

Robert W. Levy
Chair

Mary Ellen Roy
Vice Chair

Charlotte A. Bollinger
Secretary

James E. Purcell
Commissioner of
Higher Education



Scott Ballard
Robert J. Bruno
Maurice C. Durbin
Joseph P. Farr
William H. Fenstermaker
Chris D. Gorman
Donna G. Klein
W. Clinton Rasberry, Jr.
Albert D. Sam II
Victor T. Stelly
Harold M. Stokes
Joseph C. Wiley
John D. Mineo IV, Student

BOARD OF REGENTS

P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.state.la.us

FINANCE COMMITTEE REPORT
Wednesday, December 7, 2011

The Finance Committee met on Wednesday, December 7, 2011 at 9:00 a.m. in the Claiborne Building, Thomas Jefferson Rooms A&B, in Baton Rouge, Louisiana. Committee Chair Rasberry called the meeting to order. The roll was called and a quorum was established.

Committee Members Present

W. Clinton Rasberry, Jr., Chair
Donna Klein, Vice Chair
Maurice Durbin
Joseph Farr
Timothy Hardy, LCTC System
Murphy Bell, SU System
Winfred Sibille, UL System

Committee Members Absent

Scott Ballard
Robert Bruno
Mary Ellen Roy
LSU System Representative

Other Board Members Present

Robert W. Levy
Charlotte A. Bollinger
Victor T. Stelly
Harold M. Stokes
Joseph C. Wiley

Staff Members Present

Todd Barré
Barbara Goodson
Lori Parker

Guests

Appendix A

Consideration of Conditionally Approved or Deferred FY 2011-12 Operating Budgets

Mr. Todd Barré, Deputy Commissioner for Finance and Administration, said in September the Board of Regents conditionally approved the FY 2011-12 operating budgets for Louisiana Universities Marine Consortium (LUMCON), the LSU Agricultural Center and the Pennington Biomedical Center. Additionally, the operating budget for Southern University and A&M College was deferred. Mr. Barré stated the four (4) institutions reported to BoR staff as requested by the Commissioner with additional information about the assumptions used to build

their current budget and plans for sustaining their institution in future years. Mr. Barré also noted several challenges LUMCON, LSU Ag Center and Pennington face including declining state general funds, research creates minimal self generated funding streams and accumulated unfunded mandated costs. These institutions lack students and therefore the opportunity to replace state general fund dollars with tuition revenue does not exist. Additionally, Mr. Barré noted Southern University is facing a declining enrollment along with accumulated unfunded mandated costs. Regent Rasberry thanked the four institutions for their responses.

On motion of Regent Farr, seconded by Regent Klein, the Finance Committee voted unanimously to recommend the Board approve the conditionally approved or deferred BY 2011-12 Operating Budgets for the Louisiana Universities Marine Consortium, the LSU Agricultural Center, the Pennington Biomedical Research Center and Southern University and A&M College.

Response to House Concurrent Resolution 110 of the 2011 Regular Legislative Session

Mr. Barré presented findings and response to House Concurrent Resolution 110. House Concurrent Resolution 110 of the 2011 Regular Session by Representative John Schroder and Senator Ben Nevers requests the Board of Regents to “report in writing to the legislature a proposal for amending the GRAD Act in a way that will mitigate the disparity in tuition charged at public four-year universities as compared to the Southern Regional Education Board (SREB) peers.” Mr. Barré said BoR staff conducted a study of tuition and mandatory fees charged at Louisiana institutions as compared to their SREB peers in response to HCR 110. The main finding was that the tuition and mandatory fees charged by Louisiana’s fourteen four-year institutions lags far behind their SREB institutions. The response makes three recommendations. First, ultimate tuition setting authority should reside with the higher education management boards under strict guidelines established by the Board of Regents. Second, the 2005 Board of Regents Tuition and Fee Policy be updated and presented to the Board of Regents and the

Louisiana Legislature for consideration and approval. Last, tuition either be decoupled from the GRAD Act, or that the Board of Regents Tuition and Fee Policy be utilized within the GRAD Act to set appropriate tuition targets and annual amounts of increase so that each four-year institution can reach its SREB peer tuition targets within a six-year period of time.

On motion of Regent Klein, seconded by Regent Farr, the Finance Committee voted unanimously to endorse the response to HCR 110 of the 2011 Regular Legislative Session, and authorize the Commissioner of Higher Education to make whatever editorial and other non-substantive changes necessary prior to its transmittal to the appropriate House and Senate Committees.

Response to House Concurrent Resolution 129 of the 2011 Regular Legislative Session

Mr. Barré presented findings and response to House Resolution 161. House Resolution 129 of the 2011 Regular Session by Representative Michael Jackson requests the Board of Regents to develop a permanent funding formula for LOUIS, the Louisiana Library Network. Mr. Barré gave an overview of LOUIS including its governance, membership and historical funding mechanisms. He stated that because of budget cuts to higher education, the Board of Regents funding has decreased. The BoR response includes two recommendations. First, staff recommends greater communication and involvement between the Board of Regents, the Louisiana Library Network and the LOUIS staff. LOUIS should report annually to the Board of Regents about prior year results, current year projects and expected ensuing budget year requests. This information should be provided in detail to the Technology Committee of the Board of Regents. Second, the Louisiana Board of Regents has submitted a request through the budget process for Fiscal Year 2012/2013 to increase the base funding to \$2.5 million.

On motion of Regent Farr, seconded by Regent Klein, the Finance Committee voted unanimously to endorse the response to House Concurrent Resolution 129 of the 2011 Regular Legislative Session, and authorize the Commissioner of Higher Education to make whatever editorial and other

non-substantive changes necessary prior to its transmittal to the appropriate House and Senate Committees.

Adjournment

There being no further business to come before the Committee, Chair Rasberry declared the meeting adjourned at 9:25 a.m.

Appendix A

Guest List for December 7, 2011 for Board of Regents' committee meetings

NAME	AFFILIATION
Kevin Appleton	SUS
James Robinson	ALFS/LSUE
Jane Cassidy	LSU A&M
Jeanne Daboval	McNeese
Walter Tillman, Jr.	SU System
Mary Ann Coleman	LAICU
Lisa Abney	Northwestern
Ken Rea	LA Tech
Nettie Daniels	GSU
Derrick Manns	LCTCS
John Crain	SELU
Mike Gargano	LSU System
Wendy Simoneaux	LSU System
Janet Rami	SUBR
Albert Tezeno	Grambling
Eric Pani	ULM
Heidi Boudreaux	LUMCON
Travis Lavigne	FTCC
Barbara Hatfield	LSUA
Albertha Lawson	LCTCS
Gil Reeve	LSU A&M
Joseph Savoie	ULL