

FINANCE COMMITTEE
Wednesday, OCTOBER 23, 2002

The Finance Committee met on Wednesday, October 23, 2002, at 11:20 a.m. in the Claiborne Building Auditorium, Louisiana Purchase Room, Baton Rouge, Louisiana.

Chairman Roland Toups called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Roland Toups, Chair
Pat Strong
Ron Roberts
Virgil Robinson, Jr.
Artis Terrell, Jr.
Steven Sumbler
Victor Bussie
Richard Caiton, Jr.
Winfred Sibille
John Delaney

OTHER BOARD MEMBERS PRESENT

William Blake
Scott Brame
Richard D' Aquin
Frances Henry
William Oliver
Reggie Dupré

COMMITTEE MEMBERS ABSENT

Norbert Simmons
Clifford Smith

STAFF MEMBERS PRESENT

E. Joseph Savoie
Marvin Roubique
Mike Galloway
Louise Moore

GUESTS PRESENT

Appendix A

DISTRIBUTION OF COMMUNITY & TECHNICAL COLLEGES & ACADEMIC CENTERS DEVELOPMENT POOL FUND - SECOND ALLOCATION

Mr. Marvin Roubique, Deputy Commissioner for Finance and Facilities, presented a summary of the allocation of the Second Distribution of Community and Technical College and Academic Center Development Pool Funds for FY 2002-2003.

After discussion the Committee took the following action:

On motion of Regent Strong, seconded by Regent Blake, the Finance Committee voted unanimously to recommend that the Board of Regents approve the Second Distribution of the Community and Technical Colleges and Academic Center Development Pool Fund as presented by staff (Appendix B).

FY 2002-2003 OPERATING BUDGETS

The Operating Budgets for Louisiana Public Post Secondary Education from all revenue sources is \$2,009,839,216 for FY 2002-2003. The State and Dedicated funds used for the Operating Budgets total \$1,055,455,627. This amount includes \$31.8 million in the capital outlay bill for Library, Scientific, Research & Academic equipment and other initiatives.

Louisiana State University System

Mr. Bill Silvia, Executive Vice President of the LSU System, presented the operating budgets for the Louisiana State University System. The LSU System received \$1.024 billion in FY 2002-2003 for the unrestricted operating budget. Of this amount \$494.4 million was from State Funds, \$203.6 was from IAT, \$273.4 million is from Self-Generated revenues and \$52.7 million is from Federal Funds.

Included in the State Funds was an increase of \$7.6 million for health insurance rate increase, \$6.9 million for classified employee merit increases, \$3.2 million for prisoner care at HSC-S, \$500,000 for the LSU Firefighter's School-Homeland Security Training. Additionally funds were received from the cigarette tax for the LSU Health Sciences Center - New Orleans in the amounts of \$6.8 million and \$4.65 million; \$1.27 million for the Ag Center; \$4.460 million for LSU Health Sciences Center - Shreveport.

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 2002-2003 Operating Budgets for the Southern System total \$121.5 million. This amount included \$68.7 million from State Funds, \$4.7 million from Statutory Dedications, \$2.2 million from Regents, re-appropriated desegregation funds, and Governor's Information Technology Initiative, \$1.7 million from IAT, \$41.1 million from Self-Generated revenues and \$2.6 million for Federal Funds.

Louisiana Community and Technical College System

Ms. Jan Jackson and Mr. Joe Marin, presented the consolidated operating budgets for the Louisiana Community and Technical College System. This system received \$145 million for FY 2002-2003. Included in this amount was \$4.6 million in growth/equity funds which were to be used for the following expenses: an amount of \$1.8 million will be used for merit increases for faculty and the hiring of new faculty and an amount of \$2.6 million will be used for the acquisition of instructional equipment, supplies and general operating expenses.

Information was presented which showed that headcount enrollment had increased from fall 2001 to fall 2002 by approximately 13.7% for all LCTCS' institutions except the Louisiana Technical College. A reduction in enrollment numbers at Louisiana Technical College was due to a revision of the procedure for counting students.

University of Louisiana System

Dr. Sally Clausen, President of the University of Louisiana System, and Mr. Dave Nicklas presented the operating budget information for the University of Louisiana System. The total amount appropriated to the University of Louisiana System for FY 2002-2003 was \$489 million. This included \$289.5 million in state funds and \$201.3 million in Self-Generated Revenues. Additionally, an amount of \$11.3 million will be received for equipment purchase (\$5.8 million), Performance and Quality Improvement (\$4 million) and \$1.5 million for Information Technology.

Mr. Nicklas indicated that headcount enrollment from fall 2001 to fall 2002 increased 2,230 students or about 2.8%. This included slight reductions at both Grambling and University of Louisiana at Monroe. He further stated that system wide the number of employees had increased by 10.

Dr. Clausen presented information comparing the salaries of the University of Louisiana System Presidents to comparable CUPA benchmarks. Each president's salary in the University of Louisiana System was shown to be below the CUPA benchmark. The University of Louisiana System salaries were below these benchmarks from 9.9% to 44.1%.

On motion of Regent Roberts, seconded by Regent Strong, the Finance Committee voted unanimously to recommend that the Board of Regents approve the FY 2002-2003 Operating Budgets with the following stipulations:

1. That the Athletic Budget for the University of New Orleans be deferred to allow the staffs of the LSU System office, UNO and the Board of Regents to develop a plan to ensure compliance with the Board of Regents' Policy for State Fund Usage for Athletics;

2. That the plans for the use of Tobacco Revenue at the LSU Health Sciences Center be deferred until the new Chancellor and the LSUHSC/Tulane Cancer Research Consortium have time to develop more detail plans.

ADMINISTRATIVE SALARY POLICY & GUIDELINE OPTIONS - STATUS REPORT

Dr. Joseph Savoie, Commissioner of Higher Education, presented a status report of the Board of Regents' Administrative Salary Policy. He and staff met with the system presidents on Wednesday, October 16th to review the policy and the various options under consideration. The group reviewed each of the options along with the personnel data for each of these options. There were some options that the group felt would not be workable. Additionally, the presidents felt that the SREB classification alone should not be the only factor considered in setting the benchmark. They asked the staff to try to refine the data to include institution size and budget size, if the data is available. Once the data is compiled, the group will meet again to review and discuss the options.

ADJOURNMENT

There being no further business, the Committee adjourned at 1:05 p.m.