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Catarena M. Lobre, Student

BOARD OF REGENTS

P. O. Box 3677

Baton Rouge, LA 70821-3677

Phone (225) 342-4253, FAX (225) 342-9318

www.regents.la.gov

AGENDA

FINANCE COMMITTEE

Wednesday, June 15, 2022

11:05 a.m.

Claiborne Building, 1st Floor
Thomas Jefferson Rooms A&B 1-136
1201 North Third Street
Baton Rouge, LA 70802

- I. Call to Order
- II. Roll Call
- III. Review and Approval of the FY 2022-23 Operating Budget Distribution
- IV. Board Member Travel Approval
- V. Other Business
- VI. Adjournment

Committee Members: Gary N. Solomon, Jr., Chair; Robert W. Levy, Vice Chair; Blake R. David; Phillip R. May, Jr.; Sonia A. Pérez; T. Jay Seale III; Judy A. Williams-Brown; LCTC System Representative; LSU System Representative; SU System Representative; UL System Representative
Staff: Matthew LaBruyere, Deputy Commissioner for Finance and Administration

AGENDA ITEM III.

Review and Approval of the FY 2022-2023 Operating Budget Distribution

At its March 2022 meeting, the Board of Regents approved a preliminary formula distribution of the higher education operating budget as proposed in the Governor’s Executive Budget. The Executive Budget recommended \$1.25B State General Fund for higher education entities, which represented an increase of \$60.5M to colleges, universities, specialized institutions, and boards and a \$15M increase to GO Grants for a total increase of \$75.6M. In addition to the State General Fund increase, the Executive Budget included a \$35.5M increase in statutory dedicated funds for a total state funds increase of \$111.1M

During the legislative process, the House and Senate increased the recommendation by adding \$1.6M in State General Fund and adding \$33.8M for statutory dedications. The Governor signed HB1 to become Act 199 on June 1st, and the 2022 Regular Legislative Session concluded on Thursday, June 6th. Act 199 includes line-item vetoes to fully restore higher education faculty pay raises. It appropriates \$1.252B in State General Fund to higher education for FY23, representing an increase of \$159.2 M, the largest net increase in state funding to date. In addition, the Governor signed HB592 (Supplemental Bill) to become Act 170, which appropriated an additional \$28.7M in the current fiscal year (FY22) to higher education entities.

The FY23 budget includes a record increase in GO Grants, the state’s need-based aid program, \$10.5M in initial MJ Foster Scholars adult financial aid funding and fully funds TOPS.

Act 199 (HB1) Changes	
Amount	Description
\$ 1,174,941,971	FY22 State General Fund Base
\$31,729,770	Faculty pay increase
\$18,004,134	Mandated costs increase
\$15,000,000	Formula institutions increase
\$15,000,000	GO Grants increases
\$7,130,000	LSU Agricultural Center
\$6,185,000	Pennington Biomedical Research Center
\$5,000,000	Title IX increases
\$4,325,000	LSU HSC-NO enhancements
\$3,360,000	LSU HSC-S enhancements
\$2,950,000	LSU A&M -Various enhancements
\$2,850,000	UL System - Various system enhancements
\$2,500,000	LSU Shreveport
\$2,000,000	SU New Orleans
\$1,569,245	SU Agricultural Center
\$1,000,000	STEM Initiatives
\$1,000,000	SU Law Center
\$400,000	SU Shreveport
(\$6,884,348)	TOPS swap for TOPS Fund
(\$28,218,166)	FY22 Non-recurring adjustments
\$ 1,259,842,606	FY23 State General Fund Base in Act 199
\$ 84,900,635	FY23 Higher Education State General Fund Increase

FY22 Supplemental (Act 170) Changes	
Amount	Description
\$ 1,174,941,971	FY22 State General Fund Base
\$12,500,000	Artificial Intelligence Supercomputer for LONI via LSU
\$8,000,000	Hurricane Recovery and Stabilization at McNeese (\$5M), Nicholls (\$1M), Southeastern (\$1M), and New Orleans (\$1M)
\$5,000,000	LSU A&M Carbon Capture
\$5,000,000	LSU HSC-S Monroe Cancer Center
\$4,500,000	UL System Financial Management System Upgrades
\$3,600,000	LA Tech Technology Research Institution Building
\$2,000,000	LSU HSC-NO Dental School
\$1,568,500	UL System - Various system enhancements
\$1,000,000	LSU Shreveport
\$1,000,000	SU Baton Rouge Nursing Building
\$1,000,000	LSU HSC-NO National Cancer Institution Designation
\$850,000	SU Baton Rouge Global Innovation and Welcome Center
\$750,000	Pennington Biomedical Research Center
\$750,000	Fletcher TCC Resiliency Pilot
\$525,000	SU Baton Rouge Mumford Stadium upgrades
\$125,000	SU System - Various system enhancements
\$600,000	LCTC System - Various system enhancements
\$445,000	LSU System - Various system enhancements
\$150,000	LOSFA Fosters Scholars administrative costs
(\$5,000,000)	SGF decrease of Fosters Scholars
(\$15,688,102)	SGF decrease based on TOPS Fund increase
\$ 1,203,617,369	FY22 State General Fund Base in Act 170
\$ 28,675,398	FY22 Higher Education State General Fund Increase

With the State General Fund increases from Act 199, the FY2022-2023 operating budget distribution by system for all means of finance (State General Fund, Interagency Transfers, Self-Generated Revenue, Statutory Dedications, and Federal) is below:

FY 2022-2023 Operating Budget Distribution						
Entity	State General Fund	Interagency Transfer	Self-Generated Revenue	Statutory Dedications	Federal	Total
BOR Total	\$359,921,449	\$11,224,363	\$12,030,299	\$113,075,266	\$62,956,132	\$559,207,509
LCTC SYS Total	\$145,992,229	\$0	\$169,530,000	\$61,322,227	\$0	\$376,844,456
LSU SYS Total	\$429,998,436	\$7,764,963	\$718,046,454	\$25,476,072	\$13,018,275	\$1,194,304,200
SU SYS Total	\$56,075,432	\$3,869,822	\$111,987,606	\$4,530,158	\$3,654,209	\$180,117,227
UL SYS Total	\$267,855,060	\$259,923	\$676,482,759	\$17,894,587	\$0	\$962,492,329
Grand Total	\$1,259,842,606	\$23,119,071	\$1,688,077,118	\$222,298,310	\$79,628,616	\$3,272,965,721

STAFF RECOMMENDATION

Senior Staff recommends that the Committee approve the funding recommendations for Higher Education for FY 2022-2023. Additionally, staff is requesting permission to make adjustments among institutions within the systems as permitted by law.

AGENDA ITEM IV.

Board Member Travel Approval

According to PPM49 state travel guidelines, section 1506.B.2., any actual expenses for Elected Officials, Board Members, and/or State Officers must be authorized by statute or pre-approved by the Board in order to be reimbursed on an actual expense basis. Itemized receipts are required for meals and lodging reimbursements, and requests “shall not be extravagant and will be reasonable in relation to the purpose of travel.” At the request of the Office of State Travel and to ensure continued compliance with PPM49, the Board of Regents must approve members of the Board in order to receive reimbursement at the actual expense rates.

STAFF RECOMMENDATION

Senior Staff recommends that the Committee authorize present and future Board members to receive actual travel reimbursement and an exemption from meals and lodging according to state travel guidelines.