

President Saunders: Inefficient and Ineffective Use of Students' and Taxpayers' Money

Part 1 2011 Costs and Use of King Air N777AQ

usmnews.net's review of President Saunders' use of a multi-million dollar airplane, King Air N777AQ, continues with the receipt of Southern Miss' cost records for 2011. We'll start by detailing President Saunders' decision to undercharge—significantly undercharge—others for the use of N777AQ. At a minimum, we would expect President Saunders would recover the money students have paid for the airplane. After all, they paid for it and she is supposed to oversee the effective and efficient use of the money student pay for their education. (We'll explore whether the purchase of the airplane in any sense advances student education in other reports.)

Memo to IHL: Please pay \$20,240 for your use of N777AQ on August 24 and 25, 2011

On August 24 and 25, 2011, Christy Pickering, board member of the Institutions of Higher Learning, Mississippi, used N777AQ to travel “round trip Hattiesburg to Gulfport and on to Columbus, MS” [for the purpose of](#) “MUW President search.” The IHL reimbursed USM for the use of N777AQ in the amount of **\$1,840** for **2.3** flight hours of N777AQ. (President Saunders charges **\$800** per flight hour multiplied by the number of flight hours, **2.3**, for a total of **\$1,840**.)

At a minimum, efficient and effective use of student and taxpayer money would dictate that the IHL reimburse for at minimum the actual cost of the trip. And, if President Saunders had any business sense on how to earn a return on money and other assets with which she is entrusted, she would charge cost plus a profit. This is exactly what any of the many building contracts she signs (or which are signed under her authority) provide. Contractors do not undertake construction projects out of the goodness of their hearts.

President Saunders either has no business sense or she's benefiting in some unknown way from the use of students' and taxpayers' money. It would be difficult for her to claim ignorance since USMNews.net has publicly reported many times that her estimate of \$800 per flight hour is so low as to be an absolute fabrication. As public records demonstrate, the only way \$800 per flight hour can be an accurate representation is the lease payments are the only costs and the number of flight hours per year is at least 250. In fact, based on Southern Miss' own records, the number of flight hours per year have never been as high as 100 hours. Of course, [the lease payments](#) are only the tip of an iceberg of costs. N777AQ's costs include fuel, maintenance, hanger, pilots' salaries, insurance, etc. With the exception of fuel and pilots' salaries, these costs are incurred unless the plane is never used. (In fact, many of the costs including maintenance, hangar

fees, and insurance have to be paid even if the plane never moves.

Now, with several years of actual data at Dr. Saunders' disposal, which usmnews.net has accessed through open records requests, the only rational conclusion is that Dr. Saunders is intentionally misrepresenting the cost per flight hour and incompetently overseeing the use of student money.

Efficient and effective are words without meaning for President Saunders. The following is why that is true. Keep in mind, we use Dr. Saunders' records as the basis for this reports.

The actual cash outflow cost per flight hour is *not* \$800 per flight hour. It is more than **\$5,500** in actual current cash outflow cost per flight hour. If the balloon payment of \$907,053.85 (which is contractually required to be paid at the end of the lease period) is included, the cost per flight hour is over **\$8,000**.

So, the IHL should have been charged **\$18,400** (2.3 flight hours x \$8,000) for Christy Pickering's (IHL's) use of N777AQ. The IHL, for just this one use of N777AQ, owes Southern Miss' students an additional **\$16,560**. (usmnews.net will visit other IHL low cost uses of N777AQ and its even greater debt to Southern Miss' students and Mississippi's taxpayers than just this cut rate use resulting in undercharges of **\$16,560**.) If President Saunders had any business sense or respect for student money, she would charge an amount greater than cost. And if the IHL had any integrity, it would pay cost plus at least 10%. The total charge for Ms. Pickering's use should have been **\$20,240**.