



Louisiana State University System

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Office of the President

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July 6, 2005

**TO:** LSU System Chancellors  
**SUBJECT:** 2005-2006 Operating Budget

The Board of Supervisors will consider the 2005-2006 operating budget at the August 18-19, 2005 meeting. Executive Vice President Silvia will summarize the significant issues in the budget in a presentation to the board. The printed 2005-2006 operating budget will again consist of the budget forms issued by the Board of Regents.

Budget materials will be due in the System Office no later than August 1, 2005, with the mail-out to the board on August 9, 2005. Please note that there have been many changes made to the Board of Regents forms. The updated forms and instructions are located at the following web site: <http://www.regents.state.la.us/Finance/borforms.htm>. Please follow these instructions very carefully. We have been asked not to make any changes to the forms without approval from Board of Regents staff.

**Chancellor's Narrative**

Each Chancellor must provide a short summary (no more than two pages) of the 2005-2006 budget. This narrative must explain how your campus allocated funds as related to advancing its stated mission. Also, you should focus on how you utilized funds to address problem areas and campus priorities. Major internal reallocation of existing funds must be discussed in a separate section of the narrative.

**Budget Summary**

You should continue to follow the enclosed example of a budget summary that provides an easy way to view the various changes from your 2004-2005 operating budget. In addition, please prepare the summary of budget changes by function. This form, which is also unchanged from previous years, is enclosed.

**Fee Increases**

The revenues generated by fee increases approved for your campus by the legislature should be included in your operating budget. Provide this office with a detailed listing by object within function of the items/initiatives that will be funded with the proceeds of following fees: Academic Excellence Fee, Technology Fee, 4% Operational Fee, and the 3% flexible tuition increase.

**Energy Surcharge**

Due to the increase in energy prices, campuses may continue utility surcharges. There are stringent regulations regarding energy management fees, restrictions on use, and reporting requirements. Any campus including an energy surcharge, even if it is at the existing rate, must request, in writing, permission to do so. Please contact Executive Vice President Silvia's office for details.

**Auxiliary Enterprises**

Prepare a summary report on each of your campus' auxiliary enterprises. Include total and available cash balances (estimated) by each auxiliary as of June 30, 2005. You must specifically itemize planned uses of these balances. For each auxiliary that is in a deficit posture, you must explain the cause of the deficit and submit a specific plan to restore profitability.

Your budget should not include transfers from the auxiliaries whose net effect is to reduce fund balances without my approval.

**Technology Transfer**

Campuses with technology transfer offices or programs must provide a report of expenditures by object, including a list of personnel. Please show the current and prior fiscal years, indicating changes by amount and percentage. Improving technology transfer programs is one of my highest priorities, and I expect to see substantive increases in this budget area. Please contact me personally if you are not planning to allocate new resources to this area so that we can discuss the situation.

**Special Line Items**

Any campus that received a special line item appropriation should complete the '2005-2006 Special Appropriation' form enclosed. This form will summarize proposed and, if appropriate, prior year budgets highlighting differences and providing details on the use of funds.

**LSU System Expenses - Campus Charges**

Please budget the appropriate charge for your campus from the table below. These funds are used to offset expenses incurred by the LSU System and Board of Supervisors operation.

**Louisiana State University System  
Campus Charges for Fiscal Year 2005-2006  
Based on Fiscal Year 2003-2004  
Actual Revenues By Campus (From Exhibit C-1 of the Financial Report)**

	Unrestricted	Restricted	Total	Campus Charge
LSU	\$ 327,917,514	\$ 284,697,798	\$ 612,615,312	\$ 857,661
LSU-A	12,947,034	8,152,119	21,099,153	29,539
LSU-E	11,901,130	8,160,389	20,061,499	28,086
Hebert Law Ctr.	15,601,218	913,731	16,514,949	23,121
LSU-S	23,765,843	13,846,906	37,612,749	52,658
UNO	114,047,822	85,938,832	199,986,654	279,981
HSC-NO	192,539,497	248,527,600	441,067,097	617,494
HSC-SHRV	69,963,599	426,976,045	496,939,644	695,716
HCSD	756,831,419	1,764,568	758,595,987	910,316
Agricultural Ctr	90,156,225	25,380,196	115,536,421	161,751
PBRC	10,864,259	28,438,662	39,302,921	55,024
<b>TOTAL</b>	<b>\$ 1,626,535,560</b>	<b>\$ 1,132,796,826</b>	<b>\$ 2,759,332,386</b>	<b>\$ 3,711,346</b>

**LSU System 2005-2006 Salary Guidelines**Faculty

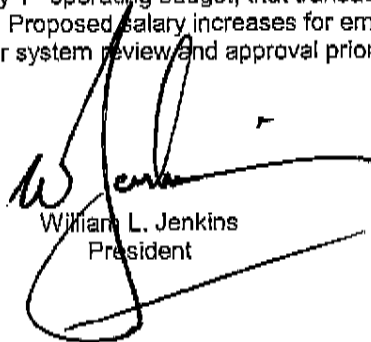
This year there is no pool of funds to provide for a faculty salary increase. Please discuss with me personally any plans your campus may have for providing across the board salary increases for your faculty.

Executive Staff

Permanent Memoranda No. 69 issued on December 13, 1999 defines executives as those individuals with the following titles: chancellor, executive vice chancellor, vice chancellor, provost, vice provost, associate vice chancellor, dean, directors reporting directly to the Chancellor or her/his immediate staff who have institution-wide policy/administration responsibilities, athletic director, head coach, and other titles as designated by the President. You must obtain prior approval from me before extending a job offer, providing salary increases, or making any changes in the sources of funding to individuals in these positions.

Salary Increase Reporting Requirements

All faculty and professional employees receiving salary increases this fiscal year should be reported on the interim personnel transaction report that is presented at each Board meeting. Even if a salary increase is being shown in the July 1<sup>st</sup> operating budget, that transaction must still be reported on the interim personnel transaction report. Proposed salary increases for employees subject to PM-69 should be submitted with enough time for system review and approval prior to being placed on the interim personnel transaction report.



William L. Jenkins  
President

cc. System Officers  
Chief Business Officers