The Finance Committee met on Wednesday, June 26, 2013, at 10:55 a.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Fenstermaker called the meeting to order. The roll was called and a quorum was established.

**Committee Members Present**
- William Fenstermaker, Chair
- Roy Martin III, Vice Chair
- Raymond Brandt
- Pamela Eagan
- Joseph Farr
- Robert W. Levy
- Albert Sam II
- Stevie Smith, LCTCS Representative
- Scott Ballard, LSU Representative
- Leon Tarver, SU System Representative
- Winfred Sibille, UL System Representative

**Other Board Members Present**
- Mark Abraham
- Joel Dupre
- W. Clinton Rasberry, Jr.
- Joseph Wiley
- Broooksie Bonvillian (student member)

**Committee Member(s) Absent**
- Richard Lipsey

**Guest List**
- See Attachment I

Review and Approval of the FY 2013-14 Operating Budget Distribution

Mr. Terrence Ginn, Assistant Commissioner for Finance and Administration, presented that the fiscal year 14 budget “Act 14” appropriates $2.6b total means of financing for Higher Education. He stated the significant change in the means of financing is the means of financing swap from State General Fun to Statutory Dedications via the Overcollections Fund. Terrence
further stated that the Interagency Transfer reduction is mostly attributable to the public/private partnerships for hospitals within the LSU system. $332m decrease to remove funding for the hospitals for the public private partnerships; $22m decrease to annualize the FY13 mid-year budget reduction; $4.4m decrease to adjust 8G and SELF Statutory Dedicated funds to anticipated revenues and $45m increase in tobacco settlement funds to fully fund TOPS all of these adjustments were contemplated during the executive budget process. The other significant changes include an $11.2m decrease attributable to the preamble reduction in Act 14 which were direct appropriations added during the legislative session.

The Board of Regents staff successfully advocated for the use of one-time funds for one-time expenditures such as deferred maintenance. Our request was expanded in the senate to include operational costs. Terrence added that we are working with the systems to ensure that these funds are used primarily for non-recurring expenditures as they will not be considered in the base funding and may not be available in future fiscal periods”. The LSU System received $15m; Southern System received $17.5m; and the LCTCS and UL systems each received $10m.

As previously mentioned, Higher Ed absorbed $11.2 million of the $20 million dollar preamble reduction contained in Act 14. The LSU, Southern and UL systems tuition increases were considered in the Executive Budget, however, the LCTCS was unable to increase tuition at the time. At it’s June meeting, the LCTCS board increased tuition. As a result, the formula distribution was re-calculated capturing the LCTCS $12.2 million tuition increase and the resulting general fund decrease. The $11.2 million preamble reduction was spread using the formula distribution model and all systems were treated the same.

Senior Staff recommends Committee approval of the FY 2013-14 Operating Budget Distribution. In addition, Senior Staff recommends that the board authorizes the Commissioner
to make any technical adjustments to the final distribution and allocation of the table of organization (T.O.).

Committee approval to authorize the commissioner to request a seed appropriation to address potential cash flow issues resulting from collections flowing to the Overcollections Fund.

On motion of Regent Martin, seconded by LCTCS Rep. Smith, the Finance Committee approved the FY 2013-14 Operating Budget Distribution.

**Update on Investment Policy Revision**

No action taken

**Adjournment**

There being no further business to come before the Finance Committee, Chair William Fenstermaker declared the meeting adjourned at 11:00 a.m.