

# MINUTES

## BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

January 5, 2001  
Baton Rouge, LA

The Board of Supervisors for the University of Louisiana System met in regular session on Friday, January 5, 2001, in the Auditorium, State Office Building, First Floor, 150 Third Street, Baton Rouge, Louisiana.

Chairman Andre Coudrain called the meeting to order at 10:50 a.m. He also informed the Board that three newly appointed Board members were in attendance and asked Attorney Winston DeCuir to administer the Oath of Office to these members.

Attorney Winston DeCuir administered the Oath of Office to the following newly appointed Board members:

Mr. Marty J. Chabert	(3 <sup>rd</sup> District, replaced Mr. T. L. "Teddy" Duhé)
Mr. Jimmy D. Long, Sr.	(4 <sup>th</sup> District, replaced Dr. Edward Anders)
Dr. Charles C. Teamer, Sr.	(2 <sup>nd</sup> District, filled Ms. Barbara Turner's vacancy)

Chairman Coudrain, on behalf of the Board and the University of Louisiana System staff, welcomed the newly appointed members to the Board.

Mr. Chabert, Mr. Long, and Dr. Teamer expressed appreciation for their appointments to the Board and stated that they look forward to the opportunity to be of service to higher education in the State of Louisiana.

Dr. Smith said the opening prayer and the following roll call was recorded:

**PRESENT:**

Mr. Andre G. Coudrain, Chairman  
Mrs. Elsie P. Burkhalter  
Mr. Marty Chabert  
Mr. Robert C. Davidge  
Mr. Herman Gesser, Jr.  
Mr. W. David Gunn  
Mr. Tex R. Kilpatrick  
Mr. Jimmy Long, Sr.  
Mr. Gordon A. Pugh  
Mr. Carl Shetler  
Mr. Winfred F. Sibille  
Dr. Eunice Wicker Smith  
Mrs. Carroll W. Suggs  
Dr. Charles Teamer, Sr.  
Mr. Michael H. Woods  
Mr. David Wright

**ABSENT:**

None

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On motion of Mrs. Burkhalter, seconded by Mr. Shetler, the Board unanimously voted to approve the **December 8, 2000 minutes**.

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**REPORT OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE**

Dr. Smith, Chair of the Academic and Student Affairs Committee, presented the Committee's report.

On motion of Dr. Smith, seconded by Mrs. Suggs, the Board voted unanimously to accept the recommendations of the Academic and Students Affairs Committee and took the following actions:

**Agenda Item E.1.**

Approved **Nicholls State University's** request for approval to offer the Associate of Science degree program in Culinary Arts through distance learning technologies.

**Agenda Item E.2.**

Approved **University of Louisiana System's** proposed Board **RULES** revision to Chapter I. ACADEMICS. Section VI. Special Degrees. B. Awarding of Posthumous Degrees, as revised. *(See Attachment 1)*

**Agenda Item E.3.**

Approved **University of Louisiana System's** proposed Board **RULES** addition to Chapter II. STUDENTS. Section I. Admission. E. Admission of Non-Resident Undergraduate Students. *(See Attachment 2)*

**Agenda Item E.4. – Other Business**

On motion of Dr. Smith, seconded by Mr. Gesser, the Board amended its agenda and received a report given by Dr. Carroll Falcon on the Board of Regents Master Plan.

**REPORT OF FACILITIES PLANNING COMMITTEE**

Mr. Gesser, Chair of the Facilities Planning Committee, presented the Committee's report.

**Agenda Item F.1.**

Mr. Gesser explained that the Facilities Planning Committee **deferred** action, until the February meeting, on the **University of Louisiana System** proposed Board **RULES** addition to Chapter VI. FACILITIES PLANNING. Section III. B. Debt Financing for Capital Projects.

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Mr. Gesser recognized President Swearingen to make the following announcement:

President Swearingen announced with regret and sorrow that Mr. Marion Burns passed away on January 1, 2001. He informed the Board that Mr. Burns served for 3 ½ years with distinction and in a very professional manner at the University of Louisiana at Monroe as the Director of Facilities and Campus Planning. He was a leader for the University during the construction of the University Library and the Airway Science and Computer Science Building (Airway Science Center) and many other campus-planning projects. A memorial mass was scheduled for January 5, at 2:00 p.m. On behalf of his widow, Mrs. Donna Burns, President Swearingen thanked all who expressed sympathy and concern to the family.

Chairman Coudrain asked President Swearingen to express the Board's condolences to the family of Mr. Marion Burns.

## **REPORT OF THE FINANCE COMMITTEE**

Mr. Woods, Chair of the Finance Committee, presented the Committee's report.

On motion of Mr. Woods, seconded by Dr. Smith, the Board voted unanimously to accept the recommendations of the Finance Committee and amended the order of its agenda to include an item of other business from Nicholls State University and took the following actions:

On motion of Mr. Woods, seconded by Mrs. Suggs, the Board voted to accept the report of the Finance Committee and took the following actions:

### **Agenda Item G.1.**

Received **Nicholls State University's** FY 2000 Legislative Audit Report and noted that the opinion was unqualified and had no reportable findings.

### **Agenda Item G.5. – Other Business**

On motion of Mr. Woods, seconded by Mr. Gesser, the Board voted unanimously to approve **Nicholls State University's** request to establish the John A. Brady, Sr. BORSF Eminent Endowed Chair.

Mrs. Suggs requested that the System staff send appropriate acknowledgment to the Brady family, on behalf of the Board, the University, and the System, for the Endowed Chair.

### **Agenda Item G.2.**

Received **University of Louisiana at Lafayette's** FY 2000 Legislative Audit Report and noted the opinion was unqualified and had no reportable findings.

### **Agenda Item G.4.**

Received **University of Louisiana at Monroe's** report on FY 2000 Legislative Audit Report.

Mr. Woods noted that the University received nineteen (19) reportable findings, one repeat finding. Four primary reasons were given for the disclaimer: (1) inadequate controls over cash, (2) handling of accounts receivable and the allowance for doubtful accounts, (3) Foundation deposits, and (4) issues regarding financial statements not completed in a timely or appropriate manner. Mr. Woods indicated that Dr. Kyle said the University's loss of key personnel in critical areas led to most of the problems. Mr. Woods informed the Board that President Swearingen and Mr. Robert Turner presented management responses to the Committee and copies of their responses and corrective action plans have been provided to each Board member.

Chairman Coudrain thanked Dr. Dan Kyle, Mr. Robbie Robinson, and Ms. Devery Pierce of the Legislative Auditor's office for attending the meeting and for their assistance to the Board in reviewing the audit. He also made the following charge to President Swearingen:

Chairman Coudrain stated that the audit raised serious issues that must be resolved sooner, rather than later. He further stated to President Swearingen, "It is your responsibility as President of the University to lead the resolution of these financial issues and to make that your constant priority. Ultimately, you are responsible for all UL at Monroe operations, including those daily business practices that guarantee well-managed and viable university fiscal operations. The fact that UL-Monroe's last audit for FY 1998 earned an unqualified opinion shows that the University is capable of proper fiscal management, but also demonstrates the standards that UL-Monroe must meet and that this Board requires. President Swearingen, the Board believes that you should have a chance to rectify the issues outlined in the audit, just as the Board gave similar consideration to Grambling State University last May. Time is of the essence. The Board's evaluation of your leadership and its decision about your continued presidency will depend largely on your ability to correct these deficiencies in a timely manner. Certainly, every issue identified in the audit is important, but several are critical and must be reversed in time for the FY 2001 audit. The job must be done even if it requires reorganization and appropriate staffing of key fiscal positions. Recently, the Board cited several critical issues concerning falling enrollment and corresponding budget decisions of UL-Monroe. We will continue to closely monitor your leadership on achieving commitments included in your budget plan. Yesterday, you offered a plan that begins to address these issues. At our next meeting, please be prepared to brief us on the progress you would have made to date, and to elaborate on your remediation plan, including filling vacancies in the fiscal office. Your report should also give monthly and quarterly projections of the work to be done. We expect clear, periodic measures that will allow the Board to easily determine if the work is being done timely. And, the Board's evaluation of your leadership will depend on the quality and reliability of this plan, and most importantly on its time of implementation. At a minimum, we are looking for resolution of the following key issues:

1. Proper controls over cash,
2. Consistent application of policies, and correction of accounting errors in student accounts receivables,
3. University funds deposited in and loans provided to foundations,
4. Preparing accurate and timely financial statements and not relying on estimates, projections, or tardy reconciliations,
5. Timely and accurate bank reconciliations,
6. Appropriate allocations of athletic costs,
7. Proper information systems controls,
8. Proper administration of scholarships and other awards, and
9. Compliance with student financial aid regulations.

UL-Monroe's future and success depend largely on the resolution of these important matters, according to generally accepted accounting principles and governmental accounting standards. I want to assure the UL-Monroe faculty, staff, students, alumni, and supporters that the Board supports the University and is committed to helping UL-Monroe and President Swearingen to resolve these challenges. We also want to state clearly that it is the responsibility of the University and its President, not the Board, to actually implement this turnaround. President Swearingen, I am expressing concerns about your leadership, particularly in the areas of fiscal responsibilities. Please note that the Board will expect nothing less than detailed work plans with performance measures and results by which your leadership as president will be gauged and evaluated. The Board expects you to keep us fully informed throughout this process as you have done previously."

**Agenda Item G.4.b.**

Mr. Woods indicated that the committee **deferred** action on G.4.b. - *Discussion of Management*.

**Agenda Item G.3.a.**

Received **Grambling State University's** FY 2000 Legislative Audit Report and SACS reaffirmation.

Mr. Woods reported that GSU's audit had fourteen (14) reportable findings, five repeat findings, and noted three primary reasons for the disclaimer of opinion: (1) unexplained items, (2) failure to reconcile accounts, (3) inter-fund transactions not adequately supported or explained, and (4) problems in grants and accounts receivable. Mr. Woods also stated that Dr. Kyle also pointed out the University's need to recruit and retain competent personnel.

The Board discussed the need to audit affiliation agreements and contracts to ensure financial benefits to the University.

System President Bobby Jindal recommended that the Board allow the Council of Vice Presidents for Business Affairs to submit a policy recommendation regarding this matter at the next meeting of the Board.

Mr. Woods indicated that the Committee noted that the State of Louisiana Laws currently restrict the ability of the Legislative Auditor to audit private foundations.

**Agenda Item G.3.b.**

Mr. Woods explained that the Finance Committee deferred action on G.3.b. - *Discussion of Management*.

Chairman Coudrain presented to the Board Dr. Steve Favors' letter of resignation which he received this morning.

System President Mr. Jindal thanked President Favors for his contributions to Grambling State University and made the following recommendations to the Board:

1. In view of President Favors' resignation, the Board appoint Dr. Neri Warner, current Provost, as the Acting President of Grambling State University.
2. Dr. Warner's top priority should be to secure a highly qualified Chief Fiscal Officer.

A motion was offered by Mrs. Burkhalter, seconded by Mr. Shetler, to **accept Dr. Steve Favors' resignation** as President of **Grambling State University**, and to **appoint Dr. Neri Warner as Acting President** of the University with all the duties and responsibilities of the office of president and at the incumbent salary of \$120,000, customary housing allowance and all other benefits of the office of the President.

Prior to voting on the motion, the following discussion ensued:

Chair Coudrain expressed regret for Dr. Favors' resignation, but explained that he felt it was necessary to accept his resignation. He further stated that Dr. Favors undertook a difficult task and gave it his best efforts, but it is essential that Grambling State University, the institution, needs to move forward. He noted that the Board should delay a search for President, and it is important to stop the revolving door of Presidents at Grambling. He also stated that when the Board selects Grambling's next president, it should do so when the University stabilizes its fiscal operations. He further expressed that at this time the Board should focus on helping Dr. Warner to recruit a top-notch Chief Fiscal Officer, to manage its operation and to get the books, records, and accounts in proper order. He has talked with Dr. Warner, and she has agreed to accept the position while retaining her position as Vice President for Academic Affairs and Provost. He further stated that he believes that Dr. Warner's knowledge of the University and her experience and leadership will help steady the University's course during this transition. He also stated that he believes that Dr. Warner's continued work on the academic side will send a strong message to current and prospective students that Grambling State University is fine academically and they should not waver in their decision to call Grambling State University their University home. He urged that it is important that the Grambling community support Dr. Warner in this transition, and Dr. Warner will have the full support of this Board.

Mr. Wright requested that his comments be recorded in the minutes and was quoted as stating: "Mr. Chairman, I would just like to make a quick statement. Of course, I am probably unique among the members of this Board because I began as a kindergarten student in Grambling a few years ago, and completed my undergraduate work at that University. And, therefore, my feelings and love for Grambling State University should be well known and documented. I am very saddened by the situation of today. I am saddened because I am aware of all that has happened.

If you take it out of context, it may not seem to be that much, but when you know all of the activities that have occurred and evolved that lead to this day, then you can understand the sadness that I feel. And I want to make two points: The first deals with and it has been made, but I want to repeat it, I hope that we are not fixing to enter into again a cycle that I consider a vicious cycle where we recruit a President and as soon as he hits the ground running, we give him a couple of years, and then we begin to saddle him with problems that he had when he got there, but it seems almost as if we decide at some point now that we must get him. That should not ever again be the case. We should support. We should first of all recruit and hire an administrator, the best that we can find, an educator, the best that we can find, and we should support him, we should provide him with whatever he needs to do the job that's to be done. Thus the cycle will not continue. And finally, I am very concerned about whether or not this will have a negative effect on the ongoing process of education at Grambling State University. Remembering that this is between semesters, and I do not know, myself, nor am I sure that anybody else knows whether this will have a negative effect on our students who are now matriculating at the University, and this concerns me. Therefore, I want it to be known that I as an individual member of this Board, while I accept the recommendation and certainly I have high regard for Dr. Warner and I accept the recommendation of her appointment, but as an individual Board member and because of what I feel and because of what I know, I wish to be recorded as an **abstention** in this action, and I would pray for Dr. Favors, for Grambling State University, and indeed for this Board. Thank you."

Mr. Chabert emphasized the necessity of an accountability policy with procedures the Board can take to make sure that Grambling State University can get back on its feet again and to make sure that UL-Monroe will not experience the problems it has incurred again, and to ensure that all System Universities are on solid foundation. He urged that the Board find a way to prevent these problems.

After discussion of the motion offered by Mrs. Burkhalter, seconded by Shetler, the Board voted to **accept Dr. Steve Favors' resignation** as President of **Grambling State University**, and to **appoint Dr. Neari Warner as Acting President** of the University with all the duties and responsibilities of the office of president and at the incumbent salary of \$120,000, customary housing allowance and all other benefits of the office of the President. (*Mr. Wright abstained*)

System President Bobby Jindal summarized the System Office procedures of the quarterly reports that include certification of basic bank reconciliation, compliance checklist, and financial statements and operations. The System Office is working with Dr. Kyle on a training program for the System staff and universities' staff. Each university must be responsible for basic execution and maintenance of the financial operations and control structure.

Chairman Coudrain recognized Dr. Warner as the newly appointed Acting President of Grambling State University.

Dr. Warner thanked Chairman Coudrain, System President Bobby Jindal, and all members of the Board for the pleasure to serve them. She further expressed that it is with much humility that she accepts the appointment as Acting President and Provost at Grambling State University. She stated that she accepts this appointment with a sense of stewardship, because she realizes that it is a pivotal time in the history of Grambling State University, not only because of the issues that faced the Board in the last few days, but most importantly because Grambling State University is on the threshold of celebrating its 100 years of service to the State, the Nation, and the World. Therefore, it is for this reason, that the University maintains a sense of stability and a sense of cohesiveness. She emphasized that she is honored that the Board feels that she is the person that can do that for the University. She stated that she realizes that it is not time for Grambling State University to lose focus, but rather continue to work collaboratively and committedly to the goals, the projects, and the programs that have been established as we move to preeminence in excellence at Grambling State University. She further stated that she plans to do this with the help of the executive cabinet, the faculty, staff, and the wonderful student body at the University, the community, and the other system universities, and with the alumni and the relationship she will have with this Board. She thanked the Board for its faith, confidence, and trust. She also expressed that she is looking forward to the challenges and opportunities, and stated that she will be available to serve the Board.

Chairman Coudrain thanked Dr. Warner.

Chairman Coudrain recognized Mr. James Bradford who requested to address the Board.

Mr. Bradford stated that although the Alumni agreed with the acceptance of Dr. Favors' resignation, they do not agree with his resignation as President of Grambling State University. He further stated that it is the Alumni Association's opinion that Dr. Favors did a good job for the University. Mr. Bradford stressed the fact that the Alumni appreciated all of Dr. Favors' efforts he put forth at the University, and recognized that he did a good job, regardless of what others may have expressed, and noted that he had the support of the alumni. He emphasized that the Alumni supported all who served as past Presidents of the University. He further stressed that the Alumni support the appointment of Dr. Neari Warner. Mr. Bradford wished Dr. Favors well, and expressed that the Alumni will keep him and the Board in their prayers. He further stated that it is his opinion that Dr. Favors had not received unanimous support of the Board, but he had received the support of some Board members. He also expressed that he hopes that Dr. Warner will receive the full support of the Board and System staff. He also stated that the Alumni hopes that Grambling will not have to experience the selection of a President every two years, thereby preventing its growth.

Chairman Coudrain pledged that the Board and the Community should come together and work with Dr. Warner for the good of Grambling State University. He stated that the Board will do everything it can to work things out.

## **REPORT OF SYSTEM OFFICE BUSINESS**

On motion of Mr. Pugh, seconded by Mrs. Suggs, the Board voted unanimously to approve personnel actions as submitted by System Universities.

### **Agenda Item H.2.a.&b. System President's Report**

Mr. Jindal made the following announcements for Board consideration or information:

- a. Mr. Jindal reported on performance based funding and informed the Board that the Board of Regents has allowed for the allocation of an average of \$250,000 to System Universities. He reminded the Board that it had agreed to allocate these funds based on academic performance indicators that include retention, graduation and remedial education rates. He also informed the Board that the System office is collecting the data and is only awaiting information on retention rates from this fall. This information will be presented to the Board at its February meeting for review and approval of distribution of these funds.
- b. Mr. Jindal welcomed the newly appointed Board members and informed them that Mrs. Dawn Wilson Muscarello has prepared an orientation booklet for their convenience. He asked that each member contact the System office to schedule a time to attend the orientation process and meet with members of the System staff.

Dr. Smith moved that a resolution be prepared for the outgoing members.

Chairman Coudrain asked that her request be discussed under Board Chairman's business.

## **REPORT OF BOARD CHAIRMAN'S BUSINESS**

Chairman Coudrain made the following announcements for Board information or consideration:

### **Agenda Item L.1. Board Chairman's Report**

- a. Mr. Coudrain noted that the Board **RULES** limits terms of committee chairs (no more than two consecutive terms) and thanked all committee chairpersons for their service. He also stated that a new committee list would be available prior to the February meeting.
- b. Mr. Coudrain requested that the System office prepare an appropriate Resolution to Dr. Anders and Mr. Duhé commending them for their years of service.

- c. Mr. Coudrain announced that Dr. Mervin Trail, Chancellor of the Louisiana State University Health Science Center, passed. He expressed condolences to Dr. Trail's family and the LSU family.

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Mrs. Burkhalter recognized Coach Doug Williams who was in attendance at the meeting. She noted that Grambling State University's football team won the Southwest Athletic Conference (SWAC) championship playoff.

Chairman Coudrain reminded the Board that a Resolution is being prepared to recognize Coach Williams and the Grambling State University Football team as winner of the SWAC championship at the next meeting of the Board.

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On motion of Mr. Sibille, seconded by Mr. Kilpatrick, there being no further business, the Board adjourned at 11:50 a.m.



