

Richard E. D'Aquin, Chair

William T. Roberts, Jr., Vice Chair

Roland M. Toups, Secretary

E. Joseph Savoie
Commissioner of Higher Education



BOARD OF REGENTS

*150 Third Street, Suite 129
Baton Rouge, LA 70801-1389
Phone (225) 342-4253
FAX (225) 342-9318
www.regents.state.la.us*

*Herschel L. Abbott, Jr.
William "Billy" Blake
Scott O. Brame
Reggie Dupré
Frances T. Henry
Robert Levy
Virgil Robinson, Jr.
Norbert A. Simmons
William Clifford Smith
Pat A. Strong
Steve Johnson
Student Member*

December 6, 2001

Contact: John R. Kemp

**COLLEGE MANAGEMENT BOARDS ASKED TO CUT STUDENT ENERGY FEES
COMMISSIONER RECEIVES OUTSTANDING JOB EVALUATION**

BATON ROUGE – The Board of Regents today (Thursday, Dec. 6) passed a resolution, urging state college and university management boards to reduce the new energy surcharge included in student tuition this fall as part of an effort to help campuses cover rising costs of utilities.

The Board voted unanimously to support the resolution, which was approved yesterday by the Board's finance committee. The committee made its recommendation after hearing a staff report, revealing that new campus energy conservation efforts and lower energy costs coupled with energy fees collected in the fall semester justify a substantial reduction in the surcharge statewide.

"We believe and fully expect that statewide the surcharge can be reduced by 50 percent overall," said Commissioner of Higher Education Joseph Savoie. "At the end of every semester we will do this same analysis and make additional recommendations. If we can eliminate it completely, we will do that. Our recommendation to the four management systems will be for them to take appropriate action on an individual campus basis to relieve this burden on our students."

The surcharge guidelines required that the fee be set based on actual previous year increases due solely to rising utility costs. In addition, the revenue generated from the surcharge has been placed in restricted accounts for use only in addressing these utility increases.

Projected energy costs compiled by the Regents' staff indicated that campuses will have to pay an additional \$7 million this year for natural gas and electricity. To date, the surcharge has brought in \$4.9 million to cover those costs, leaving an approximate balance of \$2.1 million to be collected to cover the spring semester.

Some campuses have already reduced student energy fees for the upcoming spring semester.

Louisiana Tech has completely suspended collection for the winter quarter while LSU-Shreveport has decided to remove the fee for the spring semester. LSU in Baton Rouge reduced the surcharge from \$3 to \$1 per student credit hour. Southern University in Baton Rouge also reduced its fee from \$4 to \$2 per credit hour. Several colleges and universities did not adopt the fee increase and others did not charge the full amount authorized to collect.

The effort to offset the rising cost of utilities on campus began last February when a Board of Regents' survey revealed that utility costs on campuses had risen 58.6 percent, or \$29.3 million, over the previous year.

In late June, the Council of Student Body Presidents' Executive Committee signed a resolution, endorsing a possible student utility surcharge with the understanding that it will be capped at 75 percent of 1999-2000 energy cost increases; exclude auxiliary cost increases for bookstores, cafeteria and other non-educational areas; be audited annually and reported semi-annually to student body presidents and annually to management boards; and that the surcharge expire after three years.

Student leaders also requested that any effort to pass on utility increases to students be shared by institutions. The student committee's support for this measure also was based upon campuses adopting energy-conservation plans, resulting from objective energy audits.

On July 6, the Board of Regents' executive committee adopted a resolution, containing the students' provisions with added stipulations that required management boards to notify students in advance of the surcharges and to decrease the surcharge if energy costs declined. Energy audits were conducted and each campus adopted energy conservation plans. The management boards also adopted the energy surcharge based on the needs of each campus.

The Regents executive committee also suggested several long-term options including the bulk purchase of energy, co-generation or self-generation of electricity, strengthening of construction standards and cooperative agreements with energy management companies.

"This action was unprecedented," Savoie said. "The Board of Regents was called upon to coordinate a statewide response to a mounting campus financial problem. We coordinated responsibly with the four systems and worked with student leaders to seek a comprehensive solution. I fully expect campus conservation efforts and other long-term initiatives to bring about a continued decline in unexpected increases in utility costs. I am pleased that campuses have worked closely with us in monitoring these charges. This will lead to real reductions in cost for students."

In other action at today's meeting, the Board of Regents approved:

. A 4 percent cost-of-living salary adjustment for Commissioner Savoie. He was eligible for a much higher salary increase, according to a Board of Regents' policy that pegs the commissioner's compensation to salaries of comparable positions in other southern states. The commissioner received an outstanding job evaluation from the Board's personnel committee but asked that the Board's pay policy be suspended and that he receive only the same cost-of-living increase previously approved by the Board for all professional staff members. While praising his leadership and accomplishments, the Board members agreed to his request.

. Resolution that continues the Board leadership for another year. Richard D'Aquin of Lafayette will continue as chair; William T. "Ron" Roberts, Jr., of Shreveport as vice chair; and Roland Toups of Baton Rouge, secretary.