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*Robert W. Levy*  
*Roy O. Martin III*  
*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](http://www.regents.la.gov)

**FINANCE COMMITTEE REPORT**  
**Wednesday, November 2, 2016**

The Finance Committee met on Wednesday, November 2, 2016, at 10:25 a.m. at the Squire Creek Clubhouse in Choudrant, Louisiana. Committee Vice-Chair Stream called the meeting to order. The roll was called and a quorum was established.

**Committee Members Present**

Gray Stream, Vice Chair  
Joseph Farr  
Robert Levy  
Roy Martin III  
Valencia Sarpy Jones, LSU Representative  
UL System Representative

**Guest List**

See Attachment I

**Committee Members Absent**

Edward Markle, Chair  
Marty Chabert  
LCTCS Representative  
Southern Representative

**Other Board Members Present**

Claudia Adley  
William Fenstermaker  
Thomas Henning  
Benson Kinney  
Richard Lipsey  
Collis Temple III  
Joseph Wiley

**Approval of Preliminary Formula Funding and Budget Request for FY 2017-2018**

Mr. Terrence Ginn, Deputy Commissioner for Finance and Administration, mentioned that consideration of this item serves as the Board of Regents' budget request for FY 2017-2018 using the formula cost and performance calculations.

Mr. Ginn mentioned that this is the second year our formula process has been expanded to include separate formulas for the 4-Year, 2-Year and certain specialized units (Ag Centers, Health Science Centers and Pennington Biomedical Research Center). Additionally, this request,

he said, includes the funding needs of the non-formula units (Boards, LOSFA Program, LUMCON Program, SU Law Center) for the ensuing fiscal year.

Deputy Commissioner Ginn said the total projected state general fund cost to fully fund Higher Education in FY 2017-2018 is approximately \$1.749B, which equates to approximately \$830M of additional state general fund need above the current FY 2016-2017 base level funding. However, because it is an unrealistic expectation to request \$830M in one year, the FY2017-2018 Higher Education budget request includes an additional \$100M plus \$88.8M to fully fund TOPS above the current floor in place for a total request of approximately \$1.1B, or a \$188.8M increase over the FY 2016-2017 base budget.

Mr. Ginn continued by saying that in addition to requesting \$88.8M of additional state general fund for the TOPS program, the breakdown of the \$100M request, which assumes all higher education entities will retain their current FY 2016-2017 level with no funding being non-recurred during the FY 2017-2018 budget development process, is as follows:

- \$43.5M for 2 year and 4 year institutions to increase the outcomes and cost portions of the formula by an aggregate 5 percentage points, while still preventing drastic shifts in funding among the 2 year and 4 year institutions (pursuant to Act 462 of 2014);
- \$34.8M to fund individuals eligible for Go Grants in accordance with each institutions' current aid packaging policy level;
- \$13.3M to fund the average increase in the state mandated costs from FY09 to FY17 in order to retain state funding dollars for their intended purposes which include instruction, research and graduating students to respond to the state's workforce needs;
- \$400,000 for open source documents and/or eTextbooks that will reduce cost of attendance for students;
- \$8M for specialized units to increase research and public service productivity at the LSU and SU Agricultural Centers, enhance instruction and research capacity at the LSU Health Science Centers and Pennington Biomedical and increase instruction capacity at the SU Law Center;
- \$88.8M to fully fund TOPS above the current floor in place.

After a question and answer session,

**On motion of Regent Martin, seconded by Regent Levy, the Finance Committee approved the State General Fund operating budget requests for all higher education systems, boards and agencies for FY 2017-2018.**

Adjournment

**On motion of Regent Martin, seconded by Regent Levy, the Finance Committee meeting adjourned at 10:45 a.m.**

## Appendix A

Guest List for November 2, 2016 for Board of Regents' Committee meetings

<b>NAME</b>	<b>AFFILIATION</b>
Les Guice	Louisiana Tech University
Nick Bruno	UL Monroe
Lisa Miller	UL Monroe
Mark Shoemaker	Louisiana Tech University
Jeannine Kahn	UL System
M. Christopher Brown II	Southern University System
Ryan Richard	Louisiana Tech University
Rick Bateman, Jr.	BPCC/LCTCS
Martin Lemelle	Grambling State University
Rick Gallot	Grambling State University
Terry McConathy	Louisiana Tech University
Shawn Murphy	UL System
Eric Pani	UL Monroe
Matt Lee	LSU
Drake Owens	NSU
Rene Clinton	LCTCS
Kevin Flood	LSUHSC Shreveport