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FINANCE COMMITTEE REPORT

Wednesday, May 27, 2009

The Finance Committee met on Wednesday, May 27, 2009, at 3:35 p.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Brame called the meeting to order. The roll was called and a quorum was established.

Committee Members Present

Scott Brame, Chair
Victor Stelly, Vice Chair
Richard D'Aquin
Ingrid Labat
W. Clinton Rasberry, Jr.
Mary Ellen Roy
Harold Stokes
Stevie Smith, LCTC System
Walter Guidry, SU System
Russell Mosely, UL System

Staff Members Present

Sally Clausen
Carolyn Blanchard
Wendy Simoneaux
Donald Vandal

Committee Members Absent

LSU System Representative

Other Board Members Present

Joseph C. Wiley
Roland M. Toups
Artis Terrell, Jr.
Charlotte Bollinger
Donna Klein

Guests

Attachment A

REVIEW OF BUDGET AND FUNDING ISSUES

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, advised the Committee that the Louisiana House of Representatives approved House Bill 1 and has sent the re-engrossed version to the Senate for consideration with an additional \$76,003,000 in state funding amendments for postsecondary education entities. Mr. Vandal also stated that the Senate has begun discussions on House Bill 1 and it is expected that the Senate Finance Committee will act on the bill in the next two weeks. Mr. Vandal then reviewed the individual amendments, as well as the re-engrossed versions of House Bill 1 and House Bill 857. Mr. Vandal explained that House Bill 857 is the funding mechanism where the American Recovery and Reinvestment Act (federal stimulus) funds are being appropriated to postsecondary education.

Mr. Vandal then apprised the Committee of the postsecondary education funding provisions in House Bill 881, the FY 2008-2009 supplemental appropriations bill. That bill is now awaiting consideration on the House Floor and in its current posture adds \$1,224,485 in state funds to postsecondary education for the current fiscal year.

Mr. Vandal then noted that the Joint Legislative Committee on the Budget (JLCB) approved the second year of tuition increase authorized by Act 915 of the 2008 Legislative Session which allowed for four years of tuition increases based on the Board of Regents "3-4-5 Plan" with annual concurrence by the JLCB. He said this increased authority would allow for approximately \$29 million in gross revenue (net revenue will be less due to scholarship and financial aid costs) for Louisiana's postsecondary education institutions.

Mr. Vandal then asked that consideration be given to the approval of LSU Board of Supervisors' BA-7 number 7 which increases interagency transfer authority at LSU to allow

for Minimum Foundation dollars due from the State Department of Education to the LSU Laboratory School.

After discussion, the Finance Committee took the following action:

On motion of Regent Rasberry, seconded by Regent Stelly, the Finance Committee voted to unanimously recommend the Board approve the LSU Board of Supervisors' BA-7 number 7 to increase interagency transfer authority at LSU in the amount of \$619,248 to allow for Minimum Foundation dollars due from the State Department of Education to the LSU Laboratory School.

ADJOURNMENT

There being no further business to come before the Committee, Chair Brame declared the meeting adjourned at 4:05 p.m.