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BOARD OF REGENTS

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William Clifford Smith
Harold M. Stokes
Artis L. Terrell, Jr.

Chris L. Jividen, Student Member

FINANCE COMMITTEE MEETING

Wednesday, August 24, 2005

The Finance Committee met on Wednesday, August 24, 2005, at 11:50 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Virgil Robinson, Jr., called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Virgil Robinson, Jr., Chair
Billy Blake, Vice Chair
Scott Brame
Robert Levy
W. Clinton Rasberry, Jr.
Artis Terrell, Jr.
James Roy, LSU
Winfred Sibille, UL System

OTHER BOARD MEMBERS PRESENT

Roland Toups
Frances Henry
Harold M. Stokes
Stanley Jacobs
Pat Strong
Richard D'Aquin
Ingrid Labat
Chris L. Jividen

COMMITTEE MEMBERS ABSENT

LCTCS Representative
SU System Representative

STAFF MEMBERS PRESENT

E. Joseph Savoie
Donald J. Vandal
Wendy Simoneaux
Louise Moore
Axel A. Vásquez

GUESTS PRESENT

Appendix A

ALLOCATION OF THE STATE FUNDING APPROPRIATED TO THE BOARD OF REGENTS FOR MANDATED COSTS

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, provided a summary on how significant efforts were made during the appropriations process to insure funding would be available to cover “mandated costs”. Mr. Vandal explained how funding for one-half of those costs was provided by the administration and the legislature during the course of the appropriations process when increased revenue estimates were recognized by the Revenue Estimating Conference. Mr. Vandal also explained that in addressing the remaining unfunded mandated costs, the additional tuition revenue expected from the general 3% tuition increase was considered.

Mr. Vandal then explained that since some budget units did not derive enough additional tuition revenue to fully cover their mandated costs and some budget units had no tuition revenue, the remaining unfunded mandated costs for those units needed additional state appropriations. Therefore, an amount of \$2,910,606 was determined by the Division of Administration to be the minimum amount needed to cover the remaining costs of certain budget units. Mr. Vandal then explained the approach used to determine the proposed allocation of funding to each budget unit.

After discussion, the Finance Committee took the following action:

On motion of Regent Brame, seconded by Regent Rasberry, the Finance Committee unanimously recommended that the Board of Regents approve the allocation of state funding appropriated to the Board for mandated costs as reflected in Appendix B.

ALLOCATION OF STATE FUNDING APPROPRIATED TO THE BOARD OF REGENTS FOR “PERFORMANCE INCENTIVES” AND FOR “CONTINUED GROWTH AND DEVELOPMENT OF COMMUNITY AND TECHNICAL COLLEGES AND LEARNING CENTERS”

Mr. Vandal stated that funding in the amount of \$10 million was appropriated to the Board of Regents for performance incentives in support of institutional efforts to achieve the goals and objectives of the Master Plan for Postsecondary Education and for continued growth and development of community and technical colleges and learning centers. Board of Regents staff have been in discussion with system management staff on uses and allocation strategies for these funds. Mr. Vandal then stated that of the \$10 million appropriated to the Board of Regents, \$4 million will be allocated to the Louisiana Community and Technical College System and two-year institutions. Additionally, \$4 million will be distributed to the systems for further allocation to four-year institutions based upon plans developed by the systems. The plans are to address performance and high priority issues and include measurable targets and outcomes.

The remaining \$2 million will be used to address new initiatives and priority areas identified through the work of various study groups. These groups have been charged with examining issues related to dual enrollment, adult literacy, and other areas. The staff will be developing specific proposals on those items for the Board’s future consideration.

After discussion, the Finance Committee took the following action:

On motion of Regent Rasberry, seconded by Regent Sibille, the Finance Committee unanimously recommended that the Board of Regents approve the allocation of state funding appropriated to the Board for “Performance Incentives” and for “Continued Growth and Development of Community and Technical Colleges and Learning Centers”. (Appendices C and D)

**ALLOCATION OF STATE CAPITAL OUTLAY FUNDING APPROPRIATED FOR
“LIBRARY, INSTRUCTIONAL, AND SCIENTIFIC EQUIPMENT ACQUISITIONS”**

Mr. Vandal mentioned that the Supplemental Appropriation Bill, Act 138 (House Bill No. 842), contains a capital outlay appropriation of \$7.5 million to the Board of Regents for library, instructional and scientific equipment acquisitions. Mr. Vandal stated this “one-time” funding is in addition to the \$5 million that has been incorporated into the operating budgets on a recurring basis over the past two appropriation cycles. Mr. Vandal also stated there is the potential for additional library, instructional and scientific equipment acquisitions funding from the regular capital outlay bill (House Bill No. 2), as there is bond funding of \$1 million in Priority 2 and \$2 million in Priority 5 provided for that purpose. Mr. Vandal stated that actual funding available in the current year from that source will depend upon whether and to what extent lines-of-credit are approved by the Bond Commission for these bond appropriations later in the year.

Mr. Vandal explained that the past practice for allocation of library, instructional and scientific equipment acquisitions funding has been to restore a \$3.5 million “acquisitions” reduction in operating budget funding that was imposed in 1996; any additional funding was then allocated based upon each institution’s 100% formula funding share. Mr. Vandal then stated that since the allocation of the \$5 million in operating funds restored as a first priority the \$3.5 operating budget reduction of 1996, all subsequent library, instructional and scientific equipment acquisitions funding will be allocated based upon the formula.

After discussion, the Finance Committee took the following action:

On motion of Regent Rasberry, seconded by Regent Levy, the Finance Committee unanimously recommended that the Board of Regents approve the allocation of state capital outlay funding appropriated to the Board for Library, Instructional, and Scientific Equipment Acquisitions. (Appendix E)

ADJOURNMENT

There being no further business to come before the Committee, the Finance Committee adjourned at 12:15 p.m.