

AGENDA (FIRST AMENDED)

LSU BOARD OF SUPERVISORS MEETING

Board Room, LSU System Building
Baton Rouge, Louisiana

1:00 P.M., FRIDAY, JULY 15, 2011

PUBLIC COMMENTS

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting. For additional information see:

www.lsusystem.edu/boardofsupervisors/publicComments.cfm

INTEGRATED COMMITTEE MEETINGS

<p>I. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE</p>
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Dr. John F. George, Chairman

1. Status report on activities at the LSU Health Sciences Centers and the Health Care Services Division
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<p>II. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE</p>

Mr. Roderick K. "Rod" West, Chairman

1. Preliminary Fall 2011 Enrollment (Written Report Only)
 2. Grad Act 1.0 (Written Report Only)
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**III. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Alvin E. Kimble, Chairman

1. Request by the Administrative Officers of the campuses and hospitals to write-off uncollectible accounts as of June 30, 2011
2. Recommendation to implement the provisions of Act 297 of the 2011 Legislative Session, including increasing tuition and mandatory fees by five percent effective with the 2011 Fall Semester for the dental and medical programs at the Health Science Centers
3. FY 2011-2012 Operating Budget Appropriation Summary (Written Report Only)
4. LSU Agricultural Center Fiscal Status Report

IV. PROPERTY AND FACILITIES COMMITTEE

Mr. Benjamin W. Mount, Chairman

1. Recommendation to approve a Lease Agreement for construction of space to house the Health Care Services Division Central Office and to make a Determination of Acceptable University Purpose
2. Report on 2011-2012 Capital Outlay Bill

V. ATHLETIC COMMITTEE

Mr. Stanley J. Jacobs, Chairman

1. Recommendation to approve amendments to head coaches contracts at LSU A&M:
 - a. Mr. Douglas Shaffer, Co-Head Coach, Men's and Women's Swimming and Diving
 - b. Mr. David Geyer, Co-Head Coach, Men's and Women's Swimming and Diving

2. Recommendation to approve contract with Nikki Caldwell as head coach of the LSU A&M Women's Basketball program
-

**VI. LEGISLATIVE, PUBLIC POLICY, AND INFORMATION
COMMITTEE**

Mr. Anthony G. Falterman, Chairman

1. Report on the 2011 Legislative Session
-

VII. AUDIT COMMITTEE

Mr. Ronald R. Anderson, Chairman

The Audit Committee will meet in the President's Conference Room following the Integrated Committee Meetings and the Board Meeting. The Committee may go into Executive Session in accordance with the provisions of LA. R.S. 42:6.1 A (4)

AGENDA

LSU BOARD OF SUPERVISORS MEETING

(Immediately following the Integrated Committee Meetings)

Friday, July 15, 2011

Mr. James W. Moore, Jr., Chairman

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Introduction of Faculty and Staff Representatives
4. Approval of the Minutes of the Board Meeting held on June 3, 2011
5. Personnel Actions Requiring Board Approval
6. President's Report
7. Report on Activities of the Board of Regents
8. Reports to the Board
 - A. Health Plan Status Report (Written Report Only)
 - B. Quarterly Audit Report
9. Approval of Consent Agenda Items
 - A. Recommendation for a Determination of Acceptable University Purpose for the construction of a Trees and Trails Trailhead Pavilion at the Burden Center
 - B. Recommendation to approve the purchase of property and temporary right of way by the Department of Transportation and Development to allow for the reconstruction of an existing bridge along Highway 10 at Lee Memorial Forest
 - C. Request approval to award a Posthumous degree at Louisiana State University

- D. Request approval to create the Master of Science and Doctor of Philosophy in Plant, Environmental Management and Soil Sciences and terminate the Master of Science and Doctor of Philosophy degrees in Agronomy at Louisiana State University
- E. Request approval of an Exclusive Patent and Know How License between Indigeaux Pharmaceuticals, LLC and LSUHSC in Shreveport

10. Committee Reports

**I. HEALTH CARE AND MEDICAL EDUCATION
COMMITTEE**

Dr. John F. George, Chairman

**II. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT
AND DISTINCTION COMMITTEE**

Mr. Roderick K. "Rod" West, Chairman

**III. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Alvin E. Kimble, Chairman

IV. PROPERTY AND FACILITIES COMMITTEE

Mr. Benjamin W. Mount, Chairman

V. ATHLETIC COMMITTEE

Mr. Stanley J. Jacobs, Chairman

**VI. LEGISLATIVE, PUBLIC POLICY, AND INFORMATION
COMMITTEE**

Mr. Anthony G. "Tony" Falterman, Chairman

11. Chairman's Report

12. Adjournment

If you plan to attend any meeting listed on this notice and need assistance because you are disabled, please notify the Office of the LSU Board of Supervisors at (225) 578-2154 at least 7 days in advance of the meeting.

QUARTERLY SUMMARY REPORT

**Audit Summary for the period of
January 1, 2011, through March 31, 2011**

**LOUISIANA STATE UNIVERSITY SYSTEM
OFFICE OF INTERNAL AUDIT**

LSU SYSTEM

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January 1, 2011, through March 31, 2011

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LSU HEALTH CARE SERVICES DIVISION

Review of Professional Billing – Interim LSU Public Hospital (ILPH)

We conducted this audit to determine the status of corrective action taken by the ILPH management in response to recommendations made by the Office of the Legislative Auditor (OLA) in their report dated 4/7/10. The OLA stated that HCSD management failed to bill and record professional services. Professional billing for the ILPH has been outsourced to Acadiana Computer Systems, Inc. (ACS). Our review indicated internal control weaknesses in the following areas:

1. Insufficient Charge Capture Process
2. Inadequate Provider Enrollment Process.
3. Inadequate Monitoring of the ACS Contract

Management agreed to our recommendations and developed corrective action initiatives to address them

Follow up to Joint Commission’s Facility Services Review - BMC, EKL, LAK, and LJC

The Joint Commission on Accreditation of Healthcare Organizations (Commission) surveyors conduct an accreditation survey to assess the extent an organization complies with applicable Joint Commission International standards. We conducted this audit to determine the status of the hospitals implementation of corrective action plans management developed to address noncompliance with Joint Commission standards. We treated this audit as a follow-up to the Commission’s findings rather than performing an independent assessment for two reasons. First, the Commission’s surveyors have specialized expertise in hospital operations. Secondly, their surveys cover a large range of hospital operations.

The Commission noted deficiencies in the following areas:

- Penetrations in fire-rated wall
- Untested battery-powered lights
- Locked doors in direction of egress
- No Class K-Type Fire Extinguisher
- Security risks in ER patient bathroom
- Untested emergency generator switches
- No self-closing device on a door
- Improper storage of combustible materials

Based on the results of our audit, all the issues noted above have been adequately addressed. We are making no recommendations at this time.

Agreement between Billing and Medical Records for Physicians - Interim LSU Public Hospital (ILPH)

At management’s request, we conducted a review of the process for billing emergency department (ED) claims at the ILPH. The objective was to determine if

ED claims were billed with the admitting physician's name or the attending physician's name.

Our research showed that if the ED claims were billed with the admitting physician's name instead of the attending physician's name, the hospital is not at risk of violating CMS billing guidelines, because the hospital is considered the provider as long as licensed medical professionals treated and cared for the patients. In addition, reimbursements of the hospital's claims were not at risk as long as the medical records support the claims billed.

We concluded that there was no material internal control weakness in billing the attending physician for the hospital's ED claims. Therefore, we are not making any recommendations at this time.

LSU HEALTH SCIENCES CENTER NEW ORLEANS

Export Administration Regulations and Control List

The audit was conducted to address management's concern that LSUHSC-NO was not as cognizant of the Export Control program as identified by the Bureau of Industry and Security as it should be, therefore causing LSUHSC-NO to be at risk of not complying with the federal regulations.

The objective of the audit was to determine if there are adequate controls in place to ensure compliance with Department of Commerce regulations governing Export Controls. The scope included the review of LSUHSC-NO policies and procedures to determine if controls exist that adequately ensure the institution's compliance with the Department of Commerce's export regulations. The scope was limited to the export control requirements within the Department of Commerce.

The report included the following findings and recommendations:

1. Lack of institutional control of the export control program. Our recommendations included developing policies and procedures, training, and inclusion of senior management on oversight bodies. Management agreed to the recommendations and developed corrective action to address each issue.
2. Lack of inventory control over bio-agents. Management developed and instituted corrective action to address the control weaknesses noted in the report. Therefore we did not make specific recommendations in the report.

LSU HEALTH SCIENCES CENTER SHREVEPORT

Federal Grants – Time and Effort Process

The primary purpose of the audit was to determine if documentation was adequate to support personnel effort on a project. The audit testing noted the following exceptions:

1. Time & Effort Certification Reports (Reports) were not sent out to the departments in a timely manner.
2. The Reports were not approved in a timely manner and/or documentation to verify when the reports were approved was not maintained.
3. Business managers were approving the Reports without any documentation to support actual effort incurred on the sponsored project.
4. Five Reports did not agree to the payroll distribution report.
5. Signatures on the Reports were not always legible and three Reports could not be located.

Management provided a corrective action plan which included the preparation of Time and Effort Certification Reports on a quarterly basis and notification of the Vice Chancellor when reports are not returned by the deadline. Management stated that the instructions for the signer are being revised (i.e., if the signer did not perform the work) so that they must attest to the fact that the signer verified the data reported.

Shared Billing Services (SBS) – Clearing Account Follow-up

The primary purpose of the audit was to determine if management had taken corrective action to resolve the findings in the previous audit dated January 11, 2010. Management has resolved three of the findings; however, two findings are repeat findings:

1. Entries to the SBS Clearing Account were not posted timely to the patient's account. There were a total of 130 batches that were over 60 days old, including 86 debit batches for \$32,743 and 44 credit batches for \$141,882.
2. The SBS general ledger clearing account balance was not reconciled to the Tracker System. The balances for the two general ledger clearing accounts were (\$1,158,612) and (\$181,413) and the balance in the Tracker System was \$1,584,240.

Management indicated that it will research payments and/or supporting documentation and call the sending department for more information or return the check to the sender. SBS will develop a common posting reference between the general ledger account and Tracker System.

UNIVERSITY OF NEW ORLEANS

Other Employee Compensation

The audit of "*Other Employee Compensation*," at the University of New Orleans (UNO) identified the following internal control weaknesses and non-compliance with policy:

1. The University does not have adequate policies and procedures for the payment of additional compensation resulting in such compensation being paid to employees in violation of System policy and without proper authorization.

2. The University allocated unallowable added compensation charges to a federal grant.
3. The University does not have controls in place to ensure that overtime is properly recorded in the University's accounting system.
4. The University does not have an appropriate audit trail for personnel action forms in Sharepoint.

Management's response dated April 8, 2011, indicates its concurrence with each of the findings identified above. The corrective action plan included developing a policy to address the payment of additional compensation in the future. Management also agreed to consider for implementation all audit recommendations.

LSU SHREVEPORT

Cash Handling

LSUS received revenues of \$46 million during Fiscal Year 2010 from tuition, fees, appropriations, grants, contracts, auxiliary services and other sources. The objectives of this audit were to determine whether controls in selected areas were in place to mitigate risks of cash receipts not being timely received and deposited, accurately recorded, and otherwise safeguarded. There were internal control weaknesses noted in the Office of Accounting Services, the Bookstore, Food Services and Continuing Education. Management agreed with our findings and presented a corrective plan of action to address the recommendations.

LSU Agricultural Center

Intellectual Property

This audit included an in-depth review of the Ag Center's management of its intellectual property including licensee compliance, management of conflicts of interest, and Ag Center compliance with applicable laws and policies. We reviewed a sample of license agreements which we believe are representative of the entire population of Ag Center agreements. As noted in the audit report, the Ag Center did not have an effective program in place to monitor for licensee compliance with the terms of the agreements including ensuring the proper collection of fees and other amounts due from licensees.

In addition, the transactions between the AgCenter and TransGenRx were reviewed in detail because of the close relationship between the operations of the two entities. It was determined that the Ag Center has not effectively managed the TransGenRx license and related agreements to ensure: a) licensee compliance with the terms of the agreements, b) Ag Center compliance with LSU policy and state laws, and c) that conflicts of interest are appropriately managed.

Management's response indicated that they did not fully agree with all of our findings and recommendations related to TransGenRx. Because the Ag Center has, to this point, not fully committed to take appropriate action and because of the potential for similar situations occurring at other LSU System institutions, we also recommend the implementation of a System-wide policy that would address the types of conflicts of interest noted.

EXTERNAL AUDIT REPORTS

Board of Regents – Student Credit Hours

The Postsecondary Education Audit Department of the Louisiana Board of Regents (BOR) issued reports on audits of the Student Credit Hours (SCH) at various LSU System campuses. The objective of these audits was to verify SCH production reported and to assess the institution's ability to comply with the guidelines and instructions in the BOR SCH Reporting System documentation. The audits included examining on a test basis evidence supporting the SCH data reported by each institution for the Spring 2010 semester. Audits were conducted at the following campuses, with no exceptions noted: Louisiana State University, LSU at Alexandria, LSU at Eunice, LSU at Shreveport, University of New Orleans, and the Paul M. Hebert Law Center.

LSU Health Science Center Shreveport

There have been 60 closed RAC, MIC, OIG, and SURS audits since February 2010. Total amount of payments audited or currently being audited is \$8,290,019 with total amount recouped of \$133,938, or 1.6%.

Board of Regents – National Science Foundation Grants

An audit was conducted by Foxx & Company of four National Science Foundation (NSF) grants for the NSF/BOR. This report, dated April 1, 2011, identified two findings specific to LSU. LSU was invoiced by (the University of Illinois) and paid a subcontractor for services that exceed 20 percent (or \$17,696) of the total budgeted salary line items. (The sub recipient billed for these services without prior approval from the Principal Investigator.) LSU erroneously submitted two invoices to the Louisiana Board of Regents for the State portion of the EPSCoR's Project Director's salary.

Legislative Auditor Financial Statement Audit – LSU System

In its report issued March 9, 2011, the Louisiana Legislative Auditor issued an unqualified opinion on the financial statements of the business-type activities and the aggregate discretely presented component units of the LSU System as of and for the year ended June 30, 2010. The report did note the following compliance deficiencies at various System Institutions:

- Energy Efficiency Contract Contrary to Law at LSU A&M, UNO, HSC-Shreveport, University Medical Center, and Lallie Kemp Regional Medical Center.

Legislative Auditor - NCAA Agreed Upon Procedures at LSU

NCAA Bylaw 6.2.3.1 requires compliance with the provisions of the “National Collegiate Athletic Association Financial Audit Guidelines.” This work is classified by the Legislative Auditor as agreed upon procedures. For the fiscal year ending June 30, 2010, the Legislative Auditor had no findings or reportable conditions.

Legislative Auditor – LSU and Related Campuses Management Letter

The Office of the Legislative Auditor issued its report on February 16, 2011, on LSU A&M and related campuses for the fiscal year ending June 30, 2010, which reported the following findings:

- Energy Efficiency Contract Contrary to Law (3rd consecutive year)
- Inadequate Controls Over Purchasing Within the School of Music

Legislative Auditor – UNO Management Letter

The Office of the Legislative Auditor issued its report on February 16, 2011, on the University of New Orleans for the fiscal year ending June 30, 2010, which reported the following finding:

- Energy Efficiency Contracts Contrary to Law (3rd consecutive year)

Legislative Auditor – LSU Health Sciences Center – New Orleans Management Letter

The Office of the Legislative Auditor issued its report on February 16, 2011, on the LSU Health Sciences Center - New Orleans for the fiscal year ending June 30, 2010, which reported the following finding:

- Weaknesses Over Movable Property Assigned for off-site Use

I. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE

Dr. John F. George, Chair
Dr. Jack A. Andonie, Vice Chair
Mr. Ronald R. Anderson
Mr. R. Blake Chatelain
Mr. Garret "Hank" Danos
Mr. Anthony G. "Tony" Falterman
Mr. Stanley J. Jacobs
Mr. Alvin E. Kimble
Mr. Raymond J. Lasseigne
Mrs. Laura A. Leach
Mr. James W. Moore, Jr.
Mr. Benjamin W. Mount
Mr. Ryan Perkins
Mr. Roderick K. "Rod" West
Mr. Robert "Bobby" Yarborough

AGENDA

1. Status report on activities at the LSU Health Sciences Centers and the Health Care Services Division

II. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION
COMMITTEE

Mr. Roderick K. West, Chair

Dr. Jack A. Andonie

Mr. Garret H. "Hank" Danos

Dr. John F. George

Mrs. Laura A. Leach

Mr. Ryan Perkins

AGENDA

1. Preliminary Fall 2011 Enrollment (Written Report Only)
2. Grad Act 1.0 (Written Report Only)



Office of Academic Affairs Agenda Item #1
PRELIMINARY FALL 2011 ENROLLMENT

(Written Report Only)

To: Members of the Board of Supervisors

Date: July 15, 2011

The following is a fall 2011 preliminary admissions report from each campus that will provide the number of freshmen, transfer and graduate applications, the number of students admitted as well as the number of students that have accepted the campus offer of admission.

We have also provided the final fall 2010 enrollment report that provides an easy comparison relative to the number of applications, the number of students admitted and the number of students enrolled.

The majority of our campuses have rolling admission throughout the summer therefore the indicators will change over the next few months.

As in past years, we will provide a final enrollment report after the 14th fall class day.

Executive Summary

LSU A & M:

- Number of applications from first time freshmen declined from 18,192 (fall 2010) to 14,789 (fall 2011).
- Number of applications to the Honors College declined from 4,270 (fall 2010) to 2,372 (fall 2011). Campus projects first time freshmen enrollment in the Honors College to be 450 students. This is a decrease of 93 freshmen from 542 first time honor students in the final fall 2010 enrollment.
- Campus projects first time freshmen enrollment of 5,200 students. Final fall 2010 enrollment was 5,481 students. This would represent a decline of 281 students from final fall 2010 enrollment for first time freshmen.
- Campus projects new transfer student enrollment to decline by 73 students from final fall 2010 enrollment and a decrease of 18 readmitted students.
- Campus projects new graduate enrollment to decline by 93 students from final fall 2010 enrollment.
- If the campus projections materialize the decline in undergraduate student enrollment equates to around \$2.2 million loss in tuition revenue.

University of New Orleans:

Footnote: Last November 2010, Provost Joe King and Director of Admission Andy Benoit developed and implemented a plan of action to achieve the fall 2011 enrollment targets. Copy of this agreement is attached. The following presents the targets and the campus projected enrollment for each category.

- The fall 2011 enrollment goal for new first time freshmen is 2,000 students. However, the campus projects enrollment for new first time freshmen to be 1,043 students.
- The fall 2011 enrollment goal for new transfer students is 1000 students. However, the campus projects enrollment for transfer students to be 885 students.
- The fall 2011 enrollment goal for new readmit students is 799. However, the campus projects enrollment for readmits to be 512 students.
- Overall UNO new undergraduate enrollment goal for fall 2011 is 3,700 undergraduates. However, the campus projects new undergraduate enrollment to be 2,360 students.
- The fall 2011 enrollment goal for new graduate students is 920. The campus projects enrollment for new graduate students to be 779.

Paul M. Hebert Law Center:

- The number of applications from 1st year law students declined from 1,635 for fall 2010 to 1,459 for fall 2011.
- The number of 1st year law applications in the LSAT cell 151 to 155 declined from 546 for fall 2010 to 408 for fall 2011.
- The number of 1st year law applications in the LSAT cell 156 to 160 increased from 442 for fall 2010 to 480 for fall 2011.
- The number of 1st year law applications in the LSAT cell 161 to 165 declined from 173 for fall 2010 to 138 for fall 2011.
- It would appear the Law Center is on track to enroll a similar size class to fall 2010.

LSU Shreveport:

- Preliminary enrollment data indicates Shreveport is on track to match fall 2010 enrollment levels.

LSU Alexandria:

- Preliminary enrollment data for Alexandria indicates the campus is on track to match enrollment similar to fall 2010.

LSU Eunice:

- Preliminary enrollment data for Eunice indicates the campus is on track to match enrollment similar to fall 2010.

Preliminary Fall 2011 Enrollment Report

University of New Orleans:

University of New Orleans								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Totals
Undergraduate								
First time freshmen BoR Defined								
# of applications	11	132	670	987	591	219	9	3,450
# of admits	1	21	349	824	502	180	7	1,902
# enrolled	1	16	203	479	262	79	3	1,043
Undergraduate first time freshmen Nonresident								
Number of first time freshmen nonresident applications	1	14	108	171	113	63	3	725
Number of first time freshmen nonresidents admitted	0	1	41	96	70	40	2	254
Number of first time freshmen nonresidents enrolled	0	0	17	27	23	11	0	68

University of New Orleans		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2010-11	14 th Day Fall 2011-2012
# of applications	2,293	2,385
# of admits	1,336	1,383
# enrolled	864	885
Transfers enrolled from LA community colleges	249	255
Transfers enrolled from LA 4-year universities.	283	290
Re-Admits		
# of applications	1080	1,162
# of admits	877	930
# enrolled	496	512

University of New Orleans		
Graduate	14 th Day Fall 2010-11	14 th Day Fall 2011-2012
# of Masters applications	1,929	1,754
# admits	1,215	1,105
# enrolled	770	700
# of Doctoral applications	300	338
# admits	117	132
# enrolled	70	79

LSU Eunice:

LSU Eunice								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
# of first time freshmen applications	6	85	267	46	46	5	0	1,071
# of students enrolled	2	28	142	29	29	2	0	420

LSU Alexandria:

LSU Alexandria								
Composite ACT Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen BoR Defined								
# of applications	5	58	224	218	80	10	0	862
# of students admitted	1	19	148	208	76	10	0	637
# of students enrolled	1	7	101	153	50	5	0	374

LSU Alexandria		
Transfers BoR Defined	14 th Day Fall 2010-11	14 th Day Fall 2011-12
# of applications	499	499
# admits	348	348
# enrolled	232	262
Re-Admits		
# of applications	376	376
# of admits	352	352
# enrolled	213	213

LSU Shreveport:

LSU Shreveport								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen BoR Defined								
# of applications	4	24	98	221	99	28	1	475
# of students admitted	0	0	34	145	63	20	1	263
# enrolled	0	0	2	41	24	7	1	75

LSU Shreveport		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2010-11	14 th Day Fall 2011-2012
# of applications	673	632
# of admits	523	247
# enrolled	404	85
Transfers enrolled from LA community colleges	104	21
Transfers enrolled from LA 4-year universities	105	25
Re-Admits		
# of applications	430	180
# of admits	388	127
# enrolled	273	65

LSU Shreveport		
Graduate	14 th Day Fall 2010-11	14 th Day Fall 2011-2012
# of Masters applications	259	199
# of admits	253	196
# enrolled	131	14

LSU A & M Honors College								
ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen defined by BoR								
# of applications		4	37	148	390	1,484	309	2,372
# of admits				1	11	936	281	1,229
# enrolled								
Number of first time freshmen nonresident students enrolled in Honors College								

LSU A & M		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2010--11	14 th Day Fall 2011-2012
# of applications	2,516	2,216
# of admits	1,565	1,076
# enrolled	923	850
Transfers enrolled from LA Community Colleges	241	
Transfer enrolled from LA 4-year universities	294	
Re-Admits		
# of applications	709	491
# of admits	603	285
# enrolled	418	400

LSU A & M		
Graduate/Professional	14 th Day Fall 2010-11	14 th Day Fall 2011-2012
# of graduate applications	4,789	4,658
# of admits	2,123	1,702
# enrolled	1,143	1,050
# of professional applications	674	702
# of admits	87	88
# enrolled	87	88

LSU A & M	New Freshmen Enrollment	Act Composite
2011	5,200 (projected)	25.5 (projected)
2010	5,481	25.5
2009	4,789	25.5
2008	5,141	25.3

Fall 2010 14th Day Enrollment Report

University of New Orleans:

University of New Orleans								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Totals
Undergraduate								
First time freshmen BoR Defined								
# of applications	21	154	617	1019	610	206	8	3476
# of admits	1	25	321	851	518	169	6	1939
# enrolled	1	19	187	495	270	74	1	1066
Undergraduate first time freshmen Nonresident								
Number of first time freshmen nonresident applications	6	35	111	138	124	60	1	755
Number of first time freshmen nonresidents admitted	0	2	44	82	77	38	0	261
Number of first time freshmen nonresidents enrolled	0	1	16	21	23	9	0	70

University of New Orleans		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of applications	2297	2293
# of admits	1393	1336
# enrolled	771	864
Transfers enrolled from LA community colleges	228	249
Transfers enrolled from LA 4-year universities.	290	283
Re-Admits		
# of applications	929	1080
# of admits	792	877
# enrolled	489	496

University of New Orleans	Fall 2009 14th day Enrollment	Fall 2010 14 th Day Enrollment
Undergraduate FTE	9110	8605
Undergraduate Headcount	8638	8284
Dual Enrollment	108	61
Student Credit Hours Undergrad/Grad	131,362	124,455
Graduate Headcount	2978	2931

University of New Orleans	14 th Day Fall 2010
1 st to 2 nd Year Retention First time Full Time Freshmen (Class 2009)	64%

University of New Orleans	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Time Freshmen Headcount		
Male	653	527
Female	606	539
Nonresident Alien	71	23
Hispanic/Latino	80	37
American Indian or Alaska Native	8	3
Asian	90	44
Black or African American	200	88
Native Hawaiian or Other Pacific Islander	1	1
White	680	230
Two or More Races	38	0
Nonreporting	91	640

University of New Orleans	14 th Day Fall 2009-10	14 th Day Fall 2010-11
TOPS Scholarship		
Opportunity	1198	1080
Performance	324	363
Honors	222	233
Tech		
Total	1744	1676

University of New Orleans		
Graduate	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of Masters applications	2171	1929
# admits	1341	1215
# Enrolled	871	770
# of Doctoral applications	301	300
# admits	118	117
# enrolled	80	70

LSU Eunice:

LSU Eunice								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
# of first time freshmen applications	23	118	384	243	71	10	0	1258
# of students enrolled	18	86	283	187	56	6	0	767

LSU Eunice	14 th Day Fall 2010
1 st to 2 nd Year Retention First time Full time Freshmen(Class 2009)	44.1%

LSU Eunice	14 th Day Fall 2009	14 th Day Fall 2010
Undergraduate FTE	2666	2643
Undergraduate Headcount	3332	3431
Dual Enrollment	455	565
Student Credit Hours	31,995	31,718

LSU Eunice	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Time Freshmen Headcount		
Male	313	316
Female	604	531
Nonresident Alien		7
Hispanic/Latino	20	16
American Indian or Alaska Native	3	9
Asian	5	6
Black or African American	248	234
Native Hawaiian or Other Pacific Islander		
White	620	555
Two or More Races	12	13
Nonreporting	8	7

LSU Eunice	14 th Day Fall 2009-10	14 th Day Fall 2010-11
TOPS Scholarship		
Opportunity	270	271
Performance	116	91
Honors	30	30
Tech	23	25
Total	439	417

LSU Alexandria:

LSU Alexandria								
Composite ACT Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen BoR Defined								
# of applications	5	58	224	218	80	10	0	862
# of students admitted	1	19	148	208	76	10	0	637
# of students enrolled	1	7	101	153	50	5	0	374

LSU Alexandria		
	14 th Day Fall 2009-10	14 th Day Fall 2010-11
Transfers BoR Defined		
# of applications	370	499
# admits	283	348
# enrolled	201	232
Re-Admits		
# of applications	322	376
# of admits	307	352
# enrolled	206	213

LSU Alexandria	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Undergraduate FTE	2209	2229
Undergraduate Headcount	2675	2667
Dual Enrollment	352	328
Student Credit Hours	26,505	26,743

LSU Alexandria	14 th Day Fall 2010
1 st to 2 nd Year Retention First time Full Time Freshmen(Class 2009)	59%

LSU Alexandria	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Time Freshmen Headcount		
Male	112	138
Female	264	236
Nonresident Alien	2	0
Hispanic/Latino	4	7
American Indian or Alaska Native	6	4
Asian	4	3
Black or African American	48	50
Native Hawaiian or Other Pacific Islander		0
White	302	303
Two or More Races		3
Nonreporting	10	4

LSU Alexandria	14 th Day Fall 2009-10	14 th Day Fall 2010-11
TOPS Scholarship		
Opportunity	225	241
Performance	80	95
Honors	23	23
Tech		
Total	328	359

LSU Shreveport:

LSU Shreveport								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen BoR Defined								
# of applications	3	14	102	223	105	32	1	480
# of students admitted	0	5	80	214	101	32	1	433
# enrolled	0	5	50	156	66	25	1	303

LSU Shreveport		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of applications	916	673
# of admits	704	523
# enrolled	546	404
Transfers enrolled from LA community colleges	124	104
Transfers enrolled from LA 4-year universities	69	105
Re-Admits		
# of applications	457	430
# of admits	430	388
# enrolled	315	273

LSU Shreveport	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Undergraduate FTE	2938	2780
Undergraduate Headcount	4220	4058
Dual Enrollment	590	590
Student Credit Hours Undergrad/Grad	46,954	44,487
Graduate Student Headcount	447	446

LSU Shreveport	14 th Day Fall 2010
1 st to 2 nd Year Retention First time Full Time Freshmen(Class 2009)	68.5%

LSU Shreveport	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Time Freshmen Headcount		
Male	179	146
Female	234	199
Nonresident Alien	4	8
Hispanic/Latino	12	14
American Indian or Alaska Native	7	6
Asian	9	8
Black or African American	81	66
Native Hawaiian or Other Pacific Islander		1
White	257	224
Two or More Races		
Nonreporting	43	13

LSU Shreveport	14 th Day Fall 2009-10	14 th Day Fall 2010-11
TOPS Scholarship		
Opportunity	431	407
Performance	183	164
Honors	95	105
Tech		
Total	709	676

LSU Shreveport		
Graduate	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of Masters applications	285	259
# of admits	278	253
# enrolled	159	131

Paul M. Hebert Law Center:

Paul M. Hebert Law Center								
LSAT Score Range	Less than 140	141 to 150	151 to 155	156 to 160	161 to 165	166-170	171 to 180	Total
# of 1 st year Law applications	55	372	546	442	173	41	6	1635
# of admits	0	35	86	265	145	36	6	573
# enrolled	0	18	48	105	45	5	3	224
Transfers								
# of transfer applications	0	8	9	4	2	0	0	23
# of admits	0	1	4	2	1	0	0	8
# enrolled	0	1	2	1	1	0	0	5

Paul M. Hebert Law Center	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Year Law Students		
Male	139	135
Female	96	89
Nonresident Alien	2	3
Hispanic/Latino	13	10
American Indian or Alaska Native	4	2
Asian	10	5
Black or African American	11	30
Native Hawaiian or Other Pacific Islander		
White	169	164
Two or More Races	2	3
Nonreporting	24	7

LSU A & M:

LSU A & M								
Composite ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
Undergraduate/First Time Freshmen/Fall 2009								
First time freshmen BoR Defined								
# of applications	35	266	1358	4646	5747	3665	446	18,192
# admits	0	6	176	3450	5389	3594	442	13,136
# enrolled	0	5	74	1628	2139	1459	122	5,481
Number of nonresident first time freshmen BoR defined student applications	31	220	1057	2333	2995	1981	226	10,609
Number of nonresident student admitted	0	5	109	1592	2752	1918	222	6,666
Number of nonresident students enrolled	0	5	34	317	475	482	37	1,400

LSU A & M Honors College								
ACT Score Range	01-12	13-15	16-19	20-23	24-27	28-32	33-36	Total
First time freshmen defined by BoR								
# of applications	6	37	163	441	1019	2174	430	4270
# of admits					6	1208	412	1626
# enrolled					6	437	99	542
Number of first time freshmen nonresident students enrolled in Honors College						148	33	181

LSU A & M		
Undergraduate		
Transfers BoR Defined	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of applications	2208	2516
# of admits	1352	1565
# enrolled	911	923
Transfers enrolled from LA Community Colleges	261	241
Transfer enrolled from LA 4-year universities	296	294
Re-Admits		
# of applications	722	709
# of admits	572	603
# enrolled	428	418

LSU A & M	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Undergraduate FTE	21,833	22,428
Undergraduate Headcount	23,017	23,686
Dual Enrollment	10	166
Student Credit Hours	377,396	388,288
Graduate Student Headcount	4614	4710
Professional	361	375

LSU A & M	14 th Day Fall 2010
1 st to 2 nd Year Retention First Time Full Time Freshmen(Class 2009)	84.1

LSU A & M	14 th Day Enrollment Fall 2009	14 th Day Enrollment Fall 2010
Diversity-First Time Freshmen Headcount		
Male	2269	2575
Female	2520	2906
Nonresident Alien	82	84
Hispanic/Latino	185	243
American Indian or Alaska Native	18	18
Asian	143	160
Black or African American	391	570
Native Hawaiian or Other Pacific Islander	1	3
White	3795	4258
Two or More Races	92	129
Nonreporting	82	16

LSU A & M	14 th Day Fall 2009-10	14 th Day Fall 2010-11
TOPS Scholarship		
Opportunity	5487	5241
Performance	2821	2915
Honors	3348	3553
Tech		
Total	11,656	11,709

LSU A & M		
Graduate/Professional	14 th Day Fall 2009-10	14 th Day Fall 2010-2011
# of graduate applications	4496	4789
# of admits	1981	2123
# enrolled	1108	1143
# of professional applications	642	674
# of admits	87	87
# enrolled	87	87

LSU A & M	New Freshmen Enrollment	ACT Composite
2010	5,481	25.5
2009	4,789	25.5
2008	5,141	25.3

To: Dr. Joe King Provost UNO

Andy Benoit Director of Admissions UNO

From: Mike Gargano LSU System

Date: November 1, 2010

Re: University of New Orleans Enrollment Goals for Spring 2011 and Fall 2011

After a series of meetings, the University of New Orleans has agreed upon the following undergraduate enrollment goals for Spring 2011 and Fall 2011.

Spring 2011:

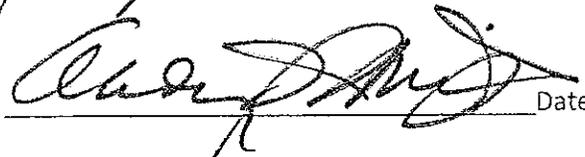
Component	Spring 2010 Total	Spring 2011 Total
First Time Full Time Freshmen	120	200
Transfer Students with Associate Degree	23	35
Transfer Students without Associate Degree	466	765
Re-Admissions	494	540
Total	1,103	1,540

Fall 2011:

Component	Fall 2010 Total	Fall 2011 Total
First Time Full time Freshmen	1,073	2,000
Transfer Students with Associate Degree	48	55
Transfer Students without Associate Degree	819	945
Re-Admissions	494	700
Total	2,434	3,700

 _____ Date 11/1/10

Dr. Joe King Provost

 _____ Date 11/1/2010

Andy Benoit Director of Admissions



Office of Academic Affairs Agenda Item #2

Grad Act 1.0

(Written Report Only)

To: Members of the Board of Supervisors

Date: July 15, 2011

RE: Louisiana Granting Resources and Autonomy for Diplomas Act

The Louisiana Granting Resources and Autonomy for Diplomas Act, more commonly referred to as Grad Act 1.0 was developed by the state legislature to grant colleges and universities increased autonomy and flexibility in exchange for a commitment to meet clearly defined statewide performance goals, including boosting graduation rates.

The Grad Act requires four key categories of performance objective reporting: Student Success, Articulation and Transfer, Workforce and Economic Development and Institutional Efficiency and Effectiveness.

Over the past 12 months, system, campus, and Board of Regents staff have collaborated to develop the appropriate performance indicators and annual targets for each participating campus based on the campus role, scope, and mission.

The Grad Act agreement required each participating campus to prepare an annual report with specific data to measure annual campus performance. System staff reviewed the annual reports and submitted to the Board of Regents for review and approval. The Board of Regents is required to review, monitor and report to the legislature and the governor on each institution's progress in meeting the performance objectives outlined in the Grad Act.

Regents staff developed an Annual Report Scoring Worksheet that required an overall score of 80% for each performance objective and a requirement that an institution must pass the Student Success objective to retain tuition authority and be eligible for autonomies for Year 2. For Year 1 review, after the scoring process, the institution was given one of the following annual evaluation designations (green, yellow, orange or red) based on the score for each performance objective.

Annual evaluation designation of green: Institution has passed the Student Success objective and two or three other Grad Act performance objectives. Result: The institution is able to retain tuition authority for the next academic year and is eligible for basic autonomies.

Annual evaluation designation of yellow: Institution has passed the Student Success objective and only one other Grad Act performance objective. Result: The institution is able to retain tuition authority for the next academic year and is eligible for basic autonomies.

Annual evaluation designation of orange: Institution has passed only the Student Success objective. Result: The institution is able to retain tuition authority for the next academic year but is not eligible for autonomies.

Annual evaluation designation of red: Institution has failed the Student Success objective or has failed all performance objectives. Result: The institution loses the ability to raise tuition in the next academic year or to seek autonomies. This designation also requires the institution to submit through their management board a remediation plan to the Board of Regents outlining the specific actions to be taken to get the institution back on track to achieve its Student Success objective.

The Board of Regents has notified system staff of the following designation for Grad Act annual evaluation Year 1 for each LSU System campus.

Institution	Annual Evaluation Designation
LSU A & M	Green
LSU Alexandria	Green
LSU Eunice	Green
HSC New Orleans	Green
HSC Shreveport	Green
Paul M. Hebert Law Center	Green
LSU Shreveport	Green
University of New Orleans	Green

Although all LSU System campuses received an overall designation of green, the Annual Report review by the system staff and the Board of Regents identified a few instances where the campus target goal and actual performance did not meet expectations in the Student Success objective. This will require significant monitoring on behalf of the campus as well as the system.

The specific Student Success indicator that was not achieved for each campus includes:

LSU Eunice:

1. 1st to 2nd year retention: Year 1 benchmark 50.3%; Actual performance 42.9%
2. Statewide graduation rate: Year 1 benchmark 27%; Actual performance 23.7%
3. Percent change in program completers: Year 1 benchmark Diploma awards 3; Actual performance 2 Diploma awards

LSU Alexandria:

1. Percent change in program completers: Year 1 benchmark Associate awards 151; Actual performance 116 Associate awards
2. Percent change in program completers: Year 1 benchmark Baccalaureate awards 166; Actual performance 137 Baccalaureate awards

Paul M. Hebert Law Center:

1. Passage rate on Bar Exam: Institutional rate/of State rate (%): Year 1 benchmark 119%; Actual performance 111%

Overall, LSU System campuses fared well in the first year of the Grad Act. All Grad Act documents are available for review on the LSU System website. It is not clear how the spirit and intent of Grad Act 2.0 will affect Grad Act 1.0. Early indications from the Board of Regents are that Grad Act 2.0 will supersede the 1.0 model and might require some adjusting of the annual targets. As always as information becomes available it will be shared with the Board of Supervisors.



**Request by the Administrative Officers of the campuses and hospitals to write-off uncollectible receivable accounts as of June 30, 2011
REVISED**

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to paragraph D. of Article VII, Section 8 of the Board Bylaws, the following is provided:

1. Significant Board Matter

This matter is a "significant board matter" pursuant to the following provisions of Article VII, section 8 of the Bylaws:

- D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

In the normal course of business, campuses are involved in transactions that result in monies being owed to the University for which they are unable to collect. Once each year the campuses submit summaries of debts which are to be considered for write-off as of the end of fiscal year (June 30). The write-off prevents the campus from overstating assets and helps to concentrate collection efforts on the more recent debt which is more likely to be collected. This write-off is made in accordance with System Policy.

Although ongoing collection effort is abandoned on these accounts, the campuses reserve the right and duty to collect should the opportunity arise. For example, even though the account is written-off, the debtor remains obligated to the campus. Lists are maintained of students and vendors who have debts written-off, and the various campuses will prohibit them from reenrolling, securing transcripts, or doing further business with the university until such debts are paid in full.

3. Fiscal Note

Total unrestricted and restricted receivables being sought for write-off are \$1,862,688 and \$420,933 respectively. Combined, this represents .31% of the receivables booked in the prior year.

4. Review of Documents Related to Referenced Matter

The CFOs of each campus desiring to write-off uncollectible receivables have sent in detailed information on the accounts. The actual write-off requests follow the format used by the Office of Statewide Reporting and Accounting Policy (OSRAP) in its quarterly report on receivables.

5. Other

The campuses of the LSU System have adopted the collection policies and procedures developed by OSRAP and as codified in the Louisiana Register, Volume 28, Number 11, dated November 20, 2002.

For medical accounts receivable only, the LSU Health Sciences Center New Orleans, LSU Health Sciences Center Shreveport, and LSU Health Sciences Center Health Care Service Division have developed separate procedures which have been approved by the Louisiana Cash Management Review Board.

ATTACHMENTS:

- (1) Summary schedule of proposed write-offs
- (2) LSU System procedures for collection of accounts receivable
- (3) History of accounts receivable write-offs as a percentage of total accounts receivable, FY 2004 – FY 2011

RECOMMENDATION(s)

It's recommended that the Board consider the resolution set forth below.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize the write-off of accounts receivable for fiscal year 2010-11 which are deemed to be uncollectible and chargeable against the respective funds.

BE IT FURTHER RESOLVED that this resolution be effective as of June 30, 2011.

	Unrestricted Funds	Restricted Funds	Total Funds	
Campus	Requested Write-off	Requested Write-off	Requested Write-off	Overall WO as a percent of Total Receivables booked in Prior year
LSU and A & M, Hebert Law Center, LSU Ag Center				
Student Fees	\$328,835	\$86,033	\$414,868	
Short Term Loans	\$0	\$1,303	\$1,303	
Hospitals	\$0	\$0	\$0	
Clinics	\$0	\$0	\$0	
Contracts	\$0	\$0	\$0	
Sales & Services	\$128,455	\$17,060	\$145,515	
Other	\$30,725	\$19,906	\$50,631	
Subtotal	\$488,016	\$124,302	\$612,317	0.36%
Pennington Biomedical Research Center				
Student Fees			\$0	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics			\$0	
Contracts	\$0	\$0	\$0	
Sales & Services	\$523	\$0	\$523	
Other			\$0	
Subtotal	\$523	\$0	\$523	0.23%
LSU at Alexandria				
Student Fees	\$191,492	\$19	\$191,511	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics			\$0	
Contracts			\$0	
Sales & Services	\$2,385	\$3,939	\$6,324	
Other	\$177	\$25	\$202	
Subtotal	\$194,054	\$3,983	\$198,037	2.64%
LSU at Eunice				
Student Fees	\$44,913	\$10,540	\$55,452	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics			\$0	
Contracts			\$0	
Sales & Services		\$5,026	\$5,026	
Other			\$0	
Subtotal	\$44,913	\$15,566	\$60,479	0.37%
The University of New Orleans				
Student Fees	\$721,055	\$39,319	\$760,374	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics			\$0	
Contracts		\$110,914	\$110,914	
Sales & Services	\$1,185	\$636	\$1,822	
Other	\$92,287	0	\$92,287	
Subtotal	\$814,527	\$150,868	\$965,396	1.11%

	Unrestricted Funds	Restricted Funds	Total Funds	
Campus	Requested Write-off	Requested Write-off	Requested Write-off	Overall WO as a percent of Total Receivables booked in Prior year
LSU at Shreveport				
Student Fees	\$91,685	\$22,703	\$114,388	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics			\$0	
Contracts			\$0	
Sales & Services		\$1,314	\$1,314	
Other	\$640	\$3,041	\$3,680	
Subtotal	\$92,325	\$27,057	\$119,382	0.65%
LSUHSC New Orleans				
Student Fees	\$0	\$0	\$0	
Short Term Loans			\$0	
Hospitals			\$0	
Clinics	\$16,636	\$99,157	\$115,793	
Contracts		\$0	\$0	
Sales & Services	\$0	\$0	\$0	
Other	\$0	\$0	\$0	
Subtotal	\$16,636	\$99,157	\$115,793	0.07%
LSUHSC Shreveport				
Student Fees			\$0	
Short Term Loans			\$0	
Hospitals		\$0	\$0	
Clinics		\$0	\$0	
Contracts			\$0	
Sales & Services			\$0	
Other			\$0	
Subtotal	\$0	\$0	\$0	0.00%
E. A. Conway				
Student Fees			\$0	
Short Term Loans			\$0	
Hospitals		\$0	\$0	
Clinics		\$0	\$0	
Contracts			\$0	
Sales & Services			\$0	
Other			\$0	
Subtotal	\$0	\$0	\$0	0.00%
Huey P. Long Medical Center				
Student Fees			\$0	
Short Term Loans			\$0	
Hospitals		\$0	\$0	
Clinics		\$0	\$0	
Contracts			\$0	
Sales & Services			\$0	
Other			\$0	
Totals	\$0	\$0	\$0	0.00%

	Unrestricted Funds	Restricted Funds	Total Funds	
Campus	Requested Write-off	Requested Write-off	Requested Write-off	Overall WO as a percent of Total Receivables booked in Prior year
LSU HCSD				
Student Fees			\$0	
Short Term Loans			\$0	
Hospitals	\$0		\$0	
Clinics			\$0	
Contracts			\$0	
Sales & Services			\$0	
Other	\$211,694		\$211,694	
Subtotal	\$211,694	\$0	\$211,694	0.20%
Systemwide Totals				
Student Fees	\$1,377,980	\$158,613	\$1,536,593	
Short Term Loans	\$0	\$1,303	\$1,303	
Hospitals	\$0	\$0	\$0	
Clinics	\$16,636	\$99,157	\$115,793	
Contracts	\$0	\$110,914	\$110,914	
Sales & Services	\$132,549	\$27,975	\$160,525	
Other	\$335,523	\$22,972	\$358,495	
Totals	\$1,862,688	\$420,933	\$2,283,622	0.31%

LSU SYSTEM PROCEDURES FOR COLLECTION OF ACCOUNTS RECEIVABLE

STUDENT ACCOUNTS							
	Withholds Grades & Transcripts; Prevents Registration, Etc.	Office Responsible For Collection	Number Of Notifications	Drops Students *	Refers To A Collection Agency Or Credit Bureau	Agency/ Bureau	Cost To Campus
LSU A & M	Yes	Bursar Operations	Monthly (3)	No	Yes (2)	National Recovery Agency	8.25% of collections
Health Sciences Ctr-NC	Yes	Accounting Services	At Least 2	Yes	Yes	Staff Attorneys, also have option to use First Revenue Assurance, a collection agency	Staff Attorney Time and Efforts and 10% of collections if using collecting agency
Health Sciences Ctr-S	Yes	Comptroller	At Least 2	Yes	Yes	University Attorney	Contractual hourly rate
Law Center	Yes	Bursar Operations	Monthly (3)	No	Yes (2)	First Revenue Assurance	10% of collections
UNO	Yes	Bursar Operations	At Least 2	No	Yes	National Recovery Agency	8.25% of collections
LSU - S	Yes	Accounting Services	2	No	Yes (1)	Delta Accounting Systems	Cost paid by student
LSU - A	Yes	Accounting Services	2	No	Yes	National Recovery Agency	8.25% of collections
LSU - E	Yes	Business Affairs	4	Yes	Yes (2)	National Recovery Agency	8.25% of collections

* Students are terminated on the last day of the semester to withdraw and receive a grade of "W",

(1) Accounts must be over \$50.00.

(2) Delinquent Perkins Student Loan accounts are submitted to the Office of the Attorney General.

(3) Certified letters sent to students who present an NSF or otherwise uncollectible check, and to those whose deferred payments are late.

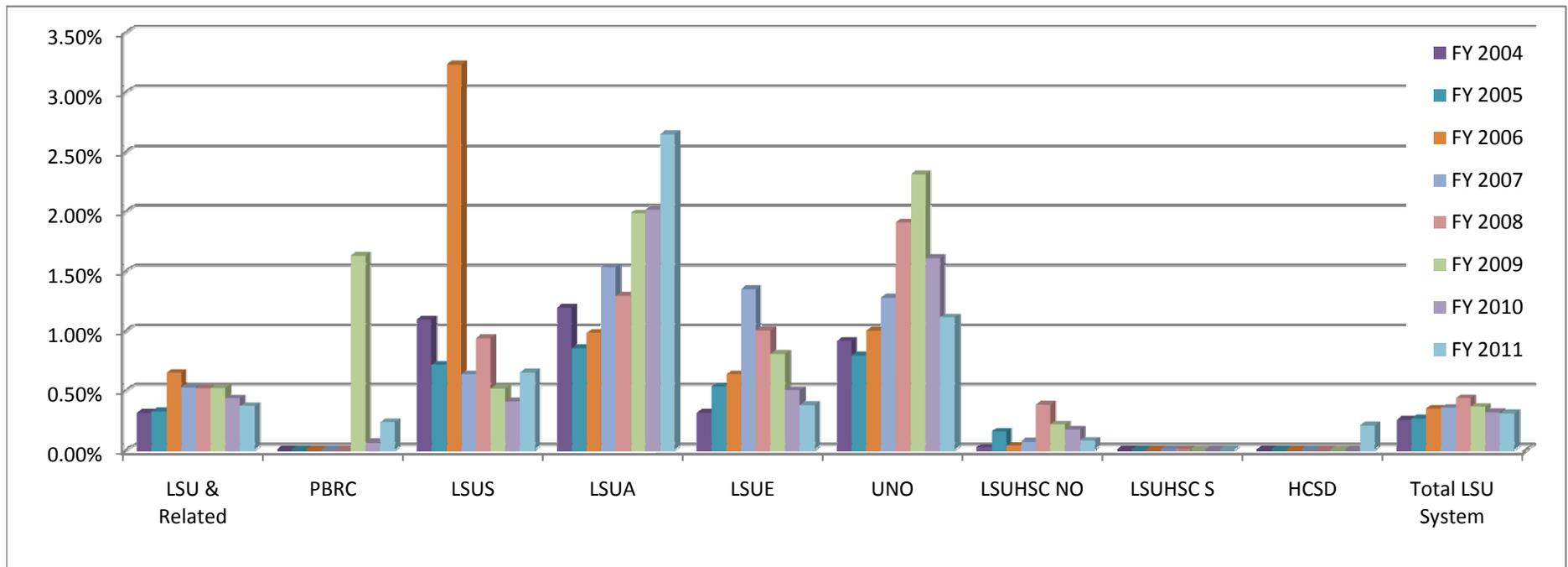
VENDOR ACCOUNTS	
Campus	Procedure
LSU A & M	Monthly statements are sent. Letters requesting payment are sent. If no response, they are turned over to a collection agency.
Health Sciences Ctr-NC	Follow-up with calls and in writing within 90 days. Thereafter, attorney consulted to see if the pursuit of A/R is advisable.
Health Sciences Ctr-S	Follow-up with calls and in writing within 90 days. Thereafter, attorneys consulted to see if their pursuit of A/R is advisable.
Law Center	Has general policy of "cash and carry." If accounts did become delinquent, they would be turned over to collection agency.
UNO	Monthly statements are sent via email. Payment reminder and pre-collections. If no response, they are turned over to a collections agency.
LSU - S	Notify vendors by certified letter. If no attempt to pay is made, the account is turned over to a collection agency. Continue to send past due bills.
LSU - A	Follow-up invoice sent. If no response, they are turned over to a collection agency.
LSU Ag Center	Monthly statements are sent. Letters requesting payment are sent. If no response, they are turned over to a collection agency.
Pennington Center	Second notice invoices sent, 3rd & 4th requests accompanied by letter. Thereafter, attorneys consulted to see if their pursuit of A/R is advisable.
LSU - E	Four letters requesting payment are sent. If no response, account is turned over to a collection agency.

LSU SYSTEM PROCEDURES FOR COLLECTION OF MEDICAL RECEIVABLES

Medical Receivables								
Campus	Office Responsible For Collection	Policy Approved by	First Billing	First Follow-up	Statements Mailed	Faculty Review	Refers To A Collection Agency Or Credit Bureau	Other
LSUHSC NO								
Physician Services-except Pediatrics	LSU Healthcare Network	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 30 day intervals	yes	yes and no further service	
Physician Services-Pediatrics	Children's Hospital	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 30 day intervals	yes	yes and no further service	
Allied Health Faculty Practice Plan	Dean's Office	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 30 day intervals	yes	yes and no further service	
Dental Faculty Practice Plan	Dean's Office	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 30 day intervals	yes	yes and no further service	
Sch. of Dent. Stud. Clinic	Dean's Office	CMRB	Automated to ins. Carrier or collect at time of service	By Phone insurer to	At 30 day intervals	yes	No	No further service
Nursing Faculty Practice Plan	Dean's Office	CMRB	Generally services are provided to a facility rather than a specific patient. Services are billed according to agreement	By Phone insurer to	At 30 day intervals	yes	yes and no further service	
LSUHSC SHREVEPORT								
Faculty Practice Plan	Patient Accounting	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 10 to 36 day intervals	yes	Yes 10 days after final notice	Med. Ass't. Program to help Patients qualify for medicaid
Hospitals	Patient Accounting	CMRB	Automated to medicare,caid or ins. carrier	By Phone insurer to	At 10 to 36 day intervals	NA	Yes 10 days after final notice	Med. Ass't. Program to help Patients qualify for medicaid
Civil tort or workmen's compensation claims for medical services which we provided	In-house Legal Counsel (Hospital Billing is responsible for workmen's compensation claims unless an attorney is involved; if an attorney is involved, the claim is referred to In-house Legal Counsel.	General Counsel	When our providers learn of a third-party claim, a notice of privilege is sent in accordance with law to all parties involved	As necessary	Yes	No	AG or other outside counsel may be used for complicated cases.	When the patient's suit is settled, or a judgment obtained, medical bills are paid. If notified by the court of no liability, the legal file is closed.
LSUHSCD								
Hospitals	Hospital and Central Business Office (HCSD Admin) Billing	CMRB	Automated to medicare,caid, ins or workmen's comp. carrier	Phone contacts to insurer by Central Business Office (HCSD Admin)	At 30 day intervals	NA	Yes, after 90 days placed with first collection agency	Placed with second collection agency after 180 days with first collection agency and no payment arrangement
Civil tort or workmen's compensation claims for medical services which we provided	In-house Legal Counsel (Hospital Billing is responsible for workmen's compensation claims unless an attorney is involved; if an attorney is involved, the claim is referred to In-house Legal Counsel.	General Counsel	Same as LSUHSC Shreveport	As necessary	Yes	No	AG or other outside counsel may be used for complicated cases.	Same as LSUHSC Shreveport

**LSU System
Accounts Receivable Write-off Percentages
Presented to the Board of Supervisors
For Fiscal Years 2004 - 2011**

Campus	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
LSU & Related	0.31%	0.32%	0.64%	0.52%	0.52%	0.52%	0.43%	0.36%
PBRC	0.00%	0.00%	0.00%	0.00%	0.00%	1.62%	0.06%	0.23%
LSUS	1.09%	0.71%	3.23%	0.63%	0.93%	0.51%	0.40%	0.65%
LSUA	1.19%	0.85%	0.98%	1.53%	1.29%	1.98%	2.01%	2.64%
LSUE	0.31%	0.53%	0.63%	1.34%	1.00%	0.80%	0.50%	0.37%
UNO	0.91%	0.79%	1.00%	1.27%	1.90%	2.31%	1.60%	1.11%
LSUHSC NO	0.02%	0.15%	0.03%	0.07%	0.38%	0.21%	0.17%	0.07%
LSUHSC S	0.000%	0.000%	0.000%	0.002%	0.003%	0.000%	0.00%	0.00%
HCSD	-	-	-	-	-	-	-	0.20%
Total LSU System	0.25%	0.26%	0.34%	0.35%	0.43%	0.36%	0.31%	0.31%





Recommendation to implement the provisions of Act 297 of the 2011 Legislative including increasing tuition and mandatory fees by five percent effective with the Fall 2011 semester for the dental and medical programs at the Health Science Centers

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to paragraph D. of Article VII, Section 8 of the Board Bylaws, the following is provided:

1. Significant Board Matter

This matter is a "significant board matter" pursuant to the following provisions of Article VII, section 8 of the Bylaws:

- D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

The Legislature passed Act 297 during the 2011 Session. This act authorizes the LSU Board of Supervisors to increase tuition and fee amounts for the LSU Health Sciences Center – New Orleans Schools of Medicine and Dentistry and the LSU Health Science Center – Shreveport School of Medicine. The purpose of this Act is to support the state's professional Medical and Dental programs in remaining competitive and increasing their overall effectiveness. The law allows the Board of Supervisors to increase tuition and fee amounts established pursuant to present law above any other provisions of law by up to 5% each year for five years beginning with the 2011-2012 academic year.

Pursuant to Act 915 of the 2008 Legislative Session and the authority granted by the Board of Supervisors on April 15, 2011, and Act 741 of the 2010 Legislative Session and subsequent authority granted by the President, the LSU Health Sciences Centers have been authorized already to increase tuition by 5% for each Legislative instrument for the FY 2011-2012 academic year. Currently, with these preapproved tuition and mandatory attendance fee increases, the resident tuition and mandatory attendance fee for the New Orleans Medical School, the New Orleans Dental School, and the Shreveport Medical School are \$17,052, \$14,587, and \$14,508 respectively.

It should be noted that all authorized tuition measures have provisions to limit the tuition and mandatory attendance fee amounts charged by these entities. The charges shall not exceed average tuition and fee amounts of the entities respective peer institutions which has been weighted based upon the medical household income of Louisiana citizens. As of the latest published information provided in the 2009-2010 SREB state data exchange, the median tuition and required fees for the SREB states is \$18,371 and \$18,443 for Medical Schools and Dental Schools respectively. The estimated 2011-2012 SREB median is \$19,455 for the Medical Schools and \$19,844 for the Dental School when inflating those fees by 5.9% and 7.6% (average percentage increase over the last 5 years).

R.S. 17:3351 authorizes management boards to establish tuition and mandatory fee amounts for nonresident students at their institutions. Authorizing a schedule increasing nonresident tuition and fees also meets requirements of the GRAD Act for those institutions that enter into the agreements. The institutions have elected not to increase non-resident tuition and fees under this authority as the increases are provided for in the GRAD Act.

3. Fiscal Note

The campuses have estimated that the following revenues will be generated from an additional five percent increase in tuition and mandatory attendance fees for fiscal year 2011-12 over and above the tuition authority already granted:

Institution	Current	Proposed Increase	Estimated Gross Revenue	Estimated 11-12 SREB Median	% Diff Below Est. SREB Median with Increase
HSC NO Medical	\$17,052	\$853	\$667,508	\$19,455	8.7%
HSC NO Dentistry	\$14,587	\$729	\$188,211	\$19,844	29.6%
HSC S Medical	\$14,508	\$725	\$338,036	\$19,455	27.7%

4. Review of Documents Related to Referenced Matter

Act 297 of the 2011 Legislative sessions, requests and projections from the institutions and the Southern Regional Education Board information in regards to Medical and Dental Schools have all been reviewed by the System staff.

ATTACHMENTS:

- (1) Act 297 of the 2011 Legislative Session
- (2) Applicable excerpts from the SREB State Data Exchange for FY 2005-2006 through FY 2009-2010.
- (3) Criteria for campus hardship waivers

RECOMMENDATION(s)

It's recommended that the Board consider the resolution set forth below.

NOW, THEREFORE, BE IT RESOLVED that, upon approval of the President, tuition and mandatory attendance fee amounts for *resident* students at the School of Medicine at the Louisiana State University Health Science Centers in New Orleans and Shreveport and at the School of Dentistry at the Louisiana State University Health Science in New Orleans may be increased by up to five percent annually for five years beginning with the 2011-2012 academic term, in addition to other increases authorized by law, provided that no such increase shall result in a total amount of tuition and fees at any institution which exceeds the average tuition and fee amount of its respective peer institutions, as provided by law. The authority granted for such increases shall be in addition to and independent of all other authority to increase tuition and fees at the institutions, and

BE IT FURTHER RESOLVED that for cases of financial hardship each campus shall have in place a procedure to waive any tuition and mandatory attendance fee approved herein in accordance with criteria and procedures previously approved by the Board or the President.

Regular Session, 2011

ACT No. 297

HOUSE BILL NO. 628

BY REPRESENTATIVES LEGER, ELLINGTON, AND KATZ

1 AN ACT

2 To enact R.S. 17:3351.11(D), relative to tuition and fees at the Louisiana State University
3 Health Sciences Centers; to authorize the Board of Supervisors of Louisiana State
4 University and Agricultural and Mechanical College to increase tuition and fee
5 amounts for specified schools of the Louisiana State University Health Sciences
6 Centers; to provide limitations; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 17:3351.11(D) is hereby enacted to read as follows:

9 §3351.11. Board of Supervisors of Louisiana State University and Agricultural and
10 Mechanical College; tuition and attendance fee amounts; Health Sciences
11 Centers; waivers

12 * * *

13 D.(1) In addition to the authority granted by Subsection A of this Section,
14 other provisions of law as cited in the introductory paragraph of Subsection A of this
15 Section, and any other provision of law including but not limited to R.S. 17:3139(F),
16 the Board of Supervisors of Louisiana State University and Agricultural and
17 Mechanical College, in accordance with the provisions of Article VII, Section 2.1(A)
18 of the Constitution of Louisiana, may increase tuition and fee amounts, without
19 additional legislative approval, for students enrolled or enrolling in the Louisiana
20 State University Health Sciences Center-New Orleans School of Medicine or School
21 of Dentistry or the Louisiana State University Health Sciences Center-Shreveport
22 School of Medicine by up to five percent each year for five years beginning with the
23 2011-2012 academic year.

1 (2) The authority granted by Paragraph (1) of this Subsection shall be in
 2 addition to and independent of all other authority to increase tuition and fees at the
 3 Louisiana State University Health Sciences Center-New Orleans School of Medicine
 4 or School of Dentistry or the Louisiana State University Health Sciences Center-
 5 Shreveport School of Medicine.

6 (3) Notwithstanding any provision of this Subsection or of any other law to
 7 the contrary, tuition and fee amounts at the Louisiana State University Health
 8 Sciences Center-New Orleans School of Medicine or School of Dentistry or the
 9 Louisiana State University Health Sciences Center-Shreveport School of Medicine
 10 shall not exceed average tuition and fee amounts of their respective peer institutions.
 11 For purposes of this Subsection, "peer institutions" shall have the meaning provided
 12 by guidelines established by the Board of Regents in the same manner as provided
 13 by R.S. 17:3351(A)(5)(e)(i) and weighted based upon median household income as
 14 provided in R.S. 17:3139(F)(3)(a).

15 Section 2. This Act shall become effective upon signature by the governor or, if not
 16 signed by the governor, upon expiration of the time for bills to become law without signature
 17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 19 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

Table 140
Median Annual Tuition and Required Fees
Full-Time In-State Students in Professional Programs
Public Institutions, 2009-10

	Law	Medicine	Dentistry	Pharmacy	Optometry	Osteopathic Medicine	Veterinary Medicine
SREB states	\$13,608	\$18,371	\$18,443	\$14,520	\$17,787	\$19,291	\$14,650
Alabama	14,450	18,512	17,452	15,298	17,787		12,412
Arkansas	8,868	17,951		10,363			
Delaware							
Florida	10,940	24,982		15,211			23,350
Georgia	13,186	18,138	13,586	12,816			14,330
Kentucky	14,440	27,479	22,743	20,345			
Louisiana	11,163	13,031	12,000	13,668			14,641
Maryland	23,877	24,989	22,437	16,634			
Mississippi	9,350	13,649	14,030	12,348			15,847
North Carolina	11,798	11,852	18,443	14,520			10,884
Oklahoma	15,986	20,648	18,831	12,247	12,882	19,291	14,295
South Carolina	19,034	28,333	26,288	16,900			
Tennessee	13,104	23,188	20,846	21,154			18,366
Texas	13,810	13,461	15,325	10,573	19,019	14,877	14,659
Virginia	21,646	31,858		22,422			18,415
West Virginia	11,072	19,329	13,264	11,216		19,950	

Notes: The amounts shown for each state are the medians (middle values) of the institutions in each state. The "SREB states median" is the middle value of all institutions with the professional program.

December 2010

Table 104

**Median Annual Tuition and Required Fees
Full-Time In-State Students in Professional Programs
Public Institutions, 2008-09**

	Law	Medicine	Dentistry	Pharmacy	Optometry	Osteopathic Medicine	Veterinary Medicine
SREB states	\$12,564	\$17,155	\$16,575	\$13,279	\$16,629	\$19,291	\$14,160
Alabama	12,564	17,103	15,388	14,826	16,629		11,620
Arkansas	8,702	17,207		9,858			
Delaware							
Florida	9,281	22,422	24,202	13,095			21,041
Georgia	11,825	15,604	11,646	11,206			13,222
Kentucky	13,744	25,421	21,664	19,376			
Louisiana	10,282	12,013	11,158	12,830			14,641
Maryland	22,186	23,509	20,936	15,376			
Mississippi	9,350	11,649	11,530	9,668			14,008
North Carolina	10,663	10,966	16,474	13,462			10,637
Oklahoma	15,836	20,648	18,831	12,246	12,882	19,291	14,295
South Carolina	17,848	25,187	22,468	17,647			
Tennessee	12,194	20,712	18,978	14,780			15,348
Texas	14,139	13,353	13,110	10,470	19,856	14,877	14,026
Virginia	20,146	30,185	26,028	20,805			17,336
West Virginia	10,644	18,376	12,754	10,288		20,426	

Notes: The amounts shown for each state are the medians (middle values) of the institutions in each state. The "SREB states median" is the middle value of all institutions with the professional program.

January 2010

Table 104

**Median Annual Tuition and Required Fees
Full-Time In-State Students in Professional Programs
Public Institutions, 2007-08**

	Law	Medicine	Dentistry	Pharmacy	Optometry	Osteopathic Medicine	Veterinary Medicine
SREB states	\$12,058	\$16,110	\$15,649	\$12,450	\$15,227	\$17,700	\$13,048
Alabama	11,190	15,352	13,503	13,910	15,227		10,374
Arkansas	8,228	16,275		9,298			
Delaware							
Florida	7,974	21,192	21,150	8,721			18,402
Georgia	10,737	14,238	11,646	10,330			13,222
Kentucky	12,540	23,078	20,027	17,776			
Louisiana	9,381	11,591	10,886	11,899			11,867
Maryland	20,566	21,722	19,331	14,443			
Mississippi	8,930	9,649	9,030	8,548			12,968
North Carolina	9,069	10,493	14,517	13,006			10,580
Oklahoma	14,125	18,906	16,738	10,625	12,343	17,700	13,129
South Carolina	16,764	22,907	19,204	16,340			
Tennessee	11,217	19,936	16,722	13,036			14,590
Texas	13,640	11,943	12,110	11,917	18,732	13,950	12,482
Virginia	18,336	29,305	23,388	20,147			15,951
West Virginia	9,856	16,193	11,920	12,450		19,830	

Notes: The amounts shown for each state are the medians (middle values) of the institutions in each state. The "SREB states median" is the middle value of all institutions with the professional program.

December 2009

Table 104
Median Annual Tuition and Required Fees
Full-Time In-State Students in Professional Programs
Public Institutions, 2006-07

	Law	Medicine	Dentistry	Pharmacy	Optometry	Osteopathic Medicine	Veterinary Medicine
SREB states	\$11,228	\$15,395	\$15,618	\$11,410	\$14,115	\$16,488	\$12,255
Alabama	9,736	13,889	12,261	13,572	14,115		9,816
Arkansas	7,910	15,395		8,575			
Delaware							
Florida	7,571	19,336	19,274	8,219			16,775
Georgia	10,679	14,196	10,586	10,276			12,438
Kentucky	11,410	20,849	18,311	16,308			
Louisiana	9,296	11,590	10,886	10,773			11,640
Maryland	19,170	20,615	18,275	13,382			
Mississippi	7,820	8,649	8,030	7,121			11,917
North Carolina	8,505	10,109	14,461	11,449			10,246
Oklahoma	12,965	17,677	15,275	10,006	11,406	16,488	12,072
South Carolina	15,984	21,092	16,274	15,500			
Tennessee	10,025	18,947	15,760	11,940			13,372
Texas	13,585	12,184	12,110	10,288	10,739	13,964	12,166
Virginia	16,600	27,867	21,920	18,922			14,738
West Virginia	9,342	16,959	11,340	8,960		18,886	

Notes: The amounts shown for each state are the medians (middle values) of the institutions in each state. The "SREB states median" is the middle value of all institutions with the professional program.

December 2007

Table 104

**Median Annual Tuition and Required Fees
Full-Time In-State Students in Professional Programs
Public Institutions, 2005-06**

	Law	Medicine	Dentistry	Pharmacy	Optometry	Osteopathic Medicine	Veterinary Medicine
SREB states	\$9,755	\$14,607	\$13,792	\$8,458	\$10,741	\$16,488	\$11,528
Alabama	8,660	13,093	12,123	12,720	13,395		9,418
Arkansas	7,308	14,763		8,300			
Delaware							
Florida	6,381	18,391	16,138	5,855			13,735
Georgia	7,748	12,436	9,618	8,310			11,376
Kentucky	10,128	18,306	16,285	12,118			
Louisiana	8,873	11,590	10,886	5,673			11,610
Maryland	17,584	19,990	17,661	12,399			
Mississippi	7,520	7,649	7,030	7,121			10,481
North Carolina	7,872	9,133	12,795	11,283			9,801
Oklahoma	10,945	17,021	14,019	8,832	10,741	16,488	11,445
South Carolina	14,942	19,618	13,792	9,844			
Tennessee	9,382	17,897	14,922	11,158			11,612
Texas	12,908	12,115	12,164	7,942	9,294	11,164	13,932
Virginia	15,300	26,359	20,368	17,709			13,769
West Virginia	8,690	16,045	10,548	8,334		17,650	

Notes: The amounts shown for each state are the medians (middle values) of the institutions in each state. The "SREB states median" is the middle value of all institutions with the professional program.

December 2007

COMPARATIVE STATEMENT OF APPROPRIATED CURRENT FUND REVENUES - INCLUSIVE OF CARRYOVER DOLLARS

	Beginning	Beginning	Executive	2010-2011 C/O HB 628 and Regents \$3.5M	Beginning	Change From Beginning 2010-11		Change From Beginning 2008-09	
	Operating Budget 2008-2009	Operating Budget 2010-2011	Budget Engrossed 2011-2012		Operating Budget 2011-2012	Amount	%	Amount	%
LSU and A & M College									
State Appropriation	234,683,574	137,750,466	154,023,033		154,023,033	16,272,567	11.8%	(80,660,541)	-34.4%
Statutory Dedication	15,320,630	14,253,550	12,487,198		12,487,198	(1,766,352)	-12.4%	(2,833,432)	-18.5%
Interagency Transfer	10,734,388	63,157,973	6,715,292		6,715,292	(56,442,681)	-89.4%	(4,019,096)	-37.4%
Self-Generated	190,537,234	227,964,234	259,164,234	10,457,252	269,621,486	41,657,252	18.3%	79,084,252	41.5%
Total	451,275,826	443,126,223	432,389,757	10,457,252	442,847,009	(279,214)	-0.1%	(8,428,817)	-1.9%
Paul M. Hebert Law Center									
State Appropriation	10,070,297	5,859,701	6,565,350		6,565,350	705,649	12.0%	(3,504,947)	-34.8%
Statutory Dedication	492,457	404,101	401,817		401,817	(2,284)	-0.6%	(90,640)	-18.4%
Interagency Transfer	0	2,455,272	0		0	(2,455,272)	-100.0%	0	-
Self-Generated	10,069,012	12,909,883	15,377,700	71,167	15,448,867	2,538,984	19.7%	5,379,855	53.4%
Total	20,631,766	21,628,957	22,344,867	71,167	22,416,034	787,077	3.6%	1,784,268	8.6%
Pennington Biomedical Research Center									
State Appropriation	16,208,781	13,751,230	13,357,222		13,357,222	(394,008)	-2.9%	(2,851,559)	-17.6%
Statutory Dedication	116,272	94,147	94,872		94,872	725	0.8%	(21,400)	-18.4%
Self-Generated	825,561	825,561	825,561		825,561	0	-	0	-
Total	17,150,614	14,670,938	14,277,655	0	14,277,655	(393,283)	-2.7%	(2,872,959)	-16.8%
LSU Agricultural Center									
State Appropriation	86,835,525	67,827,185	67,379,159		67,379,159	(448,026)	-0.7%	(19,456,366)	-22.4%
Statutory Dedication	6,311,536	10,132,642	10,357,205		10,357,205	224,563	2.2%	4,045,669	64.1%
Interagency Transfer	0	0	0		0	0	-	0	-
Federal Appropriation	13,018,275	13,018,275	13,018,275		13,018,275	0	-	0	-
Self-Generated	6,267,967	6,807,967	6,807,967		6,807,967	0	-	540,000	8.6%
Total	112,433,303	97,786,069	97,562,606	0	97,562,606	(223,463)	-0.2%	(14,870,697)	-13.2%
LSU in Shreveport									
State Appropriation	18,074,889	10,156,205	11,619,868		11,619,868	1,463,663	14.4%	(6,455,021)	-35.7%
Statutory Dedication	979,650	1,141,147	636,149		636,149	(504,998)	-44.3%	(343,501)	-35.1%
Interagency Transfer	0	4,409,204	0		0	(4,409,204)	-100.0%	0	-
Federal Appropriation	0	0	0		0	0	-	0	-
Self-Generated	13,276,974	15,515,270	17,307,340	1,436,412	18,743,752	3,228,482	20.8%	5,466,778	41.2%
Total	32,331,513	31,221,826	29,563,357	1,436,412	30,999,769	(222,058)	-0.7%	(1,331,745)	-4.1%
LSU at Alexandria									
State Appropriation	12,666,528	6,895,905	8,168,432	153,549	8,321,981	1,426,076	20.7%	(4,344,547)	-34.3%
Statutory Dedication	331,247	274,220	270,277		270,277	(3,943)	-1.4%	(60,970)	-18.4%
Interagency Transfer	200,000	3,400,985	0		0	(3,400,985)	-100.0%	(200,000)	-100.0%
Federal Appropriation	0	0	0		0	0	-	0	-
Self-Generated	8,050,704	9,073,719	9,680,501	1,311,862	10,992,363	1,918,644	21.1%	2,941,659	36.5%
Total	21,248,479	19,644,829	18,119,210	1,465,411	19,584,621	(60,208)	-0.3%	(1,663,858)	-7.8%
LSU at Eunice									
State Appropriation	8,660,477	5,481,984	6,087,227		6,087,227	605,243	11.0%	(2,573,250)	-29.7%
Statutory Dedication	308,308	253,270	251,562		251,562	(1,708)	-0.7%	(56,746)	-18.4%
Interagency Transfer	0	1,948,366	0		0	(1,948,366)	-100.0%	0	-
Federal Appropriation	0	0	0		0	0	-	0	-
Self-Generated	5,071,489	5,763,383	6,826,485	766,415	7,592,900	1,829,517	31.7%	2,521,411	49.7%
Total	14,040,274	13,447,003	13,165,274	766,415	13,931,689	484,686	3.6%	(108,585)	-0.8%
University of New Orleans									
State Appropriation	70,884,436	41,779,723	45,468,909		45,468,909	3,689,186	8.8%	(25,415,527)	-35.9%
Statutory Dedication	3,156,581	2,592,740	2,575,586		2,575,586	(17,154)	-0.7%	(580,995)	-18.4%
Interagency Transfer	0	17,000,729	0		0	(17,000,729)	-100.0%	0	-
Federal Appropriation	0	0	0		0	0	-	0	-
Self-Generated	50,678,019	61,296,011	67,207,724	5,069,676	72,277,400	10,981,389	17.9%	21,599,381	42.6%
Total	124,719,036	122,669,203	115,252,219	5,069,676	120,321,895	(2,347,308)	-1.9%	(4,397,141)	-3.5%
LSU Health Sciences Center-New Orleans									
State Appropriation	117,958,535	68,319,983	76,643,040		76,643,040	8,323,057	12.2%	(41,315,495)	-35.0%
Statutory Dedication	22,594,995	20,525,230	20,998,185		20,998,185	472,955	2.3%	(1,596,810)	-7.1%
Interagency Transfer	39,169,464	66,912,197	38,169,464		38,169,464	(28,742,733)	-43.0%	(1,000,000)	-2.6%
Self-Generated	20,299,508	24,042,129	30,223,323	16,078,975	46,302,298	22,260,169	92.6%	26,002,790	128.1%
Total	200,022,502	179,799,539	166,034,012	16,078,975	182,112,987	2,313,448	1.3%	(17,909,515)	-9.0%

COMPARATIVE STATEMENT OF APPROPRIATED CURRENT FUND REVENUES - INCLUSIVE OF CARRYOVER DOLLARS

	Beginning	Beginning	Executive	2010-2011 C/O HB 628 and Regents \$3.5M	Beginning	Change From Beginning 2010-11		Change From Beginning 2008-09	
	Operating Budget 2008-2009	Operating Budget 2010-2011	Budget Engrossed 2011-2012		Operating Budget 2011-2012	Amount	%	Amount	%
LSU Health Sciences Center-Shreveport					0				
State Appropriation	76,222,728	44,334,167	53,207,689		53,207,689	8,873,522	20.0%	(23,015,039)	-30.2%
Statutory Dedication	10,145,077	9,347,602	9,253,721		9,253,721	(93,881)	-1.0%	(891,356)	-8.8%
Interagency Transfer	233,825,128	264,247,903	235,338,575		235,338,575	(28,909,328)	-10.9%	1,513,447	0.6%
Federal Appropriation	49,466,921	58,724,160	58,724,160		58,724,160	0	-	9,257,239	18.7%
Self-Generated	54,034,104	54,910,867	55,865,384	8,057,367	63,922,751	9,011,884	16.4%	9,888,647	18.3%
Total	423,693,958	431,564,699	412,389,529	8,057,367	420,446,896	(11,117,803)	-2.6%	(3,247,062)	-0.8%
EA Conway					0				
State Appropriation	13,290,934	10,823,454	10,513,906		10,513,906	(309,548)	-2.9%	(2,777,028)	-20.9%
Interagency Transfer	67,842,647	59,656,994	102,584,279		102,584,279	42,927,285	72.0%	34,741,632	51.2%
Federal Appropriation	6,925,284	8,058,474	8,058,474		8,058,474	0	-	1,133,190	16.4%
Self-Generated	1,636,520	2,799,145	2,799,145		2,799,145	0	-	1,162,625	71.0%
Total	89,695,385	81,338,067	123,955,804	0	123,955,804	42,617,737	52.4%	34,260,419	38.2%
Huey P. Long					0				
State Appropriation	14,404,067	11,727,705	11,392,296		11,392,296	(335,409)	-2.9%	(3,011,771)	-20.9%
Interagency Transfer	40,336,977	41,785,218	37,215,891		37,215,891	(4,569,327)	-10.9%	(3,121,086)	-7.7%
Federal Appropriation	4,547,674	3,782,232	3,782,232		3,782,232	0	-	(765,442)	-16.8%
Self-Generated	1,330,426	1,918,278	1,918,278		1,918,278	0	-	587,852	44.2%
Total	60,619,144	59,213,433	54,308,697	0	54,308,697	(4,904,736)	-8.3%	(6,310,447)	-10.4%
Board and System Office					0				
State Appropriation	10,192,973	6,095,022	4,210,723		4,210,723	(1,884,299)	-30.9%	(5,982,250)	-58.7%
Statutory Dedication	470,000	0	0		0	0	-	(470,000)	-100.0%
Interagency Transfer	0	2,764,148	0		0	(2,764,148)	-100.0%	0	-
Total	10,662,973	8,859,170	4,210,723	0	4,210,723	(4,648,447)	-52.5%	(6,452,250)	-60.5%
Total-LSU System Higher Education					0				
State Appropriation	690,153,744	430,802,730	468,636,854	153,549	468,790,403	37,987,673	8.8%	(221,363,341)	-32.1%
Statutory Dedication	60,226,753	59,018,649	57,326,572		57,326,572	(1,692,077)	-2.9%	(2,900,181)	-4.8%
Sub Total	750,380,497	489,821,379	525,963,426	153,549	526,116,975	36,295,596	7.4%	(224,263,522)	-29.9%
Interagency Transfer	392,108,604	527,738,989	420,023,501		420,023,501	(107,715,488)	-20.4%	27,914,897	7.1%
Federal Appropriation	73,958,154	83,583,141	83,583,141		83,583,141	0	-	9,624,987	13.0%
Self-Generated	362,077,518	423,826,447	474,003,642	43,249,126	517,252,768	93,426,321	22.0%	155,175,250	42.9%
Total	1,578,524,773	1,524,969,956	1,503,573,710	43,402,675	1,546,976,385	22,006,429	1.4%	(31,548,388)	-2.0%
LSUHSC Health Care Services Division (Excluding Central Office)									
State Appropriation	89,938,199	77,121,391	64,261,831	0	64,261,831	(12,859,560)	-16.7%	(25,676,368)	-28.5%
Federal Stimulus	0	0	0		0	0	-	0	-
Statutory Dedication	1,870,000	300,000	0		0	(300,000)	-100.0%	(1,870,000)	-100.0%
Interim Emergency Board	0	0	0		0	0	-	0	-
Interagency Transfer	685,974,201	654,541,839	595,045,883		595,045,883	(59,495,956)	-9.1%	(90,928,318)	-13.3%
Federal Appropriation	81,142,021	79,393,302	79,447,612		79,447,612	54,310	0.1%	(1,694,409)	-2.1%
Self-Generated	111,517,721	82,026,925	65,788,131		65,788,131	(16,238,794)	-19.8%	(45,729,590)	-41.0%
Total	970,442,142	893,383,457	804,543,457	0	804,543,457	(88,840,000)	-9.9%	(165,898,685)	-17.1%
Grand Total-LSU System									
State Appropriation	780,091,943	507,924,121	532,898,685	153,549	533,052,234	25,128,113	4.9%	(247,039,709)	-31.7%
Federal Stimulus	0	0	0		0	0	-	0	-
Statutory Dedication	62,096,753	59,318,649	57,326,572	0	57,326,572	(1,992,077)	-3.4%	(4,770,181)	-7.7%
Interim Emergency Board	0	0	0		0	0	-	0	-
Sub Total	842,188,696	567,242,770	590,225,257	153,549	590,378,806	23,136,036	4.1%	(251,809,890)	-29.9%
Interagency Transfer	1,078,082,805	1,182,280,828	1,015,069,384		1,015,069,384	(167,211,444)	-14.1%	(63,013,421)	-5.8%
Federal Appropriation	155,100,175	162,976,443	163,030,753		163,030,753	54,310	0.0%	7,930,578	5.1%
Self-Generated	473,595,239	505,853,372	539,791,773	43,249,126	583,040,899	77,187,527	15.3%	109,445,660	23.1%
Total	2,548,966,915	2,418,353,413	2,308,117,167	43,402,675	2,351,519,842	(66,833,572)	-2.8%	(197,447,073)	-7.7%

LSU Agricultural Center
Briefing for the Board of Supervisors
Background for Major Adjustments in Ag Center Operations
July 15, 2011

EXECUTIVE SUMMARY

Through its research and extension programs, the LSU Agricultural Center (AgCenter) plays a major role in supporting agricultural and natural resource-based industries across the state. Research programs seek to identify and develop the best use of natural resources, conserve and protect the environment, and develop new and existing agricultural and related enterprises. Extension programs result in adoption of recommended research-based practices and address family and youth development, economic development and efficient use of resources.

Current Status

Since 2008, the AgCenter has experienced a decrease in funding of \$26 million. This includes actual budget reductions from July 1, 2008 to July 1, 2011 in the amount of \$14.9 million and unfunded mandates totaling \$11.1 million. Also included is a decrease in the amount of statutory dedications received. ***The result of the actual budget reductions is a total decrease of 13.2%. However, including unfunded mandated costs brings the effective total decrease to 23.2% of funds available to meet programmatic needs.*** Approximately 328 positions have been eliminated since July 1, 2008 which equals 27% of its workforce. Unfortunately, these reductions come on top of a budget situation that was already unhealthy.

There has been virtually no opportunity for the AgCenter to increase its recurring revenue. ***As a non-student campus, increases in tuition and student fees are not available to the AgCenter.*** Passage of the GRAD act provided no relief for the AgCenter. Self-generated revenue is used to the extent possible, but a declining number of programs and employees create a negative effect. While extramural funding has also increased and has helped address budget shortfalls, competition for these funds is extreme and granting agencies increasingly require matching funds or pledging of personnel effort at a time when these AgCenter resources are declining.

The AgCenter has taken a variety of measures to simply balance its budget. These include retirement incentive programs 2009 and 2010 that yielded 82 retirements. All but a small percentage of the resulting vacancies were eliminated. Most vacancies occurring through normal attrition have been eliminated. Cuts to all support categories and deferral of critical equipment and maintenance needs have been made each year; however, 83% of the AgCenter's budget is in salaries and wages so these cuts yield minimal savings. The AgCenter is currently in the midst of closing three branch research stations. Numerous organizational changes have been made to save dollars such as combining regions, merging research stations, and combining departments. FY11-12 will be the third year in which there have been no employee merit increases.

Preliminary Recommendations

Despite measures already taken, the AgCenter will have a large shortfall in FY 2011-12. More importantly, most of the 23.2% worth of reductions has been made in personnel categories

through normal attrition and retirement incentive programs, neither of which allows for strategic reductions. High priority programs are now generally understaffed with significant gaps in coverage. Transfers have been used to balance staffing where possible, but opportunities are limited due to the technical nature of most positions. Thus, to successfully transform the AgCenter, it will likely be necessary to eliminate filled positions in a strategic manner. This will allow the AgCenter to: (1) to meet the current budgetary shortfall, which involves recurring funds, and (2) eliminate lower priority programs so those resources can be concentrated in core programs.

Approximately 70% of AgCenter salaries and wages are in faculty and other academic positions where employment is on either a contract or tenure basis. Consequently, to implement strategic reductions in filled positions, the Ag Center will likely need to develop and, with Board of Supervisors approval, implement a financial exigency plan. Such a plan would be required to address the layoff of contract or tenured employees. Classified employees can be addressed through the Civil Service layoff rules. Nonclassified employee numbers are minimal but they could be laid off with 30 days notice.

The process of eliminating filled positions will include shrinking overall programs to meet available funding. In making specific program decisions, key factors will include but not be limited to the program's relevance to the AgCenter mission, impact on the state, economic development potential, industry and clientele support, and extramural funding opportunities. The AgCenter will consider guidance provided by recent faculty and unit head strategic plans/reports and input from Faculty and Staff Councils and advisory committees to be appointed.

Accordingly, the AgCenter expects it will need to request, after consultation and review by the LSU System Staff, approval by the LSU Board of Supervisors of a Declaration of Financial Exigency for the period August 26, 2011 through June 30, 2012. If needed, the request for this declaration of financial exigency will provide a detailed plan of action that will allow the AgCenter to readjust its programs, specific areas of work, and personnel assignments to remain within its budget.

The AgCenter will continue the extensive consultation with all of its constituencies as it continues working through these budget challenges. The AgCenter personnel know that the multitude of contributions the AgCenter makes to Louisiana increase the exceptional difficulty of these adjustments, but absent strong recurring budgetary support, the AgCenter has no alternative but to undertake this task. We appreciate the support of the Board of Supervisors as we work through the details of the budget adjustment proposal we will present at the August Board of Supervisors meeting.

IV. PROPERTY AND FACILITIES COMMITTEE

Mr. Benjamin W. Mount, Chair

Dr. John F. George, Vice Chair

Mr. R. Blake Chatelain

Mr. Garret "Hank" Danos

Mr. Stanley J. Jacobs

Mr. Raymond J. Lasseigne

Mr. Roderick K. "Rod" West

Mr. Robert "Bobby" Yarborough

AGENDA

1. Recommendation to approve a Lease Agreement for construction of space to house the Health Care Services Division Central Office and to make a Determination of Acceptable University Purpose
2. Report on 2011-2012 Capital Outlay Bill



**RECOMMENDATION TO APPROVE A LEASE AGREEMENT
FOR CONSTRUCTION OF SPACE TO HOUSE
THE HEALTH CARE SERVICES DIVISION CENTRAL OFFICE
AND TO MAKE A
DETERMINATION OF ACCEPTABLE UNIVERSITY PURPOSE**

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to Article VII, Section 8.D.2(a) and (b) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights of ways, servitudes, or other immovable property owned or controlled by LSU. . .

D.2(b) Any contract or series of related contracts for the design, construction, repair, renovation of any building or other structures involving a total of \$500,000 or more.

1. Summary of the Matter

The Health Care Services Division (HCSD) requests approval to enter into a Lease Agreement with the Health Care Services Foundation (HCSF) for approximately 40,656 sf of the existing warehouse located at 5445 Airline Highway. The HCSF will design and construct the space to house the HCSD Central Office. The HCSF will lease the built out space to the HCSD commencing on the date of Substantial Completion.

The HCSD Central Office is currently in interim space located at the Kirby Smith Dormitory on the LSU campus and in commercial lease space located on Essen Lane. This project is intended to provide a permanent location for the HCSD Central Office, approximately 244 employees, in LSU-owned property to reduce operational costs. All construction will meet regulated building codes and standards. Construction will begin after appropriate approvals have been received.

The HCSD also requests that the Board of Supervisors make a Determination of Acceptable University Purpose in accordance with the Lease Agreement for the above mentioned construction.

2. Review of Business Plan

The HCSF will lease approximately 40,656 sf of empty space at the warehouse located at 5445 Airline Highway, Baton Rouge, Louisiana, for \$1,000.00 per year for the term of the lease and will donate the improvements to LSU at the end of the lease. Commencing on the date of Substantial Completion, HCSD will lease from HCSF at a rate and term required to recover the cost of the improvements.

3. Fiscal Impact

The HCSF will pay LSU \$1,000.00 per year for use and access to the lease space in order to perform construction. The HCSD will pay the HCSF a lease rate determined by the cost of construction and at a term length that is acceptable to HCSD. The current estimate is for the lease payments to be \$517,525/year plus \$203,280/year for utilities for a total of \$720,805/year. This equates to \$17.73/sf lease rate. The facilities lease term is fixed at 8 years.

At the end of the lease the HCSF will donate the improvements to LSU and the HCSD lease payment will be discontinued.

4. Description of the competitive process followed.

The HCSF will competitively bid the construction of the work to a list of pre-qualified bidders.

5. Review of Legal Documents

Lease agreement between BOS and HCSF has been reviewed and is in order.

6. Parties of Interest

None

7. Related Transactions

- The HCSF shall enter into written contracts with the architect and contractor.
- The HCSF shall not enter into any contract without the written approval of the LSU Representative or his designee.

8. Conflicts of Interest

None

ATTACHMENTS

- Letter from Dr. Roxane A. Townsend
- Summary of project expenses
- Amortization schedule
- Lease Agreement

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize John V. Lombardi, President of the Louisiana State University System, or his designee, to execute a Lease Agreement with the Health Care Services Foundation to lease approximately 40,656 square feet in the warehouse at 5445 Airline Highway, Baton Rouge, Louisiana (the "Leased Premises") for the purpose of constructing improvements to the Leased Premises and using the improved Leased Premises as office space to house the Health Care Services Division Central Office;

BE IT FURTHER RESOLVED that the Board finds an acceptable university purpose for the Health Care Services Foundation to enter into the Lease Agreement;

BE IT FURTHER RESOLVED that the Board finds an acceptable university purpose for the Health Care Services Foundation to: (i) enter into a construction contract, through an acceptable competitive process, to construct improvements on the Leased Premises, (ii) finance such construction in reliance on the Lease Agreement, and (iii) donate the improvements to LSU upon termination of the Lease Agreement, all in accordance with the terms and conditions of the Lease Agreement, provided that, if the contract amount for the construction will exceed the estimated cost of \$2,750,000 by more than 20%, further authorization from this Board shall be sought prior to entering into such contract; and

BE IT FURTHER RESOLVED that John V. Lombardi, President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the Lease Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."



Louisiana State University System

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Office of Health Affairs and Medical Education

225 / 578-8886
225 / 578-5524 fax

June 15, 2011

John V. Lombard, PhD. President
LSU System
3810 W. Lakeshore Drive
Baton Rouge, LA 70808

RE: Recommendation to approve the Relocation of the
HCSD Central Office and
Recommendation to approve the Lease Agreement
With the Health Care Services Foundation (HCSF)
For the Construction of Space to House the
Health Care Services Division (HCSD) Central Office

Dear Dr. Lombardi:

Attached for your review is the recommendation of Board Consideration of the relocation of the HCSD Central Office and the recommendation of Board Consideration for the lease of space for the construction of office space to house the HCSD Central Office in Baton Rouge, Louisiana. The information in the request is true and accurate.

The HCSD Central Office is currently in interim space located at the Kirby Smith Dormitory on the LSU campus and in commercial lease space located on Essen Lane. This project is intended to provide a permanent location for the HCSD Central Office in LSU-owned property to reduce operational costs.

All construction will meet regulated building codes and standards. Construction will commence after BOS approval of the lease agreement between the BOS and the HCSF. The next step in the process is Board consideration.

I respectfully request that this matter be placed on your agenda for the next Board meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Roxane A. Townsend", with a long horizontal line extending to the right.

Roxane A. Townsend, MD
Chief Executive Officer

RAT/cs

Attachments

Louisiana State University & Agricultural and Mechanical College

*LSU at Alexandria • LSU at Eunice • University of New Orleans • LSU in Shreveport • Hebert Law Center • LSU Agricultural Center
Pennington Biomedical Research Center • LSU Health Sciences Center - New Orleans • LSU Health Sciences Center - Shreveport • LSU Health Care Services Division*

Loan Summary

Principal:	\$3400000
Interest Rate:	5%
Loan Term:	8 years

Payment Summary

Number of Payments:	96
Monthly Payment:	\$43,043.73
Total Principal Paid:	\$3,400,000.00
Total Interest Paid:	\$732,197.89
Total Paid:	\$4,132,197.89

Yearly Amortization Schedule

Payments	Yearly Total	Principal Paid	Interest Paid	Balance
Year 1 (1-12)	\$516,524.74	\$354,577.00	\$161,947.00	\$3,045,422.74
Year 2 (13-24)	\$516,524.74	\$372,718.00	\$143,807.00	\$2,672,704.63
Year 3 (25-36)	\$516,524.74	\$391,787.00	\$124,738.00	\$2,280,917.55
Year 4 (37-48)	\$516,524.74	\$411,832.00	\$104,693.00	\$1,869,085.91
Year 5 (49-60)	\$516,524.74	\$432,902.00	\$83,623.00	\$1,436,184.17
Year 6 (61-72)	\$516,524.74	\$455,050.00	\$61,475.00	\$981,134.36
Year 7 (73-84)	\$516,524.74	\$478,331.00	\$38,194.00	\$502,803.34
Year 8 (85-96)	\$516,524.74	\$502,803.00	\$13,721.00	\$0.00
Totals	\$4,132,197.89	\$3,400,000.00	\$732,197.89	

Summary of Project Expenses:

Project Budget:

	Total
Construction	\$2,532,000
Design Fee @ 10%	\$228,000
Contingency @ 10%	\$217,000
IT and AC equipment	\$323,000
Modular furniture ¹	\$0
	<hr/>
	\$3,300,000

Current Annual Expenses:

	Total
Kirby Smith Lease (138 employees)	\$400,000
Essen Lane lease (80 employees)	\$171,156
Phone system lease	\$64,000
	<hr/>
	\$635,156 * \$15.60/sq. ft.

Projected Annual Expenses:

	Total Per Year
Office Lease ²	\$517,525
Utilities (\$5.00/sf)	\$203,280
Phone system	
	<hr/>
Yearly Total	\$720,805 * \$17.73/sq. ft.

End of Lease Annual Expenses:

	Yearly
Office Lease	\$0
Utilities (\$5.00/sf)	\$203,280
Phone system	\$0
	<hr/>
Yearly Total	\$203,280

Financing Options Annual Payments - 8 Yr. Term 5% - \$516,525

¹ Modular Furniture costing approximately \$320,000 will be purchased directly by HCSD

² Annual Rent: \$517,525: \$516,525 + \$1,000 (reimburse for rent)

**LEASE AGREEMENT FOR CONSTRUCTION OF
LSU HEALTH CARE SERVICES DIVISION
ADMINISTRATIVE OFFICES**

By and Between

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE**

AND

HEALTH CARE SERVICES FOUNDATION

LEASE AGREEMENT FOR CONSTRUCTION OF LSU HEALTH CARE SERVICES DIVISION ADMINISTRATIVE OFFICES

This Lease Agreement ("Lease Agreement") is made and entered into as of the Effective Date (as defined herein) by and between the BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU"), herein represented by John V. Lombardi, the duly authorized President of the Louisiana State University System, and HEALTH CARE SERVICES FOUNDATION, a Louisiana nonprofit corporation ("Foundation"), herein represented John W. Milazzo, Jr., its duly authorized President.

WITNESSETH

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana;

WHEREAS, Foundation is a private Louisiana nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which has been established for charitable, scientific and educational purposes including providing support to LSU Health Care Services Division ("HCSD"), a program under the management and supervision of LSU in the furtherance of its missions and goals;

WHEREAS, pursuant to Louisiana Revised Statutes 17:3361, et seq., LSU is authorized to lease to a nonprofit corporation, such as Foundation, any portion of the grounds or campus of any college or university or other immovable property under its supervision and management, under the conditions set forth therein;

WHEREAS, in order to further the educational and public service missions and functions of LSU and Foundation, LSU has agreed to lease to Foundation and Foundation has agreed to lease from LSU certain land and existing improvements thereon in order to provide necessary, new and renovated Facilities (as hereinafter defined) for use by HCSD;

WHEREAS, such new and renovated Facilities will benefit LSU by permitting consolidation of HCSD administrative offices and further permitting the relocation of HCSD personnel from Kirby Smith Hall on the campus of Louisiana State University and Agricultural and Mechanical College, thus making space in Kirby Smith Hall available for use as student housing; and,

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. In addition to such other defined terms as may be set forth in this Lease Agreement, the following terms shall have the following meanings:

“Applicable Laws” - all laws, statutes, rules, regulations, ordinances, resolutions and orders of any Governmental Authority applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or third parties;

“Architect” - any architect or other design professional engaged by Foundation to perform architectural or design services with respect to the construction and renovation of the Facilities or any substitute or successor architect or other design professional engaged by Foundation.

“Award” - any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

“Business Day” - a day excluding Saturday, Sunday, and any Holiday.

“Commencement of Construction” - the date on which written notice to proceed by Foundation is issued to the Contractor for the commencement of Work for the Facilities, which date, with the LSU Representative's consent (not to be unreasonably withheld, delayed or conditioned), may be different for different components of the Work.

“Construction Contract” - one or more agreements for the construction of the Facilities between the Foundation and the Contractor, including all amendments, modifications, exhibits, schedules, supplements and change orders to all such agreements.

“Contractor” - collectively, the contractor(s) selected by Foundation in accordance with this Lease Agreement to construct the Facilities and their permitted successors and assigns.

“Effective Date” - August 1, 2011, or the date upon which all of the following have occurred, whichever is later: (a) this Lease Agreement is executed and delivered by the parties hereto, and (b) the necessary approvals of this Lease Agreement, as required by law, are obtained. This Lease Agreement shall not be effective until the Effective Date.

“Event of Default” - any matter identified as an event of default under Section 11.1 or 12.1 hereof

"Expiration Date" - the date on which this Lease Agreement terminates in accordance with its terms, including but not limited to Sections 3.1, 3.2, 11.2, and 12.2 hereof.

"Facilities" - the structures, additions and other improvements to be constructed by Foundation under and pursuant to this Lease Agreement in accordance with Plans and Specifications approved by LSU, consisting of the following:

Design and construction of approximately 40,656 square feet of general office space accommodating approximately 244 employees within an existing warehouse located on the Land, as hereinafter defined, at 5445 Airline Highway in Baton Rouge, Louisiana, all as more fully described on Exhibit "B".

"Facilities Lease" - the lease of the Facilities by Foundation to LSU as set forth in Article II of this Lease Agreement.

"Facility Equipment" - the furniture, equipment, machinery, and other personal property owned or leased by Foundation and used in or on the Land in connection with the operation of the Facilities and which are not component parts of or permanently affixed or attached to the Land.

"Federal Bankruptcy Code" - 11 U.S.C. Section 101, et seq., as the same may be amended from time to time.

"Final Acceptance" - the date on which (a) the Architect has certified to the Foundation and LSU that the Work (or, if approved by the LSU Representative, any portion of the Work) has been completed in accordance with the Plans and Specifications, (b) LSU has given written approval of the Architect's certificate and (c) either all Punch List items have been completed to LSU's satisfaction or sufficient sums necessary for completion of the Punch List items have been reserved or otherwise provided by Foundation to the satisfaction of LSU.

"Force Majeure" - any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot or civil disturbance; (b) labor dispute or strike; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of Foundation; or (d) adoption of or change in any Applicable Laws after the date of execution of this Lease Agreement.

"Foundation Loan" - the construction and/or term loan made to the Foundation, in an amount which shall not exceed Three Million Five Hundred Thousand and No/100ths Dollars (\$3,500,000.00) unless approved in writing and in advance by the LSU Representative, the proceeds of which shall be used for the sole purpose of funding the design and construction of the Facilities.

“Foundation Rent” - as defined in Section 3.2.

“Governmental Authority” - any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Ground Lease” - the lease of the Land by LSU to the Foundation as set forth in Article II hereof.

“Ground Lease Term” - the term of the Ground Lease as set forth in Section 3.1 hereof.

“Holiday” - any day which shall be a legal holiday in the State of Louisiana, or a day on which banking institutions in the State of Louisiana are authorized or required by law to close, or a day on which LSU is authorized or required by law to close.

“Land” - (a) prior to Substantial Completion of all Work related to the Facilities, the parcel of ground described on Exhibit “A” hereto together with those portions of the existing warehouse located thereon as highlighted on Exhibit “B,” together with all rights (including air rights), ways, privileges, and appurtenances thereto belonging or anywise appertaining, which Exhibits “A” and “B” may be amended from time to time by the LSU Representative on behalf of LSU and Foundation’s President on behalf of Foundation, as portions of the Work are commenced and completed and, (b) subsequent to Substantial Completion of all Work related to the Facilities, the parcel of ground underlying the leased portions of the warehouse described on Exhibit “B”, including all rights, ways and privileges required for the continued existence of a leasehold estate(s) upon or within which the Facilities are constructed.

“LSU Representative” – the President of the LSU System or his designees authorized in writing to represent LSU in exercising LSU's rights and performing LSU's obligations under this Lease Agreement. In addition to any other individuals specifically authorized in writing by the President of the LSU System to act as the LSU Representative, the General Counsel to the President and Board of Supervisors and/or the Assistant Vice President and University Architect are hereby authorized to act as the LSU Representative.

“LSU's Interest” - the fee simple title to the Land and all buildings and structures located thereon (subject to Foundation's rights under this Lease Agreement, including without limitation, the Ground Lease and the Facilities Lease) and LSU's interest under this Lease Agreement.

“Person” - an individual; a trust; an estate; a Governmental Authority, or a partnership, joint venture, corporation, limited liability company, firm or any other legal entity.

“Plans and Specifications” - one or more sets of final plans and specifications for the design of the Facilities, materials selection and method of construction for the construction of the

Facilities and for all other Work related thereto, as amended from time to time as permitted in Section 5.1.

“Punch List” - a list prepared by the Architect and approved by the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion, prior to Final Acceptance.

“Substantial Completion” - the date or dates on which (a) the Architect has certified to Foundation and LSU that the Work (or, if approved by the LSU Representative, any portion of the Work) has been completed substantially in accordance with the Plans and Specifications, subject to customary punch list items remaining to be completed, and (b) LSU has given written approval of the Architect's certificate.

“Taking”- the actual or constructive condemnation, expropriation or the actual or constructive acquisition by condemnation, expropriation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

“Third Party” - a person, whether natural or juridical, other than Foundation, LSU and their employees, officers and directors.

“Work” - all work and activities required to be undertaken by Foundation in order to design and construct the Facilities including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the design, planning and construction of Facilities and all necessary utility placements, relocations, tie-ins and upgrades, all such Work to be performed in accordance with Plans and Specifications approved by LSU, and performed as required by Section 5.1 of this Lease Agreement, which Work may be performed and accepted in stages if approved by the LSU Representative.

ARTICLE II LEASE OF PROPERTY AND FACILITIES

Section 2.1 LEASE OF LAND. LSU covenants that, for and in consideration of the Foundation Rent to be paid by Foundation hereunder, the obligation of the Foundation to construct the Facilities and to cause the Facilities to be maintained in good repair and condition, and of the performance and observance by Foundation of the covenants, obligations, conditions, and stipulations herein expressed on the part of Foundation to be performed and observed, LSU does hereby lease unto Foundation, and Foundation does hereby lease from LSU, the Land for the duration of the Ground Lease Term under the terms and conditions hereinafter set forth, together with the right of uninterrupted nonexclusive access, ingress, egress and passage during the Ground Lease Term to and from all streets, roads, and parking areas now or hereafter adjoining the Land for vehicular and pedestrian ingress and egress. Foundation, by execution of this Lease Agreement, accepts the leasehold estate in the Land herein demised. The Land is accepted by the Foundation in its present condition without warranty and no repairs,

replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the Land.

Section 2.2 **SERVITUDES AND RIGHTS OF ATTACHMENT.** LSU hereby grants to Foundation (a) the right to perform the Work and construct the Facilities on, attached to and over the Land, and on such other areas as are approved by the LSU Representative, (b) a nonexclusive servitude over, across, and upon any adjoining property owned by LSU as may be reasonably necessary to perform the Work, and (c) the right to attach and connect the Facilities to existing structures and improvements located on the Land and adjoining properties owned by LSU in accordance with the Plans and Specifications. LSU further agrees to grant Foundation and Contractor temporary rights of passage and use over such other areas as may be reasonably required to perform the Work and to construct and maintain the Facilities in accordance with the terms of this Lease Agreement; provided, however, that the location and use of any servitudes or rights of passage by Foundation and Contractor shall not unreasonably interfere with or otherwise disrupt the activities or business pursuits of parties leasing or otherwise utilizing other property owned by LSU.

Section 2.3 **LEASE OF FACILITIES.** Foundation hereby leases the Facilities to LSU for the Facilities Lease Term.

ARTICLE III LEASE TERM AND RENT

Section 3.1 **GROUND LEASE TERM.** Unless sooner terminated as herein provided, the Term of this Lease Agreement and the Ground Lease Term shall be twelve (12) years commencing on the Effective Date hereof, unless terminated earlier as otherwise provided herein. This Lease Agreement including the Ground Lease and the Facilities Lease shall terminate if and when the Facilities are donated by Foundation to LSU; provided, however, notwithstanding anything to the contrary contained herein, this Lease Agreement shall not be terminated prior to the conclusion of its Term unless and until the Foundation Loan has been paid in full or otherwise satisfied.

Section 3.2. **FACILITIES LEASE TERM.** Unless sooner terminated as herein provided, the Facilities Lease Term shall continue and remain in full force and effect for an initial term of eight (8) years commencing on the date of Substantial Completion. LSU, at its sole option, may terminate this Lease Agreement at any time after the Foundation Loan is paid in full or otherwise satisfied, as applicable. Subject to the terms of this Lease Agreement, upon termination of the Facilities Lease Foundation agrees to donate the Facilities to LSU. At any time prior to the expiration of the Facilities Lease and with the consent of the LSU Representative, Foundation may donate the Facilities to LSU provided that the Foundation Loan is paid in full or otherwise satisfied.

Section 3.3. **RENEWAL OF FACILITIES LEASE.** Upon termination of the initial term of the Facilities Lease for any reason, LSU and the Foundation may renew the Facilities Lease

upon terms and conditions mutually agreeable to LSU and Foundation; provided, however, the maximum term of the Facilities Lease shall not exceed the expiration date of the Ground Lease. If, within sixty (60) days of the termination of the initial term of the Facilities Lease, Foundation and LSU have not executed a renewal of the Facilities Lease, LSU, at its sole option, may terminate this Lease Agreement and the Ground Lease; provided, however, notwithstanding anything to the contrary contained herein, this Lease Agreement shall not be terminated prior to the conclusion of its Term unless and until the Foundation Loan has been paid in full or otherwise satisfied.

Section 3.4 FOUNDATION RENT. Commencing on the Effective Date and continuing until such time as the Foundation Loan is paid in full or otherwise satisfied, and in addition to the other considerations set forth herein, Foundation shall pay to LSU, at such place as LSU may designate from time to time in writing, as annual Foundation Rent for the Land, the sum of One Thousand and 00/100 Dollars (\$1,000.00). Foundation Rent shall be due and payable annually in advance, with the first such payment of Foundation Rent being due on the Effective Date hereof and a like installment due on each anniversary of the Effective Date thereafter during the Ground Lease Term.

Section 3.5 LSU RENT. Subject to the provisions hereinafter set forth, commencing on the date of Substantial Completion and continuing on the same day of each succeeding month throughout the remainder of the Facilities Lease Term, LSU shall pay to Foundation, at such place as Foundation may designate from time to time in writing, as the maximum monthly rent for the Facilities, the sum of Forty-Three Thousand One Hundred Twenty Seven and 08/100 Dollars (\$43,127.00). The amount stipulated as the maximum monthly rent has been calculated based on an assumed interest rate for the Foundation Loan of five percent (5%) per annum. In the event that the actual interest rate for the Foundation Loan is less than five percent (5%) per annum, the monthly rent will be reduced to account for such savings.

ARTICLE IV USE OF LAND AND FACILITIES

Section 4.1 PURPOSE OF LEASE AGREEMENT. Foundation enters into this Lease Agreement for the purpose of, and shall have the obligation to construct and the Facilities in accordance with the Plans and Specifications approved by LSU, and shall maintain the Facilities in accordance with the terms of this Lease Agreement. The Land shall only be used by Foundation and its permitted assigns, if any, for the purposes specifically authorized in this Lease Agreement and for such other uses approved in writing by the LSU Representative. Notwithstanding anything to the contrary set forth herein, the Land and the Facilities are not to be used for purposes other than as set forth in this Lease Agreement unless the prior written consent of the LSU Representative is obtained, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 4.2 FOUNDATION PROPERTY. During the Lease Term, the Facility Equipment shall not be the property of LSU, but shall be the property of and shall belong to the Foundation. Notwithstanding anything contained to the contrary in this Lease Agreement, LSU does not waive and relinquish its lien or claim for lien, whether granted by Applicable Laws or contract, relating to the Facilities or the Facility Equipment, whether located in or about the Land, the Facilities or otherwise, for the purpose of securing the Foundation's obligation to pay Foundation Rent or for any purpose whatsoever.

Section 4.3 COMPLIANCE WITH STATUTORY REQUIREMENTS. Section 336 1, et seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of a campus by a college or university. By execution of this Lease Agreement, LSU represents that it has complied with the applicable statutory requirements of such Title 17 by effectuating the following with respect to the Facilities, and including, without limitation:

- A. the waiver by written consent of the formulation and adoption of rules, regulations and requirements by LSU relative to the design, erection, development, construction, performance and maintenance of the Facilities referenced in Section 3362A of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Lease Agreement or specifically referenced in this Lease Agreement;
- B. the waiver by written consent of LSU's right to require removal of the Facilities referenced in Section 3362 B of Title 17 of the Louisiana Revised Statutes, except as otherwise set forth in this Lease Agreement, but LSU reserves the right to enforce any and all other remedies allowed by this Lease Agreement in the event of Foundation's failure or refusal to comply with the Lease Agreement or any rules, regulations or requirements set forth herein; and
- C. the waiver by written consent of LSU's right to immediately terminate the Lease Agreement and cause removal of the Facilities for Foundation's failure to conform to rules and regulations as referenced in Section 3364 of Title 17 of the Louisiana Revised Statutes, except as otherwise set forth in this Lease Agreement but LSU reserves the right to enforce any and all other remedies allowed by this Lease Agreement for such default.

Section 4.4 NO MERGER OF OBLIGATIONS. No obligation herein between LSU or Foundation as obligor and Foundation or LSU as obligee shall be deemed to be terminated by the doctrine of confusion.

ARTICLE V CONSTRUCTION

Section 5.1 FOUNDATION'S CONSTRUCTION AND RELATED OBLIGATIONS.

- A. Foundation shall design, develop, perform and construct or cause to be designed, developed, performed or constructed the Facilities on the Land at its own cost and expense in accordance with Plans and Specifications approved by LSU pursuant to Section 5.1E hereof. Work in accordance with Plans and Specifications shall be performed by Contractor(s) who shall provide performance and labor and materials payment bonds for the full amount of the Construction Contract price and shall be licensed in the State of Louisiana. LSU shall be named as a co-obligee under said performance and labor and materials payment bonds.
- B. Foundation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the construction of the Facilities, shall pay all permit and license fees, and shall construct, build, perform and complete the Facilities in a good, and workmanlike manner, all in accordance with this Lease Agreement, all Applicable Laws, including, without limitation, the Americans with Disabilities Act, the Plans and Specifications, and all documents executed pursuant hereto and thereto. Foundation shall remove all debris at the construction site as a result of the Work at no cost to LSU, and the construction site shall be left broom clean after removal of the debris.
- C. Plans and Specifications for the Facilities must be provided to the LSU Representative as required by Section 5.1.E hereof. Subject to LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract and change orders as set forth herein, Foundation shall have sole control of the selection of construction professionals (all of whom shall comply with all applicable licensing requirements of Applicable Laws). All construction, alteration, renovation or additions to the Land and the Facilities undertaken or caused to be undertaken by the Foundation shall be in conformance with all Applicable Laws, including but not limited to all applicable state and local building and safety codes and the Americans with Disabilities Act. The Plans and Specifications shall comply with all LSU design standards applicable to the Land and Facilities. Approval of the Plans and Specifications shall be conclusive evidence that applicable LSU design standards have been met.
- D. (1) Any request for change orders to the Plans and Specifications shall be made to the LSU Representative, who shall approve or disapprove such request in writing within ten (10) working days of having received such request from the Foundation. No change order to the Construction Contract or to the Plans and Specifications which substantially deviates from the Plans and Specifications shall be implemented without the prior written consent of the LSU Representative. Requests for change orders shall include copies of proposed change orders approved by the Contractor, the Architect and the Foundation, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such change orders. Complete copies of all final change orders shall be provided to the LSU Representative.

- E. In accordance with La. R.S. 17:3361D, Plans and Specifications must be approved by LSU prior to Commencement of Construction. Foundation shall present copies of each set of Plans and Specifications which it seeks to have approved to the LSU Representative as soon as possible but no later than thirty (30) days prior to the Commencement of Construction anticipated by such Plans and Specifications, unless shorter periods of time are agreed to by the LSU Representative.
- F. After completion of the Work, at least sixty (60) days prior to undertaking any addition, alteration, renovation, or remodeling of the Facilities during the Ground Lease Term, Foundation shall submit plans for such addition, alteration, renovation or remodeling to the LSU Representative for prior approval. The LSU Representative shall either approve or disapprove any such alteration within sixty (60) days after receipt of such plans from Foundation. If in the LSU Representative's sole and unfettered judgment, the decision should be made by LSU at a regularly scheduled or special LSU Board meeting, the LSU Representative shall notify Foundation and shall present the matter to LSU for its consideration at a regularly scheduled or special meeting. If LSU fails to approve or disapprove within such sixty (60) day period, it shall be deemed that LSU does not approve any such alteration, renovation, or remodeling.
- G. Substantial Completion shall not occur until (1) the Architect has certified to Foundation and LSU that the Work which is the subject of the certification has been completed substantially in accordance with the Plans and Specifications, subject to customary Punch List items remaining to be completed, and (2) LSU has given written approval of the Architect's certificate, which approval shall not be unreasonably delayed, withheld or conditioned. Final Acceptance shall not occur until (1) the LSU Representative has given written acceptance of the Architect's Certificate of Final Acceptance, which approval shall not be unreasonably delayed, withheld or conditioned, and (2) the delivery to the LSU Representative of either (a) a clear lien certificate as to the Work which is the subject of the certificate, which certificate has been obtained from the proper parish clerk's office or (b) evidence is presented, satisfactory to LSU that there are no liens (evidenced by Lien waivers from the Contractor, subcontractors and suppliers) or if liens have been filed, that any liens against the Work or Facilities have been adequately bonded. LSU and Foundation acknowledge that Substantial Completion and Final Completion for portions of the Facilities may occur at different times pursuant to this Lease Agreement.
- H. Foundation shall complete or cause to be completed all Punch List items to the LSU Representative's reasonable satisfaction, regardless of whether Final Acceptance has occurred.
- I. Foundation covenants that Commencement of Construction for the Facilities shall, at the latest, occur on or before February 1, 2012, unless extended in writing by the LSU Representative. If Commencement of Construction has not occurred on or before

March 1, 2012, regardless of the reason, either Foundation or LSU may terminate this Lease Agreement upon written notice to the other party, and neither party will have any further rights or obligations hereunder. Foundation shall use its best, commercially reasonable efforts achieve Substantial Completion of the Facilities on or before August 1, 2012. Substantial Completion for any component of the Work shall not occur until LSU has given written approval of the Architect's certificate that such Work has been substantially completed in accordance with the Plans and Specifications, which approval shall not be unreasonably withheld, delayed or conditioned.

- J. Foundation may not execute any Construction Contract with Contractor without the prior written approval of the LSU Representative. Such approval shall not be unreasonably withheld, delayed or conditioned. Prior to Commencement of Construction on any portion of the Work, Foundation shall deliver to the LSU Representative (a) a copy of the signed Construction Contract for the construction of that portion of the Work the Foundation proposes to undertake, and (b) a copy of the performance and labor and materials payment bonds for each Construction Contract in amounts at least equal to the contract price set forth in each Construction Contract and naming LSU as a co-obligee. Each Construction Contract, with its bonds attached, shall be recorded in the records of the Clerk of Court of East Baton Rouge Parish, Louisiana, prior to the applicable respective date of Commencement of Construction, and the copies thereof forwarded to the LSU Representative shall indicate such recording information.
- K. Upon the written request of the LSU Representative, the Foundation shall produce, in such detail as may reasonably be required, and forward to LSU Representative, written reports as to the actual progress of the Work. During the construction period, the Work shall be subject to inspection by the LSU Representative and by other authorized LSU personnel in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved Plans and Specifications, or such other inspections as may be necessary in the reasonable opinion of the LSU Representative.
- L. Foundation shall inspect the Land and arrange for boundary surveys, as well as any required topographical surveys, soil borings and other site investigations at its expense. LSU does not warrant that the Land is suitable for construction of the Facilities. Foundation accepts the Land in its present condition.
- M. Before erecting or placing any sign upon the Land or the Improvements, Foundation shall submit the design specifications of such sign to the LSU Representative for approval. Foundation may only erect or place signage hereunder if it has obtained the prior written approval of the LSU Representative.

- N. Each Construction Contract and all subcontracts entered into by the Contractor shall expressly acknowledge the following:
- (a) The Work will be performed solely and exclusively for Foundation.
 - (b) Foundation is a separate legal entity from LSU. It is not acting as agent for LSU, and Foundation has no authority to obligate LSU to any extent whatsoever.
 - (c) Neither LSU nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to the Construction Contract or any contract between the Contractor and a subcontractor or supplier.
 - (d) Foundation has no interest in the Land or other property upon which the Work will be performed other than its leasehold interest as set forth in this Lease Agreement. The Work shall not give rise to any rights against LSU or the property of LSU, including, without limitation, the right to file liens against Land or other property upon which the Work will be performed.
- O. Foundation shall expend a total amount, including for both hard and soft costs, which shall not exceed Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00), for the design, development, and construction of the Facilities in accordance with Plans and Specifications approved by LSU.
- P. During the Facilities Lease Term and, subject to the terms of this Lease Agreement, at all times thereafter, the Facilities shall be owned by Foundation, and LSU shall not have any ownership interest in the Facilities. Foundation and LSU specifically acknowledge and agree that the Facilities constitute a separate immovable owned by the Foundation and that the Facilities are not component parts of the Land, including any buildings, structures or other improvements located on the Land and that the provisions of Article 495 of the Louisiana Civil Code shall not be applicable to the transactions which are the subject of this Lease Agreement. LSU shall not have any financial obligation or other obligation of any kind under this Lease Agreement except as specifically set forth herein.

ARTICLE VI ENCUMBRANCES

Section 6.1 ENCUMBRANCE OF FACILITIES. Foundation shall not, without the prior written consent of the LSU Representative, which consent shall not be unreasonably withheld, delayed or conditioned, mortgage, lien or otherwise encumber, or allow any mortgage, lien or encumbrance, on the Facilities or on the Work, or on Foundation's interest in the Facilities or

Foundation's rights acquired pursuant to this Lease Agreement. Notwithstanding the forgoing, Foundation may pledge and assign, and grant a security interest in this Lease Agreement including any rents, revenues and profits associated with or derived by Foundation from this Lease Agreement as security for the Foundation Loan, provided that the terms and conditions as well as any and all agreements associated with or documenting the Foundation Loan and security interests proposed to be granted are approved in writing by the Foundation Representative prior to execution.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.1 UTILITIES AND OTHER CHARGES. As consideration for the benefits which LSU will derive from the Facilities, including but not limited to the rights of use in the Facilities granted by Foundation as provided in Section 2.3, LSU shall pay or cause to be paid: (a) any and all charges, including any connection fees, for water, heat, gas, electricity, sewers and any and all other utilities used on the Land and in the Facilities during the Ground Lease Term; and (b) any and all other reasonable and necessary expenses incurred by Foundation in connection with this Lease Agreement and/or obligations imposed on Foundation pursuant to this Lease Agreement including but not limited to legal and insurance expense, taxes and charges incurred by Foundation in connection with the Foundation Loan.

Section 7.2 MAINTENANCE AND REPAIRS. Except as otherwise specifically provided herein, during the Facilities Lease Term Foundation shall have no obligation to secure, maintain, repair, upgrade or replace the Facilities. As additional consideration for the benefits which LSU will derive from the Facilities, LSU shall be responsible for routine and extraordinary maintenance, repairs, cleaning and security of the Facilities during the Facilities Lease Term. Repair of damage caused by casualty or condemnation shall be completed in accordance with this Article VII and Article X and Article *XII* of this Lease Agreement.

Section 7.3 RENOVATION OF FACILITIES. At Foundation's sole cost and expense, and only with the prior written consent of the LSU Representative, Foundation shall have the right, but not the obligation, at any time and from time to time to make alterations, renovations and upgrades to the Facilities on any portion thereof as Foundation and LSU may determine to be necessary and appropriate.

Section 7.4 INSPECTION. Foundation and LSU shall each permit the other party's agents, representatives, or employees to enter on the Land and the Facilities at reasonable times for the purposes of review and inspection, to determine whether the parties are in compliance with the terms of this Lease Agreement, or for other reasonable purposes. Except in the event of an emergency, any such inspection shall be conducted after written notice reasonable under the circumstances and at a reasonable time and in a reasonable manner.

Section 7.5 DAMAGE TO FACILITIES.

- A. In the event any portion of the Facilities is damaged or destroyed by fire or otherwise, regardless of the extent of such damage or destruction, within ninety (90) days following the date of such damage or destruction, Foundation shall commence the work of repair, reconstruction or replacement and prosecute the same with reasonable diligence to completion, so that the Facilities shall, at no expense to LSU, be restored to substantially the same size, function and value as the Facilities existing prior to the damage; provided, however, that if any available insurance proceeds are insufficient, in the reasonable judgment of Foundation and LSU, to permit restoration in accordance with the terms of this Lease Agreement, or if payment of the insurance proceeds is contested or not settled promptly for any reason, then LSU shall grant a reasonable extension of the time not to exceed one hundred eighty (180) days for commencing repairs to allow Foundation to obtain reasonable replacement financing, if necessary, or to obtain sufficient insurance proceeds.
- B. If Foundation shall in good faith be unable to (i) obtain reasonable replacement financing or (ii) obtain sufficient insurance proceeds to restore the Facilities to substantially the same size, function, and value as the Facilities existing prior to the damage then Foundation may terminate this Lease Agreement by Written notice to LSU. In the event of termination under this Section 8.5, (i) this Lease Agreement shall terminate ten (10) Business Days after the date of such notice with the same force and effect as if such date were the date herein fixed for the expiration of the Ground Lease Term, (ii) the Foundation Rent and the LSU Rent shall be apportioned and paid to the date of such termination, and (iii) at and in the event of the request of LSU, which request shall be made within thirty (30) Business Days after the termination date of this Lease Agreement, Foundation shall, within one hundred eighty (180) days after such request, demolish part or all of the remaining Facilities at Foundation's sole cost and expense, and shall restore the Land to substantially the same condition as it existed on the Effective Date.
- C. Subject to any applicable covenants and agreements associated with the Foundation Loan, all insurance proceeds received by the Foundation as a result of a fire or other casualty to the Facilities shall be used solely for purposes of repayment of the Foundation Loan and/or to repair and restore the Facilities as set forth above.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.1 RELEASE OF RECORDED LIENS. If any mechanics' liens or materialmen's liens shall be recorded against the Land or the Work, Foundation shall cause the same to be bonded over or released of record within thirty (30) days of filing, or, in the alternative, if Foundation in good faith desires to contest the same, Foundation shall be

privileged to do so, but in such case Foundation hereby agrees to indemnify and save LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment. If LSU, in its sole and unfettered judgment, should reasonably consider LSU's Interest endangered by any such liens and shall so notify Foundation, and Foundation shall fail to provide adequate security for the payment of such liens in the form of a surety bond, cash deposit or cash equivalent or indemnity agreement reasonably satisfactory to LSU within thirty (30) days after such notice, then LSU, at LSU's sole and unfettered discretion, may discharge such liens and recover from Foundation immediately as additional Foundation Rent under this Lease Agreement the amounts paid. If such amounts remain unpaid by Foundation within thirty (30) days of written demand by LSU to Foundation to make payment for said amount, interest shall be due and owing thereon from the date paid by LSU until repaid by Foundation at the rate of ten percent (10%) per annum.

ARTICLE IX OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 MANAGEMENT. During the Facilities Lease Term, including any renewals, extensions and replacements thereof, LSU shall be solely responsible for the operation and management of the Land and the Facilities.

Section 9.2 BOOKS AND RECORDS. The books, accounts and records of Foundation which specifically pertain to the design and construction of the Facilities shall be maintained at the principal office of Foundation.

Section 9.3 AUDITS. LSU may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Foundation and its Architect and Contractor to the extent necessary to verify compliance with this Lease Agreement. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU, by independent auditors retained by LSU, or by the Louisiana Legislative Auditor, but any and all such audits shall be conducted without materially, unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation. LSU covenants with Foundation to keep all work papers, including all books and records of Foundation, its agents, employees, consultants, contractors, and vendors, confidential and to further keep the results of any such audits confidential except as required by rules and regulations of LSU and by Applicable Laws.

ARTICLE X INSURANCE AND INDEMNIFICATION

Section 10.1 INDEMNIFICATION BY FOUNDATION . Subject to the limitations provided in Section 10.8 of this Lease Agreement, Foundation shall and will indemnify, defend, and save harmless LSU, its board members, agents, officers, and employees, from and against

any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature growing out of or in any way connected with the design, construction, use, occupancy, management, operation or control of the Land and/or the Facilities by Foundation, its officers, employees, agents and contractors. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, Foundation and LSU may use the same counsel if such counsel is approved by LSU, which approval shall not be unreasonably withheld, delayed or conditioned. It is expressly understood and agreed that Foundation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LSU shall in no way be responsible for the acts or omissions of Foundation. To the extent allowed by law, Foundation's obligation to indemnify LSU in accordance with the terms of this Section shall be limited to insurance proceeds available for such purpose.

Section 10.2 LSU NOT LIABLE. LSU shall not be liable for any damage to either persons or property sustained by Foundation or other persons and caused by any act or omission of any occupant of the Facilities, except to the extent such damage is caused by LSU's gross negligence or wilful misconduct, and except to the extent that such damages arise out of LSU's use of any portion of the Facilities.

Section 10.3 INSURANCE.

- A. The Contractor shall provide an "All Risk" builder's risk insurance policy, including but not limited to fire and extended coverage insurance, vandalism and malicious mischief, for not less than one hundred (100%) percent of the full replacement value of the Work or property destroyed to protect against any damage or loss during the Work until Substantial Completion. This policy shall be taken out prior to Commencement of Construction and shall run in favor of contractor, Foundation and LSU, as their interests may appear. The coverage shall include the architect's fee for work required and reconstruction following a loss during construction. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.
- B. Foundation and its contractors, before commencing any Work, shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, which will cover Foundation's, LSU's and the architect's legal liability arising out of the construction performed by Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by either of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings, which may arise from the Work. Unless otherwise approved in writing by the LSU Representative, the required comprehensive general liability policy shall provide minimum limits of liability of Two Million (\$2,000,000.00) dollars per occurrence and Five Million (\$5,000,000.00) dollars general aggregate.

- C. Foundation shall require the Contractor and all subcontractors to have in full force and effect a policy of workmen's compensation and employer's liability insurance before proceeding with any Work. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.
- D. On or prior to the Effective Date of this Lease Agreement, Foundation shall provide the LSU Representative with evidence that the architect for the Work has procured architect's design, errors and omissions insurance coverage for the Work in an amount acceptable to the LSU Representative.
- E. LSU shall be named as an additional insured on all property and liability policies required hereby. LSU agrees to promptly endorse insurance checks or otherwise release insurance proceeds, provided no Event of Default is continuing hereunder and the insurance proceeds are used for purposes authorized herein. All policies shall provide a thirty (30) day written notification to LSU prior to the cancellation thereof. All insurance shall be obtained through insurance companies duly licensed to do business in the State of Louisiana and bearing a rating of A+:XV in the latest A. M. Best Co., ratings guide.
- F. During construction required insurance coverage may be provided by the Contractor or by Foundation. After Substantial Completion, required coverage shall be provided by Foundation.

Section 10.4 ADDITIONAL INSURANCE . LSU may review Foundation's required insurance as stated herein at the time of renewal of the said policies or at the time of a material change, and LSU reserves the right to require reasonable additional limits or coverages to the extent available at commercially reasonable rates. Foundation agrees to comply with any such reasonable request by LSU or to allow reasonable changes or reductions in coverages.

Section 10.5 BLANKET POLICIES. If any blanket general insurance policy of Foundation complies with the requirements of this Article XI, such insurance shall fulfill the requirements set forth herein.

Section 10.7 PAYMENT AND PERFORMANCE BONDS . Any performance bond, labor and material payment bond, or completion bond provided by a Contractor shall contain a dual obligee rider in favor of LSU, subject, however, to the reasonable underwriting guidelines of the surety issuing such bonds and rules of the governmental authorities regulating the surety.

Section 10.8 CONTRIBUTORY ACTS . Whenever in this Lease Agreement any party is obligated to pay an amount or perform an act because of its negligence or willful misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or willful misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any

disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE XI
DEFAULT AND REMEDIES

Section 11.1 EVENTS OF DEFAULT BY FOUNDATION. Any one of the following events shall be deemed to be an "Event of Default" by Foundation under this Lease Agreement.

- A. Foundation shall fail to pay any sum required to be paid to LSU under the terms and provisions of this Lease Agreement and such failure shall not be cured within thirty (30) days after Foundation's receipt of written notice from LSU of such failure, provided that on the third such failure no notice of default shall be required.
- B. The Taking by execution of Foundation's leasehold estate or the Facilities for the benefit of any Person.
- C. Foundation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by Foundation under the terms and provisions of this Lease Agreement and such failure shall not be cured within thirty (30) days after receipt of written notice from LSU of such failure; provided that if, during such thirty (30)-day period, Foundation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of ninety (90) days after such thirty (30)-day period to cure such failure.
- D. A court having jurisdiction shall enter an order for relief in any involuntary case commenced against Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for Foundation or any substantial part of the properties of Foundation or ordering the winding up or liquidation of the affairs of Foundation, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.
- E. The commencement by Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by Foundation to the commencement of a case under the Federal Bankruptcy Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for Foundation or any substantial part of the properties of the Foundation.

F. Foundation, after Commencement of Construction but prior to Substantial Completion of the Work, abandons (with no intent to continue) construction for a period of forty-five (45) consecutive days, excluding delays caused by Force Majeure.

Section 11.2 LSU'S RIGHTS UPON DEFAULT BY FOUNDATION. Upon the occurrence and during the continuance of an Event of Default, LSU may seek any and all damages occasioned by the Event of Default, or may seek any other remedies available at law or in equity.

Section 11.3 FOUNDATION'S OBLIGATIONS UPON DEFAULT. Any termination of this Lease Agreement as herein provided shall not relieve Foundation from the payment of any sum or sums that shall then be due and payable to LSU hereunder, or any claim for damages then or theretofore accruing against Foundation hereunder, and any such termination shall not prevent LSU from enforcing the payment of any such sum or sums or from claiming damages by any remedy provided for by law, or from recovering damages from Foundation for any Event of Default.

Section 11.4 RIGHTS OF LSU CUMULATIVE . All rights and remedies of LSU provided for in this Lease Agreement shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. LSU shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by LSU of a breach of any of the covenants, conditions or restrictions of this Lease Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of LSU to insist in any one or more cases upon the strict performance of any of the covenants of this Lease Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option. A receipt by LSU or acceptance of payment by LSU of Foundation Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by LSU or Foundation of any provision of this Lease Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties.

ARTICLE XII DEFAULT BY LSU

Section 12.1 LSU DEFAULTS. LSU shall be in default under this Lease Agreement if it fails to perform any of its obligations or covenants hereunder and such failure is not cured within ninety (90) Business Days; provided, however, that if during such ninety (90) Business Day period, LSU commences curing the failure and continues such cure with diligence and without unnecessary delays, Foundation shall not be entitled to enforce any one or more of the following rights and remedies until expiration of a period of time after such ninety (90) Business Day, or

thirty (30) calendar day period, as applicable, as may be reasonably necessary to cure the failure. Subject to the preceding sentence, Foundation shall be entitled to enforce any one or more of the following rights and remedies in the event of a default by LSU under this Lease Agreement:

- A. Require LSU to specifically perform its obligations under this Lease Agreement or restrain or enjoin LSU from continuing the activities that constitute the default; and
- B. Exercise all other rights and remedies available to Foundation under this Lease Agreement or otherwise available to Foundation at law or in equity as a consequence of the default.

Section 12.2 RIGHTS OF FOUNDATION CUMULATIVE. All rights and remedies of Foundation provided for in this Lease Agreement shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. Foundation shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by Foundation of a breach of any of the covenants, conditions or restrictions of this Lease Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of Foundation to insist in any one or more cases upon the strict performance of any of the covenants of this Lease Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE XII CONDEMNATION

Section 13.1 CONDEMNATION OF ENTIRE FACILITIES. Upon the permanent Taking of the entire Facilities, this Lease Agreement shall terminate and expire as of the date of such Taking, and both Foundation and LSU shall thereupon be released from any liability thereafter accruing hereunder except for Foundation Rent accrued and unpaid, apportioned as of the date of the Taking or the last date of occupancy by Foundation, whichever is later. Foundation shall receive notice of any proceedings relating to a Taking, and LSU and Foundation shall each have the right to participate therein.

Section 13.2 PARTIAL CONDEMNATION. Upon a temporary Taking or a Taking of less than all of the Facilities, Foundation, at its election, may terminate this Lease Agreement by giving LSU notice of its election to terminate at least sixty (60) days prior to the date of such termination if Foundation reasonably determines that the Facilities cannot be economically and feasibly used by Foundation for its intended purposes. Upon any such termination, the Foundation Rent accrued and unpaid hereunder shall be apportioned to the date of termination.

Section 13.3 PAYMENT OF AWARDS. Upon the Taking of all or any portion of the Facilities (a) Foundation shall be entitled (free of any claim by LSU) to that portion of the Award

equal to the value of its interest in the Facilities and its rights under this Lease Agreement and damages to any of its other property, together with any other compensation or benefits paid as a consequence of the interruption of Foundation's business; provided, however, that LSU shall be entitled (free of any claim by Foundation) to the Award for the value of LSU's Interest in the Facilities (such value to be determined as if this Lease Agreement were in effect and continuing to encumber LSU's Interest).

Section 13.4 REPAIR AFTER CONDEMNATION. Should a Taking occur that does not result in termination as provided by Sections 13.1 or 13.2, Foundation, at its expense, shall commence and proceed with reasonable diligence to repair or reconstruct the Facilities in as good or better condition than before the Taking. Any and all such repairs or reconstruction shall be subject to prior reasonable approval of LSU and the provisions of Article V hereof. Notwithstanding the foregoing provisions of this Section 13.4, if the Award payable as a consequence of a Taking is insufficient, in the reasonable judgment of Foundation and LSU, to permit such restoration, then Foundation may terminate this Lease Agreement by written notice to LSU in which event, at the request of LSU in its sole and unfettered discretion, Foundation shall, within one hundred eighty (180) days after such request, demolish the Facilities, and restore the Land to substantially the same condition as it existed on the Effective Date at Foundation's sole cost and expense. In the event of termination under this Section 13.4, this Lease Agreement shall terminate ten (10) Business Days after the date of such notice with the same force and effect as if such date were the date herein fixed for the expiration of the Term, and the Foundation Rent shall be apportioned and paid at the time of such termination.

ARTICLE XIV ASSIGNMENT, SUBLETTING, AND TRANSFERS OF FOUNDATION'S INTEREST

Section 14.1 ASSIGNMENT OF LEASEHOLD INTEREST. Except as specifically set forth herein, Foundation may not assign, transfer, convey, grant rights of use or otherwise sublet its leasehold estate and improvements, including but not limited to the Facilities or rights therein, in its entirety or for any portion of the unexpired Term and may not assign any interest in this Lease Agreement without the prior written consent of LSU, and any such assignment, transfer, conveyance or sublease made or given without first obtaining LSU's consent shall be null and void.

Section 14.2 SUBLEASE AND RIGHT OF USE. Foundation hereby grants to LSU the right to sublease or grant rights of use in and to the Facilities.

Section 14.3 REORGANIZATION BY FOUNDATION OR SUBLESSEE. The provisions of Section 15.1 shall not prevent Foundation from changing its name or reorganizing its operations provided such change or reorganization does not adversely impact LSU or adversely impact Foundation's ability to fulfill its obligations under this Lease Agreement.

Section 14.4 TRANSFERS OF FOUNDATION'S INTEREST. The obligation of Foundation under this Lease Agreement shall survive any conveyance, assignment or other transfer of Foundation's interest, and the Foundation shall not be relieved of such obligation as a consequence of such transfer. Furthermore any Person succeeding to Foundation's interest as a consequence of any such conveyance or other transfer, shall succeed to all of the obligations of Foundation hereunder and shall be subject to the terms and provisions of this Lease Agreement.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.1 COMPLIANCE. LSU and Foundation agree, at any time and from time to time, upon not less than thirty (30) days prior written notice by the requesting party, to execute, acknowledge and deliver to the requesting party or to such other party as the requesting party shall direct, a statement in writing certifying (a) that this Lease Agreement is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof to be performed (and if so specifying the same), (c) the dates to which the Foundation Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Lease Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any Person.

ARTICLE XVI TAXES, FEES, AND LICENSES

Section 16.1 PAYMENT OF TAXES. Foundation shall pay, and, upon request by LSU, shall provide evidence of payment to the appropriate collecting authorities, all federal, state and local taxes and fees, which are now or may hereafter be levied upon Foundation's interest in the Land or the Facilities, or upon Foundation, or upon the business conducted on the Land or in the Facilities or imposed in connection with the construction, maintenance, alteration, or improvement of the Facilities, or upon any of Foundation's property used in connection therewith; and shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by Foundation. LSU shall pay, and, upon request by Foundation, shall provide evidence of payment to the appropriate collecting authorities, all federal, state and local taxes and fees, which are now or may hereafter be levied upon LSU or LSU's Interest. Foundation and LSU may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of LSU and Foundation to pay taxes and fees under this Section 16.1 shall apply only to the extent that LSU or Foundation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated.

Section 16.2 CONTESTED TAX PAYMENTS. Foundation shall not be required to pay, discharge or remove any such taxes or assessments so long as Foundation is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the

collection of the amount so contested. Foundation hereby agrees to indemnify and save LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on any lien arising in respect to such contested amounts, cause the same to be discharged and removed prior to the execution of such judgment. Upon the termination of such proceeding, Foundation shall deliver to LSU proof of the amount due as finally determined and proof of payment thereof. LSU, at Foundation's expense, shall join in any such proceeding if any law shall so require.

ARTICLE XVII
FORCE MAJEURE

Section 17.1 DISCONTINUANCE DURING FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by Foundation, Foundation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. However, LSU shall not be obligated to recognize any delay caused by Force Majeure unless Foundation shall, within ten (10) Business Days after Foundation is aware of the existence of an event of Force Majeure, notify LSU thereof.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1 NONDISCRIMINATION, EMPLOYMENT AND WAGES. Any discrimination by Foundation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Lease Agreement, is prohibited.

Section 18.2 NOTICES. Notices or communications to LSU or Foundation required or appropriate under this Lease Agreement shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

if to LSU:

President, LSU System
Office of the Board of Supervisors
Louisiana State University and
Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

with copies to:

Chief Executive Officer
LSU Health Care Services Division
P.O. Box 91308
Baton Rouge, LA 70821-1308

if to Foundation:

President, Health Care Services Foundation
747 Daventry Drive
Baton Rouge, LA 70808

with a copy to:

David H. Hardy
8440 Jefferson Highway, Suite 301
Baton Rouge, LA 70809-7652
Telecopy: 225.928.4925

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 RELATIONSHIP OF PARTIES. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of LSU and Foundation. In no event shall the Foundation's officers, directors, employees or agents be liable for any of the obligations of Foundation hereunder. Furthermore, LSU and Foundation agree to execute any and all documents necessary upon the termination of this Lease Agreement, including but not limited to any notices or consents required pursuant to the provisions of Louisiana Civil Code Article 493.

Section 18.4 ATTORNEYS' FEES. To the extent allowed by law, if either party is required to commence legal proceedings relating to this Lease Agreement, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 18.5 LOUISIANA LAW TO APPLY. This Lease Agreement shall be construed under and in accordance with the laws of the State of Louisiana, and the obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana. Venue shall be in East Baton Rouge Parish, Louisiana.

Section 18.6 WARRANTY OF PEACEABLE POSSESSION.

- A. LSU covenants that Foundation, on paying the Foundation Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by Foundation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land during the Ground Lease Term, and may exercise all of its rights hereunder; and LSU agrees to warrant and forever defend Foundation's right to such occupancy, use, and enjoyment of the Land against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Lease Agreement.
- B. Foundation covenants that LSU, on performing and observing all of the covenants and agreements herein contained and provided to be performed by LSU, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Facilities Lease Term, and may exercise all of LSU's rights hereunder; and Foundation agrees to warrant and forever defend LSU's right to such occupancy, use, and enjoyment of the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Lease Agreement

Section 18.7 CURATIVE MATTERS. Except for the express representations and warranties of LSU set forth in this Lease Agreement, any additional matters necessary or desirable to make the Land useable for Foundation's purpose shall be undertaken, in Foundation's sole discretion, at no expense to LSU and only with the LSU Representative's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 18.8 TERMINOLOGY. Unless the context of this Lease Agreement clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof" "herein," "hereunder," and similar terms in this Lease Agreement shall refer to this Lease Agreement as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Lease Agreement and the Table of Contents to this Lease Agreement are for reference purposes and shall not control or affect the construction of this Lease Agreement or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Lease Agreement unless otherwise specified. All exhibits attached to this Lease Agreement constitute a part of this Lease Agreement and are incorporated herein. All references to a specific time of day in this Lease Agreement shall be based upon Central Standard Time.

Section 18.9 COUNTERPARTS. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.10 SEVERABILITY. If any clause or provision of this Cooperative Endeavor is illegal, invalid or unenforceable under Applicable Laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease Agreement shall not be affected thereby.

Section 18.11 AUTHORIZATION. By execution of this Lease Agreement, Foundation and LSU each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Lease Agreement have been taken and performed; and that the persons signing this Lease Agreement on their behalf have due authorization to do so. Each party shall provide to the other evidence of proper authorization

Section 18.12 AMENDMENT. No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless the same be in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

Section 18.13 SUCCESSORS AND ASSIGNS. All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSU into another educational institution.

Section 18.14 OWNERSHIP. All records, reports, documents, and other material delivered or transmitted to Foundation by LSU shall remain the property of LSU, and shall be returned by Foundation to LSU, at Foundation's expense, at termination or expiration of this Lease Agreement. All records, reports, documents, or other material related to this Lease Agreement and/or obtained or prepared by Foundation in connection with the performance of the services contracted for herein shall become the property of LSU, and shall, upon request, be tendered by Foundation to LSU, at Foundation's expense, at termination or expiration of this Lease Agreement.

Section 18.15 NO RIGHTS CREATED IN THIRD PARTIES. Notwithstanding anything to the contrary contained herein, the rights and obligations created pursuant to the terms of this Lease Agreement have been established solely for benefit of and may be enforced only by LSU and Foundation.

Section 18.16 FISCAL FUNDING. The continuation of LSU's obligation to expend funds for obligations including but not limited to LSU Rent, utility payments and maintenance arising under the terms of this Lease Agreement, is contingent upon the appropriation of funds to fulfill the requirements of the Lease Agreement by the Louisiana Legislature (the "Legislature"). If the Legislature fails to appropriate sufficient monies to provide for the continuation of this Lease Agreement, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such

reduction is to provide insufficient monies for the continuation of this Lease Agreement, those portions of this Lease Agreement which require the expenditure of funds by LSU, including particularly but not limited to any obligations by LSU for payment of LSU Rent, utilities and maintenance, shall terminate for the fiscal year for which the nonappropriation is declared and no Person shall be entitled to recover from LSU such sums previously owed by LSU for such fiscal year. LSU, in its reasonable good faith discretion, shall determine for each fiscal year whether its legislative appropriation for such fiscal year includes sufficient monies to make payments under this Lease Agreement. If LSU determines, in its reasonable good faith discretion, that the Legislature did not include sufficient monies in LSU's appropriation to make payments under this Lease Agreement for a fiscal year, LSU shall, at a regularly scheduled Board meeting, adopt a resolution stating that there has been an event of nonappropriation hereunder. An event of nonappropriation shall not have occurred until the LSU Board has adopted a resolution to such effect at a regularly scheduled or special meeting of the LSU Board. An event or declaration of nonappropriation shall be effective only as to the fiscal year for which it is declared and shall not constitute an event of default pursuant to Article XII hereof.

Section 18.17 DISCRIMINATION CLAUSE . Foundation agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1974, and Foundation agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Foundation agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Section 18.18 ENTIRE AGREEMENT. This Lease Agreement, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the matters set forth herein and contains all of the terms and conditions agreed upon with respect to the such matters, and no other agreements, oral or otherwise, regarding the subject matter of this Lease Agreement shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

[Signature Page for Lease Agreement for Construction of LSU Health Care Services Division Administrative Offices By and Between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Health Care Services Foundation]

Executed as of the ____ day of _____, 2011.

“LSU”

BOARD OF SUPERVISORS OF LOUISIANA STATE
UNIVERSITY AND AGRICULTURAL AND
MECHANICAL COLLEGE

By: _____
John V. Lombardi, President
Louisiana State University System

“Foundation”

HEALTH CARE SERVICES FOUNDATION

By: _____
John W. Milazzo, Jr., President

Recommended By:

Dr. Roxane Townsend, Interim CEO
LSU Health Care Services Division

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN, that on this _____ day of _____, 2011, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared John V. Lombardi, appearing herein in his capacity as President, Louisiana State University System, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing Lease Agreement for Construction of LSU Health Care Services Division Administrative Offices on behalf of said Board of Supervisors with full authority of the Board and that said instrument is the free act and deed of said Board and was executed for the uses, purposes and benefits therein expressed.

IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

John V. Lombardi, President
Louisiana State University System

NOTARY PUBLIC

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN, that on this _____ day of _____, 2011, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared John W. Milazzo, Jr., appearing herein in his capacity as President of Health Care Services Foundation, who, being by me first duly sworn, declared and acknowledged to me Notary, that he executed the above and foregoing Lease Agreement for Construction of Lease Agreement for Construction of LSU Health Care Services Division Administrative Offices on behalf of said corporation with full authority of its Board of Directors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

John W. Milazzo, Jr., President
Health Care Services Foundation

NOTARY PUBLIC

EXHIBIT "A"
Description of the Land

The designated portions of that certain tract or parcel of land containing approximately 12.56 acres, together with designated portions of the existing warehouse located thereon, all as shown on Exhibit "B" , located in Section 39, Township 6 South, Range 1 East, Greensburg Land District, East Baton Rouge Parish, Louisiana, and more particularly described as follows:

Commencing at the northwest corner of Airline Highway and McClelland Drive and proceed N 03 24' 21" W a distance of 304.88 feet to the POINT OF BEGINNING:

Thence S 86 38' 24" W a distance of 183 feet to a point and corner; thence S 02 57'22" E a distance of 168.30 feet to a point and corner; which point is the north right-of-way line of Airline Highway; thence along the north right-of-way line of Airline Highway on a curve to the left having a radius of 5804.58 feet and an arc length of 454.73 feet to a point and corner; thence N 04 02' 38" W a distance of 771.10 feet to a point and corner; thence N 86 43'00" E a distance of 680.56 feet to a point and corner; which point is the west right-of-way line of McClelland Drive; thence along said right-of-way line S 02 23' 00" E a distance of 193.51 feet to a point and corner; thence along a curve to the right having a radius of 686.20 feet and an arc length of 268.78 feet to a point and corner; thence along the said right-of-way line on a curve to the left having a radius of 746.20 feet and an arc length of 299.75 feet to a point and corner; thence along the said right-of-way line S 02 57'22" E a distance of 100.00 feet to a point and corner and POINT OF BEGINNING.

All as more fully shown on that certain plat of survey prepared by David L. Patterson, PLS, dated October 25, 2005, a copy of which is attached hereto and made a part hereof.

Being the same property acquired by Brown-Airline, LLC from Herbert G. Brown and Diane Fontenot Brown by Act of Conveyance and Contribution recorded under Original 657, Bundle 11295 of the records of East Baton Rouge Parish, Louisiana.



REPORT ON 2011-2012 CAPITAL OUTLAY BILL

ATTACHMENTS

- Capital Outlay Recommendations for FY 2011-2012 and Status Report

LSU Board of Supervisors
Capital Outlay Recommendation for FY 2011-2012 and Status Report

BOARD RECOMMENDED IN THE FALL 2010

LEGISLATURE AUTHORIZED IN SPRING 2011

Priority in Category	Campus	Project	Previous Funding	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Remaining Total	Project Total	Priority 1	Priority 2	General Obligation	Revenue Bonds	Federal Funding	Self Gen.	Total
Emergency Projects																	
E-1	LSU	Main Campus Sewer Line Replacement	\$1,305,000						\$1,305,000	\$4,305,000							\$0
E-2	LSU	Subsidiary of Publicly Owned Hospital Equipment (Shropshire)	\$1,652,339						\$1,652,339	\$19,957,339							\$0
E-3	HSCS	Replacement of Functional Obsolete Hospital Equipment	\$6,100,000						\$6,100,000	\$8,210,000							\$0
E-4	HSCS	Replacement of Functional Obsolete Hospital Equipment (Furness)	\$436,000						\$436,000	\$2,000,000							\$0
E-5	LSU	Life Science Annex - Partial Roof Replacement and Waterproofing	\$1,750,000						\$1,750,000	\$1,750,000							\$0
E-6	LSU	Patricia Taylor Hall, Roof Replacement	\$1,028,000						\$1,028,000	\$1,750,000							\$0
E-7	HSCS	Replacement Facility for HIV F. U. Medical Center	\$49,906						\$49,906	\$37,866,000							\$0
E-8	LSU	Schroeder Building Renovations	\$2,562,000						\$2,562,000	\$10,825,472							\$0
E-9	LSU	Network and Telephone Cabling Infrastructure	\$0	\$6,527,696	\$18,762,223	\$66,000			\$25,352,919	\$2,582,444,481							\$0
Total Emergency Projects																	
			\$0	\$6,527,696	\$18,762,223	\$66,000			\$25,352,919	\$2,582,444,481							\$0
Self-Generated Projects																	
SO-1	HSCNO	Facilities Renovation (SO) - (Revised scope, No additional funds requested)	\$16,500,000						\$16,500,000	\$0							\$0
SO-2	LSU	Rest Life, Annie Boyd Hall, Renovation (RB)	\$53,000,000						\$53,000,000	\$15,800,000							\$15,800,000
SO-3	LSU	Rest Life, New Residence Hall (RB)	\$1,700,000						\$1,700,000	\$93,000,000							\$93,000,000
SO-4	LSU	University Recreation, New Safety Upgrade (SS)	\$3,200,000						\$3,200,000	\$1,200,000							\$1,200,000
SO-5	LSU	University Recreation, New Safety Upgrade (SS)	\$3,200,000						\$3,200,000	\$1,550,000							\$1,550,000
SO-6	LSU	Blount Union, Renovation of Living Space (BOSUB)	\$1,371,000						\$1,371,000	\$1,371,000							\$1,371,000
SO-7	LSU	Holman Hall, Renovation of Living Space (SS)	\$36,000,000						\$36,000,000	\$38,000,000							\$38,000,000
SO-8	LSU	Patrick Taylor Hall Renovations (SO)	\$28,000,000						\$28,000,000	\$29,000,000							\$29,000,000
SO-9	LSU	AHSCS Department, Facilities Enhancements and Upgrades (SO)	\$29,000,000						\$29,000,000	\$26,000,000							\$26,000,000
SO-10	UNO	Admity Housing (RB)	\$29,707,000						\$29,707,000	\$26,000,000							\$26,000,000
			\$0	\$29,707,000	\$0	\$0	\$0	\$0	\$29,707,000	\$26,000,000							\$26,000,000
Continuing Projects																	
C-1	PEIN	PRBC New Clinical Research Bldg, Imaging Center, and High-Tech Research Instrumentation and Equip.	\$6,600,000						\$6,600,000	\$5,000,000							\$5,000,000
C-2	LSU	Animal and Food Science Facilities Renovations and Modernizations - Ph I	\$3,875,000						\$3,875,000	\$18,750,000							\$18,750,000
C-3	LSU	Choppin Hall Annex, Chemistry Lab Building (Supplemental Funds)	\$35,725,000						\$35,725,000	\$39,475,000							\$39,475,000
Total Continuing Projects																	
			\$46,200,000						\$46,200,000	\$63,225,000							\$63,225,000
New Projects																	
1	LSU	French House Renovation	\$430,000						\$430,000	\$4,000,000							\$4,000,000
2	LSU	South Campus, Land Acquisition	\$10,000,000						\$10,000,000	\$10,000,000							\$10,000,000
3	UNO	Honors Performance Center Renovations for Fine Arts	\$500,000						\$500,000	\$5,100,000							\$5,100,000
4	LSUS	Boston Hall Renovation	\$1,103,750						\$1,103,750	\$12,465,250							\$12,465,250
5	HSCNO	Biological Sciences Center, Facilities Renovations and Modernizations - Ph III	\$1,100,000						\$1,100,000	\$4,750,000							\$4,750,000
6	HSCNO	Dental School, Mechanical and Electrical Systems Modernization	\$1,857,000						\$1,857,000	\$3,538,831							\$3,538,831
7	LSU	Howe-Russell-Kirkton Greenhouse (M&E) Renovation	\$1,375,000						\$1,375,000	\$17,265,000							\$17,265,000
8	LSU	Admission Hall Renovation	\$571,000						\$571,000	\$6,240,000							\$6,240,000
9	LSU	Military and Air Science Renovation	\$6,612,000						\$6,612,000	\$7,221,000							\$7,221,000
10	HSCS	Hospital Acute Care Patient Tower (Shropshire)	\$692,579						\$692,579	\$69,138,200							\$69,138,200
11	HSCS	Medical Diagnostic Support Services Renovation (Shropshire)	\$393,000						\$393,000	\$6,975,000							\$6,975,000
12	HSCS	Medical Diagnostic Support Services Renovation (Shropshire)	\$500,000						\$500,000	\$6,464,000							\$6,464,000
13	HSCS	Outpatient Surgery - New Core (Shropshire and Modernizations - Ph IV)	\$500,000						\$500,000	\$6,464,000							\$6,464,000
14	LSU/A	Reading, Remediation and Campus Safety	\$1,011,619						\$1,011,619	\$12,442,430							\$12,442,430
15	LSU/A	Business and Education Building	\$1,348,000						\$1,348,000	\$14,723,500							\$14,723,500
16	HSCS	College of Engineering, Chemical Engineering Building (SO/GOB)	\$481,000						\$481,000	\$16,349,000							\$16,349,000
17	LSU	Life Science and Expansion	\$1,048,250						\$1,048,250	\$11,760,750							\$11,760,750
18	LSU/A	University of Louisiana at Lafayette, Mechanical and Electrical Systems Modernization - Ph V	\$4,700,000						\$4,700,000	\$6,685,000							\$6,685,000
19	LSU/A	University of Louisiana at Lafayette, Mechanical and Electrical Systems Modernization - Ph V	\$4,700,000						\$4,700,000	\$6,685,000							\$6,685,000
20	LSU/A	University of Louisiana at Lafayette, Mechanical and Electrical Systems Modernization - Ph V	\$4,700,000						\$4,700,000	\$6,685,000							\$6,685,000
21	LSU	Prescott Hall Renovation	\$11,150,000						\$11,150,000	\$12,448,000							\$12,448,000
22	LSU/A	Financial Aid Office Renovations	\$244,000						\$244,000	\$284,000							\$284,000
23	LSU/A	Renovation of Oakland Hall	\$500,000						\$500,000	\$3,000,000							\$3,000,000
24	LSU/A	Computer Room Generator - Disaster Recovery	\$714,000						\$714,000	\$714,000							\$714,000
25	HSCS	Central Veterinary, Diets and Lactation Signage	\$96,000						\$96,000	\$960,000							\$960,000
26	HSCS	Central Veterinary, Diets and Lactation Signage	\$335,500						\$335,500	\$3,659,500							\$3,659,500
27	LSU	University of Louisiana at Lafayette, Mechanical and Electrical Systems Modernization - Ph V	\$5,325,000						\$5,325,000	\$5,325,000							\$5,325,000
LATE SUBMISSION																	
MECHANICAL PHASE																	
Total New Projects			\$881,000	\$74,474,248	\$466,822,833	\$11,888,401	\$12,400,000	\$3,765,000	\$93,767,482	\$1,742,119,119	\$1,349,000	\$5,980,000	\$18,876,600	\$0	\$0	\$0	\$22,205,600
Total Self-Generated Projects																	
			\$0	\$29,707,000	\$0	\$0	\$0	\$0	\$29,707,000	\$26,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000,000
Total Grand Total																	
			\$881,000	\$104,181,248	\$466,822,833	\$11,888,401	\$12,400,000	\$3,765,000	\$123,474,482	\$1,768,838,238	\$1,352,000	\$5,980,000	\$18,876,600	\$0	\$0	\$0	\$48,205,600

Priority 1: Reauthorization of funds previously on a line of credit
 Priority 2: General Obligation Bonds projects expiring by the first or second quarter of the fiscal year.
 Priority 3: General Obligation Bonds for construction and equipment expected to be bid and awarded during the fiscal year but will not require cash expenditure until the following year. Priority 5 will allow non cash line of credit to be issued.
 * New P1th Year Funding

I. ATHLETIC COMMITTEE

Mr. Stanley J. Jacobs, Chair
Dr. Jack A. Andonie, Vice Chair

Mr. Ronald R. Anderson
Mr. R. Blake Chatelain
Mr. Garret "Hank" Danos
Dr. John F. George
Mr. Raymond J. Lasseigne
Mrs. Laura A. Leach
Mr. Ryan Perkins

AGENDA

1. Recommendation to approve amendments to several head coaches contracts at LSU A&M:
 - a. Mr. Douglas Shaffer, Co-Head Coach, Men's and Women's Swimming and Diving
 - b. Mr. David Geyer, Co-Head Coach, Men's and Women's Swimming and Diving
2. Recommendation to approve contract with Nikki Caldwell as head coach of the LSU A&M Women's Basketball program



REPORT OF SYSTEM STAFF ON A SIGNIFICANT BOARD MATTER

LSU A&M – Amendments to employment contracts with head coaches (UPDATED)

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to Article VII, Section 8.E of the Board Bylaws, the following is provided:

1. Significant Board Matter

Board approval of this matter is required pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.4.c Head coach contracts and amendments

2. Summary of the Matter

This is to approve amendments to the contracts for two head coaches at LSU A&M: Douglas Shaffer and David Geyer, Co-Head Coaches of Men's & Women's Swimming & Diving. The amendments make the changes summarized on the chart below.

All funds for all compensation come from self-generated revenue of the Athletic Department. No state general fund or tuition dollars are used.

Summary of proposed amendments

Coach	Title	Term		Total Compensation			
		Current	Proposed	Current	Proposed	Increase	%age
Douglas J. Shaffer	Head Coach ¹	6/30/11	6/30/14	\$70,000	\$80,000	\$10,000	14.3%
David L. Geyer	Head Coach ¹	6/30/11	6/30/14	\$70,000	\$80,000	\$10,000	14.3%

Note: "Total Compensation" includes Base Salary and any *guaranteed* supplemental compensation amounts; it does not include post-season or academic incentives, or supplemental compensation which *may* be received.

¹ Shaffer and Geyer were appointed last year as co-head coaches for the Men's & Women's Swimming & Diving program, as an experiment for one year. The campus reports that it has gone well and recommends extending their term as co-head coaches through 2014. The proposed contract with each of them provides for an automatic salary increase to \$84,000 for 2012-13, and to \$88,000 for 2013-14.

3. Review of Business Plan

The Athletic Department currently expects that all funds relating to these contract amendments will be paid from revenues generated by the Athletic Department;

while authorized by the contracts, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation.

4. Review of Documents Related to Referenced Matter

The proposed contracts have been reviewed by the Office of General Counsel.

5. Other

6. Certification of campus (or equivalent) re. Art. VII, § 8.E

This certification has been provided.

ATTACHMENTS:

1. Proposed contract amendments are available upon request

RECOMMENDATION

Based on the recommendation of the athletic director and the chancellor, it is recommended that the Board authorize the President to sign the proposed contract amendments with the listed coaches.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. John V. Lombardi, LSU System President, or his designee, to sign contract amendments with Douglas J. Shaffer and David L. Geyer, and to include in such amendments such terms and conditions as he, in consultation with the System General Counsel, deems to be in the best interests of LSU.



REPORT OF SYSTEM STAFF ON A SIGNIFICANT BOARD MATTER

LSU A&M – Contract with Nikki Caldwell as Head Coach of Women’s Basketball

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to Article VII, Section 8.E of the Board Bylaws, the following is provided:

1. Significant Board Matter

Board approval is required pursuant to Article VII, section 8 of the Bylaws:

D.4.c Head coach contracts and amendments

2. Summary of the Matter

This is to approve a new contract with Nikki Caldwell to serve as Head Coach of the LSU A&M Women’s Basketball Team. Under the proposed contract, Coach Caldwell will receive \$350,000 annual base salary plus \$350,000 annually in supplemental compensation for radio/tv/internet appearances. She is eligible to receive up to an additional \$500,000 in post-season incentive compensation and \$50,000 in academic incentive compensation. If LSU terminates the contract early, Caldwell will receive liquidated damages from LSU on a sliding scale: \$1,000,000 if terminated during the first contract year, down to \$250,000 if terminated during the fifth contract year. As part of the contract, the Tiger Athletic Foundation will contribute \$170,000 toward the buy-out of her contract with her previous employer. Caldwell will receive customary fringe benefits such as a car allowance and club membership and will also receive expenses related to her relocation to Baton Rouge. The contract term is through June 2016.

All funds for this contract come from self-generated revenue of the Athletic Department. No state general fund or tuition dollars are used.

3. Review of Business Plan

The Athletic Department currently expects that all funds relating to this contract will be paid from revenues generated by the Athletic Department; while authorized by the contracts, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation, other than the buy-out of her prior contract.

4. Review of Documents Related to Referenced Matter

The proposed contract has been reviewed by the Office of General Counsel.

5. Other

6. Certification of campus (or equivalent) re. Art. VII, § 8.E

This certification has been provided.

ATTACHMENTS:

1. Recommendation from campus
2. Proposed Contract with Coach Caldwell

RECOMMENDATION

Based on the recommendation of the athletic director and the chancellor, it is recommended that the Board authorize the President to sign the proposed contract with Nikki Caldwell as Head Coach of the LSU A&M Women's Basketball Program.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. John V. Lombardi, LSU System President, or his designee, to sign a contract with Nikki Caldwell to serve as Head Coach of the LSU A&M Women's Basketball Program and to include in that contract such terms and conditions as he, in consultation with the System General Counsel, deems to be in the best interests of LSU.



FROM: Vice Chancellor and Director of Athletics Joe Alleva
TO: Chancellor Michael Martin
DATE: July 5, 2011
REF: Contract for Women's Basketball Coach Nikki Caldwell

I am recommending approval of the attached contract for Women's Head Basketball Coach Nikki Caldwell. The proposed annual base salary will be \$350,000 with a total annual compensation package of \$700,000. She will also have the opportunity to earn \$50,000 in academic incentives every year along with post season incentives as outlined on Schedule A of her contract.

Coach Caldwell's total compensation package is slightly less (\$10,000) than the total compensation package of the previous head women's basketball coach; however, her compensation package will be ranked in the top tier of SEC women's basketball coaches.

We feel under the leadership of Coach Caldwell, our women's basketball program will return to one of the nation's elite programs.

If further information is needed, please feel free to contact me.

Joe Alleva
Vice Chancellor and Director of Athletics

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made and entered into as of this 2nd day of April, 2011, by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by John V. Lombardi, its duly authorized President, and Yolanda “Nikki” Caldwell (“COACH”):

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:

- A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.
- B. “Chancellor”: The Chancellor of LSU A&M.
- C. “Athletic Director”: The Director of Athletics at LSU A&M.
- D. “Base Salary Amount”: The annual sum of Three Hundred Fifty Thousand and No/100ths dollars (\$350,000.00).
- E. “Start Date”: April 2, 2011.
- F. “End Date”: June 30, 2016.
- G. “Program”: The intercollegiate Women’s Basketball program at LSU A&M.
- H. “Team”: The intercollegiate athletic team which is a part of the Program.

2. **Employment.** LSU does hereby employ COACH as Head Coach of the Team. COACH will report directly to the Athletic Director and through the Athletic Director to the Chancellor. COACH will be responsible for the Program at LSU A&M. COACH hereby

agrees to accept such employment and to devote full-time attention to the performance of the duties herein.

3. **Duties and Responsibilities.** As Head Coach of Team, COACH's duties and responsibilities shall include the following, all subject to law, LSU policy, and the directives, input, and advice of the Chancellor and the Athletic Director:

- A. Administering, managing, and leading the Program in a professionally appropriate and competent manner;
- B. Administering, managing, and leading the Program in an effort to effectively compete in National Collegiate Athletic Association (NCAA) play;
- C. Hiring and managing the assistant coaches and other athletic staff necessary and appropriate to assist COACH in meeting the responsibilities herein;
- D. Directing the Program, including management of staff, budget, and other resources;
- E. Being reasonably knowledgeable, with reasonable assistance of LSU, of: (i) applicable federal and state laws governing intercollegiate athletics; and (ii) all governing constitutions, by-laws, rules, policies, interpretations, and regulations of the NCAA, the Southeastern Conference (SEC), LSU, and any other conference or organization of which LSU is or becomes a member during the term of this Agreement; all hereinafter collectively referred to as "**Governing Athletics Regulations**";

- F. Assuring and monitoring compliance with Governing Athletics Regulations by COACH and all student athlete members of the Team, assistant coaches, other Program staff members, and other individuals under or subject to COACH's direct control, authority, or supervision;
- G. Promptly reporting any violation of Governing Athletics Regulations to the Associate Athletic Director for Compliance;
- H. Cooperating fully in any investigation of possible NCAA violations conducted or authorized by LSU or the NCAA at any time;
- I. Reasonably observing, respecting, and promoting the principles of institutional control in the Program;
- J. Reasonably understanding, observing, and upholding LSU's reasonable, written academic standards, requirements, and policies, and reasonably promoting an environment in which admissions, financial aid, academic services for student athletes, and recruiting can be conducted consistently with LSU's mission (provided said mission is reasonable and communicated to COACH in writing);
- K. Using reasonable and good faith personal efforts to cultivate and maintain effective relations with the Board of Supervisors, affiliated foundations, conferences, institutional alumni, the media, the public, students, faculty, staff, and friends of LSU;
- L. Using reasonable efforts to exercise due care and supervision to provide that all student athletes, assistant coaches, other program staff members, and other

individuals under or subject to COACH's control, authority, or supervision comply with all Governing Athletics Regulations and act in accordance with the high moral, ethical, and academic standards of the Program and LSU;

- M. Using reasonable efforts to promote the goal of LSU, that every student athlete obtain a baccalaureate degree, and reasonably cooperating with academic counselors or similar persons designated by LSU to assist student athletes and the faculty and administrators of LSU in connection with the academic pursuits of student athletes;
 - N. Performing these duties at all times in a manner consistent with good sportsmanship and in accordance with the high moral, ethical, and academic standards of the Department of Athletics and LSU;
 - O. Performing all other reasonable duties customarily performed by head coaches in Team's sport of commensurate rank serving other NCAA member institutions.
4. **Term.** The term ("Term") of this AGREEMENT shall be for a definite term, commencing on the Start Date and ending on the End Date unless terminated sooner in accordance with Section 12 of this Agreement. This Agreement will automatically renew on a monthly basis effective the day after the End Date unless the Agreement has been terminated pursuant to Section 12 or written notice of non-renewal has been given by either party to the other at least 30 days before the End Date.
5. **Base Salary.** LSU agrees to pay COACH the Base Salary Amount annually, in twelve (12) equal monthly installments.

6. **Supplemental Compensation.**

- A. In addition to the base salary described above, COACH each contract year shall receive Supplemental Compensation in an amount of Three Hundred Fifty Thousand and No/100 (\$350,000.00) dollars contingent on COACH appearing on or participating in (or being ready, willing and able to do so, in the event COACH's services aren't so utilized), as requested, University sanctioned television, radio and internet programs concerning LSU and the Team. Any amount earned by COACH pursuant to this provision shall be considered earned on the date(s) on which COACH appears on or participates in the television, radio, and internet programs and shall be paid in twelve (12) equal monthly installments.
- B. COACH shall not appear without the prior written approval of the Chancellor on, or in, any radio, television, or internet programs or other electronic medium other than those produced or sponsored by LSU, except routine news media interviews for which no compensation is received. COACH shall not appear in or make any commercial or commercial endorsement without the prior written approval of the Chancellor and the Athletic Director. Such approval shall not be unreasonably withheld.
- C. Without limiting the obligations contained in this Section 6, the parties agree that COACH's responsibilities as the head coach of the Program shall at all times supersede and take priority over any obligations that COACH may have pursuant to this Section 6.

7. **Incentive Compensation.**

- A. **Post-Season Incentive Compensation.** In the event the Team participates in post-season games, LSU agrees to pay COACH Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play as follows in accordance with LSU's policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for SEC Regular Season Champion, the date of the last SEC game in Team's sport played by any SEC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth in Schedule A, which is attached to and made a part of this Agreement. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSU as of the date on which the incentives are earned.
- B. **Academic Incentive Compensation.** In the event the multi-year Academic Performance Rate "APR" [as defined by the NCAA] for the Program is 960 or higher in any one contract year (beginning contract year 2011-12), LSU agrees to pay COACH additional compensation in the amount of \$50,000 per contract year. The additional compensation, if payable, shall be considered earned on the date

on which the APR for LSU is released while COACH is employed at LSU and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must be employed by LSU as of the date on which the incentives are earned.

8. **Retirement and Fringe Benefits.** COACH shall be entitled to participate in the retirement and fringe benefit programs available to all unclassified professional LSU employees, with contributions and benefit amounts (including state retirement benefits) based only upon the Base Salary Amount and any Post-Season Incentive Compensation. During the term of this Agreement and in accordance with applicable LSU policy and applicable law, COACH will also receive the following benefits, part or all of which may be payable from affiliated foundation funds, subject to approval of LSU and the foundation:

- A. Membership(s) in a social club, such as the University Club of Baton Rouge, provided that: (i) monthly dues shall be payable from affiliated foundation funds, subject to approval of such foundation; (ii) business-related (non-personal) expenses incurred in accordance with LSU and foundation policy will be reimbursed from affiliated foundation funds; and (iii) COACH shall be responsible for payment of all personal charges. Notwithstanding the foregoing provisions of this Paragraph, COACH shall not be personally responsible for expenses authorized and incurred by COACH and her staff in connection with the

ordinary functions associated with an NCAA Division I women's basketball program, in accordance with LSU policy;

- B. Mobile communications device and service;
- C. An annual automobile allowance in the amount of \$1,000 per month or, to the extent consistent with state ethics law, use of courtesy vehicle provided by dealership and related insurance reimbursed from affiliated foundation funds; and
- D. Other customary, reasonable and related employee benefits to be provided by foundations affiliated with LSU, as authorized by the Chancellor after a review by the LSU System General Counsel and a determination that such benefits are in compliance with LSU policy and the Louisiana Code of Ethics.

9. **Additional Revenue.**

Subject to compliance with Governing Athletics Regulations, including but not limited to current NCAA Bylaw 11.2 and 11.3, *et seq.*, and LSU's PM-11, COACH may earn or receive other revenue ("Additional Revenue") while employed by LSU provided, however, that COACH shall obtain prior written approval, which approval shall not be unreasonably withheld, from the Chancellor before engaging in any commercial or private venture, including the use of COACH's name by any commercial, public or private entity. COACH shall report annually to the Chancellor and the Athletic Director on January 31st, in writing, in compliance with NCAA Bylaw 11.2.2 and 11.2.2.1, and any applicable LSU policy, all athletically-related income from sources outside LSU, and

LSU shall have reasonable access to all records of COACH to verify this report. LSU does not guarantee any amount of Additional Revenue.

COACH shall not, without written approval of the Chancellor and the Athletic Director, arrange for or agree to the receipt by any assistant coach of any supplemental pay, bonus, or other form of payment from any outside source, except for income earned by assistant coaches from COACH's operation of sports camps, or as otherwise authorized by LSU in accordance with PM-11.

10. **Sports Camps.** COACH, subject to Governing Athletics Regulations and Athletic Department guidelines, rules and regulations, may operate or work at sports camps/clinics at LSU. LSU does not guarantee or provide any supplemental compensation or additional revenue from operation of sports camps/clinics. COACH shall not be permitted to sell, assign, lease, donate or otherwise transfer any ownership, assets or interests in such a camp or clinic to any other person or entity, without the prior written approval of the Chancellor.

11. **Assignment and Retirement Benefits.**

A. **Assignment.** To the extent permitted by law, COACH may require LSU to contract with a separate legal entity, whether under the control of COACH or not, for the performance of any services by COACH required or authorized under Sections 6 (Supplemental Compensation, if any) and 10 (Sports Camps). The form of the contract shall be subject to the approval of LSU, which approval shall not be unreasonably withheld.

B. **Retirement Benefits.** Regardless of whether the services are performed directly for LSU or through contract with a separate legal entity, whether such other entity is under the control of COACH or not, sums paid or authorized under Section 6 (Supplemental Compensation, if any), 7.B (Academic Incentive Compensation), 8 (Fringe Benefits), 9 (Additional Revenue), and 10 (Sports Camps) of this Agreement shall not be considered "base pay," "earned compensation," or "earnable compensation" as such terms are defined in Louisiana Revised Statutes 11:403 and 11:701, or other applicable Louisiana retirement laws, and shall not be included as compensation for the purpose of computation of retirement benefits. Only the Base Salary Amount and any Post Season Incentive Compensation earned pursuant to Section 7.A shall be considered for the purpose of computation of retirement benefits.

12. **Termination.** This Agreement may be terminated by the parties as follows:

A. **Termination by LSU for Cause.** This Agreement may be terminated for "cause" by LSU, acting through the Chancellor, at any time prior to its expiration, upon written notice to COACH. In the event of termination for cause, COACH's Base Salary Amount, Supplemental Compensation (if any), and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages other than compensation earned prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

For purposes of this Section, “cause” for termination shall be defined as:

- (1) Committing a material and substantial violation (including repeated secondary violations) of Governing Athletics Regulations, or failing promptly to report any such violation by another person to the Chancellor and the Associate Athletic Director for Compliance;
- (2) Commission of a material and substantial violation of Governing Athletics Regulations involving any aspect of the Program by any other person if either: (i) the violation occurs or continues to occur after COACH knew or had constructive knowledge that it was about to occur or was occurring, or (ii) COACH failed to establish and maintain reasonable policies and procedures, or to follow reasonable policies and procedures established in writing by the Athletic Department for the Program to prevent violations of Governing Athletics Regulations from occurring and to detect promptly any such violations which may occur;
- (3) Committing or being convicted of either: (i) any felony; or (ii) any misdemeanor involving gambling, drugs, or alcohol;
- (4) Engaging in serious misconduct which either: (i) displays a continual, serious disrespect or continual, serious disregard for the mission of LSU; (ii) brings COACH into substantial public disrepute sufficient to materially impair COACH’s ability to perform the obligations contained herein without material adverse impact on the Team or Program; or (iii) constitutes moral turpitude or breaches the high moral and ethical standards applicable to COACH as a visible representative of LSU;

- (5) Unreasonably refusing or repeatedly failing to perform any duties imposed upon COACH herein (including, but not limited to, those duties and responsibilities set forth in Section 3 of this Agreement), or failing to perform the same to the best of COACH's reasonable ability, after written notice to COACH of LSU's reasonable expectation;
- (6) Knowingly committing material or repeated significant violations of any provision of this Agreement, provided said initial violations are not cured within ten (10) days of COACH's receipt of written notice of the same;
- (7) Prolonged absence from LSU without its consent, which will not unreasonably be withheld;
- (8) (i) Intentionally or with reckless disregard for the truth committing fraud in the performance of any duties and responsibilities herein, including, but not limited to, fraud in the preparation, falsification, or alteration of documents or records of LSU, the NCAA, or the SEC, or documents or records pertaining to any recruit or student athlete, including without limitation transcripts, eligibility forms, and compliance reports; or (ii) counseling, instructing, encouraging, or knowingly permitting any other person to commit such fraud;
- (9) (i) Failing to respond reasonably accurately and fully within a reasonable time to any reasonable requests or inquiry relating to the performance of any duties herein or at any prior employment at any other institution of higher learning propounded by LSU, the NCAA, the SEC or any other governing body having supervision over the athletic programs of LSU or such other institution of higher education, or required by law or Governing Athletics Regulations; or (ii) counseling,

- instructing, encouraging, or knowingly and intentionally permitting any other person to fail to so respond;
- (10) (i) Participating in any gambling, bookmaking, wagering, or betting involving any athletic contest whether by soliciting, placing, or accepting a bet or wager or through a bookmaker, a pool, or any other method of gambling; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any student athlete, assistant coach, or other individual under or subject to COACH's control, authority, or supervision to participate in such activity;
- (11) (i) Furnishing any information or data, other than information or data provided to the general public through press conferences, news releases, and the like, relating in any manner to any intercollegiate sport or to any student athlete to any individual whom COACH knows (or has constructive knowledge) to be a gambler, better, or bookmaker, or an agent of any such person; or (ii) counseling, instructing, or encouraging any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision to furnish such information or data;
- (12) Using or consuming alcoholic beverages or controlled substances, steroids, or other drugs or chemicals to such degree and for such appreciable period as to substantially impair COACH's ability to perform the duties herein;
- (13) Selling, purchasing, using, or possessing any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by COACH is prohibited by law or Governing Athletics Rules. The provisions of this

subsection do not prohibit the use or possession of substances or drugs lawfully prescribed by a healthcare provider, and used in accordance therewith.

- (14) Knowingly encouraging or permitting the sale, purchase, use, or possession by any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision of any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by such person is prohibited by law or Governing Athletics Rules;
- (15) (i) Failing reasonably to cooperate in the investigation and enforcement of Governing Athletics Regulations; or (ii) counseling, instructing, or encouraging any other person to fail to cooperate in such investigation and enforcement;
- (16) Subject to any right of administrative appeal permitted or granted to COACH by the NCAA or SEC, the making or rendition of a finding or determination by the NCAA, SEC, or any commission, committee, council, or tribunal of the same, of any major or repetitive violations by COACH of NCAA or SEC rules, or of any such major or repetitive violations by others under the direct supervision of COACH which were knowingly and intentionally permitted, encouraged, or condoned by COACH, or about which violations COACH knew or should have known (constructive knowledge), and should have acted reasonably to prevent, limit, or mitigate (it is recognized that this sub-section includes findings or determinations of violations during employment of COACH at any other institution of higher education); or

- (17) Failing to report promptly to the Associate Athletic Director for Compliance any violations of Governing Athletics Regulations involving the Team of which COACH has actual knowledge.

Any judgment as to whether the criteria contained in this section have been met shall not be made arbitrarily or capriciously by LSU. Prior to termination for cause, COACH: (i) shall be provided with written notice of contemplated termination and a statement of the grounds and facts in support thereof; and (ii) shall have five calendar days from receipt of such notice to make a written request for a hearing on the contemplated action. A hearing will be held by the Chancellor or his designee(s), and at the hearing COACH shall have the right to counsel and to present the testimony of witnesses and other reliable evidence. The procedures shall conform to, and evidence may be considered, consistent with federal and state due process standards for such hearings.

All compensation, including salary, benefits, and other remuneration set forth in this Agreement incidental to COACH's employment, cease upon termination, other than compensation owed COACH for services performed by COACH prior to termination.

B. Termination by LSU Without Cause.

- (1) LSU shall have the right to terminate this Agreement without cause upon written notice to COACH. In such event, LSU will pay COACH liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the

event of termination by LSU without cause, COACH's Base Salary Amount, Supplemental Compensation, Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages other than the liquidated damages provided for herein and any compensation earned pursuant to this Agreement prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

- (2) Liquidated damages under this Section 12.B will be \$300,000 per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.
- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation COACH, in relation to athletics or athletic-media endeavors, earns, receives, or takes reasonable steps to actually receive from the termination date until LSU's obligation pursuant to this Section 12.B to COACH terminates or ceases to exist. COACH shall exercise due diligence and good faith in seeking other employment. In the event COACH obtains such other employment, COACH will notify LSU and provide any and all documentation requested by LSU to determine the amount of compensation

received by COACH and the amount of offset due to LSU. The mitigation of liquidated damages provision of this subsection shall not be applicable if termination by LSU without cause takes place within one year of the end of the initial term or an extended term.

- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause COACH to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by COACH in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

C. Termination by COACH Without Cause.

- (1) COACH shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event COACH terminates this Agreement without cause and accepts, during what would otherwise be the remaining term of this Agreement (including any extended term), another coaching position with any other institution of higher education or professional athletic team, or any other athletically-related position (including media and sports marketing), COACH will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by COACH without

cause, COACH's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and COACH), and LSU shall not thereafter be liable to COACH for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be determined based upon the Contract Year in which notice of termination is given. For purposes of this subparagraph, the first Contract Year will begin on the effective date of this Agreement and end on June 30, 2012. The second Contract Year will begin on July 1, 2012 and end on June 30, 2013, with each subsequent Contract Year beginning on July 1 and ending on June 30 of the following year; provided however, that no liquidated damages shall be due if notice of termination is given by Coach after the end of the season during the Fifth Contract Year. The amount of liquidated damages shall be:

<i>Amount</i>	<i>Contract year when notice of termination given</i>
a. \$1,000,000	First Contract Year
b. \$ 850,000	Second Contract Year
c. \$ 650,000	Third Contract Year
d. \$ 450,000	Fourth Contract Year
e. \$ 250,000	Fifth Contract Year

- (3) Liquidated damages under this Section 12.C shall be paid on the same schedule as that provided under subsection 12.B(3), above. In addition, COACH shall have the option to pay such amount in one payment within sixty days of termination, said amount discounted to the then present value using the then current discount rate of the largest national banking institution.
- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by COACH prior to its expiration by lapse of term (including any extended term) would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement head coach for Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty. COACH recognizes that his promise to work for LSU until its expiration by lapse of term (including any extended term) is an essential consideration of and a material inducement for LSU's decision to employ him in the position described in Section 2, above. COACH also recognizes that LSU is making a highly valuable investment in his continued employment by entering into this Agreement

and its investment would be lost or diminished were he to resign or otherwise terminate his employment with LSU prior to the End Date (including any extended term). The payment owed pursuant to this liquidated damages provision is to reimburse LSU for expenses, including but not limited to (i) searching for, recruiting and hiring a replacement for COACH, (ii) relocating a replacement employee, and (iii) buying out the contract, if necessary, of a replacement employee. COACH expressly agrees that the amount of liquidated damages provided for herein is a reasonable approximation of the harm that LSU will incur in the event of such early termination by COACH.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither COACH nor COACH's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the Chancellor and the Athletic Director.

D. Suspension or Other Disciplinary Action.

- (1) In lieu of termination for cause, and apart from any rights it may have under Section 12.A, LSU may impose disciplinary sanctions less severe than termination upon COACH, up to and including suspension or leave without pay for a period no longer than ninety (90) days for any act or omission which would be grounds for termination for cause. Imposition of such sanctions shall be at the discretion of LSU, which shall not be exercised arbitrarily or capriciously.

- (2) LSU may suspend COACH for an indefinite period during any investigation by LSU, another governmental entity, or the NCAA or SEC to determine whether COACH has violated any laws or Governing Athletics Regulations. During such suspension, COACH shall receive only the Base Salary Amount, and shall not be entitled to receive any other benefits, compensation or remuneration set forth in this Agreement for the period of such suspension. If the matter giving rise to the suspension is finally resolved completely in favor of COACH, and does not otherwise represent an independent basis for termination herein for cause, LSU shall pay or make available to COACH the benefits and other compensation herein otherwise payable to COACH during the period of suspension. Any such benefits which are payable pursuant to this Agreement by an affiliated foundation shall only be paid by such foundation, subject to its approval. Suspension under this sub-section shall not limit any rights of LSU to terminate COACH for cause.
- (3) COACH shall be subject to disciplinary or corrective action by the NCAA or SEC for any violation of NCAA and SEC regulations, respectively. Such action by the NCAA or the SEC shall not preclude or in any manner affect LSU's right to take such other corrective or disciplinary action as, including termination for cause.
- E. **Termination by Death or Disability.** In the event of the death of COACH or the inability of COACH to perform the obligations described in this Agreement by reason of illness or some other occurrence beyond the control of either party, and such inability to perform has continued or will continue beyond a reasonable period of time, but not less than one hundred twenty (120) days, this Agreement shall terminate as a termination with cause and all future obligations between the

parties shall cease upon the termination date reasonably established by LSU, unless otherwise required by law.

- F. **Waiver of Claims.** The financial consequences of termination of this Agreement or suspension herein are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, neither COACH nor LSU shall be entitled to receive, and each hereby waives any claim against the other, and their respective board members, officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including without limitation loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speaking, camps or other outside activity, or expectation income, or damages allegedly sustained by reason of alleged humiliation or defamation or other non-compensatory and compensatory damages and attorney's fees resulting from the fact of termination, the public announcement thereof, or the release by LSU or COACH of information or documents required by law. COACH acknowledges that in the event of either termination of this Agreement for cause, without cause, or otherwise, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, COACH shall have no right to occupy the position of head coach of Team and that COACH's sole remedies are provided herein and shall not extend to injunctive relief. COACH further

acknowledges and agrees that COACH is not eligible for will not be considered for or granted tenure by LSU.

G. **Key Man Insurance.** LSU or its affiliated athletic foundation, at the sole discretion of LSU, shall have the right at any time during the term of this Agreement to take out key man insurance or other insurance on the life of COACH. COACH shall reasonably cooperate in the underwriting and issuance of any such insurance.

13. **Retention and Return of all Materials, Records, and Other Items.** All documents, records, or materials, including without limitation personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to COACH by LSU or developed by COACH on behalf of or at the expense of LSU or otherwise in connection with the employment of COACH are and shall remain the sole and confidential property of LSU. Within ten (10) days of the expiration or termination of this Agreement, COACH shall cause any such materials in COACH's possession or control to be delivered to LSU. At the same time, COACH shall return to LSU all credit cards, keys, computers, mobile communication devices and other items belonging to LSU which were issued to or are in the possession of COACH.
14. **Non-Assignment.** Neither party may assign, transfer, alienate, or encumber any of its rights or obligations hereunder without the express written consent of the other party, except as otherwise specifically set forth in this Agreement.
15. **Entire Contract.** This Agreement constitutes and expresses the entire agreement and understanding of the parties concerning the employment of COACH by LSU and shall,

upon the effective date hereof, supersede any other oral and written agreements between the parties. There are no oral or other agreements, understandings, promises, or representations between the parties affecting this Agreement. Both parties have relied solely on their own respective judgments in entering into this agreement, with full opportunity to seek advice of competent counsel. It shall be construed, if necessary, without reference to the party that was the principal drafter of the agreement

16. **Amendments to Contract.** This Agreement may be amended only by a written instrument duly approved by LSU through its designated representatives and accepted by COACH, such approval and acceptance to be acknowledged in writing.
17. **Severability.** If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.
18. **No Waiver of Default.** No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.
19. **Sovereign Immunity Not Waived.** It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver or relinquishment by LSU of any rights to claim such exemptions, privileges and immunities as may be provided by law.

20. **"Force Majeure" Clause.** Neither party shall be considered in default of performance of any obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

21. **Governing Law and Venue.** This Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having jurisdiction and domiciled in East Baton Rouge Parish, Louisiana.

THE PARTIES hereto, acknowledging that this Agreement is subject to approval of the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE

By: _____
John V. Lombardi, Ph.D., President

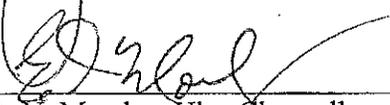


Yolanda "Nikki" Caldwell

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Director of Athletics
Louisiana State University and
Agricultural and Mechanical College



Eric N. Monday, Vice Chancellor and CFO for Finance & Administrative Services
Louisiana State University and
Agricultural and Mechanical College



Michael Martin, Ph.D., Chancellor
Louisiana State University and
Agricultural and Mechanical College

Schedule A – Supplemental Terms for Yolanda “Nikki” Caldwell

This Schedule A supplements and further defines the provisions of the Employment Agreement dated April 2, 2011 entered into between LSU and Yolanda “Nikki” Caldwell, to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts (such amounts being cumulative), and based on attaining the goals, shown below. The maximum amount of Post-Season Incentive Compensation paid shall be \$500,000 per contract year:

a)	SEC Regular Season Champion	\$ 50,000
b)	SEC Tournament Champion	\$ 50,000
c)	NCAA Tournament Appearance	\$ 50,000
d)	NCAA Sweet Sixteen Appearance	\$ 50,000
e)	NCAA Final Four Appearance	\$ 50,000
f)	NCAA National Champion	\$100,000
g)	SEC Coach of the Year (as voted by the SEC Coaches)	\$ 50,000
h)	National Coach of the Year (Naismith Women’s College Coach of the Year)	\$100,000

2. Section 8 of the Agreement is supplemented to add the following subsections after the end of subsection D:

- E. One-time reimbursement of household moving expenses in accordance with LSU policy and state law;
- F. One payment of \$10,000 to be used for miscellaneous relocation expenses not reimbursed in accordance with the provisions of subsection D above;
- G. Temporary housing at a site chosen mutually agreed upon by COACH and by the Athletic Director for a period not to exceed 90 days; and,

- H. Upon approval of the contract, a payment of \$170,000 will be paid to COACH to pay any contractually required buyout. The payment will be made solely from affiliated foundation funds and not be considered an obligation of LSU. COACH shall be solely responsible for any and all other expenses associated with resignation of current employment.

- 3. All other provisions of the Agreement remain unchanged by this Schedule A.

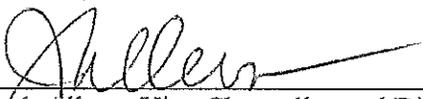
BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
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By: _____
John V. Lombardi, Ph.D., President

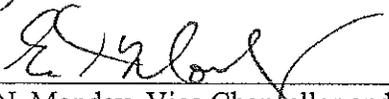


Yolanda "Nikki" Caldwell

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Director of Athletics
Louisiana State University and
Agricultural and Mechanical College



Eric N. Monday, Vice Chancellor and CFO for Finance & Administrative Services
Louisiana State University and
Agricultural and Mechanical College



Michael Martin, Ph.D., Chancellor
Louisiana State University and
Agricultural and Mechanical College

CONSENT AGENDA

1. Recommendation for a Determination of Acceptable University Purpose for the construction of a Trees and Trails Trailhead Pavilion at the Burden Center
2. Recommendation to approve the purchase of property and temporary right of way by the Department of Transportation and Development to allow for the reconstruction of an existing bridge along Highway 10 at Lee Memorial Forest
3. Request approval to award a Posthumous degree at Louisiana State University
4. Request approval to create the Master of Science and Doctor of Philosophy in Plant, Environmental Management and Soil Sciences and terminate the Master of Science and Doctor of Philosophy degrees in Agronomy at Louisiana State University
5. Request approval of an Exclusive Patent and Know How License between Indigeaux Pharmaceuticals, LLC and LSUHSC in Shreveport

**PERSONNEL ACTIONS REQUIRING
BOARD APPROVAL**

July 15, 2011

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Personnel Actions Requiring Board Approval

July 15, 2011

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Personnel Actions Requiring Board Approval
July 15, 2011

FILL A VACANCY

Campus	Name	Effective Date	Title	Salary	Proposed Source
1 HSCNO	Smith, Ronnie E.	07/01/11	Interim Assistant to Chancellor for Special Projects and Interim Vice-Chancellor for Administration and Finance	\$211,183	State
2 LSU A&M	Dunn, Alan D.	06/10/11	Assistant Coach-Men's Baseball	\$150,000	State
3 LSU A&M/PBRC	Stephens, Jacqueline	07/01/11	Joint Appointment as Professor with LSU A&M and PBRC	\$64,528	LSU A&M
				<u>\$69,367</u>	PBRC
				Total \$133,895	State Grant

Personnel Actions Requiring Board Approval
July 15, 2011

PROMOTIONS

Campus	Name	Effective	Title	Old Salary	New Salary	Difference	Source	Pct Chg.
1 HSCNO	Batson, Robert	06/01/11	Head of the Department of Surgery	Base	\$120,000	\$225,000		
				Supplement	<u>\$365,000</u>	<u>\$310,000</u>		
				Total	\$485,000	\$535,000	\$50,000	State
2 HSCS	Hobgood, Marcus	07/01/11	Chief Information Officer - Computer Services	\$130,000	\$162,500	\$32,500	State	25%
3 LSU A&M	Guzik, T. Gregory	08/15/01	Professor with Tenure	\$82,025(A.Y)	\$91,000(A.Y)	\$8,975	Grant	11%
4 LSU A&M	Lombardo, Tony	06/01/11	Executive Director of Facility Services	\$118,461	\$155,000	\$36,539	State	31%
5 LSU AgCtr	Russin, John S.	06/27/11	Vice Chancellor and Director of the Louisiana Experiment Station	\$175,000	\$203,541	\$28,541	State	17%
6 LSU AgCtr	Rutherford, Douglas Allen	06/06/11	Interim Department Head - Biological and Ag. Engineering and Director of School of Renewable Natural Resources	\$146,970	\$158,970	\$12,000	State	9%
7 PBRC	LaVergne, Guy	07/01/11	Assistant Executive Director for Operations	\$114,921	\$126,413	\$11,422	State	10%

TITLE CHANGE-FOR INFORMATION PURPOSES ONLY

1 LSU System	Gargano, Michael	07/01/11	Chief of Staff and Vice President for Student and Academic Support Services	\$225,000	\$225,000	0	State	0%
2 LSU System	Hargrave, Carolyn	7/1/2011	Vice President for Academic Affairs and Technology Transfer	\$235,472	\$235,472	0	State	0%
3 LSU System	Vandal, Jean	07/01/11	Assistant Vice President for Administration Services	\$150,000	\$150,000	0	State	0%

Personnel Actions Requiring Board Approval
July 15, 2011

APPOINTMENT/CONTINUATION OF DESIGNATED CHAIR OR PROFESSOR SHIP

Campus	Name	Effective Date	Remove/Add	Title
1 HSCNO	Batson, Robert	06/01/11	Add	Isidore Cohn Chair of Surgery
2 HSCNO	Griffin, Phillip	07/01/11	Add	Mollie Wallick Professorship in Psychology
3 HSCNO	Himel, Van Terry	07/01/11	Add	Raymond G. Luebke, D.D.S. Professorship in Endodontics
4 HSCNO	Pei, Leo A.	09/01/11	Add	Ronald A. Welsh Professorship of Pathology
5 LSU A&M	Broussard, Jinx Coleman	07/01/11	Remove	Dickinson Professorship
			Add	Howard and Nantelle Mitchiner Gittinger Endowed Professorship
6 LSU A&M	Coyle, Erin K.	07/01/11	Remove	William Carville Professorship
			Add	J. Patrick Gebhart Professorship
7 LSU A&M	Dunn, Matthew Lawrence	08/15/11	Add	Ruth Z. McCoy Professor in Interior Design
8 LSU A&M	Dykema, Kristi McKenzie	08/15/11	Add	Suzanne L. Turner Professorship in Landscape Architecture
9 LSU A&M	Flake, John C.	08/15/11	Add	Jay Affolter Endowed Professorship
10 LSU A&M	Gluis, Mark	04/28/11	Add	Interim Appointment to John P. LaBorde Endowed Chair for Sea Grant Research and Technology Transfer
11 LSU A&M	Miller, Andrea L.	07/01/11	Add	Huie-Dellmon Endowed Professorship
12 LSU A&M	Sanger, Gary C.	08/15/11	Remove	Distinguished Chair in Finance
			Add	William H. Wright, Jr. Endowed Chair of Financial Services
13 LSU A&M	Scholl, Rosanne M.	07/01/11	Add	Remal Das and Lachmi Davi Bhatia Memorial Professor
14 LSU A&M	Song, Felicia W.	07/01/11	Remove	Huie-Dellmon Endowed Professorship
			Add	Patrick J. Sorrells Endowed Professorship
15 LSU A&M/PBRC	Stephens, Jacqueline	07/01/11	Remove	Ron and Mary Neal Distinguished Professor in Biological Sciences
			Add	Claude B. Pennington, Jr. Endowed Chair in Biomedical Research
16 LSU A&M	Sylvester, Judith L.	08/15/11	Remove	Howard and Nantelle Mitchiner Gittinger Endowed Professorship
			Add	Blue Cross/Blue Shield Professorship
17 LSU AgCtr	Salassi, Michael E.	05/01/11	Continue	N. Nelson Fairbanks Professorship
18 PBRC	Brantley, Phillip J.	07/01/11	Add	John Stauffer McIlhenny Professorship in Nutrition

Personnel Actions Requiring Board Approval
July 15, 2011

SUPPLEMENTAL COMPENSATION

Campus	Name	Effective	Title	Salary	Supplement	Foundation
1 HSCNO	Mize, Richard	09/01/11	Julius H. Mullins Professorship	\$128,490	\$2,500	LSUHSCNO Found.
2 HSCNO	Swartz, William	09/01/11	Marilyn Zimny Professorship in Anatomy	\$142,955	\$6,000	LSUHSCNO Found.
3 LSU A&M	Hall, Randall W.	08/15/11	Webster Parish Chapter Alumni Professorship	\$93,960	\$6,200	LSU A&M
4 LSU A&M	Oliver, Elisabeth L.	08/15/11	Greater Houston Alumni Chapter Alumni Professorship	\$82,612	\$6,200	LSU Alumni Assoc.
5 LSU A&M	Rau, A Ravi P.	08/15/11	Robert Stobaugh Alumni Professorship	\$126,299	\$6,200	LSU A&M
6 LSU A&M	<i>See Attached Awards Report from the LSU A&M Campus</i>					
7 LSU AgCtr	Salassi, Michael E.	05/01/11	N. Nelson Fairbanks Professorship	\$127,674	\$3,000	LSU A&M
8 LSU Eunice	Vidrine, Debra	06/08/11	Endowed Professorship	\$55,515	\$1,194	LSU-E Found.

LOUISIANA STATE UNIVERSITY BOARD OF SUPERVISORS AWARDS REPORT

Meeting Date: July 2011

Name	Title	Award	Regular Salary	Date	Award Amount
Rick Moreland	Department Head/Chair	Outstanding Service-Learning Faculty Award	\$115,044	4/18/2011	\$1,000
Bijaya Karki	Associate Professor	Rainmakers Faculty Mid-Careers Scholar	\$96,832	4/18/2011	\$1,000
Bryan Carstens	Assistant Professor	Rainmakers Faculty Emerging Scholar	\$70,200	4/18/2011	\$1,000
Kalliat Valsaraj	Department Head/Chair	Rainmakers Faculty Senior Scholar	\$163,080	4/18/2011	\$1,000
Graham Bodie	Assistant Professor	Rainmakers Faculty Emerging Scholar	\$58,000	4/18/2011	\$1,000
Melinda Solmon	Department Head/Chair	H.M. "Hub" Cotton Award for Faculty Excellence	\$108,039	4/29/2011	\$1,000
Pallavi Rastogi	Associate Professor	LSU Foundation Distinguished Faculty Teaching Award	\$66,706	4/29/2011	\$1,500
Susan Weinstein	Associate Professor	Brij Mohan Distinguished Professor Award	\$70,000	5/3/2011	\$500
Richard Hughes	Professional in Residence	Zaki Bassiouni Excellence in Teaching Award	\$97,568	5/11/2011	\$15,000
Debra Arledge	Administrative Program Specialist A	EJ Ourso College of Business Staff Excellence Award	\$41,238	5/11/2011	\$500
Wendy Luedtke	Director	EJ Ourso College of Business Staff Excellence Award	\$93,492	5/11/2011	\$500
Julianna Richard	Coordinator	EJ Ourso College of Business Staff Excellence Award	\$44,720	5/11/2011	\$500
Lisa Roundtree	Laboratory Technical Assistant 3	Veterinary Technician Course	\$30,944	5/11/2011	\$319
Brent Christner	Associate Professor	Faculty Reseach Award	\$79,032	5/13/2011	\$1,000
Jared Soileau	Assistant Professor - Visiting	Summer Department of Accounting Award for Intellectual Contribution	\$110,000	5/20/2011	\$10,000
Dana Hollie	Assistant Professor	Summer Department of Accounting Award for Intellectual Contribution	\$175,000	5/20/2011	\$10,000
Christine Cheng	Assistant Professor - Visiting	Summer Department of Accounting Award for Intellectual Contribution	\$110,000	5/20/2011	\$10,000
Dana Hollie	Assistant Professor	Vincent C. Brenner Endowed Faculty Research Scholarship	\$175,000	5/20/2011	\$1,000
Jacquelyn Moffitt	Designated Professor	Department of Accounting Outstanding Teacher Award	\$128,788	5/20/2011	\$1,000
Sarah Bartolome	Assistant Professor	Service-Learning Faculty Scholars Award	\$48,000	5/20/2011	\$1,000

Sarah Becker	Assistant Professor	Service-Learning Faculty Scholars Award	\$61,000	5/20/2011	\$1,000
Yejun Wu	Assistant Professor	Service-Learning Faculty Scholars Award	\$49,500	5/20/2011	\$1,000
Michelle Masse	Professor	Service-Learning Faculty Scholars Award	\$90,000	5/20/2011	\$1,000
Jacqueline Bach	Designated Professor	Service-Learning Faculty Scholars Award	\$58,000	5/20/2011	\$1,000
Norma James	Accounting Technician	Outstanding Staff Award	\$38,586	6/17/2011	\$250
Kim Mollere	Administrative Coordinator 4	Outstanding Staff Member	\$38,336	6/17/2011	\$250
Rajesh Narayanan	Designated Professor	Holt B. Harrison & Harrison Faculty Award	\$175,000	6/17/2011	\$1,000
Paul Larock	Professor	Lipsey Teaching Award	\$102,665	6/17/2011	\$1,000
Vincent Wilson	Professor	Dean's Outstanding Service Award	\$90,868	6/17/2011	\$500
Nina Lam	Designated Professor	Outstanding Faculty Research Award	\$125,226	6/17/2011	\$1,000
Patricia Graham	Manager	Outstanding Research Staff Award	\$63,334	6/17/2011	\$1,000
Ralph Izard	Designated Professor	Chronos Award	\$96,748	6/17/2011	\$75
Danielle Vallotton	Associate Clinical Specialist	Technical Management Award	\$43,274	6/27/2011	\$100
Simone Adams	Laboratory Technician Supervisor	Operations Management Award	\$29,984	6/27/2011	\$100
Prakash Bommala	Research Associate	Academic Support Award	\$27,255	6/27/2011	\$100
Jessica Winders	Administrative Coordinator 4	Administrative Support Award	\$32,510	6/27/2011	\$100
Kyle Walte	Research Associate	Outstanding Achievement Award	\$41,570	6/27/2011	\$500
Lorrie Gaschen	Professor	SVM Faculty Service Award	\$154,865	6/27/2011	\$500
Tom Tully	Chief of Medical Service Area	SVM Faculty Distinguished Scholar Award	\$128,401	6/27/2011	\$500
Daniel Hillmann	Professor	SVM 2014 Teaching Award	\$137,358	6/27/2011	\$200
Amy Grooters	Professor	SVM 2013 Teaching Award	\$132,770	6/27/2011	\$200
Kirk Ryan	Assistant Professor	SVM 2012 Teaching Award	\$100,706	6/27/2011	\$200
Daniel Rodriguez	Assistant Professor	SVM 2011 Teaching Award	\$105,000	6/27/2011	\$200
Ronald Niedrich	Designated Professor	College of Business Research Excellence Award	\$146,188	6/27/2011	\$1,000
Naci Mocan	Designated Professor	College of Business Research Excellence Award	\$202,800	6/27/2011	\$1,000
Shan He	Designated Professor	College of Business Research Excellence Award	\$143,000	6/27/2011	\$1,000

Karsten Thompson	Distinguished Professor	Dow Chemical Excellence Teaching Award	\$117,141	6/27/2011	\$2,500
Keith Gonthier	Associate Professor	Dow Chemical Excellence Teaching Award	\$84,676	6/27/2011	\$2,500
Michael Martin	Assistant Professor	Service-Learning Faculty Scholars Award	\$75,000	6/27/2011	\$1,000



**RECOMMENDATION FOR A
DETERMINATION OF ACCEPTABLE UNIVERSITY PURPOSE
FOR THE CONSTRUCTION OF A
TREES AND TRAILS TRAILHEAD PAVILION
AT BURDEN CENTER**

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to Article VII, Section 8 D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights of ways, servitudes, or other immovable property owned or controlled by LSU. . .

1. Summary of the Matter

The Agricultural Center requests that the Board of Supervisors make a Determination of Acceptable University Purpose in accordance with Sections 6.3 and 6.4 of the Uniform Affiliation Agreement for the construction of a Trees and Trails Trailhead Pavilion at the Burden Center to be partially funded by cash and in-kind donations.

Trees and Trails (TNT) is approximately five miles of pedestrian, recreational, and educational trails located at Burden Center that was opened in October 2009. These trails provide a framework of nature experiences with interpretative rest stop areas and accommodate the need of the general public for access to a safe environment designed to promote exercise and fitness. A key part of TNT is docent-led Project Learning Tree (PLT), a program of the American Forest Foundation that engages teachers and students in environmental content that correlates to national and state standards in science, social studies, language arts, and math, and strengthens their critical thinking, team building, and problem solving skills. In order to further develop this program, a trailhead facility must be built to provide a sheltered educational space and rest rooms.

This facility will be an open-air pavilion, approximately 1500 to 2000 square feet, with the capacity to seat comfortably approximately 100 students, along with a demonstration lecture area, restrooms, and connecting walk-ways to the trail system. The pavilion will be partially constructed with reused building materials and will feature "green restroom" technology and solar powered lighting. Thus, this facility and trail system will be used as a model for a sustainable, environmentally-friendly recreational and educational trails program. The trailhead facility will be located adjacent to the Orangerie at the Burden Center and will be in accordance with the recently completed Burden Master Plan.

It is anticipated that the pavilion will be donated by the LSU Foundation to LSU once construction is completed.

2. Review of Business Plan

This project will be partially funded by cash and in-kind donations. The project, including design and contingency costs, is estimated to cost up to \$300,000. Operating costs of the Trailhead Pavilion, which will be used primarily as an open-air facility, are expected to be minimal and will be funded by Burden's normal operating budget. The pavilion will have no fiscal impact on the LSU System.

3. Fiscal Impact

None

4. Description of Competitive Process

Construction of the Pavilion will be competitively bid.

5. Review of Legal Documents

None

6. Parties of Interest

- LSU Board of Supervisors
- LSU Foundation

7. Future Related Transactions

- Property Lease to LSU Foundation
- Act of Donation from LSU Foundation

8. Conflicts of Interest

None.

ATTACHMENTS

- Letter from Chancellor Richardson

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

“NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that there is an acceptable university purpose, as provided for in the Uniform Affiliation Agreement, for construction of the Trees and Trails Trailhead Pavilion by the LSU Foundation at Burden Center, Baton Rouge, Louisiana.”



Office of the Chancellor

101 J. Norman Efferson Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25203
Baton Rouge, LA 70894-5203
(225) 578-4161
Fax: (225) 578-4143

OFFICE OF THE
PRESIDENT

MAY 26 2011

LSU SYSTEM

Accounting Services
(225) 578-4648
(225) 578-0735

Corporate Relations and
Public Service Activities
(225) 578-4238

Facilities Planning
(225) 578-8731
Fax: (225) 578-6032

Human Resource Management
(225) 578-2258
Fax: (225) 578-8284

Diversity
(225) 578-4640
Fax: (225) 578-8284

Sponsored Programs
104 J. Norman Efferson Hall
Baton Rouge, LA 70803
Post Office Box 25071
Baton Rouge, LA 70894-5071
(225) 578-6030
Fax: (225) 578-6032

Ag Leadership
102 M Efferson Hall - LSU
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-3659
Fax: (225) 578-4225

Communications
118 Knapp Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-2263
Fax: (225) 578-4524

Information Technology
118 Knapp Hall - LSU
Baton Rouge, LA 70803
(225) 578-4020
Fax: (225) 578-3629

International Programs
International Programs Bldg.
South Stadium Road
Baton Rouge, LA 70803
Post Office Box 16090
Baton Rouge, LA 70893
(225)578-6963
Fax: (225) 578-6775

May 24, 2011

Dr. John V. Lombardi, President
LSU System
3810 West Lakeshore Drive
Baton Rouge, LA 70808

RE: Significant Board Matter
Request for Determination of Acceptable University Purpose
Trees and Trails Trailhead Pavilion
Burden Center
Baton Rouge, Louisiana

We are requesting that the Board of Supervisors make a Determination of Acceptable University Purpose in accordance with Sections 6.3 and 6.4 of the Uniform Affiliation Agreement for the construction of a Trees and Trails Trailhead Pavilion at the Burden Center to be partially funded by cash and in-kind donations. It is anticipated that the pavilion will be donated by the LSU Foundation to LSU once construction is completed.

As this project is in support of the AgCenter and its mission, we enclose herewith our request for approval and ask that it be placed on the agenda of the next Board of Supervisors meeting.

I certify that, to the best of my knowledge, I have provided all necessary documentation and that the information contained therein is complete, accurate, and in compliance with Article VII, Section 8 of the Bylaws of the Board of Supervisors. I agree to cooperate in any issues related to this matter. Please let me know if any additional information is needed.

Sincerely,

William B. Richardson, Chancellor and
Chalkley Family Endowed Chair

RECEIVED

MAY 26 2011

PROPERTY & FACILITIES

WBR:reh

Attachments

xc: Dr. John Russin
Mr. Jim Howell
Mr. Roger Husser

For the latest
research-based information
on just about anything,
visit our Web site:
www.lsuagcenter.com



**RECOMMENDATION TO APPROVE THE
PURCHASE OF PROPERTY AND TEMPORARY RIGHT OF WAY
BY THE DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
TO ALLOW FOR THE RECONSTRUCTION OF AN EXISTING BRIDGE
ALONG HIGHWAY 10 AT LEE MEMORIAL FOREST**

To: Members of the Board of Supervisors

Date: July 15, 2011

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by LSU. . .

1. Summary of the Matter

Department of Transportation and Development (DOTD) has identified the need to acquire additional property along the Hwy. 10 Right-Of-Way where it intersects Lee Memorial Forest to allow for the reconstruction of an existing bridge.

The permanent transfer of property will include 0.484 acres and the temporary right-of-way will include 0.027 acres. DOTD has determined that just compensation will be \$1649.00 for the property transfer and \$11 per year for four (4) years for the temporary right-of-way (total of \$1693.00), which the LSU Agricultural Center believes to be a reasonable offer.

2. Review of Business Plan

Not Applicable

3. Fiscal Impact:

None

4. Description Competitive Process

Not applicable

5. Review of Legal Documents

DOTD Act of Sale is attached

6. Parties of Interest

- LSU Board of Supervisors
- Louisiana Department of Transportation and Development

7. Related Transactions

None

8. Conflicts of Interest

None

ATTACHMENTS:

- Letter from Chancellor Richardson
- DOTD correspondence from May 4, 2011
- DOTD'S Just Compensation letter of April 28, 2011
- Summary of Just Compensation
- Right of Way and Construction Plans of the project
- Act of Sale

RECOMMENDATION

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University Agricultural and Mechanical College does hereby authorize John V. Lombardi, President of the Louisiana State University System, or his designee, to enter into and execute a permanent transfer of property by Act of Sale and a temporary Right of Way Instrument thereby granting Louisiana Department of Transportation and Development right of way for the purpose of reconstruction of an existing bridge on Highway 10 at Lee Memorial Forest in Sheridan, Louisiana.

BE IT FURTHER RESOLVED that said John V. Lombardi, President, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to include in said Right of Way Instrument such terms and conditions that he may deem in the best interest of the Board of Supervisors.

BE IT FURTHER RESOLVED that any and all lawful acts done and performed by John V. Lombardi, President of the Louisiana State University System, or his designee, on behalf of the Board of Supervisors in consideration of the authority hereby granted be, and at the same are hereby ratified."



Office of Academic Affairs Consent Agenda

REQUEST APPROVAL TO AWARD A POSTHUMOUS DEGREE AT LOUISIANA STATE UNIVERSITY

To: Members of the Board of Supervisors

Date: July 15, 2011

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, Section 8 of the Bylaws:

D.1 Matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

Peter Joe Longeway, a student in the LSU MLIS degree program, died unexpectedly on March 22, 2011. At the time of his death, he had earned 36 of the 40 credits required for the Master of Library & Information Science, was enrolled in one three-credit course this semester, and planned to complete the remaining one-credit course this summer. He was in good academic standing and was scheduled to graduate in August 2011.

The Dean, Faculty of the School of Library & Information Science, the Graduate Council and Administration of Louisiana State University recommend that Peter Joe Longeway be awarded the Master of Library & Information Science, posthumously, having no doubt that he would have completed all program requirements in good standing.

RECOMMENDATION

It is recommended that the Board of Supervisors adopt the following recommendation:

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors of Louisiana State University does hereby authorize Louisiana State University to award the Master of Library & Information Science degree to Peter Joe Longeway, posthumously.



Office of Academic Affairs Consent Agenda

REQUEST APPROVAL TO CREATE THE M.S. and PH.D. IN PLANT, ENVIRONMENTAL MANAGEMENT AND SOIL SCIENCES AND TERMINATE THE M.S. AND PH.D. DEGREES IN AGRONOMY AT LSU

To: Members of the Board of Supervisors

Date: July 15, 2011

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1. Matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

The proposed new M.S. and Ph.D. in Plant, Environmental Management, and Soil Sciences (PEMSS) degree programs result from the merger of the graduate programs in Agronomy and Horticulture. The merger is in response to the Board of Regents review of low-completer degree programs. Although the Agronomy Ph.D. program is in good standing, the M.S. in Agronomy was identified as a low-completer program in spring of 2011. The Horticulture Ph.D. program was terminated in the spring of 2009 because of its low completer status. The M.S. in Horticulture was in good standing but was also terminated in the spring of 2009. The merger of these programs will ensure that the required graduation rates for the M.S. and Ph.D. programs are achieved.

The M.S. and Ph.D. programs in PEMSS will include three concentrations: Agronomy, Horticulture, and Soil Sciences. The programs will be offered through the School of Plant, Environmental and Soil Sciences. "Management" was recently added to the title to distinguish the program from Environmental Sciences programs offered in the School of the Coast. Soil science has been a traditional area within the Agronomy graduate program.

The Ph.D. program in PEMSS will require 60 semester hours of graduate work with a minimum of 24 hours at the 7000 level, 9 semester hours of dissertation, and 2 semester hours of seminar. The expected completion rate for Ph.D. students is 6 per year. The M.S. program in PEMSS will require 30 semester hours of graduate work with a minimum of 24 semester hours at the 4000 level or higher, 6 semester hours of thesis, and 1 semester hour of seminar. A non-thesis M.S. degree will require 36 semester hours of graduate level coursework. The expected completion rate for M.S. students is 7 per year. The research program underlying PEMSS is supported by a \$10 million dollar grant portfolio and \$600,000 in annual support for graduate assistantships.

This proposal is to create the M.S. and Ph.D. degree programs in Plant, Environmental Management, and Soil Sciences and simultaneously terminate the M.S. and Ph.D. degrees in Agronomy. This will allow the degree programs to be stronger and the School of Plant, Environmental, and Soil Sciences to strengthen its educational and research programs.

3. Review of Business Plan

Not Applicable

4. Review of Documents Related to Referenced Matter

This proposal has been reviewed and approved by all appropriate faculty and administrative entities.

5. Other

Not Applicable

6. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.

Appropriate certifications were provided by Chancellor Martin.

ATTACHMENTS:

- 1) *Requests for Authority to Offer New Programs in the School of Plant, Environment and Soil Sciences: Doctor of Philosophy and Master of Science in Plant, Environmental Management, and Soil Sciences*
- 2) *Approval from Graduate Council; and,*
- 3) *Request for approval from LSU Office of Academic Affairs.*

RECOMMENDATION.

It is recommended that the LSU Board of Supervisors adopt the following recommendation:

NOW, THEREFORE, BE IT RESOLVED that the LSU Board of Supervisors is requested to approve the Doctor of Philosophy and the Master of Science in Plant, Environmental Management, and Soil Sciences at Louisiana State University, subject to approval by the Louisiana Board of Regents; and

BE IT FURTHER RESOLVED that the LSU Board of Supervisors is requested to terminate the Master of Science and Doctor of Philosophy degrees in Agronomy at Louisiana State University, subject to approval by the Louisiana Board of Regents.



Office of Academic Affairs Consent Agenda

REQUEST APPROVAL OF AN EXCLUSIVE PATENT AND KNOW HOW LICENSE BETWEEN INDIGEAX PHARMACEUTICALS, LLC AND THE LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER IN SHREVEPORT

To: Members of the Board of Supervisors

Date: July 15, 2011

**Re: Exclusive Patent and Know How License between Indigeaux
Pharmaceuticals, LLC and LSUHSC-Shreveport**

1. Significant Board Matter

Pursuant to Article VII, Section 8, D.3 (a) and (b), this matter is a Significant Board Matter.

D.3 (a) Final agreements relating to the purchase, sale, assignment, or licensing of any intellectual property rights, including patents, copyrights, and trademarks.

D.3 (b) Final agreements relating to the joint venture, use, purchase, sale, assignment or licensing of any invention, device, formula, system, process or such similar things, as well as any agreements relating to the granting of royalties or profit participation to any current or past employee.

2. Summary of Matter

Indigeaux Pharmaceuticals, LLC is a start-up company located in the BioSpace 1 Incubator in Shreveport. The proposed exclusive patent and know how license pertains to a jointly owned invention created by a LSUHSC-Shreveport researcher and an independent (non LSU) compounding pharmacist, who is a co-founder of Indigeaux. The invention involves the oral delivery of Curcumin, a naturally occurring product that may have activity as an anti-cancer agent for treating head and neck cancer patients.

The license contains an upfront license fee, running royalties, a percentage of sublicensing income, reimbursement of patent costs, and milestone payments. It also contains the normal safeguards for university licensing, including indemnifying the parties and maintaining liability insurance.

3. Review of Business Plan

N/A

4. Review of Related Documents

None

ATTACHMENTS:

The complete license agreement is on file in the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. paragraph C, Section 8, Article VII

The campus has certified that they know of no conflict of interest pertaining to this transaction.

RECOMMENDATION

It is recommended that the LSU Board of Supervisors approve the following resolution:

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes President John V. Lombardi, or his designee, to execute all documents necessary to perfect a license agreement with Indigeaux Pharmaceuticals, LLC, granting to Indigeaux Pharmaceuticals, LLC an exclusive license to develop and market products based on certain intellectual property developed and owned by LSU, the license agreement to contain such terms and conditions as the president deems to be in the best interests of the University, in a form approved by the Board’s General Counsel.

BE IT FURTHER RESOLVED that the President of the LSU System is authorized by the Board to enter into any related or ancillary agreements, contemporaneously or subsequently, that the President deems to be in the best interests of the University after review by appropriate System staff.