

TO: LSU System Chancellors/Directors

FROM: William L. Jenkins, Interim President

SUBJECT: 2012-2013 Operating Budget

DATE: July 2, 2012

The Board of Supervisors will consider the 2012-2013 operating budget at its meeting of September 7, 2012. Assistant Vice President Simoneaux will summarize the significant issues in the budget in a presentation to the board. The printed 2012-2013 operating budget will again consist of the budget forms issued by the Board of Regents. All budget materials will be due in the System Office via an email to Mrs. Simoneaux at wendys@lsu.edu and a copy to Mr. Willis Brewer at [wbrew3@lsu.edu](mailto:wbrewe3@lsu.edu) **no later than Friday, August 17th** with the mail-out to the Board on August 30th. The resubmission with the FY 11-12 actual data will be due on **September 14th**.

Operating Budget:

The forms, detailed instructions for completion, and the memorandum for the “formula institutions” from the Board of Regents can be found on the following website:

<http://regents.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=491>

The BOR forms and process are the same as those submitted last year with two exceptions. The first is that the BOR-3 formulas have been changed to separate the student athletic fees from the “other Total” in the student fees category. The other change is that the description for Act 971 funds on the BOR-7 has been changed as requested by OPB. Please note that the BOR3-A is the only form where lines can be added. All other forms should not be modified or edited.

In addition to the BOR-1, BOR-2, BOR-3, BOR-3A, BOR-4, BOR-5 , BOR-6, ATH-1, and ATH-2, the System is again requiring the BOR-4A in electronic format.

For your information, please find attached the “TOTRE2013N_Appropriation letter” which details your ending 11-12 and beginning 12-13 operating budget.

The Health Care Services Division and Pennington should submit BOR-1, BOR-2, BOR-3 and BOR-3A for its operations using the same deadlines as above. The Division of Administration’s budget forms for these units should be submitted to us by **October 7th**.

As you are making your decisions on proposed areas for budget reductions, please take into consideration the attached guidelines for strategic reductions. For discussion at the July 27th Board of Supervisors meeting, please provide the information requested in the spreadsheet entitled, “**FY 2012-2013 Budget Reduction Detail**” by **July 20th** and have a representative at the meeting prepared to discuss.

Maximum Support for Athletics:

Although the LSU System does not allow the use of state funds to subsidize athletics, the amount of maximum state support for FY 2012-2013 pursuant to the Board of Regents policy can be found at <http://regents.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=482>.

LSU System Institution Charge:

The institution should budget the appropriate institution allocation charge from the table below. The charge is calculated in the same manner in which it was calculated last year. The charge is 11 basis points based on the institutions actual 2010-2011 revenue.

	Unrestricted	Restricted	Total	Total Campus Charge
LSU	450,599,231	423,390,455	873,989,686	961,389
LSU-A	19,394,522	8,841,136	28,235,658	31,059
LSU-E	14,463,985	10,896,923	25,360,908	27,897
Hebert Law Ctr.	21,886,725	1,020,171	22,906,896	25,198
LSU-S	29,849,249	19,700,483	49,549,732	54,505
HSC-NO	192,056,715	287,210,804	479,267,519	527,194
HSC-SHRV	70,309,725	554,419,670	624,729,395	687,202
E.A. Conway	9,386,129	126,114,651	135,500,780	149,051
Huey P. Long	10,170,298	49,038,196	59,208,494	65,129
HCS D	902,444,604	2,665,505	905,110,109	995,621
Agricultural Ctr	85,975,088	43,804,002	129,779,090	142,757
PBRC	12,844,813	43,465,150	56,309,963	61,941
TOTAL	\$ 1,819,381,084	\$ 1,570,567,146	\$ 3,389,978,230	\$ 3,728,943

FY 2012-2013 LSU System Salary Reporting and Guidelines:

In recognition of the continuing fiscal challenges in FY 12-13, the LSU System will once again suspend merit increases for its unclassified employees. In addition, the System will again extend its hiring freeze for the new fiscal year. Exemption requests should follow current procedure and should focus on those positions that are considered critical to the institution. Requests for other salary adjustments should follow PM-69 with strict adherence to section VII.

If you have any specific questions, please do not hesitate to contact Wendy Simoneaux at wendys@lsu.edu or Willis Brewer at wbrewe3@lsu.edu.