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**FINANCE COMMITTEE REPORT**

**Wednesday, June 24, 2009**

The Finance Committee met on Wednesday, June 24, 2009, at 3:17 p.m. in the Claiborne Building, Louisiana Purchase Room, in Baton Rouge, Louisiana. Committee Chair Brame called the meeting to order. The roll was called and a quorum was established.

**Committee Members Present**

Scott Brame, Chair  
Victor Stelly, Vice Chair  
Richard D'Aquin  
Ingrid Labat  
W. Clinton Rasberry, Jr.  
Mary Ellen Roy  
Harold Stokes  
Stevie Smith, LCTC System  
Alvin Kimble, LSU System  
Walter Guidry, SU System  
Jimmy Long, UL System

**Other Board Members Present**

Artis Terrell, Jr.  
Charlotte Bollinger  
Donna Klein  
Marc Guichard

**Staff Members Present**

Sally Clausen  
Carolyn Blanchard  
Wendy Simoneaux  
Donald Vandal

**Committee Members Absent**

**Guests**

Appendix A

**REVIEW OF BUDGET AND FUNDING ISSUES**

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, said the basic budget legislation, House Bill No. 1 – the General Appropriations Bill, was enacted by the Legislature in the posture of the bill as left by the Senate action. Mr. Vandal noted that

the House concurred in the Senate amendments to the bill on Thursday, June 11<sup>th</sup>. The amendments by the Senate tied the restoration of funding for higher education, as well as various other items, to Senate Bill No. 335, the legislation that postpones the complete phase-in of the federal excess itemized deduction for state income tax purposes. He said that if Senate Bill No. 335 is not considered by the House of Representatives, this would leave the restoration of funding for higher education from that source unlikely.

Mr. Vandal said it is expected, however, that there will be consideration of other appropriation legislation currently pending such as HB 881, the supplemental appropriations bill that is currently in the House awaiting concurrence with Senate amendments which could provide some degree of funding restoration yet. The regular 2009 legislative session must adjourn no later than 6:00 pm on Thursday, June 25<sup>th</sup>.

Deputy Commissioner Vandal reviewed the schedules that reflect the amendments to House Bill No. 1 that were added by the House (Appendix B), amendments added by the Senate (Appendix C), and a schedule which reflects the final disposition of amendments in the finally enacted (enrolled) version of the bill (Appendix D). The schedule of final amendments also includes notes on the contingency nature of most of the amendments.

Mr. Vandal next presented the distribution of \$189.7 million in American Recovery and Reinvestment Act (ARRA) funds and \$29 million in State funds as replacement of ARRA funds in HB 1 as enrolled with contingencies.

**On motion of Regent D'Aquin, seconded by Regent Rasberry, the Finance Committee voted unanimously to recommend the Board approve the distribution of \$189,700,000 in ARRA funds and the distribution of \$29 million State general fund provided as replacement for previous allocated ARRA funds as reflected in Appendix E from House Bill 1 as enrolled with contingencies.**

APPROVAL OF BA-7's

Deputy Commissioner Vandal said that LSU had submitted three requests for budget adjustments for the current fiscal year, FY 2008-09, on behalf of the LSU Health Sciences Center – Shreveport, E.A. Conway Medical Center and Huey P. Long Medical Center.

He said the purpose of LSU Board of Supervisors' BA-7 no. 8 is to increase LSU Health Sciences Center – Shreveport self-generated revenue budget authority for recent increases in enrollment in the School of Allied Health Professions and School of Medicine as well as to re-align revenue budgets for commercial insurance, Medicare and uncompensated care revenue based on latest projections of those items.

Mr. Vandal said that E.A. Conway Medical Center and Huey P. Long Medical Center (LSU System Board of Supervisors' BA-7 no. 9 and BA-7 no. 10) are both seeking to increase self-generated revenue and realign federal revenue budget authority in order to maintain the current level of patient care services.

He explained that these three BA-7 budget adjustment requests do not involve state funds, but simply seek to adjust budget authority for self-generated and federal means of financing.

After discussion, the Finance Committee took the following action:

**On motion of Supervisor Kimble, seconded by Regent D'Aquin, the Finance Committee voted unanimously to recommend the Board approve the LSU Board of Supervisors' three BA-7 requests (no. 8 in the amount of \$1,164,010, no. 9 in the amount of \$1,748,397, and no. 10 in the amount of (\$664,911), respectively) for budget adjustments for the current fiscal year, FY 2008-09, on behalf of the LSU Health Sciences Center – Shreveport, E.A. Conway Medical Center and Huey P. Long Medical Center.**

REPORT FROM THE DEPUTY COMMISSIONER

Mr. Vandal then informed the Committee that the staff would continue to monitor the budget situation and would provide them with additional information reflecting the final resolution of the State budget within the next week.

ADJOURNMENT

There being no further business to come before the Committee, Chair Brame declared the meeting adjourned at 3:38 p.m.