

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.

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