



SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

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October 19, 2012

Honorable Darren Mire, Chairman
Board of Supervisors
Southern University System
Baton Rouge, LA 70813

Dear Mr. Chairman,

Enclosed are the recommendations of the System Transformation Committee. These recommendations are the culmination of a process that started in June, and included state-wide town hall meetings, assessment teams, campus visits with unit staff and focus groups, and vetting by the Chancellors and the Ad Hoc Board Committee on Reform and Renewal. They are now being offered for consideration and action by the entire Board.

Please be aware that the following recommendations from the State Legislative Auditor were also considered when fashioning the recommendations in the Information Technology, and Finance and Business areas.

“Southern University’s IT management has been decentralized where control remains at the individual campus level. Each campus is responsible for establishing most of its own IT policies and procedures.”

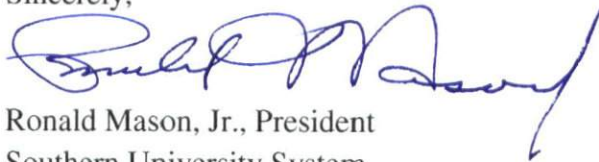
“A decentralized IT management structure increases the risk that System-wide IT priorities may not be adequately set, which will likely result in inefficient and ineffective operations. However, a centralized IT management approach allows for consistent IT governance, ensures that IT-related decisions are made in line with System strategies and objectives, provides effective oversight of IT-related processes, and enhances compliance with legal and regulatory requirements.”

“We noted that IT governance requires more centralization, more authority exerted by the System. We think the same is true for financial reporting. We have had a situation at Southern where each college is responsible for submitting their own financial reports and information. What we would like to see is that the System exercises the authority to make that (financial) system uniform, and provide more oversight in the timely preparation of that information.”

If approved, this new business model promises to increase efficiency and drive revenue such that the future of the Southern System will be more secure, and the component units will strengthen with time.

On the instruction of the Hon. Willie Hendricks, Chair of the Ad Hoc Committee on Reform and Renewal, we offer these recommendations for your consideration and ask that they be placed on the Agenda for the October, 26, 1012 meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronald Mason, Jr.", is written over the printed name.

Ronald Mason, Jr., President
Southern University System

Southern University System

TRANSFORMATION COMMITTEE

**Securing the Future
of the
Southern University System**



**Transformation Committee Report
October 2012**

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INTRODUCTION

The SU System and Campus Chief Financial Officers all agree on the major assumptions behind the attached financial assumptions and projections. (Appendix A) They show that our fundamental issue is resources, or to be specific, the lack of resources. Our near term task is to reduce expenses and increase revenue to ensure the following: the Southern System will continue to exist; all of the units will remain part of the System; the accredited units will maintain their accreditation and autonomy; Chancellors will manage their units, including budgets and the hiring and firing of personnel; the individual units will strengthen over time.

Having said that, the question is what is the best working relationship between the System and the units to enable the achievement of the above goals? There are three possible scenarios. The first is a model currently being discussed by LSU, merge the System and SUBR campus into one office, and have that office operate all of the campuses. This is probably the most cost effective approach, but it does a disservice to the students and faculty of the individual units, including SUBR.

The other extreme would be the University of Louisiana System model, which minimizes the role of the System office such that it is basically a pass through between the units and the Board of Regents. This approach allows the greatest level of campus autonomy, but is also the least cost effective model, as services are duplicated and economies of scale are unavailable. In addition, it ignores an asset that Southern can use to its advantage, the fact that we are a System.

The third scenario is somewhere between the two extremes. Increase efficiency and reduce cost by eliminating duplication and creating economies of scale. Create new revenue streams by modernizing operating systems to support increases in enrollment, research, and fundraising. This blended approach avoids the attention imbalance of the first extreme, and the inefficiency of the second. It creates modern business support operations to enable academic programs to be effectively delivered.

In an attempt to reach consensus on the depth of the problem and the appropriate solutions, we commenced a transformation process that has been inclusive and transparent. Chancellors, staff, students, alumni and Members of the Board have been afforded an opportunity to participate.

Here are the key findings:

1. Our current business model cannot be supported with current and projected resources. Unit staffs are stretched thin, skill challenged, and multi-tasking to the point of inefficiency.
2. Although expenses have been reduced to the bare minimum on each campus, we must nevertheless find additional savings in the short run. This can only be done by taking a System-wide approach.
3. We must rapidly increase revenue. The main source of revenue is enrollment. On-campus enrollment must increase, but the main enrollment revenue opportunity is in high demand online degree programs.
4. A new business model is required that is technology-based, financially efficient, and provides the campuses with reliable back office support.

The attached recommendations, when taken as a whole, will redesign Southern around available and foreseeable resources, and recreate it as a model 21st Century System of Higher Learning, built upon the traditions of the past.

The recommendations are interconnected and rely upon each other for their individual success and the success of the System and units.

The main thrust of the Information Technology report is a governance model that places responsibility for procedure, personnel and structure under the authority of the System Vice President for Information Technology Management. This structure has been recommended by the Legislative Auditor. While we have made progress and reduced expenses under his indirect leadership at SUBR, speed and efficiency require that he have a more direct hand and the ability to implement operating processes System-wide.

The Legislative Auditor has also recommended more System level management in the accounting and reporting area. The Business and Finance recommendations envision budget analysis and management at the campus level, but accounting and reporting at the System level. This change, in conjunction with a unified chart of accounts, will enable us to eliminate ongoing audit findings for the late and inaccurate reports for which we were recently called to task by the Legislative Audit Advisory Committee. It also recommends producing economies of scale by outsourcing, where possible, at the System level as opposed to at the level of the individual units.

The most important recommendation relies on the success of the two above. While some efficiency will be gained through restructuring and elimination of duplication, the key to success is significantly increasing enrollment, both on campus and online. The marketing, processing, and retention of students are more technology -based, and require speed in the movement of applicants through the admissions and financial aid processes. We are recommending a unified enrollment processing center that will service all of the units. It would marry the online and on-campus back office operations, create unified student intake, admission and financial aid processing, online retention enhancement, and unified electronic marketing. Face-to face marketing and recruiting, as well as final admissions decisions would remain campus functions.

Finally, while no board action is required, we have included the assessment and recommendations in the area of External Affairs. Even after we create efficiencies and increase revenue, we will still have to raise unrestricted resources from private sources in order to balance the budget over the next three years. This report offers insight into the challenges that must be overcome in order to do so.

Make no mistake; the above recommendations represent a paradigm shift in how Southern does business. Some, like unifying back office operations, have been common in the business world for more than a decade. The marrying of the online and on campus worlds into a new student processing and learning approach is ahead of the curve, it offers a world of potential and there are the commensurate risks. However, given the speed and distance we have to travel in order to survive and then thrive, the potential benefits far outweigh the risks. If approved, we will begin the process of transitioning to the new model, with an expectation of full implementation beginning the next fiscal year.

INFORMATION TECHNOLOGY TRANSFORMATION COMMITTEE ASSESSMENT AND RECOMMENDATIONS

GOALS

- Evaluate alignment of governance by consolidation and standardization of reporting relationships and responsibilities.
- Evaluate Shared Services Center to allow all institutions to leverage the latest in best-of-breed technologies and provide efficient and effective customer-focused services.
- Analyze business efficiency and effectiveness to reduce costs and complexity while optimizing the utilization of existing staffing levels.

KEY FINDINGS

1. Staffing and expertise at individual campuses is inadequate and insufficient to meet the current demands of a 21st century technology campus.
2. Budget constraints and staff reductions have created deficiencies in delivery, support, and expansion of services required for faculty, staff, and students.
3. Low morale for staff due to lack of compensation for additional duties required to assume duties from unfilled vacancies.
4. Legislative Audit Findings :
 - a. Lack of IT centralized governance
 - b. Inadequate IT policies and procedures
 - c. Lack of standardized business processes
 - d. IT priorities and investments are not aligned in accordance with enterprise strategies and objectives
5. Resources available for IT are declining and will likely continue to decline.
6. Changes in technology can offer new cost-effective models for delivering services and systems.
7. Technological change has been rapid and disruptive. The model for delivering IT will need to evolve as costs, demands, resources, and higher education technology trends change.
8. Full implementation of the Banner system will provide increased business efficiencies and improve effectiveness in administrative and academic computing.
9. Reliance on paper-based processes and procedures has a negative impact on the speed and delivery of business services and project completion.

10. IT personnel and skill sets need to be realigned to leverage the strengths and areas of expertise across the System.
11. Service desk operations are understaffed resulting in delayed responsiveness to end user needs and support requests.

STRATEGIC RECOMMENDATIONS

1. Establish a SUS Center for Information Technology (CIT), under the operational oversight of the Vice President of Information and Technology Management, to provide IT governance and coordination of technology services that align technology priorities and policies with the System and unit goals in a participative and transparent manner. The CIT would:
 - a. Complete the modernization of major administrative applications with the minimal number of platforms required to meet critical requirements and develop a workforce that is positioned to take optimal advantage of emerging technology and systems.
 - b. Adopt a technical direction that supports the provision of shared foundational services built upon an agreed upon architecture, optimizes the management of data, and creates an environment that can sustain critical services in a natural disaster.
 - c. Create an integrated model of support services that optimizes the division of responsibilities between the campus technology groups and presents support services in a manner that is most intuitive to all stakeholders.
 - d. Create a mix of virtual and physical spaces for research computing that fosters community among researches, provides a vehicle to deliver shared computing resources and services in a manner that is easily accessible by faculty, avoids unnecessary duplication of effort, and enables Southern University System campuses to be global leaders in research.
 - e. Create sustainable sources of funding for technology that enable campuses to adequately invest in the projects they pursue, sustain the performance of technology by supporting technology renewal and replacement, and incentivize effective technology utilization through the use of subsidies and charge-backs.

IT CUSTOMER SERVICE

The IT Customer Service group is responsible for reliable and effective information technology services management, delivery, and communications to the Southern University System community. The group employs industry standard best practices in ITIL Service Management, Change Management, and Performance Measurement. The IT Customer Service group includes:

- The **IT Help Desk team**-answers questions and provides general troubleshooting assistance for the System campuses community via telephone, e-mail, and instant messaging. The Help Desk staff is empowered with system administrator rights to fix most problems, as well as coordinate with other technical support, networking, academic and administrative computing staff to solve customers' problems and questions.
- The **technical support team**- provides on-site technical support of SUS faculty, staff, students, and guests for issues pertaining to SUS-supported hardware, software, and network connectivity. Responds to requests for service, either through direct interaction with customers at OIT's walk-in service or through issues that have been escalated from the OIT Help Desk. Installs, troubleshoots, and maintains workstation hardware components, network printers, software applications, and network related protocols to ensure a reliable and usable computing environment is maintained in support the university's academic and business needs.
- The **technical training team**-designs, administers, and delivers the technical training curriculum. Assesses departmental and organizational needs utilizing performance measurement tools and consultation. Leverages industry best practices to design and implement learning and development solutions that meet system goals and IT process standards.
- Our **IT Service Manager**-provides team leadership in developing and managing service standards and processes with the goals of: fostering effective relationships, managing expectations, and reporting of performance metrics to the functional service owners and primary customer contacts across the System campuses.

ENTERPRISE SYSTEMS

The Enterprise Systems group is responsible for providing a comprehensive, integrated set of technology solutions that enables Southern University to improve the way we conduct business, supporting various staff and academic functions. Managing the universities' technology portfolio continues to be a fine balance among modernizing existing solutions, charging ahead with new solutions, and continuing to operationalize best practices. The group is organized to provide a single point of contact to the staff and academic units, with specialized focus on the university's data infrastructure and Web site.

The Enterprise Systems group includes:

- The **application management team**-provides application administration and third-level technical support for all enterprise systems applications, through the formulation of a well-defined quality assurance function.
- the **business applications team**-shapes and furthers enterprise solutions in support of university and system business functions in the areas of finance, accounting, budget, human resources, payroll, facilities, and risk management.

- The **information services team**-defines the system's data infrastructure, thereby providing reliable, accurate, secure, and accessible data to the campus community through management of the system's data warehouse and analytical reporting functions.
- The **project office**-institutionalizes best practices in several IT management service areas, building a reusable framework related to technology project and portfolio management practices.
- The **student applications team**-shapes and furthers enterprise solutions in support of all schools for student-centered technology.
- The **Web development team**-realizes an effective and compelling university Web site and a high-quality, Web-enabled campus, integrating Web technologies to support learning, teaching, and communications through the Web.

INFORMATION SECURITY

The Information Security group is responsible for protecting and defending Southern University's data resources by implementing industry-accepted security practices in IT planning, implementation, management, and operations, while ensuring confidentiality, integrity, Authenticity, and availability.

The team works to accomplish this through:

- ensuring compliance with applicable policies, laws, and regulations
- enforcing university policies and standards
- highlighting sources of risk to university management
- implementing technologies that increase the visibility of potential risks to our data
- developing repeatable processes that validate security in IT systems and services
- contributing to awareness, training, and education programs
- initiating partnerships with departments to evaluate and improve their computer security practices
- safeguarding new technologies and services

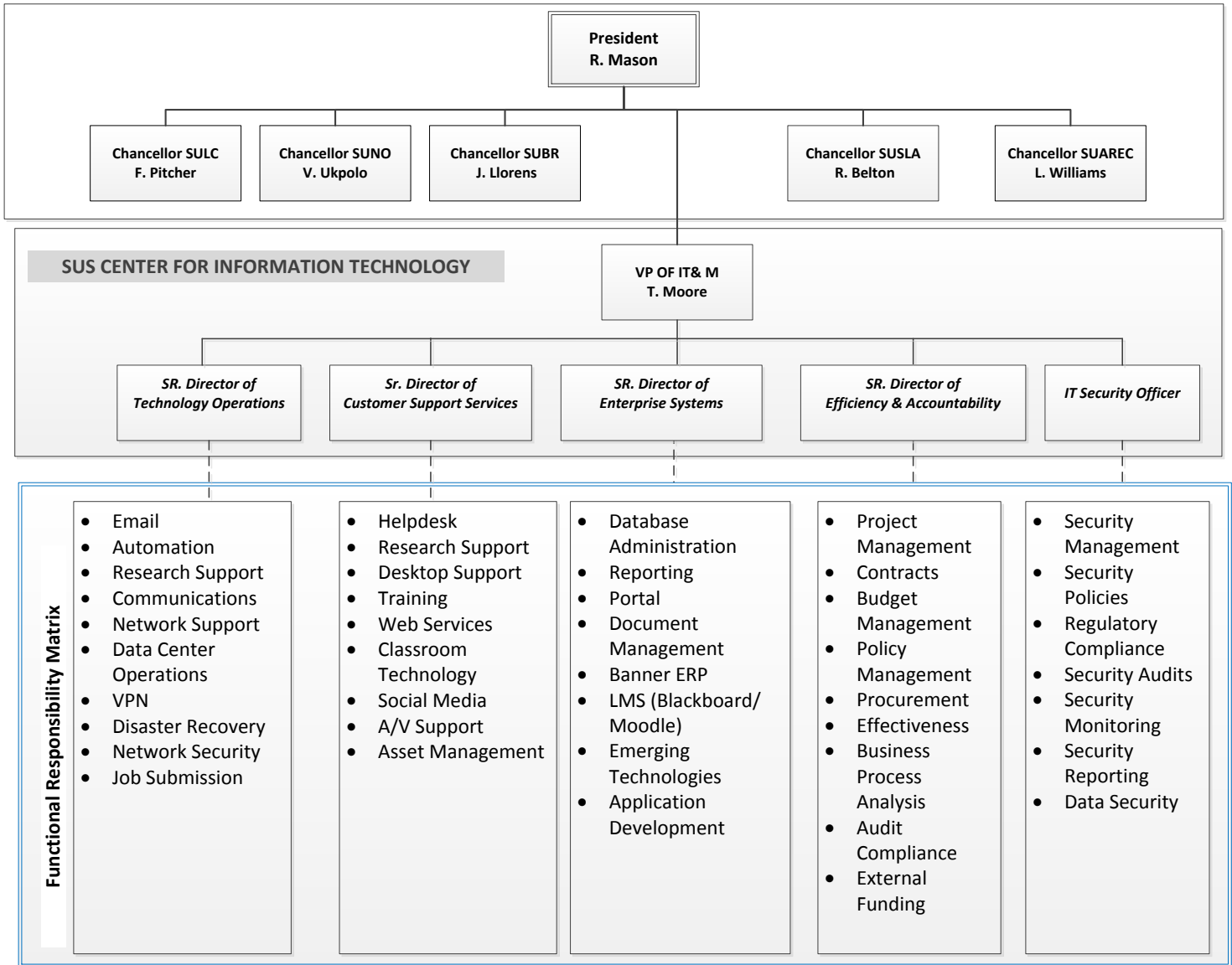
TECHNOLOGY OPERATIONS

The Technology Operations group continually strives for the balance of efficient applications of human resources, repeatable processes, and technology investment to administer the system information technology infrastructure.

The Technology Operations group includes:

- The **network operations team**-provides operations management and monitoring, afterhours Help Desk assistance, information technology facilities management, and network engineering. The team also furnishes telecommunications services, desk-side technical support, and workstation lifecycle management.
- The **systems engineering services team**-provides directory architecture management and engineering, systems engineering and operations, and database administration. The team also administers the e-mail and collaboration software environment and server and storage platforms architecture, engineering, and operation

IT FUNCTIONAL STRUCTURE ORGANIZATIONAL CHART



**ENROLLMENT SERVICES TRANSFORMATION COMMITTEE
ASSESSMENT AND RECOMMENDATIONS
(RECRUITMENT, ADMISSIONS, REGISTRAR,
AID, RETENTION, BURSAR)**

GOALS

- Analyze the current organizational capacity within Student Services to meet current and future demand for a campus and online education.
- Research coordinated standardized processes for Student Services on a System-wide level.
- Assess the benefits of standardized processes for student services on a System-wide level within BANNER.

This assessment was conducted utilizing the SWOT Analysis. Following are the key findings and commonalities found prevalent among the constituencies of the functional areas within the Southern University System (hereafter referred to as System). Recommendations are based upon these findings.

KEY FINDINGS

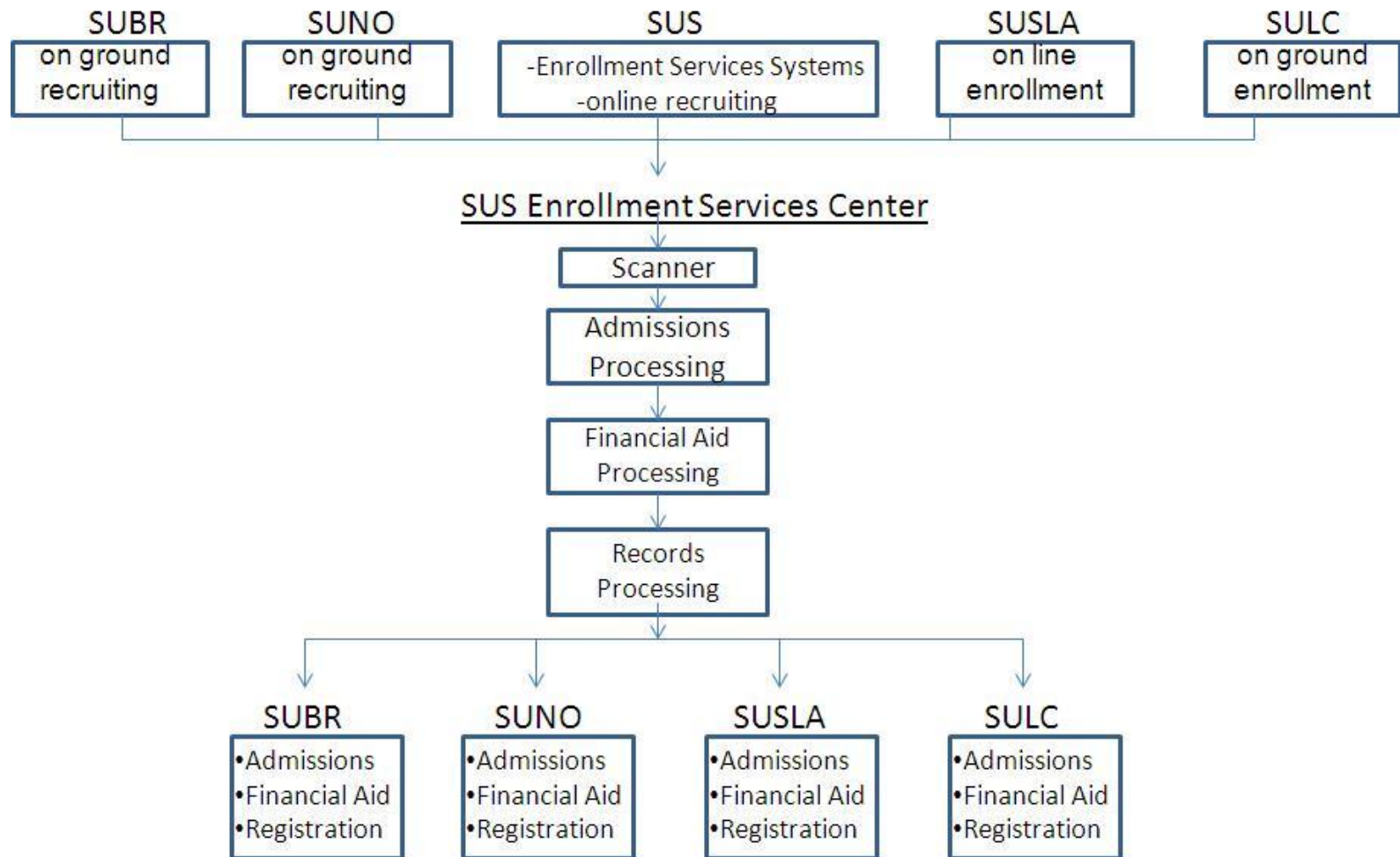
- **Resources** - There are insufficient resources on each of the undergraduate campuses to hire and/or train staff, implement best practices, market and/or recruit students and degree programs, purchase and/or implement cutting edge technology.
- **Leadership and Communication** – Rank and file employees expressed a need for visionary leaders as change agents, with better skill sets and competencies of leaders in the functional areas, lines of active communication between all functional units, and an organizational structure that coordinates and is accountable for all functional areas.
- **Technology** – Technology is woefully underutilized in the areas of recruitment, admission, and retention of students on campus and online.
- **Need for Support** – There is a growing openness to dialogue and assistance from the System in addressing the deficiencies in the functional areas and the creation of a seamless transition through functional service areas for students within the System.

- **Readiness for Change** - There is a tiredness of the existing culture of territorial behavior, retaliation and nepotism, and a desire for one that reflects open communication, trust-building, and accountability

As a result of the foregoing key findings, the following recommendations are offered:

- Create a unified, System level Enrollment Services Center which will do the following:
 - Guide the development and implementation of policies and procedures to efficiently service and compliment online and on-campus recruitment, enrollment, and retention efforts.
 - Work with individual campuses to restructure and transition to a unified enrollment processing system that minimizes duplication but maintains their unique presence within the community.
 - Establish a state of the technology based System-wide student processing center to provide online marketing and intake admissions, financial aid, and records processing support.

SUS ENROLLMENT FLOW CHART



FINANCE AND BUSINESS TRANSFORMATION COMMITTEE ASSESSMENT AND RECOMMENDATIONS

- Goal 1: Evaluate personnel, customer service needs and satisfaction, organization structure, policies, procedures, and contracts.
- Goal 2: Evaluate Shared Services Centers of Excellence within the Finance and Business operations of the Southern University System.

KEY FINDINGS AND RECOMMENDATIONS

Louisiana Legislative Auditor - Findings and Comments

1. “We noted that IT governance requires more centralization, more authority exerted by the System. We think the same is true for financial reporting. We have had a situation at Southern where each college is responsible for submitting their own financial reports and information. What we would like to see is that the System exercises the authority to make that (financial) system uniform, and provide more oversight in the timely preparation of that information.”
2. “SUS had significant errors and/or omissions in its Annual Fiscal Report (AFR), which required adjustment, and submitted the AFR 62 days after the Office of Statewide Reporting and Account Policy (OSRAP) deadline. The System also did not ensure that monthly fiscal periods were closed timely in the new fiscal accounting system, Banner. This is the fifth consecutive year the System has had a finding related to fiscal report preparation. Management should develop written procedures to ensure that accurate and complete financial information is included in the AFR, the AFR is reviewed for accuracy and submitted to OSRAP timely, and the fiscal periods are closed timely after the end of the accounting periods.”

Assessment Team Key Findings

1. The general fund state appropriation for the Southern University System (SUS) has been reduced by approximately \$42.4 million (43%) between FY 2008-09 and FY 2012-13. Approximately \$21 million of this cut has been offset through self-generated revenues

(tuition and fees). Additionally, Southern has been forced to absorb approximately 12 million in unfunded mandated costs over this same period.

2. The mid-year reductions during this time frame have totaled approximately \$14.7 million, resulting in a cumulative resource reduction of more than \$47.8 million, or approximately 31% of the FY 2008-09 base operating budgets of \$152.5 million. There has been a steady trend of declining enrollment on the flagship Baton Rouge campus in recent years, limiting the ability to recover losses in state funding through tuition increases.
3. System-wide improvement in customer service and general support operations is an essential element of any strategy to reverse the trend of declining enrollment. As a result of the fundamental shift away from state appropriations towards tuition as a method of funding, SUS has become more dependent on enrollment as a source of funding for its operations. This dynamic, combined with competition for available students, places a heavy emphasis on customer service, and the efficiency of support operations that facilitate effectiveness in recruiting, retention, and academic program delivery.
4. There is an acute need to leverage administrative and support staff among all campuses to effectively and efficiently deliver the appropriate services. Funding reductions have resulted in reduced staffs on all campuses, limiting the ability of each campus to effectively handle the financial management and administrative support responsibilities.
5. Due to a historical lack of collaboration among campuses, SUS has suffered from a lack of System-wide, comprehensive, coordinated efforts in the finance and support operations areas. This has put Southern and its campuses at great risk, especially in the areas of financial planning, forecasting, fiscal monitoring, and data driven decision making.
6. The Annual Fiscal Report (AFR) is the responsibility of the SUS, however, the accounting staff that performs much of the related work is based on the campuses with no direct accountability for the timeliness, accuracy, and completeness of the SUS financial statements.
7. There is general consensus among all campuses regarding the need for improved collaboration and major improvements in business and support operations.

8. The Baton Rouge campus is currently a focal point for delivery of some shared services to the campuses in the SUS. There is a high level of dissatisfaction with the quality of shared services provided through SUBR on behalf of the other campuses.
9. Southern employs many talented and knowledgeable staff in the support services areas. Although employees at each campus are knowledgeable about their own role in day to day business and support operations, there is a need for greater cross training and System-wide exposure so that employees have a greater comprehensive understanding of support services operations.
10. With many key staff members in the finance and accounting area at or near retirement eligibility, there is an acute need for succession planning, training, and staff development to prepare the next generation of managers to assume leadership roles in the delivery and oversight of support services operations.
11. There is a need for staff in key areas of operation to work across campus lines as a team, to minimize duplication of efforts, and help each other in critical areas of operation. Such inter-campus collaboration can help to capitalize on the skills and abilities of current staff and create opportunities for greater economies, improved service and increased efficiency throughout the SUS.
12. There is a need to review operational policies and procedures, and initiate a Business Process Reengineering project to update and modernize business processes to maximize alignment with, and utilization of, the Banner system.
13. There is a need to train staff to better utilize technology to help improve performance and reduce manual and redundant data entry.

RECOMMENDATIONS

1. Use a phased approach, where practical, to implementing comprehensive shared services. Develop staff at each campus to become experts for the SUS, decreasing duplication, reducing costs, and providing more efficient services for all constituencies. The goal for SUS will be to leverage economies of scale and work like a system, especially in “back office” operations.

2. Under the leadership of the Vice President for Finance and Business Affairs and Comptroller (VPFB), develop an inter-campus team of staff dedicated to working collaboratively to improve support operations and service delivery for all SUS constituencies. The VPFB will provide comprehensive, coordinated leadership for shared finance, business and support services operations and staff, and be responsible for overall management and supervision of the finance and business operations of SUS.
3. The Vice Chancellors for Finance and Administration of the respective campuses will serve as special advisors on fiscal and operational matters to the respective campus Chancellors, as well as the VPFB. They would provide oversight for the campus budgets, coordinate campus-based audit activities, and be responsible for day to day campus specific business and support services operations, while taking a leadership role in managing, supporting, and implementing major initiatives on a System-wide basis.
4. Consolidate the hosting, system maintenance and administration of Banner Finance applications. Establish and refine a common chart of accounts and transaction codes that provides for efficient input, extraction, compilation and analysis of transactions, data, and information on all levels (departmental, divisional, school, campus, System, etc).
5. Identify and cultivate “Rising Stars” among staff members that have the potential for advancement in higher education administration. Provide professional development and opportunities for career advancement. Review indirect expense categories for System-wide opportunities to save via leveraging, consolidating, streamlining, outsourcing, and/or other methods.
6. Identify and exploit System-wide opportunities to reduce costs or increase revenue through introducing, implementing or enhancing greater efficiencies; enhanced economies of scale; improved procurement practices; audits of existing agreements to insure accuracy and performance; performance studies and industry benchmarking; and, technological advancements or solutions.
7. Development and implementation of a “One Card” concept that provides all campuses with comprehensive functionality and wide-ranging commerce management capabilities.

FINANCE AND BUSINESS FUNCTIONS

BACK OFFICE

Is the part of most organizations where tasks dedicated to running the company itself take place. The term comes from the building layout of early companies where the front office would contain the sales and other customer facing staff and the back office would be those manufacturing or developing the products or involved in administration but without being seen by customers. Although the operations of a back office are usually not given a lot of consideration, they are a major contributor to a business. Examples of back-office tasks include IT departments that keep the phones and computers running, accounting, and human resources. These tasks are often supported by back-office systems; secure e-commerce software that processes company information (e.g. a database). A back-office system will keep a record of the company's transactions as needed. Invoices, receipts, and reports can also be produced by the back-office system.

BUDGETS AND EXTERNAL REPORTING

Works collaboratively with the University community to promote stewardship of University resources by coordinating, compiling, and administering the annual Operating Budget in accordance with established guidelines, developing useful, timely, and accurate reports; and serving as a liaison with external and oversight entities such as BOR, OPB, OASRAP, and Legislative offices for periodic and ad-hoc financial and managerial reporting. Provides periodic analysis and reporting to management comparing budget-to-actual operating results. Manages the position control system that is used to track the number of authorized positions, as well as funding resources and budgeted amounts for each position.

FINANCIAL SERVICES

Responsible for System-wide financial management and assistance. This includes cash forecasting and investment management, administration of Banner Finance systems for accounting, disbursements, and payroll, Preparation of the System's consolidated financial statements for inclusion in the Statewide CAFR, disbursement and receipt of all funds; calculation and negotiation of indirect cost rates; maintenance of plant fund and debt service accounts; grants and contracts accounting; students' accounts and travel accounting, fixed asset

accounting, payroll processing, benefits accounting and tax reporting, and the processing of vendor payments.

FINANCIAL POLICY AND CONTROL

Responsible for the establishment, monitoring, maintenance, and distribution of accounting policies and procedures in accordance with generally accepted accounting (GAAP). This office also is responsible for establishing, monitoring, revising, and distributing procedures and standards related to access and utilization of the Banner Finance application and the System-wide unified chart of accounts, including the following functions: Banner and Date Warehouse Access Control; Development and Maintenance of System-wide Business Systems Plan; Long – range Planning for Business systems; Coordination of Testing for New Releases and Modifications; Coordination and Coordination of Training for banner Finance system users. Banner FIS training for all Financial Information System (FIS) users across the System, providing online resources, group, and individual training.

AUXILIARY AND BUSINESS SERVICES

Comprised of a diverse group of service units offering goods and services to the SUS community that is essential to academic and administrative success. Negotiates and manages University contracts with outside vendors providing campus products and services. By providing convenient, user friendly, customer driven and cost-effective goods and services, these units support the SUS efforts to fulfill its educational mission and to provide a comfortable community atmosphere for students, faculty, staff, and visitors to enjoy. Auxiliary and Business Services units include dining and catering, bookstore operations, vending and retail services, One card services and applications, ATM Services, laundry services, copier and document management services.

PROCUREMENT SERVICES

Responsible for the purchase of supplies, materials, equipment, and commercial services from outside vendors for all SUS departments. With a strong commitment to customer service, developments and fosters excellent working relationships with all departments, vendors, and state procurement. Responsible for soliciting, negotiating, and managing System-wide and cooperative contracts; and providing technical assistance to faculty, staff and other constituents regarding purchasing matters. Works collaboratively with receiving, central stores, and property management and accounts payable to ensure that all transactions are held to the highest possible professional, and legal, and ethical standards, abiding by the laws of the state and SUS procedures and policy.

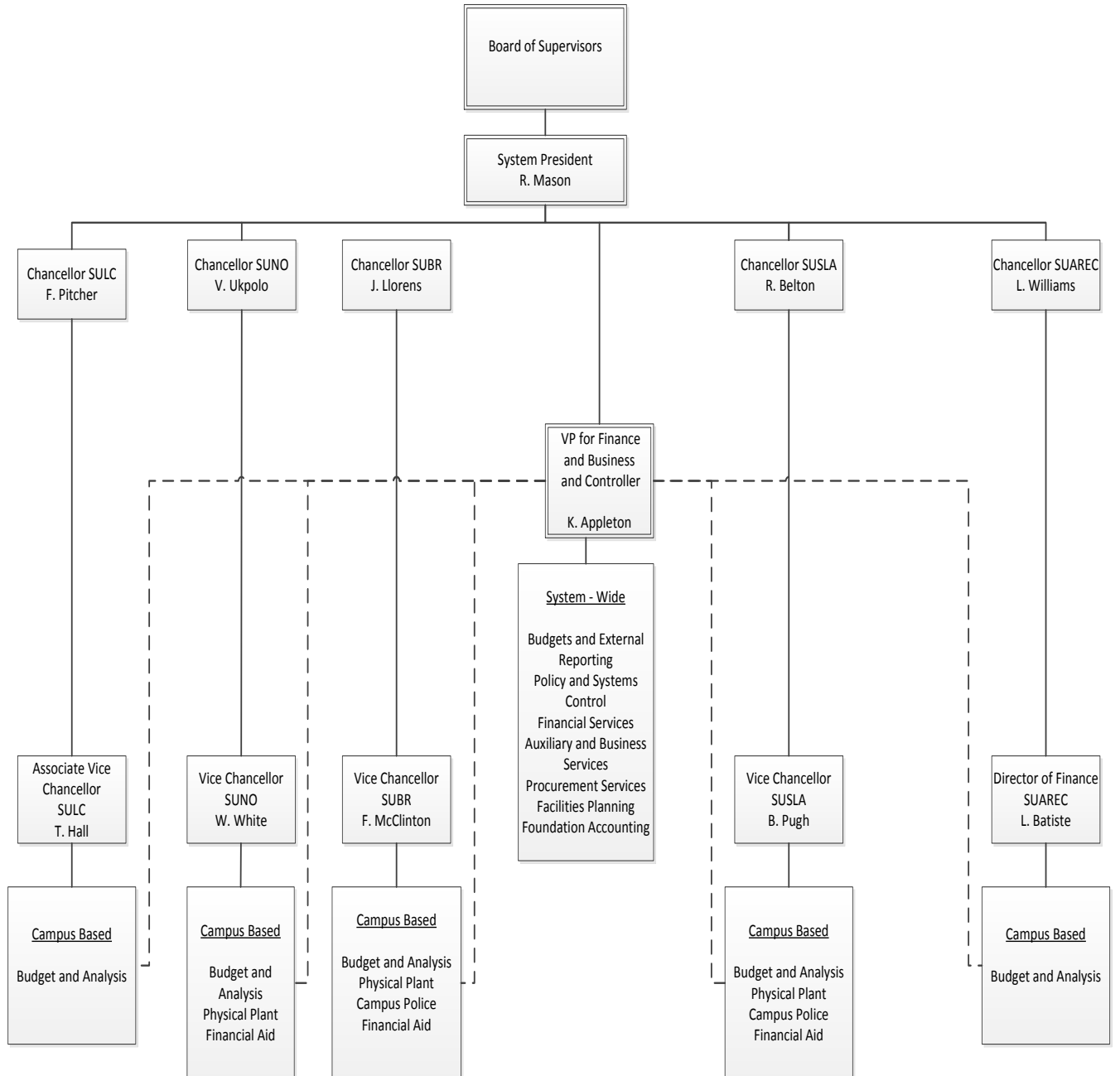
FACILITIES PLANNING

Manages major construction, capital projects, bids, and contractors. Tracks and prioritizes deferred maintenance projects, advocates for legislative funding for system facilities, coordinates efforts with other state and federal agencies such as FEMA and GOHSEP, and addresses System-wide capital construction initiatives. Work closely with Procurement Services, facilities management, and finance departments to coordinate capital projects.

FOUNDATION ACCOUNTING

Oversight and supervision of foundation systems for accounting, receipts, disbursements and interim financial reports. Preparation of the annual SUSF financial statement for inclusion in the SUS AFR.

FINANCE AND BUSINESS PROPOSED ORGANIZATIONAL CHART



EXTERNAL AFFAIRS TRANSFORMATION COMMITTEE ASSESSMENT AND RECOMMENDATIONS (COMMUNICATIONS, ALUMNI AND CONSTITUENCY RELATIONS, TRADEMARKS AND INSTITUTIONAL ADVANCEMENT)

GOALS

1. Assess the need for a comprehensive public relations and marketing strategy that promotes the mission and value of Southern University.
2. Assess the capacity for effective institutional advancement by constituents and stakeholders that promotes alumni engagement, annual fundraising capacity, and financial transparency.
3. Analyze and identify trademark and licensing strategies that protects the University's image, brand and revenue generating opportunities.

***This assessment was conducted utilizing the SWOT analysis with operational and focus groups.**

KEY FINDINGS

1. There is a limited emphasis on electronic media and professional photography support System-wide. Failure to provide proper audio/visual and photography support limits the effectiveness of communications efforts.
2. The lack of communications between the campuses diminishes the opportunity for collaborative media support.
3. Failure to encourage external media relationships limits the opportunity to strengthen media creditability and support.
4. Marketing expertise for strategic planning of System-wide media relations campaign does not exist.
5. There is no strategy to increase unrestricted giving.
6. There is a limited electronic alumni database.
7. Membership into the System's Alumni Federation should be established prior to graduation.
8. A perceived lack of financial transparency creates a culture of cynicism and non-support for unrestricted giving.
9. There is no System-wide strategic plan for major gifts and corporate giving.
10. There is an inconsistent use of the University's trademarks. This failure limits the opportunity to protect the System's reputation, name and image. Failure to communicate a plan to protect the University's trademarks from unauthorized use diminishes branding opportunities.

RECOMMENDATIONS

1. Establish a System-wide communications and media committee to develop a comprehensive communications and public relations plan. This System-wide committee must meet regularly in person or via telephone conference to monitor, discuss, and track public relations objectives.
2. Invest in an extensive and current alumni database for communications and implementation of programs that strategically engage alumni in strengthening programs which provide tangible benefits to alumni and current students.
3. Immediately plan a campaign for unrestricted giving; tighten protocols for accountability and transparency of donor files.
4. Develop a comprehensive Trademark and Licensing website that communicates policies, procedures, and resources for effective utilization of branding opportunities.
5. Create a System-wide governmental relations committee to provide recommendations, oversight, and support for campus-based capital outlay requests.

APPENDICES A & A1

These financial projections include revenue from the EOServe partnership. The EOServe revenue projections are based on the information in Appendix A1. A1 shows projected revenue for one course beginning January 12, 2013. The System revenue projections assume one program start in January, and another two starting in August.

APPENDIX B

PLANNING INPUT PROCESS

Over a year ago discussions began with Chancellors about creating System-wide operational efficiencies. Agreement was reached and the Board approved the establishment of a System level office of Human Resources. The office began operations in September, 2012.

In April, 2012, a Financial Summit was convened on the Baton Rouge Campus to discuss options for financial survival. Attendees included the President, the President's Cabinet, Chancellors, and Vice Chancellors from the five campuses.

In June, 2012, the President, Chief of Staff, and the Vice President for Business and Finance met with the Chancellors and their Chief Financial Officers on the New Orleans Campus to discuss options to address our financial challenges.

At the Board of Supervisors' meeting in June, 2012, Dr. Mason provided a document titled "Things to Consider when Deciding Southern's Future." and informed of a series of upcoming statewide meetings to seek input from the Southern University family relative to the document.

In July, 2012, the President sent a letter and the document, "Keys to the Future of the Southern System," to alumni. A portal was set up for responses.

During the period July 20 - 25, 2012, Dr. Mason and his team (later appointed as the Transformation Committee) conducted town hall meetings in Lafayette, Alexandria, Shreveport, Monroe, New Orleans, Baton Rouge, and Franklinton, LA to solicit input from alumni and other supporters.

On July 31, 2012, the President announced the formation of a Transformation Committee, which would be responsible for research, planning, and recommendations necessary to create System-wide operational efficiencies.

On August 8, 2012, Dr. Mason met with the Chancellors to discuss the Transformation process, pledged transparency, and invited their full participation.

The Transformation Committee met weekly (Board Member Hendricks participated in most of these meetings.) The following meetings were held with employees to get information about their job duties, processes, and input on how to improve performance levels:

On September 19, 2012, IT, Enrollment Services, and External Affairs Transformation Committee members met with SUNO employees in each of these functional areas.

On September 24, 2012, a similar meeting was held with SUBR, SULC, and Ag Center employees.

On September 24, 2012 the Finance Transformation Committee member met with SUNO employees.

On October 2, 2012, the Transformation Committee members met with the SUSLA employees in the four functional areas.

Focus Group sessions were conducted separately with faculty, staff and students on the three campuses. A S.W.O.T. analysis was used to capture their opinions:

October 2, 2012 at Shreveport

October 4, 2012 at Baton Rouge

October 8, 2012 at New Orleans

On October 12, 2012, the Transformation Committee's draft report was sent to the Chancellors, and the Board of Supervisors' Reformation and Renewal Ad Hoc Committee for review/input.

APPENDIX C

TRANSFORMATION COMMITTEE MEMBERS

Evola C. Bates
Chief of Staff, Committee Chairperson

Kevin Appleton
Vice President for Finance & Business

Michelle Hill
Director of Admissions & Recruitment

Tony Moore
Vice President for Information Management

Byron C. Williams
Executive Counsel

Willie Hendricks
Board Liaison

Henry Tillman
Director of Publications
Communications Support

APPENDIX D

Addendum to Transformation Committee Report-“Securing the Future of Southern University”

Comments and input from the Board’s Ad Hoc Reform and Renewal Committee during meeting held on Thursday, October 18, 2012:

The Reform and Renewal Committee, Chaired by Hon. Willie Hendricks, discussed the Transformation Committee Report in great detail. Much of the attention was focused on the ability to achieve the revenue targets, particularly the online program revenue. There was broad consensus that the Transformation recommendations should be approved by the full board.

In addition, the Reform and Renewal Committee focused on the following language in the Legislative Auditor’s Report dated April 18, 2012:

“Southern University’s IT management has been decentralized where control remains at the individual campus level. Each campus is responsible for establishing most of its own IT policies and procedures.”

“A decentralized IT management structure increases the risk that System-wide IT priorities may not be adequately set, which will likely result in inefficient and ineffective operations. However, a centralized IT management approach allows for consistent IT governance, ensures that IT-related decisions are made in line with System strategies and objectives, provides effective oversight of IT-related processes, and enhances compliance with legal and regulatory requirements.”

“We noted that IT governance requires more centralization, more authority exerted by the System. We think the same is true for financial reporting. We have had a situation at Southern where each college is responsible for submitting their own financial reports and information. What we would like to see is that the System exercises the authority to make that (financial) system uniform, and provide more oversight in the timely preparation of that information.”

Comments and input from the Chancellors during meeting held on Thursday, October 18, 2012:

The Chancellors’ primary concern was the loss of control over the affected areas of their operations. Concerns were also expressed about past centralized structures that did not function well. Much of the discussion focused on the recent reorganization of IT on the Baton Rouge campus, and why a second restructuring is necessary. Mr. Moore explained that the SUBR reorganization began almost two years ago, and significant progress has been made, it was always seen as a step in the process of IT centralization. The restructuring proposed here will expand the work done on the Baton Rouge campus to the other campuses, where we will realize System-wide efficiencies and cost savings.

OVERVIEW

3 year model showing revenue and cost estimates due to changes in undergraduate and graduate enrollment and tuition, State appropriations, other revenue and selected savings

COLOR CODES USED

	User controlled variable
	Scenario (controlled from Exec Summary tab)

TAB	OVERVIEW	USER CONTROLLED VARIABLES
Exec Summary	Executive summary of changes to SUS fiscal picture from FY13 baseline (budget)	Scenario - pull down menu; allows selection of one of 3 scenarios - Pessimistic, Planned & Aggressive - which will flow to respective tabs; each campus can have a different scenario, the savings potential can have different scenarios, allowing you to mix/match scenarios
Summary	Provide detailed summary based on one of 3 scenarios of Baseline (FY13) and FY14-FY16 for SUBR, SUNO, SUSLA, eoServe online programs and other revenue (Auxiliaries) Also shows calculated impact of potential scenarios of State Appropriations.	eoServe and Other Revenue scenarios
	NET IMPACT = Changes from FY13 in tuition revenue (based on FTE changes) + changes State Appropriations + changes in Other Rev (Aux) + savings opportunities	
State Approp	Calculated impact of changes in State Appropriations	Pessimistic, Planned Optimistic - % changes expected in SA Expected mid-year changes and changes to FY13 Special \$4M approp
eoServe	Expected eoServe revenues to SUS	
SUBR Revenue projection	Calculation of projected enrollment and revenues for FY14-FY16	Planned changes in FTE and tuition rate Pessimistic - change from "Planned" data assuming a very negative view Aggressive - change from "Planned" data assuming a very optimistic viewpoint SUSLA Xfer program - year-to-year retention of students from SUSLA program, based on scenario viewpoint; assumes 1st students don't arrive at SUBR until FY15

		Out of state %
SUNO Revenue projection	Calculation of projected enrollment and revenues for FY14-FY16	Planned changes in FTE and tuition rate
		Pessimistic - change from "Planned" data assuming a very negative view
		Aggressive - change from "Planned" data assuming a very optimistic viewpoint
		SUSLA Xfer program - year-to-year retention of students from SUSLA program, based on scenario viewpoint; assumes 1st students don't arrive at SUNO until FY15
		Out of state %
SUSLA Revenue projection	Calculation of projected enrollment and revenues for FY14-FY16	Planned changes in FTE and tuition rate
		Pessimistic - change from "Planned" data assuming a very negative view
		Aggressive - change from "Planned" data assuming a very optimistic viewpoint
		SUSLA Xfer program - Assumes students stay at SUSLA for 2 years but each year a new group enters program; retention rates can be set based on scenario; FY14 figures flow to SUBR and SUNO tabs
		Out of state %
SULC	Calculation of projected enrollment and revenues for FY14-FY16	Planned changes in FTE and tuition rate
		Pessimistic - change from "Planned" data assuming a very negative view
		Aggressive - change from "Planned" data assuming a very optimistic viewpoint
		Out of state %
Savings potential	Calculation of total projected savings based on making approximately \$4M in investments (from previous analysis)	
Savings projections assumptions	Assumptions of ongoing savings for the area identified for cost cutting/efficiency	Pessimistic, Probable, Aggressive - % changes expected in savings

Data Sources

Interim Financial Report as of Apr2012 final.xls

Board of Regents - SCH Report March 3, 2012

Board of Regents - Institutional Summary Report - March 9, 2012

SUS Tuition Summary.xls

eo Serve Financial model

EXECUTIVE SUMMARY

CAMPUSES AND OTHER REVENUE SOURCES

SUBR	SUNO	SUSLA	SULC	eoServe	Other Revenue
Planned	Planned	Planned	Planned	Planned	Planned

CHANGES IN STATE APPROPRIATIONS

Planned

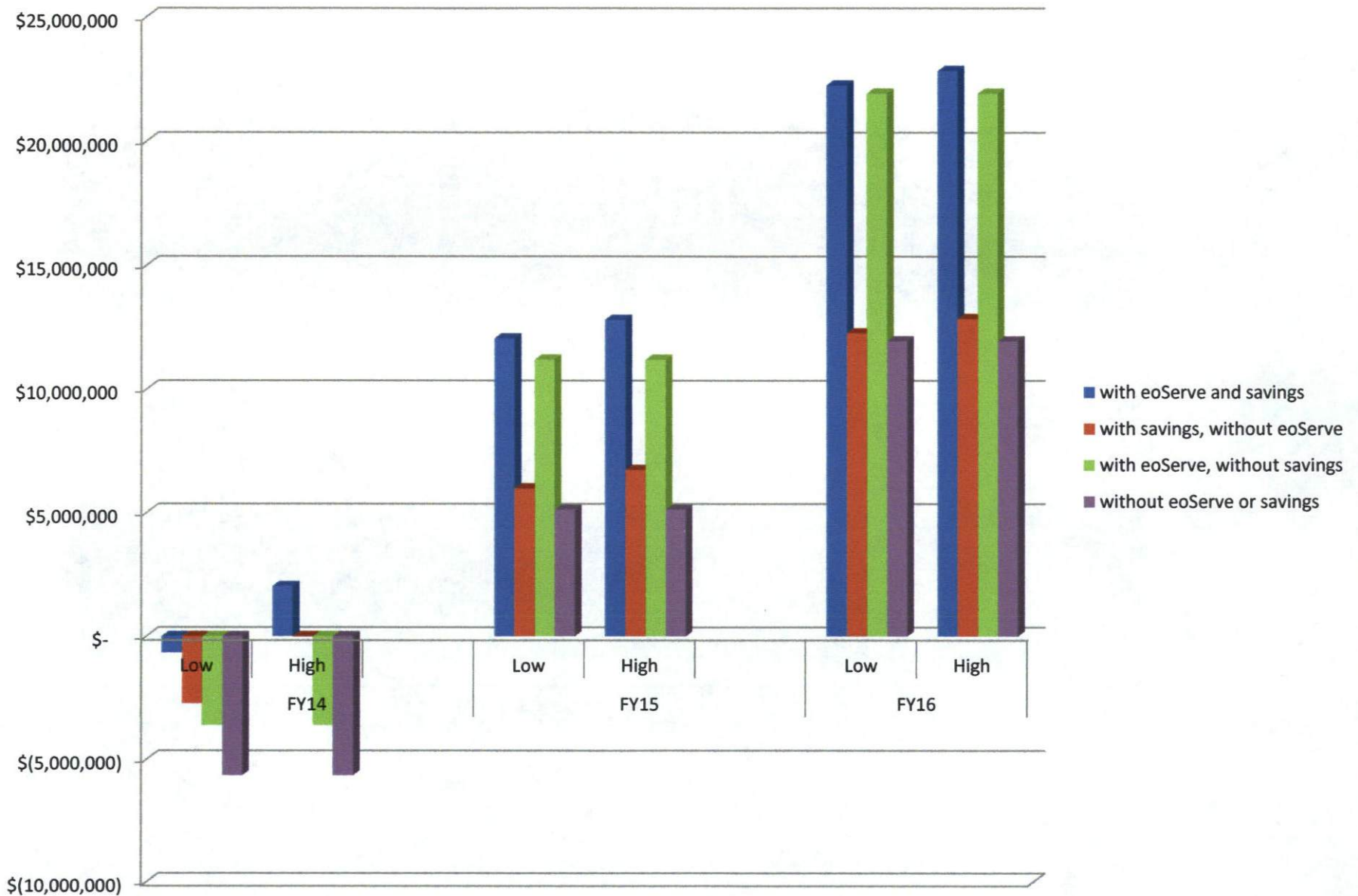
SAVINGS POTENTIAL

Commodities	Functions	Other Personnel
Planned	Planned	Planned

CHANGE FROM FY13 BUDGET

	FY14		FY15		FY16	
	Low	High	Low	High	Low	High
with eoServe and savings	\$ (658,179)	\$ 2,030,835	\$ 12,051,342	\$ 12,809,307	\$ 22,258,075	\$ 22,831,739
with savings, without eoServe	\$ (2,707,746)	\$ (18,732)	\$ 5,987,301	\$ 6,745,266	\$ 12,278,185	\$ 12,851,849
with eoServe, without savings	\$ (3,589,833)	\$ (3,589,833)	\$ 11,192,437	\$ 11,192,437	\$ 21,930,395	\$ 21,930,395
without eoServe or savings	\$ (5,639,400)	\$ (5,639,400)	\$ 5,128,396	\$ 5,128,396	\$ 11,950,505	\$ 11,950,505

CHANGE FROM FY13 ADOPTED BUDGET



SUMMARY

	FY14	eoServe FY15	FY16	Other Revenue
Pessimistic	-25%	-25%	-25%	-5%
Planned	0%	0%	0%	1%
Aggressive	10%	10%	10%	5%

SUS - 3 YEAR PRO FORMA

		FY13		FY14			
	Scenario	FTEs (UG & Grad)	Revenue	FTEs (UG & Grad)	Revenue	\$ change from FY13	% change from FY13
GROSS TUITION							
SUBR	Planned	7,214	\$ 30,995,538	7,114	\$ 29,425,590	\$ (1,569,948)	-5.1%
SUNO	Planned	2,994	\$ 10,368,490	2,994	\$ 11,419,601	\$ 1,051,111	10.1%
SUSLA	Planned	2,937	\$ 6,761,348	2,937	\$ 7,437,718	\$ 676,370	10.0%
SULC	Planned	1,150	\$ 8,325,995	1,150	\$ 9,158,347	\$ 832,352	10.0%
eoServe	Planned		\$ 130,816		\$ 2,049,567	\$ 1,918,751	1466.8%
		14,295	\$ 56,582,187	14,195	\$ 59,490,823	\$ 2,908,636	5.1%

STATE FUNDING

Change in total State funding	Planned		\$ (6,694,905)
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CHANGE in OTHER REVENUE (AUX)	Planned	\$ 19,643,611	\$ 196,436
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SAVINGS OPPORTUNITIES

		FY 13 Addressable spend	FY14	
			Low	High
Commodities	Planned			
Professional Services		\$ 547,440	\$ 49,270	\$ 82,116
Utilities		\$ 5,300,156	\$ 238,507	\$ 596,268
Mobile Telecom		\$ 381,818	\$ 51,545	\$ 85,909
IT Services		\$ 509,091	\$ 22,909	\$ 57,273
Copier/Print/Fax/Scanner		\$ 381,818	\$ 51,545	\$ 85,909
Office Supplies		\$ 509,091	\$ 45,818	\$ 76,364
Travel		\$ 792,357	\$ 71,312	\$ 118,854
Total Commodities		\$ 8,421,772	\$ 530,907	\$ 1,102,692
Functions	Planned			
Operations, Plant & Maintenance (OPM)				
Personnel		\$ 8,833,594	\$ 397,512	\$ 993,779
Non-personnel		\$ 3,533,438	\$ 159,005	\$ 397,512
Total OPM		\$ 12,367,032	\$ 556,516	\$ 1,391,291

<i>IT</i>							
Personnel		\$	3,007,790	\$	135,351	\$	338,376
Non-personnel		\$	3,238,957	\$	121,461	\$	242,922
<i>Total IT</i>		\$	7,519,474	\$	256,811	\$	581,298
<i>Finance</i>							
Personnel		\$	2,019,124	\$	90,861	\$	227,151
Non-personnel		\$	3,749,801	\$	140,618	\$	281,235
<i>Total Finance</i>		\$	5,768,925	\$	231,478	\$	508,387
<i>Auxiliaries</i>							
Personnel		\$	408,435	\$	18,380	\$	45,949
Non-personnel		\$	3,675,917	\$	137,847	\$	275,694
<i>Total Auxiliaries</i>		\$	4,084,352	\$	156,226	\$	321,643
<i>Purchasing</i>							
Personnel		\$	191,909	\$	8,636	\$	21,590
Non-personnel		\$	127,939	\$	5,757	\$	14,393
<i>Total Purchasing</i>		\$	319,848	\$	14,393	\$	35,983
<i>HR</i>							
Personnel		\$	782,144	\$	35,196	\$	87,991
Non-personnel		\$	195,536	\$	7,333	\$	14,665
<i>Total HR</i>		\$	977,680	\$	42,529	\$	102,656
<i>Legal</i>							
Personnel		\$	534,545	\$	24,055	\$	60,136
Non-personnel		\$	356,364	\$	13,364	\$	26,727
<i>Total Legal</i>		\$	890,909	\$	37,418	\$	86,864
<i>Total Functions</i>		\$	30,655,492	\$	1,295,373	\$	3,028,121
<i>Personnel</i>		\$	15,777,541	\$	709,989	\$	1,774,973
<i>Non-Personnel</i>		\$	14,877,951	\$	585,384	\$	1,253,148
<i>Other Personnel</i>							
	Planned						
Faculty		\$	36,662,203	\$	366,622	\$	458,278
Other Staff		\$	20,884,662	\$	407,251	\$	584,771
Benefits		\$	24,651,143	\$	331,501	\$	446,807
<i>Total Other Personnel</i>		\$	82,198,007	\$	1,105,374	\$	1,489,855
<i>TOTAL</i>		\$	121,275,271	\$	2,931,654	\$	5,620,668
<i>Personnel related</i>		\$	97,975,548	\$	1,815,363	\$	3,264,828
<i>Non-personnel</i>		\$	23,299,723	\$	1,116,290	\$	2,355,840

FY14

Low High

NET IMPACT TO SUS vs. FY13	\$	(658,179)	\$	2,030,835
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FY15

FTEs (UG & Grad)	Revenue	\$ change from FY13	% change from FY13
7,214	\$ 32,813,559	\$ 1,818,021	5.9%
2,994	\$ 12,291,268	\$ 1,922,778	18.5%
3,197	\$ 8,905,761	\$ 2,144,413	31.7%
1,150	\$ 9,158,347	\$ 832,352	10.0%
	<u>\$ 6,064,041</u>	<u>\$ 5,933,225</u>	<u>4535.5%</u>
14,555	69,232,977	12,650,790	22.4%

\$ (1,853,189)

\$ 394,837

FY16

FTEs (UG & Grad)	Revenue	\$ change from FY13	% change from FY13
7,433	\$ 34,329,165	\$ 3,333,627	10.8%
3,098	\$ 13,534,157	\$ 3,165,667	30.5%
3,557	\$ 10,899,460	\$ 4,138,112	61.2%
1,150	\$ 9,158,347	\$ 832,352	10.0%
	<u>\$ 9,979,890</u>	<u>\$ 9,849,074</u>	<u>7529.0%</u>
15,238	77,901,019	\$ 21,318,832	37.7%

\$ 16,341

\$ 595,221

FY15

Low	High
\$ 14,781	\$ 24,635
\$ 71,552	\$ 178,880
\$ 15,464	\$ 25,773
\$ 6,873	\$ 17,182
\$ 15,464	\$ 25,773
\$ 13,745	\$ 22,909
\$ 21,394	\$ 35,656
<u>\$ 159,272</u>	<u>\$ 330,808</u>

\$ 79,502	\$ 198,756
<u>\$ 79,502</u>	<u>\$ 198,756</u>
\$ 159,005	\$ 397,512

FY16

Low	High
\$ 10,347	\$ 17,244
\$ 50,086	\$ 125,216
\$ 10,825	\$ 18,041
\$ 4,811	\$ 12,027
\$ 10,825	\$ 18,041
\$ 9,622	\$ 16,036
<u>\$ 14,976</u>	<u>\$ 24,959</u>
<u>\$ 111,490</u>	<u>\$ 231,565</u>

\$ 39,751	\$ 99,378
<u>\$ 55,652</u>	<u>\$ 139,129</u>
\$ 95,403	\$ 238,507

\$	27,070	\$	67,675
\$	36,438	\$	72,877
\$	63,508	\$	140,552

\$	18,172	\$	45,430
\$	42,185	\$	84,371
\$	60,357	\$	129,801

\$	3,676	\$	9,190
\$	41,354	\$	82,708
\$	45,030	\$	91,898

\$	1,727	\$	4,318
\$	1,727	\$	4,318
\$	3,454	\$	8,636

\$	7,039	\$	17,598
\$	2,200	\$	4,400
\$	9,239	\$	21,998

\$	4,811	\$	12,027
\$	4,009	\$	8,018
\$	8,820	\$	20,045

\$	349,414	\$	810,441
\$	141,998	\$	354,995
\$	207,416	\$	455,447

\$	91,656	\$	114,569
\$	142,538	\$	204,670
\$	116,025	\$	156,382
\$	350,219	\$	475,621

\$	858,905	\$	1,616,870
\$	492,217	\$	830,616
\$	366,688	\$	786,254

\$	13,535	\$	33,838
\$	25,507	\$	51,014
\$	39,042	\$	84,851

\$	9,086	\$	22,715
\$	29,530	\$	59,059
\$	38,616	\$	81,775

\$	1,838	\$	4,595
\$	28,948	\$	57,896
\$	30,786	\$	62,491

\$	864	\$	2,159
\$	1,209	\$	3,023
\$	2,073	\$	5,182

\$	3,520	\$	8,799
\$	1,540	\$	3,080
\$	5,059	\$	11,879

\$	2,405	\$	6,014
\$	2,806	\$	5,613
\$	5,212	\$	11,626

\$	216,190	\$	496,310
\$	70,999	\$	177,497
\$	145,191	\$	318,813

\$	18,331	\$	22,914
\$	85,523	\$	122,802
\$	69,615	\$	93,829
\$	173,469	\$	239,545

\$	327,681	\$	901,344
\$	70,999	\$	350,966
\$	256,682	\$	550,378

FY15

Low High

\$	12,051,342	\$	12,809,307
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FY16

Low High

\$	22,258,075	\$	22,831,739
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STATE APPROPRIATION

	FY14				FY15			
	State GF	Interagency	Statutory deductions	Federal	State GF	Interagency	Statutory deductions	Federal
Pessimistic	-20%	-7%	-5%	-1%	-7%	0%	-3%	-1%
Planned	-6%	-3%	-1%	0%	-5%	1%	0%	0%
Aggressive	-7%	1%	1%	1%	0%	3%	5%	1%

	FY16			
	State GF	Interagency	Statutory deductions	Federal
Pessimistic	-5%	0%	-3%	-1%
Planned	0%	1%	0%	0%
Aggressive	3%	3%	5%	1%

Modeling Special SAM for FY13

Pessimistic	\$	(4,000,000)										
Planned	\$	(4,000,000)										
Aggressive	\$	(0)										
	Original FY12	FY12 (with MidYear)	Current approp	Delta from original FY12	% from FY12	MidYear FY13 %	MidYear FY13 \$	Total FY13 Delta	Total FY13 Approp	Actual % delta from FY12		
State GF	\$ 57,508,556	\$ 53,366,935	\$ 50,795,123	\$ (6,713,433)	-11.7%	-5.0%	\$ (2,668,347)	\$ (9,381,780)	\$ 43,985,155	-16.3%		
Interagency	\$ 1,726,702	\$ 1,726,702	\$ 1,668,005	\$ (58,697)	-3.4%	0.0%	\$ -	\$ (58,697)	\$ 1,668,005	-3.4%		
Statutory deductions	\$ 4,754,593	\$ 4,754,593	\$ 4,709,182	\$ (45,411)	-1.0%	0.0%	\$ -	\$ (45,411)	\$ 4,709,182	-1.0%		
Federal	\$ 3,379,752	\$ 3,379,752	\$ 3,654,209	\$ 274,457	8.1%	0.0%	\$ -	\$ 274,457	\$ 3,654,209	8.1%		
	\$ 67,369,603	\$ 63,227,982	\$ 60,826,519	\$ (6,543,084)	-10.3%		\$ (2,668,347)	\$ (9,211,431)	\$ 54,016,551	-14.6%		

Planned		FY12	FY13	% change	FY14			% change	FY15			% change	\$ change	FY15 Approp	
					\$ change	FY14 Approp			\$ change	FY15 Approp					
	State GF	\$	53,366,935	\$	43,985,155	-6%	\$	(6,597,773)	\$	37,387,382	-5%	\$	(1,869,369)	\$	35,518,013
	Interagency	\$	1,726,702	\$	1,668,005	-3%	\$	(50,040)	\$	1,617,965	1%	\$	16,180	\$	1,634,144
	Statutory deductions	\$	4,754,593	\$	4,709,182	-1%	\$	(47,092)	\$	4,662,090	0%	\$	-	\$	4,662,090
	Federal	\$	3,379,752	\$	3,654,209	0%	\$	-	\$	3,654,209	0%	\$	-	\$	3,654,209
							\$	(6,694,905)	\$	47,321,646		\$	(1,853,189)	\$	45,468,457
												\$	16,341	\$	35,534,355

eoSERVE REVENUE PROJECTIONS

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Revenue	\$ 130,816	\$ 2,049,567	\$ 6,064,041	\$ 9,979,890

SUBB-3 YEAR REVENUE PROJECTION
Scenario: **Planned**

FY14						FY15						FY16					
Assumptions	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad	SUSLA Program	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad	SUSLA Program	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad	SUSLA Program		
Pessimistic	-5%	18%	-5%	0%	0%	-5%	18%	-5%	0%	0%	-5%	18%	-5%	0%	0%		
Aggressive	1%	12%	5%	12%		3%	12%	3%	12%		5%	12%	5%	12%			
Variables based on assumptions and plans																	
Pessimistic	(301)	0%	(60)	0%		(296)	0%	(60)	0%		(422)	0%	(60)	0%	60%		
Planned	(190)	10%	-	10%		100	10%	-	10%		50	10%	-	10%	75%		
Aggressive	60	12%	60	12%		178	12%	60	12%		301	12%	60	12%	90%		
Undergrads	FY13				FY14				FY15				FY16				
FTEs	UG	Grad	UG FTE Changes	UG Projection	UG Projection	Grad FTE Changes	Grad Projection		UG FTE Changes	UG Projection	Grad FTE Changes	Grad Projection	UG FTE Changes	UG Projection	Grad FTE Changes	Grad Projection	SUSLA Program
225 SUSLA Transfer Program	6,024	1,190	(100)	5,924	5,924	-	1,190		100	6,024	-	1,190	50	6,074	-	1,190	169
Tuition & Fees	\$ 2,791	\$ 3,275	10.0%	\$ 3,070	10.0%	\$ 3,602			10.0%	\$ 3,377	10%	\$ 3,962	10%	\$ 3,714	10%	\$ 4,359	
17% Out of State	\$ 3,596	\$ 3,248	10.0%	\$ 3,955	10.0%	\$ 3,573			10.0%	\$ 4,351	10%	\$ 3,930	10%	\$ 4,786	10%	\$ 4,323	
Revenue																	
	UG	Grad							UG	Grad			UG	Grad			
Tuition	\$ 18,184,346	\$ 4,287,699							\$ 20,340,477	\$ 4,716,469			\$ 23,187,055	\$ 5,188,116			
Out of State	\$ 3,983,286	\$ 723,033							\$ 4,455,583	\$ 795,336			\$ 5,079,126	\$ 874,869			
	\$ 22,167,632	\$ 5,010,731							\$ 24,796,060	\$ 5,511,805			\$ 28,266,180	\$ 6,063,985			
10% Summer	\$ 1,818,437	\$ 428,770							\$ 2,034,048	\$ 471,647			\$ 2,318,705	\$ 518,812			
	\$ 23,986,069	\$ 5,439,501							\$ 26,830,108	\$ 5,983,452							
TOTALS	FY13		FY14		FY15		FY16		FY13		FY14		FY15		FY16		
	Total		\$ change from FY13		\$ change from FY13		\$ change from FY13		Total		\$ change from FY13		\$ change from FY13		\$ change from FY13		% change from FY13
Tuition	\$ 25,599,287	\$ 24,719,271	\$ (880,016)	-3.4%	\$ 27,562,641	\$ 1,963,353	7.7%	\$ 28,375,170	\$ 2,775,883	10.8%	\$ 25,599,287	\$ 24,719,271	\$ (880,016)	-3.4%	\$ 28,375,170	\$ 2,775,883	10.8%
Out of State	\$ 5,396,251	\$ 4,706,319	\$ (689,932)	-12.8%	\$ 5,250,918	\$ (145,333)	-2.7%	\$ 5,953,995	\$ 557,744	10.3%	\$ 5,396,251	\$ 4,706,319	\$ (689,932)	-12.8%	\$ 5,953,995	\$ 557,744	10.3%
TOTAL BY FY	\$ 30,995,538	\$ 29,425,590	\$ (1,569,948)	-5.1%	\$ 32,813,559	\$ 1,818,021	5.9%	\$ 34,329,165	\$ 3,333,627	10.8%	\$ 30,995,538	\$ 29,425,590	\$ (1,569,948)	-5.1%	\$ 34,329,165	\$ 3,333,627	10.8%

SUNO - 3 YEAR REVENUE PROJECTION
Scenario **Planned**

	FY14			
	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad
Pessimistic	-10%	0%	-5%	0%
Aggressive	5%	12%	5%	12%
Pessimistic	(257)	0%	(21)	0%
Planned	-	10%	0%	10%
Aggressive	129	12%	21	12%

	FY15			
	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad
Pessimistic	-10%	0%	-5%	0%
Aggressive	5%	12%	5%	12%
Pessimistic	(257)	0%	(21)	0%
Planned	-	10%	-	10%
Aggressive	129	12%	21	12%

	FY16				SUSLA Program
	FTEs - UG	Tuition & Fees - UG	FTEs - Grad	Tuition & Fees - Grad	
Pessimistic	-10%	0%	-5%	0%	
Aggressive	120%	12%	5%	12%	
Pessimistic	3	0%	(21)	0%	60%
Planned	3	10%	-	10%	75%
Aggressive	7	12%	21	12%	90%

	FY13		FY14		FY15		FY16		SUSLA Program
	UG	Grad	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	
2994	86%	14%							
FTEs	2,575	419	-	2,575	0	419	3	2,578	419.16
135 SUSLA Transfer Program									101
Tuition & Fees	\$ 3,370	\$ 3,000	10%	\$ 3,707	10%	\$ 3,300	10%	\$ 4,485	3,993
3% Out of State	\$ 2,550	\$ 2,100	10%	\$ 2,805	10%	\$ 2,310	10%	\$ 3,394	2,795
Revenue									
	UG	Grad							
Tuition	\$ 9,544,932	\$ 1,383,228							
2% Out of State	\$ 216,673	\$ 29,048							
	\$ 9,761,605	\$ 1,412,276							
9% Summer	\$ 859,044	\$ 124,491							
	\$ 10,620,649	\$ 1,536,766							

	FY13		FY14		FY15		FY16		SUSLA Program
	UG	Grad	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	
2994	86%	14%							
FTEs	2,575	419	-	2,575	0	419	3	2,578	419.16
135 SUSLA Transfer Program									101
Tuition & Fees	\$ 3,370	\$ 3,000	10%	\$ 3,707	10%	\$ 3,300	10%	\$ 4,485	3,993
3% Out of State	\$ 2,550	\$ 2,100	10%	\$ 2,805	10%	\$ 2,310	10%	\$ 3,394	2,795
Revenue									
	UG	Grad							
Tuition	\$ 10,499,425	\$ 1,521,551							
2% Out of State	\$ 238,340	\$ 31,953							
	\$ 10,737,765	\$ 1,553,503							
9% Summer	\$ 944,948	\$ 136,940							
	\$ 11,682,713	\$ 1,690,443							

	FY13		FY14		FY15		FY16		SUSLA Program
	UG	Grad	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	UG FTE Changes	UG Projection	
2994	86%	14%							
FTEs	2,575	419	-	2,575	0	419	3	2,578	419.16
135 SUSLA Transfer Program									101
Tuition & Fees	\$ 3,370	\$ 3,000	10%	\$ 3,707	10%	\$ 3,300	10%	\$ 4,485	3,993
3% Out of State	\$ 2,550	\$ 2,100	10%	\$ 2,805	10%	\$ 2,310	10%	\$ 3,394	2,795
Revenue									
	UG	Grad							
Tuition	\$ 11,562,824	\$ 1,673,706							
2% Out of State	\$ 262,480	\$ 35,148							
	\$ 11,825,304	\$ 1,708,854							
9% Summer	\$ 1,040,654	\$ 150,634							
	\$ 12,865,958	\$ 1,859,487							

	FY13		FY14		FY15		FY16	
	Total	\$ change from FY13	Total	\$ change from FY13	Total	\$ change from FY13	Total	\$ change from FY13
TOTALS								
Tuition & Fees	\$ 10,144,007	\$ 11,173,880	\$ 1,029,873	10.2%	\$ 12,020,976	\$ 1,876,969	\$ 13,236,530	\$ 3,092,523
Out of State	\$ 224,483	\$ 245,721	\$ 21,238	9.5%	\$ 270,293	\$ 45,810	\$ 297,627	\$ 73,144
TOTAL BY FY	\$ 10,368,490	\$ 11,419,601	\$ 1,051,111	10.1%	\$ 12,291,268	\$ 1,922,778	\$ 13,534,157	\$ 3,165,667

SUSLA - 3 YEAR REVENUE PROJECTION

Scenario

Planned

	FY14	
	FTEs - UG	Tuition & Fees - UG
Pessimistic	-5%	0%
Aggressive	0%	12%
Pessimistic	(147)	0%
Planned	(400)	10%
Aggressive	-	12%

	FY15		SUSLA Xfer Program
	FTEs - UG	Tuition & Fees - UG	
Pessimistic	-5%	0%	
Aggressive	3%	12%	
Pessimistic	(147)	0%	80%
Planned	(100)	10%	90%
Aggressive	88	12%	100%

	FY16		SUSLA Xfer Program
	FTEs - UG	Tuition & Fees - UG	
Pessimistic	-5%	0%	
Aggressive	3%	12%	
Pessimistic	(160)	0%	80%
Planned	-	10%	90%
Aggressive	96	12%	100%

	FY12	Changes	FY14 Projections
SUSLA Transfer Program			
SUBR-YR1			250
SUBR-YR2			
SUNO - YR1			150
SUNO-YR2			

	FY15	
	Changes	Projections
	(25)	225
		250
	(15)	135
		150

	FY16	
	Changes	Projections
	(25)	225
		250
	(15)	135
		150

Total FTEs	2,937	(400)	2,937
Tuition & Fees	\$ 2,300	10.0%	\$ 2,530
Out of State	\$ 440	10.0%	\$ 484

Total FTEs	(100)	3,197
Tuition & Fees	10.0%	\$ 2,783
Out of State	10.0%	\$ 532

Total FTEs	-	3,557
Tuition & Fees	10.0%	\$ 3,061
Out of State	10.0%	\$ 586

Tuition & Fees	\$ 7,430,610
0.5% Out of State	\$ 7,108
	\$ 7,437,718

Tuition & Fees	\$ 8,897,251
	\$ 8,510
	\$ 8,905,761

Tuition & Fees	\$ 10,889,044
	\$ 10,416
	\$ 10,899,460

	FY13				FY14				FY15				FY16					
TOTALS	Total		\$ change from FY13		% change from FY13		Total		\$ change from FY13		% change from FY13		Total		\$ change from FY13		% change from FY13	
Tuition	\$	6,754,848	\$	7,430,610	\$	675,762	10.0%	\$	8,897,251	\$	2,142,403	31.7%	\$	10,889,044	\$	4,134,196	61.2%	
Out of State	\$	6,500	\$	7,108	\$	608	9.3%	\$	8,510	\$	2,010	30.9%	\$	10,416	\$	3,916	60.2%	
TOTAL BY FY	\$	6,761,348	\$	7,437,718	\$	676,370	10.0%	\$	8,905,761	\$	2,144,413	31.7%	\$	10,899,460	\$	4,138,112	61.2%	

SULC - 3 YEAR REVENUE PROJECTION

Scenario **Planned**

	FY14	
	FTEs	Tuition
Pessimistic	2%	0%
Planned	0%	10%
Aggressive	5%	10%

	FY15	
	FTEs	Tuition
Pessimistic	2%	0%
Planned	0%	0%
Aggressive	5%	10%

	FY16	
	FTEs	Tuition
Pessimistic	2%	0%
Planned	0%	0%
Aggressive	5%	10%

	FY13	Change	Projection
FTEs	1,150	-	1,150
76% Instate	874	-	874
24% Out of State	276	-	276
Tuition	\$ 6,035	\$ 604	\$ 6,639
Out of State Fee	\$ 5,020	\$ 502	\$ 5,522

	Change	Projection
FTEs	-	1,150
Instate	-	874
Out of State	-	276
Tuition	\$ -	\$ 6,639
Out of State Fee	\$ -	\$ 5,522

	Change	Projection
FTEs	-	1,150
Instate	-	874
Out of State	-	276
Tuition	\$ -	\$ 6,639
Out of State Fee	\$ -	\$ 5,522

	FY14			
	Revenue	\$ difference from FY13	% difference from FY13	
Tuition & Fees	6,940,190	\$ 7,634,275	\$ 694,085	10.0%
Out of State Fees	1,385,805	\$ 1,524,072	\$ 138,267	10.0%
Total Revenues	8,325,995	\$ 9,158,347	\$ 832,352	10.0%

	FY15			
	Revenue	\$ difference from FY13	% difference from FY13	
Tuition & Fees	\$ 7,634,275	\$ 694,085	9.1%	
Out of State Fees	\$ 1,524,072	\$ 138,267	9.1%	
Total Revenues	\$ 9,158,347	\$ 832,352	9.1%	

	FY16			
	Revenue	\$ difference from FY13	% difference from FY13	
Tuition & Fees	\$ 7,634,275	\$ 694,085	9.1%	
Out of State Fees	\$ 1,524,072	\$ 138,267	9.1%	
Total Revenues	\$ 9,158,347	\$ 832,352	9.1%	

SAVINGS PROJECTIONS - 3 YEAR PRO FORMA

			FY14			FY15			FY16		
	FY13 addressable spend	% of FY13 savings	Low	High		% of FY13 savings	Low	High	% of FY14 savings	Low	High
		Planned				Planned			Planned		
Commodities											
Professional Services	\$ 547,440	100%	\$ 49,270	\$ 82,116		30%	\$ 14,781	\$ 24,635	70%	\$ 10,347	\$ 17,244
Utilities	\$ 5,300,156	100%	\$ 238,507	\$ 596,268		30%	\$ 71,552	\$ 178,880	70%	\$ 50,086	\$ 125,216
Mobile Telecom	\$ 381,818	100%	\$ 51,545	\$ 85,909		30%	\$ 15,464	\$ 25,773	70%	\$ 10,825	\$ 18,041
IT Services	\$ 509,091	100%	\$ 22,909	\$ 57,273		30%	\$ 6,873	\$ 17,182	70%	\$ 4,811	\$ 12,027
Copier/Print/Fax/Scanner	\$ 381,818	100%	\$ 51,545	\$ 85,909		30%	\$ 15,464	\$ 25,773	70%	\$ 10,825	\$ 18,041
Office Supplies	\$ 509,091	100%	\$ 45,818	\$ 76,364		30%	\$ 13,745	\$ 22,909	70%	\$ 9,622	\$ 16,036
Travel	\$ 792,357	100%	\$ 71,312	\$ 118,854		30%	\$ 21,394	\$ 35,656	70%	\$ 14,976	\$ 24,959
Total Commodities	\$ 8,421,772		\$ 530,907	\$ 1,102,692			\$ 159,272	\$ 330,808		\$ 111,490	\$ 231,565
Functions											
Operations, Plant & Maintenance (OPM)											
Personnel	\$ 8,833,594	100%	\$ 397,512	\$ 993,779		20%	\$ 79,502	\$ 198,756	50%	\$ 39,751	\$ 99,378
Non-personnel	\$ 3,533,438	100%	\$ 159,005	\$ 397,512		50%	\$ 79,502	\$ 198,756	70%	\$ 55,652	\$ 139,129
Total OPM	\$ 12,367,032		\$ 556,516	\$ 1,391,291			\$ 159,005	\$ 397,512		\$ 95,403	\$ 238,507
IT											
Personnel	\$ 3,007,790	100%	\$ 135,351	\$ 338,376		20%	\$ 27,070	\$ 67,675	50%	\$ 13,535	\$ 33,838
Non-personnel	\$ 3,238,957	100%	\$ 121,461	\$ 242,922		30%	\$ 36,438	\$ 72,877	70%	\$ 25,507	\$ 51,014
Total IT	\$ 7,519,474		\$ 256,811	\$ 581,298			\$ 63,508	\$ 140,552		\$ 39,042	\$ 84,851
Finance											
Personnel	\$ 2,019,124	100%	\$ 90,861	\$ 227,151		20%	\$ 18,172	\$ 45,430	50%	\$ 9,086	\$ 22,715
Non-personnel	\$ 3,749,801	100%	\$ 140,618	\$ 281,235		30%	\$ 42,185	\$ 84,371	70%	\$ 29,530	\$ 59,059
Total Finance	\$ 5,768,925		\$ 231,478	\$ 508,387			\$ 60,357	\$ 129,801		\$ 38,616	\$ 81,775
Auxiliaries											
Personnel	\$ 408,435	100%	\$ 18,380	\$ 45,949		20%	\$ 3,676	\$ 9,190	50%	\$ 1,838	\$ 4,595
Non-personnel	\$ 3,675,917	100%	\$ 137,847	\$ 275,694		30%	\$ 41,354	\$ 82,708	70%	\$ 28,948	\$ 57,896
Total Auxiliaries	\$ 4,084,352		\$ 156,226	\$ 321,643			\$ 45,030	\$ 91,898		\$ 30,786	\$ 62,491
Purchasing											
Personnel	\$ 191,909	100%	\$ 8,636	\$ 21,590		20%	\$ 1,727	\$ 4,318	50%	\$ 864	\$ 2,159
Non-personnel	\$ 127,939	100%	\$ 5,757	\$ 14,393		30%	\$ 1,727	\$ 4,318	70%	\$ 1,209	\$ 3,023
Total Purchasing	\$ 319,848		\$ 14,393	\$ 35,983			\$ 3,454	\$ 8,636		\$ 2,073	\$ 5,182
HR											
Personnel	\$ 782,144	100%	\$ 35,196	\$ 87,991		20%	\$ 7,039	\$ 17,598	50%	\$ 3,520	\$ 8,799
Non-personnel	\$ 195,536	100%	\$ 7,333	\$ 14,665		30%	\$ 2,200	\$ 4,400	70%	\$ 1,540	\$ 3,080
Total HR	\$ 977,680		\$ 42,529	\$ 102,656			\$ 9,239	\$ 21,998		\$ 5,059	\$ 11,879
Legal											
Personnel	\$ 534,545	100%	\$ 24,055	\$ 60,136		20%	\$ 4,811	\$ 12,027	50%	\$ 2,405	\$ 6,014
Non-personnel	\$ 356,364	100%	\$ 13,364	\$ 26,727		30%	\$ 4,009	\$ 8,018	70%	\$ 2,806	\$ 5,613
Total Legal	\$ 890,909		\$ 37,418	\$ 86,864			\$ 8,820	\$ 20,045		\$ 5,212	\$ 11,626
Total Functions	\$ 30,655,492		\$ 1,295,373	\$ 3,028,121			\$ 349,414	\$ 810,441		\$ 216,190	\$ 496,310
Personnel	\$ 15,777,541		\$ 709,989	\$ 1,774,973			\$ 141,998	\$ 354,995		\$ 70,999	\$ 177,497
Non-Personnel	\$ 14,877,951		\$ 585,384	\$ 1,253,148			\$ 207,416	\$ 455,447		\$ 145,191	\$ 318,813

<i>Other Personnel</i>		Planned			Planned			Planned		
Faculty	\$ 36,662,203	100%	\$ 366,622	\$ 458,278	25%	\$ 91,656	\$ 114,569	20%	\$ 18,331	\$ 22,914
Other Staff	\$ 20,884,662	100%	\$ 407,251	\$ 584,771	35%	\$ 142,538	\$ 204,670	60%	\$ 85,523	\$ 122,802
Benefits	\$ 24,651,143	100%	\$ 331,501	\$ 446,807	35%	\$ 116,025	\$ 156,382	60%	\$ 69,615	\$ 93,829
Total Other Personnel	\$ 82,198,007		\$ 1,105,374	\$ 1,489,855		\$ 350,219	\$ 475,621		\$ 173,469	\$ 239,545
TOTAL	\$ 121,275,271		\$ 2,931,654	\$ 5,620,668		\$ 858,905	\$ 1,616,870		\$ 327,681	\$ 901,344
<i>Personnel related</i>	\$ 97,975,548		\$ 1,815,363	\$ 3,264,828		\$ 492,217	\$ 830,616		\$ 70,999	\$ 350,966
<i>Non-personnel</i>	\$ 23,299,723		\$ 1,116,290	\$ 2,355,840		\$ 366,688	\$ 786,254		\$ 256,682	\$ 550,378

SAVINGS ASSUMPTIONS

	Commodities																															
	FY13 to FY14	FY14 to FY15	FY15 to FY16																													
Pessimistic	10%	10%	40%																													
Planned	100%	30%	70%																													
Aggressive	120%	50%	100%																													
Personnel																																
	OPM			IT			Finance			Auxiliaries			Purchasing			HR			Legal													
	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16		
	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29					
Pessimistic	10%	10%	30%		10%	10%	30%		10%	10%	30%		10%	10%	30%		10%	10%	30%		10%	10%	30%		10%	10%	30%		10%	10%	30%	
Planned	100%	20%	50%		100%	20%	50%		100%	20%	50%		100%	20%	50%		100%	20%	50%		100%	20%	50%		100%	20%	50%		100%	20%	50%	
Aggressive	150%	40%	90%		150%	40%	90%		150%	40%	90%		150%	40%	90%		150%	40%	90%		150%	40%	90%		150%	40%	90%		150%	40%	90%	
Non-Personnel																																
	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16		
Pessimistic	10%	10%	40%		10%	10%	40%		10%	10%	40%		10%	10%	40%		10%	10%	40%		10%	10%	40%		10%	10%	40%		10%	10%	40%	
Planned	100%	50%	70%		100%	30%	70%		100%	30%	70%		100%	30%	70%		100%	30%	70%		100%	30%	70%		100%	30%	70%		100%	30%	70%	
Aggressive	150%	90%	100%		150%	50%	100%		150%	50%	100%		150%	50%	100%		150%	50%	100%		150%	50%	100%		150%	50%	100%		150%	50%	100%	
Other Staff																																
	Faculty			Other Staff			EM																									
	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16	FY13 to FY14	FY14 to FY15	FY15 to FY16		
Pessimistic	10%	10%	10%		10%	10%	5%	5%	5%																							
Planned	100%	25%	20%		100%	35%	15%	40%	40%																							
Aggressive	150%	50%	30%		155%	60%	40%	50%	50%																							

Cost per Credit Hour	\$450.00					
Per Term Retention						
				90%	90%	
				1/1/2013	3/1/2013	6/1/2013
Start				20	35	50
Re-enroll T2					18	31
Re-enroll T3						16
Re-enroll T4						
Re-enroll T5						
Total Students Per term				20	53	97
Credit Hour per term	6			120	318	582
Revenue	refund	5%		\$ 51,300.00	\$ 135,945.00	\$ 248,805.00
Add / Drop Date						
Invoice Date						
Due Date						

Education/Marketing/Enrollment Cost	Quantity	Cost				
LMS Cost	2	\$ 89.00		\$ 3,560.00	\$ 9,434.00	\$ 17,266.00
Professor	2	\$ 2,500.00		\$ 5,000.00	\$ 10,000.00	\$ 15,000.00
Re-enrollment/Retention/Student Services		\$ 500.00			\$ 9,000.00	\$ 23,500.00
Enrollment/Marketing/Advertising	1	\$ 3,000.00		\$ 60,000.00	\$ 105,000.00	\$ 150,000.00
Total				\$ 68,560	\$ 133,434	\$ 205,766
School Expense						
School Revenue		30%		\$ 15,390	\$ 40,784	\$ 74,642
School Profit				\$ 15,390	\$ 40,784	\$ 74,642
EOServe Corp. Expense				\$ (51,440)	\$ (94,566)	\$ (141,234)
EOServe Corp. Revenue		70%		\$ 35,910	\$ 95,162	\$ 174,164
EOServe Corp. Profit				\$ (15,530)	\$ 596	\$ 32,930

90% 8/1/2013	90% 10/1/2013		Total	Retention
75	75		255	100%
45	67		161	63%
27	40		83	52%
14	24		38	46%
	12		12	60%
161	218		218	
966	1308		3294	
\$ 412,965.00	\$ 559,170.00		\$ 1,408,185.00	

\$ 28,658.00	\$ 38,804.00		\$ 97,722
\$ 25,000.00	\$ 35,000.00		\$ 90,000
\$ 43,000.00	\$ 143,000.00		\$ 218,500
\$ 225,000.00	\$ 225,000.00		\$ 765,000

\$ 321,658	\$ 441,804		\$ 1,171,222
			\$ -
\$ 123,890	\$ 167,751		\$ 422,456
\$ 123,890	\$ 167,751		\$ 422,456

\$ (214,342)	\$ (294,196)		\$ (795,778)
\$ 289,076	\$ 391,419		\$ 985,730
\$ 74,734	\$ 97,223		\$ 189,952

Cost per Credit Hour	\$ 472.50			1st Term Drop	2nd Term Drop	3rd Term Drop
Per Term Retention				90%	90%	90%
				start 1	start 2	start 3
Start				100	100	100
Re-enroll T2					90	90
Re-enroll T3						81
Re-enroll T4						
Re-enroll T5						
Previous Academic Year- Students				210	189	170
Total students Per term				310	379	441
Credit Hour per term	6			1860	2274	2646
Revenue	refund	5%		\$ 834,907.50	\$ 1,020,741.75	\$ 1,187,723.25
Add / Drop Date						
Invoice Date						
Due Date						

Education/Marketing/Enrollment Cost	Quantity	Cost				
LMS Cost	2	\$ 69.00		\$ 42,780.00	\$ 52,302.00	\$ 60,858.00
Professor	2	\$ 2,500.00		\$ 44,285.71	\$ 54,142.86	\$ 63,000.00
Re-enrollment/Retention		\$ 400.00			\$ -	\$ 32,400.00
Enrollment	1	\$ 3,000.00		\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Total				\$ 387,066	\$ 406,445	\$ 456,258
School Expense						
School Revenue		30%		\$ 250,472	\$ 306,223	\$ 356,317
School Profit				\$ 250,472	\$ 306,223	\$ 356,317

EOServe Corp. Expense				\$ (387,066)	\$ (406,445)	\$ (456,258)
EOServe Corp. Revenue		70%		\$ 584,435	\$ 714,519	\$ 831,406
EOServe Corp. Profit				\$ 197,370	\$ 308,074	\$ 375,148

4th Term Drop 5th Term Drop
 90% 90%

start 4	start 5		Total	Retention
100	100		500	100%
90	90		360	72%
81	81		243	68%
72	72		144	59%
	64		64	64%
153	137		137	63%
496	544		544	
2976	3264		13020	
\$ 1,335,852.00	\$ 1,465,128.00		\$ 5,844,352.50	

\$ 68,448.00	\$ 75,072.00		\$ 299,460
\$ 70,857.14	\$ 77,714.29		\$ 310,000
\$ 61,200.00	\$ 141,600.00		\$ 235,200
\$ 300,000.00	\$ 300,000.00		\$ 1,500,000

\$ 500,505	\$ 594,386		\$ 2,344,660
			\$ -
\$ 400,756	\$ 439,538		\$ 1,753,306
\$ 400,756	\$ 439,538		\$ 1,753,306

\$ (500,505)	\$ (594,386)		\$ (2,344,660)
\$ 935,096	\$ 1,025,590		\$ 4,091,047
\$ 434,591	\$ 431,203		\$ 1,746,387

Cost per Credit Hour	\$ 496.13			1st Term Drop	2nd Term Drop	3rd Term Drop
Per Term Retention				90%	90%	90%
				start 1	start 2	start 3
Start				125	125	125
Re-enroll T2					112	112
Re-enroll T3						100
Re-enroll T4						
Re-enroll T5						
Previous Academic Year - Students				489	440	396
Total students Per term				614	677	733
Credit Hour per term	6			3684	4062	4398
Revenue	refund	5%		\$ 1,736,338.28	\$ 1,914,496.76	\$ 2,072,859.86
Add / Drop Date						
Invoice Date						
Due Date						

Education/Marketing/Enrollment Cost	Quantity	Cost				
LMS Cost	2	\$ 69.00		\$ 84,732.00	\$ 93,426.00	\$ 101,154.00
Professor	2	\$ 2,500.00		\$ 87,714.29	\$ 96,714.29	\$ 104,714.29
Re-enrollment/Retention		\$ 300.00			\$ 33,600.00	\$ 30,000.00
Enrollment	1	\$ 3,000.00		\$ 375,000.00	\$ 375,000.00	\$ 375,000.00
Total				\$ 547,446	\$ 598,740	\$ 610,868
School Expense						
School Revenue		30%		\$ 520,901	\$ 574,349	\$ 621,858
School Profit				\$ 520,901	\$ 574,349	\$ 621,858

EOServe Corp. Expense				\$ (547,446)	\$ (598,740)	\$ (610,868)
EOServe Corp. Revenue		70%		\$ 1,215,437	\$ 1,340,148	\$ 1,451,002
EOServe Corp. Profit				\$ 667,991	\$ 741,407	\$ 840,134

4th Term Drop 5th Term Drop
 90% 90%

start 4	start 5		Total	Retention
125	125		625	100%
112	112		448	72%
100	100		300	67%
90	90		180	60%
	81		81	65%
356	320		320	59%
783	828		828	
4698	4968		21810	
\$ 2,214,255.49	\$ 2,341,511.55		\$ 10,279,461.94	

\$ 108,054.00	\$ 114,264.00		\$ 501,630
\$ 111,857.14	\$ 118,285.71		\$ 519,286
\$ 57,000.00	\$ 177,300.00		\$ 297,900
\$ 375,000.00	\$ 375,000.00		\$ 1,875,000

\$ 651,911	\$ 784,850		\$ 3,193,816
			\$ -
\$ 664,277	\$ 702,453		\$ 3,083,839
\$ 664,277	\$ 702,453		\$ 3,083,839

\$ (651,911)	\$ (784,850)		\$ (3,193,816)
\$ 1,549,979	\$ 1,639,058		\$ 7,195,623
\$ 898,068	\$ 854,208		\$ 4,001,808

Cost per Credit Hour	\$ 520.93			1st Term Drop	2nd Term Drop	3rd Term Drop
Per Term Retention				90%	75%	90%
				start 1	start 2	start 3
Start				150	150	150
Re-enroll T2					112	135
Re-enroll T3						100
Re-enroll T4						
Re-enroll T5						
Previous Academic Year Students				726	653	489
Total students Per term				876	915	874
Credit Hour per term	6			5256	5490	5244
Revenue	refund	5%		\$ 2,601,113.92	\$ 2,716,916.93	\$ 2,595,175.30
Add / Drop Date						
Invoice Date						
Due Date						

Education/Marketing/Enrollment Cost	Quantity	Cost				
LMS Cost	2	\$ 69.00		\$ 120,888.00	\$ 126,270.00	\$ 120,612.00
Professor	2	\$ 2,500.00		\$ 125,142.86	\$ 130,714.29	\$ 124,857.14
Re-enrollment/Retention		\$ 300.00			\$ 33,600.00	\$ 30,000.00
Enrollment	1	\$ 3,000.00		\$ 450,000.00	\$ 450,000.00	\$ 450,000.00
Total				\$ 696,031	\$ 740,584	\$ 725,469
School Expense						
School Revenue		30%		\$ 780,334	\$ 815,075	\$ 778,553
School Profit				\$ 780,334	\$ 815,075	\$ 778,553

EOServe Corp. Expense				\$ (696,031)	\$ (740,584)	\$ (725,469)
EOServe Corp. Revenue		70%		\$ 1,820,780	\$ 1,901,842	\$ 1,816,623
EOServe Corp. Profit				\$ 1,124,749	\$ 1,161,258	\$ 1,091,154

4th Term Drop

5th Term Drop

90%

90%

start 4	start 5		Total	Retention
150	150		750	100%
135	135		517	69%
121	121		342	66%
90	108		198	58%
	81		81	54%
440	396		396	48%
936	991		991	
5616	5946		27552	
\$ 2,779,272.41	\$ 2,942,584.35		\$ 13,635,062.91	

\$ 129,168.00	\$ 136,758.00		\$ 633,696
\$ 133,714.29	\$ 141,571.43		\$ 656,000
\$ 63,300.00	\$ 211,800.00		\$ 338,700
\$ 450,000.00	\$ 450,000.00		\$ 2,250,000

\$ 776,182	\$ 940,129		\$ 3,878,396
			\$ -
\$ 833,782	\$ 882,775		\$ 4,090,519
\$ 833,782	\$ 882,775		\$ 4,090,519

\$ (776,182)	\$ (940,129)		\$ (3,878,396)
\$ 1,945,491	\$ 2,059,809		\$ 9,544,544
\$ 1,169,308	\$ 1,119,680		\$ 5,666,148

Cost per Credit Hour	\$ 546.98			1st Term Drop	2nd Term Drop	3rd Term Drop
Per Term Retention				90%	90%	90%
				start 1	start 2	start 3
Start				200	200	200
Re-enroll T2					180	180
Re-enroll T3						162
Re-enroll T4						
Re-enroll T5						
Previous Academic yr Students				779	701	630
Total students Per term				979	1081	1172
Credit Hour per term	6			5874	6486	7032
Revenue	refund	5%		\$ 3,052,300.29	\$ 3,370,313.19	\$ 3,654,030.58
Add / Drop Date						
Invoice Date						
Due Date						

Education/Marketing/Enrollment Cost	Quantity	Cost				
LMS Cost	2	\$ 69.00		\$ 135,102.00	\$ 149,178.00	\$ 161,736.00
Professor	2	\$ 2,500.00		\$ 139,857.14	\$ 154,428.57	\$ 167,428.57
Re-enrollment/Retention		\$ 300.00			\$ 54,000.00	\$ 48,600.00
Enrollment	1	\$ 3,000.00		\$ 600,000.00	\$ 600,000.00	\$ 600,000.00
Total				\$ 874,959	\$ 957,607	\$ 977,765
School Expense						
School Revenue		30%		\$ 915,690	\$ 1,011,094	\$ 1,096,209
School Profit				\$ 915,690	\$ 1,011,094	\$ 1,096,209

EOServe Corp. Expense				\$ (874,959)	\$ (957,607)	\$ (977,765)
EOServe Corp. Revenue		70%		\$ 2,136,610	\$ 2,359,219	\$ 2,557,821
EOServe Corp. Profit				\$ 1,261,651	\$ 1,401,613	\$ 1,580,057

Course Development		\$ 5,000.00		\$ -
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4th Term Drop 5th Term Drop
 90% 90%

start 4	start 5		Total	Retention
200	200		1000	100%
180	180		720	72%
162	162		486	68%
145	145		290	60%
	130		130	65%
567	510		510	51%
1254	1327		1327	
7524	7962		34878	
\$ 3,909,688.01	\$ 4,137,285.48		\$ 18,123,617.54	

\$ 173,052.00	\$ 183,126.00		\$ 802,194
\$ 179,142.86	\$ 189,571.43		\$ 830,429
\$ 92,100.00	\$ 284,100.00		\$ 478,800
\$ 600,000.00	\$ 600,000.00		\$ 3,000,000

\$ 1,044,295	\$ 1,256,797		\$ 5,111,423
			\$ -
\$ 1,172,906	\$ 1,241,186		\$ 5,437,085
\$ 1,172,906	\$ 1,241,186		\$ 5,437,085

\$ (1,044,295)	\$ (1,256,797)		\$ (5,111,423)
\$ 2,736,782	\$ 2,896,100		\$ 12,686,532
\$ 1,692,487	\$ 1,639,302		\$ 7,575,110

Active Students	1327
Revenue	\$ 49,290,679.88
LMS Cost	
Professor	
Re-enrollment/Retention	
Enrollment	
School Expense	\$ -
School Revenue	\$ 14,787,203.97
School Profit	\$ 14,787,203.97
EOServe Corp. Expense	\$ (15,324,072.29)
EOServe Corp. Revenue	\$ 34,503,475.92
EOServe Corp. Profit	\$ 19,179,403.63