

**Faculty Senate Budget & Planning Committee**

**November 20, 2024**

**Room 1409, Business Education Complex, E.J. Ourso College of Business**

**Meeting Minutes**

**I. Call to Order**

**II. Roll Call**

Members in Attendance: Dana Hollie (Chair), Robert Cook (Vice-Chair), Adam Clay (Secretary), Mike Martinez, Wei-Ling Song, Fabio Del Piero, Tomislav Jelesijevic, and Tommy Smith (ex-officio).

**III. Public Comments on Agenda Items**

No public comments.

**IV. Approval of Minutes**

Robert Cook made a motion to approve, seconded by Fabio Del Piero. The minutes were approved unanimously.

**V. Presentation on LSU's budget by Tommy Smith, LSU Associate Vice President of Budget & Planning and Vice Provost for Finance**

See slides below.

**VI. New Business (future meeting dates, topics, and guests)**

The committee will meet in January, date TBD.

**VII. Meeting adjourned**

The LSU logo is displayed in a large, white, bold, sans-serif font on a dark purple rectangular background. The letters are closely spaced and have a slight shadow effect.

# LSU

The text "THE FLAGSHIP CAMPUS" is written in a white, bold, sans-serif font and is enclosed within a thin yellow rectangular border. The background behind the text is the same dark purple as the logo above.

THE FLAGSHIP CAMPUS

The background of the slide is a high-angle photograph of the LSU Campanile tower. The tower is a tall, light-colored stone structure with a clock face and a dome at the top. It is surrounded by green trees and other campus buildings under a blue sky with light clouds. An American flag is visible in the distance.

Faculty Senate Budget & Planning Committee Budget Presentation  
November 20, 2024

- Budget Definition & Overview
- Budget Cycle & Budget Cost Drivers/Priorities
- SEC Peer Comparison
- Committee Submitted Questions
- Other Questions



Translates the plans of an organization into an...

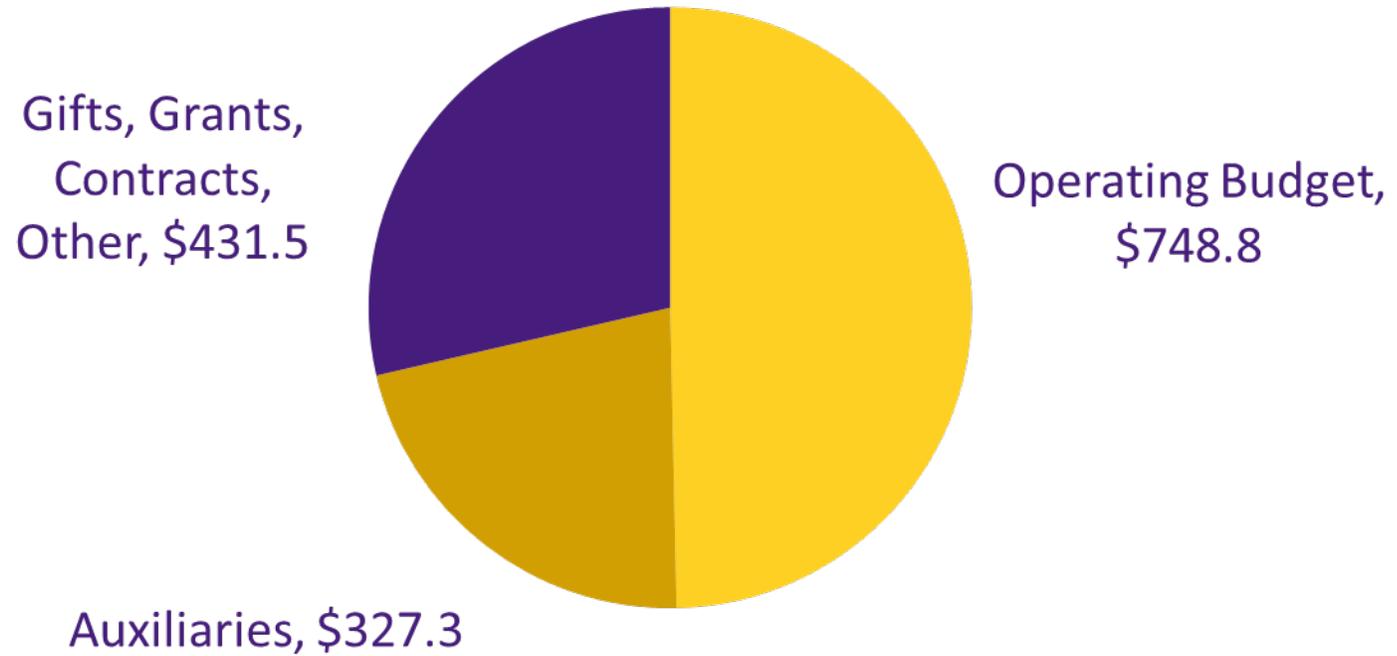
*Itemized,  
Authorized,  
Systematic*

...plan of operation, expressed in dollars, for a given period of time.

- **Operational Budget**
  - Day-to-Day operations
  - Unrestricted revenues and expenditures
- **Capital Budget**
  - Major construction/renovation projects
- **Restricted Budget**
  - Grant and contract activity
  - Endowments/Gifts
- **Auxiliary Budget**
  - Managed as a self-supporting entity

# All Sources of Funds Budget 2024-2025

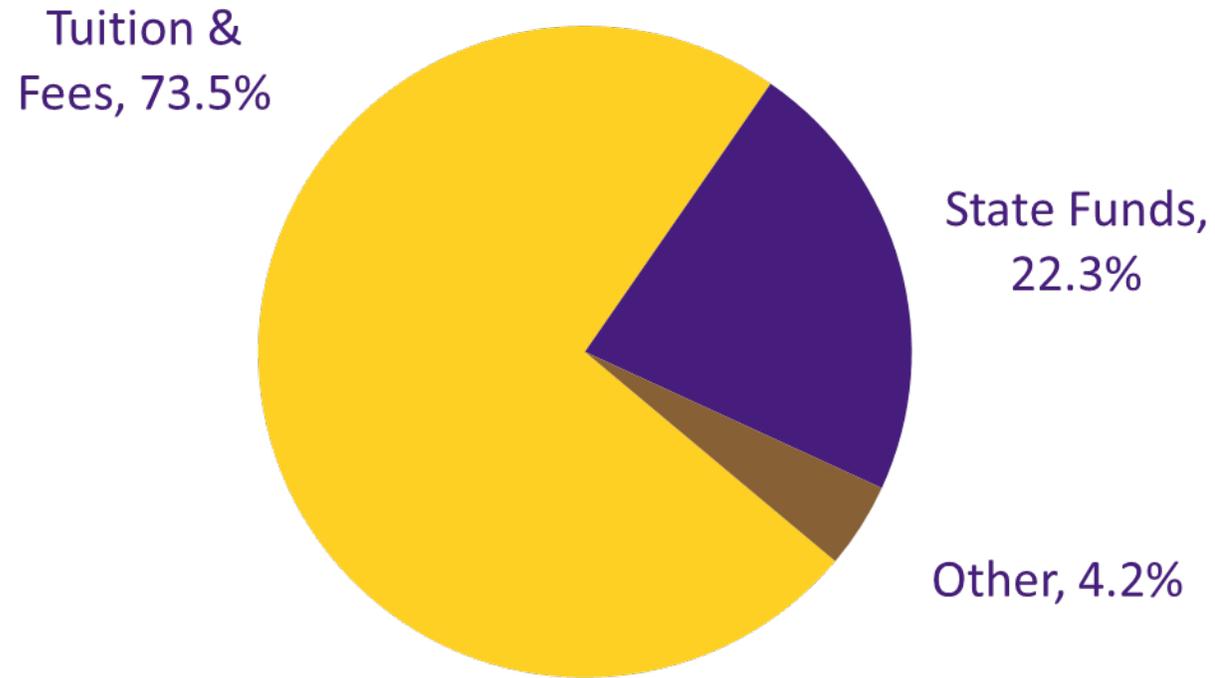
**Total Budget \$1.5 billion**





# Operating Budget Revenue by Source 2024-2025

Unrestricted Budget \$749 million





# Beginning Unrestricted Operating Budget by Source

Fiscal Year	State Funds	% of Total	University Self-Generated	% of Total	Total
2009	\$ 281,964,319	58.4%	\$ 200,606,246	41.6%	\$ 482,570,565
2010	\$ 246,083,960	53.3%	\$ 215,418,741	46.7%	\$ 461,502,701
2011	\$ 232,740,233	49.1%	\$ 240,874,117	50.9%	\$ 473,614,350
2012	\$ 182,791,595	39.1%	\$ 285,070,353	60.9%	\$ 467,861,948
2013	\$ 161,242,895	34.1%	\$ 311,442,070	65.9%	\$ 472,684,965
2014	\$ 140,600,030	29.3%	\$ 339,598,248	70.7%	\$ 480,198,278
2015	\$ 136,139,708	27.0%	\$ 367,414,186	73.0%	\$ 503,553,894
2016	\$ 136,291,767	25.8%	\$ 392,646,716	74.2%	\$ 528,938,483
2017	\$ 134,827,337	25.3%	\$ 398,646,716	74.7%	\$ 533,474,053
2018	\$ 136,251,022	24.8%	\$ 413,816,716	75.2%	\$ 550,067,738
2019	\$ 136,358,273	24.8%	\$ 413,816,716	75.2%	\$ 550,174,989
2020	\$ 136,536,488	24.3%	\$ 425,616,716	75.7%	\$ 562,153,204
2021	\$ 127,077,122	22.4%	\$ 439,816,716	77.6%	\$ 566,893,838
2022	\$ 140,309,453	22.0%	\$ 498,870,309	78.0%	\$ 639,179,762
2023	\$ 152,595,539	22.4%	\$ 528,425,309	77.6%	\$ 681,020,848
2024	\$ 189,502,744	25.5%	\$ 553,925,309	74.5%	\$ 743,428,053
2025	\$ 166,541,697	22.2%	\$ 582,264,309	77.8%	\$ 748,806,006

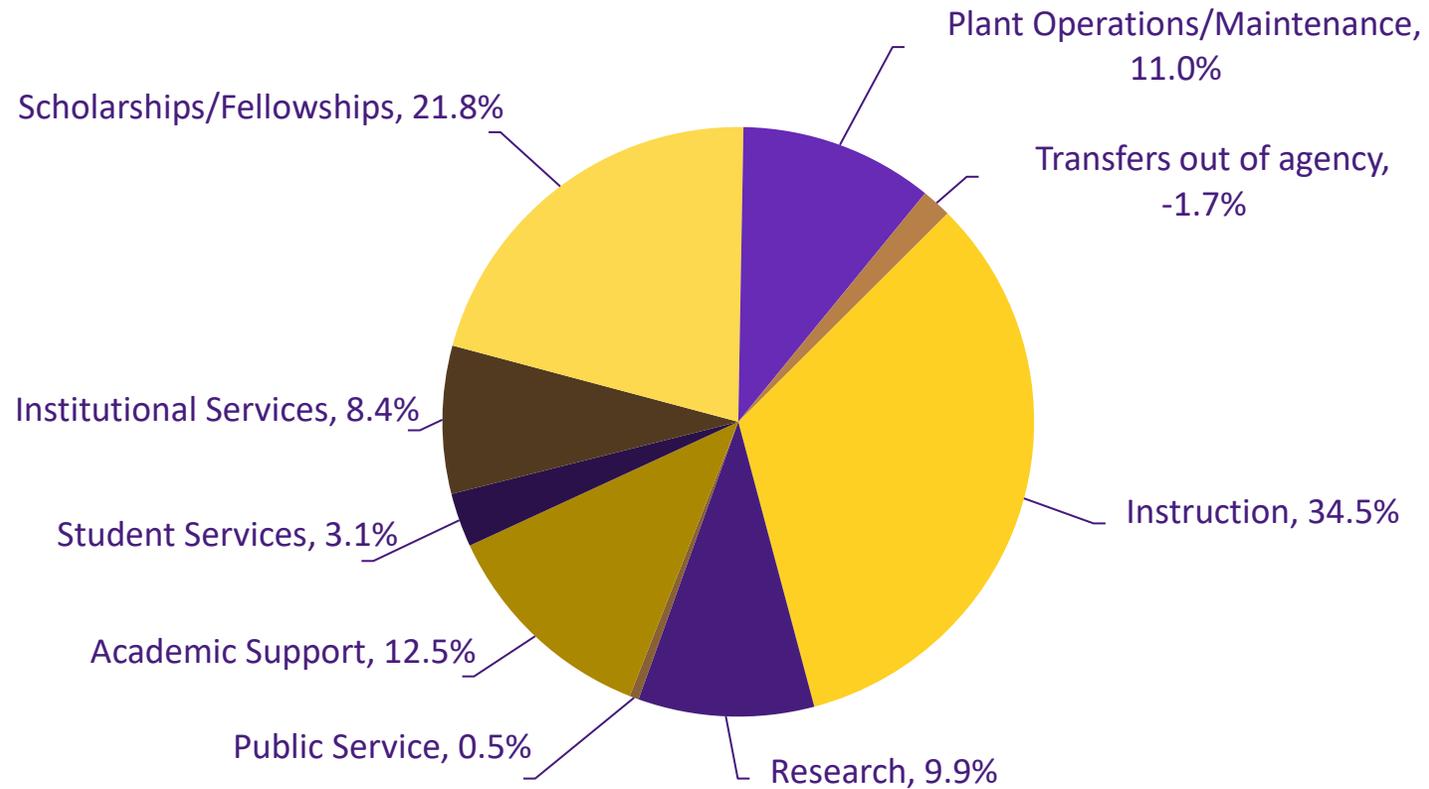
\*Includes System and Law Center

\*\*IAT and Stat Ded included in State Funds



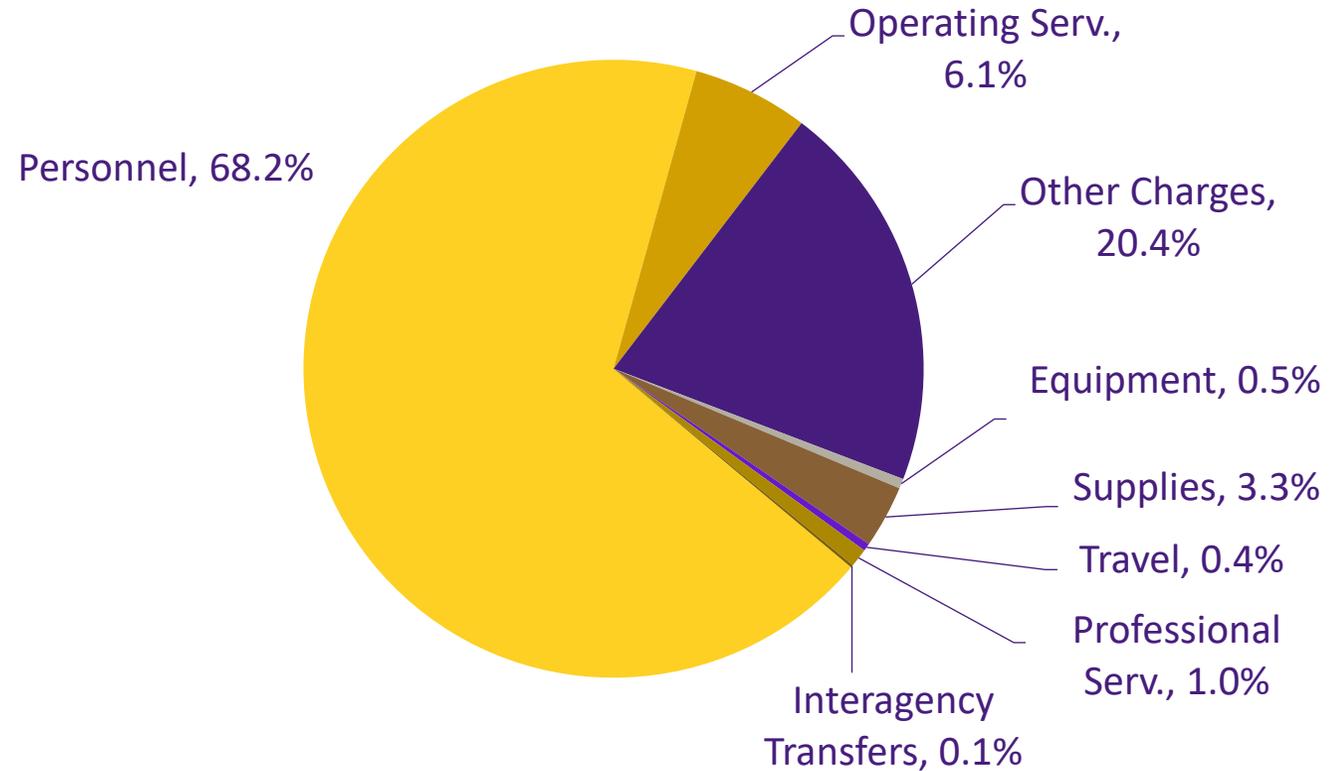
# Operating Budget Expenditures by Function 2024-2025

Unrestricted Budget \$749 million



# Operating Budget Expenditures by Object 2024-2025

Unrestricted Budget \$749 million



# Operating Budget Cycle

**BOS Approval of Current Year Budget and  
Next Year's Budget Request**

*(September - October)*



**Board of Regents and Division  
of Administration Approval of  
Governor's Executive Budget**

*(November - February)*



**Legislative Action**

*(March - June)*



**Operating Budget  
Implementation**

*(July - August)*

# Campus Budget Hearings Cycle

**Budget Proposals Due to OAA/F&A  
Next Two Year's Budget Request  
Initiatives, Deferred Maintenance, Capital Outlay**  
*(Mid-October)*



**Budget Hearings  
EVP's & Reps from OAA, F&A,  
Pres. Office & VP Research**  
*(late-October – late- November)*



**Legislative Action**  
*(March – June)*



**Final Budget Numbers  
Distributed**  
*(July)*

- Mandatory Cost Increases
  - Group Health Insurance, Classified Staff Merit, Other State Charges (e.g., Civil Service, Legislative Auditor)
- Faculty and Staff Salary Competitiveness (1% increase = \$3.375M)
- Annual University Expense Increases
  - Operating Costs (e.g., Utilities), Financial Aid, Faculty Promotions, IT Costs, Campus Safety
- Student Enrollment
  - Seven years of record setting freshman classes (7,858)
  - Institutional Student Aid Investment (Merit and Need-Based) - grown \$100M (160%) over last 10 years
  - Increased focus on new students, retention, and online degree programs
- IT Modernization – New Student Information System, security enhancements, software
- Strategic Campus Priorities
  - Scholarship first agenda-pentagon research initiatives, GA investments, student success, online growth



## STATE APPROPRIATIONS AND TUITION & FEES PER FTE STUDENT LSU vs SEC Peers

SEC Peers	FY 2008		FY 2022		Percent Change FY 08 to FY 22	
	State Appropriations per FTE Student	State Appropriations + Tuition & Fees per FTE Student	State Appropriations per FTE Student	State Appropriations + Tuition & Fees per FTE Student	State Appropriations per FTE Student	State Appropriations + Tuition & Fees per FTE Student
University of Florida	\$12,158	\$15,694	\$18,021	\$27,042	48.20%	72.30%
University of Georgia	\$14,341	\$20,527	\$13,675	\$25,488	-4.60%	24.20%
University of Tennessee	\$14,735	\$20,734	\$13,247	\$26,105	-10.10%	25.90%
Texas A&M University - College Station	\$10,717	\$18,003	\$12,939	\$25,894	20.70%	43.80%
University of Mississippi	\$6,263	\$13,388	\$12,455	\$25,733	98.90%	92.20%
<b>Average-Excl. LSU</b>	<b>\$11,268</b>	<b>\$18,269</b>	<b>\$10,475</b>	<b>\$22,918</b>	<b>-7.00%</b>	<b>25.40%</b>
University of Kentucky	\$14,591	\$22,540	\$9,930	\$23,839	-31.90%	5.80%
Auburn University	\$13,498	\$23,052	\$9,794	\$26,952	-27.40%	16.90%
University of Arkansas	\$12,028	\$17,253	\$8,799	\$18,579	-26.80%	7.70%
Mississippi State University	\$11,520	\$16,547	\$8,417	\$18,300	-26.90%	10.60%
University of Missouri	\$9,548	\$17,442	\$8,148	\$19,376	-14.70%	11.10%
University of Alabama	\$8,254	\$16,264	\$5,579	\$19,457	-32.40%	19.60%
<b>LSU</b>	<b>\$9,672</b>	<b>\$15,212</b>	<b>\$4,930</b>	<b>\$17,405</b>	<b>-49.00%</b>	<b>14.40%</b>
University of South Carolina - Columbia	\$7,560	\$17,783	\$4,699	\$18,249	-37.80%	2.60%

**LSU Total \$ Variance from Peer Average (FTE=32,296): \$178,047,848**

- Updates on how Provost will allocate resources in the near future?
  - Mixture of incremental and strategic budgeting
  - Modified Responsibility Center Management (RCM) for Vet Med & Law Center
- How are different funding pools (e.g., tuition) distributed down to college level?
  - T&F goes to General Fund similar to State Funds (except for RCM's)
    - Allocated by Executive Admin (merits, initiatives, faculty) not directly tied to enrollment
  - Differential Tuition Authority provided by Act 790 of 2024 up to 10% over 2 yrs
    - Plan differential tuition & fee by up to 5% with a portion of tuition going to college
- Better understanding of auxiliary charges to departments
  - Auxiliary Units such as Auxiliary Services (Printing, Union) and Parking & Transportation
  - Other units such as Facility Services (Not an auxiliary unit)



## Committee Submitted Questions – F&A Recovered

*F&A Rate = 50%    Effective Rate Recovered = 18.71%*

- Better Understanding of how grant overhead is allocated

FY 2023-2024	(Millions)	
○ LSU	\$30.6	
○ Vet Med	<u>\$ 3.3</u>	
Total Revenues		\$33.9

### Allocations:

○ Operating Budget LSU	\$12.0	
○ Vet Medicine	\$ 3.3	
○ 22.5% F&A Rebate to Units	\$ 5.5	
○ Library Rebate	\$ 0.3	
○ Equipment/Start-up	\$ 2.0	
○ Graduate Assistant Exemptions	\$ 2.4	
○ Provost Fund for Innovation in Research	\$ 1.8	
○ Hazardous Waste Disposal	\$ 0.3	
○ ORED Research Seed/Initiatives/Start-ups	<u>\$ 6.3</u>	
Total Allocations		\$33.9

- How are different costs for course expenses (e.g., supplies) accounted for?
- How are vehicle funds allocated (golf carts, trucks) to transfer staff?
- Operating Budgets are distributed to Colleges/Units that make the allocations necessary to run their operations
- There are no central allocations for course expenses or a vehicle fund

# The Puzzle That Gets Solved Every Fiscal Year Additional Questions?

