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AGENDA
FINANCE COMMITTEE
Wednesday, March 25, 2015

11:05 a.m.

Louisiana Purchase Room 1-100

Claiborne Building

1201 North Third Street

Baton Rouge, Louisiana

I. Call to Order

II. Roll Call

III. Review and Acceptance of the FY 2015-16 Funding Recommendation

IV. Other Business

V. Adjournment

Committee Members: Edward Markle, Chair; Raymond Brandt, Vice-Chair; Christopher Bollinger; Maggie Brakeville (*student member*); Joel Dupré; Joseph Farr; Robert Levy; Gray Stream; Collis Temple III; LCTCS representative; LSU Representative; SU Representative; ULS Representative

EXECUTIVE SUMMARY

Finance Committee

March 25, 2015

III. Review and Acceptance of the Preliminary FY 2015-2016 Funding Recommendation

At the October board meeting, a budget proposal was presented and adopted to bring the formula institutions to minimum implementation rate of 62% and to maintain the specialized entities' current level of operations. This proposal envisioned that approximately \$70.3M State General Fund (SGF) above the FY14-15 budget would be required. The proposal also assumed that \$40M would be provided for the WISE Fund and any tuition increases would not be offset by a state general fund reduction.

The Executive Budget allocates a funding level of \$390.9M State General Fund (SGF) for the upcoming fiscal year. An additional \$608.3M is needed to fully fund higher education in the ensuing fiscal year. Therefore, the anticipated SGF needed to remain at the existing funding level for FY 15-16 is \$999.2M. Currently, SGF is budgeted at \$924.1M, however, increases in the Taylor Opportunity for Parents & Students (TOPS) program, funds needed to fully fund the Workforce Innovation for a Stronger Economy (WISE) program, and operational needs at the Louisiana Office of Student Financial Aid increased the need by \$75.2M.

Board of Regents (BOR) is required to fund TOPS and other mandates in the amount of \$267.2M of the \$390.8M currently available. Therefore, \$123.5M is available to fund all higher education entities. BOR recommends spreading the \$123.5M on a pro rata basis. This preliminary recommendation is based on available funds provided within the Executive Budget. The final distribution will be determined by the funds appropriated in the enrolled version of the appropriations bill (HB1) and will be presented for approval at the June meeting.

The Table of Organization (T.O.) was reduced by four hundred eighty nine (489) positions. 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 on a pro rata basis after all mandates are satisfied in accordance with the plan listed above.