

**LSU AgCenter**  
**Faculty Council Meeting**  
**August 19, 2011**  
**Sullivan Conference Room**  
**9:30 a.m.**



**Members Present:** Joan Almond, Sharman Charles, Quincy Cheek, Hallie Dozier, Wayne M. Gauthier, Diane Glasgow, Allen Hogan, Clayton Hollier, Natalie Hummel, Joan King, Robin Landry, Nicole LeMaire, Ken McMillin, Guy Padgett, Ross Pruitt, Ed Twidwell, and Richard Vlosky.

**Members Absent:** none

**Proxies:** Nicole LeMaire for Lisa Benoit, Allen Hogan for Johnny Saichuk, Ross Pruitt for John Westra

**Guests:** Dr. William B. Richardson, Chancellor, LSU Agricultural Center; Mark Legendre, Chief Fiscal Officer, LSU Agricultural Center; and Ann Coulon, Director, Human Resource Management, LSU Agricultural Center.

### **HIGHLIGHTS**

- . Declaration of Financial Exigency Not Viable in Present Time (2, 24, 28)
- . Business Plan Being Developed for Oversight Committee's Input Identifies Changes (3)
- . Property Leases & Sales Now Potential Sources of Revenue for LSU AgCenter (4)
- . Proposed National Initiative for Funding Land Grant Institutions (5)
- . Animal Science Complex Awaits Groundbreaking Ceremony (6)
- . REC's December Meeting Significant to Louisiana's Higher Education Institutions (7)
- . Status of Suit Over Use of One Time Money to Balance Budget Unknown (8)
- . Earmarks Dead in Short Run – Possible Resurrection in Long Run (9)
- . Core Problem: Level, Not Distribution of Formula and Grant Funding (10)
- . Observations Regarding Privatization of Office of Group Benefits (OGB) (11, 21)
- . Proposal to Provide Employees with Taxable \$80/Month Cell Phone Stipends (12-13)
- . Okay for Self-Generated Money to Fund Travel (14)
- . Distribution of F&A Money According to a Four Tiered System (16)
- . LaCarte, Personal Credit Cards and Monetary Limit Specifications (17, 34)

- . Changes Outlined for LSU Agricultural Center Housing Policy (18-19)
- . Notes from LSU Council of Faculty Advisors and Board of Supervisors Meetings (22-32)
- . Council Issues Statement of Support for Office of Special Programs (33)
- . Notes from Information Technology Committee (35)
- . Names of Candidates for Service Advisory Committees Forwarded to Chancellor (36)
- . Guests for September Meeting Identified (37)
- . Notification of Forthcoming Election of Faculty Council Members (38)

## **Call to Order**

Chairman McMillin called the meeting to order at 9:30 a.m. on August 19, 2011 in the Sullivan Room of the John M. Parker Agricultural Center.

## **Old Business**

The minutes of the July 15, 2011 meeting were approved on a voice vote.

## **Dr. William B. Richardson, Chancellor's Report**

1. Southern University's struggles with furloughs and financial exigency are not matters on the LSU Agricultural Center's agenda.
2. At its July meeting, Chancellor Richardson provided the Board of Supervisors (BOS) with information critical to the decision-making process regarding a declaration of financial exigency. A declaration of financial exigency would have provided the LSU Agricultural Center with more strategic options for coping with its deficit funding situation. However, the legal issues associated with a declaration of financial exigency rendered it a less practical option than proceeding without it at the present time.
3. A rough draft of a plan identifying future actions to pursue has been prepared for the Oversight Committee's review. Chancellor Richardson indicated a likely need for additional experiment station closures and realignments of some departments. He emphasized that this was a draft document designed to accommodate faculty input into actions resulting in simultaneous observations of both enhancements and retrenchments of programs within the LSU Agricultural Center. The purpose is to preserve as much of the core of the LSU Agricultural Center as possible and to position the institution to respond to future opportunities.
4. Chancellor Richardson has met with key people in the Governor's office regarding the funding crisis confronting the LSU Agricultural Center. These people appreciate that the LSU Agricultural Center needs to have a stable revenue stream. The BOS is now

willing to allow the LSU Agricultural Center to retain any income derived from leases and sales of property. The LSU Agriculture Center is presently working on a servitude agreement for the Rosepine Experiment Station. If approved, the Rosepine Experiment Station will be made available for leasing.

5. The LSU Agricultural Center has been involved in a national initiative that could result in an annual line item funding in the national budget for land grant universities nationwide. This initiative minimizes the number of visits to Congressional offices from representatives of higher education communities all seeking additional funding for their institutions. Chancellor Richardson expects that concessions would be made for the 1890 and 1894 institutions. There is a likelihood of a 15% reduction in Smith Lever funds which would reduce funding to the Louisiana Cooperative Extension Service by one million dollars.
6. Chancellor Richardson expects the ground for the Animal Sciences Complex to be broken in the next thirty (30) days.
7. The Revenue Estimating Committee (REC) will most likely not meet again until December, 2011. Dr. Richardson is cautiously optimistic that there will not be a mid-year budget cut. However, there is concern that the legislature's use of one time money to balance the budget will have negative impacts on the state's funding of its higher education institutions in the future. There is new leadership in both the Louisiana House and Senate making it difficult to predict future developments. The qualifying deadline for candidates for state-wide offices is September 8, 2011.
8. Chancellor Richardson reported that he did not know the status of the lawsuit filed by some legislators regarding the use of one time money for purposes of balancing the state's budget.
9. Dr. Richardson speculated that earmarks are dead in the short term, but may not be in the long term.
10. Chancellor Richardson observed that the core problem is not the percentage distributions between formula funds and competitive grant funds, but the total amount of funds appropriated for research to the nation's institutions of higher learning.
11. The question with respect to the privatization of the Office of Groups Benefits is whether there is enough opposition to stop it.

**Mark Legendre, Chief Fiscal Officer, Louisiana State University Agricultural Center**

12. Legendre indicated that a proposal was being developed to resolve IRS and other problems associated with the LSU Agricultural Center's provision of cell phones to its employees. The provision of cell phones to employees costs the LSU Agricultural Center over \$350,000 annually. The Internal Revenue Service (IRS) contends that a person's access to an employer provided cell phone is a tangible benefit that should be taxed as ordinary income. The IRS argues that 20% of the employer provided cell phone usage is for business and the remaining 80% is personal use. The proposal outlined by Legendre would provide the employee needing a cell phone to discharge their LSU Agricultural Center duties a \$50 for cell phone and \$80/month cell phone and data plan stipend that would be taxable. The stipend is to offset the employee's cost for the business use of their cell phone. In exchange for the stipend, the employee would have to purchase their own phone, be responsible for the phone bill and document all costs. Previously issued phones can continue to be used by the LSU Agricultural Center employee, but would be responsible for payment of bills.
13. In response to questions, Legendre made the following observations:
- a. If the employee has an ipad, there has got to be a business reason if they are to receive the \$80/month stipend to offset their communication charges.
  - b. The LSU Agricultural Center is seeking to make the policy effective immediately and to implement it on January 1, 2012.
  - c. A Blackberry doesn't work in the LSU Agricultural Center's system.
  - d. Savings will accrue in that the LSU Agricultural Center cost to process its cell phone bills would be reduced.
  - e. AT&T provides discounts for state employees.
  - f. IRS is going to be auditing cell phone usage.
  - g. Possession and use of a cell phone will be specified in the appropriate LSU Agricultural Center's job descriptions.
14. Out of State travel on self generated funds is okay. It is just state funds that can't be used for travel. It was observed that the AARP rate is better than the state rate for lodging.
15. The appropriate zip code for the Louisiana State University Agricultural Center is 70803.
16. The four tier system used in distributing F&A monies generated from grants is set by the state. F&A rebate policy allocates 25% to the faculty member who is the principal investigator (PI); 25% to that PI's unit; and 50% to that PI's appropriate Vice-

Chancellor. Notification is provided to the unit head as to the availability of the F&A money to both the department and to the PI as a consequence of an awarded grant. The PI is assigned a number which permits the PI to track the specific expenditures associated with each of that PI's grants. The annual documentation period for grant expenditures is July 1 to June 30. A report is prepared and released in September that documents all expenditures by specific grant between the July 1 and June 30 accounting period. In response to a question regarding the accuracy of the accounting system, Legendre suggested that the flaw might lie within the processing system. There appeared to be a consensus that no transaction should take three (3) months to process.

17. Legendre advised employees to shred all of their out-of-date LaCarte cards. Legendre favors LaCarte usage because of its tractability feature. People without LaCarte cards use their personal credit cards. To travel, people need a line of credit on their cards up to \$5,000. Travel authorization needs the appropriate levels of administrative approvals. A \$1,000 ceiling distinguishes equipment from supplies. Extension office staff and faculty are exempt from having to rent cars. There are \$5,000 purchasing and \$5,000 travel limits per processing transaction. Employees authorized to purchase supplies can get their limits raised to \$1,000.

**Ms. Ann Coulon, Director, Human Resource Management, Louisiana State University Agricultural Center**

18. Ms. Coulon advised the Council that policy changes regarding LSU Agricultural Center housing were going to be enacted in the near future. There are over 70 employees who occupy LSU Agricultural Center dwellings. There are issues associated with guests, pets, the payment of utilities and other matters necessitating these policy changes. Some of the items that will be incorporated into the revised housing policy will be:

- a. Only immediate family members can reside in a LSU Agricultural Center dwelling;
- b. Charges for utilities will be the responsibility of the employee;
- c. Unit heads and resident coordinators will inspect the dwelling at least once annually; and
- d. the LSU Agricultural Center will not be responsible for any contents.

19. There was a question as to whether the LSU Agricultural Center would have to provide alternative housing if something were to happen that would make the dwelling uninhabitable.

20. There is a policy on sexual harassment under legal review.

21. Ms. Coulon responded to a question about the privatization of the Office of Group Benefits (OGB). The governor's office did not have any representative attend the question and answer (Q&A) session regarding the privatization of the OGB. One member of the Council indicated that the school teachers are against privatization. The current privatization proposal would supposedly keep half of the employees currently employed with the Group Benefits Program. Administration of the LSU First program is working although its carriers tend to want the administration to use their existing off-the-shelf programs. Legislators have, prior to term limits, had more opportunity to retire as legislators and keep their OGB insurance for life.

## Reports

22. Natalie Hummel attended meetings of both the LSU Council of Faculty Advisors (COFA) and the LSU Board of Supervisors (BOS) on July 15, 2011. Dr. Rasmussen reviewed actions taken by the Board of Supervisors (BOS). The BOS conducts the majority of their business through their committees whose meetings are not public.

23. Michael Walker Jones appealed to have payroll deductions from LSU checks made for the Louisiana Education Association (LEA). That appeal was (taken under advisement, denied).

24. The issue of exigency was discussed at the Louisiana Council of Faculty Advisors (LCFA) meeting. Their next meeting is scheduled for Sept 24, 2011.

25. Hummel reported that Dr. Mike Martin, Chancellor of LSU-BR, provided an explanation for the declining numbers of applications to the Honors College.

26. Note was made of the fact that the NCAA golfing champions were LSU athletes.

27. A report on the LSU System's budget suggested that it was in relatively good shape.

28. Chancellor Richardson's request for financial exigency had few questions. The BOS, however, did ask for a budget overview presentation.

29. Twelve (12) resolutions addressing higher education were enacted during the 2011 legislative session. Consolidation of the four boards that oversee higher education in Louisiana was of the greatest interest.

30. Louisiana's institutions of higher education are surviving through the declines in state support by increasing tuitions. All other revenue raising measures for colleges and universities were rejected by the legislature. If any proposal for higher education funding was not related to the LaGrad Act, it was rejected during the 2011 legislative session.
31. LSU-Shreveport was identified as the most affordable college in Louisiana.
32. Mike Hebert, a legislator with interest in higher education, was reportedly on a listening tour at Nichols State University.

### **Other**

33. The Council approved a drafted statement of support for the Office of Special Programs as its workload has increased with the emphasis and need for attracting external funding for the LSU Agricultural Center.
34. Chairperson McMillin is to be receiving a copy of the policy governing the LaCarte card.
35. Rich Vlosky provided members of the Council with an Information Technology (IT) committee report. IT now functions with 26 or 27 employees. At an earlier time, it had 41 employees. As a consequence, there are a large number of unfilled positions requiring people to multitask. The CF system is assessing its architecture and the approval process for expediting information to their clientele. A number of problems plague the IT directorate. People are misidentified as to position. Some extension agents are listed as support staff. People are still being carried who have left the LSU Agricultural Center. The Remote Conferencing System (RCS) is expensive to maintain. The trend is moving towards the desktop system for participation in live and interactive meetings. A survey to identify information technology needs of the units is being conducted by Fred Piazza. Vlosky is of the opinion that the virtual private network is of value.
36. The names of people to serve on various Service Advisory Committees will be sent to the Chancellor for review, selection and appointment.
37. Dr. Lakshman Velupillai, Vice-Chancellor for International Programs and Fred Piazza, Director of Information Technology, are scheduled to meet with the Council at its September 2011 meeting.

38. McMillin reported that the election for replacement members on the Faculty Council to fill vacancies created by the mandated annual rotation was approaching. Members of the Council should be encouraging qualified people to apply for these vacant positions.
39. It was reported that Mike Dunn is chair of the Communications Advisory Committee. The Committee has met and their minutes will be forthcoming.

The motion to adjourn was made, seconded and passed on a voice vote.

Respectfully submitted,

Wayne M. Gauthier  
Secretary