

RESOLUTION SENATE BILL 204

WHEREAS, Senate Bill 204 of the 2013 Regular Session of the Legislature provides authority to the Louisiana Community and Technical College System to issue bonds for \$251 million in new capital construction; and

WHEREAS, the authorization includes an additional 15% plus the cost of issuance, capitalized interest, credit enhancements and related costs; and

WHEREAS, these costs are considered to be outside of net state tax supported debt and not part of the state capital outlay bonding capacity; and

WHEREAS, these bonds will require an estimated \$20 million in annual state general fund direct appropriations to service the debt; and

WHEREAS, universities have lost over half of their state appropriations over the past four years; and

WHEREAS, this \$20 million state general fund would otherwise be available to fund the operating expenses of the state, including the formula for public postsecondary institutions; and

WHEREAS, the projects outlined in Senate Bill 204 were not submitted to the Board of Regents as part of the capital outlay review process as required by Article VIII §5 of the Louisiana Constitution; and

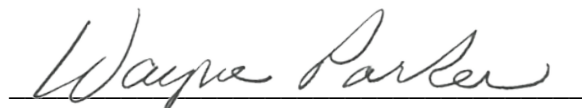
WHEREAS, the Board of Regents' process is particularly crucial during these times of scarce resources in order to prioritize the workforce needs of the entire state, including demand for university graduates such as engineers, computer scientists and nurse practitioners; and

WHEREAS, there is currently a backlog of \$1.76 billion in deferred maintenance projects for all higher education institutions awaiting available funding; and

WHEREAS, passage of Senate Bill 204 could likely equate to an annual budget reduction for all colleges and universities in order to fund selected new construction projects which have not been objectively evaluated in the context of the highest and best use of state dollars.

THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System urges and requests the Legislature of the State of Louisiana to consider these facts as they debate Senate Bill 204 during the 2013 Regular Session of the Legislature.

Thus enacted on the 30th day of April, 2013, by unanimous vote of the Board of Supervisors for the University of Louisiana System.



D. WAYNE PARKER, CHAIR
Board of Supervisors for the
University of Louisiana System