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Darren G. Mire
Sonia A. Pérez
Wilbert D. Pryor
T. Jay Seale III
Gerald J. Theunissen
Jacqueline V. Wyatt
Anthony B. Kenney, Jr., Student

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FINANCE COMMITTEE REPORT
Wednesday, June 20, 2018

The Finance Committee met on Wednesday, June 20, 2018, at 10:50 a.m. in the Claiborne Building, Thomas Jefferson Rooms A & B, in Baton Rouge, Louisiana. Committee Chair Chabert called the meeting to order. The roll was called and a quorum was established.

Committee Members Present

Marty Chabert - Chair
Randy Ewing
Wilbert Pryor
Jay Seale, III
Collis Temple, III
LCTCS Representative
Southern Representative
UL System Representative
Anthony Kenny – Student

Committee Members Absent

Blake David, Vice-Chair
Richard Lipsey
Edward Markle
LSU Representative

Other Board Members Present

Robert Levy
Charles McDonald
Darren Mire

Guest List

See Attachment I

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

Mr. Terrence Ginn, Deputy Commissioner for Finance and Administration, began his presentation by stating that 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.

Mr. Ginn stated 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.

He also stated the bill 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

He added the Third Extraordinary Legislative Session started 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.

Senior Staff recommends that the board authorize the executive committee approval of the funding recommendations for all Higher Education institutions, boards and agencies for FY 2018-2019. Additionally, staff is requesting permission to make adjustments among institutions within the systems as needed.

On motion of Regent Seale, seconded by Regent Ewing, the Finance Committee approved the funding recommendations for all Higher Education institutions, boards and agencies for FY 2018-2019. Additionally, staff is granted permission to make adjustments among institutions within the systems as needed.

Adjournment

On motion of Regent Ewing, seconded by Regent Seale, the Finance Committee meeting adjourned at 11:05 a.m.

Guest List
Wednesday, June 20, 2018

Marlo Miller	SUSLA
Devonye Brown	SUSLA
Fatina Elliott	SUSLA
Stephanie Graham	SUSLA
Carolyn O'Neal	SUSLA
Adrienne Fontenot	LCTCS
Erica Hughes	LCTCS
Rene Cintron	LCTCS