

FINANCE COMMITTEE MEETING
Wednesday, October 22, 2003

The Finance Committee met on Wednesday, October 22, 2003, at 10:05 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Pat Strong called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Pat Strong, Chair
William Blake
Scott Brame
Richard D'Aquin
W. Clinton Rasberry, Jr.
William Rucks
Richard J.Caiton, Jr.
Winfred Sibille
John Delaney

OTHER BOARD MEMBERS PRESENT

Roland Toups
Reggie Dupré
Artis Terrell
Frances Henry
Stanley Jacobs
Robert Levy
Adonis Ducre
William Oliver

COMMITTEE MEMBERS ABSENT

Virgil Robinson, Jr., Vice Chair

STAFF MEMBERS PRESENT

E. Joseph Savoie
Marvin Roubique
Mike Galloway
Louise Moore

GUESTS PRESENT

Appendix A

FY 2003-2004 OPERATING BUDGETS

Mr. Roubique, Deputy Commissioner for Finance and Facilities, presented an overview of the FY 2003-2004 Operating Budgets. He indicated that the FY 2003-2004 Operating Budgets reflect increases in both State Funds and Self-Generated Funds. The State Funds increases were approximately \$71.8 million in the General Appropriations Bill and another \$18 million in the Capital Outlay Bill. The mandated cost of Civil Service merit adjustments, risk management adjustments, group insurance and retirement rate increase totaled \$46.8 million. The Performance and Quality Pool was \$5,250,000 and the Community and Technical Colleges and Academic Centers Pool was \$5 million. The Pharmacy and Allied Health programs at the University of Louisiana - Monroe received \$1.5 million increase and the LSU Health Sciences Center - Shreveport received an additional \$5,061,653 for additional operating expenses. Additionally, there was an appropriation of \$2.7 million for Health Care Workforce Development. Of this amount, \$1.6 million was designated for Delgado, \$300,000 to Southeastern, \$700,000 for the other institutions and \$100,000 for the Health Works Commission.

In addition to the State Funds, the institutions in the LSU System, the University of Louisiana System and the Southern University System were authorized to increase tuition by 3% and charge an Academic Excellence Fee of up to \$240 per year. Institutions in the Louisiana Community and Technical College System were authorized to increase tuition by 3% and to implement an Academic Excellence Fee of up to \$180 per year. If fully implemented, the institutions would generate approximately \$42.8 million. This increased funding has been incorporated into these Operating

Budgets. The funds have been used to hire additional faculty, to provide salary adjustments, and to provide additional operating expenses.

The LSU Health Sciences Center in both New Orleans and Shreveport, the LSU Ag Center and the Southern Ag Center received additional funding from the dedication of Tobacco Revenues that was authorized last year. These funds have been incorporated into the Operating Budgets of these institutions.

The total Operating Budgets for Postsecondary Educational institutions are approximately \$2.2 billion, with approximately \$1.034 billion in State General Funds and approximately \$140 million in State Dedicated Funds. The total Operating Budgets for the 4-YR and the 2-YR institutions are approximately \$1.35 billion.

University of Louisiana System

Mr. Dave Nicklas, Vice President for Finance and Administration for the University of Louisiana System, presented the operating budget information for the University of Louisiana System. The total amount appropriated to the University of Louisiana System for FY 2003-2004 was \$529 million. This included \$296.4 million in state funds and \$233 million in Self-Generated Revenues. Included are the following: \$2.3 million for classified merit increases; \$5.4 million for group insurance; \$1.5 million for Risk Management; and \$2.6 million for retirement rate adjustments. Additionally, \$1.5 million was appropriated to University of Louisiana - Monroe for additional cost associated with the Pharmacy and Health Sciences Programs.

Louisiana State University System

Dr. Bill Jenkins, President of Louisiana State University System and Mr. Bill Silvia, Executive

Vice President of the LSU System, presented the operating budgets for the Louisiana State University System. The LSU System received \$1.177 billion in FY 2003-2004 for the unrestricted operating budgets. Of this amount \$553.9 million is from State Funds, \$264.5 is from IAT, \$300.5 million is from Self-Generated revenues and \$58.1 million is from Federal Funds.

Included in the State Funds was an increase of \$7.3 million for health insurance rate increases, \$5.8 million for classified employee merit increases, \$8.6 million for Risk Management adjustments and \$5.6 million for retirement rate adjustments. Additionally state funds were received for the LSU Health Sciences Center in the amount of \$1.5 million for faculty recruitment; \$5.1 million for LSU Health Sciences Center - Shreveport for funding of additional operating expenses; \$1 million for debt service for Charity Nursing Building for LSU Health Science Center - New Orleans; \$1 million for new labs at Pennington; \$900,000 to LSU Health Science Center - New Orleans for the Center for Development and Learning in the Department of Psychiatry.

Southern University System

Mr. Tolor White, Vice President for Finance and Business Affairs and Comptroller, presented an overview of the consolidated operating budgets for the Southern University System. The FY 2003-2004 Operating Budgets for the Southern System total \$127.1 million. This amount included \$75.6 million from State Funds, \$1.8 million from IAT, \$46.8 million from Self-Generated revenues and \$2.6 million from Federal Funds. Included in the State Funds are \$400,000 for classified merit increases; \$1.1 million for group insurance; \$300,000 for Risk Management; and \$600,000 for retirement rate adjustments.

Louisiana Community and Technical College System

Dr. Walter Bumphus, President of the Louisiana Community and Technical College System, presented the consolidated operating budgets for his System. This system received \$281.7 million for FY 2003-2004; of this total, \$161.2 million is from State Funds, \$50 million is from Federal Funds, \$21 million is from IAT, and \$48.4 million is from Self-Generated funds. Included in the state funds amount was \$700,000 for classified merit increases; an amount of \$1.8 million will be used for group rate increases; an amount of \$400,000 for risk management rate increases; \$1 million for retirement rate adjustments; and \$450,000 for rent expenses for Delta Community College.

After discussion, the Committee took the following action:

On motion of Regent Blake, seconded by Regent D'Aquin, the Finance Committee unanimously recommended that the Board of Regents approve the FY 2003-2004 Operating Budgets.

ADJOURNMENT

There being no further business, the Committee adjourned at 12:20 p.m.