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FACILITIES AND PROPERTY COMMITTEE
October 26, 2011

The Facilities and Property Committee met on Wednesday, October 26, 2011 at 1:30 p.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Vice Chair W. Clinton Rasberry, Jr., called the meeting to order. The roll was called and a quorum was established.

COMMITTEE MEMBERS PRESENT

W. Clinton Rasberry, Jr., Vice Chair
Charlotte A. Bollinger
Maurice C. Durbin
Joseph P. Farr
John Mineo IV
Victor T. Stelly
Winnfield Sibille

OTHER BOARD MEMBERS PRESENT

Scott Ballard
Robert W. Levy
Harold M. Stokes
Joseph C. Wiley

COMMITTEE MEMBERS ABSENT

Robert J. Bruno, Chair
Chris D. Gorman
LSU System Representative
SU System Representative
LCTCS Representative

STAFF MEMBERS PRESENT

Rich Griswold

GUESTS PRESENT

Appendix A

CAPITAL OUTLAY BUDGET REQUEST FOR FY 2012-2013

Rich Griswold, Associate Commissioner for Facilities presented the senior staff recommendation for the FY 2012-2013 Capital Outlay Budget Request. He indicated he had downsized the scope of the request again this year in response to state budget concerns, and had emphasized the development of community and technical colleges in response to the shift in the educational enrollment patterns. Staff also indicated that since last year, the legislature has, with House Resolution 200 of 2010 and House Concurrent Resolution 78 of 2011, placed additional emphasis on the efficient utilization of existing space at institutions, making it more apparent than ever that requests for new space must possess exceptional justification. As a result, renovation of substandard space, functional alterations of facilities for improved utilization, and infrastructure and mechanical and electrical upgrades to support changing technologies formed the majority of the recommended projects.

This year, the first year request totals \$368,490,848, down from \$399 million last year, and total funding implication of \$532 million including subsequent funding phases, as compared to \$598 million last year. This comes from attrition and modest addition to the list. Regent Levy pointed out the modest nature of that portion of the request that would rely on state general obligation bond funding. Staff attempted to estimate the level of success the Board might anticipate. Staff reiterated that numbers vary from year to year due to the phased funding approach, and the focus on finalizing continuing projects rather than funding new projects.

Questions from the Committee focused on the propriety of recommending projects, especially those using self-generated sources of funding in hard economic times. Regents Farr, Stelly, and Levy explored the pitfalls that might accompany further budget reductions, reductions in student body, or outright failure of institutions on construction programs. Regent Levy expressed concern

that savings generated from campuses that operate frugally might be mandated for use as a substitute for state capital outlay funding. In response to those concerns, staff indicated that all projects, especially those utilizing self-generated sources of funding, have always been critically reviewed individually by staff for such concerns. This has been strengthened in the last three years taking into even greater consideration the economy, enrollments, fiscal viability, role scope and mission of institutions, project need, justification, as well as the relevant trends and projections for each of these criteria on every project submitted for review.

The senior staff recommended approval of the FY 2012-2013 Capital Outlay Budget Recommendation.

After discussion:

On motion of Regent Stelly, seconded by Regent Durbin, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the FY 2012-2013 Capital Outlay Budget Recommendation as presented by staff.

OTHER BUSINESS

ADJOURNMENT

There being no further business, the Facilities and Property Committee was adjourned at 1:55 p.m.

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