

FINANCE COMMITTEE MEETING

Wednesday, October 25, 2006

The Finance Committee met on Wednesday, October 25, 2006, at 10:30 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Harold Stokes called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Harold M.. Stokes, Chair
William “Billy” Blake, Vice Chair
Scott O. Brame
Robert W. Levy
W. Clinton Rasberry, Jr.
Mary Ellen Roy
Winfred Sibille, UL System
John Delaney, LCTC System
James Roy, LSU System
Walter Guidry, SU System

COMMITTEE MEMBERS ABSENT

Artis L. Terrell, Jr.

OTHER BOARD MEMBERS PRESENT

Roland M. Toups
Frances T. Henry
Stanley J. Jacobs
Pat A. Strong
Richard E. D’Aquin
Ingrid T. Labat
Terry C. Landry, Jr.
William Clifford Smith

STAFF MEMBERS PRESENT

Donald J. Vandal
Wendy C. Simoneaux
Louise Moore

GUESTS PRESENT

Appendix A

FY 2006-07 OPERATING BUDGET CONSIDERATION

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, reminded the committee that presentations of the FY 2006-07 operating budgets were heard at the Finance Committee meeting on Wednesday, October 20, 2006 and that no action was taken at that time.

Mr. Vandal then requested that the Committee approve the FY 2006-07 operating budgets at this time.

After discussion, the Finance Committee took the following action:

On motion of Regent Blake, seconded by Regent Brame, the Finance Committee unanimously recommended the board approve the FY 2006-07 Operating Budget submissions.

DISTRIBUTION OF FUNDING FOR COMMUNITY AND TECHNICAL COLLEGE AND ACADEMIC LEARNING CENTER DEVELOPMENT

Mr. Vandal then lead the Committee through an explanation of the distribution methodology on \$5 million dollars in State funds appropriated to the Board of Regents for the purpose of the Community and Technical College and Academic Learning Center Development, which was to be distributed in accordance with a plan developed and approved by the Board of Regents and approved by the Division of Administration. Mr. Vandal explained that of the \$5 Million in total available funds, \$4.6 million will be distributed at this time. Of the \$4.6 million, \$2,610,215 will be allocated to those two year institutions with an implementation rate below 80% to bring their respective implementation rates to 80%, \$1,389,785 will be allocated to those two year institutions with an implementation rate below 100% on a pro rata basis of amounts needed to reach 100% implementation, \$100,000 each will be distributed to Sowela Technical Community College, Fletcher Technical Community College, and Louisiana Delta Community

College to address accreditation needs. The final \$300,000 to be allocated at this time is to be distributed to two-year institutions for a “Financial Literacy” pilot program. Ms. Joanie Chavis, Dean of the Learning Resource Center at Baton Rouge Community College provided the Committee with a brief presentation of the “Financial Literacy” program.

After discussion, the Finance Committee took the following action:

On motion of Regent Rasberry, seconded by Regent Blake, the Finance Committee unanimously recommended the Board approve the FY 2006-07 distribution of funding for Community and Technical College and Academic Learning Center Development as reflected in Appendix B.

DISTRIBUTION OF FUNDING FOR POSTSECONDARY INSTITUTIONS FOR UNCERTAIN ENROLLMENT, FINANCIAL STABILITY AND RECOVERY EFFORTS

Mr. Vandal next lead the Committee through an explanation of the distribution methodology on \$12 million dollars in State funds appropriated to the Board of Regents to help Louisiana’s Higher Education public postsecondary institutions meet the challenges related to uncertain enrollment levels and financial stability and recovery efforts, which was to be distributed in accordance with a plan developed and approved by the Board of Regents and approved by the Division of Administration. Mr. Vandal reminded that Committee that at its June 2006 Finance Committee and Board meetings, the Board approved and the Division of Administration agreed with, an initial allocation of this funding in the amount of \$1,781,722 for the University of New Orleans to rectify an incorrect assumption of enrollment for last year that was used in regards to the FY 2005-06 mid-year budget reductions. Of the remaining \$10,218,278, \$4.5 million dollars was distributed on the basis of compensating institutions on a pro rata basis for the enrollment loss experienced from Fall 2004 to Fall 2006 as a result of the

admissions criteria requirements and the natural disasters. Mr. Vandal explained however, that institutions who exceeded the allotted admissions requirement exceptions, were penalized accordingly. Mr. Vandal then explained that \$2.1 million of the total amount of funding was distributed as a base allocation with each 4 year institution receiving \$150,000. Another \$2,118,278 was distributed on the basis of equity and allocated to the 4 year institutions whose implementation rate was below 80% on a pro rata basis. The final \$1.5 million was allocated to the System Offices to address their respective system priority needs and was allocated based on a pro rata share of 100% formula need for 4 year institutions.

After extended discussion, the Finance Committee took the following action:

On motion of Regent Brame, seconded by Regent Rasberry, the Finance Committee unanimously recommended the Board approve the FY 2006-07 distribution of funding for Postsecondary Institutions for uncertain enrollment, financial stability, and economic recovery as reflected in Appendix C.

REPORT FROM THE DEPUTY COMMISSIONER

Mr. Vandal reminded the Committee that the Finance Staff is continuing to work on revisions to the Formula, the Health Sciences Center Funds Flow project, and the Athletic Policy.

ADJOURNMENT

There being no further business to come before the Committee, the Finance Committee adjourned at 11:30 a.m.