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## **FINANCE COMMITTEE MEETING REPORT**

**Wednesday, August 27, 2008**

The Finance Committee met on Wednesday, August 27, 2008, at 11:15 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Scott Brame called the meeting to order. The roll was called, and a quorum was established.

### **Committee Members Present**

Scott Brame, Chair  
Mary Ellen Roy, Vice Chair  
Richard D'Aquin  
W. Clinton Rasberry, Jr.  
Victor T. Stelly  
Harold M. Stokes  
Stephen Toups, LCTC System  
James Roy, LSU System

### **Other Board Members Present**

Maurice C. Durbin  
Donna G. Klein  
Ingrid T. Labat  
Pat A. Strong  
Artis L. Terrell, Jr.

### **Staff Members Present**

Sally Clausen  
Donald J. Vandal

### **Committee Members Absent**

Robert W. Levy  
SU System Representative  
UL System Representative

### **Guests Present**

Appendix A

**FORMULA REVISION UPDATE**

Mr. Vandal, Deputy Commissioner for Finance and Administration informed the Committee that as part of the Master Plan revision, work has been underway to revise the formula funding mechanism. Mr. Vandal then proceeded to share a PowerPoint (Appendix B) with the committee that reviewed the basic concepts and summary of the work that has been done in that regard. The basic objectives with respect to the formula funding revision efforts have begun to reorient the formula mechanism to reflect the full cost of providing educational services to students, with appropriate apportionments of that cost to the State and to the students through tuition and fee charge. The cost of instruction, appropriately the most significant cost of operations, should be differentiated by the unique requirements of disciplines and levels of program. The formula will also be revised to reflect the functions of research, academic support and student services, general support services, and the operations of plant and maintenance.

Mr. Vandal said that by appropriately structuring the values and factors within the formula mechanism, the formula mechanism can be designed to be much more sensitive to the individual role, scope, and mission of each institution. Additionally, targeted performance incentive factors can be built into the formula mechanism to influence desired behaviors by the institutions so as to support efforts to achieve the goals and objectives of the Master Plan. The areas of workforce development and research have been the primary focus of attention for development of performance incentives.

After lengthy discussion, Mr. Vandal reminded the committee that although work was still being done, the new formula mechanism would be used for the 2009-2010 budget request that is due November 1, 2008 to the Division of Administration.

**REPORT FROM DEPUTY COMMISSIONER**

Mr. Vandal commented that the Board of Regents staff would be holding a special Finance Committee meeting over several days at the beginning of October to review Operating Budgets and that specific dates and times would be disseminated as soon as the details were completed.

**ADJOURNMENT**

There being no further business to come before the Committee, the Finance Committee adjourned at 12:15 p.m.