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Ayers private endowment idle

Team planned to raise \$35M

Elizabeth Crisp

elizabeth.crisp@clarionledger.com

State higher education officials say they will form a team to raise funds for a private endowment that benefits Mississippi's three historically black universities.

Still, university leaders acknowledge the \$35 million fund stipulated in the Ayers college desegregation lawsuit settlement may never materialize.

"I think we should just admit that this is not going to happen," Jackson State University President Ronald Mason said at a meeting of the Ayers Investment Committee last week.

A \$1 million gift - arranged in the settlement's first year - has been the sole contribution to the fund in the seven years since its creation.

"It's just hard for a president from one institution to go ask for money for another institution when they need the money themselves," state College Board President Scott Ross said. "I don't know what the right answer is. I don't think any of us has done all we should do - including me."

University budgets were slashed 5 percent in September because of declining state revenues. The eight public institutions have been urged to prepare for further cuts.

The private endowment and a \$70 million public endowment, funded through the Legislature, are part of the \$503 million settlement of the lawsuit that Jake Ayers Sr. filed in 1975 challenging how the state funded black universities.

Mason suggested that the board pressure the Legislature to foot the additional Ayers bill, while state Higher Education Commissioner Hank Bounds urged the board to begin a fundraising push for the money first.

"It might be an uphill battle with the Legislature to get more money, when we fully admit we haven't done everything we can do on our side of this," he said.

But even Bounds cautioned that he's "under no illusion that it will be under the current economic climate."

The Joint Legislative Committee on Performance Evaluation and Expenditure Review in a report to the College Board last month recommends that leaders attempt to raise funds for the endowment.

While the private endowment is not guaranteed, the settlement states it's up to the College Board to raise the money.

The PEER report shows the state to be in compliance in all other areas.

Senate Universities and Colleges Committee Chair Doug Davis, R-Hernando, said his main concern is that the state stay in compliance with the settlement.

"While we can encourage things, we are limited in what we can do when it comes to the private side," he said.

This is not the first time the College Board has said funding the private endowment is a priority.

During a meeting last year, the Ayers committee discussed the funding shortfall, but no plan was created. Members vowed to come up with a strategy but took no action.

Financial reports from the Ayers committee show the economy has taken a toll on Alcorn State University's investments.

Alcorn's return on investment was 1.3 percent for fiscal 2009.

ASU has been the only school to gain control of its portion of the public endowment.

Funds for Jackson State and Mississippi Valley State universities will be managed by the endowment committee until the schools are able to maintain a nonblack enrollment of at least 10 percent for three years. The JSU and MVSU fund has fared significantly better with a 4.45 percent rate of return.

"I'm going to be reviewing how these funds are invested to see how we can get a better return," said Kevin Appleton, chief financial officer for Alcorn.

Leaders said Alcorn could opt to put its investments back in the committee's control, and Appleton said he would consider that offer.

The public money has been used to fund new programs and for the construction of buildings at Alcorn, JSU and MVSU.

Leaders say the private endowment was set up to balance funding once the public side started to drop.

In the coming year, the combined annual Ayers funding will drop from \$20.2 million to about \$13.5 million.

Bounds will identify people for the fundraising committee. He said he already has people in mind but would not name them because they had not been formally asked.

Valley State President Donna Oliver said she also would recommend people for the committee.

Second District U.S. Rep. Bennie Thompson, D-Bolton, has offered to help the board as it looks to fund the private endowment, Lanier Avant, his chief of staff, told The Clarion-Ledger in September.
