

Representative Jim Fannin  
Chairman



Representative Simone Champagne  
Vice Chairman

## FY 13-14 Executive Budget Review HIGHER EDUCATION

House Committee on Appropriations

by House Fiscal Division

April 4, 2013



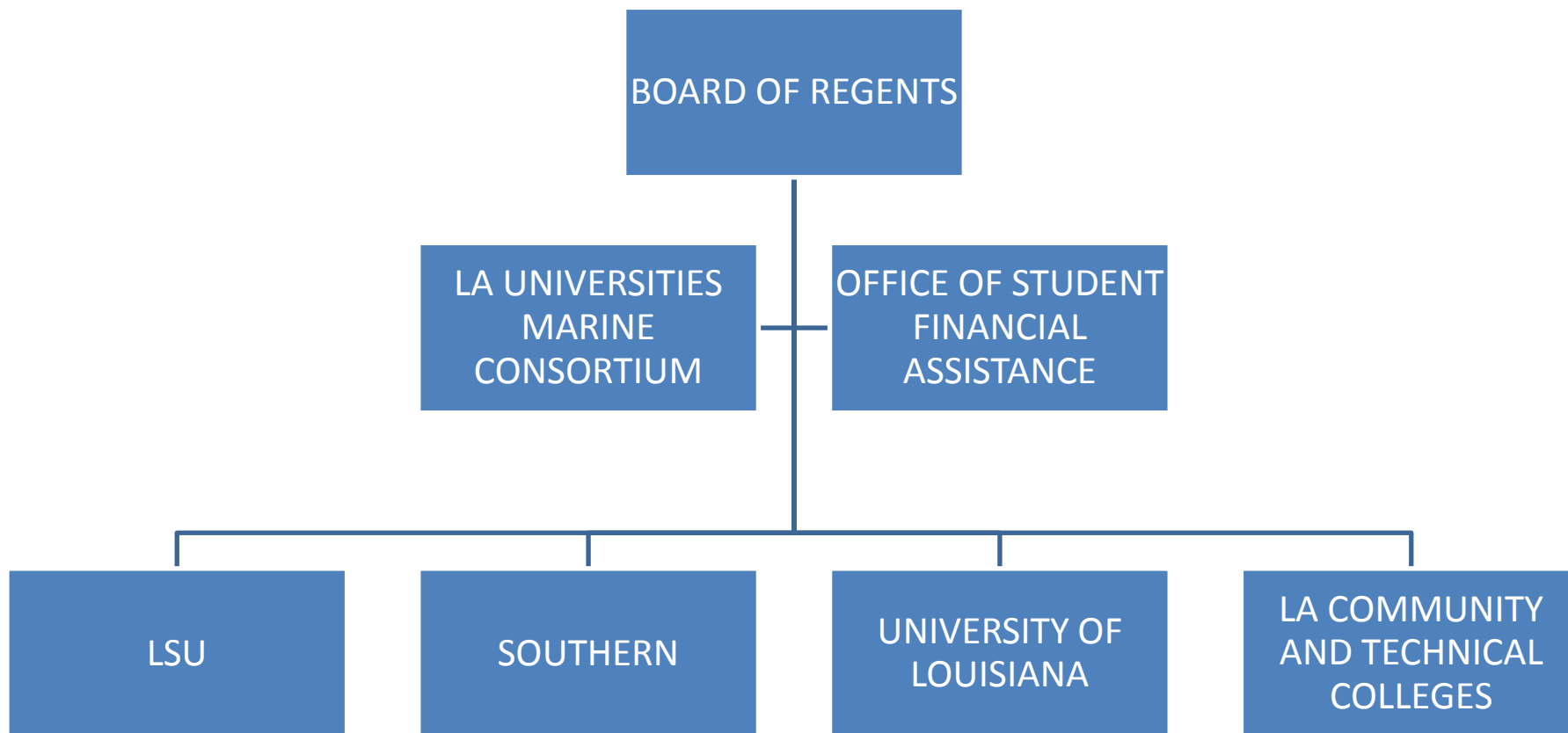
# Agenda

## Budget Overview

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# Administration





# Campuses in the LSU System

- LSU Baton Rouge
- LSU Eunice
- LSU Shreveport
- LSU Alexandria
- LSU Health Sciences Center Shreveport
- LSU Health Sciences Center New Orleans
- Paul Hebert Law Center
- Pennington Biomedical Research Center
- LSU AgCenter



# Campuses in the Southern University System

- Southern University Baton Rouge
- Southern Ag Center
- Southern Law School
- Southern University Shreveport
- Southern University New Orleans



# Campuses in the UL System

- University of Louisiana at Lafayette
- UL Monroe
- University of New Orleans
- Southeastern Louisiana University
- Northwestern Louisiana University
- Louisiana Tech University
- Nicholls State University
- McNeese State University
- Grambling State University



# Campuses in the LCTCS

- Baton Rouge Community College
- Bossier Parish Community College
- Delgado Community College
- River Parishes Community College
- South Louisiana Community College
- Northshore Community-Technical College
- Delta Community College
- SOWELA
- Fletcher



# Non-Formula Institutions

- Board of Regents
- Office of Student Financial Assistance
- Louisiana Universities Marine Consortium





# Comparison to Total State Budget FY 13-14

Means of Finance	Higher Ed	Total State Budget	% of Total State Budget
State General Fund	\$284,542,000	\$8,225,500,000	3.5%
Interagency Transfers	\$168,953,000	\$1,994,155,707	8.5%
Fees and Self-gen. Rev.	\$1,276,484,000	\$3,492,386,577	36.6%
Statutory Dedications	\$778,133,000	\$4,161,779,605	18.7%
Federal Funds	\$183,446,000	\$10,237,571,671	1.8%
<b>TOTAL MOF</b>	<b>\$2,691,558,000</b>	<b>\$28,111,393,560</b>	<b>9.6%</b>
Authorized Positions	22,657	56,339	40.2%

## Higher Education's SGF % of Total State Budget SGF

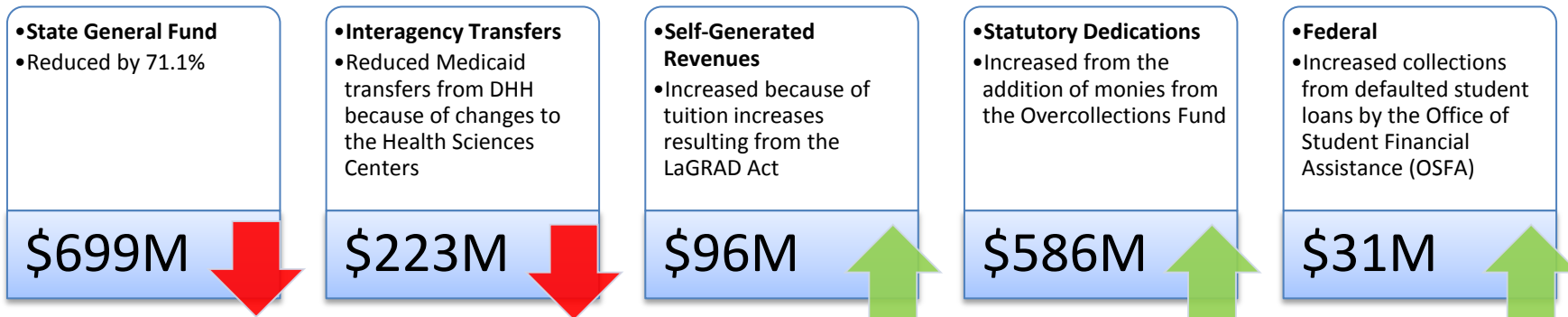
FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
14%	17%	13%	15%	11%	12%	3.5%



# Means of Finance

Means of Finance	Actual Expenditures FY 11-12	Existing Operating Budget FY 12-13 (12/1/12)	Executive Budget Recommended FY 13-14	Change from FY12-13 to FY13-14	Percent Change from FY12-13 to FY13-14
State General Fund	\$938,374,962	\$983,354,769	\$284,542,534	(\$698,812,235)	(71.1%)
Interagency Transfers	\$409,714,712	\$392,232,944	\$168,953,604	(\$223,279,340)	(56.9%)
Fees and Self-Gen Rev	\$1,118,580,163	\$1,180,419,347	\$1,276,484,370	\$96,065,023	8.1%
Statutory Dedications	\$289,091,448	\$192,349,749	\$778,133,997	\$585,784,248	304.5%
Federal Funds	\$129,379,721	\$152,909,153	\$183,446,969	\$30,537,816	20.0%
<b>TOTAL</b>	<b>\$2,885,141,006</b>	<b>\$2,901,265,962</b>	<b>\$2,691,561,474</b>	<b>(\$209,704,488)</b>	<b>(7.2%)</b>
Authorized Positions	27,703	24,866	22,657	(2,209)	(8.9%)

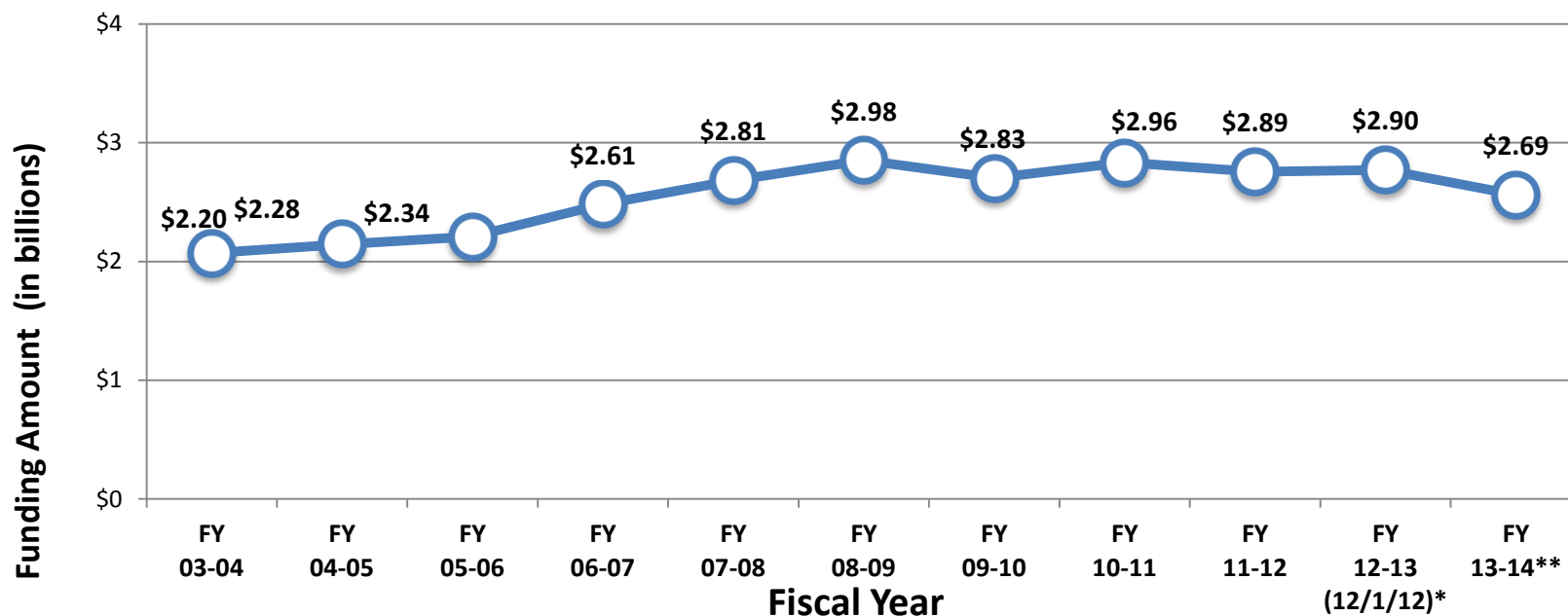
Statutory Dedications - \$489 million in monies from the Overcollections Fund that are contingent upon the passage of legislation.





# 10-Year Budget History

## HIGHER EDUCATION (Total Means of Finance)



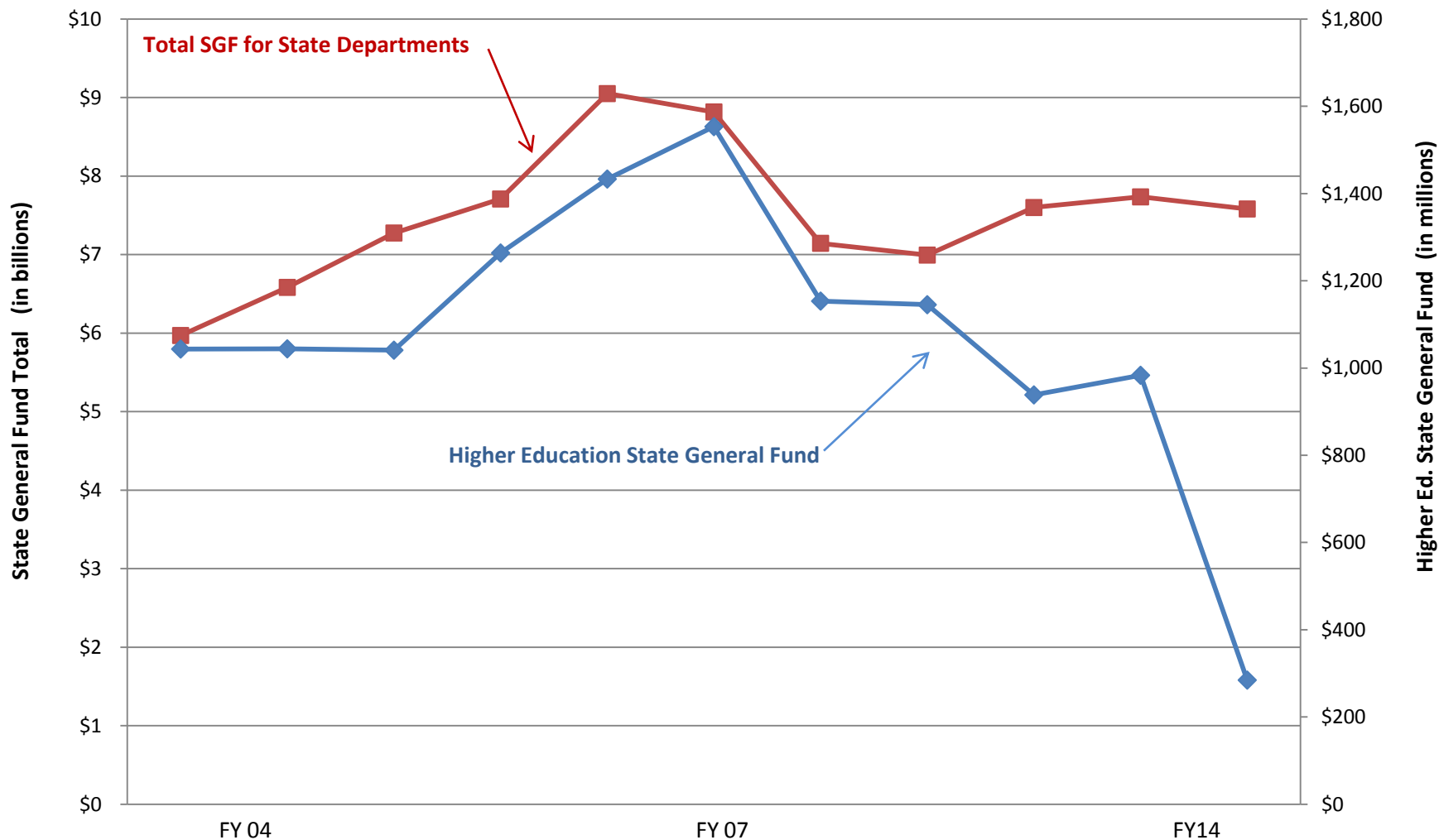
Source: Executive Budget Supporting Documents

\*Existing Operating Budget as of 12/1/12

\*\*Governor's Executive Budget Recommendation



# State General Fund Comparison





# Major Sources of Revenues FY 13-14

## Self-generated Revenues - \$1.28 billion

- Tuition, Fees and Taylor Opportunity Program for Students (TOPS) revenues at the institutions

## Interagency Transfers - \$169 million

- Transfers from DHH to the Health Sciences Centers

## Statutory Dedications - \$778 million

- Overcollections Funds make up \$489 million of these monies

## Federal Funds - \$183 million

- Federal Funds for the Health Sciences Centers



# Revenue from Overcollections

SOURCE	AMOUNT (in millions)
Fund Sweeps	\$103.3
New Orleans Convention Center	\$100.0
HCSD Lease Payments	\$93.3
Property Sales	\$47.3
Pharmaceutical Settlement	\$37.7
FY 13-14 Go Zone Payments	\$28.3
Dept. of Revenue Self-Gen. Revenues	\$26.7
FEMA Reimbursements	\$20.0
ORM Self-Insurance Fund	\$16.0
Income Not Available	\$10.0
LA Property Assistance Excess Collections	\$5.0
Louisiana Housing Corporation	\$2.0
<b>TOTAL</b>	<b>\$489.6</b>

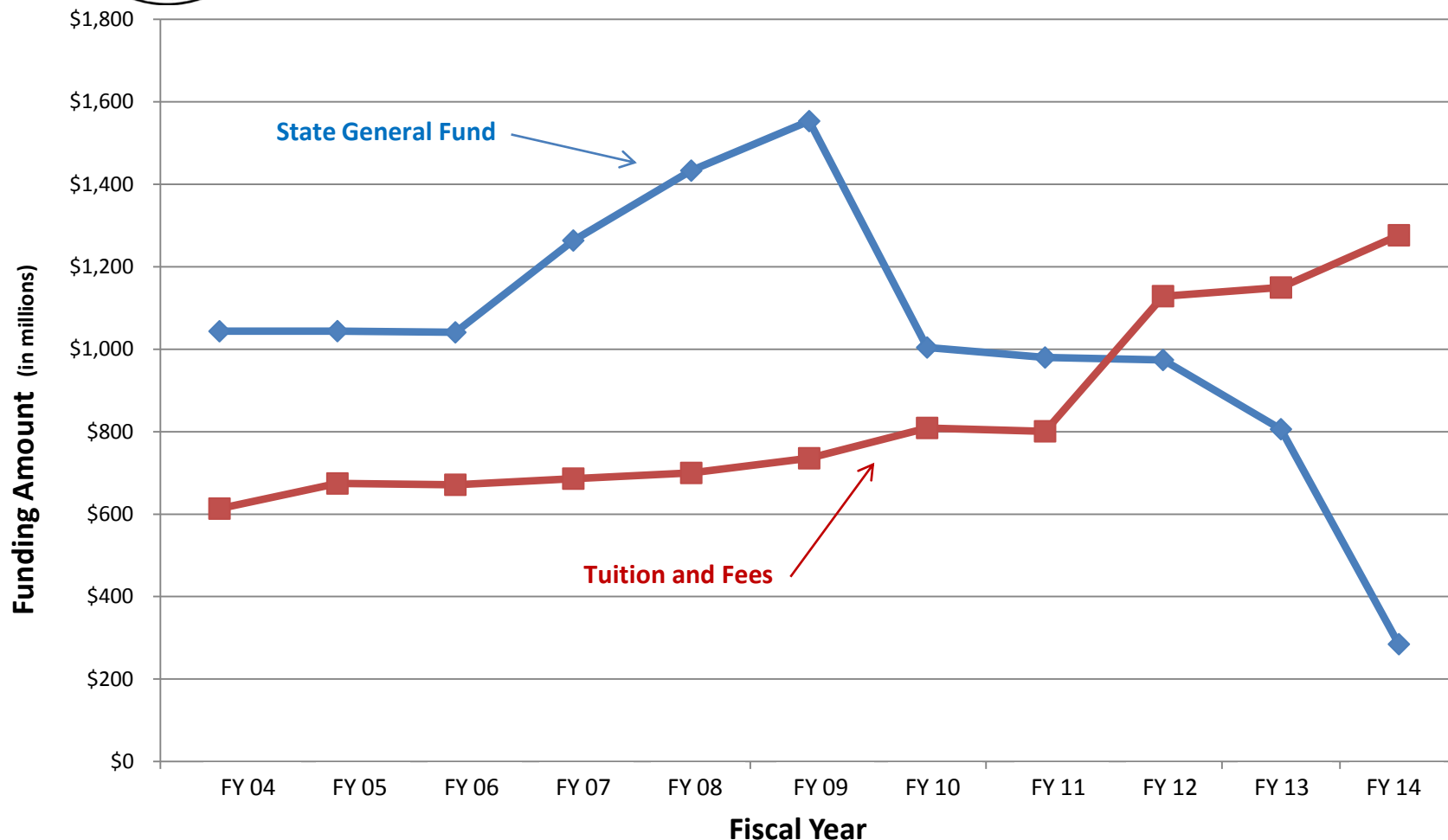


# Proposed Property Sales

- Point Clair Property in Carville - \$12 million
- Baton Rouge State Office Building - \$10.25 million
- Southeast La. Hospital - \$17.8 million
- Wooddale Towers – \$350,000
- Insurance Lot - \$4.8 million
- Various parcels to Wildlife and Fisheries - \$2 million



# HIED Major MOF Change



Note: Starting in FY 09-10, the Office of Student Finance Assistance was included in Higher Education funding. For comparison purposes those funds were removed from the Higher Education funding for FY 09-10 through FY 13-14. FY 11-12 is Budgeted, FY 12-13 is Appropriated, and FY 13-14 is requested.





# Expenditure Breakdown

Expenditures	FY 11-12 Actual Expenditures	FY 12-13 Existing Operating Budget (12/1/12)	FY 13-14 Executive Budget Recommendation	Change from FY 11-12 to FY 12-13	Percent Change from FY12-13 to FY13-14
Salaries	\$1,290,430,076	\$1,286,085,563	\$0	(\$4,344,513)	(0.3%)
Other Compensation	\$72,921,118	\$69,504,170	\$0	(\$3,416,948)	(4.9%)
Related Benefits	\$486,652,067	\$488,523,702	\$0	\$1,871,635	0.4%
Travel	\$10,874,740	\$10,736,794	\$0	(\$137,946)	(1.3%)
Operating Services	\$193,763,560	\$188,316,107	\$0	(\$5,447,453)	(2.9%)
Supplies	\$145,066,942	\$142,449,406	\$0	(\$2,617,536)	(1.8%)
Prof Srvcs	\$27,789,650	\$32,012,882	\$0	\$4,223,232	13.2%
Other Charges	\$628,432,070	\$659,263,327	\$2,691,561,474	\$30,831,257	4.7%
Acq/Major Repairs	\$29,804,220	\$24,374,011	\$0	(\$5,430,209)	(22.3%)
Unallotted	\$6,563	\$0	\$0	(\$6,563)	0.0%
<b>TOTAL EXP</b>	<b>\$2,885,741,006</b>	<b>\$2,901,265,962</b>	<b>\$2,691,561,474</b>	<b>\$15,524,956</b>	<b>0.5%</b>

Current Executive Budget practice and interpretation by the Division of Administration places all Higher Education funding in the Board of Regents' budget and into the Other Charges expenditure category. Thus, there are no itemized expenditure categories with which to compare FY 13-14 to previous fiscal years until the appropriation letters are issued in the next fiscal year.

# **Board of Regents Recommended Formula Funding**



# LOUISIANA STATE UNIVERSITY SYSTEM

AGENCY	FY 12-13	FY 13-14	Difference
LSU A&M	\$445,388,799	\$449,685,242	\$4,296,443
LSU Alexandria	\$16,468,916	\$15,979,364	(\$489,552)
LSU Board of Supervisors	\$3,587,595	\$3,495,054	(\$92,541)
LSU Eunice	\$12,711,827	\$12,581,610	(\$130,217)
LSU Shreveport	\$28,900,165	\$28,642,330	(\$257,835)
Paul M. Hebert Law Ctr.	\$23,708,571	\$23,561,716	(\$146,855)
LSU Agricultural Center	\$91,319,495	\$84,500,456	(\$6,819,039)
LSU Health Sciences Ctr. in New Orleans	\$170,446,263	\$167,619,958	(\$2,826,305)
LSU Health Sciences Ctr. in Shreveport	\$423,285,852	\$326,796,903	(\$96,488,949)
E. A. Conway	\$104,866,626	\$16,875,367	(\$87,991,259)
Huey P. Long	\$53,380,026	\$0	(\$53,380,026)
Pennington Biomedical Research Center	\$13,606,818	\$13,278,728	(\$328,090)
TOTAL	\$1,387,670,953	\$1,143,016,728	(\$244,654,225)



# SOUTHERN UNIVERSITY SYSTEM

AGENCY	FY 12-13	FY 13-14	Difference
Southern Agriculture Center	\$8,038,132	\$7,871,134	(\$166,998)
Southern University Baton Rouge	\$71,912,567	\$69,189,836	(\$2,722,731)
Southern University Law Center	\$12,815,444	\$12,708,543	(\$106,901)
Southern University New Orleans	\$19,171,224	\$18,222,056	(\$949,168)
Southern University Shreveport	\$12,181,982	\$12,909,163	\$727,181
Southern University Board of Supervisors	\$6,485,683	\$2,421,547	(\$4,064,136)
TOTAL	\$130,605,032	\$123,322,279	(\$7,282,753)



# UNIVERSITY OF LOUISIANA SYSTEM

AGENCY	FY 12-13	FY 13-14	Difference
Grambling	\$52,397,284	\$49,379,111	(\$3,018,173)
Louisiana Tech	\$96,644,806	\$94,916,573	(\$1,728,233)
McNeese	\$59,863,995	\$59,486,426	(\$377,569)
Nicholls	\$52,999,864	\$51,910,057	(\$1,089,807)
Northwestern	\$70,313,878	\$68,883,363	(\$1,430,515)
Southeastern	\$109,728,161	\$107,492,986	(\$2,235,175)
University of LA. Board of Supervisors	\$3,275,493	\$3,248,112	(\$27,381)
University of LA. Lafayette	\$132,644,932	\$129,316,651	(\$3,328,281)
University of LA. Monroe	\$73,548,495	\$71,740,522	(\$1,807,973)
University of New Orleans	\$110,620,566	\$105,364,903	(\$5,255,663)
TOTAL	\$762,037,474	\$741,738,704	(\$20,298,770)



# Louisiana Community and Technical College System

AGENCY	FY 12-13	FY 13-14	Difference
BRCC	\$27,443,055	\$29,725,591	\$2,282,536
BPCC	\$26,192,660	\$29,715,650	\$3,522,990
Cent. La Tech	\$10,095,667	\$9,936,026	(\$159,641)
Delgado	\$89,684,180	\$84,316,512	(\$5,367,668)
Fletcher	\$8,322,317	\$8,326,871	\$4,554
LCTCS BOS	\$16,140,746	\$16,081,967	(\$58,779)
LCTCS Online	\$1,004,516	\$977,734	(\$26,782)
Delta	\$18,190,950	\$18,225,226	\$34,276
La. Tech. College	\$28,310,103	\$27,053,663	(\$1,256,440)
Nunez	\$7,653,533	\$7,712,545	\$59,012
Northshore	\$9,832,534	\$10,226,192	\$393,658
River Parishes	\$8,264,674	\$8,089,064	(\$175,610)
SLCC	\$28,474,070	\$27,917,716	(\$556,354)
Sowela	\$12,491,767	\$12,989,530	\$497,763
TOTAL	\$292,100,772	\$291,294,287	(\$806,485)



Board of Regents/Office of Student Financial Assistance/  
Louisiana Marine Universities Consortium

AGENCY	FY 12-13	FY 13-14	Difference
Board of Regents	\$66,028,808	\$60,607,301	(\$5,421,507)
Office of Student Financial Assistance	\$248,688,609	\$319,695,125	\$71,006,516
Louisiana Universities Marine Consortium	\$14,134,314	\$11,887,042	(\$2,247,272)



# Louisiana Universities Marine Consortium

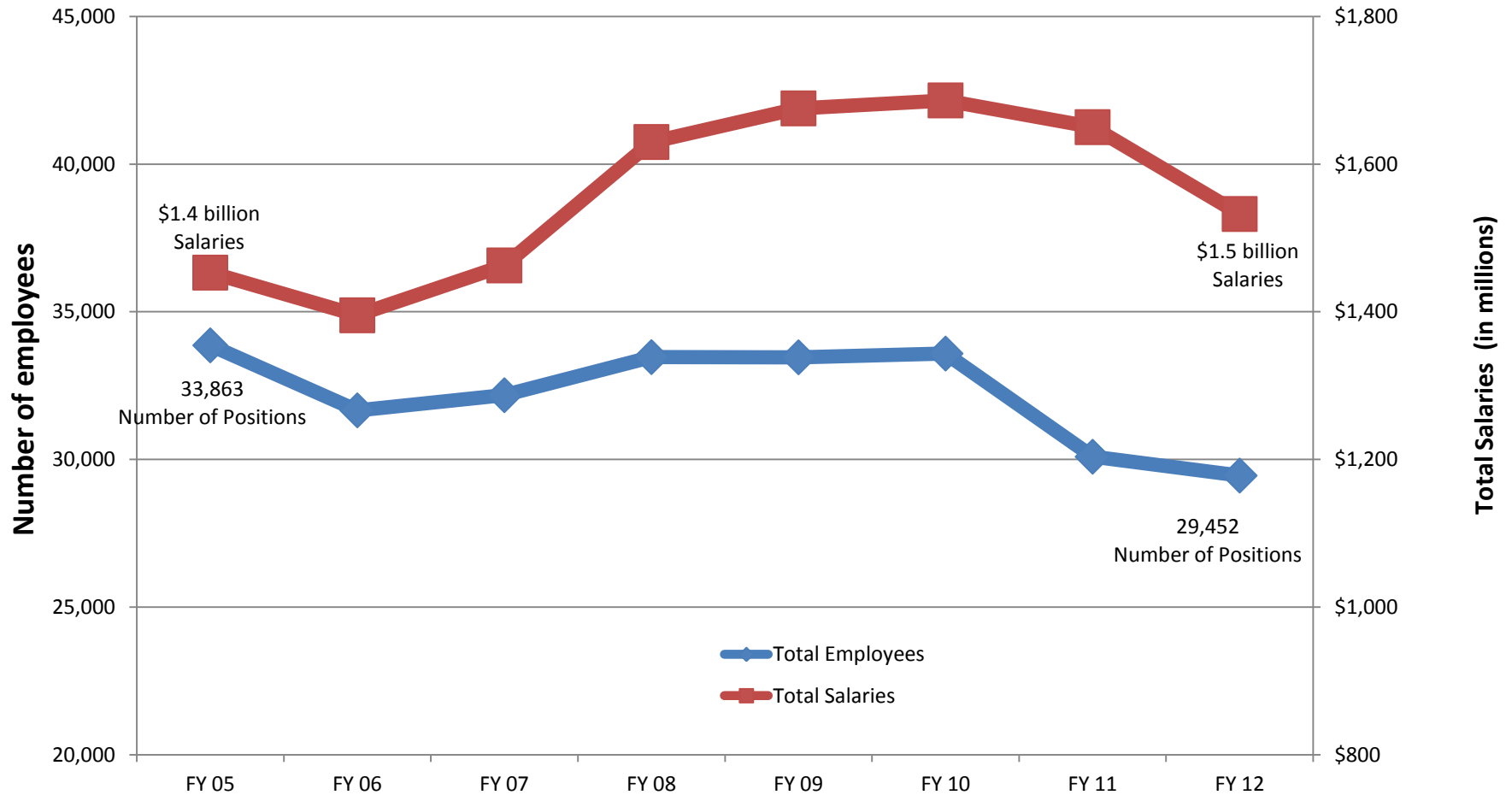
## State General Fund Budget Comparison from FY 09 to FY 13

<b>Discretionary</b>	<b>FY 08-09</b>	<b>FY 12-13</b>
Salary	\$1,778,224	\$1,230,190
Fringe Benefits	\$491,105	\$456,660
Travel	\$15,500	\$0
Operating Services	\$261,655	\$228,266
Supplies	\$101,863	\$80,283
Interagency Transfers	\$341,734	\$356,517
Acquisitions	\$211,990	\$47,933
<b>Subtotal</b>	<b>\$3,202,071</b>	<b>\$2,399,849</b>
<b>Non-Discretionary</b>	<b>FY 08-09</b>	<b>FY 12-13</b>
Fringe Benefits	\$491,150	\$456,660
OFS/DOA	\$2,917	\$2,343
Auditor Fees	\$16,617	\$13,248
Insurance	\$280,246	\$276,695
OTM Fees	\$14,000	\$17,040
<b>Subtotal</b>	<b>\$804,930</b>	<b>\$765,986</b>
<b>TOTAL</b>	<b>\$4,007,001</b>	<b>\$3,165,835</b>



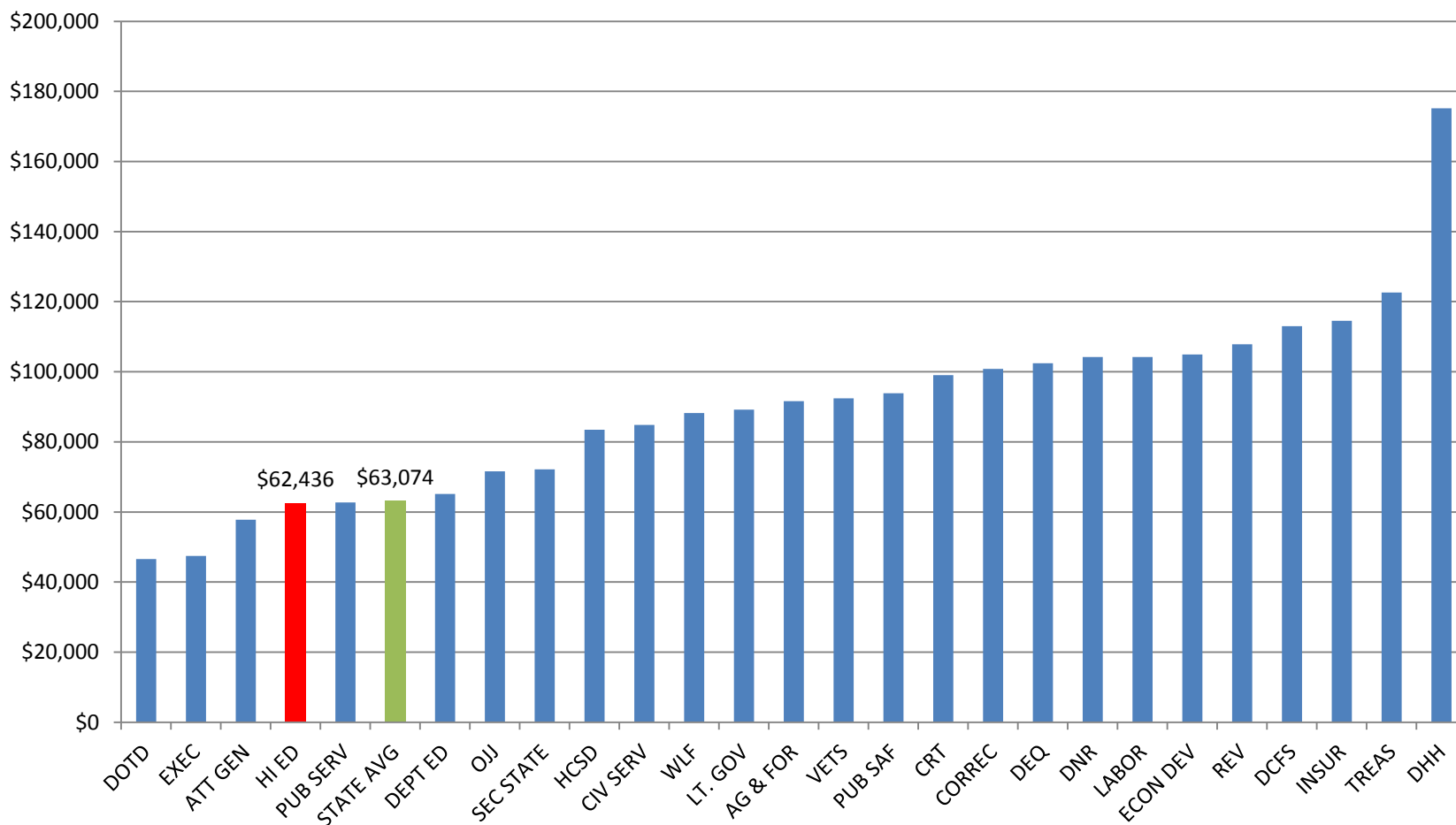


# Total Salaries and Employees





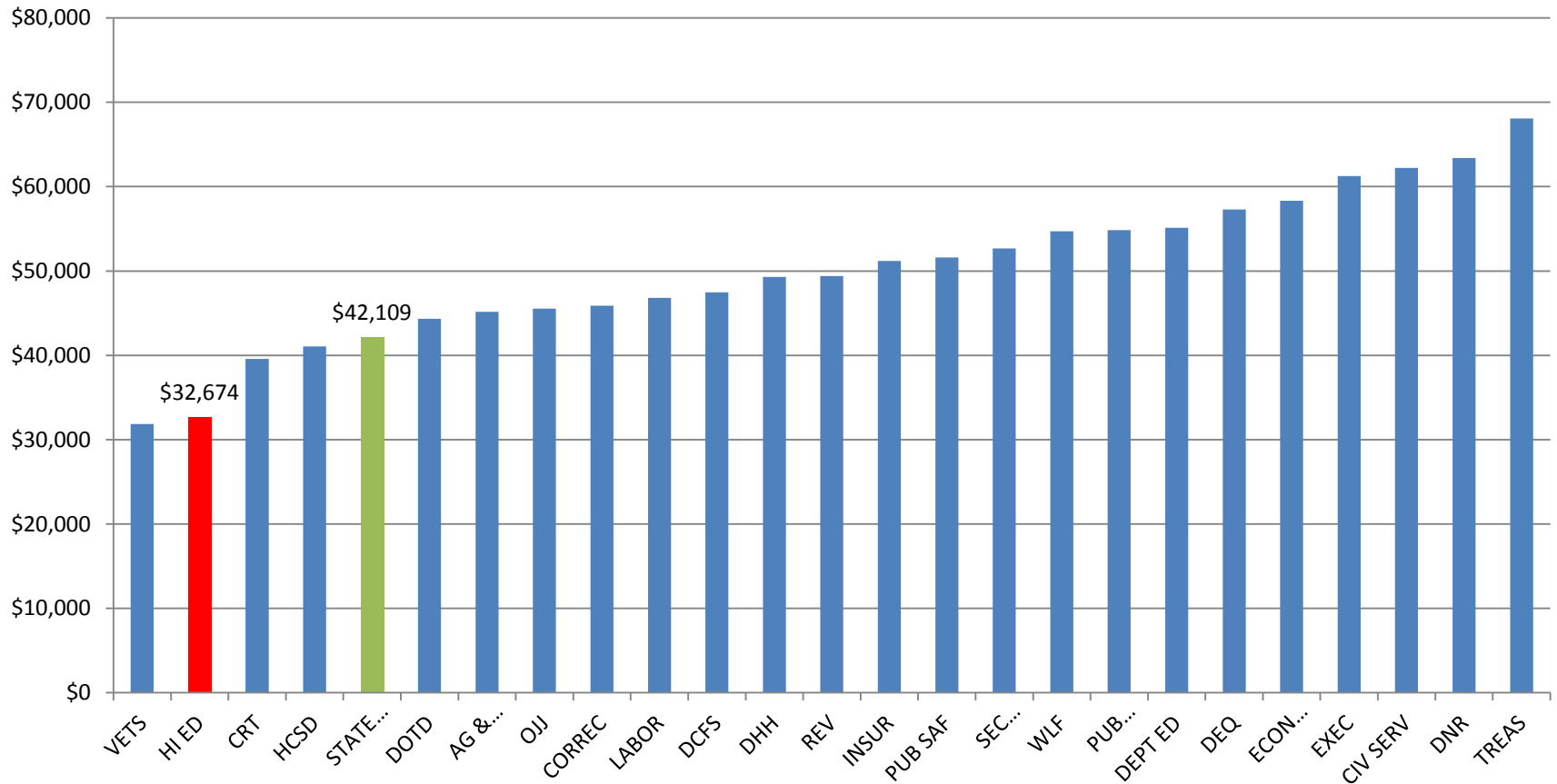
# Unclassified Average Annual Pay Per FTE



Source – Louisiana Department of State Civil Service



# Classified Average Annual Pay Per FTE

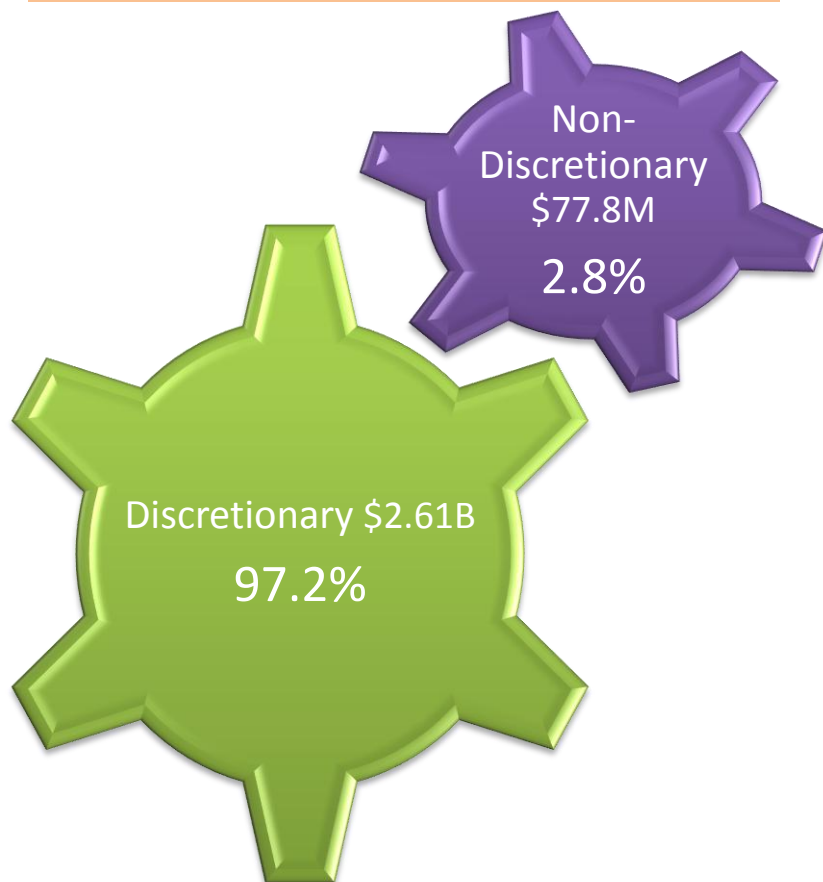


Source – Louisiana Department of State Civil Service



## Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

**Higher Education Total Budget  
\$2.69 Billion**



Category	Nondiscretionary SGF Amount
Constitutionally Required	\$0
Court Orders	\$0
Debt Service	\$1,218,199
Federal Mandate	\$0
Statutory Obligation	\$3,400,000
Legislative Discretion	\$0
Unavoidable Obligations	\$59,975,294
<b>TOTAL</b>	<b>\$64,593,493</b>



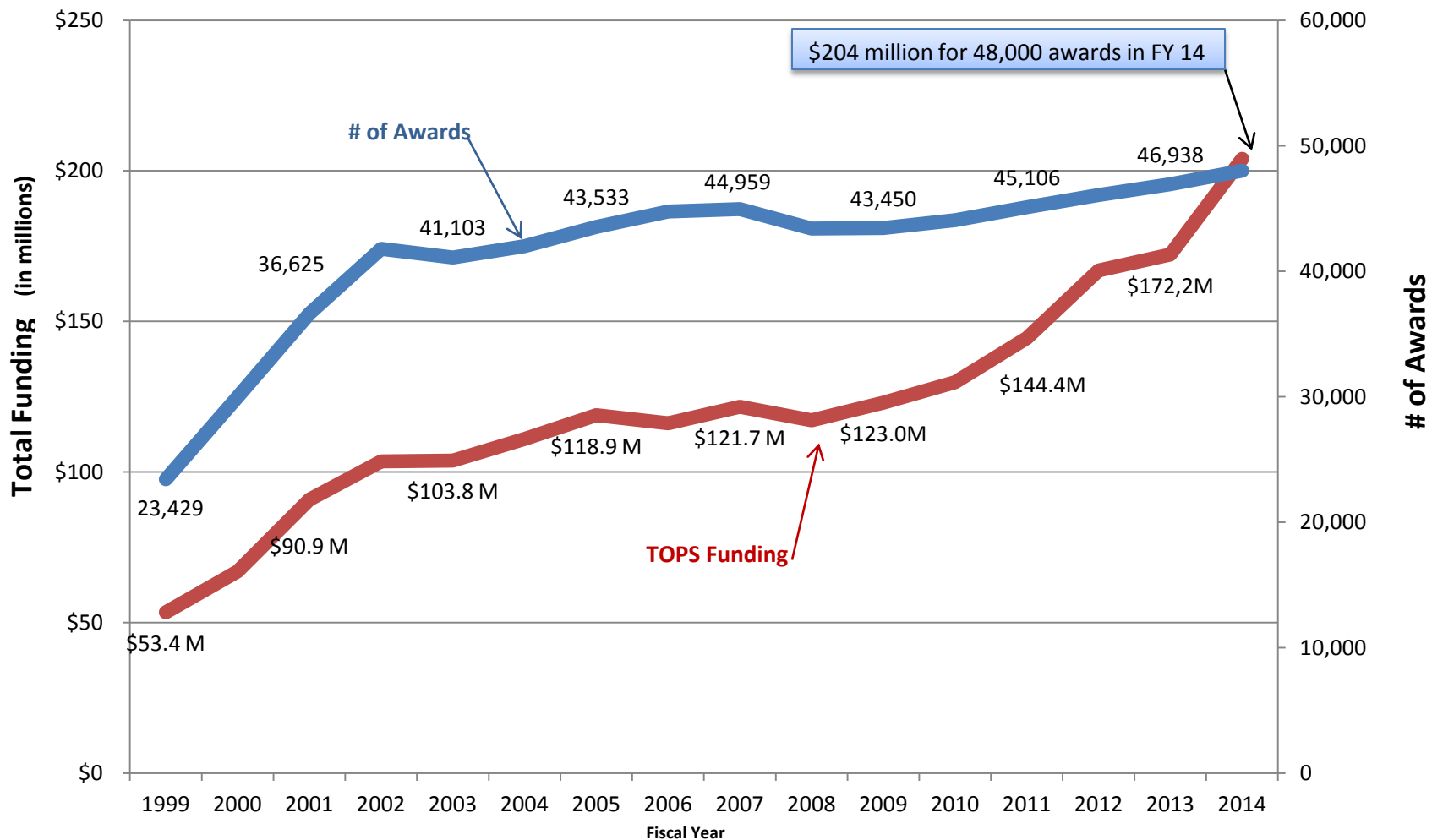
# TOPS Costs for FY 13-14

- The Taylor Opportunity Program For Students is projected to cost approximately \$204 million for FY 13-14 to pay for approximately 48,000 awards.
- The Board of Regents proposes using \$28.8 State General Fund/Overcollections along with \$175.4 in other Statutory Dedications.
- The other statutory dedications include \$60 million in anticipated proceeds from the Tobacco Arbitration Settlement and another \$60 million from refinancing the Tobacco Bonds. The remaining \$55.4 will come from the TOPS Fund.

Source: Executive Budget, Supporting Documents, and the Office of Student Financial Assistance (OSFA)



# TOPS Program History From FY 98-99 to FY 13-14



Data Taken from the Office of Student Financial Assistance Documents



# TOPS 5-Year Projection

TOPS	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	Awards	Costs	Awards	Costs	Awards	Costs	Awards	Costs	Awards	Costs	Awards	Costs
Honors	8,978	\$45,662,108	9,363	\$51,917,835	9,716	\$58,490,320	9,911	\$64,837,762	10,113	\$71,964,108	10,234	\$79,293,032
Performance	11,268	\$50,469,372	11,783	\$57,783,832	12,213	\$65,388,402	12,535	\$73,317,215	12,780	\$81,715,320	12,922	\$90,363,546
Opportunity	23,565	\$92,822,535	24,004	\$104,369,392	24,638	\$117,843,554	25,159	\$132,361,499	25,663	\$148,511,781	25,977	\$165,369,582
Tech	1,114	\$2,310,436	1,140	\$2,647,080	1,176	\$3,003,504	1,192	\$3,348,328	1,204	\$3,720,360	1,214	\$4,126,386
Nat'l Guard	54	\$20,700	0	\$14,670	0	\$15,994	0	\$17,932	0	\$18,799	0	\$17,619
SUB-TOTAL	44,979	\$191,285,151	46,290	\$216,732,809	47,743	\$244,741,774	48,797	\$273,882,736	49,760	\$305,930,368	50,347	\$339,170,165
% Increase		15.5%		13.3%		12.9%		11.9%		11.7%		10.9%
Tech Early Start	2,696	\$800,000	2,696	\$800,000	2,696	\$800,000	2,696	\$800,000	2,696	\$800,000	2,696	\$800,000
<b>TOTAL</b>	<b>47,675</b>	<b>\$192,085,151</b>	<b>48,986</b>	<b>\$217,532,809</b>	<b>50,439</b>	<b>\$245,541,774</b>	<b>51,493</b>	<b>\$274,682,736</b>	<b>52,456</b>	<b>\$306,730,368</b>	<b>53,043</b>	<b>\$339,970,165</b>



# TOPS History

- Since 1998, TOPS has paid out over \$1.7 billion dollars for 606,000 awards.
- By FY 17-18, TOPS costs are projected to exceed \$340 million based on an estimated 10% annual tuition growth.
- TOPS 4-year graduation rates approximate 60% vs a 29% rate for non-TOPS college students (these figures taken from the 2012 BOR TOPS report).





# National Comparisons

## Full-time equivalent funding Enrollment comparison

Data taken from the State Higher Education  
Executive Officers (SHEEO)

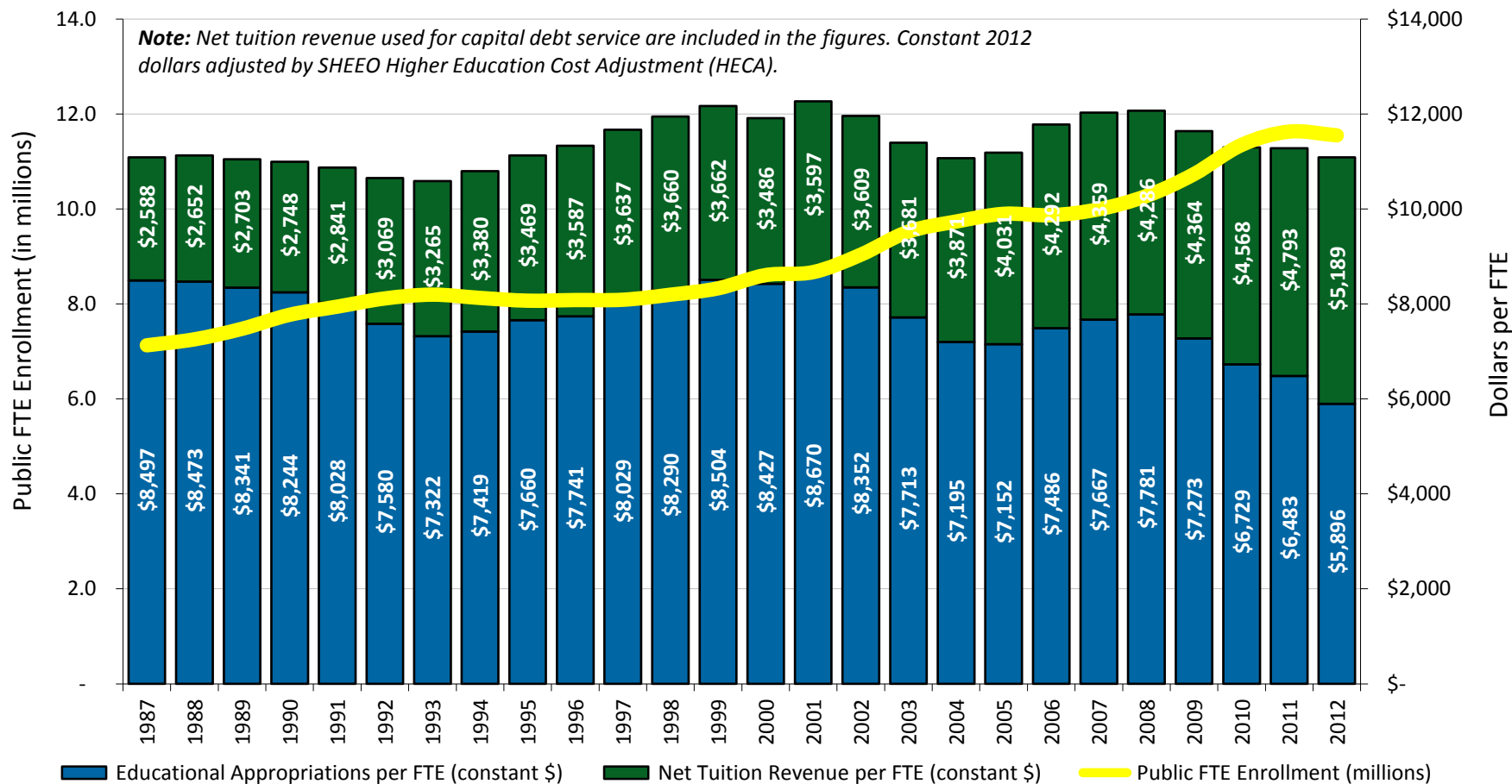


## Revenue Per Full-Time Equivalent (FTE) Student

- Louisiana generates 94% of the amount of the National Average State Effort per FTE.
- Louisiana generates 69% of the amount of the National Average Tuition per FTE.
- Combined, Louisiana generates 83% of the amount of the National State Effort and Tuition Averages.



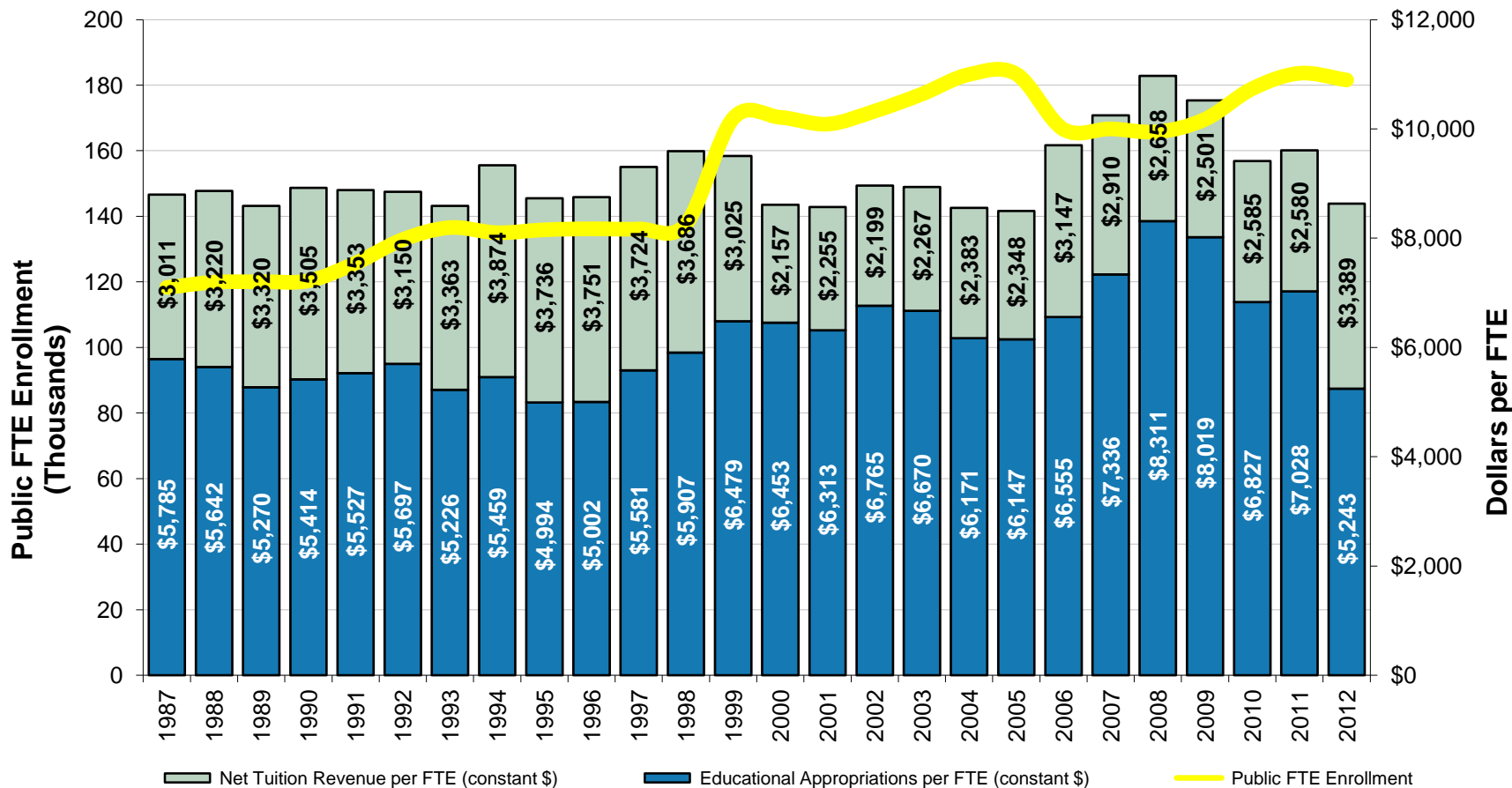
## Public FTE Enrollment and Educational Appropriations per FTE, U.S., Fiscal 1987-2012



Source: State Higher Education Executive Officers



## Louisiana FTE Enrollment and Educational Appropriations per FTE Trend from Fiscal 1987-2012



**Note:** Constant 2012 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA). Educational Appropriations include ARRA funds.

**Source:** SHEEO



## Net Tuition as a Percent of Public Higher Education Total Educational Revenue from FY 1987 to FY 2011

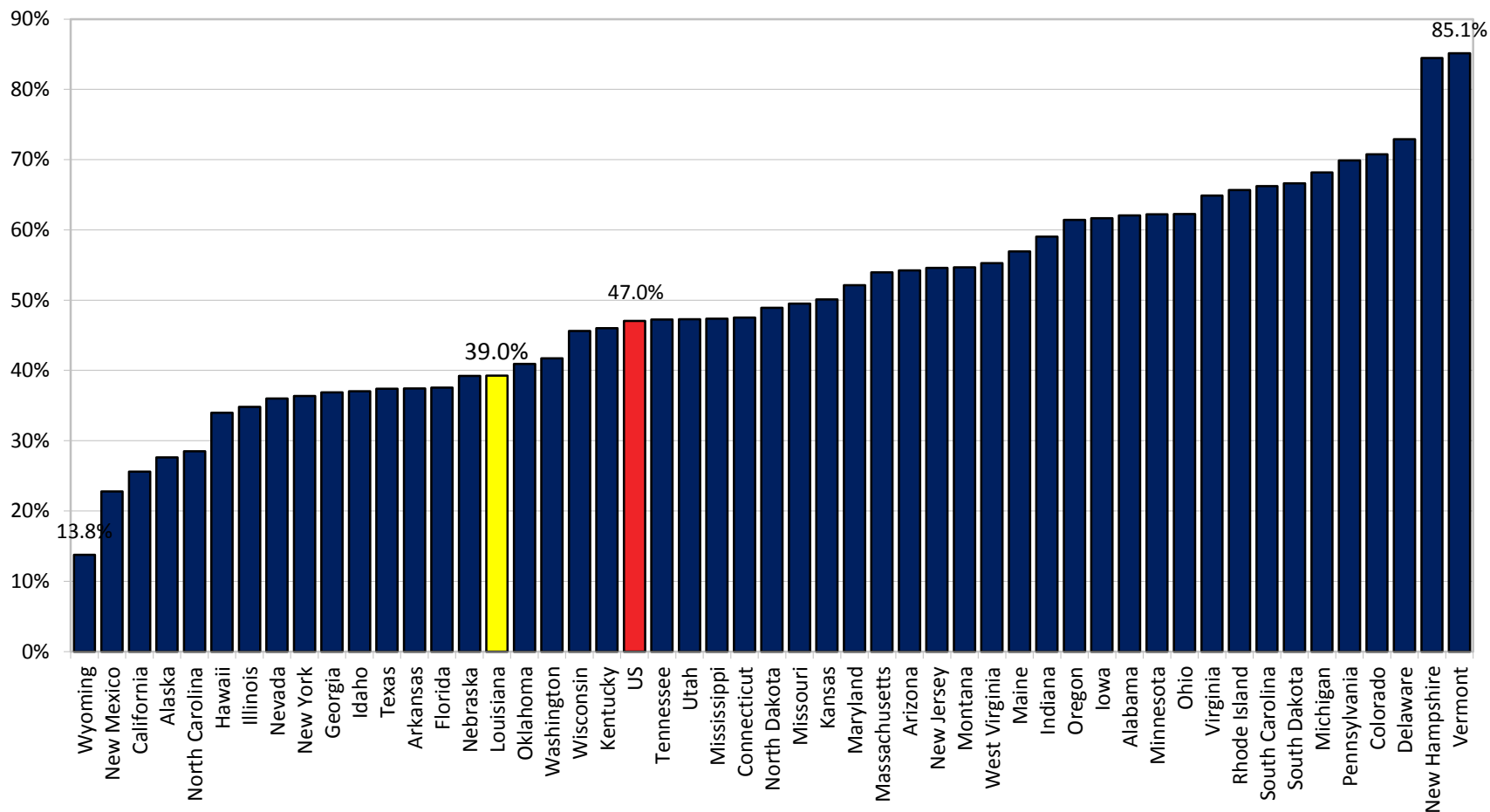


**Note:** Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

**Source:** State Higher Education Executive Officers



## Net Tuition as a Percent of Public Higher Education Total Revenue by State for FY 11-12



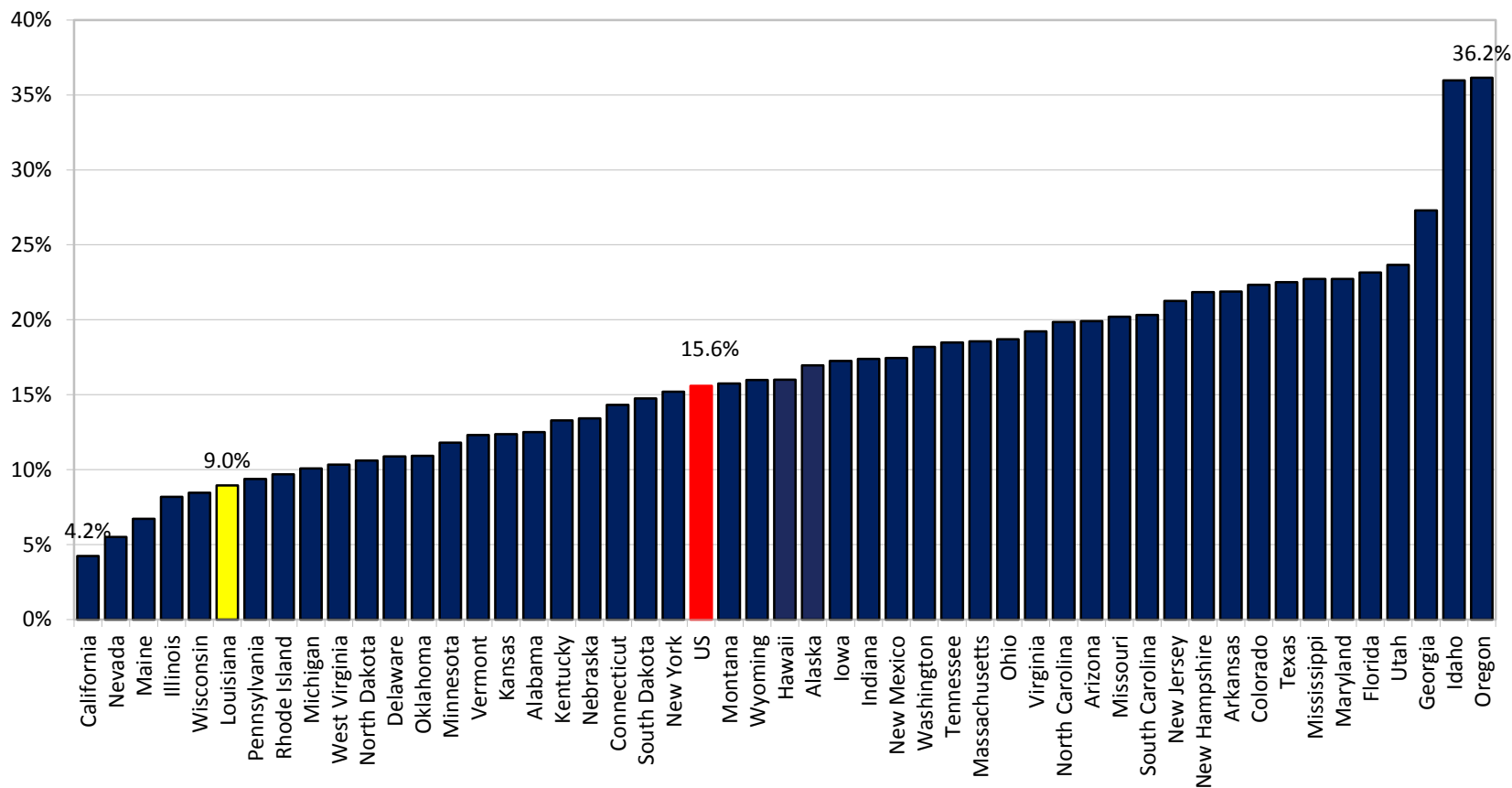
**Note:** Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix.

**Source:** State Higher Education Executive Officers



# National Percent Enrollment Change

Figure 5  
Full-Time-Equivalent (FTE) Enrollment in Public Higher Education  
Percent Change by State, Fiscal 2007-2012





## Southern University Exigency Update

- In FY 11-12, the Southern University Campus at Baton Rouge declared Financial Exigency.
- Overall, 70 faculty and 99 non-faculty positions were eliminated along with \$6 million as part of the restructuring effort.
- In FY 12-13 the campus emerged from exigency, but campus officials are concerned about meeting the LaGRAD Act requirements and losing the ability to raise tuition.





# Department Contacts

AGENCY	Agency Head	Phone
Board of Regents	Jim Purcell	225-342-4253
LSU Board of Supervisors	William Jenkins	225-578-2111
UL Board of Supervisors	Sandra Woodley	225-342-6950
SU Board of Supervisors	Ronald Mason	225-771-4500
LCTCS Board of Supervisors	Joe May	225-922-1643
LSU AgCenter	Bill Richardson	225-578-4161
Pennington Biomedical Research Center	Steven Heymsfield	225-763-2513
SU AgCenter	Leodrey Williams	225-771-2262
LUMCON	Nancy Rabalais	985-851-2800
OSFA	Melanie Amrhein	225-219-1012