

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

**FINANCE COMMITTEE**

**June 22, 2023**

- Item J.1.**      **University of Louisiana at Lafayette’s** request for approval of a Cooperative Endeavor Agreement with Ochsner Clinic Foundation d/b/a Ochsner Health and Lafayette General Health System, Inc. d/b/a Ochsner Lafayette General.

**EXECUTIVE SUMMARY**

The University is requesting approval of the Cooperative Endeavor Agreement (“CEA”), which contains the following provisions:

- Pursuant to this CEA, Ochsner Clinic Foundation (“OCF”) will provide funding to the University in order to develop University’s Accelerated Baccalaureate of Science in Nursing Program (the “ABSN Program”).
- Beginning in 2023, University shall use its best efforts to enroll the number of ABSN Program students agreed upon by Ochsner Lafayette General (“OLG”) and University to commence their didactic and clinical educational activities in nursing courses in May 2024. Thereafter, the University shall continue to use its best efforts to enroll the number of ABSN Program students agreed upon by OLG and University to commence didactic and clinical educational activities on an annual basis (May 2025, May 2026 and beyond) until 70 ABSN Program students have completed the ABSN Program.
- University shall not enroll any ABSN Program student in the ABSN Program if such student does not commit, by written agreement between OLG and/or OCF and the student, to employment with OLG and/or OCF for a minimum of three (3) years after graduation from the ABSN Program in exchange for OCF’s payment of the student’s tuition to University. Students in University’s ABSN Program shall be recognized and known collectively as the “UL Lafayette/OLG ABSN Cohort.”
- OCF agrees to provide University with funding to cover the cost of tuition for each student that is enrolled in the UL Lafayette/OLG ABSN Cohort for 70 students to complete the ABSN Program. OCF agrees to provide University with funding of \$355 per credit hour for the 70 credit hours of nursing courses required to be completed by each student enrolled in the UL Lafayette/OLG ABSN Cohort in the ABSN Program. The current total funding to cover the cost of tuition for each student enrolled in the UL Lafayette/OLG ABSN Cohort in the ABSN Program is \$24,850 (the “Tuition Amount”). University agrees that the Tuition Amount for UL Lafayette/OLG ABSN Students shall not be increased during the term of this Agreement.
- OCF agrees to provide University with funding of \$358,420 per year to cover the cost of faculty, staff and operations for each of the first 3 classes of the UL Lafayette/OLG ABSN Cohort in the ABSN Program.

- The term of this CEA shall commence on March 1, 2023 and shall continue in effect until 70 UL Lafayette/OLG ABSN Students have completed the UL Lafayette/OLG ABSN Cohort in the ABSN Program, unless sooner terminated. Notwithstanding the foregoing, the CEA shall automatically terminate on December 31, 2029 regardless of whether 70 UL Lafayette/OLG ABSN Students have completed the UL Lafayette/OLG ABSN Cohort in the ABSN Program.

### **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 Lafayette's request for approval of the Cooperative Endeavor Agreement, effective March 1, 2023.*



*University of Louisiana at Lafayette*

OFFICE OF THE PRESIDENT

**J.1.**

P. O. Drawer 41008  
Lafayette, LA 70504-1008  
(337) 482-6203  
Fax: (337) 482-5914  
e-mail: president@louisiana.edu

*Université des Acadiens*

June 1, 2023

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

Dear Dr. Henderson:

This is a request for approval of the attached Cooperative Endeavor Agreement between the University of Louisiana at Lafayette and Ochsner Clinic Foundation d/b/a Ochsner Health and Lafayette General Health System, Inc d/b/a Ochsner Lafayette General.

Please place this item on the agenda for the June 2023 meeting of the Board of Supervisors.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Savoie", written over a blue line.

E. Joseph Savoie  
President

svc  
Attachment

**Cooperative Endeavor Agreement  
By and Between  
Ochsner Clinic Foundation  
d/b/a Ochsner Health  
and  
Lafayette General Health System, Inc.  
d/b/a Ochsner Lafayette General  
and  
University of Louisiana at Lafayette  
College of Nursing & Health Sciences  
LHC Group • Myers School of Nursing**

This Cooperative Endeavor Agreement (this “Agreement”) is made and entered into effective as of the 1st day of March, 2023 (the “Effective Date”), by and between Ochsner Clinic Foundation, a Louisiana nonprofit corporation d/b/a Ochsner Health (“OCF”), Lafayette General Health System, Inc., a Louisiana nonprofit corporation d/b/a Ochsner Lafayette General (“OLG”), and the Board of Supervisors of the University of Louisiana System, herein represented by Dr. E. Joseph Savoie, President, and Dr. Jaimie L. Hebert, Provost and Vice President for Academic Affairs of University of Louisiana at Lafayette (“University” or “UL Lafayette”). OCF, OLG and University are hereinafter referred to individually as a “Party” and jointly as “Parties” to this Agreement. Any references to “either Party” or “both Parties” shall refer to each of and both OCF and OLG, on the one hand, and University, on the other hand.

**RECITALS**

**WHEREAS**, each of OCF and OLG is a nonprofit Louisiana corporation organized and existing under the laws of the State of Louisiana pursuant to La. R.S. §12:201, *et seq.*; and

**WHEREAS**, OCF operates a health system that consists of hospitals and other healthcare-related assets throughout the States of Louisiana and Mississippi, and is the parent company of OLG; and

**WHEREAS**, OLG owns and operates hospitals and other healthcare-related assets in the Lafayette, Louisiana region and is a part of the OCF health system; and

**WHEREAS**, University is a Louisiana state public educational institution within the jurisdiction of the Board of Supervisors for the University of Louisiana System and the Louisiana Board of Regents of State Colleges and Universities; and

**WHEREAS**, University provides an accredited course of study in professional nursing care to students enrolled in the baccalaureate program of its LHC Group • Myers School of Nursing; and

**WHEREAS**, there exists a critical need for registered nurses to provide professional nursing care within the Acadiana region; and

**WHEREAS**, University, OCF and OLG recognize the need for educating and preparing more registered nurses to provide professional nursing care within the Acadiana region; and

**WHEREAS**, OCF is willing to provide funding to University on the terms and conditions set forth herein so it can develop University’s Accelerated Baccalaureate of Science in Nursing Program (the “ABS N Program”); and

**WHEREAS**, the Louisiana Constitution in Article VII, Section 14(C) permits the state and its political subdivisions or political corporations to engage in cooperative endeavors with any public or private association, corporation or individual; and

**WHEREAS**, University, OCF, and OLG intend this Agreement to be such a cooperative endeavor; and

**WHEREAS**, University’s obligations under this Agreement will further its institutional mission and will enhance opportunities to pursue knowledge by University’s faculty, staff, and students, as well as enrich the collaborative efforts between University, OCF and OLG; and

**WHEREAS**, University, OCF and OLG each have a reasonable expectation of receiving a benefit or value described in detail that is at least equivalent to or greater than the consideration described in this Agreement; and as such, the transfer or expenditure of public funds contemplated by this Agreement is not a gratuitous donation.

**NOW THEREFORE**, in consideration of the mutual promises, agreements, covenants and undertakings hereinafter set forth, the University, OCF and OLG mutually agree as follows:

**I. Recitals**

The Recitals set forth above are hereby incorporated into this Agreement and made a part hereof as if fully set forth herein.

**II. Public Purpose of Cooperative Endeavor**

In accordance with Article VII, Section 14(c) of the Louisiana Constitution, the Parties enter into this Agreement for the public purpose of educating and preparing more registered nurses to provide professional nursing care within the Acadiana region.

**III. ABS N Program**

**3.1 University Responsibilities**

- (a) Beginning in 2023, subject to Section 6.10 herein, University shall use its best efforts to enroll the number of ABS N Program students agreed upon by OLG and University to commence their didactic and clinical educational activities in nursing courses in May 2024. Thereafter, University shall continue to use its best efforts to enroll the number of ABS N Program students agreed upon by OLG and University to commence didactic and clinical educational activities on an annual basis (May 2025, May 2026 and beyond) until seventy (70) ABS N Program students have completed the ABS N Program.

- (b) Notwithstanding the foregoing, University shall not enroll any ABSN Program student in the ABSN Program if such student does not commit, by written agreement between OLG and/or OCF and the student, to employment with OLG and/or OCF for a minimum of three (3) years after graduation from the ABSN Program in exchange for OCF's payment of the student's tuition to University.
- (c) Students in University's ABSN Program shall be recognized and known collectively as the "UL Lafayette/OLG ABSN Cohort" and individually as "UL Lafayette/OLG ABSN Students". During the term of this Agreement, University shall graduate at least seventy (70) ABSN Program students from the UL Lafayette/OLG ABSN Cohort.
- (d) University shall use best efforts to assign ABSN Program students in the UL Lafayette/OLG ABSN Cohort to complete clinical rotations at OLG-affiliated sites or OCF-affiliated sites. Notwithstanding the foregoing, UL Lafayette/OLG ABSN Students may be scheduled to complete a rotation outside of the OLG or OCF health systems if the clinical rotations required by University's accreditation cannot be provided at an OLG-affiliated or OCF-affiliated site.

### 3.2 OCF Responsibilities

- (a) Subject to Section 6.10 herein, OCF agrees to provide University with funding to cover the cost of tuition for each student that is enrolled in the UL Lafayette/OLG ABSN Cohort for seventy (70) students to complete the ABSN Program. OCF agrees to provide University with funding of Three Hundred Fifty-Five Dollars (\$355) per credit hour for the seventy (70) credit hours of nursing (NURS) courses required to be completed by each student enrolled in the UL Lafayette/OLG ABSN Cohort in the ABSN Program. The current total funding to cover the cost of tuition for each student enrolled in the UL Lafayette/OLG ABSN Cohort in the ABSN Program is Twenty-Four Thousand Eight Hundred Fifty Dollars (\$24,850.00) (the "Tuition Amount"). University agrees that the Tuition Amount for UL Lafayette/OLG ABSN Students shall not be increased during the term of this Agreement. The Tuition Amount for each UL Lafayette/OLG ABSN student enrolled in the UL Lafayette/OLG ABSN Cohort (i) starting in May 2024 shall be paid by OCF to University in September 2023, (ii) starting in May 2025 shall be paid by OCF to University in September 2024, and (iii) starting in May 2026 shall be paid by OCF to University in September 2025. This payment pattern shall continue for each additional UL Lafayette/OLG ABSN Cohort during the term of this Agreement. In August prior to each respective payment date, University shall submit an invoice to OCF for the actual number of UL Lafayette/OLG ABSN Students enrolled in the UL Lafayette/OLG ABSN Cohort and OCF shall pay such invoice within thirty (30) days of receipt of such invoice.
- (b) OCF agrees to provide University, with funding of Three Hundred Fifty Eight Thousand and Four Hundred Twenty Dollars (\$358,420) per year to cover the cost of faculty, staff and operations for each of the first three (3) classes of the UL Lafayette/OLG ABSN Cohort in the ABSN Program (the "Annual ABSN Program

Cost Payment”). Subject to Section 6.10 herein and the continuation of the UL Lafayette/OLG ABSN Cohort in the ABSN Program, the Annual ABSN Program Cost Payment shall be paid by OCF to University in September 2023, September 2024 and September 2025. University shall submit invoices to OCF in August prior to each respective payment date and OCF shall pay such invoice within thirty (30) days of receipt of such invoice.

**IV. Agreements of the Parties**

- 4.1 The Parties agree that University shall retain sole control over the ABSN Program, including both didactic and clinical components, faculty, and students.
- 4.2 The Parties shall review this Agreement at the end of the first year and annually thereafter and revise as needed. Either Party may request a review of this Agreement prior to the end of the first year by providing such request in writing to the other Party. The written request must include the specific components of this Agreement that are to be reviewed and a brief summary of the rationale for such.
- 4.3 The Parties shall each be separately responsible for compliance with all laws, including antidiscrimination laws, which may be applicable to their respective activities under this Agreement. In the performance of their respective responsibilities under this Agreement, each Party is an independent contractor and neither of OLG or OCF, on the one hand, nor University, on the other hand, is the agent or employee of the other Party.
- 4.4 The Parties shall establish and execute a co-branding marketing campaign and orientation for the UL Lafayette/OLG ABSN Cohort on both University and OLG campuses during the term of this Agreement and for a period of two (2) years after termination of this Agreement. Nursing faculty from University, including adjunct faculty at OLG, and OLG leadership shall attend co-branding orientation.
- 4.5 University agrees to comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. §1320 through d-8 (“HIPPA”), and the requirements of any regulations promulgated there under, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Part 142 (collectively, the “Regulations”). University shall not use or further disclose any protected health information, as defined in 45 C.F.R. 164.504, or individually identifiable health information, as defined in 42 U.S.C. §1320d (collectively, the “Protected Health Information”), other than as permitted by this Agreement and the requirements of HIPAA or the Regulations. University agrees that at all times while on the OLG campus, students are subject to the supervision of OLG and OCF administration for purposes of access to and disclosure of Protected Health Information. University agrees that any and all students or instructors which will be part of the training/education process will sign confidentiality agreements to be provided by OLG and/or OCF and will undergo such training and orientation in the patient privacy policies of OLG and OCF as OLG and OCF in their sole discretion deem necessary.

- 4.6 If any data is made available or accessible to OLG or OCF in connection with this Agreement pertaining to University's students, alumni, employees, projects, transactions, clients, or contractors, OLG and OCF shall not collect, access, store, copy, analyze, monitor, disclose, transfer, or otherwise use that data except as necessary to perform under this Agreement or as authorized by the data subject or in accordance with law. OLG and OCF shall comply fully with all applicable federal and state privacy and data protection laws, including but not limited to the Family Educational Rights and Privacy Act ("FERPA"), as well as all other applicable regulations and directives relating to personally identifiable data ("PII") and data privacy with respect to any such data. OLG and OCF shall protect all PII and the privacy and legal rights of University's students, alumni, employees, projects, transactions, clients, and contractors.
- 4.7 University will indemnify and hold OCF, OLG and OLG's healthcare facilities and each of their respective employees, directors, officers, members, volunteers, representatives, institutions, departments, and agents harmless from any and all claims, actions, liability, and expenses (including costs of judgments, settlements, court costs, and attorney's fees, regardless of the outcome of such claim or action) caused by, resulting from, or alleging the negligent acts or omissions of University and/or University's faculty, employees and/or students or any failure to perform any obligation undertaken or any covenant made by University in this Agreement. Upon notice from OCF or OLG, University will resist and defend at its own expense, and by counsel reasonably satisfactory to OCF and OLG, any such claim or action.
- 4.8 OCF and OLG will indemnify and hold University, State of Louisiana, the Louisiana Board of Regents, the University of Louisiana System, and each of their respective employees, directors, officers, members, student workers, student interns, volunteers, representatives, institutions, departments, and agents harmless from any and all claims, actions, liability, or expenses (including costs of settlements, judgments, court costs, and attorney's fees, regardless of the outcome of such claim or action), caused by, resulting from, or alleging the negligent acts or omissions of OCF, OLG and/or OCF or OLG employees or any failure to perform any obligation undertaken or any covenant made by OCF or OLG in this Agreement. Upon notice from University, OCF or OLG will resist and defend at its own expense, and by counsel reasonably satisfactory to University, such claim or action.

**V. Term; Termination**

- 5.1 The term of this Agreement shall commence on the Effective Date and shall continue in effect until seventy (70) UL Lafayette/OLG ABSN Students have completed the UL Lafayette/OLG ABSN Cohort in the ABSN Program, unless sooner terminated as hereinafter provided. Notwithstanding the foregoing, this Agreement shall automatically terminate on December 31, 2029 regardless of whether seventy (70) UL Lafayette/OLG ABSN Students have completed the UL Lafayette/OLG ABSN Cohort in the ABSN Program. OLG will monitor, and University will provide, report(s) as requested, of the number of students that have graduated from the UL Lafayette/OLG ABSN Cohort.



5.2 This Agreement may be terminated as otherwise provided in this Agreement or as follows:

- (a) In the event that the Parties mutually agree in writing, this Agreement may be terminated on the terms and date stipulated therein.
- (b) Either Party may terminate this Agreement on an expedited basis, upon notification by an educational agency or accrediting body that this Agreement may or does violate an applicable law, rule, regulation, or accrediting body standard, where the Party or accrediting body has issued written notification to the Party of the actual or suspected violation and the Party cannot cure the actual or suspected violation within thirty (30) days of the notification. If the actual or suspected violation is not cured on the 30th day following the notice, termination of this Agreement will occur on the 31st day.
- (c) Either Party may terminate this Agreement by written notice to the other Party immediately if the other Party commits a material breach of this Agreement and the breach (i) is not capable of being remedied; or (ii) is capable of being remedied and the defaulting Party does not remedy it within sixty (60) days of being notified in writing to do so.

5.3 All payments of funds made to University pursuant to this Agreement are final and irrevocable upon receipt.

## VI. Miscellaneous

6.1 This Agreement contains the entire agreement between the Parties with respect to the subject of this Agreement and contains all of the terms and conditions agreed upon with respect to the subject of this Agreement, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties; it being the intent of the Parties that neither shall be bound by any term, condition, or representations not herein written.

6.2 This Agreement may only be amended, modified, or revised by a written agreement signed by the authorized representatives of all Parties.

6.3 No failure by any Party hereto at any time to give notice of any breach by any other Party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.4 If any term or condition of this Agreement or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

6.5 This Agreement and all claims arising out of or relating to this Agreement shall be exclusively governed by and interpreted in accordance with the laws of the State of Louisiana, without regard to conflicts of laws principles.

- 6.6 Nothing in this Agreement is intended to be contrary to state, local, or Federal laws or regulations. In the event of a conflict between the provisions of this Agreement and any applicable state, local, or Federal laws or regulations, the applicable laws or regulations will supersede the provisions of this Agreement.
- 6.7 Neither Party shall use the other Party's name or any variation thereof, or any derivative thereof, or any name, symbol, trademark, or service mark presently existing or later established by the other Party without the prior written consent of the other Party. Voluntary publicity referring to this Agreement will be submitted by the preparing Party to the other Party(ies) and agreed to by all Parties in writing prior to the publication or release unless required otherwise by law. Further, release of any information concerning this Agreement shall be only as required by law or administrative order.
- 6.8 No Party shall assign any interest in this Agreement and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the other Parties.
- 6.9 Any notice or invoice required under this Agreement shall be in writing and shall be deemed to have been given upon: (i) receipt if sent by certified or registered mail, postage prepaid, return receipt requested; or (ii) delivery if sent by a courier service that confirms delivery in writing, in each case addressed as follows:

If to University:

University of Louisiana at Lafayette  
411 Saint Mary Boulevard  
Lafayette, LA 70503  
ATTN: Dr. Jaimie L. Hebert, Provost and  
Vice President for Academic Affairs

If to OCF:

Ochsner Health  
1514 Jefferson Highway  
New Orleans, LA 70121  
ATTN: Leonardo Seoane, M.D.  
Chief Academic Officer

With copy to:

Office of Legal Affairs  
Ochsner Health  
1450 Poydras Street, Suite 2250  
New Orleans, LA 70112  
ATTN: General Counsel

And to OLG:

Lafayette General Health System, Inc  
d/b/a Ochsner Lafayette General  
920 West Pinhook Road  
Lafayette, LA 70503  
ATTN: Patrick W. Gandy, Jr., CEO

With a copy to:

Lafayette General Health System, Inc  
d/b/a Ochsner Lafayette General  
920 West Pinhook Road  
Lafayette, LA 70503  
ATTN: General Counsel

- 6.10 Notwithstanding anything to the contrary in this Agreement, no Party shall be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in performance under this Agreement when such failure or delay is caused in whole or in part by a “Force Majeure Event” which shall be defined as any event beyond the control of a Party, including, but not limited to: labor disputes, strike, riot, vandalism, sabotage, terrorist act, war (whether declared or undeclared), inclement weather, flood (whether natural occurring or manmade), tidal surge or tsunami, landslide, earthquake, fire (whether natural occurring or manmade), explosion, power shortage or outage, fuel shortage, embargo, congestion or service failure, epidemic, pandemic, the financial situation of University, or the availability of qualified student applicants and/or faculty, or government regulation, proclamation, order, or action; and in each case not involving the fault or negligence of a party. If any Force Majeure Event occurs, the affected Party will give prompt written notice to the other Parties and will use commercially reasonable efforts to minimize the impact of the Force Majeure Event.
- 6.11 This Agreement may be executed in one or more counterparts, each of which individually shall be deemed original but all of which together shall constitute one and the same document. An electronic (e.g., Portable Document Format or PDF) copy of the original signature of the representative of a Party shall have the same validity as an original signature for the purpose of this Agreement. In accordance with La. R.S. § 9:2605B(1) and (2), the Parties hereto each agree that this transaction may be conducted by electronic means; and electronic signatures of the Parties to this Agreement shall be acceptable and satisfactory for all legal purposes, as authorized by the Louisiana Uniform Electronic Transactions Act, La. R.S. § 9:2601 through 9:2621.

*[Remainder of page left intentionally blank. Signature page to follow.]*

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives on the dates indicated below, to be effective as of the Effective Date.

**UNIVERSITY OF LOUISIANA  
AT LAFAYETTE**

**OCHSNER CLINIC FOUNDATION  
D/B/A OCHSNER HEALTH**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**Dr. Jaimie L. Hebert,  
Provost and Vice President  
for Academic Affairs,  
University of Louisiana at Lafayette**

**Leonardo Seoane, M.D.  
Senior Vice President &  
Chief Academic Officer**

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**LAFAYETTE GENERAL HEALTH  
SYSTEM, INC. D/B/A  
OCHSNER LAFAYETTE GENERAL**

**BY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**Dr. E. Joseph Savoie, President,  
University of Louisiana at Lafayette**

**Patrick W. Gandy, Jr., CEO**

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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

**FINANCE COMMITTEE**

**June 22, 2023**

**Item J.2.**      **University of New Orleans'** request for approval to amendment and extend the Lease Agreement between the University and Follett Higher Education Group, Inc. for the operation of the University Bookstore.

**EXECUTIVE SUMMARY**

On July 1, 2013, UNO entered into a 10-year lease agreement with Follett to provide bookstore services on the University campus. The terms of the agreement require Follett to make commission payments to UNO, provide funding for facility improvements, equipment maintenance, textbook scholarships, discounts, and other financial consideration in exchange for the University providing the 10-year facility lease to Follett and implementing the Follett Access Program, introduced with Amendment 3 of the agreement.

UNO now requests approval to amend and extend the original agreement. The amendment would exercise the five-year renewal option as provided in the original contract plus extend the agreement by an additional five years beyond the renewal. The amendment effective date would be July 1, 2023, and would expire on June 30, 2033.

The amendment removes approximately 5,500 square feet of space for bookstore operations from 11,245 square feet to 5,745 square feet and return the space to the University for the University's use.

The University will increase the surcharge for the Follett Access Program from \$5 to \$7 per student credit hour. The Follett access fee would remain the same at \$20 per student credit hour. In total, the students' cost for the required course materials will be twenty-seven dollars (\$27) per credit hour per semester.

As financial consideration to the University:

- Follett will pay commissions at a rate of 14.0% of gross sales of general merchandise, 11% of gross sales of course materials, and 7.0% of gross sales of digital course materials.
- Follett will provide up to \$400,000 for renovations and improvements of the leased facilities.

- Follett will provide a \$100,000 one-time signing bonus to be used at the University's discretion.
- Follett will provide \$2,500 of in-kind merchandise to the University annually.
- Follett will continue to provide \$2,500 of general scholarships and \$2,500 of textbook scholarships annually.

### **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 New Orleans' request to exercise the Lease Agreement five-year renewal option and extend the Lease Agreement an additional five years with Follett Higher Education, Inc.*

***BE IT FURTHER RESOLVED,** that University of New Orleans shall obtain final review and approval from UL System staff, legal counsel, and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements prior to execution of documents.*

***BE IT FURTHER RESOLVED,** that the President of University of New Orleans is hereby authorized to execute the agreement described herein and any and all documents necessary.*

***AND FURTHER,** that University of New Orleans will provide the System Office with copies of all final executed documents for Board files.*



**J.2.**

THE UNIVERSITY *of*  
**NEW ORLEANS**  
OFFICE OF THE PRESIDENT

May 31, 2023

Dr. James B. Henderson  
President  
The University of Louisiana System  
1201 North Third Street  
Baton Rouge, LA 70802

Re: Follett Higher Education Group, Inc.

Dear Dr. Henderson,

On behalf of the University of New Orleans, I am submitting the attached amendment to the lease agreement for the operation of the University Bookstore between UNO and Follett Higher Education Group, Inc. for consideration and approval.

Thank you for your consideration.

Sincerely,

John W. Nicklow  
President

**FOURTH AMENDMENT TO LEASE AGREEMENT FOR THE OPERATION OF THE  
UNIVERSITY BOOKSTORE  
BETWEEN THE UNIVERSITY OF NEW ORLEANS  
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This Amendment to the Lease Agreement for the Operation of the University Bookstore is effective on July 1, 2023 and is entered into between the University of New Orleans (“Lessor” or “University”) and Follett Higher Education Group, Inc. (“Lessee” or “Follett”).

**RECITALS**

**WHEREAS**, University and Follett are parties to a certain Lease Agreement for the Operation of the University Bookstore effective July 1, 2013 (“Lease Agreement”), and the parties now desire to amend the Lease Agreement in certain respects as more specifically set forth herein; and

**WHEREAS**, University and Follett desires to exercise the five-year renewal option and extend the agreement an additional five years through June 30, 2033.

**NOW THEREFORE**, intending to be legally bound, the University and Follett agree, effective June 30, 2023:

1. **Amendment of Section 2.0:** Section 2.0 of the Agreement is amended by deleting Section 2.0 in its entirety and replacing it with the following:

2.0 Leased Premises

University shall provide the following described property for Store operations:

Approximately 5,745 square feet located on the first (1<sup>st</sup>) floor of the University Center as detailed in Appendix A (Floor Plan)

2. **Amendment of Section 3.0 Term:** Section 3.0 of the Agreement is amended by deleting Section 3.0 in its entirety and replacing it with the following:

3.0 Term

This Lease Agreement is made for a term of twenty (20) years, commencing on July 1, 2013, and ending at midnight on June 30, 2033, subject to earlier termination in accordance with the provision of this Lease Agreement.

3. **Amendment of Section 4.1 Commission:** Section 4.1 of the Agreement is amended by deleting Section 4.1 in its entirety and replacing it with the following:



#### 4.1 Commission

Follett shall pay commission to University in an annual amount equal to the sum of:

11.0% of all Gross Revenues on Course Materials; plus

14.0% of all Gross Revenues on General Merchandise; plus

7.0% of all Gross Revenues on digital course materials.

As used in this Section 4, Gross Revenue is defined as per the definition on page 2.

Commission shall be due the University if commission amounts are greater than the Base Rent Annual Guarantees as defined in Section 4.0. Lessee shall pay any commission due in accordance with Section 4.1 annually within fifteen (15) business days of the end of the fiscal year (as previously defined). Follett may deduct past due accounts receivable charges that are more than one hundred twenty (120) days in arrears from commission payments.

4. **Signing Payment:** Section 4.5 of the agreement is amended by adding the following:

Follett will make a \$100,000.00 one-time payment to the University within one hundred eighty (180) days of the execution of Amendment 4. This one-time payment is in addition to all rent, commissions, and all other financial contributions. This contribution is subject to amortization and repayment in accordance with the agreement.

5. **Scholarship and In-Kind Payments:** Section 4.8 of the agreement is amended by adding the following after the second paragraph:

Follett will provide \$2,500.00 annually for in-kind merchandise for use at the University's discretion.

6. **Campus Store Renovation:** Section 7.0 of the agreement is amended by adding the following after the second paragraph:

Lessee will invest an additional \$400,000 in modifications to the retail space. Additional modifications will be made within four hundred thirty (430) days of the execution of Amendment 4. These modifications are in addition to all previous modifications to the retail space.

7. **Follett Access Program Surcharge:** Paragraph four of Section 9.11.a of the agreement is amended by deleting and inserting in its place the following:

All students attending the University of New Orleans who have not expressly opted-out of the program each applicable semester will be considered Follett Access Program students and will pay the appropriate Course Material Fee when registering for classes. The University of New Orleans will be responsible for collecting the Course Material Fee each applicable semester, plus applicable sales tax. The University also reserves the right to add a surcharge to this fee to allow for additional overhead costs and forgone commissions on course materials sales. The surcharge shall be set to \$7, beginning in the Fall semester of 2023.

8. **Commissionable Sales:** The Commissionable Sales definition on Page 2, under Definitions, item D. Gross Revenues of the Agreement is amended by deleting and inserting in its place the following:

Gross Revenues: All recognized revenue (in compliance with generally accepted accounting principles) generated through the Store or the Store website, less Follett ACCESS fees, voids, refunds, sales tax, campus debit card fees, discounted sales to authorized School faculty, staff, departments and others as may be mutually agreed to under this Agreement, Follett-funded scholarships, handling fees associated with non-return of rental textbooks, pass-through income and merchandise sales at less than an inherent 20% margin (i.e., computer hardware and software).

Except as specifically amended hereby, the Lease Agreement shall continue in full force and effect in all respects.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective authorized representatives as of the date first written above.

**FOLLETT HIGHER EDUCATION  
GROUP, INC.**

**UNIVERSITY OF NEW ORLEANS**

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: Ryan Petersen

John W. Nicklow, PhD, PE, PH, DWRE

Title: President

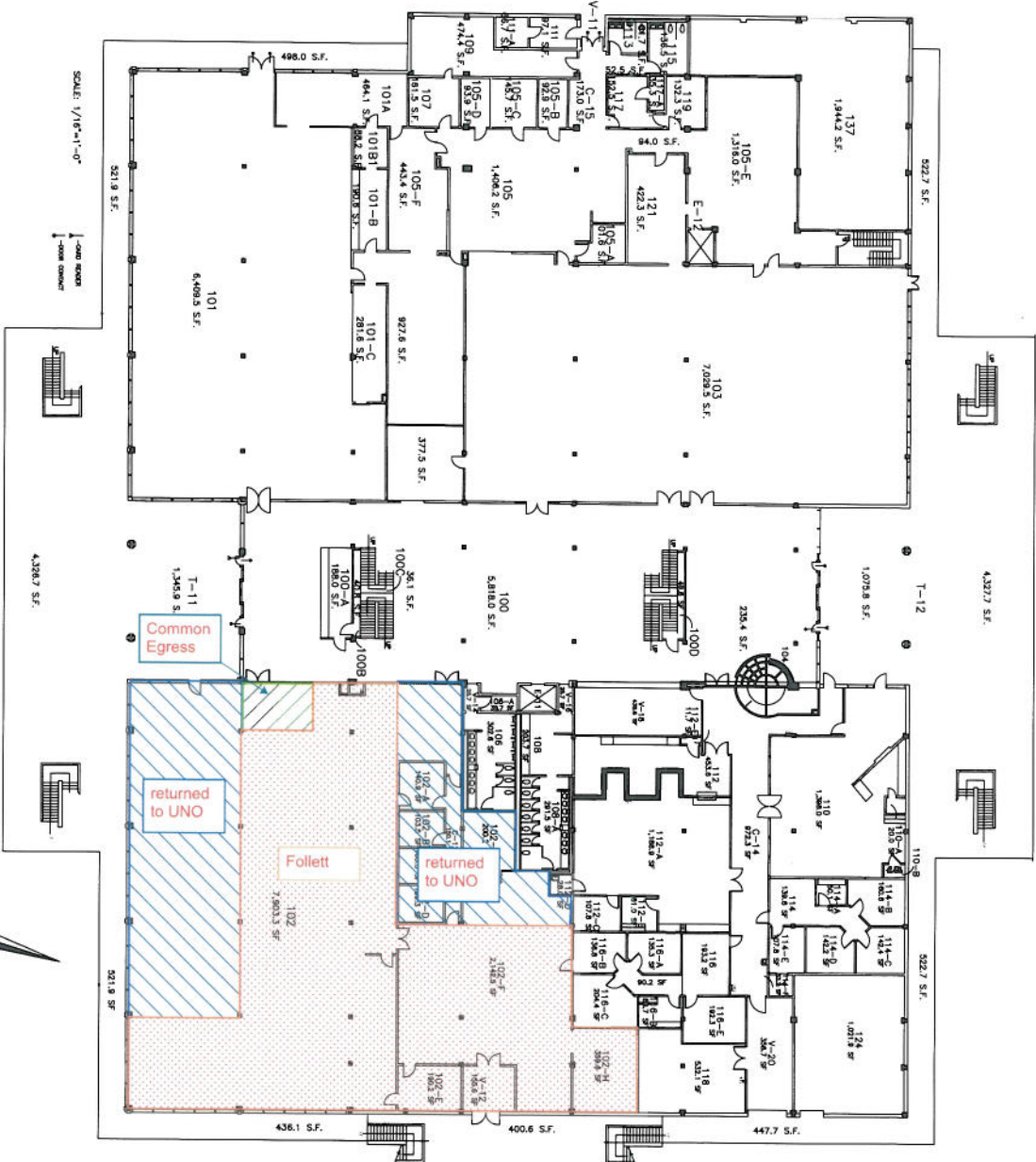
Title: President

Date: \_\_\_\_\_

Date: 5/31/23

**EXHIBIT A**

Appendix 'A' Floorplan



**UNO UNIVERSITY CENTER 1ST FLOOR**  
 USEABLE AREA: 44,324.7 SQ. FT.  
 GROSS AREA: 64,770.9 SQ. FT.

UPDATED: 091817 DJH VERIFIED: DJH

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

**FINANCE COMMITTEE**

**June 22, 2023**

**Item J.3.**      **University of Louisiana System's** discussion of Fiscal Year 2022-23 third quarter financial reports and ongoing assurances.

**EXECUTIVE SUMMARY**

Presented is a summary of the financial activities for the quarter ended March 31, 2023. This information was obtained from third 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 Quarter Ended March 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% of Budget</u>
<b>REVENUES</b>				
State Appropriations:				
General Fund (Direct)	266,011,355	202,927,488	(63,083,867)	76%
Statutory Dedications:				
SELF	15,239,482	-	(15,239,482)	0%
Higher Education Initiatives Fund	-	-	-	
Calcasieu Parish Fund	2,655,105	2,080,198	(574,907)	78%
Total State Appropriations	<u>283,905,942</u>	<u>205,007,686</u>	<u>(78,898,256)</u>	<u>72%</u>
Interagency Transfers	259,923	185,000	(74,923)	71%
		-		
Self-Generated Revenues:				
Student Fees:				
General Registration Fees*	583,062,028	540,201,768	(42,860,260)	93%
Non-Resident Fees	23,899,772	20,720,277	(3,179,495)	87%
Total Student Fees	<u>606,961,800</u>	<u>560,922,045</u>	<u>(46,039,755)</u>	<u>92%</u>
Other Sources:				
Educational Activities/State Grants	2,989,623	2,141,299	(848,324)	72%
Other Revenues	60,873,859	32,842,462	(28,031,397)	54%
Total Other Self-Generated Revenues	<u>63,863,482</u>	<u>34,983,761</u>	<u>(28,879,721)</u>	<u>55%</u>
Total Self-Generated Revenues	<u>670,825,282</u>	<u>595,905,806</u>	<u>(74,919,476)</u>	<u>89%</u>
<b>Total Revenues</b>	<u><u>954,991,147</u></u>	<u><u>801,098,492</u></u>	<u><u>(153,892,655)</u></u>	<u><u>84%</u></u>
<b>* General Registration Fees:</b>				
Tuition	380,241,364			
Fees	159,960,404			
Total	<u><u>540,201,768</u></u>			

**University of Louisiana System  
Summary of Operating Budget vs Actual  
For the Quarter Ended March 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% of Budget</u>
<b>EXPENSES BY FUNCTION</b>				
Primary Functions:				
Instruction	399,304,456	294,868,810	(104,435,646)	74%
Research	41,533,914	31,655,554	(9,878,360)	76%
Public Service	2,960,567	2,180,382	(780,185)	74%
Academic Support	85,386,355	59,145,438	(26,240,917)	69%
Total Primary Functions	<u>529,185,292</u>	<u>387,850,184</u>	<u>(141,335,108)</u>	<u>73%</u>
Support Functions:				
Student Services	53,367,242	37,230,478	(16,136,764)	70%
Institutional Support	138,459,216	105,598,415	(32,860,801)	76%
Scholarships and Fellowships	106,047,846	108,757,600	2,709,754	103%
Operations and Maintenance of Plant	95,559,522	76,202,508	(19,357,014)	80%
Total Support Functions	<u>393,433,826</u>	<u>327,789,001</u>	<u>(65,644,825)</u>	<u>83%</u>
Total Educational and General Expenses	<u>922,619,118</u>	<u>715,639,185</u>	<u>(206,979,933)</u>	<u>78%</u>
Other and Mandatory				
Athletics	23,414,202	15,268,319	(8,145,883)	65%
Other	8,957,827	4,715,450	(4,242,377)	53%
Total Expenses and Transfers	<u>954,991,147</u>	<u>735,622,954</u>	<u>(219,368,193)</u>	<u>77%</u>
<b>Surplus (Deficit)</b>	<u>-</u>	<u>65,475,538</u>		

**University of Louisiana System  
Summary of Operating Budget vs Actual  
For the Quarter Ended March 31, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% of Budget</u>
<b>EXPENSES BY OBJECT</b>				
Personal Services:				
Salaries	459,177,563	343,836,156	(115,341,407)	75%
Other Compensation	15,985,634	11,184,984	(4,800,650)	70%
Related Benefits	205,508,475	147,999,405	(57,509,070)	72%
Total Personal Services	<u>680,671,672</u>	<u>503,020,545</u>	<u>(177,651,127)</u>	<u>74%</u>
Operating Expenses:				
Travel	3,500,554	2,735,637	(764,917)	78%
Operating Services	84,400,167	68,997,090	(15,403,077)	82%
Supplies	10,697,908	7,222,941	(3,474,967)	68%
Total Operating Expenses	<u>98,598,629</u>	<u>78,955,668</u>	<u>(19,642,961)</u>	<u>80%</u>
Other Support:				
Professional Services	9,920,703	6,422,511	(3,498,192)	65%
Other Charges/Interagency	151,254,309	140,724,226	(10,530,083)	93%
General Acquisitions	10,580,570	3,196,537	(7,384,033)	30%
Library Acquisitions	3,965,264	3,303,467	(661,797)	83%
Total Other Support	<u>175,720,846</u>	<u>153,646,741</u>	<u>(22,074,105)</u>	<u>87%</u>
Total Expenses	<u>954,991,147</u>	<u>735,622,954</u>	<u>(219,368,193)</u>	<u>77%</u>
<b>Surplus (Deficit)</b>	<u>-</u>	<u>65,475,538</u>		



**University of Louisiana System  
Comparison to Prior Year**

	<b>Fiscal Year-to-Date:</b>		<b>Change</b>	<b>%</b>
	<b>Quarter Ended March 31</b>			
	<b>2022</b>	<b>2023</b>		
<b>REVENUES</b>				
State Appropriations:				
General Fund (Direct)	\$190,849,524	\$202,927,488	12,077,964	6%
Statutory Dedications:			-	
SELF			-	
Higher Education Initiatives Fund			-	
Calcasieu Parish Fund		2,080,198	2,080,198	
Total State Appropriations	<u>190,849,524</u>	<u>205,007,686</u>	<u>14,158,162</u>	7%
Federal Appropriations				
Interagency Transfers	185,000	185,000	-	
Self-Generated Revenues:			-	
Student Fees			-	
General Registration Fees	561,209,444	540,201,768	(21,007,676)	-4%
Non-Resident Fees	<u>21,559,195</u>	<u>20,720,277</u>	<u>(838,918)</u>	-4%
Total Student Fees	<u>582,768,639</u>	<u>560,922,045</u>	<u>(21,846,594)</u>	-4%
Other Sources:				
Educational Activities/State Grants	2,072,458	2,141,299	68,841	3%
Other Revenues	<u>26,621,270</u>	<u>32,842,462</u>	6,221,192	23%
Total Other Self-Generated Revenues	<u>28,693,728</u>	<u>34,983,761</u>	<u>6,290,033</u>	22%
Total Self-Generated Revenues	<u>611,462,367</u>	<u>595,905,806</u>	<u>(15,556,561)</u>	-3%
<b>Total Revenues</b>	<u><u>802,496,891</u></u>	<u><u>801,098,492</u></u>	<u><u>(1,398,399)</u></u>	0%

**EXPENSES BY FUNCTION**

## Primary Functions:

Instruction	287,624,688	294,868,810	7,244,122	3%
Research	32,457,607	31,655,554	(802,053)	-2%
Public Service	1,983,022	2,180,382	197,360	10%
Academic Support	57,612,408	59,145,438	1,533,030	3%

Total Primary Functions	<u>379,677,725</u>	<u>387,850,184</u>	<u>8,172,459</u>	2%
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## Support Functions:

Student Services	35,273,795	37,230,478	1,956,683	6%
Institutional Support	96,481,107	105,598,415	9,117,308	9%
Scholarships and Fellowships	111,485,414	108,757,600	(2,727,814)	-2%
Operations and Maintenance of Plant	72,417,746	76,202,508	3,784,762	5%

Total Support Functions	<u>315,658,062</u>	<u>327,789,001</u>	<u>12,130,939</u>	4%
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Total Educational and General Expenses	<u>695,335,787</u>	<u>715,639,185</u>	<u>20,303,398</u>	3%
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## Other and Mandatory

Athletics	16,308,251	15,268,319	(1,039,932)	-6%
Other	2,167,126	4,715,450	2,548,324	118%

Total Expenses and Transfers	<u>713,811,164</u>	<u>735,622,954</u>	<u>21,811,790</u>	3%
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<b>Surplus (Deficit)</b>	<u><u>88,685,727</u></u>	<u><u>65,475,538</u></u>	<u><u>(23,210,189)</u></u>	
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**EXPENSES BY OBJECT**

## Personal Services:

Salaries	332,827,909	343,836,156	11,008,247	3%
Other Compensation	11,281,122	11,184,984	(96,138)	-1%
Related Benefits	141,783,186	147,999,405	6,216,219	4%

Total Personal Services	<u>485,892,217</u>	<u>503,020,545</u>	<u>17,128,328</u>	4%
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## Operating Expenses:

Travel	2,172,150	2,735,637	563,487	-26%
Operating Services	64,051,189	68,997,090	4,945,901	8%
Supplies	7,117,269	7,222,941	105,672	1%

Total Operating Expenses	<u>73,340,608</u>	<u>78,955,668</u>	<u>5,615,060</u>	8%
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## Other Support:

Professional Services	4,811,081	6,422,511	1,611,430	33%
Other Charges/Interagency	140,843,524	140,724,226	(119,298)	0%
General Acquisitions	5,352,453	3,196,537	(2,155,916)	-40%
Library Acquisitions	3,571,281	3,303,467	(267,814)	-7%

Total Other Support	<u>154,578,339</u>	<u>153,646,741</u>	<u>(931,598)</u>	-1%
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Total Expenses	<u>713,811,164</u>	<u>735,622,954</u>	<u>21,811,790</u>	3%
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<b>Surplus (Deficit)</b>	<u><u>88,685,727</u></u>	<u><u>65,475,538</u></u>	<u><u>(23,210,189)</u></u>	-26%
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## AUXILIARY AND ATHLETICS OPERATIONS

The following are Auxiliary and Athletics revenues, expenses, and changes in funds balances projected through the end of the fiscal year.

<b>REVENUES</b>	<b>Athletics</b>	<b>Auxiliaries</b>	<b>Total</b>
Revenues received through March 31, 2023	32,155,374	172,406,201	<b>204,561,575</b>
Projected additional revenues through June 30, 2023	35,078,288	20,632,055	<b>55,710,343</b>
Total expected revenues	67,233,662	193,038,256	<b>260,271,918</b>
<b>EXPENSES</b>			
Expenses through March 31, 2023	112,529,073	116,346,350	<b>228,875,423</b>
Projected additional expenses through June 30, 2023	21,886,470	44,323,064	<b>66,209,534</b>
Total expected expenses	134,415,543	160,669,414	<b>295,084,957</b>
<b>NET TRANSFERS-IN</b>	55,459,963	(36,204,159)	<b>19,255,804</b>
<b>EXCESS (Deficiency) OF EXPECTED REVENUES AND TRANSFERS-IN OVER EXPECTED EXPENSES</b>	(11,721,918)	(3,835,317)	<b>(15,557,235)</b>
<b>BEGINNING FUND BALANCE</b>	(48,073,856)	98,648,975	<b>50,575,119</b>
<b>PROJECTED ENDING FUND BALANCE</b>	(59,795,774)	94,813,658	<b>35,017,884</b>

## AUXILIARY AND ATHLETICS OPERATIONS

### Athletic Deficits

Most campuses are experiencing current year operational and/or cumulative fund balance deficits in athletics. The following is a schedule of projected athletic deficits by campus:

	<b>Projected Current Year Change in Fund Balance</b>	<b>Projected Cumulative Fund Balance</b>	<b>2023 Budgeted Scholarships</b>
<b>Grambling</b>	-	(15,416,511)	3,194,038
<b>Tech</b>	-	16,416	3,930,200
<b>McNeese</b>	-	(1,637,240)	4,175,809
<b>Nicholls</b>	-	(1,805,272)	3,317,471
<b>NSU</b>	(539,575)	(439,676)	4,100,000
<b>Southeastern</b>	(6,236)	(1,507,731)	2,993,220
<b>UL Lafayette</b>	(9,024,114)	(24,043,100)	8,635,213
<b>UL Monroe</b>	(1,500,000)	(9,362,049)	5,427,878
<b>UNO</b>	(651,993)	(5,600,611)	2,839,020
<b>Total</b>	<b>(11,721,918)</b>	<b>(59,795,774)</b>	<b>38,612,849</b>