

CHANCELLOR'S NARRATIVE
LSU HEALTH SCIENCES CENTER AT NEW ORLEANS
2010-11 OPERATING BUDGET

The Fiscal Year 2010-2011 appropriation for the LSU Health Sciences Center at New Orleans Campus is \$179,799,539, \$17,620 less than the revised operating budget for Fiscal Year 2009-2010.

The decrease is a result of:

- A \$5.9 million reduction in state general funds;
- A \$2.6 million reduction in Statutory Dedications;
- A \$1.0 million reduction in IAT Hospital Intraagency Contracts; and
- \$0.6 million in self-generated funds from enrollment increases that was added to the FY 09-10 supplemental appropriations bill but not the FY 10-11 appropriations bill.

These reductions are largely offset by:

- An increase in ARRA stimulus funds (\$8.9 million); and
- A 5% tuition increase (\$1.1 million) effective July 1, 2010.

1) Steps taken to mitigate reductions to the core academic mission of the campus

- We continue to preserve our core mission by generating alternative revenue streams from sponsored projects, patient care services, additional overhead support from private patient care contracts, and billing and collection efficiencies to support the salary, benefits and other expenditures associated with faculty and staff.
- LSUSHC at New Orleans is not proposing employee furloughs at this time.
- If revenues are insufficient, plans will be implemented to reduce expenses.

2) Actions meant to enhance future revenues

- Enrollment levels are at an all time high. They are about 20% above enrollment at the time of Katrina 5 years ago. Over the same period, the number of full-time personnel has declined by about 900, or nearly 30%.
- It is our intent to increase tuition by another 5% on January 1, 2011 and 10% on July 1, 2011 under the provisions of the LA Grad Act. We continue to explore the possibilities of increasing nonresident tuition to the SREB average levels of Public Peer Institutions for specific academic programs that are below SREB peer averages. These actions are largely being taken to position us for further budget reductions in FY 2011-12.
- Faculty continue to be encouraged to aggressively file grant applications.

- We continually look for opportunities to expand our patient care activities and to promote billing and collection efficiencies.
- 3) Reallocations of existing resources to achieve operational improvements and to fund priority items, especially in view of the anticipated FY 2011-12 budget reductions
- This will be the 2nd year of a general policy of prohibiting salary increases. Rare exceptions are allowed for the few faculty who receive a promotion in rank.
 - New hires are being limited to critical needs, particularly in the areas of direct patient care and sponsored research. This is more stringent than the mandated hiring freeze in place.
 - We are curtailing expenditures for travel, supplies, professional services and acquisitions as much as possible. The budget for Library acquisitions continues to be at a standstill, which is difficult when the inflation rate for books and journals increases about 10% per year.
 - Monies were reallocated to fund increases in employer contributions to retirement systems and unemployment compensation; and to appropriately fund scholarships and fee exemptions.