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W. Gray Stream
Collis B. Temple III
Joseph C. Wiley
Benson T. Kinney, 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 22, 2016
11:15 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 Approval of the FY 2016-17 Operating Budget Distribution
- IV. Other Business
- V. Adjournment

Committee Members: Edward Markle, Chair; Gray Stream, Vice-Chair; Marty Chabert; Joel Dupré; Joseph Farr; Robert Levy; Roy Martin, III; LCTCS representative; LSU Representative; SU Representative; ULS Representative

EXECUTIVE SUMMARY

Finance Committee

June 22, 2016

I. Call to Order

II. Roll Call

III. Review and Approval of the FY 2016-17 Operating Budget Distribution

At its March 2016 meeting, the Board of Regents approved a preliminary distribution of the higher education operating budget as proposed in the Governor's Executive Budget. The Executive Budget appropriated \$570M State General Fund for higher education entities, which represents a reduction of \$180.3M to colleges, universities, specialized institutions and boards and a \$233.2M reduction to LOSFA and TOPS in order to balance an estimated \$2B overall state budget shortfall. The Governor's FY 17 Executive Budget was based on state general fund revenue available at the time and did not include any of the \$1.3B raised for FY 17 during the 1st Special Regular Legislative Session of 2016.

Since the FY 17 Executive Budget was introduced and the preliminary distribution was approved by the Board of Regents, additional state general fund revenue is now available for distribution to higher education. The First Extraordinary Legislative Session produced approximately \$216M for higher education of which \$81M is allocated for TOPS, \$125M of these funds is allocated for colleges, universities, specialized institutions and boards and \$9M is allocated for line items including Ag Centers (\$4M – LSU, \$1M – SU) and \$4M for Pennington Biomedical, which represents total state general fund appropriations for higher education of \$786.8M. The Second Extraordinary Legislative Session is in progress and will not have concluded its work by the Board of Regents June 2016 meeting.

The current disposition of funding for higher education is as follows:

- \$679M is currently available for higher education entities (2&4 year institutions, specialized institutions and board)
- \$81M is currently available for TOPS
- \$26M is currently available for GO-Grants

The distribution of funding for the 2&4 year institutions must comply with parameters set forth by Act 462 of 2014 by Senator Conrad Appel. The distribution must be based on outcomes and have considerations for cost and prevent drastic shifts in funding that negatively affect institutions. Staff will ask the board to consider a 2&4 year distribution which complies with Act 462. The distribution for the specialized units will be based on a pro-rata share of available funding, as the adopted formulas for specialized units are generally capacity based in nature. The boards will also receive a pro-rata share of available funding.

Staff will also recommend that the board approve this distribution with the understanding that the funding may change as a result of additional changes in the second extraordinary special session and the Revenue Estimating Conference meeting. Therefore, we will ask that the executive committee of the board be authorized to approve the final distribution to be sent to the Division of Administration to prepare the FY 17 appropriation letter documents.

VI. Other Business

VII. Adjournment