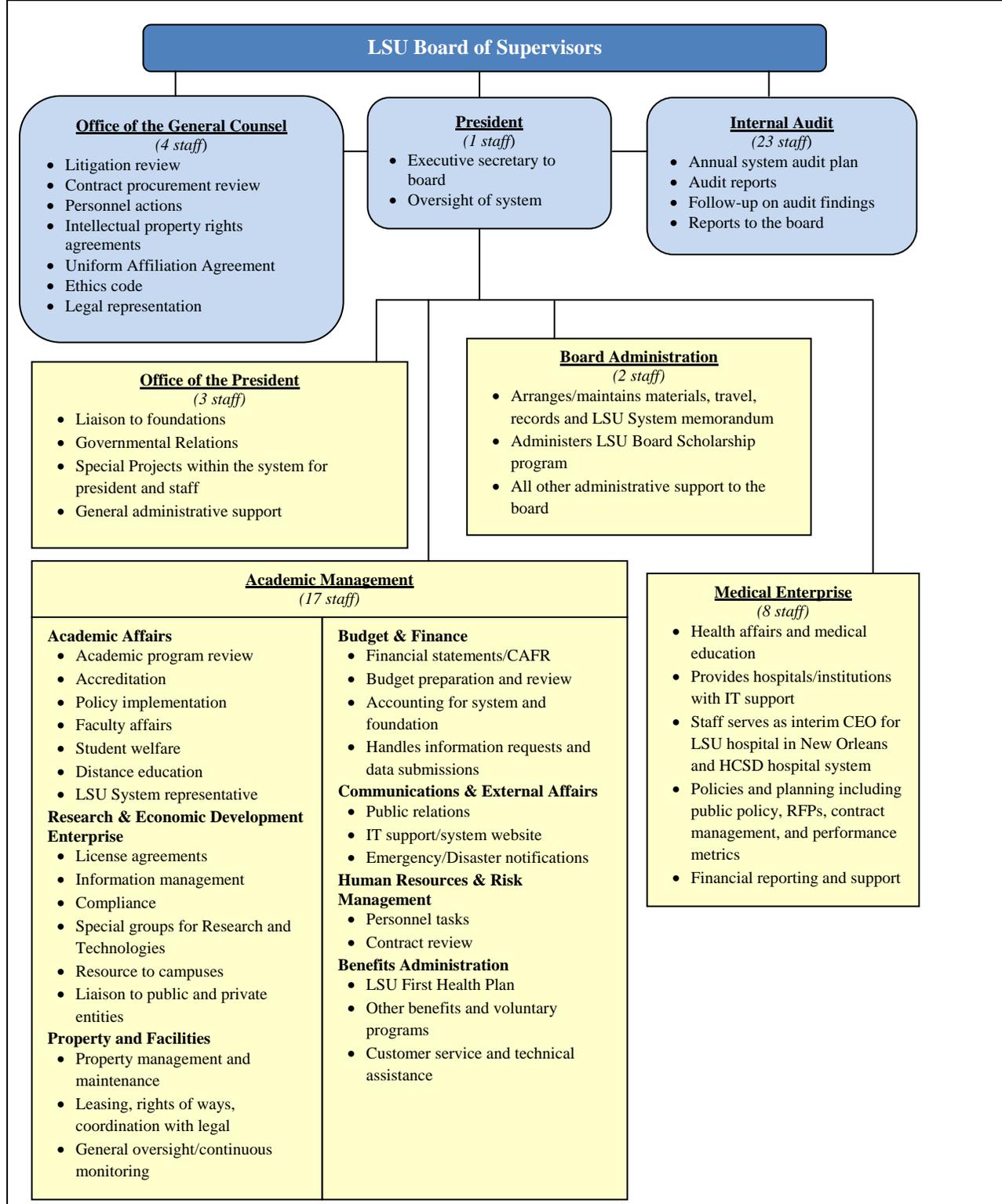
LSU System Mission Statement

“As a mission, the Louisiana State University System fosters first-class learning, the discovery of innovations and the development of Louisiana’s human capital by applying research and scholarship in advancing intellectual, personal and professional growth... In Graduate Medical Education and patient care, the LSU System provides empathetic and exceptional medical treatments through its hospitals and clinics that form the core of the university’s medical teaching, research, scholarship and service.”

LSU System Office Staffing and Functions. The LSU System office consists of six divisions with a total of 58 staff members. The LSU System office serves two main functions. It provides information and support to the LSU Board of Supervisors and provides oversight, guidance, and technical assistance to the institutions within the system. The LSU System office does not generally centralize administrative functions for its institutions. However, there is some degree of coordinated administrative function within the Medical Enterprise unit for healthcare institutions. In addition, the internal audit function for the entire system is centralized at the system office.

The LSU System has some unique characteristics. The Medical Enterprise section oversees 10 hospitals, approximately 500 clinics, and two major academic medical centers located throughout the state. In addition, the LSU System is one of two in the state with an Agricultural Center and Law school. The LSU System also administers the LSU First Health Plan, a special health insurance and benefits plan for its employees, and additional benefits which are voluntary and employee-financed. The LSU System has the largest number of affiliated foundations (23). In addition, the LSU System includes several major research centers. Research projects conducted at these centers often result in patents and license agreements with local or national business for product development. The system office provides centralized administration and support of these license agreements. Exhibit 6 on the following page illustrates the LSU System’s organizational chart as of March 2011. The chart also provides the number of staff for each section of the organizational chart as well as a brief description of each section’s primary functions as reported by LSU System staff.

Exhibit 6
LSU System Organizational Chart by Function
As of March 2011



Total Staff = 58

Source: Developed by legislative auditor’s staff based on information from LSU.

Revenues. Exhibit 7 summarizes revenue sources for the LSU System office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the LSU System's overall revenues decreased by \$5,507,484 or 51%.¹

Exhibit 7			
LSU System Budgeted Revenues for Fiscal Years 2009-2011			
Revenue Source	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
General Fund	\$10,346,604	\$8,410,773	\$5,285,620
Interagency Transfer	0	0	0
Self-Generated Revenue	0	0	0
Overcollections Fund	446,500	1,250,000	0
Interim Emergency Board	0	0	0
Federal Funds	0	0	0
Total Revenue	\$10,793,104	\$9,660,773	\$5,285,620
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

Expenditures. Exhibit 8 summarizes expenditures for the LSU System office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the LSU System's overall expenditures decreased by \$5,844,703 or 55%. The largest categorical decrease in this 3-year period occurred in "Total Interagency Transfer" with a decrease of \$3,842,056 or 84%. The "Total Interagency Transfer" category consists of several sub-categories including "IAT Pass-Through" which contained all monies listed in the "Total Agency Transfer" category. According to the LSU System's staff, during fiscal year 2010 and 2011, the Truancy Assessment and Services Program funding was no longer transferred to LSU A&M. According to the LSU System's office staff, the expenses were incurred at the system office rather than at the campus level, which is the reason for system professional services expenditures increasing from fiscal year 2010 and fiscal year 2011.

Exhibit 8			
LSU System Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Personnel Services	\$3,112,591	\$2,572,585	\$1,648,200
Salaries	2,280,547	2,074,342	1,173,932
Other Compensation	323,075	81,251	111,209
Related Benefits	508,969	416,992	363,059
Operating Services	486,994	2,168,276	522,329
Travel	93,513	77,542	78,857
Operating Services	341,101	2,057,685	418,452
Supplies	52,380	33,049	25,020
Other Charges, Debt Service, & Interagency Transfers	5,380,617	760,234	745,905
Other Charges	799,056	57,198	6,400
Debt Service	0	0	0
Interagency Transfer	4,581,561	703,036	739,505

¹ The LSU System's overall decreases in revenues and expenditures do not match because expenditures reflect an as of date for May 31, 2011.

Exhibit 8			
LSU System Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Acquisition & Major Repairs	\$16,197	\$0	\$0
Acquisition	16,197	0	0
Major Repairs	0	0	0
Professional Services	1,796,705	4,159,678	\$1,991,967
Total Expenditures	\$10,793,104	\$9,660,773	\$4,908,401
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

LCTCS

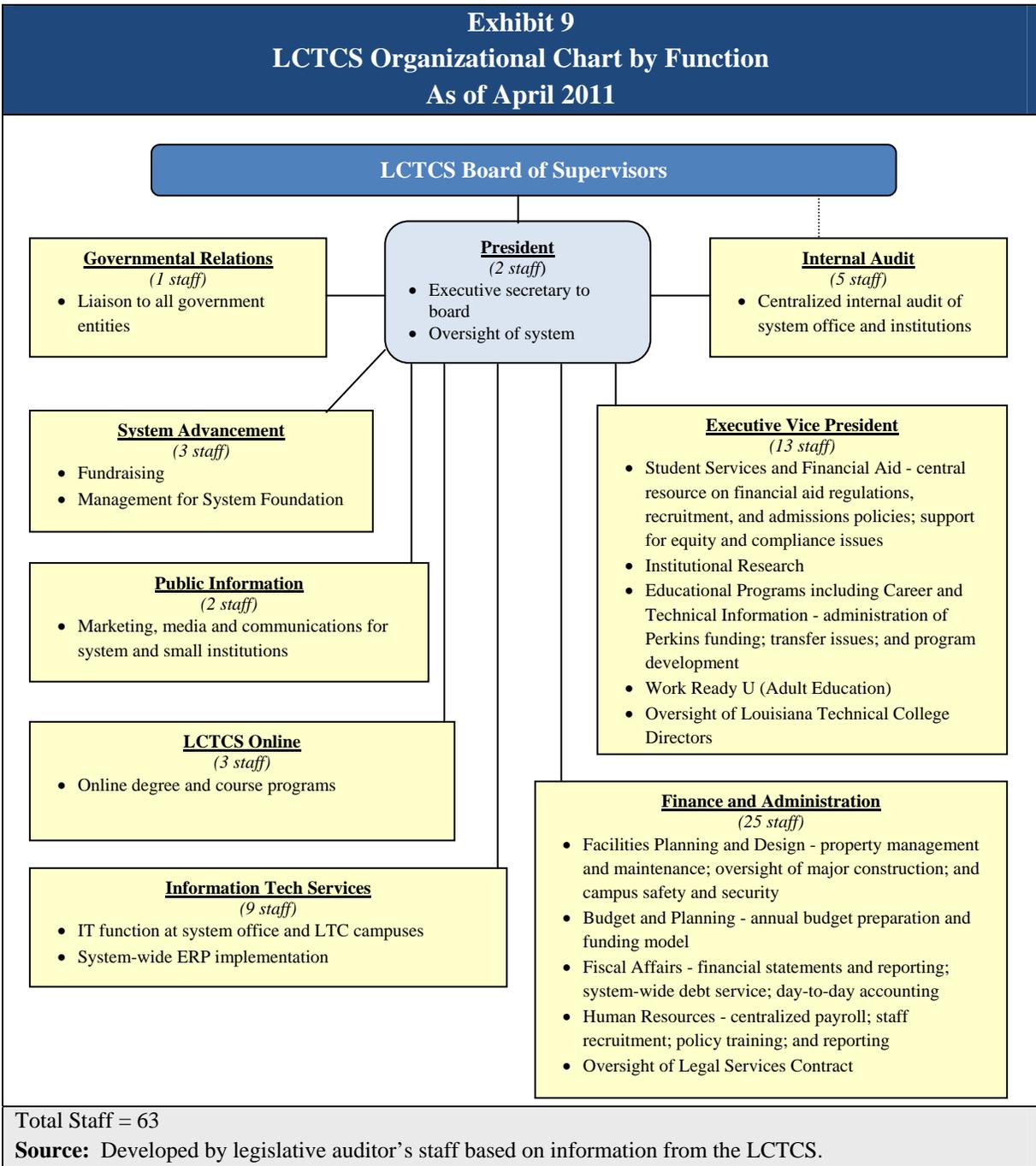
LCTCS Board of Supervisors. The Board of Supervisors for LCTCS is composed of 15 members, plus an additional two student members. Of those 15 members, two are from each congressional district and the remaining members are from the state at large, appointed by the governor and approved by the Senate. The board is required to be representative of the state's population by race and gender to ensure diversity. Members serve terms of six years.

LCTCS Mission Statement
 “The mission of the Louisiana Community and Technical College System is to prepare Louisiana's citizens for improved quality of life, workforce success, and continued learning.”

The LCTCS board was established in 1999 to serve as management board to Louisiana's 2-year public institutions. The LCTCS management board sets forth its rights, duties, and responsibilities within its bylaws, which explain in more detail responsible committees and board policies.

LCTCS Office Staffing and Functions. The LCTCS office consists of eight divisions with 63 total staff members. The LCTCS office serves two functions. It provides information and support to the LCTCS Board of Supervisors and provides oversight, guidance, and technical assistance to the institutions within the system. The LCTCS is unique in that it provides more centralized services to its institutions than the other systems. These centralized services range from business operations such as budget, IT, and HR to curriculum development and course offerings. In addition, it oversees the entire state's Perkins grant from the federal government as well as the Adult Education or “Work Ready U” program. The LCTCS institutions also differ in mission and goals from the other postsecondary education institutions in the state. For example, success in the LCTCS is not just measured by the award of degrees and number of program completers. The LCTCS also considers transfers from 2- to 4-year institutions, workforce entry at quality wages, and community development to be measures of success.

Exhibit 9 on the following page illustrates the LCTCS office organizational chart as of April 2011. The chart also provides the number of staff for each section of the organizational chart as well as a brief description of each section’s primary functions as reported by the LCTCS staff.



Revenues. Exhibit 10 summarizes revenue sources for the LCTCS office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the LCTCS’s overall revenues increased by \$5,539,409 or 38%. The LCTCS staff notes that state and total funding has increased from fiscal year 2010 to fiscal year 2011 because of the transfer of \$3.4 million in state and \$4.6 million in federal funding for Adult Education from the Louisiana Department of Education (LDOE), offset by a \$2.1 million decrease in state funding for board operations. In addition, the LCTCS staff maintains that the majority of its \$20.2 million budget consists of

pass-through funds as a result of the various grants the LCTCS administers on behalf of the entire state such as the Workforce Rapid Response Fund and various federally funded programs such as the Adult Education and Family Literacy Act program.

Exhibit 10			
LCTCS Budgeted Revenues for Fiscal Years 2009-2011			
Revenue Source*	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011**
General Fund (Adult Education and Board Operations)	\$4,536,397	\$4,168,361	\$5,522,657
Interagency Transfer	0	0	0
Self-Generated Revenue	0	0	0
Overcollections (Louisiana Methodist Children's Home) (Pass-Through)	94,778		33,393
Workforce Rapid Response (Pass-Through)	9,981,691	\$10,000,000	10,000,000
Interim Emergency Board	0	0	0
Federal Funds (Adult Education and Literacy Act) (Pass-Through)	0	0	4,596,225
Total Revenue	\$14,612,866	\$14,168,361	\$20,152,275
*Information provided in parentheses is according to the LCTCS staff.			
**Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

Expenditures. Exhibit 11 summarizes expenditures for the LCTCS office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the LCTCS's overall expenditures increased by \$5,311,953 or 36%. The largest categorical increase in this 3-year period occurred in "Other Charges" with an increase of \$6,475,305 or 64%. LCTCS coded this increase under "Aid to Local Governments." According to the LCTCS staff, these expenditures are related to federal Adult Education funding that was recently transferred to the LCTCS from the LDOE and given to local adult education providers throughout the state to provide services to those requiring them.

Exhibit 11			
LCTCS Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Personnel Services	\$3,175,607	\$3,047,876	\$2,317,434
Salaries	2,511,083	2,442,158	1,772,848
Other Compensation	43,548	35,909	37,713
Related Benefits	620,976	569,809	506,873
Operating Services	981,524	715,623	787,311
Travel	166,097	108,913	95,088
Operating Services	741,848	513,887	624,281
Supplies	73,579	92,823	67,942
Other Charges, Debt Service, & Interagency Transfers	10,298,691	10,230,475	16,670,139
Other Charges	10,076,495	10,050,000	16,551,800
Debt Service	0	0	0
Interagency Transfer	222,196	180,475	118,339

Exhibit 11			
LCTCS Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Acquisition & Major Repairs	\$86,781	\$38,756	\$13,128
Acquisition	86,781	38,756	13,128
Major Repairs	0	0	0
Professional Services	70,263	135,631	136,807
Total Expenditures	\$14,612,866	\$14,168,361	\$19,924,819
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

SU System

SU System Board of Supervisors.

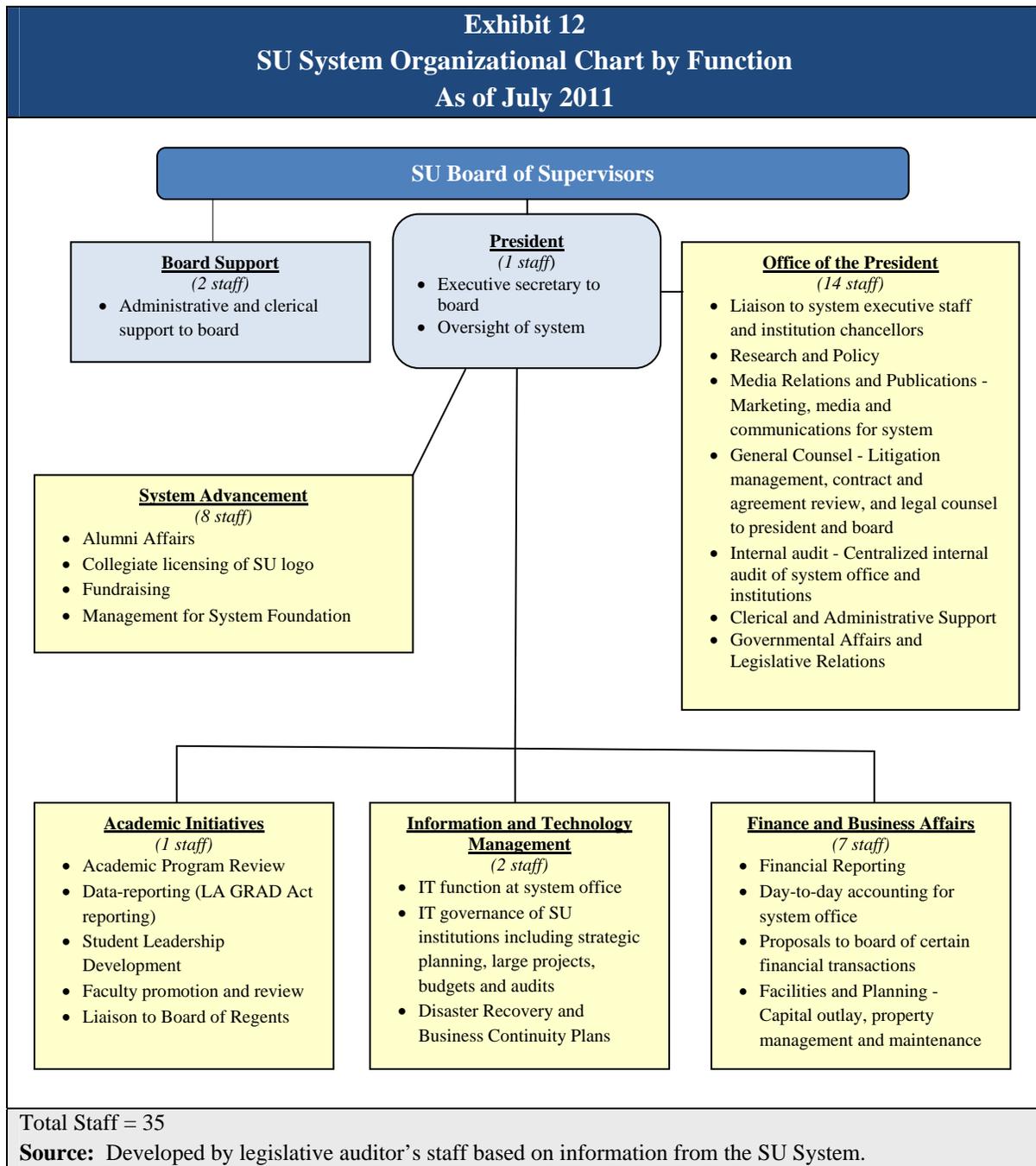
The Board of Supervisors for the SU System is composed of 16 members, including two members from each congressional district, one student member, and one member from the state at large appointed by the governor and approved by the Senate. Members serve overlapping terms of six years. The board was created by the Louisiana State Constitution of 1974. The board is vested with the responsibility via the constitution and Louisiana revised statutes for the management and supervision of the institutions of higher education, statewide agricultural programs and other programs which comprise the SU System. The SU System bylaws detail the rights, duties, and responsibilities of faculty, students, classified and unclassified workers, and principal administrative officers of the administrative system.

SU System Mission Statement

“The Southern University Board of Supervisors shall exercise power necessary to supervise and manage the institutions of postsecondary education under its control, to include receipt and expenditure of all funds appropriated for use of the board and the institutions under its jurisdiction in accordance with the Master Plan, set tuition and attendance fees for both residents and nonresidents, purchase/lease and purchase/construct buildings, purchase equipment, maintain and improve facilities, employ and fix salaries of personnel, review and approve curricula, programs of study, award certificates and confer degrees and issue diplomas, adopt rules and regulations and perform such other functions necessary to the supervision and management of the university system it supervises.”

SU System Office Staffing and Functions. The SU System office consists of six divisions with a total of 35 staff members. The SU System serves two functions. It provides information and support to the Southern Board of Supervisors and provides oversight, guidance, and technical assistance to the institutions within the system. The SU System has recently begun an initiative to centralize back office functions such as HR, financial, business, and IT operations for all institutions within the system office.

Exhibit 12 on the following page illustrates the SU System’s organizational chart as of July 2011. The chart also provides the number of staff for each section of the organizational chart as well as a brief description of each section’s primary functions as reported by the SU System staff.



Revenues. Exhibit 13 summarizes revenue sources for the SU System over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the SU System’s overall revenues decreased by \$4,772 or 0.14%.

Exhibit 13			
SU System Budgeted Revenues for Fiscal Years 2009-2011			
Revenue Source	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
General Fund	\$3,397,225	\$2,702,082	\$2,223,162
Interagency Transfer	0	0	1,169,291
Self-Generated Revenue	0	0	0
Interim Emergency Board	0	0	0
Federal Funds	0	0	0
Total Revenue	\$3,397,225	\$2,702,082	\$3,392,453
*Fiscal year totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

Expenditures. Exhibit 14 summarizes expenditures for the SU System office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the SU System's overall expenditures decreased by \$1,473,687 or 43%. The largest categorical decrease in this 3-year period occurred in "Interagency Transfers" with a decrease of \$1,593,685 or 100%. The SU System coded this decrease under "IAT - Transfer of Funds."

Exhibit 14			
SU System Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
Personnel Services	\$1,658,789	\$1,699,924	\$1,841,901
Salaries	1,577,993	1,594,629	1,467,577
Other Compensation	6,134	2,350	0
Related Benefits	74,662	102,945	374,324
Operating Services	103,318	38,290	81,637
Travel	38,838	5,911	54,082
Operating Services	33,238	23,414	18,186
Supplies	31,242	8,965	9,369
Other Charges, Debt Service, & Interagency Transfers	1,597,229	963,868	0
Other Charges	3,544	3,300	0
Debt Service	0	0	0
Interagency Transfer	1,593,685	960,568	0
Acquisition & Major Repairs	32,889	0	0
Acquisition	32,889	0	0
Major Repairs	0	0	0
Professional Services	5,000	0	0
Total Expenditures	\$3,397,225	\$2,702,082	\$1,923,538
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
Source: Developed by legislative auditor's staff using information from BoR.			

ULS

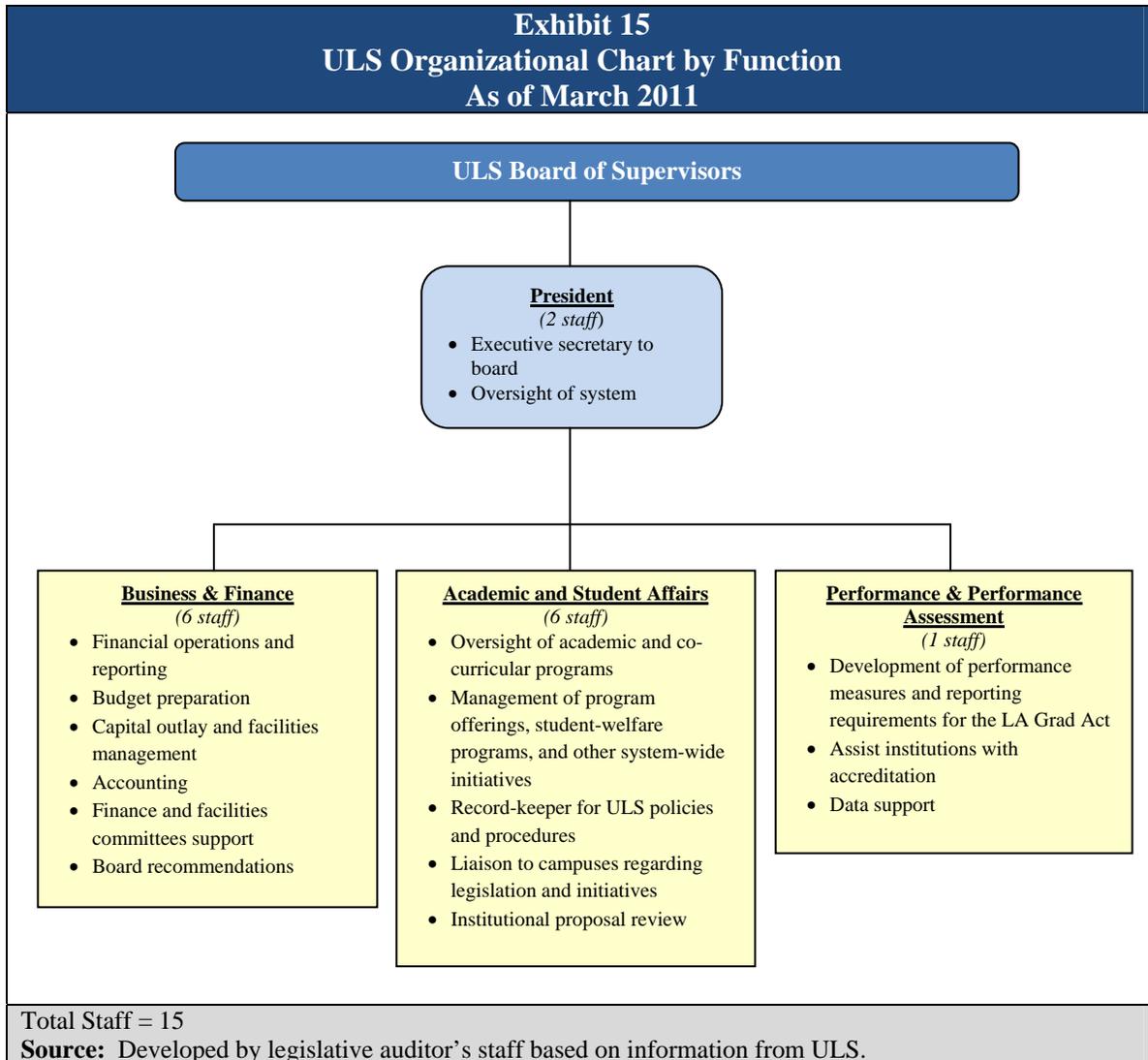
ULS Board of Supervisors. The Board of Supervisors for ULS is composed of 16 members, including two members from each congressional district, one student member, and one member from the state at large appointed by the Governor and approved by the Senate. Members serve overlapping terms of six years. The ULS board was established in 1974 and employs a full-time staff whose responsibility, under the supervision of a president, is to execute and enforce all decisions, orders, rules, and regulations of the board with respect to the conduct of the system. The board of supervisors is mandated to exercise all power to direct, control, supervise and manage the institution of higher learning under its control and to select the presidents of system institutions.

ULS Mission Statement

“To supervise and manage the institutions within the System, as constitutionally prescribed, in order for them to more effectively serve the needs of the citizens of the State.”

ULS System Office Staffing and Functions. The ULS office is composed of three divisions with a total of 15 staff members. The ULS office provides support to the ULS Board of Supervisors by reviewing institutional proposals and making recommendations regarding board actions. Staff also provides board members with administrative support, data, and other research as needed. The ULS provides oversight, guidance, and technical assistance to its institutions regarding financial operations, academic and student programs, and measuring and reporting performance. The ULS is the only system required to maintain its system office location in a different city than any of its institutions. As a result, the ULS office cannot share resources such as IT, HR, and facilities with any of its institutions, as other system offices can.

Exhibit 15 illustrates the ULS office organizational chart as of March 2011. The chart also provides the number of staff for each section of the organizational chart as well as a brief description of each section’s primary functions as reported by the ULS staff.



Revenues. Exhibit 16 summarizes revenue sources for the ULS office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the ULS's overall revenues decreased by \$6,468,696 or 68%.

Exhibit 16
ULS Budgeted Revenues for Fiscal Years 2009 - 2011

Revenue Source	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011*
General Fund	\$9,055,260	\$2,268,169	\$1,171,509
Interagency Transfer	6,964	0	1,756,819
Self-Generated Revenue	489,800	195,672	155,000
Interim Emergency Board	0	0	0
Federal Funds	0	0	0
Total Revenue	\$9,552,024	\$2,463,841	\$3,083,328

*Fiscal year 2011 totals include transactions as of May 31, 2011.
Source: Developed by legislative auditor's staff using information from BoR.

Expenditures. Exhibit 17 summarizes expenditures for the ULS office over the previous three fiscal years. From fiscal year 2009 to fiscal year 2011, the ULS's overall expenditures decreased by \$6,731,854 or 70%. The largest categorical decrease in this 3-year period occurred in "Total Other Charges" with a decrease of \$5,738,987 or 100%. The "Total Other Charges" category consists of several codes including "Aid to Local Governments," "Miscellaneous," and "Interest Expense."

Exhibit 17			
ULS Budgeted Expenditures for Fiscal Years 2009-2011			
Expenditures	Fiscal Year 2009	Fiscal Year 2010**	Fiscal Year 2011*
Personnel Services	\$3,086,850	\$2,635,749	\$2,331,116
Salaries	2,358,642	1,998,084	1,740,069
Other Compensation	50,394	26,640	12,184
Related Benefits	677,814	611,025	578,863
Operating Services	138,582	8,755	57,087
Travel	54,696	(6,025)	22,893
Operating Services	74,633	17,026	27,037
Supplies	9,253	(2,246)	7,157
Other Charges, Debt Service, & Interagency Transfers	6,182,505	(193,680)	372,283
Other Charges	5,738,987	(389,388)	0
Debt Service	0	0	0
Interagency Transfer	443,518	195,708	372,283
Acquisition & Major Repairs	16,341	9,296	1,537
Acquisition	16,341	9,296	1,537
Major Repairs	0	0	0
Professional Services	127,747	3,721	58,148
Total Expenditures	\$9,552,025	\$2,463,841	\$2,820,171
*Fiscal year 2011 totals include transactions as of May 31, 2011.			
** Negative numbers for FY 2009-2010 reflect year-end adjustments.			
Source: Developed by legislative auditor's staff using information from BoR.			

APPENDIX A: INITIATION, SCOPE, AND METHODOLOGY

We have prepared this informational report regarding the oversight of postsecondary education in Louisiana. Because this is an informational report, we did not conduct this project in accordance with all governmental auditing standards.

The oversight entities in postsecondary education include the Board of Regent's (BoR) and the four university systems' management boards [the Louisiana Community and Technical College System (LCTCS) Board of Supervisors, the University of Louisiana System (ULS) Board of Supervisors, the Louisiana State University (LSU) Board of Supervisors, and the Southern University (SU) Board of Supervisors].

Our scope for this report is fiscal years 2009 through 2011. To provide information on these oversight entities, we conducted the following procedures:

- Obtained number of staff for each entity from the Department of State Civil Service (DSCS) Report on State Employment, available online at <http://www.civilservice.la.gov/MIS/ReportOnStateEmployment/ReportOnStateEmployment.asp>
- Interviewed appropriate staff from BoR and each of the four university systems' boards to confirm number of staff and to identify current administrative structures and functions performed by each entity
- Requested budget and staffing information from BoR to determine each entity's current allocation of resources by function/organizational unit
- Reviewed legal statutes, by-laws and other written policy and procedure documents to determine the responsibilities of BoR and each of the four university systems' management boards

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