Business Managers’ Meeting

Budget Update

October 9, 2012
Budget Reductions Since January 2009

• Total reduction in state appropriations - $104m

• 7 cuts during the fiscal year (mid-year and end of year) which ranged from cut of $1.9m to $12.7m

• Stagnant operating budget ranging from $451m in FY09 to $445m in FY13

• Shift to 66% self-generated in FY13 from 42% self-generated in FY09
LSU continues to be lean...

• LSU has been funded at the average of its SREB peers just once in the past 31 years.

• Compared to the average of SREB peers, LSU has about 300 fewer faculty and about a third the number of administrators.

• LSU has a lower percentage of employees paid above $100,000 than do scores of state agencies, including Angola Prison.
THE BUDGET PROBLEM
FY 2012-13
Budget Problem – FY 2012-13

• Reduction in State Appropriations = $20.0M
Budget Problem – FY 2012-13

• Reduction in State Appropriations = $20.0M
• Unfunded Mandates = $ 3.9M
Budget Problem – FY 2012-13

• Reduction in State Appropriations = $20.0M
• Unfunded Mandates = $ 3.9M
• Increased Cost of
  Tuition & Fee Exemptions = $ 5.1M
Budget Problem – FY 2012-13

• Reduction in State Appropriations = $20.0M
• Unfunded Mandates = $3.9M
• Increased Cost of Tuition & Fee Exemptions = $5.1M
• Loss of One-time Funding = $13.8M
Budget Problem — FY 2012-13

• Reduction in State Appropriations = $20.0M
• Unfunded Mandates = $3.9M
• Increased Cost of
  Tuition & Fee Exemptions = $5.1M
• Loss of One-time Funding = $13.8M
• Previously Counted Funds = $8.0M
Budget Problem – FY 2012-13

- Reduction in State Appropriations = $20.0M
- Unfunded Mandates = $3.9M
- Increased Cost of Tuition & Fee Exemptions = $5.1M
- Loss of One-time Funding = $13.8M
- Previously Counted Funds = $8.0M
- Increase in University Obligations = $6.8M

TOTAL $57.6M
Budget Problem – FY 2012-13

- TOTAL CUT FOR FY 12-13 = $57.6M
- INCREASED GROSS TUITION & ENROLLMENT = $24.1M

TOTAL REDUCTION FOR FY 12-13 = $33.5M
THE BUDGET SOLUTION
FY 2012-13
Budget Solution – FY 2012-13

• Revenue Increases (ex: GRAD Act) = $10.9M
Budget Solution – FY 2012-13

• Revenue Increases (ex: GRAD Act) = $10.9M
• Strategic Budget Cuts (ex: Facilities) = $13.1M
Budget Solution – FY 2012-13

• Revenue Increases (ex: GRAD Act) = $10.9M
• Strategic Budget Cuts (ex: Facilities) = $13.1M
• One-Time Actions (ex: Transfers) = $ 9.5M

TOTAL BUDGET SOLUTION $33.5M
GRAD ACT 2.0 UPDATE
DISCUSSION
Business Managers’ Meeting

Budget Update

October 9, 2012
**LSU Nicholson Corridor Redevelopment**

**Goals**
- Improve gateway to campus
- Increase and improve on-campus housing both directly and by relocating offices to reclaim old fraternity/sorority housing
- Create new center for campus and community
- Calm traffic flow and improve bike/pedestrian access

**Outcomes**
- 1,300 student beds
- 700-1,000 new parking deck spaces
- 60,000 sq. ft. centerpiece building housing:
  - Foundation headquarters
  - Community & University Relations
  - LSU Press
  - Continuing Education (portion)
- 133,000 sq. ft. retail
- Market-rate apartments for visiting faculty, athletic coaches, and other LSU employees
- Potential for more LSU office space and market-rate housing