Transition Advisory Team
Final Report to the LSU Board of Supervisors
ABOUT THIS REPORT

In late 2012, the LSU Board of Supervisors committed to a strategic effort of implementing organizational and operational changes that would collectively better position all Louisiana State University campuses to thrive in the rapidly changing environment of higher education. This effort has assumed the name LSU2015 in recognition of the import of this work and the multiyear commitment of priority attention and expeditious action that will be required to achieve its intended purpose.

The goal of LSU2015 is to bring together the resources of the various units of the current LSU System to create a single, globally competitive LSU with statewide reach that is more efficient and more productive in the areas of educating its students, creating robust collaborative research, impacting economic development and conducting public service activities.

The LSU Board of Supervisors, in concert with Interim President William Jenkins, appointed a 10 member LSU Transition Advisory Team in December 2012. Their task as outlined by the Board was to hear testimonies from nationally recognized subject matter experts, receive reports and analyzes relevant information brought forward from a wide variety of stakeholders including LSU students, faculty and staff. Five Subcommittees and one Resource Group were formed to facilitate the identification of important issues and opportunities in the key focus areas of: 1) Academics, 2) Research and Discovery, 3) Student Experience, 4) Finance and Revenue and 5) Operations and Technology. A Legal and Regulatory resource group was created as well. Subcommittee members included representatives drawn from across the LSU enterprise and outside experts. The Transition Advisory Team and the Subcommittees met and worked through mid-July 2013.
This final report includes a set of ideas respectfully submitted by the Transition Advisory Team to the LSU Board of Supervisors as a resource to support the **LSU2015** effort.

### Transition Advisory Team Members

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Role and Background</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dr. William “Bill” L. Jenkins</strong></td>
<td>Interim president of the LSU System and interim chancellor of LSU. Jenkins has served as dean of the LSU School of Veterinary Medicine, LSU’s executive vice chancellor and provost, LSU chancellor, and LSU System president before retiring in 2007.</td>
</tr>
<tr>
<td><strong>Clarence P. Cazalot, Jr.</strong></td>
<td>Chairman, President and CEO of Marathon Oil Corporation holding that position for ten years. For his lifetime support of LSU, he was presented an honorary doctorate of humane letters by the Board of Supervisors in 2007.</td>
</tr>
<tr>
<td><strong>William M. Comegys III</strong></td>
<td>A practicing attorney involved primarily in the oil and gas industry. He completed ROTC at LSU and was commissioned as a lieutenant in the Army in 1971. Comegys is currently the president of the Committee of 100 for Shreveport/Bossier.</td>
</tr>
<tr>
<td><strong>Dr. James W. “Jim” Firnberg</strong></td>
<td>Chancellor emeritus of LSU-Alexandria, President emeritus of Our Lady of the Lake College and an LSU professor emeritus. Dr. Firnberg is a frequent consultant with the National Science Foundation.</td>
</tr>
<tr>
<td><strong>G. Lee Griffin</strong></td>
<td>President and CEO of the LSU Foundation. He is the retired chairman and CEO of Bank One of Louisiana, now Chase Bank. He is a member of the LSU Alumni Hall of Distinction and recipient of numerous civic awards for service to the community.</td>
</tr>
<tr>
<td><strong>Lt. Gen. Russel L. Honoré</strong></td>
<td>Capped a 37-year career by serving as the commanding general of the U.S. First Army. General Honoré was commander of Joint Task Force Katrina, the federal government’s Hurricane Katrina relief effort. He sits on the board of LSU’s Stephenson Disaster Management Institute and is an adjunct professor at Emory and Vanderbilt universities.</td>
</tr>
<tr>
<td><strong>Dr. Lester W. Johnson</strong></td>
<td>Professor and Chief of Surgery and Director of Surgical Services at Louisiana State University Health Sciences Center – Monroe. Johnson served on the Louisiana Emergency Response Network and Louisiana Recovery Authority Healthcare Taskforce, as well as the Delta Regional Authority’s Health Advisory Committee.</td>
</tr>
<tr>
<td><strong>W. Shelby McKenzie</strong></td>
<td>Partner with Taylor, Porter, Brooks &amp; Phillips, LLP, and serves as lead counsel for the LSU System. McKenzie has years of experience representing the LSU System on all facets of law, including human resources, admissions, intellectual property, litigation, and many other aspects of law affecting public entities the size and complexity of the System.</td>
</tr>
<tr>
<td><strong>William L. “Bill” Silvia</strong></td>
<td>Former Executive Vice President for Finance with the LSU System. Currently, Silvia serves as the president and CEO of the Pennington Medical Foundation and board treasurer for both the LSU Foundation and the LSU System Research &amp; Technology Foundation.</td>
</tr>
<tr>
<td><strong>Carroll W. Suggs</strong></td>
<td>Served as chairwoman, president and CEO of Petroleum Helicopters Inc., before retiring in 2001. Suggs has served as a commissioner of the Ernest M. Morial Convention Center and sits on the World War II Museum Board of Trustees. For LSU, she is on the LSU System Research &amp; Technology Foundation Board of Directors and LSU College of Engineering Diversity Board.</td>
</tr>
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Subcommittees of the LSU Transition Advisory Team

The following members of the LSU Transition Advisory Team Subcommittees generously volunteered their time, energy, and ideas to **LSU2015**.

<table>
<thead>
<tr>
<th>Name</th>
<th>Campus</th>
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<tbody>
<tr>
<td>Mr. Charles Lewis</td>
<td>LSU</td>
<td>Student, Microbiology</td>
</tr>
<tr>
<td>Ms. Ellen Stutes</td>
<td>LSU-E</td>
<td>Associate Professor, Mathematics</td>
</tr>
<tr>
<td>Dr. John Russin</td>
<td>LSU AgCenter</td>
<td>Vice Chancellor, Research</td>
</tr>
<tr>
<td>Dr. John Vassar</td>
<td>LSU-S</td>
<td>Interim Provost, Academic Affairs</td>
</tr>
<tr>
<td>Dr. Kevin Cope</td>
<td>LSU</td>
<td>Faculty Senate President and Professor of English</td>
</tr>
<tr>
<td>Dr. Lee Engel</td>
<td>LSUHSC-NO</td>
<td>Associate Program Director, Internal Medicine Residency Program</td>
</tr>
<tr>
<td>Dr. Mary Treuting</td>
<td>LSU-A</td>
<td>Professor, Behavioral and Social Sciences</td>
</tr>
<tr>
<td>Dr. Phil Brantley</td>
<td>Pennington BRC</td>
<td>Professor and Associate Executive Director for Education</td>
</tr>
<tr>
<td>Dr. Stacia Haynie</td>
<td>LSU</td>
<td>Alumni Professor, Political Science</td>
</tr>
<tr>
<td>Dr. Terry Davis</td>
<td>LSUHSC-S</td>
<td>Professor, Medicine and Pediatrics</td>
</tr>
<tr>
<td>Mr. Thomas Rodgers</td>
<td>LSU</td>
<td>Graduate Student</td>
</tr>
<tr>
<td>Mr. William Corbett</td>
<td>LSU Law Center</td>
<td>Professor of Law</td>
</tr>
<tr>
<td>Ms. Stephanie Braunstein</td>
<td>LSU</td>
<td>Government Documents Librarian</td>
</tr>
<tr>
<td>Dr. James W. “Jim” Firnberg</td>
<td>LSU</td>
<td>Transition Advisory Team Member</td>
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# Finance and Revenue Subcommittee

Co-Chairs: G. Lee Griffin, Clarence P. Cazalot, Jr.

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<tr>
<td>Mr. Tom Adamek</td>
<td>-</td>
<td>President, Stonehenge Capital</td>
</tr>
<tr>
<td>Ms. Pat Bodin</td>
<td>-</td>
<td>Chief Information Officer and Vice President ExxonMobil (retired)</td>
</tr>
<tr>
<td>Ms. Lynette Burlew</td>
<td>LSU-A</td>
<td>Director, Human Resource Management</td>
</tr>
<tr>
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<tr>
<td>Mr. Mike Ferrell</td>
<td>LSU-S</td>
<td>Vice Chancellor, Business Affairs</td>
</tr>
<tr>
<td>Mr. Tony Gordon</td>
<td>-</td>
<td>Senior Vice President of Strategy and Talent Management, FMOLHS</td>
</tr>
<tr>
<td>Mr. Charles Stewart Hamel</td>
<td>-</td>
<td>Managing Principal, Hamel Interests and Private Equity, LLC</td>
</tr>
<tr>
<td>Mr. Brad Jewell</td>
<td>Pennington BRC</td>
<td>Vice President and Chief Financial Officer</td>
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<tr>
<td>Mr. John Nesser</td>
<td>LSU Law Center</td>
<td>Accretive Assets, Alum of LSU Law Center</td>
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<td>-</td>
<td>Chairman of the Board Emeritus, Postlethwaite &amp; Netterville</td>
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<tr>
<td>Mr. Rick Perry</td>
<td>LSU</td>
<td>Senior Vice President, Tiger Athletic Foundation</td>
</tr>
<tr>
<td>Dr. Fred Piazza</td>
<td>LSU AgCenter</td>
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<td>Vice Chancellor for Administration and Finance</td>
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<td>LSU</td>
<td>Ph.D. Student, Economics</td>
</tr>
<tr>
<td>Mr. Chris Vidrine</td>
<td>LSUHSC-NO</td>
<td>Director of External Affairs</td>
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## Research and Discovery Subcommittee

**Chair: Dr. James W. “Jim” Firnberg**

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<tr>
<td>Dr. Bob Walter</td>
<td>LSUHSC-S</td>
<td>Associate Professor, Department of Pulmonary Medicine and Critical Care</td>
</tr>
<tr>
<td>Ms. Charisma Edwards</td>
<td>LSU</td>
<td>Graduate Student, Electrical Engineering</td>
</tr>
<tr>
<td>Dr. Dalton Gossett</td>
<td>LSU-S</td>
<td>Associate Dean, Chair and Professor, Biological Sciences</td>
</tr>
<tr>
<td>Dr. Jackie Stephens</td>
<td>Pennington BRC</td>
<td>Professor and Director, Basic Science Research</td>
</tr>
<tr>
<td>Dr. Jim Griffin</td>
<td>LSU AgCenter</td>
<td>Professor, School of Plant, Environmental and Soil Sciences</td>
</tr>
<tr>
<td>Ms. Mathile Abramson</td>
<td>LSU Law Center</td>
<td>Kean Miller Law Firm, Alum of LSU Law Center</td>
</tr>
<tr>
<td>Dr. Matthew Lee</td>
<td>LSU</td>
<td>Associate Vice Chancellor, Research and Economic Development</td>
</tr>
<tr>
<td>Ms. Rebekah Jones</td>
<td>LSU</td>
<td>Graduate Student</td>
</tr>
<tr>
<td>Dr. Rex Caffey</td>
<td>LSU AgCenter</td>
<td>Professor, Natural Resource Economics</td>
</tr>
<tr>
<td>Dr. Richard Koubek</td>
<td>LSU</td>
<td>Dean, College of Engineering</td>
</tr>
<tr>
<td>Dr. Sam Bentley</td>
<td>LSU</td>
<td>Associate Professor, Geology and Geophysics</td>
</tr>
<tr>
<td>Dr. Tim Foster</td>
<td>LSUHSC-NO</td>
<td>Assistant Professor, Microbiology, Immunology and Parasitology</td>
</tr>
<tr>
<td>Dr. Will Cefalu</td>
<td>Pennington BRC</td>
<td>Associate Executive Director, Scientific Affairs/Chief Scientific Officer</td>
</tr>
<tr>
<td>Mr. Jason El Koubi</td>
<td>-</td>
<td>Assistant Secretary, LED</td>
</tr>
<tr>
<td>Mr. Aaron Miscenich</td>
<td>-</td>
<td>President, New Orleans BioInnovation Center</td>
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## Student Experience Subcommittee


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<tr>
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<tbody>
<tr>
<td>Ms. Alexandra Moore</td>
<td>LSU-E</td>
<td>Student Government Association President</td>
</tr>
<tr>
<td>Dr. Eamon Halpin</td>
<td>LSU-A</td>
<td>Director, Student Support</td>
</tr>
<tr>
<td>Ms. Jacquelyn Wax</td>
<td>LSU</td>
<td>Student Recruiter, Greater New Orleans Public Schools</td>
</tr>
<tr>
<td>Mr. James Sudduth</td>
<td>LSU Law Center</td>
<td>Student</td>
</tr>
<tr>
<td>Ms. Janelle Garcia</td>
<td>LSU</td>
<td>Student, Communication Disorders</td>
</tr>
<tr>
<td>Dr. Joe McCulloch</td>
<td>LSUHSC-S</td>
<td>Dean, School of Allied Health and Professor</td>
</tr>
<tr>
<td>Mr. John Parker Ford</td>
<td>LSU</td>
<td>Student, Mass Communications</td>
</tr>
<tr>
<td>Ms. Judy Daniels</td>
<td>LSU-E</td>
<td>Vice Chancellor, Student Affairs and Enrollment Services</td>
</tr>
<tr>
<td>Dr. Kurt Keppler</td>
<td>LSU</td>
<td>Vice Chancellor, Student Life</td>
</tr>
<tr>
<td>Ms. Lisa Pickering</td>
<td>LSU-S</td>
<td>Assistant Director, Student Aid</td>
</tr>
<tr>
<td>Dr. Mark Tassin</td>
<td>LSU AgCenter</td>
<td>Head of Department of 4-H Youth and Family Development</td>
</tr>
<tr>
<td>Mr. Renford Cindass</td>
<td>LSUHSC-NO</td>
<td>Student Government Association President</td>
</tr>
<tr>
<td>Mr. Sanjay Juneja</td>
<td>LSUHSC-S</td>
<td>Student Government Association President</td>
</tr>
<tr>
<td>Ms. Lisa Johnson</td>
<td>-</td>
<td>President/CEO, Bossier Chamber of Commerce</td>
</tr>
<tr>
<td>Mr. George Bevan, Jr.</td>
<td>LSU</td>
<td>Student, Mass Communications</td>
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## Operations and Technology Subcommittee

**Co-Chairs: William M. Comegys III, William L. “Bill” Silvia**

<table>
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<tr>
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<tr>
<td>Mr. Bryan Haymon</td>
<td>LSU Law Center</td>
<td>SGS Petroleum Service Corporation, Alum of LSU Law Center</td>
</tr>
<tr>
<td>Mr. Brian Nichols</td>
<td>LSU</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Mr. Deron Thaxton</td>
<td>LSU-A</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Dr. Hamilton Farris</td>
<td>LSUHSC-NO</td>
<td>Research Assistant Professor, Neuroscience Center</td>
</tr>
<tr>
<td>Dr. Jennifer Rood</td>
<td>Pennington BRC</td>
<td>Professor and Associate Executive Director for Cores/Resources</td>
</tr>
<tr>
<td>Mr. Joel Tohline</td>
<td>LSU</td>
<td>Director of CCT</td>
</tr>
<tr>
<td>Ms. Marjana Herring</td>
<td>LSU-E</td>
<td>Programmer/Analyst, Information Technology</td>
</tr>
<tr>
<td>Mr. Patrick Reed</td>
<td>LSUHSC-NO</td>
<td>Office of Technology Management</td>
</tr>
<tr>
<td>Mr. Shelby Keith</td>
<td>LSU-S</td>
<td>Chief Information Officer</td>
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<tr>
<td>Dr. Tammy Dugas</td>
<td>LSUHSC-S</td>
<td>Associate Professor, Department of Pharmacology, Toxicology and Neuroscience</td>
</tr>
<tr>
<td>Mr. Taylor Cox</td>
<td>LSU</td>
<td>LSU Student Body President</td>
</tr>
<tr>
<td>Mr. Todd Barré</td>
<td>LSU AgCenter</td>
<td>Director of Budget and Institutional Research</td>
</tr>
<tr>
<td>Mr. Ross Barrett</td>
<td>-</td>
<td>Managing Partner, BVM Capital, LLC</td>
</tr>
<tr>
<td>Mr. Shawn Usher</td>
<td>-</td>
<td>President, Sparkhound</td>
</tr>
<tr>
<td>Mr. Joe Lovett</td>
<td>-</td>
<td>Managing General Partner, Louisiana Emerging Technology Center</td>
</tr>
<tr>
<td>Ms. Nicole Honorée</td>
<td>LSU System</td>
<td>Director of Research and Economic Development Initiatives</td>
</tr>
<tr>
<td>Ms. Carla Fishman</td>
<td>LSU System</td>
<td>Assistant to the Vice President of Academic Affairs</td>
</tr>
<tr>
<td>Mr. Wade Baumgartner</td>
<td>LSU AgCenter</td>
<td>Director, Office of Intellectual Property</td>
</tr>
<tr>
<td>Ms. Frankie Gould</td>
<td>LSU AgCenter</td>
<td>Director, Communications and Public Relations</td>
</tr>
<tr>
<td>Ms. Frankie Gould</td>
<td>LSU AgCenter</td>
<td>Assistant Vice Chancellor, Computer Sciences</td>
</tr>
<tr>
<td>Dr. James Robinson</td>
<td>LSU-E</td>
<td>Professor, Sociology</td>
</tr>
<tr>
<td>Mr. Adam Knapp</td>
<td>-</td>
<td>President and CEO, Baton Rouge Area Chamber</td>
</tr>
</tbody>
</table>
Task Forces were also formed to focus on specific areas of priority. The six Task Forces, composed of members of the Finance and Revenue and Operations and Technology Subcommittees, worked on various subjects related to transformation. These areas included administrative services, commercialization and technology transfer, external affairs, revenue generation, streamlining, and technology.

### Administrative Services Task Force

Co-Chairs: G. Lee Griffin, Clarence P. Cazalot, Jr.

<table>
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<tr>
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<td>Director, Human Resource Management</td>
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<tr>
<td>Mr. Chris Vidrine</td>
<td>LSUHSC-NO</td>
<td>Director, External Affairs</td>
</tr>
<tr>
<td>Mr. Ben Lousteau</td>
<td>LSUHSC-NO</td>
<td>Senior Fiscal Analyst</td>
</tr>
<tr>
<td>Ms. Marie Frank</td>
<td>LSU</td>
<td>Executive Director of Procurement Services and Property Management</td>
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## Procurement Group (Subset of Administrative Services Task Force)

<table>
<thead>
<tr>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Ms. Marie Frank</td>
<td>LSU</td>
<td>Executive Director of Procurement Services and Property Management</td>
</tr>
<tr>
<td>Mr. Donnie Thibodeaux</td>
<td>LSU-E</td>
<td>Assistant to the Vice Chancellor for Business Affairs</td>
</tr>
<tr>
<td>Mr. Bill Wolfe</td>
<td>LSU-S</td>
<td>Director, Human Resource Management</td>
</tr>
<tr>
<td>Mr. Rob Parker</td>
<td>LSUHSC-NO</td>
<td>Director, Purchasing</td>
</tr>
<tr>
<td>Mr. Deron Thaxton</td>
<td>LSU-A</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Ms. Angela Neal</td>
<td>LSUHSC-S</td>
<td>Acting Director, Purchasing and Materials Management</td>
</tr>
<tr>
<td>Ms. Jan Bernath</td>
<td>LSU AgCenter</td>
<td>Director, Accounting Services</td>
</tr>
<tr>
<td>Ms. Monica Mougeot</td>
<td>Pennington BRC</td>
<td>Director, Fiscal Operations</td>
</tr>
<tr>
<td>Mr. Leviticous “Vic” Cleveland</td>
<td>-</td>
<td>Manager, Contracting and Procurement, Shell Geismer</td>
</tr>
<tr>
<td>Mr. Glenn Ducote</td>
<td>-</td>
<td>Attorney, Ducote Law Office</td>
</tr>
<tr>
<td>Mr. Tony Calcagno</td>
<td>-</td>
<td>Procurement Director, The Shaw Group</td>
</tr>
<tr>
<td>Mr. Ron Krajewski</td>
<td>-</td>
<td>Specialty Underwriters</td>
</tr>
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### Commercialization and Technology Transfer Task Force

**Co-Chairs: William M. Comegys III, William L. “Bill” Silvia**

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<td>Mr. Joe Lovett</td>
<td>-</td>
<td>Managing General Partner, Louisiana Emerging Technology Center</td>
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<tr>
<td>Mr. Patrick Reed</td>
<td>LSUHSC-NO</td>
<td>Office of Technology Management Director, Office of Intellectual Property/Interim Director, Office of Sponsored Programs</td>
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<tr>
<td>Mr. Wade Baumgartner</td>
<td>LSU AgCenter</td>
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<tr>
<td>Ms. Carla Fishman</td>
<td>LSU System</td>
<td>Assistant to the Vice President of Academic Affairs</td>
</tr>
<tr>
<td>Ms. Nicole Honorée</td>
<td>LSU System</td>
<td>Director, Research and Economic Development Initiatives</td>
</tr>
<tr>
<td>Mr. Adam Knapp</td>
<td>-</td>
<td>President and CEO, Baton Rouge Area Chamber</td>
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### External Affairs Task Force

**Co-Chairs: William M. Comegys III, William L. “Bill” Silvia**

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<th>Name</th>
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<tr>
<td>Mr. Rick Perry</td>
<td>LSU</td>
<td>Senior Vice President, Tiger Athletic Foundation</td>
</tr>
<tr>
<td>Mr. Chris Vidrine</td>
<td>LSUHSC-NO</td>
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</tr>
<tr>
<td>Ms. Frankie Gould</td>
<td>LSU AgCenter</td>
<td>Director, Communications and Public Relations</td>
</tr>
<tr>
<td>Dr. Holly Cullen</td>
<td>LSU</td>
<td>Assistant Vice Chancellor, LSU Communications and University Relations</td>
</tr>
<tr>
<td>Mr. Charles Stewart Hamel</td>
<td>-</td>
<td>Managing Principal, Hamel Interests and Private Equity</td>
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### Revenue Generation Task Force

Co-Chairs: G. Lee Griffin, Clarence P. Cazalot, Jr.

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<tr>
<td>Mr. Todd Barré</td>
<td>LSU AgCenter</td>
<td>Director, Budget and Institutional Research</td>
</tr>
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<td>Chairman of the Board Emeritus, Postlethwaite &amp; Netterville</td>
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<td>Mr. Rick Perry</td>
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<td>Senior Vice President, Tiger Athletic Foundation</td>
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<tr>
<td>Mr. Richard Aguilar</td>
<td>LSU</td>
<td>McGlinchey Stafford, PPLC – New Orleans</td>
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### Streamlining Procedures, Rules, and Regulations Task Force


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<tr>
<td>Mr. Todd Barré</td>
<td>LSU AgCenter</td>
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<td>Mr. John Dailey</td>
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<tr>
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<td>LSU-S</td>
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</tr>
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<td>LSU</td>
<td>Chief Information Officer</td>
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<tr>
<td>Ms. Donna Torres</td>
<td>LSU</td>
<td>Associate Vice Chancellor, Accounting Services, Staff Senate Executive Committee Member At-Large</td>
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<tr>
<td>Mr. Ben Lousteau</td>
<td>LSUHSC-NO</td>
<td>Senior Fiscal Analyst</td>
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## Technology Task Force

Co-Chairs: G. Lee Griffin, Clarence P. Cazalot, Jr.

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<tr>
<td>Ms. Pat Bodin</td>
<td>-</td>
<td>Chief Information Officer and Vice President ExxonMobil (retired)</td>
</tr>
<tr>
<td>Dr. Tammy Dugas</td>
<td>LSUHSC-S</td>
<td>Associate Professor, Department of Pharmacology, Toxicology and Neuroscience</td>
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<tr>
<td>Dr. Hamilton Farris</td>
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<td>Research Assistant Professor, Neuroscience Center</td>
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<td>Ms. Marjana Herring</td>
<td>LSU-E</td>
<td>Programmer/Analyst, Information Technology</td>
</tr>
<tr>
<td>Mr. Shelby Keith</td>
<td>LSU-S</td>
<td>Chief Information Officer</td>
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<tr>
<td>Mr. Brian Nichols</td>
<td>LSU</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Dr. Jennifer Rood</td>
<td>Pennington BRC</td>
<td>Professor and Associate Executive Director, Cores/Services</td>
</tr>
<tr>
<td>Mr. Deron Thaxton</td>
<td>LSU-A</td>
<td>Chief Information Officer</td>
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<tr>
<td>Mr. Joel Tohline</td>
<td>LSU</td>
<td>Director, CCT</td>
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<tr>
<td>Mr. Shawn Usher</td>
<td>-</td>
<td>President, Sparkhound</td>
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<tr>
<td>Dr. Fred Piazza</td>
<td>LSU AgCenter</td>
<td>Chief Information Officer</td>
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<tr>
<td>Ms. Bettina Owens</td>
<td>LSUHSC-NO</td>
<td>Assistant Vice Chancellor, Computer Sciences</td>
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<tr>
<td>Dr. James Robinson</td>
<td>LSU-E</td>
<td>Professor of Sociology</td>
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In addition, a **Legal and Regulatory Advisory Group** led by Mr. Shelby McKenzie and Dr. Jim Firnberg was available to provide technical advice and support to each subcommittee as needed.
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Change in Higher Education

Anyone who follows the ongoing discussion and debate about higher education in the United States has grown accustomed in recent years to reading material like this...

*In worldwide rankings more than half of the top 100 universities, and eight of the top ten, are American. The scientific output of American institutions is unparalleled. They produce most of the world’s Nobel laureates and scientific papers. Moreover college graduates, on average, still earn far more and receive better benefits than those who do not have a degree.*

*Nonetheless, there is growing anxiety in America about higher education.*

“The Economist
December 1, 2012

*Despite much rhetoric about the need to regain US leadership in higher education and boost the economy by educating more students, higher education across the nation is facing steep reductions in federal and state funding.*

“Academe
May-June 2011

*The American higher-education system has long been seen as a leader in the world, but confidence in its future and its enduring value may be beginning to crack along economic lines, according to two major surveys of the American public and college presidents conducted this spring.*

*... perhaps the most troublesome finding from the surveys is this: More than a third of presidents think the industry they lead is heading in the wrong direction.*

*The Chronicle of Higher Education
May 15, 2011

*In a time of enduring economic challenges, universities must educate their students to become the next generation of innovators, helping to bring research to market and creating businesses and jobs.*

*Pittsburgh Quarterly, Jared L. Cohon, President Carnegie Mellon University
Fall 2012

*Universities that fail to prepare for the hurricane ahead are likely to be flattened by it.*

*The Economist
August 4, 2012

A volume of such quotes could be assembled that would fill hundreds of pages. The future of higher education is, it seems, a very hot topic for discussion and debate across the United
States. Serious people can (and do) disagree on the root causes of the current distress and, therefore, the priority of solutions required to sustain and strengthen higher education.

The LSU2015 effort is squarely focused on the search for strategic innovations and pragmatic solutions that will help lead LSU onto a more sustainable path. However, LSU should not settle for merely avoiding the steep decline that will most likely face the institutions of higher education that cannot or will not change. Our goal should be a better, stronger statewide Louisiana State University that delivers even greater value tomorrow than it delivers today.

The LSU2015 VISION

Members of the LSU Transition Advisory Team agreed that their first task would be the adoption of a vision statement and set of basic tenets to guide the work of the Team and its Subcommittees and Task Forces.

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**LSU2015 Vision Statement and Tenets**

LSU will be a statewide, integrated university, recognized by peer institutions, faculty, students and employers for its high level of academic achievement, focused research excellence, commitment to service, rich culture and bold enterprise.

To this end, LSU will:

- Build a faculty and learning environment that inspires academic excellence
- Provide a student experience that supports lifetimes of success and understanding
- Produce collaborative and cross-unit discoveries that solve Louisiana’s and the world’s most pressing challenges
- Fuel Louisiana’s economic development
- Build a cohesive, accountable and sustainable operating model for the 21st century

---

This final report includes a set of transformation priorities that have been developed by the LSU Transition Advisory Team. These priorities emerged from the work of the LSU Transition Advisory Team and its Subcommittee, and each represents a significant change in LSU, its organization and/or operation.

Additionally, four foundational issues merit inclusion in this report. These intertwined issues were recurring themes raised throughout the testimony received, presentations given and discussions conducted by the Transition Advisory Team and its Subcommittees.

1. **High-Performance Culture**

---

1 For the purposes of this report, LSU refers to the entire enterprise and LSU A&M refers to the Baton Rouge campus.
The culture of any organization is the invisible regulator that generally supports and promotes particular mindsets and approaches to work, and likewise generally does not support or promote other inclinations and approaches to work. High-performance cultures typically support these organizational dynamics: innovation and creativity, collaboration and teamwork, empowerment and accountability, efficiency and responsiveness, entrepreneurship and risk-taking, excellence and continuous improvement.

Rarely were these attributes used to describe the organizational culture at LSU during the testimony, presentations and discussions of the LSU Transition Advisory Team and its Subcommittees. The LSU organizational culture was more commonly described as risk averse, slow, bureaucratic, inefficient and fragmented.

LSU’s leaders will need to promote public policy and implement organizational and operational changes that better support the attributes of a high-performance culture.

2. Management Model

Each of the LSU campuses exist and operate in a management silo – limiting the opportunity for LSU to align campus missions, work collaboratively and leverage collective market power. The LSU Board of Supervisors decided in 2012 to combine the positions of LSU System President and the LSU A&M Chancellor. This leadership design change was an important first step in the transition to a new management model, one better suited to transform LSU’s loose federation of independent units into a single, statewide, integrated university.

The LSU Transition Advisory Team recommends that the design of the new management model facilitates achievement of the following:

- A lean, service-oriented Office of the President that is focused on creating a common vision and strategic direction for the LSU enterprise and an alignment of LSU’s organizational units to improve performance, promote innovation and build financial strength.
- A statewide LSU that maximizes leverage of LSU assets to attract top students and faculty.
- A flatter organization that requires excellent leadership and strong accountability at every level and empowers decision making at the lowest appropriate level.
- A unified administrative function that effectively speaks with one voice to promote LSU’s strategic interests, efficiently serves LSU’s organizational units and maximizes LSU’s market power.

This new management model should also facilitate the development of a single strategic plan designed to build upon LSU’s strengths and shore up areas of relative weakness. Reporting progress towards reaching the plan’s priority goals and achieving its
performance benchmarks should become an integral part of the new management model.

Successful implementation of this new management model will require that the LSU Board of Supervisors refine LSU’s governance model by delegating to the President greater decision-making authority. This change will facilitate bolder and more nimble decision making necessary to create a high-performance culture.

3. Funding
The current national discussion about the future of higher education includes widespread concern about student affordability and institutional sustainability. These concerns logically lead to debates about tuition and for public institutions, tuition authority and state general fund appropriations. Universities across the country are increasing their focus on new ways of raising revenues and lowering costs.

In Louisiana, and especially at LSU, discussions of tuition, tuition authority and state general fund appropriations are complicated by the existence of the very popular Taylor Opportunity Program for Students (TOPS), a large program of state scholarships for Louisiana residents. State funding required to support this program grows with every tuition increase allowed by the State Legislature – each increase incrementally stressing the State’s ability to provide traditional levels of general state funding support.

LSU’s efforts to build financial sustainability are also, at times, confounded by a state budget process that extracts from the LSU budget operational savings created by LSU. This practice severely impairs LSU’s incentive to aggressively pursue ever greater operational efficiency.

LSU, like many public institutions, is regularly exhorted to “operate more like business.” However, that financial and operational management expectation will never be realized without allowing LSU greater access to two critical tools all successful businesses enjoy – the ability to price their products/services and the ability to benefit from the financial efficiencies they are able to create.

Nationwide, the Great Recession of 2008 produced a financial squeeze of higher education that largely remains today. LSU leaders must work collaboratively with all of its stakeholders, including the Governor and the Louisiana Legislature, to build a more stable funding platform and to create an environment that supports the aggressive pursuit of greater cost savings.

4. Academic Program and Faculty Productivity Evaluation
The public and our elected officials deserve regular evaluations of the performance of our public institutions. LSU is Louisiana’s flagship university and must maintain an evaluation system for its academic programs and individual faculty members that is
consistent with the flagship standard. This evaluation system should include a robust reporting of LSU’s results and facilitate a nimble responsiveness to high demand and high value programs.

LSU’s leadership must create organizational models and processes that hold campus leaders accountable for new behaviors and functions that reflect collaboration, transparency and teamwork and present a unified front to external funders, donors and policy makers. Given the increasing competition for students and state dollars between Louisiana’s four state systems of higher education, it is imperative that the LSU Board of Supervisors and President work diligently to differentiate LSU from the other state university systems.\(^2\)

\(^2\) As the only public university in the state to be designated as a Carnegie Research University with Very High Research Activity, LSU is among only a handful of distinguished universities across the nation to enjoy Land, Sea and Space Grant status.
Transformation Priority | Escalators to Excellence

The Challenge

The Academic Subcommittee considered the most fundamental as well as the most extensive and complex concern of a flourishing university: the comprehensive academic effort of a system that includes a large number of diverse campuses with distinct and distinguished missions. Mindful of both the immensity of its assignment and the limited time available to research and discuss the issues and to produce a report to the Transition Advisory Team, the Academic Subcommittee decided to present its recommendations in the form of a list of topics, issues and challenges that need to be addressed as LSU and the LSU campuses fulfill their ambition to become, together, a preeminent institution of higher learning. Recognizing that LSU System campuses have already attained a high level of achievement, the Academic Subcommittee compiled a list of areas that combine aspiration with practicality. These study topics will encourage bold reforms while also indicating what, in the consensus judgment of faculty, administrators, and experts, can be achieved given the resources available to LSU professionals. The Academic Subcommittee is eager to apprise the Transition Advisory Team of the capaciousness of the task of building a great university. Academic reform and rebuilding will require both courageous deliberation and invigorated effort to win public support. The list below serves as a kind of “executive summary”; in the sections following this list, the Academic Subcommittee proposes methods for implementing its suggestions.

A MISSION TO THE NEW LSU WORLD: AREAS FOR EXPLORATION

I. The relation of state- or system-wide curricula to campus missions: How curriculum develops in such diverse venues such as LSU-S, LSU-E, LSU-A, LSU, the Health Sciences Centers, the AgCenter, the Law School, Pennington and all other distinguished LSU institutions; how the work of those institutions can be integrated into a statewide education project (for example, collaborative degrees among various campuses); how our campuses may show fidelity to the local cultures that the campuses serve.

II. The definition of “academic”: The degree to which “academic” means classroom or laboratory work or, alternatively or additionally, field work, public service, or internship effort; the variations in the meaning of “research” across the campuses.

III. Working conditions and resources for education-delivering professionals – the tools and resources required to do what we intend.

IV. State-wide and system-wide course numbering and articulation, with special attention to extant programs at the Board of Regents.

V. Professional education: Developing curricula that relate to students future trajectories into law, medicine, engineering, education, graduate study or other post-baccalaureate enterprises.

VI. The academics of business: Reaching out to businesses to bring the academic project onto industrial or work sites so as to reach new varieties of student; examining multiple education delivery methods, including online education; explaining the many
different kinds of careers and educating policymakers concerning the many layers of the workforce; creating internship and experiential learning opportunities; helping workers better themselves and their workplaces by becoming students.

VII. Dual degree programs at the advanced level: How can we stimulate additional joint M.D./Ph.D or J.D./Ph.D. or similar programs?

VIII. Agriculture: Leveraging the extensive public constituencies of both Agriculture Experiment and Extension and maximizing their role in education outreach; using the “Ag” outreach as a template for similar collaborations (example: the “Ag” contribution to the LSU-A, LSU-E and LSU-S ag/biology ventures).

IX. Graduate and professional education in Louisiana: Promoting, in the public mind, advanced study of the kind that increases income and tax revenues.

X. Basic research: Promoting the academic project (including the recruitment of students) in important fields whose economic contributions enjoy limited visibility (for example, astronomy; music history; sociology; other arts and humanities disciplines) but that serve the mission of our universities. Included in the investigation of this area would be the gathering of data concerning the value of the liberal arts and the exploration of modalities for incremental change, including a K–12 outreach and media public service announcements.

XI. Expertise and “maintaining the academic brand”: Finding new systems for faculty vetting, approving and managing of quickly-changing curricula; maintaining faculty supervision of the curricula and institutional quality while expediting approval procedures and processes.

XII. Professional options: Maintaining tenure so as to encourage innovative research and an academic culture committed to critical thinking but also allowing flexible or rolling contracts in fields or for professionals that may be better served by non-traditional contracts.

Where Does LSU Stand Right Now?

The LSU system is a large and complex entity comprised of many diverse but mutually enriching institutions. LSU’s current academic units include two Health Sciences Centers, a law school and four campuses across the state offering a mix of associate, undergraduate and graduate degrees, with one doctorate degree in education. LSU A&M in Baton Rouge is the largest of these, offering baccalaureate degrees, master degrees, and doctoral degrees to over 29,000 students. LSU Shreveport has over 4,500 students and it offers both baccalaureate and master degrees. LSU Alexandria has over 2,600 students aspiring to receive associate degrees, baccalaureate degrees and/or undergraduate certificates. LSU Eunice is a two-year school offering associate degrees and technical certificates. Each campus has a different mission and admission requirements yet they are all part of LSU.

Developing and implementing new approaches to the areas listed by the Academic Subcommittee will require an interval of initial study by committees followed by continuing planning and review (see below, in the “Opportunity” section). Recommendations from the Academic Subcommittee will overlay and work within the context of recommendations from
other Subcommittees. For example, a number of administrative services are shared between the Baton Rouge, Shreveport, Alexandria and Eunice campuses. Although there has been some collaboration in programs and curricula, the opportunity for broad collaboration between academic units across campuses has not been maximized. Through the LSU2015 process, relevant information from the Southern Association of Colleges and Schools (SACS) has been brought forward to enable the university to understand the implications of various collaboration options and which ones are most appropriate to pursue.

Policy, both system-wide and at the campus level, must be developed to cope with the new academic environment. Consider, for example, the basic question of student entry into college. Given the fact that each campus offering courses at the undergraduate level leading to an Associate or Baccalaureate degree has a somewhat different mission, its own admissions requirements, and, in some cases, diverse expectations for faculty selection, promotion and tenure, the “new” LSU will need policies that respond to institutional differences rather than simple standards applied across the board.

The Opportunity

The Academic Subcommittee recommends that the vast but rewarding task of renewing the system-wide academic project be conducted through a task-force process that is largely but not exclusively faculty-driven. The Subcommittee offers a recommendation concerning the “methodology” of this renewal process as well as a study example relating to one of the proposed investigation areas.

First, the Subcommittee recognizes that its slate of inquiry areas is long and far-reaching. Therefore, it suggests an incremental approach in which, at any given time, as many of the recommended areas are studied as resources allow. The Subcommittee regards all of these inquiry areas as crucial to the success of LSU, although it also regards item one, the nature of the campus missions and the relation of those missions to the system-wide academic issue, as the highest priority.

The Academic Subcommittee specifically recommends that the LSU President-Chancellor or the LSU Board of Supervisors create task forces to examine the various inquiry areas. These task forces should be (a) “faculty-driven” in the sense that they are composed of and managed by faculty members; (b) “representative” insofar as they include colleagues from all campuses, including non-degree-granting, research-oriented campuses such as Pennington and the AgCenter; and (c) supported, in that they have access to system-based expertise and may include among their members administrators with area-relevant competence. The Subcommittee warns that these task forces must have a grassroots foundation and “feel”; if they are or are perceived as extensions of top-down policy, their credibility will be impaired. Although the task forces should be appointed by the LSU President-Chancellor, the President-Chancellor should consult with faculty leadership at both the system and campus level in an effort to include a full range of faculty and also administrators in the task force memberships.
The Subcommittee also recommends that the extant Academic Subcommittee be kept intact owing to its historical, institutional memory of the “transition” process and owing to its large reservoir of expertise. The Academic Subcommittee might prove useful as a point of reference for the task forces or as a coordinating body.

As a first step, the Subcommittee would also like to put forth, as a study case, a model for work on inquiry area number four, common course numbering and statewide articulation, that was developed by SSA Consultants. The SSA comments provide an excellent starting point for an effort that the Board of Regents is already pioneering – for which some infrastructure already exists.

**STUDY CASE: COMMON COURSE NUMBERING**

The benefits of collaboration around academic excellence across campuses are many. For students, common course numbers and common core curricula can reduce confusion, ensure access to quality instruction and promote adequate preparation for future coursework toward a degree, thereby also improving institutional graduation rates. Additionally, many students in Shreveport, Alexandria and Eunice have noted that they are proud to be part of the LSU student body. For faculty, the opportunity for collaboration will lead to stronger academic ties among colleagues. As student experiences improve and as transferring from one campus to another becomes easier, enrollments should increase at Alexandria, Eunice and Shreveport, thereby contributing to the academic and economic success of LSU as a whole.

To address the challenge of common course numbering and system-wide articulation, the Academic Subcommittee recommends the formation of task force composed of three faculty representatives from each campus to oversee this effort. The task force should be empowered to propose and to seek proposals for courses to be offered across campuses. At a minimum, the proposals should include common learning objectives for each course as well as minimum faculty requirements for teaching these courses. The task force should be enabled to provide funding for faculty stipends and direct costs involved to develop pilot online courses for two to three courses. To expedite the task force’s work, each representative will be offered a reduced teaching load. The task force will provide a work plan within 30 days of their formation outlining how they will approach their task and target dates for completion.
Transformation Priority | Build a Globally Competitive LSU Research Enterprise\(^3\)

The Challenge

Research universities can act as powerful catalysts to economic prosperity through their generation of groundbreaking discoveries and innovations, the creation of solutions to industrial problems, the development of answers to state, national and international problems, and the transfer of innovation and talent into new and existing commercial ventures.

LSU is one of 108 institutions classified as "RU/VH: Research Universities (very high research activity)" in the Carnegie Classification of Institutions of Higher Education. Many of these universities possess the following key attributes that are also evident upon examination of the research universities who are listed as the 62 members of the frequently cited Association of American Universities (AAU):

1. **World-class faculty who are at the international forefront of their research fields**
   A productive research faculty effectively leverages private and public investments through their ability to attract competitively funded federal research support as measured by the National Science Foundation’s (NSF) Higher Education Research and Development survey (HERD) and how faculty are cited in the Thompson Reuters InCities\(\text{TM}\) citations database.

2. **Exceptional research environments**
   A strong research environment requires continued investments in adding, expanding, and upgrading university facilities.

3. **Significant numbers of highly-qualified postdoctoral appointments, high-achieving graduate students and exceptional undergraduate students**
   Excellent scholars seek university environments characterized by outstanding faculty, an institutional commitment to quality, and solid research support.

4. **Strong commercialization and technology transfer efforts as well as business, foundation, and industry supported research.\(^4\)**

Where Does LSU Stand Right Now?

According to data compiled from NSF’s annual Higher Education Research and Development Survey (HERD), the overall combined research expenditures for LSU peaked in 2010, decreased in FY 2011 and decreased again in FY 2012. Despite its many assets, LSU is not capturing its share of competitively funded federal research support dollars. Based upon NSF data compiled

\(^3\) Listed as one of the top three key objectives in the LSU Board of Supervisors directive to the Transition Advisory Team as part of LSU2015.

\(^4\) The Commercialization and Technology Transfer Task Force has developed recommendations for this area.
from HERD from FY 2011, the LSU System generates approximately $160 million\(^5\); it is estimated that in order to be competitive with the best public and private research universities in the country, LSU would need to generate between $250 million to $350 million in annual federal research funding. LSU averages just under 40% of its total research from federal sources as compared to the national average of approximately 60%. While state and local support for research at LSU has been relatively flat over the past few years, industry support for sponsored research has begun to increase, indicating a potential opportunity for growth through targeted partnerships in strategic research areas.

The LSU A&M campus, LSU AgCenter, and Pennington combined federal research expenditures total just over $97 million and LSU is ranked 115\(^{th}\), down from 110\(^{th}\) in the previous year. Even if one considers federal expenditures across the System, as noted earlier, the total would only rise to approximately $160 million in federal research expenditures for FY 2011 and rank would move to 76\(^{th}\). This is about half the amount necessary to be competitive with the top group of U.S. universities. The following chart trends LSU’s federal and total research funding.

Table 1: LSU System Annual R&D Expenditures
(without UNO, dollars in thousands)

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<th>Year</th>
<th>Total (in thousands)</th>
<th>Federal (in thousands)</th>
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<tr>
<td>FY2004</td>
<td>$150,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>FY2005</td>
<td>$160,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>FY2006</td>
<td>$170,000</td>
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<td>FY2007</td>
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<td>FY2011</td>
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<tr>
<td>FY2012</td>
<td>$230,000</td>
<td>$130,000</td>
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</table>

Source: LSU System Office of Academic Affairs

Additionally, premier research universities have a median number of 30 faculty who are members of one of the National Academies, specifically the National Academy of Sciences (NAS), the National Academy of Engineering (NAE), and the Institute of Medicine (IOM). LSU has only two such members, one is a member of NAS and one is a member of NAE. The number of postdoctoral researchers at LSU is less than the median number of 350 found in the top research

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\(^5\)This is measured by data collected by NSF and excludes certain USDA research expenditures at the LSU AgCenter as well as expenditures under the American Recovery Reinvestment Act (ARRA). The $160 million includes all campuses: LSU A&M, Shreveport, Alexandria and Eunice, Law Center, Pennington, Ag Center, HSC New Orleans, and HSC Shreveport.
universities. The number of Ph.D. degrees produced by LSU in 2011 was 350, also slightly behind the median of 400 Ph.D. degrees produced by the top research institutions.

The LSU System Office reports a net loss of 340 faculty members over the past five years with a commensurate loss of over 245 research associates during that same time period. Faculty losses include 94 professors, 113 assistant professors and 148 instructors. There was a net gain of 14 associate professors.

This employment chart vividly illustrates the losses.

![Table 2: LSU System Faculty Employment, 2005-2013](image)

When senior faculty leave they take with them their federal grant dollars and sometimes their graduate students and research associates. Some examples of the effects of faculty losses are illustrated in the following examples.

*Since 2008 in the College of Science at LSU A&M, 46 tenure track faculty have left the university. Of this number, 16 retired or left for personal reasons and seven were not reappointed, but 23 faculty members, including the dean of the college, left and accepted positions elsewhere. These faculty members had been awarded a total of over $20 million in new external funding for the period 2008-09 to 2012-13. The outmigration of extremely high impact faculty is substantial as six of the faculty who went to other institutions generated over $16 million in funding during this period. These talents and their research dollars now support other institutions including the University of Wisconsin, Milwaukee; University of North Carolina, Chapel Hill; Florida State University; Indiana University; The Ohio State University; University of Nevada, Reno; University Of Massachusetts, Lowell; Florida International University; SUNY Buffalo; Colorado School of Mines, Colorado State University; University of Tennessee, South Dakota School of Mines, plus three universities in the UK and one each in Germany and Canada.*
During the same period of time, the LSU Health Sciences Center in New Orleans lost 26 faculty members with grant funding totaling over $7 million per year. These same faculty members had accumulated total external grant funding during that period of almost $17 million. Some of the universities now benefiting from these people include the University of South Alabama; Howard Hughes Medical Institute; University of Maryland, Baltimore; Lerner College of Medicine at the Cleveland Clinic; Georgia Health Sciences University; University of Pittsburg; Boston University Medical Center; Michigan State University; and the University of Tennessee Health Science Center.

Since 2008, 10 faculty with external funding of almost $11.5 million research dollars have left Pennington Biomedical Research Center for better opportunities at organizations such as Albemarle; Maine Medical Center Research Institute; Pennsylvania State University; Sanford-Burnham; Scripps Research Institute; Weis Research Institute; Geisinger Clinic; and Yale.

Since 2008, the LSU Health Sciences Center at Shreveport has lost 26 faculty members (40% of the basic sciences research faculty) with NIH grant funding totaling over $2.5 million (approximately 16% of the NIH portfolio) per year; this includes the loss of one Boyd Professor. Since their departure, six of these 26 have accumulated total NIH funding of almost $6 million. Some of the institutions benefiting from former faculty members include Texas Tech; Florida; Pittsburgh; Tennessee Health Sciences Center; Quinnipiac School of Medicine; and the USA Institute for Surgical Research at Ft. Sam Houston.

The Opportunity

Build a Globally Competitive Research Enterprise that Delivers New Levels of Research Activity and Funding for LSU

LSU should make the investments and create the infrastructure required to capture its $250 million to $350 million share of competitively funded federal research support dollars. The following chart compares LSU’s current research funding to the vision of a globally competitive research enterprise that powers new levels of discovery, innovation, and economic dynamism in Louisiana.

Table 3: LSU’s Current Research Funding vs. the Vision of a Globally Competitive Research Enterprise
Financial

To fundamentally raise the bar on revenue received from research funding (federal and other), LSU will need to make the following investments.\(^6\)

Stabilize the Faculty
- Foster a culture of academic and investigative excellence through faculty support in general salary and benefits that are market competitive. Provide annual faculty and staff raises to ensure retention and stop the erosion in market competitive salaries. Estimated cost:
  - Option 1 – Reverse the trend with a 4% raise for 3,500 faculty members (assuming an average salary of $85,000). This would require approximately $12 million additional dollars per year.
  - Option 2 – Stop the erosion and restore the gap created by five years of no salary adjustments. This would require approximately $55 million for 3,500 faculty (assuming an average salary of $85,000) to receive a 15% increase plus benefits of 28%. Staff salary and benefits would need adjustments also.

Provide a New Level of Investment in Research Faculty
- Establish major national centers of excellence and recruit and retain investigators within strategically identified core research areas\(^7\) to create and maintain a critical mass of investigators that can compete for collaborative research center grants.
- Create internal funding mechanisms that provide a means of bridging extramural funding loss, emphasizes and rewards interdisciplinary collaboration (especially between basic and clinical scientists), and promotes translational medicine.
- Consideration of projects that support collaboration across campuses in an effort to leverage resources and address “big science” questions would be extremely valuable in enhancing competitiveness for external funding.
- Provide additional funding for junior faculty and create an incentive plan for researchers.
- Build current faculty and research associate levels back to 2008 levels. Estimated cost: $40 million.
- Add faculty, postdoctoral fellows and research staff (beginning with priority and core research areas) to reach the goal of creating sufficient talent to be competitive with top public research universities. Estimated cost: $200 million. Consider the addition of 200 junior faculty and 40 senior leadership positions beginning with priority areas. If filling junior positions in key priority areas, the projected cost would be $600,000 each for first year, and senior positions would be as much as $2,000,000 or more.

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\(^6\) The investments can occur over a three to five year period of time and LSU will realize the vision in 10-20 years.

\(^7\) The Research and Discovery Sub-Committee recommendation for Focused Research Areas identifies these six priority areas: Coastal and Environmental Science, Biological, Biotechnological and Biomedical Research, Energy, Computation and Digital Media, Arts and Humanities, and Agriculture and Natural Resources.
Add Graduate Students
- Increase the number of graduate students across all relevant LSU campuses.
- Expand graduate programs and graduate student funding opportunities, particularly fellowships.
- Create additional interdisciplinary research training programs for graduate and professional students.

Expand Undergraduate Research
- Expand current efforts and invest in additional undergraduate research as a competitive advantage to attract top students. Encourage intercampus collaboration as in Pennington and A&M and LSU-S and HSC-S, etc.

Strengthen Administrative Support
- Maintain efficient infrastructure including technology and administrative staff to assist with developing research proposals, budgeting of grants and other related functions.
- Delegate authority to campuses and departments to ensure short turnaround times for contracts, efficient IACUC and IRB processes, timely decisions with accurate counsel regarding human and animal research compliance, and streamlined hiring practices.
- Encourage and facilitate multi-campus research projects by streamlining the process for joint academic appointments.
- Develop a central listing of “core services” from each campus that can be viewed across the campuses, and encouraging “in house” pricing for those services to enhance research.
- On campuses where research faculty is highly concentrated, consolidate research administration into a larger unit to allow specialization and depth in personnel expertise as found in the larger institutions to which we aspire.
- Develop a cross-campus task force of researchers to ensure the removal of barriers to collaborative research and facilitate cross-campus appointments and data sharing.
- Provide the advanced IT services required to maintain the clinical data (labs, imaging, etc.) and investigator data stored on shared drives.
- Sustain state-of-the-art clinical cores by providing partial support from indirect cost recoveries and increasing infrastructure investment in key areas across campuses, such as advanced field instrumentation, testing and laboratory facilities as well as high-performance computing.
Focus Research on Priority Areas

The Challenge

LSU would benefit immensely from one set of research initiatives that would enhance and further encourage additional cross campus collaboration resulting in stronger research proposals and larger grant awards as well as reputational excellence in focused areas. The opportunity for larger grant awards is particularly true when considering federally sponsored entities such as the National Science Foundation (NSF) and the National Institutes of Health (NIH), two of the larger agencies awarding competitive grants to higher education, who are encouraging more collaborative, interdisciplinary, and translational research proposals.

Additionally, top tier research universities who have developed reputational excellence also attract more dollars in sponsored research and non-competitive grants from other federal and state agencies, corporations, and not-for-profit research institutes and foundations who seek applied research associated with a strong university brand in a particular area of research. As LSU builds its research engine, investments that are focused in targeted areas will allow for clustering of researchers and discoveries that will produce significant returns on those investments over time.

Where Does LSU Stand Right Now?

When all LSU campuses research expenditures are combined, the totals show an increase, albeit small, in state and local government research expenditures in FY 2011-2012. According to NSF data compiled from the Higher Education Research and Development Survey (HERD), federal research expenditures at LSU peaked in FY 2010 and have shown decreases in FY 2011 and FY 2012. Total industry sponsored research demonstrates a similar small but steady increase over time, indicating a potential opportunity for growth in the next few years.

The Opportunity

Create Focused Research Topics Based on Current Strengths

Dr. James Duderstadt, President Emeritus of the University of Michigan, presented compelling information encouraging LSU to pursue four strategic areas of research. He noted that:

- Louisiana is well positioned to be a major player in the energy industry.
- Environmental sciences and impact: there is a lot of money, and your proximity to the Gulf gives you a significant edge.
- The presence of New Orleans gives you an opportunity to build in arts and humanities.
- Biomedical activities are already present on several campuses.

The state of Louisiana has invested in several efforts to identify areas of focus for research and economic development. Most recently, Louisiana Economic Development (LED) commissioned
a study by Batelle titled *Strategic Inventory of Louisiana Research and Innovation Assets*. Their consolidated list of emerging research areas included:

- Digital Media and Enterprise Software
- Water Management
- Clean Technology
- Advanced Manufacturing
- Life Sciences
- Next Generation Oil and Gas, and
- Nuclear Energy

The Health Sciences Center in New Orleans has key research assets, collaborative research and areas of strength in:

- Alcohol and Drug Abuse
- Cancer Research (collaborative research projects with HSC-S and LSU Health)
- Neuroscience
- Obesity, Tobacco, Alcohol and Other Modifiable Risk Factors
- Infectious Disease and Host Immunity
- Cardiovascular Disease
- Environmental Health and Policy (LSU A&M and Pennington), and
- Health Disparities (HSC-S and Pennington)

Additionally, HSC-NO has significant cross-campus collaboration with Translational Research and Quality Improvement at LSU A&M, HSC-S, HSC-D, and Pennington. Their collaborations cross campus and institutional boundaries and include hospital systems and other Louisiana university systems as well as research partnerships with national and international entities. The New Orleans Bioinnovation Center is also a research partner with focused areas of research expertise in:

- Biomedical Engineering
- Chemical Engineering
- Vaccines
- Peptides
- Drug Delivery

LSU Health Sciences Center in Shreveport has strengths and research assets concentrated in:

- Cardiovascular Biology
- Cancer Research (COBRA grant in microbiology renewed multiple times)
- Neuroscience

The AgCenter has intrastate campus partnerships focused on:

- Terrestrial and Aquatic Crop Production
- Animal Reproduction and Nutrition
- Pharmaceutical and Health-Related Projects
- Nutrition Research and Statewide Outreach
The Pennington Biomedical Research Center in Baton Rouge has unique research facilities which include a “state of the art” inpatient research unit staffed 24/7 with four metabolic chambers, a resource found in few institutions across the country. It has a comprehensive outpatient research center with complete services including imaging, exercise, and nutritional services.

Collaborative research and areas of strength include:
- Obesity, Type 2 Diabetes and Nutritional Research
- Research into Dementia and Associated Conditions
- Neurosciences
- Natural Product Pre-Clinical and Clinical Work

Additionally, they report significant cross-campus collaboration and house the Louisiana Clinical and Translational Science Center for which other campuses of LSU, i.e. LSU A&M, LSUHSC-S, LSUHSC-NO participate along with other institutions in the state. The center houses two additional NIH funded Centers, the Botanical Research Center and The Nutrition and Obesity Center.

The Office of Research and Economic Development (ORED) has identified seven research focus areas based upon existing strengths and/or opportunities. ORED seeks to promote the establishment of these research focus areas in order for those to evolve into areas of excellence at LSU A&M. These are:
- Materials Science and Engineering
- Coastal Sustainability and Environment
- Conventional and Renewable Energy
- Core Computing/High Performance Computing
- Biological, Biotechnological, and Biomedical Research
- Communication and Expression
- Individual Behavior and Community Context

**Recommendation**

Given the opportunity for LSU 2015 to propose common focused areas of research, the Research and Discovery Sub-Committee recommends the adoption of the following areas of focus:
- Coastal and Environmental Science and Engineering
- Biological, Biotechnological, and Biomedical Research
- Energy
- Computation and Digital Media
- Arts and Humanities
- Agriculture and Natural Resources
This group of focused research areas cross all campuses, provide ample opportunities for significant diversity and involvement of multiple campus units, and encourage continued investment of LSU’s resources based upon the identified opportunities to leverage research in these areas to attract additional dollars.

**Financial**

Options surfaced by presenters based on best practices include:

- Pilot Grant Programs to foster interdisciplinary research, implemented bridge grants, research enhancement funds, laboratory supplements, translational research funding, and incentive grants
- Cluster hiring through targeted funding to the campus or colleges so that they can create a critical mass of scientists and research staff to maintain and grow research in a focus area
- Communication mechanisms – joint seminars, research forums
- Mentorship programs
- Develop a cross-campus task force of researchers to ensure the removal of barriers to collaborative research and facilitate cross campus appointments and data sharing
Transformation Priority | Recruit Aggressively for All Campuses

The Challenge

There is fierce competition today for top undergraduate and graduate students on both the national and international levels. This trend has been evident for more than a decade as private and public universities vie for excellent students to enhance their rankings, bolster their graduation rates and provide needed tuition dollars from both residents and out-of-state students. Certainly, recent admission challenges for law schools around the country provide a window to what academic futurists predict is on the horizon for many undergraduate and graduate programs as they find themselves labeled as too expensive, too inflexible and difficult to navigate. Clearly, universities with the best value propositions, where degrees are considered affordable or the cost is justified by the graduates who are well prepared for their careers or their next level of academic study, will become the winners while the losers will struggle with dwindling admissions and funding challenges. Providing a superior “student experience” based on the mission of each LSU campus will be essential to future success.

Where Does LSU Stand Right Now?

LSU A&M, also known as the Baton Rouge campus, enjoys the reputation of being a large, public, land grant university with a beautiful campus, strong academic programs in the arts and humanities, science, technology and professional disciplines, and career services creating opportunities to connect undergraduates with some of the best companies in the world. Additionally, the LSU A&M campus offers a wide range of extracurricular activities including strong athletics, a vibrant Greek system, numerous clubs, intramural sports and high quality recreational facilities. An undergraduate has the opportunity to be part of a residential community with students and faculty who share common academic interests in the midst of a campus filled with increasingly diverse students and faculty whose divergent beliefs, political views and backgrounds create a mutually enriching student experience that is traditional in nature and valued by many. It is, therefore both disheartening and somewhat surprising that students do not universally report exceptional experiences while at LSU. Instead, many students express frustration, disappointment and even anger at LSU’s seeming lack of interest in their needs and these same students leave LSU without a strong sense of loyalty to their alma mater.

Students entering LSU today want to be treated as customers and are less tolerant of failing infrastructure, large classes, and professors who are busy and often under stress. They are frequently paying for their own tuition, working hard to keep TOPS scholarships and often incurring student loan debt to finance their undergraduate studies. They do not respond well to the “sink or swim” attitude that they perceive as pervasive across campus.

Almost 2000 students provided input through an online survey and many took the time to participate or testify in person as part of the Student Experience subcommittee process. Their
comments repeatedly reflected how often the university and its faculty and staff take them for granted and treat them with very little respect.

As the pool of well prepared students who can afford tuition, compete for scholarships or have the desire to incur student debt to finance their education becomes smaller, aggressive administrators at other universities have developed new scholarship offerings, funds to deeply discount tuitions and recruiting staffs and programs to identify and attract highly desirable candidates. LSU must compete with these high-powered and well-financed recruiting programs and has been frequently criticized for its inability to do so and its perceived incompetence or unwillingness to step up its efforts to attract Louisiana’s best and brightest high school graduates. The stark reality is that the lack of both in state and out-of-state recruiting activities are due to a number of factors, not the least of which is fewer resources devoted to this effort.

Contributing to this challenge is that fact that historically in Louisiana, a smaller percentage of the population has started or finished a college education as compared to other states. Only about 25% of the adults 25-64 years old in Louisiana have a college degree compared to a national level of 39%, placing Louisiana 49th in the country for the number of college graduates. This diverse population also has divergent education needs, preparation and goals requiring greater resources devoted to meeting a wide variety of expectations. Finally, Louisiana also has a relatively poor population and the cost of higher education is a discouraging factor, more so than in most other states.

LSU is actually a collection of geographically and mission diverse campuses located across the state offering two year and four year undergraduate degrees, professional and doctoral degrees in allied health disciplines, medicine and law, and masters and doctoral degrees. Campuses have different missions, different target audiences, different recruiting efforts, different admission requirements, and are of vastly different sizes. They do thus have a great potential to serve a diverse range of needs of high school graduates, graduates with associate degrees and undergraduates, if the applicants can be effectively notified of what is available and then matched to the appropriate campus and programs. Unfortunately, the LSU enterprise does not have a recruiting strategy that encompasses all of its campuses and sharing data, resources and best practices has been limited to date. Unlike Texas who has a state law requiring all Southern Association of Colleges and Schools (SACS) accredited schools to accept all credits within the Texas Core Curriculum (42-48 hours), transferring from one LSU campus to another is reported to be a cumbersome and even daunting task.

“LSU is has a mission to educate. It must focus on providing tools for success and enhanced student experiences to retain and attract students (which are also vital to funding operations).”

“From a recruiting and retention standpoint, the Student Experience is critical. It needs to be addressed in terms not only for traditional students, but also not-traditional, international, and online students as well.”

“If we’re not meeting student needs and expectations with regard to the ‘real’ world, then we won’t have much of an enrollment. Hence academics become moot.”

Testimony provided to the Student Experience Subcommittee
The Opportunity

Aggressively identify and recruit students and create exceptional student experiences

LSU should increase undergraduate and graduate student populations consistent with campus missions and compete for top students nationally and internationally to raise graduation rates and increase revenue from out-of-state tuition. Additional resource needs include expansion of recruiting staff, increasing the availability and amount of scholarships, providing technical assistance to all campuses and providing opportunities for undergraduate research and global experiences.

LSU has only 12.5 full-time recruiters compared to peer schools who have 30 to 45 recruiters. Additional staff is difficult to obtain in today’s tight fiscal environment; however, LSU’s investment in one recruiter can be recouped with three additional out-of-state students or six in-state students. The use of out-of-state recruiters provides a steady stream of high caliber students whose marginal contribution to tuition revenue is not insignificant. For example, the University of Alabama’s percentage of out-of-state students is 39% compared to LSU’s 19%. If LSU increased its percentage to match Alabama’s, this would double the number out-of-state students and generate approximately $100 million in additional revenue. As more universities cross state borders to lure high achieving students and higher tuition payments (despite deeply discounted tuitions in some cases) back to their own institutions, the trendsetters are moving on to recruit internationally for students from China, India and Saudi Arabia who are flocking to universities in the United States.

A window of opportunity exists to build a tightly focused team across the LSU enterprise that will better reach and attract students from the entire state, other states and internationally and set them up for success. In order to be effective, the university should:

- Create a student-centered culture that values and respects students and formalize efforts to gather their input and feedback on a regular basis. Share the results of these surveys with faculty, administrators, staff, parents and students.
- Develop more degree programs at the undergraduate and graduate levels that would prepare students for the new jobs that are being created and thus attract more students. This is especially relevant for LSU Shreveport and Alexandria in order for those campuses to meet their enrollment and graduation targets.
- Compete more aggressively for top students statewide, regionally, and nationally.
- Maintain and enhance the student environment and experience that will attract and retain students through quality resources, support systems, relevant financial aid and scholarship opportunities and ease of navigation through the university’s complex and often confusing systems.
- Institutionalize financial aid creativity and flexibility to attract top students and non-resident students resulting in increased student retention as well a larger pool of talent.
• Establish and expand high quality residential dorms and academic residence communities to enhance attraction and retention of students.

• Develop activities and environments that promote campus community especially at commuter campuses and those with limited on-campus housing.
  • Publicize and grow opportunities for undergraduate research and global experiences in efforts to attract top candidates.
  • Develop one application system that can be used to identify the possible best campus match for students.
  • Work with Ag Extension staff in small communities around the state to identify and recruit top Louisiana high school graduates.

Financial

To accomplish these ends LSU will need to:

• Expand recruiting staff while noting that the investment in one recruiter is recouped with addition of three out-of-state students or six in-state students (A&M example)

• Increase the availability of scholarships

• Provide technical assistance to all campuses by leveraging recruiting resources across all units in a consistent manner

• Leverage existing facilities, software, databases and staff knowledge and capacity to increase revenue through cost effectiveness of adding students

These activities can be financed through limited initial investments in recruiting staff and leveraged through gifts and donations.
Transformation Priority | Improve Student Retention and Graduation Rates

The Challenge

The high school diploma has been supplanted by the college degree as the ticket required for economic advancement and the income advantage offered by a college degree is double what it was a generation ago. It is easy to see why so many individuals are interested in obtaining an undergraduate degree, yet it is difficult to understand why so many of these same individuals leave college without a degree. Across the country, universities are working diligently to improve graduation rates and this issue has now become a matter of national policy with federal financial aid potentially weighing in the balance.

The fundamental challenge for LSU is to serve its students and the State of Louisiana by educating students who graduate with a college degree in a timely manner, in sufficient numbers to supply a trained workforce, with the requisite skills, in a cost effective manner.

“We need to find out how to help students be successful in environments they are not used to.”

“Academic performance was third on the list of reasons why they (students) did not return. Money and personal reasons exceeded that.”

“LSU is has a mission to educate. It must focus on providing tools for success and enhanced student experiences to retain and attract students (which are also vital to funding operations).”

“Assess early and often... We are working... to develop an early alert system to follow students that begin to struggle early in their coursework.”

“Early warning systems can be very effective. A lot of research would show that we have a good idea of who would be successful on campus by October of their first year.”

Testimony provided to the Student Experience Subcommittee
As illustrated in the graphs above, graduation and retention rates of undergraduates at LSU are improving but are still lower than what is envisioned for a globally competitive university. Additionally, LSU A&M, LSU-S, LSU-E and LSU-A must increase graduation and retention rates to meet the GRAD Act performance objectives which impact state funding and operating autonomies.

To serve the students and Louisiana, these issues must be addressed:

- How does LSU increase the number of students striving to receive degrees?
• How does LSU improve affordability or educate students about available sources of scholarship or loan funds or grants?
• How does LSU improve success (graduation rates) once students enroll?

Where Does LSU Stand Right Now?

LSU cannot expect significant improvements in state funding in the near future and so the university must do more with its current resources. The LSU enterprise does not currently leverage teaching and research resources across campuses to reach traditional and non-traditional students and to retain students who may not be able to re-locate. To date, there has been little incentive or formalized opportunity for cross campus collaboration among faculty and staff who are tasked with improving these important metrics.

As the Academic Subcommittee wisely noted, graduation rates and student success is everyone’s responsibility at LSU. Yet, like many other similarly dispersed responsibilities, when everyone owns it, no one owns it. A few deans and faculty members were asked about the graduation rates for their colleges and departments and not all could provide current rates and relevant information.

At LSU, student success is often hampered by non-academic problems stemming from heavy time obligations with outside job or even family responsibilities. Students report losing TOPS scholarships because they had to leave school for personal reasons only to return with significant student loans and jobs that create hardships with sustaining acceptable levels of academic performance. Several admissions officers stated that early identification of these students and proactive assistance with creative and flexible financial aid is vital to improving graduation rates. As more universities experience similar situations, tools such as early identification software are becoming available and LSU has purchased and is utilizing some of these on the LSU A&M campus.

“The percentage of students that did not return because of financial issues exceeded the number of students that did not return because of academic reasons.”

Dr. Kurt Keppler

The Opportunity

Improve student retention and graduation rates, for both four year and six year cohorts on all LSU campuses

Different LSU campuses have different target audiences and missions and some have more challenges than others, but that does not mean that graduation rates can be ignored or excused. As one campus fails to meet its goals, it begins to lose funding. This either comes from the very administrative areas that are needed to support struggling students (counselors, financial aid officers, etc.) or funding losses impact core funding allocated for the academic mission of the university. Eventually, some of that funding would be drawn from other parts of the LSU enterprise creating problems for all. The opportunity for LSU lies in its ability to be
innovative and creative in identifying key areas for additional resources and utilizing existing resources as effectively as possible.

Key areas to consider include the opportunity to:

- Compete for top students nationally and internationally to raise graduation rates and increase revenue from out-of-state tuition. This will mainly impact the LSU A&M campus, but high performing students across the state may actually prefer to stay at a smaller campus but leverage the “LSU brand”.
- Select metric and methods that will be used to measure retention and graduation performance across LSU. Given that some of the colleges on the LSU A&M campus are as large or larger than some of the other LSU campuses, it is important that not just Chancellors, but Provosts, Deans and Department Chairs are made aware of their baseline metrics and are rewarded for improving performance of their students.
- Help student to choose appropriate degree paths with information about careers provided in the freshman year can both inspire and focus efforts toward graduation.
- Utilize residential dorms and community housing to enhance retention of students. Data indicate that there is a higher rate of retention among students who live on campus and in some cases it is as high as 90%. Encouraging students to stay on campus without requiring or mandating on campus residence is important to consider. Closing the gap of the 700 students on the waiting list for dormitory space at LSU A&M would certainly be a good strategy to pursue.
- Create activities and environments that promote campus community to improve retention and address the special issues of non-traditional students that have more difficult time following the traditional freshman enrollment to graduation path are important elements of success. Facilities such as libraries and recreational centers are important additions to bolster student retention.
- Implement early identification and intervention efforts to address student difficulties as keys to improving graduation rates.
- Develop early identification systems to flag students who are at risk of delayed graduation or leaving the university and offer them financial aid to promote retention and graduation.

“Beginning students need much better study skills coming out of high school and they need much more effective advice on selecting a major and on career choices.”

“I got through my freshman math because of Kahn Academy.”

Comments from LSU Students
Financial

To accomplish these recommended solutions LSU will need to:

- Increase the availability of scholarships and aid to students who cannot qualify for scholarships.
- Provide technical assistance to all campuses by leveraging resources across all units in a unified manner to identify at risk students and take corrective action to increase retention and graduation rates.
- Garner a commitment from the Board of Supervisors through the President and all staff to understand, measure and improve graduation and retention rates across all of LSU.

Funding required is minimal compared to the risk of losing GRAD Act related funding or potential federal financial aid. Every dollar invested in this effort to improve graduation rates can yield multiple dollars in return.
Transformation Priority | Expand Focus on Serving Non-Traditional Students

The Challenge

According to the Center for Postsecondary and Economic Success, the typical college student is not an 18 year-old, full-time student who has limited family and financial obligations. In fact, more than a third of undergraduate students were over the age of 25 in 2008, nearly 25% were parents and half of those parents were single parents. In addition, non-traditional student enrollment has been trending upward in recent years.

To demonstrate the demographic changes that are anticipated, African American and Hispanic students are 14.8 and 13.5 percent of the undergraduate student population respectively. According to projections from the Digest of Education Statistics published in 2010, these groups will make up 42% of the student population in 2019. This projected increase is mainly attributed to the expected 30 and 45 percent in expected overall growth in African American and Hispanic populations compared to 7% percent growth for white students.

Where Does LSU Stand Right Now?

Testimony received from LSU administrative staff confirmed what was purported by national experts. LSU is generally not well prepared for non-traditional students and has much work to do to get ready for shrinking enrollments as the number of high school graduates diminishes and traditional pipelines for student recruitment do not produce the requisite number of students.

While this is generally true at LSU A&M, other campuses have been grappling with this situation and have developed creative and innovative solutions to provide flexibility and additional options for students. The LSU-S @ccelerated eight-week program is an excellent example as it appeals to adults, working students and those desiring to complete their degrees as quickly as possible.

The Opportunity

Expand LSU’s focus on serving non-traditional students

In order to do this well, LSU must identify and confirm obstacles to enrollment, retention and graduation specific to non-traditional student populations and put in place tools and resources that assist these non-traditional students to be successful. Faculty and administrators must
implement innovative and varied ways of delivering academics to students that supplement or partially replace the traditional lecture hall and heavy pedagogical approach.

LSU has the opportunity to target veterans and active duty personnel, post-secondary non-completers and other working adults. Creating value for these non-traditional students could include:

- A 24/7/365 university with Saturday and evening course offerings, allowing full utilization of classrooms and laboratories and reducing the need for more classroom space.
- Experiential learning and competency assessments for course credit such as the University of Maryland program that allows up to 30 hours of credit through prior learning and experience.
- A support system for first generation college and English As a Second Language (ESL) students.
- Blending high school and/or work with college credit (dual enrollment).
- Development of quality online courses with dedicated staff resources, an investment in faculty for course development and the utilization of Coursera in a blended model of education.
- Financial aid creativity and flexibility.
- Attracting non-completers with innovative solutions.
- Early identification and intervention to address student difficulty to improve graduation rates.
- Develop uniform approach to tracking retention, graduation and success of non-traditional students across the LSU System.

“Our current financial aid system was essentially designed to service the traditional college student. Unfortunately, more and more students do not fall into this category. This is a real problem for the smaller regional/commuter campuses like LSU-S and LSU-A. Undoubtedly, most of our retention problems arise from our inability to adequately meet the needs of the ‘non-traditional’ student. Most of these students will not qualify for so-called ‘gift aid,’ or aid that does not have to be repaid. For example, they will not qualify for first time freshman institutional scholarships; they will not qualify for TOPS; they may not qualify for Pell Grants because FAFSA uses the previous year’s income to determine eligibility.

Often, the gap problem for these students becomes insurmountable because they have families to support, do not live with their parents anymore, or any number of other issues that the average traditional student doesn’t have to deal with.”

Testimony provided to the Student Experience Subcommittee

Financial

The cost of creative and innovative solutions to meet the needs of non-traditional students is indirect and fairly small. Being prepared for the changing demographics and mix of traditional and non-traditional students will ensure that LSU will not need to make hasty decisions and will be able to move forward.
Transformation Priority | Establishing a New Human Resource Model

The Challenge

LSU’s most valuable resources are its faculty and staff. LSU must be able to effectively compete for and retain high caliber faculty and staff and Human Resource policies should be developed with that objective in mind.

The Streamlining Task Force reviewed current approval requirements for personnel transactions with the goals of simplifying the process, gaining effectiveness while still providing adequate oversight and allowing campuses to react quickly to time sensitive personnel actions. As reported in early meetings of the Transition Advisory Team, many transactions require multiple approvals and one form was brought forward with 17 signatures. While that particular example may not be reflective of all personnel actions, best practices in other universities indicate that Human Resources decisions are handled more expediently and often at the campus level with simple reporting to the President’s Office after the action is taken. Strong accountability and periodic audits ensure consistency between campuses and adherence to Permanent Memoranda and Board of Supervisors bylaws and regulations.

Where Does LSU Stand Right Now?

LSU’s current Human Resource model is not a nimble and easy to navigate environment. For example, the current policy governing compensation (PM-69) relies heavily on a handful of salary thresholds and gives minimal recognition to market factors. Consequently, campuses must follow lengthy approval processes even when a proposed salary is within an established range.

Decision-making bottlenecks appear to exist at the Board, System and Chancellor levels. Required approvals can include full Board approval which means the campus must wait for a Board meeting to finalize a transaction. LSU does risk losing applicants and current faculty while waiting for approvals of appointments, promotions, counter offers and other salary adjustments. Additionally, internal candidates are held to higher salary scrutiny than external candidates, with promotion pay capped at a percentage while new appointees can be appointed within the salary range for the position.

The current LSU Human Resource structure challenges LSU’s ability to effectively recruit and retain top talent.

The Opportunity

Redesign LSU’s Human Resource model to support greater equity and provide greater efficiency thereby enhancing LSU’s ability to compete for the best and brightest. The following three general recommendations are offered to accomplish this goal.

1. Establish an LSU System Council of Chief Human Resource Officers
The HR Council should consist of the top human resources position for each campus. Responsibility for the Council, including chairperson and meeting location, will rotate between the campuses. Meetings should be quarterly with additional meetings as needed. The Council will have the following objectives:

- Discussion of new initiatives
- Review of new or developing regulations/issues
- Speakers on special topics
- Discussion of best practices
- Training
- Sharing of services
- Developing ideas for efficiencies

The Council should make recommendations to the President as appropriate. There should be joint meetings with other councils annually.

2. Delegate Authority to the Appropriate Level
See Attachment A for preliminary input on the details of delegation of authority for personnel actions.

3. Address Policy Issues and Recommendations
Three major groups of policies exist within the current LSU System framework: Permanent Memoranda (PMs) at the System level, Policy Statements (PSs) at the campus level and policies related to the Department of Civil Service, also at the campus level. There are opportunities to gain efficiencies by using the HR Council to pool resources in this area while still meeting campus specific needs.

- **Umbrella Policies Where Possible:** These policies would be used where possible in lieu of individual campus policies. Campuses may supplement umbrella policies to address campus-specific issues or details as needed.

- **Organize Campus-Specific Policies:** Campuses will continue to need certain campus policies based on their unique missions. Examples include medical issues related to Health Science Center’s, 4-H youth development issues in the AgCenter, and human subject issues at Pennington. Policies for some campuses may be grouped, such as policies related to student issues for LSU A&M, LSU-E, LSU-A and LSU-S.

- **State Civil Service Policies:** The Department of State Civil Service typically applies its rules based on organizational unit, which in the case of the LSU System is the campus or equivalent entity. Policies mandated under those rules must be based on those same organizational units. Examples include pay policies relative to hiring rates and layoff-related regulations. However, the HR Council can still gain efficiencies in this area by working together on common templates.

- **Review of PM’s Relevant to Human Resources:** PM’s were reviewed as a starting point and HR related policies were grouped and prioritized according to how work on them might progress. Attachment B provides details.
Financial

The adoption of a new Human Resources model would require little or no investment and offers strong potential for cost reductions, streamlined processes and decision-making.
ATTACHMENT A
Recommendations for Approval Requirements for Personnel Transactions

The following recommendations were developed by human resources representatives from the various campuses in the LSU System with guidance from the Streamlining Task Force. The human resource representatives were given the following guiding principles.

- Eliminate bottlenecks at the System and Chancellor level
- Delegate approvals to gain effectiveness while still providing adequate oversight
- Broadly expand President’s and Chancellor’s authority and responsibility in all actions.
  Require Board approval and reporting to the Board only for high-level transactions

Current Requirements
The current policy on approval requirements for personnel transactions is based on PM-69. The requirements rely on general salary thresholds, standard limits on salary increase percentages, and additional approvals for certain types of positions such as executive level positions, athletic positions, and actions involving tenure. Also included are requirements involving special circumstances such as reemployment of retirees and emeritus status. In discussions, the following concerns were noted:

- The guidelines do not adequately recognize market factors in setting salary thresholds. Currently positions with a high market salary rate have the same threshold as those with a significantly lower rate.
- There is a need for differentiation between salary increases based on merit and those associated with movement to a new position. This occurs largely because of the standard limit on salary increase percentages.
- In general, the requirements create bottlenecks and delays in implementation of actions. The current requirements do not address bottlenecks at the campus level.

Proposed Requirements
The proposed requirements will streamline the overall process and address the above concerns. The Civil Service Rules shall govern all actions for classified employees. All other personnel actions are hereby delegated to the Chancellors and their delegated authorities except as shown below. General guidelines are:

- Campuses will maintain a salary structure based on the compensation guidelines. New hire salaries will be at a rate within the range appropriate for their education and experience.
- All appointments with base salaries below $250,000 or at or below mid-point of established salary range approved by the President, whichever is higher, are delegated to the Chancellors, except as noted below. Appointments above these rates require President’s approval. Any future increases for the appointees to these positions are delegated to the Chancellors, unless approval is required elsewhere in these guidelines. Whenever possible, officials from the New Orleans and Shreveport Health Sciences Centers should coordinate efforts to develop consistent cross-campus salary ranges for their faculty and staff – taking into consideration appropriate benchmarks.
• When a salary increase is given in connection with an employee’s movement to a different position or change in duties comparable to movement to a different position, the new salary may be up to the level the employee would be eligible for as a new appointee to the position. For purposes of these guidelines, the action shall be treated as an appointment.

• Any caps on percentage increases are per fiscal year.

• The HRM Office or other designated office with appropriate compensation expertise shall review salaries for appointments and salary increases and report significant concerns to the next level administrator with authority over both the HRM director and the administrator requesting the increase. An initial offer that exceeds the mid-point of the salary range will require approval of the Chancellor or his/her designee.

• The positions of Vice Chancellor and other positions reporting directly to the Chancellor and having campus-wide responsibilities will be considered campus executive level positions. Appointments to those positions will require approval of the President. Appointments to positions of Vice President and other positions having system-wide responsibilities reporting directly to the President will be considered system executive level positions and will require Board approval as specified below.

<table>
<thead>
<tr>
<th>BOARD REPORTING AND PRESIDENT’S APPROVAL REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Appointments, salary increases greater than 10%, salary decreases and terminations of system executive level positions</td>
</tr>
<tr>
<td>2. Appointments, salary increases greater than 10%, salary decreases and termination of Chancellors and equivalent positions</td>
</tr>
<tr>
<td>3. Head coach/athletic director contracts/amendments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRESIDENT’S APPROVAL REQUIRED</th>
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<tbody>
<tr>
<td>1. Pre-approval of base salary ranges with a midpoint equal to $250,000 or above</td>
</tr>
<tr>
<td>2. Appointments not based on a pre-approved salary range and a salary of $250,000 or above, whichever is higher</td>
</tr>
<tr>
<td>3. Salary increases associated with additional duties, merit increases, counter offers and retention raises in excess of 30% for positions with a base salary of $100,000 or above</td>
</tr>
<tr>
<td>4. Salary increases in excess of 15% to campus executive level employees unless increase is due a promotion and would be treated like a new appointment</td>
</tr>
<tr>
<td>5. Appointment and termination of tenured faculty</td>
</tr>
<tr>
<td>6. Granting of tenure to an existing faculty member and promotion in faculty rank</td>
</tr>
<tr>
<td>7. Appointments, Designated Chair and Professorship</td>
</tr>
<tr>
<td>8. Salary supplements from Foundation funds</td>
</tr>
<tr>
<td>9. Termination or reduction in pay of an employee occupying a campus executive level position</td>
</tr>
<tr>
<td>10. Reemployment of a retiree to a position within the LSU System that is not significantly different from the position from which the individual retired</td>
</tr>
<tr>
<td>11. Reemployment of an LSU System retiree by the campus from which he/she retired if the appointment is for more than two years and more than 50% effort</td>
</tr>
<tr>
<td>12. Leave without pay in excess of two years</td>
</tr>
<tr>
<td>13. Creation of a new position at the level of Vice Chancellor or above</td>
</tr>
<tr>
<td>14. Educational or sabbatical leave</td>
</tr>
<tr>
<td>15. Emeritus status</td>
</tr>
<tr>
<td>16. Filling a faculty position made vacant by lay-off, excluding classified positions</td>
</tr>
</tbody>
</table>

**CHANCELLOR’S APPROVAL REQUIRED, SPECIFIC DELEGATION AUTHORIZED***

| 1. Delay of the tenure clock with justification |
| 2. Change of an occupied position from classified to unclassified except that this may be delegated to the Provost or equivalent |
| 3. Appointments to campus executive level positions |
| 4. Increases in base pay not fully approved by the campus within 90 days of the effective date |
| 5. Reemployment of an LSU System retiree by the campus from which he/she retired if the appointment is to a similar position, as determined by the HRM Office based on review of the job descriptions |
| 6. Appointment or promotion of unclassified support staff in positions at the Director level or equivalent (positions with campus-wide authority) |
| 7. Creation of a new position on state funds except that this may be delegated to the Provost or Dean |
| 8. Chancellors are encouraged to delegate authority to Provost or equivalent positions |

**DELEGATION OF CAMPUS AUTHORITY**

In addition to the above, it is expected that Chancellors will delegate routine transactions to the Provost, Vice Chancellors, Deans and department heads provided there is adequate review by the HRM Office or other appropriately trained office to ensure compliance with applicable regulations. Examples of transactions that should be delegated to the level of Dean or below are:

| 1. All classified transactions except that appropriate review should be in place for layoffs and terminations |
| 2. Appointments of unclassified support staff in positions below the levels of Director or Assistant Director or comparable positions |
| 3. Appointments of other academic staff |

**OTHER MISCELLANEOUS TRANSACTIONS**

| 1. Honorary degrees – Board |
| 2. Joint appointment between campuses exceeding 100% – President |
| 3. Effort percentage exceeds 100% – President |
| 4. Honoraria payment or travel reimbursement in excess of $25,000 – President; honoraria payment or travel reimbursement of $25,000 or less – Chancellor or equivalent |
| 5. Appointment for definite term greater than 12 months outside of PM-23 – President |
ATTACHMENT B
Recommendations for Human Resource Policy Reviews

Personnel Action Approvals and Compensation
The content for these policies is based on the information in Attachment A. As a first priority, the human resources staff involved in this subcommittee should prepare the necessary policy documents to allow for implementation of this recommendation.

- PM-69 – Delegation of Authority to Execute Personnel Actions
- PM-3 – Compensation Limits
- PM-41 – Salary Cost Distribution and Conversion of Salaries

Umbrella Policies
The following policies lend themselves to umbrella policies and should be the next area addressed. This responsibility should be assigned to the HR Council.

- PM-5 – Holiday Schedule
- PM-55 – Equal Opportunity Policy
- PM-33 – Drug-Free Workplace and Drug Testing Policy
- PM-26 – Policy on International Visitors – currently written as an umbrella policy
- Other possible topics currently addressed at the campus level:
  - American Disabilities Act
  - Conflict of Interest
  - Ethics
  - Family Medical Leave Act
  - Harassment
  - Violence-Free Workplace

Academic Rank and Promotion & Tenure Policies
It was noted that the main policies in this area are not always clear and consistent. The System would benefit from an effort to refine the wording used. A group including representatives from faculty, Human Resources and academic administration should be formed to review the following policies.

- PM-23 – Ranks, Provisions, and Policies Governing Appointments and Promotions of the Academic Staff
  - Issues revolved around consistency in language
- PM-35 – Review of Faculty Ranks

Policies to be Reviewed by Chief Human Resource Officers Group
The following are the last group of human resources policies to be reviewed by the HR Council.

- PM-34 – Procedure for Reviewing Disability Retirement Claims
- PM-70 – Return to Work Policy for Employees on Worker’s Compensation
- PM-11 – Outside Employment
- PM-67 – Contracts between the University and Faculty Members
- PM-72 – Obtaining Legal Services
Transformation Priority | Revise Permanent Memoranda (PMs)

The Challenge

LSU’s Permanent Memoranda (PMs) also known as Presidential Memoranda should provide a framework or set of guidelines for all parts of the university, enabling streamlined processes, timely decisions made at the lowest levels possible and cross campus collaboration. Instead, a review of the current PMs reveals a collection of standards and procedures that have been adopted over time without prescribed regular reviews. Some PMs are symbolic and others are very technical; some need to be revised while some can be eliminated. The current PMs are reflective of the past and in many cases state the obvious. Finally, PMs are not linked together by technology, making them hard to access and creating potential issues with broad distribution and version control.

One of the main reasons for focusing on the PMs as a part of LSU 2015 is to take advantage of the unique opportunity for all campuses to have a seat at the table to develop a roadmap for the future functioning of the university. A well-crafted set of minimum standards would provide guidance for campus policies that could then reflect an increased emphasis on shared faculty and resources and greater overall consistency in transactions between campuses while allowing each campus to tailor their own policies to meet both their unique needs and the standards of the entire university.

Where Does LSU Stand Right Now?

LSU’s Permanent Memoranda (PMs) provide requirements, guidelines, minimum criteria and operating procedures for the implementation of Board Bylaws and Regulations, and those otherwise required by state or federal law. Approval of PMs does not require a vote by the Board of Supervisors, but rather may be issued by the President’s Office to ensure implementation of Board policy and to disseminate minimum standards and “best practices” among the campuses.

The Opportunity

Adopt results of a Comprehensive Review of LSU’s PMs

The Streamlining Procedures, Rules, and Regulations Task Force developed an initial review of current Permanent Memoranda for the purpose of identifying potential revisions that would:

- Allow the Board of Supervisors to maintain greater focus on governance and strategic goals;
- Provide guidance for administration and staff in day-to-day management activities;
- Reflect best practices including the promotion of a flatter organization; and
- Offer easy access, clear direction and regular updates with all campuses having an advisory seat at the update table.
Attachment A contains a summary of the completed initial review. This document can be used as a starting point for a more formal comprehensive review effort.

Financial

The revision of LSU’s Permanent Memoranda will not require any additional costs. Staff will need to be allocated to form a cross-campus task force.

Attachment A: Permanent Memorandum Review

Guiding Principles

- “Permanent Memoranda” (PMs) can be symbolic, technical, regulatory
- PMs should be designed for best practices
- All campuses should have a seat at the table
- Streamline publication for ease of reading and information retrieval
- Develop for alignment with Board bylaws, regulations, state and federal laws and Board of Regents policies
- Push management decisions down and back up with a strong audit function
- Promote a flatter organization
- Policies should drive the organization in the direction we want to go
- PMs should guide day-to-day management activities and allow the Board of Supervisors to focus on long-range strategic goals and objectives

Definition

“Permanent Memoranda” (PMs) provide requirements, guidelines and minimum criteria and operating procedures for the implementation of Board bylaws and regulations, as well as those otherwise required by state or federal law. Approval of PMs do not require a vote by the Board of Supervisors, but rather may be issued by the President’s Office to ensure implementation of Board policy and to disseminate minimum standards and “best practices” among the universities.

Numbering System

A PM may relate to either a chapter or specific section in a chapter of the Board bylaws and regulations, therefore it is recommended that a numbering system be developed that ties a PM to the appropriate section of the bylaws and regulations.

Effective Date

A PM shall become effective on the date designated in the policy. The President’s Office shall forward approved policies to each campus Chancellor, Vice President or Executive Director for distribution to appropriate personnel. All PMs will be posted and maintained on the LSU website. The President’s Office shall retain the responsibility to maintain and update PMs.

All PMs will remain in effect until amended or repealed.
Publication and Distribution
The President’s Office shall ensure that all bylaws and regulations and/or PMs, and any subsequent amendments or additions will be disseminated to the campuses within ten (10) business days of approval by the Board and/or the President’s Office. Each entity in the Louisiana State University System shall ensure that the faculty, staff and students have access to the bylaws and regulations, and PMs of the Board of Supervisors.

A review is needed at the conclusion of each state legislative session to determine if any changes are required based on statutory changes.

Each PM should contain a reference, review and distribution section. For example, a Student Debt Policy might appear as follows:

- Policy References:
  - Regulations of the Board of Supervisors
  - Louisiana Revised Statutes
  - Louisiana Constitution
- Review Process:
  - Chief Business and Finance Officers
  - Chief Student Affairs Officers
  - Financial Aid Directors
  - Legal Counsel
- Distribution:
  - University Chancellors, VPs, or Executive Directors
  - Chief Business and Finance Officers
  - Chief Student Affairs Officers

Selected Permanent Memorandum Review
Permanent Memorandum Review – Facilities Management/Safety
PM-2 – Policy on Naming University Facilities
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Needs to address the naming of activities/programs conducted within buildings or spaces

PM-6 – Lease of Immovable Property
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
Should consider adding reporting line to Facilities and Properties as well as HRM Director

PM-14 – Operation & Maintenance of Physical Plant
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Needs to be expanded in areas of authority at campus level regarding code authority and architectural and engineering licensure and oversight requirements that must be maintained to take advantage of the delegation of physical plant operations by the Division of Administration Facility Planning and Control (FP&C). PM currently only addresses construction and public competition, which needs additional language providing flexibility.

PM-18 – Registration of Motor Vehicles
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Should be updated to note modern modes of transportation (e.g., the increase of motorcycles, scooters and unlicensed carts)

PM-21 – Use of University Automobiles and Trucks
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Should add language regarding students as passengers as well as official visitors as passengers. Language should be added, in item 3, addressing the use of state vehicles for the purpose of traveling back and forth from office or work place to perimeter of campus to personal parking place.

PM-30 – Radiation Protection Program
- Is the specific PM still relevant (is it needed)? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - PM-30 was established at some unknown date prior to 1985. In order for LSU to possess and use radioactive materials, a Radiation Safety Committee must administer the license. Since the license covers all of the campuses and agriculture research centers, the committee is composed of members from each campus and the Agriculture Center. PM-30 is the procedure used to appoint committee members, the Chairman, Secretary and the Radiation Safety Officer. Obviously, the committee could appoint by other means, but PM-30 works well.

PM-32 – Use of LSU System Facilities and Premises
• Is the specific PM still relevant (is it needed)? YES
• Does topic (PM) need to be refreshed or updated? YES
• Comments:
  ▪ Should include required approvals for each defined usage

PM-42 – Physical Facilities Inventory and Analyses
• Is the specific PM still relevant (is it needed)? YES
• Does topic (PM) need to be refreshed or updated? YES
• Comments:
  ▪ Department heads should specifically be instructed to submit classroom schedules each semester.

PM-68 – Construction, Modification, Maintenance, Care and Operation of Sorority and Fraternity Houses Located on University Property
• Is the specific PM still relevant (is it needed)? YES
• Does topic (PM) need to be refreshed or updated? YES
• Comments:
  ▪ Should be updated to include all leased properties

Permanent Memorandum Review: Information Technology
PM-36 – Louisiana State University System Information Security Plan
• Is the specific PM still relevant (is it needed)? YES
• Does topic (PM) need to be refreshed or updated? YES
• Comments:
  ▪ Need to ensure federal and state regulations still apply

PM-58 – Commitments for Data Processing and/or Computing Equipment
• Is the specific PM still relevant (is it needed)? NO
• Does topic (PM) need to be refreshed or updated? NO
• Comments:
  ▪ Content in Louisiana Administrative Code Title 34, Chapter 55

Permanent Memorandum Review: Business/Finance
PM-9 Banking Services, Safeguarding of Deposits and Investment and Reporting Policy
• Is the specific PM still relevant? Yes

PM-13 University Travel Regulations
• Is the specific PM still relevant? Yes
• Assume it is needed to further clarify state regulations

PM-25 Use of University Funds for Entertainment
• Is the specific PM still relevant? Yes
• Needs to be updated
PM-25 Student Referendums to Establish New Special Service Fee or to Increase an Existing Fee
  • Is the specific PM still relevant? Yes

PM-40 Contract for University Procurement of Professional, Personal and Consulting Services
  • Is the specific PM still relevant? Yes
  • Review for possible refresh of delegation/thresholds

PM-41 Salary Cost Distribution and Conversion of Salaries
  • Is the specific PM still relevant? Yes
  • Group with the HR Section

PM-59 Classification of Academic Current Funds Expenditures by Function
  • Review for relevance?

Permanent Memorandum Review: Governance/Administration
PM-1 Permanent Memoranda from Office of the President
  • May no longer be needed if new numbering schema is adopted

PM-22 Commonly Used Name Designations, System and Component Institutions
  • Is the specific PM still relevant? Yes

PM-38 Institutional Mission Statements
  • Is the specific PM still relevant? Yes

PM-44 Execution of Contracts and Other Similar Documents
  • Is the specific PM still relevant? Yes
  • Will need to be refreshed

PM-60 Execution of University System Contracts
  • Is the specific PM still relevant? Yes
  • Review for possible refresh of delegation/thresholds
  • Group in Facilities Section

PM-63 Channels of Communications with the Board of Regents
  • Other than symbolism, this is not needed

PM-67 Contracts between the University and its Faculty Members
  • Is the specific PM still relevant? Yes

PM-72 Obtaining Legal Services
  • Is the specific PM still relevant? Yes
  • Review for possible refresh of delegation/thresholds
Permanent Memorandum Review: Research/Technology Transfer

PM-10 – Indirect Cost Allowances on Grants & Contracts

- Is this still relevant? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Remove criteria pertaining to sponsored programs versus gifts and include that information in PM-27 with a reference
  - Retain campus level approvals for lowering or eliminating the prevailing indirect cost recovery rate
  - Increase threshold amount for waiving indirect costs ($10,000 from 1991) and have this amount reviewed periodically or adjusted for inflation. Also, make this exclusive of cost sharing.
  - Add an additional waiver item for general exceptions not included in the current list of exception items, and also provide that authority to the campus level
  - Include “contracts” where “grants” are referenced
  - Sponsor can be a non-profit or for-profit organization

PM-16 – Technology Transfer

- Is this still relevant? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Clarify whether this includes non-paid adjunct or visiting scientists
  - Add additional item for protection section for technologies not patentable, archive/waive title
  - Add additional item for protection section for trademarked technologies
  - Delegate the patent protection process to the campus level versus the current statement indicating that it will be handled by either the System or the campus, where appropriate
  - Remove references to the System Office of Technology Transfer and replace with campus of the inventor. If multiple campuses are involved, the campus Technology Transfer Offices will determine the lead campus and keep the other campuses updated on progress
  - Consider delegating some functions to an affiliated foundation such as the LSU System Research and Technology Foundation
  - Streamline review process
  - If template license agreement is used, further legal counsel review should not be necessary
  - All appendices (technology transfer forms and templates) should be removed, and allow each campus to create and manage their own forms (which is currently the acceptable practice) or determine the new model based on LSU2015 input and revise accordingly
Confidential information and materials should be managed by the campus Technology Transfer Office.

PM-27 – Placement of Sponsored Research
- Is this still relevant? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Definition of sponsored research is needed
  - Definition of philanthropic gift is needed
  - Information is needed on distinguishing sponsored research from philanthropic gifts
  - Language regarding making this determination at the campus and foundation levels is needed
  - Provide that exceptions can be approved at the campus level

PM-64 – Intellectual Property – Distribution of Royalties and Other Matters
- Is this still relevant? YES
- Does topic (PM) need to be refreshed or updated? YES
- Comments:
  - Reconsider and potentially revise how litigation proceeds are recovered and allocated to campuses. Needs to be consistent with By-laws (Chapter 7)
  - Revision to Section D.1.a is needed to include disclosure using the federal government’s Interagency Edison (iEdison)
  - Revision to Section D.3 is needed as it pertains to current practices for retaining title to unpatented biological materials
  - Revision to Section E is needed as it pertains to current practices for restrictions on publication
  - Consider reallocating the 10% royalty to an affiliated Foundation (approval by President)
- Additional Comments:
  - PM’s for technology transfer should be reviewed and updated along with Chapter 7 of the By-laws. Revisions should be considered for various issues including: litigation proceeds, waiver of IP for sponsored agreements, distributable royalties, management of equity by an affiliated foundation, sublicenses, signature authority of licenses to the President (with further designation to the campus) etc.

Policy Section Examples
The Ohio State University
http://www.osu.edu/policies/
Individual units may maintain additional policies applying only to that unit that are not in conflict with university-wide policies. Such policies do not override university-wide policies.
Areas:
- Academics
- Athletics
- Business Practices
- Facilities and Safety
- Fund-Raising
- Governance
- Human Resources
- Information Technology

The University of Texas at Austin
http://policies.utexas.edu/
Areas:
- Governance
- Facilities
- Research
- Academic/Faculty
- Human Resources

- Risk/Security/EH&S
- Administration
- Information Technology
- Student Life

The University of South Carolina
http://www.sc.edu/policies/policiesbydivision.php
Areas:
- Academic Affairs
- University Advancement
- Athletics
- Board of Trustees
- Business Affairs
- Business and Finance
- Emergency Management
- Equal Opportunity Programs
- Facilities Management
- Health and Safety
- Human Resources

- Information Technology
- Law Enforcement and Safety
- University Libraries
- Regional Campuses and Continuing Education
- Office of Research
- Student Affairs and Academic Support
- University Administration
- Vehicle Management and Parking Services

Cornell University
http://www.dfa.cornell.edu/treasurer/policyoffice/policies/volumes/index.cfm
Areas:
- Academic/Research
- Facilities
- Financial Management
- Governance/Legal

- Information Technologies
- Human Resources
- Administration of Student Services
- Risk Management and Public Safety

The State University of New York
http://www.suny.edu/sunypp/
This library contains University-wide policies, procedures and related forms. They are organized here to provide information to all University employees. For policies and procedures specific to a campus, contact that campus directly.
Areas:
- Academic Affairs
- Affiliated Programs
- Community Colleges
- Facility Management / Safety
- Financial

- Governance
- Hospitals / Clinical Services
- HR / Labor Relations
- Internal Audit
- Legal and Compliance
• Philanthropy
• Related Entities
• Research

The University of North Carolina at Chapel Hill
http://www.unc.edu/campus/policies.html

Areas:
• Administration
• Athletics
• Conduct
• Employment

• Information Security
• Nondiscrimination
• Research
• Students

• Student Affairs
Transformation Priority | Project a Single, Globally Competitive LSU

The Challenge

As LSU transforms itself from independent units to one powerful university with an overarching brand, it is apparent that there will be cultural challenges to overcome. Developing and promoting one overarching message with one voice is imperative both at the state level as well as nationally. Leaders and LSU staff members will need to think and act differently as they strive to reduce internal competition and position LSU as the flagship system for the state of Louisiana. Competitive focus must shift from an internal focus to one of differentiating LSU as the only public university in the state to be designated as a Carnegie Research University with Very High Research Activity. Such universities by definition require more resources, flexibility and autonomy to carry out their mission and this is a certainly true for the state and the citizens of Louisiana.

Where Does LSU Stand Right Now?

There is some variation across various LSU units in terms of available staff resources, administrative interest and strategic efforts to brand and communicate with external stakeholders. The AgCenter has a tremendous Communications and Public Relations effort utilizing resources dedicated to news and video, marketing, social media and training. Large colleges at LSU A&M, such as the E.J. Ourso College of Business, have dedicated resources and strong processes. Other units, colleges and campuses may have paltry resources and unfocused communication efforts.

In the legislative and governmental relations arena, Edward Miller, the Director of Federal Affairs for M.D. Anderson, served on the LSU staff in 2001 and noted that LSU had a fiscal office in Washington, D.C. with two staff members, a legislative and an administrative person. They hosted faculty and staff visits, conducted an internship program, and built relationships on the ground as well as sought opportunities to put LSU in front of congressional committees as experts in key areas. Bonnie Hymel noted that LSU was instrumental in shaping Medicare and Medicaid policy in those days and stimulated discussion focused on renewing opportunities to shape policy on issues such as coastal resources and energy.

On the state level, LSU has not had a unified legislative platform or legislative effort in recent years nor does it have uniform and formalized processes in place to develop a common agenda. The various LSU campuses and Chancellors have utilized internal and external resources including contracted individuals and firms, alumni and supporters to advocate for campus and program-specific priorities, sometimes at the expense of the whole. This approach was to be expected as the funding mechanisms and systems allowed and some would say even encouraged such end-runs and sub-optimization.
Today more than ever, LSU finds itself in need of multiple sources of broad based funding as well as concentrated support to deal with such significant challenges as tremendous talent shortages, campuses utilizing one time funds for continuing operations, and depleted reserves. There will continue to be issues related to fundamental changes in health care provider financing which will impact the instructional and research programs of the health care centers. In addition critical issues concerning equitable formula funding, tuition authority, needs of campuses and research programs without students, and autonomies for administrative management must be resolved.

The Opportunity

LSU has an opportunity to build a stronger, more consistent brand that reflects LSU’s unique strengths and contributions. As noted by Michael Madnick, the Deputy Director of External Relations, Global Health Policy and Advocacy, Bill and Melinda Gates Foundation, LSU should adopt a “hub and spokes” model to execute branding, strategic communications and advocacy across the LSU enterprise. He suggests that LSU become intentional about where items like vision, content implementation and operational practices reside. In this model, individual campuses, schools, colleges and units strengthen the overall brand. Over-centralization of communication systems and content can actually water down the impact of communications, governmental relations and brand. The “hub” can conduct market research, surveys and focus groups on a statewide and national basis and local units can develop content based on the findings.

According to Madnick, the LSU website should not follow the trend and simply be an aggregator of content. It needs to be real-time and should blast the audience with best-in-class content and what is happening now throughout LSU with hot links. He suggests that in all communications that LSU should celebrate and make clear their excellence in specific arenas. Madnick noted that LSU sits at the epicenter of some of the most interesting global challenges being faced and leadership should think about comparative values and excellence versus broad brand. These concepts were echoed and reinforced by communication experts across the LSU enterprise who are ready for new leadership who can encourage collaboration and provide direction on key strategic communication areas. An interesting concept that emerged in discussions was to investigate how LSU can tie academics and award winning programs like Internal Audit in the E.J. Ourso College of Business to athletics to promote it.

The landscape at the federal level has changed dramatically and finding opportunities for the congressional delegation to help in ways that have a real impact is difficult. The focus today really has to be more on focusing on promoting core research strengths and helping faculty, especially young faculty, develop deeper relationships in the science agencies. The world of earmarks is over
for the foreseeable future but there is still money available. LSU will have to be more creative and engage in real partnerships to remain competitive.

Goals of the new LSU external affairs model include:

- Multiple voices sending the same clear message.
- Managing a centralized brand with a coherent web presence. This includes a homepage for LSU.edu that includes links to every LSU campus and unit.
- Including communication officers in Chancellors’ and Deans’ inner circle meetings so that they can promote strategic and noteworthy efforts and discoveries.
- Beginning regular meetings of communication officers across the state through electronic and periodic in-person sessions.
- Investing in a statewide and regional marketing campaign to promote focused areas of research and academic excellence at LSU.
- Leveraging LSU’s statewide footprint to promote a single set of legislative priorities supported by all campuses. Governmental relations must be year round, not just during session.
- Developing and utilize strong processes emanating from the President’s Office for improved relationships with legislators; reinvigorate an after-session overview, two months later develop goals and objectives for the next year’s session. Campuses develop written reports with their campus messages derived from the overall LSU message. Pre-session meetings and weekly calls during the session to share information and improve coordination are essential.
- Engaging the power of the statewide alumni network through targeted communication about LSU’s priorities. Utilize electronic and social media to ensure that the LSU messages can be articulated in towns and regions across the state.
- Reestablishing a federal office to promote LSU on the national stage, shape public policy and serve as an expert resource.

A plan, timeline, budget and coordinated approach should be developed to guide this effort and accountability should be established with staff resources dedicated to these efforts.

Financial

Although coordinating communication and governmental relations efforts and strategies will not require additional hard costs, it has been estimated that a high quality branding and marketing campaign will require at least $250,000 with mass media costs of $1,500,000 to $2,000,000 for a significant statewide effort. These dollars should be privately raised to ensure flexibility in message and approach. A detailed financial projection would be needed before reestablishing a federal office in Washington, D.C.
Transformation Priority | Establishing a Service Model Research Foundation

The Challenge

The LSU System campuses face the challenge of creating a structure for commercialization and technology transfer that operates to drive innovation on each campus, recover lost opportunity time from past actions and establish a service based model to engage faculty and engender interest from the business and investment community. All of this must be accomplished in a manner that eliminates duplication of effort, enhances efficiency and marshals resources through a collaborative process. To meet this challenge, the Task Force recognizes the need to innovate and not merely borrow or copy current technology transfer models. The challenge LSU faces in accomplishing the stated goals is unique based on past performance, allocation of resources and the structure of the LSU System.

This report is determined not to dwell on specific instances of campus-by-campus successes or shortcomings, but rather to set forth a roadmap for how to leverage past success to overcome identified areas of concern. This will allow LSU to move forward with an innovative model that brings success to all stakeholders, including faculty, staff and students; industry; the University enterprise; the public; and entrepreneurs.

Top tier universities pursue commercialization and technology transfer for a variety of reasons including: attracting and retaining creative faculty; supporting industry-focused research and development partnerships; stimulating economic development through the creation of startup companies (creating new jobs and thereby generating new tax revenue); translating to society innovative and beneficial solutions to complex problems; and realizing additional research dollars.

Commercialization is a race to the market. University researchers operate in a globally competitive environment. First to market is everything; there are no prizes for second place. To meet the needs of all stakeholders and create an environment that fosters success, technology transfer processes must be nimble and quick.

Examination of best practices in technology transfer efforts across high-performing universities revealed a few critical success factors that have been cited repeatedly in testimony during the LSU2015 process. First, a clearly defined mission statement that serves to underpin all commercialization and technology transfer efforts guides these successful universities. Additionally, models of excellence are characterized by:

- Flexibility;
- Accountability;
- Transparency;
- Efficiency/streamlined bureaucracy;
• Excellent faculty service and outreach;
• Understanding and appreciation of industries’ and investors’ motivations and the formation of processes that encourage collaboration with these parties; and
• Proactive efforts to foster a culture of innovation on each campus.

While many universities rely primarily on federal research expenditures from National Institutes of Health and National Science Foundation to fund their research activities, experts warn these funding sources are under siege due to persistent federal budget distress. At the same time, business and industry funding could potentially become increasingly more available as industries outsource their research and discovery activities as a way to leverage scarce resources. Establishing an administrative structure that takes into account the different cultures of universities and industry will facilitate business and industry interaction, sponsored research funding and perhaps philanthropic opportunities.

Task Force members heard presentations on alternative models utilized by universities to manage the commercialization and technology transfer system. A common practice is the use of a research foundation to lead technology transfer, commercialization and industry partnerships. Some examples include Georgia Tech; University of Georgia; University of Tennessee; Purdue; University of Arkansas; Iowa State; University of Wisconsin at Madison; University of Nebraska; Virginia Tech; and the University of Virginia. While these models are successful for the cited universities, it is significant to note that most of these foundations serve a discrete campus essentially operating as a resident technology transfer office, albeit one with more structural latitude in decision making than would ordinarily exist were the foundation part of the university proper. The challenge faced by the LSU System is how to attain the benefits of such a foundation structure while serving multiple campuses in varying locations with varying missions.

The Association of University Technology Managers (AUTM) conducts surveys and publishes results via metrics that have been established to allow benchmarking across universities. Some of these metrics measure inputs such as full time employees/equivalents (FTEs) while others measure outputs such as research expenditures (research projects funded by federal dollars and/or industry sponsors), invention disclosures, patent applications filed, licenses, start-up companies and licensing revenues. The LSU System Office of Academic Affairs provided an analysis of AUTM data from FY 2011 demonstrating the relationship between the elements that make up the research and technology transfer pipeline. Based on this analysis, a university could expect (numbers are approximate):

• One invention disclosure per $2.5 million in research and development expenditures
• Patent applications filed on 60% of new disclosures
• Licenses eventually executed on 25% of disclosures
• One start-up company per $100 million in research and development expenditures
• Only 0.5% of licenses to generate more than $1 million
• An average return on investment (ROI) slightly above 3%
Clearly, the level of research funding an institution enjoys will directly relate to the volume of its technology transfer output.

Where Does LSU Stand Right Now?

Over the past decade, LSU’s technology transfer efforts have been the focus of many studies and reviews that point to a number of root causes contributing to a less than satisfactory technology transfer performance. These issues include: the inefficiencies of LSU’s current tech transfer operating model, the lack of adequate research faculty and resources on the campuses, inconsistent levels of tech transfer talent and administrative support, leadership commitment that has waned under fiscal pressures and an academic culture that has not adequately valued entrepreneurial faculty.

An examination of available metrics shows that LSU lags behind top-tier universities for research and development expenditures with a total of approximately $377 million for 2011 compared to the average of a group of the LSU A&M campus self-selected peer universities that attracted $423 million. LSU also lags behind the lowest quartile of the 62 members of the American Association of Universities (AAU) that attracted an average of $696 million in 2011 annual research funding. While it is unlikely that such disparities will be quickly rectified and such recommendations are outside the scope of this report, there are steps that can be taken to create an enterprise within LSU that ensures the campuses’ research output is maximized in the area of commercialization and technology transfer.

Annual Research Expenditures and Invention Disclosures

As demonstrated by the AUTM data analysis, this lower base funding level commensurately reduces the expected number of invention disclosures for LSU compared to its peers. Even more troubling is the significant decline of actual disclosures compared to expectations as noted in Table I: Actual vs. Expected Invention Disclosures.

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8 LSU A&M Self Identified Peers: University of Tennessee; Texas A&M; University of Maryland at College Park; University of Illinois at Urbana Champaign; Purdue; North Carolina State; University of Nebraska at Lincoln; Iowa State; University of Georgia; Virginia Tech; Mississippi State; University of Arkansas; Colorado State University

Source: AUTM, 2011; Baton Rouge Area Chamber (BRAC) analysis
The actual number of LSU invention disclosures declined precipitously from 2008 to 2009 and fell again in 2011. Research expenditures peaked in FY 2010 and have been declining ever since. The drop in invention disclosures parallels the decline in research expenditures (and the decline in faculty ranks as noted in the Research and Discovery Subcommittee’s transformation priority – Build a Globally Competitive Research Enterprise). Given that total research expenditures provide the fuel for the commercialization pipeline, it is not surprising that LSU underperforms expectations on invention disclosures received, license and options executed and patents filed.

According to a recent Baton Rouge Area Chamber (BRAC) analysis of LSU’s 2011 performance on benchmarked metrics compared to peers, these peers (of single campuses) outperform LSU in every metric except one, licensing income. When compared to a peer group utilizing nonprofit foundations, the differential in performance is even more significant with LSU underperforming its peers on invention disclosures, licenses executed and new patent applications.

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9 LSU A&M Self Identified Peers: University of Tennessee; Texas A&M; University of Maryland at College Park; University of Illinois at Urbana Champaign; Purdue; North Carolina State; University of Nebraska at Lincoln; Iowa State; University of Georgia; Virginia Tech; Mississippi State; University of Arkansas; Colorado State University

10 Peer Universities with Non-Profit Foundations: Georgia Tech; University of Georgia; University of Tennessee; University of Wisconsin at Madison; Purdue; University of Arkansas; Colorado State; Virginia Tech; University of Nebraska at Lincoln; Iowa State; University of Virginia;

Source: AUTM, 2011; Baton Rouge Area Chamber (BRAC) analysis
### 2011 Performance by Metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>LSU*</th>
<th>Average of LSU Selected Peers</th>
<th>Average of Peers with Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Expenditures</td>
<td>413</td>
<td>449</td>
<td>423</td>
</tr>
<tr>
<td>Invention Disclosures</td>
<td>96</td>
<td>168</td>
<td>182</td>
</tr>
<tr>
<td>Licenses Executed</td>
<td>33</td>
<td>54</td>
<td>56</td>
</tr>
<tr>
<td>New Patent Applications</td>
<td>51</td>
<td>80</td>
<td>108</td>
</tr>
<tr>
<td>Patents Issued</td>
<td>20</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>Startups</td>
<td>4</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Licensing Income ($MM)</td>
<td>12</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

*Includes UNO – future analysis will need to account for the loss of UNO

#### Startup Companies

Interestingly, LSU has a better record for startup companies, outperforming expectations from 2009-2011 and achieving the expected number of start-ups in 2012 based on the benchmark calculation. For 2011, LSU posted four startups, performing as well as peers with research foundations and only slightly behind the average of LSU selected peers that had five startups in the same year. Because of its better performance in this category and its importance to economic development, LSU should be looking to achieve excellence in this category on par with the top-performing universities for startups. Evaluation of performance in this area should ideally include economic viability metrics such as: tracking of products introduced into the marketplace, follow-on capital investment in the company, number of employees, payout event of equity holding, new patent applications filed by the startup, etc. This is a category where the university is poised for rapidly achieving national-caliber excellence.

#### Licensing Revenues and ROI

As noted in the 2003 study, “Strengthening Technology Transfer Capabilities of Louisiana Universities” conducted by A.M. Pappas & Associates, “Generating an immediate revenue stream for the university should not be the primary goal of a technology transfer office – this is shortsighted.” In fact, in the analysis of AUTM FY 2011 data it was noted that on average, less than 1% of all licenses generate more than $1 million and the average return on investment is just over 3%. Given the financial homerun created by the AgCenter’s Clearfield Rice license, LSU currently hovers between 2-3% in its licensing revenues and return on investment, but this level of revenue is not sustainable without another significant technology transfer homerun in the next few years.

While the dollars generated by licenses may not be sufficient to completely offset declining revenues in other areas, the opportunity for additional dollars for research staff, facility upgrades and equipment should not be dismissed. Pennington recently received a grant of approximately $2 million to support ongoing research deemed promising by industry decision makers. Encouraging strong industry relationships can provide these types of opportunities and progressive universities have developed ways to measure and track results in these areas.
While LSU has made much progress in the development of templates, investment in a relational database (KSS) and efforts to streamline processes and provide professional development to staff, there is still work to be done to transform LSU into an attractive university for researchers and investors. The findings of many of the earlier studies combined with subject matter experts and interested parties who provided testimony through this review process, make clear key areas that provide significant opportunities for LSU to improve.

Staffing levels in campus tech transfer offices reached a high of 13 across all campuses in 2009 but have dwindled down to nine in 2012. Experience levels vary by campus and the autonomy of each campus office creates inconsistencies and gaps in knowledge from one office to another. The need for approvals of a license agreement up the chain of command, and in many cases, all the way to the Board of Supervisors creates time lags and fuels a perception among investors (as reported during testimony) of LSU as non-responsive or difficult to work with.

Additionally, staff must be onsite and readily available to proactively work with researchers to encourage and support participation in technology transfer activities. Lack of staff can contribute to missed opportunities and frustration from researchers who willingly admit that they need guidance through the process. Finally, a culture of service depends upon an adequate number of trained staff (armed with adequate tools and support) with the time to work with research staff and venture capitalist investors or industry representatives.

Establishing a research commercialization culture is important for success. Tenure and promotion decisions at LSU, as is the case in many other universities, are primarily based on factors such as academic teaching loads, publications and peer reviewed research. This poses a dilemma for a valued researcher on a campus where they may have to choose between their academic career ladder and the opportunity to commercialize a discovery that may yield economic rewards for both individuals and LSU and may significantly improve people’s lives.

The cap on attorney fees imposed by the State Attorney General puts LSU at a disadvantage in hiring top intellectual property (IP) attorneys. While the state allows $175 per hour for contract legal services, the median of the average hourly rate for an IP attorney in the Southeast Metro Area was $501 per hour based on 2010 data provided in the 2011 American Intellectual Property Law Association (AIPLA) Report of their Economic Survey. This can contribute to time lost to research by a less experienced attorney or work performed on deals that will not eventually be acceptable to the parties involved that could have been flagged earlier in the process.

The Opportunity

LSU should reinvent its commercialization and technology transfer effort
The new paradigm should include leadership commitment to commercialization and technology transfer from the President and the upper administration of each campus, and a new service model incorporating the best of technology transfer at the campus level and the best of a research foundation model designed to proactively and efficiently deliver the technical administrative services and commercialization support vital to building a top tier commercialization and tech transfer system. Additionally, this new effort must provide for a service model to all stakeholders so prudent decisions and actions can be made quickly with minimum delay.

A new mission statement developed to guide the technology transfer effort across all campuses should be expressed and promoted regularly at senior administration levels.

The new paradigm for LSU’s commercialization and tech transfer effort will require the collaborative efforts of all key stakeholders and must:

1. Develop a culture of service with streamlined bureaucracy, flexibility, transparency and accountability;
2. Have the ability to respond and rapidly service faculty as their work product is the lifeblood of commercialization and technology transfer;
3. Professionally brand “LSU” and make coordinated marketing efforts to reach the broadest possible cross-section of potential commercialization partners;
4. Provide a collaborative and seamless process for translating relationships with industry and investors into sponsored research and commercialization and vice versa; and
5. Create an environment where campus resources can be more fully devoted to leveraging faculty resources and encouraging faculty involvement.

The following steps are proposed, dependent on further agreement of the individual campus leaders, as key tactics in implementing the strategy of the new LSU commercialization and technology transfer and commercialization model.

1. Establish programs, policies and procedures based on best practices and recommendations from former studies and subject matter experts.
2. Establish a foundation (or make use of an existing foundation’s infrastructure) to consolidate certain aspects of technology transfer including potentially: licensee compliance, provision of resources for legal assistance, branding, marketing and database management; and to further collaborate with campus technology transfer offices to recruit investment and commercialization partners.
3. Train and acquire experienced staff and utilize specialized expertise to ensure high quality processes and outcomes at both the campus and foundation levels.
4. Use metrics to benchmark progress by campus across all LSU campuses. Build data-driven performance management processes supported by well-defined performance metrics and targets.
5. Create a mechanism by which the foundation operates independently with independent funding resources including existing royalty income presently allocated to the LSU System (i.e., 10% of licensing revenue). This will enable the foundation to use these resources to retain expert patent counsel, carry out marketing and branding efforts and
collaborate with the campuses to engage industrial research sponsors and commercialization partners. Additional support could be provided from campuses using their licensing incomes.

6. Delegate signatory authority for any agreements that might option a university technology and license agreements to the individual campus leaders.

It is anticipated that in such a model the campuses will take the lead on faculty service and education, encouraging faculty involvement in the process, making decisions related to which technologies to patent and negotiation of agreements related to the inventions from that campus (i.e. licenses and options). Moreover, it is expected that the technology transfer staff on each campus will actively engage the local business community to promote the university and create partnerships. The foundation will primarily be responsible for maintaining a database of technology transfer related information, ensuring licensee compliance, establishing a virtual portal that includes all technologies from LSU campuses, developing a national brand for LSU technology transfer and recruiting outside investors and companies for sponsoring research and/or as potential licensees.

This proposed new paradigm will allow those individuals involved in technology transfer on the campuses to devote more time to faculty service, education and interaction, and also allow for more time spent priming the pump with local business opportunities to increase Louisiana business involvement, local startups and the perception of “LSU’s” interest in “doing business.” This new model will also allow the foundation to operate as a central hub for record keeping eliminating duplicative efforts on the campuses, increase visibility of LSU commercialization and technology with consistent branding, provide a single technology portal through an internet site and work to develop broader relationships with private business funding sources.

There are numerous details within this recommendation for a new model that will need to be examined in greater detail. The Task Force is well aware that any innovative strategy of this magnitude cannot be undertaken lightly and significant thought and contribution needs to be made from the individuals who must ultimately be responsible for its success. To that end we recommend that a committee of the individual campus leaders be established with the charge to examine these recommendations and establish a timeline and framework for implementation by the end of the year.

Financial

The conversion of LSU’s commercialization and technology transfer effort into this new model would require initial startup costs, some of which could be covered by economic development grants, private donations and continuing funding in the form of royalties (i.e., 10% of all license revenue). Additionally, a reallocation of current resources would be required and should be sufficient to support current level operations. The foundation will operate as a service model to all stakeholders in conjunction with the campus technology transfer offices. The foundation’s operating budget should be self-sustaining and should grow with the total license and royalty revenues.
Transformation Priority | Generate New Revenue

The Challenge

There are numerous forces of change affecting higher education and the future of higher education. Several national experts who addressed the Transition Advisory Team noted these important areas and they are also outlined in numerous articles provided to the subcommittees and task forces. The most commonly referenced trends impacting higher education are:

1. A sea of red ink reflecting the heavy debt load of many public higher education institutions who overbuilt dormitories and classrooms that now sit empty;
2. The disappearing state in public higher education funding, reflecting a broader sentiment of tax payers reprioritizing their dollars to public funding of healthcare, roads and infrastructure;
3. The well of full-paying students is running dry and will result in heavily discounted tuition offers for highly recruited students and downward pressures on tuition increases; and
4. The unbundled alternatives that are both increasing and improving, providing low-cost, easily accessible online offerings that are convenient and brand competitive;
5. The growing value gap between what a student must spend for their degree versus what they will earn in the marketplace.

Penn State University’s inversion of relative amounts of state funding and funding from tuition and fees is typical of public universities across the country and reflective of a similar inversion in Louisiana.

Table 7: Penn State Inversion of State Funding and Tuition and Fees

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriation* (%)</th>
<th>Tuition &amp; Fees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>70-71</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>72-73</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>74-75</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>76-77</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>78-79</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>80-81</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>82-83</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>84-85</td>
<td>79%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Penn State website 2013

“LSU is headed toward single digit state funding, because all states are. In Michigan we have 4% of our budget supported by state funds.”

James J. Duderstadt, President Emeritus and Professor of Science and Engineering at the University of Michigan
Wise trustees and leaders in higher education have become aggressive and entrepreneurial in their approaches to holding down debt, stalling tuition increases and developing alternative revenue streams to support the complex and expensive university models of today.

**Where Does LSU Stand Right Now?**

LSU cannot expect that any significant increases in state funding will occur in the near future so revenue maximization and new revenue generation must be pursued. Many universities seek additional revenues through increases in traditional funding sources: tuition increases, federal funding through sponsored research projects and increases in philanthropy, especially endowment income.

**Tuition**

The in-state tuition at LSU A&M is somewhat lower than tuition and fees charged by other southern universities ($1,000 below the average of the universities in the southeastern conference), but experts predict that there is an upside limit on how much tuition may be increased. Price elasticity is finite and students will eventually move elsewhere or not attend college if tuition becomes unaffordable.

**Table 8: In-state tuition across the Southeastern Conference**

![Table 8: In-state tuition across the Southeastern Conference](http://ies.ed.gov)
LSU has set out-of-state tuition at a competitive price, but has not maximized opportunities to recruit more students to realize the marginal difference in revenue that these additional tuition dollars (over in-state tuition dollars) would provide (see “Aggressively Recruit Out-of-State Students”). Some administrators caution that too many new students would reduce the student/faculty ratio and would cause LSU to lose its ground in national rankings. This seems to be a worthy concern, however, the additional revenue when applied to hiring more faculty should prove to be a solid investment in the future success of LSU that outweighs short term rankings concerns. A divergent view advocates for lowering out-of-state tuition to be even more competitive.

**Federally Sponsored Research**

As noted by one of the presenters at the Revenue Generation Task Force Meeting, a university is judged not just by how well it runs, but by how many research dollars it receives based on governmental, primarily federally sponsored research. LSU is far behind its peers and much of its recent federal funding has come from Homeland Security indicating a true anomaly. National Science Foundation and National Institutes of Health (NIH) funding is lower than would be expected, but as the speaker noted, LSU has not identified focused areas (see report “Focused Research Areas”). Unfortunately, legacy programs and funding from federal sources may be decreasing and not stable due to sequestration and this has both reduced expected funding as well as creating challenges for significant budgetary offsets for the future. Despite these challenges, LSU should invest in increasing its faculty and graduate students who as one speaker noted are “cheap labor” in the race for federal funding.
To that point, LSU uses $8 million of its Facilities and Administrative (Indirect) costs budget to fund operations and an equal amount to pay for graduate students tuition. The redirection of these funds from the originating unit puts an undue burden on research faculty and staff to regenerate and reinvest in research areas that will draw down additional funding and resources.

The Research and Discovery Subcommittee discussed the concept of investing in research faculty at length and determined that recruiting a faculty member who is a prolific researcher could cost $600,000 - $2,000,000 at the outset for labs, equipment and graduate students, but that researcher could bring in $3,000,000 to $5,000,000 per year in research dollars within the first three years. In an aggregate view, based on other universities’ data, LSU could anticipate approximately $900,000,000 in annual revenue based on a $200,000,000 annual investment ramped up over a ten year time period for a return on investment that is over four times the original investment.

The chart below illustrates this point with the University of Pittsburg and Texas A&M University garnering Research and Development and Contract dollars that account for 10-40% of their total revenue.

Table 10: Revenue Sources for Selected Universities 2012

Source: Secondary research
Many universities are initiating programs and temporary strategies designed to reduce costs and create efficiencies. The chart below illustrates common approaches that are frequently utilized as universities struggle to cover ever-increasing costs, debt service and deal with dwindling state appropriations. Programs to reduce salaries enforce furloughs and across-the-board expense reductions damage faculty and staff morale and often create more problems than they solve.

**Table 11: Deloitte: Funding the Future in Challenging Times**

<table>
<thead>
<tr>
<th>The traditional approach to performance management involved</th>
<th>However performance management requires an integrated approach that spans operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Across the board layoffs and expense reductions</td>
<td></td>
</tr>
<tr>
<td>• Salary reductions</td>
<td></td>
</tr>
<tr>
<td>• Reduced schedules/forced vacations</td>
<td></td>
</tr>
<tr>
<td>• Focus on functional areas</td>
<td></td>
</tr>
<tr>
<td>• Use only a few high-impact cost reduction techniques</td>
<td></td>
</tr>
<tr>
<td>• Incremental actions</td>
<td></td>
</tr>
<tr>
<td>• Linear, tactical actions</td>
<td></td>
</tr>
</tbody>
</table>

LSU has cut administrative costs, reduced staff through attrition, and weathered hiring and salary freezes. While these valiant efforts have enabled the university to deal with its fiscal crisis, it is widely recognized that LSU cannot reduce costs indefinitely nor can it cut its way to excellence.

**The Opportunity**

Seeking alternative revenue sources will take time, expertise and resources, and quite possibly policy and statutory changes. LSU has already developed a few notable alternative revenue streams that are in place now. Food service has been outsourced, for example, and Barnes and Noble operates the bookstore on campus. University administrators, supported by outside experts and the Board of Supervisors must continue to explore and implement analogous sources of revenue to stabilize and eventually reverse its current loss of revenue, faculty and other resources.

Other universities have tested various ways to increase revenues and LSU should leverage the knowledge of what they have done. Not all methods are applicable or feasible for LSU, but it is important to learn from what others have done.
Self-Generated Revenue Streams – Tuition and Innovative Academic Programs

Tuition and fees are the largest self-generated streams for most universities. Opportunities exist for additional revenue from tuition as well as innovative utilization of academic and research capabilities. See the Academic Subcommittee report, “Escalators to Excellence” for additional concepts and academic sponsorship opportunities.

- Evaluate the appropriate level of tuition and fees for LSU, given the mission of the university. Recognize that a $1 increase in tuition per student nets $50,000 per year at LSU A&M. A $1,000 increase in tuition, which would bring LSU to near the SEC average, nets $50,000,000 per year in additional revenue.

- Recruit more international and out-of-state students who pay substantially more than in-state students as long as available capacity exists.

- Investigate variable tuition rates based on course load, actual cost of class, demand for class, etc. and consider convenience fees and sharing costs of inefficient scheduling of class times.

- Operationalize online learning and distance learning for appropriate courses and degree programs. Hire staff dedicated to this effort with relevant academic and marketing expertise to bring LSU’s current contract in-house upon expiration. Utilize Coursera for blended degree programs and develop distance learning articulation agreements.

- Maximize dual enrollment, course licensing, applied and professional master degree programs with specialized training and curricula to meet demand in targeted areas such as engineering, coastal restoration and sustainability, energy and computational and digital media.

- Develop summer and intersession blended learning opportunities to allow students to accelerate degree attainment, reduce their expenses and increase graduation rates. Adopt LSU Shreveport’s innovative eight-week course rotation.

- Promote customized corporate training and corporate branded degree programs to draw executives to LSU and provide a steady stream of trained employees in partnership with corporate instructors.

“What are the unique contributions for which technology can’t address? Possibly analysis and synthesis, critical thinking, and interaction. (Look for online courses to provide) …content and information transfer, liberating students to go at their own pace, but making engagement possible…”

Dr. Stan Ikenberry, Former President of the University of Illinois
• Develop testing and certification programs for business and industry with fees associated with design and administration.

• Encourage academic entrepreneurs and faculty consulting with revised policies to reward faculty who aggressively provide additional revenue to LSU.

• Develop formal programs to encourage faculty to provide consulting assistance to student entrepreneurs. Provide consulting services in exchange for equity in the startup businesses.

Self-Generated Revenue Streams – Merchandising, Branded Products, Affinity Programs

• Investigate senior enrichment programs including permanent alumni residential options on the Baton Rouge campus or along the Nicholson Drive or Highland Road corridors.

• Create and market premium-priced healthy and convenient foods branded by LSU developed by Pennington and AgCenter researchers.

• Offer high value added, premium or luxury services related to travel, on campus banking, debit cards, insurance products, etc.

Self-Generated Revenue Streams – Monetizing Assets, Public/Private Partnerships and Converting Assets

Typical examples of monetizing assets and public/private partnerships are: parking (The Ohio State), campus housing operations (University of Kentucky), maintenance and construction (numerous universities), bookstores, and meal operations. LSU is already engaged in some of these areas.

Issues have arisen regarding how to handle the funding that flows in with some universities choosing to bond it, use the income stream as it occurs, set up pools of dollars that are partially or specifically dedicated to specific uses. Some legal or legislative restrictions may also be present depending on the individual university circumstances and state regulations. Therefore, translating results to LSU must be carefully considered and well researched.

• Develop an advisory team of independent experts to oversee monetizing efforts. Ideally these would be “expert but disinterested parties”. It was suggested that LSU alumni and friends outside of Louisiana with investment banking, real estate development and venture capital experience could be empaneled to assist this effort.

• Investigate public private partnerships or contractual agreements between LSU and a private partner to achieve all, one or a combination of the following:
  • Monetize an existing infrastructure asset
  • Design, construct, finance and/or operate and maintain an infrastructure project
▪ Transfer risks through outsourcing or other means (A public private partnership is not an outright sale of a public asset.)

▪ Catalog what has already been done or is in progress at each LSU campus.

▪ Determine how the resulting funds will be used and or dedicated. Recommendations focus on dedicating new revenues to academic programs for students and faculty needs.

▪ Investigate opportunities to pilot programs on a campus or across campuses.

▪ Make a list of all underutilized or unused properties and buildings by region. Hire appraisers/brokers to determine current market value and provide advice on appropriate disposition of properties.

▪ Investigate the possibility of an Economic Development District to be created in Baton Rouge within a certain radius of the LSU campus. Determine if this is possible in other cities for LSU campuses as well.

▪ Develop Requests for Proposals to outsource services commonly investigated by business and industry to reduce costs and offload expensive staffing and benefit costs. Areas to evaluate include:
  ▪ IT or related services
  ▪ Janitorial services
  ▪ Maintenance services
  ▪ Any non-core work processes
  ▪ Utilities
  ▪ Health services
  ▪ Underutilized space
  o Event rentals and office leasing

**Self-Generated Revenue Streams – Build foundation assets and endowments across LSU’s multiple foundations through stronger affiliation agreements and focused efforts in institutional advancement**

LSU has 11 different foundations dedicated to excellence at various campuses as well as to athletics and research. Each of these foundations is separately chartered with specific missions, bylaws and boards reflective of their diverse purposes. Much discussion has ensued during the **LSU2015** process regarding the possibilities of merging the various foundations and creating opportunities for improved collaboration and donor relations.

While these comments are well intended, the merger of various LSU foundations is neither warranted nor easily affected. Rather, LSU can benefit from the best practices evident at other similar institutions of higher education that have developed their current structures and functions over a period of time.
LSU needs a leader for Institutional Advancement positioned in the President’s Office who can be the key contact for major donors (gifts of over $1,000,000) and who can bring the various foundation staff leaders together to share strategies, data and ensure excellence in donor relations, as well as maximize funding through philanthropic gifts.

Bold goals have been established for the LSU Foundation to support the university and its missions of teaching, research and public service. The following tables illustrate the aggressive goals and metrics to double annual fundraising by 2016 and doubling the endowment over the next 10 years.

**Table 12: Anticipated Fundraising Growth**

<table>
<thead>
<tr>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
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<tbody>
<tr>
<td>$10,000,000</td>
<td>$20,000,000</td>
<td>$30,000,000</td>
<td>$50,000,000</td>
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</tbody>
</table>

Source: LSU Foundation Strategic Plan 2012

**Table 13: Anticipated Endowment Growth**

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>FY 2016</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000,000</td>
<td>$400,000,000</td>
<td>$800,000,000</td>
</tr>
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</table>

Source: LSU Foundation Strategic Plan 2012
Affiliation agreements need to be renegotiated tying the foundations more closely to the university through the President’s Office as well as to the overall success of LSU enterprise-wide. Additionally, opportunities for back office administrative consolidation, sharing of staff and resources, as well as collaborative or shared investment services should be incorporated as appropriate. Joint goals and metrics should be established and joint meetings of board and executive committees should be coordinated for related foundations on at least an annual basis. Finally, a meeting between the LSU President and each foundation board should occur on an annual basis to allow the President to share his strategies and to allow board members to understand priorities and strategic opportunities.

**Financial**

Each strategy listed will need a cost benefit study to determine the needed investment of resources for legal and financial advisors as well as the projected revenue from each strategic decision. There are numerous opportunities that have revenue generation potential totaling millions of dollars should LSU decide to pursue these options.

It is important for LSU to obtain tuition flexibility as well as autonomies from the state in areas such as purchasing and risk management. Without the appropriate authority and financial vehicles for revenue enhancements, the university cannot take charge of its own destiny.
Transformation Priority | Modernize Enterprise Information Systems

The Challenge

Moving forward, a key challenge for LSU will be to make better decisions and to gain operational efficiencies through the effective use of enterprise information systems. A consolidated approach to data analytics would facilitate the best decisions with respect to improving current processes, improving institutional focus and finding opportunities for transformation. A modern suite of enterprise information systems would facilitate efficient and effective day-to-day operations and collaboration across the University.

Where Does LSU Stand Right Now?

Information for Decision Making (Consolidated Data Warehouse)

Today, getting information across the various campuses – from a holistic perspective – is difficult, if not impossible. This is in large part due to the fractured nature of the underlying information systems deployed by those campuses. However, data and information are the key, and there are solutions to bringing these together and producing valuable information from them.

Reporting environments are a primary issue of concern across higher education today. Many institutions have made significant investments in Enterprise Resource Planning (ERP) systems – but the focus of traditional ERP systems has been almost purely transaction processing – getting data in and acting “in the moment” upon it. What needs to become a key focus is how to get information out – or in essence, turning the data into useful information for decision-making, planning and management.

While historically transaction processing applications (ERP systems) have been distinct from data warehousing/business intelligence applications, modern solutions are evolving to the point where both purposes can be accomplished in the same solution. As LSU moves to modernize its enterprise information systems infrastructure, it is important to consider solutions that address both operational processing and decision-making.

Enterprise Information Systems (Centralizing Operational Data)

Centralizing operational data systems is a different aspect – and challenge. Complications exist in that some parts of the institution – the LSUHSC environment in particular, use a vended ERP solution, while others use “home grown” systems.

LSU’s current suite of enterprise systems (homegrown “ERP”) has served the University and other campuses (e.g., LSU System, Ag Center, Pennington Biomedical Research Center, Paul M. Hebert Law Center, LSU Alexandria, and LSU Eunice) very well for three decades, avoiding
millions of dollars in replacement costs ca. 2000. These systems support numerous mission critical processes including admissions, registration, payroll and accounting via a “shared services” model that has been in place for many years. However, the systems are also at an increasingly high risk of failure due to obsolete technology and declining availability of technical expertise and institutional knowledge.

In early 2011, executive management at LSU commissioned an Enterprise Systems Task Force (ETF) to consider options for replacing these aging systems. In late 2011, an external consultant (Collegiate Project Services or CPS), working with the ETF, confirmed that the University’s administrative systems required replacement and recommended that the University take a best-of-breed approach. In particular, CPS strongly recommended that the University consider community/open source and Software as a Service (SaaS) options. The external consultant’s report proved prescient in that the adoption of community/open source and SaaS products by higher education institutions has increased rapidly in the last several months. In fact, many institutions have recently moved from traditional ERP solutions to community/open source and SaaS solutions, and more are investigating or in the process of moving. For example, Indiana University, the University of Maryland, the University of Arizona, Carnegie Mellon University, Cornell University, Yale University, the University of California at Berkeley, Purdue and the University of Southern California have recently moved to community/open source and SaaS solutions. In summary, LSU is currently working to complete a more detailed review of these options and expects to have a decision in fall 2013.

Cost of Doing Nothing

Potential Catastrophic Failure of University Processes
The University is quickly approaching a critical point beyond which it will be exceedingly difficult and/or expensive to maintain the current environment. The impact of a failure to support critical processes such as registration, payroll, financial aid and accounting would be direct and, perhaps, catastrophic.

Significant Increase in Costs to Maintain Current Environment
In 2011, LSU partnered with IBM to determine how much it would cost the University to have a third-party vendor support current systems via an Application Managed Services (AMS) agreement. The assessment conducted in 2011 noted that the cost for a 10-year contract was estimated to be $52 million for a managed solution that most closely approximates the support provided today. That cost would be higher in today’s dollars, would increase exponentially over time, and does not include all costs necessary to maintain the current environment as it exists today.
The Opportunity

Modernize Enterprise Information Systems and Adopt Hosted/Outsourced IT System Support Models

It is essential that we continue to work together to determine the best long-term solution(s) with regard to enterprise information systems, keeping in mind the goal to be a single, statewide globally competitive LSU. While premature to make a specific recommendation of individual component sources, an external consultant (Collegiate Project Services) strongly recommended in 2012 that LSU seriously consider a multiple source approach. The external consultant felt confident making this recommendation based on the availability of quality open and community source software, and Software as a Service (SaaS) products that have proven the ability to integrate well with traditional Commercial Off The Shelf (COTS) solutions. Further, in the short span of time since the consultant report was completed, the adoption of these products by higher education institutions has increased rapidly.

A multi-source approach provides flexibility (not tied to single vendor), potential cost savings and the opportunity to leverage quality open source and SaaS products in place of obsolescing traditional software solutions. As noted above, many institutions have recently moved from vended ERP solutions to open source (e.g., Kuali) and SaaS (e.g., Workday) solutions, and more are investigating or in the process of moving. It is important, therefore, that LSU work to complete the process recommended last year by the external consultant of examining a multi-source (e.g., Workday, Kuali) approach, albeit with a much broader scope.

In contrast, according to the estimate provided by Collegiate Project Services, the external consultant, acquisition costs could reach $8 million and implementation costs are estimated to be as much as $32 million for a total of $40 million with the potential for total costs to rise to $60 million. Recurring expenses are estimated to be up to $2 million per year (these preliminary cost estimates, provided by CPS, do not include estimates for LSU time and effort, associated backfill, project management and other internal costs. In addition, this estimate does not include LSU Shreveport and LSUHSC as it has been estimated that LSUHSC would neither need to nor be ready to implement a new system for a number of months.)

Consideration should also be given to the enterprise systems infrastructure. This infrastructure is composed of a number of costly elements including networks, computer servers, data storage devices, system software and technical personnel. It also requires other supporting systems such as backup solutions, off-site facilities, and high-speed networks to provide an effective disaster recovery capability. Creating a dedicated computer infrastructure for administrative information systems may no longer be cost effective for even large organizations. The number of commercial entities providing these services is large enough to provide sufficient operational capability and a competitive environment to keep costs contained. In addition, hosted and outsourced infrastructure models have developed where risks can be mitigated to a point near that of in-house computer infrastructures in most cases.
Of course, adequate bandwidth must be provided to entities should hosted and outsourced infrastructure models be pursued.

Benefits of Systems Modernization:

1. **Sustainable Information Systems that Facilitate Critical Processes** — support critical administrative processes (e.g., registration, billing and payroll) with an enterprise systems environment that is modern and sustainable.

2. **Make Better Data-Supported Decisions and Position the University for “Big Data”** — facilitate long-range strategic planning across business disciplines/functions with data presented in intuitive formats; position the University to combine administrative (e.g., HR and Finance) data with third-party data sources of any type, including “big data”, all delivered in the cloud.

3. **Streamline Tasks** — make it easier to proactively manage accounts/budgets, analyze data for student recruitment and retention purposes, access and deliver course data, research benefit information, create education plans, register for classes, access financial aid information, pay tuition, order transcripts and check schedules.

4. **Leverage Modern Tools and Technologies** — utilize advances in architecture, communication and user interface technologies. Services and data access are streamlined, collaboration tools built-in and self-service tools improved.

5. **Increase Constituent Access to Information** — empower individuals at all levels of the University to manage more of their information on their schedule at their convenience in a secure online environment.

6. **Facilitate Anytime, Anywhere Access to Information** — provide constituents with easy ways to connect to resources and services at any time, from virtually anywhere.

7. **Strategic Alignment of Resources** — make it easier to find instructional resources, assess students, record and track grades and communicate with colleagues/students, thus allowing more energy/time to focus on important research and to facilitate meaningful learning experiences rather than on interacting with the existing systems infrastructure.

8. **Strengthen Connections within the Campus Community** — reap the benefits of strong connections with members of the broad campus community by providing simple ways to access information and connect.

9. **Business Continuity/Disaster Recovery** — leverage economies of scale relative to disaster recovery/hardware.

10. **Simplify Compliance with Mandates** — a third-party delivers changes/new functionality so University no longer responsible for burden alone; update strategy no longer requires long planning and implementation times for new functionality to be added.

**Financial**

It is anticipated that a multi-source, phased approach to the replacement of the enterprise information systems could be phased in and the first phase will cost approximately $6 million to $8 million for acquisition/implementation (including infrastructure) with a recurring cost of $2.5 million to $3 million per year. It is also anticipated that there will be an additional two phases at similar implementation and recurring costs. Strong consideration must be given to the latest
wave of enterprise information solutions including Community/Open Source Implementation and Software-as-a-Service (SaaS) Implementation.
Transformation Priority | Build and Maintain a Big Data Strategic Initiative

The Challenge

The digital age challenge confronting LSU is providing the cyber-infrastructure that is needed to properly support the research and creative activities of students and faculty in a modern research university. It is a three-part challenge:

1. **High-performance computers** – to deliver computing cycles that can support the numerical modeling of complex systems and the numerical analysis – often involving high-fidelity visualization – of large and complex data sets.

2. **High-capacity and long-term digital storage** – supports experimental or clinical investigations that, over time, acquire larger and larger quantities of data; it supports complex numerical modeling activities, which steadily generate larger and larger quantities of data; and it provides an infrastructure that is essential for preserving (archiving and curating) a wide variety of digital data, whether acquired or generated.

3. **High-bandwidth networks** – facilitates access to data and the transport of digital data among individuals, facilities, or storage sites even at widely dispersed geographic locations.

For decades, only a few areas of scientific research – notably, astronomy, meteorology and experimental high-energy physics – have been faced with the problem of effectively managing large sets of digital data. In recent years this problem has become pervasive. Big data sets are acquired or are generated in the context of fields as wide-ranging as medical imaging, genomics, coastal hazards modeling, three-dimensional (especially, time-dependent) visualization, medical records, e-commerce, digital games, virtual architecture and social media. Indeed, it is now difficult to identify a field of research that does not involve “big data.” In order to maintain a competitive edge in its broad-ranging research endeavors, LSU must meet the challenges of effectively storing and curating, as well as providing proper access to, large data sets.

Where Does LSU Stand Right Now?

Over the past decade, as a partner in the Board of Regents-sponsored Louisiana Optical Network Initiative (LONI), LSU has benefitted significantly from the establishment and maintenance of a robust, research-caliber high-performance computing (HPC) environment and a robust, statewide, high-bandwidth optical network. Through LONI and LSU’s high-powered computers (such as SuperMike and Queen Bee), LSU has both the networking and high computing power needed to support big data. As Figure 1 illustrates, very few universities in the region have both capabilities. LSU can leapfrog other universities by investing in big data.
Table 14: Support to Higher Education Research Provided by Various Regional Optical Networks

<table>
<thead>
<tr>
<th>Regional Network</th>
<th>Networking</th>
<th>Computing</th>
<th>Big Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina MCNC</td>
<td>'95</td>
<td>RENCI</td>
<td></td>
</tr>
<tr>
<td>Oklahoma OneNet</td>
<td>'95</td>
<td>OU</td>
<td></td>
</tr>
<tr>
<td>Georgia PeachNet</td>
<td>prior to '04</td>
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<td>Modest</td>
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<tr>
<td>Louisiana LONI</td>
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<td>Yes</td>
<td>This recommendation</td>
</tr>
<tr>
<td>Texas LEARN</td>
<td>'05</td>
<td>RICE &amp; UT-Austin</td>
<td></td>
</tr>
<tr>
<td>Florida LambdaRail</td>
<td>'05</td>
<td></td>
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<td>Arkansas A*ON</td>
<td>'06</td>
<td></td>
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<tr>
<td>South Carolina</td>
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</table>

The Opportunity

Build and Maintain a Big Data Strategic Advantage that Attracts Top Students, Faculty, Researchers and Entrepreneurs

The LSU System should ensure that the University’s cyber-infrastructure includes sufficient high-capacity and long-term storage to support the “big data” research and educational activities of LSU faculty and students statewide, now and into the future. In so doing, LSU will satisfactorily respond to the data management mandates that are being issued by federal funding agencies. This can be accomplished most effectively if LSU works closely with the Board of Regents to ensure that the cyber-infrastructure that is acquired and maintained by LONI includes a robust storage component, as well as robust computing and networking components.

The following considerations should be taken into account when selecting a particular high capacity and long-term data storage solution.

Key Considerations
- The amount of acquired storage should not only meet the present needs of LSU’s research and educational programs but should be readily expandable to cover future needs.
- The solution must accommodate secure (e.g., HIPPA compliant), as well as unsecure and publically accessible (i.e., web servable) data.
- Adequate levels of disaster recovery services must be provided.
The solution must include a curation layer, that is, a software interface that adds data/file identification (metadata tags) to facilitate search and retrieval operations.

The storage likely should be multi-tiered to take advantage of cost differentials associated with different hardware solutions while accommodating a range of access needs. For example, storage that directly supports high-performance computing activities should provide a relatively high bandwidth interface to computing clusters, while slow retrieval may suffice for certain large, rarely accessed archived data sets.

The storage should be centralized to increase buying power and efficiencies that can be achieved through economies of scale.

Additional, technically qualified IT and library staff must be hired to provide essential levels of maintenance, access, support and archival curation. Training expenses should also be considered.

Additional Considerations

- LSU has an opportunity to collaborate with other universities and systems in Louisiana to offer them access to big data.
- Big data offers the potential for additional revenue generation by providing business and industry access to big data.
- LSU positioned as a regional leader in big data creates opportunity for a strong analytics degree program with expert faculty available for consulting projects for business and industry.

Financial

Investment Estimate

- $5 million capital
- $1 million annual for storage and qualified IT and library staff

A broad assessment of LSU’s current and projected data storage needs should be carried out before a capital investment is made in a particular high-capacity and long-term data storage solution. Here we offer an estimate of some relevant annual costs.

- Tier 1 storage (high-performance disks; estimated price point of $0.125/GB/yr.): LSU’s high-performance computing cluster, SuperMike-II, contains approximately 20 TBytes of RAM and supports approximately 50 research groups. For all 50 groups to be able to dump SuperMike’s entire memory to disk would require 50 x 20 TBytes = 1 Petabyte of disk storage.
- Tier 2 storage (normal disk access with curation layer and redundancy for purposes of disaster recovery; estimated price point of $0.80/GB/yr.): To allocate 100 GBytes to each member of LSU’s faculty – approximately 2,000 in number – would require 2,000 x 100 GBytes = 0.2 PBytes of disk storage.
- Tier 3 storage (slow access, archival storage, perhaps provided through commercial cloud services; estimated price point of $0.03/GB/yr.): Providing every member of LSU’s
faculty with an allocation that is five times their individual Tier 1 or Tier 2 allocation would require $5 \times (1.0 + 0.2 \text{ PBytes}) = 6 \text{ PBytes}$ of archival disk storage.

- Taking into account salary (approximately $75,000 each) and fringe benefits, hiring four additional technically qualified IT and library staff would require an investment as well.
Transformation Priority | Network Bandwidth: Connecting All Campuses

The Challenge

As the LSU System works toward the ultimate goal of becoming a single, statewide globally competitive LSU, considerations for unifying and centralizing technologies continue to be relevant. In order to enable any organization to exchange information and services, network infrastructure is the starting point. With that being said, ensuring adequate bandwidth to all LSU campuses is essential for shared services (e.g., ERP, e-mail, telephony, storage), big data, disaster recovery purposes and other collaborations.

Where Does LSU Stand Right Now?

The Louisiana Optical Network Initiative (LONI) was started in 2004, and this endeavor sought to connect research institutions in Louisiana via high speed/high capacity fiber optic cable. Unfortunately the cost to install fiber cable can be beyond a campuses’ budget, and this has certainly been the case with some LSU System campuses, including LSU Shreveport, LSU Alexandria, LSU Eunice, and Pennington Biomedical Research Center.

These specific campuses are not directly connected to LONI, but instead connect via leased circuit from local providers (e.g., AT&T, Cox) with limited capacity. Fiber cable provides a virtually unlimited bandwidth capacity for data exchange (cost constraints limit the bandwidth capacity, more so than LONI fiber cable). Many of the proposed services mentioned in this report depend heavily on high-speed network transport. With that being said, the lack of bandwidth offered by the leased circuits will likely present challenges to the institutions noted above. The remaining LSU campuses have a LONI presence onsite which means that high-speed network capacity is currently available to LSU (along with the AgCenter and Law Center), LSUHSC New Orleans, and LSUHSC Shreveport.

An additional challenge lies with the AgCenter research stations scattered throughout the state. These remote offices provide important research for not only the state of Louisiana, but the nation and the world (some of these research initiatives are grant funded). A typical research station is located, by design, in a rural area. The consequence of such a location is the lack of network services, and the cost to get services to these stations is typically higher. Similar to the institutions outlined above, research stations are served by leased circuits from a carrier with limited bandwidth capacity. Although it may prove challenging to bring LONI fiber to each research station, increasing Internet bandwidth capacity via leased circuit must be part of the discussion should the need for data exchange among all LSU entities be deemed important.
The Opportunity

Increase Network Bandwidth
In support of the University’s research focus and in collaboration with LONI, studies should be conducted to understand the network connectivity required to connect the component campuses in order to meet the goals of LSU 2015 (i.e., adequate bandwidth must be provided to all entities). More specifically, LSU should consider installing LONI fiber to LSU campuses that would place all campuses on an even “playing field.” The campuses would be able to collaborate without the cost constraints of leased circuit bandwidth capacity. In addition, centralization of services and business continuity/disaster recovery issues could be expanded to any campus at any time.

Financial

Investment Estimate
- $5.5 million to $7.5 million capital
- $25,000 annually

Currently, cost estimates to install LONI fiber to the campuses are based on similar fiber installations at other organizations. A more detailed engineering study will reveal specific costs. However, the following provides conceptual budget numbers for installing LONI fiber:
- LSU Shreveport: $1.5 million
- LSU Alexandria: $600,000
- LSU Eunice: $3 million to $5 million
- Pennington Biomedical Research Center: $300,000

Each of these fiber routes would also require a cost per year for maintenance which would have to be determined once specific fiber routes were mapped out (typical costs per year per route are $5,000). It is also recommended that a consultant be retained for approximately $100,000 to provide more detailed estimates. In summary, the total estimate for this project is approximately $5.5 million to $7.5 million initially (with approximately $25,000 recurring each year for fiber maintenance).
Transformation Priority | Building a Service Oriented IT Organization

The Challenge

Most successful Information Technology organizational models occur where there is a high degree of coordination and planning of IT services and infrastructure throughout the enterprise – and this is especially true in the case of large, research campuses.

In an effective higher education environment, strategic IT decision making is driven by a collaborative group of non-IT campus and system leaders. Information Technology operations are typically administered by an enterprise-wide CIO. Functions such as networking, high-performance computing in support of research, software licensing and hardware acquisition are streamlined through the leadership of a cohesive IT operation, while allowing for campus computing centers to add “local content and service” to the broader strategy. Successful enterprise-level CIOs facilitate the process of IT operations across campuses to streamline services, reduce costs and maximize efficiencies through economies of scale – all while providing the flexibility for each campus to tailor these services to their needs. This model provides the necessary autonomy for each campus to remain nimble, innovative and locally competitive. As important as centralized IT leadership is, it is equally important that the campus level IT leaders are empowered to collaborate freely to solve problems and identify opportunities. For this service-oriented model to succeed, it requires an enterprise-wide CIO, an IT Governance Council of non-IT senior leaders, and an IT Leadership Council comprised of top level IT leaders from each campus, led by the enterprise-wide CIO, working together with a singular vision.

In summary, if LSU seeks to operate not as a collection of campuses but as a single, globally competitive entity with appropriate campus roles that meet local and state needs, then the establishment of this enterprise-wide IT organizational model would better enable the advancement of such a strategy. The lack of a cohesive IT organizational model will consistently hinder any attempt to develop institution-wide information services, implement broad-use solutions, or achieve system-wide efficiencies.

Where Does LSU Stand Right Now?

The current LSU System structure is not highly integrated in the sense that the campuses are cohesive parts of a larger entity – rather, they have functioned in the past as a collection of campuses not well federated operationally. This holds for main functions of teaching and learning, research and administration. As a result of this campus-centric model of operation, information technology is also not well integrated. Indeed, interactions with peers at the different LSU campuses have been very limited until recently.

If LSU is to be a more cohesive entity, IT can enable and support this goal, but it cannot make it come to pass on its own. While there is certainly value in focusing discussion of increased coordination, cooperation and partnership across the enterprise from an IT perspective,
without a singular vision expressed across the fundamental university roles, such IT interactions will be of limited value and impact. The most effective benefits will accrue if the improved coordination is in line with broader consolidation efforts and not simply tangential to them.

The Opportunity

Develop and Implement an IT Organizational Model

An IT organizational model should be developed and implemented that allows the guiding principles for realigning and reorganizing LSU (LSU2015) to be accomplished in a structured and deliberative manner. The organizational model should allow for each campus to have sufficient autonomy to carry out its respective mission and to address the unique needs of the campus, while keeping in mind the goal “…to build a single, statewide globally competitive LSU that develops a national and international reputation.” In addition, the Flagship IT Strategy (FITS) and IT Governance structure should be modified and expanded as needed to encourage collaboration between campuses, support unique campus missions and incorporate the needs of the new organizational model.

By implementing an enterprise-wide IT organizational model for LSU, there will be opportunities to achieve new efficiencies and to further examine key issues that may be more effectively addressed holistically.

Outlined below are perspectives on some of the key opportunities for new efficiencies and improved effectiveness through consolidation under a cohesive IT organization.

- **IT Governance Council**: Senior level group of non-IT leaders who address broad strategies for the enterprise that require IT enablement, IT policies, the larger IT investments, etc. Only the enterprise-wide CIO is in this group – providing IT perspectives on all key issues.

- **IT Leadership Council**: Possibly one of the greatest opportunities for advancement of Information Technology across the enterprise and local levels would be through the formation of an empowered IT Leadership Council that would address implementation tactics for the strategies agreed upon by the IT Governance Council. Such a council should consist of top level IT leaders from each campus working together with a singular vision. The IT Leadership Council should play a role in identifying the qualifications and characteristics for the enterprise-wide CIO position, then work in partnership with the CIO to identify opportunities to leverage information technology resources, provide increased efficiency across campuses and foster innovation.

- **IT Structure**: Given that LSU does not currently have an enterprise-wide CIO position, an appropriate organizational reporting structure to this position must be developed. LSU has two basic options. One option would create line authority from the enterprise-wide CIO to the campus-level CIOs with a dotted line relationship between the individual campus chancellors and the campus level CIOs. This option would signal greater emphasis on strategic alignment and the adoption of common approaches that create
financial and operational efficiencies across campuses. The other organizational structure option would retain the current line authority between the campus chancellors and the campus CIOs with a dotted line relationship between the enterprise-wide CIO and the campus CIOs. This option would signal greater emphasis on campus-level solutions and customization, potentially limiting the opportunities to realize the benefits of strategic alignment across all of LSU.

- **Cross Collaboration of IT Resources and Agreements**: One of the great ways to advance the use of IT, even in challenging financial times, is to closely coordinate across the enterprise the breadth of IT acquisition. This spans every area – examples include email, telephony, desktop/departmental computing hardware and software. Having a comprehensive strategy toward modernization and life cycle funding, software acquisition and support would “link” these important elements and help the enterprise to get the most of its investment.

- **Data Center Operations**: Data centers should be 24/7 operations that are located in hardened, secure facilities, are well staffed and monitored at all times. Trying to replicate this across multiple campuses and multiple entities on a given campus can lead to inefficiencies and redundancies. LSU should seek to pool primary and computer-intensive and data-intensive operations into as few facilities as possible recognizing that exceptions for certain practical purposes may exist.

- **Continuity of Operations**: The aforementioned facilities should have a back-up/alternative location linked via high-speed optical infrastructure to ensure continuity of all critical IT systems in the event of a significant or extended service outage.

- **Improve Customer Service**: Presently, each of the campuses maintains and enjoys their own IT support resources that provide effective and personal service to the constituents that are being served. In addition to local support teams, a shared approach would further augment customer service by leveraging existing resources and tools more broadly. For example, the TigerWare online software distribution service could enhance IT support and provide improved service for the enterprise. Online support systems (web-based “expert systems”) could provide 24/7/365 service to the entire community if enhanced to serve broader needs across the enterprise. The expansion of this kind of service (already in place at LSU Baton Rouge) to the broader community could be accomplished with marginally more investment. The enterprise would benefit from sharing IT support and service structures, leveraging the whole community into this model and service structure.

- **Educating Executives on the Strategic Value of IT**: IT is an enabler of institutional functions at every level, but it requires an articulation of how emerging IT strategies can advance more relevant University functions in teaching, learning, research and outreach (i.e., economic development value of IT enablement). At present, the separate approaches of the different entities are focused on campus-specific needs – there really is no strategic vision for IT across the LSU enterprise. At the LSU Baton Rouge campus, the user community developed a Flagship IT Strategy (FITS). FITS sets out a roadmap for making strategic advancements in a broad array of IT functions and infrastructure, which will position LSU to become a leader nationally in higher education. Expanding this plan across the enterprise would create a blueprint for LSU2015. The addition of
perspectives and needs from all campuses would allow for this plan to scale across the campuses.

Outlined below are some key issues and areas of opportunity that could likely benefit from being addressed holistically across the enterprise under a single overall IT organization.

- **IT security and policy** are two important issues facing higher education IT today. With the expansion of the Internet and the continued need for academic enterprises to be more open than our private sector counterparts (due to one of our primary functions being sharing of information), securing and protecting the integrity of our IT environments is paramount.

- **Telecommunications** is an area that would best be examined and “strategized” across the enterprise. This has a technical aspect — ensuring interoperability among the campuses; and also a cost savings aspect, as a larger base of schools could provide for more purchasing power upon the acquisition of an updated infrastructure.

- **Data networking** is a related area as many major public universities in the same state have made their wireless environments seamless in order to spur collaboration and to facilitate visitor access in an easy and consistent manner. LSU does not have such seamless wireless capabilities across campuses today, which could limit achievement of the LSU2015 vision.

- **High-performance computing (HPC) in support of research** offers much promise as well. The Louisiana Optical Network Initiative (LONI) has proven to be an excellent model to advance a consortium of Louisiana higher education institutions in an effort to improve the HPC infrastructure that supports research and scientific advancement. In turn, this can spur economic development. Many of the IT technologies and vendors that are required for HPC are common to the other IT platforms needed for teaching, learning and administration, providing opportunities to leverage these successes more broadly across all of LSU.

**Financial**

The adoption of the new service-oriented IT organization would require little or no investment and offers strong potential for cost reductions, streamlined processes and decision-making.
Transformation Priority | Pilot Procurement Code, eProcurement and Spend Analysis

The Challenge

The LA GRAD Act 2.0 allows an initial qualifying institution to adopt and promulgate rules comprising the University Pilot Procurement Code (Pilot Code) in place of current state statutes governing information technology purchases, contracts for professional, personal, consulting and social services, and purchases of materials, supplies and operational services previously made under the Louisiana PROCUREMENT Code. This opportunity will relieve LSU of the delays caused by the multiple approval processes at the Division of Administration, the Office of Contractual Review, the Office of State Purchasing and the Office of Information Technology. The proposed pilot procurement code produces savings and creates efficiencies that should be eligible to all institutions within the LSU System and in higher education. The procurement process is not unified across the LSU System, but steps should be taken to streamline the internal process to take advantage of the advantages provided by the code.

eProcurement

LSU institutions are in need of one simple, yet efficient, electronic procurement system providing effective access to competitively awarded contracts for the procurement of goods and services. Such a system will provide a mechanism to easily order from competitively awarded catalogs, help manage the procurement process, provide line-item spending details to generate spend analysis and process solicitations to increase the competitive pool of suppliers. This type of system will also provide a mechanism to electronically solicit with multiple solicitation methods such as Reverse Auctions. It can serve as a bridge between LSU institutions for standardization of procurement policies and procedures while at the same time using one of the best electronic tools available. Available eProcurement systems are costly and one of the challenges is the commitment of the resources required to implement across all campuses.

Spend Analysis

To continuously find savings opportunities, it is crucial that we know where LSU funds are being spent. Transaction data for expenditures reside in multiple accounting systems (Purchasing Systems such as PRO or PeopleSoft, University Stores, LaCarte, Direct Charge, Manual Files) and produce different levels of detail. LSU campuses have different classifications distributed across multiple systems which are difficult to access, consolidate and report. The eProcurement system offers the added advantage of spending analytics which promotes quick identification of savings opportunities through a centralized operation. Through strategic sourcing, LSU will be able to make policy decisions that reduce costs for the whole with little or no effect on the internal consumer’s choice of products. Leveraging spend volume is one of the easiest and quickest ways to realize substantial savings. However, consolidating the data is a significant challenge.
To effectively identify maverick spending and recognize opportunities to leverage spend, a single system should be implemented to gather comprehensive spend data from all institutions and that these data are consistently analyzed.

Where Does LSU Stand Right Now?

Pilot Procurement Code

The Division of Administration has certified LSU as the initial qualifier and deemed it to have the internal capacity to handle the pilot code. The Board of Regents affirmed that LSU was eligible for this autonomy through its performance in accordance with the LA GRAD Act. The Board of Supervisors authorized LSU to go forward with the promulgation of the new Pilot Code. The Notice of Intent for adoption of the Pilot Code has been published in the Louisiana Register and the Pilot Code is awaiting final promulgation pursuant to the Louisiana Administrative Procedures Act. Discussions have begun to determine how LSU Shreveport and the two LSU Medical Schools can be included. The remaining steps for execution and adoption are approval by the Joint Legislative Committee on the Budget followed by final approval of policies by the LSU Board of Supervisors.

eProcurement

LSU has purchased the license and implementation services for an electronic procurement system from the top-rated higher education eProcurement company, Sciquest, for $2.6 million for use through November 2017 and is in the process of implementing its SelectSite “requisition to pay” module. Catalog purchasing went “live” on July 22, 2013 for the LSU A&M campus and the “shared services” institutions.

Making this eProcurement system available to all LSU institutions, including LSU Shreveport, LSUHSC New Orleans, and LSUHSC Shreveport, would require additional software licensure. LSUHSC New Orleans has begun discussions to purchase a license.

Spend Analysis

LSU has subscribed as a member of the Higher Education Collaborative with the Education Advisory Board, an expert in this area, to assist in identifying savings and revenue opportunities. The Office of Procurement Services has added a staff member to specialize in sourcing and spend analysis.

The Opportunity

Pilot Procurement Code

Utilization of the Pilot Procurement Code by all LSU institutions would broaden the procurement methods available for procurement of goods and services, establish increased competitive thresholds, expand public notice, set forth dispute resolution processes, establish
standards for integrity in procurements and provide a broad range of streamlined processes and procedures. Additional opportunity exists for a comprehensive review of the LA GRAD Act autonomies focused on clarifying legislation that would be necessary to include and maximize the benefit available to all LSU institutions.

The Pilot Procurement Code provides the opportunity to structure the authority of the Chief Procurement Officer within keeping with the new LSU 2015 vision so that there is clear structure of procurement authority that can flow to all LSU institutions at appropriate levels.

**eProcurement**

Expansion of the eProcurement System to all LSU institutions would increase the efficiency of procurement methods for goods and services through the use of electronic processes such as electronic bidding, reverse auctions, online catalog purchases and electronic signatures.

**Spend Analysis**

The opportunity exists for all LSU institutions to utilize the spend analysis tools available through the Education Advisory Board and the LSU A&M sourcing and spend analytic staff. Specific opportunities include:

1. Categorize spend to commodity codes and perform analysis by category, by vendor and by institution from a variety of data sources (AP/invoices, LaCarte, etc.) to provide consistent visibility across all system spend;
2. Identify and prioritize savings opportunities for university-wide contracting, and opportunities that may be department or campus specific, benchmarking individual items and adjusting for volume to ensure relevant comparisons. This would include the following areas:
   a. Pricing benchmarks, highlighting discrepancies to cohort averages
   b. Price disparity and fluctuation, different prices paid for identical items
   c. New product review, identifying products introduced for the first time
3. Manage savings opportunities by identifying appropriate solicitation and contracting processes;
4. Refresh the analytics on a monthly basis; and
5. Execute the sourcing opportunities.

The combination of the use of an eProcurement system, the execution of the Pilot Procurement Code with new sourcing methods and strong spend analysis will allow for a holistic approach that maximizes savings and efficiencies throughout the LSU enterprise.

**Financial**

The Pilot Procurement Code used in conjunction with the appropriate tools (eProcurement and Spend Analysis) will lead to significant savings across all LSU institutions. Initial assessment of hard savings opportunities based on an annual spend of $252 million (FY 2012) would be $6 million in year one – primarily by increasing the amount spent under contract and reducing the noncompetitive spend predominantly now being made with the LaCarte card. As more savings
are negotiated and more institutions piggyback on strategic contracts, the spend value and associated savings should increase substantially.\(^{11}\)

A recent example of savings is the strategic procurement of office supplies. Based on spend analysis, LSU estimated that it spent approximately $2 million for office supplies each year but there was no centralized contract for such commodities. A solicitation was issued and a contract awarded to Office Max which will pay the University a $500,000 signing bonus, a volume rebate of 5% each year and discounts from catalog prices ranging from 25% to 55% – and 24 hour desktop delivery. Use of this contract will be mandated to those LSU institutions served by LSU Office of Procurement Services. As eProcurement expands across other LSU institutions, contracts such as this will be used more and frequently, the savings will increase.

Additional opportunities may be best realized using other solicitation methods such as Reverse Auctions, Best and Final Offers, Competitive Negotiations or Cooperative Purchasing Agreements. For instance, Fedbid Inc., a leading online marketplace provider of Reverse Auction services, states that an average of 11% savings can be realized for each Reverse Auction conducted. An initial assessment would suggest that 10% of LSU sourceable spend could be solicited through Reverse Auctions resulting in a potential $1.7 million annual savings on those goods and services.

The Pilot Procurement Code will also create substantial processing efficiencies. As purchase order (PO) transactions are shifted to electronic catalogs and manual transactions are moved to electronic formats, the Aberdeen Group, a global research firm that has benchmarked procurement systems and processes, has external benchmarks indicating that LSU would save $10.31 per transaction. On LSU’s base of 165,596 transactions, this would potentially produce savings approximately of $5 million in soft costs. This does not include the number of transaction volumes for LSU Shreveport or LSUHSC New Orleans or LSUHSC Shreveport. Potentially, this could add another 100,000 transactions for additional soft savings across all institutions.

The implementation cost for LSU’s new eProcurement system thus far has been approximately $2.2 million, with anticipated ongoing license fees of $400,000 per year. This includes implementation and license fees for SelectSite (catalog and non-catalog procurement), Total Supplier Management and Sourcing modules of Scquest’s eProcurement system.

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\(^{11}\) The $252 million includes only LSU Baton Rouge, LSU Agricultural Center, LSU Alexandria, LSU Eunice, Pennington Biomedical Research Center, LSU Law Center and the LSU System Office. LSU Shreveport, LSUHSC New Orleans and LSUHSC Shreveport are not included in that figure, but LSUHSC New Orleans and Shreveport estimate annual savings of approximately $1.2 million per year per campus assuming the same autonomies would be granted to the other LSU campuses.
### FIVE YEAR ESTIMATE: NET RETURN ON INVESTMENT (CURRENT LSU SHARED SERVICES CAMPUSES)

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<th>Sunk Costs</th>
<th>Yr 1</th>
<th>Yr 2</th>
<th>Yr 3</th>
<th>Yr 4</th>
<th>Yr 5</th>
<th>Net Return</th>
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### FIVE YEAR PRELIMINARY ESTIMATE: NET RETURN ON INVESTMENT (LSUHSC NO, LSUHSC S)

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### FIVE YEAR PRELIMINARY ESTIMATE: NET RETURN ON INVESTMENT (SHARED SERVICES CAMPUSES PLUS LSUHSC NO, LSUHSC S)

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<th>Sunk Costs</th>
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<th>Yr 4</th>
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12 Hard and Soft Savings
The Challenge

The State Office of Risk Management (ORM) has been the sole provider of insurance to LSU since the implementation of a statewide self-insurance program in 1988, that to date has changed little to develop strategic risk financing options. There are three current challenges.

1. **Lack of Incentives** – The State Office of Risk Management has adopted a policy of guaranteed cost or low deductibles that allow State agencies to budget their cost of insurance. However, this does not allow agencies to benefit from investments in risk control activities or gain financial incentives from decreasing losses. As shown in the diagram below, ORM’s current insurance program has lower loss sensitivity, but also severely limits the ability to strategically manage cash flow.

2. **Statutory Restrictions** – LSU is statutorily required by R.S. 39:1527 et. seq. to participate in the State administered program that provides standard self-insured and commercial excess coverage. The current mandated ORM program is a one-size-fits-all approach, which provides no options to meet the University’s unique risk exposure and varying missions throughout the state.

3. **Procurement Obstacles** – The procurement of insurance is a complex process that requires specific expertise to obtain the best terms for the best price. The inability of the ORM to competitively procure insurance services and develop other strategic risk financing options in coordination with a professional insurance broker has left the state paying excessive premiums for inadequate coverage.
Where Does LSU Stand Right Now?

LSU Risk Management (RM) is actively engaged with ORM to address the challenges highlighted above in preparation for implementation of full autonomy allowed under LA GRAD Act 2.0. This past year ORM increased LSU deductibles upon request for the workers compensation and property coverage enabling the University to fund insurance reserves established by the Board of Supervisors in December 2012. Despite protests and procurement challenges, ORM has also placed the University’s excess property coverage independent of all other state agencies.

These initiatives have demonstrated the savings potential of full autonomy and high-deductible coverage. Currently, LSU RM is working with the LSU System leadership to determine the feasibility of like programs to be implemented enterprise-wide along with the adoption of more comprehensive risk management strategies.

The Opportunity

Develop an insurance program as a key component of a comprehensive risk financing strategy that optimizes the total cost of risk, and takes advantage of loss retentions and commercial coverage.

Act 418 of the 2011 Regular Legislative Session, popularly known as “LA GRAD Act 2.0”, provides autonomies in several areas that could reduce cost and/or increase revenues to offset the removal of state general fund dollars in recent years. Exemption from the State’s risk management program is one such autonomy, allowing an institution with the necessary operational capacity to acquire insurance on the open market.
Placement of independent commercial coverage, through an insurance broker, is common throughout the country for large public universities similar to LSU. The University of Texas System (UTS) is a good example of this practice and has provided LSU with a recommendation to pursue independent coverage. UTS estimates that LSU will receive better coverage at a much lower cost by pursuing this initiative.

With this autonomy, LSU will use an insurance broker to acquire more specific and tailored coverage to meet the risk management mission of the University with the flexibility to make prudent adjustments to deductibles in exchange for lower premiums. The implementation of the risk management autonomy will be aided by the University’s Pilot Procurement Code, also afforded under LA GRAD Act 2.0, to access more competitive pricing from insurance carriers in markets worldwide.

The risk management autonomy will also allow the University to manage its own independent claim reserves. This ability will allow the University to further reduce premiums by eliminating the trading of dollars with insurance carriers including ORM. The retention of these funds will allow increased investment in risk control programs and provide a better return on investment by reducing claim cost. LSU will also be able to leverage surplus claim reserves as determined by the University's actuary to increase loss retentions when determined to be in the best interest of the University during hard market cycles.

Financial

It would be difficult to estimate an exact amount in terms of the cost savings to be realized from risk autonomy and a developed insurance program at LSU. However in recent responses received through a Request for Information, several industry representatives speculated that LSU could save millions of dollars annually.