

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.1. Grambling State University's request for approval to convert the Contractor's Educational Trust Fund Chair into four Super Endowed Professorships.

EXECUTIVE SUMMARY

The Contractor's Educational Trust Fund Endowed Chair was established with a contribution of \$600,000 from the Contractor's Educational Trust Fund and a Board of Regents match of \$400,000. The University now believes that the Engineering Technology Program would be best served by converting the Endowed Chair into four Super Endowed Professorships, with each professorship assigned a corpus balance of \$250,000 plus earnings. The four Super Endowed Professorships will enhance and support the faculty in construction related fields by providing the Program with much needed resources for salaries and professional development, which will help attract and retain highly qualified faculty. Specifically, the four Super Endowed Professorships would be named:

Contractor's Educational Trust Fund Super Endowed Professorship #1
Contractor's Educational Trust Fund Super Endowed Professorship #2
Contractor's Educational Trust Fund Super Endowed Professorship #3
Contractor's Educational Trust Fund Super Endowed Professorship #4

The Contractor's Educational Trust Fund has approved the conversion and use of the funds associated with the Contractor's Educational Trust Fund Chair into four Super Endowed Professorships.

RECOMMENDATION

It is recommended that the following resolution adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves Grambling State University's request for approval to convert the Contractor's Educational Trust Fund Chair into four Super Endowed Professorships.*



G.1.

Office of the President

October 4, 2022

**MEMORANDUM TO THE BOARD OF SUPERVISORS OF THE
UNIVERSITY OF LOUISIANA SYSTEM**

**SUBJECT: REQUEST FOR APPROVAL TO SPLIT THE CONTRACTOR'S
EDUCATIONAL TRUST FUND CHAIR INTO FOUR SUPER ENDOWED
PROFESSORSHIPS**

Grambling State University (GSU) respectfully requests approval to split the Contractor's Educational Trust Fund Chair into four Super Endowed Professorships. These four super endowed professorships in the Department of Engineering Technology will enhance and support the faculty in construction related fields. The super endowed professorships will provide the faculty with much needed resources for salaries and professional development. The additional super endowed professorships will increase Grambling's ability to attract and retain highly-qualified faculty.

Your favorable consideration of this request is greatly appreciated.

Sincerely,

Richard J. Gallot, Jr., JD
President



September 15, 2022

Vic Weston
President
Contractor's Educational Trust Fund
600 North Street
Baton Rouge, LA 70802

Dear Mr. Weston,

Grambling State University requests your support and approval to split the Contractor's Educational Trust Fund Chair into four Super Endowed Professorships. These four super endowed professorships in the Department of Engineering Technology will enhance and support the faculty in construction related fields.

The super endowed professorships will provide the faculty with much needed resources for salaries and professional development. The additional super endowed professorships will increase our ability to attract and retain highly-qualified faculty.

We appreciate the Contractor's Educational Trust Fund's support of the Engineering Technology Program at Grambling State University and look forward to establishing a positive relationship that enhances Grambling's construction related programs.

Respectfully,

Edwin H. Litolff, III
Vice President for Finance



Acknowledgement of and Agreement to Allow the Conversion
of the Endowed Chair into Four Super Endowed Professorships

Grambling State University established the Louisiana Board of Regents Endowed Chair from a \$600,000 donation from the Contractor's Educational Trust Fund and a \$400,000 match from the Board of Regents.

Grambling State University is requesting to split the Chair into four super endowed professorships.

1. Contractor's Educational Trust Fund Super Endowed Professorship #1
2. Contractor's Educational Trust Fund Super Endowed Professorship #2
3. Contractor's Educational Trust Fund Super Endowed Professorship #3
4. Contractor's Educational Trust Fund Super Endowed Professorship #4

We understand the University of Louisiana System and the Louisiana Board of Regents must approve this change.

We hereby acknowledge and agree to the conversion and use of the funds associated with the Contractor's Educational Trust Fund Chair for four Super Endowed Professorships.

Signature: 
Print Name: KENNETH E. NAPIER
Title: Sec / TREASURER
Date: 9/26/2022

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.2. **Nicholls State University's** request for approval to sell or lease a broadband license granted to the University by the Federal Communications Commission (FCC), subject to regulatory transfer.

EXECUTIVE SUMMARY

Nicholls State University is requesting Board approval to sell a broadband license granted to it by the FCC. The Education Broadband Services (EBS) license in the 2.5 GHZ band is registered to the University under FCC call sign WND207. It was awarded to the University at no cost during a period of time when the federal government sought to issue such licenses to universities in an effort to broaden educational opportunities via telecommunication networks.

The University has held the license since issuance and maintained it in good standing at its own expense throughout the years. The University has periodically entered into lease agreements with third party entities that have contracted for use of the frequency for their own business endeavors. All such leases have expired and the license remains uncontracted but active for university use. Nicholls has used this frequency to broadcast wifi connection signals to locations near the athletic venues on the southern border of the main campus. However, during recent updates and upgrades to the information technology systems and services on campus, this broadcast ability is redundant to the regular operations of the University.

Nicholls has taken the past 12 to 18 months to research alternative uses for this license and has concluded that a sale of the license to a third party may provide the most benefit to the University. The University has undertaken a process to obtain the services of a consultant with experience in facilitating the sales and/or leases of these licenses. The consultant will be compensated for services in accordance with contract terms that have been prepared using an RFP process and properly reviewed and approved by the State Office of Contract Review and Procurement. The University is now positioned to begin the process of determining the viability of such a sale or lease and believes that such a sale or lease could provide material financial benefits to the University. This process is estimated to take approximately 6 to 12 months.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves Nicholls State University's request to enter into a sale and/or lease process for its FCC EBS license, call sign WND207, and to retain the proceeds from the sale to use for its own operating needs.*



Nicholls State University

Office of the President

P.O. Box 2001 | Thibodaux, LA 70310 | 985.448.4003 | 985.448.4920 [F]

G.2.

October 6, 2022

Via Electronic Transmittal Only

Dr. Jim Henderson
University of Louisiana System President
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

Nicholls State University requests consideration and approval of the following to be placed on the agenda for the October 27, 2022 meeting of the Board of Supervisors for the University of Louisiana System:

Sell or Lease a Broadband License Granted from the FCC.

Thank you for your assistance in this matter.

Sincerely,

Jay Clune, PhD
President

JC/apf

Enclosures

c: Dr. Sue Westbrook, Provost/Vice President for Academic Affairs
Mr. Terry Braud, Vice President for Finance & Administration
Mr. Jonathan Terrell, Athletic Director
Dr. Michele Caruso, Vice President for Student Affairs
Dr. Todd Keller, Vice Provost
Mr. Steven Kenney, Assistant Vice President for Human Resources, CDIO & Title IX Coordinator
Ms. Paulette Mayon, Internal Auditor
Ms. Claire Bourgeois, Faculty Senate President
Ms. Renee Hicks, Assistant Vice President of Institutional Effectiveness Access & Success
Ms. Monique Crochet, Executive Director of External & Alumni Affairs

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.3. University of Louisiana at Monroe's request for approval to enter into an Articulation Agreement with Ochsner Health System and Louisiana Community and Technical College System relating to the University's Master's degree program in Nursing.

EXECUTIVE SUMMARY

University of Louisiana at Monroe requests approval to enter into an Articulation Agreement with Ochsner Health System and the Louisiana Community and Technical College System. This agreement is intended to assist Ochsner and LCTCS institution employees who are RNs with bachelor's degrees, and who want to further their education by obtaining an MSN degree.

The Agreement is in alignment with addressing the nursing faculty shortage and consistent with the Healthy People 2030 focus on promoting the health, well-being, education, and training of the workforce – including the public health and healthcare workforce.

To participate, employees must possess a Bachelor of Science degree in Nursing (BSN), have a cumulative GPA of at least 2.8 on a 4.0 scale, and have an active and unencumbered Registered Nurse license. When determined by ULM that an applicant has satisfied the required criteria, the applicant will be guaranteed admission to the ULM Master of Science in Nursing program.

ULM will provide Masters Level nursing coursework at a rate of \$300 per credit hour. Both partners have set aside funding to provide this opportunity to their employees at no cost to them.

The term of this Agreement shall be ongoing, but any party may terminate the Agreement at any time and for any reason upon written notice. Termination would become effective at the start of the following academic year. If the Agreement is terminated, all students identified on or before the date of termination will retain their enrollment guarantee and all other terms stated in the Agreement.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves University of Louisiana at Monroe's request to enter into an Articulation Agreement with Ochsner Health System and Louisiana Community and Technical College System relating to enrollment in ULM's Master's degree in Nursing Program.*

***BE IT FURTHER RESOLVED,** that the President of the University of Louisiana at Monroe is hereby authorized to execute any and all documents necessary.*



Office of the President

University Library 632 | 700 University Avenue | Monroe, LA 71209
P 318.342.1010 | F 318.342.1019

October 4, 2022

Dr. James Henderson, President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

University of Louisiana Monroe (ULM) requests approval to enter into an Articulation Agreement by and between Ochsner Health System, Louisiana Community and Technical College System and the University of Louisiana Monroe.

Thank you for considering our request.

Sincerely,

A handwritten signature in black ink that reads 'R. Berry'.

Ronald L. Berry, DBA
President

#TAKEFLIGHT



Articulation Agreement

**By and between
Ochsner Health System,
Louisiana Community and Technical College System
and
University of Louisiana Monroe**

This Agreement shall be effective as of the date of the last signature hereto (the "Effective Date") by and between UNIVERSITY OF LOUISIANA MONROE (ULM) whose address is 700 University Avenue, Monroe, LA 71209, the Louisiana community and technical college system (LCTCS), whose address is 265 S Foster Drive, Baton Rouge, LA 70806 and OCHSNER HEALTH SYSTEM (OHS), whose address is Benson Tower, 1450 Poydras Avenue, Suite 2600, New Orleans, Louisiana 70112.

This articulation agreement addresses OHS baccalaureate prepared registered nurse staff, LCTCS nursing faculty and the Masters of Nursing Program at ULM.

Background

Ochsner Health is an integrated healthcare system with a mission to Serve, Heal, Lead, Educate and Innovate. Celebrating 80 years in 2022, it leads nationally in cancer care, cardiology, neurosciences, liver and heart transplants and pediatrics, among other areas. Ochsner is consistently named both the top hospital and top children's hospital in Louisiana by U.S. News & World Report. The not-for-profit organization is inspiring healthier lives and stronger communities. Its focus is on preventing diseases and providing patient-centered care that is accessible, affordable, convenient and effective. Ochsner Health pioneers new treatments, deploys emerging technologies and performs groundbreaking research, including over 700 clinical studies. It has more than 34,000 employees and over 4,500 employed and affiliated physicians in over 90 medical specialties and subspecialties. It operates 40 hospitals and more than 300 health and urgent care centers across Louisiana, Mississippi and the Gulf South; and its cutting-edge Connected Health digital medicine program is caring for patients beyond its walls. In 2021, Ochsner Health treated more than 1 million people from every state and 75 countries. As Louisiana's top healthcare educator, Ochsner Health and its partners educate thousands of healthcare professionals annually. The Louisiana Community and Technical College System (LCTCS) is composed of 12 public technical and community colleges across Louisiana. LCTCS colleges collectively serve over 130,000 students in traditional credit instruction, workforce training, and adult education. Eighty percent of its

over 25,000 annual graduates earned credentials in high-demand, high-income fields as defined by the Louisiana Workforce Commission. Each year, over 15,000 students transfer from an LCTCS institution to a 4-year university.

The University of Louisiana at Monroe (ULM) is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate, baccalaureate, post-baccalaureate, masters, and doctoral degrees. ULM, a state funded, multi-disciplinary institution of higher education offers high quality academic and experiential opportunities designed to meet the academic, cultural, vocational, social, and personal needs of undergraduate, graduate, and career seeking students. There are four colleges offering degree opportunities for students: College of Arts, Education and Sciences; College of Business and Social Sciences; College of Health Sciences; and College of Pharmacy. The University received a full 10-year accreditation from SACSCOC in 2019.

The Kitty DeGree School of Nursing has a long history of excellence. The School was founded in 1960 and graduated the first class of baccalaureate nurses in 1964. Baccalaureate nursing graduates at ULM receive a broad based general educational foundation inclusive of history, English, science, and arts. Graduates also receive education in all aspects of nursing care and are prepared to work in a variety of health care environments.

The baccalaureate degree program in nursing at University of Louisiana Monroe Kitty DeGree School of Nursing is accredited by the Commission on Collegiate Nursing Education.

The master's degree program in nursing at University of Louisiana Monroe Kitty DeGree School of Nursing is accredited by the Commission on Collegiate Nursing Education.

General Requirements

OHS, LCTCS and ULM enter into this Agreement for the express purpose of ensuring acceptance of OHS RN staff and LCTCS nursing faculty who satisfy the following criteria:

1. An earned Bachelor of Science (BSN).
2. A cumulative GPA of at least 2.8 on a 4.0 scale.
3. An active and unencumbered Registered Nurse license.
4. ULM will provide Masters Level nursing course work at a rate of \$300/credit hour for student to obtain MSN-CNL.

When determined by ULM, to its reasonable satisfaction that a student has satisfied the conditions set for above, OHS RN staff & LCTCS nurse faculty will be afforded the following opportunities:

Guaranteed Admission

OHS RN staff & LCTCS nurse faculty will be guaranteed admission to the ULM Master of Science Nursing Program (CNL track), if all criteria are met as outlined above.

Student Advising

ULM will provide advising to OHS RN staff & LCTCS nurse faculty through online, onsite, and/or telephone advising. Further advising will be available to future students prior to and once enrolled. Informational materials for potential students will be available at the OHS facilities and community colleges to facilitate the enrollment process.

Activities may include the following:

- a. Participation in enrollment conferences, enrollment fairs, professional conferences and visits to OHS facilities & community colleges to educate administrators, counselors, faculty, staff, and students about University admissions requirements, costs, etc.; and,
- b. Work with the OHS facilities & LCTCS campuses to provide outreach to all OHS RN staff & LCTCS nurse faculty.

Program Evaluation

Once every two academic years, OHS administration & LCTCS faculty and staff will meet with ULM faculty and staff to review current curriculum and course offerings and present any changes to the curriculum as outlined in the exhibits included herein prior to implementing the proposed changes.

Scholarship Opportunities

Scholarship opportunities for incoming OHS RN staff & LCTCS nurse faculty students based on grade point average and meeting all other applicable criteria will be developed, based on available funding.

Data Sharing

For the purposes of this Agreement, parties agree to share nursing faculty student information that assists with the furtherance of the activities outlined herein. All parties agree to keep student information confidential and to use such information only for the activities outlined in this agreement. All information about students obtained from any of the Parties shall be held confidential pursuant to the provisions of the Family Educational Rights and Privacy Act (20 U.S.C.A. 1232g) ("FERPA") and of La. R.S. 17:3914.

Marketing & Communication

OHS & LCTCS will work with ULM to develop an internal and external marketing plan to communicate and publicize the President's support of this Agreement to all OHS facilities & LCTCS campuses. Dissemination may include print media, news releases, email, webinars, and social media distribution channels. All system offices will assist in promoting this opportunity to each LCTC and ensure that Transfer Center Directors understand the benefits of the program for students. Professional organizations and initiatives will be encouraged to disseminate information about the agreement.

Terms of Agreement and Severability

The term of this Agreement shall be ongoing commencing on the date first set forth above, provided that any party may terminate this Agreement at any time and for any reason upon written notice, with the termination effective at the start of the following academic year. If the Agreement is terminated, all

students identified on or before the date of termination will retain their enrollment guarantee and all other terms stated in the Agreement.

This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and may not be amended, unless in writing and signed by all parties.

This Agreement shall not be construed to create any rights in favor of any non-party hereto, including as third-party beneficiaries.

All notices (including, without limitation, approvals consents and exercises of rights or options) required or permitted to be given hereunder shall be in writing and shall be deemed served, if by personal delivery or by facsimile, on the date the same is actually received by the addressee thereof or, if by mail, two business days after the same is deposited with the United States Postal Service (or its successors) for mailing by Certified Mail, Return Receipt Requested, postage fully prepaid, addressed as hereinafter set forth, or, if by overnight messenger service (e.g., Federal Express) on the date of delivery by such overnight messenger service to the address as hereinafter set forth. All notices shall be addressed as follows or to such other address as the party entitled to receive such notice may, from time to time hereinafter, designate by giving written notice pursuant hereto:

Signatures on following page

If to ULM: University of Louisiana Monroe
Attn: President
700 University Avenue
Monroe, LA 71209

If to LCTCS: Louisiana Community and Technical College System
Attn: President
265 S Foster Drive
Baton Rouge, LA 70806

If to OHS: Ochsner Health System
Attn: President
Benson Tower
1450 Poydras Avenue, Suite 2600
New Orleans, LA 70112

ACCEPTANCE OF AGREEMENT

In witness whereof, the undersigned signifies their intent to execute this Agreement and agrees to comply with the stated terms and conditions.

Warner Thomas
President
Ochsner Health System

Date

Ronald Berry
President
University of Louisiana Monroe

Date

Monty Sullivan
President
Louisiana Community and Technical College System

Date

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

- Item G.4.** University of Louisiana System's request for acceptance of Fiscal Year 2021-22 Financial and Compliance and Federal Award Programs Representation Letters for (a) University of Louisiana System and (b) Louisiana Tech University.

EXECUTIVE SUMMARY

In connection with its financial and compliance audits of colleges and universities, the Legislative Auditor's Office requires the President and Chief Fiscal Officer to review certain representations and certify that those representations are true and correct. The officers answer and sign a financial and compliance and federal award programs questionnaire at the beginning of the audit and then sign an update upon conclusion of the audit certifying that: (1) there were no material changes to the original certification; or (2) any such changes have been disclosed to the Legislative Auditor. Office of Legislative Auditor policy further requires that the appropriate management board accept the questionnaires in a public meeting. The Board previously approved Louisiana Tech's letters at the August meeting, but the auditors updated the letters requiring them to be re-signed. Documentation is available in the System Office.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby accepts Fiscal Year 2021-22 Financial and Compliance and Federal Award Programs Representation Letters for (a) University of Louisiana System and (b) Louisiana Tech University.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.5. University of Louisiana System's request for approval of an Affiliation Agreement with the University of Louisiana System Foundation.

EXECUTIVE SUMMARY

The Board of Supervisors for the University of Louisiana System Policy and Procedures Memorandum FB-IV.(4a) requires an agreement or memorandum of understanding between the System or university and any non-profit 501(c)3 organization that wishes to be affiliated with the System or university. Each affiliated organization must be under the management and control of a separate board of directors elected by the contributing members or shareholders of the corporation.

The University of Louisiana System requests Board approval of its affiliation agreement with the University of Louisiana System Foundation. The Foundation is a non-profit organization formed for the exclusive purpose of promoting, assisting, and benefiting the mission of the University of Louisiana System.

The agreement has a term of 10 years and will expire on September 27, 2032.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves University of Louisiana System's request for approval of an Affiliation Agreement with the University of Louisiana System Foundation.

AFFILIATION AGREEMENT

THIS AGREEMENT made and entered into this **27th** day of **September** 2022, by and

between,

THE UNIVERSITY OF LOUISIANA SYSTEM
("System")

AND

THE UNIVERSITY OF LOUISIANA SYSTEM FOUNDATION
("Foundation");

WHEREAS, as stated in its articles of incorporation, the Foundation is a separately incorporated 501(c)(3) organization responsible for identifying and nurturing relationships with potential donors and other friends of the System; soliciting cash and other private resources for the support of the System; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities; and

WHEREAS, the System recognizes that gifts to the Foundation are made with thoughtful care and with great affection for and devotion to the System for the purpose of supporting the System's institutional goals, including instruction, research and public service missions and its students, faculty and staff; and

WHEREAS, it is, therefore, prudent and beneficial for the System and this Foundation to document clearly their relationship and their respective responsibilities and authority; and

WHEREAS, the System is a state educational institution, within the jurisdiction of the Louisiana Board of Regents of state colleges and universities; and

WHEREAS, the System, through the System President, currently plans, promotes, organizes, implements and operates a full range of programs for the solicitation and receipt by gift, bequest, devise or otherwise, of money;

WHEREAS, the Foundation acknowledges that it is the responsibility of the System President, or his designee, to ensure that all development efforts are coordinated in an interactive fashion so as to encourage the success of the System's fundraising efforts in support of the agenda established by the System President; and

WHEREAS, the Foundation and the System continue to work in tandem to develop the most effective ways to benefit the System and its faculty, students and programs; and

NOW, THEREFORE, the System and the Foundation agree as follows:

The Foundation's Relationship to the System

1. The Foundation is a separately incorporated 501(c)(3) non-profit organization created to raise, manage, distribute, and steward private resources to support, advance, and promote the mission of the System.
2. The Foundation is responsible for the control and management of all its assets, including the prudent management of all gifts consistent with donor intent.
3. The Foundation is responsible for the performance and oversight of all aspects of its operations based on bylaws that clearly address the board's fiduciary responsibilities.
4. The Foundation will engage in activities consistent with the objective of providing support to the System. Nothing herein is intended to limit the ability of the Foundation to expend funds on its behalf to achieve the mutual goals of the Foundation and the System.
5. All gift solicitations on behalf of the System will be coordinated through the System's Office of Advancement.

6. The Foundation agrees to work with the System's Office of Advancement to identify, cultivate and solicit prospective donors and work with other System volunteers to enhance the overall development effort of the System. The Office of System Advancement agrees to provide appropriate orientation for Foundation board members so that Foundation efforts are consistent with System goals. The Office of System Advancement will endeavor to provide board members with a high comfort level with the process of enhancing the cultural, academic, and social conditions at the System.
7. The Foundation acknowledges that from time-to-time the System will establish fundraising policies and guidelines pertaining to fundraising and will follow said policies and guidelines in all development endeavors.

The System's Relationship to the Foundation

1. The System President or his/her designee should communicate the System's priorities and long-term plans to the Foundation. The Chairman of the Foundation should have regular, reasonable access to the System President or his/her designee and to other members of the President's senior administrative team for the purpose of being an active and prominent participant in strategic planning for the System.
2. The System recognizes that the Foundation is a private corporation with the authority to keep relevant records and data confidential consistent with state and federal law.

Foundation Responsibilities

Asset Management

1. The Foundation will receive, hold, manage, invest, and disburse contributions of cash and things of economic value of all kinds, whether principal or income, tangible or intangible. ("Assets")
2. The Foundation will serve as an instrument for entrepreneurial activities for the System.
3. The books and records of the Foundation will be kept in accordance with generally accepted accounting principles.

4. Foundation will establish asset investment policies that adhere to applicable federal and state laws, including the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
 - a. Donations that have specific directions or investment restrictions will be invested by the Foundation in its sole discretion, subject only to the specific directions or restrictions of the particular donation.
 - b. In accordance with Article 7, Section 14 of the Louisiana Constitution, no funds or property of the System may be donated, loaned, or pledged to any affiliate, unless the parties agree to a cooperative endeavor for a specific, defined project. In such an instance, the parties will enter into a cooperative endeavor agreement, which must be approved by the System board and, if applicable, the Division of Administration.
5. The Foundation's responsibilities will include management of the Assets received, held by or entrusted to Foundation to support the System, including providing scholarships for System students and funds for research, professorial chairs, athletic programs and educational activities generally.

Foundation Funding and Administration

1. The Foundation has the right to use a reasonable percentage of the Assets and assess annual fees for services to support its operations.
2. The Foundation shall reimburse, either directly or through in-kind services, the cost of housing, personnel, which personnel shall remain public servants for all purposes, and other support furnished to the Foundation by the System, if any, pursuant to R.S. 17:3390(B)(3). Reimbursement of any amounts due to the System shall be remitted within 90 days of the date of purchase or services rendered. Amounts payable to the System at June 30th shall be remitted within 60 days to allow the System to accomplish timely fiscal year-end accounting close-outs.
3. Under no circumstances shall any of the net earnings or Assets of the Foundation inure to or be distributed to the benefit of its directors, officers, or other private persons, except that the Foundation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the overall purpose of the Foundation.

4. The Foundation is responsible for establishing and implementing a system of controls that ensure compliance with all applicable laws and regulations, specifically including state and federal laws regarding the non-profit, tax-exempt status of the Foundation.

a. Approved Expenses

- i. All disbursements by Foundation for administrative and operating expenses will be in accordance with policies adopted by its governing board. Such policies will provide for sound and prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of interests.
- ii. Any supplemental compensation and/or benefits for a System employee must be approved by the Board of Supervisors, upon recommendation of the System and System Presidents, before they are paid. Absent exceptional circumstances and approval by the System President, such compensation or benefits shall be paid through the System, not directly to the employee by the Foundation. For purposes of this paragraph, supplemental compensation or benefits shall mean all compensation or benefits in addition to the base System compensation and benefits approved by the Board of Supervisors for duties performed for the System and does not include reimbursement to the System from Foundation of any compensation or benefit.
- iii. Travel, entertainment, educational benefits or reimbursements may be paid to a System employee (or authorized traveler, if applicable). Payments may be made for such expenses within and above state limits when specifically approved by appropriate System President.
- iv. Reasonable moving or relocation expenses of a System employee may be paid only upon recommendation of the System President.

b. Prohibited Expenses

- i. Fines, forfeitures or penalties of a System employee may not be paid.
- ii. The Foundation may not present gifts on behalf of a System employee nor reimburse System employees for gifts that are represented as having personally come from the employee.
- iii. Political contributions prohibited by applicable Internal Revenue Service Regulations or state laws and regulations may not be made or reimbursed. Accordingly, the Foundation will not provide funds in any manner for System employees to endorse political parties or candidates, attend political fundraisers, participate in lobbying activities, etc.

- iv. Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the benefit to the individual System employee outweighs the benefit to the System may not be paid.
- v. Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the amount is extravagant or lavish beyond the appropriate System purpose may not be paid. While not necessarily controlling, reference should be made to regulations adopted by the Internal Revenue Service in connection with allowed business expenses.
- vi. Funds shall not be disbursed in connection with contracts (or other agreements) between the Foundation and a System employee unless justified in writing and with specificity demonstrating, among other justifications, that the proposed contractual duties with the Foundation are not those which the employee should perform directly for the System. All such contracts must be approved by the System President in accordance with PPM FS-III.VII.-I. The requirements of the Louisiana Code of Governmental Ethics must also be considered by the Foundation if the System employee (or a related person) has an ownership interest in a legal entity with which the Foundation is considering contracting.
- vii. Any expense or reimbursement request not described above as authorized (or through written joint amendment or clarification of this Agreement) shall not be paid to or on behalf of a System employee without specific recommendation of the System President.

5. The Foundation's financial statements shall be audited annually in accordance with generally accepted auditing standards by an independent professional auditor who shall furnish to the System and the legislative auditor copies of the annual audit and management letter (including supplemental assurances). However, any information needed for the System's financial report must be provided to the System within 60 days of the fiscal year close.

6. For those affiliated organizations included in the ULS reporting entity, the audit engagement letter must be presented to the ULS System President for approval prior to the commencement of the audit, which approval will not be unreasonably withheld.

7. The Foundation 's engagement letter with the independent CPA will require that the auditor provide supplemental assurances that the Foundation has complied with specific requirements of this Affiliation Agreement.
8. The System may at any time, review all accounting records, files, and documentation of the Foundation that pertain to payments made to or on behalf of System employees and/or System programs/projects. Notwithstanding the preceding requirements, the identity of donors and other related confidential donor information of the Foundation shall be exempt and not available for disclosure.

Disbursements

1. All disbursements shall be made in accordance with donor intent to the extent known, in conformity with the written provisions of any instrument governing disposition of the funds, as provided in any policies and arrangements mutually determined by the System and the Foundation, and in compliance with federal and state law. All requests from the System for funds from the Foundation for the System must be approved by the President of the System and submitted to the Foundation in writing and with reasonable notice. In performance of these tasks, the Foundation should provide services in such a manner that donors and prospects trust that their gifts will be used in the best interest of the System, and that their wishes will be respected regarding the use of their funds.

Financial Reporting Requirements

1. Foundation agrees to provide on a quarterly basis a report detailing the transactions for each System account maintained by the Foundation. The report shall be provided to the President, the Vice President for Advancement, and to the Office of the Vice President for Business and Finance of the System. On an annual basis, the Foundation shall provide the System, as soon as possible and in any event no later than one hundred twenty (120) days after the end of its fiscal year, two copies of the annual financial statements presented in accordance with generally accepted accounting principles, or, if the accounting records are maintained on a basis other than generally accepted accounting principles which have been consistently applied, then that basis may be used for reporting purposes. Such statements will be audited, in accordance with generally accepted auditing standards, by a firm of independent public accountants designated

by the Foundation. Contemporaneously with the delivery thereof, the Foundation will deliver to the System any management letter, internal control report or any other document resulting from such audit.

2. Consistent with its document retention policies, the Foundation will maintain copies of the policies, budgets, disbursements and expenditures in connection with the performance of its obligations hereunder. Such materials shall be open to review by personnel authorized by the System President at any time upon reasonable written notice to the Foundation. Notwithstanding the foregoing, nothing contained herein shall be construed as providing the System or any governmental agency or department, or the general public, with any right of access to any other books, records or documents of the Foundation. The System acknowledges that the Foundation is not, and shall not be construed as, either a public or quasi-public entity, department or agency of the State of Louisiana or the System and, accordingly, shall not be required to observe or perform the rules, regulations, laws or policies or procedures which are imposed upon public agencies or departments, nor provide any right to the public which the public may have with respect to any state or public department or agency, except as otherwise specifically provided by statute regarding System-related foundations.

System Responsibilities

General

1. The System President and System Advancement leadership will be working to identify, cultivate, and solicit prospects for private gifts.
2. The System shall accept funds from Foundation for the purpose of promoting the wellbeing and advancement of the System and to develop, expand, and improve the System's programs, so as to provide greater educational advantages and opportunities; and increase the System's benefits to the citizens of the State of Louisiana and the United States of America.
3. The System shall use such funds in accordance with the terms and conditions as maybe imposed by testators and donors, within the limits of the law.

4. The System and Foundation shall have open communication regarding both the application of the policies set forth herein and mechanisms that would allow each party to better accomplish their common goals. The System President will bring any recommendations that arise from such discussions for further consideration.

Services Provided by System to Foundation

1. The System agrees to provide Foundation with the following services:
 - a. Computer and Information Services in accordance with a Shared Technology Agreement between Foundation and System to include the following terms and conditions:
 - i. access to System database and information management systems specific to Foundation purposes. System shall be responsible for all costs and expenses of the database and information management systems, including any updates to system security, backups, user roles, and system audits, and all associated components, including, but not limited to costs and expenses of other associated software;
 - ii. gift processing services including gift receipting, acknowledgments, data entry and other information processing services in coordination with Foundation personnel;
 - iii. assistance by System personnel in prospect research and donor identification;
 - iv. assistance in creation of survey documents, mailing, and data input for potential donor surveys;
 - v. gift record data for use by Foundation in audit reports;
3. The abovementioned services shall be provided by the System at no cost to the Foundation; however, the cost of these services shall be deemed to be a partial payment by the System to the Foundation for the services provided to the System by the Foundation.

Terms of the Affiliation Agreement

1. This Affiliation Agreement is intended to set forth policies and procedures that will contribute to the coordination of mutual activities of the System and the Foundation.

2. If either party believes that the other party has failed in any material respect to perform its obligations under this Agreement, then that party will provide written notice to the other party, describing the alleged failure in reasonable detail. If the alleged breaching party fails to cure the alleged breach of this Agreement within ninety (90) business days, then the non-breaching party may immediately submit this matter for Conflict Resolution.

3. Either party may deliver written notice to the other requesting a termination of this agreement. Within thirty days of receipt of the notice of termination of this Agreement, the Chairman of the Foundation and the President of the System shall meet and make a good faith attempt to resolve the disputed issues through mediation before a mediator mutually acceptable to both parties.

4. Should the System choose to terminate this agreement, the Foundation may require the System to pay, within 180 days of written notice, all debt incurred by the Foundation on the System's behalf including. Should the Foundation choose to terminate this agreement, the System may require the Foundation to pay debt it holds on behalf of the Foundation in like manner.
 - a. Should the System choose to terminate this agreement, the agreement shall continue in full force and effect until the expiration of the required notice period. Any transactions entered into by the Foundation prior to the receipt of such notice shall be binding upon the System. System shall not be liable for any transactions entered after the commencement of the notice period. In such case, the Foundation shall be prohibited from using the System's name to solicit donations or for any other purpose and shall not in any way represent to alumni, contributors, or the general public that said Foundation is affiliated with the System.

 - b. Notwithstanding Paragraph 3 above, should any substantial misuse of funds or fraudulent activity on the part of the Foundation be discovered, the System may, at its discretion, immediately terminate this agreement. In such case, the Foundation shall be prohibited from using the System's name to solicit donations or for any other purpose and shall not in any way represent to alumni, contributors, or the general public that said Foundation is affiliated with the System.

3. Should the Foundation fail to maintain an affiliation agreement with the System or the affiliation agreement is terminated by either party, all Foundation funds will be used in accordance with donor intent and will become the property of a System-affiliated organization approved by the System of Louisiana System that shall qualify as a tax-exempt

organization under sub-section 501 (c)(3) of the Internal Revenue Code or corresponding provision of any future United States Internal Revenue law. The Foundation will remit the funds to the System-affiliated organization using the timeline or schedule of transfers to be mutually agreed to by the Foundation and the System but not to exceed a period of 180 days.

4. Nothing in this Agreement shall be construed as to invalidate or restrict the Foundation's private and independent status.
5. Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the System President and Foundation Chairman.
6. It is mutually understood and agreed that no alteration, amendment, modification or supplement of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto. No oral understandings or agreements not incorporated herein, and no alterations or variations of the terms hereof shall be binding unless made in writing between the parties hereto.

Miscellaneous

Severability

1. If any provision contained herein shall be held, for any reason, to be invalid, illegal or unenforceable in any respect, such provision shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Indemnification by the Foundation

1. The Foundation agrees to indemnify, save and hold harmless the System, as well as its Board of Supervisors, Regents, officers, employees, and agents against any and all claims, damages, liability whatsoever including costs, expenses and attorney's fees incurred as a result of any act or omission by the Foundation, or its employees, agents, or sub-contractors relating to the provisions of the Agreement.

Indemnification by the System

1. The System agrees to indemnify, save and hold harmless the Foundation and its Board Members, officers, employees and agents, against any and all claims, damages and liability whatsoever including costs, expenses and attorney's fees incurred as a result of any act or omission by the System, its employees, agents or sub-contractors relating to the provisions of the Agreement.

No Assignment

1. This Agreement, and the rights and benefits of the parties hereto, may not be assigned in whole or in part by either party without prior written consent signed by both parties.

Governing Law

1. This Agreement and its performance shall be construed and enforced in accordance with the laws of the State of Louisiana.

Term

1. The term of this Agreement shall be from **September 27, 2022** through **September 27, 2032**, and shall automatically be renewed on a year to year basis thereafter unless either party gives written notice of non-renewal at least 90 days prior to the end of any extended term year, provided however, that every fifth year, the parties agree to discuss the terms and consider revisions and modifications as mutually agreed by the parties in writing.

Conflict Resolution

1. In the event of any dispute between the Foundation and the System, as to their relationship or any terms or conditions of this Agreement, the following steps will be initiated to resolve such dispute:
 - a. A party (referred to as "plaintiff" on occasion) may begin negotiations by delivering a written letter to the opposing party (referred to as "defendant" on occasion) describing the dispute and identifying any related documents, data and/or information relied upon in support of its contention. Following such notice, the Chairman of the Foundation and the President of the System will meet and attempt to resolve the dispute.

- b. If the parties are unable to resolve the dispute within 20 working days, a committee of two representatives of the Foundation and two representatives of the System will meet to resolve the dispute.
- c. If the dispute is not resolved within 30 working days of the first meeting of informal negotiations the plaintiff party will submit a final written offer for settling all disputed items or a notice that it will not offer to settle the dispute. Within five working days of its receipt, the defendant party must accept or reject the written offer.
- d. If the parties at this point have settled the dispute, they will immediately execute settlement agreements and any other applicable document amendments. If the dispute has not been resolved, both parties agree to select a mutually agreeable Louisiana attorney arbitrator, with not less than 20 years of experience with arbitration proceedings and who has mediated or arbitrated not less than five hundred cases. If the parties are unable to agree on an arbitrator, each party shall appoint an arbitrator of its choice. The two arbitrators so nominated shall appoint the third arbitrator. The arbitration shall be conducted in accordance with the then existing Louisiana Rules of Civil Procedure. The arbitrator will decide the issues in the dispute and within the bounds set by the contentions of the parties. The decision of the arbitrator(s) will be final and binding on all parties and not appealable.
- e. In the event of arbitration, as referenced above, all costs and expenses, including reasonable attorney fees, incurred by the prevailing party and exercised in defending any of the rights or remedies hereunder or enforcing any of the terms, conditions and provisions hereof, shall be paid by the unsuccessful party.

Amendment to Articles of Incorporation and By-Laws

1. At all times while this Agreement is in effect, the Foundation shall take no action to amend its Articles of Incorporation or By-laws, where the effect of such amendment would be to alter those provisions of the Articles of Incorporation and By-laws that require the Foundation to be operated for the support of the System, until the System President shall have been given the same notice of any proposed amendment as is required to be given Foundation trustees.

Use of Public Personnel and Facilities

1. Any use of public personnel and facilities by the Foundation shall be in accordance with sound business practices, state law, Board of Regents Policy and Policies and Procedures of the System.

No Third-Party Beneficiaries

1. Nothing in this agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this agreement or the transactions contemplated hereby on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons or any party to this agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this agreement.

Joint Drafting

1. The Foundation and the System have jointly participated in the negotiation and drafting of this Agreement. In the event any question of intent or interpretation arises, this Agreement shall be construed as if drafted equally, by all parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Affiliation Agreement to be executed by their duly authorized officers as of the day and date first above written.

WITNESSES:

UNIVERSITY OF LOUISIANA SYSTEM:

BY: _____

WITNESSES:

**UNIVERSITY OF LOUISIANA SYSTEM
FOUNDATION**

BY: _____



G.6.

THE UNIVERSITY of
NEW ORLEANS
OFFICE OF THE PRESIDENT

October 13, 2022

Dr. Jim Henderson., President
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Re: Agenda Item for October 27, 2022 meeting

Dear Dr. Henderson:

On behalf of the University of New Orleans (the “*University*”) I am requesting that an item be placed on the agenda of the Board of Supervisors for the University of Louisiana System for its October 27, 2022 meeting for consideration of a resolution providing for the approval of certain agreements between the University, the University of New Orleans Research and Technology Foundation, Inc. (the “*Foundation*”) and LA Energy Partners, LLC, or an affiliate thereof (“*LAEP*”), relating to the modernization and operation of the University’s energy infrastructure.

You will receive from Brandon DeCuir a form of resolution to be considered by the Board, with forms of the agreements relating to the above. Representatives of the University and LAEP will be available for the October meeting to answer any questions you may have.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'John W. Nicklow'.

John W. Nicklow
President

cc: Matthew Kern, Jones Walker LLP
Mr. Lawrence Sisung, Sisung Securities
Linda Law Clark, DeCuir, Clark & Adams LLP
Brandon DeCuir, DeCuir, Clark & Adams LLP

1. EXECUTIVE SUMMARY

- a. Louisiana Energy Partners (LAEP):
 - i. LAEP is a joint venture between Bernhard LLC and Johnson Controls, Inc.
 - ii. LAEP proposes to enter into a Public Private Partnership (P3) with the University of New Orleans (UNO) and the UNO Research & Technology Foundation (Foundation) for an Energy-As-A-Service (EAAS) transaction to modernize and privatize certain UNO energy assets
 - iii. UNO transaction will be an opt-in to an existing State Cooperative Endeavor Agreement (CEA)

- b. Lease of Central Plants:
 - i. LAEP will lease assets in UNO's three Central Plants for a term of 25 Years.
 - ii. LAEP will have tax ownership of the Central Plant assets, but UNO/ULS retains book ownership

- c. Capital Improvements:
 - i. LAEP will finance, design and install \$27 million of total capital improvements in UNO's Central Plants (\$10M) and Campus Buildings (\$17M) to increase energy efficiency, improve the learning environment, and address deferred maintenance

- d. Energy Savings:
 - i. The capital improvements will generate approximately \$2.2 million ANNUAL utility cost savings
 - ii. LAEP will guarantee that unit energy savings (kwh) will be sufficient to cover UNO's payments to LAEP, resulting in Operating Budget Savings to UNO (given assumed utility rates)

- e. Operation and Maintenance (O&M):
 - i. LAEP will take over the majority of maintenance of UNO's Central Plant and Campus Buildings from the current third-party O&M provider
 - ii. LAEP will operate the Central Plants and provide UNO with chilled water

- f. Scholarship Fund
 - i. LAEP will pay UNO approximately \$7-10M prepaid rent at closing to put in a scholarship fund
 - ii. The upfront payment amount will depend upon interest rates when the transaction is closed

- g. Transaction Is Budget Neutral:
 - i. UNO realizes reduced utility bills due to unit energy savings (approximately \$2.2M annually)
 - ii. UNO realizes operating and maintenance cost savings (approximately \$2.9M annually)
 - iii. UNO pays a new charge to LAEP net of annual lease rent (approximately \$5.1M annually)
 - iv. Net result is a projected near zero Operating Budget Savings for UNO

2. SCOPE OF WORK

- a. Plant Improvements:
 - i. Upgrades to campus chilled water system including new cooling towers
 - ii. Upgrades to campus tower water system
 - iii. Upgrades to campus heating water system

- b. Building Improvements:
 - i. Comprehensive upgrades to campus lighting
 - ii. Comprehensive upgrades to campus domestic water system (plumbing assets)
 - iii. Comprehensive upgrades to campus building automation system

- c. Measurement and Verification (M&V):
 - i. LAEP to install metering to measure savings and improve system performance
 - ii. LAEP/UNO gain real-time system monitoring capability and fault detection
 - iii. UNO gains real-time usage reporting to reconcile utility invoices/payment

- d. Operations and Maintenance:
 - i. LAEP performs campus-wide O&M functions to ensure system reliability and performance
 - ii. UNO will have contractual remedies if stipulated performance metrics are not achieved

3. DUE DILIGENCE

- a. Financial, Technical, and Legal Advisors:
 - i. UNO and the Foundation have engaged advisors to evaluate the proposed transaction
 - ii. All advisors are independent and have no relationship with LAEP
 - iii. Financial Advisor (The Sisung Group)
 - iv. Technical Advisor (M&E Consulting Engineers)
 - v. Legal Advisors (Decuir, Clark & Adams; Jones Walker; and Baker Donelson)

- b. Due Diligence and Negotiation:
 - i. UNO received LAEP's preliminary proposal and began due diligence in June 2021
 - ii. LAEP has presented several different technical solutions to UNO since that date
 - iii. **UNO and its advisors have established transaction requirements, in particular that the transaction be operating budget neutral, provide a robust technical solution that saves energy, contain sufficient legal protections, and materially shift risk to LAEP without creating undue risk to UNO.**
 - iv. UNO's advisors have completed the majority of due diligence
 - v. Negotiation of final commercial terms and documentation is proceeding

- c. Post Closing Implementation and Monitoring:
 - i. UNO's technical advisor to review final project design, cost and savings sharing
 - ii. UNO's technical advisor to review M&V plan and annual M&V calculations

4. PROTECTIVE COVENANTS

- a. Design and Construction Risk Mitigation
 - i. LAEP will be responsible for design and construction of the projects for a fixed maximum price, and UNO and LAEP will share savings realized during design and construction
 - ii. LAEP will provide typical construction contract protections such as performance bonds

- b. Operation and Maintenance Risk Mitigation
 - i. LAEP will perform operation and maintenance for a fixed price
 - ii. LAEP will provide chilled water to UNO 24/7/365 pursuant to specified performance standards
 - iii. If an Unexcused Loss of Availability occurs because LAEP fails to provide chilled water for 4 hours, then LAEP would owe damages and UNO can elect to engage a third party to remedy the loss

- c. Capital Renewal Risk Mitigation
 - i. LAEP will provide a 10 year extended warranty on new lighting installed in the Campus Buildings
 - ii. LAEP will also provide an extended warranty covering premature failure of certain covered assets in the Central Plant during the expected useful life of the asset
 - iii. UNO (or the State) will remain responsible for replacement of covered Central Plant assets after their expected useful life, as well as uncovered assets in the Central Plant and Campus Buildings

- d. Benefit Assurance Provisions
 - i. LAEP will guarantee that UNO and the State will receive a Net Public Benefit in each year, which will consist of operating budget savings, capital outlay savings, and the benefit of pre-paid rent.
 - ii. LAEP will also guarantee that unit energy savings (kwh) will be sufficient to cover UNO's payments to LAEP, resulting in Operating Budget Savings for UNO (given assumed utility rates)

- e. Default and Termination Provisions:
 - i. The transaction will contain typical Event of Default provisions, and the occurrence of more than five Unexcused Losses of Availability in a year will be an Event of Default by LAEP
 - ii. UNO will have the right to terminate for discretionary reasons (For Convenience or For Non-Appropriation) and for event-based reasons (For Necessity or For Cause), while LAEP will only have the right to terminate for event-based reasons (For Necessity or For Cause)
 - iii. UNO would owe a termination fee which varies depending upon the type of termination event, with termination for discretionary reasons being more expensive than for event-based reasons
 - iv. Similar to other UNO public private partnership arrangements, the largest component of the termination fee would go to pay off LAEP's third party lender and to compensate LAEP for its unreimbursed investment and related breakage fees in the transaction
 - v. Depending upon the reason for termination and market interest rates at the time of termination, the termination fee may be extremely cost prohibitive for UNO
 - vi. UNO will have the scholarship fund available to apply towards any termination fee
 - vii. The termination fee is subject to appropriation, but if UNO fails to pay the termination fee, it would lose use of the Central Plants, use of the LAEP-installed capital improvements, and the right to receive chilled water from LAEP

5. TIMING AND APPROVALS

- a. UL System Consideration / Approval:
 - i. UL System Board to consider approval (10-27-2022). Approval from Board is required for UNO to execute the transaction
 - ii. UL System Board approval will allow UNO in consultation with the System President to lock the financial terms of the transaction

- b. Louisiana Division of Administration Approval:
 - i. DOA currently reviewing the transaction to ensure it meets the State's CEA requirements
 - ii. DOA places the project on the agenda for the Joint Legislative Committee on the Budget (JLCB)

- c. JLCB Review:
 - i. JLCB reviews the proposed project (10-21-2022 and 11-18-2022)

- d. Closing and Implementation
 - i. Once reviews/approvals are complete, UNO in consultation with the System President and LAEP will execute the transaction only when interest rates provide sufficient transaction economics
 - ii. LAEP will begin providing O&M services immediately
 - iii. LAEP will complete design and installation of capital improvements within 2 years

6. TRANSACTION DOCUMENTS

- a. Adoption Agreement/Facilitation Agreement:
 - i. UNO agrees to adopt the LAEP/State of Louisiana CEA framework
 - ii. These agreements establish the general transaction framework and payment terms

- b. Lease/Sublease Agreement:
 - i. UNO will lease its Central Plants to the UNO Research & Technology Foundation
 - ii. The Foundation will sublease the Central Plants to LAEP
 - iii. LAEP will fund upon transaction closing proceeds to be placed in the scholarship fund
 - iv. LAEP will make capital improvements to the Central Plants
 - v. LAEP will provide O&M services

- c. Facility Optimization Services Agreement (FOSA):
 - i. LAEP will make capital improvements to the Campus Buildings
 - ii. UNO will pay FOSA charges over the term of the transaction

- d. Thermal Services Agreement (TSA)
 - i. LAEP will provide chilled water from the leased Central Plants to UNO
 - ii. UNO agrees to pay TSA charges over the term of the transaction

- e. Miscellaneous Agreements:
 - i. Transactional provisions relating to financing, collateral, servitudes, etc.

UNIVERSITY OF NEW ORLEANS
SUMMARY OF ENERGY SERVICES PRIVATIZATION INITIATIVE

UNO GOALS AND OBJECTIVES

GOAL	DESCRIPTION	RESULT	NOTES
Meet CEA Opt-In Requirements	In order to qualify to opt-in to the State CEA, the Transaction must meet the minimum requirements set forth in the CEA, including providing a Net Public Benefit.		OBJECTIVE MET All CEA requirements met. The transaction provides \$42.7 million in Net Public Benefit over the life.
Do Not Increase the Operating Budget	Given its limited operating budget capacity, UNO cannot afford an increase in its operating budget. The transaction must be operating budget neutral or provide operating budget savings.		OBJECTIVE MET The transaction provides marginally positive Operating Budget Savings in every year totaling \$0.5 million over the life.
Reduce Energy Consumption	UNO seeks to reduce its energy consumption for the purposes of realizing energy cost savings and achieving green energy objectives. The transaction must provide new or improved energy assets that are savings accretive.		OBJECTIVE MET The transaction provides upgraded assets and privatized O&M, both of which create energy savings of 22%.
Provide Robust Technical Solution	UNO recognizes that it is unaffordable to complete a total campuswide energy asset upgrade and deferred maintenance project. However, UNO does not wish to undertake a haphazard, “band-aid” project simply due to cost concerns. The transaction must provide a robust technical solution for the included projects while still meeting other Transaction goals.		OBJECTIVE MOSTLY MET The transaction makes significant investments that are individually robust. However, the scope of the transaction is limited by the age of many existing assets and the need to not increase the operating budget.
Shift or Reduce Risk For Capital Renewal	The age of UNO’s campus energy infrastructure is a significant long term operating risk due to the possibility of failure and limited availability of funding for capital renewal. The transaction must materially shift or reduce such capital renewal risk while still meeting other Transaction goals.		OBJECTIVE MOSTLY MET The transaction provides upgraded assets, an extended warranty on certain existing Central Plant assets during their expected useful life, and enhanced maintenance services in the Central Plant. All of this reduces capital renewal risk. UNO or the State retain capital renewal risk after the end of the expected useful life.
Shift or Reduce Risk For Operation and Maintenance	UNO is also currently at risk for growing operating and maintenance costs due to its aging energy infrastructure, as well as general market expense risk for inflation. The transaction must materially shift or reduce such operating and maintenance cost risk while still meeting other Transaction goals.		OBJECTIVE MET The transaction provides enhanced O&M services for the Central Plants at a fixed cost and shifts O&M risk away from UNO.
Do Not Take On Unreasonable Additional Material Risk	UNO is generally risk-averse and does not wish to take on complex or unreasonable risks without sufficient risk mitigants. The transaction must minimize any new risks to UNO.		OBJECTIVE MOSTLY MET While the transaction is complex, risk mitigants have been carefully designed to provide UNO reasonable protections.
Provide Budget Stability	It is beneficial for UNO to have certainty in its budgeted expenses. The transaction must enhance budget stability.		OBJECTIVE MET The transaction contains fixed payments by UNO to LAEP. UNO’s risk for O&M expense variability is reduced. UNO’s energy consumption is reduced which reduces exposure to variability in utility rates.
Provide Prepaid Rent	UNO seeks to establish a new scholarship fund in order to enhance student enrollment. The transaction should provide significant prepaid rent at closing.		OBJECTIVE MET The transaction will provide approximately \$7-10 million of prepaid rent at closing (subject to interest rates at the time of execution).
Have Reasonable Certainty of Achieving Projected Results	UNO does not wish to take on a project with speculative results. The transaction must contain safeguards to reasonably guarantee that projected results will actually be achieved.		OBJECTIVE MET UNO and its legal, financial and technical advisors have carefully vetted the transaction. Among other safeguards, LAEP will guarantee a Net Public Benefit and Operating Budget Savings.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.7. University of Louisiana System's report on internal and external audit activity for the period of August 22 to October 23, 2022.

EXECUTIVE SUMMARY

Attached is a list of internal and external reports completed by various auditors since the August Board meeting. The internal audit reports are prepared based upon independent review of university departments and functions. The internal audits are designed to ascertain compliance with established policies and procedures, to evaluate operational efficiencies of business and management practices, and to determine adequacy of internal controls. The internal audits are conducted to provide management with recommendations and comments designed to improve the operations of university departments and functions. External audits are generally conducted in accordance with laws, regulations, or contracts. Also included are internal audits that are currently in progress.

This is a report only and no action by the Board is necessary.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

October 27, 2022

Item G.8. University of Louisiana System's discussion of Fiscal Year 2021-22 fourth quarter financial reports and ongoing assurances.

EXECUTIVE SUMMARY

Presented is a summary of the financial activities for the quarter ended June 30, 2022. This information was obtained from fourth quarter financial reports submitted to the System by each university.

This is a report only and no action by the Board is necessary.

**University of Louisiana System
Summary of Operating Budget vs Actual
For the Fiscal Year Ended June 30, 2022**

	2022 Budget	2022 Actual	Variance	% of Budget
REVENUES				
State Appropriations:				
General Fund (Direct)	260,749,773	260,749,773	-	100%
Statutory Dedications:				
SELF	12,056,018	11,846,862	(209,156)	98%
Higher Education Initiatives Fund	1,622,908	1,622,908	-	
Calcasieu Parish Fund	1,527,451	1,527,451	-	100%
Total State Appropriations	<u>275,956,150</u>	<u>275,746,994</u>	<u>(209,156)</u>	<u>100%</u>
Interagency Transfers	259,923	224,000	(35,923)	86%
		-		
Self-Generated Revenues:				
Student Fees:				
General Registration Fees*	598,957,094	566,028,302	(32,928,792)	95%
Non-Resident Fees	24,292,976	25,538,589	1,245,613	105%
Total Student Fees	<u>623,250,070</u>	<u>591,566,891</u>	<u>(31,683,179)</u>	<u>95%</u>
Other Sources:				
Educational Activities/State Grants	3,641,687	3,898,188	256,501	107%
Other Revenues	42,914,417	46,780,169	3,865,752	109%
Total Other Self-Generated Revenues	<u>46,556,104</u>	<u>50,678,357</u>	<u>4,122,253</u>	<u>109%</u>
Total Self-Generated Revenues	<u>669,806,174</u>	<u>642,245,248</u>	<u>(27,560,926)</u>	<u>96%</u>
Total Revenues	<u><u>946,022,247</u></u>	<u><u>918,216,242</u></u>	<u><u>(27,806,005)</u></u>	<u><u>97%</u></u>
* General Registration Fees:				
Tuition	415,943,196			
Fees	150,085,106			
Total	<u><u>566,028,302</u></u>			

**University of Louisiana System
Summary of Operating Budget vs Actual
For the Fiscal Year Ended June 30, 2022**

	2022 Budget	2022 Actual	Variance	% of Budget
EXPENSES BY FUNCTION				
Primary Functions:				
Instruction	383,431,997	372,008,635	(11,423,362)	97%
Research	47,342,041	47,706,553	364,512	101%
Public Service	2,734,313	2,750,095	15,782	101%
Academic Support	84,401,867	76,617,937	(7,783,930)	91%
Total Primary Functions	<u>517,910,218</u>	<u>499,083,220</u>	<u>(18,826,998)</u>	<u>96%</u>
Support Functions:				
Student Services	51,406,815	47,936,186	(3,470,629)	93%
Institutional Support	136,143,418	130,549,194	(5,594,224)	96%
Scholarships and Fellowships	111,920,529	114,362,080	2,441,551	102%
Operations and Maintenance of Plant	91,645,676	88,142,517	(3,503,159)	96%
Total Support Functions	<u>391,116,438</u>	<u>380,989,977</u>	<u>(10,126,461)</u>	<u>97%</u>
Total Educational and General Expenses	<u>909,026,656</u>	<u>880,073,197</u>	<u>(28,953,459)</u>	<u>97%</u>
Other and Mandatory				
Athletics	24,835,740	26,337,526	1,501,786	106%
Other	12,159,851	11,805,519	(354,332)	97%
Total Expenses and Transfers	<u>946,022,247</u>	<u>918,216,242</u>	<u>(27,806,005)</u>	<u>97%</u>
Surplus (Deficit)	<u><u>-</u></u>	<u><u>-</u></u>		

**University of Louisiana System
Summary of Operating Budget vs Actual
For the Fiscal Year Ended June 30, 2022**

	2022 Budget	2022 Actual	Variance	% of Budget
EXPENSES BY OBJECT				
Personal Services:				
Salaries	444,305,396	435,120,863	(9,184,533)	98%
Other Compensation	16,790,990	12,386,580	(4,404,410)	74%
Related Benefits	196,584,092	189,433,364	(7,150,728)	96%
Total Personal Services	657,680,478	636,940,807	(20,739,671)	97%
Operating Expenses:				
Travel	2,917,333	2,059,812	(857,521)	71%
Operating Services	75,610,795	70,903,260	(4,707,535)	94%
Supplies	11,856,744	10,221,098	(1,635,646)	86%
Total Operating Expenses	90,384,872	83,184,170	(7,200,702)	92%
Other Support:				
Professional Services	7,352,193	7,154,169	(198,024)	97%
Other Charges/Interagency	176,866,611	179,778,394	2,911,783	102%
General Acquisitions	9,565,460	7,016,216	(2,549,244)	73%
Library Acquisitions	4,172,633	4,142,486	(30,147)	99%
Total Other Support	197,956,897	198,091,265	134,368	100%
Total Expenses	946,022,247	918,216,242	(27,806,005)	97%
Surplus (Deficit)	-	-		

**University of Louisiana System
Operating Fund - PY to CY Comparison**

	Fiscal Year-to-Date:		Change	%
	Quarter Ended June 30			
	2021	2022		
REVENUES				
State Appropriations:				
General Fund (Direct)	\$168,987,009	260,749,773	91,762,764	54%
Statutory Dedications:				
SELF	13,568,726	11,846,862	(1,721,864)	-13%
Higher Education Initiatives Fund		1,622,908	1,622,908	100%
Calcasieu Parish Fund	1,870,265	1,527,451	(342,814)	-18%
Total State Appropriations	<u>184,426,000</u>	<u>275,746,994</u>	<u>91,320,994</u>	50%
Federal Appropriations				
Interagency Transfers	263,000	224,000	(39,000)	-15%
Self-Generated Revenues:				
Student Fees				
General Registration Fees	602,027,383	566,028,302	(35,999,081)	-6%
Non-Resident Fees	<u>26,130,127</u>	<u>25,538,589</u>	<u>(591,538)</u>	-2%
Total Student Fees	<u>628,157,510</u>	<u>591,566,891</u>	<u>(36,629,619)</u>	-6%
Other Sources:				
Educational Activities/State Grants	3,085,764	3,898,188	812,424	26%
Other Revenues	<u>25,868,031</u>	<u>46,780,169</u>	<u>20,912,138</u>	81%
Total Other Self-Generated Revenues	<u>28,953,795</u>	<u>50,678,357</u>	<u>21,724,562</u>	75%
Total Self-Generated Revenues	<u>657,111,305</u>	<u>642,245,248</u>	<u>(14,905,057)</u>	-2%
Total Revenues	<u><u>841,800,305</u></u>	<u><u>918,216,242</u></u>	<u><u>76,415,937</u></u>	9%

EXPENSES BY FUNCTION

Primary Functions:

Instruction	348,115,476	372,008,635	23,893,159	7%
Research	40,349,085	47,706,553	7,357,468	18%
Public Service	2,890,491	2,750,095	(140,396)	-5%
Academic Support	75,509,307	76,617,937	1,108,630	1%

Total Primary Functions	<u>466,864,359</u>	<u>499,083,220</u>	<u>32,218,861</u>	7%
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Support Functions:

Student Services	47,026,376	47,936,186	909,810	2%
Institutional Support	122,233,823	130,549,194	8,315,371	7%
Scholarships and Fellowships	105,348,889	114,362,080	9,013,191	9%
Operations and Maintenance of Plant	73,150,772	88,142,517	14,991,745	20%

Total Support Functions	<u>347,759,860</u>	<u>380,989,977</u>	<u>33,230,117</u>	10%
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Total Educational and General Expenses	<u>814,624,219</u>	<u>880,073,197</u>	<u>65,448,978</u>	8%
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Other and Mandatory

Athletics	23,271,617	26,337,526	3,065,909	13%
Other	3,904,469	11,805,519	7,901,050	202%

Total Expenses and Transfers	<u>841,800,305</u>	<u>918,216,242</u>	<u>76,415,937</u>	9%
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Surplus (Deficit)

	<u>-</u>	<u>-</u>	<u>-</u>	
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EXPENSES BY OBJECT

Personal Services:

Salaries	412,566,440	435,120,863	22,554,423	5%
Other Compensation	14,281,971	12,386,580	(1,895,391)	-13%
Related Benefits	185,629,782	189,433,364	3,803,582	2%

Total Personal Services	<u>612,478,193</u>	<u>636,940,807</u>	<u>24,462,614</u>	4%
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Operating Expenses:

Travel	173,933	2,059,812	1,885,879	1084%
Operating Services	64,382,856	70,903,260	6,520,404	10%
Supplies	9,291,462	10,221,098	929,636	10%

Total Operating Expenses	<u>73,848,251</u>	<u>83,184,170</u>	<u>9,335,919</u>	13%
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Other Support:

Professional Services	5,354,984	7,154,169	1,799,185	34%
Other Charges/Interagency	142,274,679	179,778,394	37,503,715	26%
General Acquisitions	3,645,605	7,016,216	3,370,611	92%
Library Acquisitions	4,198,593	4,142,486	(56,107)	-1%

Total Other Support	<u>155,473,861</u>	<u>198,091,265</u>	<u>42,617,404</u>	27%
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Total Expenses	<u>841,800,305</u>	<u>918,216,242</u>	<u>76,415,937</u>	9%
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Surplus (Deficit)

	<u>-</u>	<u>-</u>	<u>-</u>	#DIV/0!
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AUXILIARY AND ATHLETICS OPERATIONS

The following are Auxiliary and Athletics revenues, expenses, and changes in funds balances for the year ended June 30, 2022

REVENUES	Athletics	Auxiliaries	Total
Revenues received through June 30, 2022	65,081,381	189,783,922	254,865,303
EXPENSES			
Expenses through June 30, 2022	129,002,251	141,425,019	270,427,270
NET TRANSFERS-IN	58,153,131	(49,676,063)	8,477,068
EXCESS (Deficiency) OF EXPECTED REVENUES AND TRANSFERS-IN OVER EXPECTED EXPENSES	<u>(5,767,739)</u>	<u>(1,317,160)</u>	<u>(7,084,899)</u>
BEGINNING FUND BALANCE	(38,571,371)	85,457,407	46,886,036
ENDING FUND BALANCE	<u>(44,339,110)</u>	<u>84,140,247</u>	<u>39,801,137</u>

AUXILIARY AND ATHLETICS OPERATIONS

Athletic Deficits

Most campuses are experiencing current year operational and/or cumulative fund balance deficits in athletics. Current year and cumulative fund balances are as follows for FY ended June 30, 2022:

	Current Year (Deficit)	Cumulative Fund Balance Deficit	2022 Budgeted Scholarships
Grambling	(704,070)	(11,681,765)	3,194,038
Tech	379,299	16,416	3,925,800
McNeese	244,970	(1,637,240)	4,075,809
Nicholls	(57,633)	(1,805,272)	3,192,312
NSU	406,731	99,899	3,854,952
Southeastern	371,745	(1,501,495)	2,858,293
UL Lafayette	(4,859,997)	(15,018,986)	8,710,906
UL Monroe	(1,548,784)	(7,862,049)	4,765,411
UNO	-	(4,948,618)	2,657,720
Total	(5,767,739)	(44,339,110)	37,235,241