FINANCIAL PLANNING TASK FORCE
April 22, 2002
1:30 p.m.

Present: Reneau, Rea, Thomas, Hall, King, Reagan, Drewett, Elmore, McConathy, Edmiston.
Absent: Baxter, Kilpatrick.

Introduction

For the benefit of new members, President Reneau reminded the Task Force that they served as an advisory group on budget matters and budget priority funding.

Minutes

The Financial Planning Task Force minutes of February 19, 2001 were approved as submitted on a McConathy/Edmiston motion/second and unanimous vote.

Strategic Plan, 2001-02 to 2005-2006

President Reneau reminded the group that the present Strategic Plan was disseminated widely when first adopted and is available on Tech’s web site and in the Library. Overall goals and objectives are:

Goal 1: Increase opportunities for student access and success

Objective 1.1: Actively recruit and retain undergraduate student enrollment consistent, at a minimum, with the Louisiana Selective II profile.

Objective 1.2: Attract, recruit, and retain high quality graduate students.

Objective 1.3: Enhance educational opportunities by developing selected programs to ensure sufficient access to campus-based and outreach initiatives.

Objective 1.4: While higher admission standards are phased in, establish strategies to maintain minority enrollment.

Goal 2: Ensure quality and accountability

Objective 2.1: Enhance the quality of services to all University stakeholders.

Objective 2.2: Develop and integrate the effective use of information technology in University activities.

Objective 2.3: Ensure that curricula, educational program requirements, and teaching and learning strategies are responsive to stakeholders’ needs.

Objective 2.4: Enhance the research and scholarly activity of students, faculty, and staff so as to elevate the national identity of the University.

Objective 2.5: Maintain 100% accreditation of “mandatory” programs through 2005.
Goal 3: Enhance service to the community and state.

Objective 3.1: Leverage the intellectual property and human capital of the University to enhance the economic and cultural development of the community, state, and region.

Objective 3.2: Enhance P-16 education by increasing University partnerships with schools, businesses, and communities.

Objective 3.3: Enhance interaction with alumni, community, and other stakeholders.

Each objective has specific strategies for accomplishing the objective; however, they are not repeated in these minutes.

Energy Conservation

Vice President Drewett said that the amount included in this year’s operating budget along with the student surcharge collected in the fall should be sufficient to cover the utilities for the remainder of this fiscal year. However, should energy prices rise significantly before the 2002-03 operating budget is finalized, we may have to consider re-instituting the energy surcharge. In any event, utility charges are fixed costs in the budgeting process.

Tech Budget Planning Schedule and Budget Process

Dean McConathy discussed recommended changes to the Louisiana Tech Budget Planning Schedule in relation to the Assessment Planning Component. Vice President Drewett requested a minor change in the Capital Outlay Budget Planning component. These changes were approved on a Rea/McConathy motion/second and unanimous vote. A copy of the revised Planning Schedule is attached. The overall budgeting process was discussed and is also attached.

Capital Outlay Projects & Self-Generated Projects

President Reneau gave a summary of current and projected capital outlay and self-generated projects. Among them were:

- Renovation of Ropp Center to be utilized as a faculty/staff club and housing accommodations for distinguished alumni, accrediting teams, etc.
- Renovation of Tolliver to be utilized as a high technology facility for 24-hour student access and student organization offices.
- Demolition of Kidd Dormitory to be replaced with a student parking lot.
- Renovation of the power plant.
- Campus drainage study.
- A new Biomedical Engineering Building.
Renovation of the Visual Arts Building for CAB graduate study and the Center for Entrepreneurship and Information Technology (CenIT) Hale Hall Construction to be utilized by the Admissions Office and the Architecture program Jenkins/McFarland renovation to be utilized for graduate/teaching assistants offices and a facility for a new Speech doctoral program (if approved by the governing boards).
Renovations of Student Center for interim accommodations for CenIT.
New residence hall facility.

At the end of this month, our students will vote on a referendum that, if approved, will provide for an extension of the Alumni Walk and purchase land for additional student parking.

All projects, regardless of the funding source, can be tied to objectives in our current strategic plan.

Budgeting Priorities, 2002-2003

President Reneau suggested the following priorities for budgeting: fixed costs such as increased insurance premiums, utilities, salaries and wages; civil service pay increases (if not funded by the State); sabbatical leaves; promotions; Library periodical rate increases; and filling positions critical to accreditation and meeting students needs, particularly in service areas. Freshmen enrollment has increased approximately 42 percent over the last five years. Recruiting and retention has been and should remain a top budgeting priority. All these items are in line with our Strategic Plan objectives. Also in line with the Strategic Plan, the Office of Special Programs is being revamped into a Division of Marketing and Public Relations to assist with university branding and imaging and attracting quality students. A Rea/Drewett motion/second to accept these priorities received unanimous approval.

Vice President Drewett also mentioned that an increase from Bell South is forthcoming as well as a postage increase that will effect some offices more critically than others and may be justification for an operating budget adjustment.

Vice President Thomas suggested that a study on aging administrative equipment be undertaken and if possible, monies be made available to address the issue.

Adjournment

Meeting adjourned, 2:46 p.m.
DATE: February 25, 2002

MEMO TO: Susan Rasbury

MEMO FROM: Terry McConathy, Chair
University Assessment Committee

SUBJECT: Louisiana Tech Budget Planning Schedule

The University Assessment Committee has re-visited the “Assessment Planning” portion of the Louisiana Tech Budget Planning Schedule. At the UAC’s meeting on February 15, 2002, the membership recommended the changes noted in the highlighted sections of the attached draft of the Planning Schedule.

With your and Dr. Reneau’s approval, I would appreciate your placing this revision on the agenda for the APC meeting.

Thank you.

TMM

Att.
## LOUISIANA TECH BUDGET PLANNING SCHEDULE

<table>
<thead>
<tr>
<th>Month</th>
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<td>Reporting phase of previous Assessment cycle continues. Planning phase for current Assessment cycle continues.</td>
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<td>The Physical Plants staff of the BoS and BoR begin on-site visits for review of project requests.</td>
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<td>August</td>
<td>BoS takes action on budget request. Budget is approved, distributed, and implemented.</td>
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<td>Capital Outlay Plan presented to a joint meeting of the BoS and BoR Capital Outlay Committee.</td>
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<td>September</td>
<td>APC reviews Strategic Plan reports.</td>
<td>Units/Departments provide completed Assessment Reports showing Use of Results and current Assessment Plans to IEC. IEC submits Reports and Plans to UAC for review.</td>
<td>Review with DoA and BoS requirements for preparation of the annual Legislative Budget Request.</td>
<td>The BoS and BoR conduct formal hearings on capital outlay and prepare recommendations for a prioritized listing of capital projects for all Louisiana public higher education institutions.</td>
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<td>October</td>
<td>Prepare for BoR hearings on the Operating Budget.</td>
<td>UAC reviews completed Assessment Reports and current Assessment Plans. UAC submits Summary Report to APC and begins dialogue with Unit Heads/Deans regarding current Assessment Plans.</td>
<td>Assemble data necessary to complete the Legislative Budget Request.</td>
<td>The state-wide plan for capital outlay is forwarded to the DoA for review.</td>
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<td>November</td>
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<td>Units/Departments continue implementation of current Assessment Plans.</td>
<td>Complete and submit the Legislative Budget Request to BoS.</td>
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<td>Deans and Directors submit budget requests to appropriate Vice Presidents. FPC recommends priority action to APC.</td>
<td>Vice Presidents meet with Unit Heads/Deans to review UAC Progress Reports.</td>
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<td>Vice Presidents submit budget requests to President. FPC reviews Strategic and Assessment Plans and other relevant information to determine appropriate action priorities for next budget year.</td>
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<td>Submit information requested by DoA in support of request for ensuing years' appropriation.</td>
<td>Legislative hearings conducted to review and pass Bill. Bill signed by Governor (subject to line-item veto).</td>
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<td>Vice Presidents present division budget requests to President. APC considers recommendation of FPC regarding budgeting priorities.</td>
<td>Units/Departments complete collection of data for current Assessment cycle and begin development of Assessment Plans for next Assessment cycle.</td>
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<td>Division Head and Deans relate any special requirements they may have to the President for additional or modified space to accommodate current or projected program needs. The Vice President for Administrative Services meets with the President to update the annual capital outlay request. New projects may be added during these discussions. The Plan is then consolidated and returned to the President for preliminary approval of project priorities.</td>
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Louisiana Tech University
The Management Cycle
BUDGETING PROCESS AT TECH

The budget officer devises a master budget. This is comprised of all expected revenues and estimated recurring expenses. Forecasts projecting revenues for the upcoming year are calculated based upon historical trends (enrollment patterns) and other information available from the governing boards regarding increased/decreased revenues. Estimated expenses are determined which include baseline departmental budgets from the previous year and any increases to be incurred (insurance premiums, classified merit increases, utility increases). Estimated revenues minus estimated expenses provides an estimate of new monies available for allocation.

Departments throughout the campus use their previous year’s budget as a baseline when requesting additional allocations based on a variety of needs (i.e. inflation, new programs, new faculty/staff, equipment). Departments submit their budgets through the hierarchy on campus up to the appropriate dean/vice president. The deans prepare their unit budgets in prioritized order and submit to the appropriate vice president. Initial consideration of any adjustments deemed necessary which have been identified through strategic planning/assessment are reported. The vice presidents then prepare their divisional budgets which may mirror all the requests they received or reflect realities and priorities by which the vice presidents are constrained. The president then meets with the individual vice presidents and negotiates the campus-wide budget. By this time, there is fairly reliable data regarding expected tuition and related income and passed-along expenses.

There is rarely ever enough money to meet all needs, even after the vice presidents have massaged their own budget figures. The president has the difficult responsibility of matching requests with resources and determining requests of his own which he deems relevant to the mission and welfare of the university. He has the assistance of the Financial Planning Task Force which is an advisory group to the president regarding budget matters and the Administrative and Planning Council (the comprehensive review, assessment, and planning council) on budget matters and budget priority funding.

The final step is the submission of a finalized budget to the Board of Supervisors for approval. They review the budget, ask questions, and have the right to change anything they wish. Following their approval, budgets are then submitted to the appropriate legislative body for approval.

Upon final approval by the Board of Supervisors, the approved budgets are then disseminated to the appropriate persons on campus and posted in the Library.
STRATEGIC PLANNING AT TECH

Strategic planning is a system of short-term and long-term planning. A 5-year strategic plan for the university is developed with input from all stakeholders. Overall, long-term goals are determined. Shorter term objectives are identified to fulfill those goals. Measurable strategies are identified in our annual operational plans to measure success and monitor results in meeting the specific objectives. Realizing that change is inevitable, our perception of the strategic plan is that it is a living document.

At the end of each year of the strategic plan, we investigate progress during the year and determine the success of each strategy and the possible need for adjustments. After a year or two of implementation of the strategic plan, we may determine our goals are too modest or too aggressive and need to be adjusted. Because of changing environmental/educational conditions, a different set of opportunities or constrictions might emerge and result in a change of goals and objectives.

ASSESSMENT CONTROLS AT TECH

The assessment process is similar to the use of goals and objectives in that direct and indirect performance indicators are employed to measure student mastery of specialized knowledge, skills, values, attitudes and norms at the program level. Knowledge gained from this assessment is then compared to the institutional mission and function to determine what programs (or parts of programs) require improvement/change.

As with academic programs, assessment of non-academic programs is employed. Specific, department-oriented performance goals are developed that are in keeping with the role, scope, and mission of the university. Each goal is examined at the end of the year to determine success, failure, need to continue, etc.

Fiscal assessment is also a part of the process in that any objectives/strategies requiring new/expanded funding are considered during the budget process.