

FINANCE COMMITTEE
Wednesday, September 26, 2001

The Finance Committee met on Wednesday, September 26, 2001, at 9:05 a.m. in the State Office Building Auditorium. Chair Roland Toups called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Roland Toups, Chair
Pat Strong, Vice Chair
Ron Roberts
Clifford Smith
Steven Johnson
Victor Bussie
Harrison Baptiste
Winfred Sibille
Greg Risher

OTHER BOARD MEMBERS PRESENT

Richard D'Aquin
Frances Henry
William "Billy" Blake
Scott Brame
Robert W. Levy

COMMITTEE MEMBERS ABSENT

Virgil Robinson
Norbert Simmons

STAFF MEMBERS PRESENT

E. Joseph Savoie
Marvin Roubique
Michael Galloway
Louise Moore

GUESTS PRESENT

Appendix A

OPERATING BUDGETS FOR FY 2001-2002

Mr. Marvin Roubique, Deputy Commissioner for Finance and Facilities, presented to the Committee an overview of the Operating Budgets for FY 2001-2002 and the requirements for the next fiscal year budget requests. Included in his remarks was an explanation of the operating budget review process and a brief overview of various financial details in the operating budgets (Appendix B).

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 2001-2002 Operating Budgets for the Southern University System totaled \$113.9 million, of which \$69.7 million were state funds. Mr. White informed the Committee that the Southern University System had been allocated \$793,234 from the Operational Pool Fund. These funds were used to cover unfunded mandated costs, including civil service and group insurance increases. Southern University System received \$2,532,502 for faculty pay increases. Each institution used the funds for adjustments to faculty in an attempt to reach the SREB averages. These funds were distributed based on merit. Equipment funds in the amount of \$999,387 were budgeted for library acquisitions (\$327,105) and for academic equipment (\$672,282). Dr. Ed Jackson, Chancellor of Southern University A&M, and staff provided an overview of the Information Technology Initiatives for the Baton Rouge campus.

Louisiana Community and Technical College System

Dr. Walter Bumphus, Interim President of the Louisiana Community and Technical College System, along with Ms. Jan Jackson and Mr. Joe Marin, presented the operating budgets for the Louisiana Community and Technical College System. The appropriation of \$244,205,045 includes \$133.2 million in state funds. Mr. Marin reported that the LCTCS received an allocation of \$1,290,686 from the Operational Pool Funds. These funds will be used for general operational expenses of the institutions to cover unfunded mandates. Further, \$4,600,473 was received for faculty pay raises. Dr. Bumphus informed the Committee that faculty adjustments at the Community Colleges were distributed on a merit based plan.

During discussion of the distribution of these funds Dr. Bill Roden, Chancellor of the Louisiana Technical College, informed the Committee that he was reviewing the LTC faculty pay raises to determine if Regents guidelines had been properly followed. He hoped to take this matter to the LCTCS Board in October or November. LCTCS received \$916,402 in equipment funds. A total of \$658,976 was budgeted for the purchase of library acquisitions with the remainder allocated for academic equipment.

University of Louisiana System

Dr. Sally Clausen, President of the University of Louisiana System, along with Mr. Dave Nicklas presented the operating budget information for the University of Louisiana System. She 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 \$5,508,784 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. The University of Louisiana System received \$11,727,679 for faculty pay increases. These funds provided an average increase of

6.72% to eligible faculty. The equipment funds were budgeted for library acquisitions in the amount of \$2,450,115 and \$3,486,851 for academic equipment. Dr. Ken Rea and other La. Tech University representatives briefly explained the proposed expenditure of funds received under the Governor's Information Technology Program. Next, Dr. Steve Landry and Dr. Bloomberg representing the University of Louisiana at Lafayette, provided an overview of the targeted programs that would be funded from the Governor's Information Technology Program.

Louisiana State University System

Mr. Bill Silvia, Executive Vice President of the LSU System, presented the operating budgets for the Louisiana State University System. He indicated that the overall budget for the LSU System was \$970.3 million, including \$455.5 million from state funds. The LSU System was allocated \$7,238,796 from the Operational Pool Funds. These funds were used in the areas of civil service salaries and general operating expenses of the various institutions. The faculty salary pool of \$19.8 with additional operational funds provided an average increase on a system wide basis of 6.96%. The \$8,062,630 million in equipment funds for the LSU System provided \$4.5 million for libraries and \$3.5 million for academic equipment. Specific budget increases for several LSU entities were discussed in detail by representatives of the institutions. Included was an increase of \$3,085,345 for additional research initiatives at Pennington; \$1,200,000 increase to the LSU Ag Center for Termite and Fire Ant Research and Education; \$700,000 increase to the LSU Law Center for additional operating expenses and \$400,000 increase to the LSU Vet School for accreditation needs.

After discussion, the Committee took the following action:

On motion of Regent Henry, seconded by Regent Roberts, the Finance

Committee voted unanimously to recommend that the Board of Regents approve the FY 2001-2002 Operating Budgets in the amount of \$1,947,182,039 which includes \$1,080,926,353 in state and dedicated revenues, with the exception of the faculty pay plan for the Louisiana Technical College. The Louisiana Technical College shall resubmit its faculty salary pay plan after receiving approval of the LCTCS Board.

ADJOURNMENT

There being no further business, the Committee adjourned at 11:35 a.m.