The Finance Committee met on Wednesday, March 25, 2009, at 2:25 p.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Brame called the meeting to order. The roll was called and a quorum was established.

**Committee Members Present**
Scott Brame, Chair
Victor Stelly, Vice Chair
Richard D’Aquin
Ingrid Labat
W. Clinton Rasberry, Jr.
Mary Ellen Roy
Harold Stokes
Stevie Smith, LCTC System
Jerry Shea, LSU System
Walter Guidry, SU System
D. Wayne Parker, UL System

**Staff Members Present**
Sally Clausen
Carolyn Blanchard
Wendy Simoneaux
Donald Vandal

**Committee Members Absent**
None

**Other Board Members Present**
Joseph C. Wiley
Robert J. Bruno
Roland M. Toups
Maurice C. Durbin
Robert Levy
Artis Terrell, Jr.
Charlotte Bollinger
Jamey Arnette

**Guests**
Attachment A
REVIEW OF BUDGET AND FUNDING ISSUES

Mr. Donald Vandal, Deputy Commissioner for Finance and Administration, reminded the Committee that the Governor’s Executive Budget for FY 2009-10 was presented to the Joint Legislative Committee on the Budget on Friday, March 13th. He said that although the committee reviewed much of the state budget proposal that day, the committee did not review the budget schedule for postsecondary education until its meeting scheduled on Friday, March 20th.

Mr. Vandal explained that the budget proposal reflects a net state funding reduction of approximately $219 million, after use of $218.7 million in federal stimulus funding. He continued by adding that the overall reduction in State General Fund support is approximately $432 million. He noted that, additionally, there is a projected reduction of $7.2 million in funding available from the SELF fund, a state source of support for faculty pay provided over the years. Mr. Vandal said that the combination of those reductions is an overall $439 million loss of state support, this being in addition to the $55 million in state funding reductions imposed for the current fiscal year. He said that this represents a cumulative reduction in excess of 30% from the state funding level provided at the beginning of this fiscal year.

Deputy Commissioner Vandal said that with the federal stimulus funding provided and considered as an offset of state support, the reduction in net state support is about 15%; however, the federal stimulus support will be available for FY 2009-10 and FY 2010-11 only. He mentioned that both short-term and long-term planning for addressing this budget outlook is being aggressively pursued by Regents’ staff and the system offices.
Mr. Vandal then discussed the process, although somewhat uncertain, that would likely unfold over the next several weeks leading to the higher education budget hearings by the House Appropriations Committee scheduled for April 21st. Today, the specific preliminary system assignments will be forwarded to the systems to be used in formulating their institution specific budget targets. The institutions and systems will be developing specific budget reduction plans to be shared at the House Appropriations Committee hearings and submitted to Regents.

The Committee was then provided a document entitled “Priorities to Guide Higher Education 2009-10 Budget Cuts” (Appendix B) which outlines priorities in addressing statewide educational needs and considerations in justifying cuts based on priorities. These priorities and principles are to be used as guides in formulating the budget reduction plans.

After further discussion, on motion of Regents Stelly, seconded by Regent D’Aquin, the Finance Committee voted unanimously to recommend the Board approve the document entitled “Priorities to Guide Higher Education 2009-10 Budget Cuts as reflected in Appendix B.

The Committee then discussed the status of higher education in these difficult times and the need to effectively demonstrate the importance of higher education to the State.

ADJOURNMENT

There being no further business to come before the Committee, Chair Brame declared the meeting adjourned at 3 p.m.