LETTER OF TRANSMITTAL

February 26, 1999

The Honorable George W. Bush
The Honorable Rick Perry
The Honorable James E. "Pete" Laney
Members of the Texas Legislature
State Auditor Lawrence Alwin
Commissioner Don Brown, Ph.D.

Ladies and Gentlemen:

I am pleased to present a final report on the Comptroller's performance review of Texas Southern University (TSU).

The Comptroller's office began its review of TSU in February 1998, at the request of a university regent. Months of work ensued, interrupted by periods of considerable political and administrative turmoil at the university.

The information presented in this report has been reviewed by TSU administrators and the timelines and strategies have been designed to reflect dates that the individuals assigned to each task believe are reasonable. It also should be noted that work on implementing some of these recommendations already has begun, and some implementation strategies reflect tasks that are complete or in progress.

The 124 recommendations in this report constitute a management plan for comprehensively reengineering TSU, a program that could help TSU remain vital and independent. Our recommendations could save TSU more than $14.8 million over the next five years, while reinvesting $10.6 million to improve educational services and other operations.

We are grateful for the cooperation of TSU's administrators and employees and stand ready to assist the university as it continues work on implementing these recommendations.

Sincerely,

Billy Hamilton
Deputy Comptroller

Executive Summary
PART 1

At the request of a Board of Regent member, the Comptroller's office began its performance review of Texas Southern University (TSU) in February 1998. After months of work interrupted by considerable turmoil surrounding TSU, MGT of America, Inc., the consulting firm contracted to assist in the review, gave oral presentations of the review's findings and recommendations to interested parties.

In January 1999, MGT briefed the university's then-president, administrators, and regents, as well as the state auditor and key state leaders and legislators. At the request of several legislators, the Comptroller's review team returned to TSU in early February to update its draft report and issue a final document that reflects, to the extent possible, TSU's current condition and contains detailed recommendations, implementation strategies, and fiscal impact estimates that could be useful to the university. The information presented in this report has been reviewed by TSU administrators, and the timelines and strategies have been reworked to reflect implementation dates that the individuals assigned to each task believe are reasonable. In some cases, implementation of these recommendations already has begun.

For more than two decades, TSU has experienced serious financial and management difficulties. Most recently, these difficulties include declining student enrollment, critical financial audits, potential losses of federal funding, and contingency appropriations by the Texas Legislature to cover anticipated cash-flow shortages.

Warnings by the Texas State Auditor's Office and the Texas Legislature went substantially unresolved until, in frustration, the 1997 Legislature required TSU to take action or face being absorbed by one of the state's university systems:

> The Board of Regents of Texas Southern University shall establish a team of outside experts no later than September 1, 1997. The team shall work with the institution's administration to assist in establishing and implementing management and financial procedures and comprehensive internal oversight systems and controls at Texas Southern University, including finance and accounting, human resources, management information systems, planning and communications, and student financial aid. The team may include outside consultants, staff from the Comptroller of Public Accounts, or other appropriate agencies. The team

shall establish a timeline and benchmarks for implementing policies, procedures, and control systems for each of the areas listed above.

If the State Auditor determines that substantial demonstrable progress has not been made by Texas Southern University by June 1, 1998, in establishing, implementing, and maintaining necessary systems and controls, the State Auditor's findings and the reasons therefore shall be reported to the Legislative Audit Committee, after consultation with the Higher Education Coordinating Board, shall make a recommendation to the Seventy-sixth Legislature on placing Texas Southern University under the organization, control, and management of a university system.

The Comptroller's office, in concert with the State Auditor's Office and Governor's Office, assembled several teams of experts to assist the university, including a team familiar with student financial aid and another team of consultants from KPMG Peat Marwick to assist the university in preparing and reconciling its financial statements.

In December 1997, a TSU regent contacted the Comptroller's office and requested a performance review of the university to supplement the work of the expert teams called for by the Legislature. Understanding that past performance reviews by the Comptroller's office had improved the effectiveness and efficiency of various agencies and school districts, the university hoped that similar management improvements could be identified at TSU.

The various teams met with a number of political and organizational obstacles and their work progressed slowly. In December 1998, lawmakers agreed to provide the university with additional state funding, but these funds were accompanied by a stipulation, similar to 1997's, that TSU rectify its long-standing financial problems by April 1999 or face takeover by one of the state's university systems.

Understanding that much of the information contained in the draft report had not been updated since work on the review was interrupted in August 1998, the state leadership asked the present Comptroller to update the report's information and issue a final report. In February 1999, the position of TSU chief operations officer (COO) was filled, and Comptroller staff began working with the COO to update the report. While the review team was visiting the university, TSU President James Douglas was removed from office by the Board of Regents, and Dr. Priscilla Slade, the Dean of the College of Business, was appointed acting president. The chief

financial officer also was removed and replaced with an interim appointment.

On February 17, 1999, the State Auditor's Office issued a highly critical report, noting that of the five areas slated for improvement by the Legislature (finance and accounting, human resources, management information systems, planning and communications, and student financial aid), only two, management information systems and planning and communication, had demonstrated "substantial demonstrable progress." In response, TSU's president and members of the Board of Regents presented plans for making further progress by the April 1, 1999 deadline.

Research Efforts

With the help of MGT of America, the Comptroller's review team conducted surveys, public forums, and focus group sessions and interviewed university employees, members of the Board of Regents, students, parents, business leaders, and representatives from community organizations. In addition, the team collected comments from letters to the Comptroller's office and calls to the Comptroller's toll-free hotline. Selected information from the surveys, public forums, and focus groups appears in Appendices A through C.

In addition, the review team analyzed data collected by the Texas Higher Education Coordinating Board. For purposes of comparison, five peer institutions within Texas were selected for their similarities to TSU in undergraduate student enrollment, minority enrollment, retention rates of first-time, full-time freshmen, and six-year graduation rates. The selected peer institutions were Stephen F. Austin State University, Prairie View A & M, Sam Houston State University, the University of Texas-Pan American, and the University of Houston-Downtown.

In updating this report, Comptroller staff and consultants met with members of the TSU administration and analyzed the findings and recommendations. The recommendations contained in the present report have been reviewed by TSU administrators, who agreed to the associated timelines and implementation strategies, understanding that they are responsible for implementing each phase assigned to them.

Acknowledgments

The Comptroller's office and MGT of America wish to express their appreciation to the TSU Board of Regents and the university employees, students, and community members who helped with the review. Special thanks are due to Don McAdams, TSU's chief operations officer, for facilitating the final update of this report.

Texas Southern University

Originally established in 1947 to provide higher education to African American Texans who were unable to attend or denied access to predominantly Anglo institutions of higher education, Texas Southern University is now the state's largest historically African American institution of higher education. TSU serves about 6,300 students of varying ethnic backgrounds from many states and nations; more than 320 are international students. TSU is accredited by the Southern Association of Colleges and Schools (SACS) and includes eight colleges and schools:

- the College of Arts and Sciences
- the College of Pharmacy and Health Sciences
- the Jesse H. Jones School of Business
- the College of Education
- the College of Continuing Education
- the School of Technology
- the Thurgood Marshall School of Law
- the Graduate School

Within these colleges and schools, TSU offers 54 bachelor's degrees, 30 master's degrees, six doctoral degrees, and two professional degrees (law and pharmacy).

Student enrollment peaked in fall 1993 at 10,800 and dropped by 42 percent by fall 1998, when enrollment lagged to 6,300. The student population is 2.3 percent Anglo, 83.5 percent African American, 5.2 percent Hispanic, 3.6 percent Asian/Pacific Islander, 0.2 percent American Indian/Alaska Native, and 5.2 percent international.

During the 1997-98 school year, TSU awarded 1,072 degrees. Sixty-four percent of these were bachelor's degrees, 17 percent were master's, 15 percent were law degrees, 2 percent were pharmacy degrees, and 2 percent were doctorates.

Summary of Results

In all, the review team found TSU to be a university facing significant challenges. During its review of the university, the team developed 124 recommendations to improve TSU's operations and institute controls to assure its future viability and independence.

The TSU review identified potential savings of nearly $14.8 million that could be realized by fiscal 2003-04, as well as investment opportunities totaling $980,981 in fiscal 1999-2000 and total investment opportunities of $10.6 million through fiscal 2004. Cumulative net savings from all

recommendations (investments less recommended savings) are projected to reach more than $4.1 million by fiscal 2004.

The total estimated savings and costs associated with these recommendations are listed at the end of the executive summary. It should be understood that many recommendations would not have a direct financial impact, but nevertheless would result in tangible improvements in existing conditions.

Exemplary Programs and Practices

Despite its serious problems, TSU's faculty and staff members provide a number of model programs, operations, and services. Other universities throughout Texas are encouraged to examine these exemplary programs and services to see if they could be adapted to meet local needs. Commendations include the following:

- To provide opportunities for students who otherwise would not have access to college programs, TSU has an open enrollment policy, admitting all students regardless of their academic records in high school or at other postsecondary institutions. Consequently, many students require additional course work in reading, writing, and mathematics to increase their basic academic skills. To accommodate these students' needs, the university is developing four-, five-, and six-year degree plans as well as nontraditional schedules for students who work during traditional class times.
- TSU's College of Education offers an extensive Master's and Doctoral Counseling Program that prepares students seeking certification as school counselors from the Texas Education Agency. Students also may elect to take additional Licensed Professional Counselor coursework to become eligible for the Texas State Board Examination for Licensed Professional Counselors. Both the master's and doctoral programs provide field experience in issues pertinent to urban communities.
- Since 1955, TSU has been assigned exclusive rights, through a state and federal agreement, to offer a post-baccalaureate doctoral program in pharmacy. The program is in high demand and graduates many successful pharmacy students.
- The School of Technology has developed many useful partnerships to enhance the programs offered to students. Several projects have included collaboration with businesses and other universities. For example, the School of Technology entered into an agreement with EDS/Unigraphics to obtain $2 million in computer software and training. Moreover, the college has signed an agreement with a South African university for a student and faculty exchange program and joint research.

- Understanding that the university's relationship with the media largely has been negative, TSU implemented a universitywide media day and quarterly editorial board meetings with the *Houston Chronicle,* and has secured donations of public service advertisements from the *Houston Chronicle* and the local NBC television affiliate.
- In 1992, TSU contracted with the Follett College Store Corporation to provide the university with a full-service academic bookstore. The contract provides for an annual guarantee to the university of $250,000 plus 8.5 percent of the first $2.5 million in sales and 9.5 percent of all sales above $2.5 million. The book store is well-managed and Follett has made renovations to the bookstore that exceed the contract requirements. The contractual arrangement is profitable for the university and convenient for students.

Key Findings and Recommendations

The following recommendations emphasize concerns in each of the areas under review. Detailed findings, recommendations, implementation strategies and timelines, and fiscal impacts can be found in the individual chapters of the report. A concise listing of recommendations and fiscal impacts appears at the end of this executive summary.

University Organization and Management: TSU's nine-member Board of Regents operates with nine committees and meets at least monthly. While additional meetings and committees often are necessary during periods of crisis, the board should consider whether the current system helps to address crises or contributes to them. Excessive meetings and a long series of reversed policy decisions have only added to the confusion in the university's administration. Reducing the number of meetings and committees, and compiling and publishing a revised set of board by-laws and polices are critical if the administration is expected to be held accountable for carrying out the directives of the board.

Organizationally, TSU has created a position of chief operations officer, but the duties and responsibilities of the position are unclear, as is the working relationship between the COO, the president, and the board. Defining the reporting relationships and clearly delineating respective roles and responsibilities are critical if the university is to make the demonstrable progress expected by the Texas Legislature.

Educational Service Delivery and Performance Measures: TSU has a rapidly declining enrollment yet continues to operate with the same number of staff and administrators required during the peak of its enrollment. Two recommendations are designed to help TSU bring its

costs and structure in line with its enrollment: consolidating the School of Technology with an existing school or college, and evaluating course schedules and faculty assignments and consolidating or eliminating the course offerings that are significantly under capacity. Both recommendations will require considerable thought and analysis before implementation, but both are necessary if the university is to remain viable.

Personnel Management: TSU has not conducted relevant market comparisons of salaries and compensation packages when setting minimum salary levels; has not conducted a comprehensive classification and pay analysis of administration and support positions; and does not have a merit pay system to reward employees that are performing above expectations. Putting these basic systems in place should improve the university's ability to recruit new employees and move toward a fair and equitable compensation plan.

Alumni and Community Involvement: TSU is not doing a good job of engaging its alumni in the support and promotion of the university. On average, TSU received less than $2 per year from each of its 30,000 alumni for the last six-year period. Development Councils have been used successfully by other organizations to develop strategies for increasing alumni involvement, support, and contributions.

Facilities Use and Management: Many of the recommendations dealing with facility use and management are in the process of being addressed, including filling the vacant position of director of Architecture, Engineering, and Construction; preparing and publishing a new Policies and Procedure Manual for Facilities Planning and Operations; identifying facility needs and preparing a long-term capital projects plan; and modifying the work order system to provide more timely management reports. These are all critical issues that must be seen to completion, but it also is important that these efforts be institutionalized so that procedures are in place to continually monitor and improve the processes.

Asset and Risk Management: A team of accountants from the Comptroller's office prepared cash flow projections for TSU for 1998, but TSU has not prepared cash flow projections for itself since August 1997. Cash flow projections are not idle paperwork or tools to be used on a discretionary basis. TSU must understand that critical keys to managing cash are preparing and using cash flow projections to maximize investment earnings and identifying projected shortfalls before a crisis develops. Related to this is a recommendation to invest daily cash balances at the highest possible interest rates. Using an investment pool for idle cash could generate as much as $50,000 annually in additional interest.

Financial Management: The key to re-engineering TSU's fiscal operations is systematically walking through the capability of the new computer system, examining existing processes and procedures, and establishing new procedures to accomplish the tasks at hand. This cannot be done as a piecemeal approach. The computer system must operate effectively, the users must understand the capability of the new system, and systems and controls must be developed for performing routine and non-routine tasks. The COO already has begun using the detailed steps outlined in this chapter for recreating a sound financial accounting system at TSU.

Due to understaffing, TSU performs no collection activity on student accounts receivable, other than loans to students under the National Direct Student Loan program. Hiring a full-time collector would allow collections to increase by more than $425,000 annually, more than paying for the collector's $35,000 a year salary.

Contract and grant management continue to challenge TSU. The database of information on grants was brought current through August 31, 1998. Difficulties in closing the books at the end of fiscal 1998 and computer-system problems have prevented posting of transactions to the general ledger since August 1998. Consequently, the grants and contracts database cannot be updated. In the meantime, TSU continues to incur expenses related to the grants and contracts, but billings cannot be sent. No revenues are being received to cover the expenditures. Closing the books for 1998, identifying and correcting problems within the computer system, and finally bringing the grant management database up to date are key to rejuvenating the revenue stream from grants and contracts.

Purchasing and Warehouse Services: The Banner Financial System has an on-line requisitioning capability that is fully integrated with the TSU financial system. By using this capability, departments and schools can enter requisitions on-line, thereby eliminating many redundant and manual error-prone processes.

General Support Services: At the time of the original on-site work at TSU, the security and law enforcement department could not rely on the equipment in the dispatch office. The police radio master console was not working, the master fire alarm system did not audibly alert the dispatcher, and the tape printout was not functioning. Since that initial visit, upgrades are underway, and a grant proposal has been submitted to the U. S. Department of Justice for additional funds to complete the upgrade. This should be given high priority, since the safety of employees and students is at stake.

Student Services: TSU's financial aid system has come under scrutiny from the U. S. Department of Education and the Texas Legislature

because of a serious breakdown in the process that is delaying student payments. The financial aid process relies heavily on information from Admissions, Financial Aid, the Registrar, and the Bursar's Office. Each of these four units has its own policies and processes. Together, they have just begun to work more closely with one another to rectify the systemic problems related to financial aid. The Financial Aid unit cannot implement the kind of corrective action needed by itself. The entire financial aid process must be looked at as part of the overall enrollment process, and the overall system must be reviewed and re-engineered.

Management Information Systems: In September 1997, TSU signed a contract with Systems and Computer Technology Corporation (SCT) to provide complete information system and operations support to the university. SCT operates the Office of Information Technology (OIT) at TSU with 34 employees, including an executive director. Many of the OIT employees formerly were employees of TSU, but were absorbed by SCT as part of the contract. The biggest issue facing TSU in the area of management information systems is the full implementation of the Banner system and the training of employees.

There does not, however, seem to be a good communication link between OIT and the university personnel who must use the systems. In many cases, OIT says the systems are working but the people who use the systems are unable make them work. This must be resolved in short order if the university is to effectively re-engineer its financial and human resource management areas. Finger-pointing adds no value; if it is a problem with the system, the system must be fixed. If it is a problem of training, the employees must be trained appropriately.

Savings and Investment Opportunities

Many recommendations would result in savings and increased revenue that could be used to meet student needs more effectively. The savings opportunities identified in this report are conservative and should be considered minimums. Proposed investments of additional funds enhance efficiencies or savings, or promote productivity and effectiveness.

Full implementation of the recommendations in this report could produce net savings of nearly $1.3 million in the first year (**Exhibit 2**). TSU could achieve total net savings of nearly $4.1 million by fiscal 2003-04, if all recommendations are implemented.

Exhibit 2
Summary of Net Costs
Review of Texas Southern University

Year	Total
1999-00 Initial Annual Net Savings	$1,270,916
2000-01 Additional Annual Net Savings	1,304,436
2001-02 Additional Annual Net Savings	1,324,436
2002-03 Additional Annual Net Savings	1,244,436
2003-04 Additional Annual Net Savings	1,264,436
One Time Net Costs	(2,260,440)
TOTAL SAVINGS PROJECTED FOR 2000-2004	**$4,148,220**

Executive Summary
PART 2 - SUMMARY OF COST SAVINGS AND RECOMMENDATIONS

A detailed list of costs and savings by recommendation appears in **Exhibit 3**. The page number for each recommendation in the fall report is listed in the summary chart. Detailed implementation strategies, timelines, and estimates of fiscal impacts follow each recommendation in this report. The implementation section associated with each recommendation highlights the actions needed to achieve the proposed results. Some should be implemented immediately, some over the next year or two, and some over several years.

The Comptroller's office recommends that the TSU Board of Regents ask university administrators to review these recommendations, develop a plan to proceed with implementation, and monitor progress. As always, Comptroller staff are available to help implement proposals.

Exhibit 3
Summary of Costs and Savings by Recommendation

	Recommendation	Annual (Costs) or Savings/ Revenue					Total 5-yr (Costs) - or Savings	One-Time (Costs) - or Savings
		1999-2000	2000-2001	2001-2002	2002-2003	2003-2004		
Chapter 1: Profile of TSU-No Recommendations								
Chapter 2: University Organization and Management								
1	Create a formal orientation program for all new board members. p. 47	$0	$0	$0	$0	$0	$0	
2	Develop a formal training and development program that would provide at least two development activities per year for all board members, one of which should be a board retreat. p. 48	($15,500)	($15,500)	($15,500)	($15,500)	($15,500)	($77,500)	
3	Realign the current Board of Regents committee structure and create a total of six committees. p. 50	$0	$0	$0	$0	$0	$0	
4	Schedule a minimum of four board meetings per year and set the meeting calendar at least one year	$3,700	$3,700	$3,700	$3,700	$3,700	$18,500	

	in advance. p. 51							
5	Publish a revised set of board by-laws and policies and store the document electronically so it can be updated without the expense of reprinting. p. 53	$0	$0	$0	$0	$0	$0	
6	Provide a written summary to all board members of major issues and items on the board meeting agenda at least one week in advance of each board meeting. p. 54	$0	$0	$0	$0	$0	$0	
7	Eliminate the position of senior vice president for Administration and transfer all functions under this position to the chief operations officer. Create a new position of vice president for Finance. p. 57	$0	$0	$0	$0	$0	$0	
8	Define the reporting relationship so that the respective roles of the chief operations officer and the president are clearly delineated. p. 58	$0	$0	$0	$0	$0	$0	
9	Revise TSU's organizational charts and distribute to faculty and staff. p. 58	$0	$0	$0	$0	$0	$0	
10	Fill the interim and vacant management positions with permanent appointments as soon as possible. p. 62	$0	$0	$0	$0	$0	$0	
11	Centralize TSU's current set of written administrative policies and procedures in one location for all TSU administrators, faculty, and staff. p. 63	$0	$0	$0	$0	$0	$0	
12	Develop an electronic database to track litigation and	$0	$0	$0	$0	$0	$0	($12,000)

	administrative requests of the general counsel. p. 67							
13	Locate secure storage space for all confidential legal materials. p. 68	$0	$0	$0	$0	$0	$0	
14	Augment TSU's strategic planning process to more actively involve individuals at the "grassroots levels", including faculty, staff, students, and community members. p. 69	$0	$0	$0	$0	$0	$0	
15	Establish a student retention function within the Enrollment Management area and create a formal reporting relationship between the director of GUAC and the assistant vice president for Enrollment Management. p. 71	$0	$0	$0	$0	$0	$0	
16	Centralize all undergraduate admissions decisions within the Office of Admissions. p. 72	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 2	($11,800)	($11,800)	($11,800)	($11,800)	($11,800)	($59,000)	($12,000)
Chapter 3: Educational Service Delivery and Performance Measures								
17	Develop strategies to increase the graduation rates from all TSU programs. p. 82	$0	$0	$0	$0	$0	$0	
18	Merge the School of Technology with the School of Business or another existing school or college to enhance program development and reduce administrative costs. p. 83	$0	$33,500	$33,500	$33,500	$33,500	$134,000	
19	Develop a comprehensive research policy and create incentives for participation in research activities. p. 86	$0	$0	$0	$0	$0	$0	
20	Annually evaluate course	$1,768,200	$1,768,200	$1,768,200	$1,768,200	$1,768,200	$8,841,000	

	schedules and faculty assignments for each major course of study and reduce the number of course sections in all areas that are significantly under capacity. p. 89							
21	Expand recruitment efforts for high-performing students by increasing scholarship and assistantship programs. p. 91	($80,000)	($80,000)	($80,000)	($80,000)	($80,000)	($400,000)	
22	Develop a five-year plan for implementation of distance learning for all colleges and schools and aggressively seek external additional funding. p. 92	$0	$0	$0	$0	$0	$0	$3,000,000
23	Update and replace computer equipment, instructional and laboratory equipment, and general supplies annually. p. 93	($125,000)	($125,000)	($125,000)	($125,000)	($125,000)	($625,000)	
24	Increase student opportunities to participate in internship programs by including field work requirements as part of each degree program. p. 95	$0	$0	$0	$0	$0	$0	
25	Expand educational offerings in the College of Education in high demand teacher and administrator certification areas such as bilingual education, special education, math, foreign language, and science. p. 97	$0	$0	$0	$0	$0	$0	
26	Fund the implementation of clinical training modules after the initial project with the Baylor College of Medicine. p. 99	$0	$0	$0	($100,000)	($100,000)	($200,000)	
27	Develop a community mentorship program to enhance tutorial support	$0	$0	$0	$0	$0	$0	

	for law students. p. 102						
28	Develop a strategic plan to renovate and enhance TSU's research facilities. p. 103	$0	$0	$0	$0	$0	$0	
29	Create a work-study program to assist librarians in staffing the library. p. 104	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)	($250,000)	
30	Provide summer developmental classes for incoming students so that students can be integrated sooner into their field of study. p. 107	($55,000)	($55,000)	($55,000)	($55,000)	($55,000)	($275,000)	
31	Create an orientation committee and develop a plan to expand TSU's orientation program. p. 108	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 3	$1,458,200	$1,491,700	$1,491,700	$1,391,700	$1,391,700	$7,225,000	$3,000,000

Chapter 4: Personnel Management

32	Fill the personnel representative vacancy to assist the classification and pay function in the implementation of Banner and employee records processing. p. 114	($1,660)	($6,640)	($6,640)	($6,640)	($6,640)	($28,220)	
33	Relocate the Human Resources office to the central administration building, or remodel to more closely resemble professional, functional office space. p. 115	$0	$0	$0	$0	$0	$0	
34	Document and clearly monitor information on employee salary increases. p. 118	$0	$0	$0	$0	$0	$0	
35	Establish compensation standards and goals for exempt positions and use these standards for establishing starting salaries. p. 120	($497)	($497)	($497)	($497)	($497)	($2,485)	
36	Establish a clear	$0	$0	$0	$0	$0	$0	

	consistent merit pay policy. p. 121							
37	Conduct a comprehensive classification and pay analysis of administrative and support positions. p. 123	$0	$0	$0	$0	$0	$0	($60,000)
38	Train supervisors in the use of the Performance Evaluation and Planning (PEP) system and require that this evaluation be completed before any salary increases can be awarded. p. 125	$0	$0	$0	$0	$0	$0	
39	Provide ongoing training to Human Resource office employees on the capabilities of Banner and modify module to accommodate data needs of the office. p. 126	$0	$0	$0	$0	$0	$0	
40	Develop a Human Resources replacement plan based upon future goals and objectives of the university. p. 128	$0	$0	$0	$0	$0	$0	
41	Eliminate the guidelines that specify the order in which qualified candidates are to be considered for vacant positions at the director and above level, or those positions classified by the university as exempt. p. 129	$0	$0	$0	$0	$0	$0	
42	Continue training and development programs, linking these programs to the accomplishment university goals, and require employee participation. p. 130	$0	($15,000)	($15,000)	($15,000)	($15,000)	($60,000)	
43	Revise internal procedures to correspond to policies outlined in Section XVI, Employee Grievances, of the Operating Manual for	$0	$0	$0	$0	$0	$0	

	Staff Personnel. p. 133							
44	Eliminate the practice of requiring employees to pay a $500 fee to pursue grievances to mediation. p. 133	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 4	($2,157)	($22,137)	($22,137)	($22,137)	($22,137)	($90,705)	($60,000)
Chapter 5: Alumni and Community Involvement								
45	Explore the possibility of centralizing university relations into a single unit within TSU. p. 139	$0	$0	$0	$0	$0	$0	
46	Update job descriptions for the administrative assistant and research technician positions to reflect the full range of duties performed. p. 140	$0	$0	$0	$0	$0	$0	
47	Formalize the relationship among the National Alumni Association, the local chapters, and the Alumni Relations Office through a written memorandum of understanding or letter of agreement. p. 141	$0	$0	$0	$0	$0	$0	
48	Convene representatives of Alumni Relations Office, National Alumni Association, and alumni programs in university's schools and colleges to devise strategies for increasing communications with alumni, financial support, and tracking alumni. p. 142	$0	$0	$0	$0	$0	$0	
49	Explore using a contracted professional fundraiser to increase private giving to TSU. p. 143	$0	$0	$0	$0	$0	$0	
50	Establish a TSU development council to develop strategies for increasing alumni support and contributions. p. 144	$0	$0	$0	$0	$0	$0	

51	Expand and automate the existing alumni database. p. 145	$0	$0	$0	$0	$0	$0	
52	Increase communication with TSU alumni and the range of services offered. p. 145	($40,000) $0	($40,000) $20,000	($40,000) $40,000	($40,000) $60,000	($40,000) $80,000	($200,000) $200,000	
53	Develop a program that has broad-based appeal and promotes the university to its students, alumni, faculty, and external constituencies. p. 147	$0	$0	$0	$0	$0	$0	
54	Devise a legislative strategy for dealing with future legislative sessions. p. 148	$0	$0	$0	$0	$0	$0	
55	Upgrade the technology in the Office of Media Relations. p. 150	$0	$0	$0	$0	$0	$0	($43,700)
	Totals -Chapter 5	($40,000)	($20,000)	$0	$20,000	$40,000	$0	($43,700)

Chapter 6: Facilities Use and Management

56	Hire a director of Architecture, Engineering, and Construction as soon as possible. p. 158	($82,095)	($82,095)	($82,095)	($82,095)	($82,095)	($410,475)	
57	Prepare and publish a new Policies and Procedures Manual for Facilities Planning and Operations. p. 160	$0	$0	$0	$0	$0	$0	
58	Modify the work order system to become more user friendly and provide more timely management reports. p. 161	$0	$0	$0	$0	$0	$0	
59	Establish a charge-back system and procedures for conducting routine maintenance of the auxiliary service units. p. 162	$0	$0	$0	$0	$0	$0	
60	Schedule regular meetings between the planning, construction	$0	$0	$0	$0	$0	$0	

	and operations units and seek opportunities to keep the entire university community informed of upcoming events. p. 163							
61	Regularly prepare and maintain capital budget requests and implementation plans to submit to the Legislature. p. 166	$0	$0	$0	$0	$0	$0	
62	Develop design standards for future construction programs. p. 169	$0	$0	$0	$0	$0	$0	
63	Hire additional custodial staff and include equity adjustments for supervisors. p. 171	($300,005)	($300,005)	($300,005)	($300,005)	($300,005)	($1,500,025)	
64	Hire additional experienced, staff, including supervisors and working lead persons. p. 172	($227,624)	($227,624)	($227,624)	($227,624)	($227,624)	($1,138,120)	
65	Authorize the energy performance contractor to proceed with the energy saving capital improvements. p. 175	$0	$0	$0	$0	$0	$0	($5,200,000)
	Totals -Chapter 6	($609,724)	($609,724)	($609,724)	($609,724)	($609,724)	($3,048,620)	($5,200,000)

Chapter 7: Asset and Risk Management

66	Prepare and use cash flow projections to maximize investment earnings and identify projected shortfalls before a crisis develops. p. 184	$0	$0	$0	$0	$0	$0	
67	Establish a policy of competitively bidding the depository contract every two to four years. p. 185	$0	$0	$0	$0	$0	$0	
68	Close the dormant bank accounts and transfer the remaining balances to the Operating Fund account at Chase Bank. p. 186	$0	$0	$0	$0	$0	$0	
69	Institute controls over cash in satellite	$0	$0	$0	$0	$0	$0	

	operations and oversight by the comptroller and bursar. p. 187						
70	Institute internal controls and oversight of petty cash funds and require each petty cash custodian sign an acknowledgment that they understand the petty cash procedures and the ramifications of failing to follow procedures. p. 189	$0	$0	$0	$0	$0	$0
71	Institute internal controls of incoming mail, with all mail opened under dual control and all checks removed and logged. p. 190	$0	$0	$0	$0	$0	$0
72	Establish written procedures for refunding financial aid funds to the DOA when student aid refund checks are voided. p. 191	$0	$0	$0	$0	$0	$0
73	Closely monitor the Albriond Capital Management contract to ensure that the investment performance meets the goals contained in the university investment policy. p. 194	$0	$0	$0	$0	$0	$0
74	Invest daily cash balances at the highest possible interest rates to maximize income. p. 196	$46,398	$46,398	$46,398	$46,398	$46,398	$231,990
75	Complete any remaining steps outlined in the former comptroller's plan for addressing weaknesses in the management of endowment funds and write formal procedures for maintaining the endowment funds in the future. p. 197	$0	$0	$0	$0	$0	$0
76	Modify the contracts governing overnight	$0	$0	$0	$0	$0	$0

No.	Description							
	investment to ensure that TSU is fully collateralized each day and implement procedures for contract oversight. p. 198							
77	Modify the monthly reports of Smith Graham to include the rating for each security held in the portfolio. p. 199	$0	$0	$0	$0	$0	$0	
78	Modify the asset management consulting service agreement to prohibit Gray & Company and any affiliates from acting as broker/dealer for any transactions with the university's asset managers. p. 200	$0	$0	$0	$0	$0	$0	
79	Develop and implement written policies and procedures for oversight of the investment managers and investment advisor. p. 201	$0	$0	$0	$0	$0	$0	
80	Put the medical professional liability insurance policy out for bid prior to renewal of the current policy and adminis ter the procurement process through the university's Purchasing department. p. 204	$0	$0	$0	$0	$0	$0	
81	Put security procedures in place for buildings and equipment to prevent theft of fixed assets inventory. p. 207	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 7	$46,398	$46,398	$46,398	$46,398	$46,398	$231,990	$0
Chapter 8: Financial Management and Internal Controls								
82	Update policies and procedures for fiscal operations to include the Banner system modules and develop and	$0	$0	$0	$0	$0	$0	($82,500)

	implement a formal training program for all managers and staff assigned to Business and Financial Services and Budget and Procurement. p. 212							
83	Develop an annual budget preparation workshop for all personnel involved in the budget process to review and dis cuss TSU's priorities for the upcoming year. p. 219	$0	$0	$0	$0	$0	$0	
84	Prepare and submit TSU's annual budget document to the GFOA for professional certification. p. 220	$0	$0	$0	$0	$0	$0	
85	Implement the necessary system updates and modify related processes to comply with new guidelines and regulations for Hope Scholarship Credit, Lifetime Learning Credit, and qualifying educational loans contained in the Taxpayer Relief Act of 1997. p. 223	$0	$0	$0	$0	$0	$0	
86	Develop a system to promptly pay of all invoices to maximize interest earning and avoid penalties. p. 226	$0	$0	$0	$0	$0	$0	
87	Establish a process and procedures to limit the amount of student debt and systematically collect outstanding debt, and hire a full-time staff person to collect student accounts receivable. p. 227	$410,599	$410,599	$410,599	$410,599	$410,599	$2,052,995	
88	Correct the problems with the Banner system, produce reports, and then investigate, identify, and rectify the reporting difference to ensure that all accounts receivable balances are correctly	$0	$0	$0	$0	$0	$0	

	stated. p. 229							
89	Formalize TSU's charge-off and collection policies related to charged off accounts. p. 230	$0	$0	$0	$0	$0	$0	
90	Perform a full audit of the grants database, including a review of each grant and contract file for compliance with all terms and conditions, and update the database so that it is current and accurate. p. 233	$0	$0	$0	$0	$0	$0	
91	Fill the vacant accounting position and update grant billings. p. 234	$0	$0	$0	$0	$0	$0	
92	Ensure that all cash activity is posted daily to the general ledger and that reconciling items are researched and cleared timely. p. 236	$0	$0	$0	$0	$0	$0	
93	Define a management reporting structure and create improved reports that present in sufficient detail the results of operations and material deviations from the financial operating plan (budget). p. 238	$0	$0	$0	$0	$0	$0	($22,500)
	Totals -Chapter 8	$410,599	$410,599	$410,599	$410,599	$410,599	$2,052,995	($105,000)
Chapter 9: Purchasing, Warehousing, and Delivery								
94	Implement the electronic requisitioning module of the Banner Finance System. p. 250	$0	$0	$0	$0	$0	$0	
95	Establish internal controls to ensure that standards are followed and the appropriate staff held accountable. p. 253	$0	$0	$0	$0	$0	$0	
96	Formally document the role of the associate vice president of Facilities, Planning and Operations in the TSU purchasing	$0	$0	$0	$0	$0	$0	

	process. p. 254							
97	Develop internal controls to ensure that GSC's procedures for HUB are consistently followed in TSU purchasing. p. 256	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 9	$0	$0	$0	$0	$0	$0	
Chapter 10: General Support Services								
98	Outsource printing and copying and place responsibility for printing and copying under the Purchasing Office. p. 262	$0	$0	$0	$0	$0	$0	$160,260
99	Appoint a textbook oversight committee. p. 266	$23,000	$23,000	$23,000	$23,000	$23,000	$115,000	
100	Reduce the bookstore obligation and arrive at an agreement with the bookstore on the terms of the payment. p. 267	$0	$0	$0	$0	$0	$0	
101	Calculate potential savings to the university of combining the mail delivery with other delivery needs of the university. p. 268	$0	$0	$0	$0	$0	$0	
102	Continue to replace safety and security equipment. p. 273	$0	$0	$0	$0	$0	$0	
103	Install the Harris County Law Enforcement computer system (JIM/DIMS) to allow TSU's Department of Public Safety to connect to the county departmental file server. p. 274	$0	$0	$0	$0	$0	$0	
104	Create a Campus Security Advisory Committee with membership from student body leaders, student affairs staff, faculty, and campus security personnel. p. 275	$0	$0	$0	$0	$0	$0	
105	Update the university	$0	$0	$0	$0	$0	$0	

	police standard operating procedures annually. p. 275							
	Totals -Chapter 10	$23,000	$23,000	$23,000	$23,000	$23,000	$115,000	$160,260
Chapter 11: Student Services								
106	Centralize all student-related counseling services within the Student Services Division. p. 281	$0	$0	$0	$0	$0	$0	
107	Comply with the Student Right to Know and Campus Security Act. p. 282	$0	$0	$0	$0	$0	$0	
108	Provide students with more consistent advising. p. 282	$0	$0	$0	$0	$0	$0	
109	Obtain career exploration software. (Estimates shown are for leasing software for three PCs.) p. 284	($3,600)	($3,600)	($3,600)	($3,600)	($3,600)	($18,000)	
110	Establish a Health-Wellness-Counseling Program as a component of the Health Center within the division of Student Services. p. 287	$0	$0	$0	$0	$0	$0	
111	Create a line item in the Counseling Services budget to support services in accordance with the Americans with Disabilities Act (Public Law 93-112, ADA 1990) and actively seek grants to support the program. p. 288	$0	$0	$0	$0	$0	$0	
112	Provide Counseling Service counselors with the authority to access the Banner screens from their desktops. p. 289	$0	$0	$0	$0	$0	$0	
113	Re-engineer the financial aid process and refine the university enrollment process including admission, awarding aid,	$0	$0	$0	$0	$0	$0	

#	Description							
	and disbursement of aid that incorporate the points and dates at which information is required from students and other offices. p. 295							
114	Make access to the Voice Response System for student financial aid a priority. p. 296	$0	$0	$0	$0	$0	$0	
115	Explore opportunities to use the Student Center's meal-serving area as a revenue generator beyond serving and selling meals. p. 300	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 11	($3,600)	($3,600)	($3,600)	($3,600)	($3,600)	($18,000)	$0
Chapter 12: Management Information Systems								
116	Maintain both the asset management and human resources systems at their current high priority for implementation. p. 308	$0	$0	$0	$0	$0	$0	
117	Provide departments training on the reporting capability of the Banner systems and determine their information needs. p. 308	$0	$0	$0	$0	$0	$0	
118	Communicate with both the academic and administrative offices of the university on a regular basis. p. 310	$0	$0	$0	$0	$0	$0	
119	Monitor the completion of the 67 activities outlined in the annual work plan. p. 311	$0	$0	$0	$0	$0	$0	
120	Disseminate standards for the computer support of students and faculty, recognizing that standards may vary by discipline. p. 312	$0	$0	$0	$0	$0	$0	
121	Require each school or college to produce an annual technology plan for academic and	$0	$0	$0	$0	$0	$0	

	instructional support of the programs that are under their direct control for the Office of Information Technology in its planning process. p. 312							
122	Begin using a Banner user group, an academic computing committee and a network committee originally p lanned. p. 314	$0	$0	$0	$0	$0	$0	
123	Complete the campus network. p. 315	$0	$0	$0	$0	$0	$0	
124	Acquire equipment on an exclusive university-wide contract. p. 316	$0	$0	$0	$0	$0	$0	
	Totals -Chapter 12	$0	$0	$0	$0	$0	$0	$0
	TOTAL SAVINGS	$2,251,897	$2,305,397	$2,325,397	$2,345,397	$2,365,397	$11,593,485	$3,160,260
	TOTAL COSTS	($980,981)	($1,000,961)	($1,000,961)	($1,100,961)	($1,100,961)	($5,184,825)	($5,420,700)
	TOTAL NET SAVINGS (COSTS)	$1,270,916	$1,304,436	$1,324,436	$1,244,436	$1,264,436	$6,408,660	($2,260,440)

5 Year Gross Savings	$14,753,745
5 Year Costs	**($10,605,525)**
Grand Total	**$4,148,220**

Chapter 1
BRIEF HISTORY OF TSU AND ITS MISSION

TSU was established in 1947 to provide an education to African Americans in Texas who were unable to attend or were denied access to an education at predominately white institutions of higher education. TSU is the largest historically black college or university in Texas. In June 1973 the institution was designated a "special purpose institution of higher education for urban programming" by the Texas Legislature. "For nearly a half century, the university has pursued the goals of quality education, vigorous service, and rigorous research, thereby achieving a position of national prominence."(1997-1999 Undergraduate Bulletin, p.16)

TSU's mission is to:

> "*academically prepare and develop diverse, predominantly African-American students to enter a dynamic and changing world as upwardly mobile, productive citizens and to contribute to academe with scholarship, research, and outreach programs to the community.*"

Accredited by the Southern Association of Colleges and Schools (SACS), TSU is made up of eight colleges and schools:

- the College of Arts and Sciences,
- the College of Pharmacy and Health Sciences,
- the Jesse H. Jones School of Business,
- the College of Education,
- the College of Continuing Education,
- the School of Technology,
- the Thurgood Marshall School of Law, and
- the Graduate School.

Within these colleges and schools, TSU offers 54 bachelors, 30 masters, six doctoral degree programs and two professional degrees (law and pharmacy).

In fall 1998, TSU had a student population of over 6,300 students. TSU has an open admissions policy, which means that all students are admitted regardless of academic performance. Entering students, freshmen and transfers, take the University Placement Test. If they do not achieve a given score, they are required to enroll in a developmental program offered by the university. The university also has an Honors program that provides students in good academic standing (an overall grade point

average of at least 3.2 and grades of "C" or better) with scholarships to cover tuition, fees, and housing each semester. The university employs over 880 full-time faculty and staff.

Chapter 1
TSU ORGANIZATION

The university president reports to nine members of the Board of Regents. There are two senior vice presidents, three associate vice presidents, and two assistant vice presidents, eight deans, and twenty-four directors. **Exhibit 1-1,**shows TSU's organization.

Exhibit 1-1
Texas Southern University Organizational Chart

BOARD OF REGENTS

DIRECTOR INTERNAL AUDIT

DIRECTOR, BOARD RELATIONS

SPECIAL ASSISTANT

PRESIDENT

EXECUTIVE ASSISTANT

OMBUDSPERSON

CHIEF OPERATING OFFICER

PROVOST/SR. VICE PRESIDENT ACADEMIC AFFAIRS

SENIOR VICE PRESIDENT ADMINISTRATION

ASSOCIATE VICE PRESIDENT, DEVELOPMENT

ASSOCIATE VICE PRESIDENT, STUDENT SERVICES

ASSOCIATE V.P, FACILITIES PLANNING & OPERATIONS

DIRECTOR INSTITUTIONAL ADVANCEMENT

GENERAL COUNSEL

ATHLETIC DIRECTOR

ATHLETIC COMPLIANCE DIRECTOR

DEAN, SCHOOL OF BUSINESS

DEAN, COLLEGE OF EDUCATION

DEAN, PHARMACY & HEALTH SCIENCE

DEAN, SCHOOL OF TECHNOLOGY

DEAN, GRADUATE SCHOOL

DEAN, LAW SCHOOL

DEAN, ARTS AND SCIENCES

DIRECTOR, LIBRARY

DIRECTOR INSTITUTIONAL EFFECTIVENESS

DIRECTOR GENERAL UNIVERSITY ACADEMIC CENTER

DEAN, CONTINUING EDUCATION

DIRECTOR CENTER ON THE FAMILY

DIRECTOR LELAND CENTER

ASSISTANT V.P. ENROLLMENT MANA.

DIRECTOR FINANCIAL AID

DIRECTOR CO-OP, ED & PLACEMENT

DIRECTOR ADMISSIONS

REGISTRAR

ASSISTANT VICE PRESIDENT BUSINESS/FINANCIAL SERVICES

ASSISTANT VICE PRESIDENT BUDGET

DIRECTOR HUMAN RESOURCES

DIRECTOR ALUMNI RELATIONS

DIRECTOR CORPORATE DEVELOPMENT

DIRECTOR STUDENT SERVICES

DIRECTOR RESIDENTIAL LIFE & HOUSING

DIRECTOR SUBSTANCE ABUSE

DIRECTOR STUDENT HEALTH

DIRECTOR, ARCHITECTURAL ENGINEERING & CONSTRUCTION SERVICES

DIRECTOR, CENTRAL PLANT & SUPPORT & SERVICES

DIRECTOR LAND FACILITIES INVENTORY & ENERGY

DIRECTOR, BUILDING MAINTENANCE & TECHNICAL SERVICES

DIRECTOR UNIVERSITY RELATIONS

DIRECTOR KTSU

DIRECTOR EXTERNAL AFFAIRS

DIRECTOR, PUBLIC SAFETY

Source: Texas Southern University Organizational Chart, 1999.

Chapter 1
STUDENT ENROLLMENT PROFILE

Throughout this chapter employee and student statistics will be presented as either headcount or full-time equivalent (FTE). Student headcount is the actual number of students enrolled in the program. Faculty headcount is the actual number of instructors, assistant professors, associate professors, and professors on the payroll.

Full-time student equivalent (FTSE) is an approximation of the number of students taking a full course load. FTSE is calculated by the number of student credit hours taken in a semester, divided by a full load, which is 15 credit hours at the undergraduate level, 12 at the master's and professional level, and nine at the doctoral level.

Texas Higher Education Coordinating Board (THECB) data were used in this report for purposes of comparison with other Texas institutions. Information also was used from the Department of Education's Integrated Postsecondary Education Data System (IPEDS) financial survey. Throughout this report, information from the fall term is used because that is typically when the greatest number of students enroll.

Exhibit 1-2 shows TSU's fall 1998 headcount by class level and race/ethnicity. As indicated, TSU enrolled 6,316 students in fall 1998. Seventy-three percent were undergraduates, 16 percent were graduates, and 11 percent were professional students. Consistent with TSU's mission as an HBCU, African Americans accounted for 84 percent of all students.

Exhibit 1-2
TSU Headcount Enrollment By Class Level and Race/Ethnicity
Fall 1998

	Headcount	Percent of Total
Class level:		
Freshmen	1,772	28.1%
Sophomore	769	12.2%
Junior	768	12.2%
Senior	1,312	20.8%
Post-Baccalaureate	93	1.5%

Masters	808	12.8%
Doctoral	122	1.9%
Professional	672	10.6%
Total	**6,316**	**100.0%**
Race:		
Anglo	147	2.3%
African American	5,275	83.5%
Hispanic	329	5.2%
Asian/Pacific Islander	227	3.6%
American Indian/Alaska Native	10	0.2%
International	328	5.2%
Total	**6,316**	**100.0%**

Source: THECB data, fall 1998.

Exhibit 1-3 looks at the past seven years of student headcount enrollment. Headcount enrollment includes both full-and part-time students, graduates and undergraduates. The last time TSU showed growth in total enrollment was between fall 1992 to fall 1993. After peaking at 10,800 in fall, 1993 enrollment declined by 42 percent dropping to 6,316 in fall 1998.

Exhibit 1-3
Trend in Total Enrollment at TSU
Fall 1992 to Fall 1998
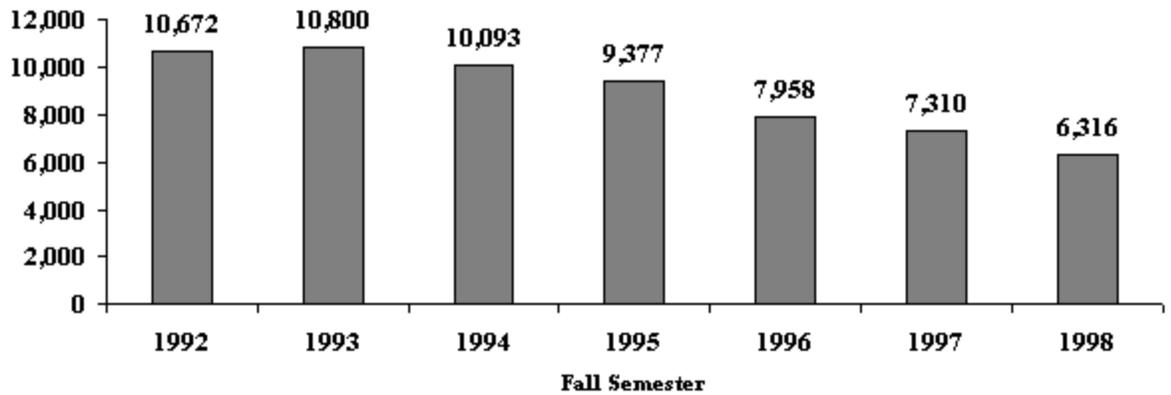
Source: THECB Administration Division, 1999.

Over the past five years, graduate FTSE fluctuated little compared to undergraduate FTSE. **Exhibit 1-4** shows the increasing decline in undergraduate FTSE from the fall 1993 semester through the fall 1997 semester.

Exhibit 1-4
Full-Time Student Equivalent
Fall 1993-Fall 1997
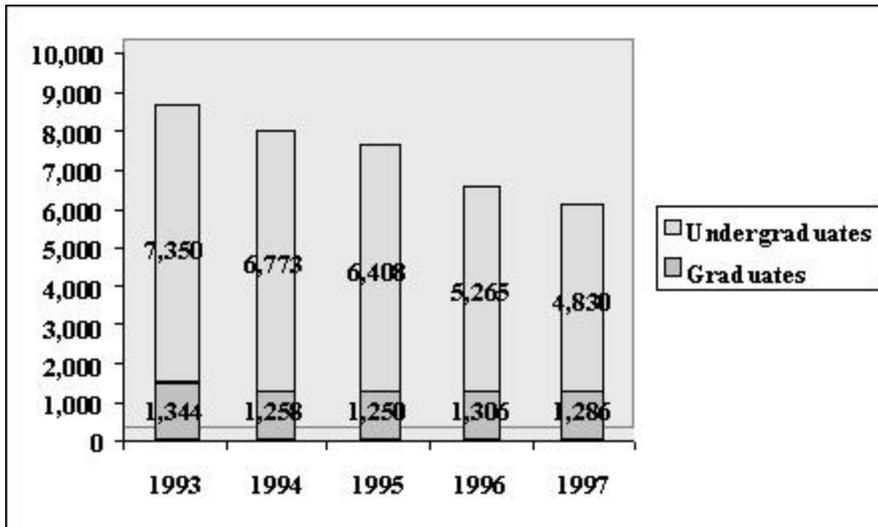
Source: THECB Administration Division, 1999.

Chapter 1
PEER INSTITUTIONS

Five public institutions within Texas were selected by the review team to
serve as peers to TSU in analyzing various indicators:

- Stephen F. Austin State University;
- Prairie View A&M;
- Sam Houston State University;
- University of Texas-Pan American; and
- University of Houston - Downtown.

The review team chose the above five institutions from a pool of eight
previously designated as peers. The criteria used to select these peers were
as follows:

- percent of student enrollment that is undergraduate;
- percent of minority enrollment;
- retention rates of first-time, full-time freshmen;
- six year graduation rates at home institution or another Texas
  public university; and
- percentage of student body that resides in Texas.

Exhibit 1-5
Peer Similarities
Fall 1998 Statistics

	Percent of Under-graduates	Percent of Minority Enrollment	Percent In-State	Retention Rate*	Six-Year Graduation Rate
TSU	**73.2%**	**92.5%**	**85.6%**	**54.8%**	**12.6%**
Stephen F. Austin	89.6%	16.3%	97.6%	55.6%	50.2%
Prairie View A&M	79.0%	90.8%	88.8%	60.8%	29.0%
Sam Houston State	89.0%	21.8%	98.2%	58.7%	42.2%
UT Pan American	82.6%	85.9%	97.2%	60.7%	24.1%
UH	96.0%	71.7%	90.6%	59.8%	16.2%

Downtown					

Chapter 1
FINANCIAL AID

Comparative information on the proportion of students receiving financial aid is presented in **Exhibit 1-6.** This demonstrates how many students were recipients of financial aid during fiscal 1997. Sixty percent of all TSU students received aid during fiscal 1997. Pan American is the only peer that had a similar proportion of students receiving need-based financial aid.

Exhibit 1-6
Percent Of Student Population Receiving Aid In Fiscal 1997
TSU and Peer Institutions

	Total Headcount	Percent of Headcount Receiving Aid
TSU	**7,973**	**60.6%**
Stephen F. Austin State	11,683	42.7%
Prairie View A&M	6,167	n/a
Sam Houston State	12,564	41.3%
UT-Pan American	12,682	60.6%
UH-Downtown	7,947	19.8%

Source: THECB fiscal 1997 Financial Aid. Total Headcount for fall 1997.

Exhibit 1-7 shows that TSU students had larger overall financial aid awards than recipients at peer institutions. Of the TSU recipients, almost half received a loan and more than half received a scholarship or grant.

Exhibit 1-7
1997 Financial Aid by Type

	Average Loan Per Recipient	Percent Receiving Loans	Average Scholarship Or Grant	Percent Receiving Scholarship or Grant
TSU	**$7,350**	**48.1%**	**$2,270**	**52.0%**
SFA	$5,099	37.5%	$1,820	34.1%
Prairie View	$3,850	42.1%	$2,100	61.0%

A&M				
Sam Houston State	$3,896	36.9%	$1,739	30.7%
UT- Pan American	$3,355	33.2%	$2,097	54.9%
U of H- Downtown	$4,255	17.7%	$793	9.3%

Source: THECB fiscal 1997 Financial Aid.

Chapter 1
STUDENT OUTCOMES

Exhibit 1-8 compares TSU's retention rate for first-time entering freshmen to that of its peer institutions. Retention rate is the number of students that persists at an institution divided by the entering freshmen cohort. As indicated, a little over half (51.7 percent) of TSU's 1996 freshmen registered for classes in fall 1997, the lowest of all institutions.

Exhibit 1-8
Percent Of Fall 1996 First-Time Freshmen Retained After One Year:
TSU and Peer Institutions

Institution	Enrolled Fall 1996	Retained Fall 1997	Percent Retained
TSU	**1,415**	**731**	**51.7%**
Stephen F. Austin State	2,045	1,221	59.7%
Prairie View A&M	1,072	619	57.7%
Sam Houston State	1,816	1,040	57.3%
UT-Pan American	1,837	957	52.1%
UH-Downtown	924	493	53.4%

Source: THECB Note: Fall 1998 data not available from THECB.

Exhibit 1-9 illustrates the six-year graduation rate for TSU and the five peer institutions. This includes those students who graduated from their starting institution or another public university in Texas. As indicated, 12.6 percent of freshmen entering TSU in fall 1991 graduated within six years. As with freshman retention, this was the lowest of all institutions in this group.

Exhibit 1-9
Percent Of Fall 1991 First-Time, Full-Time Freshmen Graduating
Within Six Years:
TSU and Peer Institutions

	1991 Freshman Cohort	# Graduated within 6 Yrs.	Percent Graduated
TSU	**1,283**	**162**	**12.6%**
Stephen F. Austin State	1,538	772	50.2%

Prairie View A&M	1,162	337	29.0%
Sam Houston State	1,636	690	42.2%
UT-Pan American	1,554	376	24.2%
UH-Downtown	593	96	16.2%

*Source: THECB Fall 1996 - Public University Profiles, 1997. "#
Graduated within 6 years" includes those students graduating from
starting institution or another institution with a baccalaureate degree.*

Chapter 1
FACULTY AND STAFF

Full-time faculty are hired into one of four ranks - instructor, assistant professor, associate professor, and professor. Within the state system, there is no uniform criteria for rank; each university sets its own standards. Minimum qualifications at TSU for the ranks are the following:

- instructor-master's degree from an accredited institution;
- assistant professor-earned doctorate or appropriate terminal degree and at least one year of teaching at the university level and membership in a professional organization;
- associate professor-doctorate, more than five years of teaching experience, at least three at the university level; and
- professor-a doctorate degree in the teaching field or its equivalent, eight years of teaching, six at the university level, membership in professional organizations, and evidence of "mature scholarship" (outstanding creative work, research, or publication in scholarly journals with national circulation).

Promotion is up to the academic unit based upon teaching, scholarship, and professional service.

Full-time faculty equivalent (FTFE) is a complex calculation due to the fact that faculty instruct different levels. Simplified, FTFE is the number of semester credit hours taught, divided by a full load. A full load for undergraduate faculty is four courses, and three courses for graduate faculty.

In fall 1997, TSU employed 341 full-time faculty and 560 full-time staff as shown in **Exhibit 1-10**. Similar to the ethnic break down of the student body, 85 percent of the faculty, staff, and administrators are African American.

Exhibit 1-10
TSU Staff Ethnicity Profile
Full-Time Headcount, Fall 1997

Category	Anglo	African American	Hispanic	Asian	American Indian	Inter-national	Total*
Faculty	44	256	10	28	-	3	341
Percent	13%	75%	3%	8%	0%	1%	100%
Exec./Administrative/Managerial	-	58	-	1	-	1	60

Percent	0%	97%	0%	2%	0%	2%	100%
Professional Non-Faculty	6	171	1	5	-	11	194
Percent	3%	88%	1%	3%	0%	6%	100%
Technical/Paraprofessional	-	17	-	-	-	1	18
Percent	0%	94%	0%	0%	0%	6%	100%
Secretarial/Clerical	-	159	1	-	-	1	161
Percent	0%	99%	1%	0%	0%	1%	100%
Service/Skilled Craft	11	101	7	6	0	2	127
Percent	9%	80%	6%	5%	0%	2%	100%
TOTAL	**61**	**762**	**19**	**40**	**-**	**19**	**901**
Percent	**7%**	**85%**	**2%**	**4%**	**0%**	**2%**	**100%**

Source: THECB.
*Percentages may not total 100% due to rounding.

Exhibit 1-11 compares TSU's faculty and staff in fall 1997 to its peer institutions. Similar to the peers, faculty make up the largest percent of staff.

Exhibit 1-11
FTFE Staff Profile, Fall 1997
TSU and Peer Institutions

Category	TSU	S.F.A State	Prairie View	Sam Houston	UT-Pan Am	UH-Downtown
Faculty	341	526	229	410	376	173
Percent of Total	38%	40%	26%	41%	35%	43%
Executive/Administrative/Managerial	60	94	61	50	49	39
Percent of Total	7%	7%	7%	5%	5%	10%
Professional Non-Faculty	194	164	235	176	218	50
Percent of Total	22%	13%	27%	18%	20%	12%
Technical/Paraprofessional	18	89	75	36	59	32
Percent of Total	2%	7%	9%	4%	5%	8%

Secretarial/Clerical	161	202	146	175	243	95
Percent of Total	18%	15%	17%	17%	23%	24%
Service/Skilled Craft	127	233	124	158	128	15
Percent of Total	14%	18%	14%	16%	12%	4%
TOTAL	**901**	**1,308**	**870**	**1,005**	**1,073**	**404**
Percent of Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: THECB.
*Percentages may not total 100% due to rounding.
*University of Houston Downtown, fall 1995 Statistics.

Exhibit 1-12 shows that in fall 1998 the majority of the full-time TSU faculty are associate professors. Similar to the student profile, 76 percent of the faculty are African American.

Exhibit 1-12
Full-Time TSU Faculty By Rank and Race/Ethnicity
Fall 1998

Category	Anglo	African American	Hispanic	Asian	American Indian	Inter-National	Total*
Professor	12	53		5	-	1	71
Percent	17%	75%	0%	7%	0%	1%	100%
Associate Professor	12	59	0	5	-	1	77
Percent	16%	77%	0%	6%	0%	1%	100%
Assistant Professor	10	56	2	4	-	8	80
Percent	13%	70%	3%	5%	0%	10%	100%
Instructor	1	9	1	-	-	2	13
Percent	8%	69%	8%	0%	0%	15%	100%
Other Faculty	7	74	1	2	1	4	89
Percent	8%	83%	1%	2%	1%	4%	100%

Teaching Assistants	-	3	-	-	-	2	5
Percent	0%	60%	0%	0%	0%	40%	100%
TOTAL	**42**	**254**	**4**	**16**	**1**	**18**	**335**
Percent	**13%**	**76%**	**1%**	**5%**	**0%**	**5%**	**100%**

Source: THECB fall 1998 data.
*Percentages may not total 100% due to rounding.

As indicated in **Exhibit 1-13,** TSU had a higher proportion of tenured faculty than four of the other five institutions.

Exhibit 1-13
Proportion Of Full-Time Faculty That Are Tenured
TSU and Peer Institutions, Fall 1998

Category	TSU	S.F.A State	Prairie View	Sam Houston	UT-Pan Am	Univ. of Houston
Tenured Faculty Headcount	183	242	109	244	183	92
Total Faculty Headcount	335	475	285	406	405	188
Tenured Faculty as Percent of Total	54.6%	50.9%	38.2%	60.1%	45.2%	48.9%

Source: THECB fall 1998 data

Exhibit 1-14 shows the student/faculty ratios for TSU and its peers. The figures account for all funded programs at the institution. TSU has the lowest student/faculty ratio when compared to its peers, reflecting the recent drop off in enrollment at TSU.

Exhibit 1-14
Fall 1997 Student-Faculty Ratio
TSU and Peer Institutions
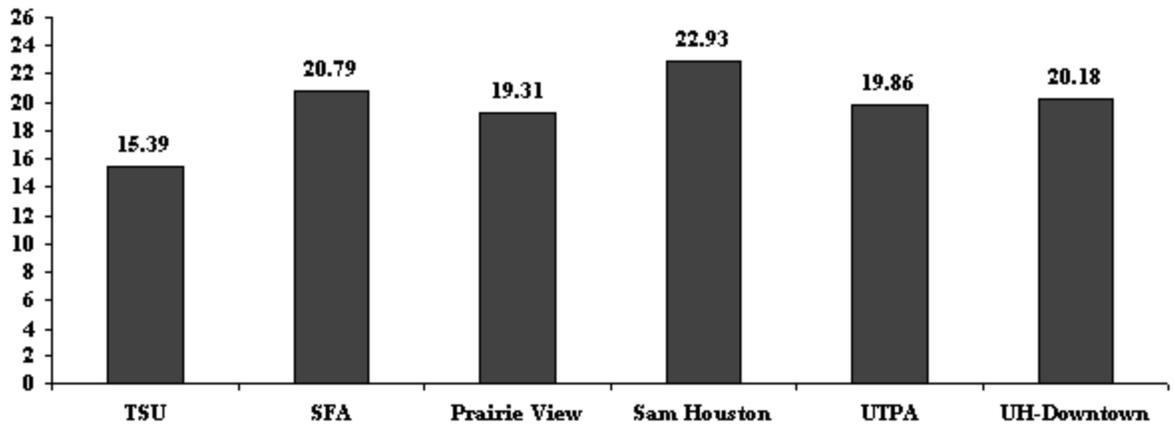
Source: THECB.
Note: fall 1998 data not available.

Exhibit 1-15 compares TSU's average faculty salaries to those of its peers. Four ranks of faculty were examined: professor, associate professor, assistant professor and instructor. There is no standardized information available to define these top four teaching positions. Each school has its own definition. All ranks include the first four ranks, in addition to teaching assistants, lecturers and other.

Average faculty salaries at TSU range from $26,787 for instructors to $55,667 for full professors. With the exception of the instructor level, UT-Pan Am had the highest salaries for the top three ranks. TSU's average faculty salaries were within the range of its peer schools with the exception of its instructor level, which TSU was lowest.

Exhibit 1-15
Average Budgeted Faculty Salaries
Fiscal 1998

Rank	TSU	S.F.A. State	Prairie View	Sam Houston	UT-Pan Am	UH-Downtown
Professor	$55,667	$53,679	$51,131	$56,018	$59,849	$53,366
Associate Professor	$43,714	$42,931	$43,549	$45,334	$48,509	$46,012
Assistant Professor	$35,184	$37,846	$38,235	$37,851	$40,298	$39,866
Instructor	$26,787	$31,471	$29,618	$38,399	$n/a	$32,372
All Ranks	$36,568	$33,924	$37,203	$34,096	$32,168	$29,185

Exhibit 1-16 shows the average age of faculty by rank compared to the peer institutions. In all instances, the average age of faculty by rank at TSU is higher than the average of the average faculty ages of TSU's peers. The greatest difference between averages (12 years) is seen in the instructor rank.

Exhibit 1-16
Average Age of Faculty by Rank
Fall 1997

	Instructor	Assistant Professor	Associate Professor	Professor
TSU	**56**	**49**	**54**	**58**
Stephen F Austin	45	45	49	56
Prairie View	44	48	53	59
Sam Houston	43	42	48	56
UT Pan American	-	47	51	57
U of H Downtown	45	38	49	56
Average Age of Peers	**44**	**44**	**50**	**57**

Source: THECB.
Note: fall 1998 data not available.

Chapter 1
FINANCES

Exhibit 1-17 shows TSU's total current funds revenues by source in fiscal 1990 and fiscal 1997. The fiscal year runs from September 1 through August 31. As indicated, the university had total current funds revenues of $84.8 million in fiscal 1997, up 25.8 percent from fiscal 1990 levels. Almost one-half came from state appropriations and almost one-quarter came from tuition and fees.

Exhibit 1-17
TSU Current Funds Revenues By Source
Fiscal 1990 and Fiscal 1997

	Fiscal 1990		Fiscal 1997	
Source	**Amount**	**% Total**	**Amount**	**% Total**
Tuition and Fees	$10,618,678	15.8%	$19,293,709	22.8%
Federal Government				
Appropriations	$	0.0%	$	0.0%
Grants and Contracts	$12,041,918	17.9%	$15,188,997	17.9%
State Government				
Appropriations	$30,703,460	45.6%	$40,033,112	47.2%
Grants and Contracts	$850,018	1.3%	$730,161	0.9%
Local Government				
Appropriations	$	0.0%	$	0.0%
Grants and Contracts	$1,275,027	1.9%	$436,088	0.5%
Private Gifts, Grants, and Contracts	$1,015,599	1.5%	$1,288,109	1.5%
Endowment Income	$191,515	0.3%	$	0.0%
Sales and Services	$69,108	0.1%	$91,780	0.1%
Auxiliary Enterprises	$7,305,532	10.8%	$3,477,865	4.1%
Other	$3,303,350	4.9%	$4,244,263	5.0%
Total Current Funds Revenue	**$67,374,205**	100.0%	**$84,784,084**	100.0%

Source: IPEDS Financial Survey.

Exhibit 1-18 shows the operating funds available for unrestricted and restricted funds in fiscal 1997. Unrestricted current funds are reported in three categories: Educational and General (E & G),

Designated, and Auxiliary. About four-fifths of TSU's revenues are unrestricted. E & G funds are applied to TSU's educational and administrative budget. Designated funds are intended for a specific purpose, but can be modified at any time. Auxiliary Enterprises funds support or subsidize services to students, faculty, or staff such as the dormitories, dining halls, and bookstore. Restricted funds means that the money must be allocated for a purpose designated by an outside person or agency.

Exhibit 1-18
Proportion Of Fiscal 1997 Current Funds Revenues that are
Unrestricted Vs. Restricted
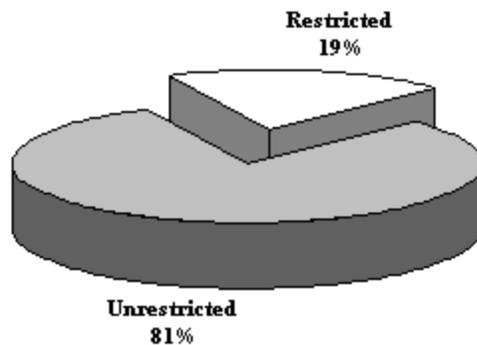
Source: IPEDS Finance Survey.

Exhibit 1-19 shows TSU's current funds expenditures in fiscal 1990 and fiscal 1997 by purpose. As indicated, the university had total current funds expenditures of $74.3 million in fiscal 1997, up 19.7 percent from fiscal 1990 levels. Of this amount, $69.4 million, or 93.5 percent, went to E & G purposes. Auxiliary enterprises (e.g., student union, student housing) accounted for the remaining 6.5 percent.

Exhibit 1-19
TSU Current Funds Expenditures By Function
Fiscal 1990 and Fiscal 1997

	Fiscal 1990		Fiscal 1997	
Purpose	**Amount**	**% Total**	**Amount**	**% Total**
Instruction	$24,451,529	39.4%	$30,558,099	41.1%
Research	$2,026,276	3.3%	$3,291,351	4.4%
Public Service	$-0-	0.0%	$78,757	0.1%
Academic Support	$4,573,909	7.4%	$7,746,675	10.4%
Student Services	$3,614,692	5.8%	$2,479,672	3.3%
Institutional Support	$10,913,825	17.6%	$11,893,555	16.0%

Operations & Maintenance of Plant	$7,022,688	11.3%	$6,860,989	9.2%
Scholarships and Fellowships	$8,855,102	14.3%	$6,525,543	8.8%
Mandatory Transfers	$(285,774)	-0.5%	$-0-	0.0%
Non-Mandatory Transfers	$(4,413,824)	-7.1%	$-0-	0.0%
Total E & G Expenditures	**$56,758,423**	**91.5%**	**$69,434,641**	**93.5%**
Auxiliary Enterprises	$5,289,462	8.5%	$4,834,098	6.5%
Total Current Funds Expenditures	**$62,047,885**	**100.0%**	**$74,268,739**	**100.0%**

Source: IPEDS Finance Survey.

Exhibit 1-20 shows how the unrestricted and restricted funds were spent. Expenditures for fiscal 1997 are very similar to the percentages for TSU's current fund revenues.

Exhibit 1-20
Proportion of Fiscal 1997 Current Funds Expenditures that are
Unrestricted and Restricted In Purpose
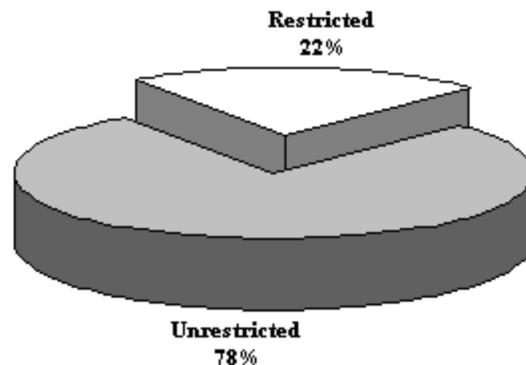
Source: IPEDS Finance Survey.

Exhibit 1-21 shows the amounts of unrestricted dollars spent for each FTE student as compared to the peer institutions. TSU ranks highest in dollar amounts for both primary programs and support programs. Primary programs include instruction, research, and public service. Support programs include academic support, student services, and institutional support. TSU's primary program expenditures per FTE were 33.3 percent above the peer average, and its support program expenditures were 45.4 percent above the peer average. TSU's primary program expenditures were bolstered by the dollars spent on instruction, despite spending the smallest amounts on research and public service. TSU's support program expenditures were enhanced by spending on both academic and institutional support.

Exhibit 1-22 shows how each institution allocated its unrestricted dollars during 1996-97. With regard to primary programs, TSU's percent spent on instruction is slightly more than its peer average.

Exhibit 1-21
Comparison of TSU's Peer Institutions'
Unrestricted Funds Per Student FTE
1996-1997

	Instruction	Research	Public Service	Subtotal Primary Programs	Academic Support	Student Services	Institutional Support	Subtotal Support Programs	Operations and Maintenance of Plant	Total
TSU	3,044	12	9	3,065	778	214	1,236	2,228	802	6,095
UT-Pan Am	1,744	25	35	1,804	228	231	502	961	406	3,171
Sam Houston	2,088	53	222	2,363	467	276	507	1,250	438	4,051
SFA	2,273	66	139	2,478	346	237	682	1,265	489	4,232
Prairie View	2,332	57	72	2,461	410	456	1,164	2,030	875	5,366
UH-Downtown	1,459	9	156	1,624	472	115	874	1,461	261	3,346
Peer Average*	2,157	37	106	2,300	450	255	828	1,533	545	4,378

Source: 1996-97 IPEDS Finance Survey and Enrollment Survey.
*Simple average.
FTE based on full-time headcount plus one-third part-time headcount.

Exhibit 1-22
Comparison of TSU to Peer Institutions' Percent Distribution of
Unrestricted Funds Per FTE Student
1996-1997

	Instruction	Research	Public Service	Subtotal Primary Programs	Academic Support	Student Services	Institutional Support	Subtotal Support Programs	Operations and Maintenance of Plant	Total
TSU	49.9%	0.2%	0.2%	50.3%	12.8%	3.5%	20.3%	36.6%	13.2%	100.0%
UT-Pan Am	55.0%	0.8%	1.1%	56.9%	7.2%	7.3%	15.8%	30.3%	12.8%	100.0%
Sam Houston	51.6%	1.3%	5.5%	58.3%	11.5%	6.8%	12.5%	30.9%	10.8%	100.0%
SFA	53.7%	1.6%	3.3%	58.6%	8.2%	5.6%	16.1%	29.9%	11.5%	100.0%
Prairie	43.5%	1.1%	1.3%	45.9%	7.6%	8.5%	21.7%	37.8%	16.3%	100.0%

View										
UH-Downtown	43.6%	0.3%	4.7%	48.5%	14.1%	3.4%	26.1%	43.7%	7.8%	100.0%
Peer Average*	49.3%	0.9%	2.7%	52.5%	10.2%	5.9%	18.8%	34.9%	12.4%	100.0%

Source: 1996-97 IPEDS Finance Survey and Enrollment Survey.
*Simple average.
FTE based on full-time headcount plus one-third part-time headcount.

Chapter 1
STATE FUNDING

Every other year, the Texas Legislature meets to determine a two-year funding schedule for public institutions. As indicated in the previous section, state appropriations constitute the largest portion of TSU's total operating revenue. This section looks at trends in state general revenue appropriations to TSU and also compares its funding with that of its peers.

Exhibit 1-23 compares the cumulative percentage increase in state General Revenue Fund appropriations for TSU and its peer institutions in five-year increments between fiscal 1972 and fiscal 1997.

Exhibit 1-23
Cumulative Percentage Increase in State General Revenue Appropriations
TSU and Peer Institutions
Fiscal 1972 to Fiscal 1998
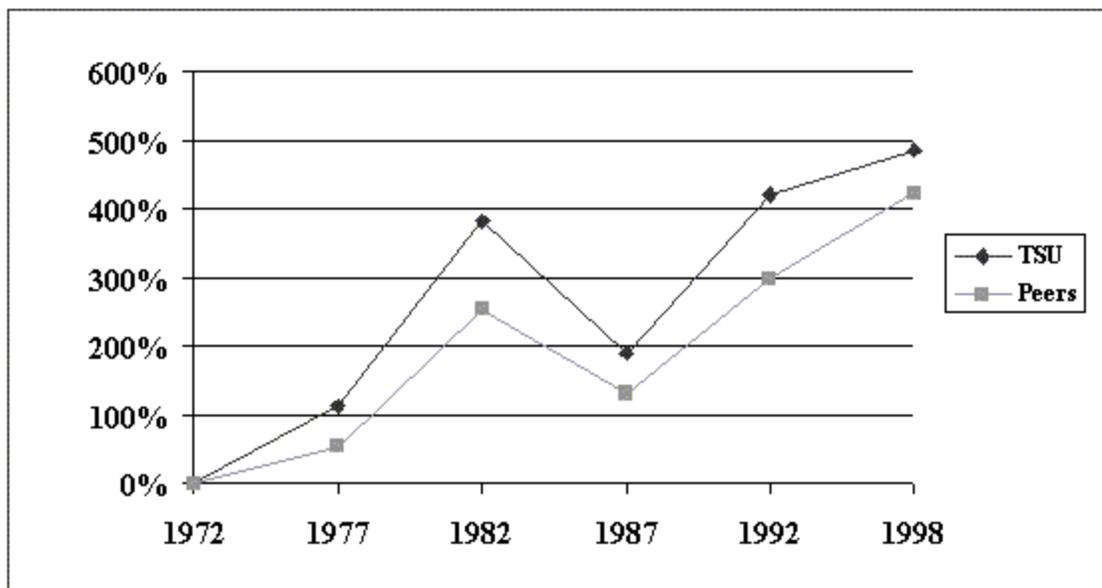
Source: THECB, May 1998.

As indicated, TSU's general revenue appropriations have increased by almost 500 percent since fiscal 1972 compared with an average cumulative increase of 424 percent for the five peer institutions.

Exhibit 1-24 provides information on state general revenue appropriations per FTE student for TSU and the five peers on average for the same time period. TSU's state general revenue appropriations per FTE student were

slightly below those received by the five peers during the 1970s, but has since surpassed the peer average and now is almost $5,500 per student. Part of the significant growth in TSU's per student appropriations in recent years is related to the institution's enrollment decline. Fiscal 1997 appropriations are based on 1995-96 population data that, in terms of TSU, meant fewer students to reap the benefits of additional funding.

Exhibit 1-24
State General Revenue Appropriations Per FTE Student
TSU and Peer Institution Average
Selected Fiscal Years

	Fiscal 1972	Fiscal 1977	Fiscal 1982	Fiscal 1987	Fiscal 1992	Fiscal 1997
TSU	$ 756	$ 1,145	$ 2,972	$ 2,333	$ 2,825	$ 5,492
Peer Average	$ 861	$ 1,146	$ 2,693	$ 1,681	$ 2,451	$ 2,974
TSU as % of Peer Average	87.8%	99.9%	110.3%	138.8%	115.2%	184.7%

Source: THECB, May 1998.
Note: 1998 FTE data are not available.

During February-June 1997, the Texas Legislature appropriated funds for the 1998 and 1999 school years. **Exhibit 1-25** shows TSU's appropriated funds.

Exhibit 1-25
Appropriated Educational and General 1998 and 1999
Appropriated General Revenue 1998 and 1999

Method of Financing	Appropriated E & G 1998	Appropriated E & G 1999	Appropriated GR 1998	Appropriated GR 1999
General Revenue Fund No. 001	$-0-	$-0-	$25,808,693	$26,280,591
Estimated Board Authorized Tuition Increases	$1,118,357	$1,118,357		
Estimated Statutory Tuition Increase	$466,897	$933,794		

Estimated Other Educational and General Income	$12,360,206	$12,598,392		
Transfers from Coordinating Board	$-0-	$-0-		
HEAF for Operating Expenses	$-0-	$-0-		
Total Method of Financing	**$13,945,460**	**$14,650,543**	**$25,808,693**	**$26,280,591**

Source: THECB.

Chapter 1
FACILITIES

TSU's campus is located near downtown Houston and consists of 44 buildings on 130 acres of land. The university has over $190 million worth of physical plant assets. The university plans on making over $50 million in renovations and new developments. Projects that already have won board approval include renovations to Fairchild, Bell, and Lanier Halls; the College of Education, the Art Building, and a new School of Business building. Eleven more projects were presented during July 1998, which, if approved, will enhance the TSU educational, athletic, and social environment.

Exhibit 1-26 shows the distribution of TSU's total net assignable square footage by purpose.

Exhibit 1-26
TSU Net Assignable Square Footage NASF By Purpose
(As Of August 31, 1997)

Category	NASF (in sq. ft)	Percent of E & G	Percent of Assignable
Classroom	108,373	12.0%	9.6%
Laboratory	182,617	20.3%	16.2%
Library	89,342	9.9%	7.9%
Research	28,284	3.1%	2.5%
Educational and General	899,953	100.0%	79.8%
Total Assignable #	**1,128,125**	**-**	**100.0%**

 # Total assignable space represents TSU's usable space. It is not a sum of the preceding categories.
Source: THECB Statistical Report FY 1997 - Physical Facilities, 1998.

Chapter 2
BOARD GOVERNANCE AND ADMINISTRATION

CURRENT SITUATION

Board of Regents Members

TSU is governed by a nine-member Board of Regents. Board members are appointed by the governor with the advice and consent of the Senate for staggered terms of six years each. The terms of three members expire on February 1st of odd-numbered years. **Exhibit 2-1** shows the current board members, their city of residence, the year in which they were appointed, and the year in which their term ends.

Exhibit 2-1
TSU Board of Regents, Fiscal 1999

Board Member	City of Residence	Year Appointed	Term Ends
Willard L. Jackson, Jr. Chairman	Houston	1995	2006
A. Martin Wickliff, Jr. Vice Chair	Houston	1997	2003
Alphonso Jackson, 2nd Vice Chair	Dallas	1998	2003
Regina Giovannini	Houston	1999	1999
Enos M. Cabell, Jr.	Houston	1995	2001
Albert C. Black, Jr.	Dallas	1996	2001
Anthony D. Lyons	Dallas	1993	1999
Gene A. Moore, Sr.	Houston	1995	2001
Fred S. Zeidman	Houston	1997	2003

Source: TSU Board of Regents

New TSU board members receive a general orientation on their fiduciary responsibilities. Board members receive a copy of the "Public Funds Investment Act" and watch a video, produced by the Office of the

Governor and the Texas Higher Education Coordinating board (THECB), on their responsibilities under this act.

No ongoing training and development program is in place for TSU board members. Many public university governing boards hold annual retreats for strategic planning purposes, educating board members on relevant policy issues, and building board cohesiveness. No board retreat has been held in the past two years. The governing boards for two of TSU's five peer institutions hold retreats on an annual basis. **Exhibit 2-2** illustrates the types of orientation and training activities held by the governing boards of TSU's peers.

Exhibit 2-2
Governing Board Orientation and Training Activities
Held by TSU's Peers

System/Institution	Orientation Topics for New Board Members	Regular Training and Development Activities	Frequency of Training and Development Activities
UT System *Peer: UT-Pan American*	—	—	—
Texas A&M University System *Peer: Prairie View A&M*	Review board handbook.	Retreat to cover general information.	One retreat per year.
University of Houston System *Peer: UH-Downtown*	Receive general overview of UH System from Chancellor and then visit all UH campuses.	Retreats to discuss systemwide and campus-specific issues.	Two retreats per year.
Texas State University System *Peer: Sam Houston State*	Receive overview on role of board and the TSU System including TSU organization and system budget.	No regular activities.	As needed.
Stephen F. Austin State University	Watch video on public investments.	No regular activities.	---

Board of Regents Powers, Duties, and Functions

The Texas Legislature has given the board the power and authority to govern TSU under the provisions of Section 106.11, et. Seq. of the Texas Education Code. The board is expressly directed by law to enact by-laws, rules, and regulations for the successful management of the institution. According to the current *Rules and Regulations of the Board of Regents of* Texas *Southern University*, the powers, duties and functions of the board include, but are not limited to, the following:

1. Adopt rules and regulations for the government of the university;

2. Appoint or remove the president and other officers and administrative officials of the University; and appoint or remove the faculty;

3. Establish and review the educational programs of the university;

4. Determine the mission and educational purpose of the university and approve its long-range plans and objectives;

5. Approve and confer all degrees (both earned and honorary) and diplomas awarded by the university;

6. Approve constitutions and by-laws and other governing documents (including proposed amendments) of all groups and bodies within the university operating under such documents;

7. Establish the guidelines for and approve by budgeting expenditures and approve appropriations requests submitted to the State Legislature;

8. Authorize the construction of new buildings and the renovation of existing buildings;

9. Receive benefits and donations directly from governmental bodies and from private or corporate sources to use in ways deemed by the regents to be in the best interests of the university;

10. Authorize the purchase and sale of land, buildings, or major equipment for use of the university under applicable state laws and procedures;

11. Authorize condemnation proceedings for the acquisition of private property for university purposes;

12. Authorize any fees or charges assessed against students attending the university.

Board of Regents Meetings, Committees and Membership

The board does not hold a specific number of regular meetings each year, although the board has recently met 7-10 times annually. **Exhibit 2-3** shows the annual number of board meetings for each of the past three fiscal years. All meetings are held in Houston.

Exhibit 2-3
Annual Number of Board Meetings Held
Fiscal 1996, 1997, 1998

Year	Number of Meetings Held
1996	7
1997	10
1998 (first 8 mos.)	5

Source: MGT of America from board minutes.

The board has nine standing committees, which are established by the board chair and ratified by the board, according to its by-laws. **Exhibit 2-4** shows the committees and their current membership, which has been in place since June 1996. Before that date, the Personnel, Academic Affairs, and Student Services committees formed a single committee.

The chair of the board is an ex-officio member of all standing committees, meaning that he or she is automatically a voting member of each committee.

The Office of Board Relations is staffed by one full-time professional position (the Executive Director) and one full-time clerk, who handles all board administrative matters, including mailing of board meeting materials, minutes, and scheduling.

Exhibit 2-4
TSU Board of Regents Committees and Duties
1997-98

Committee	# of Members	Duties
Executive	4	• Serves as a steering committee for the board and is empowered to make decisions on behalf of the board if emergencies arise between board meetings.
Academic Affairs	5	• Reviews and approves new degree programs • Reviews the quality of academic programs
Development	4	• Reviews and recommends institutional fundraising programs and public relations initiatives • Reviews and makes recommendations to the board about gifts and grants to the university
Finance	4	• Reviews and makes recommendations to the board on biennial legislative appropriations request and the annual operating budget including setting student tuition • Has oversight of accounting and financial systems • Recommends banks for deposit of university funds • Has oversight of university's investment portfolio • Reviews annual financial audits
Buildings and Grounds	4	• Reviews and recommends capital project priorities • Reviews and makes recommendations to the board on all proposals for new construction, repair, and renovation in excess of $50,000
Legislative	3	• Reviews and makes recommendations to the board on university relations with the State Legislature and other legislative bodies
Litigation	2	• Reviews and makes recommendations to the board on settling pending litigation

Personnel	5	• Reviews and makes recommendations to the board regarding the hiring, firing, and compensation of university officers, faculty, and professional staff
Student Services	5	• Reviews and makes recommendations to the board on support services provided to students • Reviews and makes recommendations about mandatory fees charged to students for extracurricular activities

Source: MGT of America, based on information from TSU Board Relations Office and Board by-laws.

FINDING

The process of becoming a productive and constructive governing board member begins when an individual joins the board. There is currently a lack of proper orientation and ongoing training for new board members. Other than the required orientation for all appointed board members provided by the Governor's Office and THECB, no formal orientation has been developed for TSU Board of Regent members. Board members interviewed by the review team indicated that they had to learn about the specifics of being a TSU board member "on the job." Most public university governing boards, including those of TSU's peer institutions, provide some form of orientation for their new board members that encompasses the history of the institution, board by-laws and policies, the role of a board member, and basic information about the institution. Without this orientation, individuals learn about being a board member by watching how other board members interact.

Recommendation 1:

Create a formal orientation program for all new board members

The TSU Board of Regents, in cooperation with TSU administration, should create a formal orientation program that covers, at a minimum:

- the history of TSU;
- board by-laws, policies, and procedures;

- basic information about TSU including (but not limited to): organizational structure; degree programs offered; financial/budget information; enrollment; retention and graduation rate data;
- the role of a board member; and
- the ethical and fiduciary responsibilities of a state agency board member.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board's executive committee develops an outline of the major components of the orientation program in cooperation with the TSU senior administration.	May 1999
2.	The executive director for Board Relations compiles and develops the materials needed for each component.	July 1999
3.	The orientation program is implemented	October 1999
4.	The executive director provides orientation to new board members in cooperation with TSU senior administration.	Ongoing as new board members are appointed

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The board does not have a regular process for training and development for its members. Board members interviewed by the review team indicated a need for some form of training and development. As with any lay governing board such as the Board of Regents, the effective oversight of TSU requires ongoing training and education for board members. In Texas, public school district boards are required to attend a given number of training hours each year. New members must attend 16 hours per year and experienced members must attend 11 hours. While this is not a requirement for public university boards in Texas, it is a reasonable practice that affords board members an opportunity for professional development. Additionally, the board has not held a retreat for two years, which may be a reflection of the lack of cohesiveness among board members that the review team noted. Such activities are important to build cohesiveness and help the board set strategic directions.

Recommendation 2:

Develop a formal training and development program that would provide at least two development activities per year for all board members, one of which should be a board retreat.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The full board determines top priorities for ongoing board training and development.	May 1999
2.	The board's executive committee develops a two-year schedule for possible training and development activities	August 1999
3.	The executive director for Board Relations and the board's Executive Committee develop a plan for the retreat, including the preparation of materials and other resources (including expert speakers).	October 1999
4.	The board holds an annual retreat.	October 1999
5.	All board members participate in at least one other activity per year.	Ongoing

FISCAL IMPACT

For the purposes of this fiscal estimate, the costs of this recommendation include one retreat per year for all board members plus one additional activity. The following assumptions will be made:

- The board retreat will be held locally and will have one outside speaker who will be paid a $1,000 honorarium plus expenses of $1,000 for a total of $2,000.
- The additional board activity will involve travel to a national or regional meeting and will cost $1,500 per board member per year ($500 registration plus $1,000 in travel expenses. Nine board members x $1,500/member = $13,500.

Total ongoing annual costs for this recommendation will be $15,500.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Develop a formal training and development program for the board.	($15,500)	($15,500)	($15,500)	($15,500)	($15,500)

FINDING

The board has nine committees. The majority of public university governing boards (including those in Texas) have at most three to five committees. **Exhibit 2-5** compares TSU's structure of standing committees with that of its peer institutions. Three differences between TSU and its peers stand out. First, as indicated, three of TSU's five peer governing boards have academic affairs and student affairs as a combined committee while TSU has a separate committee for each area.

Interestingly, before June 1996, TSU also combined academic affairs and student affairs as one single committee. The division of this committee into separate committees occurred so the board could provide more in-depth attention to each of these areas. Second, TSU is rare among its peers in having separate development and legislative committees. The one peer board that comes close to this (the University of Houston System) combines institutional advancement (i.e., "development") with an external relations (i.e., "legislative relations") function. Finally, TSU is unique in having separate standing personnel and litigation committees.

Exhibit 2-5
Standing Committees of TSU and Peer Institution Governing Boards

System/Institution	Committees
Texas Southern University	1. Executive 2. Finance 3. Buildings and Grounds 4. Academic Affairs 5. Personnel 6. Student Services 7. Litigation 8. Development 9. Legislative (ad hoc)
University of Texas System *Peer: UT-Pan American*	1. Executive 2. Business Affairs and Audit 3. Academic Affairs 4. Health Affairs 5. Facilities Planning and Construction
Texas A&M University System *Peer: Prairie View A&M*	1. Audit 2. Academic and Student Affairs 3. Finance 4. Buildings and Physical Plant
University of Houston System *Peer: UH-Downtown*	1. Executive 2. Academic and Student Affairs 3. Administration and Finance

	4. Institutional Advancement and External Affairs
Texas State University System *Peer: Sam Houston State*	1. Planning and Construction 2. Curriculum 3. Finance 4. Rules and Regulations 5. Governmental Relations 6. Minority Enhancement
Stephen F. Austin State University	1. Executive 2. Finance 3. Academic and Student Affairs 4. Buildings and Grounds

Source: MGT from institutional web sites and phone survey of universities.

So many board committees promotes micro-management. Moreover, board members are spread among these committees, which dilutes the attention that any one board member can devote to items before the committee.

Recommendation 3:

Realign the current Board of Regents committee structure and create a total of six committees.

The current committees and recommended committees are indicated in **Exhibit 2-6**. The recommendation to merge the personnel and litigation committees appears reasonable because many of the litigation activities on which the board must act are about personnel matters.

Exhibit 2-6
Current and Recommended Board of Regents Committees

Current Committees	Recommended Committees
1. Executive 2. Academic Affairs 3. Development 4. Finance 5. Buildings and Grounds 6. Legislative 7. Litigation Committee	1. Executive 2. Academic Affairs and Student Services 3. Development and Legislative 4. Finance 5. Buildings and Grounds 6. Personnel and Litigation

8. Personnel 9. Student Services	

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board votes to consolidate the current set of board committees from a total of nine to six.	April 1999
2.	The new committee structure is incorporated by the board into its by-laws.	April 1999
3.	The board implements its new committee structure.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

In general, the TSU board meets seven to ten times per year. The practice of other public university governing boards in Texas is to meet no more than four to six times per year (**Exhibit 2-7**). The primary benefit of fewer meetings is that when governing boards meet monthly, the institution must continually prepare for the next board meeting. Fewer meetings provides the institution more opportunity to make progress on board goals between meetings.

Exhibit 2-7
Numbers of Campuses Overseen
and the Number of Board Meetings Per Year
TSU and Peer Institution Governing boards

System/ Institution	Number of Campuses	Number of board Meetings Per Year
Texas Southern University	**1**	**7 - 10**
University of Texas System	13	4
Texas A&M University System	11	6
University of Houston System	4	4 plus 6 separate committee meetings

| Texas State University System | 7 | 4 |
| Stephen F. Austin State University | 1 | 4 |

Source: MGT from phone survey of universities

The scheduling of TSU board meetings is not accomplished in advance, but instead is decided at a time at the end of each board meeting. A set of regularly scheduled board meetings allows managers to plan their workload accordingly.

Recommendation 4:

Schedule a minimum of four board meetings per year and set the meeting calendar at least one year in advance.

Should emergencies arise that cannot be handled by the board's standing committees, special meetings may be called.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The board adopts a set schedule of four to six board meetings per year for the coming year.	April 1999
2.	The board incorporates this new schedule into its by-laws.	April 1999
3.	The executive director for Board Relations develops a draft schedule of board meeting dates for the next two years.	May 1999
4.	The board considers and adopts or revises the proposed schedule of meeting dates.	May 1999
5.	The board begins its new schedule.	September 1999 and Ongoing

FISCAL IMPACT

It is estimated that there would be minor cost savings from implementing this recommendation including reductions in direct meeting-related expenses. The following assumptions will be made:

- According to the TSU Office of Board Relations, the travel-related cost of attending each board meeting for out-of-town board members is $175 per meeting, including travel, lodging, and meals.
- Three board members live outside Houston.
- Copying and mailing board materials costs approximately $250 per meeting.

The cost savings per meeting will be ($175 x 3 outside board members) + $400 in direct costs = $925.

If the board reduces the top end number of annual meetings from 10 to 6, then the annual savings would be 4 meetings x $925 per meeting = $3,700.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Schedule a minimum of four board meetings per year.	$3,700	$3,700	$3,700	$3,700	$3,700

FINDING

The current board by-laws and policies manual was published in 1982, with subsequent amendments in 1991, 1993, 1996, and 1998. Board members interviewed said that some by-laws and policies in this publication have been amended or deleted through board action at board meetings. These actions, however, have not been formally incorporated into the current manual, and it appears that a comprehensive review of board by-laws and policies has not been conducted since 1993.

Recommendation 5:

Publish a revised set of board by-laws and policies and store the document electronically so it can be updated without the expense of reprinting.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director for Board Relations and general counsel review the current board by-laws and policies document and updates as necessary.	February-September 1999
2.	The board reviews the updated by-laws and policies and approves or revises as appropriate.	October 1999
3.	One copy of revised by-laws and policies are provided to each board member.	November 1999

4.	The executive director and general counsel review the document and update as necessary with board approval.	Ongoing as needed

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Current communication between TSU's president and board members appears to be limited to discussions between the board chair and president. The board chair indicated that he talked with the president at least once a week. The president felt that his primary mode of communication with the board was through the board chair. In the past year, the State Auditor's Office (SAO) developed a set of benchmarks against which the TSU administration is measured. One of these benchmarks concerns providing accurate and timely information to the board.

Additionally, the president does not provide any formal summary of major issues and items coming before the board before board meetings. Some board members indicated they did not feel that all board members had the same level of understanding of issues and items coming before the board. This situation could be corrected through more frequent communications between the president and board members.

Recommendation 6:

Provide a written summary to all board members of major issues and items on the board meeting agenda at least one week in advance of each board meeting.

This summary should include at a minimum the following components:

- summary description of issue/item;
- relevant background on issue; and
- recommended action (if applicable).

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president develops a format for communicating a written summary of board meeting agenda items in consultation with the board.	Complete

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
ORGANIZATIONAL STRUCTURE AND SENIOR MANAGEMENT

CURRENT SITUATION

TSU's current senior organizational structure is shown in **Exhibit 2-8.** As indicated, the university president reports directly to the nine members of the board. The second level of management, which reports directly to the president, includes nine positions:

- chief operations officer (also reports to directly to the board)
- provost/senior vice president for Academic Affairs
- vice president for Finance
- associate vice president for Development
- associate vice president for Student Services
- associate vice president for Facilities, Planning, and Operations
- director for Institutional Advancement
- general counsel
- athletic director

The president's office is staffed by a full-time executive assistant and three full-time clerical support staff.

Exhibit 2-8
Organization of TSU's Senior Management
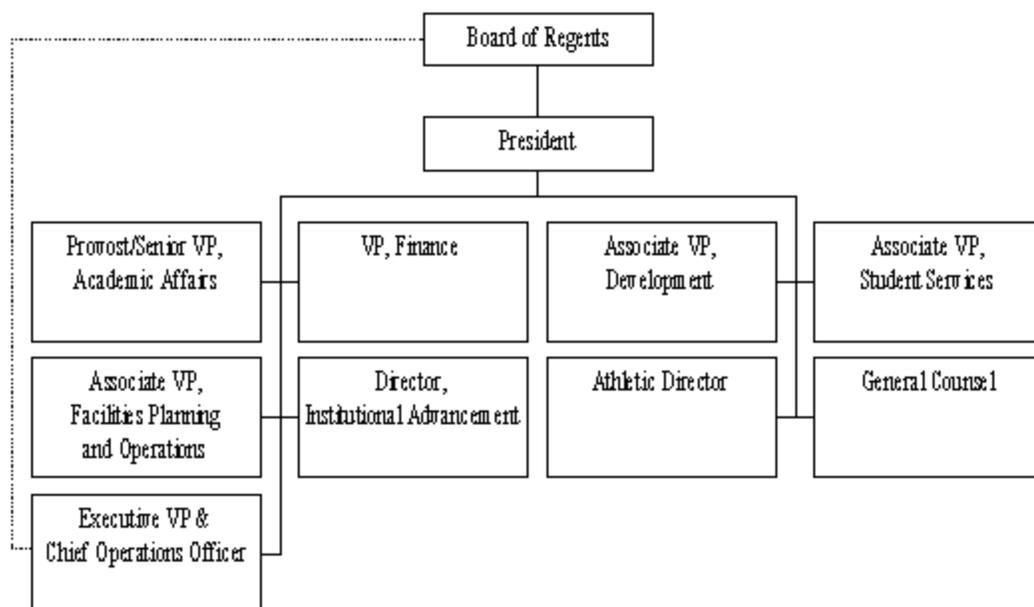
There has been significant turnover and controversy surrounding the university presidency during the 1990s. **Exhibit 2-9** shows the presidents in place at TSU during the 1990s, their length of service, and reasons for leaving (if applicable).

Exhibit 2-9
TSU Presidents During the 1990s

President	Term of Office	Reasons For Leaving
William Harris	1988 to 1993	Resignation
Joann Horton	1993 to 1995	Contract Not Renewed
James Douglas	1995 to 2/5/99	Removed by board
Priscilla Slade (Acting)	1999 --	--

Source: MGT.

FINDING

Some TSU faculty and staff raised concerns that too many functions reported directly to the president, whose ability to lead the institution effectively, it is argued, is diminished by administrative minutiae. The positions reporting directly to the president at TSU's peer institutions are shown in **Exhibit 2-10.** As indicated, TSU has more positions reporting directly to the president than any of its peers.

Exhibit 2-10
Number of Professional Positions Reporting Directly
To the University President By Type
TSU and Peer Institutions

Institution	Vice Presidents *	Other Staff #	Total
TSU	6	4	10
UT-Pan American	4	4	8
University of Houston - Downtown	2	2	4
Prairie View A&M			
Sam Houston State University	3	3	6
Stephen F. Austin State University	5	3	8

Exhibit 2-11 compares the functional areas reporting directly to the president at TSU and its peers. As indicated, TSU is alone among its peers in having the functional area of facilities/physical plant reporting directly to the president. All of TSU's peer institutions have this area reporting through a vice president for administration/business/finance.

Exhibit 2-11
Functional Areas Reporting Directly to the President
TSU and Peer Institutions

Functional Area	TSU	UT-PA	UH-D	PVAMU	SHSU	SFASU
Academic Affairs	X	X	X	X	X	X
Administration/Business/ Finance	X	X	X	X	X	X
Advancement	X	X	X	X	X	X
Student Affairs	X	X		X	X	X
Facilities/Physical Plant	X					
Institutional Research		X				X
General Counsel	X	NA	NA	NA	NA	X
Athletics	X		NA			
Internal Audit	X	X	NA		X	NA

"NA" - Not applicable: no comparable functional area. Source: MGT from information provided by peer institutions.

The role of TSU's chief operations officer is similar to that of an executive vice president in that all areas below the president report through this position to the president. A chief operations officer exists at some colleges and universities nationally. None of TSU's peer institutions have an executive vice president, although the University of Texas-Medical Branch in Galveston and Texas A&M University in College Station both have such a position.

The overall duties of the chief operations officer position are similar to those currently specified for the senior vice president for administration (see **Exhibit 2-12**).

Exhibit 2-12
Duties and Function of Chief Operations Officer
and Senior Vice President for Administration

Chief Operations Officer	Senior Vice President for Administration
Manage the day to day administrative operations of the university including: • Finance and accounting • Buildings, grounds, and facilities • Student services • Financial aid and enrollment management • Information technology systems • Human resources and personnel • Institutional development • University litigation • Other duties as assigned by president and board	Provides leadership, management, and oversight of support services reporting to the senior vice president including: • Business and financial services • Budget development • Information technology systems • Auxiliary enterprises (book store and food services) • Human resources and personnel • Other duties as assigned by president and board

Source: TSU.

Recommendation 7:

Eliminate the position of senior vice president for Administration and transfer all functions under this position to the chief operations officer. Create a new position of vice president for Finance.

In February 1999, TSU hired a chief operations officer.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president brings proposal to the board to eliminate the position of senior vice president for Administration and transfer all functions to the chief operations officer.	Complete

2.	The president and board create a new position of vice president for Finance.	March 1999
3.	Position of vice president for Finance is posted and search and recruiting process begins.	April 1999 and ongoing

FISCAL IMPACT

With the simultaneous elimination of one position and the creation of another comparable one, there are unlikely to be significant cost savings from this recommendation.

FINDING

With the events of 1998 and early 1999, including the board's selection of a new, acting president and creation of the position of chief operations officer, it is essential that the board provide clear management directives to the president and chief operations officer on their reporting relationship.

Recommendation 8:

Define the reporting relationship so that the respective roles of the chief operations officer and the president are clearly delineated.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The president and chief operations officer meet to define their roles and a preliminary reporting structure.	February 1999
2.	The president presents the proposed structure to the board for ratification. 3.The new reporting structure is implemented.	March 1999 March 1999

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

The most recent, complete set of TSU organizational charts for the overall university and its various operating units was published in September 1997, although the board formally adopted a change to these organizational charts in January 1998 with the establishment of the chief operations officer position. In reviewing organizational charts with administrators and department heads, several charts were found to be

inaccurate in terms of position titles, incumbents, and--more importantly--the actual reporting relationships. These inaccuracies contribute to the current sense of organizational confusion among TSU faculty and staff.

Recommendation 9:

Revise TSU's organizational charts and distribute to faculty and staff.

The chief operations officer should direct the appropriate manager to revise charts whenever key changes are made in organizational assignments or structure. In addition, a memo from the president should notify all employees of key personnel changes and outline the new chain of command.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief operations officer instructs the director of Institutional Effectiveness to review relevant organizational charts with appropriate managers.	February 1999
2.	The vice presidents review organizational charts with department heads; charts are either verified or corrected.	February-March 1999
3.	The director of Institutional Effectiveness compiles and publishes set of corrected charts.	April 1999
4.	The president sends memo to all employees notifying them of current organizational structure.	April 1999
5.	The director of Institutional Effectiveness reviews, revises, and re-publishes organizational charts as needed.	Ongoing as needed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
UNIVERSITY MANAGEMENT, POLICIES, AND PROCEDURES

CURRENT SITUATION

As noted, TSU has a fairly traditional management structure in place with a president, various vice presidents, deans, and directors. Many operational aspects of the institution are conducted through a variety of committees, as is commonplace at institutions of higher education. There are currently 14 permanent and three ad hoc administrative committees in place at TSU. The committees and their primary functions are included in **Exhibit 2-13.**

Exhibit 2-13
TSU's Permanent and Ad Hoc Administrative Committees
1997-98

Committee	Type	Function
Faculty Research	Permanent	Responsible for developing a research agenda for TSU.
Cooperative Education	Permanent	Responsible for developing a cooperative education program.
Library	Permanent	Responsible for making recommendations to the Library Director on efficient and effective library services.
Curriculum	Permanent	Responsible for reviewing and making recommendations regarding the academic curriculum of TSU.
Academic Infrastructure	Permanent	Responsible for reviewing and evaluating the usefulness and effectiveness of the academic organization.
Faculty Manual	Permanent	Responsible for reviewing, revising, and refining the manual.
Information Technology Governance	Permanent	Responsible for planning the direction of future technological initiatives, assessing the appropriate uses of various technologies and determining policies, planning for facilities needs, and recommending any restructuring necessary to contribute to

		effective technology use.
Recruitment/Retention	Permanent	Responsible for formulating University-wide recruitment and retention initiatives.
Advisement	Permanent	Responsible for evaluating the University's academic advisement efforts and faculty effectiveness in this area.
University Council on Teacher Education	Permanent	Responsible for recommending policies for the supervision of all programs leading to a teaching certificate.
Graduate Council	Permanent	Responsible for formulating policies and regulations which will assure maintenance of quality in graduate education.
Rank, Tenure and Promotion	Permanent	Responsible for reviewing related recommendations and denials and making appropriate recommendations to the administration based on its findings.
Executive	Permanent	Responsible for implementing university policies at the direction of the president and in serving in an advisory capacity to the president.
Grievance Hearing	Permanent	Responsible for hearing and making final determinations of all employee grievances before the General Counsel.
Search and Screen Committees	Ad Hoc	Responsible for searching and screening applicants for executive and administrative positions open at the university. Currently twelve committees in place.
Self-Study Steering	Ad Hoc	Responsible for providing overall direction to TSU's SACS accreditation self-study process.
Distance Learning	Ad Hoc	Responsible for developing TSU's distance learning plan to be submitted to THECB.

Source: Texas Southern University.

The executive committee serves as the primary point of communication and discussion of management issues among the president and senior campus leadership. The provost and senior vice president for Academic Affairs also have a deans' council, composed of academic deans, which

serves a similar function regarding academic administration matters. This council meets biweekly.

Because of the ongoing problems in TSU's management and fiscal operations, the State Auditor's Office (SAO) has developed a set of benchmarks against which the progress of the university will be measured. **Exhibit 2-14** shows the benchmarks by area of concern. The university is required to report quarterly on its progress in meeting these benchmarks via several performance measures.

Exhibit 2-14
SAO Benchmarks Established For TSU

Area of Concern	Benchmark
Management Oversight and Controls	- Establish and maintain a system for executive management to use in setting goals, objectives, and priorities for the university and monitoring the university's performance - Establish and maintain a formal system for providing accurate and timely financial and performance information to the Board of Regents
Finance and Accounting	- TSU's annual financial report tested for material weakness and corrected for fiscal 1997 - TSU's cash flow projected from 9/1/97 through 8/31/98 - Banner Financial Module implemented and functioning - Policies and procedures manual current for all financial and administrative functions, including Banner system modules
Human Resources	- Board hires chief operations officer and internal auditor via board approved process - Effective immediately, all executive positions (president; chief operations officer; internal auditors; all senior, associate, and assistant vice presidents; and all directors) filled by university administration complies with written selection process to include selection committee composed of internal and external parties, regional and national search - Human resources management systems developed
Management	Complete and update biennial operating plan

Information Systems	provided to Department of Information Resources • Banner Financial and Student Financial Aid modules on-line, tested, and implemented • Banner training completed by all appropriate staff currently using Banner modules including Finance and Financial Aid
Planning and Communications	• Outcome measures developed for administrative departmental outcomes
Student Financial Aid	• Key financial positions filled with experienced and qualified personnel • Policies and procedures developed and in-use that ensure consistent practices for administering and processing student financial aid • Reimbursement process developed and implemented which ensures timely and accurate submissions of reimbursement requests • Establish system of communication between all departments responsible for student financial aid • Resolve agreed upon outstanding audit issues identified by SAO during November 1997 follow-up • Resolve outstanding program review issues identified by Department of Education as agreed to in Settlement Agreement

Source: State Auditor's Office, 1998.

FINDING

There are currently several positions at the second and third levels of management that are filled by interim appointments (**Exhibit 2-15**).

Exhibit 2-15
Senior Administrative Positions Currently Filled on an Interim Basis

Position	Interim Appointment Date
Provost/senior vice president for Academic Affairs;	07-01-96
Vice president for Finance	09-01-96
Assistant vice president, Business and Financial Services	10-01-96

Dean, College of Education	02-06-98
Dean, School of Technology	10-04-96
Dean, Law School	01-09-98 to 12-31-98 (Vacant)
Dean, Arts and Sciences	10-07-94
Comptroller	01-01-98 to 8-31-98 (Vacant)
Registrar	06-01-94

Source: TSU Office of Human Resources, February 1999.

A significant number of interim appointments at these senior levels is undesirable for at least two reasons. First, it causes a level of uncertainty for faculty and staff within each of their immediate operating units that can adversely affect morale and productivity, adding to the already unstable atmosphere at the university. Second, it can create a chilling effect on the university's ability to recruit competent individuals to fill these positions.

Recommendation 10:

Fill the interim and vacant management positions with permanent appointments as soon as possible.

These positions should be filled in sequential order, given that the president should make the decision on second-level managers (vice presidents), who in turn should have input into the selection of appropriate third-level managers (assistant/associate vice presidents, deans, and directors).

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Human Resources develops policies and procedures for replacing interim appointments.	Complete
2.	The search committees are created by the appropriate university officer with input from departments and schools.	February 1999
3.	The director of Human Resources and search committees begin the search process: identifying candidates, reviewing qualifications, conducting interviews, and making recommendations for positions.	February-July 1999
4.	The responsible university officer takes recommendation to the	August 1999

	president, who in turn presents the appointment to the board for ratification or approval.	
5.	The new appointment begins duties.	September 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The university does not have a set of current and approved written administrative policies and procedures in one location for faculty and staff. There is a document called the *Faculty Manual: Policies, Regulations, and Procedures*, which is stamped "DRAFT 1993"; however, a review of this document indicates that much of it is out of date. For example, Section 1.6 of this manual (*University Administrative Organization*) includes various senior administrative titles that no longer exist at TSU, including "Vice President for Fiscal Affairs" and "Vice President for Student Affairs."

Interviews with individuals on campus indicated that there were often no set policies and procedures for addressing a variety of situations, which resulted in issues often being addressed in a haphazard manner. Board members voiced this concern as well. A related concern is that those written policies and procedures that do exist may be outdated, inconsistent with current practice, or irrelevant.

Recommendation 11:

Centralize TSU's current set of written administrative policies and procedures in one location for all TSU administrators, faculty, and staff.

The university should appoint a committee to review and revise administrative policies and procedures to be consistent with current practice. In addition to distributing these to every department, these policies and procedures should be posted electronically to TSU's web site.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	President appoints ad hoc committee composed of individuals from all major operational areas to compile all policies and procedures at TSU.	February 1999

2.	Committee compiles policies and procedures.	February-April 1999
3.	Committee conducts thorough review of policies and procedures and proposes revisions as necessary.	May-October 1999
4.	Committee submits revised policies and procedures to the president and executive committee.	November 1999
5.	Compilation of policies and procedures is approved or revised by president and executive committee. Copies are published and sent to all university departments.	December 1999
6.	Compilation is posted to TSU's web site.	January 2000
7.	Policies and procedures are updated and revised as necessary.	Ongoing thereafter.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
UNIVERSITY LEGAL SERVICES

CURRENT SITUATION

University legal services are coordinated and directed by the TSU Office of the General Counsel. As indicated in **Exhibit 2-16**, this office is staffed by two full-time attorneys (the general counsel and assistant general counsel), three law clerks (typically TSU law students), and two full-time support staff.

Exhibit 2-16
Office of the General Counsel Staffing
1997-98
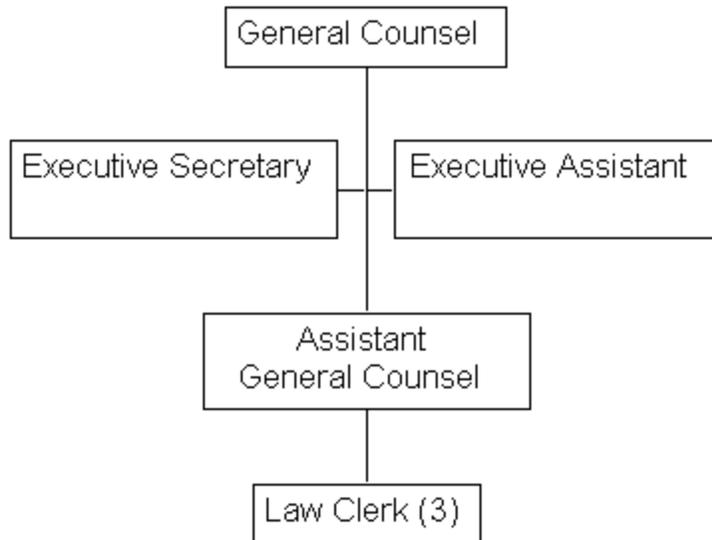
Source: TSU 1999

The current general counsel has been at TSU since 1995. The primary duties of this position are:

- managing litigation and serving as liaison to state Attorney General;
- mediating disputes and grievances on campus;
- advising the board and president;
- reviewing and negotiating contracts; and
- serving as point person with selected state and federal agencies;

The process by which the general counsel's office addresses legal issues is as follows:

1. The general counsel's office receives an administrative request regarding an issue such as a student or employee grievance.

2. The attorney assigned to the case (either the general counsel or assistant general counsel) collects background information on the case from the administrator.

3. The attorney then contacts the party or parties involved and collects additional information and documentation on the issue.

4. The general counsel then formulates an opinion and gives a recommendation for resolving the issue to the administrator.

The general counsel indicated that this process typically takes ten days to two weeks. At that point, the issue is either resolved to the satisfaction of the parties involved or the case goes to litigation. If the case goes to litigation, the Office of the Attorney General takes over the case. According to information provided by the Office of the General Counsel, there were 24 university-related cases that went to litigation in calendar year 1997. There are one of three possible outcomes to cases that go to litigation in which TSU is the defendant:

1. The case is settled out of court and may result in TSU's paying monetary damages to the plaintiff.

2. The case goes to trial, and the judge finds in favor of TSU.

3. The case goes to trial, and the judge finds in favor of the plaintiff, which may result in monetary damages paid to the plaintiff by TSU.

Exhibit 2-17 shows the total monetary damages paid to plaintiffs by TSU in fiscal 1996, 1997, and 1998 by type of case.

Exhibit 2-17
Total Value of TSU's Legal Settlements By Type of Case
Fiscal 1996 to 1998

Type of Case	Fiscal 1996	Fiscal 1997	Fiscal 1998
Employment-Related	-0-	$20,000	$214,513
Other	$2,191	$10,000	$39,723
Total Value of Settlements	**$2,191**	**$30,000**	**$254,236**

Source: TSU Office of General Counsel, June 1998.

In selected situations, the general counsel can contract with outside counsel for specialized work. This first requires approval by the Texas Attorney General's office. **Exhibit 2-18** shows the total TSU expenditures on outside legal counsel in fiscal 1996, 1997, and 1998. As indicated, there have been no expenditures on outside legal counsel by TSU since fiscal 1996. According to the general counsel, the use of outside legal help has been limited to bond issuance.

Exhibit 2-18
Total Expenditures on Outside Legal Counsel
Fiscal 1996 to 1998

Fiscal Year	Total Expenditures
1996	$11,853
1997	-0-
1998	-0-

Source: TSU Office of General Counsel, June 1998.

FINDING

According to the general counsel, there is no system in place for written or electronic documentation of the administrative request or litigation. The office retains documentation for the Office of the Attorney General, but the general counsel cannot access information easily or prepare litigation reports for the board without considerable effort and delay. There is no easy way to track the resolution of specific issues or to monitor the frequency with which different types of legal questions arise (e.g., employment issues; sexual harassment).

The Office of the General Counsel is operating with outdated microcomputer hardware and software without the capability to track legal issues or perform routine office work.

Recommendation 12:

Develop an electronic database to track litigation and administrative requests of the general counsel.

The following data elements should be included:

- date request was made;
- name and title of requester;
- nature of request/case (e.g., employment issues);

- parties involved;
- brief description of issue resolution;
- date issue was resolved by general counsel's office; and
- whether or not case went to litigation and in what venue.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	TSU's general counsel assigns support staff person to design database.	Complete
2.	Support staff person creates database structure with direction from general counsel.	Complete
3.	The Office of General Counsel purchases four microcomputers and related software to manage legal issues.	April 1999
4.	The Office of General Counsel begins process of data input and tracking legal issues.	May 1999

FISCAL IMPACT

The Office of General Counsel will incur a one-time, total estimated expense of $12,000 for four microcomputers and software.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Develop an electronic database to track litigation.	($12,000)	-0-	-0-	-0-	-0-

FINDING

Because of a lack of space, the general counsel's office now stores many of its files of past cases in a conference room inside an office suite. While the general counsel indicated that this was a secure area given that the only access is through the suite, there was some concern about having confidential files and materials stored in a conference room.

Recommendation 13:

Locate secure storage space for all confidential legal materials.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	General Counsel meets with associate vice president for facilities planning and operations to locate appropriate storage	February 1999

	areas for case records and materials.	
2.	Current records and materials are indexed and sent to storage.	April 1999
3.	General Counsel develops a policy for ongoing case records disposition following State Library standards and presents policy to president and board for approval or ratification.	April 1999
4.	Records and materials are disposed of according to policy.	Ongoing thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources if suitable storage space is located on campus.

Chapter 2
STRATEGIC PLANNING

CURRENT SITUATION

TSU's current strategic plan for the period 1999-2003 was developed and submitted in June 1998 in accordance with instructions developed by the Governor's Office of Budget and Planning and the Legislative Budget board. TSU's plan contains six goals:

1. **Provide Instruction**: We will offer high quality programs leading to our respective degrees.
2. **Conduct Research**: We will seek solutions to the problems of the urban environs and the urban populace especially in the areas of education, health, the physical and social environment, domestic safety, and world hunger and peace.
3. **Provide Public Service**: We will provide quality service to the community.
4. **Provide Institutional Support and Ancillary Operations**: We will provide institutional support, facilities, and operational units for the purpose of enhancing the ability of the university to meet its academic and service-oriented goals.
5. **Achieve Institutional Effectiveness**: We will accomplish institutional effectiveness through an appropriate plan that includes planning and evaluation processes which integrate educational, physical, and financial development resulting in institutional improvement.
6. **Create a Positive Institutional Culture**: We will cultivate an environment that fosters espirit de corps and pride among students, faculty, staff, alumni, the board, and the community.

Source: Agency Strategic Plan for 1999-2003, Texas Southern University.

In the review team's judgment, TSU has consistently used a conventional "top-down" approach in developing its long-range strategic plans. The process can be summarized as follows:

- The process began with an executive level review of earlier plans to determine the extent to which previous goals, objectives, and strategies were still applicable to the university. This review included the president, provost, vice presidents and the Office of Institutional Research.
- The results of this review were then forwarded to the deans, department heads, and directors throughout the university as a first draft in order to gather written suggestions on proposed changes.

- A meeting was held with these individuals to discuss the contents of the plan and the form it should take. The results of this meeting were incorporated into a second draft.
- This draft was reviewed at the executive level for final approval, which also focused on outcome projections and their implication for the operation of the university.
- The results of the final review were incorporated into a final draft, which was presented to the Board of Regents for approval before being forwarded to the state.

In addition to this process, each school, unit, and department is expected to develop a set of goals and objectives within the overall planning framework established by the university.

FINDING

TSU's current strategic planning process is "top-down" and does not have significant involvement at the grassroots level. This leads to little interaction among TSU administration and the university's various constituencies (faculty, staff, students, and community members) during the planning process and consequently no "buy in" to the final strategic plan.

Recommendation 14:

Augment TSU's strategic planning process to more actively involve individuals at the "grassroots levels," including faculty, staff, students, and community members.

At a minimum, the process should add the following components:

- Written communication with all faculty, staff, students and community members prior to the start of the process from the president explaining the purpose, goals, and timeline for the planning process;
- Focus groups or forums with faculty, staff, students, and community members at the beginning of the process to gain their thoughts on current and proposed university goals/objectives; and
- A public forum conducted by the university administration involving faculty, staff, students, and community members to get feedback on the draft plan.

In addition, the time frame for developing the plan should be moved back to allow reasonable opportunities for all faculty, staff, and students to participate in the planning process.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president issues communication to all university constituencies prior to the start of the next planning process explaining the purpose, goals, and timeline.	September 1999
2.	The president and strategic planning committee conduct focus groups with all constituency groups at beginning of process on desired goals and objectives	October 1999
3.	The strategic planning committee facilitates planning process touching base periodically with university constituencies.	November 1999 - April 2000
4.	The president shares the draft strategic plan for public comment and discussion.	May 2000
5.	The president and senior administrators approve the final strategic plan and forward it to the board for approval.	June 2000
6.	The board approves the plan and forwards it to the Legislative Budget Board and Governor's Office.	As needed

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 2
ENROLLMENT MANAGEMENT

CURRENT SITUATION

In response to TSU's ongoing enrollment decline, the institution created the position of assistant vice president for Enrollment Management and placed the following operational areas under this position:

- financial aid;
- admissions and recruitment;
- registrar's office; and
- cooperative education and placement.

This position reports directly to the provost and senior vice president for academic affairs. The primary responsibilities of this position are:

- to develop and execute a strategic enrollment management plan and its implementation through the supervision of the office of registrar, office of admissions and recruitment, office of financial aid, and office of placement;
- to work with university offices and programs to facilitate a coordinated enrollment effort and cohesive service delivery;
- to design and direct appropriate market research, analyze information and trends, formulate implications for the recruitment as well as retention of students, and incorporate the results into the university planning efforts.

The qualifications for this position include a minimum of a bachelor's degree; at least five years experience in higher education administration and/or enrollment services; experience with market research and analysis of student demographics and academic data; experience with new enrollment management technologies; and budget/personnel experience. The position was filled in November 1998.

FINDING

TSU's current enrollment management configuration does not include any student retention-related functions, or even any clear linkages to institutional retention activities, even though the assistant vice president for enrollment management position description indicates that "retention of students" is within its purview. The primary retention-related function at TSU is the General Undergraduate Academic Center (GUAC), which provides academic counseling and testing services for at-risk students. GUAC is part of the College of Arts and Sciences.

Retention of students is clearly part of any institution's enrollment management equation. It does not matter how successful an institution may be in recruiting new students if a significant proportion of those students transfer out to other institutions or drop out due to academic difficulties. This is especially critical at TSU given its open admissions policy and related, low student-retention and graduation rates.

Recommendation 15:

Establish a student retention function within the Enrollment Management area and create a formal reporting relationship between the director of General Undergraduate Academic Center (GUAC) and the assistant vice president for Enrollment Management.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The provost formally appoints director of GUAC to TSU's enrollment management team for weekly meetings.	February 1999
2.	The assistant vice president for Enrollment Management develops a more comprehensive model of TSU's undergraduate student body to assess at-risk student population.	June 1999
3.	The assistant vice president for Enrollment Management uses an at-risk student model to develop enhanced student-retention strategies, including counseling and mentoring.	August 1999
4.	The assistant vice president for Enrollment Management integrates retention-related activities into TSU's enrollment management efforts.	Ongoing thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although there is a central Office of Admissions, TSU has decentralized undergraduate admissions so that two other university offices (the office of Veterans' Affairs and the office of International Student Affairs) can also admit students. There is no systematic coordination of these admissions so that incomplete and sometimes inaccurate student data are entered into the system. One of the problems created is in student financial aid processing, where financial aid staff have difficulty documenting and verifying student financial aid eligibility due to these incomplete data. A related problem occurs when students withdraw from TSU and then decide to re-enroll. Instead of reapplying through the Office of Admissions, these

students are readmitted through the Registrar's office. Thus, there is yet another office that makes admissions decisions at the university.

Recommendation 16:

Centralize all undergraduate admissions decisions within the Office of Admissions.

While the other offices involved in making admissions decisions could continue to work with special populations on admissions, official entry and re-entry to TSU should be through the Office of Admissions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president directs that undergraduate applications and admissions decisions be centralized in the Office of Admissions.	Complete
2.	The assistant vice president for Enrollment Management and director of Admissions work with the Offices of Veterans Affairs and International Student Affairs to provide transition to the new admissions system.	January - May 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 3
ORGANIZATION, STAFFING, AND MANAGEMENT

CURRENT SITUATION

The provost/senior vice-president for Academic Affairs (provost) has primary oversight for education service delivery at TSU. Ten deans and directors administer the university's eight schools/colleges, library services and the General University Academic Center (GUAC), assist the provost in administering TSU's educational programs. **Exhibit 3-1** displays the educational service delivery units assigned to the provost.

TSU operates eight schools/colleges including the College of Arts and Sciences, the Jesse E. Jones School of Business, the College of Pharmacy and Health Sciences, the School of Technology, the Thurgood Marshall School of Law, the College of Education, the College of Continuing Education, and the Graduate School. GUAC houses the university's testing center, provides remedial education programs, and monitors the academic advising functions for freshmen and sophomores.

The College of Pharmacy and Health Sciences and the School of Law provide highly specialized professional programs that serve students who would not have similar opportunities at other educational institutions in Texas. Many students attending TSU's programs ranked below the admission standards set by other professional institutions. Although these students may perform below the admissions standards on typical entrance exams and course performance, many of them potentially can complete degree programs if given additional academic and social support.

Exhibit 3-1
Overview of TSU's Educational Services
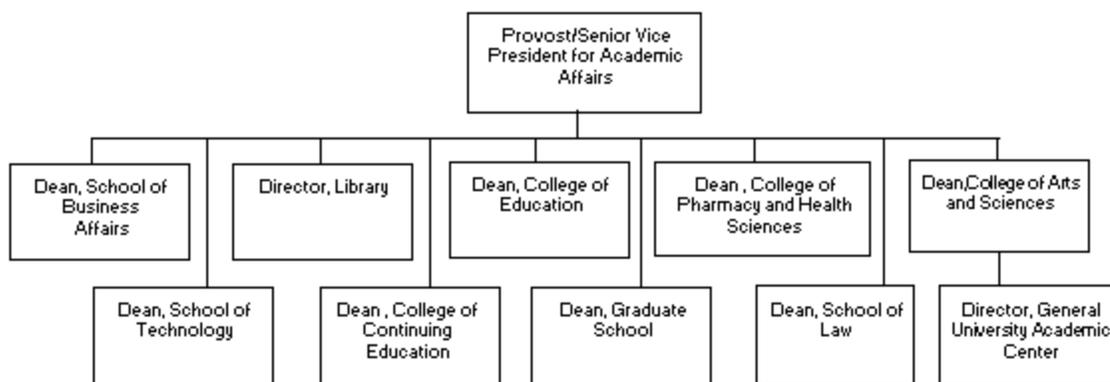
Source: TSU, 1999.

Exhibit 3-2 provides an overview of the departments in each school/college and the degrees offered.

Exhibit 3-2
Overview of TSU Schools, Departments, and Degrees Offered

College or School	Department	Undergraduate Degrees	Graduate Degrees
College of Arts and Sciences	Biology	B.S. Biology	M.S. Biology
	Chemistry	B.S. Chemistry	M.S. Chemistry M.S. & PhD. Environmental Toxicology
	Communications	B.A. Communication B.A. Mass Communications	M.A. Communications
	Computer Science and Physics	B.S. Computer Science B.S. Physics	None
	English, Foreign Languages, and Reading	B.A. English B.A. French B.A. Spanish	M.A. English

	Fine Arts	B.A. Fine Arts	M.A. Music
	History, Geography, and Economics	B.A. History B.A. Economics	M.A. History
	Human Services and Consumer Sciences	B.S. Dietetics B.S. Human Services and Consumer Sciences	M.S. Human Services and Consumer Sciences
	Mathematics	B.S. Mathematics	M.S. Mathematics
	Psychology	B.A. Psychology	M.A. Psychology
	Public Affairs	B.S. Public Affairs B.S. Administration of Justice B.A. Political Science	Master of City Planning Master of Public Administration
	Sociology and Social Work	B.A. Sociology B.A. Social Work	M.A. Sociology
Jesse H. Jones School of Business	Accounting	Bachelor of Business Administration (B.B.A.) in Accounting	Master of Professional Accounting (M.P.A.)
	General Business	B.B.A. in General Business	Master of Business Administration (M.B.A.)
College of Education	Curriculum and Instruction	B.S. Interdisciplinary Studies	M.Ed. Curriculum and Instruction
	Educational Leadership and Counseling	None	M.Ed. Counseling Ed.D Counselor Education M.Ed. and Ed.D Educational Administration M.Ed. Educational Supervision
	Health and Kinesiology	B.S. Health B.S. Human Performance	M.S. Health M.S Human Performance
School of Technology	Engineering Technologies	B.S. Engineering Technology	
	Industrial Technologies	B.S. Industrial Technology	M.S. Industrial Technology
	Transportation Studies	B.S. Airway Science	M.S. Transportation Planning and

			Management
College of Pharmacy and Health Sciences	Pharmaceutical Sciences	B.S. Pharmacy Entry level Pharm.D.	Doctor of Pharmacy (Pharm. D.)
	Pharmacy Practice	B.S. Pharmacy	Pharm. D.
	Health Sciences	B.S. Environmental Health B.S. Health Administration B.S. Health Information Management B.S. Medical Technology B.S Respiratory Therapy	
Thurgood Marshall School of Law		None	License upon passing the State Bar Examination

Source:TSU, 1999.

Exhibit 3-3 displays the enrollment of students in each school for the past three semesters. The exhibit shows an enrollment decline of more than 1,600 students since the Fall of 1996. The most significant decline has been in the College of Arts and Sciences. The Thurgood Marshall School of Law and the College of Education show enrollment increases.

Exhibit 3-3
Student Enrollment by Major

College/School	Fall 1996	Fall 1997	Fall 1998
College of Arts and Sciences	3,964	3,464	2,775
School of Business	1,051	1,030	822
College of Pharmacy and Health Sciences	1,493	1,378	1,170
School of Technology	368	309	304
School of Law	594	600	622
College of Education	499	522	623
Totals	**7,969**	**7,303**	**6,316**

Exhibit 3-4 displays the number of faculty assigned to each type of position. This is a headcount of full- and part-time temporary faculty. Because of the decreases in student enrollments, TSU did not renew the contracts for a majority of the temporary faculty.

Exhibit 3-4
TSU Faculty Headcount by Rank

Faculty Position	1995-96	1996-97	1997-98
Professor	94	84	87
Associate Professor	79	82	100
Assistant Professor	107	99	76
Instructor	104	6	56
Lecturer	0	186	-
Teacher	29	20	-
Visiting Teacher	13	0	-
Adjunct Faculty	20	0	68
Special Faculty	59	0	-
Total	**505**	**477**	**387**

Exhibits 1-11 and **1-13** in the *Profile* show that the number of full-time faculty dropped from 341 in fall 1997 to 335 in fall 1998.

Exhibit 3-5 shows the actual undergraduate semester hours by program for TSU and four peer institutions. The highest concentration of semester hours taught are in the Liberal Arts (78,772), Science (28,111), Business Administration (14,046), Health Services (9,141), and Pharmacy (7,599) programs.

Exhibit 3-5
Undergraduate Semester Credit Hours by Program, Fiscal 1997

Program	Stephen F. Austin University	Prairie View A&M University	TSU	Sam Houston State University	UT Pan American

Liberal Arts	123,793	68,238	**78,772**	152,637	170,401
Science	44,867	22,389	**28,111**	48,134	46,104
Fine Arts	21,888	7,024	**6,486**	30,283	15,090
Teacher Education	13,703	4,627	**4,437**	12,303	12,108
Agriculture	9,758	1,571	**-----**	6,288	-----
Engineering	98	12,702	**93**	138	3,625
Home Economics	9,359	2,503	**4,382**	2,672	216
Law	-----	-----	**-----**	-----	0
Social Services	4,473	2,007	**1,784**	-----	2,682
Library Science	-----	-----	**-----**	1,584	-----
Vocational Training	-----	60	**111**	0	-----
Physical Training	13,169	4,398	**2,099**	3,959	8,342
Health Services	8,035	8,469	**9,141**	5,160	10,201
Pharmacy	-----	-----	**7,599**	-----	------
Business Administration	39,038	7,419	**14,046**	40,501	18,288
Practice Teaching	15,596	426	**4,812**	6,122	14,634
Technology	963	2,827	**3,754**	3,398	1,249
Total	**304,740**	**144,660**	**165,627**	**313,179**	**302,940**

Source: 1997 Statistical Report of the Higher Education Coordinating Board.

Exhibit 3-6 shows the actual semester credit hours by level for TSU and four peer universities for both graduate and undergraduate courses. TSU provides more doctoral and special profession semester hours than any of the peer institutions.

Exhibit 3-6
Semester Credit Hours by Levels 1997

Institution	Under-graduate	Master's	Doctoral	Special Profession[1]	Total	Full-Time Student Equivalents[2]
Stephen F. Austin State University	304,740	22,559	239	-----	327,538	11,111
Prairie View A&M University	144,660	21,306	-----	-----	165,966	5,710
Texas Southern University	**165,627**	**12,887**	**2,046**	**19,273**	**199,833**	**6,975**
Sam Houston University	313,179	17,829	629	-----	331,637	11,217
University of Texas Pan-American	302,940	24,551	486	-----	317,977	10,731
University of Houston-Downtown	168,495	-----	-----	-----	168,495	5,617
All Other	**7,047,460**	**875,715**	**234,413**	**109,338**	**8,276,926**	**289,398**
Total Texas Public Universities	**8,447,101**	**974,847**	**237,813**	**128,611**	**9,788,372**	**340,759**

[1]*Law, pharmacy, and optometry.*
[2]*Undergraduate semester credit hours divided by 30, Master's and special professional divided by 24, and doctoral divided by 18. Source: 1997 Statistical Report, Texas Higher Education Coordinating Board.*

Exhibit 3-7 provides a summary of funding for each TSU school/college.

Exhibit 3-7
Summary of 1998-99 Proposed Budgets

	Faculty		Non-Faculty			
School/College	Salaries	FTE	Salaries	FTE	Operating	Total

					Exp	
College of Arts and Sciences	$6,860,779	149.9	$685,579	27.8	$180,981	$7,727,339
School of Business	$1,225,428	21.3	$317,129	8.3	$140,748	$1,683,305
School of Technology	$819,046	19.1	$346,210	12.2	$99,413	$1,264,669
School of Law	$3,234,075	34.3	$1,076,225	33.0	$345,520	$4,655,820
College of Pharmacy and Health Sciences	$1,839,960	38.5	$488,210	17.2	$328,384	$2,656,554
College of Education	$2,383,138	48.5	$544,216	17.4	$213,087	$3,140,441
Graduate School	$0	0.0	$190,073	6.1	$217,435	$407,508
General University Academic Center	$49,816	1.5	$195,687	7.0	$4,513	$250,016
College of Continuing Education	$0	0.0	$60,757	1.5	$153,907	$214,664
Total	**$16,412,242**	**313.1**	**$3,904,086**	**130.5**	**$1,683,988**	**$22,000.316**

Source: TSU, 1999.

FINDING

TSU has an open enrollment policy to provide opportunities for students who otherwise would not have access to college programs. Through the open enrollment policy TSU admits all students regardless of their academic records in high school or at other postsecondary educational institutions. Consequently, many students entering the university require additional course work in the areas of reading, writing, and mathematics to increase their basic academic skills. TSU screens students with the Texas Academic Skills Program (TASP) Test, mandated in the spring of 1987 by Texas Education Code 51.306. The university offers students who do not meet the TASP standards in reading, math, and writing, a sequence of developmental courses and intensive tutoring during the first two years of

enrollment. The developmental courses and tutoring are designed to assist students in obtaining the skills necessary to be successful during their college experience. As a result of TSU's open enrollment policy, the university serves a high percentage of students who require additional academic support to pass the TASP and be eligible to continue their college studies.

Many TSU students do not complete university programs in the traditional four-year time frame. A significant number of TSU students take six or more years to graduate. Several factors contribute to the extended time frame needed for graduation. Developmental coursework in reading, writing, and mathematics, for example, may take one or two semesters to complete. A large majority of students work while pursuing their postsecondary studies and many students also are raising young children; therefore, many TSU students do not take a full load of classes each semester. To accommodate the needs of TSU's student population, the university is examining and implementing extended degree time frames and also reviewing and formalizing four, five, and six year plans for all its degree programs. Extended time frames for all degree programs will assist TSU in advising students and planning nontraditional schedules for course offerings.

COMMENDATION

The university is responsive to the needs of students and is planning to formally offer four, five, and six year degree plans.

FINDING

It is an important function of any university to ensure that students remain in the programs offered by the university and graduate in their program of study. **Exhibit 3-8** shows the graduation rates of students at TSU, five peer universities, and the state. The percentage of first-time entering freshman enrolled in 1991 who obtained a Baccalaureate from TSU (10.4 percent) is substantially lower than the state (39.4 percent), Stephen F. Austin University (38.5 percent), and Sam Houston State University (33.6 percent).

Exhibit 3-8
Baccalaureate Graduation Rates for Public Universities
First-Time Entering Freshmen Enrolled for 12 or More Semester Credit Hours
in Fall 1991

	Baccalaureate Same	Baccalaureate Other	Still Enrolled	Still Enrolled	Not Enrolled

	Institution	Institution	Same Institution	Other Institution	
Sam Houston State University	33.6%	8.6%	5.4%	8.10%	44.3%
Stephen F. Austin University	38.5%	11.7%	3.7%	10.1%	36.%
Texas Southern University	**10.4%**	**2.2%**	**6.3%**	**6.4%**	**74.7%**
University of Houston Downtown	8.9%	7.3%	9.9%	14.7%	59.2%
UT-Pan American	20.8%	3.3%	14.2%	10.5	51.2%
Statewide	**39.4%**	**7.9%**	**6.4%**	**8.2%**	**38.1%**

Source: Texas Higher Education Coordinating Board, 1999.

Retaining students in their program of study often requires a university provide the academic and personnel support necessary to help students in achieving their graduation goals. Universities use a broad range of support services that includes academic advising, tutoring, counseling, faculty mentorship, and financial services to assist students. Each TSU college or school appears to have some informal strategies, but no formal plan exists to facilitate monitoring and continual improvement. Evaluation of deans by the provost includes the student retention rates in their respective schools; however, no benchmarks exist.

Recommendation 17:

Develop strategies to increase the graduation rates from all TSU programs.

TSU should set a high priority on improving its graduation rates for all schools/colleges.

IMPLEMENTATION STRATEGIES AND TIMELINES

| 1. | The president, in conjunction with the provost/senior vice | March 1999 |

	president of Academic Affairs and the deans, establishes target graduation rates for each department.	
2.	The dean of each school/college develops a plan for improving graduation rates.	April - May 1999
3.	The provost/senior vice president of Academic Affairs reviews and approves the plans.	June 1999
4.	The provost/senior vice president of Academic Affairs ensures that the plans are evaluated annually and that each dean is held accountable for increases in graduation rates for each department.	Beginning in July 1999
5.	The provost/senior vice president of Academic Affairs establishes a procedure and criteria for reviewing the plans.	July 1999
6.	The provost/senior vice president for Academic Affairs, in conjunction with the deans, establishes graduation benchmarks for each degree program.	August 1999
7.	The provost/senior vice president evaluates the deans on their ability to meet the established benchmarks.	Annually

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

To remain fiscally responsive during a time of declining resources, TSU must examine all opportunities to reduce operating costs. Many universities reduce administrative costs by operating schools or colleges that serve a minimum number of students. When schools or colleges become too small to be organizationally efficient, it is a common management practice to merge them with other schools that serve students pursuing similar or complimentary majors. The University of Wisconsin-Stout, for example, operates a College of Technology, Engineering, and Management. This college has coordinated many aspects of business and technology to create 13 baccalaureate and five masters degree programs that provide state-of-the-art services to students.

One option that TSU has not pursued is reducing the number of schools/colleges it operates. For example, the university operates two schools that serve students who wish to major in the fields business and industry. The School of Business serves slightly more than 800 students and the School of Technology enrolls about 300 students. Since spring 1996, the enrollment at the School of Technology has declined by about

100 students and enrollment in the School of Business has declined by 431 students. The School of Technology operates programs in three areas: transportation studies, industrial technologies, and engineering technology. Due to the declining enrollments over the past few years, the School of Business has reduced course offerings and now operates only two departments, accounting and general business administration. **Exhibit 3-9** shows the departments and enrollments in each school.

Exhibit 3-9
Department in the School of Business and School of Technology

School	Departments	Enrollment	
		Spring 1996	Fall 1998
School of Business	Accounting General Business Administration	1,253	822
School of Technology	Engineering Technologies Industrial Technologies Transportation Studies	403	304

Source: TSU, 1999, and Texas Higher Education Coordinating Board, 1999.

Both schools have extensive outreach programs that engage members of area businesses and industry. Additionally, both schools operate internship programs that involve high school students in the community who wish to enter in these fields of study. These community outreach and internship programs are vital aspects of each program and require a high level of staff commitment and time to be effective. Both schools allocate staff resources to promote these important initiatives.

To be effective in preparing students for the jobs of the future, universities must be astutely aware of not only state-of-the-art management practices, but be able to apply this knowledge in a technology rich environment. TSU has a unique opportunity to collaboratively use the resources of its School of Technology to create innovative programs for the business and industry students it serves.

Recommendation 18:

Merge the School of Technology with the School of Business or another existing school or college to enhance program development and reduce administrative costs.

The programs offered by the School of Technology could operate more efficiently merged with another existing unit. By merging the school with another unit, TSU could also reduce some administrative costs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president, in conjunction with the provost/senior vice president of Academic Affairs, appoints a task force to examine the possible merger of the School of Technology with another existing school or college.	March 1999
2.	The task force develops an implementation plan for merging School of Technology with another existing school or college.	April - May 1999
3.	The board reviews and approves the implementation plan.	June 1999
4.	The provost and the deans of schools involved present the plan to the Texas Higher Education Coordinating Board and the Southern Association of Colleges to determine the effect on accreditation and address any of their concerns.	July 1999
5.	The provost/senior vice president of Academic Affairs ensures that the implementation plan remains on schedule.	July - August 1999
6.	The new college begins operation.	September 2000

FISCAL IMPACT

It is assumed that one dean and one assistant dean would return to their respective teaching positions resulting in salary savings; however, this amount could not be estimated. Eliminating one secretary position at an average salary of $26,500 plus benefits would save a total of $33,500.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Merge the School of Technology with the School of Business or another existing school or college to enhance program development and reduce administrative costs	- 0 -	$33,500	$33,500	$33,500	$33,500

FINDING

TSU has several departments with viable research programs and other funded initiatives. **Exhibit 3-10** shows a composite list of the funded

programs operated by the university between September 1997 and August 1998.

Exhibit 3-10
Composite List of Funded Programs
During the Period
September 1, 1997-August 30, 1998

	Funded 9/97-8/98
College of Arts and Sciences:	
Biology	$772,691
Chemistry	$1,079,250
Computer Science and Physics	$132,530
English and Foreign Languages	$0
Fine Arts	$0
History, Geography, and Economics	$100,184
Human Services and Consumer Sciences	$641,155
Mathematics	$426,438
Sociology	$8,000
Total	**$3,160,248**
College of Education:	
Educational Leadership and Counseling	$468,993
Curriculum & Instruction	$10,000
Health and Kinesiology	$71,500
Head Start	$599,048
Counseling Center	$24,876
Total	**$1,174,417**
College of Pharmacy and Health Sciences	**$1,056,356**
School of Technology	**$1,054,683**
College of Business	**$2,530,000**
Graduate School	**$562,422**
Title III	**$2,476,949**
Student Services	**$848,016**
Department of Public Safety	**$285,246**
College of Continuing Education	**$79,749**
Centers on Research and Outreach:	
Center for the Study of Ethnic Diseases	$1,059,102
Minority Biomedical Research Support Program	$342,024
Minority Center for Toxicological Research	$1,048,315
Center for Transportation Training and Research	$1,405,727

Center on the Family	$680,560
Mickey Leland Center on World Hunger	$30,000
Economic Development Center	$785,000
Center on Excellence in Urban Education	$415,560
Total	**$5,766,288**
Total	**$18,994,374**

Source: TSU, 1998.

Research efforts, however, are not supported by the university's current policy and procedures. Current policy caps research income for faculty. The TSU board policy states that:

Full-time faculty members who wish to conduct contractual research projects must obtain approval of the department chairperson, the dean of the respective school and the vice president for Academic Affairs.

The teaching and library responsibilities of faculty engaged in the contractual research will be prorated in accordance with the percentage of time devoted to the research project in relation to the percentage of salary paid to the researcher from the university.

Interviews conducted by TPR indicate that this policy discourages faculty from actively pursuing labor intensive research programs. Some faculty said that they are frequently able to supplement their income more effectively through summer employment and consulting, so they have chosen not to conduct research or manage special projects.

The university also withholds a significant portion of its research grant awards to cover indirect administrative costs. Faculty and college administrators report that these indirect costs comprise a significant percentage of the total grant award.

Additionally, the research application process is cumbersome, requiring multiple signatures to obtain approval for research grant applications. For example, processing backlogs interfere with the faculty's ability to meet the deadlines for submitting applications.

Recommendation 19:

Develop a comprehensive research policy and create incentives for participation in research activities.

The policy should be administered through detailed procedures. The procedures should allow close monitoring of the research process without being cumbersome.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The provost/senior vice president for Academic Affairs, in conjunction with the deans, develops and conducts a survey of issues related to the university's research policies and processing procedures.	March 1999
2.	Based on the survey results, the provost/senior vice president for Academic Affairs, in conjunction with the deans, drafts a comprehensive policy for research activities at TSU.	March 1999
3.	The deans' council reviews the policy and makes additions as necessary and submits it to the President.	April 1999
4.	The president presents the policy to the board and the board approves the policy.	May 1999

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

During the fall 1998 semester, TSU employed a total of 387 full-time equivalent (FTE) faculty positions.

Several faculty and department chairs interviewed said that it has been difficult to recruit and retain new faculty because the university's salaries are not competitive with those of its peer institutions. As a result, many critical faculty positions are taught by adjunct faculty, lecturers, or remain unfilled. The History Department, for example, has two positions that have not been filled and the Counseling Department has three vacancies. Although adjunct and part-time faculty members have been employed to cover the instruction of courses, faculty said that the lack of full-time faculty limits the department's ability to complete other vital functions such as academic advising.

TSU's college, and schools operate, for the most part, independently. As a result, when faculty positions are created or existing positions are filled or when a faculty member leaves the system, the university does not review the teaching credentials and workload requirements to determine if the vacancy may be filled by existing faculty. Presently, the university does not assign faculty to more than one college. **Exhibit 3-11** provides a

sample of course utilization for the fall of 1997. The exhibit shows that many courses are not filled to capacity.

Exhibit 3-11
Summary of Course Utilization, Fall 1997

Area	Total Number of Sections Taught	Class Capacity (Maximum # Seats)	Actual # Enrolled	Difference (Seats Available)	Percent Filled
Biology	50	1770	725	1045	41%
Earth Science	9	140	63	77	45%
Communication Disorders	4	15	3	12	20%
Communications	9	190	106	84	56%
Journalism	14	320	116	204	36%
Speech Communications	30	815	605	210	74%
Telecommunications	15	285	116	169	41%
Computer Science	22	1124	720	404	64%
Physics	14	699	336	363	48%
French	5	76	25	51	33%
Spanish	16	517	247	270	48%
Art	24	315	116	199	37%
Applied Music	81	875	122	753	14%
Music	51	1114	569	545	51%
Theatre	9	160	69	91	43%
Environmental Health	2	80	52	28	65%
Health Sciences	2	30	19	11	63%
Mathematics	101	7215	2271	4944	31%
Philosophy	4	150	58	92	39%
Psychology	39	1585	770	815	49%

Public Affairs	11	550	342	208	62%
Urban Planning	4	100	36	64	36%
Political Science	32	1430	920	510	64%
Bio-Med. Engineering Tech	2	40	18	22	45%
Civil Engineering Tech	5	110	49	61	45%
Electronics Engineering Tech	23	536	311	225	58%
Airway Science	9	158	113	45	72%
Transportation Mgmt	10	175	89	86	51%
Health Sciences Core	6	165	136	29	82%
Environmental Health	7	265	96	169	36%
Health Administration	10	300	114	186	38%
Health Info Management	8	120	83	37	69%
Respiratory Therapy	14	171	102	69	60%
Pharmacy	21	914	761	153	83%
Pharmaceutical Chemistry	6	370	374	-4	101%
Pharmacy Administration	2	110	89	21	81%
Pharmacy, Allied Sciences	12	285	169	116	59%
Law	64	5545	2408	3137	43%
Accounting	21	1480	484	996	33%
Finance	8	480	183	297	38%
Management	23	1270	781	489	61%
Curriculum & Instruction	47	1140	694	446	61%

Reading	15	456	282	174	62%
Special Education	8	170	79	91	46%
Counseling	23	525	181	344	34%

Source: TSU, 1998.

Exhibit 3-12 displays the student-faculty ratios at TSU and the peer institutions. TSU's student-faculty ratios declined from 21.7 in 1992 to 15.5 in 1996. This indicates that enrollment has decreased from a peak in 1992. Because of this decline, the university has just started taking action by not renewing contracts to their temporary faculty. In 1996, TSU had lower student faculty ratios than all of the peer institutions.

Exhibit 3-12
Student-Faculty Ratios
TSU and Peer Texas Public Universities
1992-1996

Institution	1992	1993	1994	1995	1996
Stephen F. Austin State University	20.7	20.1	19.5	18.9	18.4
Prairie View A&M University	19.7	20.2	20.3	20.5	17.5
Texas Southern University	**21.7**	**20.6**	**19.0**	**18.6**	**15.5**
Sam Houston State University	23.6	23.7	22.9	21.9	20.0
The University of Texas Pan-American	24.7	22.8	21.8	21.2	18.2
University of Houston-Downtown	21.8	21.2	22.2	21.5	19.3

Note: Data is computed. Each ratio represents fall semester full-time student equivalent by the number of full-time faculty equivalents computed for the institutions. For purposes of these computations, institutional fall semester totals of student hours divided by 15 were used as the measure of full-time equivalents. Undergraduate semester hours divided by 15, master's and special professional divided by 9.
Source: THECB,1999.

Recommendation 20:

Annually evaluate course schedules and faculty assignments for each major and reduce the number of course sections in all areas that are significantly under capacity.

Faculty staffing levels should be allocated based on the number of students served. At the time of the follow-up visit, TSU was unable to provide updated information on course utilization rates, but evidence indicates some efforts to reduce total staffing. This process must be done more formally and systematically so that only the faculty needed to instruct students are retained.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The provost/senior vice president for Academic Affairs directs the deans to review course content and faculty assignments for all schools and colleges.	March 1999
2.	The deans, in conjunction with key academic personnel, identify all course offerings and faculty assignments to determine opportunities for rescheduling classes and reducing the number of sections.	April 1999
3.	Each dean makes recommendations for eliminating faculty positions.	May 1999
4.	The board approves eliminating the positions.	June 1999
5.	Provost implements an annual evaluation process to determine optimum staffing levels.	Ongoing

FISCAL IMPACT

Each faculty position eliminated should equal to an average salary of $35,000 plus benefits, or an annual savings of $44,205. Reducing total faculty by 15 percent, or the rate of student decline, could result in a reduction of about 47 positions. To be conservative, calculations will be based on 40. If student enrollment increases, the staffing levels would increase accordingly. Therefore, this estimate conservatively calculates reductions only in the first year and assumes a stable student enrollment each year thereafter.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Annually evaluate course schedules and faculty	$1,768,200	$1,768,200	$1,768,200	$1,768,200	$1,768,200

assignments for each major and reduce the number of course sections in all areas that are significantly under capacity.					

FINDING

Although outstanding high school students are encouraged to apply for scholarships through the Douglas Institute Honors Program, TSU currently offers few incentives for top performing students to attend its programs. In recent years the university has reduced or eliminated the funding offered for school scholarships and assistantships to high performing students who may be interested in the university's programs. Scholarships and assistantships provide a percentage of a student's tuition. In many schools, assistantships and scholarships provide an incentive for top performing students to attend university programs. **Exhibit 3-13** displays the scholarship and assistantship programs available for students in 1997-98.

Exhibit 3-13
Student Assistance Programs Offered by TSU
Fiscal 1998

Program	School of Law	Pharmacy & Health Sciences	Arts & Sciences	Education	Technology	Other
Graduate Teaching Assistants	19	1	4	0	0	10
Other Graduate Employees	1	2	6	2	10	16
Work Study Students	0	0	0	0	0	1
Undergraduate Employees	2	4	2	0	2	26
Total	**22**	**7**	**12**	**2**	**12**	**53**

Source: TSU Human Resource Office, 1998.

When scholarships are available, interviews conducted by TPR indicate that the colleges are informed late in the recruitment cycle and top students already have accepted offers from other institutions.

Although TSU has a high level of commitment to serving students that may not have similar opportunities at other educational institutions, an effective learning environment at any university requires a range of student abilities and interests.

Recommendation 21:

Expand recruitment efforts for high-performing students by increasing scholarship and assistantship programs.

By recruiting and offering incentives to high performing students, TSU will assist other students by providing appropriate peer models. Tuition assistantships, for example, may be linked to responsibilities for providing tutoring in the student's field of study or assisting with campus management activities such as working in the bookstore or library.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Deans Council assigns an ad hoc committee to examine opportunities and the action steps necessary for recruiting high performing students to attend each school/college.	March 1999
2.	The committee surveys area high school, community college and other university counselors to determine student preferences, needs, timelines, and strategies for selecting an undergraduate, transfer, and graduate college program.	April - May 1999
3.	Based on the survey results, the committee summarizes opportunities and potential action steps for enhancing recruitment efforts for high performing students.	June 1999
4.	Using the results of the survey, the deans' council establishes priorities for enhancing student recruitment.	July 1999

FISCAL IMPACT

If TSU offers assistantships or scholarships to cover for 40 students, each at $1,000 per semester the cost to the university would be $80,000 annually. If each of the 40 students provided 10 hours of tutoring per week, the university could avoid hiring 10 full-time tutors to assist low-performing students in their course work.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Expand recruitment efforts for high-performing students by increasing scholarship and assistantship programs.	($80,000)	($80,000)	($80,000)	($80,000)	($80,000)

FINDING

The dean of the College of Pharmacy and Health Sciences and other university administrators are in the process of examining future options for TSU in pursuing distance learning. The College of Pharmacy and Health Services is seeking $1.3 million over a three-year period from the Texas Telecommunication Infrastructure Fund (TIF) to conduct an external nontraditional post-baccalaureate Pharm.D. degree program using distance learning technology. Specific objectives of the program are to:

- plan, establish, and equip classrooms with state-of-the-art technology such as interactive television, media production, and interactive computers at the TSU College of Pharmacy campus and three other sites-McAllen/Edinburg, Tyler, and Dallas/Fort Worth;
- formulate established curriculum content into appropriate formats for distance learning applications;
- prepare faculty for delivery of course content using distance learning technology;
- select and enroll students who are practicing B.S. level pharmacists for matriculation in the Pharm. D. degree program; and
- deliver the program to meet the needs of non-traditional students on weekends and evenings.

TSU has authority to offer a limited number of courses via distance education for a short time period, usually one year in order to test its distance education procedures. The university has funded the construction of a pilot distance learning classroom in the new School of Business, however, the university does not have a formal distance learning plan. In December 1998, the university requested an extension of their experimental authority from the Texas Higher Education Authority (THECB) and was granted an extension until September 1999.The university has formed a distance learning committee, as part of the deans' council to develop a plan to submit to THECB.

Recommendation 22:

Develop a five-year plan for implementation of distance learning for all colleges and schools and aggressively seek external additional funding.

The plan should specify collaboration among all schools and colleges in implementing distance learning programs. Using the College of Pharmacy as a model, the plan should include efforts to access additional funds to update the technology infrastructure.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chair of the distance learning committee ensures that the committee meets regularly to develop the distance learning plan in a timely manner and identifies some technology grant funds TSU can apply for.	Ongoing
2.	The committee prepares a comprehensive list of technology grant funds that TSU can apply to support its distance learning, as part of the distance learning plan, and identifies the grants TSU should apply for.	March-April 1999
3.	The committee identifies a grant writing expert within the university.	April 1999
4.	The committee, in conjunction with the grant writing expert, completes the necessary paperwork and applies for grants.	May-June 1999
5.	One committee member, assigned by the chair, follows up on the status of the grants TSU applied for.	July 1999-until grants are awarded
6.	The provost/senior vice president for Academic Affairs ensures that the plan is approved and an implementation schedule is developed for each school/college.	April 1999

FISCAL IMPACT

If TSU aggressively seeks external grants and donations, it should be able to generate an additional $3 million in funds to implement distance learning. TSU may receive a one-time grant of $3,000,000 in TIF grants or other grant that supports distance learning.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Develop a five-year plan for implementation of distance learning for all colleges and schools and	- 0 -	$3,000,000	- 0 -	-0 -	- 0 -

aggressively seek external additional funding.					

FINDING

The School of Technology has not been able to acquire the resources necessary to maintain equipment and keep pace with changes in the field. Budget constraints have decreased the school's capacity to purchase critical instructional and professional development materials. The college does not have a comprehensive plan to replace the instructional laboratory equipment and supplies necessary for effective instruction.

Financial restraints at the university have left the College of Arts and Sciences with deficits in instructional resources. Some of the needs include equipment for laboratories in the Chemistry and Biology Department, the English and Foreign Language laboratories, and other computer shortages or upgrades in various departments.

Over the past several budget cycles, resources for equipment/laboratory maintenance and technical personnel to staff the English Laboratory, the Foreign Language Laboratory, the Dietetics laboratories have not been available. Additionally, lack of general supplies and consumables in all departments have left faculty without the instructional resources to do their job.

Recommendation 23:

Update and replace computer equipment, instructional and laboratory equipment, and general supplies annually.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The provost for Academic Affairs appoints a committee with the deans of the School of Technology, College of Arts and Sciences, School of Business, and key faculty to conduct a needs assessment of instructional equipment and resources in all the academic departments	March 1999
2.	Based on the results of the needs assessment, the committee drafts a five-year plan for equipment and instructional resource replacement.	May 1999
3.	The provost ensures that the annual budget contains adequate resources for equipment and supply replacement and maintenance.	Ongoing

FISCAL IMPACT

Based on an inventory of their immediate needs, TSU should budget a minimum of $125,000 annually for instructional technology upgrade.

Recommendation	1999-2000	1999-2000	2001-02	2002-03	2003-04
Update and replace computer equipment, instructional and laboratory equipment, and general supplies annually.	($125,000)	($125,000)	($125,000)	($125,000)	($125,000)

Chapter 3
SCHOOL OF BUSINESS

CURRENT SITUATION

The Jesse H. Jones School of Business offers academic programs in accounting and business administration. Three assistant deans in the areas of Business and Student Services, Academic Programs, and Research and Development assist the dean in administering the school. The department chair for Business Administration also serves as the assistant dean for Research and Development. The school operates an Economic Development Center, a Business Computing Services Center, and a Learning Resource Center.

For fiscal 1999, the School of Business' budget includes 21.3 FTE faculty and 8.3 FTE non-faculty positions. The total budget is $1.7 million, of which 72.8 percent is for faculty salaries.

FINDING

The School of Business has made extensive efforts to establish partnerships within the greater Houston area. As a result, area businesses have made substantial contributions totaling $3.7 million to the programs offered by the School of Business. **Exhibit 3-14** summarizes the business partnerships.

Exhibit 3-14
Business Partnerships with the School of Business

Business	Contribution to The School of Business
Houston Endowment	$3,000,000
Pennzoil	250,000
Chase Bank of Texas	100,000
Smith, Graham	100,000
NationsBank	150,000
Southwestern Bell	100,000
Total	$3,700,000

Source: TSU School of Business, 1998.

COMMENDATION

The School of Business has established many successful partnerships with the business community.

FINDING

The School of Business offers several internship opportunities for students enrolled in the accounting and business administration programs. The internships provide hands-on experiences in a student's field of study and assist students in focusing on their future career directions. The assistant dean for Student Services provides guidance and assists students who are interested in internship experiences in finding placements in the business community. Some students independently seek work experiences in their field of study. Interviews with administrators from the School of Business indicate that students who participate in internship programs are more likely to maintain high levels of interest in their field of study. Although the School of Business acknowledges the benefits of applied work experiences, it has not developed a comprehensive program that links experiences gained from internship placements to the core curriculum content.

Recommendation 24:

Increase student opportunities to participate in internship programs by including field work requirements as part of each degree program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The dean of the School of Business, in conjunction with faculty and members of the business community, identifies opportunities for expanding internship programs for business students.	March 1999
2.	The assistant dean of Business Student Services works with business representatives and faculty to develop content goals for the internship experiences.	April - May 1999
3.	The assistant dean of Business Student Services ensures that all business students are aware of internship opportunities during academic advising sessions.	Ongoing

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

Chapter 3
COLLEGE OF EDUCATION

CURRENT SITUATION

An interim dean administers the College of Education. The College of Education offers instruction in four major areas of study including Counseling, Curriculum and Instruction, Educational Leadership, and Health and Kinesiology.

For fiscal 1999, the College of Education's budget includes 48.5 FTE faculty and 17.4 FTE non-faculty positions. The total budget is $3.1 million, of which 75.9 percent is for faculty salaries.

FINDING

The College of Education offers an extensive counseling program that is in high demand from area students. **Exhibit 3-15** shows the enrollment of students in the counseling program for the past three years.

Exhibit 3-15
Enrollment in TSU's Counseling Program
1995-96 to 1998-99

Degree Level	1996 - 97	1997 - 98	1998 - 99
Masters	86	71	84
Doctoral	48	39	42
Total	**134**	**110**	**126**

TSU, 1999.

The Masters of Education in Counseling is designed to prepare prospective counselors, teachers, and other educational professionals to understand the educational, vocational, health, and social needs of students. This program provides preparation for students seeking certification as school counselors from the Texas Education Agency (TEA). Students also may elect to take additional Licensed Professional Counselor coursework to become eligible to take the Texas State Board Examination for Licensed Professional Counselors. The Doctorate of Education in Counseling is a 60 credit-hour program that prepares counselors for both the school and human service settings. Both the masters and doctoral programs provide field experience in issues pertaining to urban areas.

COMMENDATION

The Counseling Program in the College of Education is in high demand and meets the unique needs of area students.

FINDING

Many of the offerings through the College of Education lead to traditional educational degrees. The current job market for teachers and administrators in Texas, however, suggests that there are several certification areas including bilingual education, special education, math, foreign language, and science where there are critical shortages in the number of certified teachers.

The Texas Education Agency (TEA) has designated these certification areas as areas of critical shortages in the state of Texas. TEA offers Teacher Shortage Area Loan Deferment and Cancellations to teachers who go on to teach full-time in a public or private nonprofit elementary or secondary school in one or more of the above certification areas.

Recommendation 25:

Expand educational offerings in the College of Education in high demand teacher and administrator certification areas such as bilingual education, special education, math, foreign language, and science.

The addition financial benefits of providing high quality programs in areas of critical teaching shortages should help offset the debt of College of Education students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The dean of the College of Education assigns a task force to examine the cost benefits of expanding educational offerings in the areas of bilingual education, special education, science, and mathematics.	March 1999
2.	The task force reviews programs and curriculum at peer institutions.	March - April 1999
3.	The task force develops a summary of course modifications, additions, and deletions that are necessary to enhance programs in the specialty areas.	May - June 1999
4.	The dean of the College of Education reviews the summary and	July -

	develops a proposal to make the necessary program changes.	August 1999
5.	The provost/senior vice president of Academic Affairs reviews the proposal.	August 1999
6.	The board adopts the proposal.	August 1999
7.	College of Education starts programs.	August 2000

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

Chapter 3
COLLEGE OF PHARMACY AND HEALTH SCIENCES

CURRENT SITUATION

The College of Pharmacy and Health Science operates programs in Pharmacy Practice, Pharmaceutical Services, and Health Sciences. An assistant dean for Academic Affairs assists the dean and three directors in the areas of Planning, Evaluation and Research, Alumni Affairs, and Continuing Education. The college has responsibility for three centers: the Minority Center for Toxicology Research (MCTR), Research Center in Minority Institutions (RCMI), and the Center of Excellence (COE).

For fiscal 1999, the College of Pharmacy and Health Sciences' budget is a total of $2.7 million with 38.5 FTE faculty and 17.2 FTE non-faculty positions. Of the total budget, 69.3 percent is for faculty salaries.

FINDING

Since 1955, TSU has been assigned exclusive rights to offer a post baccalaureate doctoral program in Pharmacy (Pharm. D.) through a state and federal agreement. The program is in high demand and graduates many successful pharmacy students. **Exhibit 3-16** displays the applications received and number of students enrolled for the past three years.

Exhibit 3-16
Texas Southern University
College of Pharmacy and Health Sciences
Profiles of Pharm.D. Graduates
1995-1998

	1995	**1996**	**1997**	**1998**	**Percent[1] of Total**
Number of Graduates	14	15	14	21	
Staff Pharmacists	14.3%	13.3%	7.1%	[2]na	11.6%
Staff/Clinical Pharmacists	21.4%	6.7%	14.3%	[2]na	14.0%
Clinical Pharmacists	14.3%	33.3%	50.0%	[2]na	32.6%
Administration Directors Asst. Directors Clinical Coordinators	42.9%	26.7%	21.4%	[2]na	30.2%

Academia	7.1%	6.7%	--	[2]na	4.7%
Industry	--	6.7%	--	[2]na	4.7%
Pharmacy Owners/Consultants	--	6.2%	7.1%	[2]na	4.7%
[3]Residency/Fellowships	21.4%	46.7%	28.6%	42.9%	36.0%

[1] *Based on number of graduates from 1995-1997.*

[2] *Profiles of 1998 graduates pending.*

[3] *Total number of graduates completing post-graduate residencies/fellowships.* Source: TSU College of Pharmacy and Health Sciences, 1998.

In June 1997, the American Council of Pharmaceutical Education officially approved the new accreditation standards for the Pharm. D. degree. The purpose of the Pharm. D. degree is to create pharmacy specialists who have expertise in the detection and therapeutic management of disease. These pharmacy specialists require extensive training in the areas of clinical pharmacokinetics, physical assessment, providing drug information, knowledge of clinical therapeutics, and drug management therapy. The Pharm. D. program serves a unique job market in the field of Pharmacy and is preparing students in a critical field for future employment.

COMMENDATION

TSU's College of Pharmacy and Health Sciences is very successful in its Pharm.D. program. Graduates from this program hold responsible positions in academia as well as industry.

FINDING

The College of Pharmacy and Health Sciences has had limited access to current technology to support students in their clinical studies. To acquire skills in clinical assessment, students must have comprehensive experience in analyzing case studies. Many case study training packages are now available in self-paced computer modules that allow students to practice their clinical skills independently. The College of Pharmacy and Health Sciences is exploring options to collaborate with the Baylor College of Medicine to obtain the modules necessary for case study training. The three-year project is one of the first collaborative efforts between a medical program and a pharmacy program. The three year grant will provide 60 training modules totaling $260,000.

Recommendation 26:

Fund the implementation of clinical training modules after the initial project with the Baylor College of Medicine.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The dean of the College of Pharmacy and Health Sciences develops a plan to support the clinical training modules after grant funds are no longer available.	February 2000
2.	The dean of the College of Pharmacy and Health Sciences, in conjunction with key faculty, submits budget requests to fund additional technology.	February - March 2000
3.	The dean of the College of Pharmacy and Health Sciences ensures that the clinical technology modules remain in place for student use.	September 2001

FISCAL IMPACT

Establishing a lab of ten computers with the necessary software to run the clinical teaching modules will cost the university $100,000 annually. To reduce the impact on the instructional budget, the university should plan to phase in the implementation of the clinical teaching modules over two years.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Fund the implementation of clinical training modules.	- 0 -	- 0 -	- 0	($100,000)	($100,000)

Chapter 3
SCHOOL OF TECHNOLOGY

CURRENT SITUATION

An interim dean administers the School of Technology.

In fiscal 1999, the School of Technology's budget is a total of $1.3 million with 19.1 FTE faculty positions and 12.2 FTE non-faculty positions. Of the total budget, 64.8 percent is for faculty salaries. The remainder is for non-faculty salaries and other operating expenses.

The School of Technology's Electronic Engineering program is accredited by the Technology Accreditation Commission of the Accreditation Board for Engineering and Technology. The Airway Science Management program is accredited by the National Association of Industrial Technology (NAIT) and recognized by the Federal Aviation Program (FAA). The Computer Assisted Drafting Computer Integrated Mapping (CAD/CIM) program is NAIT accredited. The School of Technology also offers a Community Leadership Development Program and a Renewable Energy Photovaltaic Laboratory.

FINDING

The School of Technology has approximately $2.3 million dollars in research and demonstration programs. Several projects have included collaboration with business and other universities. For example, the College of Technology has entered into agreement with EDS/Unigraphics to obtain $2 million in computer software and training. Additionally, the college has signed an agreement with a South African university to provide for a student and faculty exchange program and joint research. The College of Technology has the only photovoltaic (solar energy) research and experimentation facility in the region. The facility was built in collaboration with Houston Lighting and Power (HL&P) and Electric Power Research Institute (EPRI) and brings in more than 80 eligible students annually. Other partnerships with area businesses and community members include:

- United Space Alliance (USA)
- Fannie Mae Foundation
- Shell Oil Company
- Texas Instruments
- EDS/Unigraphics
- Texas Department of

- Argonne National Laboratories
- Consumer Counseling Credit Service
- Compaq Computer Corporation
- Harris County Hospital District
- Flour-Daniel Fernarld
- Texas Transportation Institute (TTI)
- Federal Highway Administration

Transportation
- Federal Transit Administration (FTA)
- Port of Houston
- Hobby Airport
- City of Houston

(FHWA)
- Metropolitan Transit Authority of Harris County (METRO)
- Intercontinental Airport
- Federal Aviation Administration

COMMENDATION

The School of Technology has developed many useful partnerships that enhance the program, offered to students.

Chapter 3
SCHOOL OF LAW

CURRENT SITUATION

An interim dean administers the Thurgood Marshall School of Law. The college has eight other administrative positions including an associate dean, assistant dean of Student Affairs, assistant dean of Career Planning, director of Computing and Telecommunications, director of Clinical Programs, and director of Admissions.

In fiscal 1999, the law school's budget is a total of $4.7 million, with 34.3 FTE faculty positions and 33.0 FTE non-faculty positions. Of the total budget, 69.5 percent is for faculty salaries and the remainder for non-faculty salaries and other operating expenditures.

FINDING

The School of Law has taken steps to increase academic rigor. To improve continuity in what the School of Law expects from students, the school offers the same exam for all freshmen and has developed common exams for all subject areas. The School of Law also has made corresponding changes in its curriculum. As a result, the number of students passing the bar exam has increased. **Exhibit 3-17** shows the number of students passing the bar exam for the past seven years.

Exhibit 3-17
Texas Southern University
Cumulative bar Examination Results
1991 - 1998

Year	Total Test Takers	No. Passed	No. Failed	Percent Passed
1991	101	83	18	82.2
1992	124	105	19	84.7
1993	144	126	18	87.5
1994	134	114	20	85.1
1995	113	96	17	85.0
1996	110	89	21	80.9
1997	169	100	69	59.2

| 1998 | 210 | 106 | 104 | 50.5 |

Beginning February 1998, the bar examinations across the country
including Texas were redesigned. TSU experienced a significant decline in
the bar pass rate similar to some other law schools in the state. However,
by the July 1998 exam, the other Texas law schools regained their lost
performance while TSU continued its downward spiral. The school is
looking into some new measures to help improve students' performance.

Starting in the fall of 1999, the School of Law has increased rigor in its
curriculum and testing programs to improve pass rates for the bar exam. In
addition, the School has established a Board of Visitors with distinguished
men and women to help enhance their academics, public relations, student
services, and fund raising. They also started a distinguished lecture series
with speakers from all over the country and faculty scholarship
recognition program to honor the outstanding achievements of the faculty.

FINDING

The School of Law has had a longstanding commitment to educating
students who have lower (LSAT) scores than peer law colleges.
Consequently, students in the first two years require additional support in
acquiring the skills necessary to manage the type of studying required to
be successful in law school. Traditionally, the School of Law has offered
tutorial support for students. This support has recently been reduced due to
budget cuts. In the Houston area, many law firms provide a vast array of
services to clients. An integral component of an effective law program is
application of the classroom learning experiences in the work
environment. In addition to tutoring, mentorship experiences with
professionals in the student's field of study help to ensure that each student
has a comprehensive understanding of how to apply classroom learning.
The School of Law does not offer a comprehensive mentorship program
for its students.

Recommendation 27:

**Develop a community mentorship program to enhance tutorial
support for law students.**

Community mentors should provide pro bono support to students.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The dean of the School of Law assigns a task force to examine opportunities for mentorship with community professionals.	February 1999
2.	The task force conducts a survey of community professionals to determine potential participants.	February - March 1999
3.	The dean of the School of Law, in conjunction with the task force, drafts a mentorship plan.	March - April 1999
4.	The provost/senior vice president for Academic Affairs reviews and approves the plan.	May 1999
5.	The dean of the School of Law ensures that the mentorship program is implemented.	September 1999

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

Chapter 3
GRADUATE SCHOOL

CURRENT SITUATION

The Graduate School is one of the original units included in the organization of TSU when it was established in 1947. The dean of the Graduate School reports directly to the provost/senior vice president of Academic Affairs. The school provides academic advising and oversight for all masters and doctorate degrees offered by the university. Faculty members from each of TSU's schools and programs provide course instruction for the Graduate School.

In fiscal 1999, the Graduate School's budget is $407,508 with 6.1 FTE staff positions. Less than half of the budget is for staff salaries.

FINDING

Although TSU has several strong, viable programs in Graduate School including doctorates in environmental toxicology, pharmacy, and education, many colleges are at risk of not being able to recruit competent new faculty to enhance these programs. TSU has not maintained or equipped research laboratories to support advanced study. Prospective faculty members who may be offered a position at TSU typically choose to accept offers at other universities where the resources for state-of-the-art research are available. In some cases, the decline of TSU's research facilities has led to decisions not to pursue areas of research where faculty have outstanding qualifications. The College of Pharmacy and Health Sciences, for example, has made several decisions not to pursue particular areas of research due to facilities that do not meet the safety standards for completing the research.

Recommendation 28:

Develop a strategic plan to renovate and enhance TSU's research facilities.

This plan should be an integral part of the university's comprehensive facilities planning efforts.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president and board assign a task force to develop a strategic plan to renovate the university's research facilities.	March 1999

2.	The task force conducts a needs assessment for each college/university.	March - April 1999
3.	Based on the results of the needs assessment, the task force develops a summary of research facility development needs.	May - June 1999
4.	The president and board conduct a strategic planning forum to review and discuss the summary and determine opportunities for shared facility development.	July 1999
5.	The task force drafts the strategic plan.	July - August 1999
6.	The president and key representatives from the academic community review and comment on the plan.	September 1999
7.	The board reviews and adopts the plan.	October 1999

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

Chapter 3
LIBRARY SERVICES

CURRENT SITUATION

The Robert James Terry Library is centrally located on the TSU Campus. To support the curriculum and instruction needs of the university, the library has principal collections of over 466,791 volumes of printed materials and 405,668 microfilms. The library has automated circulation, cataloging, acquisitions, and serials control systems. Computer-based bibliographic search sites offer more than 400 databases and CD-ROM access for students and faculty. The library also operates a computer-based Learning Resource Center (LRC).

In fiscal 1998, total expenditures of the library amounted to $662,243.

FINDING

According to industry standards, TSU's library is understaffed. Several positions have not been filled over the past several years and library staff must perform all duties including book checkout and shelving. In many universities, basic clerical functions such as book shelving and checkout are the responsibility of students assigned to work study programs.

TSU does not have a work-study program that provides additional staff to assist in operating the library. In many universities, students in work-study programs provide valuable assistance to maintain the library functions at a minimal cost to the university. By completing the necessary functions of shelving materials, assisting students, and monitoring routine library functions, professional staff have more time to conduct their professional duties.

Recommendation 29:

Create a work-study program to assist librarians in staffing the library.

Workstudy students should be assigned routine functions such as shelving books and checking out materials which will allow the existing staff more time in assisting students and faculty.

IMPLEMENTATION STRATEGIES AND TIMELINE

| 1. | The director of the Library develops and submits a proposal to | February |

	enhance library services through a student work-study program.	1999
2.	The provost/senior vice president for Academic Affairs reviews the plan and makes revisions as necessary.	March 1999
3.	The board approves the plan.	April 1999
4.	The director of the Library ensures that the plan is implemented.	Ongoing

FISCAL IMPACT

Establishing five work-study positions at $10,000 will cost the university $50,000 per year.

Recommendation	1999-2000	2000-01	2001-02	2002-03	20003-04
Create a Work Study Program to assist librarians in assisting students and faculty.	($50,000)	($50,000)	($50,000)	($50,000)	($50,000)

Chapter 3
GENERAL UNIVERSITY ACADEMIC CENTER

CURRENT SITUATION

The General University Academic Center (GUAC) was established by TSU to fulfill Texas Education Code 51.306(b) requirements to teach the basic skills of reading, writing, and mathematics to students who have not successfully developed these skills prior to their college experiences. GUAC administers the Texas Academic Skills Program (TASP) to all incoming students to determine their needs for additional basic skills instruction. The TASP was established in 1988 by the Texas Legislature to identify students who are in need of developmental education to supplement their high school preparation for college. Universities are required to provide developmental education programs for students who do not pass the TASP testing program. Students who do not pass all three sections of the TASP can not take upper division courses beyond 60 semester credit hours or graduate from a certificate, associate, or baccalaureate degree program.

The director of the Testing Center and the TASP coordinator provide oversight for the TASP.

In fiscal 1999, GUAC's budget is $250,016 with 7.0 FTE positions.

GUAC administers the university's placement testing and monitors registration and academic advising for first and second-year students. If students are in need of developmental classes, GUAC assigns the students to the appropriate sections. **Exhibit 3-18** provides an overview of the functions of GUAC.

Exhibit 3-18
General University Academic Center Program Components

TESTING CENTER

Pre-TASP (Placement Test)
Post-TASP (Exit Test - Developmental Course
Individual Student Profiles)

ACADEMIC ADVISEMENT

Dual Level Advisement
Academic Alert
Monitored Attendance
Assist with Course Selection
Registration

INTERDISCIPLINARY LABORATORY

Computer Aided Instruction
Individual Tutoring
Small Group Instruction
Video/Workshop Instruction

GUAC

General University Academic Center

RETENTION

Mentoring
Parent University Alliance (PUA)
Community Service Assistant Project (CSA)

DEVELOPMENTAL STUDIES
(English, Mathematics, Reading)

Triple "T"   SI Instructional Tool
Video Instruction   Classroom Instruction

Interactive Laboratory Instruction
Computer Assisted Instruction

ORIENTATION
(Sociology 211)

Study Skills   Test Taking Skills
Computer Skills   Self Awareness

TSU History & Culture
Communication Skills
Time & Money Management Skills

Source: TSU, 1998.

Exhibit 3-19 shows the number of students enrolled in GUAC.

Exhibit 3-19
Number of Students Enrolled in GUAC

Semester	Number of Students Enrolled in Laboratory
Fall 1995	550

Spring 1996	476
Summer I 1996	129
Summer II 1996	180
Fall 1996	1,684
Spring 1997	1,635

Source: TSU, 1998.

FINDING

Historically, because of its open enrollment policy, TSU has administered placement tests to incoming students to assist in course assignments and academic advising. University placement tests have been replaced by the Pre-TASP examination. This placement test in administered by the Testing Center. All developmental classes are conducted by GUAC staff only during the school year. As a result, students may not be able to take any courses in their field of interest. Some students would prefer earlier access to their field of study.

Many students are assigned to several developmental classes which may take two or more semesters to complete. Students who are taking only developmental classes have a difficult time transferring to credit bearing classes and remaining engaged in their field of study. Many universities offer summer programs to enhance reading, writing and math skills prior to the freshman year. TSU does not offer developmental classes in the summer before the student's freshman year.

Recommendation 30:

Provide summer developmental classes for incoming students so that students can be integrated sooner into their field of study.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of GUAC, in conjunction with key staff develops a proposal to offer developmental classes during the summer sessions.	March - April 1999
2.	The provost/senior vice president reviews and amends the proposal as necessary.	May 1999
3.	The board approves the proposal.	January 2000

FISCAL IMPACT

This recommendation will require extending salaries for five existing positions from 9 to 12 months or an average of $11,000 per position.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Provide Summer Developmental Classes.	($55,000)	($55,000)	($55,000)	($55,000)	($55,000)

FINDING

The General University Academic Center (GUAC) provides a one-week summer orientation program called Jumpstart for incoming students. GUAC staff conducts the Jumpstart program prior to the fall and spring semesters. The program is limited and may not adequately create a sense of connection with the university's programs. For example, the schools/colleges only have a limited role in the orientation process. Additionally, the major activities associated with orientation are staff-oriented and do not provide opportunities for students to become acquainted with peers.

Recommendation 31:

Create an orientation committee and develop a plan to expand TSU's orientation program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The deans' council appoints an orientation committee.	March 1999
2.	The director of GUAC ensures that the orientation committee meets monthly to plan and develop orientation activities.	March - April 1999
3.	The orientation committee develops a long-range plan for expanding orientation activities.	April - May 1999
4.	The provost/senior vice president for Academic Affairs in conjunction with the Dean's Council approves the orientation plan.	June 1999
5.	The director of GUAC ensures that the plan is implemented.	Ongoing

FISCAL IMPACT

The costs of this recommendation can not be determined on the scope of the plan.

Chapter 4
ORGANIZATION AND STAFFING

CURRENT SITUATION

The Human Resources Office is headed by a newly appointed director, formerly a human resources professional from the corporate sector. This appointment became effective on February 1, 1999. An interim director filled the position from April 1, 1998, after the March 31, 1998 resignation of the former director. The interim director has now returned to her former position in Human Resources.

The Human Resources director reports to the chief operations officer (COO). Before February 1999, the director reported directly to the senior vice president for Administration. The director's office is located in a corner office area on the fifth floor of the Robert J. Terry Library. The rest of the Human Resources offices are also on the fifth floor; however, somewhat remote from the director's office.

Exhibit 4-1 illustrates the organizational structure of the office. A total of seven positions and a student assistant position are budgeted for the office. The operating budget of the division for fiscal 1999 totals $223,873, of which approximately $197,008, or 88 percent, is budgeted for salaries.

Exhibit 4-1
TSU Human Resources Office Organization Chart
Fiscal 1998
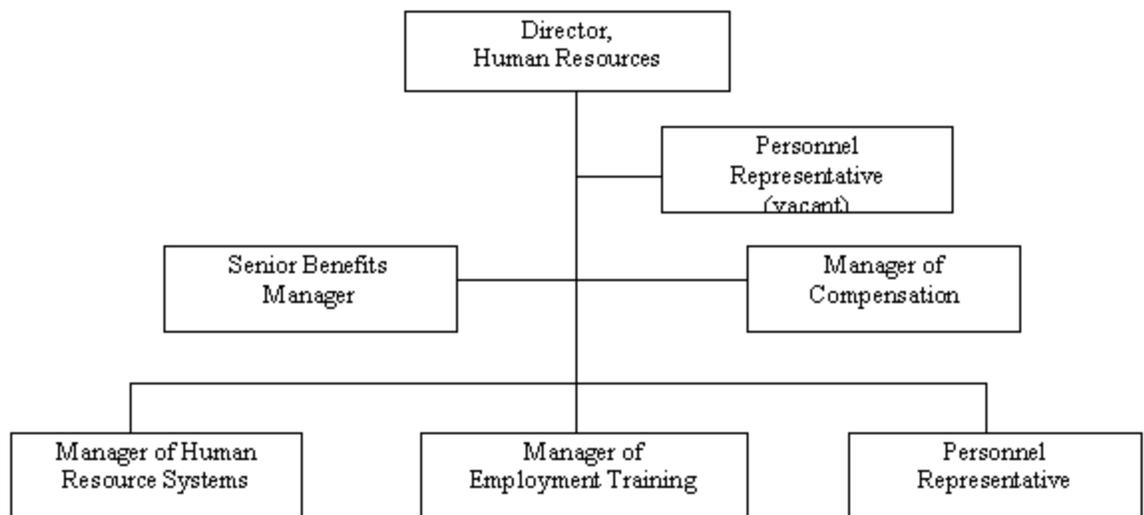
Source: TSU, 1999.

The Human Resources office is responsible for:

Recruitment and Selection - assisting the hiring department in conducting job searches, setting up selection committees, overseeing the recruitment process, and ensuring that selection guidelines are in place and are adhered to. This includes ensuring compliance with any state and federal selection regulations.

Employee Orientation - providing new employees with the information needed to begin employment with the university. This includes providing the employee with any relevant rules and procedures, guiding them through the registration process for appropriate benefits, and other required paperwork.

Employee Training - developing training programs to assist employees and departments in, for example, understanding university policy and procedures, career development, and supervisory training.

EEO Programs - ensuring that the university is in compliance with relevant state and federal mandates relative to ensuring equal opportunity for job applicants and current employees.

Compensation and Benefits- in conjunction with the president, executive staff, and the Board of Regents, developing compensation policy and procedures, monitoring the award of increases, conducting salary surveys, administering benefit programs.

Job Classification - performing job analyses, writing job descriptions, maintaining classification manual.

Records Maintenance and Retrieval - maintaining appropriate employee records relative to all employment transactions, from recruitment, selection and appointment through retirement or other forms of separation from the university.

Grievance Processing - providing the avenue through which non-faculty employees may have complaints heard relative to their work experience.

The Human Resources office communicates with employees by placing inserts into pay envelopes, as needed. No personnel newsletter is circulated, but according to staff, there have been newsletters in the past.

Faculty personnel policy issues are handled in the provost's office, but employment searches to fill faculty vacancies are handled using search and screening guidelines provided by the Human Resources office. The operating manual outlining supplemental faculty personnel policies such

as tenure, for example, is called *Faculty Manual Policies, Regulations and Procedures, Draft 1993*. According to the provost's office, this is the current manual under which faculty operate. This manual was developed by the Faculty Assembly and approved by the Board of Regents. The Faculty Assembly is the official legislative body of the faculty affecting the educational program of the University and the general welfare of TSU faculty. The recommendations of the Faculty Assembly are made to the academic vice president or directly to the president for appropriate action or for endorsement by the TSU Board of Regents. Overall, however, the Human Resources office handles routine personnel matters, such as benefits, pay, department staffing, and employee training.

Texas is an employment-at-will state. As such, administrative and support employees serve at the pleasure of the university, and are not entitled to an annual contract. Notice of termination is generally thirty days. Faculty have tenured and tenure-earning appointments that obligate the university to various forms of continuing employment contracts. There is no employee or faculty union at the university. Unless specifically appropriated by the Legislature, the university may provide pay increases at its discretion, subject to the availability of funds.

The Legislature provides state employees, including TSU employees, individual health insurance coverage. The sick and annual leave policies are consistent with state guidelines. Faculty who are on academic year contracts are not eligible for annual leave, which is standard policy across higher education.

Compensatory leave is allowed for non-exempt positions, which provides time off in lieu of payment of overtime. As state employees, annual and sick leave benefits transfer if a university employee transfers to another state agency. Compensatory time is not transferred when the employee leaves the university.

The position of Human Resources director was vacant from April 1998 to January 1999. In February 1999, TSU hired a new director with 20 years of experience in human resources from corporate sector. The salary of this newly appointed Human Resources director is competitive and is commensurate with her experience.

At this writing, the Human Resources office has one vacancy. The number of initiatives the Human Resources office is involved in relating to staffing, compensation, training and development, and implementation of a new personnel records system to provide better records maintenance, requires strong leadership initiatives, supported by a full complement of staff. A permanent director who enjoys the full support and attention of

top level administration, and is a member of the management team, is necessary to ensure compliance with policies and procedures.

FINDINGS

The staffing level of the Human Resources Office is a concern. The Human Resources Office is responsible for providing a full complement of personnel services to over 1,100 employees. In addition, new initiatives are recommended that will increase the workload of the staff.

The appropriate staffing level of a human resources office varies. According to a Bureau of National Affairs (BNA) study, the national staffing average in education is about one human resource specialist for every 160 employees.

TSU employs 501 faculty and 622 staff, for a total employee population of 1,123. Given the ratios noted above, the Human Resources staff of TSU should be at a level of about seven professional employees. At the present time, the department has one vacancy. The rate associated with the personnel specialist vacancy is $18,360.

Very significant to staffing the Human Resources function is the transition to, the new Banner system into the human resources operation. The Banner system, which is the university's new data management system for all business functions, will, when fully implemented, change the way tasks are performed and employee records are maintained. A significant amount of training will be necessary for Human Resources staff to ensure that they are knowledgeable in the use of the system, and can work with the Office of Instructional Technology on a regular basis as needs arise. The vacancy in the Human Resources office must be filled as soon as possible so the employee can be trained in the use of the new system to ensure a smooth employee record transition.

Recommendation 32: Fill the personnel representative vacancy to assist the classification and pay function in the implementation of Banner and employee records processing.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	The Human Resources director develops the job descriptions for the vacancy.	March 1999
2.	The Human Resources director recruits the new employee.	April - May 1999
3.	Candidate is interviewed and position is filled as appropriate.	May 1999

4.	The Human Resources director and staff train new employee.	Upon hiring

FISCAL IMPACT

The vacant position is currently budgeted at $18,360. Upgrading the current vacant position to an average salary of $25,000 would cost TSU an additional $6,640 per year. The incidental increase in benefits with additional salary is not included in this estimate. Since they will not be able to fill that position until June of 1999, one fourth of that cost is shown for fiscal 1999. The incidental increase in benefits with increased salary for the existing position is not included in this estimate.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Fill the personnel representative vacancy to assist the classification and pay function in the implementation of Banner and employee records processing.	($1,660)	($6,640)	($6,640)	($6,640)	($6,640)

FINDING

The Human Resources Office, located in a corner area on the fifth floor of the Robert J. Terry Library, is not ideally situated for the functions being performed. The location makes it difficult for office staff to interact with the majority of the university administration, including COO, to whom they report. They are isolated from the rest of the administration, located in Mack Hannah Hall, and the location is inconvenient for employees needing assistance. The actual layout of the office is very backward, and is not conducive to presenting a professional image, especially to new employees.

While the amount of overall space allocated to the Human Resources Office seems adequate, the offices themselves are haphazardly located. The Human Resources director's office is not within the office suite, and half of the staff are located in one long room with glass paneled walls facing the hallway through which visiting employees and job applicants must walk. The conference room is also part of the shared office space.

At this writing, a plan has been developed by the associate vice president of Facilities and Planning to relocate Human Resources to Mack Hannah Hall. The Human Resources director is working with the associate vice president of Facilities to ensure that relocating Human Resources remains a priority.

Recommendation 33:

Relocate the Human Resources Office to the central administration building, or remodel to more closely resemble professional, functional office space.

Locating the Human Resources Office in the Robert Terry Library isolates the function from the rest of university administration. The director should have regular and continuing contact with the supervisor to whom he/she reports, and employees should be able to receive administrative services in one building. In addition, it sends a negative message about the importance of this administrative function when it is located away from central administration.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	The associate vice president for Facilities and Planning in cooperation with Human Resources director examines office space needs of the Human Resources employees	February 1999
2.	The associate vice president for Facilities and Planning locates space within Mack Hannah Hall that can accommodate the need for adequate office privacy and meeting space, and to allow better access to the Human Resources director.	March–April 1999
3.	The Human Resources Office relocates to Mack Hannah Hall.	June 1999
4.	If no space can be found in Hannah Hall, remodel existing space to provide better traffic flow, more employee privacy, and better proximity to the Human Resources director's office.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources, unless significant remodeling of available space in Hannah Hall or the Terry Library is necessary.

Chapter 4
CLASSIFICATION AND PAY

CURRENT SITUATION

The *Job Classification and Compensation Plan* (JCCP) guidelines being used by TSU became effective in September, 1996. These guidelines have been updated and supplemented by *Complementary Personnel Practices Adapted by TSU's Board of Regents*, effective November 21, 1997. The *Complementary Personnel Practices* are directed to positions reporting to the president and to positions reporting to his direct-reporting subordinates, and address four specific areas:

- hiring of new personnel,
- promotions,
- increases in compensation, and
- interim positions.

FINDING

The *Job Classification and Compensation Plan* states that "a major responsibility for the classification plan rests with the line management - administrators and supervisors. They are responsible for determining the duties and responsibilities of positions, for assigning individual employees to work and informing them of their assigned duties, and for reporting changes in duty assignments and organization and the need for classification action to the office of personnel services."

The Classification Plan explains that "classification studies may reveal the need to establish new classes or revise existing classes. These actions must be approved by the president of the university, and the Board of Regents, upon recommendation of the director of Human Resources." It further notes that "classes which are no longer used are abolished with the president's approval." The classification process provides for the allocation of all positions to pay grades (PG), which set out minimum and maximum salary ranges for each grade. Pay grades range from PG 1 to PG 15. Positions not assigned to one of these 15 pay grades are designated as exempt. Salaries for exempt positions are established at the discretion of the department head. These positions are not eligible for overtime pay, under the Federal Fair Labor Standards Act (FLSA). Positions within the same area are designated within functional groups and assigned job code series numbers and Equal Employment Opportunity (EEO) category designations.

Guidelines within the classification plan provide that new employees are "normally hired at a rate between the minimum and the first quartile of the salary range for the classification to which they have been assigned." Exceptions to this practice must be approved by the president. Appointments at salaries below the minimum are prohibited.

COMMENDATION

The current Job Classification and Compensation Plan (JCCP) provides a foundation for a strong classification and compensation system.

It also provides a basis for salary comparison both within the university and in the broader higher education marketplace.

FINDING

From the data gathered, there are three documented categories of raises that employees are eligible to receive:

- ***Specifically appropriated/mandated state across-the-board increases***. In fiscal 1997, these increases were authorized in Article IX, Section 195 of the General Appropriations Act (GAA). This increase was authorized at $100 per month/per full-time equivalent for non-faculty employees only. Employees with less than full time status receive a prorated increase based upon the portion of FTE worked.
- ***Longevity Pay.*** This pay supplement is provided by law to employees who are full-time state employees. To be eligible, the employees must have five years of lifetime service credit accrued by the last day of the preceding month. Employees are paid $4 per month for every year of lifetime service credit and receive longevity pay increases after each additional five years of service, up to 25 years.
- ***Promotion/other discretionary raises***. These raises are provided at the discretion of the department head, within guidelines provided in the classification and pay manual. Promotional pay raises are to the minimum of the new pay range to which the employee is being promoted, or five percent, whichever is greater, contingent upon the availability of funds. The Human Resources director may approve exceptions.

For positions that report directly to the president, and for positions reporting to the president's direct-reporting subordinates, promotional pay raises are subject to new hire guidelines, as outlined in the *Complementary Personnel Practices* guidelines. This requires that before a promotion can

be granted, the opening to which the employee is to be promoted is posted, and the normal search and screen procedures are followed. For positions covered under the complementary practices, the Board of Regents may participate in the search process.

Merit/discretionary increases for employees may be provided at the discretion of the department head, based on the availability of funds, as designated by the president and the Board of Regents. Merit/discretionary raises may not be given to Complementary plan employees without specific Board approval of each increase. Complementary plan employees are those employees designated by the Board of Regents, effective November 21, 1997, who are filling positions reporting to the President and to positions reporting to the president's direct-reporting subordinates. A Personnel Action Form (PAF), authorizing discretionary/merit increases must be completed and approved by the Human Resources office. The only written restriction on the amount of the raise that may be given is that the raise may not cause the employee's salary to exceed the pay grade maximum. Pay grade maximums are set in the *Job Classification and Compensation Plan* manual. The pay grade table goes only through PG 15. For positions above this grade, the range is open since the positions are categorized as exempt.

The data necessary to track discretionary salary increases provided to employees are not readily available to the Human Resources office, but should be when the Banner system's human resources module is implemented. Significant delays have occurred in the implementation of the system, which was originally scheduled to come on-line in September, 1996. The human resources module is being tested in January, 1999. Identifying employees who have received discretionary increases, and the amount of increase, should be easier to monitor when the new system is operational. The same is true for promotional increases, as no "flag" exists in the current personnel database to capture individual employee pay raise categories. For across-the-board raises provided by the Legislature, salary guidelines provided by the state are used to document individual pay raises. Longevity pay increases are also not flagged on existing computer records. This situation makes it difficult to measure links between performance appraisal ratings and salary increase awards.

It should be the responsibility of TSU's top management, or the Officers of Administration, as they are identified on the university's web site, to set salary policy and to establish mechanisms by which the implementation of this policy can be monitored. The Officers of Administration at TSU include the president, provost, chief operations office, vice president for Administration, vice president of Student Affairs, vice president of Institutional Advancement, director of Libraries, Registrar, General Counsel, and assistant vice president of Enrollment Management.

Recommendation 34:

Document and clearly monitor information on employee salary increases.

Annual evaluation of the distribution of employee pay increases assists the university in ensuring that pay raises are given to enhance the goals of the university and are consistent with adopted pay policy.

IMPLEMENTATION STRATEGY AND TIMELINES

1.	The Human Resources director works with director of SCT Systems Support to create salary increase category fields to be carried on employee records.	March 1999
2.	The Human Resources director annually evaluates the use of various salary increase funds and reports these findings to the chief operations officer.	Annually

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

A survey was performed by the Human Resources Office in 1996, reflecting the 1996-97 salary of selected exempt, or managerial level, positions at TSU compared to the median salaries of public institutions with budgets between $40 million-$125 million. These surveys are important for assessing the relative competitiveness of TSU to its national counterparts. Many colleges and universities participate in salary surveys regularly to provide guidance in setting pay and salary increase policy and to annually review and update the pay grade table. The College and University Personnel Association (CUPA) compiles college/university salary data from across the nation and is therefore an invaluable resource for benchmarking salary levels.

Exhibit 4-2 presents comparative data on salaries. These data indicate that of the 33 positions selected for comparison, 20 were from three to 53 percent above the median salaries for institutions of comparable size and category. However, absent any policy on what the goals are for employee compensation, other than to ensure fairness, there is no way to evaluate if this level of compensation is in line with the goals and objectives of the university. Top management is paid above the median in 20 of the 33 positions compared.

Exhibit 4-2
Salaries of Selected TSU Positions
Compared to the Median Salary of Public
Four-Years Institutions with Annual Budgets of $40 to $425 million,
1998

Position Title	TSU Salary	Public 4-Yr. $40 to $125 M	TSU as % of Median
Director of Internal Audit	$66,000	$55,660	118.6%
Assistant to President	$79,992	$55,070	145.3%
Director of Accounting	$69,204	$48,625	142.3%
Director for Institutional Research	$81,204	$55,000	147.6%
Dean, Graduate Programs	$95,304	$91,960	103.6%
Registrar	$71,028	$55,240	128.6%
Chief Academic Officer	**$126,204**	**$111,500**	**113.2%**
Director of Student Financial Aid	$62,496	$56,110	111.4%
Dean, Business	$104,076	$77,631	134.1%
Chief Budget Officer	$69,216	$66,138	104.7%
Director of Athletics	$81,204	$69,205	117.3%
Chief Business Officer	**N/A**	**$114,400**	
Director for Alumni Affairs	$53,832	$46,500	115.8%
President and CEO	**$152,496**	**$175,000**	**87.1%**
Executive Vice President	$142,500	$104,386	136.5%
Dean, Law	$101,088	$149,300	67.7%
Director for Legislative Relations	$95,004	NA	nbsp;
Director for Library Services	$65,004	$70,050	92.8%
Director for Academic Computing	N/A	$58,000	nbsp;
Director of Campus Security	$37,860	$47,000	80.6%
Dean, Arts & Sciences	$87,312	$92,000	94.9%

Dean, Education	$85,008	$72,284	117.6%
Dean, Engineering	N/A	$85,506	nbsp;
Chief Development Officer	$94,500	$109,000	86.7%
General Counsel	$142,512	$87,125	163.6%
Director of Career Development	$40,008	$46,545	86.0%
Dean, Continuing Education	$61,992	$65,594	94.5%
Chief Information System Officer	N/A	$79,100	nbsp;
Chief Personnel/HR Officer	$70,000	$65,000	107.7%
Comptroller	$53,496	$68,788	77.8%
Chief Student Affairs Officer	$80,004	$87,000	92.0%
Director of Purchasing	$43,200	$44,816	96.4%
Chief of Physical Plant, Facilities	$95,004	$68,886	137.9%
Dean, Pharmacy	$89,040	NA	NA

Source: TSU Office of Human Resources, 1999, CUPA 1997-98
Administrative Compensation Survey.
NA= Information not available; N/A= Information not applicable.

A clear understanding of compensation goals is necessary in order to set appropriate hiring salaries to maximize the existing budget. This is especially important given the university's declining student enrollment and the resulting loss of tuition revenue to support fixed costs.

Relevant market comparisons for salary surveys generally compare budget size and university classification. For TSU, the university classification is 4-year baccalaureate degree granting institution. Budget size is generally expressed as a range, for example, $40 million to $125 million would be the relevant category for TSU. The focus on the collection of market comparison data for exempt positions recognizes these positions as requiring advanced degrees and having a national recruiting market. Due to this recruiting market, it is important to establish standards and goals that recognize market conditions and then to set salaries according, especially when resources are limited.

Recommendation 35:

Establish compensation standards and goals for exempt positions and use these standards for establishing starting salaries.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief operations officer establishes a compensation committee to review TSU salaries relative to the national market.	February 1999
2.	The compensation committee recommends a desirable salary level, competitive with market, for each exempt position. The financial standing of the institution should play a part in determining this policy.	April 1999
3.	The chief operations officer adopts salary goals.	May 1999
4.	The chief operations officer and provost, review salary goals in considering requests for establishing starting salaries and reviewing recommendations for pay increases.	Ongoing
5.	Human Resources Office conducts an annual assessment of salary for a core group of positions to provide consistent analysis of market position.	Annual

Fiscal Impact

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Establish compensation standards and goals for exempt positions and use these standards for establishing starting salaries.	($497)	($497)	($497)	($497)	($497)

The university should have the budgeted resources to participate in this salary survey. One of the charges of the Human Resources Office, as outlined in the *Job Classification and Compensation Plan* manual, is to "continually participate in salary surveys so that Texas Southern University can maintain and improve upon its competitive posture."

At the time of this writing, the Human Resources director is completing the application to become an "institutional" member of CUPA. Based on the size of TSU's budget, the fee to join CUPA is $497 per year.

FINDING

No clear merit pay system is in place at the university. Components of a merit pay system require first, that employees and supervisors understand

what performance levels are required to be eligible for merit pay. Second, an appraisal form with clear guidelines for measuring performance is used. These guidelines provide information to employees and supervisors and must be clearly communicated to them. The employee evaluation must reflect the rating given. The university must monitor the disbursement of funds for the merit raises to match the appraisal rating given to the employee.

At TSU, performance appraisal ratings are not linked through any written policies to salary increase decisions. The Human Resources Office did indicate that a performance appraisal must be completed for an employee before they are eligible to receive a pay raise. However, the appraisal categories on the Personnel Action Form, the form that must be processed through payroll to initiate pay increases, do not match the categories on the university's Performance Evaluation and Planning (PEP) form. With no clear link between pay and performance, the university is missing a significant opportunity to motivate employees and to ensure that funds spent to increase salaries are being used wisely. States such as Florida and Virginia, for example, have implemented various forms of merit pay systems over the last decade, which require performance appraisal review ratings as the basis for merit increases.

Recommendation 36:

Establish a clear, consistent merit pay policy.

Tying performance appraisal ratings to merit or discretionary pay increases, when available, is an important step to ensuring fairness and equity in pay distribution, and to motivate employees to perform at consistently high levels over time.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The chief operations officer and executive staff annually establish the necessary performance requirements to determine eligibility for merit pay increases.	March 1999
2.	The Human Resources director ensures that performance appraisals have been appropriately completed to authorize merit increases.	Ongoing
3.	The Human Resources director brings any discrepancies to the attention of the appropriate administrator prior to the award of a salary increase.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources. The university would be required to provide these increases within its existing, or anticipated, salary budget. The university would establish priorities for distributing designated salary increase funds would be established to provide for a percentage amount of the salary increase pool to be used for merit increases.

The Human Resources director is coordinating an effort to secure assistance from a private consultant to develop the merit pay plan and policy. Once the plan has been developed, the Human Resources Office would be able to implement and maintain it.

FINDING

The Job Classification and Compensation Plan (JCCP) provides the guidelines by which positions within the university are grouped for assignment to pay grades and ranges. Positions are grouped according to job descriptions. Responsibility for developing job descriptions rests with individual administrators and supervisors to whom the position incumbents report. The JCCP outlines how job descriptions should be written. It specifies format and content. It also includes instructions on establishing minimum education and experience requirements, but cautions to ensure that "all who are currently in the job meet those requirements." In addition, an "essential functions questionnaire" is provided to guide administrators and supervisors in developing the content of the job description relative to physical and mental abilities necessary to perform the job duties.

TSU has specific job description definitions that are considered class specifications in most classification systems, for the following:

executive assistant	administrative assistant
research assistant	research technician
laboratory technician	laboratory assistant
laboratory helper	office manager
executive secretary	administrative secretary
secretary	senior secretary
receptionist	clerk-typist
general clerk.	

Given that job descriptions are the basis upon which positions are classified into pay grades, these model class specifications established by

TSU are important for ensuring consistency of classification and pay across positions with comparable functions. These model class specifications should be developed for all classes of positions within the university, not just those within the technical and clerical area. Class specifications should be included in the Job Classification and Compensation Plan. The importance of the class specification is that it answers the question of what minimum qualifications and experience are necessary to complete the tasks of a series of similar jobs.

The job description is the basis upon which individuals are categorized for pay, and for determination of whether they meet minimum standards for carrying out the duties of the job. A comprehensive job analysis procedure is often used by both public and private organizations to objectively evaluate the work being performed, and provides the data for the position description.

Without job analysis, a job description cannot be objectively evaluated because there are no criteria against which the information on the description can be compared.

Simply put, job analysis determines what a job entails, what kind of qualifications and experience are needed to perform the responsibilities of the position, and what data forms the basis of the job description. Conducting a job analysis involves doing a combination of desk audits and employee/supervisor questionnaires, and in the case of multiple employees holding the same job (i.e. secretary), often group interviews are helpful. Conducting job audits requires skill and training, and often human resources offices seek outside help to facilitate the process.

Once valid job descriptions are written, several methods can be used for determining where jobs fit into the compensation plan. These include: job ranking, grade descriptions into which positions are designated, and point factor comparison rating type systems. The most traditional, and most subjective method is that of whole job ranking, while the least subjective job analysis is point ratings. A form of the grade description method is employed by the university, although the criteria by which positions are assigned to grades is not documented. Currently, there are no standard or compensable factors against which information on jobs can be evaluated.

Recommendation 37:

Conduct a comprehensive classification and pay analysis of administrative and support positions.

The university should review, with external assistance, the job classification system to establish criteria for writing job descriptions that

consistently include knowledge, skills, and abilities that are necessary to carry out the responsibilities of the job. This would include the development of accurate job descriptions of work being performed. Although this process is time consuming, it provides the most objective method by which jobs can be compared, both across the university, and externally. This also provides an objective method by which positions can be assigned to pay grades.

IMPLEMENTATION STRATEGY AND TIMELINES

1	A Human Resources committee, representing of a cross section of professional level employees, and an outside consultant establish objective criteria against which positions will be evaluated. These should include a specific, detailed list of knowledge, skills, and abilities that are necessary to perform the work.	March - May 1999
2.	The committee/consultant defines the criteria and assigns values to each of the selected criteria.	March - May 1999
3.	The committee/consultant tests the selected criteria on a sample of positions, and revises as necessary.	May - June 1999
4.	The committee/consultant collects job data, through a combination of interviews, desk audits, and questionnaires that are designed to tie back to the objective criteria selected.	June - August 1999
5.	The committee/consultant evaluates job data and prepares job descriptions.	August - September 1999
6.	The committee/consultant assigns jobs to pay grades.	October 1999

FISCAL IMPACT

Having an outside facilitator or consultant to guide the university through this process could cost between approximately $50,000 - $60,000. This would include a classification and pay review of all administrative and support positions (assuming 150 job classes and 600 employees),and should include the development of new position descriptions for each job classification.

At the time of this writing, the Human Resources director is working to hire a consultant to determine the best and most cost effective method to conduct this analysis. One strategy is to bring in an expert to provide in-house training so that future analyses can be handled internally. Another approach is to have the consultant do the entire analysis. Based upon the

findings of a functional assessment which is currently underway, the
Human Resources director will decide the strategy.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Conduct a comprehensive classification and pay analysis of administrative and support positions.	($60,000)	0	0	0	0

Chapter 4
PERFORMANCE APPRAISAL SYSTEM

CURRENT SITUATION

The performance appraisal system that is currently in place was last revised on April 21, 1997, and is referred to as the Performance Evaluation and Planning (PEP) system.

FINDING

The PEP system requires that each employee be evaluated annually on a form provided by the Human Resources office. The system is prefaced with the following six goals:

- make the trains run on time;
- improve service to our most important customer; the student;
- increase student academic performances;
- maintain compliance with all audits;
- initiate teamwork and spirit throughout the university work force; and
- render fair compensation.

The performance development plan directs the employee and supervisor to list performance expectations. These expectations are then matched against actual performance achievements to complete the evaluation rating, at the end of the annual rating period.

The rating scale provides for five levels of performance on each expectation, and points are assigned to the performance level achieved. The lowest rating, "below standard," is assigned 100 points, while the highest level that can be achieved receives 500 points. Each performance expectation is weighted as to its overall importance to the job, with the rating on each performance expectation then multiplied by the actual points assigned for achievement of that expectation. The supervisor must sign the form indicating that the form has been discussed with the employee being rated, and the employee must also sign the form indicating that the supervisor has discussed the appraisal with the employee. Notice of the due dates for employee appraisals are sent out on a monthly basis by the Human Resources Office. There was no evidence that regular training on the use of the performance development plan was provided, or that the plan itself has been implemented. The appraisal ratings on the Personnel Action Form (PAF) that must be used to authorize a pay raise do not match the rating scale contained in the Performance

Evaluation and Planning (PEP) system. The PAF rating scale contains four ratings - Poor, Fair, Good, and Excellent.

No documentation is available to validate that this form is being used outside of the Human Resources office.

Recommendation 38:

Train supervisors in the use of Performance Evaluation and Planning (PEP) system and require that this evaluation be completed before any salary increases can be awarded.

The president should prohibit the award of any increases unless the PEP has been completed. Training supervisors so that the performance appraisal system can be properly administered must be a priority.

IMPLEMENTATION STRATEGY AND TIMELINES

1.	The chief operations officer sends a memo to all department heads announcing intent to train managers and supervisors on the use of the performance appraisal form. The memo should indicate that training, and subsequent use of the PEP system, is mandatory for receipt of salary increases.	March 1999
2.	The Human Resources Office develops, schedules, and provides training sessions for all employees.	April - December 1999
3.	Follow-up is done with the chief operations officer, or designee, to provide progress reports on this training effort.	January 2000

FISCAL IMPACT

This additional funding is necessary for Human Resources to plan an aggressive training program accomplish much needed training goals. The cost of all Human Resources training is discussed later in this chapter.

Chapter 4
HUMAN RESOURCES INFORMATION SYSTEM

CURRENT SITUATION

The automated system used by the Human Resources Office, People Oriented Information System for Education (POISE), is a payroll records system that tracks monthly employee payroll data, tracking funds budgeted for employee payroll during the fiscal year, and funds disbursed for salary payments. The personnel reports generated by this system are generally fixed format, used to track fiscal year payroll expenditures. This system is being replaced by the Human Resources module of Banner. At this writing, the university is running parallel systems and expects the Banner system to become operational in April 1999.

FINDING

The payroll system used by the Human Resources Office, POISE, was not adequate for analysis of human resources issues, and simply provided "what is" information driven by payroll data. The system was inefficient for personnel research, and did not have the capacity to generate anything more than fixed format, payroll type reports. Longitudinal studies on salary and pay raise history have not been done, as the POISE files contain no separate pay raise categories. Longitudinal assessment of the number of filled and vacant positions over more than one year could not be done without significant reprogramming of existing file records. Vacant positions were not separately identified in the data files.

Another difficulty encountered in using payroll reports for personnel research needs involves gathering simple information on the annual salary of employees. For example, an examination of the *Workforce Profile* report as of April 8, 1998 includes columns for both annual and monthly rate for each current employee. For some positions, however, the annual and monthly salary rates do not match. In one instance, the annual rate of pay is stated as $47,500, while the monthly rate is stated as $7,916 for this same position. Only by checking the date of hire would a salary evaluation reveal that the annual rate reflects only one half year of pay, as the position was filled midyear. This could have serious consequences in calculating average salaries if the annual, rather than monthly, rate was used.

The new data management system, Banner, is scheduled to come on-line after testing runs are complete. Test runs began in January 1999. A new data system that can provide employee and position identification that can

be efficiently sorted by department, EEO code, job groupings, salary levels, years of experience, or other relevant employee information will allow for some level of workforce analysis that now requires heavy reliance on individual files. For example, a request for the job/employment history of several individuals required the Human Resources office staff to manually pull huge paper files from file cabinets, and then manually compile employment history records. Planning and monitoring personnel policies becomes unnecessarily cumbersome and inefficient. It is important for the Banner implementation team to work closely with the Human Resources office staff to clearly define their data needs and to identify additional capabilities that would assist the office in their ability to do analyses of employee data.

Recommendation 39:

Provide ongoing training to Human Resource Office employees on the capabilities of Banner, and modify module to accommodate data needs of the office.

The director for SCT systems support should work closely with the Human Resources Office to define user needs, and ensure employee status flags are adequate to track and capture employee personnel actions such as promotions, demotions, salary increase histories and performance appraisal information.

IMPLEMENTATION STRATEGY AND TIMELINES

1.	The Office of Information Technology coordinates with the director of S.C.T systems support and provides training to the users before and during implementation.	April 1999 - ongoing
2	The Office of Information Technology provides ongoing support to the Human Resource Office to accommodate data needs.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources. The university's contract with SCT provides for staff training and development for the Human Resources module of Banner.

Chapter 4
RECRUITMENT AND SELECTION

CURRENT SITUATION

Recruitment and selection involves identifying and placing the right person in the right job. At TSU, before a hiring decision can be made, the *Open Recruitment Search Procedures* must be followed. Materials required by the Human Resources office to comply with these procedures include:

- resume, letters of reference, transcripts;
- position specifications;
- vacancy announcement;
- recruiting strategy - description of specific actions taken to recruit racially and
  ethnically underrepresented groups, as well as underrepresented gender groups;
- copies of any advertisements;
- notes maintained relating to the qualifications of the applicants;
- initial screening form;
- application evaluation screening form;
- application evaluation consolidated score form;
- standards for criteria ranking;
- telephone interview score form;
- interview questions asked of applicants;
- affirmative action report or search activity report (SAR); and
- all other related information.

The Human Resources Office screens applicants to ensure they meet minimum qualifications and experience requirements initially set by the departments who write job descriptions. Specific efforts to recruit and select employees to fill available vacancies come out of the departments in which the vacancies exist. The Human Resources office provides detailed procedures that must be followed during the search and selection process. The procedures apply to all faculty and staff positions not filled through referral by the employment unit of the Human Resources Office.

For faculty and administrative/professional positions, a search committee is established, consisting of at least three members, and is required to be representative of the "diverse university community." The committee is provided with a search guideline packet. The search guideline packet provides a number of forms and instructions on documentation and procedures that each hiring department is responsible for following.

For filling positions on short notice due to employee turnover, an *Ad Interim Exceptional Hire Appointment Without a Search* procedure is outlined. The appointment is limited to nine months, and the position cannot be filled without a formal search process. It also requires a check of minimum qualifications of the designated interim appointment against the minimum qualifications specified in the position description to ensure that the minimum qualifications are met.

FINDING

Recruitment and selection of employees for the university must be based on future goals and demands of the university. Current recruitment efforts are driven by existing vacancies rather than a clear plan related to university strategic planning. The significant number of vacant positions and those filled through interim appointments reflected on a March 1998 university report suggest that the future and direction of the university is uncertain. This makes the external recruitment of applicants extremely difficult. This may also account for the high number of interim appointments among the administrative staff at the university. The report developed by the Human Resources Office showed that the total number of vacancies at the university as of March 18, 1998 totaled 81, the majority of which are administrative and staff positions. Only one teaching faculty position, an assistant professor in the School of Business, was listed on the vacancy notice. However, five dean positions are vacant, with one of these being filled on an interim basis. Of the 81 vacancies listed, 28 are currently filled on an interim basis. An updated list provided by the Human Resources Office indicates that, as of January 1999, the university has filled 44 of these vacancies and has cancelled four positions.

Recommendation 40:

Develop a Human Resources replacement plan based upon the future goals and objectives of the university.

IMPLEMENTATION STRATEGY AND TIMELINES

1.	The chief operations officer senior staff develops a priority list for filling vacancies based on identified goals and objectives of the university.	February 1999 - Ongoing
2.	Human Resources director reviews descriptions of vacant positions to ensure that requirements to successfully implement these goals and objectives are included.	February 1999 - Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The *Open Recruitment Search Procedures,* if used, are sufficiently detailed to provide the relevant direction to departments and adequate documentation of the search and hire process after it is complete and an applicant is selected for the position. The Human Resources Office is required to review, with the hiring department, data on the composition of the applicant pool to assure a significant representation of minorities and women. The EEO statistics are maintained by the Human Resources Office. Most importantly, the Human Resources director must approve all personnel decisions prior to the department making an employment offer to assure compliance with university's written policies and procedures. The Human Resources Office maintains all materials relevant to the search for three years.

For positions that report to the president or for positions reporting to direct-reporting subordinates, the president may pick from the pool of applicants submitted by the search committee. This may include candidates who were not recommended as first choice by the committee. Guidelines approved by the Board of Regents on November 21, 1997 allow board members to sit on search committees and participate in the selection process. Further, effective November, 1997, the president cannot make a final offer to candidates in this category until the Board has approved the hire. Other than processing the necessary paperwork, the Human Resources Office is not directly involved in these searches.

TSU's operating manual ranks the order in which qualified candidates for vacancies will be considered. This ranking first identifies staff members who are not or will no longer be employed by the university due to a reduction in force. Second are those university staff who have made application for the vacancy. and finally outside (non-university) candidates.

Recommendation 41:

Eliminate the guidelines that specify the order in which qualified candidates are to be considered for vacant positions at the director and above level, or those positions classified by the university as exempt.

This change will ensure that outside expertise, experience, and perspective can be encouraged in hiring employees to fill critical management positions.

IMPLEMENTATION STRATEGY AND TIMELINES

1.	Human Resources director prepares memo for the chief operations officer's signature outlining modified guidelines that state preferential treatment should not be given to internal candidates at the director and above level.	March 1999
2.	Revised guidelines are provided to search committees seeking director and above level positions.	March 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 4
TRAINING AND DEVELOPMENT

CURRENT SITUATION

There are three major elements in successfully implementing training programs. These are:

- assessment of training needs;
- the training programs; and
- evaluation of training programs on the targeted employee groups.

Training and development programs are a significant investment by the university in its human resources. From the up-front program development costs to the actual time employees spend participating in training programs, training efforts require resource expenditures. Employee training programs are established to accomplish specific goals, which may include improving the quality and/or quantity of the work produced; lowering costs of maintenance or waste; lowering the number of complaints or misunderstandings relative to policy and procedure; or reducing turnover and increasing employee job satisfaction.

TSU has implemented a number of training programs for its employees over the last three years, with significant focus on customer service, teambuilding, and leadership skill building. There have been notable efforts to develop and offer training programs through cooperative agreements with Texas A&M University. TSU was awarded a Title III Grant of $15,000 to provide leadership training that was carried out during fiscal 1998.

There have been several other documented training efforts undertaken during the past three years. An extensive training session was held over the course of several months to review the *Personnel Operating Procedures Manual* with administrators. These sessions were held during the noon hour as brown bag luncheons. Workshops have been held on EEO compliance training, workers compensation, performance planning and evaluation, team building, and leadership and customer service, which was recently presented by the Texas A&M University System as part of the Title III Grant. Also significant was a major effort and commitment to employee training focused on Total Quality Management (TQM). Documentation provided by the Human Resources Office indicated that beginning in June 1995, a *TQM Pilot Program* was implemented. A program called *Connections*, a continuation of TQM training, was offered in both 1996 and 1997. All new employees go through orientation training provided by the Human Resources Office, which offers information on

major university policies and procedures, with an emphasis on employee enrollment in the relevant benefit plans. The orientation packet also contains the *President's Management Mission Statement (December 13, 1996).*

FINDING

While TSU has implemented a number of training programs for its employees, a plan has not been developed to tie this training to a formally articulated needs assessment, or an evaluation plan that would determine if anticipated results were achieved. The documented training efforts have been ambitious, but participation has not been required. Several of the workshops on leadership and teambuilding facilitated by the Human Resources Office have been poorly attended, in some cases with half the participants being Human Resources staff members themselves.

Human Resources Office staff indicated that the primary focus of recent training has been customer service. They also indicated that turnout for the various training sessions had been disappointing. There is no long-range plan for continued training or follow-up evaluation of past training efforts. There were no materials available to access the impact, effectiveness, or participant satisfaction with the larger training efforts, most notably the TQM training and the Texas A&M university workshops.

Training programs are of little value to the university if employees do not participate. Given the investment of time and effort in developing these programs, the university is losing potential benefits when employees choose not to participate. Limited participation also diminishes the evaluation of the program's effectiveness.

Recommendation 42:

Continue training and development programs, linking these programs to the accomplishment of university goals, and require employee participation.

Require employee attendance at workshops and other training sessions targeted for them and measure the impact of major training efforts to assess their effectiveness. Follow-up should be performed to assess the impact of the customer service and other TQM training programs to determine their usefulness and cost effectiveness.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	Human Resources, in conjunction with the chief operations officer and executive staff, identifies goals	March 1999

	that are to be accomplished through employee training efforts.	
2.	Human Resources director develops or purchases training materials that provide the necessary programs and contain a component for assessment of training effectiveness.	April - July 1999
3.	Human Resources Office establishes schedules for specific training programs.	June-August 1999
4.	Human Resources Office identifies target populations to receive training.	August 1999
5.	Human Resources Office secures chief operations officer's approval for course schedule and program offerings.	September 1999
6.	Human Resources office prepares letter for chief operations officer's signature stipulating that attendance in training programs is mandatory.	September-October 1999
7.	Trainer provides employees with questionnaires to obtain feedback at both the beginning and the end of the course as to its effectiveness.	Completion of Course/Program
8.	Human Resources Office evaluates whether training has been effective through periodic feedback from managers and employees.	Ongoing, based upon training schedule

FISCAL IMPACT

Funding decisions beyond fiscal 2000 should be based on measured program success.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Continue training and development programs.	-0-	($15,000)	($15,000)	($15,000)	($15,000)

Chapter 4
EMPLOYEE GRIEVANCE PROCESS

CURRENT SITUATION

According to the *Operating Manual for Staff Personnel*, if an employee of the university has a grievance, there is a documented four-step process, with an additional step providing for mediation by the State Office of Administrative Hearing (SOAH). There is a cost for the hearing, part of which is borne by the employee. Once the mediation step is initiated, the employee is required to pay $500. The Human Resources Office, with assistance from the General Counsel's Office, handles these grievances.

FINDINGS

As outlined in the manual, the university provides an employee grievance process that culminates in a final step designated as "mediation." This final step requires the cost to be borne equally by the university and the grievant. The expense involves the use of an outside, independent third party to make a final determination on the merits of the grievance.

The university contracts with the SOAH in Austin to provide this service. According to the SOAH, because they are not directed in state statute or rule to provide this service to the university, they must charge fees and expenses. This is standard practice. The fee is $70 per hour plus travel costs, and provides the client, in this case, the university, with an Administrative Law Judge (ALJ). The ALJ hears the case, gathers relevant information, and then writes a final decision that is final and binding upon both parties in the process - the university and the grievant.

There are several problems with the information contained in the manual. These inconsistencies have caused confusion on the part of former university grievants, and have been a continuing concern to SOAH.

One inconsistency is that the process as implemented is labeled "mediation." Mediation is a term used to describe a process whereby a neutral third party brings opposing parties together with a view to persuading them to settle their dispute. The mediator acts simply as a go-between and does not have the power or authority to issue a final, binding decision.

The service that is contracted for by the university with the SOAH is arbitration. The ALJ issues a final and binding decision, and the parties must abide by this decision. This has caused some concern and confusion on the part of grievants and their representatives when they appear before

the ALJ. Thinking the process was one of mediation, and then finding themselves in an arbitration situation, has required some cases to be delayed or postponed. SOAH has, on several occasions, asked the university to correct the manual to accurately reflect the process, but the university has not done so.

The manual also states that the mediator will be selected from a list provided by the Administrative Hearing's office. According to the SOAH, no such list is provided, and the university and grievant do not have the option to chose who will hear the case. The mediator (arbitrator) is assigned by the SOAH.

Recommendation 43:

Revise internal procedures to correspond to policies outlined in Section XVI , Employee Grievances, of the *Operating Manual for Staff Personnel*.

The Human Resources Office, with the General Counsel's Office, should ensure that the *Operating Manual for Staff Personnel* policies are being implemented. The actual practice being used to resolve grievances at the final step of the process is more like arbitration than mediation. This can cause significant confusion for the grievant, as the requirements for presenting an arbitration are more prescribed and formal than the requirements for mediation.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	The Human Resources office, in conjunction with the General Counsel's office, reviews Section XVI, Employee Grievances of the *Operating Manual for Staff Personnel* to ensure that the mediation process is properly implemented.	April 1999
2.	The Human Resources director communicates with representatives of the SOAH to clarify the process.	April 1999
3.	The Human Resources Office provides updated section of the manual to university employees and formally updates Section XVI of the manual to clarify practices.	May 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

At this writing, the Human Resources director is working with an external consultant to update the *Operating Manual for Staff Personnel* in its entirety.

FINDING

The requirement of a $500 payment by an employee who wishes to pursue a grievance through the final step of the grievance process is not required by any other state agency nor by the majority of other universities. Requiring this payment could deter an employee's pursuit of final grievance resolution.

Recommendation 44:

Eliminate the practice of requiring employees to pay a $500 fee to pursue grievances to mediation.

Other universities in the state do not charge any fee for employees to pursue grievances.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Human Resources Office, in conjunction with the General Counsel's Office, evaluates practices at other universities within the state.	April 1999
2.	Both offices provide recommendations to the chief operations officer relative to dropping the employee fee.	May 1999
3.	Both offices jointly clarify changes to grievance policies and practices and update relevant manuals.	June 1999

FISCAL IMPACT

This recommendation can be implemented within existing resources.

At this writing, the Human Resources director is working with an outside consultant to revise the *Operating Manual for Staff Personnel* in its entirety and is considering dropping the $500 fee.

Chapter 5
INTRODUCTION TO CHAPTER 5

This chapter discusses Texas Southern University's (TSU) efforts to manage relationships with its alumni and the greater Houston community. The specific topics are:

A. Organizational Structure
B. Alumni Involvement
C. Community Involvement and Support
D. Media Relations

TSU must be responsive to the needs of its constituents and stakeholders, who include students, parents, alumni, community residents, policymakers, and others who have a stake and/or interest in the continued growth and development of TSU. A university cannot survive in isolation from the local community or its alumni. An effective relationship between the community, alumni and university is the result of interaction and communication which lead to a mutually beneficial relationship. In historically African American colleges and universities, community involvement and alumni support usually have even greater significance because of the institutions' role and stature in the African American community and their symbolic importance as unique institutions with a unique mission.

Chapter 5
ORGANIZATIONAL STRUCTURE

CURRENT SITUATION

The associate vice president for Development has primary oversight for developing, maintaining, and expanding fundraising and alumni relations programs at TSU. The associate vice president also serves as the liaison to the Texas Southern Foundation which is a support organization whose only function is providing assistance for fundraising. **Exhibit 5-1** displays the organizational structure for the Office of Development. Five positions are budgeted for the office. Positions reporting to the associate vice president for Development include the director of alumni relations, director of Corporate Development, and two support staff positions. The budget for fiscal 1998 is $141,168. Compared to some peer institutions, TSU has not been as successful in raising money from private giving that enables a university to survive and grow. In fiscal 1996-97, 11.8 percent of TSU's revenues came from tuition and fees, 47 percent came from state funds, and less than two percent came from private gifts. In most peer institutions, private donations from alumni and other sources is well over 8 percent of total revenues.

Exhibit 5-1
Organization of Texas Southern University's
Office of Development
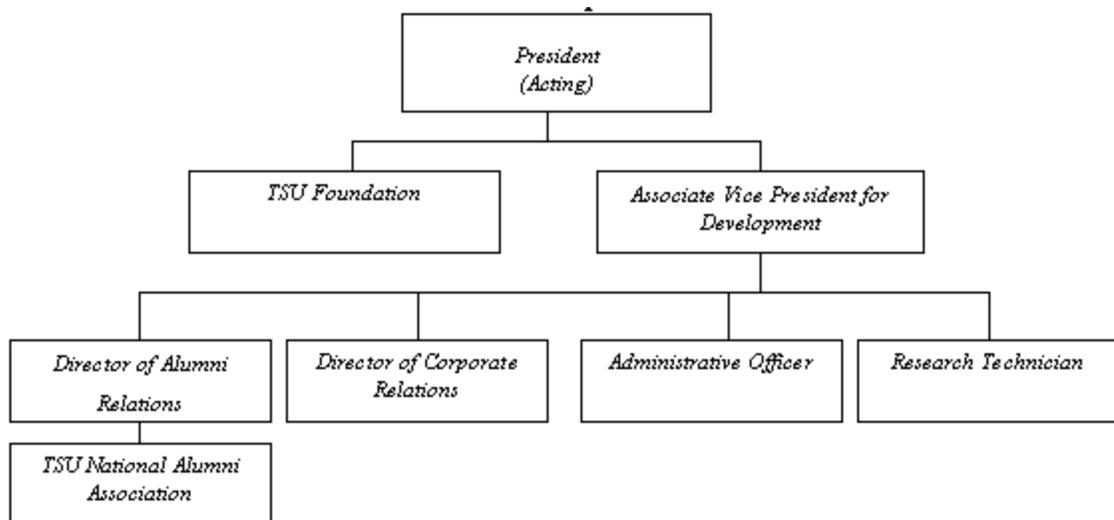
Source: TSU, 1999.

FINDING

The TSU development operating plan includes benchmarks for development and alumni relations activities. The plan was prepared by the associate vice president for Development with input from staff. Benchmarks have been established for fundraising, increasing the number of alumni chapters, updating the alumni database, and processes related to certain operations, such as receipt and processing of funds and gifts.

The TSU development operating plan calls for an ambitious effort to develop programs and projects aimed at raising money from various sources to increase the overall visibility and support for TSU. It is questionable whether the current structure and resources will allow TSU to meet long term needs and capitalize on current efforts to change the image and perceptions of TSU. Alumni and development activities are carried out with only two support staff whose time must be divided between alumni affairs activities and development activities. In addition, duties of the director of Corporate Relations position are very similar to the duties performed by the associate vice president for Development. The university relations function is fragmented and decentralized across several units.

In many institutions, including several peer institutions, there is a university relations function or unit which encompasses development, alumni affairs, institutional advancement and external relations with the media and legislature. Typically, there is a vice president for University Relations who reports to the president of the institution. Normally, university relations is given a high priority because of the role it plays in building support for the university and responding to the needs of the university's constituents. The common practice at many institutions is to have a strong centralized university relations unit, which suggests its importance to the university. In some institutions, the university relations unit provides support and technical assistance to other administrative and academic units to help ensure that communication and interaction with constituents is well coordinated. For example, materials for recruitment, admissions and other enrollment management functions may be produced and disseminated with support from the university relations unit. In other instances, activities and events related to public relations, community relations or government relations may be planned, coordinated, and supported by a university relations unit in conjunction with other administrative or academic units.

This is not the situation at TSU. For example, activities related to communication, media relations, public relations, community relations, government relations, and dissemination of university publications are scattered across several administrative and academic units. While there is significant activity related to university relations, there is no single unit responsible for developing and implementing initiatives to promote a positive image of TSU.

The ability of TSU to build the support necessary to thrive in today's higher education environment will be largely dependent upon reconstructing its image, public perceptions, and external relationships. In spite of commendable efforts to implement a development plan to increase support from the business community, alumni, and supporters of TSU, this area warrants significant attention.

Recommendation 45:

Explore the possibility of centralizing university relations into a single unit within TSU.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Representatives from development, media relations, alumni relations, public relations and government relations meet with the executive vice president and the president to develop strategies for centralizing university relations under one division.	March-August 1999
2.	The president and board appoint a vice president for University Relations.	September 1999
2.	The vice president for University Relations establishes a university relations unit to include development, media relations, public relations, and government relations.	September 1999
3.	The vice president develops a university relations strategy that includes coordination and support for administrative and academic units.	March 2000
4.	Following approval by the president and the board, the vice president implements the strategy.	March 2000

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Office of Development is staffed with two staff support positions - an administrative assistant and research technician. The job descriptions for the two positions indicate the positions report to the vice president for Institutional Advancement, a position which is nonexistent. According to the job description for the administrative assistant, the last revision occurred in October 1995. The latest revision to the research technician job description could not be determined. Neither job description accurately reflect all of the duties performed by the positions. Duties related to

alumni affairs and other Office of Development activities not in the job descriptions include assisting with alumni activities, updating the alumni database and assisting with tasks related to fundraising. If there is staff turnover in the future, there may be a problem if a wide discrepancy exists between the written job description and actual job duties. From a management perspective, current and clearly written job descriptions help to define the expectations and requirements of the job.

Recommendation 46:

Update job descriptions for the administrative assistant and research technician positions to reflect the full range of duties performed.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president requests a desk audit of the administrative assistant and research technician positions.	Complete
2.	The Human Resources department completes a desk audit of positions.	March 1999
3.	The Human Resources department revises job descriptions.	April 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
ALUMNI INVOLVEMENT

CURRENT SITUATION

TSU's alumni office is housed within the Office of Development. The alumni office is administered by the director of Alumni Relations who reports to the associate vice president for Development. The office does not have a budget, and there are no permanent staff other than the director. Administrative support is provided by staff in the Office of Development. The office is primarily responsible for alumni affairs and activities of TSU. The director maintains linkages with campus alumni chapters, the National Alumni Association and Houston-based alumni chapters. In addition to alumni activities, the director also assists with development and fundraising. The major focus of the alumni office is improving the alumni database in order to enable TSU to more effectively identify, track, and communicate with alumni.

The director maintains linkages with campus alumni chapters, the National Alumni Association and Houston-based alumni chapters. The exact membership of the alumni associations could not be determined because of the incomplete alumni databases. The estimated local chapter memberships range from seven to seventy members. In addition to local chapters, campus chapters play a significant role in TSU's alumni affairs. For example, the alumni chapter within Pharmacy has over 300 members and appears to be well organized. The National Alumni Association, local chapters, and campus chapters are very concerned about TSU's current situation and are greatly concerned about TSU maintaining its status as an independent institution.

FINDING

The National Alumni Association and the 13 local chapters are not organized under the Alumni Relations office. There is no formal agreement or bylaws, which govern the relationship among these entities with the Alumni Relations office. Currently, the relationship between the Alumni Relations Office and the National Alumni Association and local chapters is informal. The role and responsibilities of each are not formally defined and working relationships are based upon the link, which have been developed by the director. Alumni chapters may be freely formed so long as the organizing group has at least seven members. Each chapter may choose to associate with the National Alumni Association. If this relationship is established, $15 of an alumnus' annual membership fee collected by the local chapter is forwarded to the National Alumni

Association. The geographic-based chapters and the National Alumni Association provides only minimal financial support to TSU.

Recommendation 47:

Formalize the relationship among the National Alumni Association, the local chapters and the Alumni Relations Office through a written memorandum of understanding or letter of agreement. Clearly define relationships and financial obligations of alumni groups to TSU.

This recommendation is designed to bring various alumni groups together to increase financial support. The goal is to increase the amount of dollars which automatically flow to TSU by virtue of membership in one of several alumni organizations. This requires a joint effort of TSU and alumni groups to institutionalize financial support from alumni organizations and to devise strategies for increasing the number of TSU alumni who pay dues annually.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Development establishes an advisory panel composed of representatives of the National Alumni Association and the different chapters to assist in this effort.	March 1999
2.	The director of Alumni Relations develops a plan to formalize relations among the National Alumni Association, local chapters and the Alumni Relations Office, in consultation with the advisory panel.	May 1999
3.	The director of Alumni Relations incorporates this plan into a memorandum of understanding.	June 1999
4.	The president of the National Alumni Association and the president of TSU sign the memorandum of understanding.	July 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

TSU does not have a comprehensive program to maximize alumni involvement and support, and alumni activities are fragmented. Several schools and colleges within TSU have undertaken efforts to involve and engage their alumni within their programs. This situation has contributed to the low levels of alumni involvement at the university level since student and alumni loyalties naturally may be stronger for particular schools and colleges.

The schools and colleges of Business, Law, Technology, and Pharmacy already have undertaken a set of initiatives to maximize alumni involvement. Initiatives include outreach activities to increase alumni membership, participation, and services. Additionally, alumni gifts collected through the chapters within TSU's schools or colleges are already being used to support TSU programs and activities.

Recommendation 48:

Convene a workgroup consisting of representatives of the Alumni Relations Office, the National Alumni Association, and the alumni programs in the university's schools and colleges to devise strategies for increasing communications with alumni, increasing their financial support, and effectively tracking alumni.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Alumni Relations establishes a broad-based workgroup of alumni and university schools/colleges.	March 1999
2.	The workgroup reviews the alumni programs of various universities, including a select group of historically African American colleges.	March--May 1999
3.	The workgroup finalizes its recommendations and submits a report to the director of Alumni Relations.	May 1999
4.	The director implements the strategies to maximize alumni involvement.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Since its creation, TSU has graduated approximately 30,000 students, 80 percent of whom live in the Houston area. There is a National Alumni Association and thirteen local alumni chapters. There are five alumni chapters in the Houston area. There are also chapters in Austin, Dallas, Los Angeles and Washington, D. C. The alumni associations provides support to TSU and provide members with a continuing relationship and affiliation with TSU. The chapters are autonomous and not governed by bylaws or guidelines that would clearly define their relationship with TSU or services provided by the chapters. Chapters tend to have events scheduled that enable chapter members and others to participate in various activities.

The Office of Alumni Relations' fundraising goal for 1999 is $300,000, or an average of $10 annually from each alumnus. The five geographically based alumni chapters provide limited financial support to TSU as the dues that they collect are distributed between the National Alumni Association and the relevant local chapter. To meet current and future fund raising goals, contributions from TSU alumni will have to increase significantly.

Recommendation 49:

Explore using a contracted professional fundraiser to increase private giving to TSU.

Increasing financial support is critical to TSU's future. TSU should consider using a professional fundraiser on a performance based contract with compensation tied to a percentage of the funds raised. The president would also need to be actively involved in fundraising efforts. The president and the office of Development should give high priority to fundraising in order to increase private donations from the greater Houston community.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Development considers using a professional fundraiser.	May 1999
2.	The associate vice president for Development hires a professional fundraiser.	March 1999
3.	The professional fundraiser develops a more aggressive development and fundraising effort among the broader Houston business community.	January 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources. The fundraising position can be filled using a performance-based contract, which ties salary to a percentage of funds raised.

FINDING

Compared to other institutions, alumni support for TSU is low. According to the Office of Development, alumni contributions to TSU for a six-year period, 1992 through the first quarter of 1998, amounted to $297,000. Thirty-two percent ($95,774) of this amount was donated through the alumni relations office. On average, TSU received less than $2.00 per year from each of its 30,000 alumni for the above six-year period.

Recommendation 50:

Establish a TSU development council to develop strategies for increasing alumni support and contributions.

TSU should examine organizations which have established successful development councils. These councils generally draw together interested citizens to focus resources on increasing interest and participation in an organization and on improving fundraising. Development councils work closely with an organization to build consensus on common goals and to develop strategies for achieving those goals. In TSU's case, the development council could bring together alumni groups and other interested parties to determine ways to involve alumni in more activities and to encourage more financial support of the university. The council could develop and execute fundraising activities and use proceeds to fund operations. The ultimate goal would be to improve alumni support of TSU.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The alumni relations director drafts a plan to establish a development council.	May 1999
2.	The alumni relations director meets with the executive vice president to review the plan for a TSU development council.	June 1999
3.	The alumni relations director recruits members for the TSU development council. This core group is charged with laying the groundwork for recruiting other volunteers and developing strategies to increase support.	July 1999
4.	The TSU Development Council holds a kick-off and announces its preliminary goals.	September 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The TSU alumni database currently includes only about half of TSU's 30,000 graduates and is not fully automated. This database limits the ability of TSU to contact alumni to solicit financial support and to communicate with alumni. A similar concern exists in the Office of Development which also has a database which is not fully automated. The lack of an automated database limits the type and frequency of communication with alumni and donors. Manually tracking alumni and

donors as well as manually generating reports is not only inefficient but limits the type of information which can be provided to make program decisions. Alumni chapters within the Schools/Colleges of Technology, Business, Law, and Pharmacy have automated databases and have already initiated efforts to expand their alumni database to include more of their graduates. A significant factor related to the alumni database is the implementation of the Banner system, which contains admissions, registration, financial, and alumni development components.

Recommendation 51:

Expand and automate the existing alumni database.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The alumni relations director, schools/colleges, local chapters, and the National Alumni Association identify a set of actions to expand and automate the alumni database.	February 1999
2.	The alumni relations director works with SCT, Enrollment Management, the Registrar, and Student Affairs offices to use the Banner system in creating the alumni database.	February 1999
3.	The alumni relations director designs the automated database in consultation with the National Alumni Association, TSU's schools/colleges, and local chapters.	March 1999
4.	The alumni relations office brings online automated alumni database and provide necessary training.	July 1999
5.	The alumni relations office maintains and updates database at least on a quarterly basis.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Compared to peer institutions, TSU does not communicate with its alumni on a frequent basis or provide a range of services. For example, several peer institutions have regular mailings to alumni two or more times quarterly in addition to mailings for special events or activities. Communications with TSU alumni consist of a quarterly, two-page newsletter and a special newsletter mailed as part of the homecoming celebration. Unlike peer institutions which provide credit cards, long distance telephone cards, special discounts, insurance and other services, TSU does not offer an array of services to alumni.

Recommendation 52:

Increase communication with TSU alumni and the range of services offered.

Frequent communication with alumni has proven successful at other institutions. Moreover, communication can be an effective marketing tool to increase alumni giving and support. In some institutions, providing services to alumni is profitable and also is used to broaden the base of alumni support. TSU could conduct more frequent mail-outs based on fundraising strategies and approaches used by other institutions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Alumni Relations reviews alumni communications and services of peer institutions and historically African American colleges and contacts alumni groups for suggestions on increasing support.	April 1999
2.	The director of Alumni Relations establishes a budget for the additional communications and projects the additional revenue these targeted communications will yield over time.	May 1999
3.	The director of Alumni Relations begins the drive to increase alumni support through targeted communications.	March 1999
4.	The director of Alumni Relations monitors the effectiveness of the additional communications.	May 1999

FISCAL IMPACT

The fiscal impact of this recommendation will be determined by alternatives selected. This recommendation can be implemented as a project funded by the alumni associations to test the feasibility of selected alternatives. The estimate assumes expenditures will be $40,000 annually in mailings to handle a 16,000 alumni database with four extra mailings a year. Each mailing is about $10,000. The revenue is based on the assumption that extra mailings will increase contributions by $20,000 the second year, $40,000 the third year, $60,000 the fourth year, and $80,000 the fifth year.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Mailing costs	($40,000)	($40,000)	($40,000)	($40,000)	($40,000)
Increased contributions	-0-	$20,000	$40,000	$60,000	$80,000
Net (costs)/savings	($40,000)	($20,000)	-0-	$20,000	$40,000

Chapter 5
COMMUNITY INVOLVEMENT

CURRENT SITUATION

Primary responsibility for promoting community involvement between the Houston community and TSU is not centralized. The Office of Development and Alumni Relations play a major role in building community involvement through interaction and communication with alumni, donors, and supporters of TSU. The Office of Communications and University Relations plays a significant role through its interaction with the media in the Houston area. In addition, academic units also carry out community involvement activities through programs and events which bring members of the community to TSU as guest speakers.

TSU also encourages community-based organizations and groups to use TSU for meetings and other events. Typically, events being held on campus will be advertised locally and community residents are invited and encouraged to attend. Athletics also are used to increase involvement and support among the community and a majority of persons attending athletic events tend to be either students or local residents.

In addition, the president, faculty, and some administrators are very active in the community. For example, TSU faculty and administrators frequently serve as speakers in churches and other organization events and serve as members of advisory boards.

FINDING

Based on interview comments from individuals in the community, TSU enjoys the support of Houston's African American community. The broader Houston business community's involvement with TSU is limited.

Inadequate outreach by previous TSU leaders also has contributed to this situation. Some community leaders voiced the view that TSU's almost singular focus on being a university that serves disadvantaged and underprivileged youths who may not be able to attend another senior level university has resulted in less support from the broader Houston community and among state leaders. These leaders suggest that area community colleges be charged with the responsibility of serving less gifted students. They further contend that a commitment by TSU to offer itself as a laboratory that is developing effective solutions and models to address the seemingly intractable and complex urban problems that exist would generate higher levels of support for the university.

TSU's schools and colleges of Business, Technology, and Pharmacy have successfully undertaken a set of initiatives to enhance community and business support. The capital campaign underway by the School of Business has garnered $3.5 million. The School of Technology's successful fundraising and program activities and the director of Alumni Relations' success in obtaining large financial gifts from a small group of churches in the Houston area illustrate that community outreach activities have been well received by the Houston community.

TSU has an opportunity to cultivate a strong partnership with the Houston community as well as some statewide constituencies because of its unique role as a historically African Ameircan college. While TSU has support within the African American community, TSU has not been fully embraced by the business community. The TSU Development Operating Plan lists several strategies and initiatives for creating stronger partnerships in the greater Houston community.

Recommendation 53:

Develop a program that has broad-based appeal and promotes the university to its students, alumni, faculty, and external constituencies.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Alumni Relations establishes a broad-based workgroup of alumni and university schools/colleges and other internal resources with mutual interest.	March 1999
2.	The workgroup reviews the programs of various universities, including marketing plan and image building.	March--May 1999
3.	The work group finalizes its recommendations and submits report to the director of Alumni Relations and the Office of Communication and University Relations.	May 1999
4.	The director of Alumni Relations implements the strategies to maximize alumni involvement.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Historically, relationships between TSU and state leaders have been either nonexistent or poor. TSU's poor relationships with state leaders and policymakers date to 1977 when a state auditor's report found TSU had

inadequate accounting procedures. Since the 1970's, TSU has received considerable legislative scrutiny, and almost every legislative session has dealt with various fiscal and/or operations issues relate to TSU. According to some, TSU has not been effective in developing the relationships that other institutions have been able to develop with key leaders.

There is no evidence that TSU's administration and TSU's board have collaborated in devising a strategy or legislative agenda for TSU. The office of Intergovernmental Affairs is beginning to play a key role in improving relationships between TSU and the Texas Legislature by more frequent communication and interaction.

Recommendation 54:

Devise a legislative strategy for dealing with future legislative sessions.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for External Affairs continues efforts to keep the Legislature informed on developments at TSU.	Complete
2.	The associate vice president for Intergovernmental Affairs develops a Legislative agenda for the 1999 Legislative session in collaboration with the board.	Complete
3.	The associate vice president for Intergovernmental Affairs seeks support for the agenda from key Legislative leaders.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 5
MEDIA RELATIONS

CURRENT SITUATION

The Office of Communication and University Relations is responsible for developing positive public and media relations. Media and public relations are guided in part by TSU's *Image and Marketing Plan*. To help foster better communications with the local media, the office established a media relations policy to provide the media with facts quickly and accurately.

Other major responsibilities of the office include assisting the Office of the President with speeches and press releases, producing press releases and university publications. Current publications include "The President's Annual Report," "This Week TSU," "TSU Quarterly," and monthly news briefings. The office is managed by a director who has a total of five staff. **Exhibit 5-2** illustrates the organization of the unit.

Exhibit 5-2
Office of Communication and University Relations
Organizational Chart
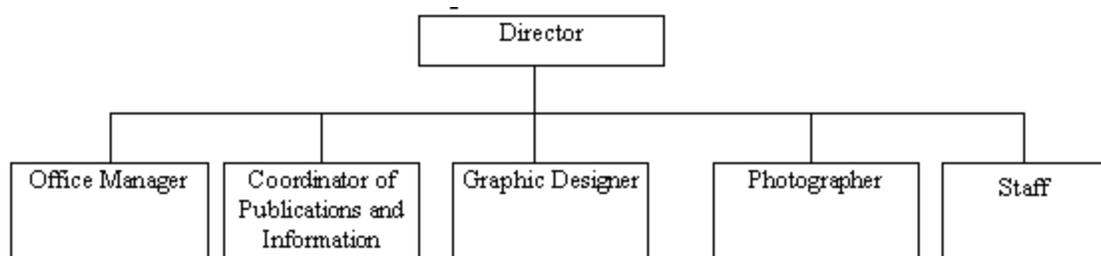
Source: TSU, 1999.

FINDING

Throughout this review there was consensus among students, faculty, administrators and alumni that past relations between TSU and the media have been largely negative. In fact, several persons interviewed characterized past media portrayals of TSU as unfair and biased; others accused the media of "sensationalizing" and "over reporting" TSU's problems.

Sensitive to the importance of good media relations, TSU established an Office of Communication and University Relations. Since its inception the office has created TSU's Image and Marketing Campaign as well as a

media relations policy. The creation of the Media Relations Office has resulted in establishing a media policy, procedures for media access to the TSU campus, and strategies for improving public perceptions of TSU.

COMMENDATION

TSU established an Office of Communications that has undertaken a number of innovative initiatives to improve media relations.

The university implemented a universitywide media day, quarterly editorial board meetings with the *Houston Chronicle*, and secured donated public service advertisements from the *Houston Chronicle* and the local NBC affiliate.

FINDING

The Office of Communications is responsible for publications, advertising, and special promotions designed to market TSU and enhance its image but lacks state of the art technology. For example, the office does not have its own copier and must either use copiers in other units or use printing services which can be more expensive. The computers are outdated. The office has neither a laser printer nor software that would allow routine electronic file transfer. Digital cameras and high resolution scanners are common multimedia tools for media relations offices. Without a digital camera or scanner, the office must rely on a service bureau to make pictures, creating additional cost and delay.

Recommendation 55:

Upgrade the technology in the Office of Media Relations.

This following equipment is standard and essential in contemporary offices: copiers, personal computers, laser printers, software, zip drives, and network accessories.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Media Relations updates the technology request in the *Image and Marketing Plan*.	Complete
2.	The Media Relations director submits an updated request to the chief operations officer.	Complete
3.	The chief operations officer takes action on the request submitted by the director.	March 1999

FISCAL IMPACT

Based upon estimates provided by TSU, the cost of necessary upgrades is $43, 700.

Recommendation	1998-99	1999-2000	2000-01	2001-02	2002-03
Upgrade the technology in the Office of Media Relations	($43,700)	-0-	-0-	-0-	-0-

Chapter 6
INTRODUCTION TO CHAPTER 6

This chapter focuses on facilities use and management at TSU. Specific topics are:

A. Departmental Organization and Management
B. Overall Condition and Use of Facilities
C. Planning and Construction
D. Operations
E. Energy Management Programs

BACKGROUND

The Facilities Planning and Operations Department (FP&O) provides planning, design, and construction services for the university as well as operating and maintaining the buildings, equipment, and grounds. These functions are highly visible and affect the successful delivery of all other educational services. Perhaps no other department has such frequent working relationships with so many other departments. Its published mission statement reflects the scope and importance of its purpose:

> *The purpose of the Facilities Planning and Operations Office is to insure an adequate, functional, safe and humane physical setting and to conserve, maintain, improve and expand the physical campus in a manner that will be supportive of the University's purpose and mission.*

TSU is located on 130 acres about two and one-half miles south of downtown Houston. As part of a master plan approved in 1988, the university has continued to purchase properties as they becomees available, including those adjacent to the campus bounded by Cleburne, Blogdgett and Scott Streets. There are 42 buildings on the campus, built between 1947 and 1998. The oldest, Fairchild, was the only building located on the former Houston College for Negroes campus when it was acquired by TSU. The newest, the Jesse H. Jones School of Business, is occupied.

Chapter 6
DEPARTMENTAL ORGANIZATION AND MANAGEMENT

CURRENT SITUATION

Exhibit 6-1
Facilities Planning and Operations
Current Organization

The Facilities Planning and Operations activities include the following organizational units:

Source: TSU Facilities Planning and Operations, 1999.

Business and Administrative Services

Business and Administrative Services is responsible for administrative support including departmental budgeting and procurement, work order control, facilities inventory, events management, materials management, and real property control. In addition to managing materials for the Facilities Planning and Operations group, this unit also has responsibility for receiving, warehousing and distribution of supplies, materials, and equipment for the entire university. Risk management and locksmithing are now part of this unit.

Architectural Engineering and Construction Services

Architectural Engineering and Construction Services is responsible for architectural and engineering services, planning and program management, capital construction and contract management as well as the coordination of these activities with the Texas Higher Education Coordinating Board (THECB).

Operations

Operations is responsible for the maintenance of the physical facilities and utility systems. These responsibilities are divided into two distinct units:

- *Physical Plant*: the building maintenance trades shops (electricians, plumbers, carpenters), custodial, grounds, and vehicle maintenance.
- *Central Plant*: the operation and maintenance of the boiler and chiller plants and the utility distribution systems throughout the campus, preventive maintenance, and the individual building heating, ventilating and air conditioning (HVAC) systems.

Public Safety

While this section is organizationally included with the Facilities Planning and Operation Department, for the purpose of this report those functions are not considered to be part of the Facilities Planning and Operations functions. This unit is addressed in Chapter 7, Asset and Risk Management.

FINDING

The Facilities Planning and Operations unit has suffered from an absence of clear and consistent leadership during the past few years. Since 1993, four individuals have been assigned to the associate/assistant vice president's position, although their titles varied and some were interim appointments **(Exhibit 6-2)**.

Exhibit 6-2
Facilities Planning And Operations Administration

Period Served	Name	Reason for Leaving	Title
1980-1993	Dr. Joshua Hill	Reassigned	Vice President FP&O
1993-1993	David Crawford	Reassigned	Interim Assistant Vice President FP&O
1993-1995	Lloyd Hart	Reassigned	Assistant Vice President FP&O Interim Assistant Vice President FP&O
1995-1997	Charles D. Carter	Reassigned	Interim Assistant Vice President FP&O
1998-	Harold D. Johnson	--	Associate Vice President FP&O

Source: TSU, 1999.

In January 1998, an associate vice president was appointed to oversee all departmental functions. Immediately before this appointment, the Planning/Construction units reported on an interim basis to the senior vice president for Administration, while the Operations units reported to an interim assistant vice president. The current associate vice president has assumed direct control of all subordinate units and has begun to strengthen the department by arranging functional resources in a manner that should enable the department to deliver services efficiently in support of the university's overall mission. The proposed organization is shown in **Exhibit 6-3.**

Exhibit 6-3
Facilities Planning and Operations
Proposed Organization
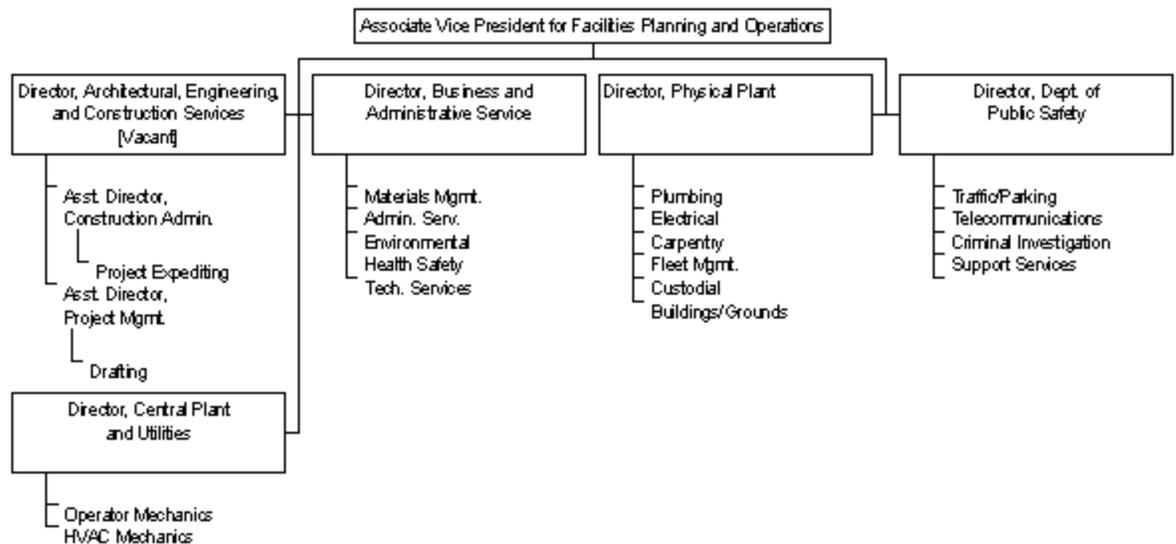
Source: TSU, Facilities Planning and Operations

The associate vice president has begun to fill key management positions. In April 1998, a mechanical engineer with previous facilities management experience was hired as the dDirector of Central Plant. More recently, a licensed civil engineer was added to the Architecture, Engineering and Construction Services group. Additionally, a search process for the new position of dDirector of Physical Plant, resulted in the selection of a qualified candidate who joined TSU in July 1998.

Architectural, Engineering, and Construction has been significantly downsized over the past few years and, as a consequence, has been criticized for its lack of attention to details and poor communication with

TSU faculty and staff as well as with the members of the Operations department responsible for maintaining new or renovated facilities. In addition, it is responsible for oversight of the newly-hired project management firm as well as coordinating university plans with the Texas Higher Education Coordinating Board (THECB). The need for competent management of this unit is critical to the success of the new associate vice president as he attempts to improve all aspects of the organization.

Recommendation 56:

Hire a director of Architecture, Engineering, and Construction as soon as possible.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president develops the position description for a director of Architecture, Engineering, and Construction.	Complete
2.	The associate vice president advertises vacancy locally and nationally.	Complete
3.	The associate vice president hires a director of Architecture, Engineering, and Construction.	March 1999

FISCAL IMPACT

The cost of implementing this recommendation involves the hiring of a director of Architectural, Engineering, and Construction at an annual salary of $65,000 plus fringe benefits of 26.3 percent.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Hire director of, Architecture, Engineering & Construction	($82,095)	($82,095)	($82,095)	($82,095)	($82,095)

CURRENT SITUATION

In its *Manual for Plant Administration*, the Association of Physical Plant Administrators (APPA) states:

> *In an effective physical plant organization, there will be clear and orderly procedures for the receipt or generation of the work load; priorities will be established in an*

effective and consistent manner; materials will be procured expeditiously; work will be planned and scheduled efficiently; and the actual performance of work will be done by divisions with a clear understanding of their responsibilities and effective procedures for coordinating their work with other components of the organization.

In July 1996, THECB concluded that TSU lacked an adequate management system to ensure that both new construction and repair/renovation projects were properly administered. THECB also concluded that the school lacked an adequate management system to provide for proper ongoing maintenance of campus buildings.

FINDING

Budget constraints, inconsistent leadership, and staff lacking the necessary competence in key areas have all contributed to the organization's failure to fully meet APPA objectives. While a draft *Policies and Procedures Manual* was proposed in August 1992, there is no indication that current employees are aware of the proposed policies, nor is there any indication that those policies were ever widely circulated. The associate vice president has assigned individuals to review the old manual and prepare a new policy manual.

Recommendation 57:

Prepare and publish a new *Policies and Procedures Manual for Facilities Planning and Operations***.**

Staff should also review generally accepted policies from other colleges and universities in conducting its review and preparation of the new manual.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president's designees complete their review of the old manual.	Complete
2.	Draft of new manual is prepared for the associate vice president's review and approval.	Ongoing
3.	Following approval, individual sections should beare published.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

CURRENT SITUATION

Most routine work requests are received via telephone calls to the dispatchers who function as the "work control" center. A few requests are forwarded to the department by mail. The department has a computerized work order system to record work requests. The dispatchers enter the information into the computer system and generate a multiple copy work order. The original is then forwarded to the appropriate maintenance shop for subsequent action.

FINDING

Facilities Planning and Operations has put in place significant improvements to increase customer satisfaction. First, FP&O purchased new software from TMA Systems, Inc. that, when fully implemented, should resolve the long-standing problem at TSU of tracking work orders. This software will assign a sequential work order number to customer requests and can produce a wide variety of management reports. When any follow up action is required, FP&O dispatchers should be able to locate the work order promptly to review completed work or to schedule additional service for the customer.

Second, in March 1998 the associate vice president put in place a "You're the Boss" card system to enhance quality control and customer feedback. TSU customers are given a card to register their level of satisfaction with work performed; the card is addressed directly to the associate vice president, who monitors responses.

Third, the associate vice president has set a goal of hiring a lead service coordinator for plumbing, electrical, and carpentry work. These individuals will have supervision over work orders and procurement of necessary materials for the job. Previously, there was only one position identified as a "supervisor" for all of the building maintenance areas. As a result, there was little or no quality control. Without "supervisory" review of work orders, it was difficult to track a reported problem from beginning to end to determine if proper corrective action was achieved. Dispatchers were asked to order necessary materials for a given work order--clearly an inefficient and inappropriate practice that hindered dispatchers from devoting adequate attention to their primary responsibility, which was customer service. Implementation of lead service coordinators should eliminate this problem and improve overall shop performance.

Recommendation 58:

Modify the work order system to become more user friendly and provide more timely management reports.

Customers should be provided a work order number.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The dispatchers give customers the number assigned to their work order.	Completed
2.	Persons other than the dispatchers order material.	Completed
3.	To enhance quality control, TSU customers should beare routinely surveyed to register level of satisfaction with FP&O work.	Completed
4.	Each completed work order is reviewed by a supervisor to verify the action taken was proper and that the labor hours and materials used were consistent with those actions.	Ongoing
5.	Complete Uuniversitywide installation of new software to track work orders is completed. Work order system's reviewed and is modified to improve both ease of operation and generation of timely reports.	May 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

There is a general lack of understanding within the Facilities Planning and Operations units regarding routine maintenance service to those "auxiliary" functions that are funded via internal service funds, including primarily the residence halls and student center. As a result, the director of Housing and the associate vice president of Student Affairs both reported spending inordinate amounts of time arranging for maintenance work. The administrators described a lack of quality control on maintenance projects. This problem results from a number of separate issues. There are no formal procedures for staff to follow; there has been inordinate turnover at the associate vice president's level. There is a perception within the Facilities Planning and Operations Department that because the "auxiliary" functions are not funded through state appropriations, their needs are not entitled to the same priority as those funded by the state. Moreover, as state appropriations became more constrained, some "Operations" staff chose to restrict "their" budget at the expense of the auxiliaries.

Residence halls do experience a higher incidence of "fair wear and tear" and therefore many campuses stock such replacement items as window glass, sinks, toilets and paint to expedite repairs. At TSU, it was reported

that the director of Housing has often been told that there is no money to stock commonly used repair materials for the residence halls. Both the student center and residence halls do provide funding for custodial services separate from the "Operations" department and manage those services themselves. It was further reported that while the maintenance budgets for the residence halls formerly included staff for routine building maintenance, funding for their purpose no longer exists. These actions merely reinforced the misconception about service to the auxiliaries. Unfortunately, like other work order requests, there is no system for prioritizing repairs to the residence halls even though they are the students' homes.

Recommendation 59:

Establish a charge-back system and procedures for conducting routine maintenance of the auxiliary service units.

Create a system for charging auxiliary units the cost of repairs and identify a person at each building or school to complete and track the work order for that group. The system should also include identification of a funding source, prioritization of work requests, quality control, and preparation of periodic status reports.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice presidents for Finance and Student Services should work with the associate vice president for Facilities Planning & Operations to develop a system to charge back service. This charge-back amount should includes both labor and materials. Using software from TMA Systems, charge-back system can documents actual expenditures and overhead costs.	April 1999
2.	The associate vice president for Facilities Planning and Operations develops procedures to formalize priorities assigned to unscheduled work orders initiated by residence hall staff. Calls relating to heat, power and/or water temperatures should have higher priorities and be are treated as one might expect in any residence.	May
3.	The associate vice presidents for Student Service and Facilities Planning and Operations review scheduled work requests such as interior painting or roof replacement to determine whether this work should be accomplished "in-house" or by an outside contractor. The work should be scheduledis scheduled.	Complete
4.	The associate vice presidents communicate all new procedures to appropriate staff members.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources. Residence halls should be self sufficient, and maintenance costs should be billed correctly to the auxiliary funds.

FINDING

Poor communications have resulted in problems for the school community and within Facilities Planning and Operations. The current work order system has inadequate checks and balances to detect a potential problem before it worsens, and seldom does a supervisor become involved.

The interim reporting structure (before January 1998) separated the planning/construction functions from the operations units, each reporting to different administrators. New construction projects proceeded without adequate review by those responsible for the subsequent operation of building equipment and systems. Resolution of operational problems often resulted in disputes between the Planning/Construction and Operations personnel at the expense of those in the school community assigned to new or renovated space.

The associate vice president has initiated regularly scheduled, weekly meetings with his immediate staff. On a monthly basis, he schedules larger meetings with sub-units within his department. Those meetings provide a forum during which employees learn about recent developments, ask questions and discuss issues.

Recommendation 60:

Schedule regular meetings between the planning, construction, and operations units and seek opportunities to keep the entire university community informed of upcoming events.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president should schedules regular staff meetings to discuss both current problems and future plans.	Complete
2.	The associate vice president should disseminates fax announcements and an FP&O newsletter to inform the university community of upcoming developments.	Complete
3.	The associate vice president should uses TSU email, as available, to broadcast universitywide announcements of FP&O developments.	August 1999

4.	The associate vice president should uses monthly, extended FP&O staff meetings to discuss opportunities to keep the TSU community informed of upcoming developments.	Complete
5.	The associate vice president should schedules meetings with key school administrators such as deans and department heads to discuss departmental facilities.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6
OVERALL CONDITION AND USE OF FACILITIES

CURRENT SITUATION

Approximately 45 percent of the buildings on the TSU campus are over 30 years old, while the average age of other Texas college and university campuses is much less. Seventy percent of the buildings on the other campuses were constructed less than 30 years ago. Many of the "original" buildings were constructed for purposes other than the current use. While some have been renovated, structural constraints often precluded major reconfiguration of the interior, load bearing, walls. This situation has resulted in space allocations more generous than THECB space planning models in effect today.

A survey of higher education facility conditions in the United States confirmed that where determined leadership placed a high priority on deferred maintenance, action followed. Agencies must make difficult choices to allocate resources to support core missions and reinvest in facilities. TSU's most recent capital budget request does include major areas of concern prioritized over the next five years.

FINDING

The overall condition of TSU's buildings was judged in 1997 to be "below the average condition observed at campuses across the nation," according to a study conducted by ISES Corporation. Building interiors appear to be generally well maintained, but the ISES report identified nearly $43 million in deficiencies that would be required over the next ten years. These include concerns relating to safety, building deterioration, improving energy efficiency and ensuring that the buildings operate as designed, both structurally and mechanically. ISES Corporation categorized those necessary expenditures for buildings only and the funding source as follows:

> Capital Renewal (Revenue bonds)......................$ 13,854,945
> Deferred Maintenance (Tuition revenue bonds)........5,994,827
> Plant/program Adaptation (Tuition revenue bonds)..22,014,854
> Routine Maintenance (General revenue)..............._
> 1,120,841

Total..$ 42,985,467*

Since that time, however, TSU has completed a study that identified additional needs. These needs include: (1) required plant or facility adaptation; (2) previous funding shortfalls; and (3) deficient energy-related systems. The estimated additional cost related to TSU's facilities, according to the associate vice president, is:

Capital Renewal/Renovation..................$10,100,000
Deferred Maintenance............................ 12,700,000
Plant/Program Adaptation.................... 35,000,000
....$57,800,000

The total projected cost now estimated to meet TSU facility upgrades is approximately $100,785,467.

These categories were defined as follows:

Capital Renewal: Major repairs or replacement/rebuilding of major facility components at the end of its normal useful life.

Deferred Maintenance: Maintenance projects or capital repairs that have been delayed so long that facility deterioration is evident and could impair normal operation.

Plant Adaptation: Projects, in addition to normal maintenance, required to adapt the physical space to meet evolving needs of the institution (changes in teaching methods and technology as well as research methods) and changing standards and codes.

Routine Maintenance: Day-to-day efforts to control deterioration of facilities through scheduled repetitive activities and preventive maintenance.

The age and configuration of existing teaching spaces on the TSU campus has resulted in space allocations more generous than THECB's space planning models. This is not, however, too unusual. Greater course diversity, enrollment limits, and lower target ratios of students to faculty members all contribute to the trend toward smaller classes. Many schools, therefore, find themselves with too many larger classrooms (25-60

students). A sample tour of classrooms in selected buildings during the school visit confirmed this trend at TSU.

In 1992, the campus reported a surplus of 53,803 square feet of educational and general (E&G) space predicated upon THECB space planning models in effect at that time. Also in 1992, THECB published their *Space Projection Model for Higher Education Institutions in Texas.* That resulted in TSU's reporting a deficit of 43,406 square feet of E&G space in 1994. By 1998, the campus was reporting a surplus of 113,694 E&G square feet. The university has begun the gradual reduction of space by scheduling certain buildings for demolition (**Exhibit 6-4**).

Exhibit 6-4
Gradual Reduction Of Space: Building Demolition and New Facilities

Existing Facilities to be Demolished	Square Footage
Adams Hall Gymnasium (scheduled for 5/99)	(64,452)
University Health Center (after completion of new facility)	(44)
Maintenance Building A (scheduled for 5/99)	(9,865)
Maintenance Building B (scheduled for 5/99)	(222)
George Allen Building School of Business (scheduled by 2001)	(26,987)
TOTAL SQUARE FOOTAGE TO BE DEMOLISHED	**(101,570)**
New Facilities to be Constructed	**Square Footage**
Student Health Center (replaces existing facility)	825
Student Recreational Facility (replaces Adams Hall)	21,856
Spurgeon E. Gray Hall Addition (classroom & research for pharmacy)	11,358
Martin Luther King Building Addition	11,200
TOTAL SQUARE FOOTAGE TO BE CONSTRUCTED	**45,239**
NET REDUCTION IN E&G SQUARE FOOTAGE	**(56,331)**

Source: Texas Southern University presentation to THECB, June 1998.

Demolition of Adams Hall is scheduled for the spring of 1999, while the Allen Business Building will be used as interim location for occupants of the School of Education, Bell Hall and the Martin Luther King Center while their facilities are being renovated. Another facility, Bolton Hall, is scheduled for demolition but is used as a residence facility.

Recommendation 61:

Regularly prepare and maintain capital budget requests and implementation plans to submit to the Legislature.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Facilities Planning and Operations reviews the recommendations included in both the facilities condition assessment study and the more recent energy performance contract, and identifies those projects that meet the criteria for capital, deferred maintenance funding.	Complete
2.	The associate vice president, in consultation with the president and other administrators, searches for strategies to obtain or increase addiltional funding sources, including the Higher Education Assistance Fund (HEAF), bond proceeds, student fees, grants, private donations, and the like.	Ongoing thereafter
3.	The associate vice president ensures that all planning activities conform to all federal and state mandates.	Ongoing
4.	The associate vice president ensures that all planning activities are predicated upon THECB guidelines including: • The reduction and eventual elimination of deferred maintenance. • Improved space utilization. • Consideration of energy efficiency.	Ongoing
5.	The associate vice president regularly updates master planning documents to reflect instructional technology needs to support new or renovated facilities and accurately assesses the impact upon the current facilities.	Ongoing

FISCAL IMPACT

Preparing and maintaining up-to-date capital budget requests and implementation plans can be accomplished with existing resources.

Chapter 6
PLANNING AND CONSTRUCTION

CURRENT SITUATION

In the past, TSU commissioned a new master facility planning process every five years, although there was no active planning project for the 1988-1997 period. In September 1997, the university commissioned a new master plan. The planning team of Page Southerland Page, ESPA Corp., and Finley Associates was selected to provide programming and master planning services for the project.

The planning process included an initial "vision" session with the president, discussions with the president's cabinet and a general meeting with selected representatives of the various academic and administrative departments, at which time a master planning questionnaire was distributed. The completed questionnaires were then supplemented by interviews with the representatives themselves. This was followed by analysis, synthesis, and the development of comprehensive program-by-program space requirements.

As is the case with all state-operated campuses in Texas, TSU submits annual reports, commonly referred to as "master plans," to THECB. THECB has mandated that all decisions relating to new construction, including renovations, be tied to the institution's prior record in managing its facilities, including its record in preventing, reducing or eliminating critical deferred maintenance, and also to the projected costs of all mandated or legislated facility requirements and projected capital renewal needs.

The following new facilities are now in the completion, construction, design or preliminary planning phase:

- New School of Business, approved by THECB July 1996, completed in the fall of 1998.
- Fairchild Hall , (an original campus building) was approved for a major renovation by THECB July 1998 and completed in August 1998.
- College of Education Building, approved by THECB July 1996. Now under construction.
- John T. Biggers Art Building Renovation approved by THECB January 1998 for renovations to correct building code, Americans with Disabilities Act (ADA) deficiencies and heating, ventilation and air conditioning (HVAC) deficiencies as well as to address

deferred maintenance issues. Scheduled for completion, August 1999.

- E.O. Bell Hall Renovations approved by THECB January 1998 for renovations to correct roof leaks, building code, ADA and HVAC deficiencies as well as to address deferred maintenance issues. Construction has not yet begun.

The university is further proposing to construct a phased, 500-bed apartment complex and student recreation center as part of a TSU project of an "urban academic village." The former is in the design phase while the latter is proposed to replace Adams Hall which was built in 1960 and identified as the building with the most severe deferred maintenance problems. Demolition of Adams Hall had been delayed pending resolution of issues relating to a site for the new recreation facility, but is now tentatively scheduled for 1999.

The impact of information technology on higher education capital asset management can be extremely costly and therefore must be approached cautiously to ensure that prioritization of facilities needs be made within the context of a strategic facilities plan. The newest building, the Jessie H. Jones School of Business, is in the final phases of construction. Incorporated in the specification documents is a section on "Telecommunications Systems." Included were specifications for a "local area network system" (LAN/VOICE) as well as a "media retrieval RF distribution system." The contractor not only was required to be qualified, including proper worker certifications, but will also be required to conduct specific commissioning actions. As such, this represents the first significant action by the school to provide an electronic learning environment utilizing today's technology.

As shown in **Exhibit 6-5**, the number of full-time student equivalents (FTSE) at TSU has varied considerably over the years. The 6,100 FTSEs in 1997 were 70 percent of the enrollment of nearly 8,700 FTSEs just four years earlier. Using THECB's five-year model for projected space needs, TSU could have justified nearly 1,102,300 square feet of Education and General (E&G) space, or 200,000 square feet more than they had. By comparison, when enrollments dropped to current levels, those same space projection models reflect a surplus of over 74,500 square feet.

Exhibit 6-5
Comparison of the Six Universities used in the 1982 Facilities Study
Square Foot Per FTSE From
1981 and 1994

	Total E&G Sq Ft*	Total FTSE**	Square Foot Per FTSE

Institution	1981	1994	1981	1994	1981	1994
East Texas State University	837,803	793,270	6,075	5,759	137.9	137.7
Lamar University	782,054	923,796	9,259	7,965	84.5	116.0
Sam Houston State University	830,892	1,035,941	9,085	10,395	91.5	99.7
Southwest Texas State University	738,604	1,467,117	13,196	16,205	56.0	90.5
Stephen F. Austin University	851,204	1,023,258	9,608	10,326	88.6	99.1
Tarleton State University	461,784	639,476	3,208	5,295	143.9	120.8
Mean	**750,390**	**980,469**	**8,405**	**9,324**	**100.4**	**110.6**
Texas Southern University	**561,570**	**885,551**	**7,042**	**8,068**	**79.7**	**109.8**

*As of Fall 1981 and May 1994
**As of Fall 1998 and Fall 1994
Note:Dober and Associates computed FTSE by dividing undergraduate semester hours by 15, graduate and special hours by 12, and doctoral hours by 9.
The fall 1981 Semester Credit Hours may be found on page 102 of the 1982 Statistical Supplement.
The fall 1981 E&G Sq FtSquare Feet is taken from page 16 of the 1982 Dober Facilities Study.
The Fall 1994 Semester Credit Hours and E&G Sq FeetSquare Feet are taken from the Space Projection Model.
Source:Study Conducted by Dober and Associates

Other than the program requirements, which are developed through the master planning process such as that developed by the current consultant, and described earlier in this section, there is no formal facilities planning committee to respond to changing academic needs. Rather, recommendations for renovations are typically developed through an informal process in which the academic deans discuss their needs with the provost, who in turn may further the planning process through discussions with the president and his cabinet.

When requests reach that level of discussion, the "project" is assigned to associate vice president for Facilities Planning and Operations. The requesting department is asked to provide program requirements, which in turn are reviewed by the architects and engineers and cost estimates prepared. Approved projects are referred to the president's cabinet for funding alternatives.

While the formal master planning process referred to earlier is a proactive, campuswide process, the internal, informal process deals primarily with specific concerns of individual departments.

No master facility plan can react quickly to significant growth, nor reductions in enrollments. Further, as is the case nationally, it is often not cost effective to modify older buildings to meet current technology. Consequently, like TSU, many institutions have excess (older) space while requiring additional space for new programs. In addition, legislation such as the 1990 Americans with Disabilities Act (ADA) mandates certain building modifications when renovation projects exceed $50,000.

FINDING

TSU, as a Texas state institution, is required to comply with all Texas Education Code and THECB requirements. There is every indication that Facilities Planning and Operations complies with all requirements in accordance with the "Reporting and Procedures for Public Universities," as published by THECB in 1995. In May 1997, the Campus Planning Committee of THECB mandated as a condition for approving the construction of a new business building at TSU that "the school engage a qualified, experienced, project management firm to oversee the campus repair and renovation program until such time as TSU and the Commissioners of Higher Education agree that the firm is no longer necessary." Following that advice, in 1998, the school hired the combined (joint venture) firms of Brian Smith Construction Inspection Inc. and Gilbane Building Company to provide construction program management services to the school.

The associate vice president is developing design and construction standards to assure accountability; to provide quality control; and to standardize fixtures, controls, and energy management. He also has drafted procedures for professional services and construction contracting, which outlines the steps required to solicit and implement professional services agreements (e.g., architecture, engineering, program management), as well as the solicitation and delivery of construction contract services. Building commissioning and training are included in these procedures.

Recommendation 62:

Develop design standards for all future construction programs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president, working in concert with TSU's current project management firm, assembles all relevant data associated with recent construction projects including renovations.	Completed
2.	The associate vice president and key staff assembles available documentation relative to repair history of existing products and equipment to identify those types/brand names deemed to be of lesser quality. Data is gathered and documented in conjunction with the 1996 facility condition analysis and the 1998 energy performance contract should beis considered.	Completed
3.	The associate vice president should formalizes the standards document and distributes to future architects and contractors.	Ongoing
4.	Future specification documents should include provisions for proper building "commissioning" (test operation by the contractor prior to acceptance), and training, both at the university's locality or at the manufacturer's facility where applicable. Specifications on training should include specific details on length of training, applicable costs, if any, numbers of eligible candidates and impact upon future warranties.	Ongoing
5.	Future specification documents should specify "turn-over" documents including operation manuals, spare parts and "as-built" drawings.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 6
OPERATIONS

CURRENT SITUATION

The Operations groups include both the physical plant personnel and the central plant. The physical plant is made up of building maintenance (trades), custodial services, and vehicle maintenance, and grounds maintenance. The central plant has utility generation and distribution as well as maintenance of the mechanical systems on campus.

FINDING

In the 1998 budget, 35 custodial full-time equivalents (FTEs) were authorized. This number is a decrease of 20 FTEs since fiscal 1997 and raised the gross building area assigned to each custodian to over 42,000 square feet. Daily absences further increased the duties assigned to each custodial person. National standards as published by the Association of Physical Plan Administrators (APPA) indicate that those institutions surveyed in Texas averaged less than 36,000 square feet per FTE. The review team observed that not all buildings were kept clean, indicating that existing staff cannot maintain proper levels of housekeeping. Moreover, given the fact that some 45 percent of TSU's buildings are older than the 30-year national average and the deferred maintenance of the last twenty years, TSU's custodial needs may well be larger than the standards require.

Thirty-five persons reporting directly to a single supervisor is nearly twice the accepted norm. The supervisor assigns some supervisory duties to other custodians as working lead persons, but those individuals lack authority to handle disciplinary or other human resources matters.

The associate vice president developed the fiscal 1999 budget using the national custodial standards of the Association of Physical Plant Administrators. Based on these standards, TSU should have a custodial staffing level of approximately 74 FTEs.

Recommendation 63:

Hire additional custodial staff , including shift supervisors, to accomplish all assigned dutiesand include equity adjustments for supervisors.

Develop appropriate training program to permit the assignment of both new and existing staff to strengthen their existing routine maintenance efforts and initiate a proactive, preventive maintenance program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president submits a budget request for fiscal 2000-2001 that includes 15 additional custodians and additional compensation for the department supervisor and three shift supervisors that were created in September 1998.	Complete
2.	Human Resources aAdvertises new positions and fill as appropriate.	By September 1999
3.	The directors of physical plant and central plant review the skills necessary to implement both routine and preventive maintenance programs. Working with the Human Resources department, develop appropriate training programs.	Complete
4.	The directors of physical plant and central plant, working with their respective staff members, establish viable routine and preventive maintenance programs.	Ongoing thereafter

FISCAL IMPACT

The cost of implementing this recommendation will include the hiring of 15 full-time custodial staff at an average salary of $15,200 plus fringe benefits at 26.3 percent or $19,197 per position. In addition, the total cost will include proposed equity adjustments of $5,000 for the departmental supervisor and $2,350 for each of three shift supervisors who are already on staff and included in operating budgets.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Hire additional custodial staff and include equity adjustments for supervisors.	($300,005)	($300,005)	($300,005)	($300,005)	($300,005)

FINDING

There are currently 17 FTEs authorized in the "building maintenance" (including two vacancies) category, down five FTEs since fiscal 1997. The "maintenance" staff are also responsible for the auxiliary space, which translates into an average square foot per FTE of over 100,000. Assuming

that the maintenance staff for the auxiliaries will be separately funded from internal service funds, the total square foot per FTE would reduce to 87,000. National standards published by APPA indicate that those institutions surveyed in Texas averaged less than 54,000 square feet per FTE, suggesting that staffing in the building maintenance areas at TSU is significantly below standards and should be increased by as many as ten FTEs. Conditions as stated in the both the facilities assessment project and the current energy performance contract provide clear evidence of the results when there are insufficient personnel to perform proper routine maintenance.

Exhibit 6-6
Building Maintenance

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                    ┌─────────────────────────┐
                    │ Director, Physical Plant │
                    └─────────────────────────┘
     ┌───────────┬──────────┬──────────────┬───────────┬──────────┐
┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐ ┌──────────┐
│Electrician│ │ Painter  │ │ Plumbing │ │Carpenter │ │ Laborer  │
│   (3)    │ │   (2)    │ │Coordinator│ │   (2)    │ │          │
└──────────┘ └──────────┘ └──────────┘ └──────────┘ └──────────┘
                           ┌──────────┐
                           │Plumber(1)│
                           └──────────┘
```
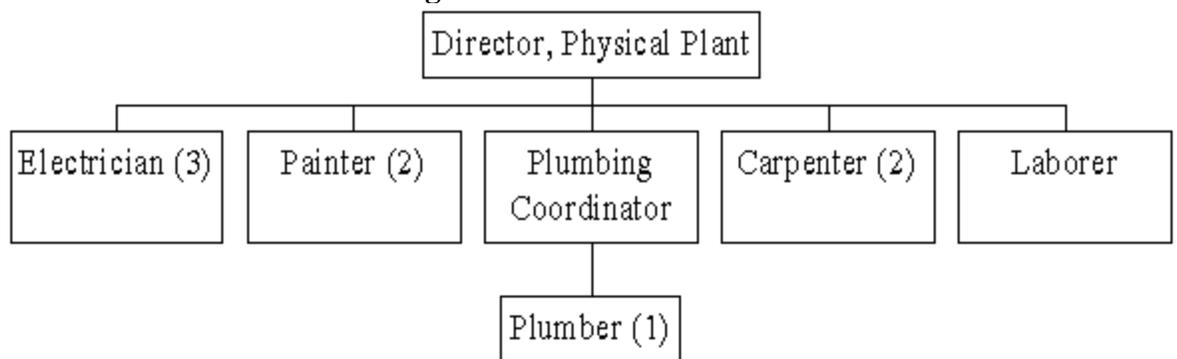
Source: TSU, 1999.

The absence of competent individuals in the mid-level supervisory positions has often resulted in poor communications within the department and more importantly, between the department and its customers. If the individual assigned a work order is unable to properly remedy the reported problem, there is no formal process that would automatically involve a higher level of authority. The customer, if dissatisfied, may call and request another work order. However, given the limited staff available, it is likely to be re-assigned to the original trades person. There has been some improvement noted in the plumbing area following the recent hiring of a master plumber. That individual has begun corrective action.

There is no formal preventive maintenance program at TSU to ensure that equipment is operating properly and to reduce energy costs. Proper preventive maintenance also will extend the life of the facilities and equipment. With the exception of periodic filter changes and random lubrication of equipment in the central utility facility, the university is operating in a reactive "breakdown" mode. Attention focuses solely upon response to equipment failures. This condition contributes to poor environmental conditions and customer complaints.

A 1991 study by the engineering firm of Yandell & Hiller in association with the Texas LoanSTAR Program (a statewide energy conservation program) identified serious deficiencies in the campus utility distribution and operating system and attributed those to a lack of routine maintenance. Its report suggested that the maintenance department was seriously understaffed There has been little change since that 1991 study. Five years later, the facility condition analysis attributed the poor condition of HVAC systems to a lack of effective preventive/corrective maintenance. That report suggested that the "sub-standard level of maintenance indicates an operations/maintenance group severely hampered by a lack of, (a) adequate maintenance funding and (b) capable, qualified, well-managed staff. There is little evidence of an effective preventive maintenance program, and corrective maintenance appears to be done in a minimalist or temporary manner."

Recommendation 64:

Hire additional, experienced staff, including supervisors and working lead persons.

Implement proactive programs for reducing deferred maintenance and implementing preventive maintenance.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president and his immediate staff (director of central plant and director of physical plant if hired by that time) review the recommendations included in the consultant reports on deferred maintenance and energy management and determine what skills are necessary and develops appropriate position descriptions.	Completed
2.	The associate vice president and his staff begin a review of existing staff for possible promotion from within.	Completed
3.	The associate vice president begins to seek necessary funding and hires additional staff, including lead-persons and supervisors.	September 1999
4.	The associate vice president and directors of Physical Plant and Utility Plant establish viable, proactive programs to reduce deferred maintenance through increased routine and preventive maintenance.	Immediately

FISCAL IMPACT

The cost to implement this recommendation will include the hiring of a full-time supervisor and one lead-person (master electrician), each at a salary estimated at $36,113 plus fringe benefits or $45,610. The remaining six four FTEs required to bring TSU's square foot per FTE ratio down to statewide averages should be at the journeyman level. These positions have been estimated at $27,000 each plus fringe benefits, for a total of $136,404. It is recommended that the supervisor, lead person and four trades persons be placed on the payroll as soon as possible.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Hire supervisor	($45,610)	($45,610)	($45,610)	($45,610)	($45,610)
Hire lead person	($45,610)	($45,610)	($45,610)	($45,610)	($45,610)
Hire four additional staff	($136,404)	($136,404)	($136,404)	($136,404)	($136,404)
TOTALS	**($227,624)**	**($227,624)**	**($227,624)**	**($227,624)**	**($227,624)**

Chapter 6
ENERGY MANAGEMENT PROGRAMS

CURRENT SITUATION

Although preventive maintenance and energy management can be considered as separate and distinct programs involving primarily mechanical equipment and systems, both must be proactive initiatives. The university has attempted in the past to reduce energy use and costs through the use of internal program and external consultants. Several energy conservation programs, however, failed to materialize due to a reported lack of funding. The first significant energy conservation study was performed in late 1991-early 1992. Energy savings opportunities were identified, yet few if any recommendations were subsequently funded. There have been a number of other firms, consultants, public utilities and internal staff members who have, during the past fifteen years conducted audits and provided designs for energy efficient facilities.

In 1990, Johnson Controls installed a campuswide energy management system, yet electric energy consumption actually rose during the subsequent five years. There has been some reduction during the 1996-97 period, but only about of three percent.

FINDING

Early in 1998, Viron Energy Services conducted a comprehensive energy audit and issued a final report. Among the items already identified was the lack of routine and preventive maintenance on major equipment items. The audit independently determined that a "a minimum of 12,480 man hours (are) needed to maintain the campus in a efficient manner." [MGT: Verify this finding in Viron's study. On Exhibit 6-7: time period? Tied to text where?]

Exhibit 6-7
Electrical Indices
(Units of Energy Per Square Feet)

Project	Location	Square Feet	KWH/Square Feet
Texas Southern	Houston	1,710,299	22.8
Jackson State University	Mississippi	1,484,861	18.3
Iowa State University	Iowa	3,105,970	16.3
Kirkwood College	Indiana	658,100	14.6

Kansas State University	Kansas	1,167,646	13.4
Mott Community College	Michigan	776,357	13.4
Bowie State College	Maryland	882,032	13.3
Anderson University	Indiana	698,283	11.5
Winona State University	Minnesota	1,263,428	10.3
Wilson College	Pennsylvania	508,580	5.3
Western State College	Colorado	931,000	6.9
Adrian College	Michigan	612,309	5.4

Source: Viron Energy Services

The report recognized that it is not practical to implement an energy improvement program while the systems are deteriorating. The report, therefore, shifted the focus from an energy-only program to an energy and capital improvement program. By replacing deteriorated systems, the report said, TSU "maintenance staff can begin to take a proactive approach to facility operation rather than reactive." The report by Viron Energy Services proposed that the university consider several significant capital improvements including an upgrade of the main central utility plant; replacing the current energy management system and controls; and replacing the existing steam distribution system. The consultant estimated those capital improvements at a cost exceeding $11 million. The consultant further recommended typical energy conservation measures, including water conservation, lighting retrofit and variable speed pumping at an estimated cost of over another $ 2 million.

Exhibit 6-8
Proposed Capital (Energy) Improvement

Item Description	Cost	Energy Savings
1. Upgrade Main Thermal Plant Replace 4 Chillers, 4 new @ 1400 Tons Each Replace all Pumps Install Piping Manifolds, Reconfigure Piping Includes all Electrical, General Construction	$5,200,000	$197,490
2. Replace Energy Management System and Convert to True DDC Includes all existing points (2500) Replace all Pneumatic Components New Bacnet Based Front End System Point by Point checkout/verification All required programming	3,469,758	158,381

3. Replace Condensate Return Piping System Includes all condensate piping, valves, etc. Includes all condensate pipes Includes all Steam-Hot Water Heat Exchangers New Water Softener System Repair Steam Supply in Tunnels All supports, demo, etc.	2,696,128	91,640
4. Water Conservation Program	251,125	175,554
5. Lighting Retrofits	1,725,308	112,332
6. Variable Speed Pumping Install VFD Drives on Secondary Pumps Repair Pump Leaks	294,416	19,516
TOTAL PROGRAM	**$13,636,735**	**$754,913**

Source: Viron Energy Services

If the school follows those recommendations shown in **Exhibit 6-8**, the consultant predicts annual energy savings in excess of of nearly $755,000 plus a reduction in routine maintenance of over $300,000.

Recommendation 65:

Authorize the energy performance contractor to proceed. with the energy-saving capital improvements.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president and the director of central plant review the proposal from the energy performance contractor and after approving it authorize formal initiation of the recommendations.	Completed
2.	The associate vice president seeks approval from THECB of the project described as "Thermal Utilities Rrenovation" in the amount of $5.2 million.	Completed
3.	Based upon new guidelines, the associate vice president and the contractor adjust their proposal to conform with THECB guidelines.	February-- April 1999
4.	The associate vice president takes the performance contract to THECB for approval.	April 1999
5.	Capital upgrades for energy use improvements begin.	July 1999

Source: Viron Energy Services

FISCAL IMPACT

The cost of implementing this recommendation will be limited to the $5.2 million capital funding. The remaining renovations will be energy performance contract will be paid from energy savings over a ten-year period as part of the performance contract.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Capital (Energy) ImprovementAuthorize the energy performance contractor to proceed with energy-saving capital improvements	($5,200,000)	-0-	-0-	-0-	-0-

Chapter 7
CASH ACCOUNTING AND MANAGEMENT

Cash management is a basic financial function for any organization that involves properly safeguarding and controlling cash, cash-flow forecasting, cash-flow management, investment of surplus cash, and the maintenance of sound banking and investment relationships. The primary objectives of cash management are:

- to have sufficient cash on hand for payrolls, payments to vendors and other financial obligations, including a reserve for unexpected cash needs;
- to invest surplus cash in safe, profitable securities and in compliance with state regulations; and
- to maintain sound, cost-effective relationships with financial institutions.

Cash-flow forecasting and management are essential to ensure that cash shortfalls and cash surpluses are projected with reasonable accuracy and lead time. Projected shortfalls must be addressed in advance to avoid crisis, and surpluses should be invested to maximize returns and provide sufficient liquidity to meet unexpected and expected cash needs.

CURRENT SITUATION

The vice president for Finance has responsibility for all financial functions of the university. The assistant vice president for Business and Financial Services and the assistant vice president for Budget and Procurement report to the vice president for finance. Cash management and investment management functions are the responsibility of the assistant vice president for Business and Financial Services. **Exhibit 7-1** shows the Business and Financial Services organization.

Exhibit 7-1
Business and Financial Services Organization
Fiscal 1999

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                    ┌─────────────────────┐
                    │   Vice President    │
                    │    for Finance      │
                    └──────────┬──────────┘
          ┌────────────────────┴────────────────────┐
┌─────────────────────────────┐      ┌─────────────────────────────┐
│   Assistant Vice President  │      │   Assistant Vice President  │
│ Business and Financial Services │   │    Budget and Procurement   │
└─────────────────────────────┘      └─────────────────────────────┘
```
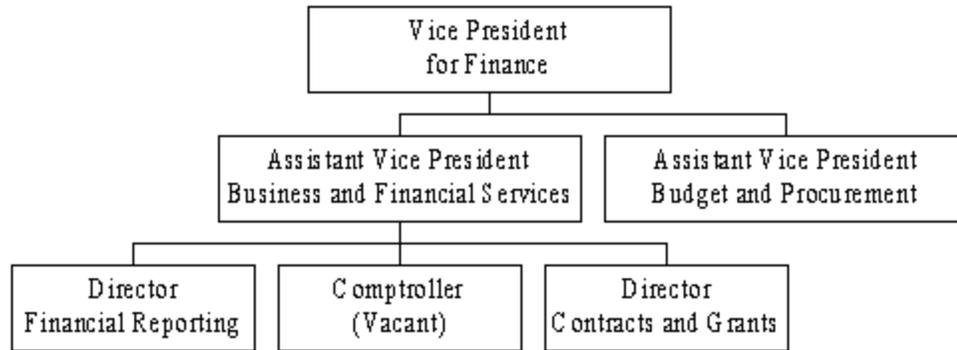
Source: TSU, 1999.

Two categories of funds are used to secure goods and services for the university. These categories are funds held by the State Treasury (state funds) and funds held locally (local funds). Each category of funds has specific rules and restrictions for how monies can be spent.

The Legislature appropriates state funds from which the majority of the university's budgeted expenditures are paid. The Comptroller's office pays the university's expenses based on properly approved purchase vouchers and supporting documentation submitted by TSU. The university performs no direct cash management function for state funds, and expenditure control is implemented through budgetary control processes.

Local funds are held in the university's bank and investment accounts. Local funds include auxiliary funds, funds received under grants and contracts, unexpended plant and construction funds raised in bond offerings, and gift or endowment funds. Auxiliary funds are those related to auxiliary enterprises, which are those that are generally self-supporting and operate primarily to service university employees and students. Examples include the bookstore, food services, the student union, and the student health center. They may include any activity that is supported by sales or fees, such as building use fees and student activity fees. Grant and contract funds are those provided to the university based on approved grant and contract proposals. Funds provided through grants and contracts are used to support research and other projects or activities closely related to the normal programs and recognized objectives of the university for instruction, research, and public service functions. Plant and construction funds are used for construction of new buildings and for maintenance and renovation of existing buildings. In addition to local funds held in bank accounts, the university has established petty cash funds in numerous departments to be used for off-campus cash purchases of emergency minor items.

The comptroller has day-to-day responsibility for cash management and control. The comptroller's office is organized as shown in **Exhibit 7-2**.

Exhibit 7-2
TSU Comptroller's Organization
Fiscal 1999
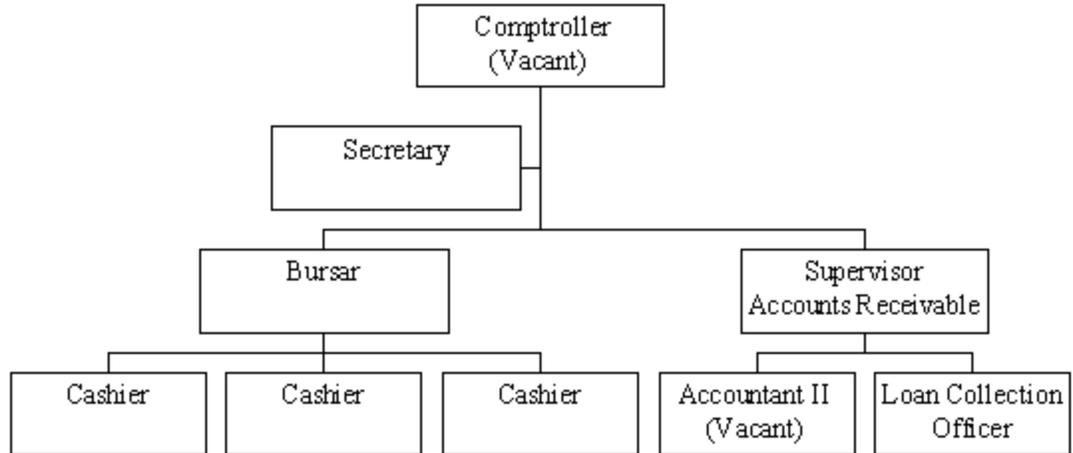
Source: TSU, 1999.

The university's primary banking relationship is with Chase Bank of Texas (Chase Bank), where the university coordinates receipt and disbursement of local funds through various bank accounts that are swept into an overnight investment account at the end of each day. The overnight investment account pays interest at the Chase Bank federal funds rate less 1 percent on all funds held in the account over night. Additional bank accounts are used to control and track funds received from specific auxiliary sources, funds intended for use on specific construction projects, or funds to be used for payment of principal and interest on bonds issued.

Exhibit 7-3 lists TSU's bank accounts, organized by account type.

Exhibit 7-3
TSU Bank Accounts by Account Type
Fiscal 1999

Account Type	Bank	Description
Sweep Account	Chase Bank	Cashier's Clearing Account
	Chase Bank	Operating Fund
	Chase Bank	Payroll Account
	Chase	General Fee Revenue and Interest

	Bank	
	Chase Bank	General Fund
Auxiliary	Chase Bank	Junior/Senior Dormitory
	Unity Bank	Auxiliary Fund
	Nations Bank	Dormitory and Student Union
Construction	Chase Bank	General Fee Bonds (1993) Construction Account
	Chase Bank	Constitutional Appropriation Bond 1996 Construction Account
	Chase Bank	General Fee Construction
	Chase Bank	Ad Valorem Tax Construction
	Unity Bank	Special Building Construction
	Chase Bank	Series 1998 A-2 Project Construction
	Chase Bank	Series 1998 B Project Construction
	Chase Bank	Series 1998 C Project Construction
	Bank One	74 Construction Account/Plant Student Center Construction
Bond Sinking Fund	Chase Bank	Appropriated Bond Series 1996 Interest and Sinking
	Chase Bank	Consolidated Revenue Bonds-1993
	Chase	Series 1998 A-1 Debt Service

	Bank	
	Chase Bank	Series 1998 A-2 Debt Service
	Chase Bank	Series 1998 B Debt Service
	Chase Bank	Series 1998 C Debt Service
	Chase Bank	Series 1998 A-2 Debt Service Reserve Fund
	Chase Bank	Series 1998 B Debt Service Reserve Fund
	Chase Bank	Series 1998 C Debt Service Reserve Fund
Semi-Monthly Payroll Clearing Account	Chase Bank	Revolving Fund
Federal Financial Aid	Chase Bank	Texas Southern University Federal Financial Aid

Source: TSU, 1999.

The Bursar's Office receives all cash and checks, and deposits are made daily in the Cashier's Clearing Account at Chase Bank. Receipts in the Bursar's Office are primarily from students for tuition, fees and student loans, and from other university departments and colleges for auxiliary enterprises such as athletic department ticket sales and receipts in copy machines. Each cashier in the bursar's office has a cash drawer that is balanced daily. The day after deposit in the Cashier's Clearing Account, the funds are transferred to the Operating Fund at Chase Bank.

A significant source of university funds is student financial aid grant money from the U.S. Department of Education (DOE). In March 1996, the university was placed on the reimbursement method of payment for federal financial aid. DOE took this action as a result of non-compliance with federal regulations governing the administration of financial aid funds. Under the reimbursement system of payment, an institution must demonstrate to the DOE through submission of proper documentation that each student is eligible to receive financial aid. The preferred method of payment for institutions is the draw-down method. Under the draw-down

method, the DOE advances the funds required for the payment of financial aid and does not require information for each student to be submitted.

The reimbursement method requires the university Office of Student Financial Aid to submit information to the DOE on each student for whom payment is requested. The submissions occur several months after the beginning of each semester. Submissions approved by the DOE are paid by wire transfer to the university's account at Chase Bank. The university prepares refund checks to students in cases where the amount of financial aid granted exceeds tuition and fees due to the university.

Student loans made by banks are another source of funds to the university. All student loans are paid by check. The checks are made payable to the student and the university, and are sent to the assistant vice president for Business and Financial Services by the banks along with a report that lists each student and the amount of the loan. The checks are then forwarded to the Bursar's Office. The University requires all checks to be endorsed by the student and signed over to TSU, after which the checks are deposited. To the extent that the amount of the student loan exceeds tuition and fees due to the university, the university prepares refund checks to students.

All local fund disbursements, except for payroll, are made from the Operating Fund account at Chase Bank. Payroll issued from Educational and General (E&G) funds are issued by the Texas State Comptroller of Public Accounts, along with the payroll checks for all other state employees. Local payroll is paid from the Payroll Account at Chase Bank. These payroll disbursements are to pay employees whose activities are chargeable to auxiliary funds, restricted funds such as grants and contracts, designated funds, and unexpended plant funds.

Some receipts and disbursements from the sweep account at Chase Bank are directly allocable to other university bank accounts or to the state treasury. All tuition payments from students, for example, must be remitted to the state treasury. Reports generated from the financial accounting system identify the other bank accounts to which receipts or disbursements from the sweep account should be transferred. Based on these reports, funds are transferred to or from the Operating Fund at Chase Bank and the other accounts.

A "Revolving Account" at Chase Bank is a special purpose account used as a conduit to fund semi-monthly payroll for certain employees who would normally be paid monthly through the state payroll system. As an accommodation to certain classes of employees, the university pays the employees on a semi-monthly basis from the local account, and then reimburses the account when the university is reimbursed by the State.

All of the university's business functions, including the cash and asset management systems use a financial software package developed by Banner Financial. The Banner financial system, designed to enhance the university's financial and management functions, has been in place since May 1, 1998.

FINDING

Cash flow projections have not been prepared by TSU since August 1997, when the previous university comptroller left the position. During May 1998, the Texas Comptroller of Public Accounts assembled a team of accountants from the Comptroller's office and other Texas universities. The team prepared cash flow projections for 1998. No cash flow projections were prepared for 1999. The university has no written procedures or guidelines for cash flow management or preparing cash flow projections. On a daily basis, the comptroller monitors available cash balances in the bank to make sure checks will clear. He also receives the disbursement checks before they are signed and a report of daily disbursement activity by fund to assist in monitoring disbursements. The assistant vice president for Business and Financial Services said he closely monitors the balance of available appropriated funds from the State.

Recommendation 66:

Prepare and use cash flow projections to maximize investment earnings and identify projected shortfalls before a crisis develops.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant vice president for Business and Financial Services develops a system and procedures for preparing monthly cash flow projections based on the information available through and capabilities of the new Banner financial system.	April 1999
2.	The assistant vice president for Business and Financial Services designates a person to be responsible for regularly preparing cash flow projections and trains them on the new system and procedures.	May 1999
3.	The assistant vice president for Business and Financial Services reviews cash flow projections with the vice president for Finance and plans are developed for investment of projected excess cash and for resolving issues of cash flow shortfalls.	Ongoing
4.	The assistant vice president for Business and Financial Services executes cash flow plans each month and monitors cash balances for significant variance from plan.	Ongoing

FISCAL IMPACT

The recommendation can be implemented with existing staff at no additional cost.

FINDING

TSU has not formally conducted a reauthorization of its banking relationship with Chase Bank (formerly Texas Commerce Bank) in approximately 20 years. At the time of our on-site review in April 1998, university management did not have a schedule of fees being charged by Chase Bank for the services provided.

While not a requirement for institutions of higher education in Texas, the Texas Education Code requires public school districts to re-bid banking services every two years. As a result, public school systems in Texas have been able to obtain very competitive service fees and interest rates on deposited funds.

Recommendation 67:

Establish a policy to competitively bidding the depository contract every two to four years.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance writes a request for proposal (RFP) to provide banking services and submits a copy to the board for review.	Complete
2.	Following board approval, the vice president for Finance issues the RFP.	March 1999
3.	Proposals are received and evaluated by the vice president for Finance, the director of Purchasing, and other designated members of the evaluation team, considering all factors including pricing, level and quality of service provided, and any costs associated with making a change in banking relationship.	April 1999
4.	The vice president for Finance presents the recommendation to the Board of Regents for approval.	June 1999
5.	The banking relationship selected in the procurement process is put in place.	September 1999

FISCAL IMPACT

The fiscal impact depends on the fee schedules and services proposed by bidders in the procurement process.

FINDINGS

The university has three dormant bank accounts which have not been active in many years. The dormant accounts are: Chase Bank General Fee Construction Account, Chase Bank Ad Valorem Tax Construction Account, and the Bank One 74-Construction Plant Account, Student Center Construction Account. One account, The Student Center Construction Account has a balance in excess of $6,000. The other two accounts have very low or no balances.

These accounts were used to hold bond proceeds until the funds were used to pay for construction projects. The projects have been completed and the assistant vice president for Business and Financial Services said that the accounts have not been active in ten years. Dormant bank accounts should be closed to eliminate the risk of misuse.

Recommendation 68:

Close the dormant bank accounts and transfer the remaining balances to the Operating Fund account at Chase Bank.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The comptroller transfers the balances from the dormant accounts to the Operating Fund account at Chase Bank.	February 1999
2.	The vice president for Finance prepares and sends a letter to Chase Bank and Bank One formally directing that the dormant accounts be closed.	February 1999

FISCAL IMPACT

Chase Bank charges no incremental fees for the accounts to be closed, as Chase Bank's fee structure is based on activity in the entire group of sweep accounts. No fees are charged by Nations Bank on the Student Center Construction account. Therefore, the recommendation has no fiscal impact.

FINDING

The Comptroller's Office, which includes the bursar, is not exercising oversight or control of satellite operations' cash. Satellite operations that receive cash include the athletic department, the library, the university

police department, the Center on the Family, the child development lab, student services (such as the bowling alley, barbershop, and game room), continuing education and the health clinic. Section 5.4 of TSU's fiscal policy and procedures manual states that all areas receiving university funds daily should deposit each day's receipts no later than the following day. It also says that university funds should not remain in any unit longer than three business days prior to deposit.

The Comptroller's Office has not identified operations that receive funds daily or established a fixed schedule for delivery of funds. There also is no process by which the bursar's office receives notification for special events where cash or checks will be received. The comptroller did not know whether each satellite operation had adequate physical facilities and equipment for safeguarding cash and checks until delivery to the bursar, such as restricted access, safes, or locking fireproof file cabinets.

The review team examined the procedures for control of cash and checks from athletic events, including ticket sales and program sales, with the athletic director. The review team also obtained and inspected a set of documents related to cash receipts and cash control for one athletic event. Based on the procedures described and the review of documentation, the procedures being used provide excellent controls and an audit trail. These procedures are not documented in writing, however. The athletic director said that he ensures that all funds collected at athletic events are turned over to the bursar the same day or picked up by an armored car service for overnight safekeeping and delivery to the bursar the following morning.

During a walk through of operations in the Bursar's Office, the review team observed library staff depositing cash from copy machines with the Bursar's Office. They said that they deposit funds with the bursar approximately once a week. In response to questions about cash collection and delivery procedures, the review team was told that one person empties the copy machine, two people count the money, and two people deliver to the bursar's office. Having one person empty coins from the machine is a control weakness, as a theft could occur and not be detected. The university police chief was dismissed in April 1998 for stealing parking meter funds, a theft that was discovered during an internal audit. These are examples of why standardized policies and procedures for cash collection and management should be developed and adopted for each satellite operation.

Recommendation 69:

Institute internal controls over cash in satellite operations and oversight by the comptroller and bursar.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The comptroller and bursar identify all satellite operations that receive cash and the frequency of cash receipts (i.e. daily or other than daily).	Complete
2.	The internal auditor reviews existing policies and procedures for control and deposit of cash with the Bursar's Office.	March 1999
3.	The internal auditor meets with the department head of each satellite operation that receives cash. Cash control procedures used by each operation are reviewed, including inspection of physical facilities and equipment for safeguarding cash and checks until delivery to the bursar.	March 1999
4.	The internal auditor identifies improvements needed in cash control procedures for each satellite operation. The auditor communicates the required improvements both orally and in writing. A fixed delivery schedule for deposit of cash and checks with the bursar for each satellite operation is established. The delivery schedule is communicated in writing to each department head. The department heads sign a written acknowledgment for both the delivery schedule and required improvements in procedures.	April - June 1999
5.	The department heads implement the new procedures.	July - August 1999
6.	The bursar monitors required daily cash deliveries by developing and using a daily checklist that lists each satellite operation. Using the checklist to document deliveries made, the bursar calls each department head for cash deliveries not made by 3:00 p.m. each day.	Beginning September 1999 and ongoing

FISCAL IMPACT

Existing staff can accomplish the implementation strategy.

FINDING

The Comptroller's Office is not providing oversight or exercising control over petty cash funds. The last surprise cash count of petty cash conducted by the Comptroller's Office was March 31, 1992. The comptroller said that rather than presenting receipts to replenish the petty cash funds, each petty cash custodian replenishes the petty cash fund through a check or cash requisition that is charged against the operating budget or a grant for the respective department.

The internal auditor at TSU conducted surprise cash counts of petty cash funds in January 1998. Weaknesses noted included:

- comingling of petty cash funds with employees' personal funds, including deposit of a petty cash replenishment in an employee's personal bank account;
- missing receipts in support of disbursements, including a cash advance of $1,200;
- improper use of petty cash funds, including giving $295 to a student for rent plus a $200 loan;
- no records for closing of some accounts; and
- petty cash funds not recorded on the general ledger.

Section 5.1 of the TSU's fiscal policy and procedures manual contains very detailed policies and procedures for petty cash funds, but these are apparently not known or adhered to at the university. The policies and procedures limit the amount of petty cash from $100 to $500 except for the Athletic Department, which is allowed up to $2,000. The internal audit report shows that six petty cash funds exceeded $500. The procedures are specific as to how the petty cash funds should be controlled, how they can be used, how they should be replenished, and accountability requirements of custodians. The procedures also say that all petty cash funds will be periodically audited, with a minimum of four audits a year for each fund.

In a response letter dated March 4, 1998 from the comptroller to the director of Internal Audit, the comptroller said that petty cash procedures will be reviewed and updated to strengthen internal controls and to establish monthly reconciliations, beginning no later than the fourth quarter of fiscal year 1998. He said that all reconciling items will be fully investigated and reported in timely fashion.

Recommendation 70:

Institute internal controls and oversight of petty cash funds and require each petty cash custodian to sign an acknowledgment that each understands the petty cash procedures and the ramifications of failing to follow procedures.

During the implementation period, a representative from the Bursar's Office should audit each petty cash fund monthly to ensure compliance with established controls and procedures.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The bursar has a copy of the procedures made for each petty cash custodian.	February 1999

2.	The comptroller or bursar meet with each petty cash custodian to present the procedures, review the requirements and limitations with the custodian, and inspect and assess the adequacy of physical control over petty cash. The comptroller and bursar will immediately point out weaknesses to be corrected.	January 1999
3.	The internal auditor conducts periodic surprise audits of petty cash for each custodian. They will also assess whether previously identified weaknesses in physical control over petty cash have been addressed.	Beginning April 1999
4.	The internal auditor prepares and submits a written report on the results of the audit to the bursar, the comptroller, and the applicable petty cash custodian.	Ongoing
5.	The comptroller will distribute a copy of each report to the assistant vice president for Business and Financial Services.	Ongoing
6.	In each instance where significant weaknesses or discrepancies are identified in the surprise audits of petty cash, the comptroller will send a memo to the petty cash custodian detailing corrective action required. The memo should specify that failure to take corrective action before the next surprise petty cash audit will result in removal of the fund from the department. The comptroller will provide a copy of the memo to the assistant vice president for Business and Financial Services.	Ongoing

FISCAL IMPACT

The steps identified in the implementation plan should be performed by university employees in their normal course of duty and will require no additional cost to the university. Proper control and oversight over petty cash funds will benefit the university by ensuring that funds are not lost or used inappropriately.

FINDING

Mail containing checks is not opened or logged under dual control, and there are no other internal controls to ensure that all checks are properly accounted for and deposited on a timely basis. The concept of dual control means that two people are present and engaged in the process, generally with one person opening mail and entering checks in a log, with the second person observing and verifying the accuracy of the work done by the first person.

Checks received by mail, with the exception of checks for student financial aid, are routed to the administrative assistant to the vice president for Finance. Prior to the Banner conversion on April 1, 1998, checks were

logged and copied, then original checks were delivered to the bursar's office for deposit. The administrative assistant provided a copy of the log to the bursar's office for verification. Since the Banner conversion, she posts each check received on the Banner system, which provides a log. The comptroller reviews the Banner log and compares this to the physical checks to verify that each item was entered correctly on the Banner system, and then delivers the physical checks to the Bursar's office for deposit. There is still, however, no control to ensure that all checks received each day are accounted for and entered on the system.

Student financial aid checks are received by the administrative assistant to the assistant vice president for Business and Financial Services. Mail containing the checks is not opened under dual control, but a manifest that lists each check is received. A copy of the manifest is sent to the financial aid department. The checks are sent to the bursar for deposit. There is no reconciliation of the deposit to the manifest to ensure that all checks are accounted for and deposited.

Recommendation 71:

Institute internal controls over incoming mail, with all mail opened under dual control and all checks removed and logged.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant vice president for Business and Financial Services develops a procedure with assistance from the internal auditor for controlling incoming mail.	April 1999
2.	The assistant vice president for Business and Financial Services designates two individuals to receive and open all mail addressed to anyone in the financial operations areas following the approved procedures.	May 1999
3.	The assistant vice president for Business and Financial Services periodically monitors mail handling to ensure that procedures are being followed.	Ongoing

FISCAL IMPACT

The potential fiscal benefit is the avoidance of cost associated with any lost or misplaced checks.

FINDING

In the past, stale-dated financial aid refund checks to students have been improperly credited to Pell Grant expense on the university's accounting

records when voided, rather than set up as a payable to the student or to the Department of Education (DOE). While many improvements have been made to Financial Aid processing methods, no written procedures have been developed to document the appropriate handling of refund checks.

Recommendation 72:

Establish written procedures for refunding financial aid funds to the Department of Education (DOE) when student aid refund checks are voided.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The assistant vice president for Business and Financial Services writes procedures for voiding of student aid refund checks. The procedures will include processes for communicating all pertinent student information to the Office of Student Financial Aid. The procedures will also address the appropriate journal entries to be prepared for posting to the general ledger.	March 1999

FISCAL IMPACT

The steps identified in the implementation plan should be performed by university employees in their normal course of duty and will require no additional cost to the university.

Chapter 7
INVESTMENTS

CURRENT SITUATION

TSU has three categories of investments:

- Overnight investment of balances in the primary operating account at Chase Bank;
- Investment of proceeds from bond issues;
- Investment of endowment funds and other local funds.

Overnight investment of balances at Chase Bank are invested in repurchase agreements that pay an interest rate equal to the Chase Bank daily federal funds rate less 1 percent. Repurchase agreements (repos) are a form of investment in which a dealer, such as Chase Bank, sells securities to an investor on an overnight basis, with an agreement to buy back those securities the next day at a slightly higher price. The increase in the price is the overnight interest. In essence, the dealer takes out a one-day loan from the investor, and the securities serve as collateral for the loan. Nations Bank is the custodian for the securities that collateralize the repos between Chase and TSU.

TSU has a contract with Smith Graham & Co. (Smith Graham) to manage the investment of proceeds from bond issues. Smith Graham invests bond proceeds until the funds are drawn down to pay for construction and renovation projects. A management fee of .25 percent per annum on the amount of assets under management is charged. Bond proceeds are invested in accordance with the terms of the "No-Arbitrage Certificate" issued in connection with the bonds, which requires that proceeds be invested at a yield not materially higher than the yield on the bonds. Accordingly, substantially all of these funds are invested in commercial paper maturing in one to six months. Commercial paper is short-term unsecured debt notes issued directly to the public by large, well-known companies. Commercial paper is rated for safety by rating agencies such as Moodys and S&P, and is traded in secondary markets so that an investment can be quickly converted to cash. Under the terms of TSU's investment policy, investments can only be made in commercial paper issued by companies that have the highest ratings for safety by Moodys and S&P.

In November 1994, TSU contracted with Bond, Procope Capital Management for investment of endowment funds and other local funds. This company, now known as Albriond Capital Management, charged

management fees of .625 percent per annum for the first $5 million managed and .50 percent for the next $5 million managed.

TSU also has an asset management consulting service agreement with a third-party investment advisor, Gray & Company, to provide investment advisory services. Under this agreement, Gray & Company's primary functions are to assist the university in selecting asset managers and to evaluate the performance of selected asset managers. An annual fee of $8,000 is paid for this service. Gray & Company does performance evaluations of Albriond Capital Management but not Smith Graham.

The university has adopted an investment policy for operating funds and endowment funds that specifies investment objectives, investment guidelines, and acceptable securities. The investment policy provides for portfolio asset allocation as shown in **Exhibit 7-4**.

Exhibit 7-4
Investment Policy Target Asset Allocation

Asset Class	Target Allocation	Allowable Allocation Ranges
Equity Portion (Stocks)	55.0%	40 - 80%
Fixed Income Portion (Bonds)	30.5%	20 - 60%
Cash Equivalent Portion	14.5%	0 - 25%

Source: TSU Investment Policy

The investment policy also establishes goals or benchmarks for rates of return. On an average annual basis, the rate of return on each portion of the portfolio is expected to equal or exceed the returns of the specified indexes, which are defined as "benchmark indexes" in the investment policy. **Exhibit 7-5** shows the benchmark indexes for each asset class.

Exhibit 7-5
Benchmark Indexes for Each Asset Class Rate of Return

Asset Class	Benchmark Index
Equity securities (Stocks)	Standard & Poor's (S&P) 500
Fixed Income securities (Bonds)	Shearson Lehman Government Corporate Bond Index
Cash Equivalents	91-day Treasury Bills

Source: TSU Investment Policy

FINDING

For the first time since the inception of the contract, Albriond Capital Management's cumulative return since inception on 11/1/94 exceeded the benchmark returns established in the university's investment policy.

The investment policy of the university says that it is the intention to allow investment managers full discretion within the scope of the investment guidelines and applicable statutory parameters. With respect to performance evaluation of the investment manager, the policy says the university recognizes that investment managers may not exceed the indexes each quarter, but the objective is to outperform the stated indexes over a three to five year cycle.

Exhibit 7-6 illustrates the composite Albriond Capital Management return and the composite benchmark return, or goal, which is targeted in the university's investment policy over the last four-and-one-half years.

Exhibit 7-6
Comparison of Albriond Capital Management Return to Composite
Benchmark Return
November 1, 1994 through December 31, 1998
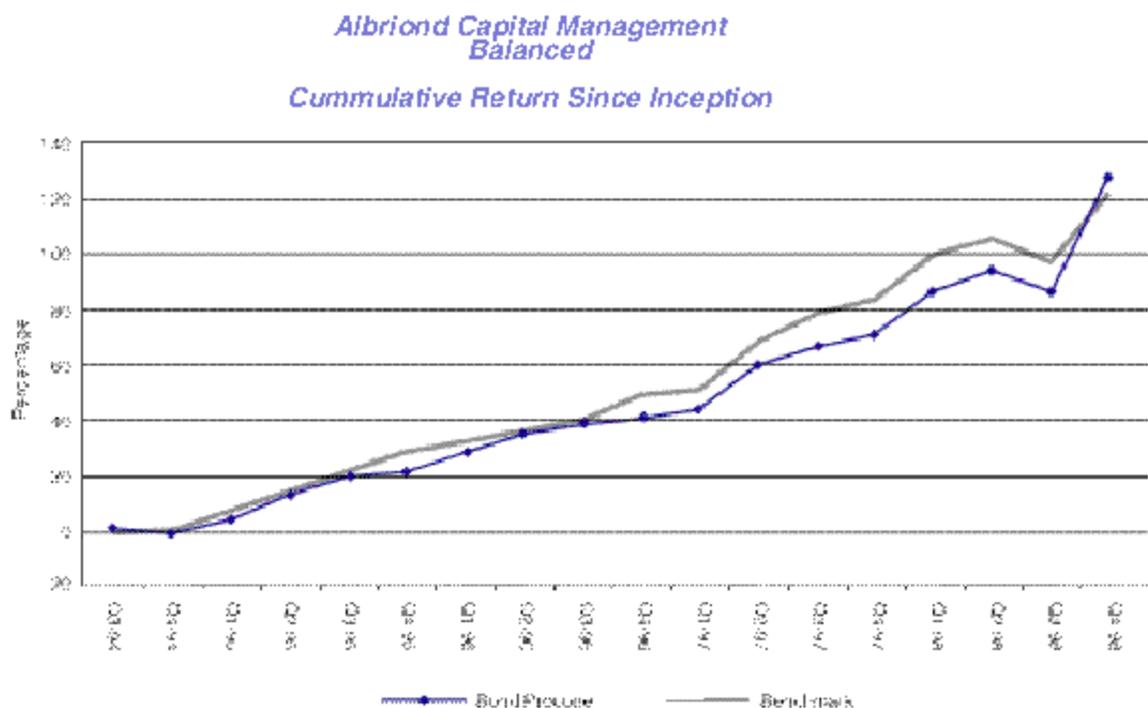
Source: TSU report from Gray & Company, January 1999

Recommendation 73:

Closely monitor the Albriond Capital Management contract to ensure that the investment performance meets the goals contained in the university investment policy.

If goals cannot be met on a sustained basis, consideration should be given to canceling or renegotiating the contract.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance and the Chief Operating Officer monitor the performance of Albriond Capital Management.	April 1999 and Ongoing
2.	Should the history of missed performance goals continue, the vice president for Finance instructs Gray & Company to identify appropriate alternative index funds and/or investment managers for investment of the university's investment portfolio.	As needed

FISCAL IMPACT

If Albriond Capital Management can regularly achieve the performance benchmarks contained in the university investment policy, the university can expect increased revenues, however, the actual amount will depend upon the aggressiveness of Albriond Capital Management and the university, and overall market rates. Consequently, additional revenues cannot be accurately estimated at this time.

FINDING

A large amount of cash is being retained in the accounts at Chase Bank and invested in overnight repurchase agreements. The interest rate paid to the university by Chase Bank is equal to Chase's daily federal funds rate less 1 percent. TSU could obtain higher investment returns by investing excess cash in TexPool.

TexPool is a public funds investment pool created to permit governmental entities to jointly invest their funds in authorized investments. TexPool is organized under provisions of the Texas Government Code, and the Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the trust company which is authorized to operate TexPool. Funds invested with TexPool are available for daily withdrawal.

Exhibit 7-7 shows the average amount invested in overnight repurchase agreements with Chase Bank from June 1997 through March 1998, along with the average monthly rates of return on the Chase repurchase agreements and the TexPool funds. TSU began investing in overnight Chase repos in mid-May 1997, and June 1997 was the first full month for these investments.

Exhibit 7-7
Comparison of Investment Returns
June 1997 through March 1998

Monthly Balance		Average Monthly Return Rates	
Month	Average Amount Invested in Chase Repos	Chase	TexPool
June 1997	$6,181,100	4.87%	5.54%
July	6,449,531	5.00%	5.57%
August	6,144,791	4.93%	5.60%
September	5,631,130	4.89%	5.58%
October	6,547,887	4.88%	5.57%
November	6,414,234	4.90%	5.63%
December	5,572,044	4.87%	5.67%
January 1998	8,190,089	4.92%	5.65%
February	12,087,613	4.87%	5.58%
March	10,428,686	4.84%	5.59%

Source: TSU Investment Records, TexPool Public Statistical Information

TSU officials indicated that investment amounts held at Chase Bank during fiscal 1999 have declined somewhat due to the declining student enrollment. However, information on actual balances since March 1998 was not available.

Recommendation 74:

Invest daily cash balances at the highest possible interest rates to maximize income.

TSU should open an investment account at TexPool. Account balances that are not required for immediate needs at the depository bank should be transferred to TexPool.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance negotiates an investment agreement with TexPool	February 1999
2.	The vice president for Finance obtains Board of Regents approval for the opening of an account at TexPool.	March 1999
3.	The vice president for Finance and the comptroller establish procedures for transfer of excess cash balances to TexPool for investment.	April 1999

FISCAL IMPACT

The average daily investment in Chase repos for the ten months from June 1997 through March 1998 was $7,364,711, and the average monthly return on investment in TexPool exceeded the return on Chase repos by .70 percent. Based on these averages, the university could earn $51,553 more per year by investing in TexPool. Reducing that amount by 10 percent, or $5,155, to account for the declining balances resulting from a declining student enrollment, brings the net estimated savings to $46,398.

Recommendation	1999-2000	2000-01	2001-02	2002-2003	2003-2004
Invest daily cash balances at the highest possible interest rates to maximize income.	$46,398	$46,398	$46,398	$46,398	$46,398

FINDING

TSU has more than 50 endowment funds with a total principal balance of $10,158,607 as of December 31, 1998. All endowment funds are combined into a single investment pool with local operating funds and managed by Albriond Capital Management. The funds are invested in stocks, bonds and money market instruments in accordance with the university's investment policy.

The following issues were identified by the former comptroller with respect to management and accounting for endowment funds prior to this review:

- Endowment agreements are not on file for most endowments;
- Because the endowment agreements are not on file, reporting requirements and investment limitations are not known and compliance cannot be determined;
- There are no written procedures for allocation of investment income to each endowment. Investment income has not been allocated and posted to individual endowment funds since August 1997, when the previous comptroller vacated the position. The comptroller position was vacant from August through December 1997, and the new comptroller was transferred from the facilities department in January 1998;

In a memorandum dated April 7, 1998 to the president, deans and directors, the former comptroller proposed completing a schedule of endowment activity by August 31, 1998. Since then, the comptroller left the university and it is unclear as to what degree he was able to complete this plan.

Recommendation 75:

Complete any remaining steps outlined in the former comptroller's plan for addressing weaknesses in the management of endowment funds and write formal procedures for maintaining the endowment funds in the future.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Financial Reporting reviews the former comptroller's plan and takes the necessary steps to complete the plan.	February - April 1999
2.	The director of Financial Reporting reports progress to the Chief Operating Officer.	May 1999
3.	The director of Financial Reporting, with assistance from the internal auditor, writes procedures for maintaining the university's endowments in the future.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The daily investments in repos have exceeded the maximum sweep amounts provided for in the two contracts which govern these transactions. As a result, TSU may be undercollateralized on its daily

investments, which could result in losses or protracted legal proceedings in the event Chase Bank defaulted on repurchase of the securities.

Under the contract between Chase Bank and TSU for investment of excess cash in repos, the maximum amount to be invested in overnight repos is set at $4,000,000. Under the custody agreement with Nations Bank., under which Nations Bank takes delivery of securities each day to collateralize the repos, the amount of securities to be held must be equal to the lesser of $4 million or the actual amount invested in repos. The custody agreement says that Nations Bank does not have a duty to monitor the collateral value but only to report to TSU the par value of securities held. From the inception of investment in overnight repos, the amounts invested have averaged $7.3 million and have been as high as $13.9 million. Based on the contracts, the university may be undercollateralized to the extent that daily investments exceed $4 million each day. University officials are not receiving or monitoring custodial confirmations to ensure that the university's interest is fully protected in the event of default.

Recommendation 76:

Modify the contracts governing overnight investment to ensure that TSU is fully collateralized each day and implement procedures for contract oversight.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The comptroller contacts Chase and Nations Bank to request contract modifications to ensure that overnight repos are fully collateralized.	April 1999
2.	Chase and Nations Bank provide modified contracts to the comptroller.	April 1999
3.	The comptroller provides a copy of the modified contracts to the university attorney and the vice president for Finance for review and approval.	April 1999
4.	The university attorney and the vice president for Finance mark required changes, if any. The comptroller provides the required changes to Chase and Nations Bank.	May 1999
5.	Chase and Nations Bank make required changes and provide the modified contracts to the comptroller.	May 1999
6.	The comptroller provides the modified contracts to the university attorney and the vice president for Finance for final approval.	May 1999
7.	The vice president for Finance presents the modified contracts to the Board of Regents for approval.	May 1999

8.	The comptroller writes procedures for contract oversight to ensure compliance with the modified contract, including confirmation that repos are fully collateralized each day.	May 1999

FISCAL IMPACT

The procedures can be developed and implemented by current university personnel without addition of staff. The financial benefit of implementing this procedure is equal to the loss avoidance associated with fully collateralizing overnight repos each day.

FINDING

The university's investment policy requires that commercial paper investments have the highest ratings issued by Moodys and Standard & Poors, A-1 and P-1, respectively. The reports from the Smith Graham & Company, bond proceeds investor, list all commercial paper holdings but do not show the ratings. Without this information, university personnel cannot quickly verify compliance with the investment policy.

Recommendation 77:

Modify the monthly reports of Smith Graham to include the rating for each security held in the portfolio.

University personnel should review the report each month to verify that all securities held comply with the university's investment policy with respect to ratings.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Financial Reporting sends a letter to Smith Graham requesting that the monthly investment reports include a column to show the rating on all securities held.	March 1999
2.	Smith Graham makes the requested modification to the report.	April 1999
3.	The director of Financial Reporting reviews the monthly reports from Smith Graham to ensure that all securities held comply with State law and the university investment policy.	May 1999 and thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Under the investment advisory contract with Gray & Company, their primary function is to assist the university in selecting asset managers and to evaluate the performance of the asset managers. The contract also allows the asset managers to place orders for the university's account through the brokerage facilities of Gray & Company. A potential conflict of interest exists between Gray & Company's broker/dealer relationship with asset managers and their duty to select and evaluate the investment performance of asset managers. While the review team saw no evidence that an actual conflict of interest is occurring, the appearance of a conflict of interest should be avoided.

Recommendation 78:

Modify the asset management consulting service agreement to prohibit Gray & Company and any affiliates from acting as broker/dealer for any transactions with the university's asset managers.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance consults with the university's legal counsel and requests a modification be drafted to the consulting service agreement with Gray & Company. The requested modification will prohibit Gray & Company from acting as broker/dealer for transactions with the university's asset managers.	March 1999
2.	The legal counsel prepares the requested modification and provides it to the vice president for Finance.	April 1999
3.	The vice president for Finance prepares and sends a letter to Gray & Company requesting a modification to the consulting service agreement, along with the proposed modification prepared by the legal counsel.	May 1999
4.	The university and Gray & Company execute the modification.	June 1999

FISCAL IMPACT

As the implementation plan anticipates that all work can be done by in-house personnel, no fiscal impact is anticipated.

FINDING

Oversight of investment managers by university personnel is minimal. The former-vice president for Finance is the only individual who reviewed the monthly and quarterly investment reports. He told the review team that he

relied primarily on the investment advisor to ensure that the investment manager is investing funds in compliance with state law and the TSU investment policy. The investment advisor does not review investment reports from Smith Graham.

There are no written procedures that establish responsibility for oversight of the investment advisor and investment managers or provide guidance on monthly review procedures to ensure compliance with State law and university policy.

Recommendation 79:

Develop and implement written policies and procedures for oversight of the investment managers and investment advisor.

The policies and procedures should include a monthly review to ensure compliance with state and TSU investment policies and restrictions, and the review should be documented.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance writes procedures for monthly review of investment statements received from the investment managers. The procedures include assignment of responsibility and steps to ensure compliance with the university investment policy.	March-April 1999
2.	The procedures for oversight of investment managers are implemented.	May 1999

FISCAL IMPACT

This recommendation can be accomplished with existing staff

Chapter 7
RISK MANAGEMENT

An effective risk management program provides cost-effective insurance
and loss-control techniques that minimize financial liability for the
university and its employees. Sound risk management involves:

- identifying operational areas where hazardous situations may occur
  or opportunities for physical property loss may exist in order to
  minimize exposure for potential financial loss; and
- analyzing the cost-effectiveness of health, worker's compensation
  and property insurance, as well as alternative insurance coverage
  such as self-insurance and other current industry trends.

CURRENT SITUATION

Property and liability insurance on buildings designated as Educational
and General (E&G) are self-insured by the State of Texas. TSU obtains
and pays for the following property and liability insurance coverage:

- property and casualty coverage for buildings designated as
  auxiliary;
- property and liability coverage for vehicles;
- school leaders legal liability;
- blanket employee dishonesty protection;
- commercial general liability protection;
- umbrella excess liability protection;
- crime protection coverage;

All property, casualty, and liability policies, with the exception of the
school leaders policy, are administered by the director of Facilities
Operations and Contracts. These policies were put out for bid in late 1996,
with bid opening in January 1997. The current policies provide for
insurance coverage through August 31, 1999. Buildings are insured at
replacement cost, with replacement cost determined in accordance with a
state formula.

Exhibit 7-8 summarizes the university's property, casualty, and liability
insurance coverage for Fiscal 1998.

Exhibit 7-8
Summary of Insurance Coverage
Fiscal 1999

Insurance	Type of Policy	Annual	Policy	Limits

Company		Premium, 1997-1998	Term	
St. Paul Mercury Insurance Company	General Liability	$67,586	9/1/98 - 9/1/99	$1,000,000 total limit; $100,000 premises damage limit; $5,000 medical expenses limit
St. Paul Mercury Insurance Company	Excess General Liability	$12,518	9/1/98 - 9/1/99	$1,000,000 excess total limit; $100,000 premises damage limit; $10,000 deductible each event
St. Paul Mercury Insurance Company	Property	$22,906	9/1/98 - 9/1/99	Replacement cost on each covered building; deductible of $75,000 per event with 80%/20% coinsurance
St. Paul Mercury Insurance Company	Auto Liability	$29,232	9/1/98 - 9/1/99	$1,000,000 combined bodily injury and property damage liability each accident
St. Paul Mercury Insurance Company	Auto Excess Liability	$8,303	9/1/98 - 9/1/99	$1,000,000 combined bodily injury and property damage liability each accident
St. Paul Mercury Insurance Company	Blanket Public Employee Dishonesty Protection	Premium included in General Liability	9/1/98 - 9/1/99	$100,000; $5,000 deductible
St. Paul Mercury Insurance Company	Law Enforcement Liability	$8,814	9/1/98 - 9/1/99	$1,000,000 per occurrence and aggregate annual limit; $5,000 deductible per occurrence
Savers Property & Casualty Company	School Leaders Legal Liability	$14,074	1/26/99- 1/26/2000	$2,000,000 aggregate limit of liability inclusive of defense costs; $100,000 deductible per

				occurrence

Source: TSU, 1999.

Health and life insurance for TSU employees is provided under the Texas Employees Uniform Group Insurance Program, the program under which all State employees are insured. This program offers a variety of coverages and carriers. All employee premiums for health insurance and the first $5,000 of life insurance coverage are paid by TSU. The employee pays partial premiums for spouses and dependents. For employees assigned to auxiliary operations, TSU charges the employer share of the premium back to the applicable auxiliary fund. The Human Resources Department of the university administers health and life insurance for all TSU and auxiliary employees.

Workers' compensation risk is self-insured by the State of Texas. Injured TSU employees initially file workers compensation claims with the Human Resources Department of TSU. The Human Resources Department forwards the claim to the State Office of Risk Management, which reviews the claim and determines eligibility for payment. The State Office of Risk Management notifies the employee of approval or denial of the claim, and also sends a copy to the TSU Human Resources Department.

The State charges workers compensation claims paid back to TSU in accordance with Accounting Policy Statement 017 issued by the Texas Comptroller of Public Accounts. For TSU employees paid from E&G funds, the university must reimburse the State Office of Risk Management for 25 percent of claims paid. For employees paid from auxiliary and restricted funds and other local fund accounts, TSU must reimburse 100 percent of claims paid.

FINDING

There are two student-related insurance policies. The first is an Athletic Insurance Policy that covers medical costs for injuries to student athletes who represent the university in intercollegiate athletics. This policy is administered by the Athletic Department. The second policy is a medical professional liability insurance policy which is used to provide liability insurance coverage to students of the College of Pharmacy and Health Sciences who work as interns in clinics and hospitals. The student interns pay the premiums for this coverage but the payments are administered by the administrative assistant in the College of Pharmacy and Health Science. The policy covers approximately 80 students for the period from November 13, 1998 through November 12, 1999. The policy has been

placed through the same insurance agency since 1989 and renewed annually. **Exhibit 7-9** summarizes the terms of these insurance policies.

Exhibit 7-9
Summary of Athletic Insurance and Medical Professional Liability
Insurance Coverage Fiscal 1999

Insurance Company	Type of Policy	Annual Premium, 1997-1998	Policy Term	Limits
Hartford Life Insurance Company	Athletic insurance; covers athletes while participating as a TSU team member	$68,131	8/1/98 - 8/1/99	$10,000 AD&D benefit; $25,000 accidental medical expense benefit; $2,500 dental benefit; $2,000 deductible
Chicago Insurance Company	Specified Medical Professional Liability	$798	11/12/98 - 11/12/99	$1,000,000 each incident or occurrence; $3,000,000 in the aggregate

Source: TSU, 1999.

The medical professional liability insurance policy was procured directly by the College of Pharmacy and Health Sciences. The policy has been renewed annually since 1989 and has not been put out for bid. University policy requires that all procurements be administered through the Purchasing department. Obtaining all services through the university's Purchasing department ensures that (1) competitive bids are solicited, opened and evaluated in accordance with State law and university policy, (2) the proposal process and bids are documented, and (3) the university obtains the best price for the coverage required.

Recommendation 80:

Put the medical professional liability insurance policy out for bid before renewing the current policy and administer the procurement process through the university's Purchasing Department.

Because the policy expires in November, a month-to-month contract to move the policy to a fiscal year basis may need to be written.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The administrative assistant in the College of Pharmacy and Health Sciences meets with the director of Purchasing to provide a copy of the current policy and develop a plan for requesting bids prior to renewal of the current policy.	February 1999
2.	The administrative assistant in the College of Pharmacy and Health Sciences and the director of Purchasing complete and issue a request for proposal.	August 1999
3.	The purchasing director opens bids and selects and notifies the winning bidder.	October 1999
4.	The new insurance policy becomes effective and is administered by the administrative assistant in the College of Pharmacy and Health Sciences.	November 1999

FISCAL IMPACT

Because the premiums for the medical professional liability insurance policy are paid by the students, there will be no fiscal impact to the university.

Chapter 7
RECORDKEEPING AND MANAGEMENT OF FIXED ASSETS

CURRENT SITUATION

Recordkeeping and management of fixed assets is the responsibility of the director for Facilities Operations and Contracts, who reports to the associate vice president for Facilities. The Facilities Operations and Contracts department is responsible for:

- Physical receipt of fixed assets from vendors;
- Tagging of all fixed assets with pre-numbered university inventory tags;
- Delivery of fixed assets to users;
- Updating the university detailed fixed asset subledger;
- Preparing journal entries for recording fixed asset transactions on the general ledger;
- Updating the State Property Accounting System maintained by the State Comptroller's office;
- Reconciliation of the fixed asset subledger to the university general ledger and to the State Property Accounting system;
- Annual physical inventory of fixed assets; and
- Annual certification to the State Comptroller that the physical inventory has been conducted, description of the method used, and a copy of the inventory.

The Facilities Operations and Contracts department operates a central receiving office and a warehouse. The central receiving office receives a copy of each approved purchase order for fixed assets. When items are received, the receiving report is compared to the purchase order to verify the accuracy of the shipment. In cases where no purchase order is on file, the Purchasing department is contacted to get the matter resolved, either by issuing a purchase order at that time or returning the goods.

Upon receipt of a fixed asset item in central receiving, the item is stored in a locked cage until the property accountant tags the item with pre-numbered university inventory tag and logs the description of the item. The item is then set up on the fixed asset subledger and the State Property Accounting system. When this is completed, the item is delivered to the user department, where the assigned property custodian signs an acknowledgment that the item has been received.

The review team was told that there are some cases where departments order goods directly from the vendor without a purchase order and the

items are received directly by the department. In those cases, the review team was told that the items are discovered when the vendor submits an invoice and there is no matching purchase order or receiving report. In those cases, the Accounts Payable Department forwards the invoice to the Purchasing Department, which then determines where the goods were received. The Purchasing Department then notifies Facilities Operations and Contracts so that the fixed asset accountant can locate the item, affix a university inventory tag, and set up the item on the fixed asset subledger and the State Property Accounting system.

The university's policy is to capitalize all items with an original cost in excess of $1,000. Additional "controlled " assets that cost less than $1,000 are also tagged and recorded on the fixed asset subledger and State Property Accounting system. "Controlled" assets are assets that the State Comptroller's Office determines must be secured and tracked due to the nature of the items, such as computers, printers, cameras, and audio and video recording equipment.

The detailed fixed asset subledger is reconciled monthly by the fixed asset accountant in Facilities Operations to the general ledger and to the State Property Accounting system. When completed, the reconciliations are signed by the accountant and submitted to the director of the department for review. After reviewing the reconciliations, he signs or initials the reconciliations to document his review.

One copy of the reconciliations is retained in Facilities Operations and one copy is sent to the assistant vice president for Business and Financial Services along with the completed journal vouchers for recording activity on the general ledger.

Responsibility and accountability for fixed assets is established and documented by requiring a property custodian to sign a receipt for all items received. All receipts are filed in Facilities Operations and the name of the custodian is entered on the university's fixed asset system. On an annual basis, each custodian is required to conduct a 100 percent inventory and verification of property for which they are responsible. The Facilities Operations and Contracts Department test counts approximately 10 percent of the items to verify the inventory done by each property custodian. When the annual physical inventory is complete, Facilities Operations certifies the count to the State in accordance with state property requirements.

The university follows the rules and procedures established by the State Comptroller in reporting missing or stolen property. All property found to be missing or stolen must be reported as such on the State Property Accounting system. The State Auditor's Office, the Office of the Attorney

General, and the university or city police department must also be notified. Deletion of missing property from the State Property Accounting system may be requested only after that property is not found for a minimum of three annual physical inventories and/or three calendar years from the time the item is determined to be missing. The university must notify the State Comptroller that the three-year waiting period has lapsed, and deletion is subject to approval of the State Auditor's Office. Stolen property must be reported to the police within 48 hours of identifying a theft. Upon filing of the police report and other required forms with the State Comptroller's Office and the State Auditor's Office, stolen property may be deleted, upon approval of the State Auditor's Office, without waiting three years.

Identification of surplus property and salvage property is the responsibility of the individual property custodians. Surplus property is defined as property that is in excess of the needs of the department. Salvage property is defined as property which through use, time, or accident is so depleted, worn out, damaged, or outdated that it is obsolete and can no longer serve the purpose for which it was originally intended. When property is identified as surplus or obsolete, the Facilities Operations and Contracts Department is notified. They then pick up the property, provide the property custodian with a receipt, and bring the property to the warehouse to be secured. The property accountant updates the fixed asset subledger and State Property Accounting system to show that the property has been removed from the custody of the assigned property custodian and moved into the warehouse. Surplus property is publicized to the TSU faculty and staff so that it can be reused where possible. Salvage property is turned over to a disposal contractor for sale or other disposition.

FINDING

TSU has sustained a high rate of missing or stolen property. **Exhibit 7-10** presents a comparison of the number and historical cost of inventory items flagged as missing or stolen on the State Property Accounting system for TSU and peer institutions.

Exhibit 7-10
Comparison of Missing Property, TSU and Peer Institutions
As of February 17, 1999

University	Missing Property on State Property Accounting System	
	Number	Dollars
Texas Southern University	365	$894,031
Sam Houston State	172	$285,753

University		
University of Texas-Pan American	96	$179,322
Stephen F. Austin State University	208	$286,954
Prairie View A&M University	16	$34,904
UT-Houston (Downtown)	0	$ 0

Source: Texas Comptroller's Office

The majority of inventory items that are missing or stolen are computer equipment, audio and video recording equipment, stereo and television equipment, and musical instruments.

Recommendation 81:

Put security procedures in place for buildings and equipment to prevent theft of fixed assets inventory.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Facilities Operations, the director of Public Safety (police chief), and the internal auditor visit each facility on campus and interview fixed asset custodians in each facility. Security is reviewed for each classroom, laboratory, office and other location where fixed assets are held. The review includes determining whether each room is equipped with locks, who has keys to each room and to the outside doors to the building, when the doors are locked and unlocked, and whether each room/office is locked when not in use.	April 1999
2.	The director of Facilities Operations, the director of Public Safety, and the internal auditor identify weaknesses in security procedures.	April 1999
3.	The director of Facilities Operations, the director of Public Safety, and the internal auditor write a security improvement plan and security procedures for each facility. The security improvement plan includes steps for tightening security, such as changing locks and restricting access to rooms and offices when not in use, and procedures to be used by security officers on patrol of campus. The security procedures include specification of procedures and responsibilities for each fixed asset custodian	May - June 1999

	to control fixed assets.	
4.	The security improvement plan and security procedures are submitted to the associate vice president for Facilities to review and approve.	July 1999
5.	When approved, the security improvement plan is implemented.	August 1999
6.	When the security procedures are approved, the director of Facilities Operations and the director of Public Safety visit each building on campus and meet with the fixed asset custodians. They provide a copy of the procedures to each fixed asset custodian, review the procedures in detail with the custodian, and obtain a signed acknowledgment from each fixed asset custodian to document that the procedures have been reviewed and understood.	September 1999

FISCAL IMPACT

The recommendation can be implemented with current resources.

Chapter 8
FISCAL POLICIES AND PROCEDURES

CURRENT SITUATION

The vice president for Finance has overall responsibility for all financial functions at the university. **Exhibit 8-1** shows the organization of these functions as they pertain to this chapter.

Exhibit 8-1
Texas Southern University
The Business and Financial Services Department
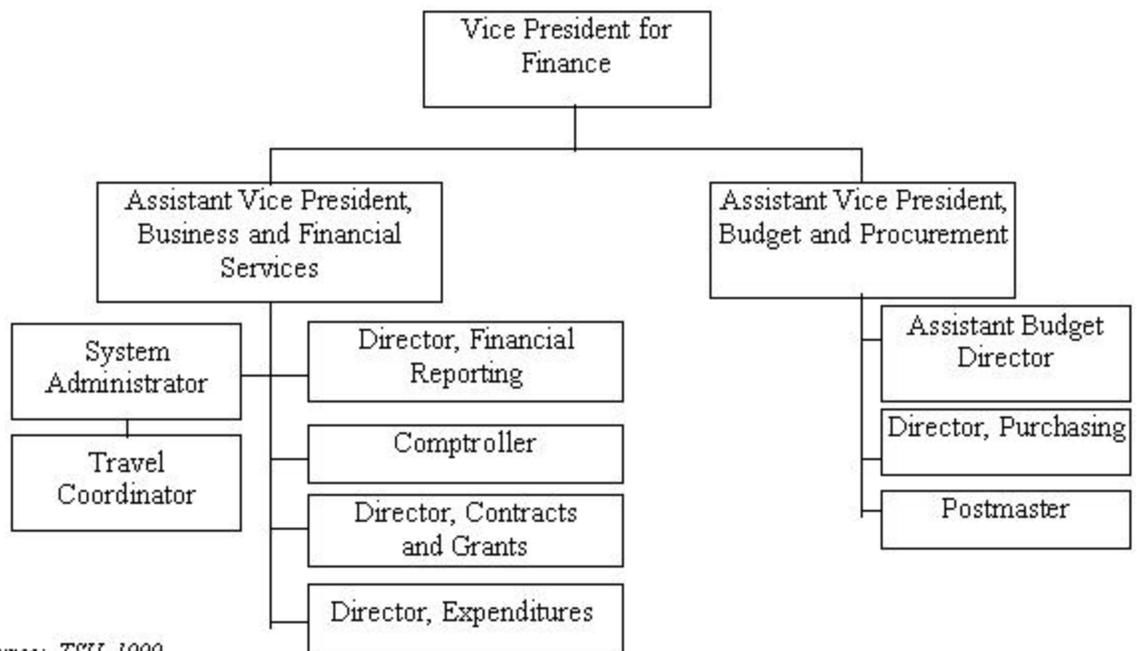
Source: TSU, 1999.

The Business and Financial Services Department provides fiscal management, financial reporting, and accounting services to the university. To improve the delivery of these services, the university decided in fiscal 1995 to convert from the College and University Financial System (CUFS) to a financial software package developed by Banner Financial. The conversion took place in 1998.

FINDING

One of the benchmarks established by the State Auditor's Office (SAO) includes a goal for TSU to have a current policy and procedures manual for all financial and administrative functions including the Banner system

modules by May 1, 1998. The latest *Policy and Procedures Manual* used by financial management personnel is dated November 1998. It does not contain information on the Banner system.

The manual was prepared with the help of the people who do the work; however, no formal training or cross-training has occurred. A lack of knowledge of existing policies and procedures, as well as the absence of how the Banner software is used in the processes, exposes the university to internal control risks that could result in financial loss.

Written policies and procedures can provide guidance to managers and staff, particularly when high turnover exists. TSU's comptroller position is vacant and the vice president for Finance was recently removed, and a new person was placed in this position. The current director of Financial Reporting has been on the job since September 1998 but had previous experience in TSU's Internal Audit department.

TSU officials recognize the need and value of policies and procedures and have made progress in this area. There is little evidence however, that individuals understand how the processes flow through the systems, or how the computer system can be used to enhance the current processes.

Recommendation 82:

Update policies and procedures for fiscal operations to include the Banner system modules and develop and implement a formal training program for all managers and staff assigned to Business and Financial Services and Budget and Procurement.

The existing manual will provide an excellent base from which to work. It is organized into the following functional areas, which should be retained:

- Accounting and Financial Records
- Grant Accounting
- Legislative Appropriations Request and Annual Budgeting Process
- Tuition and Fees
- Cash Receipts
- Purchasing
- Cash Disbursements and Expenditures
- Property Management
- Travel
- Payroll and Benefits

In addition, the updated manual should include a section that deals with the financial aid reimbursement process from federal and state agencies.

Once the manual is updated and revised to incorporate changes resulting from implementation of the Banner system, a training program should be developed. All managers and staff should be required to complete formal training in the policies and procedures that are pertinent to their departments. In addition, the training program should be repeated every six months to ensure that all new staff and managers are familiar with policies and procedures and to refresh the knowledge of those who previously have been through the training.

The refresher training courses also should be used as a forum in which revisions to policies and procedures are proposed based on system upgrades and other identified opportunities for improvement. A committee of senior managers in financial operations should be established to review proposals and adopt those which improve efficiency and effectiveness. It will be necessary to hire a consultant to update the *Policy and Procedures Manual.*

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance initiates the procurement process. Proposals are received and evaluated and a third-party consultant is hired.	Complete
2.	The chief operations officer designates the implementation team consisting of the consultant, the vice president for Finance, the internal auditor, and the assistant vice presidents for Business and Financial Services and Budget and Procurement. The implementation team reviews existing policies and procedures.	Complete
3.	The implementation team interviews staff and managers responsible for each function and prepares detailed flow charts of work flow, including how the Banner system is used.	Complete
4.	The implementation team reviews Banner documentation and identifies key internal control and security features to obtain an understanding of the Banner system.	March 1999
5.	The implementation team obtains concurrence with the flowcharts from the director or department head of each department.	March 1999
6.	The implementation team analyzes the flow charts, identifies control points, and determines if internal controls are sufficient.	March 1999
7.	The implementation team identifies unnecessary, inefficient or duplicative processes that serve no useful purpose from either a processing or control standpoint.	March 1999
8.	The implementation team revises flow charts to incorporate	March

	efficient workflow with adequate internal controls.	1999
9.	The implementation team works with the director or head of each department to ensure that all parties agree the flow charts are accurate.	March 1999
10.	The implementation team drafts new policies and procedures.	March 1999
11.	The implementation team obtains approval from the director or head of each department on the new policies and procedures.	March 1999
12.	The implementation team prepares a revised draft, incorporating comments.	March 1999
13.	The implementation team obtains a final sign-off on policies and procedures from each director or department head.	March 1999
14.	The implementation team finalizes policies and procedures and presents to the vice president for Finance.	March 1999
15.	The vice president for Finance directs that copies of the manual be made and distributed to the assistant vice president for Business and Financial Services, the assistant vice president for Budget and Procurement, and each director or department head.	April 1999
16.	The vice president for Finance directs the assistant vice president for Business and Financial Services and the assistant vice president for Budget and Procurement to establish formal training plans for each department.	April 1999
17.	The assistant vice presidents for Business and Financial Services and for Budget and Procurement establish formal training plans for each department. The plans include both the initial training dates and refresher training in six months. The plans also include procedures to make revisions to the policy and procedures manual, including soliciting input from the staff during each training session. The training schedules are distributed to the director or department head and the senior vice president for Administration.	April 1999
18.	The directors or heads of each department prepare a training agenda and materials. The directors or department heads arrange for appropriate facilities. The staff is advised of the training dates.	April 1999
19.	The directors or department heads lead training sessions for all employees in each department. Each employee and director or department head signs a dated sign-up sheet to document attendance and completion of the training.	April 1999

20.	To document completion of training, the director or department head for each department sends a copy of each completed sign-up sheet to the assistant vice president with overall responsibility for the department. The assistant vice presidents send a copy of the sign-up sheets to the senior vice president for Administration.	April 1999
21.	The next scheduled training date is noted on the calendar of the senior vice president for Administration, the assistant vice president for Business and Financial Services, the assistant vice president for Budget and Procurement, and by each director and department head.	April 1999
22.	Two weeks before the next scheduled training date, the assistant vice presidents send training reminder notices to the director or department head for each department, with a copy to the senior vice president for Administration.	October 1999
23.	The director or department head for each department repeats steps 18 through 20 at each training date. In addition, during each training session, the director or department head solicits input from the staff revisions that should be made to the policies and procedures.	October 1999
24.	The assistant vice presidents set the next scheduled training date in six months. The schedule is distributed to each director or department head and to the senior vice president for Administration. The next scheduled training date is noted on the calendar and/or tickler file of each individual.	October 1999

FISCAL IMPACT

Development of an updated financial policies and procedures manual is estimated to take 1,100 man-hours. Based on a weighted-average hourly cost of $75 for assistance from outside consultants, the cost will be $82,500.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Update policies and procedures for fiscal operations to include the Banner system modules and develop and implement a formal training program for all managers and staff assigned to Business and Financial Services and Budget and Procurement.	($82,500)	0	0	0	0

Chapter 8
BUDGETING

Effective financial management of a university requires a sound financial plan that allocates limited resources to all units within the university to ensure that the educational needs of the students are met efficiently. The financial plan should support the university's mission by providing quality and timely information to management to help them make prudent financial decisions.

A university's budget document has four major purposes:

- communication;
- operations guide;
- policy document; and
- financial plan.

A budget document is effective when it can be used by both division staff and the community at large to understand the inner workings of the university.

CURRENT SITUATION

The Budget and Procurement Department is responsible for developing the annual budget. The budget process has two major steps. The first step is the development of the Legislative Appropriation Request (LAR). The second step is the development of the annual operating budget.

Legislative Appropriations Request

The Legislative Appropriations Request is the financial expression of the priorities in the university's strategic plan and serves as the bridge between the strategic planning process and the General Appropriations Act. State agencies develop an action plan and operating budget to implement the strategies funded in the General Appropriations Act. Following passage of the General Appropriations Act, TSU may find it necessary to revise its strategic plan and related outcome, output, and efficiency measures.

TSU's Budget and Procurement department and the State Comptroller's Office closely monitors TSU's expenditures to ensure appropriated funds are used for their intended purposes. The Legislative Budget Board and the Governor's Budget and Planning Office primarily also use a variety of reporting mechanisms to monitor TSU. Those reporting mechanisms include: TSU's operating budget; the Uniform Statewide Accounting System (USAS); the reconciliation of USAS information with information

contained in the Automated Budget and Evaluation System of Texas (ABEST); and performance reports submitted by TSU to the two budget offices via ABEST.

The majority of funds requested in the departmental budgets are provided through state appropriations. The legislative budget process allocates funding based on enrollment, student credit hours, and formula rates recommended by the Texas Higher Education Coordinating Board and approved by the Legislature. The process results in a one to two-year lag between the generation of student credit hours and the appropriation of funds.

Annual Operating Budget

The annual operating budget estimates income by source and expenditures by budgetary unit. The budget is presented in two parts, Part I-Personnel Salaries and Wages, and Part II-Revenues and Expenditures. Budgeted expenditure authorizations are listed by object classification within each budgetary include: salaries; travel; maintenance and operations; and capital outlays for equipment. Individual positions are listed by salary classification and reflect: position title (or name and title if the position is filled); number of months of employment; current year salary; and recommended salary. Budgets are prepared within the limits of legislative appropriations and other estimated TSU generated funds.

The Budget and Procurement Department develops the calendar for the budget development process and instructions for budget preparation. **Exhibit 8-2** shows the current budget calendar for fiscal 1999.

Exhibit 8-2
Budget Calendar for Fiscal 1999

April 7, 1998	Materials sent from Budget Office to area vice presidents for distribution to deans and supervisors
April 24, 1998	Materials due to deans or supervisors from departmental personnel
April 27-30, 1998	Review period for deans and supervisors
May 1, 1998	Final date for submitting materials to the Budget Office
May 18-22, 1998	Budget hearings

June 10, 1998	Budget submitted to president
June 12, 1998	Budget review
June 18, 1998	Finalize university budget
July 2, 1998	Budget submitted to Board of Regents (finance committee)

Source: TSU, 1999.

TSU's fiscal 2000 operating budget planning process is scheduled to begin in March 1999. In fiscal 1999, 64.1 percent of annual revenues came from state general revenue appropriations. The remainder of TSU's revenue is locally generated. **Exhibit 8-3** presents a TSU budgeted revenue summary for fiscal 1999.

Exhibit 8-3
Revenue Summary for Fiscal 1999

Educational and General Funds:		
1. Educational & General State Support	$26,330,591	
Total State Appropriations		$41,325,294
Less - Estimated Shortfall E & G Revenues (97-	(2,762,739)	
Less - Texas Public Education Grants (97-98)	(1,243,888)	
Less - Skiles Act Fee (97-98)	(76,053)	
Total Educational and General Funds		$37,242,614
Designated Funds:		
1. Designated Student Fees	6,649,808	
2. Other Designated Activities	1,518,533	

2.	Other Designated Activities	1,518,533
	Total Designated Funds		8,168,341

Auxiliary Enterprises Funds:

Auxiliary Enterprises   6,442,175

Total Auxiliary Enterprises Funds   6,442,175

Restricted Funds:

Indirect Cost Allowance   595,829

Total Restricted Funds: 595,829

Plant Funds:

1.   HEAF Bonds Series - 96 Funds   65,000
2.   Higher Education Assistance Funds   8,199,288

Total Plant Funds   8,264,288

GRAND TOTAL - ALL FUNDS $60,713,247

Source: TSU, 1999

FINDING

The Budget and Procurement Department prepares detailed budget instruction packages for TSU departments, which include the schedule shown in **Exhibit 8-2** as well as a schedule of budget hearings. The package includes a summary of TSU's goals and objectives and stresses that all budgeting units should develop their plans to conform with these goals and objectives.

The budget instruction package provides a summary of how the annual plan should be structured, cites a page number limitation, provides forms for completion, and cites the university's priorities for the upcoming budget year.

TSU's budget process is not well received. Not all participants in the budget process understand the relevance of the budget and how it fits into the big picture of TSU's operations. Some feel that the budget is developed in a vacuum.

The Budget and Procurement Department notes that department responses have not been timely, which results in less time for the Budget and Procurement Department to analyze and review submissions.

The current budget process proves frustrating for a number of its participants because they do not understand the complete process and their role in the process. The Budget and Procurement Department spends a great deal of time fielding questions and making corrections that could have been avoided if there was an opportunity to explain TSU's budgeting process.

Recommendation 83:

Develop an annual budget preparation workshop for all personnel involved in the budget process to review and discuss TSU's priorities for the upcoming year.

A workshop environment can be a useful tool in budget planning. The Budget and Procurement Department should not only give high level information about the budget process, but should provide answers to the participants' questions and specific concerns. Before developing the workshop agenda, the Budget and Procurement Department should send a questionnaire to all departments and schools asking the users what information they think would be most useful. Then, the workshop should be developed around the users' questions.

The workshop will allow the Budget and Procurement Department to operate more efficiently by providing clearer direction to the budget preparation participants. The setting also will work to increase consistency in unit budget, because interpretations, explanations, or clarifications can be uniform.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The assistant vice president for Budget and Procurement develops a questionnaire soliciting input and sends it to all	March 1999

	budget units.	
2.	After identifying the user needs based on the response to the questionnaire, the assistant vice president for Budget and Procurement develops an interactive budget workshop.	March 1999
3.	The assistant vice president for Budget and Procurement holds the budget workshop to begin the budget process.	April 1999 and each year thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

TSU does not take advantage of the budget certification programs offered by Government Financial Officers Association (GFOA). The certification program is designed by public sector business management professionals and is intended to encourage governments to prepare budget documents of the highest quality to meet the needs of decision-makers and citizens. Since the program was first established in 1984, participation has grown from 113 to 851, including several colleges and universities.

Universities can use these programs to build a solid foundation for developing, analyzing, and presenting budget information. Under the award program, universities submit their budgets for evaluation by review teams comprised of accredited, experienced school business administrators, chief accountants, and auditors. Review teams, which are totally independent of the university reviewed, comment on the submitted budget, noting both strengths and weaknesses.

To receive an excellence award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The GFOA criteria include:

- Executive summary;
- Organizational charts;
- Mission statements;
- Description of the budget process;
- Financial and programmatic policies and goals;
- Budget message that articulates priorities and issues; and
- Charts and graphs used to aid in understanding detailed data.

Recommendation 84:

Prepare and submit TSU's annual budget document to the GFOA for professional certification.

Preparing and presenting a budget document that conforms to GFOA guidelines ensures that TSU is presenting consolidated and concise information to the public. The award process also can help university business officials sharpen their budgeting skills and improve the presentation and communication of financial plans to the community. The benefits of earning an award include:

- Enhanced credibility for the university's budget with the community;
- Enhanced report presentation;
- Individual recognition;
- New ideas;
- Increased visibility;
- Confidential feedback on the budget document and budget process;
- Continuing education credits; and
- Professional growth for the budget staff.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Finance and the assistant vice president for Budget and Procurement develop a plan for preparing and submitting a budget for certification.	May 1999
2.	The assistant vice president for Budget and Procurement submits the budget document to the GFOA for certification in 1999-2000.	September 1999

FISCAL IMPACT

This recommendation can be implemented with current resources.

Chapter 8
COMPLIANCE WITH THE TAXPAYER RELIEF ACT OF 1997

CURRENT SITUATION

Beginning in 1998, certain taxpayers paying qualified tuition and related expenses to an institution of higher education allowed to claim a Hope Scholarship Credit, a Lifetime Learning Credit, or claim a deduction for qualified student loan interest against their federal income tax liability whether or not they itemize other deductions. Qualified tuition and related expenses are the tuition and fees an individual is required to pay to attend college. Section 6050S of the Internal Revenue Code (as enacted by the Taxpayer Relief Act of 1997 (the Act), Pub. L. No. 105-34, section 201(c), 111 Stat. 804 (the Act)) defines new information reporting requirements that will apply to TSU in connection with these tax credits.

The Hope Scholarship credit is available for qualified tuition and related expenses paid after December 31, 1997, in taxable years ending after that date for education furnished in academic periods beginning after December 31, 1997. It is available only for the qualified tuition and related expenses of students enrolled at least half-time in the first two years of postsecondary education and can be claimed in no more than two years for each student.

The Lifetime Learning Credit is available for qualified tuition and related expenses paid after June 30, 1998, in taxable years ending after that date for education furnished in academic periods beginning after June 30, 1998.

A qualified education loan is defined as a loan used to pay the costs of attendance at an eligible educational institution for a student enrolled at least half-time in a program leading to a degree, certificate, or other recognized education credential. The student must be the taxpayer, the taxpayer's spouse, or the taxpayer's dependent at the time the loan was taken. A loan made by an individual who is related to the borrower, within the meaning of section 267(b) or section 707(b)(1), is not a qualified education loan. For purposes of the student loan interest deduction, costs of attendance are reduced by educational assistance that the student receives and excludes from gross income under section 127, 135, 530, or as a scholarship. The student loan interest deduction is available only for interest payments made during the first 60 months, whether or not consecutive, in which interest payments are required on the loan. Notice 97-60, 1997-46 I.R.B. 8, provides additional information about the student loan interest deductions.

FINDING

Beginning in 1999, TSU will be required to submit annual information returns (Form 1098-T for Tax Credits, Form 1098-E for Interest Paid) to the Internal Revenue Service (IRS) for each student on whose behalf qualifying payments are received or reimbursements or refunds are made. For reporting year 1998, each return must contain the following information:

- the name, address, and taxpayer identification number (TIN) of TSU;
- the name, address, and TIN of the student;
- an indication as to whether the student was enrolled for at least half the full-time academic workload during any academic period starting in 1998;
- an indication as to whether the student was enrolled exclusively in a program or programs leading to a graduate-level degree, graduate level certificate, or other recognized graduate-level educational credential; and
- other information as the Treasury Secretary may later prescribe.

Beginning in reporting year 1999, the following additional information will be required:

- the name, address, and TIN of any individual certified by the student to claim the student as a dependent; and
- the aggregate qualifying amount.

TSU also will be required to report this information to all students who are enrolled at least half-time in the institution for any academic term beginning in 1998. A student will be considered enrolled at least half-time if the student is enrolled for at least half the full-time academic workload for the course of study the student is pursuing as determined according to TSU's standards. TSU's standard for a full-time workload must equal or exceed the standards established by the Department of Education.

These information returns for reporting year 1998 must be sent to the IRS by March 1, 1999. TSU may file the 1998 information returns on paper or on magnetic tape. TSU must provide each student a copy of the appropriate 1098-T or 1098-E (or an acceptable substitute form) containing the same information that is provided to the IRS by February 1, 1999. In addition, the statement provided to the student must contain the phone number of the individual serving as information contact at TSU.

The IRS is developing an optional Form W-9S for collecting necessary information. TSU will have the option of using this form to collect a

student's name, address, and TIN. TSU can collect information from students for 1998 information reporting purposes on a paper or an electronic version of Form

W-9S (or an acceptable substitute). TSU also may collect the necessary information by using its own forms and procedures.

As of April 24, 1998, TSU had not begun addressing the impact that these additional reporting requirements will have on the Finance Department. While the existing data processing system (Banner Financial) does not capture all information necessary to create the newly required reports, it is reasonable to expect that the necessary software modifications will be available within an acceptable time frame for implementation. The other critical factor that will impact TSU's ability to successfully implement these reporting requirements is the accuracy of the data contained in the student database.

TSU does not have a financial information system nor the necessary related processes in place to comply with new information reporting guidelines and regulations for the Hope Scholarship and Lifetime Learning tax credits contained in the Taxpayer Relief Act of 1997.

For periods after 1998, failure to comply with the reporting requirements discussed above will subject TSU to the assessment of financial penalties by the Internal Revenue Service.

During 1998, the Treasury Department intends to issue final regulations under section 6050S, and modify the regulations under Section 6050H, to provide guidance on how payees are to comply with the requirements of the new statute. Until these regulations are adopted, no penalties will be imposed under Sections 6721 and 6722 for failure to file correct information returns with the IRS or to furnish correct statements to the payers with respect to whom information reporting is required. Furthermore, even after the regulations are adopted, no penalties will be imposed under Sections 6721 and 6722 for failure to file correct information returns or furnish correct statements for 1998 as required by Section 6050S if the payee made a good faith effort to file information returns and furnish statements in accordance with the IRS notices currently in effect.

Recommendation 85:

Implement the necessary system updates and modify related processes to comply with new guidelines and regulations for the Hope Scholarship Credit, Lifetime Learning Credit, and qualifying educational loans contained in the Taxpayer Relief Act of 1997.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The vice president for Finance forms an implementation task force made up of representatives from financial operations, data processing, financial aid, the registrar, internal audit, and from Banner Financial.	Complete
2.	The vice president for Finance determines when updates to the appropriate Banner Financial modules will be available.	Complete
3.	The vice president for Finance distributes data collection forms to gather updated student information at the end of the summer term and the beginning of the fall term. The Finance Department uses IRS forms or develops an in-house TSU form to obtain student information.	Complete
4.	Using updated information, the vice president for Finance makes appropriate corrections.	Complete
5.	The vice president for Finance prepares and forwards appropriate 1098s to the students.	March 1999
6.	The vice president for Finance prepare and forwards appropriate 1098s to the IRS.	March 1999

FISCAL IMPACT

According to the vice president for Finance, Banner Financial is developing a software update that meets the requirements of the Taxpayer Relief Act of 1997. The cost and implementation date for the update had not been determined by the conclusion of the review. As a result, the fiscal impact cannot be determined at this time.

Chapter 8
ACCOUNTS PAYABLE AND PAYROLL

CURRENT SITUATION

Accounts Payable

The Accounts Payable Department is responsible for the timely processing of payments for properly documented invoices. These documents primarily include payments to third-party vendors and travel reimbursements to TSU employees.

Payroll Operations

The Payroll Department is composed of a supervisor reporting to the assistant vice president for Business and Financial Services and two payroll accountants. All positions are filled with permanent employees with experience ranging from six to 16 years at TSU. The department is responsible for the processing of five separate payrolls per month. These payrolls have been internally designated as follows:

- state;
- semi-monthly one, run on first and fifteenth of the month;
- semi-monthly two, run on first and fifteenth of the month;
- local; and
- student (work study).

The state payroll, made up chiefly of professionals and faculty, is the largest in TSU's budget, including approximately 70 percent of the TSU employees.

The semi-monthly payrolls are made up primarily of hourly employees, such as the custodians and other maintenance workers. Many of these employees are paid a combination of state and local funds, and TSU is reimbursed for the state portion of these payrolls.

The local payroll is made up of individuals who are paid from restricted or auxiliary funds such as grants. And the student payroll is comprised of students on various TSU work study programs.

The setup and maintenance (address changes, status changes, changes in pay rates, changes in withholding tax information, etc.) of employee records are performed in the Human Resources Office. The remaining payroll processing functions are performed in the Payroll Department,

providing effective separation of payroll-related functions and internal control.

Timesheets are produced and distributed by the Payroll Department. They are filled out by employees, approved by the appropriate supervisors, and returned to the Payroll Department for data entry. Necessary corrections and adjustments to current pay that occur after the current monthly cutoff for each payroll are processed in the following pay period and adjusted or netted from the employee's next paycheck.

All payrolls except the state payroll are processed in house. Checks for the state payroll are produced by the Claims Division of the State Comptroller of Public Accounts. The state payroll is the only payroll using direct deposit. Approximately 1,500 checks and/or pay stubs are produced and distributed monthly.

All checks for in-house payrolls clear through one bank account, which is reconciled monthly by the Financial Reporting Department. All canceled payroll checks are retained and stored under the control of the Financial Reporting Department.

Payroll checks are sequentially pre-numbered, kept in a secure area, and all check numbers are accounted for. Checks are signed (by machine) in the office of the senior vice president of Administration and Finance and returned to the Payroll Office to be stuffed into envelopes and sealed. The checks are then forwarded to the Bursar's Office where they are picked up by designated departmental representatives for final distribution.

In conjunction with the internal audit department, an annual payroll payout is performed to identify any potentially fraudulent payroll activity. A payroll payout requires employees to pick up their checks in person from payroll and internal audit personnel. Employees are required to produce a current TSU identification card to verify their identity. This internal control procedure confirms accuracy of payroll records and ensures employees are not receiving multiple paychecks using dual identities.

The current payroll system used at TSU is the People Oriented Information System for Education (POISE). Conversion to the Banner Financial System is in progress.

FINDING

Invoices are not being date stamped when received. As a result, it is difficult to assess compliance with the Texas Prompt Payment Act, which mandates that invoices be paid within 30 days of receipt. Failure to

comply with this act will subject TSU to liability for interest payments on overdue balances. There is no evidence that TSU had paid interest on any overdue balances to date.

The current procedure for processing invoices is to match them with purchase orders and receiving reports before system entry. Invoices are considered to be received on the date entered into the accounts payable system. Invoices are selected for payment from an open invoice report. Checks are produced in time to use vendor discounts (when offered). However, payments are issued late due to problems in the check distribution process.

Accounts Payable personnel are currently using an interim form that requires comparison of old (CUFS) and new (Banner) purchase order data to avoid duplicate payments for purchase orders open at the time of conversion.

Check processing is performed every business day. As familiarity with the new system increases, the accounts payable supervisor said this processing would be reduced to twice weekly. Accounts payable processes approximately 700 to 800 checks weekly.

Checks are stored in a secure area and retrieved at the time they are printed. After the check printing process is complete, unused checks are returned to the secure area. Checks are pre-numbered and all checks, including voids, are accounted for and listed on a report of daily totals forwarded to the Comptroller for cash management purposes.

After checks are signed, they are returned to the accounts payable department for final processing. Source documentation is retained and filed and checks are prepared for mailing. Checks are currently forwarded to the Bursar's office for distribution. Both the accounts payable supervisor and the facilities manager indicated that an excessive number of vendor inquiries are received because of check distribution delays experienced in the Bursar's Office.

Recommendation 86:

Develop a system to promptly pay all invoices to maximize interest earning and avoid penalties.

IMPLEMENTATION PLAN AND TIMELINE

1.	The supervisor of Accounts Payable, with assistance from the assistant vice president for Business and Financial Services and the director of Purchasing, develops a process and procedures for	March - June 1999

	prompt payment of all invoices.	
2.	The supervisor of Accounts Payable explains the new procedures of the payment process to all the staff involved in bill payment process, and explains their individual responsibilities.	July 1999
3.	The supervisor of Accounts Payable periodically analyzes the turnaround time in bill payment process and implements changes to enhance the process.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 8
ACCOUNTS RECEIVABLE

CURRENT SITUATION

The Accounts Receivable Department consists of a supervisor and two staff persons who report to the TSU Comptroller. One staff person is designated as an accountant II and one is as a loan collection officer. The accountant II position is currently filled by a temporary employee.

The supervisor said the current workload consists of student billings, student counseling, and processing financial aid refund checks to students.

FINDING

According to the supervisor, everyone in the Accounts Receivable Department work on billings, student counseling, and processing financial aid refund checks to students. No time remains for collection efforts. TSU performs no collection activity on federal loans to students under the National Direct Student Loan program. TSU uses two outside billing agencies to collect these loans, and these loans are not on TSU's billing system.

The amount of student accounts receivable resulting from billings such as, tuition, dorm fees, and loan advances, is substantial, and most of the balances are past due. Further, the department has no process in place regarding the making of loans to students, nor procedures for collecting them. According to a student accounts receivable aging report as of February 22, 1999, the balances were significant. The amounts receivable by aging category are shown in Exhibit 8-4.

Exhibit 8-4
Summary of Student Accounts by Aging Category
As of January 31, 1999

Aging Category	Balance
0 to 180 days	**$4,231,959**
181 to 359	**229,468**
360 to 720	**1,374,007**
721 +	**5,536,805**
Total account balance	$11,372,239

Recommendation 87:

Establish a process and procedures to limit the amount of student debt and systematically collect all outstanding debt, and hire a full-time staff person to collect student accounts receivable.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The supervisor of Accounts Receivable and the TSU Comptroller establish a process and develop procedures to limit student debt and collect outstanding debt and write job descriptions of all staff in the department, including a collector position.	March 1999
2.	The university comptroller contacts the Human Resources Office and initiates a job posting for a collector.	May 1999
3.	The Human Resources Office posts the job opening.	June 1999
4.	The Accounts Receivable supervisor and the TSU comptroller interview qualified job applicants and select the best candidate.	August 1999
5.	The applicant is hired, trained, and works daily to collect accounts receivables.	September 1999 and Ongoing

FISCAL IMPACT

The salary of an Accountant III at the university ranges from $2,254 to $2,437 monthly. Using the midpoint monthly salary of $2,345 plus benefits of 26.3 percent, the total annual salary and benefits for a full-time collector is $35,544. Using the balances shown in the aging report by student, an aggressive collection program should be able to bring an additional 10 percent of all balances less than 359 days old or $446,143 annually. Net savings from hiring a collector and increasing collections is estimated to be $410,599.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Establish a process and procedures to limit the amount of student debt and systematically collect all	$410,599	$410,599	$410,599	$410,599	$410,599

outstanding debt, and hire a full-time staff person to collect student accounts receivable.					

FINDING

Accounts Receivable reports have in the past been produced in two different ways-one aging report by student and the other by fund group. These two reports were not in balance. The Accounts Receivable supervisor did not know why the reports had different balances or which report was correct.

On April 1, 1998, the university converted to the Banner computer system for general ledger processing. The Banner system is used as the subledger system for student accounts receivable. With the general ledger conversion, direct automated posting of accounts receivable activity to the general ledger was supposed to occur daily. However, the supervisor indicated that dates must be manually entered for the various financial systems to update. Moreover, no reports by fund group are yet available through Banner. Requests have been submitted to correct this problem, but the system has not been successful in running these reports to date.

The Accounts Receivable supervisor told the review team the general ledger is not reconciled to the subsidiary ledger except at fiscal year end. This adjustment normally is based on the aging report by fund group. However, because the Banner system cannot yet produce this report by fund group, the report by student was used to close the books for fiscal 1998. Because the two accounts receivable aging reports have previously had different balances and no investigation has been possible to reconcile the differences, the balance recorded in the annual financial report of the university is based on a single unreconciled report.

Recommendation 88:

Correct the problems with the Banner system, produce reports, and then investigate, identify, and rectify the reporting difference to ensure that all accounts receivable balances are correctly stated.

The university comptroller and the Accounts Receivable supervisor should ensure that the accounts are posting accurately each day by performing a daily reconciliation of the student receivables subsystem to the general ledger. During the initial Banner implementation and transition, there must also be a test to verify that the appropriate revenue accounts are being posted properly when accounts receivable journal entries post to the general ledger.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Accounts Receivable supervisor and the comptroller meet with the manager of Information Technology to resolve the report production problems.	Complete
2.	The manager of Information Technology assigns the task to an analyst. The cause of the differences is identified and communicated to the manager of Information Technology, the Accounts Receivable supervisor and the TSU comptroller.	March 1999
3.	The analyst modifies the programs that process information and generate the accounts receivable aging reports, resulting in reports with the same totals by aging category.	March 1999
4.	The Accounts Receivable supervisor develops a standardized format for reconciling the Banner student receivables system to the general ledger each day.	April 1999
5.	The Accounts Receivable supervisor trains a staff accountant to perform the daily reconciliation of the Banner student receivables system to the general ledger each day.	April 1999
6.	The staff accountant prepares the reconciliation each day. The Accounts Receivable supervisor reviews the daily reconciliation to ensure it has been prepared properly and all required adjustments prepared.	April 1999 and thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources because university personnel can perform all duties included in the implementation plan.

FINDING

TSU has no written policy governing charge-off accounts. Accounts are charged off as uncollectible when they become 365 days old, but are not removed from the accounts receivable subledger nor the general ledger. As a result, the gross balances of student receivables and the associated allowance accounts may be overstated on the general ledger and in TSU's financial reports even though the net balances are correct.

Recommendation 89:

Formalize TSU's charge-off and collection policies related to charged off accounts.

Statements are sent to students once per semester after their last installment payment is due. There is no follow up or collection activity.

Student accounts receivable over 365 days old should be removed from the general ledger. The accounts receivable department personnel should keep an off balance sheet subledger that reflects charged-off accounts and related recoveries.

IMPLEMENTATION PLAN AND TIMELINE

1.	The Accounts Receivable supervisor and the Comptroller draft policies to address charge-off and collection procedures.	March 1999
2.	The Board of Regents approves new charge-off and collection procedures.	April 1999
3.	The Accounts Receivable supervisor and the comptroller implement the board-approved policies.	May 1999

FISCAL IMPACT

The policies and procedures can be written and implemented with exisiting resources.

Chapter 8
CONTRACTS AND GRANTS MANAGEMENT

CURRENT SITUATION

Contract and grant proposals from the federal government and non-federal sources are reviewed by the appropriate dean and the dean of Research and Sponsored Programs. The project director or principal investigator develops the proposal, budget, and project plans, and transmits the proposal to the department head or dean. The department head or dean reviews the proposal for consistency with the department or college's mission, availability and commitment of department resources, availability of support resources such as time, space and finances, and ensures that all faculty and department obligations will be met.

The Contracts and Grants Accounting Department (C&G) reviews proposals to ensure correct use of indirect cost rates and fringe benefit rates in budget development. Indirect cost rates are rates applied to calculate the amount of facilities and administrative costs to allocate to grants and contracts. TSU's indirect cost rates were determined in accordance with the U.S. Office of Management and Budget (OMB) Circular A-21 and have been approved by the U.S. Department of Health and Human Services for use on grants, contracts and other agreements with the federal government. As a practical matter, non-federal government grantors also accept these rates for allocating indirect costs. Fringe benefit rates are the rates applied to base salaries to allocate costs to grants and contracts for life insurance, health insurance, unemployment insurance, worker's compensation insurance, and retirement plan contributions.

After approval by the department head and by C&G, the dean of Research and Sponsored Programs reviews the proposal for consistency with established university policies and to ensure that the proposal has addressed issues such as indirect costs, cost sharing, and establishment of new positions and space. After all approvals have been granted, the project director or principal investigator delivers the proposal to the potential funding agency. When a contract or grant is awarded, C&G sets up a file for the award, which includes a copy of the award documents, the approved budget, the name of the project director or principal investigator, and all information needed for reporting and billing.

All requests for expenditure of funds on a grant or contract come through C&G, which reviews each request to ensure that the expenditure is allowable and reasonable under the provisions of the applicable contract or

grant. Expenditures approved by C&G are sent to the Purchasing Department where they are processed in accordance with the university's regular purchasing procedures. Payments to individuals under contracts or grants must be approved by the Human Resources Office before processing to ensure compliance with all employer/employee relationship guidelines.

C&G is composed of a director and four accountants. The director of C&G reports to the assistant vice president for Business and Financial Services.

Two Accountant IIIs are assigned specific contracts and grants to administer. Their functions include reviewing requests for expenditure for compliance with contracts and grants, preparing billings to grantors and contractors for reimbursement of expenditures, collecting billings, and preparing required financial reports.

C&G maintains a grants database on an Excel spreadsheet. Each Accountant III is responsible for updating the database for assigned contracts and grants. Each accountant also maintains his or her own spreadsheet to assist in managing the work flow. The grants database is used to identify dates for billing grantors and contractors for reimbursement of expenditures and to identify reporting due dates. Quality control over billing and reporting consists of internal management review.

FINDING

C&G has developed an Excel database containing the status of billings, collections, and reporting for contracts and grants. The grants database lists approximately 200 separate contracts and grants. This database is not regularly updated because of the continuous change in personnel. Without an effective set of management reports, there is no way to track and manage the billing, collection, and reporting process for this number of awards.

Each accountant is responsible for updating the spreadsheet for the accounts assigned to them, but when vacancies occur, segments of the spreadsheets are not kept up to date.

Using the reports generated by the system, the review team identified numerous discrepancies. The number and magnitude of the discrepancies suggest that the reports can be a valuable tool for monitoring the C&G process, but a lack of resources has prevented the effective use of this tool. Examples include:

- For 34 grants, expenses exceeded receipts by a total of $259,808, but no billings have been sent.
- For 52 grants, receipts exceed the award amount shown. If this is correct, it means that the university has billed and been paid by the grantor for more than the amount approved in the grant, and the excess funds should be returned.
- For 11 grants, the award amount field is blank.
- For 21 billings shown on the spreadsheet, the "Billed Date" field is blank.
- For 37 unpaid billings totaling $177,312 the fields showing outstanding bills and aging of bills are blank.
- For unpaid billings that are reflected in the fields that show outstanding bills and aging, there are 16 billings over 6 months old with a total unpaid balance of $109,813.
- In most cases, the amounts billed have little or no apparent relationship to the total receivable amount shown on the spreadsheet. In a number of instances, receivables indicated as due have not been fully billed, while in other cases, receipts have exceeded expenses but additional billings to the grantor have been sent.

The C&G database was brought current through August 31, 1998, but system delays in updating all financial transactions of the university are preventing updating and reconciliation of the C&G database because nothing can be billed until the ledgers of the university are closed.

Recommendation 90:

Perform a full audit of the grants database, including a review of each grant and contract file for compliance with all terms and conditions, and update the database so that it is current and accurate.

Once the general ledger transactions are posted and the grants database spreadsheet has been brought current, the department should develop and implement procedures to ensure and the accuracy of the database and writes procedures to regularly monitor and verify the data in the system.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Once the university's ledgers are closed, C&G accountants make all entries to the database.	March 1999
2.	The C&G accountants perform an audit of its database to reconcile all discrepancies.	May1999
3.	The director of Grants and Contracts and the internal auditor review the work of the accountants and make any corrections.	June 1999

4.	The director writes procedures for daily update and quality control review of the database. Quality control will require that someone other than the person who enters data on the spreadsheet perform a second review and verification of the data entered each day.	July 1999
5.	The director presents the draft procedures to the assistant vice president for Business and Financial Services for review and comment.	August 1999
6.	The director finalizes the procedures and presents the new procedures to the accountants and conducts a training session.	August 1999
7.	The accountants implement the new procedures.	September 1999 and Thereafter

FISCAL IMPACT

This recommendation can be implemented with existing resources. Additionally, the university will realize benefits through more effective and timely billing and collection contracts and grants.

FINDING

The State Auditor's Office has recommended a full staff for the C&G Department and that they remain current in complying with all grant requirements and in obtaining reimbursement from the grantors.

C&G was not fully staffed as of February 10, 1999. The Accountant I position has been vacant since November 1998. The director of the department told the review team this position has not been posted.

TSU is not current on all billings, with billings completed only through August 31, 1998 according to the director of C&G. The delay is directly affected by the system problems. Consequently, every day that the university delays closing the ledgers prevents the billing of grants, TSU is losing considerable amounts of interest on billings that are not issued.

Recommendation 91:

Fill the vacant accounting position and update grant billings.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of C&G posts the vacancy	March 1999

2.	The director of C&G interviews qualified applicants for the accounting position.	April 1999
3.	The director selects the best applicant and request the Human Resources Office to make an offer.	May 1999
4.	The new accountant begins work, receives training, and receives assignments from the director.	June 1999
5.	The director assesses the current status of billing for all contracts and grants using the updated grants database.	Weekly, beginning June 1999

FISCAL IMPACT

The university will realize financial benefits by accelerating cash flow through more timely billing and collection of contracts and grants, however, the actual amount cannot be determined.

Chapter 8
REGULATORY REPORTING, MANAGEMENT REPORTING, AND INTERNAL AUDIT/INTERNAL CONTROL

CURRENT SITUATION

Regulatory Reporting

TSU is required to comply with the following regulatory reporting requirements:

- An annual report must be prepared and submitted to the State Comptroller's office by January 1 following the close of TSU's fiscal year ending August 31;
- An integrated postsecondary education data system finance survey must be prepared and submitted to the United States Department of Education by January 15 following the close of TSU's fiscal year;
- An annual report detailing State/Local Benefits Allocation must be prepared and submitted to the State Comptroller's office;
- Reports of encumbrances and payables relating to current year appropriations must be prepared and submitted quarterly to the State Comptroller's office;
- Annual audit required per Office of Management and Budget (OMB) Circular A-133; and
- Periodic financial reports required by grantors awarding funds to TSU.

TSU is not required to comply with the provisions of OMB Circular A-133 as they are included in the Texas Statewide Single Audit, an annual audit for the State of Texas to comply with the Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) Circular A-133. The audit covers the state's financial statements, the "Schedule of Expenditures of Federal Awards," controls, and compliance.

Audit reports on the latest available financial statements and the "Schedule of Expenditures of Federal Awards" are included in the Texas 1998 Comprehensive Annual Financial Report (CAFR), issued by the Comptroller of Public Accounts. Audit reports on controls and compliance, and other required schedules, are included in this report, "*Report on the 1998 Financial and Compliance Audit Results."*

No additional single audit or report is required of each state agency or university by federal regulations, even if the entity's federal awards were not specifically reviewed in any given year.

The State Auditor's Office forwards copies of the CAFR and the audit reports to the federal clearinghouse, as required by OMB Circular A-133, on behalf of all state agencies and universities.

Internal Audit and Internal Control

The Office of Internal Audit is an independent office reporting directly to the TSU Board of Regents. The authorized staffing calls for a director, three senior auditors, one staff auditor and a secretary. The interim director said that the staff auditor and secretary positions had been vacant since February 1998. The director of Internal Audit position has been filled on a permanent basis since May 1 with a qualified candidate from outside TSU.

Monthly reports on audit findings and follow-up activities on prior audits are made to the audit committee, which is a subcommittee of the Board of Regents finance committee. Follow up activities on prior audits are consistent with regulatory requirements: every six months for material findings and annually for other findings until they are corrected.

The office has developed a comprehensive long-range audit plan through the end of fiscal 2000-2001, which was approved by the board in January 1999.

In recent years, the Office of Internal Audit has made efforts to increase internal control. These efforts have included implementing departmental diagnostic reviews, departmental functional compliance reviews, and periodic internal control seminars for TSU personnel. *Management Reporting*

The director of Financial Reporting is responsible for the preparation of the monthly financial reports to the Board of Regents. The Financial Reporting Department is also responsible for the following monthly tasks:

- Posting journal entries;
- Reconciling bank accounts;
- General ledger closing activity; and
- Reconciling TSU's general ledger to the Uniform State Accounting System (USAS).

The director of Financial Reporting has a bank reconciliation accountant and two other accountants. At this writing, one accountant position is vacant.

FINDING

Reconciling items between the cash balances in the bank and the balances recorded on the general ledger are not being researched and cleared on a timely basis. Research and clearing of reconciling items is the responsibility of the Comptroller's Office, the Contracts and Grants Department, the Accounts Payable Department, and the Payroll Department. Because the number and magnitude of reconciling items is so large, TSU personnel place little if any reliance on the balances recorded on the general ledger and financial reports. Instead, university personnel rely solely on actual bank balances each day for cash management purposes. Without general ledger integrity in recorded cash balances, cash management and planning will not be effective and financial reports to management and the Board of Regents cannot be relied upon.

According to the February 1999 follow-up audit report from the State Auditor's Office, monthly reconciliations were unavailable for any investment accounts, and not all bank account reconciliations or adjusting journal vouchers were prepared in a timely manner.

The director of Financial Reporting has overall responsibility for preparing the bank reconciliations each month. The Comptroller's office, Contracts and Grants Department, Accounts Payable Department and Payroll Department are responsible for preparing journal vouchers to record cash activity on the general ledger, including adjustments necessary to clear reconciling items. The director of Financial Reporting said that the process for communicating information on reconciling items to the parties responsible for researching and clearing these items is informal.

Recommendation 92:

Ensure that all cash activity is posted daily to the general ledger and that reconciling items are researched and cleared timely.

Reconciliation results should be clearly and fully communicated to those responsible for researching and clearing reconciling items. This process should be formalized so that the information is communicated in a standard format at the same time each month. To monitor progress in clearing reconciling items, management reports should be developed that show the number and aging of reconciling items in each account each month. These reports should be disseminated to senior management of the university and to parties responsible for researching and clearing

reconciling items. The number of reconciling items over 60 days old should be a performance evaluation factor for those charged with researching and clearing these items.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Financial Reporting provides a copy of the most current bank reconciliations to the comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor.	March 1999
2.	The comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor assigns staff to research reconciling items and prepare journal vouchers necessary to clear reconciling items.	March 1999
3.	The Comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor develop daily procedures for preparing journal vouchers to record cash activity on the general ledger, to the extent that cash activity has not auto-posted to the general ledger from activity recorded on-line in the bursar's office. The Comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor also develop daily procedures for balancing daily transaction detail reports to general ledger postings, with all exception items identified, researched and cleared.	March 1999
4.	The Comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor implement the procedures developed in the preceding step. Staff in each department will be assigned responsibility for performing the procedures daily. The Comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor review the balancing reports each day to ensure that the procedures are being properly implemented.	March 1999
5.	The director of Financial Reporting establishes a monthly schedule and format for communicating bank reconciliation information to the comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor each month.	April 1999
6.	The director of Financial Reporting develops an aging report to report the number and dollar amount of bank account reconciling items in each aging category each month. The aging categories will be: 0 - 30 days, 31 - 60 days, 61 - 90 days, and over 90 days.	April 1999
7.	The bank reconciliation accountant prepares and distributes the	April 1999

	bank account reconciling item aging report to the director of Financial Reporting, Comptroller, director of Contracts and Grants, Accounts Payable supervisor, Payroll supervisor, and the assistant vice president for Business and Financial Services.	and monthly thereafter
8.	The assistant vice president for Business and Financial Services establishs goals for the number and dollar amount of bank account reconciling items. The goals will be communicated to the Comptroller, director of Contracts and Grants, Accounts Payable supervisor, Payroll supervisor, and the director of Financial Reporting and goals are disseminated to the assigned staff.	April 1999
9.	The bank reconciliation accountant prepares a monthly analysis comparing the actual aging of reconciling items to the goals. The reports are distributed to the director of Financial Reporting, assistant vice president for Business and Financial Services, Comptroller, director of Contracts and Grants, Accounts Payable supervisor and Payroll supervisor.	April 1999 and thereafter

FISCAL IMPACT

The recommendation can be implemented with existing resources.

FINDING

As of February 1999, the director of Financial Reporting is responsible for preparing the following financial reports for presentation to the Board of Regents each month.

- Balance Sheet;
- Statement of Current Funds Revenues and Expenditures;
- Revenue Budget vs. Actual Monthly Receipts; and
- Obligations vs. Budget.

All financial management reports are prepared at the university level with departmental or school level financial detail presented, then the reports are prepared and disseminated by the Budget Office.

As there is currently no cash flow budget, periodic and year-to-date actual performance to budget variances are not identified and analyzed, nor are faculty and administrative managers held accountable for material variances (actual performance to budget).

Recommendation 93:

Define a management reporting structure and create improved reports that present in sufficient detail the results of operations and material deviations from the operating budget.

These reports should be prepared and distributed to all appropriate parties such as the Board of Regents, administrative officers, and appropriate faculty. Variances from the operating budget should be analyzed and appropriate personnel should be held accountable for results in their area of responsibility. Program reports that include a description of progress toward established goals and performance measures should be presented. The reporting capabilities of the Banner financial module should be used to the greatest extent possible to produce improved reports at the school and department level.

An information needs assessment should be conducted to determine the needs of various interested parties. Appropriate reports can be developed, prepared, and distributed that meet the needs of users and enhance performance in all areas. The ability to compare actual results to the financial plan at school and department levels also will lead to the prompt discovery and confirmation of both under- and over-performance.

IMPLEMENTATION PLAN AND TIMELINE

1.	The director of Financial Reporting conducts an information needs assessment. Input should be sought from all faculty and management with fiscal and operational responsibility.	June 1999
2.	The manager of Information Technology and the director of Financial Reporting work with departments and schools to identify standard and non standard reports and establish appropriate reporting frequency.	July 1999
3.	The manager of Information Technology works with the director of Financial Reporting to develop meaningful reports that meet the manager's needs.	August 1999
4.	The director of Financial Reporting implements the new reporting structure.	September 1999

FISCAL IMPACT

The programmers needed to implement a new financial management reporting structure are estimated to take 300 man-hours. Estimating a weighted-average hourly cost of $75, the one-time cost will be $22,500.

Recommendation	1999-	2000-	2001-	2002-	2003-

	2000	**01**	**02**	**03**	**04**
Define a management reporting structure and create improved reports that present in sufficient detail the results of operations and material deviations from the operating budget.	($22,500)	0	0	0	0

Chapter 9
PURCHASING ORGANIZATION AND MANAGEMENT

CURRENT SITUATION

TSU has two separate purchasing systems. The first system is the official TSU purchasing function managed by the TSU director of Purchasing. The Purchasing Office, under the supervision of the director of Purchasing, handles all TSU procurement of goods and services. Requisitions are prepared by the requesting faculty and staff departments using the *TSU Policy and Procedures Manual* as a guide. A second system operates informally where faculty and staff acquire goods and services outside of the purchasing system authorized by the *TSU Policy and Procedures Manual.* In this unofficial system, faculty and staff who have no authority to purchase goods and services on behalf of TSU acquire goods and services from vendors and tell the vendors to submit invoices to TSU for payment. This practice specifically is prohibited in the *TSU Policy and Procedures Manual*:

"The purchasing policy of the University provides that no commitment for materials, equipment, or services may be made without an approved purchase order or negotiated written contract by an authorized agent.

The authorized agents for the University are the Purchasing Officers (designated buyers). Only these people have been delegated the authority and responsibility to issue these forms of legal contracts as binding agreements between the University and its vendors.

No employee has the authority to incur any obligation or enter into a contract, agreement, or purchase on behalf of the University unless this authority has been specifically delegated by (1) the President or (2) the vice president for Finance and Fiscal Affairs in writing. Failure to comply with the policies and procedures set forth in the manual may result in financial charges levied against any individual responsible for the improper expenditure of funds.

There is only one Purchasing Office at the University and only certain people within Purchasing are authorized to obligate the University, not the individual departments. All departmental personnel who are authorized to call for quotations are not to mislead a vendor by saying there is a purchasing office in their department. Purchasing must always be contacted whenever there are any questions or discrepancies regarding a procurement or a purchase order."

Purchasing Organization and Responsibilities

TSU's Purchasing Office is made up of the purchasing director, one buyer and two assistant buyers (**Exhibit 9-1**). The purchasing director reports to the assistant vice president for Budget/Procurement. The Purchasing Office's annual operating budget is $140,730.

Exhibit 9-1
TSU Purchasing Office Organizational Chart
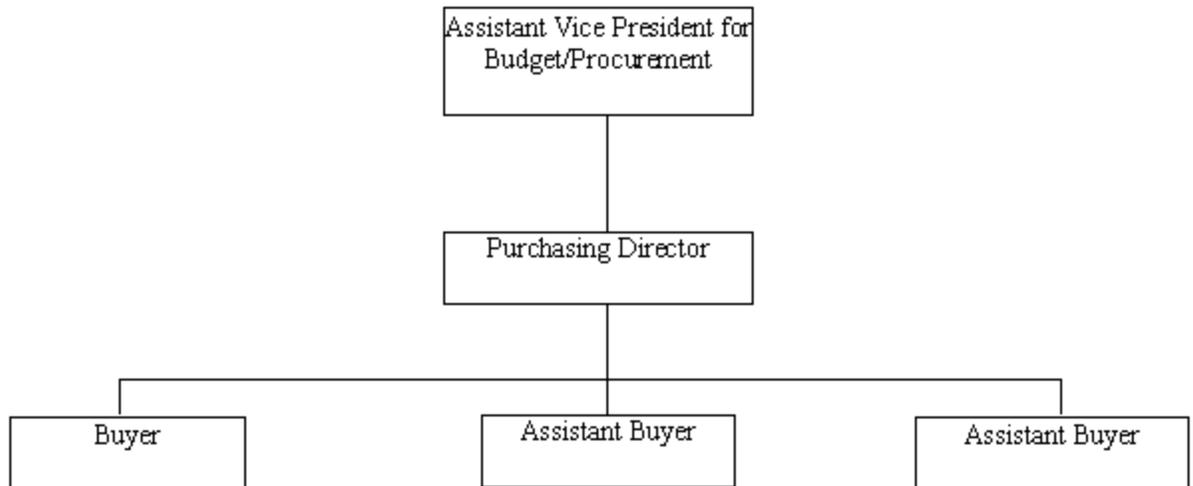
Source: Texas Southern University, Purchasing Office, 1999.

The Purchasing Office is fully staffed with no vacancies. Procurement actions are routinely processed within two days.

The director has held the position for three years. The director previously served as assistant purchasing director for three years and has a bachelor's degree in business administration.

The TSU *Procurement Process Faculty/Staff Handbook* and *Policy and Procedures Manual* describe the Purchasing Office's role as:

- "The Purchasing office is under the direction of the assistant vice president for Budget/Procurement. Purchasing is organized to provide efficient material management and logistical support services to the university community.
- Purchasing's primary mission is to support the academic, administrative, research, and student service programs by providing materials, equipment, and services at the lowest ultimate cost consistent with specified quality and delivery requirements.

- The principal objective of Purchasing is to gain, through all means possible, greater flexibility for departments in the acquisition of materials and equipment.
- To insure that university objectives are met and the specific needs of departments are recognized and served, the Purchasing office is committed to procuring materials and equipment suitable for the intended use and to assist departments in determining the required quality and performance specifications.

All purchases of supplies, equipment, and services, with the exception of food for meal service and bookstore items for resale, are processed through the Purchasing Office.

Requisitioning personnel are expected to provide sufficient information to enable Purchasing to procure requested materials and equipment in an efficient and professional manner.

Purchasing shall be responsible for the following procurement functions:

- Provide requisitioning personnel with accurate and precise purchasing procedures, rules, and regulations;
- Maintain a reference file on a wide range of products and assist departments in the preparation of specifications and evaluation of various products and equipment;
- Review requisitions for complete specifications and conditions of purchase and determine, dependent on funds to be expended, the proper purchasing procedure;
- Solicit bids, evaluate and make awards on local and state fund "delegated" purchases whenever possible;
- Coordinate procurement activities with the General Services Commission to insure prompt and expeditious handling of university orders and requisitions;
- Interview vendor representatives and correspond with vendors on all matters pertaining to procurement; and
- Maintain records of all purchasing activity.

The Purchasing Office also has responsibility for encumbering funds for TSU travel immediately after authorization by appropriate management levels. This is accomplished on-line using the Banner financial system.

TSU Purchasing Process

The TSU purchasing process is in accordance with Texas purchasing laws. The purchasing process is initiated when a user (faculty or administration department, or other authorized organization or individual) generates a purchase requisition in hard copy (paper). A purchase requisition is a

document an academic or administrative department uses to originate a request for goods or services. The purchase requisition is required to identify:

- the required qualities of the needed commodity items or services
- the funding source, with certification that funds are available
- the authority of the requester

The purchase requisition then is forwarded to the Purchasing Office. The Purchasing Office verifies the vendor code, account number, and signature authority of the requester. The Purchasing Office logs and assigns a purchase order number. The Purchasing Office assigns the requisition to a buyer.

The buyer verifies that sufficient funds are available to purchase the requested goods or services. The buyer then determines the appropriate method of procurement in the following order of priority:

1. The Qualified Information Systems Vendor (QISV) Catalogue Purchasing Program is governed by the Texas Government Code. Automated Information Systems (AIS) type products and services that are associated with computers, automation or telecommunication systems are to be purchased directly from General Services Commission (GSC) approved QISVs.
2. The GSC establishes term contracts by commodity/service codes as a supply source for agencies. Contracts are based on estimated quantities specified by the GSC. Use of term contracts is mandatory unless they fail to meet TSU's needs. Justification is required if the term contract is not used.
3. Goods or services in the Texas Industries for the Blind & Handicapped (TIBH) or Texas Correctional Industries (TCI) catalogue are set aside from competitive bidding and listed in a General Services Commission (GSC) term contract. Use of term contracts is mandatory unless they fail to meet TSU's needs. Justification is required if the term contract is not used.
4. Under GSC open market procedures, purchases for goods valued over $25,000 and services over $100,000, that are not on a term contract, or exempt per Texas Government Code, must be sent to the GSC for procurement. Invitations for Bid are mailed to all businesses listed on GSC's Central Master Bidder's List (CMBL) for the requested good or service.
5. Scheduled purchases are bulk procurements of items needed by more than one entity. Schedules may cover specific periods such as bi-monthly, quarterly, semi-annually, or annually. Ordering agencies submit requisitions of the scheduled item stating exact

quantities to be delivered to predetermined locations. Requisitions are consolidated by GSC to form one Invitation for Bid.

Solicitation and Advertisement Requirements

- Purchases of goods or services under $2,000 - GSC recommends using cost comparison and Historically Underutilized Businesses (HUBs) whenever possible, but requirements are non-competitive and agencies may select any vendor to provide the requested items. No bids are required by statute, except printing: Section 21 of the Texas Constitution requires all printing to be competitively bid. Therefore, more than one bid should be obtained even if the amount is under $2,000. HUBs are minority- or women-owned businesses that have been certified by the state as Historically Underutilized Businesses.
- Purchases of goods or services between $2,000.01 to $5,000 - Buyers must attempt to solicit at least three informal (telephone) bids, two of which must be obtained from GSC certified HUBs; one from a minority-owned business and one from a woman-owned business (any ethnicity). In addition, purchases between $2,000.01 and $5,000, may be supplemented by non-CMBL vendors.
- Purchases of goods or services between $5,000.01 to $25,000 - Buyers must attempt to solicit at least three formal (written) bids, two of which must be obtained from GSC certified HUBs; one from a minority-owned business and one from a woman-owned business (any ethnicity).
- Purchases of services between $25,000.01 - $100,000 - Buyers must solicit from all bidders in TSU's geographic area who are listed on the CMBL for the requested services.
- Purchases of services over $100,000 - The purchasing director forwards the complete purchasing file to GSC Central Procurement Services for review and handling. The purchasing file must include the requisition with specifications and the HUB Good Faith Effort criteria. After review, GSC may handle the purchase or delegate it back to the state agency.
- Purchases of $5,000 or less - Agencies may supplement the list of bidders obtained from the CMBL with additional HUBs and non-CMBL bidders.
- Requirements for consulting services over $15,000 must be published in the Texas Register.

Informal (Telephone) Bids

Informal bidding is the process of conducting a verbal or facsimile communication between a potential buyer and one or more sellers during which the seller(s) makes a firm offer to:

- Provide a specified good or service;
- Invoice at a firm quoted price;
- Deliver within a specified period of time; and
- Deliver to a specified place.

Buyers are required to record the following information for informal bids:

- CMBL and non-CMBL (if applicable) bidders contacted,
- Name of agents contacted and their telephone numbers,
- GSC certified HUB ethnicity/gender indication,
- The dollar amount of all responses including no bids, and
- Record of the vendor who received the award.

Formal (Written) Invitation for Bid

Formal bidding is the process of conducting written communication between a potential buyer and one or more sellers. The Purchasing Office solicits formal bids from all eligible vendors on CMBL for any procurement in excess of $25,000. Bids must include a public bid opening date, time, and place (physical address).

Bid Opening & Bid Tabulation

The date, time, and physical location of bid opening are stated clearly on the Invitation for Bid. All bid openings are open to the public. Bid opening dates may be changed and bid openings rescheduled if bidders are properly notified in advance of the new opening date. If a bid opening is canceled, all bids that were being held for opening are returned to the bidders. All bid tabulation files are available for public inspection. Bid tabulations may be reviewed by any interested person during regular working hours at the Purchasing Office. The bids and all documents and information about the evaluation of bids and bidders, are kept private until after contract award.

The Purchasing Office's bid opening process consists of announcing information including the bid requisition number; the name of each bidder; the price or amount bid for each item number (if applicable), and the model number (if different from specified model). The bid opening staff will not discuss whether a product or model meets bid specifications.

The Purchasing director has procedures that establish the responsibilities and steps for the receipt and control of bids. The procedures cover date

and time stamping bids on receipt, maintaining a log of bids received, securing them until bid opening, and designating persons responsible for each of those tasks.

Purchase Order Award

An award is made to the bidder submitting the lowest and best bid that conforms to the identified best value of the requested items' specifications. After an award is made, a purchase order is created and mailed to the awarded vendor.

Inspection and Acceptance

The central warehouse receives, inspects, and verifies that the items received are in accordance with the purchase order and bill of lading. If the item fails to meet specification requirements, central receiving notifies the vendor to arrange replacement. Items that are visibly damaged are not accepted.

Resolve complaints

The Purchasing director has established procedures in accordance with GSC purchasing rules to handle complaints and protests regarding vendor selection actions.

Legal Review

The TSU legal staff does not review any purchase actions. The TSU legal staff reviews all contracts.

Emergencies

An emergency purchase is defined by the GSC purchasing rules as "a purchase of goods or services so badly needed that an agency will suffer financial or operational damage unless they are secured immediately."

The essence of an emergency is time. In other words, normal purchasing procedures such as GSC open market or term contracts cannot be reasonably expected to provide the needed goods or services within the needed time frame. The decision to declare an emergency purchase is the sole responsibility of the ordering agency.

GSC delegated the authority to make emergency purchases to all state agencies. If requested, GSC will advise state agencies on proper procedures, but will not certify whether an emergency exists.

Exhibit 9-2 shows the document flow for processing purchase requisitions by the Purchasing Office.

Exhibit 9-2 Purchasing Flow Chart
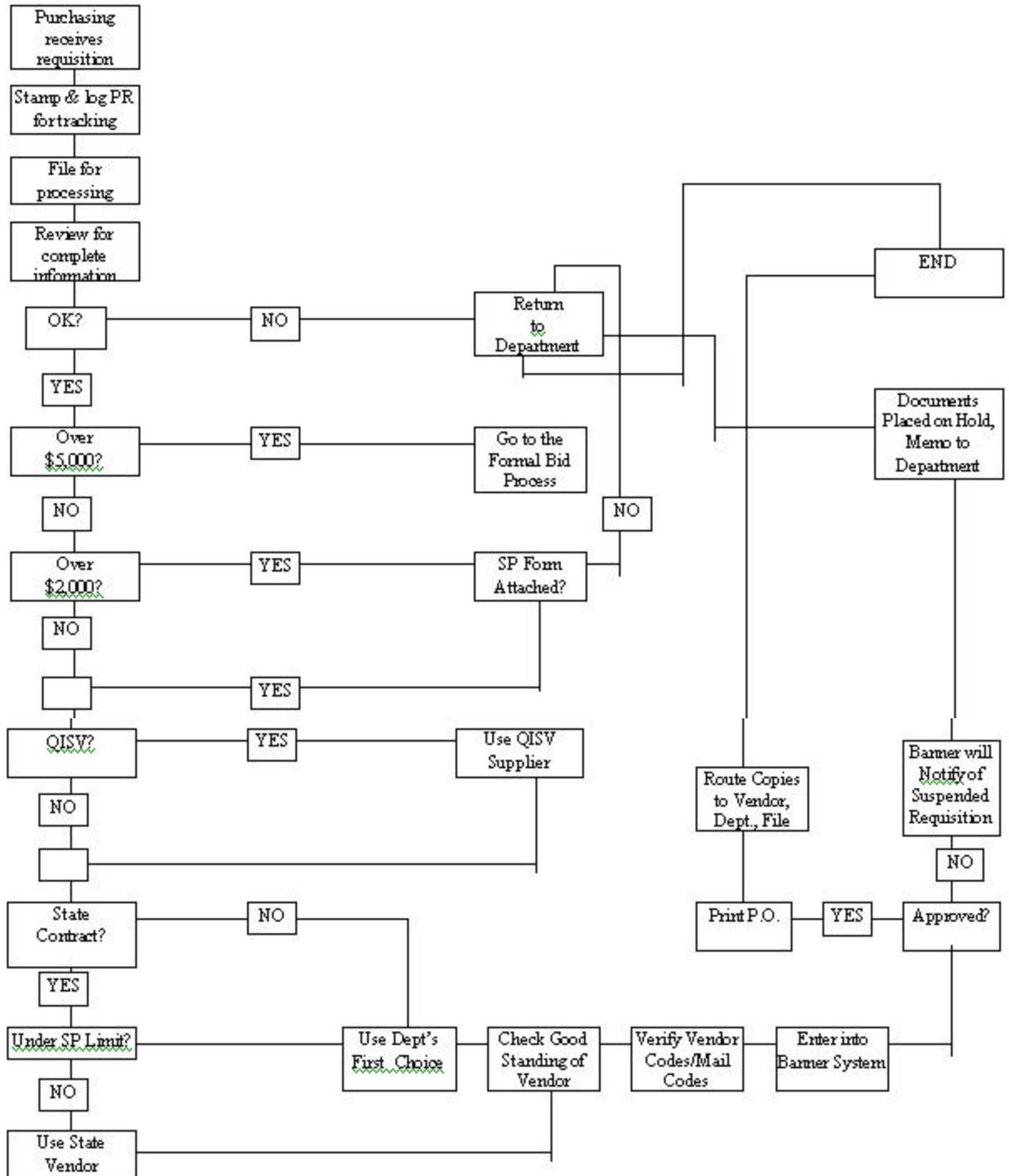
Source: Texas Southern University Purchasing Office, 1999.

Through March 1998, the Purchasing Office operated on the extended purchasing subsystem of College and University Financial Systems (CUFS). As of April 1998, the Purchasing Office operates under the Systems & Computer Technology Corporation (SCT) Banner Finance System, Accounts Payable and Purchasing module. The SCT Banner Financial System Training Materials/User Guide describes how to use the forms and reports within the Banner Finance System. The Purchasing Office technology requirements are included within the SCT Banner Financial System Strategic Plan.

The Banner Purchasing and Procurement System is fully integrated with the general ledger and accounts payable modules. User requisitioning is on hard copy (paper), but fund encumbrance is handled on-line (paperless). Banner allows Purchasing Office staff to create and process requisitions, assign buyers, and assign purchase order numbers. Banner will generate and print purchase orders, status reports for requisitions and purchase orders, and bid evaluation reports. Banner will display delivery and routing of received goods reports.

FINDING

Interviews of the TSU president, provost, deans, faculty, administration management and staff, and students concerning the Purchasing Office indicated the following concerns:

- There is a lack of clearly defined duties, responsibilities and expectations of managers and staff in handling noncompliance with TSU procurement policies and procedures.
- The staff is competent, but frustrated - staff perceives their TSU customers have no incentive to follow written policy for purchases.
- There is a piecemeal budget process and lack of adherence to budget submission/development time schedules and deadlines.

The Purchasing Office is responsible for verifying that sufficient funds exist in the budget to purchase the requested goods or services and for encumbering the funds in the financial system. Verifying and encumbering funds are done on-line using the Banner Finance System. Consequently, requisitions are often returned to the requisitioner or a cycle of phone calls is necessary to resolve the deficiency. In essence, the department or school requesting a purchase is not held responsible for determining whether sufficient funds remain in their budget for this purchase. Some departments or schools have the electronic capability to check this, while others do not. But, ultimate responsibility for stopping over-budgeted purchases rests with the Purchasing Office. Departments and schools are not accountable for their own budgets or for making decisions to move money from one expenditure code to another. The Texas State

Comptroller Manual of Accounts, Chapter V, provides guidance on expenditure codes and for preparing and submitting State of Texas source transactions within object groups.

The Banner Finance System has an on-line electronic requisitioning capability that is fully integrated with the TSU financial system. This capability could eliminate many of the unnecessary delays of the current manual system, but it is not used by TSU.

Recommendation 94:

Implement the electronic requisitioning module of the Banner Finance System.

This capability will eliminate redundant processes of the current manual system.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief operating officer (COO) updates the TSU Technical Implementation Plan to include implementation of the Banner Finance System on-line electronic requisitioning capability.	Complete
2.	The Purchasing director prepares, coordinates with the COO, the assistant vice president for Business/Financial Services, and the assistant vice president for Budget, and obtains authorization to publish TSU policy and procedures for on-line requisitioning including the requirement for requesting departments and schools to perform the basic task of validating that sufficient funds are in the right expenditure class to buy the supplies or services they need.	Complete
3.	The COO amends the Banner implementation plan to include access to the Banner Finance System for all departments and schools that are authorized to generate purchase requisitions.	Complete
4.	The COO amends the Banner implementation plan to include training for all departments and schools on using the Banner Finance System on-line electronic requisitioning capability.	Complete
5.	The Banner on-site manager conducts training for most departments and schools on using the Banner Finance System on-line electronic requisitioning capability.	Complete
6.	The director of Purchasing identifies departments and schools that still need training on using the Banner Finance System on-line electronic requisitioning capability.	March 1999

7.	The Banner on-site manager conducts Banner Finance System training for the remaining departments and schools.	March 1999
8.	Science & Computer Technology Corporation (SCT) implements on-line electronic input of purchasing requirements, including the requirement for departments and schools to perform the basic task of validating that sufficient funds are in the right expenditure code to buy the supplies or services they need.	August 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources. The Purchasing Office should realize time savings from the implementation of this recommendation.

FINDING

The TSU *Procurement Process Faculty/Staff Handbook* and the *TSU Policy and Procedures Manual* delineate the Purchasing Office's authority:

> "The purchasing policy of the university provides that no commitment for materials, equipment, or services may be made without an approved purchase order or negotiated written contract by an authorized agent.
>
> The authorized agents for the university are the purchasing officers (designated buyers). Only these people have been delegated the authority and responsibility to issue these forms of legal contracts as binding agreements between the University and its vendors.

No employee has the authority to incur any obligation or enter into a contract, agreement, or purchase on behalf of the university unless this authority has been specifically delegated by the president or the vice president for Finance and Fiscal Affairs in writing. Failure to comply with the policies and procedures set forth in the manual may result in financial charges levied against any individual responsible for the improper expenditure of funds."

The review team's analysis of 200 purchase transactions from calendar years 1996 and 1997 revealed that 116 invoices were paid more than 30 days after the receipt of the invoice. The oldest invoice was 515 days after receipt of the invoice. We used the first received date stamped on the invoice by TSU to determine the number of days it took to pay the vendor. When no date for when the invoice was received was stamped on the

invoice, we used the invoice date. By making payments to vendors after 30 days, TSU incurs a potential liability for interest under the Texas prompt payment law (Texas Government Code Ann., Sections 2251.001-2251.043 (Vernon 1998)). According to the prompt payment law, a state agency's payment is overdue on the 31st day after the latest of:

- the date the agency receives the goods under the contract,
- the date the vendor completes performing the services for the agency, or
- the date the agency receives an invoice for the goods or services.

In our analysis of the sample transactions, TSU potentially was liable for prompt payment interest on $166,179.60. Beginning September 1, 1999, interest will be calculated at the time the payment processes through USAS and will be automatically paid to the vendor. This will have a significant impact on TSU if the high number of invoice payments made after 30 days is not dramatically reduced.

The high number of invoices paid after 30 days indicates that many of these were purchases by faculty and staff who have no authority to purchase goods and services on behalf of TSU. Purchases conducted outside of the purchasing system authorized by the *TSU Policy and Procedures Manual* take a long time to pay because there is no purchase order since no purchase requisition was processed through the Purchasing Office. Central Receiving and Purchasing have to research the circumstances surrounding the lack of a purchase order and a purchase order must be issued after the responsible department or school generates a purchase requisition and forwards it to the Purchasing for processing. If a large volume of purchases is not made through the Purchasing Office, TSU is not getting the best prices and is losing money.

The review team found no evidence that financial charges had ever been levied against any individuals responsible for the improper expenditure of funds by entering into contracts or purchase orders on behalf of TSU without proper authority.

Recommendation 95:

Establish internal controls to ensure that standards are followed and the appropriate staff held accountable.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive vice president for Finance prepares TSU policy for president and Board of Regents approval that states "Unauthorized purchases of any nature whatsoever shall be a	Complete

	personal obligation of the individual making such purchases, and will be non-binding on the university.	
2.	The executive vice president for Finance implements procedures and notifies the COO of violators.	Ongoing
3.	The executive vice president for Finance implements the approved board policy by publishing and communicating procedures for the heads of departments and faculty deans to document why unauthorized purchases occurred and the actions they have taken to stop it from continuing.	March 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The fiscal 1997 procurement amount for construction was $12,150,657.77 compared to $10,659,313.00 for materials, equipment and services. This amount represented 53 percent of total TSU procurement. There were 153 construction purchasing actions compared to 178 for other TSU purchasing. The purchasing director has appropriately delegated specification and bid list development to the associate vice president for Facilities, Planning and Operations. The Purchasing director participates in the procurement of construction and facilities maintenance by reviewing proposed procurements for compliance with Texas state laws and administrative requirements, including supplier solicitation, HUB requirements, bid tabulations, and contract awards. While it is appropriate and desirable for the associate vice president for Facilities, Planning and Operations to manage the technical and specialized aspects of construction and facilities maintenance procurement, these responsibilities are not documented in the *TSU Policy and Procedures Manual*.

Formally documenting any delegated purchasing functions in the *TSU Policy and Procedures Manual* would ensure TSU has centralized purchasing for the purposes of:

- Ensuring compliance with state and federal laws, rules, and regulations;
- Protecting the university from unauthorized acquisitions of supplies, equipment and services;
- Providing budgetary control and coordination;
- Ensuring fair and ethical business practices;
- Providing savings through consolidation of requirements, standardization of products where appropriate, and competitive bidding; and

- Conducting all official correspondence with the General Services Commission and vendors regarding requisitions, bids, and purchase orders through the purchasing director to ensure fair and consistent treatment of vendors and a single point of contact with GSC

Recommendation 96:

Formally document the role of the associate vice president of Facilities, Planning and Operations in the TSU purchasing process.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The purchasing director prepares and coordinates with the COO and the associate vice president for Facilities, Planning and Operations, and obtains authorization from the president to revise the *TSU Policy and Procedures Manual* to reflect the any delegated purchasing activities.	March 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Purchasing director manages the TSU purchasing process and directly supervises the purchasing of goods and services, including those of HUBs. **Exhibit 9-3** shows fiscal 1998 expenditures for materials, equipment and services, including expenditures for HUBs. **Exhibit 9-4** shows the percentages TSU attained against its HUB goal for fiscal 1998. According to the Texas Government Code, Title 10, Subtitle D, Section 2161, the GSC is responsible for managing the State's Historically Underutilized Business (HUB) Program for ethnic minority and women-owned businesses.

Exhibit 9-3
HUB Expenditure Report for
Texas Southern University
Fiscal 1998

Category	HUB Spending	Total Spending
Special Trade	$189,977	$1,534,663
Professional Services	$334,556	$654,201

Other Services	$460,885	$3,676,908
Commodity Purchasing	$2,564,969	$4,793,541
Total	**$3,550,387**	**$10,659,313**

Exhibit 9-4
HUB Percentage Goal Compared to Percentage Achieved Report
for Texas Southern University
Fiscal 1998

Category	HUB % Goal	HUB % Achieved
Special Trade	57.2%	12%
Professional Services	20.0%	51%
Other Services	33.0%	13%
Commodity Purchasing	12.6%	54%
Total	**Not Specified**	**33%**

Category Definitions:

- Special Trade includes building maintenance, repair and remodeling.
- Professional Services include finance and accounting services, medical services, and architectural and engineering services.
- Other Services include insurance premiums, employee bonds, publication and advertising, automobile and equipment leasing, consulting services and maintenance and repair of equipment.

The special trades and other services categories include items for which the associate vice president for Facilities, Planning and Operations develops specifications and bid lists. Interviews with TSU staff indicate that the achieved HUB percentages compared to the HUB goals in these categories were excessively low because the vendors included on the bid lists usually are not certified by GSC as HUBs or they become certified after contract award. While ethnic minority- or women-owned businesses may get a substantial amount of TSU's contracts in the special trades and

other services categories, the awards are not reflected in, nor counted towards TSU's achieved HUB percentages because they are not certified.

In order to secure certification as a HUB contractor, eligible businesses must complete and submit an application to GSC. The business must supply the following information on the application: name of subcontractor/supplier; address; city, state, zip code; name of a contract person; phone number; and Texas Payee I.D. number, Texas Sales Tax number, or Federal I.D. number. GSC then verifies whether the business is eligible to become certified and notifies the business of its certification status. TSU's Purchasing Office is able to assist all eligible HUBs who have not yet become certified to secure certification.

Recommendation 97:

Develop internal controls to ensure that the General Services Commission's procedures for Historically Underutilized Businesses are consistently followed in TSU purchasing.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The Chief Operations Officer (COO) develops a policy mandating that GSC HUB procedures will be followed for all TSU purchasing activities.	February 1999
2.	The Purchasing director provides GSC HUB procedures and certification applications to the associate vice president for Facilities Planning and Operations.	February 1999
3.	The Purchasing director trains all purchasing staff on proper HUB procedures for using HUBs, with emphasis on the special trade and other services categories.	February 1999
4.	The Purchasing director prepares HUB utilization procedural desk guides for the staff in Purchasing and Facilities Planning and Operations, and in conjunction with the associate vice president for Facilities Planning and Operations, requires their use.	March 1999
5.	The Purchasing director contacts the University of Houston HUB Coordinator to "piggyback" on their HUB outreach and development programs and purchasing events.	March 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 9
WAREHOUSING AND DELIVERY ORGANIZATION AND MANAGEMENT

CURRENT SITUATION

For fiscal 1997, the Business Services budget was $304,000 for 12 full-time equivalents (FTE). Warehouse and storage facilities encompass 36,650 square feet. **Exhibit 9-5** shows the current organization chart.

Exhibit 9-5
Organizational Structure of
Facilities, Planning and Operations
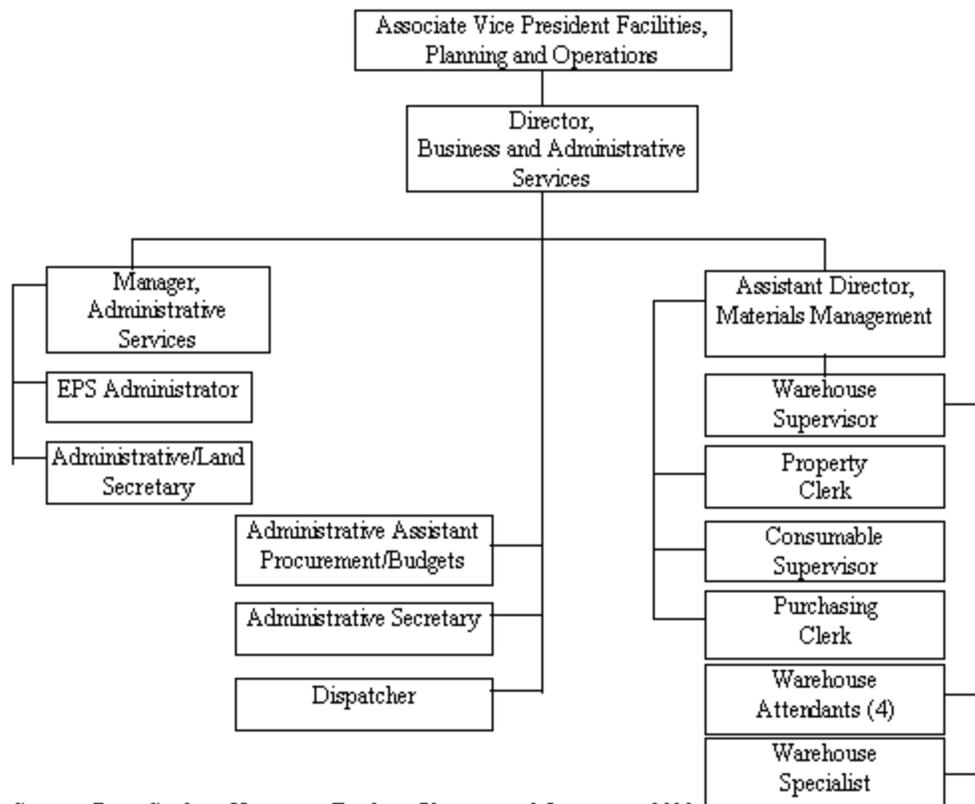
Source: Texas Southern University, Facilities Planning and Operations, 1999.

The Business Services director has financial management and procurement experience and previously was the Purchasing director.

FINDING

Business Services' role is to operate a central receiving function for TSU materials and equipment, warehouse fast moving consumable items,

appropriately tag capital equipment with bar code labels and enter all capital equipment (over $1,000.00) into the TSU and state property management system, dispose of unusable property, and deliver materials and equipment to the end user. All of these functions are handled in accordance with TSU and state policies and procedures. The Business Services staff of 12 accomplishes its required functions superbly as evidenced by the March 1998 quarterly inventory adjustment of only $38.79 and the uniformly high praise from their customers.

Interviews of the TSU president, provost, deans, faculty, administration management and staff, and students concerning the materials management function revealed no complaints or negative feedback. Staff review revealed high levels of customer satisfaction with warehousing, delivery, and the other materials management functions. Duties, responsibilities and expectations of managers and staff are clearly defined and executed. The Business Services staff is proactive and customer focused. Staff is competent and their morale is high.

Copies of purchase orders for material and equipment purchases are distributed to the central warehouse upon award. When goods are received, the purchase order is matched to the bill of lading. Goods are not processed until a copy of the purchase document is on file. In cases where no purchase order is on file, receipt processing quickly calls the Purchasing office. If the process identifies a situation where a user ordered supplies, materials or equipment without proper authority, the Purchasing office reconciles the unauthorized procurement and issues a purchase order that is used to process the receipt. Receipt processing effectively uses their copy of purchase orders to accurately document incoming supplies, equipment and controlled items. Receipts are segregated in secure holding and processing cages for items that require special handling such as pharmaceuticals and high value items. Capital equipment is appropriately labeled and entered into the state and TSU on-line property management systems and the items are then scheduled for delivery by the warehouse staff within 24 hours.

Inventory control is manual; however, it is accurate, efficient and appropriate for an inventory of less than 1,000 fast moving items. Competitively awarded blanket order contracts are used to replenish warehouse inventory. This keeps the need for items in inventory at a minimum level, so there is little spoilage or loss of inventory. A manual inventory record is maintained for each item inventory. Positive and effective control is maintained over items in inventory.

The departments and schools submit requisitions for inventory items to the central warehouse. The central warehouse consolidates the requisitions and generates issue documents for the warehouse staff to pick the

requested items from inventory and stage it for customer pick up or delivery. The warehouse staff delivers large orders within 24 hours, but customers pick up small orders of office and cleaning supplies.

The surplus property disposal process includes identification of serviceable equipment including computers that are of no use to departments or schools. The serviceable equipment is publicized to the TSU faculty and staff so they can view surplus property and arrange to have it reallocated for their areas for official use. The bulk of items returned to the university warehouse is unserviceable and is beyond the estimated useful life. These items subsequently are sold at the next public auction. Items that are of no use to departments are coordinated through GSC for disposal of state surplus under the requirements of the Texas Government Code or scheduled for public sale, either sealed bid or auction.

COMMENDATION

Business Services staff demonstrate a high level of proficiency and customer service.

Chapter 10
COPYING AND PRINTING

General support functions facilitate Texas Southern University's primary programs of teaching, research, and public service. These functions must be carried out in an efficient and effective manner to enhance the institutional mission. These services are provided under a variety of institutional management or privatization contracts.

Copying and printing are an important support service for colleges and universities. These services are generally organized on a cost reimbursement basis to provide printing and copying at comparable prices to those of private business enterprises. The services are referred to as university auxiliary enterprises or internal service funds.

CURRENT SITUATION

At TSU, the administrative responsibility for printing and copying is divided between the School of Technology and the University Purchasing Department. The Dean of the School of Technology oversees the print shop which is staffed by four full-time employees. The assistant vice president for Budget and Procurement oversees the copy shop which is staffed by one full-time employee. The staff of the copy shop was reduced by two full-time positions in fiscal l997.

Both facilities are located in the School of Technology building on the west perimeter of the campus but at separate locations in the building. The School of Technology is located a quarter of a mile from the center of the campus and over three-fifths of a mile from some academic buildings.

According to the dean of the School of Technology, the print shop serves as a teaching laboratory for students in the technology program and as a service to the university by providing about 30 percent of the printing requirements of the university.

All print jobs requisitioned by departments must go through purchasing. Departmental requests to use outside printing services are cleared by the print shop manager. The capability of the print shop is limited to one and two color printing requirements.

TSU is in the process of reviewing proposals for privatizing the printing and copying services.

FINDING

The print shop does not effectively serve the twofold mission of education and service. The print shop manager reported to the review team that only about 12 students used the shop for their laboratory experience in a recent term. The students were not a factor in the production of university printing requirements.

The technology in the print shop serves as a poor example of what students will find in modern printing shops. The print shop does not have an automated collator and must hand collate printing jobs. Moreover, the lack of full-color printing capacity severely limits print shop usefulness.

The review of the university print shop budget and requests for operational data from the university revealed limited historical cost or volume of activity data. The university budget for fiscal 1998 projects a deficit in revenue for the print shop of $30,465. The Request for Proposals (RFP) to privatize printing and copy service shows a $51,000 deficit for fiscal 1998.

The copy shop, located separately, closes down when the operator is away or on leave from the university. No one is trained to back up the operator. Cash receipts are completed for student copy services. The receipts are not controlled, and the same person collects cash.

The university owns 151 copiers that are shown on the university inventory at a total cost of $1,092,605. There is one copy machine for every eight employees. These copiers are distributed throughout the campus and were purchased at the discretion of the departments. The university does not have a policy for the purchase and use of department copy machines. There is no procedure for control, need, or usage of copiers.

A survey of peer institutions found that two have contracted out all printing services while three use their print shops for print jobs with the exception of bulletins or full-color documents. The survey revealed that responsibility for convenience copiers varied between departmental control, student services and the business office.

Recommendation 98:

Outsource printing and copying and place responsibility for printing and copying under the Purchasing Office.

The university should continue to explore outsourcing for printing and copying. The university should also assign responsibility for copier purchases to the Purchasing and authorize the department to monitor and control departmental copier needs.

Outside vendors already provide 70 percent of the university's printing requirements and are equipped to deliver all services needed by the university. Consolidating and privatizing the printing and copying functions will provide the university with the opportunity to upgrade service and eliminate the cost of upgrading the university equipment. The university has explored outsourcing options.

By placing responsibility for printing and all copy services with the assistant vice president for Budget and Procurement, the Purchasing Office will be better able to determine the overall university campus copying and printing needs. Purchasing has more experience in evaluating performance of products, making cost comparisons, and also can monitor the university-wide utilization in order to achieve cost saving.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The university awards a contract to provide printing and copying services. Staff are assigned to positions elsewhere in the university.	April 1999
2.	The senior vice president for administration assigns responsibility for managing copiers and the contract for printing and copying to the director of Purchasing.	April 1999
3.	The director of Purchasing inventories copiers and determines department needs for copy services.	May 1999
4.	The university sells surplus copiers.	June 1999
5.	The director of Purchasing reviews departmental printing and copy costs for convenience copiers at the end of the fiscal year and recommends budget adjustments.	Annually

FISCAL IMPACT

Outsourcing print/copy services will reduce the currently budgeted operating loss by making the process more cost effective for the departments and students. It will result in a reduction in funds allocated to departments for these activities through staff attrition.

Outsourcing also will eliminate the current budgeted print shop deficit of $51,000. The university also may be able to receive additional revenue from the printing contractor if appropriate incentives are built into the contract. Additionally, surplus printing and copying equipment can be sold at 10 percent of its original value, or $109,260.

The control and annual evaluation of the use of convenience copiers by departments will improve the efficient and effective operation of printing and copying.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Outsource printing and copying and place responsibility for printing and copying under the Purchasing Office.	$160,260	-0-	-0-	-0-	-0-

Chapter 10
CAMPUS BOOK STORES CURRENT SITUATION

The university bookstore is privately operated, a common practice on college and university campuses. Private bookstore companies have mass purchasing power and proven operations that locally managed bookstore cannot match. In addition, the contract guarantees revenue to the university regardless of the profitability of the operation. The senior vice president for Administration oversees the bookstore contract operation.

The university has contracted with the Follett College Stores Corporation to provide the university with a full-service academic bookstore, including the following:

- Sufficient quantity and timely supply of all textbooks;
- Wide selection of current trade, academic, and technical literatures;
- Timely response to orders for special books and other similar items;
- Price competitiveness with other academic bookstores in the area;
- Wide selection of other goods such as office and art supplies, incidental household goods for resident students, personal care items, university insignia, wearing apparel, memorabilia;
- All goods and services reasonably expected from a quality bookstore other goods; and
- Sales of office supplies to the university at a 20 percent discount.

Follett provides these services in the University Center and the Law Center and employs the bookstore staff. The university provides the bookstore's utilities.

Follett assumed responsibility of the bookstore operation in 1992 with a five-year contract that was extended to June 1999. Follett operates nationally in over 570 colleges and university campus bookstores.

The Follett contract provides for an annual guarantee to the university of $250,000, plus 8.5 percent of the first $2,500,000 in sales and 9.5 percent of all sales over $2,500,000. The contract also provides for an annual scholarship award to the University of $5,000.

FINDING

The bookstore is well-managed. Bookstore sales have continued to increase since Follett assumed the management of the bookstore. In the fiscal 1997, sales increased from $1.9 million to $2.4 million. Sales in fiscal 1998 exceeded $2.5 million. The increases are the result of students

using the campus bookstore rather than making purchases at bookstores located off campus.

The bookstore contract required Follett to make renovations of $150,000, which it exceeded by providing additional renovations of $150,000. The renovations were made to restore the interior of the bookstore and convert adjacent space for use as a campus convenience store.

COMMENDATION

The University Bookstore operates effectively and exceeds contractual requirements.

FINDING

The bookstore manager informed the review team that textbook orders frequently were late and caused delays in receiving textbooks before classes commenced; textbooks selected were not broadly adopted at other schools; and some faculty announce their textbook selections to bookstores located off campus without notifying the campus bookstore. The Texas Right to Know Law requires campus bookstores to notify bookstores off campus of book adoptions. However, off campus bookstores have no obligation to notify the on campus bookstore of any adoptions they receive.

The bookstore returned unsold textbooks worth $812,691 to publishers in 1998 due to inaccurate textbook adoption information provided to the bookstore by some university faculty. Both the bookstore and the university lose money when the volume of business is reduced.

Frequent changes in textbook adoption also have significantly reduced the value of textbooks at TSU, and students lose money when they cannot sell their textbooks. Discontinued textbooks have little buy-back valve and often cannot be sold to other university bookstores if they are not adopted elsewhere. Further, the loss to students can be considerable when frequent changes in textbook selections are made.

According to Follett's, the average amount a student receives from selling back used textbooks at Follett's 570 college and university bookstores nationally is between $75 to $100 dollars. The average received per student at TSU is only $32.

The bookstore contract requires Follett to work with the university's faculty to obtain information pertaining to textbooks and other course materials. Follett is responsible for notifying the faculty if and when

textbook order requests are reduced. The contract contains no other textbook adoption requirements.

In 1997, the General University Academic Center (GUAC) purchased and paid $48,000 for specially designed remedial math textbooks and booklets packet. The books were delivered to the bookstore since the university planned to have the materials purchased by the students, and the bookstore would remit the money collected from the students to the university. The textbooks are still at the bookstore and have not been used.

The selection of the textbooks is clearly an academic responsibility. However, the university should establish reasonable guidelines for the timely requests, estimating the number of students registered for courses and the length of time the text will be used.

The bookstore manager has discussed the problems with the deans and wrote to the provost in May 1998 about the problems with current adoption procedures and the need to establish reasonable guidelines.

Recommendation 99:

Appoint a textbook oversight committee.

The provost should appoint the textbook adoption oversight committee on recommendation from the faculty senate, the student government association, and the bookstore manager to establish guidelines for textbook selection.

The committee's responsibility should include quarterly reviews of textbook adoption information and recommendations to the colleges concerning the impact of textbook adoption on student cost.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The TSU Provost appoints a textbook adoption oversight committee made up of faculty, staff, and students to review the current practices and to develop guidelines.	April 1999
2.	The textbook adoption oversight committee reports results annually to the TSU provost.	Ongoing

FISCAL IMPACT

The implementation of reasonable adoption standards will result in additional proceeds to students from book resales. The cost to the university and the bookstore is more difficult to determine, but there is an

impact on the gross volume on which the university receives compensation. Based on the experience of other Follett stores, the amount the student receives from buy-backs should increase to $60.

The bookstore contract is based on an annual guarantee plus an 8.5 percent of gross sales. The reduction volume caused by the $812,691 in returns reduced the university's commission by $23,000. Assuming that sales remained constant, reducing the amount of unsold textbooks would increase the annual commission the university receives by $23,000.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04
Appoint a textbook oversight committee	$23,000	$23,000	$23,000	$23,000	$23,000

FINDING

The bookstore has extended a significant amount of credit to TSU in the form of textbooks released to students that are receiving Pell Grants and Supplemental Educational Opportunity Grants. The textbooks were released under the contract provision that requires the bookstore to honor all university financial aid vouchers for bookstore purchases. The bookstore clears the financial aid status with the university before the release of books to the student. At the time of the review, the university owed more than $1.5 million to Follett. In 1998, over $700,000 of credit remained unpaid.

The University is on a reimbursement basis for Pell Grants and Supplemental Education Opportunity Grants by the U.S. Department of Education. The university was placed on a reimbursement basis because of violation of grant award requirements. Follett is charging no interest according to the contract manager of the university bookstore, although some of the indebtedness is 14 months old.

Recommendation 100:

Reduce the bookstore obligation and arrive at an agreement with the bookstore on the terms of the payment.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president assigns responsibility for corrective action to the senior vice president for Administration and holds him accountable for clearing the obligation to the campus bookstore.	March 1999

2.	The senior vice president for Administration meets with Follett representatives to outline the manner in which the obligation will be met.	April 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 10
CAMPUS MAIL SERVICES

CURRENT SITUATION

The university operates a full service United States Post Office, referred to as a Contract Postal Unit. Three full-time university employees manage the university post office. The university postmaster reports to the assistant vice president for Budget and Procurement. The university has a contract with the United States Postal Service authorizing the university to perform all postal services for the university and its students. Services include collection and distribution of mail, the sale of postage and postal products, and rental of individual post office boxes for faculty and students at TSU.

Without the designation of a Contract Postal Unit, the university would be required to handle all mail activities through an off-campus U.S. Post Office, including pick-up and delivery of mail. All other campus mail functions would still have to be performed by the university. The campus would be without on-campus mailbox service for students and faculty and other postal products. The Contract Postal Unit contract provides for a more efficient and effective method to providing mail services. The university has a high volume of bulk mail, such as student registration and admission material, alumni mailings, and housing applications, in addition to the regular incoming and out going campus mail.

The U.S. Postal Service provides postal equipment and supplies to the Campus Mail Service with U.S. postal products such as stamps, mailing, envelopes, and mail cartons. The postal service annually conducts on-site operational reviews of the university's financial controls and reports.

The U.S. Postal Service delivers mail to and picks up from the university twice daily. University post office employees sort general university mail and place it in boxes for pick-up. The university post office receives commercial delivery from companies like UPS and Federal Express. Faculty and students also may rent mailboxes.

FINDING

Public forum participants told the review team that the post office does not deliver mail to each university department and believed this caused a delay in receiving mail. The university post office is not staffed to make deliveries to departments or to university residence halls. Rather, departments send an authorized person to pick up mail from the post office located near the west perimeter of the campus.

As shown in **Exhibit 10-1** only two institutions provide delivery to the departments and none of the institutions combine with other delivery functions.

Exhibit 10-1
Comparison of Mail Services with Peers

	Delivered to Departments	Departments Pick up Mail	Post Office Staff	Combine Mail With Other Deliveries
TSU	No	Yes	3 FTE	No
Sam Houston	No	Yes	4 FTE, 2 PT, 3-6 students	No
Prairie View A & M	Yes	No	2 FTE, 2-3 PT students*	No
Stephen Austin	No	Yes	7 FTE, + students	No
UT Pan American	Yes	No	4 FTE	No
University of Houston-Downtown	No	Yes	4 FTE, 1 student	Only delivery mail and large packages

Estimates depending on time of year
Source: MGT Survey of Peer Institutions 1998

The university postmaster conducts workshops for university personnel to acquaint them with postal requirements and methods to improve the preparation of mail, such as using bulk mail handling, bar coding for bulk mail, and controlling mail weight, to reduce cost.

The U.S. Postal Service inspects the university post office. All postage sales are reconciled daily in accordance with U.S. Postal requirements.

Recommendation 101:

Calculate the potential saving to the university of combining mail delivery with other delivery services of the university.

The volume of mail varies considerably from the beginning to the end of the academic term. By establishing a log, the university can determine the personnel cost for mail pick up and determine the total full-time equivalent personnel used by the departments. Once this is established, the university can analyze the alternative of having mail delivered to the departments.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	Selected university departments maintain a log from September through December of the time it takes their staff to pick up the mail.	September 1999
2.	The budget office and university postmaster analyze the results of the log and determine whether staff should be dedicated to mail delivery.	December 1999
3.	Based on the results of the review, the assistant vice president for Finance makes the appropriate internal staff reduction and staffing of the delivery function.	January 2000

FISCAL IMPACT

This recommendation can be accomplished with current resources.

Chapter 10
SECURITY AND SAFETY

Security and safety includes basic law enforcement, fire protection, employee personnel safety and work standards, and Occupational Safety and Health Administration (OSHA) enforcement. These activities are separately organized at TSU and will be treated in two parts:

CURRENT SITUATION

The TSU director of Public Safety reports to the assistant vice president for Facilities Planning and Operations.

The mission of the TSU Department of Public Safety (DPS) is to provide a safe and secure environment for the university community and to protect the property of the State of Texas, personnel and community members with professionalism, competence, and courtesy. The department is charged with the enforcement of the laws of the State of Texas and rules and regulations of TSU. The department also has a major responsibility for the provision and enforcement of a parking plan that accommodates staff, faculty, students, and visitors with the least possible inconvenience.

TSU's Department of Public Safety is funded from three sources: general appropriations, federal grant funds, and an internal service funds. The internal service funds come from the payment of traffic and parking tickets and the sale of parking permits and decals. The department generated approximately $4,780,000 in calendar year 1998 from parking decals, temporary permits, traffic tickets, and parking lot meters.

The current organization is shown in **Exhibit 10-2.**

**Exhibit 10-2
TSU Department of Public Safety**
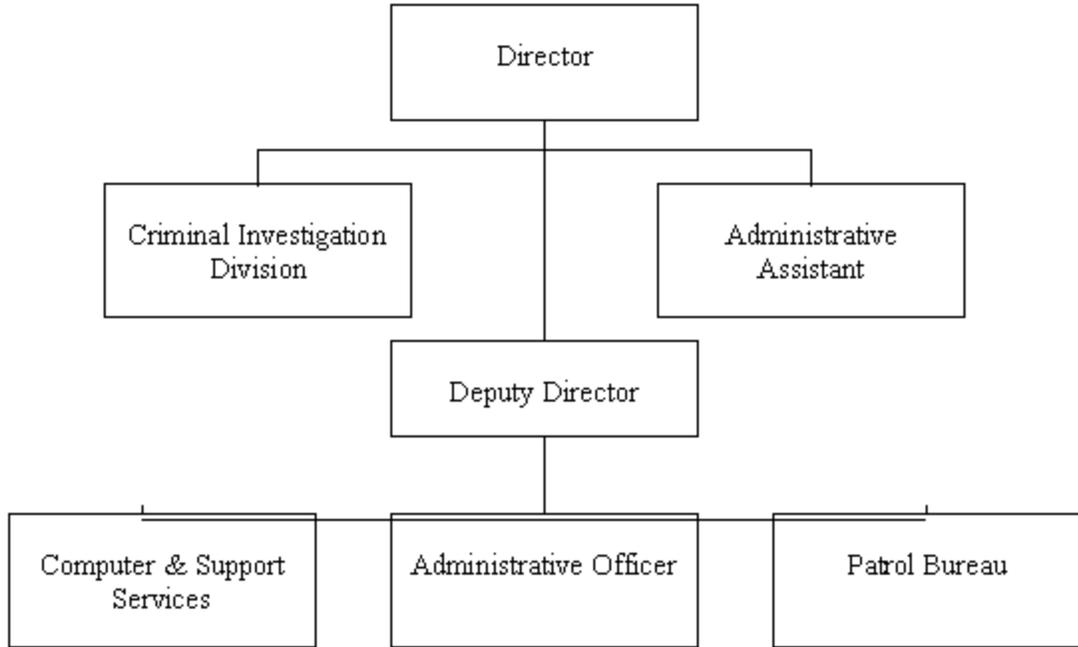
Source: TSU Director of Public Safety.

There are currently 29 full-time positions in law enforcement and safety. The university has 17 certified police officers to maintain 24 hour, seven days per week campus patrols with an average of three officers per shift. Thirteen officers are funded by the state and four officers are funded by a federal grant.

Fourteen students are used to monitor parking lots and are only authorized to issue parking tickets. Four students are paid from the general fund, and 10 are work study students paid from financial aid.

Exhibit 10-3 shows the comparison of police staffing at TSU with staffing at peer institutions, other law enforcement, governmental agencies, and university departments.

Exhibit 10-3
Comparison of Campus Police Staffing with Peers

	Headcount Enrollment	**Total Employees**	**Sworn Officers**	**Non-Sworn Parking Related**	**Other Support**
TSU	9,377	29 FTE, 14 students	17	4 FTE, 10 PT* students assistants	8 FTE, 4 PT students
Sam Houston	11,736	18 FTE, 40-60 students	13	16 PT student	5 FTE, 40-60

				assistants	students
Prairie View A & M	5,999	27 FTE, 3-4 students	17	0	10 FTE, 3-4 students
Stephen Austin	12,439	37 FTE, 50 students	20	5 (4 are 9 month positions)	12 FTE, 50 students
UT Pan American	13,360	21 FTE, work study	8	1 FTE, 4 work study	11 FTE, 2 work study
University of Houston-Downtown	7,576	N/A**		N/A	N/A

- Part-time
*** - Campus not comparable to TSU*
Source: MGT Survey of peer institutions 1998.

Police officers must be licensed by the Texas Commission on Law Enforcement, Standards and Education, must have 60 college hours, or prior experience as a certified police officer. TSU's police force must meet annual training requirements. Probationary officers are required to complete a 2-month course of instruction, and all officers must complete 40 hours of in-service training yearly.

The department has the following procedural documents:

- *The University Police Department Standard Operating Procedures*, adopted on September 28,1984. The document covers in detail such matters as the performance requirements of sworn officers; officer conduct; the proper handling of all police activities including arrest, search and seizure, and communications.

- *A Plan for Emergency Condition Readiness* that provides detailed university preparation and administration procedures in the event of natural disasters.

- Department Training Program for sworn officers provides a five-phase training program for Probationary Police Officers and Security Offices.

The above documents are comprehensive but are out of date. The Director of Public Safety told us that the *University Police Department Standard Operating Procedures* was currently being updated.

Exhibit 10-4 compares crime statistics at TSU with the statistics from peer universities for a
three-year period. TSU has the highest incidence of robbery and aggravated assault. It is the second highest in burglary and motor vehicle theft. The director said that the high rate of aggravated assault was the result of the university's location in a low-income neighborhood where the university social events attract a large number of non-campus local neighborhood teenagers and young adults.

Exhibit 10-4
Reported Campus Crime Incidents TSU and Peer Schools
1995-1997

				Reported Incidents				Arrests		
Year	Murder	Forcible Sex Offenses	Non-forcible Sex Offenses	Robbery	Aggravated Assault	Burglary	Motor-vehicle Theft	Liquor-law Violations	Drugs	Weapons
Texas Southern University										
1995	0	0	--	7	43	27	15	--	--	-
1996	0	4	-	7	33	37	12	-	-	-
1997	0	2	--	5	13	24	12	14	15	2
Prairie View A&M University										
1995	0	8	--	1	11	87	20	19	53	-
1996	0	0	--	1	10	52	12	--	--	-
1997	0	2	--	0	4	118	12	33	41	3
Sam Houston State University										
1995	0	1	0	0	0	1	3	59	23	-
1996	0	0	0	2	0	4	3	19	23	-
1997*	-	-	-	-	-	-	-	-	-	-
Stephen F. Austin University										
1995	0	1	--	1	10	24	2	5	16	-
1996	0	1	--	1	8	26	3	3	15	-
1997	0	2	--	0	1	29	2	40	23	3
University of Texas, Pan American										

1995	0	0	--	0	1	4	10	0	1	-
1996	0	1	--	0	9	0	8	1	4	-
1997	0	0	--	0	1	7	9	3	1	0
University of Houston, Downtown										
1995	0	0	--	1	8	7	5	19	2	-
1996	0	0	--	0	11	2	3	38	1	-
1997	0	1	0	2	1	5	12	9	1	0

Source: Chronicle of Higher Education, May 8, 1998, and Texas Department of Public Safety.
NOTE: a dash ("-") means information is unavailable.

TSU's Department of Safety maintains records of the daily operation of the department such as crime statistics and fees collected for traffic tickets and parking fees. Before the implementation of the current Banner computer system, the comptroller provided budgetary monthly reports. These computer-generated reports from the then College and University Financial System (CUFS) detailed all revenue transactions for the department. The reports contained transactional information that included the student/employee name, social security number, ticket number, towing vehicle parking decal, amount paid, method of payment, date of payment and deposits, and parking meter revenue. The last report received was a partial report in August 1995. Thereafter, the exact amount of funds generated by the department is not known by the department. The implementation of all modules of the Banner system will handle these requirements in the future. The lack of historical data makes comparisons between fiscal periods difficult.

FINDING

The security and law enforcement department cannot rely on the equipment in the university police dispatch office. The equipment was installed to provide a single point for the coordination of all emergency conditions and for monitoring safety and security on campus.

When the dispatch office was inspected, the police radio master console was not working properly. The dispatcher frequently loses communication with campus police patrols and other law enforcement agencies due to malfunctions. The master fire alarm system does not audibly alert the dispatcher. The alarm system tape printout that gives the location of the fire alarm location also was not functioning.

Texas has no state fire code, and state buildings are exempt from local fire codes. In 1996, the State Fire Marshall adopted the National Fire Protection Association's Life Safety Code. The code applies to buildings on the TSU campus. The state only reviews schools on request. The Director of Fire Safety and Inspection in Austin reports that TSU has not been inspected in 25 years.

TSU officials have provided information about the university's plans for the fire security system and the telecommunications system for this area. According to the associate vice president for Facility Planning and Operations, many of the existing buildings have had their fire alarms systems upgraded. Other buildings are scheduled for upgrades once other renovations are completed on these structures. Funds have been set aside for replacing the fire systems in these buildings, and the university has a contract with a local firm to complete the upgrades once the building renovation is complete. In addition, director of the Department of Public Safety has completed a grant proposal to the U.S. Department of Justice for funds to upgrade the telecommunications system. If the university fails to receive the grant, local funds have been set aside for this purpose.

Recommendation 102:

Continue to replace safety and security equipment.

The university should immediately take steps to continue upgrading the fire alarm system. Once completed, the university should request a fire inspection from the State Fire Marshall.

Failure to repair or replace the defective equipment can lead to serious safety and security problems.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The director of Department of Public Safety requests replacement of the radio console and repair of the fire alarm system.	Complete
2.	TUS completes the repair and replacement of fire alarm systems.	July 1999
3.	The director of Department of Public Safety submits a request to have the State Fire Marshall conduct an inspection.	July 1999

FISCAL IMPACT

This recommendation can be completed with existing resources.

FINDING

The campus dispatch office is linked to the National Criminal Information Justice System. However, this system does not provide information from state and local law enforcement agencies such as driver's license, vehicle tag, or local arrest records. These data are maintained on the Harris County computer system, the Judicial Information Management System (JIMS/DIMS). This information is needed when making an arrest, checking on abandoned vehicles, identifying suspected lawbreakers, and checking license plates and driver's licenses.

The absence of this information lengthens the time it take to complete an arrest. The director of Public Safety indicated that the current arrest and booking procedures require two officers and three hours to complete and must be done at the County District Attorney's office in downtown Houston. One officer is needed to escort the prisoner to the downtown holding area, while another officer completes the arrest records at the County District Attorney's office.

JIMS/DIMS will allow the department to enter the booking information on campus. The JIMS/DIMS will facilitate the review of other law enforcement information such as vehicle and driver's license checks, background information for on going investigations and local arrest information. The system will improve the overall ability to handle police business more efficiently and effectively.

Recommendation 103:

Install the Harris County Law Enforcement computer system (JIMS/DIMS) to allow TSU's Department of Public Safety to connect to the county departmental file server.

The time and staff required to complete the arrest would be reduced if the department were tied into the Harris County Law Enforcement computer, allowing the officers to complete the arrest process on campus. Only one officer would be required to transport the offender to the downtown lock-up facility.

Networking with the Harris County JIMS/DIMS would speed up many other information needs of the department. Currently, TSU police have to obtain information by calling the county attorney's office or the University of Houston Police Department and requesting that they look up the necessary information and provide it to the department.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The director of Department of Public Safety identifies the hardware and software needed to run the JIMS/DIMS.	Complete

2.	The system is installed.	April 1999
3.	The director of Department of Public Safety organizes training with the Harris County justice system on using the software and hardware.	April 1999

FISCAL IMPACT

The first year cost of this recommendation will be $11,000 to install JIMS and $3,000 in annual operating costs. Thereafter, the annual operating cost will be $3,000. These costs are already in TSU's budget.

FINDING

Results from the survey and interviews revealed a need to improve relations between the police officers and students. A particular concern was related to the parking and towing policies of the department. DPS was recently reorganized, and the safety function was transferred to the vice president for Facilities and Planning. A number of other personnel changes were recently made in the security and law enforcement unit.

Recommendation 104:

Create a Campus Security Advisory Committee with membership from student body leaders, student affairs staff, faculty, and campus security personnel.

The advisory committee should hold monthly open meetings to identify problems and recommend solutions. The activity of the advisory committee will improve relations with students and faculty by providing a collegial structure that will allow open review of law enforcement issues and problems.

Sworn officers should receive more training in student relations and be more active in providing crime prevention training for students. Police officers should be more active in meeting with student groups and organizations to educate students about crime prevention and to better understand student needs.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The vice president for Student Services appoints a committee of three faculty, three students, a senior member of student affairs, and a senior member of the administration and charges the committee to	March 1999

	identify strategies for improving student/police officer relations and increase awareness of safety and security issues.	
2.	The committee organizes and establishes procedures with approval of the president.	April 1999
3.	The vice president for Student Services announces the purpose of the committee and posts meeting schedule.	May 1999

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

The *University Police Department Standard Operating Procedures* have not been updated since they were adopted in 1984. Federal and state laws related to security and law enforcement functions are continually being changed by legislative or judicial action that can affect university procedures. For instance, no reference of the Student Right To Know Act is contained in the operating procedure outlining the university's responsibility for providing information to students.

Recommendation 105:

Update the university police standard operating procedures annually.

Updating these materials will help avoid errors in conducting the security and law enforcement function. All policies and operating procedures should be dated and should be reviewed annually to ensure that they are current.

IMPLEMENTATION STRATEGY AND TIMELINE

1.	The director of the Department of Public Safety reviews the procedures with staff and updates as necessary.	In Progress
2.	The director of the Department of Public Safety reviews changes with staff and reports any significant changes to the TSU president.	March 1999

FISCAL IMPACT

This recommendation can be accomplished with current resources. The maintenance of up-to-date procedures will improve security functions and reduce conflicts in operating procedures by security personnel.

Chapter 11
STUDENT SERVICES ADMINISTRATION

CURRENT SITUATION

Exhibit 11-1 shows the organization of Student Services. Student Services' "primary purpose is to develop and implement effective and efficient delivery systems for providing support services to students." (Texas Southern University, Departmental Functional Compliance Reviews, Information Sheet, Fiscal 1997). The associate vice president for Student Services, who also serves as dean of students, reports to the president of the university.

Exhibit 11-1
Division of Student Services
January 1999
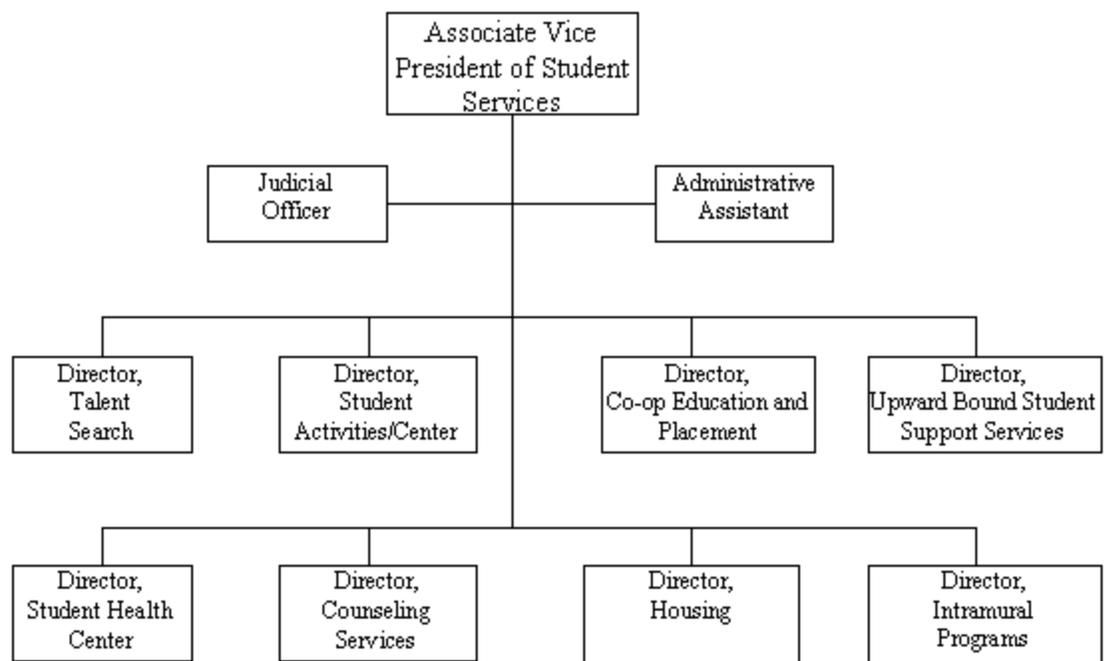
Source: TSU Division of Student Services, 1999.

Since 1970, there have been nine chief student services officers at TSU, creating significant instability of leadership. The current associate vice president for Student Services was appointed in 1996 as part of the last major organizational restructuring. The last restructuring decentralized student services. Financial Aid, Admissions, and Cooperative Education and Placement were reassigned to the newly created area of Enrollment

Management, whose interim assistant vice president reports to the provost/senior vice president for Academic Affairs.

Also in 1996, in response to budget cuts, the university's Counseling Services division was moved from Student Services and assigned to the Education Department. At that time, the university's graduate counseling students began serving internships with Counseling Services, addressing both graduate academic and undergraduate service needs.

Within the past four years, new student orientation and academic advising have been removed from the Student Services division.

In fiscal 1997, Student Services was staffed by 39 full-time equivalents (FTE) in the following areas: Student Center/Student Activities, Housing, Student Health Center, Talent Search, Upward Bound/Student Support Services, and Intramural Programs. The division's operating budget for the fiscal year ending August 31, 1998, was approximately $4.5 million. Funding sources for the division include Student Services Fees, Student Center Fees, Student Health Services Fees, a Recreation Facility Fee, auxiliary revenues from sales and services, and fees charged for room and board.

Each year, every functional area within Student Services develops a plan. While the process is coordinated among the areas within Student Services, the division's planning activities, as a whole, are performed independently of all other areas and divisions within the university. Using a form titled *Risk Assessment and Control Activities Worksheet,* each functional area's staff lists "action steps" "successes," "risk concerns," and "control procedures" for the next academic year's activities. Built into this process is an annual assessment of progress toward, or achievement of, goals.

FINDING

The division of Student Services has been significantly decentralized over the last four years. As a division, its primary purpose is to provide support services to students. The associate vice president's job description places responsibility with him to provide "leadership and direction for a comprehensive student life program that promotes the intellectual and social development of students; develops a sense of community among students; [and] serve as an advocate for student values of student development."

The Council for the Advancement of Standards (CAS) for Student Services/Development Programs has compiled the only national standards common to student services for the following functional areas: career services, counseling, admissions, academic advising, orientation. The *CAS*

Standards and Guidelines states that "institutions which do not provide student services and development programs for which CAS standards and guidelines exist should review their programs carefully and the non-existing functional area(s) should be considered for future development." Although Financial Aid is considered an area "common to student services," CAS has not developed this area's standards, because another professional association has addressed them.

Cooperative Education and Placement, Counseling Services, Financial Aid, and Orientation are not within the division of Student Services. Each of these areas provides service and support to students and can enhance each student's academic experience. Centralizing Student Services' functional areas would help avoid duplication of effort and expenditures. It is worth noting that the importance of the Counseling Services' integral role in Student Services continues to be acknowledged by the TSU administration.

There are multiple areas providing counseling services at TSU. The university's Counseling Services, currently assigned to the Education Department, not only provides general counseling that addresses financial, social, academic, and emotional stresses, but substance abuse programs and disabled student services. Cooperative Education and Placement reports to Enrollment Management and provides career counseling, job search assistance, and placement services. The Student Health Center counsels, advises, and refers students on an array of health concerns.

Recommendation 106:

Centralize all student-related counseling services within the Student Services division.

In addition to the areas currently reporting to Student Services, assign Cooperative Education and Placement and Counseling Services to Student Services. A centralized organization would facilitate the coordination of all student support services and collaboration of staff, the reduction of support staff needs, and the consolidation and reduction of the costs of postage, FAX, telephone, copying, publications, and marketing.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The president directs Cooperative Education and Placement and Counseling Services to be placed under the direction of Student Services.	Complete
2.	The associate vice president implements the recommendation in conjunction with department heads.	Complete

FISCAL IMPACT

Cost savings cannot be calculated because this recommendation primarily focuses on better serving students. Over the years, it will result in reduced student attrition because students will be better tracked and provided better guidance and academic direction.

FINDING

There was no evidence of university compliance with the Student Right to Know and Campus Security Act (Public Law 101-542, November 1990). This federal statute requires an institution to maintain statistics on crimes committed on campus, and to develop and distribute publications reporting those crime statistics for the three most recent calendar years. Security policies also are to be made available to current students and employees, and to any applicant for enrollment or employment upon request. The associate vice president for Student Services was asked for publications prepared in compliance with Public Law 101-542. He stated that they were not available. While the TSU's Department of Public Safety already was publishing the statistics, Student Services was not distributing them. This failure to comply with Public Law 101-542 may result in the loss of federal financial aid to the university.

Peer institutions generally report publicizing the campus crime statistics in existing publications such as schedule of classes, student conduct packets, and faculty and staff handbooks.

Recommendation 107:

Comply with the Student Right to Know and Campus Security Act.

This information is already collected and compiled by Public Safety since it is required reporting for this area. Student Services should publish crime statistics and security policies in the course selection catalog, faculty and staff handbook, and post on the university's Internet homepage. Additionally, Student Services should publish an independent handout.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Public Safety compiles statistics in accordance with Public Law 101-542 and supplies to the associate vice president of Student Services.	Monthly
2.	The associate vice president of Student Services sends annual TSU crime statistics to printer for publishing and distribution through leaflets inserted in the class schedule before the beginning of each	Bi-Annually

	semester, the university newspaper, faculty meetings, and orientation packets.	
3.	The security officer meets with orientation groups to inform first-time and transfer students about policies.	Ongoing

FISCAL IMPACT

Existing staff can assume responsibility for collecting, summarizing, and distributing the crime statistics. This data can be published in existing documents such as the schedule of classes, orientation materials for new faculty and staff, and the faculty and staff handbooks. The cost can be absorbed in the departments current budget.

FINDING

According to issues raised during site-visit interviews, at the Public Forum, and with the administration, department chairs are not provided timely reports of current students and their intended major so that students can receive academic counseling from a suitable faculty member and begin working on departmental requirements. Better communication is needed between the Admissions office, General University Academic Center (GUAC) advisors, and faculty advisors.

Recommendation 108:

Provide students with more consistent advising.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The provost holds a meeting with all academic advisors, admissions officers, counselors, and a few System Computer Technology (SCT) staff to discuss best practice for supplying information on tracking students.	February 1999
2.	Administrators and staff vote on academic advising guidelines, which will include mandatory meetings for all students to meet with their advisor at least three times per year, and at least once in the fall and spring semesters.	March 1999
3.	SCT staff devise and implement a plan to provide student tracking information electronically to staff and faculty.	April 1999

FISCAL IMPACT

This recommendation can be implemented at no cost to the university.

Chapter 11
COOPERATIVE EDUCATION AND PLACEMENT SERVICES

CURRENT SITUATION

Cooperative Education and Placement Services (CEPS) is staffed by a director and an internship/placement counselor. During the school year, there usually are three work study student employees and students from the sociology, psychology and social work programs who are required to volunteer from six to eight hours a week. The student workers handle clerical responsibilities, assist those coming in for services, and help with presentations and workshops. The fiscal 1998 operating budget was $52,862. The fiscal 1999 operating budget is $95,199. The budget increase is due, in part, to including a half-time secretary and moving the $27,593 annual salary of the internship/placement counselor from the General University Accounting Center budget to Cooperative Education and Placement.

In academic year 1991-92, the office had five full-time employees: a director; a career resource specialist; an office manager; a job locator and development specialist; and an internship/ placement counselor. Since then, the office has lost three employees, two of whom were funded by budgets other than Cooperative Education. When budget cuts occurred, the Financial Aid Office and School of Technology (the two funders) lost two staff positions and their funding. The third staff member resigned.

Over the years, the reporting relationship of Cooperative Education has changed. Before 1995, the department reported to the vice president for Student Services. From 1995 to 1997, the department was assigned to the vice president for Academic Affairs. In the fall of 1997, staff was reassigned to the new area of Enrollment Management. As of February 1, 1999, Cooperative Education again reports to the associate vice president for Student Services. The Enrollment Management team, made up of the directors of Financial Aid, Cooperative Education and Placement, Admissions, and the Registrar, meets regularly with the assistant vice president of Enrollment Management. Each area developed its own enrollment management plan, and then were later merged.

CEPS serves undergraduates, graduate students, and alumni. Services include part- and full-time job listings, internships, cooperative education placements, on-campus recruiting, the maintenance and mailing of credential files, and resume assistance. There are three other placement offices on campus, one each in the College of Pharmacy and Health Sciences, the Thurgood Marshall School of Law, and the Jesse Jones

School of Business. They collaborate on seminars with the other offices and assist any students who request services. Follow-up surveys are conducted with each graduating class. The results from the 1997-98 survey are not yet available.

FINDING

CEPS has no automated career exploration technology available. Career exploration software provides a comprehensive, individualized, computer-assisted approach to career information for students and career counselors. Students can be more proactive in their job search with this high tech tool. Staff members will have more time for activities requiring their attention, such as follow-up counseling, workshop development, and facilitation. Without this software, it is more difficult to provide career exploration services to students. Since the loss of the career resource specialist, the area of career exploration has suffered the most.

Recommendation 109:

Obtain career exploration software.

The director could explore the possibility of cost sharing with other university departments such as Student Support Services.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of Cooperative Education and Placement Services identifies funds to lease a career exploration program, either independently or through a local consortium.	August 1999
2.	The administrative Computer Services staff installs the software.	September 1999
3.	The career services staff members self-train using software provided for this purpose or ask staff from the software company to train them.	September 1999

FISCAL IMPACT

Although other career exploration software programs are available, ACT DISCOVER costs are used as an example. National prices are shown; however, costs would be less through a consortium. Annual charges for leasing the software and site license(s) for three or more PCs are provided.

Recommendation	1999-2000	2000-01	2001-02	2002-03	2003-04

| Obtain career exploration software.	($3,600)	($3,600)	$3,600)	($3,600)	($3,600)

Chapter 11
HEALTH AND COUNSELING SERVICES

CURRENT SITUATION

Exhibit 11-2 shows the organization of the university-maintained Student Health Services. Two full-time Registered Nurses (RN) and one medical doctor on a retainer make up the Health Services staff. The doctor is on campus two hours a day, five days a week. The Health Center's hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, with no evening or weekend schedules. This area was affected by the recent budget cuts and restructuring. In the past, staff included a pharmacist, another physician, and a psychiatrist. Services included an educational component.

Exhibit 11-2
Organizational Chart of the Student Health Services
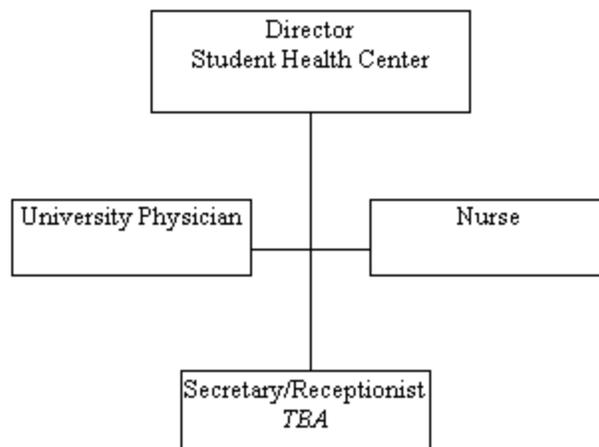
Source: TSU, 1999.

The Student Health Services emphasize prevention and provide free primary care. Student Health Services is equipped to handle acute ailments and serves as a resource for chronic illnesses. It provides health care literature and counseling, dispenses over-the-counter medications, and writes prescriptions. Individuals requiring tests and more extensive treatment are referred to the Harris County Medical Clinic.

The Center's staff handled 13,350 student contacts (i.e., individual Health Service visits or calls for treatment or referral) from September 1, 1995 to January 31, 1999. A further breakdown of their activities during that period includes providing primary care treatment or referral to 1,148 faculty and staff members, writing 1,409 prescriptions, making 487

referrals, giving 15 tetanus immunizations and 150 TB skin tests, dispensing 10,811 condoms, incising seven abscesses, and responding to 25 on-campus emergencies. The staff also held six HIV/AIDS/STD counseling and testing seminars sponsored by the Riverside Clinic and AAMA.

The university began charging students a Health Services Fee for the first time in September 1997. The annual cost for a full-time student is $35.

Health and accident insurance, while available to all students, is mandatory only for those living in student housing. Student health and accident insurance is not required by state law. International students are not required to have insurance. Although Texas law allows individual colleges and universities to require student immunizations, TSU has no immunization requirement.

Options are being explored regarding the future of the Student Health Services, including privatization, managed care, consideration of a new facilities, and types of insurance that should be provided. The associate vice president for Student Services would like to develop a Health Center that would centralize health services, counseling, and wellness programming.

Exhibit 11-3 shows the organization of TSU's Counseling Services. Before the 1996-1997 academic year, Counseling Services reported to the associate vice president of Student Services/dean of Students. This area now reports to the associate vice president for Student Services and will maintain a close working relationship with the College of Education. The department was placed under the College of Education Graduate Program in Counseling and Guidance as a result of fall 1996 budget cuts, but was moved back to Student Services in early 1999. Graduate students began a mutually beneficial internship with the Counseling Center and University Housing. Counseling Services are located in Bell Hall, as well as some of the Student Services departments.

Exhibit 11-3
Organizational Structure of the Counseling Services
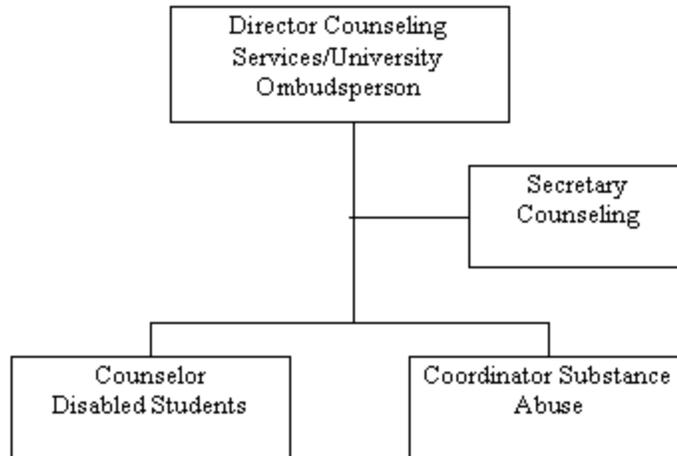
Source: TSU, 1997.

According to *University Counseling Services 1997-98 Operating Budget Special Item Account #1370,* counseling is available to undergraduate and graduate students at a counselor-to-student ratio of 1:2,000. The department is staffed by the director/university ombudsperson, one licensed substance abuse counselor, one licensed professional counselor, and one clerical support staff member. Additional support is provided by graduate assistants.

The 1998-1999 Counseling Services budget, including salaries and operational expenses, is $160,117.

The University Counseling Services is responsible for providing Disabled Student Services (Public Law 101-336, Section 504, Rehabilitation Act of 1973) as well as the Substance Abuse Prevention, Education and Intervention (SAPEI) programs. Counseling also is available for mental health academic, financial, registration, and family issues.

As stated in *Texas Southern University, Department Functional Compliance Reviews Information Sheet, Fiscal Year 1997,* Disabled Student Services serve students with a "learning disability, visual disability, hearing disability, physical disability, and chronic medical condition." The learning disabilities category is the largest and fastest growing population served.

The SAPEI Program serves students and employees with concerns about the use and abuse of alcohol and other drugs.

FINDING

Physical and mental well being is critical to a student's positive college experience. Students have voted to increase their activity fees to support a building fund for a recreation facility.

As of summer 1998, a limited intramural program exists on campus led by one TSU employee and approximately five part-time students. Student workers' responsibilities range from teaching aerobics to supervising an open gym. No intramural teams exist, but a more extensive program is expected to be operational with the introduction of the new student health center and student recreation center.

Several areas provide counseling services to students, including Counseling Services, Cooperative Education and Placement, the Student Health Center, and the Student Support Services/Talent Search/Upward Bound Programs. The overlap among those services creates an inefficient duplication of staff and other costs.

Proposals are on the table to outsource health services in addition to building a new student health center in March 2000 and a student recreation center in August 2000. Plans for the new centers currently are in the project and design stage.

Recommendation 110:

Establish a Health-Wellness-Counseling program, as a component of the Health Center, within the division of Student Services.

The Intramural Program (already reporting to Student Services) should be an integral part of the program, providing the recreational /physical activities for students. This organizational structure would help prevent physical and mental health problems by means of a coordinated approach to health-related issues, collaborative programming, and referrals.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president of Student Services meets with the directors of the above mentioned programs to discuss plans for implementation, where to house the program, their vision for the wellness center, and how to efficiently restructure areas to cut back on administrative costs.	April 1999
2.	The associate vice president of Student Services makes the necessary changes on paper and gradually moves the offices physically so that TSU has a fully operational health and wellness program.	Spring 1999-Fall 2001

FISCAL IMPACT

The resources to support this program will come from student fees designated for health services and recreation, and therefore, should have no overall effect on TSU's budget.

FINDING

The university Counseling Services is charged with providing services to disabled students without adequate funding. Currently, $9,900 in support comes from the $160,117 Counseling Center's fiscal 1998 budget, while another $5,000 from the Texas Rehabilitation Center was used to pay a total of $14,900 for Interpreter Service/Disabled Student Services. Because the Counseling Center was not allocated any fiscal 1999 funds for Interpreter Services/Disabled Student Services, the associate vice president for Student Services allocated about $15,000 of his $30,000 contingency budget for those services. Disability Support Services can be expensive. For example, one profound hearing-impaired student enrolled for 12 credit hours requires the temporary services of an interpreter at a cost of over $15,000 for two semesters.

In academic year 1991-92, the university's Counseling Services served approximately 35 students who identified themselves as disabled. By 1996-97, the number grew to about 80 students and nearly 140 received services in fall 1998 from Disability Support Services. Nearly 80 percent of students who register with Disability Services have had a need, and will continue to need, special equipment that has not yet been purchased.

The university Counseling Services' strategic plan identifies a high level of concern about the risk associated with inadequate budget resources for Disabled Student Services. The action plan states that Counseling Services will continue working with the vice president for Student Services to identify funds.

Recommendation 111:

Create a line item in the Counseling Services budget to support services in accordance with the Americans with Disabilities Act (Public Law 93-112, ADA 1990) and actively seek grants to support the program.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Student Services makes projections of the approximate number of students to be served by the program using institutional trends across the state, as well	August 1999

	as enrollment trends at TSU.	
2.	The associate vice president for Student Services identifies funds to create an ADA line item in the University Counseling Services annual budget.	September 1999
3.	The associate vice president for Student Services directs staff to seek grant opportunities to support the program.	Ongoing
4.	TSU offers a semester-long grant writing class and problem solving class in which students find ways that they can contribute to solving a problem. Provide course credit for volunteer activities.	Ongoing
5.	The ADA line item appears in the Counseling Services budget.	Ongoing

FISCAL IMPACT

Counseling Services' budget will have to be adjusted to account for a new ADA line item and grant opportunities. Using undergraduates and graduate students to problem solve and supplement the variety of counseling that takes place on TSU's campus will be mutually and financially beneficial.

FINDING

Counseling Services does not have the ability or the authority to access some of the Banner administrative software system's screens. The inability to access the Banner screens means that counselors must rely solely on the information supplied to them by the person getting counseled. Often, grades, finances, and courses are the reason a student seeks help. A review of several Weekly Activity Reports completed by counselors indicates that between 53 and 95 percent of the students sought help with academic problems. Having access to screens supplying this information will increase efficiency and effectiveness of service delivery. Access to Banner screens would give counselors an important tool in assisting these students.

Currently, Counseling Services has five computers; however, four of the five are made available to students with disabilities.

Recommendation 112:

Provide Counseling Service counselors with the authority to access the Banner screens from their desktops.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president of Student Services contacts the executive director of Management Information Systems regarding counselor desktop authority and access to the SCT Banner system.	March 1999
2.	The counselors are connected to the SCT Banner system.	May 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 11
FINANCIAL AID

CURRENT SITUATION

The mission of the Financial Aid Office is to:

> *"help provide access to higher education for eligible students who could not otherwise afford to attend Texas Southern University. It is also to encourage academically exceptional students to choose Texas Southern University. The office staff will implement financial aid programs, policies, and services that complement the University's efforts to recruit and retain both undergraduate and graduate students. In addition, the office staff will educate students so that they can develop effective financial planning strategies and the record keeping acuity required to function in a complex environment, which is not unlike the work they will face upon graduation." (TSU Financial Aid Office)*

As of the academic year 1997-1998, the Financial Aid Office (FAO) reports to the assistant vice president for Enrollment Management, a position created in academic year 1996-1997. Before this, the FAO reported to the provost and senior vice president for Academic Affairs. Of the office's 21 employees, 16 (76 percent) were hired within the last 18 months. **Exhibit 11-4** shows the organization of the FAO. Asterisks (*) after the position title indicate a vacancy.

Exhibit 11-4
Organizational Structure of the Financial Aid Services
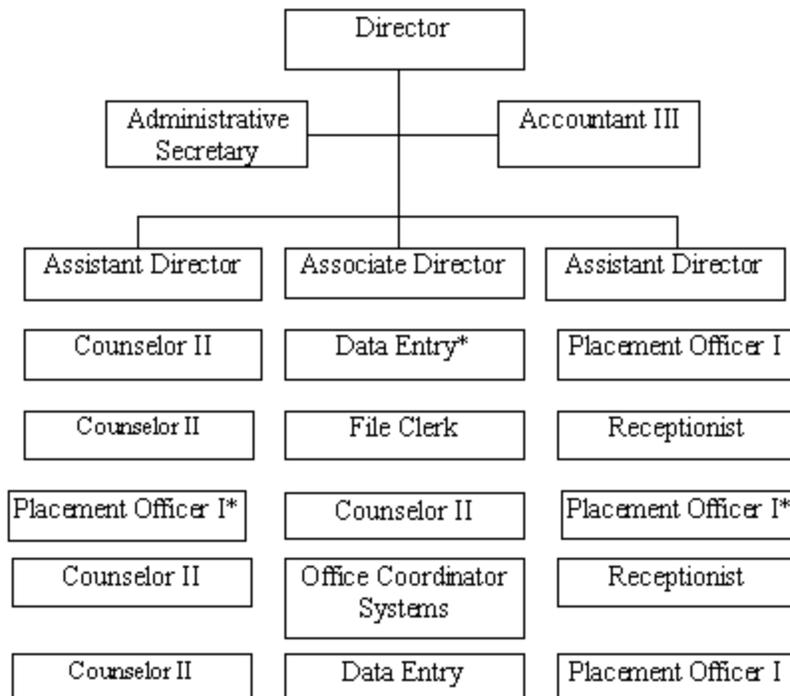
Source: TSU, 1999

Exhibit 11-5 shows the positions in the FAO and the accompanying job responsibilities.

Exhibit 11-5 Financial Aid Office Job Descriptions

Position	Job Summary
Director of Financial Aid (position open)	To provide leadership and administration of the University's Financial Aid Program. Supervision of the Financial Aid office personnel, budget management, oversight of compliance with Federal and State financial aid guidelines and regulations, maintenance of appropriate communications with all constituents.
Associate Director of Financial Aid	Responsible for daily operations of the Financial Aid office. Coordinates systems area, oversees all aspects of analysis and evaluation of office computer system, supervises staff, oversees federal and state programs, compliance with regulatory requirements, delivery of student counseling and assistance on financial aid matters.
Assistant Director/Financial Aid Counselor II (two	Provides leadership, expertise and serves as resource for financial aid processing, student

positions)	financial aid programs, policies and procedures, and exceptions to policies and procedures. Serves as resource for financial aid program restrictions, packaging, routines and philosophy, processing record keeping policies and procedures and exceptions to the policies. Serves as recorder to Financial Aid Review Committee and resource on Financial Aid Satisfactory Academic Progress Committee.
Accountant III	Responsible for submission of invoices to federal agencies, database maintenance for financial aid on federal grants and contracts, oversight of follow-up on payment status of all invoices submitted to sponsoring agencies. Prepares journal vouchers to record invoice payments and cash drawdowns on letters of credit for federal agencies to the general ledger. Compiles status reports detailing payments. Reviews all documents on federal programs for compliance to state, university and sponsoring agency guidelines. Responsible for indirect cost recovery journal vouchers. Assists in year-end closing and preparation of schedules for the Financial Aid Financial Report.
Financial Aid Counselor Five positions all share these responsibilities; the following are unique to their position	The financial aid counselors provide financial aid counseling for the office and any other function, as directed, to maintain the daily operations of the Financial Aid Office. They assist in awarding financial aid, review and edit financial aid applications, complete the verification process of required applicants, ensure notification of requested documents, provide financial aid counseling, submit data for requested reports, verify data and maintain updated files on students, maintain accurate awarding procedures, and send acknowledgments and incomplete application notices.
Financial Aid Counselor (I)	Oversees, monitors and reviews for improvements the Federal College Work Study Program. Coordinates the Regular Student Employment program via the Job Location and Development Program and Community Service Work Study programs.
Financial Aid Counselor (II)	Oversees, monitors and reviews for improvements to the Federal Family Educational Loan (FFEL)

	program. Coordinates and conducts in-office updates and training associated with the FFEL program. Serves as office liaison to Texas Guaranteed Student Loan Corporation (TGSLC) and participating lenders in the FFEL program.
Financial Aid Counselor (III)	Oversees, monitors and reviews for improvements the Financial Office management of the state programs administered by the Texas Higher Education Coordinating Board (THECB). Coordinates and conducts in-office training associated with the state programs. Serves as liaison to Texas Higher Education Coordinating Board.
Financial Aid Counselor (IV)	Oversees, monitors and reviews for improvements the reimbursement process to ensure timely and accurate submission of student files to the Education Department. Coordinates and conducts in-office updates and training associated with changes in the reimbursement methods system. Serves as liaison to other Enrollment Management team members (registrar, admissions, bursar) working with the reimbursement project.
Financial Aid Counselor (V)	Works in the systems area of the Financial Aid Office. Serves as liaison with IT&S SCT/Banner in absence of associate director. Monitors the daily activity of the Financial Aid Module. Reviews reports and system edits to ensure compliance with Title IV regulations. Provides financial aid counseling and handles other duties as assigned.
Default Management	Coordinates the default management program including: entrance and exit counseling; research, follow-up and submission of documentation regarding student status; conducting on- and off-campus financial aid workshops; reviewing and editing financial aid applications; and assisting students in the resolution of default matters.
Placement Officer I (two positions)	Counsels enrolled and prospective students regarding the financial aid process. Assists with completion of financial aid forms; answers questions regarding application status; reviews completed files; package financial aid; conducts financial aid workshops; counsels and assesses academic, financial and other needs and refers as appropriate; and processes financial aid transcripts

	for students transferring to other schools.
Data Entry (two positions)	Ensures service and information is provided to assist students in applying for and determining eligibility for federal and state funded financial aid programs. Receives and reviews financial aid documentation, ensures forms are complete, inputs all document into the Banner Student Tracking system, processes notices of guarantee, assists students with applications and program requirements, and disseminates aid forms and documents in a timely manner.
Administrative Secretary	Under moderate supervision to limited supervision, performs a variety of difficult administrative and secretarial tasks related to the successful completion of the daily support operations of the department. Establishes priorities, organizes materials, serves as resource on questions of policy and procedure, handles purchasing, compiles data and produces reports, supervises and schedules student assistants, and oversees production of written materials and computer data control.
Office Coordinator	Under moderate supervision, performs a variety of non-routine administrative and clerical tasks relating to overseeing daily operations of data processing. Oversees hiring, training and scheduling of employees. Monitors and evaluates job performance. Serves as liaison with other departments in reporting discrepancies with forms and in maintenance of files and equipment. Handles inquiries and completes data entry tasks to comply with state or federal regulations. Oversees special data entry projects.
Student Transcript Administrator (three positions)	Under close supervision, performs a variety of routine and non-routine clerical and administrative tasks relating to Student Financial Assistance.

Source: TSU, 1997.

Training and mentoring staff were described as important aspects of the current Financial Aid Office. Regular workshops are provided to update all staff on regulatory revisions affecting student financial aid.

The Financial Aid Office is open to students from 8:30 a.m. until 2:00 p.m. on Monday, Wednesday and Friday. From 2:00 p.m. until 5:00 p.m.,

the staff completes the day's paperwork. On Tuesdays and Thursdays, paperwork is done from 8:00 a.m. to 11:30 a.m., and the office is open for business from 12:00 p.m. to 7:00 p.m.. Five years of financial aid files are maintained as active and accessible, while the remainder is archived.

Financial Aid is a decentralized function at TSU. In addition to the Financial Aid Office, general university scholarships are awarded by the associate vice president of Student Services. Honors Program scholarships are awarded through the director of the Douglass Institute Honors Program. Private scholarships are awarded through Institutional Advancement and law scholarships are awarded by the Thurgood Marshall School of Law. The director of Financial Aid helped establish the criteria for general university scholarships. The FAO also is provided the names of recipients, including the Honors Program, private and law school scholarships. The last three create problems in monitoring for the over-awarding of financial aid because FAO often receives the list after it has awarded other financial aid assistance to the same scholarship recipient.

Ninety percent of TSU students receive some form of financial aid, including scholarships and Title IV federal loans and grants. As of February 10, 1999, 55 percent of TSU students received Title IV aid. The National Association of Student Financial Aid Administrators reported that "Secretary of Education Richard Riley announced November 12, 1997 that the national student loan default rate dropped for the fifth consecutive year, to 10.4 percent for fiscal year 1995, down from 10.7 percent for fiscal year 1994." During that same period, TSU's student loan default rate dropped from 35.1 percent to 33.1 percent. The director said that the latest default rate is approximately 29.9 percent, which is higher than the national average. The FAO recently hired a default manager to implement the university's Default Management Plan. This plan, which was submitted to the Department of Education (DOE) last fall, has not yet been approved. The plan will be revised for the upcoming academic year to reflect a more vigorous approach to reduce the default rate. The Default Plan requires an entrance interview and counseling once a year for every student receiving loans and a follow-up by letter and telephone call to every graduate for which the Texas Guarantee Student Loan Agency submits a report. The Financial Aid Office is researching the possibility of a default management firm handling the default follow-ups.

The Financial Aid process covers the activity in a student's file from the student's application for admission through registration for classes. The process is described below.

1. The student applies to the university for admission.
2. The student receives provisional or unconditional admission status from the Admissions Office.

3. The student submits financial aid paperwork.
4. Letters are sent to applicants with missing information.
5. On a daily basis, financial aid data is pulled down from the data exchange system with the DOE to determine whether students have applied with the DOE.
6. The FAO verifies that all forms are complete.
7. A financial aid package is determined.
8. An award letter is sent to the student.
9. Financial aid is disbursed to student's account.
10. The bursar verifies that there is no prior balance due on the student's account.
11. Reimbursement forms are filed.
12. The bursar receives DOE reimbursement for federal grant money.
13. The university comptroller pays internal accounts and the bursar mails refunds to the students. Students must come sign for loans and return for any check.

The financial aid process relies on information from Admissions, Financial Aid, the Registrar, and the Bursar's office. The first three offices report to Enrollment Management and participate in weekly meetings. The bursar has recently joined these meetings. Each of the four areas has its own policy and process manual, which they have decided to share with each other. The manuals are being revised to integrate all of the areas involved in the financial aid process, including desktop procedures for the information system. The process breaks down at various points and in various departments. Errors, particularly related to data entry, have had negative repercussions.

On March 21, 1996, DOE notified TSU of its immediate transfer to a system of payment by reimbursement. This status was the result of a DOE compliance audit for the period ended August 31, 1993, which determined that students attending TSU received Title IV, HEA assistance in excess of financial need. There were similar findings from a compliance audit performed by the Texas State Auditor's Office for the period ended August 31, 1995.

Reimbursement status requires TSU to submit complete financial aid files to the DOE. Once DOE verifies the submitted financial aid files are complete and accurate, reimbursement is made to TSU. Initially, TSU faced a liability of $20 million that was owed to DOE. The institution offered $1 million in settlement. DOE refused the offer.

Two on-site reviews have been conducted at TSU since September 1997, in accordance with a settlement agreement that was executed August 26, 1997. Texas Southern University's February 1998 reimbursement request for $3.3 million was denied by DOE due to significant errors in 42 percent

of the sample reviewed; however, through February 1999, reimbursement requests have posted a 95 percent accuracy rate. A final on-site review was conducted by DOE the week of May 4, 1998. DOE continues to have serious concerns about TSU's ability to administer the Title IV student assistance program.

In a letter from TSU to DOE dated June 18, 1998, the university referred to its initial payment of $4.6 million to DOE and presented proposed payment terms for the remaining $10.5 million. The university proposed semi-annual payments beginning February 1, 2000, with the first four payments at $250,000 each, and the following 16 payments at $626,562.50 each. In a conversation with the associate director of Financial Aid on July 9, 1998, he said that he had heard, unofficially, that the university's proposal had been accepted by DOE.

FINDING

The past director established March 15 as the annual deadline for filing financial aid forms. As of October 1998, the annual deadline is April 1. Seminars on campus, advertising on the university and local radio stations, a lenders' conference, billboards, a flier to the deans, and a Financial Aid Awareness Week have been used to publicize the deadline. Setting a deadline for filing financial aid forms has introduced a limit within the university's financial aid processing schedule. This has given the staff more time to review forms for accuracy and completeness, to obtain additional information, if needed, and to prepare financial aid packages and respond to the applicants.

The flow chart of the university's financial aid process from admissions to disbursement of aid needs revision. Interviews with faculty and staff confirmed there is a need to synchronize systems and processes between the Registrar, Bursar, and FAO. Accurate, complete, and timely information is essential to each of these areas in doing their work. Staff from the Admissions office, Office of the Registrar, Bursar, and Office of Student Financial Assistance, with consultants from System Computer Technology (SCT), are refining the flow chart to take a student from admission and financial aid through registration and payment or disbursement of financial aid to the student.

Recommendation 113:

Re-engineer the financial aid process and refine the university enrollment process including admission, awarding aid, and disbursement of aid that incorporate the points and dates at which information is required from students and other offices.

A flow chart of the financial aid process would assist students, faculty, staff, and parents. Financial Aid, Admissions, Registrar's, and Bursar's Office staff, in particular, could use the flow chart in planning and organizing. The chart also would assist these offices in their training and cross-training efforts.

A flow chart would aid students in understanding the process and their role in it, and faculty and other staff members in making appropriate student referrals.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The directors of the Financial Aid and Admissions Offices, and the Registrar and Bursar refine the flow chart to integrate the enrollment process to also include scholarship awards.	February 1999
2.	The revised flow chart is reviewed by the staff in each department and recommendations are submitted to the directors.	March 1999
3.	The heads of the departments incorporate appropriate changes.	April 1999
4.	The final flow chart is disseminated to each area's staff members and appropriate administrators.	May 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Students do not have the technology available to them to access information on the status of their financial application or award.

Recommendation 114:

Make access to the Voice Response System for student financial aid a priority.

Voice Response would make checking on the status of their financial aid convenient for students. It also would free time for Financial Aid staff to perform tasks that cannot be automated.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Make the Voice Response System for student aid, part of SCT	February

	Banner, accessible.	1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 11
STUDENT ACTIVITIES, HOUSING, AND FOOD SERVICE

CURRENT SITUATION

Student Activities

Exhibit 11-6 shows the organization of Student Activities. The director of the Student Center, who heads this auxiliary enterprise, has worked in TSU's student activities since 1977 and has served as director since 1995. The director identified the staff of seasoned professionals as one of Student Activity's greatest strengths. The director would like to have more than four students on the Center's staff.

Exhibit 11-6
Organizational Structure of Student Activities
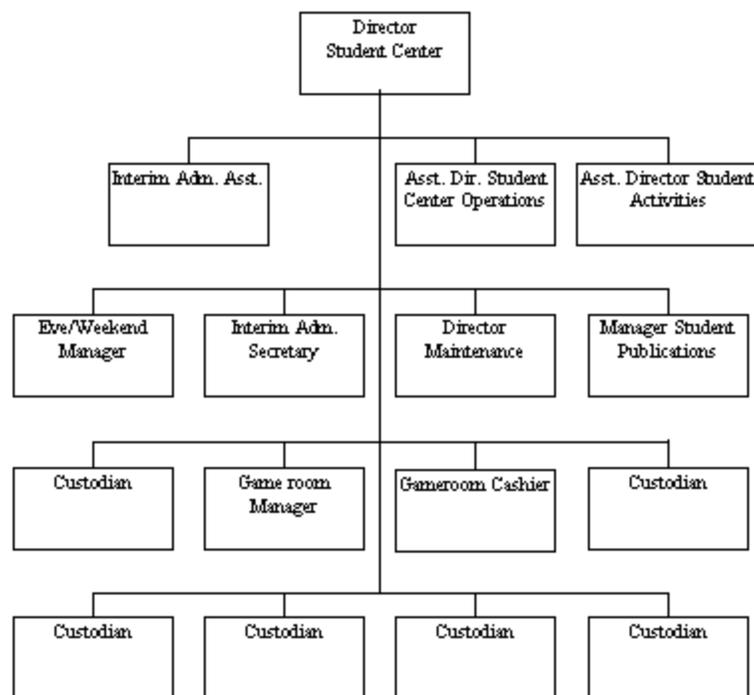
Source: TSU, 1997.

Eighty percent of the center's income is generated through the rental of facilities. All off-campus and non-registered campus organizations pay rental fees. Registered campus organizations are not charged. Everyone, however, is charged $30 for four hours' use of the President's Lounge. All

employee pay increases must be covered by center-generated funds. General funds remaining at the close of the fiscal year are carried into the next fiscal year's budget.

The Student Center houses the Student Activities offices, a game room, bowling alley, bookstore, and food services. The bookstore and food service, managed by outside contractors, produce no income for the Student Center. The director said that outside rentals had recently declined due to the somewhat higher catering costs of the university's food service contractor, Gourmet Food Service. This situation, however, is beginning to turn around as outside groups realize the center's very reasonable rental fees more than offset the catering costs.

A University Program Council, made up of students, faculty, and staff appropriate funds generated for student activities by the Student Services fee. Pre- and post-evaluation systems address issues such as the target audience and number of students served. The last student satisfaction survey on activities was conducted two years ago.

Housing

CURRENT SITUATION

Exhibit 11-7 shows the organization of Residential Life and Housing, an auxiliary service at TSU. The 31 resident assistants, in addition to working the residence halls, provide assistance in the Housing Office. The goals of Residential Life and Housing are to promote students' educational, social, cultural, and personal development.

Exhibit 11-7
Organizational Structure of Housing

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                         ┌──────────────────┐
                         │ Director Housing │
                         └────────┬─────────┘
                                  │
         ┌──────────────────┐     │
         │ Administrative   ├─────┤
         │ Secretary        │     │
         └──────────────────┘     │
               ┌─────────────────┼──────────────────────┐
    ┌──────────────────┐ ┌──────────────────┐ ┌──────────────────┐
    │ Graduate Assistant/│ │ Graduate Assistant│ │ Custodian III    │
    │ Area Coordinator  │ │                  │ │                  │
    └────────┬─────────┘ └──────────────────┘ └──────────────────┘
             │
    ┌──────────────────┐
    │ 31 Resident Assistants │
    └──────────────────┘
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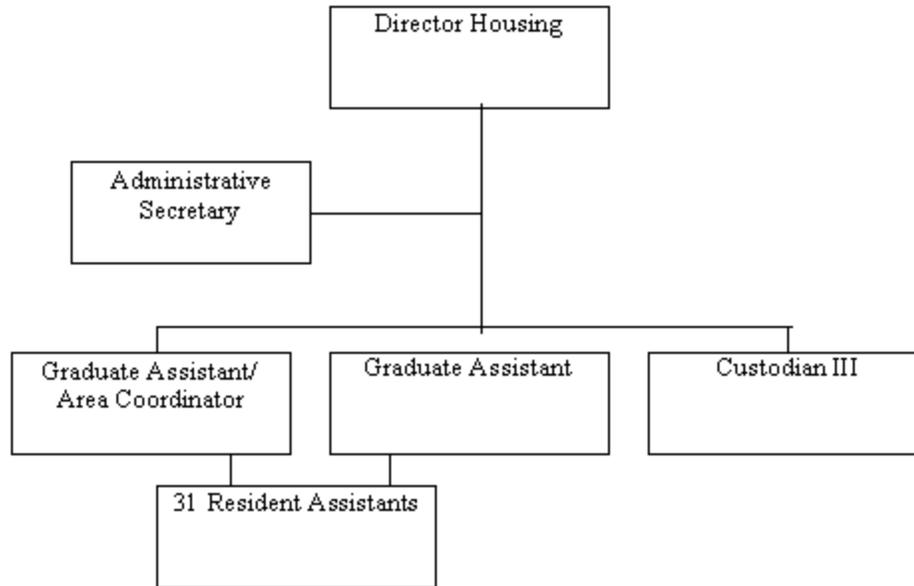
Source: TSU, 1997.

Fall of 1984 was the last time TSU had more than 900 students living on campus and, with the exception of two years (1985-86 and 1992-93), the academic year average occupancies have been less than 700. There are 445 beds in the residence halls and 424 in the Greystone Apartments. Bruce Hall is a residence for freshmen and returning men, Lanier West Hall is for returning men only, and Lanier East Hall is a residence for freshmen and returning women students. The Housing Office is responsible for referrals to Greystone Apartments, a university joint venture project.

Residence hall occupancy in the fall of 1998 was 412 (445 capacity), with Greystone housing 418 (424 occupancy). Residence hall occupancy levels from fall 1991 through fall 1998 have ranged from a low of 71 percent to a high of 93 percent, while Greystone's occupancy only once dipped to 91 percent. According to the associate vice president for Student Services, the decline in occupancy is due to the condition of the facilities.

The greatest challenge for Housing, according to the director and associate vice president for Student Services, is maintenance. Most of the repair work is performed because of friendly relationships developed between the director and Physical Plant staff.

The university is exploring the possibility of constructing a 500-bed, privatized Urban Academic Village. In a feasibility study, 85 percent of the resident students and 37 percent of non-residents surveyed expressed an interest in new undergraduate housing. This site for this self-contained village would be at the edge of the campus in an Enterprise Zone

involving, among others, Texas Southern University, the University of
Houston, and CDC units.

Food Services

Exhibit 11-8 shows the organization of the food service, Gourmet
Services, Inc. The food service at TSU has been outsourced to Gourmet
Services, Inc., of Atlanta, Georgia, for the last three years. Student
dissatisfaction with the quality of food and prices during the 1997-98
academic year resulted in the manager's dismissal. In the spring of 1998,
the company's regional director started servicing the school, for an
indefinite period of time, as the food service manager, and in April, the
university signed a four-year contract with the company. At TSU, the food
service reports to the assistant vice president for Financial Services.
Gourmet Services has a staff of 47.

Exhibit 11-8
Organizational Structure of Gourmet Food Services
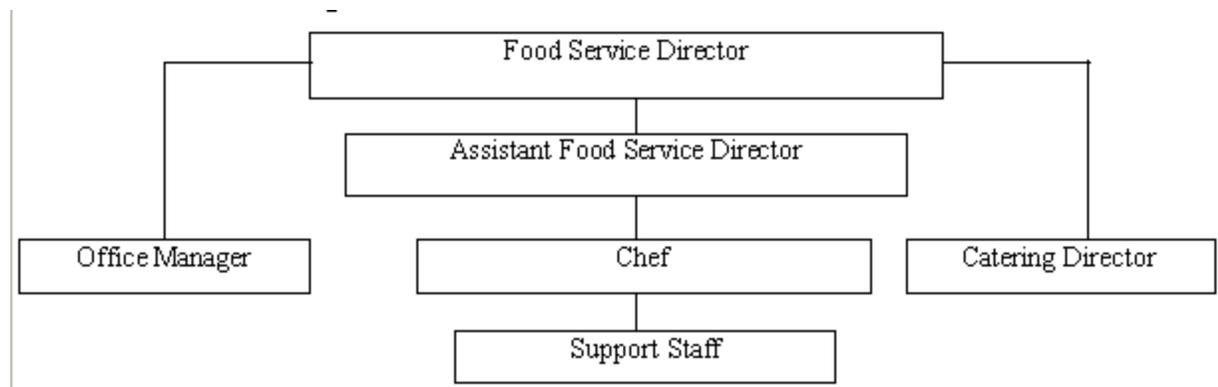
Source: TSU, 1998

Although brand name providers such as Harlan's Bar-B-Q have not done
well at TSU in the past, Gourmet Services is negotiating with Taco Bell
and Pizza Hut to come on campus as a "branded concept." The regional
director has plans to stabilize the operation, but it is currently losing
money. The regional director said that students at TSU do not have the
"cash flow" that is present on many other campuses. She cited the snack
bar's daily revenues of only $200 as an example. The lack of a "peak lunch
period," and the fact that students "here in the evenings go to classes and
go home" add to their revenue problems. Since arriving, the regional
manager has tried a variety of approaches to increase sales, including an
ice cream parlor and auctioning a bicycle. These have not proved
successful. The staff also conducted a survey to determine student
satisfaction and solicit recommendations. The decrease in university
enrollment has probably affected food service revenues. Gourmet Services

has made no fiscal investments in the Student Center and produces no income for the Student Center in which it is located.

All on-campus students are required to have a room and board plan contract. Meal rates for boarding students total $8.15 a day (includes breakfast, lunch, and dinner). There is a faculty and staff dining room on the fourth floor of the Sterling Student Center, which provides lunch daily for $6.50 per person.

The university also offers casual meal rates (breakfast/$2.90, lunch/$4.25, dinner/$5.50) or three casual meal plans for commuter/day students. Plan I is a commuter plan offered Mondays through Fridays whereby a student may sign up for one of six meal options ranging from breakfast at $200 per semester to breakfast, lunch, and dinner at $860 per semester. Plan II is a customized plan offered Mondays through Sundays at per meal rates. Plan III is the weekend only plan offering brunch/dinner at $331, brunch only at $160, and dinner only at $171.

FINDING

Interviews with students, conducted by the review team, indicated that the food has improved after complaints were voiced. It was said that the food was good, but there needs to be more variety. Prices too are reasonable. In some instances, meals can be less expensive than buying a snack in the bookstore.

Food Services' meal-serving area is multi-purpose facility. The space is used and filled by other programs, both internally and externally; however, opportunities may exist to use the space to generate additional revenue.

Recommendation 115:

Explore opportunities to use the Student Center's meal-serving area as a revenue generator beyond serving and selling meals.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Student Services explores opportunities to generate revenue by increasing student and community usage of the Student Center's meal-serving area.	February 1999
2.	The associate vice president for Student Services drafts formal agreements with entities wanting to lease the Student Center.	Spring 1999

FISCAL IMPACT

It is not possible to estimate a fiscal impact at this time. It is likely that implementing this recommendation will help make Food Services more profitable due to increased student and community usage.

Chapter 12
ORGANIZATION AND STRUCTURE

CURRENT SITUATION

In September 1997, TSU signed a facilities management (FM) contract with Systems and Computer Technology Corporation (SCT) to provide complete information systems and operations support to the university. This contract requires SCT operate and provide basic administrative and academic support, including communications support. The contract is for five years and costs TSU on an average $2.1 million. It is an open-ended contract that allows for possible growth and expansion of services in the future as new requirements develop in either the administrative or academic areas of the university.

Before the SCT facilities management contract, the university operated independent, non-integrated systems for student data, finance, and human resources. The university obtained its student data system from SCT as part of the Banner 2000 system and its finance system from American Management Systems, and its Human Resources system from Campus America, which provides the People Oriented Information System for Education (POISE).

The executive director of the SCT Office of Information Technology (OIT) works with the chief operations officer, who is the SCT contract administrator for the university. The chief operations officer is also chair of the Technology Governance Committee, which provides direction for technical initiatives identified by the university.

The executive director of the OIT has fifteen years experience with the hardware, software, and management of the SCT Banner system. The associate director for Technical Services within the OIT is also experienced and knowledgeable with the Banner system.

In October and November 1997, 28 TSU personnel, who had previously supported university information systems, were absorbed by SCT into the OIT. The staff of OIT currently numbers thirty-four employees. **Exhibit 12-1** shows the organizational structure of OIT.

<div align="center">

Exhibit 12-1
Office of Information Technology
1999

</div>
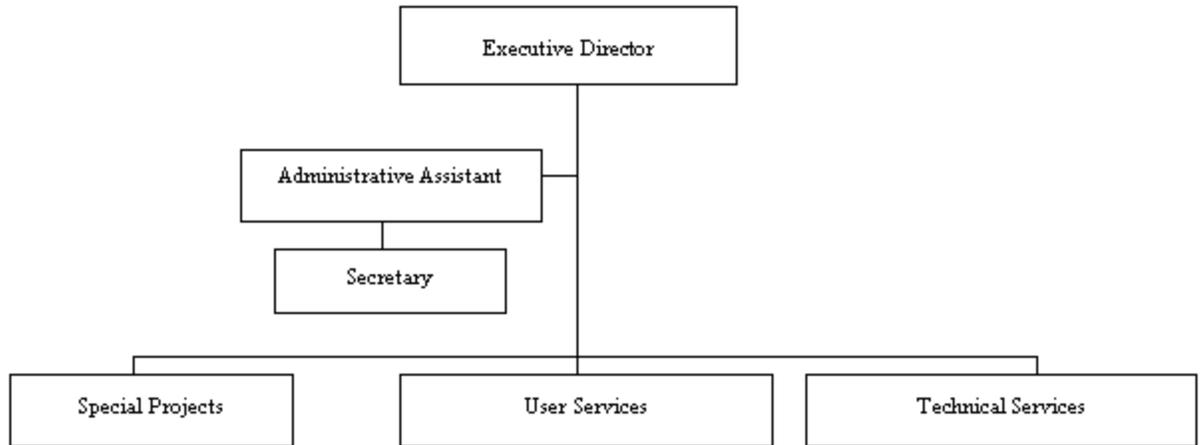
Source: SCT, 1999.

FINDING

The university's FM contract with SCT describes the scope of service to be provided. This service contract includes the following:

- computer services master plan;
- annual work plan;
- disaster recovery plan;
- staff development plan;
- an annual report;
- progress reports to the contract administrator;
- executive and operational management of information resource services;
- application software maintenance;
- technical services for computer support;
- production control;
- data administration and security;
- microcomputer support services;
- data network management;
- an end user support center;
- academic support services;
- telecommunication services; and
- monthly performance reviews.

Because the contract is so comprehensive, it requires the active and long-term attention of TSU's chief operations officer and wide dissemination across the university community of the changes taking place and the progress being made.

There is also a second, separate contract with SCT that provides for the maintenance of the administrative computer application systems. At the

present time, TSU has contracted for maintenance of the finance, student and human resources systems. This contract is for $156,000 annually.

User documentation for the Banner system is maintained by SCT. The documentation is available on the internet and all of the users of Banner have access to the internet.

The hardware that operates these new systems is current technology. The Banner software operates on two Digital Equipment Corporation Alpha computers that can accommodate an institution with the enrollment of TSU, with room for projected enrollment growth over the next five years. The executive director and the associate director for Technical Services both believe they have a model installation with the hardware and software now being implemented.

One of the strong points of the FM contract, managed by the OIT, is the ability of the vendor to provide planning for the use of technology to support their operations. This arrangement stabilized employment. Before the FM contract, the department suffered from high turnover.

COMMENDATION

The execution of this contract by TSU helped to solve a serious and continuing problem of non-integrated data systems and outdated technology.

FINDING

The change from current systems to the SCT Banner 2000 system provides the university with the opportunity for a modern and full-functioned system that integrates the three major university administrative systems and sets the stage for future acquisition of new systems. The university has indicated an interest in Alumni-Development and Academic Advisement systems. These are integrated components of the Banner system.

The admissions, registrar, and financial aid components of Banner 2000 that provide enrollment management have been operating at TSU since 1996. Interviews with the managers in each of these areas indicated that they are satisfied with the functionality of the systems and believe that TSU is well positioned for the future. The Finance users also indicated a high level of satisfaction with the newly installed Banner Finance System which became operational in April of 1998.

With federal reporting requirements increasing, major systems such as financial aid must be substantially revised almost every year. This revision

in the past has included revision of the interface with the finance system and, depending on the degree of integration, other components of the student system. TSU will no longer be required to develop these costly and time consuming interfaces. This is a major advantage of an integrated system. SCT is responsible for developing new releases which incorporate changes mandated by government agencies.

The Banner systems also have active national user groups that provide user group meetings and input to SCT on desired changes and enhancements to the systems. Input from the user groups is used by SCT to provide additional functionality to the systems. These updates are provided as part of the annual maintenance contract.

TSU has excellent hardware and software to meet their future support needs. To be effective, however, the university must maintain the implementation schedules and activate the asset and risk management and human resources systems. Installing these systems will improve the overall functionality of the Banner system significantly.

Recommendation 116:

Maintain both the asset management and human resources systems at their current high priority for implementation.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of the OIT installs software for Banner Asset Management System	Complete
2.	The executive director of the OIT installs software for Banner Human Resources System and begins running a parallel system until old system can be eliminated completely.	Complete
3.	The executive director of the OIT completes the move of the human resources system from POISE to Banner.	April 1999
4.	Vice president for Finance moves data into Banner Asset System and begins using the system regularly.	July 1999

FISCAL IMPACT

This recommendation can be implemented with current resources.

FINDING

The administrative data support function of TSU relies on the successful installation of the Banner 2000 modules for the administrative units.

However, Banner will not be able to generate the kind of financial reports that the College and University Financial System (CUFS) was capable of until it is fully implemented. As a result, it created a temporary situation where departments would be without many useful reports. The responsibility for implementation is outlined in the job description for the interim assistant for Business and Financial Services. The needed financial information can be provided when the Banner system is fully installed.

Due to the Banner 2000 implementation, administrative departments are not receiving regular monthly expenditure reports or information for analysis of performance other than basic budget and enrollment information. SCT has been providing training on several of the new systems and is setting up schedules for staff.

Recommendation 117:

Provide departments training on the reporting capability of the Banner systems and determine their information needs.

Banner will provide the database for reports, but the departments need to address the format and content of the reports that they wish to use.

IMPLEMENTATION STRATEGIES AND TIMELINES

1.	The executive director of the OIT provides supervisors for each department with information on the reporting capability of Banner and fully implements that capability on the Banner Finance module.	March 1999
2.	Administrative units are requested to report on the type of data they need to support budget development and measure and evaluate performance on a regular monthly basis.	April 1999
3.	The executive director of the OIT determines the best method of providing the requested information.	May 1999

FISCAL IMPACT

This cost of implementing this recommendation is already included in SCT's contract, and no additional costs will be incurred.

Chapter 12
ACADEMIC COMPUTING

CURRENT SITUATION

The management of computing that directly supports the instructional and academic processes at TSU is fragmented. The Office of Information Technology (OIT) is an FM service and other than the academic support section of the OIT, there is no academic or instructional computing office at the university level.

The executive director of OIT views his organization as a service organization serving both academic and administrative service. The academic support section of OIT is small, however, and only provides support for the general purpose labs. Other labs are supported by the deans of the various schools and colleges. Partial support for the labs is provided by the student technology fee. The university has budgeted $585,000, with the following distribution:

Business Lab	$30,000
Academic Lab	$220,000
Law Lab	$120,000
Pharmacy Lab	$50,000
Technology Lab	$50,000
Education Lab	$50,000
Library Lab	$65,456

FINDING

The academic support section of OIT has not adjusted well to either the FM contract or their new role within OIT. This section still views itself as the voice of networking and academic computing on campus. The assigned role, however, is support of the general purpose labs and PC repair.

Some within the university community remain opposed to the FM contract. The distrust centers around the belief of academics that they were not involved or consulted in the planning for the FM agreement. This is a problem that can be handled in the future by leadership, communications and improvements in service.

Distrust between academic computer users and the administration is significant. As instructional support needs are quantified, decisions can be reached about the placement of academic computing resources. There is a possibility of a need for additional support, but only after the development of a policy and procedure framework.

Recommendation 118:

Communicate with both the academic and administrative offices of the university on a regular basis.

The executive director of Information Technology has issued a summary of actions that are planned or have been taken that detail the OIT activities. The executive director should continue to issue and circulate this information as well as information on the activities of the office of Information Technology, the Technology Governance Committee and all appointed subcommittees.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The OIT, University Governance Committee, and all subcommittees communicate actions being taken and decisions being made on a regular basis through the distribution of minutes of meetings to colleges and departments within the university.	Ongoing
2.	Committees develop communication action plans to deal with problems presented at committee meetings.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 12
TECHNOLOGY PLANS

CURRENT SITUATION

There are three documents that chart the course that information resources at TSU will take:

1. The SCT-TSU contract
2. The Short Term Improvement - Initial Work Plan (STIP)
3. The Project Development Plan for Banner Integrated.

As a package, these documents define roles and a set of products that will enable TSU administration to monitor the progress made in reaching their institutional computing goals.

FINDING

Active planning efforts are under way on a wide variety of topics in information resources. The STIP is really a plan for a plan. It establishes interim actions that can be taken on a short term basis and leads to a broad set of planning documents.

The STIP provides for an annual work plan to cover the period from Sept 1, 1998 to August 31, 1999. A second plan, the computing services master plan, is scheduled for March 1, 1999.

It is important to understand that TSU started from no planning in January of 1998 to a very comprehensive planning effort to be completed by the end of 1998. It is a very aggressive effort to get plans and procedures in place so that development can be more orderly. The STIP contained sixty-seven discrete activities to be accomplished between January and August of 1998. Thirty-six of these activities occurred between January and May of 1998.

Recommendation 119:

Monitor the completion of the 67 activities outlined in the annual work plan.

The chief operations officer must closely monitor these activities and the governance committee should be regularly notified of their status. These reports should be widely distributed.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief operations officer monitors the progress on implementing components of the STIP and provides regular status reports to the Technology Governance Committee.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

OIT has been establishing standards for personal computing at TSU. Previously, there were no university established standards that specify the level of personal computer service that is required for a given discipline or for the particular activity for which a lab is designed. The establishment of standards provides information on which budgetary decisions can be based in order to bring the campus up to standards.

The annual work plan defines academic support roles and responsibilities and develops computer lab policies and procedures. Moreover, the plan sets standards for purchasing computing hardware and software. All standards developed should be included in the OIT standards manual.

Without exception, the administrators, faculty and staff interviewed said that computers on the campus are inadequate. The capability of computers needed has not been determined by the responsible leaders of the academic community. The primary reason is that the requirement for new services on personal computers mandates faster machines and more memory. In addition, with the administrative decentralization at TSU, purchasing is done with little oversight.

Recommendation 120:

Disseminate standards for the computer support of students and faculty, recognizing that standards may vary by discipline.

The instructional computing group would formulate standards for the level of communications required. A permanent group that would be reappointed each year should be charged with the validation of the standards.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The director of OIT communicates the standards for personal computer hardware and software to the university Purchasing Office and requires that all purchases for these products adhere to the	March 1999

	standards.	
2.	The director of OIT conduct a completes inventory of all computers in faculty offices and student laboratories evaluating them for adequacy against this standard.	June 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

When academic computer support was partially decentralized, there was no requirement for planning on the part of the colleges.

In August 1998, the Office of Information Technology completed two documents relevant to this process:

1. *Basic Standards* document, and
2. *Hardware and Software Acquisition Policies and Procedures* document.

These should be available to schools and colleges for their planning.

Recommendation 121:

Require each school or college to produce an annual technology plan for academic and instructional support of the programs that are under their direct control for the Office of Informational Technology in its planning process.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	Provost requires each school to complete a technology plan.	May 1999
2.	Chief operations officer approves plans and works with the executive director of OIT to integrate these plans in the master technology plan.	June 1999
3.	The executive director of OIT incorporates the approved plans in the master plan.	August 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 12
GOVERNANCE OF PLANNING AND IMPLEMENTATION PROCESS

CURRENT SITUATION

In March 1998, the president appointed a Technology Governance Committee for the university. The Committee is broadly representative of the top managers of the administrative and academic staff of the university community, faculty members, and the president of the Student Government Association.

The President's letter charged the committee "with planning the direction the technical initiatives of TSU will take in the future." The committee is to "make an assessment of the short and long term needs, determine appropriate uses of various technologies and develop policies and procedures related to those uses." In addition, the committee is "to survey facilities and space allocation in order to plan for future needs and recommend any organization changes which would contribute to the effective use of technology."

FINDING

The Technology Governance Committee is a relatively new committee and its existence indicates a decision by the top management of the university to take a more positive leadership role in the provision of computer services. There is now a group at a high level that can direct and plan the future of computing at TSU and provide appropriate direction to the OIT. This group provides a meeting place for divergent interests and should set the tone for positive communications.

There is still a need for user groups at the operational level to provide detailed input to the committee for the development of standards and to make operational level recommendations on allocation of systems and programming resources.

The technology governance committee has recently established three sub-committees to provide this input. They are:

- a Banner user group;
- an academic computing committee; and
- a network committee.

Recommendation 122:

Begin using a Banner user group, an academic computing committee and a network committee as originally planned.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The chief operations officer activates the remaining components of the governance committee.	April 1999
2.	The committees hold regular meetings.	April 1999

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Chapter 12
NETWORK CONSIDERATIONS

CURRENT SITUATION

A partial network exists on the campus of TSU. The university has
Ethernet wiring to all of the buildings and to each floor but only part of the
wire to the work station areas has been installed. At the time the wiring
was done, the overriding objective was to solve the problem of student
registration. The wiring was done under contract to the facilities office. It
was done in compliance with the standards that had been established for
campus wiring.

FINDING

According to the campus facilities office, the priorities for connection to
the network were established by the provost and the senior vice president
for Finance.

The best estimate for the funds needed to complete the network is
$250,000. With the importance of the internet to the educational process, it
is imperative that this network be completed.

The network is not only necessary for the administrative systems to
function, but it provides a major information resource for students and
faculty. Lack of availability of the network providing email and access to
the internet, for example, can cause prospective students to seek an
institution where better facilities are available. The availability of good
network facilities has become a significant factor in student college
choice.

Wiring from the building access point to the workstation sites is not
installed in most of the buildings on the TSU campus.

Recommendation 123:

Complete the campus network.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The associate vice president for Facilities Planning and Operations ensures network wiring is completed.	March 1999

FISCAL IMPACT

TSU has budgeted for this activity, therefore, no new spending is anticipated.

Chapter 12
ACQUISITION OF COMPUTER AND NETWORK HARDWARE AND SOFTWARE

FINDING

Throughout this section of the report, the necessity for established standards has been a significant issue in both academic and administrative computing and networking. Standards are important in two significant ways.

First, in the present decentralized mode of acquisition, the university is passing up significant volume discounts that are available on large purchases.

Second, the problem of maintenance is complicated and made more costly by having many devices that require larger parts inventory and more complicated problem diagnosis. This is also true when maintaining network hardware.

Recommendation 124:

Acquire equipment on an exclusive universitywide contract.

In all areas where standards are applicable, purchases should be made universitywide. This should be an open contract that every office of the university would use. When a need is documented, the governance committee should grant an exception to the standards for academic support activities.

IMPLEMENTATION STRATEGIES AND TIMELINE

1.	The executive director of OIT drafts technology standards.	Complete
2.	The technology governance committee approves and publishes standards.	March 1999
3.	The director of Purchasing establishes universitywide contracts.	Ongoing

FISCAL IMPACT

This recommendation can be implemented with existing resources. Over the long run, this recommendation should result in cost savings to the university.

Appendix A
TSU PUBLIC FORUM COMMENTS

This appendix summarizes comments from a public forum at TSU on March 30, 1998. These verbatim comments help illustrate the perceptions of TSU students, administrators, faculty, alumni, and employees, but do not reflect the opinions of the MGT of America, Inc., or of the Comptroller.

PERSONNEL/HUMAN RESOURCES

- There must be a clear line of authority and responsibility between the Board of Regents and the president. The board should allow the administration to implement its vision, but not micro, manage personnel issues unless there is a clear indication problems are not being addressed. The president must be empowered to implement the vision and given the complete support of the board.

- Treat students as customers answer questions between 8 a.m.-5 p.m. Do not send students around campus on the TSU runaround game!

- Bursar's office needs knowledgeable staff who are courteous. Bursar's office is not responsive to students. Refunds are often very late!

- Training (all inclusive) for employees.

- President Douglas has been in office two years. The powers that be are asking him to rectify two decades of problems in two years. The Federal Deficit hasn't been balanced in 30 years. It would be a mistake to refuse to renew President Douglas' contract in the middle of his administration.

- Fire the Board of Regents.
  Allow the approval of the appointments of the president.
  Give the President a Contract!!.

- Choose members/persons for the Board of Regents that really have the "best" interests of the university at heart. Quit choosing persons who are only on the board for political gain, who are too busy to do the job effectively, or who have no affinity to the university!

- University personnel need to be trained in customer service with emphasis on attitude. The Board of Regents need to have the

university's interest, per students and faculty input, first and foremost and not their political future.

- Hire a president and a Board of Regents who have the students' interests at heart.

- Create a "Student" seat on the Board of Regents. Great Idea!

- Monthly Personnelogram
    - Information pertinent to campus updates/openings, etc.
    - Highlight positive happenings department/institution, etc.
    - Promotions-highlight

- List for circulating information to central locale building/department-wise.

- I believe that Human Resources is O.K., but personnel's attitude in general needs a little work.

- Administration needs to adhere to established personnel procedures.

- Get rid of administration people; new ones are badly needed.

- Investigate faculty who are employed elsewhere and do not keep office hours.

- The university should not politicize the hiring process of academic and non- academic staff members.

- Training for staffing customer service needs to be improved.

- Can the board get some "training!?"

- How can TSU be expected to make a total turnaround and drastic improvements in three months (June 1, 1998), especially without having a president in place, and many key positions vacant, i.e. deans and other administrators?

SUPPORT SERVICES

- Need to project/display a more professional/business demeanor when providing services.
    - Efficiency, courtesy, responsiveness; and
    - Improvement in quality of services. (May want to use TQM to improve overall situation!)

- Resources:
    - computers,
    - more staffing,
    - longer hours of operation.

- Need to have buses to take us to all the sporting events for the people who stay on campus.

- Cafe needs to stay open until 10:00 p.m.

- TSU needs to find a better way to handle financial aid; a seven-hour wait to get a 20 second visit is not adequate. Each last name should have its own counselor or advisor so that the student doesn't feel like they are being given the run around if each counselor handles their situations differently.

- I believe that our support services is up to par, but students don't take advantage of what is available.

- Student services needs a customer friendly frame of reference.

- They are the worst I have seen.

- I think students should have more say so on what goes on at Texas South University.

- The level of communication from university to student and from student to university needs minor improvement to operate more efficiently. (I just heard about this event five minutes ago.)

- We, the students of TSU, need to have adequate access to counselors, and deans. It is too difficult to consult with them on any issue.

- There should be posted direct information that deals with the current status of TSU. The students deserve to know instead of hearing some no name person strike up rumors and spread them around.

FACILITIES

- The dorms are dirty. The showers have fungus and mildew stains and there are only eight showers for 30 girls. The rooms are to small; we need extra room. Plus the RA's have their own rooms and they live there for free and we pay $2,000 for nasty food and little space. Plus we have to pay for phones and to wash, when it

should be included. (Greystone is too high.) We need more stores on campus for those who do not have cars.

- We need better computer labs and color printers because some use the Internet for the majority of their work!

- Increase funding from state in order to improve our outdated facilities.

- State should provide funding for on campus housing - let's get into 21st Century.

- All departments need computer usage.

- Grossly inadequate parking; unpredictable cooling and heating.

- Upgraded living facilities will bring more students back to live on campus.

- TSU needs to build more dorms and have them affordable for students.

- Need better security, emergency call boxes that work, and wrecker assistance for students with car problems on timely basis.

- The cafeteria needs to stay open longer for those who stay on campus: a night <u>meal</u>. If we have an ID there should not be a limit to how many times we eat in the cafeteria.

- Please install parking lot gates.

- Dorm conditions are very poor. Insects and rodents are present in almost every room, and the cooling and heating is on only sometimes. Hot water comes and goes, and hallways stay dirty and un-mopped by janitorial staff.
- We need new dinner plates, they are so dirty I bring my own. The cafeteria should stay open longer and serve food for those who do not eat meat.

- Quit building these poorly constructed facilities and better maintain the existing ones!!

- We need co-ed dorms and cable also Greystone rent does not need to go up $60. The rooms are poor. The gray showers are now white filled with soap scum that has been there every since I've been going to TSU. The shower curtains are growing fungus. We have

one sink on the third floor north side that 30 girls have to share. They wash their dishes, do their hair, brush their teeth, and wash clothes in that one sink. They don't clean the bathrooms, because of that, everyone could have scabies.

- We need a parking garage

- The improvements of the buildings on campus is a much needed improvement. I hope that the university village gets off the ground soon.

- Desks need to be for <u>adults</u> not children.

- Student Center needs more identity; it is too plain.

- Monies need to be distributed adequately, so that all educational facilities are able to serve the students better.

- I'll be brief; I've <u>never</u> been to a clean restroom anywhere on campus. Our cafeteria at the law school is awful. The vending machines are frequently empty. It is locked on the weekends so students studying cannot get food or drinks. It never opens on time and lunch stops at 2:00 p.m. Why not have more machines available all the time and offer popcorn and other things besides candy and chips?

- Our school is the only school in the area that does not permit co-ed dorms or visitation. I can give a small reason for concern, but this is an institution of higher learning. This institution is here to prepare us for adulthood in society, and if we are expected to pay fees and be responsible for our students why are we not able to govern ourselves.

- Restrooms for evening/graduate students are very <u>under-serviced</u>. The toilet tissue/paper towel upkeep is horrible.

- Parking meters are not very convenient around the library.

- No security or police available to escort students/women (p.m.).

FINANCIAL MANAGEMENT

- I feel that accountability is lacking at this university. In each sector the heads of each department should be held accountable for non-work or inadequate work done by employees of his/her department.

- My mother works too hard to send me to this so-called school. And when your TSU employees lose all that hard-earned money, it makes me want to blow up this school, but the consequences of that would be to harsh.

- Assist the university in updating its accounting system. The current system is antiquated!

- Encourage increased external funding.

- Allocate indirect costs equitably to departments and/or schools.

- Send us board members like you select for other university systems in the state of Texas. You appoint board members that are sent to destabilize our university and then ask us what is the problem. You are the problem.

- We need more funding for faculty travel to conferences, conventions, etc.

- I think that they give more money to the students that do not need it, than students that do need it.

- Expand the perceptions of the personnel within financial management, to increase their sensitivity to external financial commitments made by the university such as timely response to fiscal matters related to government contracts and grants.

- Appropriate more funds for employees so that there will be enough to pay with the demands of today's jobs.

- The state needs to give the university more funds to bring it up to perform the role it was instituted to do.

- Pay the instructor a salary that is competitive with other schools so quality instructors can be hired.

- TSU should process refund checks and mail them out to concerned students in timely manner. The persons answering financial questions should be adults who know the basic principles of accounting.

- Refunds or misinformation are given out on a daily basis. When money is concerned, there should be accountability for answers, job, etc. No one ever knows anything.

- To expedite the delivery of checks to students from the Bursar's office and any other services for that matter. <u>All</u> the windows should have competent personnel in them, during times when check (loans, grants, scholarships) disbursals are scheduled. If the university needs additional employees to implement its fourth year business students, as well as first year MBA students, may be required to intern in the Bursar's office, as well as any related office as part of their curriculum. In this way two issues get addressed, no one waits in the Bursars office more than 30 minutes and because the student is now part of the answer, the "us, them" attitude that exists between students and full-time employees of the university starts to disappear. This process could be used in every department that lacks full-time employees. Crazy as it sounds, being required to work at TSU as part of a student's curriculum could be the foundation for a deeper post graduate commitment to the university. JUST A THOUGHT!

EDUCATIONAL SERVICE DELIVERY

- (Recruitment) There needs to be more conscience effort to bring students here and keep them here.

- There should be an increase in the faculty/staff in the higher education administration program.

- There should be more funds available for graduate assistants.

- The university should function as an institute to ensure that students are competent at the freshman and sophomore level-core courses. At the junior level they should be academically ready for major courses.

- Make greater efforts to improve faculty morale -- it is the old story a hungry man or woman cannot function at his best -- pay them better.

- Internet access for all facility and students. Updated computers. Modernize computer labs it is almost year 2000.

- We should not have to attend G.U.A.C. if we have passed as least one part of T.A.S.P.

- Education department should not have flat blanket rules concerning taking the pre-EXCET and reviews.

- Graduate students with excessive hours or high GPA should place out and go to EXCET directly.

- Educational students are taking a great deal of unnecessary classes, such as too many English and history courses.

- The EXCET review is extremely too long.

- Afternoon classes are not available for educational students.

- Summer classes for education students are not available. It is not fair to our evening students.

- Which health pre-professional curriculum needs development to a competitive level for our students.

- There should be more academic scholarships and less athletic scholarships.

- Organization of the recruitment office is essential for the development of TSU. If new blood is not coming in how does TSU plan to survive?

- Need adequate supply of required textbook in bookstore especially at the beginning of semester.

- Need more grants and scholarships for all students not just a select few.

- Need job placement assistance for all students not just select few.

- Create a focus group of students, alumni, and faculty to assist in creating new ways to implement efficient service delivery.

FINANCIAL AID

- Law School TPEG funds were not disbursed to all qualified students. Criteria for eligibility never made known to students. Some eligible students did not receive funds.

- Good job Norman Hayes!

- Would like to have electronic transfer of loan checks to financial institutions.

- Financial aid is a weak link in our school. Refund checks take months to be refunded and fees are charged that students don't even use. We should only be charged for items and services we use. I pay $300 in "student use fees," and I do not use anything but my meal card and my dorm.

- Give the student notice if and when there are problems in distributing monies. The students do not have time once they are in school to earn enough money. Tell us early so we can work over the summer or make alternative arrangements. Notice, or lack thereof, was a big issue with the media in October, 1997. It did not happen in January, 1998. If there are no notices sent out to incoming students about this, they are unprepared.

- The employees of the Financial Aid Office (FAO) tell the students one thing, do another and then deny anything. Calls are not returned. The director is always "out," paperwork gets lost. One student sent her college transcripts six times five of those registered mail before it was acknowledge the second time. FAO directors have left under shadowy conditions at the last minute. Emergency monies are electronic and cannot be spent anywhere else but here. This is not an appropriate environment for learning; we need responsible, honest people working in the FAO that are separate from school.

- I don't have any problems with financial aid. If you turn all of your papers in on time then you will be O.K. You are in college and you have to stay on top of your papers and what deals with you.

- There should be grants available for summer school.

- The problem I have with this system is basically toward the Appeals Board. If a student presents the necessary paper work (medical, internship, etc.) why would that student be denied for financial aid.

- Financial aid AKA cash for students needs to be available at time of registration. Even when students have all papers in on time, financial aid is not ready at time of registration. Book vouchers are available for TSU bookstore only and all books required are NOT available for purchase when needed. Financial aid department needs to improve professionalism.

- Financial aid department needs to allow more access to supervisors.

- Financial aid needs to improve accountability to students. Loan refunds need to be prompt. My loan funds have been held by university for over 30 days.

- Financial aid needs a procedures manual of operation.

- I believe that financial aid is improving, but that there are still problems in this department. I believe that summer school should have available grants because even though you mark spring, fall, and summer on your FAFSA you only are awarded for spring and fall.

- We should run this area more professionally and in the style of a financial management environment. Need to employ TQM in process identification development, have a system of checks and balances, and staff with highly qualified and motivated personnel!

- Need grants and scholarships for all students not just a select few!

- The line of financial aid will make you not want to attend TSU. You sit all day and they tell you the computer is down, then they have poor attitudes. You can never talk to them one on one, they fast talk you and rush you out. They need to explain to students clearly. They need to let you know if you're approved before you come 800 miles from home thinking everything's final, then you have no money. This school really needs help; let A&M take over fast!!! (I think I am going to UT next year).

- I feel sorry for incoming freshman. Even for post-bate/graduate students this is unbearable. The information flow and communication is not occurring. Anytime someone applies prior to the spring semester ending and does not get processed/found until the mid semester following, there is a problem. There are no follow ups, returning of calls or mail going out to help students know where they are in the paper chase.

- The state of Texas needs to pay us the $45 million they owe for Civil Rights Violations. Do an audit on that!

- They need to take time out to help and explain to students, mainly freshmen, about financial aid. They need to tell them as soon as they get here; how much money they have and can get, how they can get more money, and tell them what to do when they do not have enough money before it is too late. Try to help the students with the problems before they go telling them that they are in the wrong office or place and they need to go see someone else.

- I just feel that the department heads should have knowledge of the entire workings of the financial aid system/process. With an experienced supervisor and proper protocol in place-there should be no problems. I do not feel that TSU is that unorganized at this time!

REGISTRATION

- Registration is very, very sad. We stay all day then they tell us the class is full and we have to pay extra money for coming the next day because they claim we're to late.

- They need more assistance. They do not have enough help.

- The $100 late fee is a disgrace to all mankind!! Please reduce.

- Registration should be easy for students who are pre-registering.
  - We still have to go through the run arounds (because the computers are not online with each other).
  - We, as students, still have to go from building to building.
  - When registration is held in the gym, the line wraps all around the gym several times. I usually have to take off from work to go register.
  - The office staff are very rude, they act as though we did something wrong to them.
  - Why is it that other major state supported institutions are given adequate supportive personnel during registration and this one is not (including an adequate number of computers, printers, workers, etc.)?

- I still do not understand why the registration process takes so long. It needs to be simplified. Why the $100 late registration fee for students who are already financially strapped?

- Registration is improving, but it will need to continue in order to be up to par.

- Law school registration is unorganized and entirely manual. Phone-in registration?

- Law school registration by last name or social security numbers with dates that are fixed and noticeable to students to give them enough time to make plans to register.

- Need phone registration on a timely basis before school begins.

- I can only speak from Fall '92 through Spring '95 but registration had improved considerably during that time. I hope that trend of improvement continues.

- The process for the collection of fees needs to be improved considerably especially for "early" registration when we have to utilize the Bursar's office to pay fees. It's small and they are very, very slow!!

- More classes offered in upper level studies, more sessions.

- There should be more professionalism when it comes to the staff. It makes people feel good when the staff has a smile on their face.
- Registration should be more simple for students. Also more options like on-line and telephone registration.

- Registration is improving from Spring '92 to '98.

- We need to upgrade our system to meet the needs of our "non-traditional" student. Get telephone registration.

- Please move to the 21st century.

- Have seen some improvements, but still a lot of work needs to be done.

- Registration dates and information should be mailed to students who are enrolled. Why is this not done? Is it feasible?

- Some more room needed to change things. New personnel are needed.

- Inform students on canceled classes in time for them to select other classes.

- Online registration is preferable.

- Eliminate the current $100 late fee.

ARTS AND SCIENCE DEPARTMENT

- More instructors are needed for criminal justice students. Work on area where you have students. Don't let the student suffer by having some instructors that do nothing because they have nothing to do. Go and hire appropriate instructors; concentrate on the students not on each other.

- Need a journalism department with journalism instructors.

- Those who are working on more than one program/degree should be able to register for classes with more ease. The computers and people working on them should be able to handle (over-ride) without giving the student the run around.

UNIVERSITY ORGANIZATION AND MANAGEMENT

- University needs depolarization; Board of Regents, not politicians, should oversee TSU.

- Board of Regents should not govern the day-to-day operations of the university. That is what the president and staff are for.

- The Board of Regents need to look into their own lopsided policies, rather then focusing on the current administration of this university.

- The president should have the authority to have an administrative team that is permanent, not interim. President should have a contract and should not be micromanaged by the board.

- President and Board of Regents need to have the student's interest at heart and resolve problems promptly.

- WILLARD RESIGN

- They should give President Douglas a three-year contract immediately, the way the board handles the president is very destructive. It creates dissention in the community, students, and others. We need to know from the board what its criticisms of President Douglas are. I would like to know whether or not the board's criticism of the president are political?

- The chief executive needs the authority delegated to him to manage the university.

- TSU's successful programs are more a function of individual efforts rather than a systematic devolution of excellence. This is due to a systemic weakness from the governance structure.

- Should be managed and administered as any other professional organization....on all levels!!!

- What happened to the board's role as a fundraiser???

- Take politics out of selection of management.

- The president should be in charge and the Board of Regent makes rules.

- Our people (Blacks) are smart enough to maintain a university with top notch colleges. Why can't we get some Blacks who want to keep TSU a respectable and Black college?

- I need to know what additional provisions are going to be made for those students that work during the day? It is not by choice. What can Texas Southern do for us especially in the Computer Science Department?

- Inner turmoil between the Board of Regents and the president need not interfere with the well being of the students.

- The Board of Regents are functioning outside of their jurisdiction. Negative comments and non factual accusations are made publicly by our board. Has this ever occurred in other state institutions?

- There is an allegation that the president of TSU was hand picked and not elected. What does this say about the university?

MANAGEMENT INFORMATION SYSTEMS

- Registration by phone.

- We need on-campus phone system so students can communicate with different offices without walking around the entire campus.

- University needs to stay abreast of the latest technological advancements. Look at models in progress. Do not be afraid to try something new. If there is no change then there is no progress. It is time for us to move forward to become the new standard of excellence.

- Like other universities in this state, TSU needs the funding necessary to acquire the resources it needs.

- Computers are needed; more programs and software as well. I came to this college because it is historically Black and my own people do not care anything about what happens. We need faculty who care and who watch our money unlike the Board of Regents. President Douglas is doing an excellent job, and the plot to get rid of him so we can become a white University is ridiculous.

- Bursar's office needs adequate print-out capabilities. There is no need to go to Bursar supervisor or controller for a print-out. The employees also must be knowledgeable about MIS/computer print-outs. Computers are down during routine inquiries a lot of times. Computers/printers need to be ready and available. No running around campus for one inquiry, Thank-you.

- All TSU computers need to be on one system to avoid running around campus. All computers should be equipped with the Internet. To have some computers just for paper writing is not fair to those who use the Internet religiously.

- Technology and computers may be available, but we need people who can show students how to use them as well.

- Computer-assisted instruction needs to be institutionalized across the campus.

- Need more working computers, printers, and copiers. Need to protect against viruses that destroy student's work.

- Need to have a totally integrated campus network to ensure compatibility among and between the numerous computer systems on campus. Establish a network management organization to oversee this effort for the entire campus.

- University needs e-mail address.

- The school needs a lot more computers and support staff to help students.

- I have taken three statistics classes, but never once been to a computer lab though these classes required the use of statistical application programs.

STUDENT SERVICES

- Students need to be made aware of health facility; the facility needs to be improved and the quality of care needs to be improved.

- We need to provide services for on-campus students with cars to make sure their needs are taken care work-out, clinic (24 hours), Copy Center, check cashing, money wiring, and computer labs (24 hours).

- Provide services for what the students pay for; right now that is hardly happening.

- Need better health care. Example: Doctor who will examine and prescribe needed medications.

- I pay for student fees but end up paying for bowling shoes and stuff out of the store. When U of H (University of Houston) gets everything free and we pay around the same price. When we go to the clinic it's never open or when it is open he sends us somewhere else and I don't have a car and have to pay cab fare. I'm paying for student fees and I don't know all what I am paying for.

- Better health care.

- Student activities is an important part of college life.

- Make students feel that they matter and not just politics!!

- Students should be the #1 priority for this school. I have not seen any health care facility on campus and students still pay for some services that are not even available.

- Students here on the campus of TSU should be informed about all the facilities available for them (example, we can't use G.O.S for copies. Students have to go to Copy Center or Kinko's or the library for simple copies.)

- Students here need to ask questions if they don't know where the Health Center is then they should want to know. It is definitely time out for "I don't know." The health care center does need some "modern" changes. The staff is helpful there.

- TSU needs a communication system that can inform students of any disaster, meeting forum, or activity that will allow the student to know what's going on at all times (i.e., P.A. system).

- TSU's housing is inadequate. Lanier East (i.e., showers, toilets, sinks, heating, etc.).

- They should let the students be able to use the facility at the school. They pay for them so they should not have to ask about 10 people's permission to open certain buildings; they should already be open for us to use instead of us having to go across the street to U of H to use their facilities.

ALUMI/COMMUNITY INVOLVEMENT

- We need more alumni support. Other HBCU's such as Southern and Grambling get more alumni support academically, socially, as well as financially.

- TSU and Alumni - A Family in Name Only?

- Develop strategies to reach alumni and community.

- Alumni where are you?

- There must be more of a drive to enlist the help of alumni. A stronger alumni association would be a start.

- Alumni must be recruited before graduation. Alumni visibility as well as financial support are needed. Involved students will yield involved alumni.

- There are many alumnus of this university who are concerned about its future.

- We need a structured effort to reorganize our alumni.

- Alumni will come out if it means the loss of the university that afforded them their career.

- Needs to be more involved (alumni). TSU needs to have more programming for community.

- TSU needs to have a more adequate alumni program.

- Revamp alumni program incentives (i.e., sports, continued education, scholarships, fundraising, reunions, etc.).

- I think strongly that someone else should take over TSU.

- TSU should increase its involvement in the community in order for the community to be more supportive of TSU.

- They need to add more things to the community for the students not only on campus but off of campus to do.

- Create a support group of professionals from the private sector to serve as ongoing consultants to the university to address the issues

facing the university before the president is responding to them in the press.

Appendix B
STUDENT SURVEY QUESTIONNAIRE

TEXAS SOUTHERN UNIVERSITY (TSU)
March 1998
(N=76)

Section I: <u>University Environment</u>. Please indicate your level of agreement or disagreement with each statement by placing an "X" in the appropriate column. (Definitions of Columns: SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree; DK = Don't Know.)

STATEMENT	SD	D	N	A	SA	DK
1. TSU is an exciting and challenging place to learn.	3	6	21	37	32	1
2. TSU offers social activities that are of interest to me.	8	11	26	31	15	9
3. A majority of students at TSU are motivated and dedicated to learning.	8	15	14	31	23	9
4. The academic expectations at TSU are equal to or above those of most other universities.	8	17	8	34	25	8
5. TSU officials enforce high academic work standards.	4	12	19	33	29	3
6. Most TSU faculty enforce high student class attendance and learning standards.	5	7	8	39	40	1
7. Most TSU students have high class attendance and learning standards.	6	15	21	36	11	11
8. Students who do not meet expected learning standards receive low grades.	4	7	11	37	32	9
9. The learning environment at TSU meets my educational needs.	2	13	11	45	26	3
10. I feel the faculty and staff at TSU are doing their best to help me succeed at TSU.	8	11	12	39	26	4
11. Most of the time, TSU <u>faculty</u> treats me in a friendly, caring, and helpful way.	5	6	10	47	30	2
12. Most of the time, TSU <u>staff</u> treats me in a friendly, caring, and helpful way.	18	19	10	35	17	1
13. I feel at ease in approaching my professors for help.	2	7	6	43	41	1

14. I find it easy to get an appointment with my professors for help outside of class.	4	11	12	38	32	3
15. When asked for help outside of class, my professor has been very helpful to me.	3	6	14	41	29	7
16. I need more help than I am currently receiving to succeed at TSU.	17	34	18	19	8	4
17. Over the last year, I have considered dropping out of school.	62	17	3	12	6	0
18. Over the last year, I have considered transferring to another university.	39	16	8	17	19	1
19. I feel that the academic counseling I receive at TSU fully meets my instructional needs.	10	15	20	32	18	5
20. I feel that classroom space and other campus facilities are adequate.	14	23	18	35	7	3
21. I feel safe and secure while on campus at all times.	6	19	14	44	14	3

22. TSU would be a better university if the following changes were made. The most frequent responses are shown below:

- No response (18 percent)
- Make financial aid run more efficiently (16 percent)
- Better/more efficient and empathetic faculty and staff (16 percent)
- Renovate/improved classrooms (8 percent)
- Improve registration; more state funding; give state their business; new Board of Regents; more student accountability; input from students; more evening classes; more computers available; and more student parking (less than 5 percent).

Section II: Board Governance and Administrative Structure and Practices. Please indicate your level of agreement or disagreement with each statement by placing an "X" in the appropriate column using the same definitions as in Section I.

STATEMENT	SD	D	N	A	SA	DK
1. The Board of Regents is highly effective in carrying out its governance responsibilities for TSU.	27	12	23	7	2	28
2. The Board of Regents micro manages the affairs of TSU.	6	12	18	10	9	44
3. Most administrative practices at TSU are highly efficient.	19	21	26	14	2	17

4. Most administrative practices at TSU are highly effective.	19	23	27	12	1	17
5. Administrative decisions are made quickly and decisively.	16	22	22	10	1	28
6. TSU administrators are easily accessible and helpful.	21	18	29	17	4	10
7. Current student registration processes are highly efficient.	36	19	14	21	5	4
8. During registration, most faculty and staff are very courteous and helpful.	35	15	20	20	5	4
If you receive financial aid, please answer. If you did not receive financial aid, please skip. a. I have had no major problems receiving my financial aid.	41	9	5	9	7	27
b. Financial aid staff are very courteous and helpful.	36	11	16	8	3	24

9. Please describe any improvements you believe would improve the board governance and administrative structures and processes at TSU. The most frequent responses are shown below:

- No response (32 percent)
- More organized/efficient staff (14 percent)
- Improve financial aid staff (12 percent)
- Focus on school-not politics (9 percent)
- Change Board of Regents (8 percent)
- Inform students and listen to their input (7 percent)

- Follow policies/have concise and consistent rules; better communication; elect confident president-get board who will let him/her do his/her job; update systems; faculty should administer accurately timed tests; everybody should do their own job; make staff wear name tags (less than 5 percent).

Section III: University Operations. Please indicate your opinion of the operations of each of the following university functions by placing an "X" in the appropriate column for each university function.

University Function	Should Be Eliminated	Needs Major Improvement	Needs Some Improvement	Adequate	Outstanding	Don't Know
a. Academic programs	0	14	23	34	18	11
b. Academic	0	23	25	31	16	5

counseling					
c. Student activities	0	14	19	37	7	23
d. Athletics	3	14	9	39	12	23
e. Library	0	20	27	33	17	3
f. Health services	2	17	14	17	6	44
g. Bookstore	0	14	28	43	9	6
h. Financial aid	2	54	17	11	2	14
i. Food service	2	14	15	18	2	49
j. Student housing	2	26	14	10	1	47
k. Registration and records	1	38	37	17	6	1
l. Student admissions	0	23	25	36	7	9
m. Student recruiting	0	24	18	18	3	37
n. Student retention programs	0	27	19	10	2	42
o. Personnel administration	0	33	19	16	4	28
p. Board governance	5	28	13	10	2	42
q. President's office	1	15	20	20	8	36
r. Provost's office	0	12	15	20	6	47
s. Academic computing	0	25	19	26	7	23
t. Administrative computing	0	22	18	26	2	32

u. Community relations	0	20	24	22	5	29
v. Government relations	1	19	18	17	2	43
w. Campus security	1	18	31	33	4	13
x. Campus police	1	21	28	32	5	13
y. Parking	1	38	23	24	4	10
z. Faculty evaluations	1	21	18	26	6	29
aa. Building maintenance	0	47	28	21	1	3
bb. Custodial services	0	25	24	39	6	6
cc. Grounds keeping	0	11	22	52	10	5
dd. Other (please specify)						

Section V: <u>General Comments</u>. Please list below any other ideas or comments that you may have that would improve the efficiency or effectiveness of TSU. The most frequent responses are shown below:

- No response (44 percent)
- Better staff (7 percent)
- Building improvements/renovations (6 percent)
- Improve financial aid; more funding; faculty helpfulness; clean up campus; better teachers; recruit more students; more parking; better communication; improve business office; renew president's contract; replace board; remove president; enrollment standard; improve security; more evening classes; improve processes; and graduate students within 4 years (less than 5 percent).

Section VI: <u>Demographic Data About You</u>. Data may not add to a 100 percent due to rounding.

1. Age: range 17-57

17-25 46 percent
26-35 27 percent
36+   27 percent

2. Gender: Female   (69 percent)   ....Male   (31 percent)
3. Race/Ethnic group (check one):

    African American   (85 percent)   ....Hispanic/Latino (3 percent)
    Anglo (3 percent)   ....Multi-Racial (3 percent)
    Asian (4 percent)   ....Other (4 percent)

4. Student classification:

    Freshman   (8 percent)   ....Graduate (20 percent)
    Sophomore   (16 percent)   ....Law   (7 percent)
    Junior (15 percent)   ....Other (4 percent)
    Senior (30 percent)

5. Are you currently: A full-time student   (73 percent)   ....A part-time student   (27 percent)
6. Are you a transfer student?   Yes   (29 percent)   ....No (71 percent)
7. Where do you live?   On campus   (8 percent)   ....Off campus   (92 percent)
8. Where are you originally from?

    Texas (69 percent)   ....another state in the U.S.   (26 percent)   ....a foreign country   (5 percent)

THANK YOU FOR YOUR HELP. PLEASE RETURN YOUR COMPLETED QUESTIONNAIRE IN THE ENCLOSED SELF-ADDRESSED AND STAMPED ENVELOPE TO:

<div align="center">

MGT OF AMERICA, INC.
P.O. BOX 38430
TALLAHASSEE, FLORIDA 32315-9958

</div>

Appendix A
FACULTY AND STAFF SURVEY QUESTIONNAIRE

TEXAS SOUTHERN UNIVERSITY (TSU)
March 1998
(N=279)

Section I: <u>Work Environment</u>. Please indicate your level of agreement or disagreement with each statement by placing an "X" in the appropriate column. (Definitions of Columns: SD = Strongly Disagree; D = Disagree; N = Neutral; A = Agree; SA = Strongly Agree; DK = Don't Know.)

STATEMENT	SD	D	N	A	SA	DK
1. TSU is an exciting, challenging place to work.	10	11	17	32	29	1
2. A majority of students at TSU are motivated and dedicated to learning.	8	19	16	41	12	3
3. The faculty, staff, and administration standards and expectations at TSU are equal to or above those of most other universities.	18	24	18	23	12	6
4. TSU officials enforce high work standards.	23	25	15	26	7	4
5. Most TSU faculty enforce high student attendance and learning standards.	8	13	16	33	18	11
6. TSU faculty and staff have excellent working relationships.	14	25	24	28	8	2
7. <u>Faculty</u> who do not meet expected work standards are disciplined.	23	25	18	9	3	23
8. <u>Staff</u> who do not meet expected work standards are disciplined.	20	24	14	21	7	14
9. Some employees (faculty and/or staff) in my immediate area are not productive.	15	19	10	25	28	4
10. <u>Faculty</u> promotions and pay increases are based upon individual productivity.	34	15	15	8	4	24
11. <u>Staff</u> promotions and pay increases are based upon individual productivity.	39	16	16	6	3	20
12. I feel I have the authority to adequately perform my job responsibilities.	5	12	7	31	46	1

13. I have adequate facilities in which to conduct my work.	22	20	7	28	22	1
14. I have adequate equipment and computer support to conduct my work.	31	22	7	24	16	0
15. I have adequate training to conduct my work.	5	9	7	36	42	1
16. The workloads are equitably distributed among faculty and among staff members.	25	25	12	18	9	10
17. No one knows or cares about the amount or quality of work that I perform.	29	29	10	14	14	3
18. The failure of TSU officials to enforce high work standards results in poor quality work.	9	14	12	30	27	9
19. My immediate supervisor is a good manager.	17	12	12	25	32	3
20. Faculty observe posted office hours.	12	20	13	27	8	20
21. Staff observe posted office hours.	11	18	10	38	9	14
22. Faculty have a say in matters regarding institutional governance.	22	16	14	18	6	25
23. Staff have a say in matters regarding institutional governance.	33	22	10	10	5	19

24. What changes would you like to see in the work environment at TSU? The most frequent responses are shown below.

- No response (33 percent)
- Better communication/teamwork/morale/professional relationships (13 percent)
- Improved leadership (12 percent)
- Fair promotion and pay raises/equal pay for equal work (10 percent)
- More professional/efficient office staff with improved attitudes (9 percent)
- Better equipment/ computers (9 percent)
- More support staff and adequate facilities; better follow-up on paperwork; improved faculty relations; equal governance for staff; free parking for employees; mandatory board meetings; retiring nonproductive faculty and staff; stronger faculty; more attention to student needs; non smoking buildings; more funding; less politics; eliminate false fire alarms problem; more faculty input into administration hiring; greater accountability; and a committee in charge of hiring personnel (less than 5 percent).

Section II: <u>Job Satisfaction</u>. Please indicate your level of agreement or disagreement with each statement by placing an "X" in the appropriate column using the same definitions as in Section I.

STATEMENT	SD	D	N	A	SA	DK
1. I am very satisfied with my job at TSU.	7	18	17	32	27	1
2. I plan to make a career at TSU.	9	12	20	24	23	13
3. I am actively looking for a job outside of TSU.	24	27	23	12	9	5
4. Salary levels at TSU are competitive.	43	20	10	13	6	8
5. I feel my work is appreciated by my supervisor(s).	11	14	10	32	30	4
6. I feel I am an integral part of the TSU team.	12	13	17	30	23	6
7. I respect my immediate supervisor.	10	5	8	32	43	2
8. TSU provides opportunities for career advancement.	22	21	19	20	9	0
9. TSU provides opportunities for professional development.	16	18	17	30	13	6
10. I feel there is no future for me at TSU.	27	26	22	8	10	8
11. My salary level is adequate for my level of work and experience.	44	24	7	16	7	3

12. What changes would improve your level of job satisfaction? The most frequent responses are shown below.

- No response (36 percent)
- Reported fair evaluation and merit raises/rewards/promotions (30 percent)
- Better staff support and regular staff meetings (8 percent)
- Better leadership and supervisors (6 percent)
- Additional resources/proper equipment and tools (5 percent)
- Equal responsibility among faculty; professional development incentives; keep board out of personnel matters; get rid of geriatric programs; more office space; better fund raising; better and safer working conditions; better student/professional behavior; computer training for staff; change in the fiscal office; more accountability; change regulations on 5th and 6th classes; get students better equipment; allow more students to work at TSU; longer hours or full-time status; and "restore me to position for which I was hired" (less than 5 percent).

Section III: <u>Board Governance and Administrative Structure and Practices</u>. Please indicate your level of agreement or disagreement with

each statement by placing an "X" in the appropriate column using the same definitions as in Section I.

STATEMENT	SD	D	N	A	SA	DK
1. The Board of Regents is highly effective in carrying out its governance responsibilities for TSU.	35	20	16	9	3	17
2. The Board of Regents micro manages the affairs of TSU.	9	8	22	20	20	20
3. Most administrative practices at TSU are highly efficient.	31	25	17	17	4	8
4. Most administrative practices at TSU are highly effective.	31	25	15	17	4	8
5. Administrative decisions are made quickly and decisively.	32	28	13	10	2	15
6. TSU administrators are easily accessible and open to input.	32	26	12	19	5	7
7. Authority for administrative decisions is delegated to the lowest possible level.	20	24	19	8	4	25
8. Faculty and staff are empowered with sufficient authority to effectively perform their responsibilities.	23	24	14	26	6	8
9. Major bottlenecks exist in many administrative processes which cause unnecessary time delays.	8	8	10	30	34	10
10. TSU has too many committees.	5	15	24	15	18	23
11. TSU has too many layers of administrators.	5	18	13	23	26	15
12. TSU has too many schools and colleges.	29	40	13	2	7	9
13. TSU has too many academic departments.	29	37	16	3	6	9
14. Most university administrative processes (e.g., purchasing, travel requests, leave applications, personnel, etc.) are highly efficient and responsive.	34	21	14	20	4	8

15. What changes would you recommend to improve board governance and/or administrative structure and processes at TSU? The most frequent responses are shown below.

- No response (47 percent)
- Board of Regents should allow president to work (20 percent)
- Replace president; hire competent administrators; equal treatment; better use of funds; respect tradition; better communication; more

cooperative; responsible; efficient departments; more input in decisions; board should keep better check on written procedures/better policies; more interest in teaching; appoint more qualified representatives; become part of A&M system; in-house monitoring; have taxpayers vote on board governance; replace president and hire competent administrators; give department heads more authority with budget; ethics and leadership training for president (less than 5 percent).

Section IV: <u>University Operations</u>. Please indicate your opinion of the operations of each of the following university functions by placing an "X" in the appropriate column for each university function.

University Function	Should Be Eliminated	Needs Major Improvement	Needs Some Improvement	Adequate	Outstanding	Don't Know
a. Academic programs	1	23	39	14	7	15
b. Academic counseling	1	31	32	12	4	19
c. Student activities	1	22	32	21	5	18
d. Athletics	9	22	23	23	5	20
e. Library	0	27	34	22	6	12
f. Health Services	1	25	23	12	3	35
g. Bookstore	2	19	29	29	5	16
h. Financial aid	1	56	23	5	1	14
i. Food service	1	24	26	17	3	30
j. Student housing	1	46	19	5	1	28
k. Registration	2	55	24	9	1	9
l. Student admissions	0	44	28	13	3	14
m. Student recruiting	0	57	19	6	1	16
n. Student retention	2	52	20	4	1	20

programs					
o. University planning	1	48	23	8	1	21
p. University budgeting	1	59	16	6	1	19
q. Purchasing	0	34	25	17	5	19
r. Personnel administration	0	30	31	22	3	15
s. Fund raising	1	60	13	3	1	22
t. Board governance	6	45	16	7	1	26
u. President's office	3	32	13	23	11	19
v. Provost's office	4	27	16	21	7	26
w. Academic computing	3	35	22	17	2	21
x. Administrative computing	3	34	23	12	2	27
y. Community relations	0	40	24	13	3	20
z. Government relations	1	38	22	10	1	28
aa. University marketing	1	48	21	5	1	24
bb. Financial management	1	56	20	5	1	17
cc. Grants and contracts	0	38	29	10	2	22
dd. Campus security	0	39	27	23	2	9
ee. Campus police	1	37	28	24	3	7
ff. Parking	1	61	20	12	1	6

gg. Administrative evaluations	2	47	18	12	1	19
hh. Faculty evaluations	2	32	22	18	1	24
ii. Staff evaluations	4	31	23	18	1	24
jj. Building maintenance	0	54	26	8	2	10
kk. Custodial services	1	48	30	12	4	5
ll. Grounds keeping	0	32	31	25	5	7
mm. Other (please specify) 1. _____ 2. _____ 3. _____						

Section V: <u>General Comments</u>. Please list below any other ideas or comments you may have that would improve the efficiency or effectiveness of TSU. The most frequent responses are shown below.

- No response (46 percent)
- More accountability (23 percent)
- More organized, efficient, friendly, and better trained staff (10 percent)
- More funding/better management of resources; hire and promote on merit and competency; annual evaluation of tenured faculty; better communication/teamwork; develop 10-year comprehensive plan for recruiting; retaining; remediating and graduating students; make all on TSU payroll appear to work; wellness program; quality of programs; eliminate graduate programs; hire more women; enforce policy and procedures; more focus on students; and presidential stability (less than 5 percent).

Section VI: <u>Demographic Data About You</u>.*

1. Age: range 20-71

    under 30 (12 percent)

<pre>
                    30-39   (22 percent)
                    40-49   (33 percent)
                    50-59   (27 percent)
                    60-64   (3 percent))
                    65+   (3 percent)
</pre>

2. Gender: Female (51 percent).......... Male (49 percent)
3. Race/Ethnic group:

<pre>
        African American (79 percent)........ Asian (4 percent)
        Anglo (9 percent)........................... Hispanic (2 percent)
        Other (6 percent).......................... Multi-Racial (no response)
</pre>

4. Years employed at TSU? Range of response was from 1 to 31

<pre>
                    in first year   (14 percent)
                    2-5 years   (30 percent)
                    6 to 10 years   (23 percent)
                    11 to 20   (19 percent)
                    21+   (16 percent))
                    no response   (14percent)
</pre>

5. Assigned unit (e.g., College of Education, Business Office):

<pre>
┌──┐
│   │
└──┘
</pre>

6. Primary job responsibility:

<pre>
        Faculty (36 percent)
        Staff (56 percent)
        Administrator (8 percent)
</pre>

7a. If you are a faculty member, what is your rank?
Full (28 percent)................ Assistant (24 percent).......... Instructor (9 percent)
Associate (24 percent)....... Other (15 percent)

7b. If you are a faculty member, what is your tenure status?
Tenured (56 percent)
Non-Tenured but tenure track (14 percent)
Non-Tenure track (28 percent)

*Data may not add due to rounding.

THANK YOU FOR YOUR HELP. PLEASE RETURN YOUR COMPLETED QUESTIONNAIRE IN THE ENCLOSED SELF-ADDRESSED AND STAMPED ENVELOPE TO:

MGT OF AMERICA, INC.
P.O. BOX 38430
TALLAHASSEE, FLORIDA 32315-9958