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Thomas G. Henning
Robert W. Levy
Roy O. Martin III
W. Gray Stream
Collis B. Temple III
Joseph C. Wiley
Patrick J. Harrington, Student

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FINANCE COMMITTEE REPORT
Wednesday, March 23, 2016

The Finance Committee met on Wednesday, March 23, 2016, at 11:00 a.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Markle called the meeting to order. The roll was called and a quorum was established.

Committee Members Present

Joel Dupre
Joseph Farr
Robert Levy
Edward Markle-Chair
Roy Martin, III
LSU Representative
Southern Representative
UL System Representative

Other Board Members Present

Claudia Adley
Patrick Harrington (student member)
Thomas G Henning
Richard Lipsey
Collis Temple, III
Joseph Wiley

Committee Members Absent

Marty Chabert
William Stream
LCTC Representative

Guest List

See Attachment I

Review and Acceptance of the Preliminary FY 2016-2017 Funding Recommendation

Mr. Terrence Ginn, Deputy Commissioner for Finance and Administration, presented the FY 17 Executive Budget with a \$180.3 M reduction to colleges, universities, specialized institutions and boards, and \$233.2 M to LOSFA and TOPS in order to balance to the estimated \$2 B SGF shortfall.

Mr. Ginn stated the Revenue Estimating Conference (REC) met last week and revised the revenue estimate to account for various revenue measures enacted by the legislature during the 1st Special Legislative Session of 2016. He also stated by accounting for these various revenue bills that raised approximately \$1.26 B for FY 17, the latest shortfall calculation for FY 17 has been reduced from approximately \$2.0 B to approximately \$747 M. Therefore, the preliminary budget proposal the board approved in October 2015 does not resemble the current fiscal reality.

He added the preliminary recommendation is based on distributing available funds in the executive budget through the outcomes-based funding formula models for 2 and 4-year institutions and a pro-rata distribution for the specialized institutions. With regard to the 2 and 4-year institutions, 70% of the distribution which is based on each institution's existing operating budget base, 15% is based on cost, and 15% is based on outcomes.

He also added the final distribution will be determined by the funds appropriated in the enrolled version of the appropriations bill (HB 1) and will be presented for approval at the June 2016 meeting. The Table of Organization (T.O.) was eliminated in the executive budget. Staff will work with the systems to allocate the position reduction and present a recommendation to the Board at the June meeting.

Senior Staff recommends approval of the preliminary distribution which allocates available funding in accordance with the formulas methodology listed above.

On motion of Regent Dupre', seconded by Regent Martin, the Finance Committee approved the preliminary FY 2016-2017 Funding Recommendations.

BA-7 #4 SU Board of Supervisors
Increase in Fees & Self-generated Revenues (SGR) \$1,651,586

Mr. Travis McIlwain, Associate Commissioner for Finance and Administration, explained the purpose of the BA-7 request is to increase self-generated revenue (SGR) budget authority for the SU System pursuant to Act 377 (HB 152) of 2015 in the aggregate amount of \$1,651,586. The specific fee increase, which was not initially included in the FY 16 budget, is being requested at the following institutions: SU Shreveport - \$806,659, SU Law Center - \$321,511, SU A&M - \$523,416. Pursuant to Act 377, 5% of the fee increases have to be allocated for need-based scholarships. Based upon the information provided to the Board of Regents, of the approximately \$1.65 M requested, \$81,052 is being set aside for scholarships.

Due to questions by members of committee, the Committee amended the BA-7 request by eliminating the SU Shreveport portion (\$806,659). Therefore, the committee approved the specific fee increase for the SU Law Center (\$321,511) and SU A&M (\$523,416) for an amended total request of \$844,927.

BA-7 #5 SU Board of Supervisors has been withdrawn

Senior Staff recommends that the Committee approve BA-7 request.

On motion of Regent Martin, seconded by SU Representative, the Finance Committee approved BA-7 request.

Adjournment

There being no further business to come before the Finance Committee, Chair Markle declared the meeting adjourned at 11:07 p.m.

Appendix A

Guest List for March 23, 2016 for Board of Regents' Committee meetings

<u>NAME</u>	<u>AFFILIATION</u>
Ann Smith	SUS
John Crain	SLU
Mary Ann Coleman	LAICU
John Russin	LSU Ag Ctr
Joann Linville	BRCC
Matt Lee	LSU
Paul Carlsen	LCTCS
Flandus McClinton	SUS
Sujuan Boutte	LOSFA
Dan Reneau	ULS
Mike Land	Northwestern State
Fran Lemon	Northwestern State
Leslie K. Guice	LA Tech
Matt McKay	All Star Automotive
Luria Young	SUBR
Greg Braxton-Brown	IHEV
Janet Newhall	LSU
Gil Reeve	LSU
Jeanne Daboval	McNeese
Bill Morrison	NSU
Guy LaVergne	Pennington Biomedical
Jan Waguespack	AT&T
Jeannine Kahn	UL System
Ronyelle Ricard	SUBR
Barbara Hatfield	LSUA
Steve Cox	LSUA
Joe Marin	LCTCS
Bonnie Hymel	Pennington Biomedical
M. Christopher Brown, II	SUS