



Louisiana State University System

3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808

Office of the President

July 13, 2004

225 / 578-2111

225 / 578-5524 fax

**TO:** LSU System Chancellors

**SUBJECT:** 2004-2005 Operating Budget

The Board of Supervisors will consider the 2004-2005 operating budget at the August 19-20, 2004 meeting. Executive Vice President Silvia will summarize the significant issues in the budget in a presentation to the board. The printed 2004-2005 operating budget will again consist of the budget forms issued by the Board of Regents.

As the forms on the Regents' web site do not have any formulas included in them, you may wish to simply change the headings on the forms you used last year and resubmit them with the proper data for 2004-2005 FY. Budget materials will be due in the System Office no later than August 3, 2004, with the mail-out to the board on August 10, 2004.

The BOR memorandum and budget forms can be found at the following web sites:

<http://www.regents.state.la.us/Finance/opmemo.htm>

<http://www.regents.state.la.us/Finance/borforms.htm> (click on subject line in memo)

Please be aware that the budget forms contain minor changes from last year. Carefully review the BOR forms and incorporate the changes on your forms from last year. The State Office of Planning and Budget has asked us to add the following items to certain budget forms:

- All amounts transferred to other state agencies should be entered on the rows titled 'Interagency Transfers' on the forms. (i.e. Risk management payments, legislative auditor payments, and civil service payments)
- We will need to add a row on the BOR-1 form titled 'Unallotted' between the 'Total Acq. & Maj Repairs' and 'Total Expenditures' lines. This row will be used to record Act 194 or 2004 retiree amounts for those campuses that had them. Act 194 replaced Act 844 which expired.
- We have also been asked to add total lines to the columns on the BOR-10 and BOR-11 forms.

#### **Chancellor's Narrative**

Each Chancellor must provide a short summary (no more than two pages) of the 2004-2005 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 2003-2004 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, 2004. 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 '2004-2005 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 2004-2005  
Based on Fiscal Year 2002-2003  
Actual Revenues By Campus (From Exhibit C-1 of the Financial Report)**

	Unrestricted	Restricted	Total	Campus Charge
LSU	\$ 303,903,758	\$ 259,249,444	\$ 563,153,202	\$ 844,730
LSU-A	10,661,083	7,196,530	17,857,613	26,786
LSU-E	9,801,134	8,445,940	18,247,074	27,371
Hebert Law Ctr.	14,408,021	772,398	15,180,419	22,771
LSU-S	21,911,992	14,312,329	36,224,321	54,336
UNO	109,284,163	81,026,290	190,310,453	285,466
HSC-NO	163,865,163	220,472,431	384,337,594	576,506
HSC-SHRV	47,450,611	349,557,224	397,007,835	595,512
HCSD	767,912,506	6,645,016	774,557,522	929,469
Agricultural Ctr	86,616,953	22,677,248	109,294,201	163,941
PBRC	9,869,617	22,092,190	31,961,807	47,943
<b>TOTAL</b>	<b>\$ 1,545,685,001</b>	<b>\$ 992,447,040</b>	<b>\$ 2,538,132,041</b>	<b>\$ 3,574,831</b>

## LSU System 2004-2005 Salary Guidelines

### Faculty

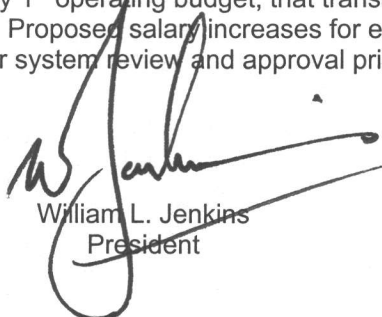
This year there is no pool of funds to provide for a faculty salary increase. However, faculty salaries remain the University's highest priority. Salary increases for faculty must be based on promotions, merit, market demands, or equity.

### 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