

BUDGETING

**Process, Problems,
Participation, Possibilities**



STEPS TO “THE BUDGET”

Legislature

Regents

Systems

Campuses

BUDGETARY MIRAGES

**Supplanting
Special initiatives (WISE)
Campus-level LAGRAD incentives
Philanthropy**



REVENUE SOURCES

State appropriation

“F&A” (facilities and administration “overhead”)

Other grants and contracts

Self-generated revenues:

Tuition

Trademark licensing

Auxiliary services

Retail and vendor concessions

Patents

Technology transfer

Consulting

Parking

Athletics and ticket sales

Residential life

Greek life

Donations

Foundations (infusions)

STRUCTURE OF THE BUDGET

An array of “lines”

Levels of abstraction/particularity

Legacy elements (defunct units)

Restricted and non-restricted

Personnel versus everything else

**Relation of campus and System
budgets**

DECISION PROCESS: HISTORY

Budget Committee of the University (perpetual)
Budget Planning Committee (Merget-Hamilton epoch)
Rightsizing committee (Martin epoch)
Budget Crisis Committee (Martin-Hamilton Epoch)
Budget Crisis Committee wind-down (Jenkins epoch)
University Budget Committee (Alexander-Bell epoch)



DECISION PROCESS: MEMBERSHIP

Budget Committee of the University: Administrators and Technocrats

Budget Planning Committee: Deans and Faculty Senate President

Rightsizing Committee: Large array of stakeholders

Budget Crisis Committee: Mix of technocrats; Deans; VCs; faculty

Budget Committee: Technocrats; Deans; System officers; Faculty Senate President; Faculty

LIMITATIONS ON BUDGET ADJUSTMENTS

- Personnel contracts (tenured faculty; term contracts)**
- Accreditation and ranking minima (faculty-student ratios)**
 - Minima for “accredited fields”**
- Contractual obligations (research agreements; government contracts)**
 - Public-private partnerships**
 - Vendor and concession contracts**
 - Equipment maintenance**
 - Facilities and grounds maintenance**
 - Utilities and related equipment**
 - Tuition discounts**
 - Scholarship programs**
 - Satellite facilities (e.g., museums)**
- Off-campus commitments (e.g. Arboretum; LUMCON)**
- Mission statement for the University**

NON-REVENUE UNITS AND SERVICES

Libraries
Databases
Business functions



VARIABLE OBLIGATIONS AND REVENUE

Marching band
Athletics-funded facilities
Athletics-derived monies
Debt and bond service
Insurance
Fund swaps

UNFUNDED MANDATES AND COSTS

**The big one: The Unfunded Accrued Liability (UAL)
Obligations to retirees
Litigation**



THE DECISION PROCESS, PART II

- Setting core principles**
- Ranking even the core principles**
- Line-by-line inspection of the budget**
- Investigation of dozens, even hundreds of obscure lines**
- Measuring impact on personnel**
- Measuring gain and loss for unit consolidation**
- Measuring impact on (physical) campus**
- Measuring impact of student recruiting (tuition)**
- Measuring in versus out of state recruiting impact**
- Creation of scenarios by cut level**
- Consideration of public messaging**

THE DECISION PROCESS, PART III

The new era of no information

The new era of accelerated decision-making

The new era of pre-fabricated scenarios

The sort of new era of mid-year cuts

The “July decision”

**Upgrading faculty consultation: The Faculty Senate Budget
Committee**

THE UNKNOWNNS

Impact of LAGRAD Act autonomies

Impact of possible fees

Impact of bad press on tuition revenues

Impact of near-post-Jindal legislature

Oil prices

