

FINANCE COMMITTEE REPORT

OCTOBER 25, 2000

The Finance Committee met on Wednesday, October 25, 2000, at 1:10 p.m., in the State Office Building Auditorium, 150 Third Street, Baton Rouge, Louisiana. Vice Chairman Richard D'Aquin called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Richard D'Aquin, Vice Chairman
Michael Dees
Sherman Ruth
Edward Anders
Jesse Bilberry
Victor Bussie
Greg Risher

OTHER BOARD MEMBERS PRESENT

Mary Ella Sanders
Herschel Abbott
Scott Brame
Frances Henry
Melvin Ramin
Ron Roberts

COMMITTEE MEMBERS ABSENT

Roland Toups, Chairman
Virgil Robinson
Norbert Simmons

STAFF MEMBERS PRESENT

E. Joseph Savoie
Marvin Roubique
Mike Galloway
Wendy Simoneaux
Carolyn Blanchard

GUEST PRESENT

Attachment A

REVIEW OF FY 2000-2001 OPERATING BUDGETS

Mr. Marvin Roubique, Deputy Commissioner for Finance and Facilities, presented to the Committee an overview of the operating budget and the requirements for the next fiscal year budget requests. He informed the Committee that the operating budgets along with the formula and the operational plan would be the request for formula units. Non-formula units would still be required to use the Division of Administration budget forms.

LOUISIANA STATE UNIVERSITY SYSTEM

Mr. Bill Silvia, Executive Vice President, presented the operating budgets for the Louisiana State University System. He indicated that the overall budget for the LSU System was \$905.9 million, including \$405.9 million from state funds. The LSU System was allocated \$5,133,198 from the Operational Pool Funds. These funds were used in the areas of salaries and general operating expenses of the various institutions. Mr. Silvia informed the Committee that all eligible institutions within his system had increased tuition and mandatory fees by \$250 as permitted by the Legislature. Additionally, LSU and A&M instituted an academic excellence fee of \$250 per student per year. The revenues from the academic excellence fees were used for hiring additional faculty and providing additional class sections.

Mr. Silvia provided an overview of the LSU Health Sciences Center budget and indicated that the additional funding received would address the funding problems experienced by the Health Sciences Center last fiscal year. He indicated that the system office staff is continuing to work with the Health Sciences Center to stabilize the funding at the hospital.

UNIVERSITY OF LOUISIANA SYSTEM

Mr. Dave Nicklas, Vice President for Administration and Finance, presented the operating budget information for the University of Louisiana System. He informed the committee that the University of Louisiana System's budgets were \$445.3 million, including \$248.1 in state funds. The System was allocated \$4,092,372 from the operational pool funds. These funds would be used to offset the cost of certain mandated costs, including civil service merit increases and group insurance increases.

Mr. Nicklas informed the committee that all of the institutions within the system had increased their tuition and mandatory fees in accordance with the statutes. The operating budgets for Grambling State University and the University of Louisiana at Monroe reflect net increases in revenues, which were offset by declines in enrollment from the previous years. He indicated that a financial team was still assisting Grambling with implementing certain financial controls and in preparing financial statements.

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 2000-01 operating budgets for the Southern University System totaled \$110.5 million, of which \$67.4 million were state funds. Mr. White informed the Committee that the Southern University System had been allocated \$1,325,887 from the Operational Pool Fund. Included in this amount was an allocation of \$809,127 for matching federal funds for the land grant programs.

Southern University must receive approval from the Joint Legislative Committee on the Budget before expending this allocation.

Mr. White indicated that only Southern University in New Orleans had increased tuition and mandatory fees by \$250 as permitted by the Legislature. He indicated that these funds were used for the general operational expenses of the university.

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Ms. Jan Jackson, Chief of Staff, presented the operating budgets for the Louisiana Community and Technical College System. She indicated that the Louisiana Community and Technical College System had an appropriation of \$231.1 million which includes \$144.2 million in state funding. Ms. Jackson reported that the LCTCS received an allocation of \$1,124,792 from the operational pool funds. These funds will be used for general operational expenses of the institutions.

Ms. Jackson informed the Committee that the community colleges, with the exception of Baton Rouge Community College, had increased the mandatory tuition and fees by the maximum \$250 and that the Technical College would increase its tuition by \$100 beginning with the winter term in November. The revenues realized will be used for equipment and to offset general operational expenses.

The information provided by staff presented an overview of the operating budgets. The total of the unrestricted operating budgets was \$1.7 billion with \$941 million or 52.7% from state funds and \$516 million or 28.9% from self-generated revenues.

The budgets reflected a net general fund increase of \$26.5 million or 3.2%. The majority of these funds were appropriated to the LSU Health Sciences Center. The operational pool funds of \$11.9 million approved by the Board in August, were included in the current operating budgets. The staff's review included a comparison of expenditure on a functional basis of instruction, research, public service, academic support, libraries, institutional support, and operations and maintenance. The operating budgets for Louisiana institutions fall within the regional norms for these functions. After discussion, the Committee took the following action:

On motion of Mr. Risher, seconded by Mr. Bussie, the Committee recommended that the Board of Regents approve the operating budgets for FY 2000-2001 in the amount of \$1,786,931,993 which includes \$941,192,740 in state funds. (See Attachment B.)

BA-7s

It was indicated that approval of the BA-7s picking up increased self-generated from student tuition increases was required. After discussion, the Committee took the following action:

On motion of Mr. Anders, seconded by Mr. Bussie, the Committee recommended that the Board of Regents approve the BA-7s totaling \$33,036,987 in self-generated revenues. (See Attachment C.)

ADJOURNMENT

There being no further business, the Committee adjourned at 2:40 p.m.