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BOARD OF REGENTS
P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.la.gov

AGENDA
FINANCE COMMITTEE
Wednesday, June 20, 2018
10:40 a.m.
Thomas Jefferson Room 1-136, A and B
Claiborne Building
1201 North Third Street
Baton Rouge, Louisiana

- I. Call to Order
- II. Roll Call
- III. Review and Approval of the FY 2018-19 Operating Budget Distribution
- IV. Other Business
- V. Adjournment

Committee Members: Marty Chabert, Chair; Blake David, Vice Chair; Randy Ewing; Richard Lipsey; Ed Markle; Wilbert Pryor; T. Jay Seale III; Collis Temple III; Louisiana Community and Technical College System Representative; Louisiana State University System Representative; Southern University System Representative; and University of Louisiana System Representative

EXECUTIVE SUMMARY

Finance Committee

June 20, 2018

I. Call to Order

II. Roll Call

III. Review and Approval of the FY 2018-19 Operating Budget Distribution

At its March 2018 meeting, the Board of Regents approved a preliminary distribution of the higher education operating budget as proposed in the Governor's Executive Budget. The Executive Budget appropriated \$717M State General Fund for higher education entities, which represented a reduction of \$25.7M to colleges, universities, specialized institutions and boards and a \$246.3M reduction to Go Grants (\$13M) and TOPS (\$233.3) in order to balance an estimated \$1.2B overall state budget shortfall. A pro rata distribution was approved in the absence of stable funding.

Since the March preliminary approval, additional state general fund revenue was recognized by the Revenue Estimating Conference as a result of the federal tax changes. As a result, the Enrolled version of HB1 of the Second Extraordinary Legislative Session includes a funding increase for TOPS by \$148M to become 70% funded and fully funded GO Grants. However, higher education entities received an additional \$70M reduction in addition to the \$25.7M reduction in the Executive Budget for a total reduction of \$96M. In addition, HB1 exempts the Health Science Centers, the Agricultural Centers, and Pennington Biomedical Research Center from the \$96M reduction.

The bill also includes a supplementary funding section if additional funds were raised in the Second Extraordinary Legislative Session. An additional \$79.8M is available for distribution with \$46.2M from British Petroleum settlement dollars and \$33.6M from a tax change for income tax credits. As a result of the supplementary funding provided in HB1, the final disposition of higher education funding reductions is illustrated in the table below:

	Original Amount Needed	New Revenue	New Amount Needed
Executive Budget Reduction	25,680,922	973,501	24,707,421
Additional Higher Ed Reduction	70,379,221	2,667,904	67,711,317
TOPS	88,368,592	3,349,837	85,018,755
GO Grants	1,000,000	37,908	962,092
SUS	3,200,000	121,304	3,078,696
GSU	1,500,000	56,861	1,443,139
Total	190,128,735	7,207,315	182,921,420

Based on the revenue available resulting from the shortfall described above, the current funding for higher education is allocated as follows:

- \$651M for higher education entities (2&4 year institutions, specialized institutions and board)
- \$151M for TOPS
- \$27M for GO-Grants

The Third Extraordinary Legislative Session starts Monday, June 18th, and will not have concluded its work by the Board of Regents June 2018 meeting. Staff will recommend that the board authorize the executive committee approve the final funding distribution to be sent to the Division of Administration to prepare the FY19 appropriation letter documents.

VI. Other Business

VII. Adjournment