



# THE LSU PLAN FOR GREATER IMPACT ON LOUISIANA

*Change, Focus, and Autonomy*

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The financial problems of the State of Louisiana for Fiscal Years 2011, 2012, and 2013 will cause additional funding reductions for state agency and higher education budgets. To best prepare LSU for these significant budgetary challenges, the University is implementing the "LSU Plan for Greater Impact on Louisiana", a strategy to position the University for the next three years and beyond. Several aspects of the LSU Plan are consistent with the Executive Budget and the LA Grad Act that Governor Jindal recently proposed.

### THE LSU PLAN: CHANGE, FOCUS, & AUTONOMY

#### I. **CHANGE** – Efficiencies and Entrepreneurship

**Financial Goal for Change:** Minimum of \$5 million over the next several years

LSU understands that the University must do more with less and is taking aggressive steps to evaluate the way in which it operates – from what it buys to how it spends to new ways to increase revenues.

##### A. Efficiencies

1. Strategic Sourcing (Courier Services, Printers and Copiers, & Information Technology, etc.)
  - a. Courier Services – LSU entered into contract with a consulting firm to evaluate current contracts and buying practices. The University expects to realize savings of a minimum of \$50,000 university-wide per fiscal year beginning in FY11.
  - b. Printers and Copiers – LSU is evaluating its current usage of printers versus copy machines. Initial data suggests that greater use of copiers rather than desktop printers could save as much as \$150,000 university-wide per fiscal year beginning in FY11.
  - c. Information Technology
    - i. Student E-mail – LSU outsourced its student email solution to Google and saved the University over \$175,000 per year.
    - ii. Learning System – LSU transitioned to the "open source" (no licensing fee) Moodle for the online learning system used by students and faculty and saved approximately \$300,000 per year.
    - iii. The University continues to evaluate other technology solutions to achieve savings at the University and department level.
2. Electronic Payment Solutions – LSU is reprogramming its Accounts Payable system to pay more of its bills with the Procurement Card. The University expects to generate an additional \$250,000 in rebates per fiscal year beginning in FY11.
3. Strategic Human Capital Management – LSU is determining if new retirement and flex options may be advantageous to the University.
4. Energy Savings – LSU expects to receive approximately \$4 million in federal stimulus funds for energy efficiency projects. The University has identified projects that could save approximately \$750,000 to \$1 million per year following solution implementation.
5. Fleet Reduction – LSU recently reduced its fleet by 5% and continues to evaluate the fleet for further reductions. The University is also expanding efforts to make greater use of electric vehicles.

##### B. Entrepreneurship

1. Streamline Fundraising Efforts to Increase Endowment – LSU is completing the Forever LSU campaign this year. The University will focus on significantly increasing the endowment in the next campaign.
2. Renegotiate Revenue Generating Contracts – LSU is identifying contracts that can be extended and/or renegotiated to yield additional revenue. The University recently extended its licensing agreement with the Collegiate Licensing Company and expects to increase revenue by approximately \$50,000 per year beginning in FY11.
3. Online Degree, Certificate, and Professional Programs – LSU is committed to offering online degree programs as well as more certificate and professional programs. A University committee recently completed an analysis of the steps necessary to begin offering a minimum of two online degrees within the next 12 to 24 months.
4. Strategic Use of LSU Land and Facilities
  - a. South Campus Research Park – LSU is committed to developing this site into a new research corridor for the University and the Baton Rouge area.
  - b. Nicholson Gateway Project – LSU is studying the future use of approximately 40 acres located on Nicholson Drive. The University plans to develop this site under a public private partnership and projects that it will become a new gateway entry into the campus comprised of housing, retail, and other mixed-use options.
5. Seek More Grants and Contracts – LSU was awarded more than \$150 million in grants and contracts last year. The University is committed to increasing the awards with special emphasis on federal grants related to nuclear training, digital media, alternative and traditional energy, coastal restoration, and other areas.

## II. **FOCUS** – Adjustments and Enrollment

**Financial Goal for Focus:** Minimum of \$10 million over the next several years

LSU resolves to sharpen the focus of the University by reallocating resources within academic programs to improving student recruitment strategies to additional programs for retaining and graduating students.

### A. Academic and Administrative Adjustments

1. Review Academic Programs – LSU is in the process of reviewing all academic programs in accordance with criteria established by a committee of faculty, staff, and students.
2. Evaluate Centers and Institutes – LSU is evaluating the University’s centers and institutes and expects to reduce the number of these programs within the next 12 months.
3. Reduce Administrative Operations – LSU has significantly reduced administrative overhead in the last year and expects to continue to evaluate ways in which savings can be achieved.

### B. Enrollment Strategies

Enrollment Goal: 5,000 new undergraduates (freshmen and transfers) each year

1. Increase Graduate Student Enrollment – LSU’s graduate students make up approximately 17% of the total student body. The University is working towards increasing this enrollment to greater than 20% of the student body.
  2. Attract More Transfer Students – LSU recruited approximately 800 transfer students last year. The University is working with community colleges to build better transfer programs and expects to grow transfer enrollment by 25% over the next few years.
  3. Recruit More High Achieving Undergraduate Students – LSU is working with a consulting firm to develop a new scholarship program for FY12. The University expects that the revised program will lead to the recruitment of more high achieving undergraduates.
- Retain and Graduate More Students

- a. Comprehensive Academic Tracking System – LSU is implementing a new enrollment system that helps students schedule courses in a timely manner and more effectively identifies students who may be in need of additional University support.
- b. First Year Experience – LSU is implementing a new program for first year students (freshmen and transfers) that builds improved transition and support systems.

### III. **AUTONOMY** – Authority and Flexibility

**Financial Goal for Autonomy:** Minimum of \$14 million net increase in tuition/fee revenue annually.

LSU requires greater authority and autonomy over its operational variables so it may provide the best educational value to the students and citizens of Louisiana.

#### A. Tuition and Fee Authority

- 1. Amount of Increase – LSU needs the ability to charge students a sufficient rate to maintain a quality classroom experience. Tuition and fees remain the primary means to counteract reductions in state funding. Governor Jindal’s proposed LA Grad Act would permit a 10% annual increase in tuition, which is an amount more closely reflecting what LSU will need in the upcoming years.
- 2. Peer Analysis – LSU seeks to increase tuition and fees to a rate that is similar to its peers. LSU’s current tuition and fees are \$2,761 per year less than the average of its peers.

#### B. Administrative Flexibility

- 1. Procurement
  - a. LSU seeks an exemption from the Procurement Support Team and Office of Information Technology reviews of University purchases.
  - b. LSU seeks to remove the requirement of newspaper advertising since electronic notification is required for competitive bidding. Add electronic notification for all construction projects.
  - c. LSU seeks approval to allow for participation in cooperative purchasing agreements competitively solicited by cooperative buying groups.
  - d. LSU seeks modifications to the Division of Administration Policies and corresponding Louisiana Administrative Code to increase delegation of authority to approve contracts from \$20,000 to \$50,000 using an approved Office of Contractual Review template.
  - e. LSU seeks modifications to the Governor’s Executive Order on Small Purchases to increase the noncompetitive limit on small purchases from \$1,000 to \$5,000.
  - f. LSU seeks additional modifications necessary to support the purchasing needs of faculty and researchers.
- 2. Travel - LSU seeks approval to develop and implement a new travel policy designed for the distinctive needs of faculty and researchers.
- 3. Facility Construction and Renovation Projects
  - a. LSU seeks to eliminate the need for legislative approval when a construction or renovation project is financed with 100% non-state funds.
  - b. LSU seeks to increase the approval limits for construction and renovation projects.
- 4. Human Resources (Hiring, etc.) – LSU must maintain control of its ability to hire based on the needs of its students, researchers, and University goals.
- 5. Property and Fleet Management
  - a. LSU seeks to increase the threshold value of property from \$1,000 to \$5,000 to coincide with GASB 35 level of depreciable capital assets.

- b. LSU seeks an adjustment to the calculation of break-even mileage of fleet to be agency specific and exclusive of special-use vehicles, including but not limited to fire trucks, garbage vehicles or ambulances, and low speed electric vehicles.
- c. LSU seeks approval to allow the University to retain 100% of revenues generated from the sale of scrap equipment.

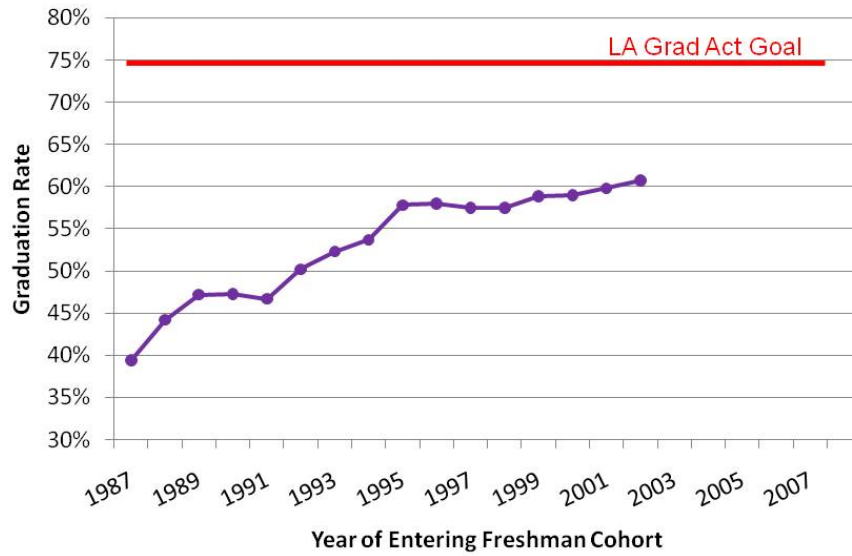
### **CONCLUSION**

LSU has a track record of breaking new ground. With this strategy comprised of the University's commitment to change, keener focus, and greater autonomy, the University will forge a path to higher performance and accountability. The LSU Plan represents a partnership between state government, students, faculty, staff, and citizens. When LSU emerges from this challenging economic situation, the University will be positioned to provide even more nationally competitive education, research, and service to Louisiana.

## APPENDIX

LSU has performed at a high level for the last 23 years and the University will continue to perform over the next decade and beyond. LSU's graduation and first-year retention rates since 1987 are outlined below.

### LSU's Graduation Rate



### First-Year Retention

