

**CHANCELLOR'S NARRATIVE
LSU HEALTH SCIENCES CENTER-NEW ORLEANS
2008-09 OPERATING BUDGET**

The Fiscal Year 2008-2009 appropriation for the LSU Health Sciences Center-New Orleans Campus is \$200,022,502, \$7,814,450 less than the revised operating budget for Fiscal Year 2007-2008. The decrease is a result of the following:

- A non-recurring line item of \$5,996,000 was allocated from the Higher Education Initiatives Fund for facilities improvements.
- A non-recurring allocation of \$33,496 for Campus Police Technology.
- A net decrease of \$1,310,718 for Risk Management Premiums.
- A net decrease of \$976,859 for employer contributions to related benefits.
- Offsetting these decreases were increases for classified merit increases and the Legislative Auditor allocation (\$.7 million).

Within our appropriation, funds were reallocated to address the following priorities

- \$2,625,378 in faculty salary increases (the average salary increase on appropriated funds was 5.27%) to reward productivity and promote retention.
- \$548,032 in other academic and professional staff salary increases (the average salary increase on appropriated funds was 2.76%) to reward productivity and promote retention.
- \$.6 million was allocated for 2008-2009 classified merit increases and the annualization of 2007-2008 classified merit increases.
- \$349,404 was allocated to annualize a lease to provide the School of Public Health with facilities for education, research and public service adjacent to the downtown campus.
- Continued funding for maintenance and repair of aging facilities.

The sum of \$17,495,926 was appropriated from tobacco tax revenues dedicated to the Louisiana Cancer Research Center, a decrease of \$170,944 from Fiscal Year 2007-2008.

Challenges for the coming fiscal year:

- Recruitment and retention of faculty and staff. Our ability to compete locally, statewide and nationally continues to be hampered by negative perceptions of the pace of recovery from Hurricane Katrina.
- Continued repair and enhancement of our facilities and infrastructure.
- Continue to push for improvements in the capacity and delivery of health care services in the region including new teaching hospitals in New Orleans and Baton Rouge.
- Find creative approaches to fund strategic research initiatives and rural track programs in medicine, dentistry and allied health professions.

