

CHANCELLOR'S NARRATIVE
LSU HEALTH SCIENCES CENTER IN NEW ORLEANS
2011-12 OPERATING BUDGET

The Fiscal Year 2011-2012 appropriation for the LSU Health Sciences Center in New Orleans Campus is \$181,546,932, \$1.7 million more than the original operating budget for Fiscal Year 2010-2011. This is a standstill budget, ignoring the fact that there are \$3.5 million in unfunded mandates for FY 2011-12. While the increase over the final 2010-2011 operating budget is \$3.1 million, it is more meaningful to compare the 2011-2012 appropriation to the beginning 2010-2011 appropriation.

The changes are a result of:

- The loss of \$28.7 million in Federal ARRA Stimulus funds;
 - Offset in part by \$15.2 million in non-recurring self-generated carry forward monies;
 - A \$7.7 million increase in recurring state general funds; and
 - \$7.0 million in recurring self-generated funds from enrollment increases and tuition increases.
- 1) Steps taken to preserve the core academic mission of the campus and to mitigate funding reductions
 - We have emphasized the need to create and enhance alternative non-state sources of funding by generating funds from sponsored research, patient care services, additional overhead support from private patient care contracts, and billing and collection efficiencies.
 - If revenues are insufficient, previous budget reduction plans will be utilized to make adjustments. Those plans are currently being reviewed, revised and refined... especially given that our current year operating budget includes about \$15 million in non-recurring funding.
 - 2) Reallocations of existing resources to achieve operational improvements and to fund priority items
 - As was the case last fiscal year, salary increases, with faculty promotions in rank being the notable exception, are not generally being granted.
 - New hires are limited to critical needs, particularly in the areas of direct patient care and sponsored research.
 - We continue to curtail expenditures for travel, professional services and acquisitions as much as possible. The budget for Library acquisitions continues to be close to a standstill, which is difficult when the inflation rate for books and journals increases about 8 to 10% per year.