

ESTIMATED REDUCTIONS BY CAMPUS AS OF 3/5/2016
 FY 2016 OPERATING BUDGET AND SPRING 2016 TOPS SHORTFALL

| Campus | Estimated Spring 2016 Semester | | Estimated Spring 2016 Semester | | Difference | | Current Possible Reduction (as of 3/5/2016) | | Effective State Pct. Reductions (8) |
|-------------------|--------------------------------|------------------|--------------------------------|------------------|------------|---------|---|--------------------------------|-------------------------------------|
| | TOPS Billing | TOPS Payment (1) | TOPS Billing | TOPS Payment (1) | Dollar | Percent | State Grants Fund | Statutory Indefinite Funds (2) | |
| LSU Allin | \$ 49,804,887 | \$ 59,883,910 | \$ - | \$ 9,989,023 | \$ - | 20.0 | \$ - | \$ 759,650 | 15.0 |
| LSU at Alexandria | \$ 1,106,345 | \$ 885,076 | \$ - | \$ 221,269 | \$ - | 20.0 | \$ - | \$ 13,900 | 11.4 |
| LSU at Eunice | \$ 509,073 | \$ 407,258 | \$ - | \$ 101,815 | \$ - | 20.0 | \$ - | \$ 12,958 | 9.4 |
| LSU at Shreveport | \$ 1,788,243 | \$ 1,390,595 | \$ - | \$ 397,648 | \$ - | 20.0 | \$ - | \$ 32,717 | 11.8 |
| HSC - New Orleans | \$ 829,553 | \$ 663,641 | \$ - | \$ 165,910 | \$ - | 20.0 | \$ - | \$ 789,658 | 6.7 |
| HSC - Shreveport | \$ 32,546 | \$ 26,056 | \$ - | \$ 6,490 | \$ - | 20.0 | \$ - | \$ 343,586 | 7.1 |
| TOPS Subtotal | \$ 54,020,645 | \$ 43,216,516 | \$ - | \$ 10,804,129 | \$ - | 20.0 | \$ - | \$ - | - |
| Ag Center | \$ - | \$ - | \$ - | \$ - | \$ - | - | \$ - | \$ 220,596 | 7.2 |
| Pennington | \$ - | \$ - | \$ - | \$ - | \$ - | - | \$ - | \$ 4,679 | 7.4 |
| TOTAL | \$ 54,020,645 | \$ 43,216,516 | \$ - | \$ 10,804,129 | \$ - | - | \$ 27,683,400 | \$ 2,327,854 | 9.6 |

- (1) Source: LOSFA, February 16, 2016
- (2) Reflects JUCS and HB 122 reductions.
- (8) Total cut as percent of FY 2016 total state funding, including stat debt (Existing Operating Budget).

In addition to the direct instructional impact, critical student services such as academic advisement, tutoring, and financial aid counseling would have to be severely curtailed or eliminated which would have a direct impact on at-risk and lower income students in particular.

Critical outreach services provided by LSU campuses across the state such as 4H and fire fighter training will also have to be severely curtailed or eliminated resulting in a statewide impact. In the case of the stat debt reductions to FETI, they will be unable to meet the balance of the year demand for instructor-led fire training courses that have been requested due to changes enacted by the Property Insurance Association of Louisiana. Without these classes, state fire district ratings will fall and homeowner and business property insurance premiums will likely rise, directly hitting the pocketbooks of Louisiana residents.

The loss of faculty will have a direct impact on the research productivity of our campuses and the relative economic impact to our state. LSU campuses generated \$285 million in state-to-federal research in FY 2015, and we estimate that these reductions would result in an approximate \$5.0 million loss of additional research opportunities at the Flagship during the balance of FY 2016 at a minimum.

At least one of our campuses (HSC-Shreveport) projects that they would not be able to make payroll in June.

In addition, the "hidden impact" of the TOPS shortfall that must be absorbed during the balance of FY 2016 will have a disproportionate impact on LSU campuses relative to the other systems given that our students receive the largest proportion of TOPS awards (~91% in Spring 2016) of any system. The impact will be especially felt by the Flagship which will have to absorb \$30 million of the \$54.3 million shortfall.

The current budget situation has also resulted in "collateral damage" with regard to student interest in attending LSU campuses next academic year (2016-17). At the Flagship, student registration in our orientation programs for next fall are down significantly compared to this time last year despite an increase in invitations sent to students (\$ 396 in the case of our orientation program for the next year). We have to assume that the current budget uncertainty for this year and next year are a major contributor to this decline in interest. Also, at least one student has declined admission to the highly competitive doctoral program in physical therapy at HSC-Shreveport. With health care approaching, we are very concerned that many other prospective medical residents will feel similarly and choose other locations for their medical education and training.

Attached for your information is a breakout of the SCS, stat debt, and TOPS shortfall reductions by LSU campus that would have to be absorbed under this current scenario. Again, I need to stress that the impacts summarized above are what would likely happen at a minimum. If this scenario remains unchanged, please let me know if you have any questions.

**SOUTHERN UNIVERSITY A & M COLLEGE SYSTEM
IMPACT OF POTENTIAL REDUCTION OF \$3,990,040
(\$3,668,120 - STATE FUNDING AND \$321,920 - TOPS FUNDING)**

March 4, 2016

Southern University A & M College - Reduction of \$2,160,803 in State Funding and \$303,384 in TOPS Funding.

A mid-year budget reduction of \$2,464,187 would have a dramatic impact on the Baton Rouge campus' baseline operations. The University would be forced to implement the following actions to achieve the reductions:

- Implement a nine (9) day furlough for ALL non-tenured faculty and staff paid over \$30K. The furloughs would be three (3) days each month beginning April 1, 2016. This will impact daily operations and reduce employee morale.
- Reduce the number of courses offered during Summer School. This will impact student's progress toward graduation.
- Reallocate funds previously earmarked for Facilities operations and deferred maintenance that is critical to the University achieving its stated mission.
- Vacant positions that were identified as critical to University operations will not be filled.
- The University will implement a campus-wide spending freeze that will further impede our efforts toward continued accreditation. Vacant positions that were identified as critical to University operations will not be filled.

Southern University Law Center - Reduction of \$332,424 State Funding.

The SU Law Center will address the proposed reduction in its operating budget of \$332,424 by:

- Implementing three (3) furlough days for ALL non-tenured faculty and staff paid over \$30K. The furloughs would be one (1) day each month beginning April 1, 2016. This will impact daily operations and reduce employee morale.
- Not filling two budgeted vacant positions needed for this academic year. The costs reductions realized from total budgeted compensation, including salaries and benefits, would be \$234,356. The two positions, Director of Library Services and Associate Law Librarian, represent the Library's senior management and are critical to its administrative and operational management. These vacancies will impact services provided to students and faculty, including academic and institutional and research.
- Eliminating the summer student training program. The campus' inability to offer this signature program will heavily impact recruitment efforts.

Southern University at New Orleans - Reduction of \$475,502 in State Funds and \$9,003 in TOPS Funding.

The following is in response to the projected state budget cut of **\$484,505** for Southern University at New Orleans.

- Implement three (3) furlough days for ALL non-tenured faculty and staff paid over \$30K. The furlough would be one (1) day each month beginning April 1, 2016. This will impact daily operations.
- Three (3) employees would be laid off beginning April 1 through the end of the fiscal year. The loss of three full-time employees would have a serious impact on the daily operations of the campus and require that other employees perform additional duties without compensation.
- Employee morale will decrease due to additional workloads and reductions in pay.
- Freeze on filling critical budgeted positions. The reduction would have the following impact:
 - Delayed services to students and the public in several critical offices including Student Affairs, Financial Aid, Enrollment Management and Student Success would result in increased waiting periods;
 - Negative impacted on student retention and future enrollment.

Southern University at Shreveport - Reduction of \$446,670 in State Funds and \$9,533 in TOPS Funding.

To address the potential budget reduction of **\$456,203** SUSLA proposes the following budget reduction plan:

- All non-tenured faculty and staff with a salary above \$30K will be furloughed for a total of four (4) days during the period April 1 through June 30, 2016. The impact of the reduction in work hours will be:
 - Delayed services to students and the public in several critical offices including Student Affairs, Financial Aid, Enrollment Management and Student Success would result in increased waiting periods and cause a negative impact on student retention and future enrollment;
 - Employee morale would plummet due to the impact of a reduction in compensation.
- Six budgeted positions in the Student Support Services area will not be filled. Not filling these positions will result in a decline in customer service, more work being placed on current staff, and a decline in employee morale. Services to students will be severely limited.

Southern University Agricultural and Research Center - Reduction of \$193,494 in State Funding.

The proposed reduction of \$193,494 in state funding for FY16 will have dire consequences for the entire programmatic and administrative operations at the SU Ag Center. The specific challenges of the SUAREC are shown below:

- All non-tenured faculty and staff with a salary above \$30K will be furloughed for three (3) days during the period April 1 through June 30, 2016.
- Drastic downsizing and/or eliminating one of its four research programs which has the potential to significantly help improve the economic performance of minority and disadvantaged farmers resulting in:
 - Reduction of one youth extension agents in the Southwest Center for Rural Initiatives (an Extension Satellite site for 10 parishes in Southwest Louisiana) will result in the elimination of more than 20 academic enrichment community-based youth clubs/sites that presently serve thousands at-risk students, annually.
 - Reduction in extension operating services expenses (e.g., farmer assistance and equipment) will require that SUAREC:
 - Cancellation of summer youth enrichment programs such as the State Youth Exposition Program which service approximately 700 students from throughout the State of Louisiana.
- Loss of Federal Funding – Reduction in state funding will result in the loss of Federal Funds that require a 1:1 match.

Southern University System Administration - Reduction of \$59,227 in State Funding.

The proposed reduction of \$59,227 in state funding will impact operational effectiveness of the Board and System Administration. The following actions will be taken by the System Office:

- All non-tenured faculty and staff with a salary above \$30K will be furloughed for three (3) days during the period April 1 through June 30, 2016.
- Reduce the departmental supply and operating services budgets required for daily and Board meeting operations.

University of Louisiana System

Mid-Year Cut March 5, 2016

Grambling State University

This will pose a significant hardship on Grambling State University in this late time within the academic year.

Unfortunately, the University will be forced to make personnel cuts, suspend athletic play for some sports, but most significantly the University will have extreme difficulty meeting its cash flow requirements such as: payroll and student recruitment travel, etc. This is also compounded with the fact that roughly \$300,000 (plus) will not be received as a result of TOPS funding being cut.

Louisiana Tech University

This additional cut would prevent us from hiring faculty/adjuncts for Spring Quarter and reduce or eliminate course offerings in critical areas for courses beginning next week.

The reduced cash flow could prevent the payment of faculty salaries in June for summer school. In addition to affecting summer school operations, the funding for the summer orientation sessions for incoming students and other summer programs could be severely limited which could negatively impact our freshman enrollment for 2016-17.

This cut could also result in furloughs and layoffs of unclassified staff for the remainder of the fiscal year, significantly impacting the services provided to our students and overall university operations for Spring Quarter.

This additional budget reduction would also freeze the recruiting and hiring process of critically needed faculty currently underway for next year and prevent the University from filling essential instructional positions in high demand areas for 2016-17.

McNeese State University

| Description of Reduction | # Positions | Consequences of Reduction to Operations and Students |
|-------------------------------------|--------------------|---|
| Freeze Travel | | Planned professional development will be reduced. |
| Reduce Supplies | | Purchases for needed office supplies will be limited. |
| Reduce Equipment | | Replacement of aged equipment will be delayed. |
| Reduce Operating Services | | Utility expense less than expected. |
| Freeze Instructor/Adjunct positions | 20 | Increase class sizes or reduce number of classes |
| Freeze Unclassified positions | 24 | Increase duties and services will take longer |
| Freeze Classified positions | 32 | Services will take longer |

Nicholls State University

If confronted with a \$2,267,956, the institution could respond in a variety of ways. The table below indicates two of those ways.

It should be noted that these funds are coming from self-generated revenues, that is, our students are paying for the shoring up of the state general fund with their tuition and fees. Nicholls will give back to the state more money than it received in initial distribution on 1 Jul 2015.

| Option | Action | Impact | Details | Risk |
|--------|---|--------------------|--|--|
| 1 | Salary and Benefits/Non Salary Expense Reductions | \$2,267,956 | Stop <u>all</u> hiring actions, purchasing actions, non-core mission (academic) events, activities, professional development, etc. | <ul style="list-style-type: none"> - Delays all student, faculty and staff services, - Terminates faculty & student recruitment, retention and development initiatives - Negative impact on recruiting and retention for 3-5 years - Athletic travel eliminated (potential forfeitures, fines, loss of Div I status) - Creates, accreditation reaffirmation concerns - Jeopardizes ability to meet operations and bond covenant requirements for future fiscal year - Threat to "going concern" |
| | OPTION TOTAL | \$2,267,956 | Subtracted from current year's <u>approved</u> budget | |

| Opt | Action | Impact | Details | Risk |
|-----|-------------------------------|-------------|---|---|
| 2 | Salary and Benefit Reductions | \$2,267,956 | <ul style="list-style-type: none"> - Furloughs starting o/a March 15, 2016 - Curtail maintenance, grounds, custodial work | <ul style="list-style-type: none"> - Curtailment of services provided to essentially all student, faculty and staff - Facility maintenance, custodial, security will be at deplorable levels. State assets in jeopardy. - Spring 2016 Instruction quality in jeopardy - Regional accreditation problematic - Negative impact on recruiting and retention for 3-5 years - University would risk losing students as well as federal Title IV funding - Potential fines for missing deadlines for tax obligations, etc. - Depletes funds to levels of concern to meet operations and bond covenant requirements for FY 2016-17. - Threat to "going concern" |
| | OPTION TOTAL | \$2,267,956 | Subtracted from current year's <u>approved</u> budget | |

Northwestern State University

| Reduction Amount | Description of Reduction | # Positions Reduced | Consequences of Reduction to Operations and Students |
|------------------|-----------------------------------|---------------------|---|
| \$ 450,000.00 | Reduce Athletic Transfer | | Reduction in Reserves |
| \$ 1,005,379.00 | Freeze Hiring on Vacant Positions | | Positions not being filled will negatively affect the ability to serve students, this will affect retention and recruiting. |
| \$ 1,266,232.00 | | | Furlough 207 9-Month Faculty 6 days and 387 other employees 12 days during the next 4 months. This will dramatically and negatively impact services to students and employee's abilities to meet their financial obligations. |

Southeastern Louisiana University

| Reduction Amount | Description of Reduction | # Positions Reduced | Consequences of Reduction to Operations and Students |
|-------------------------|-----------------------------------|----------------------------|--|
| \$ 1,391,555 | Withhold budgeted merit increases | NA | Withhold budgeted merit increases for faculty/staff this fiscal year. Our faculty and staff have not received merit/cost of living pay raises since FY2009, with the exception of classified staff receiving one merit adjustment over this seven year period. In addition, other auxiliary operations will participate including athletics. |
| \$ 2,212,582 | Hiring Freeze | NA | Given the state's fiscal condition, the University has been extremely conservative in filling vacant positions. In an effort to yield additional savings, the University will implement a hiring freeze which further impairs our ability to maintain compliance with accreditation standards and address critical workforce shortages in fields such as information technology. Also, this further limits our ability to address audit findings concerning system access, as segregation of duties and the establishment of greater redundancies requires the hiring of additional staff. In addition, other auxiliary operations will participate including athletics. |
| \$ 175,000 | Expenditure Freeze | NA | We will freeze discretionary spending for items like travel and supplies. Given prior reductions, these amounts are already at minimal levels. In addition, other auxiliary operations will participate including athletics. |
| \$ 167,966 | Layoff | 15 | Layoff approximately 15 classified and unclassified staff members. |
| \$ 612,000 | Employee Furloughs | 789 | Furlough non-tenured faculty as well as both unclassified and classified staff. In addition, other auxiliary operations will participate including athletics. (210 employees) |

| | | |
|---------------------|--|---|
| \$ 4,559,103 | | The above action items represent the very limited number of options available to address a reduction of this magnitude, particularly given the timing of such a significant reduction and actions taken to accommodate prior reductions. Additional programmatic reductions carry significant negative impacts on self-generated revenues, mitigating the potential savings. It should also be noted that all of these budget saving measures will prove detrimental to operations and negatively affect the quality of the delivery of mission-critical services to our students. |
|---------------------|--|---|

University of Louisiana at Lafayette

| Reduction Amount | Description of Reduction | # Positions Reduced | Consequences of Reduction to Operations and Students |
|-------------------------|---------------------------------|----------------------------|--|
| \$ 100,000.00 | Reduce Office Supplies | | Purchases for needed office and educational supplies will be limited. |
| \$ 100,000.00 | Reduce travel | | Travel will be limited |
| \$ 1,626,250.00 | Furloughs | | Furlough unclassified (327) and classified employees (341) paid from the Operating budget on Fridays which is currently a 5 hour day. This represents a 12.5% reduction in salaries of these employees through year-end. |
| \$ 3,500,000.00 | Cut funding to research centers | | Funding for research centers will be removed from the Operating budget. |
| \$ 1,903,541.00 | Freeze positions | 25 | Hiring freeze will be implemented through year end. |

University of Louisiana at Monroe

| Reduction Amount | Description of Reduction | # Positions Reduced | Consequences of Reduction to Operations and Students |
|-------------------------|--|----------------------------|--|
| \$ 1,592,334.00 | Freeze hiring remainder of year | 28 | Loss of instructional classes, potential loss of accreditation |
| \$ 441,083.00 | Reduce Transfer to Athletics | | Athletics programs will be scaled down. This reduction will cause Athletics to operate at a deficit. |
| \$ 866,574.00 | Furlough - 1 day per week remainder of fiscal year | | Grounds maintenance will be skeletal. Buildings will be serviced every other day instead of daily. |

| | | | |
|---------------|---|----|---|
| | | | Reduction of customer service to students/faculty |
| \$ 150,000.00 | Reduction in Travel | | Reduction in Professional development, both faculty and professional staff; Reduction in enhanced training |
| \$ 410,853.00 | Layoff probational staff remainder of fiscal year | 34 | Loss of customer service, loss of support staff for faculty, reduced student accounting services, reduction in plant services |

University of New Orleans

UNO will drain restricted reserves to buy time to determine whether exigency declaration is necessary to cut payroll by this much. We can eliminate some staff, including adjunct professors, without that so may be able to delay that step for a few months when next year's anticipated new lower baseline funding kicks in. But exigency becomes inevitable at some point.