

**CHANCELLOR'S NARRATIVE  
LSU HEALTH SCIENCES CENTER-NEW ORLEANS  
2006-07 OPERATING BUDGET**

The Fiscal Year 2006-2007 appropriation for the LSU Health Sciences Center-New Orleans Campus is \$209,579,914, \$16,289,302 more than the revised operating budget for Fiscal Year 2005-2006. Significant highlights of the operating budget include:

- \$2.4 million was allocated for faculty salary increases, including over \$1.4 million from the faculty salary pool.
- \$.8 million was allocated for 2006-2007 classified merit increases and the annualization of 2005-2006 classified merit increases.
- \$.6 million was allocated for increases in employee contributions to health insurance.
- Almost \$3.8 million was allocated to meet faculty recruitment needs in the Schools of Allied Health Professions, Dentistry, Medicine, Nursing and Public Health.
- \$1.9 million in additional educational and general funds were used to fund:
  - Salary Increases for faculty with promotions in rank ;
  - A new fellowship program in the School of Public Health to recruit and retain outstanding students;
  - Anticipated retiree health insurance costs well beyond our prior estimates and what was included for this purpose in our 2006-07 appropriation;
  - Additional engineering and professional staff to assist in the repair and redesign of our damaged facilities.
  - Providing salary increases for professional employees to recognize merit and outstanding performance, particularly in light of the adverse conditions of the past 11 months.
- \$18,422,563 was appropriated from tobacco tax revenues dedicated to the Louisiana Cancer Research Center, an increase of \$1,648,178, as a result of a higher estimate of recurring tax revenues in Fiscal Year 2006-2007 by the Revenue Estimating Conference.
- Our operating budget includes \$15 million in one time operational funds subject to approval of a spending plan by the Joint Legislative Committee on the Budget. This will provide additional time for the Health Sciences Center to restore critical revenue streams that were disrupted or eliminated by Katrina.