

Operating Budget Planning and Approval Process

LSU annually prepares a balanced operating budget based on sound planning and development processes. The budget development process takes a comprehensive approach, includes a broad spectrum of university participation, and considers several projections and potential impacts such as

- Changes in state appropriation allocation;
- Proposed changes to tuition and fees;
- Enrollment projections;
- Estimated state unfunded mandate costs, such as changes in employer retirement rates, health insurance rates, and risk management insurance premiums;
- Possible cost saving efficiency in both academic and non-academic functions

The budget projections and potential impacts are presented to the University Budget Committee. This committee advises the Executive Vice President & Provost on matters regarding the budgetary administration of the campus. The committee membership consists of the Executive Vice President & Provost, who serves as chair; Executive Vice President for Finance & Administration/CFO, Vice Provost, Faculty Senate President, Staff Senate President, Associate Vice President for Budget & Planning and Vice Provost for Finance, Vice President for Strategic Communications, and five faculty members.

The Executive Vice President & Provost, the Vice Provosts for Academic Affairs, and the Executive Vice President for Finance and Administration/CFO also meet with the vice presidents and academic deans throughout the year to discuss current and future funding needs necessary to meet strategic plans and budget priorities. The executive administration also meets with student groups, such as LSU Student Government and student newspaper representatives, to discuss budgetary matters. These discussions and meetings are used to develop budget scenarios and implement plans once the state appropriation process is complete.

The state budget process begins in the fall before the upcoming fiscal year, with the state agency's submission of budget requests to the Governor's Division of Administration (DOA). These requests are used to develop the Executive Budget that is the beginning of the legislative appropriation process. The budget requests include budgetary information on prior year actual and current year budgeted revenues and expenditures, continuation budget requests, special program requests, and projected impacts of state mandated cost increases. Public universities and colleges submit their budget requests through their management boards to the Louisiana Board of Regents (BOR), which in turn submits a request to the DOA on behalf of all institutions. Pursuant to the budgetary responsibility for all public postsecondary education provided in Article VIII, Section 5 of the Louisiana Constitution and to the power to formulate and revise a master plan for higher education, including a formula for the equitable distribution of funds, the Board of Regents submits a request for full formula funding for all public postsecondary degree granting institutions. Due to the economic conditions faced by Louisiana, the level of funding from the legislature has not followed the formula funding requested by the BOR.

The budget request recommendations provide input for the governor and the legislature as they consider budget priorities for the upcoming year during the legislative session. If the house and senate approve differing versions of the appropriations bill, a conference committee works out the differences and presents a compromise package to the house and the senate for approval. Following ratification of the conference committee report, the bill then goes to the governor for signature, who may exercise line-item vetoes, which the legislature may override by a two-thirds vote.

Once the higher education appropriation is approved by the governor, the BOR approves a plan for distribution of the funds to the Louisiana Higher Education Management Boards. Article VIII, Section 7 of the Louisiana Constitution created the LSU Board of Supervisors with corporate powers, and Revised Statute 17:3351 lists the powers of the board, including the authority to accept and manage assets for the well-being of the LSU campuses. Article VIII, Section 12 of the Louisiana Constitution clearly states that the appropriations for the institutions of higher education are made to their management boards. Through annual action, the LSU Board of Supervisors allocates state appropriated funds to the campuses that report to them.

Although the Legislature, the BOR and the LSU Board of Supervisors provide budget guidance, the state appropriation is provided as a lump sum to LSU, and the expenditures are not specified at an itemized operating level. With recommendations and feedback from campus executive administration, including areas such as the University Budget Committee, vice presidents, academic deans, executive vice president and provost and the president, the general funds budget that will be allocated to each college and major unit is finalized. Following these final allocation decisions, the LSU Office of Budget and Planning distributes allocations and instructions for developing individual unit budgets. Once the individual units complete the budget development process, the budgets are compiled for final review and approval by the university's executive administration. The final stage of the budget development process is to create the annual published budget documents in a format prescribed by the Louisiana Board of Regents and by the LSU Board of Supervisors. The current and prior year's budget documents are available in hard copy in the LSU Hill Memorial Library and are available on the LSU Office of Budget & Planning Website.

The LSU Operating Budget is approved each fiscal year by the LSU Board of Supervisors and by the Louisiana Board of Regents.

The Office of Budget & Planning offers instructor led Workday training as well as Job Aids which give guidance and instructions on accessing Workday reports for monitoring departmental budgets. These can be found at www.lsu.edu/workday/training.php.