The Finance Committee met on Wednesday, June 25, 2003, at 2:30 p.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana.

Chair Pat Strong called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Pat Strong, Chair  
Virgil Robinson, Jr., Vice Chair  
Scott Brame  
Richard D’Aquin  
Roland Toups  
Walter Guidry, Jr.  
Winfred Sibille  
John Delaney

COMMITTEE MEMBERS ABSENT

Billy Blake  
Roderick West

OTHER BOARD MEMBERS PRESENT

Frances Henry  
William Oliver  
Robert Levy  
Clifford Smith  
Stanley Jacobs  
Reggie Dupré

STAFF MEMBERS PRESENT

E. Joseph Savoie  
Marvin Roubique  
Mike Galloway  
Louise Moore

GUESTS PRESENT

Appendix A
REVIEW OF ATHLETIC BUDGET FROM UNIVERSITY OF NEW ORLEANS

Mr. Roubique, Deputy Commissioner for Finance and Facilities, informed the Committee that the Board of Regents deferred the approval of the athletic budget for the University of New Orleans at its October meeting because the State support reflected in the budget was in excess of the $1,771,150 maximum allowed under the Board’s Policy. The staff met with the LSU Board’s staff and the University of New Orleans’ staff to review the Board’s Policy and the athletic budget for UNO. The staffs have been working together to try to bring the amount of State support being transferred from the operating budget to the athletic budget into compliance with the Board’s Policy. UNO has submitted a revised budget that reflects a decrease in State support for the athletic budget, but it is still above the maximum amount allowed by the Policy. Mr. John Antolik, Assistant Vice President Budget and Finance of the LSU System Office and Mr. Jim Miller, Athletic Director at UNO, provided an overview of the athletic budget. They informed the Committee of several actions taken to address the problem. The University requested that the Board recognize the effort as significant progress and provide an exemption to the limit of state support for the current year while they continue to make adjustments in the budget to come into compliance with Regents’ Policy.

After discussion, the Committee took the following action:

On motion of Regent Brame, seconded by Regent Robinson, the Finance Committee voted unanimously to recommend that the Board of Regents approve the FY 2002-2003 Athletic Budget for UNO and that a plan for compliance with the Board of Regents’ Policy for State Fund Usage in Athletic Programs be submitted as a component of the FY 2003-2004 Athletic Budget.
FUNDING FORMULA REVISION

Next, Mr. Roubique provided a brief update on the progress of developing possible revisions for the Higher Education Funding Formula. He said that possible changes would include use of additional variables for programs in high cost areas such as business, computer technology, allied health and the sciences. In performing a review of the current formula and looking at ways to refine the funding approach, the staff has tried to determine the major factors of a funding formula that would meet the resource requirements of our institutions.

Mr. Roubique indicated that a funding formula should be sensitive to the institution’s mission, in that it provides funds based on a program’s cost and should also recognize the cost of funding based on the classification of the student. The formula should be fair and equitable and provide the resources necessary for the institution to carry out its role, scope and mission. Additionally, the formula should provide incentives for institutions to engage in desirable behaviors.

The funding formula, as a part of the Master Plan, should ensure that requirements of the Master Plan such as admission standards are met. The formula should provide incentives for the institutions that exceed the requirements and dis-incentives for those that fall short of meeting the requirements.

During discussion of the formula, committee members requested that meetings be held with the staff to explain the funding formula and any suggested changes. These meetings would provide an opportunity for board members to react to staff changes and provide suggestions for revisions.
OTHER BUSINESS

Mr. Roubique explained the current and projected expenses associated with the cost of utilities. He pointed out that even though utility rates currently were not as high as several years ago, it was possible for a return to those levels. Mr. Dave Nicklas and Ms. D’Layne Cothern, staff members of the University of Louisiana System, briefly discussed the bulk energy purchase initiative in which they were currently involved. They indicated they were reviewing seven proposals for the purchase of energy for their eight institutions.

Committee members readily agreed that while the Board of Regents’ staff had pursued this same objective two years ago for all of higher education, it was time to again request the appropriate state agencies to work with the Regents to formulate a bulk energy purchasing program.

ADJOURNMENT

There being no further business, the Committee adjourned at 3:15 p.m.