



BUDGET PRIORITIES
LSU HEALTH SCIENCES CENTER IN NEW ORLEANS
2017-18 OPERATING BUDGET

The Fiscal Year 2017-18 appropriation for the LSU Health Sciences Center in New Orleans Campus (LSUHSC-NO) is \$139.1 million. This represents a net decrease of \$16.2 million in comparison to our final budget of \$155.2 million for Fiscal Year 2016-2017. LSUHSC-NO's appropriation was reduced in large part due to a decrease in appropriated Tobacco Tax statutory dedicated funds. The statutory dedicated appropriation was reduced by approximately \$3.8 million as a result of a downward revenue estimate by the Revenue Estimating Committee. The remaining appropriation in the Tobacco Tax fund, which is a pass-through to the Louisiana Cancer Research Center was eliminated from the LSUHSC-NO appropriation and re-appropriated in Schedule 20 to the State Aid for Local Government Entities for the benefit of the Louisiana Cancer Research Center.

LSUHSC-NO Spending Priorities in FY 2017-2018:

Because the administration recognizes that the faculty and staff at LSUHSCNO have worked diligently and loyally for many years with only one general increase that was effective January 2015, that market forces require us to make investments in our people, and that innovation depends on retaining and recruiting innovative people, our spending priorities for FY 2017-2018 includes a focus on employee compensation.

In response to a recent market study conducted by the university's Human Resource Management Division, the administration approved a compensation philosophy and a 30-step pay grade structure that supports the university's strategic plan, business goals, operating objectives, and compensation and total rewards strategies. To that end, the administration instructed its schools and departments to repurpose up to 2% of the prior year salary expenditures to address increases in employee compensation including the following:

- adjusting unclassified and faculty salaries effective September 1, 2017. Vice Chancellors and Deans have worked to determine how to best allocate those funds across their employees.
- focusing on increasing unclassified employee salaries that fell below the minimum of the range for the position established under the latest market study effective July 1, 2017.
- for unclassified employees exceeding the mid-point for their market-based salary range, a temporary increase in their annual salary will be made effective September 1, 2017-June 2018 (\$1,000 payment to be made over the remaining fiscal year).
- other adjustments at the discretion of the Chancellor and/or the Dean to address issues outside of the 2% target.

In addition, we are also retaining \$2.3 million as a buffer against a mid-year state general fund budget reduction as requested by the State administration and the Legislature.

Because we are well aware of the State's fiscal condition, our campus continues our emphasis on creating and enhancing alternative sources of funding:

- LSUHSC-NO continues to seek new and/or expanded relationships with private and not-for-profit health care entities. We anticipate increases in revenue from clinical contracts this fiscal year.
- LSUHSC-NO continues to seek capital outlay appropriations and other self generated funds to repurpose the LSU Interim Hospital for the purpose of enhancing the LSUHSC-NO footprint including the construction and operation of a Center for Advanced Learning and Simulation.
- LSUHSC-NO continues to explore new and innovative public private partnerships to maximize revenue and utilize the transferred buildings including parking in support of repurposed buildings, housing for residents, students, and faculty, and clinics in support of Graduate Medical Education.

LSUHSC-NO continues to focus on:

- Advancing a learning environment of excellence,
- Enhancing the quality of educational programs
- Growing our reputation as a national leader in biomedical research
- Improving access and quality of care to citizens, while promoting disease prevention and health awareness
- Building strong community partner relationships