

MINUTES

BOARD OF REGENTS

April 25, 2013

NOTE: On Wednesday, April 24, 2013, newly appointed Board member Ms. Pamela Egan was administered the oath of office by Dr. Uma Subramanian, General Counsel of the Board of Regents.

The Board of Regents met in session at 9:08 a.m., on Thursday, April 25, 2013, in the Louisiana Purchase Room, Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair W. Clinton Rasberry, Jr. called the meeting to order. Executive Assistant Carolyn Blanchard called the roll and a quorum was established.

Present for the meeting were:

W. Clinton Rasberry, Jr., Chair
Joseph Wiley, Vice Chair
Charlotte Bollinger, Secretary
Mark Abraham
Raymond Brandt
Joel Dupré
Pamela Egan
William Fenstermaker
Chris Gorman
Matthew Jewell
Robert Levy
Richard Lipsey
Roy Martin III
Albert Sam II

Absent from the meeting were:

Joseph Farr
Edward Markle

DISCUSSION OF SENATE BILL 204

Chair Rasberry gave an overview of Senate Bill 204 of the 2013 Regular Legislative Session and noted that it provided for the issuance of bonds to finance capital improvements for the Louisiana Community and Technical College System (LCTCS).

Chair Rasberry invited Dr. Uma Subramanian, General Counsel of the Board of Regents, and Ms. Barbara Goodson, Deputy Commissioner for Finance and Administration of the Board of Regents, to make a few comments.

Dr. Subramanian said the process used by LCTCS in pursuing Senate Bill 204 deviated from Article VIII of the Louisiana Constitution, which states that the Board of Regents is empowered:

“to require every postsecondary education board submit to it, at a time it specifies, an annual budget proposal for operational needs and for capital needs of each institution under the control of each board. The Board of Regents shall submit its budget recommendations for all institutions of postsecondary education in the state. It shall recommend priorities for capital construction and improvements.”

Dr. Subramanian said SB 204 ignores the potential impact on the other systems’ capital and operational budgets.

Ms. Goodson noted that none of the projects listed in SB 204 came before the Regents for consideration during the annual fall 2012 capital outlay process. This was of great concern to the Regents.

Chair Rasberry next called on State Treasurer John Kennedy for comments. Treasurer Kennedy said he is opposed to Senate Bill 204 from the standpoint that it is fiscally unsound to proceed with “off-the-state-books” financing, which he feels is a violation of mandatory debt limits and has the real possibility of repercussions on the State’s bond rating.

Dr. Joe May, President of LCTCS, introduced Mr. Michael Murphy, Chair of LCTCS, and members -- Mr. Edwards Barham, Mr. Brett Mellington and Mr. Woody Ogé.

Supervisor Barham gave a brief history of the creation of LCTCS in 1998. Supervisor Mellington spoke regarding the rapid growth of LCTCS and its need for more facilities. Chair

Murphy talked about current projects and goals of LCTCS. He also said the Board charged Dr. May with gaining more facilities for the rapidly growing community and technical college system. Supervisor Ogé spoke on the increasing workforce needs of the state and how LCTCS is meeting those needs.

Members of the Regents posed questions at this time to Dr. May and Supervisors for the Board in attendance. Dr. May said SB 204 was an expeditious way to fill the need for facilities so workers can be trained for the 65,000 new jobs predicted for Louisiana by 2016.

During the discussion, the Board applauded and expressed support for the community and technical colleges, but said the bill is in clear violation of the Louisiana Constitution's provision requiring that capital spending requests be submitted by the four systems to the Regents for vetting and prioritization before being submitted to the legislature. It was also noted that if SB 204 is passed, the other systems of higher education could possibly follow the same unconstitutional process for capital expenditures. Due to the economic problems of the state, there is a huge backlog of deferred maintenance that is not being funded. Recently the Regents completed a space utilization study which shows there is a significant excess capacity across the state in existing higher education facilities. Use of excess space at nearby four-year institutions by LCTCS must be considered until such time as alternative funding can be found to build new facilities.

At the conclusion of the question and answer session, Regent Martin asked Chair Murphy if the LCTCS Board of Supervisors would continue to support SB 204 and he replied, "Yes."

Chair Rasberry publicly stated that the Board of Regents is not in support of SB 204 primarily because it deviates from the constitutional requirements governing funding for the construction needs of higher education, and it ignores the more imminent needs of

other institutions. He said there are huge deferred maintenance needs at all our campuses. Regent Rasberry reiterated that the projects included in SB 204 were never brought to the Regents for consideration nor had the Regents been any part of any discussions pertaining to the bill. He reminded the audience that the Regents will always support initiatives that enhance the greater good of higher education but said that SB 204 deviates from that mission.

On motion of Regent Martin, seconded by Regent Fenstermaker, the Board voted unanimously that while the Regents fully support the Louisiana Community and Technical College System (LCTCS) and its initiative for workforce development, with the advice of counsel and the testimony of State Treasurer John Kennedy, the Regents deem that the process utilized by the LCTCS Board violates Article VIII of the Louisiana Constitution. The LCTCS Board directly submitted capital outlay requests through pending legislation and failed to properly submit a complete capital outlay budget to the Board of Regents as specifically required by Article VIII, §5, thus circumventing the constitutionally established process for Higher Education Budgeting.

REPORTS AND RECOMMENDATIONS BY THE COMMISSIONER OF HIGHER EDUCATION

Chairman Rasberry first introduced the Administrative Assistants from the Board of Regents. He thanked them for their dedicated service and positive attitudes.

Next, Commissioner of Higher Education Jim Purcell spoke regarding tuition rates in the SREB states. He noted that annual tuition and required fees at four-year Louisiana institutions are \$1,648 less than other four-year institutions in the SREB while the two-year colleges in Louisiana are \$289 less than their SREB peers. He also reviewed the variance from the SREB average in appropriations per FTE student and faculty salaries. Dr. Purcell said that Louisiana does not have the money to keep our top-ranked faculty from leaving the state.

Dr. Purcell mentioned that the key to the state's success is economic development. He quoted Stephen Moret, Secretary of the Department of Louisiana Economic Development, as

saying, "The ultimate frontier for economic development in Louisiana will be realized through the development of higher education." He also reviewed the funding for the Rapid Response program for community and technical colleges and the need to address worker shortages now.

PUBLIC COMMENTS

Chair Rasberry noted that no written requests were received for public comments and asked whether the audience had any comments at the time. There were none.

APPROVAL OF THE MINUTES OF MARCH 20, 2013

On motion of Regent Bollinger, seconded by Regent Dupré, the Board voted unanimously to approve the minutes of March 20, 2013.

REPORTS AND RECOMMENDATIONS

PERSONNEL COMMITTEE

On behalf of Regent Gorman, Vice Chair of the Personnel Committee, Ms. Barbara Goodson presented the Personnel Committee Report of April 24, 2013. She noted that the annual evaluation of Commissioner of Higher Education Jim Purcell had taken place and no motions were made nor any action taken.

ADOPTION OF THE PERSONNEL COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Gorman, seconded by Regent Egan, the Board voted unanimously to adopt the Personnel Committee Report of April 24, 2013.
(Copy on file in the office of the Board of Regents.)

SPONSORED PROGRAMS COMMITTEE

On behalf of Regent Martin, Chair of the Sponsored Programs Committee, Dr. Kerry Davidson, Deputy Commissioner for Sponsored Programs, presented the Sponsored Programs Committee Report of April 24, 2013.

FUNDING OF PROPOSALS SUBMITTED UNDER THE BOARD OF REGENTS SUPPORT FUND COMPETITIVE AND MATCHING GRANTS PROGRAMS, FY 2012-13

On motion of Regent Martin, seconded by Regent Bollinger, the Board voted unanimously to accept the recommendation of the Sponsored Programs Committee to approve:

- Endowed Professorships

\$6,560,000 from the Support Fund to match 164 Endowed Professorship submissions of the 328 unfunded in previous years.

\$440,000 from the Support Fund to match eleven (11) new submissions to the Endowed Professorships program.

- First-Generation Endowed Undergraduate Scholarships

\$620,000 to match the sixteen (16) applications submitted in FY 2012-13 under the First-Generation Endowed Undergraduate Scholarships Program.

- Traditional Enhancement

A total of \$3,246,188 shall be awarded in the rank order, at the funding levels, and with the funding stipulations recommended by consultants, and shall be divided among the five eligible disciplines and multidisciplinary projects as follows:

<u>Discipline</u>	<u>Ranks</u>	<u>Total Funding</u>
Agricultural Sciences	1-4	\$ 313,900
Arts	1-5	\$ 450,000
Earth & Environmental Sciences	1-3	\$ 448,946
Engineering A	1-6	\$ 946,834
Health & Medical Sciences	1-3	\$ 508,370
Multidisciplinary	<u>1-6</u>	<u>\$ 578,138</u>
Subtotal Traditional Enhancement	27 projects	\$3,246,188

- Undergraduate Enhancement

A total of \$1,042,040 for the top fifteen (15) Undergraduate Enhancement proposals submitted in FY 2012-13. Proposals shall be awarded in the rank order, at the funding levels, and with the funding stipulations recommended by consultants.

- Enhancement Program for Two-Year Institutions

A total of \$741,106 for the top eight (8) Enhancement Program for Two-Year Institutions proposals submitted in FY 2012-13. Proposals shall be awarded in the rank order, at the funding levels, and with funding stipulations recommended by consultants.

Should the amount of money ultimately available to fund first-year activities in Traditional, Undergraduate, and Enhancement Program for Two-Year Institutions projects be less than the \$5,029,334 disbursed herein, the following principles shall apply: (1) All Support Fund money shall be awarded in rank order, at funding levels and with stipulations recommended by consultants; (2) if the remaining money in the budget for a particular component or discipline is insufficient to fully fund the next recommended proposal for that component or discipline, the remaining funds shall constitute the total award for that proposal; and (3) should an institution refuse or be denied an award, that money shall be awarded to the next highest ranked proposal within that component or discipline.

- Endowed Chairs for Eminent Scholars

Provision of Support Fund money at levels requested to complete the endowments for proposals ranked 1-5 in the Consultants' Report (i.e., proposals 014EC, 002EC, 007EC, 008EC, and 011EC) as well as provision of Support Fund money at the level requested to complete the endowment for Restricted Bequest proposal 016EC.

- Research and Development

Disbursal of \$1,669,678 estimated to be available in FY 2012-13 to fund the first year of new RCS, ITRS, and ATLAS projects as follows:

- **Research Competitiveness Subprogram: \$903,113**
- **Industrial Ties Research Subprogram: \$432,338**
- **Awards to Louisiana Artists and Scholars Subprogram: \$334,227**

Approved R&D proposals shall be funded at the levels and with the stipulations recommended by consultants. Support Fund money shall be awarded to fund at recommended levels the top nineteen (19) RCS proposals, six (6) ITRS proposals, and eight (8) ATLAS proposals. In addition, the following principles shall apply: (1) should an institution refuse or be denied an award, or should FY 2012-13 money be returned from previously funded Research & Development contracts, that money shall be offered to the next ranked proposal which the consultants recommended for Priority I funding within the respective subprogram, subject to availability of funds; (2) if the remaining money in the budget for a particular component is insufficient to

fully fund the next-ranked recommended proposal for that component, the remaining funds shall constitute the total award for that proposal; and (3) if there are no remaining Priority I proposals in a particular subprogram the money shall be awarded in descending rank order to Priority I proposal(s) in another R&D subprogram. Should the amount of money ultimately available to fund first-year activities in all R&D projects be less than the \$1,669,678 disbursed herein, adherence to the following principles shall be uniformly enforced: R&D Priority I proposals shall be funded in rank order at the levels and the durations and with the stipulations recommended by consultants until the funds designated for each component have been exhausted.

SURVEY OF CAMPUS VACANCIES: PREVIOUSLY MATCHED BORSF ENDOWED CHAIRS AND ENDOWED PROFESSORSHIPS

On motion of Regent Martin, seconded by Regent Bollinger, the Board voted unanimously to accept the recommendation of the Sponsored Programs Committee to charge the Sponsored Programs staff to conduct a survey of all campuses with matched Endowed Chairs and Professorships to determine – effective April 1, 2013 – whether each matched Chair or Professorship is filled or unfilled. If slots are vacant, the campus shall report the duration of each vacancy and provide specific reasons for vacancies. For each filled Professorship and Chair, the campus shall report the amount of funds expended in FY 2011-12 for salary support for the holder. The survey shall also provide an opportunity for each campus to indicate policies and practices related to provision of salary support through endowment earnings. Survey responses will be due to the Board by May 31, 2013, to be presented later to the Sponsored Programs Committee.

REQUEST FROM NICHOLLS STATE UNIVERSITY TO DIVIDE THE OTTO CANDIES ENDOWED CHAIR IN BUSINESS INFORMATION SYSTEMS

On motion of Regent Martin, seconded by Regent Bollinger, the Board voted unanimously to accept the recommendation of the Sponsored Programs Committee to approve the division of the Otto Candies Endowed Chair in Business Information Systems into three (3) endowed professorships as follows: (1) The Captain Otto B. Candies Professorship in Maritime Management at \$500,000; (2) The Candies Family Professorship in Business at \$250,000; and (3) The Candies Family Professorship in Business at \$250,000. This recommendation is consistent with the August 2011 policy.

FUNDING RECOMMENDATIONS FOR PROPOSALS SUBMITTED UNDER THE LOUISIANA SYSTEMIC INITIATIVES (LaSIP) PROGRAM

On motion of Regent Martin, seconded by Regent Bollinger, the Board voted unanimously to accept the recommendation of the Sponsored Programs

Committee to approve \$1,164,638 in NCLB monies to support the seven (7) LaSIP projects recommended for funding in FY 2013. Projects shall be funded in the amounts and with the stipulations recommended by consultants.

ADOPTION OF THE SPONSORED PROGRAMS COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Martin, seconded by Regent Bollinger, the Board voted unanimously to adopt the Sponsored Programs Committee Report of April 24, 2013. (Copy on file in the office of the Board of Regents.)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

On behalf of Regent Bollinger, Chair of the Academic and Student Affairs Committee, Dr. Karen Denby, Associate Commissioner for Academic Affairs, presented the Academic and Student Affairs Committee Report of April 24, 2013.

PROPOSED NEW ACADEMIC PROGRAMS

On motion of Regent Bollinger, seconded by Regent Gorman, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant conditional approval for the following:

- **Bachelor of Science in Elder Care Administration – LSU-Alexandria**
- **Bachelor of Science in Child Development and Early Literacy – Grambling State University**

ACADEMIC PROGRAM REVIEW

On motion of Regent Bollinger, seconded by Regent Gorman, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant approval regarding the 115 academic programs reviewed to:

- **Maintain (68 programs); Consolidate (17 programs); and Terminate (30 programs).**

Updates to CRIN are effective May 2013 with the next program review in 2014-15.

CONSENT AGENDA

On motion of Regent Bollinger, seconded by Regent Gorman, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to approve the items on the Consent Agenda as listed below:

- A. Pennington Biomedical Research Center – Request for Reauthorization – Institute for Dementia Research and Prevention (IDRP)**
- B. Routine Staff Reports**
 - 1. Staff Approval of Routine Academic Requests**
 - 2. Past Due Reports for Academic Programs/Research Units**
 - 3. Letters of Intent/Proposals in the Queue**

ADOPTION OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Bollinger, seconded by Regent Gorman, the Board voted unanimously to adopt the Academic and Student Affairs Committee Report of April 24, 2013. (Copy on file in the office of the Board of Regents.)

FACILITIES AND PROPERTY COMMITTEE

On behalf of Regent Gorman, presenting on behalf of the Facilities and Property Committee, Mr. Chris Herring, Budget Analyst for Facilities and Planning, presented the Facilities and Property Committee Report of April 24, 2013.

CONSENT AGENDA

On motion of Regent Gorman, seconded by Regent Brandt, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the items on the Consent Agenda as listed below:

(Small Capital Projects)

- 1. LSU Agricultural Center – Greenhouse Reconstruction – Burden Center**
- 2. LSU Agricultural Center – Trees and Trails Restroom – Burden Center**
- 3. LSU and A&M – Herget Hall Air Handler Replacement Floors 3-5**
- 4. Northwestern State University – Replacement of Artificial Turf System for Harry “Rags” Turpin Football Stadium**
- 5. Southern University – New Orleans – Design/Construction of Intramural Fields**
- 6. Southern University – Shreveport – Design/Construction of Intramural Field & Track**

7. University of Louisiana – Monroe – Malone Stadium HVAC RepairsACT 959 PROJECT

On motion of Regent Gorman, seconded by Regent Brandt, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the proposed Act 959 project by Louisiana State University A&M College to renovate the LSU Press Building and transform the facility into a Greek House with a projected budget of \$2.6M.

COLLEGE AND UNIVERSITY FACILITIES UTILIZATION REPORT

On motion of Regent Gorman, seconded by Regent Brandt, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to accept the College and University Facilities Utilization Report.

2013-2014 BoR CAPITAL OUTLAY RECOMMENDATION STATUS REPORT

On motion of Regent Gorman, seconded by Regent Brandt, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to accept the status report on the 2013-2014 Capital Outlay recommendations.

ADOPTION OF THE FACILITIES AND PROPERTY COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Gorman, seconded by Regent Brandt, the Board voted unanimously to adopt the Facilities and Property Committee Report of April 24, 2013. (Copy on file in the office of the Board of Regents.)

FINANCE COMMITTEE

Regent Fenstermaker, Chair of the Finance Committee, presented the Finance Committee Report of April 24, 2013.

AUTHORIZE THE TRANSFER OF FIVE POSITIONS FROM HUEY P. LONG HOSPITAL TO THE PAUL M. HEBERT LAW CENTER

On motion of Regent Fenstermaker, seconded by Regent Lipsey, the Board voted unanimously to approve the authorization for transfer of five positions from Huey P. Long Hospital to the Paul M. Hebert Law Center.

ADOPTION OF THE FINANCE COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Fenstermaker, seconded by Regent Lipsey, the Board voted unanimously to adopt the Finance Committee Report of April 24, 2013.
(Copy on file in the office of the Board of Regents.)

LEGISLATIVE COMMITTEE

On behalf of Regent Levy, Chair of the Legislative Committee, Dr. Uma Subramanian presented the Legislative Committee Report of April 24, 2013.

2013 LEGISLATIVE SESSION UPDATES

1. Update on Board of Regents' Bills
2. Update on Bills Impacting Higher Education
3. Bills Being Monitored

On motion of Regent Levy, seconded by Regent Gorman, the Board voted unanimously to receive the Legislative Committee Report.

RESPONSE TO BOARD MEMBER REQUEST FOR INFORMATION

- a. Actuarial Basis for Employer Contributions
- b. Legal Requirement for Tuition Increases

Dr. Subramanian mentioned this information was provided at the Committee meetings.

Regent Raspberry noted that Senate Bill 204 regarding issuance of bonds to finance capital improvements for the Louisiana Community and Technical College System would be heard in the Senate Finance Committee on Monday, April 29, 2013. He encouraged Board members to attend. Mr. Raspberry requested that Dr. Subramanian submit to the Regents' a list of all members of the Senate Finance Committee along with the Senate Finance agenda for Monday's legislative meeting.

ADOPTION OF THE LEGISLATIVE COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Levy, seconded by Regent Gorman, the Board voted unanimously to adopt the Legislative Committee Report of April 24, 2013.
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PLANNING, RESEARCH AND PERFORMANCE COMMITTEE

On behalf of Regent Levy, Vice Chair of the Planning, Research and Performance Committee, Dr. Larry Tremblay, Deputy Commissioner for Planning, Research and Academic Affairs, presented the Planning, Research and Performance Committee Report of April 24, 2013.

CONSENT AGENDA

On motion of Regent Levy, seconded by Regent Dupré, the Board voted unanimously to accept the recommendation of the Planning, Research and Performance Committee to approve the items listed under the Consent Agenda:

R.S. 17:1808 (Licensure)

- 1. Initial Licenses (Ohio University and University of Denver)**
- 2. License Renewals (Bryan University, Graceland University and William Carey University)**

GRAD ACT INTERVENTION POLICY (LSUE 3RD QUARTER REPORT)

On motion of Regent Levy, seconded by Regent Dupré, the Board voted unanimously to accept the recommendation of the Planning, Research and Performance Committee to approve LSU Eunice's GRAD Act 3rd Quarterly Progress Report, authorizing the LSU Board of Supervisors to release a portion of the funds to LSU Eunice on the predetermined schedule included in its GRAD Act Performance Improvement Contract.

MASTER PLAN OCCASIONAL UPDATE

There were no motions on the Master Plan update.

BOARD OF REGENTS' ELECTRONIC LEARNING STRATEGIC PLANNING TASK FORCE 6-MONTH UPDATE

There were no motions on the Board of Regents' Electronic Learning Strategic Planning Task Force six-month update.

ADOPTION OF THE PLANNING, RESEARCH AND PERFORMANCE COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Levy, seconded by Regent Dupré, the Board voted unanimously to adopt the Planning, Research and Performance Committee Report of April 24, 2013. (Copy on file in the office of the Board of Regents.)

TECHNOLOGY COMMITTEE

On behalf of Regent Gorman, Chair of the Technology Committee, Ms. Barbara Goodson presented the Technology Committee Report of April 24, 2013.

UPDATES ON THE LOUISIANA OPTICAL NETWORK INITIATIVE (LONI)

Ms. Goodson noted that Mr. Donald Vandal, Executive Director of LONI, gave updates on (1) Fiber Projects, (2) Network Operations, (3) Replacement of Queen Bee and Support of System and (4) Institution Needs. She said no motions were made.

ADOPTION OF THE TECHNOLOGY COMMITTEE REPORT OF APRIL 24, 2013

On motion of Regent Gorman, seconded by Regent Egan, the Board voted unanimously to adopt the Technology Committee Report of April 24, 2013.
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OTHER BUSINESS

Chair Rasberry complimented the new Regents' website. He was impressed with the new look and navigation of the site.

Regent Jewell spoke about the recent visit of the Council of Student Body Presidents to Washington, D.C. He thanked Dr. Sandra Woodley, President, University of Louisiana System, Ms. Charlotte Bollinger, Secretary, Board of Regents, and Mr. Harold Boutte, Assistant Commissioner for Administration, Board of Regents, for making the trip with the student body presidents.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:40 a.m.