

AGENDA

LSU BOARD OF SUPERVISORS MEETING

**Board Room, LSU System Building
Baton Rouge, Louisiana**

FRIDAY, JANUARY 31, 2014

10:00 A.M.

COMMITTEE MEETINGS

PUBLIC COMMENTS

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting. For additional information see:

<http://www.lsusystem.edu/index.php/board-of-supervisors/public-comments/>

<p>I. RESEARCH AND ECONOMIC DEVELOPMENT COMMITTEE</p>
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Mr. J. Stephen Perry, Chairman

1. Receive the report of the President's Committee on Technology Transfer (Report Only, no action)
 2. Recommendation to amend the Regulations of the Board, Chapter VII, Intellectual Property and recommendation to create the LSU *Lift Fund* restricted account
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**II. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Ronald R. Anderson, Chairman

1. Discussion of the FY 2014-15 Governor's Executive Budget
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III. PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chairman

1. Recommendation to reallocate the Excess Series 2010A Bond Proceeds from completed projects to fund the design and construction of the Evangeline Hall Renovation and New Greek House on the Louisiana State University A&M Campus
 2. Recommendation to approve the Schematic Design for a new Residential Facility at the Hart Parking Lot on the Louisiana State University A&M Campus
 3. Proposal to approve the Lease of Louisiana State University at Eunice Agricultural Land
 4. Recommendation to authorize an agreement with Tiger Athletic Foundation for creation and use of temporary parking spaces and related demolition of vacant LSU buildings
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**IV. HEALTH CARE AND MEDICAL EDUCATION
COMMITTEE**

Mr. Raymond J. Lasseigne, Chairman

1. Update from Executive Vice President for Health Care and Medical Education Redesign, LSU Health Sciences Center New Orleans, and LSU Health Sciences Center Shreveport
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V. AUDIT COMMITTEE

Mr. Jack E. Lawton, Jr., Chairman

The Audit Committee will meet in the President's Conference Room following the Integrated Committee Meetings and the Board Meeting. The Committee may go into Executive Session in accordance with the provisions of LA. R.S. 42:6.1 A (4)

AGENDA
LSU BOARD OF SUPERVISORS MEETING

1:00 p.m., Friday, January 31, 2014

Mr. Bobby Yarborough, Chairman

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of the Minutes of the Board Meeting held on December 13, 2013
4. Personnel Actions Requiring Board Approval
5. President's Report
6. Reports from the Council of Staff Advisors and the Council of Faculty Advisors
7. Reports to the Board
 - A. Health Plan Status Report (Written Report Only)
 - B. FY 2013-2014 2nd Quarter Consolidated Investment Report (Written Report Only)-Available on LSU System Website
 - C. FY 2013-2014 2nd Quarter Consolidated Financial Report (Written Report Only)-Available on LSU System Website
 - D. FY 2013-2014 1st Quarter Internal Audit Summary Report (Written Report Only)
8. Approval of Consent Agenda Items
 - A. Request approval to establish the following Endowed Professorships at LSU A&M:
 - Dr. Joseph D. Martinez Professorship in the School of the Coast and Environment

- B. Request approval to establish the following Endowed Professorships at Louisiana State University at Alexandria:
- Joanne Lyles White Endowed Professorship in Education
- C. Request approval to establish the following Endowed Scholarships at Louisiana State University at Alexandria:
- Elder Care Administration Endowed Scholarship for First Generation College Students
 - 2012 Endowed Scholarship for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #1 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #2 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #3 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #4 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #5 for First Generation College Students
- D. Request approval to establish the following Endowed Professorships at LSU Shreveport:
- Louisiana State University Shreveport Museum of Life Sciences Endowed Professorship in the College of Sciences
 - Max and Jasmine Morelock Endowed Professorship in Chemistry in the College of Sciences
- E. Recommendation to name the Louisiana State University A&M Department of Construction Management the "Bert S. Turner Department of Construction Management"

9. Committee Reports

**I. RESEARCH AND ECONOMIC DEVELOPMENT
COMMITTEE**

Mr. J. Stephen Perry, Chairman

**II. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Ronald R. Anderson, Chairman

III. PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chairman

IV. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE
Mr. Raymond J. Lasseigne, Chairman

10. Chairman's Report
11. Adjournment

If you plan to attend any meeting listed on this notice and need assistance because you are disabled, please notify the Office of the LSU Board of Supervisors at (225) 578-2154 at least 7 days in advance of the meeting.

LSU SYSTEM
Deposit and Collateral Report
For the Quarter Ended December 31, 2013

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
LSU A & M and Health Sciences Ctr New Orleans				
Chase - LSU, Health Plan Premium	44,931,622		\$44,931,622	82,910,938
Capital One CCD Program - LSU		18,000,000	\$18,000,000	21,957,940
Chase-HSCNO	29,276,780	18,600	\$29,295,380	33,944,164
Capital One - LSU-A	4,076,019		\$4,076,019	7,706,589
St. Landry Bank - LSU-E	274,355		\$274,355	1,000,855
Total	\$78,558,776	\$18,018,600	\$96,577,376	\$147,520,486
Health Sciences Center Shreveport				
US Bank	\$3,392		\$3,392	\$250,000
Raymond James	3		\$3	
Regions Bank-EA Conway	7,218,243		\$7,218,243	7,206,028
Regions Bank-Huey P Long	15,691,570		\$15,691,570	16,024,754
Regions Bank-Shreveport	112,193,850		\$112,193,850	115,501,716
Regions Bank-Shreveport Endowment Fds	3,946,660		\$3,946,660	0
Total	\$139,053,719	\$0	\$139,053,719	\$138,982,498
LSUHSC HCSD				
JP Morgan Chase	107,433,752		\$107,433,752	
J. P. Morgan Chase (MCLNO Trust Fund)	5,137,966		\$5,137,966	10,007,527
Capital One (MCLNO Trust Fund)	2,053,993		\$2,053,993	1,806,595
Total	\$114,625,711		\$114,625,711	\$11,814,122
LSU - Shreveport				
Campus Federal Credit Union		\$100,000	\$100,000	\$250,000
Regions Bank				
Capital One (Hibernia National Bank)	867,552		\$867,552	8,092,988
Total	\$867,552	\$100,000	\$967,552	\$8,342,988
Total Requiring Collateral	\$333,105,758	\$18,118,600	\$351,224,358	\$306,660,094
Deposits In Trust or Federal Obligations Not Requiring Collateral				
Repo's (Bank of New York)				
One Group US Treasury Securities (2)				
Federated Money Markets	73,368,055		\$73,368,055	
Federated Funds-Treas. Oblig. (2)	80,492		\$80,492	
Total	\$73,448,547	\$0	\$73,448,547	
Total Deposits	\$406,554,305	\$18,118,600	\$424,672,905	

(1) Collateral amounts include FDIC coverage of \$250,000 on Demand Deposits, \$250,000 on CD's and \$250,000 by the National Credit Union Share Insurance Fund on deposits with Campus Federal Credit Union.

(2) One Group & Federated Funds are no-load, open ended mutual funds investing in U.S. Treasury obligations.

LSU System
Investment Summary
For the Year Ended December 31, 2013

Fund Description	As of 7/1/2013	As of 9/30/2013		As of 12/31/2013		As of 3/30/2014		As of 06/30/2014	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
Current Funds									
Cash/Sweeps	\$324,738,797	267,334,002	\$267,333,999	\$321,631,443	\$321,631,443	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$158,788	\$2,711,061	\$2,711,061	\$1,931,189	\$1,931,189	\$0	\$0	\$0	\$0
Certificates of Deposit	\$18,100,000	\$18,100,000	\$18,100,000	\$18,100,000	\$18,100,000	\$0	\$0	\$0	\$0
CMO's	\$6,838,023	\$5,807,815	\$6,067,180	\$5,245,488	\$5,474,505	\$0	\$0	\$0	\$0
Agency Securities (B)	\$151,086,818	\$202,816,905	\$200,190,409	\$176,800,720	\$170,894,615	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$34,052,624	\$27,244,287	\$27,561,358	\$25,261,164	\$25,390,269	\$0	\$0	\$0	\$0
Equity Securities (C)	\$426	\$426	\$426	\$0	\$549	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$43,292,425	\$46,697,531	\$43,512,732	\$46,697,531	\$42,476,899	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$48,863,078	\$49,930,695	\$45,659,763	\$47,352,704	\$42,377,047	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$128,705,382	\$143,292,181	\$144,228,608	\$143,872,881	\$143,886,015	\$0	\$0	\$0	\$0
US Gov Related Securities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$755,836,361	\$763,934,903	\$755,365,536	\$786,893,120	\$772,162,531	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$7,598,725	\$3,992,387	\$3,992,387	\$3,997,444	\$3,997,444	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$32,713	\$172,532	\$172,532	\$114,291	\$114,291	\$0	\$0	\$0	\$0
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$0	\$0	\$0	\$0
Agency Securities (B)	\$14,766,993	\$10,132,660	\$10,084,941	\$10,132,660	\$9,880,957	\$0	\$0	\$0	\$0
Equity Securities (C)	\$12,552,647	\$6,583,150	\$8,799,911	\$6,583,150	\$9,491,733	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$6,734,524	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mutual Funds	\$0	\$51,740,620	\$52,027,467	\$52,324,112	\$53,728,069	\$0	\$0	\$0	\$0
Municipal Bonds (E)	13,640,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Bonds (D)	23,865,212	\$5,057,835	\$5,270,040	\$5,057,835	\$5,191,743	\$0	\$0	\$0	\$0
Total	\$79,210,274	\$77,697,784	\$80,365,878	\$78,228,092	\$82,422,837	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$6,961,368	\$7,188,635	\$7,188,635	\$7,466,840	\$7,466,840	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$91,592,345	\$67,984,730	\$67,984,730	\$71,332,606	\$71,332,606	\$0	\$0	\$0	\$0
Treasury Notes	\$71,159,729	\$71,237,730	\$71,232,617	\$68,392,760	\$68,382,825	\$0	\$0	\$0	\$0
Agency Securities (B)	\$23,167,627	\$23,105,214	\$23,094,254	\$23,105,214	\$22,884,651	\$0	\$0	\$0	\$0
Equity Securities (C)	\$448,136	\$4,988	\$426,758	\$4,988	\$501,952	\$0	\$0	\$0	\$0
US Gov Related Securities	\$286,109	\$251,411	\$251,411	\$80,492	\$80,492	\$0	\$0	\$0	\$0
Total	\$193,615,314	\$169,772,708	\$170,178,405	\$170,382,900	\$170,649,366	\$0	\$0	\$0	\$0
Grand Total	\$1,028,661,949	\$1,011,405,395	\$1,005,909,819	\$1,035,504,112	\$1,025,234,734	\$0	\$0	\$0	\$0
Deposits in Financial Institutions									
Total Cash/Sweeps/MMA/Repos	\$431,082,736	\$349,383,347	\$349,383,344	\$406,473,813	\$406,473,813	\$0	\$0	\$0	\$0
Total Certificates of Deposit	\$18,118,600	\$18,118,600	\$18,118,600	\$18,118,600	\$18,118,600	\$0	\$0	\$0	\$0
US Gov Related Securities	\$286,109	\$251,411	\$251,411	\$80,492	\$80,492	\$0	\$0	\$0	\$0
Total Deposits	\$449,487,445	\$367,753,358	\$367,753,355	\$424,672,905	\$424,672,905	\$0	\$0	\$0	\$0
Other Investments									
Treasury Notes	\$71,159,729	\$71,237,730	\$71,232,617	\$68,392,760	\$68,382,825	\$0	\$0	\$0	\$0
CMO's	\$6,838,023	\$5,807,815	\$6,067,180	\$5,245,488	\$5,474,505	\$0	\$0	\$0	\$0
Agency Securities (B)	\$189,021,438	\$236,054,779	\$233,369,604	\$210,038,594	\$203,660,223	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$34,052,624	\$27,244,287	\$27,561,358	\$25,261,164	\$25,390,269	\$0	\$0	\$0	\$0
Equity Securities (C)	\$13,001,209	\$6,588,564	\$9,227,095	\$6,588,138	\$9,994,234	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$50,026,949	\$46,697,531	\$43,512,732	\$46,697,531	\$42,476,899	\$0	\$0	\$0	\$0
Mutual Funds	\$0	\$51,740,620	\$52,027,467	\$99,676,816	\$96,105,116	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$62,503,938	\$49,930,695	\$45,659,763	\$47,352,704	\$42,377,047	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$152,570,594	\$148,350,016	\$149,498,648	\$148,930,716	\$149,077,758	\$0	\$0	\$0	\$0
Total Other	\$579,174,504	\$643,652,037	\$638,156,464	\$658,183,911	\$642,938,876	\$0	\$0	\$0	\$0
Grand Total	\$1,028,661,949	\$1,011,405,395	\$1,005,909,819	\$1,082,856,816	\$1,067,611,781	\$0	\$0	\$0	\$0
LSU and Related Campuses									
Current Funds									
Cash/Sweeps	75,864,104	48,799,731	48,799,731	\$78,558,776	\$78,558,776	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	108,699	2,701,041	2,701,041	1,921,158	1,921,158	\$0	\$0	\$0	\$0
Certificates of Deposit	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	\$0	\$0	\$0	\$0
CMO's	6,838,023	5,807,815	6,067,180	5,245,488	5,474,505	\$0	\$0	\$0	\$0
Agency Securities (B)	124,266,715	179,572,162	178,140,386	153,555,898	149,428,115	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	34,052,624	27,244,287	27,561,358	25,261,164	25,390,269	\$0	\$0	\$0	\$0
Equity Securities (C)	426	426	426	0	549	\$0	\$0	\$0	\$0
Bond Mutual Funds	43,292,425	46,697,531	43,512,732	46,697,531	42,476,899	\$0	\$0	\$0	\$0
Municipal Bonds (E)	44,077,753	47,370,855	43,176,432	45,666,700	40,765,108	\$0	\$0	\$0	\$0
Corporate Bonds (D)	119,354,482	138,128,092	139,046,962	138,433,062	138,461,103	\$0	\$0	\$0	\$0
Total	\$465,855,251	\$514,321,940	\$507,006,248	\$513,339,777	\$500,476,482	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps									
Money Market Accounts/Repos (A)	32,713	172,532	172,532	114,291	114,291	\$0	\$0	\$0	\$0
Certificates of Deposit	18,600	18,600	18,600	18,600	18,600	\$0	\$0	\$0	\$0
Agency Securities (B)	9,134,995	10,132,660	10,084,941	10,132,660	9,880,957	\$0	\$0	\$0	\$0
Equity Securities (C)	8,385,413	6,575,500	8,790,547	6,575,500	9,481,637	\$0	\$0	\$0	\$0
Corporate Bonds (D)	5,768,925	5,057,835	5,270,040	5,057,835	5,191,743	\$0	\$0	\$0	\$0
Total	\$23,340,646	\$21,957,127	\$24,336,660	\$21,898,886	\$24,687,228	\$0	\$0	\$0	\$0
Other Funds									
Money Market Accounts/Repos (A)	83,436,471	59,793,048	59,793,048	62,964,838	62,964,838	\$0	\$0	\$0	\$0
Treasury Notes	71,159,729	71,237,730	71,232,617	68,392,760	68,382,825	\$0	\$0	\$0	\$0
Agency Securities (B)	23,167,627	23,105,214	23,094,254	23,105,214	22,884,651	\$0	\$0	\$0	\$0
Total	\$177,763,827	\$154,135,992	\$154,119,919	\$154,462,812	\$154,232,314	\$0	\$0	\$0	\$0
Grand Total	\$666,959,724	\$690,415,059	\$685,462,827	\$689,701,475	\$679,396,024	\$0	\$0	\$0	\$0

**LSU System
Investment Summary
For the Year Ended December 31, 2013**

Fund Description	As of 7/1/2013	As of 9/30/2013		As of 12/31/2013		As of 3/30/2014		As of 06/30/2014	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
LSUHSC Shreveport									
Current Funds									
Cash/Sweeps S.	\$110,075,575	\$76,718,346	\$76,718,346	\$112,197,249	\$112,197,249				
Cash/Sweeps C.	\$26,620,738	\$22,245,159	\$22,245,159	\$7,218,243	\$7,218,243				
Cash/Sweeps H.	\$21,061,089	\$17,852,878	\$17,852,875	\$15,691,570	\$15,691,570				
Cash/Sweeps	\$157,757,402	\$116,816,383	\$116,816,380	\$135,107,062	\$135,107,062	\$0	\$0	\$0	\$0
Agency Securities (B)	\$26,820,103	\$23,244,743	\$22,050,023	\$23,244,822	\$21,466,500				
Municipal Bonds (E)	\$4,785,325	\$2,559,840	\$2,483,331	\$1,686,004	\$1,611,939				
Corporate Bonds (D)	\$9,350,900	\$5,164,089	\$5,181,646	\$5,439,819	\$5,424,912				
US Gov Related Securities		\$245,266	\$245,293	\$2,700,168	\$2,679,225				
Total	\$198,713,730	\$148,030,321	\$146,776,673	\$168,177,875	\$166,289,638	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$7,549,240	\$3,941,614	\$3,941,614	\$3,946,657	\$3,946,657				
Agency Securities (B)	\$5,631,998	\$0	\$0	\$0	\$0				
Equity Securities (C)	\$4,167,234	\$7,650	\$9,364	\$7,650	\$10,096				
Bond Mutual Funds	\$6,734,524	\$0	\$0	\$0	\$0				
Mutual Funds	\$0	\$51,740,620	\$52,027,467	\$52,324,112	\$53,728,069				
Municipal Bonds (E)	\$13,640,860			\$0	\$0				
Corporate Bonds (D)	\$18,096,287			\$0	\$0				
US Gov Related Securities				\$0	\$0				
Total	\$55,820,143	\$55,689,884	\$55,978,445	\$56,278,419	\$57,684,822	\$0	\$0	\$0	\$0
Other Funds									
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$254,533,873	\$203,720,205	\$202,755,118	\$224,456,294	\$223,974,460	\$0	\$0	\$0	\$0
LSUHCS D									
Current Funds									
Cash/Sweeps	\$90,831,093	\$98,468,961	\$98,468,961	\$107,433,752	\$107,433,752				
Total	\$90,831,093	\$98,468,961	\$98,468,961	\$107,433,752	\$107,433,752	\$0	\$0	\$0	\$0
Endowment Funds									
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$6,693,529	\$6,913,826	\$6,913,826	\$7,191,959	\$7,191,959				
Money Market Accounts/Repos (A)	\$8,155,874	\$8,191,682	\$8,191,682	\$8,367,768	\$8,367,768				
Equity Securities (C)	\$448,136	\$4,988	\$426,758	\$4,988	\$501,952				
US Gov Related Securities	\$286,109	\$251,411	\$251,411	\$80,492	\$80,492				
Total	\$15,583,648	\$15,361,907	\$15,783,677	\$15,645,207	\$16,142,171	\$0	\$0	\$0	\$0
Grand Total	\$106,414,741	\$113,830,868	\$114,252,638	\$123,078,959	\$123,575,923	\$0	\$0	\$0	\$0
LSU - Shreveport									
Current Funds *									
Cash/Sweeps	\$286,198	\$3,248,927	\$3,248,927	\$531,853	\$531,853				
Money Market Accounts/Repos (A)	\$50,089	\$10,020	\$10,020	\$10,031	\$10,031				
Certificates of Deposit	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000				
Total	\$436,287	\$3,358,947	\$3,358,947	\$641,884	\$641,884	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$49,485	\$50,773	\$50,773	\$50,787	\$50,787				
Total	\$49,485	\$50,773	\$50,773	\$50,787	\$50,787	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$267,839	\$274,809	\$274,809	\$274,881	\$274,881				
Total	\$267,839	\$274,809	\$274,809	\$274,881	\$274,881	\$0	\$0	\$0	\$0
Grand Total	\$753,611	\$3,684,529	\$3,684,529	\$967,552	\$967,552	\$0	\$0	\$0	\$0
System Total	\$1,028,661,949	\$1,011,650,661	\$1,006,155,112	\$1,038,204,280	\$1,027,913,959	\$0	\$0	\$0	\$0

*LSUS has a total of \$3,168,748 with LSU Baton Rouge Campus for investment purposes.

BENCHMARK NOTES (Example Only)

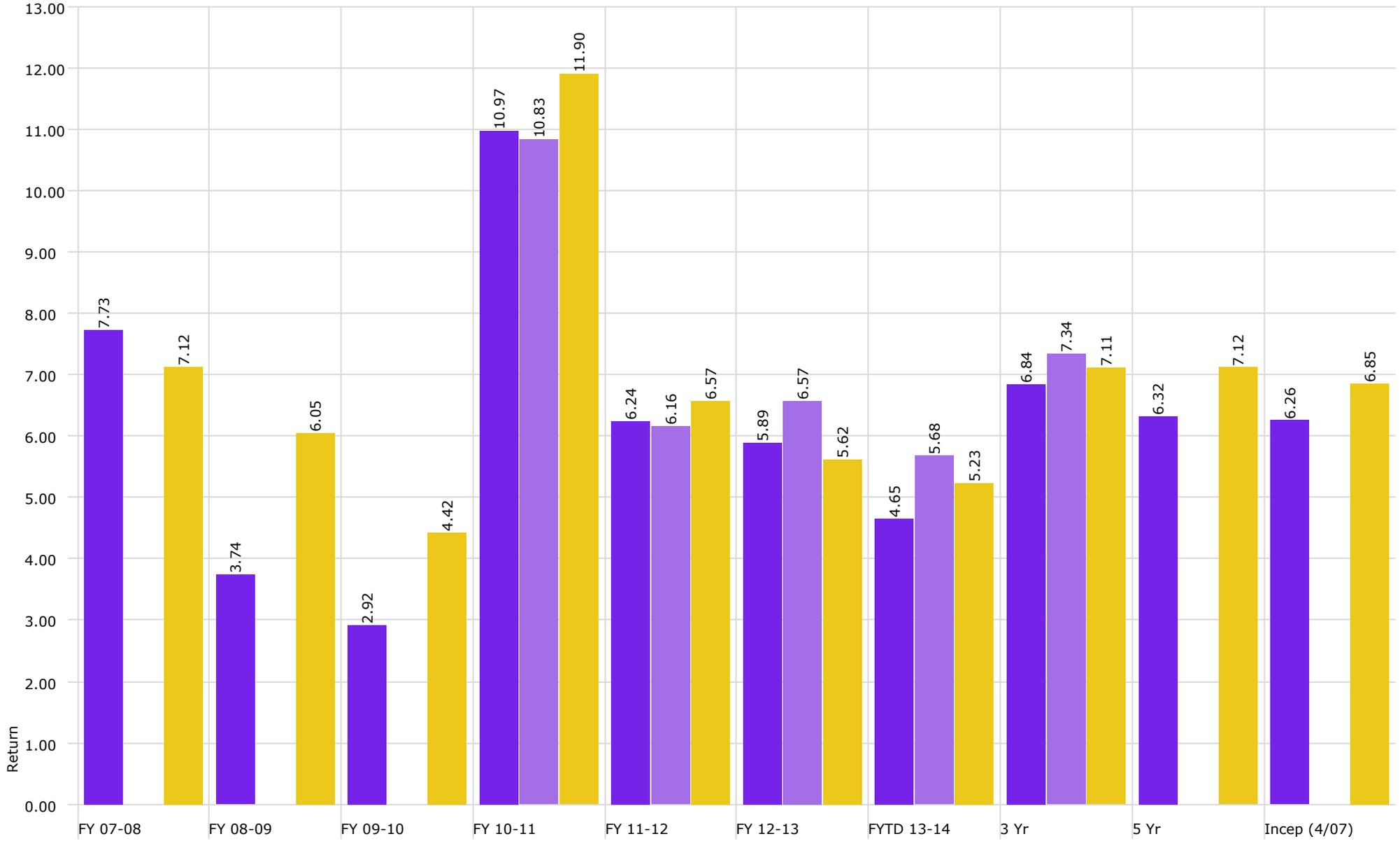
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

Disclaimer: Pursuant to PM-9, corporate bonds/notes only available for investment beginning 7-1-2011. Louisiana law provides for restrictions on maturity and allocation and may effect benchmark comparisons.



Investment Management Program Endowed Accounts **Total Return**

As of 12/31/2013

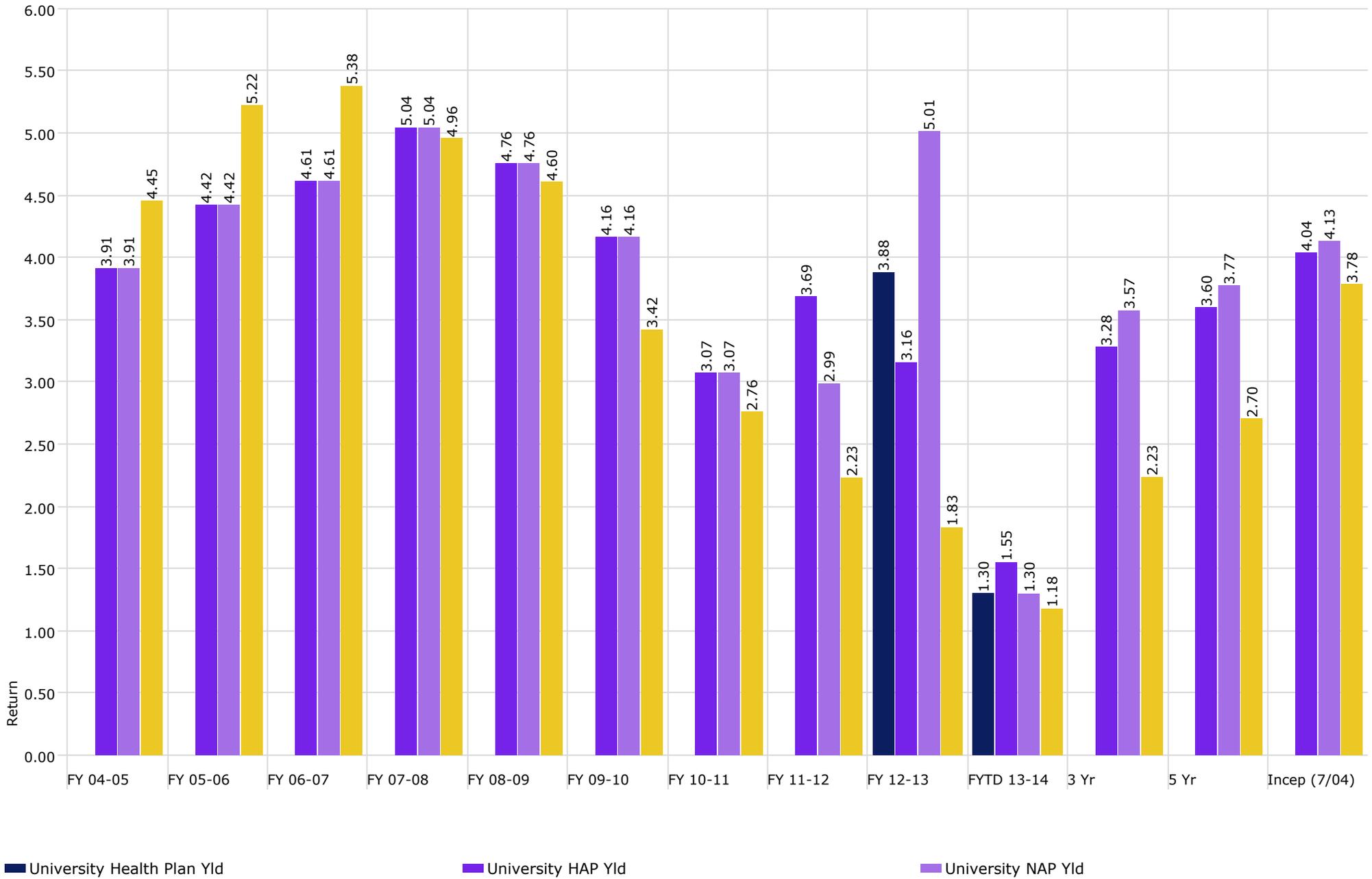


■ University Endowment

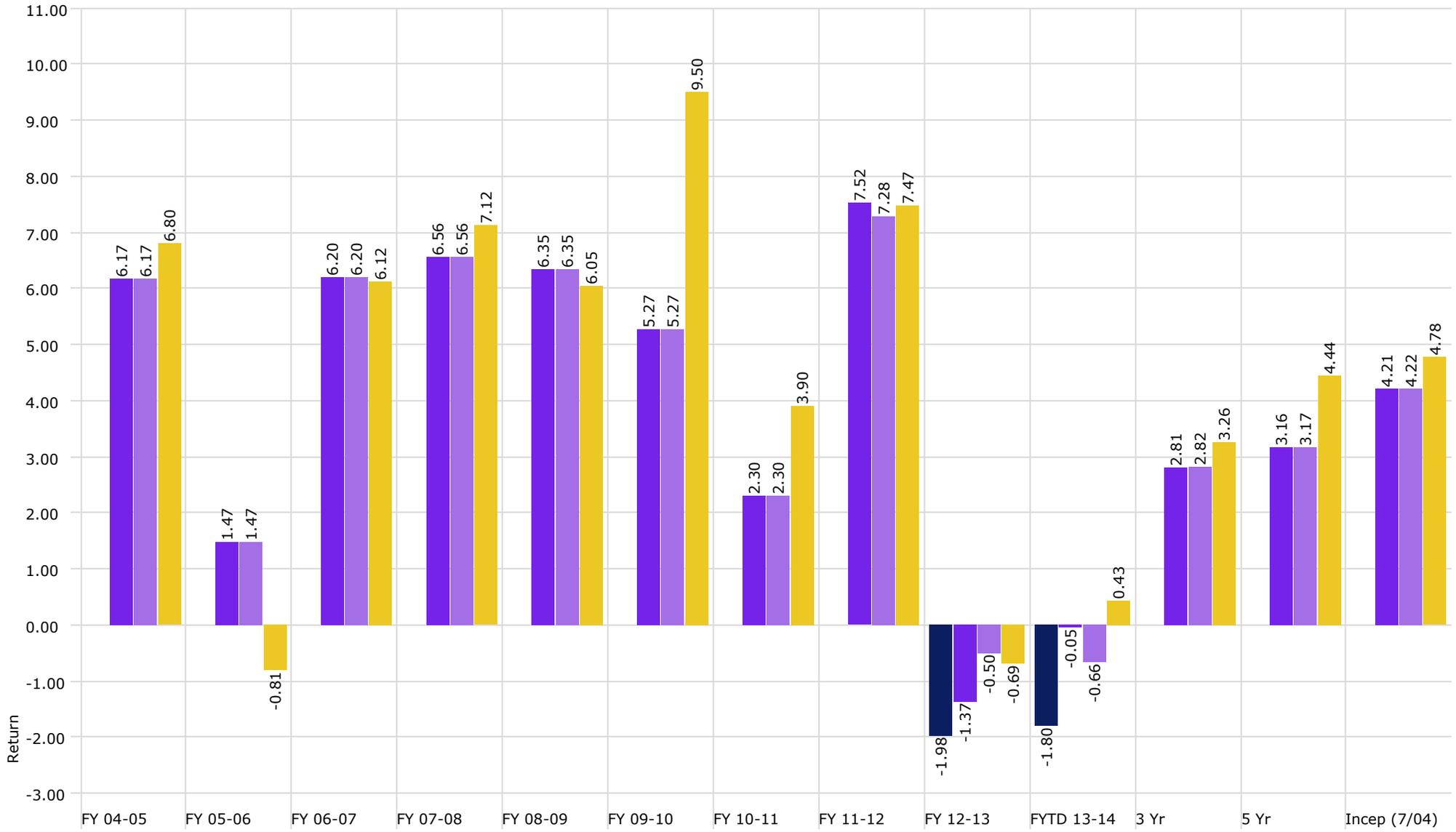
■ University Osher Endowment

■ University Endowed Benchmark

Investment Management Program Non Endowed Account (ex CDs) **Realized Yield**



Investment Management Program Non Endowed Account (ex CDs) Total Return



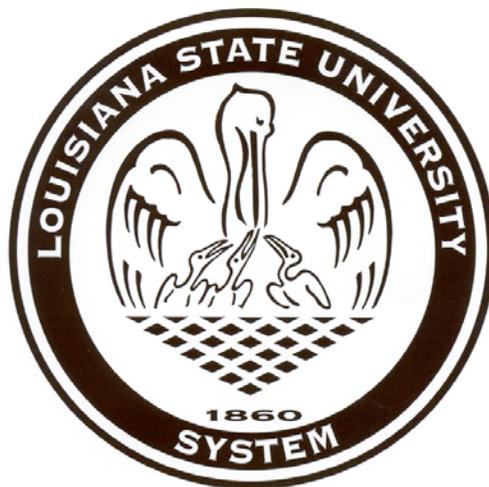
University Health Plan

University HAP

University NAP

Barclays US Agg Bond TR USD

Louisiana State University System



2013-2014 Second Quarter Operating Budget Report

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CAMPUS CORRESPONDENCE

To: F. King Alexander
President and Chancellor

Date: January 15, 2014

From: Robert Kuhn 
Interim Vice Chancellor
for Finance & Administrative Services and CFO

Subject: Second Quarter of FY 2013-14 Budget Report

The second quarter report for FY 2013-14 shows that LSU is on track to complete the fiscal year within its approved operating budget. The report contains narratives which help explain items that may appear abnormal.

In spite of a 51% decrease in state appropriations and a 57% increase in undergraduate resident tuition and fees since FY 2008-09, LSU's fall overall enrollment has increased for the fourth consecutive year and is at its highest level since 2005. This enrollment pattern confirms LSU continues to offer an exceptional value and educational experience even as it lags desperately in the number of faculty needed for a flagship university with a comparable enrollment. LSU must be granted more operational flexibility and autonomy to efficiently and effectively fulfill its learning, discovery, and engagement mission. The University is in the final stages of achieving autonomies in two major areas that will generate millions of dollars in savings, procurement and risk management but has not yet been successful in overcoming the final hurdles. It is imperative we all work together to find fiscal solutions which will enhance the academic core of LSU while maintaining access, capacity, and breadth and depth of programs for all qualified students.

My staff and I will be happy to answer any questions you may have concerning the data in the report.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	62,823,923	35,856,149	23,190,447	0	0	59,046,597
Statutory Dedications	62,325,088	5,757,726	5,631,631	0	0	11,389,357
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	6,791,897	1,741,812	1,744,248	0	0	3,486,060
Self Generated Revenues	321,098,673	172,501,773	106,267,223	0	0	278,768,997
Federal Funds	0	0	0	0	0	0
Total Revenues	453,039,581	215,857,460	136,833,549	0	0	352,691,011
Expenditures by Object:						
Personal Services	346,901,434	62,145,306	96,067,861	0	0	158,213,167
Operating Expenses	33,854,008	10,291,412	8,266,927	0	0	18,558,340
Other Charges	66,291,652	38,608,586	14,964,646	0	0	53,573,232
Acquisitions and Major Repairs	5,992,487	612,122	1,338,393	0	0	1,950,514
Total Expenditures	453,039,581	111,657,426	120,637,827	0	0	232,295,253
Expenditures by Function:						
Academic Expenditures	310,411,542	54,555,537	86,057,861	0	0	140,613,398
Non-Academic Expenditures	142,628,039	57,101,889	34,579,966	0	0	91,681,855
Total Expenditures	453,039,581	111,657,426	120,637,827	0	0	232,295,253

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	12,719,434	19,572,480	22,464,142	22,464,142	22,464,142
Sales and Services of Educational Activities	10,236,337	11,482,951	10,179,256	10,179,256	10,179,256
Auxiliaries	17,038,256	55,323,102	53,728,517	53,728,517	53,728,517
Endowment Income	14,309,275	14,133,130	13,996,482	13,996,482	13,996,482
Grants and Contracts	3,796,039	10,935,462	7,235,439	7,235,439	7,235,439
Indirect Cost Recovered	49,192,980	49,226,719	45,740,207	45,740,207	45,740,207
Gifts	3,229,336	2,821,404	3,183,007	3,183,007	3,183,007
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	15,630,921	16,285,592	19,457,407	19,457,407	19,457,407
TOTAL	126,152,578	179,780,839	175,984,457	175,984,457	175,984,457

Overview and Analysis of Campus Operations

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Operating Budget Development

Campus: Budget Adjustments

Louisiana State University

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	62,823,923	0	0			62,823,923	0.0%
Statutory Dedications	62,325,088	0	0			62,325,088	0.0%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	6,791,897	0	0			6,791,897	0.0%
Self Generated Revenues	321,098,673	0	0			321,098,673	0.0%
Federal Funds	0	0	0			0	
Total Revenues	453,039,581	0	0	0	0	453,039,581	0.0%
Expenditures by Object:							
Salaries	229,019,830	(355,863)	42,336			228,706,303	-0.1%
Other Compensation	26,206,424	6,643	222,736			26,435,803	0.9%
Related Benefits	91,840,290	(107,000)	26,038			91,759,328	-0.1%
Total Personal Services	347,066,544	(456,220)	291,110	0	0	346,901,434	0.0%
Travel	2,470,206	100,000	17,417			2,587,623	4.8%
Operating Services	19,638,907	462,677	(266,571)			19,835,012	1.0%
Supplies	11,598,442	(120,237)	(46,833)			11,431,373	-1.4%
Total Operating Expenses	33,707,555	442,440	(295,987)	0	0	33,854,008	0.4%
Professional Services	1,864,468	(3,693)	4,055			1,864,830	0.0%
Other Charges	52,580,243	7,500	6,747			52,594,490	0.0%
Debt Services	0	0	0			0	
Interagency Transfers	11,832,332	0	0			11,832,332	0.0%
Total Other Charges	66,277,043	3,807	10,802	0	0	66,291,652	0.0%
General Acquisitions	4,927,229	2,473	(5,925)			4,923,777	-0.1%
Library Acquisitions	1,061,210	7,500	0			1,068,710	0.7%
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	5,988,439	9,973	(5,925)	0	0	5,992,487	0.1%
Total Expenditures	453,039,581	0	(0)	0	0	453,039,581	0.0%
Expenditures by Function:							
Instruction	190,008,667	(996,500)	2,955,475			191,967,641	1.0%
Research	55,291,275	649,153	(1,810,655)			54,129,773	-2.1%
Public Service	3,875,201	12,500	19,548			3,907,249	0.8%
Academic Support (Includes Library)	60,607,748	106,421	(307,290)			60,406,879	-0.3%
Academic Expenditures Subtotal	309,782,891	(228,427)	857,078	0	0	310,411,542	0.2%
Student Services	13,181,075	(9,969)	(199,820)			12,971,286	-1.6%
Institutional Support	22,881,522	222,948	817,723			23,922,193	4.5%
Scholarships/Fellowships	53,025,500	7,500	0			53,033,000	0.0%
Plant Operations/Maintenance	55,786,098	7,948	(1,474,981)			54,319,065	-2.6%
Hospital	0	0	0			0	
Transfers out of agency	(1,617,505)	0	0			(1,617,505)	0.0%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	143,256,690	228,427	(857,078)	0	0	142,628,039	-0.4%
Total Expenditures	453,039,581	0	0	0	0	453,039,581	0.0%

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

The budget adjustments in the expenditure by function classifications are mostly attributable to unexpended salaries being "scooped" from vacant positions in colleges and administrative unit accounts to unexpended salary accounts which are located in the instruction function. These funds will be used in the current fiscal year for temporary expenditures such as adjunct teaching, research support, supplies and equipment. Also, budget adjustments were processed by individual colleges and departments in anticipation of future expenditures.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University

	Actual Amount for each Quarter							% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14		
Revenues								
General Fund	62,823,923	35,856,149	23,190,447			59,046,597	94.0%	
Statutory Dedications	62,325,088	5,757,726	5,631,631			11,389,357	18.3%	
Interim Emergency Board	0	0	0			0		
Interagency Transfers	6,791,897	1,741,812	1,744,248			3,486,060	51.3%	
Self Generated Revenues	321,098,673	172,501,773	106,267,223			278,768,997	86.8%	
Federal Funds	0	0	0			0		
TOTAL	453,039,581	215,857,461	136,833,550	0	0	352,691,010	77.8%	
Expenditures								
by Category								
Salaries	228,706,303	42,308,100	62,351,618			104,659,717	45.8%	
Other Compensation	26,435,803	5,238,855	8,268,105			13,506,959	51.1%	
Related Benefits	91,759,328	14,598,351	25,448,138			40,046,490	43.6%	
Total Personal Services	346,901,434	62,145,306	96,067,860	0	0	158,213,166	45.6%	
Travel	2,587,623	461,665	870,466			1,332,132	51.5%	
Operating Services	19,835,012	6,566,706	4,240,059			10,806,765	54.5%	
Supplies	11,431,373	3,263,041	3,156,402			6,419,443	56.2%	
Total Operating Expenses	33,854,008	10,291,412	8,266,927	0	0	18,558,340	54.8%	
Professional Services	1,864,830	334,347	671,842			1,006,189	54.0%	
Other Charges	52,594,490	32,962,262	14,336,887			47,299,149	89.9%	
Debt Services	0	0	0			0		
Interagency Transfers	11,832,332	5,311,977	(44,082)			5,267,895	44.5%	
Total Other Charges	66,291,652	38,608,586	14,964,646	0	0	53,573,232	80.8%	
General Acquisitions	4,923,777	555,351	798,250			1,353,602	27.5%	
Library Acquisitions	1,068,710	56,771	540,142			596,913	55.9%	
Major Repairs	0	0	0			0		
Total Acquisitions and Major Repairs	5,992,487	612,122	1,338,393	0	0	1,950,515	32.5%	
TOTAL	453,039,581	111,657,426	120,637,827	0	0	232,295,253	51.3%	

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
by Function							
Instruction	191,967,641	31,798,254	53,692,742			85,490,997	44.5%
Research	54,129,773	8,837,146	14,967,155			23,804,301	44.0%
Public Service	3,907,249	989,610	690,218			1,679,828	43.0%
Academic Support (Includes Library)	60,406,879	12,930,526	16,707,747			29,638,273	49.1%
Academic Expenditures Subtotal	310,411,542	54,555,537	86,057,861	0	0	140,613,398	45.3%
Student Services	12,971,286	3,300,574	3,131,023			6,431,598	49.6%
Institutional Support	23,922,193	5,979,785	5,846,960			11,826,745	49.4%
Scholarships/Fellowships	53,033,000	32,860,043	14,265,360			47,125,403	88.9%
Plant Operations/Maintenance	54,319,065	14,223,532	11,214,566			25,438,099	46.8%
Hospital	0	0	0			0	
Transfers out of agency	(1,617,505)	737,955	122,056			860,011	-53.2%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	142,628,039	57,101,889	34,579,966	0	0	91,681,855	64.3%
TOTAL	453,039,581	111,657,426	120,637,827	0	0	232,295,253	51.3%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Revenues

The self-generated revenues for the second quarter include tuition and fees collected for the summer, fall, and a portion of the spring term. The percent of actual revenues collected compared to the operating budget for this quarter is on schedule with the self-generated revenues collected last fiscal year. The state general fund revenues are higher than normal for the second quarter due to the state allowing Universities to draw down the monthly Overcollections Statutory Dedicated portion of the appropriation from state general funds until appropriate revenues are deposited in the Overcollections fund.

Expenditures

The large percentage for actual expenditures compared to the operating budget in the other charges expenditure category and the Scholarship/Fellowships function is attributable to the tuition and fee exemption expenditures for the summer, fall and a portion of the spring term. The exemption expenditures are projected to remain within the operating budgets established for these categories for this fiscal year.

The negative percentage for actual expenditures compared to the operating budget in the Transfers function is attributable to clearing/holding accounts that will be processed at the end of the year.

Overview of Restricted Funds

Campus: Louisiana State University

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	21,852,000	11,777,266	8,150,433			19,927,699	91.2%
Sales and Services of Educational Activities	17,960,000	6,185,588	3,957,570			10,143,159	56.5%
Auxiliaries (List)							
1 Athletic Department	101,500,000	43,903,376	11,101,539			55,004,915	54.2%
2 Golf Course	1,192,001	325,051	245,900			570,951	47.9%
3 Residential Life	40,783,611	20,118,946	14,093,269			34,212,215	83.9%
4 Lab School Cafeteria	465,000	351,627	21,379			373,006	80.2%
5 Copier Mgt & Mailing Services	1,817,356	273,025	476,790			749,815	41.3%
6 University Stores	5,266,185	2,187,263	1,458,743			3,646,006	69.2%
7 Parking, Traffic, & Transportation	13,632,230	6,777,957	3,053,188			9,831,145	72.1%
8 Student Health Center	10,022,241	5,029,632	3,434,968			8,464,600	84.5%
9 Student Media	1,887,220	674,206	496,089			1,170,295	62.0%
10 University Auxiliary Services	2,966,921	868,259	837,168			1,705,427	57.5%
11 LSU Union	10,434,689	4,870,334	3,428,560			8,298,894	79.5%
Endowment Income	3,000,000	337,229	223,248			560,477	18.7%
Grants and Contracts							
Federal	100,000,000	30,075,741	18,215,691			48,291,432	48.3%
State and Local	38,000,000	11,344,997	7,589,001			18,933,998	49.8%
Private	19,100,000	10,927,281	4,447,234			15,374,515	80.5%
Indirect Cost Recovered	20,000,000	2,124,328	2,499,990			4,624,318	23.1%
Gifts	16,900,000	4,498,195	4,320,199			8,818,394	52.2%
Federal Funds		0	0			0	
Hospitals							
Hospital - Commercial/Self-Pay		0	0			0	
Physician Practice Plans		0	0			0	
Medicare		0	0			0	
Medicaid		0	0			0	
Uncompensated Care Costs		0	0			0	
Sponsored Grants and Contracts		0	0			0	
Sales and Services Other		0	0			0	
All Other Sources	9,370,000	1,823,358	4,913,768			6,737,126	71.9%
TOTAL	436,149,454	164,473,661	92,964,725	0	0	257,438,386	59.0%

Report on Restricted Budget

Overview of Restricted Funds

Campus: Louisiana State University

Non-Auxiliary Funds

The figures included in the estimated column for non-auxiliary funds are based on the actual revenues collected from the previous year. Most of these funds are one-time or multiyear award funds that are not confined to fiscal year budgets.

Private Grants & Contracts

The private funds are 80.5% of the projected total revenues for the fiscal year due to private sponsors providing advance payments for projects. At fiscal year end, the portion of revenue not used to complete the project (earned) during the year is deferred into the next fiscal year.

All Other Sources

The revenues for the other sources appear to be out of line with the budget due to the interest earnings for Auxiliaries not being distributed until end of the fiscal year end.

Overview of Restricted Operations

Campus: Louisiana State University

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fees	12,719,434	11,777,266	4,924,220	19,572,480	8,150,433	5,258,771	22,464,142	0	22,464,142	0		22,464,142	
Sales & Svcs of Educ. Activ's	10,236,337	6,185,588	4,938,975	11,482,951	3,957,570	5,261,265	10,179,256	0	10,179,256	0		10,179,256	
Auxiliaries (List)													
1 Athletic Department	1,773,957	43,903,376	34,197,465	11,479,868	11,101,539	16,586,090	5,995,317	0	5,995,317	0		5,995,317	
2 Golf Course	1,269,647	325,051	513,747	1,080,951	245,900	321,729	1,005,122	0	1,005,122	0		1,005,122	
3 Residential Life	5,466,769	20,118,946	5,131,959	20,453,756	14,093,269	12,149,980	22,397,045	0	22,397,045	0		22,397,045	
4 Lab School Cafeteria	459,996	351,627	81,943	729,681	21,379	121,744	629,315	0	629,315	0		629,315	
5 Copier Mgt & Mailing Services	1,299,967	273,025	148,101	1,424,891	476,790	211,212	1,690,468	0	1,690,468	0		1,690,468	
6 University Stores	837,863	2,187,263	1,045,866	1,979,260	1,458,743	1,948,006	1,489,997	0	1,489,997	0		1,489,997	
7 Parking, Traffic, & Transportation	759,373	6,777,957	1,951,469	5,585,861	3,053,188	2,604,492	6,034,557	0	6,034,557	0		6,034,557	
8 Student Health Center	1,416,419	5,029,632	2,060,679	4,385,373	3,434,968	2,526,316	5,294,025	0	5,294,025	0		5,294,025	
9 Student Media	925,890	674,206	292,888	1,307,208	496,089	438,334	1,364,962	0	1,364,962	0		1,364,962	
10 University Auxiliary Services	509,056	868,259	507,929	869,387	837,168	546,492	1,160,063	0	1,160,063	0		1,160,063	
11 LSU Union	2,319,318	4,870,334	1,162,786	6,026,866	3,428,560	2,787,782	6,667,645	0	6,667,645	0		6,667,645	
Endowment Income	14,309,275	337,229	513,374	14,133,130	223,248	359,896	13,996,482	0	13,996,482	0		13,996,482	
Grants and Contracts													
Federal	(330,845)	30,075,741	31,284,169	(1,539,272)	18,215,691	18,616,519	(1,940,101)	0	(1,940,101)	0		(1,940,101)	
State and Local	3,323,621	11,344,997	8,587,919	6,080,698	7,589,001	9,495,747	4,173,952	0	4,173,952	0		4,173,952	
Private	803,263	10,927,281	5,336,508	6,394,036	4,447,234	5,839,682	5,001,588	0	5,001,588	0		5,001,588	
Indirect Cost Recovered	49,192,980	2,124,328	2,090,589	49,226,719	2,499,990	5,986,502	45,740,207	0	45,740,207	0		45,740,207	
Gifts	3,229,336	4,498,195	4,906,128	2,821,404	4,320,199	3,958,596	3,183,007	0	3,183,007	0		3,183,007	
Federal Funds	0	0	0	0	0	0	0	0	0	0		0	
Hospitals	0	0	0	0	0	0	0	0	0	0		0	
All Other Sources	15,630,921	1,823,358	1,168,687	16,285,592	4,913,768	1,741,953	19,457,407	0	19,457,407	0		19,457,407	
TOTAL	126,152,577	164,473,661	110,845,399	179,780,839	92,964,725	96,761,106	175,984,458	0	0	175,984,458	0	175,984,458	

Report on Restricted Operations

Federal Grants: The University must incur the expenses and seek reimbursement. Revenue is recognized after the expenses are incurred.

State Grants: Board of Regents grants provide a large part of the funding in advance, which provides positive cash flow for state projects.

Indirect Cost Recovered: The fund balance is comprised of funds that are earmarked to be used as start-up funds for new faculty members, matching funds for grants, high cost maintenance expenses for research equipment or lab renovations, and other unexpected costs. The start-up costs can range from \$100,000 for a researcher in Humanities and Social Sciences to \$500,000 for researchers in Engineering to amounts in excess of \$3 million for an internationally renowned researcher in the College of Science.



TO: Dr. F. King Alexander
President, LSU System

FROM: Jack M. Weiss 
Chancellor

DATE: January 15, 2014

RE: LSU Paul M. Hebert Law Center
Executive Summary
FY 2013-2014 Quarterly Report on the Budget – 2nd Quarter Activities

The Law Center continued the careful management of its expenditures in fiscal year 2013-14.

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self-generated revenues and expenditures include Fall 2013 tuition and fees and a portion of Spring 2014 tuition and fees and scholarships/waivers, respectively. Expenses for research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that expenditures for library acquisitions will approximate available budget over the next several quarters.

The restricted fees were associated with the collection of Student Tech and Student Bar association fees for Summer and Fall 2013. Revenues from sales and services of educational activities were realized through the sale of books and materials.

The Law Center recently completed an initial review and revision of its scholarship policy with the assistance of the consulting firm of Noel-Levitz, LLC. This review will continue in light of our actual experience with the initial policy revision. Our goal is to align the Law Center's scholarship policy with the current climate of declining law school enrollment around the nation and intense competition for qualified law students.

The Law Center also has implemented some cost saving measures with respect to travel, and, for the first time in a number of years, did not send a recruiting team to the fall AALS conference to interview candidates for new teaching positions.

Unrestricted Operations		Actual Amount for each Quarter in 2013-2014				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	2,708,751	1,545,993	999,892	0	0	2,545,885
Statutory Dedications	2,455,317	181,921	252,181	0	0	434,102
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	18,499,575	7,957,038	3,569,136	0	0	11,526,174
Federal Funds	0	0	0	0	0	0
Total Revenues	23,663,643	9,684,953	4,821,209	0	0	14,506,162
Expenditures by Object:						
Personal Services	13,595,088	2,686,219	3,816,826	0	0	6,503,045
Operating Expenses	3,684,385	655,047	747,020	0	0	1,402,067
Other Charges	6,097,670	2,194,165	1,027,641	0	0	3,221,806
Acquisitions and Major Repairs	286,500	70,908	66,609	0	0	137,517
Total Expenditures	23,663,643	5,606,338	5,658,097	0	0	11,264,435
Expenditures by Function:						
Academic Expenditures	10,974,977	2,283,167	3,448,670	0	0	5,731,837
Non-Academic Expenditures	12,688,666	3,323,171	2,209,427	0	0	5,532,598
Total Expenditures	23,663,643	5,606,338	5,658,097	0	0	11,264,435

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	442,860	502,859	529,809	529,809	529,809
Sales and Services of Educational Activities	725,588	699,616	692,869	692,869	692,869
Auxiliaries	0	0	0	0	0
Endowment Income	507,826	498,423	498,344	498,344	498,344
Grants and Contracts	0	1,952	(118)	(118)	(118)
Indirect Cost Recovered	142,205	142,205	136,200	136,200	136,200
Gifts	28,469	24,613	28,090	28,090	28,090
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	312,639	312,639	312,639	312,639	312,639
TOTAL	2,159,587	2,182,308	2,197,833	2,197,833	2,197,833

Overview and Analysis of Campus Operations

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self-generated revenues and expenditures actual include Fall, 2013 tuition and fees and a portion of Spring 2014 tuition and fees and scholarships/waivers, respectively. Expenses for the research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that the rate of expenditures for library acquisitions will increase to fall in line with available budget over the next several quarters. On the whole, the Law Center is taking a conservative approach to spending given the reduced enrollment, uncertain funding from the State overcollections fund, and the possibility of future reductions to be imposed before fiscal year end. The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for summer and fall 2013. Revenues from sales and services of educational activities were realized through the sale of books and materials.

Operating Budget Development

Campus: **LSU Paul M. Hebert Law Center** Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	2,708,751					2,708,751	0.0%
Statutory Dedications	2,455,317					2,455,317	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	18,499,575					18,499,575	0.0%
Federal Funds						0	
Total Revenues	23,663,643	0	0	0	0	23,663,643	0.0%
Expenditures by Object:							
Salaries	10,064,288					10,064,288	0.0%
Other Compensation	211,600					211,600	0.0%
Related Benefits	3,319,200					3,319,200	0.0%
Total Personal Services	13,595,088	0	0	0	0	13,595,088	0.0%
Travel	439,000					439,000	0.0%
Operating Services	2,996,535					2,996,535	0.0%
Supplies	248,850					248,850	0.0%
Total Operating Expenses	3,684,385	0	0	0	0	3,684,385	0.0%
Professional Services	205,600					205,600	0.0%
Other Charges	5,892,070					5,892,070	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	6,097,670	0	0	0	0	6,097,670	0.0%
General Acquisitions	286,500					286,500	0.0%
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	286,500	0	0	0	0	286,500	0.0%
Total Expenditures	23,663,643	0	0	0	0	23,663,643	0.0%
Expenditures by Function:							
Instruction	7,967,769					7,967,769	0.0%
Research	533,835					533,835	0.0%
Public Service	72,419					72,419	0.0%
Academic Support (Includes Library)	2,400,954					2,400,954	0.0%
Academic Expenditures Subtotal	10,974,977	0	0	0	0	10,974,977	0.0%
Student Services	1,247,973					1,247,973	0.0%
Institutional Support	5,556,160					5,556,160	0.0%
Scholarships/Fellowships	4,760,174					4,760,174	0.0%
Plant Operations/Maintenance	1,124,359					1,124,359	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	12,688,666	0	0	0	0	12,688,666	0.0%
Total Expenditures	23,663,643	0	0	0	0	23,663,643	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

LSU Paul M. Hebert Law Center

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Paul M. Hebert Law Center

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	2,708,751	1,545,993	999,892			2,545,885	94.0%
Statutory Dedications	2,455,317	181,921	252,181			434,102	17.7%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	18,499,575	7,957,038	3,569,136			11,526,174	62.3%
Federal Funds	0					0	
TOTAL	23,663,643	9,684,953	4,821,209	0	0	14,506,162	61.3%
Expenditures							
by Category							
Salaries	10,064,288	1,962,258	2,782,340			4,744,599	47.1%
Other Compensation	211,600	82,641	57,629			140,270	66.3%
Related Benefits	3,319,200	641,319	976,857			1,618,176	48.8%
Total Personal Services	13,595,088	2,686,219	3,816,826	0	0	6,503,045	47.8%
Travel	439,000	40,865	56,139			97,004	22.1%
Operating Services	2,996,535	564,415	633,861			1,198,276	40.0%
Supplies	248,850	49,767	57,019			106,787	42.9%
Total Operating Expenses	3,684,385	655,047	747,020	0	0	1,402,067	38.1%
Professional Services	205,600	74,164	23,761			97,925	47.6%
Other Charges	5,892,070	2,120,000	1,003,881			3,123,881	53.0%
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	6,097,670	2,194,165	1,027,641	0	0	3,221,806	52.8%
General Acquisitions	286,500	21	0			21	0.0%
Library Acquisitions	0	70,887	66,609			137,496	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	286,500	70,908	66,609	0	0	137,517	48.0%
TOTAL	23,663,643	5,606,338	5,658,097	0	0	11,264,435	47.6%
by Function							
Instruction	7,967,769	1,606,008	2,749,861			4,355,869	54.7%
Research	533,835	101,717	89,208			190,925	35.8%
Public Service	72,419	34,712	555			35,266	48.7%
Academic Support (Includes Library)	2,400,954	540,731	609,047			1,149,777	47.9%
Academic Expenditures Subtotal	10,974,977	2,283,167	3,448,670	0	0	5,731,837	52.2%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Paul M. Hebert Law Center**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Student Services	1,247,973	304,315	344,405			648,720	52.0%
Institutional Support	5,556,160	595,959	627,252			1,223,211	22.0%
Scholarships/Fellowships	4,760,174	2,107,281	971,672			3,078,953	64.7%
Plant Operations/Maintenance	1,124,359	315,618	266,097			581,715	51.7%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	12,688,666	3,323,171	2,209,427	0	0	5,532,598	43.6%
TOTAL	23,663,643	5,606,338	5,658,097	0	0	11,264,435	47.6%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self-generated revenues and expenditures actual include Fall, 2013 tuition and fees and scholarships/waivers, respectively. Expenses for the research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that the rate of expenditures for library acquisitions will increase to fall in line with available budget over the next several quarters.

Overview of Restricted Funds

Campus: LSU Paul M. Hebert Law Center

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	124,333	88,213	37,958			126,170	101.5%
Sales and Services of Educational Activities	124,746	24,671	36,367			61,038	48.9%
Auxiliaries (List)							
1						0	
Endowment Income	143,341	6,078	17,377			23,454	16.4%
Grants and Contracts							
Federal						0	
State and Local	0	0				0	
Private	16,298	8,202	0			8,202	50.3%
Indirect Cost Recovered	0	0				0	
Gifts	568,389	242,123	125,510			367,633	64.7%
Federal Funds						0	
Hospitals							
All Other Sources	55,290	0				0	0.0%
TOTAL	1,032,398	369,287	217,211	0	0	586,497	56.8%

Report on Restricted Budget

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for Summer and Fall 2013. Revenues from sales and services of educational activities were realized through the sale of books and materials.

Overview of Restricted Operations

Campus: LSU Paul M. Hebert Law Center

Show Expenditures As Positive	Acct/Fund Balance 2013-14	Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0		0
Restricted Fees	442,860	88,213	28,214	502,859	37,958	11,007	529,809	0		529,809	0		529,809
Sales & Svcs of Educ. Activ's	725,588	24,671	50,644	699,616	36,367	43,114	692,869	0		692,869	0		692,869
Auxiliaries (List)													
1		0		0	0		0		0		0		0
Endowment Income	507,826	6,078	15,480	498,423	17,377	17,456	498,344	0		498,344	0		498,344
Grants and Contracts													
Federal	0	0	0	0	0	0	0	0		0	0		0
State and Local	0	0	0	0	0	0	0	0		0	0		0
Private	0	8,202	6,250	1,952	0	2,070	(118)	0		(118)	0		(118)
Indirect Cost Recovered	142,205	0		142,205	0	6,005	136,200	0		136,200	0		136,200
Gifts	28,469	242,123	245,978	24,613	125,510	122,034	28,090	0		28,090	0		28,090
Federal Funds		0	0	0	0		0	0		0	0		0
Hospitals													
All Other Sources	312,639	0		312,639	0		312,639	0		312,639	0		312,639
TOTAL	2,159,587	369,287	346,566	2,182,308	217,211	201,686	2,197,833	0	0	2,197,833	0	0	2,197,833

Report on Restricted Operations

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for Summer and Fall 2013. Revenues from sales and services of educational activities were realized through the sale of books and materials.



Quarterly Budget Summary Narrative

For the Quarter Ending December 31, 2013

Budget

No significant budget adjustments were made in the first quarter budget.

Revenues

Unrestricted Revenues were received as anticipated. Restricted revenues in the form of gifts, grants and contracts are also at expected levels. State Contracts are predominately for the LSU-ICON and OGB projects. All other collections are within expected levels.

The PBRC Stores Auxiliary revenues are at an acceptable level.

Expenditures

Unrestricted expenditures are in line with budget in the first quarter. All Restricted funds expenditures are within expected parameters. There are no unexpected or material variances in relation to the budget. Overall, expenditure budgets are in line with expected expenditures through in the 2nd quarter.

A handwritten signature in black ink, reading "William T. Cefalu".

William T. Cefalu, M.D.
Executive Director

Unrestricted Operation		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	7,188,652	4,102,805	2,653,545	0	0	6,756,350
Statutory Dedications	6,261,484	1,030,640	456,570	0	0	1,487,210
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	825,561	21,348	24,505	0	0	45,853
Federal Funds	0	0	0	0	0	0
Total Revenues	14,275,697	5,154,793	3,134,621	0	0	8,289,414
Expenditures by Object:						
Personal Services	11,112,738	2,166,184	2,888,318	0	0	5,054,502
Operating Expenses	3,075,899	1,286,942	524,668	0	0	1,811,609
Other Charges	86,970	5,606	16,571	0	0	22,176
Acquisitions and Major Repairs	0	819	177	0	0	997
Total Expenditures	14,275,607	3,459,550	3,429,734	0	0	6,889,284
Expenditures by Function:						
Academic Expenditures	6,289,396	1,725,849	2,133,785	0	0	3,859,634
Non-Academic Expenditures	7,986,211	1,733,701	1,295,949	0	0	3,029,650
Total Expenditures	14,275,607	3,459,550	3,429,734	0	0	6,889,284

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	1,500	4,400	25,254	25,254	25,254
Auxiliaries	9,068	145,478	99,667	99,667	99,667
Endowment Income	0	0	0	0	0
Grants and Contracts	2,441,612	3,940,737	5,878,768	5,878,768	5,878,768
Indirect Cost Recovered	2,672,992	3,149,980	3,601,045	3,601,045	3,601,045
Gifts	1,040,132	401,176	1,023,188	1,023,188	1,023,188
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	151,140	1,112,277	744,938	744,938	744,938
TOTAL	6,316,444	8,754,049	11,372,861	11,372,861	11,372,861

Overview and Analysis of Campus Operations

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Operating Budget Development

Campus: Pennington Biomedical Research Center Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	7,188,652					7,188,652	0.0%
Statutory Dedications	6,261,484					6,261,484	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	825,561					825,561	0.0%
Federal Funds						0	
Total Revenues	14,275,697	0	0	0	0	14,275,697	0.0%
Expenditures by Object:							
Salaries	7,819,916	108,820	293,029			8,221,765	5.1%
Other Compensation	67,686	(6,000)	0			61,686	-8.9%
Related Benefits	2,678,758	39,175	111,354			2,829,287	5.6%
Total Personal Services	10,566,360	141,995	404,383	0	0	11,112,738	5.2%
Travel	15,756	0	0			15,756	0.0%
Operating Services	2,978,539	(141,995)	(279,383)			2,557,161	-14.1%
Supplies	502,982	0	0			502,982	0.0%
Total Operating Expenses	3,497,277	(141,995)	(279,383)	0	0	3,075,899	-12.0%
Professional Services	155,295	0	(125,000)			30,295	-80.5%
Other Charges	56,675	0	0			56,675	0.0%
Debt Services			0			0	
Interagency Transfers						0	
Total Other Charges	211,970	0	(125,000)	0	0	86,970	-59.0%
General Acquisitions						0	
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	0	0	0	0	0	0	
Total Expenditures	14,275,607	0	0	0	0	14,275,607	0.0%
Expenditures by Function:							
Instruction						0	
Research	3,736,814	124,583	160,035			4,021,432	7.6%
Public Service	184,704	0	4,544			189,248	2.5%
Academic Support (Includes Library)	1,960,362	(660)	119,014			2,078,716	6.0%
Academic Expenditures Subtotal	5,881,880	123,923	283,593	0	0	6,289,396	6.9%
Student Services						0	
Institutional Support	3,835,990	(8,881)	(484)			3,826,625	-0.2%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	4,557,737	(115,042)	(283,109)			4,159,586	-8.7%
Hospital	0	0	0			0	
Transfers out of agency	0	0	0			0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	8,393,727	(123,923)	(283,593)	0	0	7,986,211	-4.9%
Total Expenditures	14,275,607	0	0	0	0	14,275,607	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

Pennington Biomedical Research Center

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **Pennington Biomedical Research Center**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	7,188,652	4,102,805	2,653,545			6,756,350	94.0%
Statutory Dedications	6,261,484	1,030,640	456,570			1,487,210	23.8%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	825,561	21,348	24,505			45,853	5.6%
Federal Funds	0					0	
TOTAL	14,275,697	5,154,793	3,134,621	0	0	8,289,414	58.1%
Expenditures							
by Category							
Salaries	8,221,765	1,908,389	1,957,925			3,866,314	47.0%
Other Compensation	61,686	31,420	47,780			79,199	128.4%
Related Benefits	2,829,287	226,375	882,613			1,108,989	39.2%
Total Personal Services	11,112,738	2,166,184	2,888,318	0	0	5,054,502	45.5%
Travel	15,756	2,145	9,639			11,784	74.8%
Operating Services	2,557,161	1,103,634	384,900			1,488,533	58.2%
Supplies	502,982	181,163	130,129			311,292	61.9%
Total Operating Expenses	3,075,899	1,286,942	524,668	0	0	1,811,609	58.9%
Professional Services	30,295	5,553	14,672			20,226	66.8%
Other Charges	56,675	52	1,898			1,950	3.4%
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	86,970	5,606	16,571	0	0	22,176	25.5%
General Acquisitions	0	819	177			997	
Library Acquisitions	0					0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	0	819	177	0	0	997	
TOTAL	14,275,607	3,459,550	3,429,734	0	0	6,889,284	48.3%

Overview of Unrestricted Revenues and Expenditures

Campus: **Pennington Biomedical Research Center**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
by Function							
Instruction	0					0	
Research	4,021,432	1,070,973	1,332,795			2,403,769	59.8%
Public Service	189,248	39,835	61,609			101,444	53.6%
Academic Support (Includes Library)	2,078,716	615,041	739,380			1,354,421	65.2%
Academic Expenditures Subtotal	6,289,396	1,725,849	2,133,785	0	0	3,859,634	61.4%
Student Services	0					0	
Institutional Support	3,826,625	460,416	137,734			598,151	15.6%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	4,159,586	1,257,434	1,133,047			2,390,481	57.5%
Hospital	0					0	
Transfers out of agency	0	15,850	25,168			41,018	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	7,986,211	1,733,701	1,295,949	0	0	3,029,650	37.9%
TOTAL	14,275,607	3,459,550	3,429,734	0	0	6,889,284	48.3%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

There are no unexpected or material variances in relation to the budget. For FY 2014, unlike previous years, Other Compensation was budgeted by requesting information about expected needs from budget heads, which resulted in Other Compensation being underbudgeted. Otherwise, the Expenditure budget is in line with expected spending at the time of the report.

Budget deficits will be covered using revenue from indirect cost recoveries.

Overview of Restricted Funds

Campus: Pennington Biomedical Research Center

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities	611	2,900	55,813			58,713	9608.5%
Auxiliaries (List)							
1 PBRC - STORES	2,442,976	472,327	470,141			942,467	38.6%
2						0	
3						0	
4						0	
5						0	
6						0	
7						0	
8						0	
9						0	
10						0	
11						0	
12						0	
13						0	
14						0	
15						0	
Endowment Income	0	0				0	
Grants and Contracts							
Federal	21,897,193	7,320,461	5,466,952			12,787,413	58.4%
State and Local	4,831,708	1,352,919	1,389,821			2,742,740	56.8%
Private	10,178,050	2,288,753	3,663,635			5,952,388	58.5%
Indirect Cost Recovered	8,062,533	2,016,076	2,032,909			4,048,985	50.2%
Gifts	1,991,918	(131,283)	1,340,565			1,209,282	60.7%
Federal Funds						0	
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans						0	
Medicare						0	
Medicaid						0	
Uncompensated Care Costs						0	
Sponsored Grants and Contracts						0	
Sales and Services Other						0	
All Other Sources	633,105	1,149,225	15,487			1,164,712	184.0%
TOTAL	50,038,094	14,471,378	14,435,323	0	0	28,906,701	57.8%

Report on Restricted Budget

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Overview of Restricted Operations

Campus: **Pennington Biomedical Research Center**

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Expenses, Transfers, &			Expenses, Transfers, &			Expenses, Transfers, &			Expenses, Transfers, &		
Acct/Fund Balance 2013-14		Revenues 2013-14	ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees		0		0	0		0	0		0	0		0
Sales & Svcs of Educ. Activ's	1,500	2,900	0	4,400	55,813	34,959	25,254	0		25,254	0		25,254
Auxiliaries (List)													
1 PBRC - STORES	9,068	472,327	335,917	145,478	470,141	515,952	99,667	0		99,667	0		99,667
Endowment Income		0		0	0		0	0		0	0		0
Grants and Contracts													
Federal	(23,667)	7,320,461	5,250,813	2,045,982	5,466,952	5,353,410	2,159,523	0		2,159,523	0		2,159,523
State and Local	18,059	1,352,919	1,308,340	62,638	1,389,821	1,144,523	307,936	0		307,936	0		307,936
Private	2,447,220	2,288,753	2,903,856	1,832,117	3,663,635	2,084,443	3,411,309	0		3,411,309	0		3,411,309
Indirect Cost Recovered	2,672,992	2,016,076	1,539,087	3,149,980	2,032,909	1,581,844	3,601,045	0		3,601,045	0		3,601,045
Gifts	1,040,132	(131,283)	507,672	401,176	1,340,565	718,553	1,023,188	0		1,023,188	0		1,023,188
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	151,140	1,149,225	188,088	1,112,277	15,487	382,826	744,938	0		744,938	0		744,938
TOTAL	6,316,444	14,471,378	12,033,774	8,754,049	14,435,323	11,816,511	11,372,861	0	0	11,372,861	0	0	11,372,861

Report on Restricted Operations

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Date: January 15, 2014

To: F. King Alexander, President and Chancellor
LSU System

From: William Richardson, Vice President for Agriculture
LSU Agricultural Center

Subject: Second Quarter Budget Report for FY 2013-2014

In the second quarter of 2013-2014, the AgCenter continues to plan for the expenditure of \$926,975 in one-time funds that must be spent on non-recurring expenses. Additionally, our operating budget contains \$24,862,603 in one-time funds from the State Over-collections fund. The \$24.8m represents 27.5% of the AgCenter's total operating budget. As of the end of the second quarter, nearly 90% of our State General Funds have been drawn down, while only 16% of our Statutory Dedication have been received. This is very concerning because this could create some funding flow problems if State deposits into the Over-collections fund don't materialize. Also, this funding source will have to be replaced for July 1, 2014. Maintaining AgCenter programs vital to the public is becoming increasingly difficult. State funding has seen consistent yearly reductions since 2008, and recently, federal funding for special research grants was terminated while capacity funding for research and extension support is also being reduced.

As always, we note that because the AgCenter is a nonstudent campus, increases in tuition and student fees are not available as a revenue source. Passage of the GRAD Act provided no relief for the AgCenter. Self-generated revenue is used to the extent possible, but a declining number of programs and employees create a negative effect. Competition for external sources of funding is acute, and granting agencies increasingly require matching funds or pledges of personnel effort at a time when these AgCenter resources are declining.

To help strengthen programs in the face of declining resources, the AgCenter has been in the process of reorganizing its upper level administrative structure, eliminating the vice chancellor for extension and the vice chancellor for research positions, one by retirement and one by reassignment. In place, the AgCenter has designated existing personnel to serve as program leaders over the areas of animal sciences, plant sciences, food and nutrition, and 4-H youth development. The goals are to make better decisions and achieve efficiency gains by managing an entire programmatic area instead of looking at the functions of extension and research separately. Three-quarters of a year into this reorganization, the reception thus far, both internally and externally, has been very positive.

In addition to this internal reorganization, the position of Vice President for Agriculture was created, bringing teaching, research and extension under a single administrator. We are only a few months into this change, but believe progress is already being made. This will be elaborated on in the next quarterly report.

While there are many positive steps within the AgCenter, we continue to have a shortage of financial resources. High priority programs are generally understaffed with significant gaps in coverage. We

intend to make every effort to maintain our most critical programs, to remain true to our core mission of improving the lives of Louisiana citizens and to provide the most we can for every dollar invested in the LSU AgCenter.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	39,577,832	21,401,634	14,013,856	0	0	35,415,490
Statutory Dedications	30,927,010	1,447,443	3,490,608	0	0	4,938,051
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	6,807,967	1,543,428	1,728,977	0	0	3,272,405
Federal Funds	13,018,275	752,172	4,994,143	0	0	5,746,315
Total Revenues	90,331,084	25,144,677	24,227,584	0	0	49,372,261
Expenditures by Object:						
Personal Services	69,296,464	19,056,365	19,577,044	0	0	38,633,408
Operating Expenses	19,986,605	2,662,998	4,066,792	0	0	6,729,789
Other Charges	774,542	120,741	256,682	0	0	377,423
Acquisitions and Major Repairs	273,473	158,262	203,391	0	0	361,653
Total Expenditures	90,331,084	21,998,365	24,103,908	0	0	46,102,273
Expenditures by Function:						
Academic Expenditures	51,331,717	18,872,830	19,925,044	0	0	38,797,874
Non-Academic Expenditures	38,999,367	3,125,535	4,178,864	0	0	7,304,399
Total Expenditures	90,331,084	21,998,365	24,103,908	0	0	46,102,273

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	1,599,953	1,738,444	1,652,688	1,652,688	1,652,688
Auxiliaries	0	0	0	0	0
Endowment Income	290,876	302,104	295,612	295,612	295,612
Grants and Contracts	89,030	3,519,460	4,089,778	4,089,778	4,089,778
Indirect Cost Recovered	7,260,147	7,400,685	7,117,240	7,117,240	7,117,240
Gifts	5,769,060	5,763,292	5,953,607	5,953,607	5,953,607
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	8,661,924	8,314,333	11,324,643	11,324,643	11,324,643
TOTAL	23,670,990	27,038,317	30,433,569	30,433,569	30,433,569

Overview and Analysis of Campus Operations

We continue to evaluate all our operations to make most efficient use of resources with the continued budget reductions. Without a doubt, our ability to deliver the level and range of research and educational programs to which the public is accustomed will be affected. This also will undoubtedly have a negative effect on support for the undergraduate and graduate programs in the College of Agriculture. We intend to make every effort to maintain our most critical programs, to remain true to our core mission of improving the lives of Louisiana citizens and to provide the most we can for every dollar invested in the LSU AgCenter.

Federal Funds will not reconcile to federal general ledgers due to timing differences related to different fiscal year ends. The Federal fiscal year end is September 30, while the State fiscal year end is June 30. The reporting tools reports are being worked on

Operating Budget Development

Campus: Budget Adjustments

LSU Agricultural Center

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	39,577,832					39,577,832	0.0%
Statutory Dedications	30,927,010					30,927,010	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	6,807,967					6,807,967	0.0%
Federal Funds	13,018,275					13,018,275	0.0%
Total Revenues	90,331,084	0	0	0	0	90,331,084	0.0%
Expenditures by Object:							
Salaries	41,239,542	(21,000)	(54,000)			41,164,542	-0.2%
Other Compensation	1,979,050	21,000	0			2,000,050	1.1%
Related Benefits	26,131,872	0	0			26,131,872	0.0%
Total Personal Services	69,350,464	0	(54,000)	0	0	69,296,464	-0.1%
Travel	1,625,437	0	0			1,625,437	0.0%
Operating Services	11,102,600	0	64,000			11,166,600	0.6%
Supplies	7,195,032	0	(464)			7,194,568	0.0%
Total Operating Expenses	19,923,069	0	63,536	0	0	19,986,605	0.3%
Professional Services	341,376	0	(9,536)			331,840	-2.8%
Other Charges	442,702	0	0			442,702	0.0%
Debt Services			0			0	
Interagency Transfers			0			0	
Total Other Charges	784,078	0	(9,536)	0	0	774,542	-1.2%
General Acquisitions	273,473	0	0			273,473	0.0%
Library Acquisitions			0			0	
Major Repairs			0			0	
Total Acquisitions and Major Repairs	273,473	0	0	0	0	273,473	0.0%
Total Expenditures	90,331,084	0	0	0	0	90,331,084	0.0%
Expenditures by Function:							
Instruction						0	
Research	26,321,900	2,093	18,000			26,341,993	0.1%
Public Service	22,393,117		70,489			22,463,606	0.3%
Academic Support (Includes Library)	2,526,118					2,526,118	0.0%
Academic Expenditures Subtotal	51,241,135	2,093	88,489	0	0	51,331,717	0.2%
Student Services						0	
Institutional Support	35,674,242	(2,093)	(88,489)			35,583,660	-0.3%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	3,415,707					3,415,707	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	39,089,949	(2,093)	(88,489)	0	0	38,999,367	-0.2%
Total Expenditures	90,331,084	0	0	0	0	90,331,084	0.0%

Operating Budget Development

Campus:

LSU Agricultural Center

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

1st quarter: Routine budget adjustments only. No operational funds from academic areas were moved to non-academic units. Non-academic funds were moved to academic units to support graduate assistantships.
2nd quarter: Routine budget adjustments only. No operational funds from academic areas were moved to non-academic units. Non-academic funds were moved to academic units to support graduate assistantships, Character Critics, and Healthy Communities initiative.

Federal Funds will not reconcile to federal general ledgers due to timing differences related to different fiscal year ends. The Federal fiscal year end is September 30, while the State fiscal year end is June 30. The reporting tools reports are being worked on in order to reconcile the amounts.

Report on changes to Significant Funding Issues

1st Quarter: No significant funding issues.
2nd Quarter: No significant funding issues.

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Agricultural Center

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	39,577,832	21,401,634	14,013,856			35,415,490	89.5%
Statutory Dedications	30,927,010	1,447,443	3,490,608			4,938,051	16.0%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	6,807,967	1,543,428	1,728,977			3,272,405	48.1%
Federal Funds	13,018,275	752,172	4,994,143			5,746,315	44.1%
TOTAL	90,331,084	25,144,677	24,227,584	0	0	49,372,261	54.7%
Expenditures							
by Category							
Salaries	41,164,542	11,607,952	12,126,313			23,734,265	57.7%
Other Compensation	2,000,050	677,944	592,771			1,270,715	63.5%
Related Benefits	26,131,872	6,770,468	6,857,960			13,628,428	52.2%
Total Personal Services	69,296,464	19,056,365	19,577,044	0	0	38,633,408	55.8%
Travel	1,625,437	304,152	357,486			661,639	40.7%
Operating Services	11,166,600	1,350,636	2,527,872			3,878,508	34.7%
Supplies	7,194,568	1,008,210	1,181,433			2,189,643	30.4%
Total Operating Expenses	19,986,605	2,662,998	4,066,792	0	0	6,729,789	33.7%
Professional Services	331,840	64,613	188,937			253,550	76.4%
Other Charges	442,702	56,128	67,745			123,873	28.0%
Debt Services	0		0			0	
Interagency Transfers	0		0			0	
Total Other Charges	774,542	120,741	256,682	0	0	377,423	48.7%
General Acquisitions	273,473	153,735	198,391			352,125	128.8%
Library Acquisitions	0	4,528	0			4,528	
Major Repairs	0		5,000			5,000	
Total Acquisitions and Major Repairs	273,473	158,262	203,391	0	0	361,653	132.2%
TOTAL	90,331,084	21,998,365	24,103,908	0	0	46,102,273	51.0%
by Function							
Instruction	0					0	
Research	26,341,993	10,135,787	10,681,547			20,817,334	79.0%
Public Service	22,463,606	7,767,414	8,386,219			16,153,633	71.9%
Academic Support (Includes Library)	2,526,118	969,630	857,278			1,826,907	72.3%
Academic Expenditures Subtotal	51,331,717	18,872,830	19,925,044	0	0	38,797,874	75.6%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Agricultural Center**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Student Services	0					0	
Institutional Support	35,583,660	2,234,645	3,244,914			5,479,559	15.4%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	3,415,707	890,890	933,950			1,824,840	53.4%
Hospital	0					0	
Transfers out of agency	0	0				0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	38,999,367	3,125,535	4,178,864	0	0	7,304,399	18.7%
TOTAL	90,331,084	21,998,365	24,103,908	0	0	46,102,273	51.0%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

1st: No significant variance noted. Expenditures are progressing as planned.
 2nd: No significant variance noted. Expenditures are progressing as planned.

Federal Funds will not reconcile to federal general ledgers due to timing differences related to different fiscal year ends. The Federal fiscal year end is September 30, while the State fiscal year end is June 30. The reporting tools reports are being worked on in order to reconcile the amounts.

Overview of Restricted Funds

Campus: LSU Agricultural Center

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities	1,434,613	309,270	303,377			612,647	42.7%
Auxiliaries (List)							
Endowment Income	152,389	49,884	19,638			69,522	45.6%
Grants and Contracts							
Federal	8,577,195	544,447	1,903,179			2,447,626	28.5%
State and Local	12,587,023	6,046,711	3,709,307			9,756,017	77.5%
Private	5,731,980	2,736,325	1,331,004			4,067,329	71.0%
Indirect Cost Recovered	3,006,617	662,916	651,404			1,314,320	43.7%
Gifts	2,930,268	592,018	745,562			1,337,580	45.6%
Federal Funds						0	
Hospitals							
All Other Sources	9,451,055	201,705	6,044,375			6,246,080	66.1%
TOTAL	43,871,140	11,143,276	14,707,845	0	0	25,851,120	58.9%

Report on Restricted Budget

1st Quarter: Restricted revenues are being realized as anticipated.
 2nd Quarter: Restricted revenues are being realized as anticipated.

Federal Funds will not reconcile to federal general ledgers due to timing differences related to different fiscal year ends. The Federal fiscal year end is September 30, while the State fiscal year end is June 30. The reporting tools reports are being worked on in order to reconcile the amounts.

Overview of Restricted Operations

Campus: **LSU Agricultural Center**

Show Expenditures As Positive	Acct/Fund Balance 2013-14	Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0		0
Restricted Fees		0		0	0		0		0		0		0
Sales & Svcs of Educ. Activ's	1,599,953	309,270	170,779	1,738,444	303,377	389,133	1,652,688	0		1,652,688	0		1,652,688
Auxiliaries (List)													
Endowment Income	290,876	49,884	38,656	302,104	19,638	26,129	295,612	0		295,612	0		295,612
Grants and Contracts													
Federal	(3,398)	544,447	1,662,231	(1,121,181)	1,903,179	1,757,989	(975,991)	0		(975,991)	0		(975,991)
State and Local	(621,713)	6,046,711	2,864,107	2,560,891	3,709,307	3,141,538	3,128,659	0		3,128,659	0		3,128,659
Private	714,140	2,736,325	1,370,715	2,079,750	1,331,004	1,473,644	1,937,110	0		1,937,110	0		1,937,110
Indirect Cost Recovered	7,260,147	662,916	522,378	7,400,685	651,404	934,849	7,117,240	0		7,117,240	0		7,117,240
Gifts	5,769,060	592,018	597,786	5,763,292	745,562	555,247	5,953,607	0		5,953,607	0		5,953,607
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	8,661,924	201,705	549,296	8,314,333	6,044,375	3,034,065	11,324,643	0		11,324,643	0		11,324,643
TOTAL	23,670,990	11,143,276	7,775,948	27,038,317	14,707,845	11,312,593	30,433,569	0	0	30,433,569	0	0	30,433,569

Report on Restricted Operations

1st Quarter: No significant variances.

2nd Quarter: No significant variances

Federal Funds will not reconcile to federal general ledgers due to timing differences related to different fiscal year ends. The Federal fiscal year end is September 30, while the State fiscal year end

January 8, 2014

Dr. F. King Alexander
President
Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, La 70808

Subject: Budget Narrative Second Quarter FY 2013-14

Dear Dr. Alexander:

LSU Shreveport, like other institutions of Higher Education in the state, continues to feel the effects of ever dwindling state funding. While our campus has persevered through challenging times, it is increasingly difficult to retain faculty and staff, keep morale up, and maintain financial stability. This year will be extremely difficult and we will be forced to use our reserve funds to cover potential deficit spending. This is due to continued lack of additional funding from either state appropriations or actual revenues generated by increased tuitions, and reductions in on-campus enrollment. One notable bright spot in our financial picture is that the threat of a potential mid-year budget reduction did not materialize, for which we are very thankful.

The most relevant challenges we face this year are:

1. A loss of revenue from a downturn in on-campus undergraduate enrollment.
2. Changes in Admissions Requirements.
3. Continued “brain drain” of faculty and staff looking elsewhere for higher salaries.
4. Unfunded mandates, specifically increases in employer contributions to Teachers Retirement and LASERS.

The downturn in enrollment has also had a negative effect on our auxiliaries, as the Bookstore, Food Service, University Center, and Intercollegiate Athletic departments are all struggling to survive with diminished revenues.

On the positive side:

1. Enrollment in our Graduate programs increased by nearly 10% in the fall semester.
2. SACSCOC approved our Ed.D. in Leadership Studies at the December meeting and we will start our first Doctorial program this month with an anticipated 22 students enrolled in the program.
3. The LSU/LSUS Commitment plan is growing with additional programs offered this fall in Sport Administration, Human Resource Education, and International Studies. This joins the two programs we began last year, Petroleum Engineering and Construction Management. Altogether, 75 students are pursuing one of these five degrees.

4. We are now offering three different academic sessions in our fall and spring semesters – one regular 16-week session and two 8-week sessions. The 8-week sessions allow students to take more classes during an academic year and will allow them to finish their degrees at a faster pace. For the fall semester we offered approximately 10% of our courses in the 8-week format, and students enrolled in proportional numbers (slightly more than 10% of the fall SCH's were generated in 8-week classes). The 8-week term provides an alternative to a student who is struggling in a course or must drop a course for nonacademic reasons, as the new calendar format allows the student to re-enroll in that course in the next session, thereby retaining financial aid eligibility and staying on track for degree completion.
5. We have set aside \$166,974 in the budget for Deferred Maintenance projects that will be completed in the spring. Our targeted projects focus on HVAC systems in various buildings on campus.
6. A salary adjustment of 4% on 6 month's salary for all faculty and staff is planned for the spring. The salary adjustment is scheduled to be paid in installments on January 5th, March 5th, and May 5th. Eligibility requirements for this salary adjustment are that the employee must have been employed by LSUS on or prior to December 31, 2012.
7. Our MBA program is moving on-line this spring by contract with Academic Partnerships. This will double the number of programs offered in coordination with Academic Partnerships, and we anticipate the new format will lead to the increased enrollment we have seen in our MEd degree program, our first AP program.
8. Last fall, we restarted our collaborative agreement with Bossier Parish Community College known as BPCC@LSUS. This program allows students who want to attend LSUS, but cannot due to eligibility restrictions, to enroll with BPCC and have their classes taught on our campus. These students are targeted in our recruitment plan to encourage them to enroll at LSUS as soon as they meet transfer admissions criteria. For the spring term, BPCC will be offering 14 different classes on our campus.
9. The Early Start program continues to be healthy at LSUS despite the lack of state support this fiscal year. We will partner with 19 High Schools this spring, and we anticipate the enrollment to be approximately 900 – 1,000 students.

Sincerely,



Dr. Paul D. Sisson
Interim Chancellor

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	4,201,974	1,805,835	1,541,552	0	0	3,347,387
Statutory Dedications	4,305,025	95,983	1,065,829	0	0	1,161,812
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	20,594,929	10,021,126	2,294,459	0	0	12,315,585
Federal Funds	0	0	0	0	0	0
Total Revenues	29,101,928	11,922,944	4,901,840	0	0	16,824,784
Expenditures by Object:						
Personal Services	21,133,853	4,833,446	5,446,127	0	0	10,279,573
Operating Expenses	3,111,398	943,492	596,988	0	0	1,540,480
Other Charges	4,679,377	2,921,842	59,235	0	0	2,981,077
Acquisitions and Major Repairs	177,300	16,955	100,075	0	0	117,030
Total Expenditures	29,101,928	8,715,735	6,202,425	0	0	14,918,160
Expenditures by Function:						
Academic Expenditures	16,411,472	3,813,033	4,335,532	0	0	8,148,565
Non-Academic Expenditures	12,690,456	4,902,702	1,866,893	0	0	6,769,595
Total Expenditures	29,101,928	8,715,735	6,202,425	0	0	14,918,160

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	1,136,953	1,621,482	1,588,315	1,588,315	1,588,315
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	1,077,615	1,237,734	934,672	934,672	934,672
Endowment Income	0	(410)	(28,015)	(28,015)	(28,015)
Grants and Contracts	794,123	(1,514,984)	616,736	616,736	616,736
Indirect Cost Recovered	597,398	577,629	565,317	565,317	565,317
Gifts	157,384	153,961	156,278	156,278	156,278
Federal Funds	0	(53,576)	(51,142)	(51,142)	(51,142)
Hospitals	0	0	0	0	0
All Other Sources	57,136	74,141	84,043	84,043	84,043
TOTAL	3,820,609	2,095,977	3,866,204	3,866,204	3,866,204

Overview and Analysis of Campus Operations

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Operating Budget Development

Campus: Budget Adjustments

LSU Shreveport

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	4,201,974					4,201,974	0.0%
Statutory Dedications	4,305,025					4,305,025	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	20,594,929					20,594,929	0.0%
Federal Funds						0	
Total Revenues	29,101,928	0	0	0	0	29,101,928	0.0%
Expenditures by Object:							
Salaries	14,354,356					14,354,356	0.0%
Other Compensation	552,062					552,062	0.0%
Related Benefits	6,227,435					6,227,435	0.0%
Total Personal Services	21,133,853	0	0	0	0	21,133,853	0.0%
Travel	77,481					77,481	0.0%
Operating Services	2,362,610					2,362,610	0.0%
Supplies	671,307					671,307	0.0%
Total Operating Expenses	3,111,398	0	0	0	0	3,111,398	0.0%
Professional Services	228,499					228,499	0.0%
Other Charges	3,730,429					3,730,429	0.0%
Debt Services	0					0	
Interagency Transfers	720,449					720,449	0.0%
Total Other Charges	4,679,377	0	0	0	0	4,679,377	0.0%
General Acquisitions	0					0	
Library Acquisitions	177,300					177,300	0.0%
Major Repairs	0					0	
Total Acquisitions and Major Repairs	177,300	0	0	0	0	177,300	0.0%
Total Expenditures	29,101,928	0	0	0	0	29,101,928	0.0%
Expenditures by Function:							
Instruction	13,313,591					13,313,591	0.0%
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	3,097,881					3,097,881	0.0%
Academic Expenditures Subtotal	16,411,472	0	0	0	0	16,411,472	0.0%
Student Services	1,966,434					1,966,434	0.0%
Institutional Support	4,034,611					4,034,611	0.0%
Scholarships/Fellowships	3,612,349					3,612,349	0.0%
Plant Operations/Maintenance	3,077,062					3,077,062	0.0%
Hospital						0	
Transfers out of agency	0					0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	12,690,456	0	0	0	0	12,690,456	0.0%
Total Expenditures	29,101,928	0	0	0	0	29,101,928	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

LSU Shreveport

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus:

LSU Shreveport

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	4,201,974	1,805,835	1,541,552			3,347,387	79.7%
Statutory Dedications	4,305,025	95,983	1,065,829			1,161,812	27.0%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	20,594,929	10,021,126	2,294,459			12,315,585	59.8%
Federal Funds	0					0	
TOTAL	29,101,928	11,922,944	4,901,840	0	0	16,824,784	57.8%
Expenditures							
by Category							
Salaries	14,354,356	3,492,649	3,947,329			7,439,978	51.8%
Other Compensation	552,062	83,235	96,438			179,673	32.5%
Related Benefits	6,227,435	1,257,562	1,402,360			2,659,922	42.7%
Total Personal Services	21,133,853	4,833,446	5,446,127	0	0	10,279,573	48.6%
Travel	77,481	11,501	15,652			27,153	35.0%
Operating Services	2,362,610	706,298	445,616			1,151,914	48.8%
Supplies	671,307	225,693	135,720			361,413	53.8%
Total Operating Expenses	3,111,398	943,492	596,988	0	0	1,540,480	49.5%
Professional Services	228,499	23,866	33,310			57,176	25.0%
Other Charges	3,730,429	2,255,863	25,925			2,281,788	61.2%
Debt Services	0					0	
Interagency Transfers	720,449	642,113	0			642,113	89.1%
Total Other Charges	4,679,377	2,921,842	59,235	0	0	2,981,077	63.7%
General Acquisitions	0	632	9,612			10,244	
Library Acquisitions	177,300	16,323	90,463			106,786	60.2%
Major Repairs	0					0	
Total Acquisitions and Major Repairs	177,300	16,955	100,075	0	0	117,030	66.0%
TOTAL	29,101,928	8,715,735	6,202,425	0	0	14,918,160	51.3%
by Function							
Instruction	13,313,591	3,113,491	3,661,255			6,774,746	50.9%
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	3,097,881	699,542	674,277			1,373,819	44.3%
Academic Expenditures Subtotal	16,411,472	3,813,033	4,335,532	0	0	8,148,565	49.7%

Overview of Unrestricted Revenues and Expenditures

Campus:

LSU Shreveport

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Student Services	1,966,434	476,316	466,433			942,749	47.9%
Institutional Support	4,034,611	1,155,328	806,698			1,962,026	48.6%
Scholarships/Fellowships	3,612,349	2,254,926	12,800			2,267,726	62.8%
Plant Operations/Maintenance	3,077,062	1,016,132	580,962			1,597,094	51.9%
Hospital	0	0	0			0	
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	12,690,456	4,902,702	1,866,893	0	0	6,769,595	53.3%
TOTAL	29,101,928	8,715,735	6,202,425	0	0	14,918,160	51.3%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Overview of Restricted Funds

Campus:

LSU Shreveport

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	1,720,000	854,715	279,698			1,134,413	66.0%
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
1 - University Center - Student Fees	357,124	118,674	34,615			153,289	42.9%
2 - University Center - Self Generated	105,000	26,278	20,384			46,662	44.4%
3 - Food Service	342,866	65,809	70,313			136,122	39.7%
4 - Bookstore	1,469,000	541,648	88,362			630,010	42.9%
5 - University Court Apartments - Lease	1,000	1,005	9			1,014	101.4%
6 - Athletics - Self Generated	104,815	9,800	7,802			17,602	16.8%
7 - Athletics - Student Fees	1,037,869	550,841	158,266			709,107	68.3%
8 - Athletics - GF Transfer	0					0	
9						0	
10						0	
11						0	
12						0	
13						0	
14						0	
15						0	
Endowment Income		32,213	24,935			57,148	
Grants and Contracts							
Federal	1,225,000	40,717	238,458			279,175	22.8%
State and Local	4,400,000	71,373	2,385,442			2,456,815	55.8%
Private	1,200,000	551,277	515,969			1,067,246	88.9%
Indirect Cost Recovered	45,000	10,410	(10,410)			0	0.0%
Gifts	200,000	82,839	(6,546)			76,293	38.1%
Federal Funds	5,500,000	2,423,801	219,419			2,643,220	48.1%
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans						0	
Medicare						0	
Medicaid						0	
Uncompensated Care Costs						0	
Sponsored Grants and Contracts						0	
Sales and Services Other						0	
All Other Sources	70,000	29,760	23,164			52,924	75.6%
TOTAL	17,777,674	5,411,160	4,049,880	0	0	9,461,040	53.2%

Report on Restricted Budget

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Overview of Restricted Operations

Campus: **LSU Shreveport**

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0	0	
Restricted Fees	1,136,953	854,715	370,186	1,621,482	279,698	312,865	1,588,315	0	1,588,315	0		1,588,315	
Sales & Svcs of Educ. Activ's		0		0	0		0		0		0	0	
Auxiliaries (List)													
1 - University Center - Student Fees	0	118,674	76,374	42,300	34,615	76,915	0	0	0	0		0	
2 - University Center - Self Generated	0	26,278	0	26,278	20,384	35,820	10,842	0	10,842	0		10,842	
3 - Food Service	0	65,809	75,067	(9,258)	70,313	106,106	(45,051)	0	(45,051)	0		(45,051)	
4 - Bookstore	1,038,766	541,648	673,035	907,379	88,362	271,632	724,109	0	724,109	0		724,109	
5 - University Court Apartments - Lease	18,375	1,005	10	19,370	9	0	19,379	0	19,379	0		19,379	
6 - Athletics - Self Generated	0	9,800	4,942	4,858	7,802	4,676	7,984	0	7,984	0		7,984	
7 - Athletics - Student Fees	20,474	550,841	324,508	246,807	158,266	187,664	217,409	0	217,409	0		217,409	
8 - Athletics - GF Transfer		0		0	0		0	0	0	0		0	
9		0		0	0		0	0	0	0		0	
10		0		0	0		0	0	0	0		0	
11		0		0	0		0	0	0	0		0	
12		0		0	0		0	0	0	0		0	
13		0		0	0		0	0	0	0		0	
14		0		0	0		0	0	0	0		0	
15		0		0	0		0	0	0	0		0	
Endowment Income	0	32,213	32,623	(410)	24,935	52,540	(28,015)	0	(28,015)	0		(28,015)	
Grants and Contracts													
Federal	51,998	40,717	261,532	(168,817)	238,458	180,250	(110,609)	0	(110,609)	0		(110,609)	
State and Local	237,938	71,373	2,007,066	(1,697,755)	2,385,442	128,670	559,017	0	559,017	0		559,017	
Private	504,187	551,277	703,876	351,588	515,969	699,229	168,328	0	168,328	0		168,328	
Indirect Cost Recovered	597,398	10,410	30,179	577,629	(10,410)	1,902	565,317	0	565,317	0		565,317	
Gifts	157,384	82,839	86,262	153,961	(6,546)	(8,863)	156,278	0	156,278	0		156,278	
Federal Funds	0	2,423,801	2,477,377	(53,576)	219,419	216,985	(51,142)	0	(51,142)	0		(51,142)	
Hospitals													
Hospital - Commercial/Self-Pay		0		0	0		0	0	0	0		0	
Physician Practice Plans		0		0	0		0	0	0	0		0	
Medicare		0		0	0		0	0	0	0		0	
Medicaid		0		0	0		0	0	0	0		0	
Uncompensated Care Costs		0		0	0		0	0	0	0		0	
Sponsored Grants and Contracts		0		0	0		0	0	0	0		0	
Sales and Services Other		0		0	0		0	0	0	0		0	
All Other Sources	57,136	29,760	12,755	74,141	23,164	13,262	84,043	0	84,043	0		84,043	
TOTAL	3,820,609	5,411,160	7,135,792	2,095,977	4,049,880	2,279,653	3,866,204	0	0	3,866,204	0	0	3,866,204

Report on Restricted Operations

Deficits:

Food Service, operation supported by Bookstore operations.

Endowment Income, funds due from LSUS Foundation - reimbursement will be in January.

Federal Grants, funds due in January.

Federal Funds, funds due in January.

Overview of Restricted Operations

Campus: **LSU Shreveport**

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Louisiana State University of Alexandria

2nd quarter budget report narrative

Overview and Analysis of Campus Operations:

Campus operations are changing to meet the needs of the students and institution. The unrestricted and restricted operating budgets were budgeted at steady-state enrollment budget last fall. Summer and fall enrollment was slightly lower than anticipated but included the largest freshman class since 2006. Operational expenses are slightly different than anticipated due to significant internal reorganization as the fiscal year began and the legislative addition of funds for deferred maintenance and general operations. Grant and contracts are cost reimbursement as funds are expended and will be balanced by the end of the fourth quarter as reimbursements are received. The layoff avoidance plan of a mid-year salary increase was approved by civil service and will be distributed in the third and fourth quarters as non-recurring one-time additional compensation with one-time faculty and unclassified staff salary adjustments (2%) beginning in January 2014. Significant enrollment management endeavors were implemented to increase enrollment and student retention including increasing out of state student enrollment and student athletics. Student housing will be impacted if the increased student enrollment for fall 2014 is realized. Contingency plans are being developed to meet this anticipated need. Significant re-accreditation activity is occurring as budgeted and anticipated.

Budget Adjustments Narrative:

Variance Analysis and Program Adjustment:

No budget adjustments occurred in the second quarter of FY 2013-2014. No funds moved from academic to non-academic categories. It is anticipated that several budget adjustments in categories of salaries, related benefits, travel, operating services, and supplies will occur in the third and fourth quarter as the academic and non-academic needs are analyzed and adjustments made accordingly.

Report on Changes to Significant Funding Issues:

LSU of Alexandria received the good news that no mid-year budget reduction would occur in the second quarter of FY2013-2014. Since the potential budget reduction was budgeted for contingency, the funds may be used for the increased enrollment enhancement activity. In addition, LSU of Alexandria received \$292,426 for non-recurring deferred maintenance or general operations expenditures from the Legislature. This one time allocation puts LSU of Alexandria in a better financial position mid-year than at any time in the past five years.

Unrestricted Operations:

Self-generated revenues are at 80% of budget and include some spring tuition/fees. Expenditures by Category and Expenditure by Function are as anticipated for summer and fall semester combined activity.

Revenues collected include summer, fall, and spring tuition and fees, state general fund support, and state statutory dedicated funds from the state's overcollections fund. Salaries budgeted include \$1,395,053 in unallotted expenditures for unrealized increased enrollment.

Expenditures by Category are at 46% of budget as anticipated at the end of the second quarter. Professional Services, Other Charges, and General Acquisitions expenditures are over original budget due to significant enrollment management endeavors implemented to increase enrollment and student retention. Budgeted funds will be moved to cover these overages in the third and fourth quarters. The budget for general acquisitions includes \$35,000 budgeted for Library Books and \$292,426 for non-recurring deferred maintenance or general operations expenditures.

Expenditures by Function are at 49% of budget as anticipated at the end of the second quarter. Scholarships are at 53% of budget as anticipated at the end of summer and fall scholarship distribution. Plant Operations and Maintenance is at 103% of budget since the interagency transfers for the Office of Risk Management insurance payments of \$706,362 are due at the beginning of the fiscal year. Some building operations expenditures for the second quarter will be charged to the new restricted building use fee once spring enrollment revenues are confirmed.

Report on Restricted Budget:

Second quarter restricted revenues for LSUA auxiliary services are at 59% of budgeted revenue and include mandatory student fee receipts for summer, fall, and some spring registration. The remainder of fees will not be collected until the third quarter. The bookstore revenue is collected from the bookstore vendor, Follette, on a monthly basis. The child care center receives parent paid tuition on a weekly basis. Campus card operation revenue, endowment income, and indirect costs recovered are not posted until the fourth quarter.

Report on Restricted Operations:

Second quarter restricted operations are as anticipated. Some variances are anticipated in subsequent quarters as the athletic department finalizes preparations for increased enrollment from student athletes for Fall 2014. The second quarter expenditures for Restricted Operations were \$1,262,796 without federal and state or local grant and contract expenditures. The fund balance increased due to fall and some spring semester collections.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	3,057,546	1,745,065	1,128,645	0	0	2,873,710
Statutory Dedications	2,754,907	340,148	244,530	0	0	584,678
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	10,450,447	5,071,325	3,262,150	0	0	8,333,475
Federal Funds	0	0	0	0	0	0
Total Revenues	16,262,900	7,156,539	4,635,325	0	0	11,791,864
Expenditures by Object:						
Personal Services	13,163,374	2,585,263	3,093,854	0	0	5,679,117
Operating Expenses	2,799,426	906,912	407,415	0	0	1,314,327
Other Charges	265,100	280,726	88,997	0	0	369,723
Acquisitions and Major Repairs	35,000	67,622	55,862	0	0	123,485
Total Expenditures	16,262,900	3,840,523	3,646,128	0	0	7,486,652
Expenditures by Function:						
Academic Expenditures	8,242,788	1,639,272	2,413,245	0	0	4,052,518
Non-Academic Expenditures	8,020,112	2,201,251	1,232,883	0	0	3,434,134
Total Expenditures	16,262,900	3,840,523	3,646,128	0	0	7,486,652

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	274,811	136,300	89,367	89,367	89,367
Sales and Services of Educational Activities	147,006	172,125	184,777	184,777	184,777
Auxiliaries	1,529,510	2,080,738	1,807,939	1,807,939	1,807,939
Endowment Income	228,255	228,255	228,255	228,255	228,255
Grants and Contracts	11,542	(132,616)	(87,448)	(87,448)	(87,448)
Indirect Cost Recovered	103,785	103,833	104,004	104,004	104,004
Gifts	59,044	142,112	149,445	149,445	149,445
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	232,227	232,819	232,819	232,819	232,819
TOTAL	2,586,179	2,963,566	2,709,157	2,709,157	2,709,157

Overview and Analysis of Campus Operations

Campus operations are changing to meet the needs of the students and institution. The unrestricted and restricted operating budgets were budgeted at steady-state enrollment budget last fall. Summer & fall enrollment was slightly lower than anticipated but included the largest freshman class since 2006. Operational expenses are slightly different than anticipated due to significant internal reorganization as the fiscal year began and the legislative addition of funds for deferred maintenance and general operations. Grant and contracts are cost reimbursement as funds are expended and will be balanced by the end of the fourth quarter as reimbursements are received. The layoff avoidance plan of a mid-year salary increase was approved by civil service and will be distributed in the third and fourth quarters as non-recurring one-time additional compensation with one-time faculty and unclassified staff salary adjustments (2%) beginning in January 2014. Significant enrollment management endeavors were implemented to increase enrollment and student retention including increasing out of state student enrollment & student athletics. Student housing will be impacted if the increased student enrollment for fall 2014 is realized. Contingency plans are being developed to meet this anticipated need. Significant re-accreditation activity is occurring as budgeted and anticipated.

Operating Budget Development

Campus: Budget Adjustments

Louisiana State University Alexandria

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	3,057,546					3,057,546	0.0%
Statutory Dedications	2,754,907					2,754,907	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	10,450,447					10,450,447	0.0%
Federal Funds						0	
Total Revenues	16,262,900	0	0	0	0	16,262,900	0.0%
Expenditures by Object:							
Salaries	9,309,630	62,100				9,371,730	0.7%
Other Compensation	195,744	(62,100)				133,644	-31.7%
Related Benefits	3,658,000					3,658,000	0.0%
Total Personal Services	13,163,374	0	0	0	0	13,163,374	0.0%
Travel	31,000					31,000	0.0%
Operating Services	2,559,426					2,559,426	0.0%
Supplies	209,000					209,000	0.0%
Total Operating Expenses	2,799,426	0	0	0	0	2,799,426	0.0%
Professional Services	52,100					52,100	0.0%
Other Charges	213,000					213,000	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	265,100	0	0	0	0	265,100	0.0%
General Acquisitions	35,000					35,000	0.0%
Library Acquisitions	0					0	
Major Repairs						0	
Total Acquisitions and Major Repairs	35,000	0	0	0	0	35,000	0.0%
Total Expenditures	16,262,900	0	0	0	0	16,262,900	0.0%
Expenditures by Function:							
Instruction	7,365,650					7,365,650	0.0%
Research						0	
Public Service						0	
Academic Support (Includes Library)	877,138					877,138	0.0%
Academic Expenditures Subtotal	8,242,788	0	0	0	0	8,242,788	0.0%
Student Services	993,300					993,300	0.0%
Institutional Support	4,811,848					4,811,848	0.0%
Scholarships/Fellowships	457,000					457,000	0.0%
Plant Operations/Maintenance	1,757,964					1,757,964	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	8,020,112	0	0	0	0	8,020,112	0.0%
Total Expenditures	16,262,900	0	0	0	0	16,262,900	0.0%

Operating Budget Development

Campus:

Louisiana State University Alexandria

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

No budget adjustments occurred in the second quarter of FY 2013-2014. No funds moved from academic to non-academic categories. It is anticipated that several budget adjustments in categories of salaries, related benefits, travel, operating services, and supplies will occur in the third and fourth quarter as the academic and non-academic needs are analyzed and adjustments made accordingly.

Report on changes to Significant Funding Issues

LSU of Alexandria received the good news that no mid-year budget reduction would occur in the second quarter of FY2013-2014. Since the potential budget reduction was budgeted for contingency, the funds may be used for the increased enrollment enhancement activity. In addition, LSU of Alexandria received \$292,426 for non-recurring deferred maintenance or general operations expenditures from the Legislature. This one time allocation puts LSU of Alexandria in a better financial position mid-year than at any time in the past five years.

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Alexandria

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	3,057,546	1,745,065	1,128,645			2,873,710	94.0%
Statutory Dedications	2,754,907	340,148	244,530			584,678	21.2%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	10,450,447	5,071,325	3,262,150			8,333,475	79.7%
Federal Funds	0		0			0	
TOTAL	16,262,900	7,156,539	4,635,325	0	0	11,791,864	72.5%
Expenditures							
by Category							
Salaries	9,371,730	1,648,608	2,082,243			3,730,851	39.8%
Other Compensation	133,644	31,512	81,879			113,390	84.8%
Related Benefits	3,658,000	905,143	929,733			1,834,876	50.2%
Total Personal Services	13,163,374	2,585,263	3,093,854	0	0	5,679,117	43.1%
Travel	31,000	6,426	23,458			29,884	96.4%
Operating Services	2,559,426	851,189	298,665			1,149,853	44.9%
Supplies	209,000	49,298	85,292			134,590	64.4%
Total Operating Expenses	2,799,426	906,912	407,415	0	0	1,314,327	46.9%
Professional Services	52,100	44,392	57,529			101,921	195.6%
Other Charges	213,000	236,334	31,468			267,802	125.7%
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	265,100	280,726	88,997	0	0	369,723	139.5%
General Acquisitions	35,000	61,505	48,227			109,732	313.5%
Library Acquisitions	0	6,117	7,635			13,753	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	35,000	67,622	55,862	0	0	123,485	352.8%
TOTAL	16,262,900	3,840,523	3,646,128	0	0	7,486,652	46.0%
by Function							
Instruction	7,365,650	1,383,464	2,151,058			3,534,521	48.0%
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	877,138	255,809	262,188			517,996	59.1%
Academic Expenditures Subtotal	8,242,788	1,639,272	2,413,245	0	0	4,052,518	49.2%
Student Services	993,300	284,717	320,406			605,123	60.9%

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Alexandria

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Institutional Support	4,811,848	516,772	266,800			783,572	16.3%
Scholarships/Fellowships	457,000	223,810	19,690			243,500	53.3%
Plant Operations/Maintenance	1,757,964	1,175,951	625,987			1,801,939	102.5%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	8,020,112	2,201,251	1,232,883	0	0	3,434,134	42.8%
TOTAL	16,262,900	3,840,523	3,646,128	0	0	7,486,652	46.0%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Self-generated revenues are at 80% of budget and include some spring tuition/fees. Expenditures by Category and Expenditure by Function are as anticipated for summer and fall semester combined activity. Revenues collected include summer, fall, and spring tuition and fees, state general fund support, and state statutory dedicated funds from the state's overcollections fund. Salaries budgeted include \$1,395,053 in unallotted expenditures for unrealized increased enrollment.

Expenditures by Category are at 46% of budget as anticipated at the end of the second quarter. Professional Services, Other Charges, and General Acquisitions expenditures are over original budget due to significant enrollment management endeavors implemented to increase enrollment and student retention. Budgeted funds will be moved to cover these overages in the third and fourth quarters. The budget for general acquisitions includes \$35,000 budgeted for Library Books and \$292,426 for non-recurring deferred maintenance or general operations expenditures.

Expenditures by Function are at 49% of budget as anticipated at the end of the second quarter. Scholarships are at 53% of budget as anticipated at the end of summer and fall scholarship distribution. Plant Operations and Maintenance is at 103% of budget since the interagency transfers for the Office of Risk Management insurance payments of \$706,362 are due at the beginning of the fiscal year. Some building operations expenditures for the second quarter will be charged to the new restricted building use fee once spring enrollment revenues are confirmed.

Overview of Restricted Funds

Campus: Louisiana State University Alexandria

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	709,547	435,142	320,400			755,542	106.5%
Sales and Services of Educational Activities	133,812	34,037	41,792			75,829	56.7%
Auxiliaries (List)							
1. LSUA Athletic Dept	293,000	271,250	161,434			432,684	147.7%
2. LSUA Bookstore	175,000	29,391	43,652			73,043	41.7%
3. LSUA Child Care Center	190,000	45,250	40,456			85,706	45.1%
4. LSUA Campus Housing	40,600	83,315	25,297			108,612	267.5%
5. LSUA Campus Card Operations	13,500	0	0			0	0.0%
6. LSUA Duplications & Copy	124,000	23,247	12,516			35,764	28.8%
7. LSUA Golf Course	148,000	49,168	17,832			67,001	45.3%
8. LSUA Museum	272,000	80,000	80,000			160,000	58.8%
9. LSUA Newspaper	4,000	2,312	1,396			3,708	92.7%
10. LSUA Parking, Street & Safety	158,700	95,252	25,287			120,539	76.0%
11. LSUA Union	743,000	313,281	171,548			484,829	65.3%
12. LSUA Yearbook	11,200	6,164	2,932			9,096	81.2%
Endowment Income	7,046	5,794	11,172			16,967	240.8%
Grants and Contracts							
Federal	4,177,187	1,981,671	128,026			2,109,697	50.5%
State and Local	756,308	15,587	173,339			188,926	25.0%
Private	25,198	38,313	5,667			43,979	174.5%
Indirect Cost Recovered	3,046	48	171			219	7.2%
Gifts	463,274	167,095	89,412			256,507	55.4%
Federal Funds						0	
Hospitals							
All Other Sources	16,850	591	0			591	3.5%
TOTAL	8,465,267	3,676,907	1,352,329	0	0	5,029,237	59.4%

Report on Restricted Budget

Second quarter restricted revenues for LSUA auxiliary services are at 59% of budgeted revenue and include mandatory student fee receipts for summer, fall, and some spring registration. The remainder of fees will not be collected until the third quarter. The bookstore revenue is collected from the bookstore vendor, Follette, on a monthly basis. The child care center receives parent paid tuition on a weekly basis. Campus card operation revenue, endowment income, and indirect costs recovered are not posted until the fourth quarter.

Overview of Restricted Operations

Campus: Louisiana State University Alexandria

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0		0
Restricted Fees	274,811	435,142	573,653	136,300	320,400	367,333	89,367		0		89,367		89,367
Sales & Svcs of Educ. Activ's	147,006	34,037	8,918	172,125	41,792	29,140	184,777		0		184,777		184,777
Auxiliaries (List)													
1. LSU Athletic Dept	(14,592)	271,250	90,760	165,897	161,434	75,837	251,495		0		251,495		251,495
2. LSU Bookstore	771,062	29,391	3,043	797,409	43,652	26,945	814,117		0		814,117		814,117
3. LSU Child Care Center	83,215	45,250	43,890	84,574	40,456	62,374	62,656		0		62,656		62,656
4. LSU Campus Housing	(62,939)	83,315	32,053	(11,677)	25,297	37,371	(23,751)		0		(23,751)		(23,751)
5. LSU Campus Card Operations	2,662	0	9,466	(6,804)	0	7,266	(14,070)		0		(14,070)		(14,070)
6. LSU Duplications & Copy	260,569	23,247	18,652	265,164	12,516	20,927	256,753		0		256,753		256,753
7. LSU Golf Course	177,973	49,168	51,520	175,622	17,832	31,070	162,385		0		162,385		162,385
8. LSU Museum	53,688	80,000	77,779	55,909	80,000	83,743	52,166		0		52,166		52,166
9. LSU Newspaper	87,513	2,312	1,660	88,164	1,396	6,120	83,441		0		83,441		83,441
10. LSU Parking, Street & Safety	(90,029)	95,252	29,322	(24,099)	25,287	22,816	(21,628)		0		(21,628)		(21,628)
11. LSU Union	235,161	313,281	89,215	459,228	171,548	480,346	150,430		0		150,430		150,430
12. LSU Yearbook	25,226	6,164	40	31,350	2,932	336	33,946		0		33,946		33,946
Endowment Income	228,255	5,794	5,794	228,255	11,172	11,172	228,255		0		228,255		228,255
Grants and Contracts													
Federal	(7,335)	1,981,671	2,019,854	(45,518)	128,026	85,655	(3,147)		0		(3,147)		(3,147)
State and Local	5,647	15,587	157,492	(136,258)	173,339	171,572	(134,492)		0		(134,492)		(134,492)
Private	13,229	38,313	2,382	49,160	5,667	4,636	50,191		0		50,191		50,191
Indirect Cost Recovered	103,785	48	0	103,833	171	0	104,004		0		104,004		104,004
Gifts	59,044	167,095	84,026	142,112	89,412	82,079	149,445		0		149,445		149,445
Federal Funds	0	0		0	0	0	0		0		0		0
Hospitals													
All Other Sources	232,227	591		232,819	0	0	232,819		0		232,819		232,819
TOTAL	2,586,179	3,676,907	3,299,521	2,963,566	1,352,329	1,606,738	2,709,157	0	0	2,709,157	0	0	2,709,157

Report on Restricted Operations

Second quarter restricted operations are as anticipated. Some variances are anticipated in subsequent quarters as the athletic department finalizes preparations for increased enrollment from student athletes for Fall 2014. The second quarter expenditures for Restricted Operations were \$1,262,796 without federal and state or local grant and contract expenditures. The fund balance increased due to fall and some spring semester collections.

LSU EUNICE
FY 2013-14 QUARTERLY BUDGET NARRATIVE
FOR THE QUARTER ENDING DECEMBER 31, 2013

For the 2nd Quarter of FY 2013-14, with a state allocation of \$1,004,955, a statutory dedication of \$220,119, and a self-generated revenue of \$2,429,847 (primarily representing receipts for Spring 2014) the total revenue achieved was \$3,654,922. Of this sum, self-generated revenues (primarily student tuition and fees) made-up nearly 67% of the total. Moreover, the 2nd Quarter revenue (\$3,654,922), together with the 1st Quarter receipts of \$5,248,051 represented, essentially, 70% or \$8,902,973 of the campus' FY 2013-2014 budget (\$12,793,598) which was down for this year when compared to the 75.9% cumulative total achieved at the end of the 2nd Quarter in FY 2012-13—undoubtedly reflective of the drop in student headcount in the Fall 2013 semester and, consequently, the corresponding drop in total Student Credit Hours (SCH) generated. NB. In this regard, the Chancellor has organized an ad hoc Enrollment Committee to analyze and to generate recommendations/strategies that can be put into effect for Fall 2014 Recruitment. Along this line, the campus' Marketing/Public and External Relations Director has been conducting focus group interviews with students from area “feeder-high schools” so that issues and/or questions, identified by this ad hoc committee, and working in concert with the campus' administrative leadership, can have impact on LSUE's Fall 2014 marketing/recruiting effort which will take place this Spring (2014).

Hence, from the total revenue accrued to date (\$8,902,973), with total Personnel costs of \$4,689,534, and Total Operating Expenses of \$1,197,459, along with other charges of \$284,124 and acquisitions and major repairs and costs of \$43,920, the revenue over-expenditures remaining at this mid-year budgetary point is \$2,687,887. In this regard, it must be emphasized that \$338,025 of LSUE's projected total budget for this fiscal year (2013-14) came from a special allocation made by the state to the LSU System for “one-time expenditures” (\$266,224) which will be spent by the campus to provide all LSU Eunice full-time personnel with a one-time, 4% (total) salary allocation, beginning in January along with the balance of \$71,801 for maintenance and repairs. Hence, the actual sum available for LSU Eunice to operate this FY is \$12,455,573 or \$129,199 less (↓ 1.03%) than the total budget sum available to campus in FY 2012-13.

Therefore, with an actual, projected, Operating Budget amount of \$12,455,573; and with the current expenditures of \$6,215,086, it appears that essentially 50% (49.898%) of the anticipated revenue has been expended, to date, at this “mid-point” in LSUE's FY 2013-14 Budget Cycle. Obviously, it follows, then, that based upon the final self-generated revenues accrued for Spring 2014, the campus will be able to determine whether third and/or fourth quarter cuts in projected expenditures will be necessary in order to, ultimately, bring Fiscal Year's 2013-14 budget “in-on-balance”.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	2,722,468	1,553,822	1,004,955	0	0	2,558,778
Statutory Dedications	2,541,293	382,163	220,119	0	0	602,282
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	7,529,837	3,312,066	2,429,847	0	0	5,741,913
Federal Funds	0	0	0	0	0	0
Total Revenues	12,793,598	5,248,051	3,654,922	0	0	8,902,973
Expenditures by Object:						
Personal Services	10,758,532	1,977,126	2,712,408	0	0	4,689,534
Operating Expenses	1,513,029	865,620	331,839	0	0	1,197,458
Other Charges	465,711	238,777	64,405	0	0	303,182
Acquisitions and Major Repairs	56,326	766	24,145	0	0	24,911
Total Expenditures	12,793,598	3,082,289	3,132,797	0	0	6,215,086
Expenditures by Function:						
Academic Expenditures	5,021,656	1,231,905	1,984,333	0	0	3,216,237
Non-Academic Expenditures	7,771,942	1,850,384	1,148,464	0	0	2,998,848
Total Expenditures	12,793,598	3,082,289	3,132,797	0	0	6,215,086

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	472,121	641,098	673,296	673,296	673,296
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	2,440,455	2,793,118	2,583,588	2,583,588	2,583,588
Endowment Income	74,370	74,120	74,120	74,120	74,120
Grants and Contracts	13,595	431,330	365,369	365,369	365,369
Indirect Cost Recovered	371,775	380,016	385,064	385,064	385,064
Gifts	11,936	13,125	46,737	46,737	46,737
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	3,821	3,821	3,821	3,821	3,821
TOTAL	3,388,074	4,336,627	4,131,994	4,131,994	4,131,994

Overview and Analysis of Campus Operations

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Operating Budget Development

Campus: Louisiana State University Eunice Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	2,722,468					2,722,468	0.0%
Statutory Dedications	2,541,293					2,541,293	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	7,529,837					7,529,837	0.0%
Federal Funds						0	
Total Revenues	12,793,598	0	0	0	0	12,793,598	0.0%
Expenditures by Object:							
Salaries	7,108,420					7,108,420	0.0%
Other Compensation	82,394					82,394	0.0%
Related Benefits	3,567,718					3,567,718	0.0%
Total Personal Services	10,758,532	0	0	0	0	10,758,532	0.0%
Travel	66,474					66,474	0.0%
Operating Services	1,076,978					1,076,978	0.0%
Supplies	377,903		(8,326)			369,577	-2.2%
Total Operating Expenses	1,521,355	0	(8,326)	0	0	1,513,029	-0.5%
Professional Services	62,735					62,735	0.0%
Other Charges	402,976					402,976	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	465,711	0	0	0	0	465,711	0.0%
General Acquisitions	48,000		8,326			56,326	17.3%
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	48,000	0	8,326	0	0	56,326	17.3%
Total Expenditures	12,793,598	0	0	0	0	12,793,598	0.0%
Expenditures by Function:							
Instruction	4,599,789					4,599,789	0.0%
Research						0	
Public Service						0	
Academic Support (Includes Library)	421,867					421,867	0.0%
Academic Expenditures Subtotal	5,021,656	0	0	0	0	5,021,656	0.0%
Student Services	721,958					721,958	0.0%
Institutional Support	5,306,130					5,306,130	0.0%
Scholarships/Fellowships	347,466					347,466	0.0%
Plant Operations/Maintenance	1,396,388					1,396,388	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	7,771,942	0	0	0	0	7,771,942	0.0%
Total Expenditures	12,793,598	0	0	0	0	12,793,598	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

Louisiana State University Eunice

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Second quarter budget adjustment-new account was setup to account for matched funds required by a grant.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Eunice

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	2,722,468	1,553,822	1,004,955			2,558,778	94.0%
Statutory Dedications	2,541,293	382,163	220,119			602,282	23.7%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	7,529,837	3,312,066	2,429,847			5,741,913	76.3%
Federal Funds	0					0	
TOTAL	12,793,598	5,248,051	3,654,922	0	0	8,902,973	69.6%
Expenditures							
by Category							
Salaries	7,108,420	1,288,417	1,836,465			3,124,882	44.0%
Other Compensation	82,394	12,633	24,005			36,639	44.5%
Related Benefits	3,567,718	676,076	851,937			1,528,013	42.8%
Total Personal Services	10,758,532	1,977,126	2,712,408	0	0	4,689,534	43.6%
Travel	66,474	5,584	16,695			22,279	33.5%
Operating Services	1,076,978	597,662	258,458			856,120	79.5%
Supplies	369,577	262,374	56,685			319,059	86.3%
Total Operating Expenses	1,513,029	865,620	331,839	0	0	1,197,458	79.1%
Professional Services	62,735	8,725	10,333			19,058	30.4%
Other Charges	402,976	230,052	54,072			284,125	70.5%
Debt Services	0		0			0	
Interagency Transfers	0		0			0	
Total Other Charges	465,711	238,777	64,405	0	0	303,182	65.1%
General Acquisitions	56,326	425	1,450			1,875	3.3%
Library Acquisitions	0	342	22,695			23,036	
Major Repairs	0		0			0	
Total Acquisitions and Major Repairs	56,326	766	24,145	0	0	24,911	44.2%
TOTAL	12,793,598	3,082,289	3,132,797	0	0	6,215,086	48.6%
by Function							
Instruction	4,599,789	1,075,700	1,837,201			2,912,902	63.3%
Research	0		0			0	
Public Service	0		0			0	
Academic Support (Includes Library)	421,867	156,204	147,132			303,336	71.9%
Academic Expenditures Subtotal	5,021,656	1,231,905	1,984,333	0	0	3,216,237	64.0%

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Eunice

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Student Services	721,958	260,736	235,011			495,747	68.7%
Institutional Support	5,306,130	854,394	388,307			1,242,701	23.4%
Scholarships/Fellowships	347,466	199,711	47,979			247,690	71.3%
Plant Operations/Maintenance	1,396,388	535,543	477,167			1,012,710	72.5%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	7,771,942	1,850,384	1,148,464	0	0	2,998,848	38.6%
TOTAL	12,793,598	3,082,289	3,132,797	0	0	6,215,086	48.6%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Overview of Restricted Funds

Campus: Louisiana State University Eunice

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	577,930	363,837	211,854			575,691	99.6%
Sales and Services of Educational Activities	(4,146)	0				0	0.0%
Auxiliaries (List)							
1 Athletics	548,299	248,173	172,998			421,171	76.8%
2 Bookstore	1,736,434	855,062	36,977			892,039	51.4%
3 Newspaper	8,000	4,195	2,549			6,745	84.3%
4 Union	150,832	95,679	63,889			159,569	105.8%
Endowment Income	15,166	1,133	3,725			4,858	32.0%
Grants and Contracts							
Federal	5,405,674	2,188,895	288,347			2,477,243	45.8%
State and Local	667,957	464,499	74,432			538,931	80.7%
Private	19,838	3,600	0			3,600	18.1%
Indirect Cost Recovered	36,186	8,241	5,048			13,289	36.7%
Gifts	163,128	47,135	51,229			98,364	60.3%
Federal Funds						0	
Hospitals							
All Other Sources	857	0	0			0	0.0%
TOTAL	9,326,154	4,280,451	911,048	0	0	5,191,499	55.7%

Report on Restricted Budget

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Overview of Restricted Operations

Campus: **Louisiana State University Eunice**

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0	0		0	
Restricted Fees	472,121	363,837	194,860.57	641,098	211,854	179,656	673,296	0	673,296	0		673,296	
Sales & Svcs of Educ. Activ's	0	0	0.00	0	0		0		0	0		0	
Auxiliaries (List)													
1 Athletics	(128,150)	248,173	129,453.30	(9,430)	172,998	117,794	45,773	0	45,773	0		45,773	
2 Bookstore	1,996,073	855,062	693,011.16	2,158,124	36,977	334,133	1,860,967	0	1,860,967	0		1,860,967	
3 Newspaper	111,739	4,195	2,655.32	113,279	2,549	8,261	107,568	0	107,568	0		107,568	
4 Union	460,794	95,679	25,327.97	531,145	63,889	25,755	569,280	0	569,280	0		569,280	
Endowment Income	74,370	1,133	1,382.54	74,120	3,725	3,725	74,120	0	74,120	0		74,120	
Grants and Contracts													
Federal	(28,068)	2,188,895	2,184,359.06	(23,532)	288,347	295,940	(31,124)	0	(31,124)	0		(31,124)	
State and Local	2,247	464,499	53,491.07	413,255	74,432	131,887	355,799	0	355,799	0		355,799	
Private	39,416	3,600	1,409.75	41,607	0	913	40,693	0	40,693	0		40,693	
Indirect Cost Recovered	371,775	8,241	0.00	380,016	5,048	0	385,064	0	385,064	0		385,064	
Gifts	11,936	47,135	45,946.34	13,125	51,229	17,617	46,737	0	46,737	0		46,737	
Federal Funds		0	0.00	0	0	0	0	0	0	0		0	
Hospitals													
All Other Sources	3,821	0	0.00	3,821	0	0	3,821	0	3,821	0		3,821	
TOTAL	3,388,074	4,280,451	3,331,897.08	4,336,627	911,048	1,115,682	4,131,994	0	0	4,131,994	0	0	4,131,994

Report on Restricted Operations



**LSU Health Sciences Center New Orleans
Executive Summary
FY 2013-2014 Quarterly Report on the Budget – 2nd Quarter Activities**

The Fiscal Year 2013-2014 appropriation for the LSU Health Sciences Center in New Orleans Campus is \$170,177,707. The cumulative impact of unfunded mandates for employer contributions to health insurance, retirement and other costs that have been absorbed since FY 2008-2009 is \$18.5 million.

We continue to monitor and evaluate actions we took to manage funding reductions that were outlined in the Chancellor's Narrative for the 2013-2014 Operating Budget:

Threats

- Continued increases in employer contributions to retirement and health insurance.
- The impact of the federal spending and debt debate on support for sponsored research.
- Uncertainty from the impact of the Affordable Care Act on reimbursements from all healthcare payers for patient care and graduate medical education.

Mechanisms for Coping with Threats

- Revenue Generation
 - Emphasis on creating and enhancing alternative 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. We have sought and expanded relationships and affiliations with private and not-for-profit health care entities. We anticipate over \$20 million in new clinical revenue from contracts this fiscal year.
- Cost Containment
 - We have a hiring freeze in place where we are limiting new hires to critical needs mainly in the areas of instruction, patient care, and sponsored research.
 - We continue to curtail expenditures for travel, professional services, and acquisitions as much as possible. We have a freeze on non-essential out-of-state travel that is not funded by extramural sources.

Unrestricted Operations

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

- Revenues

- State General Funds have been drawn down at an accelerated rate fiscal year to date.
- Statutory Dedications Revenue- Are derived from tobacco taxes dedicated to the Louisiana Cancer Consortium for research and smoking cessation, the Overcollections Fund, and the SELF fund for past faculty pay plans. Through December 31, 2013:
 - 32% of the Tobacco Tax revenues had been realized.
 - 12% of the Overcollections Fund had been realized; and
 - 38% of the SELF fund has been collected.
- Self-Generated Revenue- There are four major components to this means of financing: student tuition and fees; contracts with Louisiana Children's Medical Center for LSU Interim Hospital in New Orleans, Our Lady of the Lake in Baton Rouge, and Lafayette General for University Medical Center in Lafayette; Sales and Services of Educational Departments (primarily the Dental Student and Resident Clinics); and other sources.
 - Year to date reflects tuition and fees collected for the late summer 2013 semester, fall 2013 semester, spring 2014 semester and for M.D. and D.D.S. students who are assessed tuition and fees on an annual basis.
 - The \$38.4 million in revenues from the hospital contracts are overstated as the revenue and expenditures for patient services and graduate medical education at these facilities are reflected under restricted private grants and contracts

- Expenditures

- Salaries and Related Benefits- Lags well below budget due to the overstatement of hospital contract budgets.
- Other Compensation, Travel and General Acquisitions are well above 50% of the budget. Adjustments will be made during the third quarter.
- Debt Service- One scheduled payment was made in October and the balance is due in April 2014.
- Library Acquisitions- Are largely front loaded due to the timing of renewals of journal and database subscriptions.
- Instruction- Lags well below budget due to the overstatement of hospital contract budgets.
- Research Expenditures and Public Service Expenditures (Other Charges) - A significant portion of expenditures budgeted in these two functions are for pass-through's to the Cancer Consortium for research and smoking cessation. As those tobacco tax revenues increase, research and public service expenditures will increase proportionately. This also impacts the expenditure category of Other Charges, where these pass through expenditures are classified.

- Scholarships/Fellowships Expenditures-For the same reasons as noted in Self-Generated Revenue regarding tuition and fee collection, most scholarship/fellowship expenses occur in the first quarter.

Restricted Operations

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

- Current balances by source are adequate for cash flow and operations.
- The quarterly report excludes projects we maintain on behalf of the HCSD and FEMA/ORM related activity for project worksheets and contents replacement.
- Historically, there has been a significant lag between expenditures and revenues until the fourth quarter of the fiscal year. This is due to a number of factors:
 - For cost reimbursable grants and contracts, which are the majority of our sponsored project universe, there is a lag of one month between expenditures and revenues. For example, billing for grant and contract revenues in relation to December expenditures are not posted until January. Catch up is not made until the final accounting period of June.
 - We have executed contracts with Louisiana Children's' Medical Center for LSU Interim Hospital in New Orleans, Our Lady of the Lake in Baton Rouge, and Lafayette General for University Medical Center in Lafayette. However, we continue to work on issues with documentation in relation to billing for services under these agreements.
 - Some contracts have not yet been executed and, as a result, are not generating revenue at this time.
 - As was the case with unrestricted tuition and fees, restricted student fees are front-loaded. It comprises fees collected for the late summer 2013 semester, fall 2013 semester, spring 2014 semester and for M.D. and D.D.S. students who are assessed tuition and fees on an annual basis.
- There is a significant increase in gifts as a result of funds raised by the foundation to support the School of Graduate Studies and the recruitment of a director for the Cardiovascular Center of Excellence.
- Revenues for All Other Sources are inflated by non-recurring revenues we received from the IRS FICA Refund Project.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	41,249,864	17,601,639	20,918,473			38,520,112
Statutory Dedications	50,941,898	311,798	10,244,746			10,556,544
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Interagency Transfers - Federal Stimulus	0	0	0			0
Self Generated Revenues	77,985,945	32,427,103	6,316,999			38,744,102
Federal Funds	0	0	0			0
Total Revenues	170,177,707	50,340,539	37,480,218			87,820,757
Expenditures by Object:						
Personal Services	120,549,540	19,671,883	21,916,256			41,588,138
Operating Expenses	16,511,396	3,925,671	3,477,909			7,403,580
Other Charges	29,936,902	3,888,560	6,057,467			9,946,027
Acquisitions and Major Repairs	3,179,869	600,876	1,977,334			2,578,210
Total Expenditures	170,177,707	28,086,990	33,428,965			61,515,956
Expenditures by Function:						
Academic Expenditures	126,176,185	17,140,374	24,181,546			41,321,920
Non-Academic Expenditures	44,001,522	10,946,616	9,247,420			20,194,036
Total Expenditures	170,177,707	28,086,990	33,428,965			61,515,956

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0		
Restricted Fees	2,791,549	3,960,864	3,622,967		
Sales and Services of Educational Activities	1,228,958	347,348	4,325,328		
Auxiliaries	2,673,176	5,858,431	5,203,199		
Endowment Income	1,395,878	1,307,549	1,260,754		
Grants and Contracts	51,079,197	15,591,909	28,148,456		
Indirect Cost Recovered	13,538,651	11,357,624	8,306,645		
Gifts	270,382	130,401	3,241,391		
Federal Funds	0	0	0		
Hospitals	17,602,197	17,186,811	15,902,631		
All Other Sources	4,483,824	3,049,279	9,833,071		
TOTAL	95,063,811	58,790,216	71,930,388	71,930,388	71,930,388

Overview and Analysis of Campus Operations

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Operating Budget Development

Campus: Budget Adjustments

LSUHSC New Orleans

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	41,249,864					41,249,864	0.0%
Statutory Dedications	50,941,898					50,941,898	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Interagency Transfers - Federal Stimulus						0	
Self Generated Revenues	77,985,945					77,985,945	0.0%
Federal Funds						0	
Total Revenues	170,177,707	0	0	0	0	170,177,707	0.0%
Expenditures by Object:							
Salaries	94,244,367					94,244,367	0.0%
Other Compensation	1,225,609					1,225,609	0.0%
Related Benefits	25,079,564					25,079,564	0.0%
Total Personal Services	120,549,540	0	0	0	0	120,549,540	0.0%
Travel	220,574					220,574	0.0%
Operating Services	12,631,952					12,631,952	0.0%
Supplies	3,658,870					3,658,870	0.0%
Total Operating Expenses	16,511,396	0	0	0	0	16,511,396	0.0%
Professional Services	1,629,558					1,629,558	0.0%
Other Charges	21,421,151					21,421,151	0.0%
Debt Services	73,808					73,808	0.0%
Interagency Transfers	6,812,385					6,812,385	0.0%
Total Other Charges	29,936,902	0	0	0	0	29,936,902	0.0%
General Acquisitions	134,159					134,159	0.0%
Library Acquisitions	1,872,495					1,872,495	0.0%
Major Repairs	1,173,215					1,173,215	0.0%
Total Acquisitions and Major Repairs	3,179,869	0	0	0	0	3,179,869	0.0%
Total Expenditures	170,177,707	0	0	0	0	170,177,707	0.0%
Expenditures by Function:							
Instruction	90,983,403					90,983,403	0.0%
Research	16,626,329					16,626,329	0.0%
Public Service	6,711,134					6,711,134	0.0%
Academic Support (Includes Library)	11,855,319					11,855,319	0.0%
Academic Expenditures Subtotal	126,176,185	0	0	0	0	126,176,185	
Student Services	2,760,847					2,760,847	0.0%
Institutional Support	14,129,946					14,129,946	0.0%
Scholarships/Fellowships	3,989,297					3,989,297	0.0%
Plant Operations/Maintenance	23,047,624					23,047,624	0.0%
Hospital						0	
Transfers out of agency	73,808					73,808	0.0%
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	44,001,522	0	0	0	0	44,001,522	0.0%
Total Expenditures	170,177,707	0	0	0	0	170,177,707	0.0%

Operating Budget Development

Campus:

LSUHSC New Orleans

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

No adjustments were made during the first or second quarters.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC New Orleans**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	41,249,864	17,601,639	20,918,473			38,520,112	93.4%
Statutory Dedications	50,941,898	311,798	10,244,746			10,556,544	20.7%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	0	0	0			0	
Interagency Transfers - Federal Stimu	0	0	0			0	
Self Generated Revenues	77,985,945	32,427,103	6,316,999			38,744,102	49.7%
Federal Funds	0	0	0			0	
TOTAL	170,177,707	50,340,539	37,480,218	0	0	87,820,757	51.6%
Expenditures							
by Category							
Salaries	94,244,367	14,335,419	15,064,980			29,400,399	31.2%
Other Compensation	1,225,609	351,063	413,420			764,483	62.4%
Related Benefits	25,079,564	4,985,401	6,437,856			11,423,256	45.5%
Total Personal Services	120,549,540	19,671,883	21,916,256	0	0	41,588,138	34.5%
Travel	220,574	44,548	90,152			134,699	61.1%
Operating Services	12,631,952	3,063,280	2,426,372			5,489,653	43.5%
Supplies	3,658,870	817,843	961,385			1,779,228	48.6%
Total Operating Expenses	16,511,396	3,925,671	3,477,909	0	0	7,403,580	44.8%
Professional Services	1,629,558	160,270	159,992			320,262	19.7%
Other Charges	21,421,151	1,766,784	5,879,576			7,646,360	35.7%
Debt Services	73,808	0	17,899			17,899	24.3%
Interagency Transfers	6,812,385	1,961,506	0			1,961,506	28.8%
Total Other Charges	29,936,902	3,888,560	6,057,467	0	0	9,946,027	33.2%
General Acquisitions	134,159	167,107	168,542			335,649	250.2%
Library Acquisitions	1,872,495	357,749	1,343,116			1,700,865	90.8%
Major Repairs	1,173,215	76,020	465,676			541,696	46.2%
Total Acquisitions and Major Repairs	3,179,869	600,876	1,977,334	0	0	2,578,210	81.1%
TOTAL	170,177,707	28,086,990	33,428,965	0	0	61,515,956	36.1%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC New Orleans**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
by Function							
Instruction	90,983,403	12,962,485	13,323,535			26,286,020	28.9%
Research	16,626,329	1,347,871	4,674,094			6,021,965	36.2%
Public Service	6,711,134	0	2,147,406			2,147,406	32.0%
Academic Support (Includes Library)	11,855,319	2,830,018	4,036,510			6,866,528	57.9%
Academic Expenditures Subtotal	126,176,185	17,140,374	24,181,546	0	0	41,321,920	32.7%
Student Services	2,760,847	692,245	717,170			1,409,415	51.1%
Institutional Support	14,129,946	3,365,172	3,443,153			6,808,325	48.2%
Scholarships/Fellowships	3,989,297	1,574,541	315,242			1,889,782	47.4%
Plant Operations/Maintenance	23,047,624	5,314,658	4,753,956			10,068,613	43.7%
Hospital	0	0	0			0	
Transfers out of agency	73,808	0	17,899			17,899	24.3%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	44,001,522	10,946,616	9,247,420	0	0	20,194,036	45.9%
TOTAL	170,177,707	28,086,990	33,428,965			61,515,956	36.1%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Please see the attached executive summary.

Overview of Restricted Funds

Campus: LSUHSC New Orleans

Actual Revenues/Transfers for each Quarter							
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees	1,766,949	1,393,229	330,167			1,723,396	97.5%
Sales and Services of Educational Activities	5,405,714	277,165	1,498,036			1,775,201	32.8%
Auxiliaries (List)							
1 Bookstore	6,537,000	3,302,502	911,719			4,214,221	64.5%
2 Cafeteria	65,000	3,044	16,521			19,565	30.1%
3 Student Housing	2,053,100	513,084	466,068			979,152	47.7%
4 Parking	1,482,000	538,048	225,786			763,833	51.5%
5 HSC Stores	4,292,000	1,111,738	480,792			1,592,530	37.1%
6						0	
7						0	
8						0	
9						0	
10						0	
11						0	
12						0	
13						0	
14						0	
15						0	
Endowment Income	722,900	86,730	167,948			254,678	35.2%
Grants and Contracts							
Federal	38,698,000	6,819,757	7,454,270			14,274,027	36.9%
State and Local	16,323,000	599,654	3,241,715			3,841,369	23.5%
Private	187,510,995	19,040,984	66,898,325			85,939,309	45.8%
Indirect Cost Recovered	18,909,000	2,638,707	2,825,419			5,464,126	28.9%
Gifts	1,488,793	219,781	1,457,782			1,677,564	112.7%
Federal Funds						0	
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans	6,369,248	1,259,041	1,684,594			2,943,635	46.2%
Medicare						0	
Medicaid						0	
Uncompensated Care Costs (UCC)						0	
All Other Sources	2,118,500	61,586	8,222,428			8,284,015	391.0%
TOTAL	293,742,199	37,865,051	95,881,570	0	0	133,746,622	45.5%

Overview of Restricted Funds

Campus: LSUHSC New Orleans

Report on Restricted Budget

No adjustments have been made to the restricted budget during the first or second quarters.

Overview of Restricted Operations

Campus: LSUHSC New Orleans

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2012-13	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fees	2,791,549	1,393,229	223,914	3,960,864	330,167	668,063	3,622,967	0	3,622,967	0		3,622,967	
Sales & Svcs of Educ. Activ's	1,228,958	277,165	1,158,775	347,348	1,498,036	2,723,254	(877,870)	0	(877,870)	0		(877,870)	
Auxiliaries (List)													
1 Bookstore	(1,583,784)	3,302,502	1,478,507	240,211	911,719	1,361,862	(209,932)	0	(209,932)	0		(209,932)	
2 Cafeteria	84,368	3,044	(25,084)	112,496	16,521	13,447	115,571	0	115,571	0		115,571	
3 Student Housing	266,573	513,084	277,671	501,985	466,068	354,814	613,240	0	613,240	0		613,240	
4 Parking	2,910,628	538,048	191,788	3,256,887	225,786	241,283	3,241,391	0	3,241,391	0		3,241,391	
5 HSC Stores	995,390	1,111,738	360,277	1,746,852	480,792	784,713	1,442,930	0	1,442,930	0		1,442,930	
6	0	0	0	0	0	0	0	0	0	0		0	
7	0	0	0	0	0	0	0	0	0	0		0	
8	0	0	0	0	0	0	0	0	0	0		0	
9	0	0	0	0	0	0	0	0	0	0		0	
10	0	0	0	0	0	0	0	0	0	0		0	
11	0	0	0	0	0	0	0	0	0	0		0	
12	0	0	0	0	0	0	0	0	0	0		0	
13	0	0	0	0	0	0	0	0	0	0		0	
14	0	0	0	0	0	0	0	0	0	0		0	
15	0	0	0	0	0	0	0	0	0	0		0	
Endowment Income	1,395,878	86,730	175,059	1,307,549	167,948	214,743	1,260,754	0	1,260,754	0		1,260,754	
Grants and Contracts													
Federal	1,361,216	6,819,757	8,671,990	(491,017)	7,454,270	8,496,097	(1,532,844)	0	(1,532,844)	0		(1,532,844)	
State and Local	15,763,650	599,654	4,278,835	12,084,470	3,241,715	3,981,685	11,344,499	0	11,344,499	0		11,344,499	
Private	33,954,331	19,040,984	48,996,858	3,998,457	66,898,325	52,559,981	18,336,800	0	18,336,800	0		18,336,800	
Indirect Cost Recovered	13,538,651	2,638,707	4,819,734	11,357,624	2,825,419	5,876,398	8,306,645	0	8,306,645	0		8,306,645	
Gifts	270,382	219,781	359,762	130,401	1,457,782	1,057,648	530,535	0	530,535	0		530,535	
Federal Funds	0	0	0	0	0	0	0	0	0	0		0	
Hospitals													
Hospital - Commercial/Self-Pay		0	0	0	0	0	0	0	0	0		0	
Physician Practice Plans	17,602,197	1,259,041	1,674,428	17,186,811	1,684,594	2,968,774	15,902,631	0	15,902,631	0		15,902,631	
Medicare	0	0	0	0	0	0	0	0	0	0		0	
Medicaid	0	0	0	0	0	0	0	0	0	0		0	
Uncompensated Care Costs	0	0	0	0	0	0	0	0	0	0		0	
All Other Sources	4,483,824	61,586	1,496,131	3,049,279	8,222,428	1,438,636	9,833,071	0	9,833,071	0		9,833,071	
TOTAL	95,063,811	37,865,051	74,138,647	58,790,216	95,881,570	82,741,398	71,930,388	0	0	71,930,388	0	0	71,930,388

Report on Restricted Operations

Please see the attached executive summary.

**LSUHSC-S Operating Budget
HSC-S, EACMC, and HPLMC
Quarterly Financial Reporting Narrative
FY 2013-2014 as of December 31, 2013**

The original FY 2013-2014 LSU Health Shreveport, E.A. Conway Medical Center, and Huey P. Long Medical Center appropriated expenditure authority is as follows: LSU Health Shreveport Academics – 12 months and LSU Health Shreveport Hospital – 3 months; EACMC – 3 months; and HPLMC – 3 months.

LSU Health Shreveport

The original academic FY 2013-2014 operating budget appropriation of \$101,216,784 includes \$41,480,383 of self-generated one time funding. The LSU Health Shreveport Hospital budget of \$112,690,737 reflects spending authority for July 1, 2013 through September 30, 2013. Effective October 1, 2013, the LSU Health Shreveport Hospital transferred to BRFHH, LLC management. LSU Health Shreveport will contract with the BRFHH, LLC for faculty physician services as well as other services. The 3-month hospital budget includes \$2,339,157 for hospital employee state termination pay; which is approximately 35% of the projected costs. Other anticipated costs include hospital retiree health and retirement employer premiums. The LSU Health Shreveport Academics does not have spending authority and/or revenue to cover these expenditures.

E.A. Conway Medical Center in Monroe

The original FY 2013-2014 operating budget appropriation of \$18,293,582 reflects spending authority for July 1, 2013 through September 30, 2013. Effective October 1, 2013, the EACMC transferred to BRFHH, LLC management. The 3-month hospital budget includes \$1,008,172 for hospital employee state termination pay; which is approximately 50% of the projected costs. Other anticipated costs include hospital retiree health and retirement employer premiums. The LSU Health Shreveport Academic budget does not include spending authority and/or revenue to cover these expenditures associated with EACMC.

Huey P. Long Medical Center

The original FY 2013-2014 operating budget appropriation of \$11,535,382 reflects spending authority for July 1, 2013 through September 30, 2013. HPLMC leadership is in the process of finalizing the public/private partnership. In the meantime, discussions are underway regarding the necessary budget adjustments until the partnership is finalized.

Conclusion

Even though this reporting period is as of December 31, 2013, the attached quarterly reports currently reflect the financials before quarter end is officially closed. Due to the transition of the LSU Health Shreveport Hospital and E.A. Conway Medical Center to the BRFHH, LLC effective October 1, 2013, the official quarterly close will be delayed to accommodate the time needed for recording all the changes.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	20,423,374	9,327,552	10,952,628	0	0	20,280,180
Statutory Dedications	27,178,337	408,247	4,007,285	0	0	4,415,532
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	76,224,010	5,660,783	25,635,810	0	0	31,296,593
Self Generated Revenues	75,400,760	47,737,032	(42,552,896)	0	0	5,184,136
Federal Funds	14,681,040	17,310,531	(6,541,287)	0	0	10,769,244
Total Revenues	213,907,521	80,444,145	(8,498,460)	0	0	71,945,685
Expenditures by Object:						
Personal Services	120,678,969	63,544,044	44,102,783	0	0	107,646,827
Operating Expenses	71,462,298	27,868,595	7,808,013	0	0	35,676,608
Other Charges	19,270,739	4,732,241	1,484,147	0	0	6,216,388
Acquisitions and Major Repairs	2,495,515	166,667	863,429	0	0	1,030,096
Total Expenditures	213,907,521	96,311,547	54,258,372	0	0	150,569,919
Expenditures by Function:						
Academic Expenditures	72,920,955	16,637,926	21,312,945	0	0	37,950,871
Non-Academic Expenditures	140,986,566	79,673,621	32,945,427	0	0	112,619,048
Total Expenditures	213,907,521	96,311,547	54,258,372	0	0	150,569,919

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	918,402	1,055,917	1,082,189	0	0
Sales and Services of Educational Activities	30,601,881	21,179,492	33,668,272	0	0
Auxiliaries	12,785,734	13,518,619	13,241,884	0	0
Endowment Income	16,344,608	16,162,952	15,490,804	0	0
Grants and Contracts	17,017,746	12,250,885	10,473,501	0	0
Indirect Cost Recovered	10,872,961	10,622,434	9,417,438	0	0
Gifts	14,659	22,764	7,434	0	0
Federal Funds	0	0	0	0	0
Hospitals	68,582,675	67,739,858	67,286,403	0	0
All Other Sources	1,091,523	1,090,889	1,082,633	0	0
TOTAL	158,230,189	143,643,810	151,750,558	0	0

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes
 Quarter 1: (1) FY 13-14 Operating Budget only reflects Hospital spending authority for 1 quarter and Academic spending authority for the year; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, HSCS Hospital transitioned to the BRFH,LLC
 Quarter 2: (1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH,LLC

Operating Budget Development

Campus: Budget Adjustments

LSUHSC-Shreveport

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	20,343,446	79,928	0	0	0	20,423,374	0.4%
Statutory Dedications	27,178,337	0	0	0	0	27,178,337	0.0%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	76,224,010	0	0	0	0	76,224,010	0.0%
Self Generated Revenues	75,400,760	0	0	0	0	75,400,760	0.0%
Federal Funds	14,681,040	0	0	0	0	14,681,040	0.0%
Total Revenues	213,827,593	79,928	0	0	0	213,907,521	0.0%
Expenditures by Object:							
Salaries	77,538,197	(10,000)	33,538	0	0	77,561,735	0.0%
Other Compensation	7,507,623	0	0	0	0	7,507,623	0.0%
Related Benefits	35,567,778	27,000	14,833	0	0	35,609,611	0.1%
Total Personal Services	120,613,598	17,000	48,371	0	0	120,678,969	0.1%
Travel	75,075	22,500	9,050	0	0	106,625	42.0%
Operating Services	29,973,520	(278,841)	(341,134)	0	0	29,353,545	-2.1%
Supplies	41,931,511	(84,950)	155,567	0	0	42,002,128	0.2%
Total Operating Expenses	71,980,106	(341,291)	(176,517)	0	0	71,462,298	-0.7%
Professional Services	5,596,914	251,428	(186,425)	0	0	5,661,917	1.2%
Other Charges	2,663,256	65,500	98,265	0	0	2,827,021	6.1%
Debt Services	0	0	0	0	0	0	
Interagency Transfers	10,781,801	0	0	0	0	10,781,801	0.0%
Total Other Charges	19,041,971	316,928	(88,160)	0	0	19,270,739	1.2%
General Acquisitions	2,181,918	87,291	216,306	0	0	2,485,515	13.9%
Library Acquisitions	10,000	0	0	0	0	10,000	0.0%
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	2,191,918	87,291	216,306	0	0	2,495,515	13.9%
Total Expenditures	213,827,593	79,928	0	0	0	213,907,521	0.0%
Expenditures by Function:							
Instruction	38,429,403	8,909	50,000	0	0	38,488,312	0.2%
Research	24,560,362	64,002	0	0	0	24,624,364	0.3%
Public Service	1,860,763	0	0	0	0	1,860,763	0.0%
Academic Support (Includes Library)	7,997,516	0	(50,000)	0	0	7,947,516	-0.6%
Academic Expenditures Subtotal	72,848,044	72,911	0	0	0	72,920,955	0.1%
Student Services	1,305,595	0	0	0	0	1,305,595	0.0%
Institutional Support	21,103,389	(12,000)	0	0	0	21,091,389	-0.1%
Scholarships/Fellowships	1,255,941	0	0	0	0	1,255,941	0.0%
Plant Operations/Maintenance	4,608,887	0	0	0	0	4,608,887	0.0%
Hospital	112,690,737	0	(12,182)	0	0	112,678,555	0.0%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	15,000	19,017	12,182	0	0	46,199	208.0%
Non-Academic Expenditures Subtotal	140,979,549	7,017	0	0	0	140,986,566	0.0%
Total Expenditures	213,827,593	79,928	0	0	0	213,907,521	0.0%

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1:

(1) FY 13-14 Operating Budget only reflects Hospital spending authority for 1 quarter and Academic spending authority for the year; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) FY 13-14 1st quarter operating budget includes the BA-7 to carryforward the Peds - Nutrition and Autism funding and budget alignments to agree with projected expenditures; (4) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Report on changes to Significant Funding Issues

Quarter 1:

(1) FY 13-14 Operating Budget only reflects Hospital spending authority for 1 quarter and Academic spending authority for the year; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) FY 13-14 1st quarter operating budget includes the BA-7 to carryforward the Peds - Nutrition and Autism funding and budget alignments to agree with projected expenditures; (4) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC-Shreveport**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	20,423,374	9,327,552	10,952,628	0	0	20,280,180	99.3%
Statutory Dedications	27,178,337	408,247	4,007,285	0	0	4,415,532	16.2%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	76,224,010	5,660,783	25,635,810	0	0	31,296,593	41.1%
Self Generated Revenues	75,400,760	47,737,032	(42,552,896)	0	0	5,184,136	6.9%
Federal Funds	14,681,040	17,310,531	(6,541,287)	0	0	10,769,244	73.4%
TOTAL	213,907,521	80,444,145	(8,498,460)	0	0	71,945,685	33.6%
Expenditures							
by Category							
Salaries	77,561,735	42,997,889	28,268,962	0	0	71,266,851	91.9%
Other Compensation	7,507,623	4,982,498	6,361,503	0	0	11,344,001	151.1%
Related Benefits	35,609,611	15,563,657	9,472,318	0	0	25,035,975	70.3%
Total Personal Services	120,678,969	63,544,044	44,102,783	0	0	107,646,827	89.2%
Travel	106,625	5,056	12,742	0	0	17,798	16.7%
Operating Services	29,353,545	8,473,771	4,640,445	0	0	13,114,216	44.7%
Supplies	42,002,128	19,389,768	3,154,826	0	0	22,544,594	53.7%
Total Operating Expenses	71,462,298	27,868,595	7,808,013	0	0	35,676,608	49.9%
Professional Services	5,661,917	1,179,264	1,199,914	0	0	2,379,178	42.0%
Other Charges	2,827,021	582,853	159,274	0	0	742,127	26.3%
Debt Services	0	0	0	0	0	0	
Interagency Transfers	10,781,801	2,970,124	124,959	0	0	3,095,083	28.7%
Total Other Charges	19,270,739	4,732,241	1,484,147	0	0	6,216,388	32.3%
General Acquisitions	2,485,515	166,371	863,429	0	0	1,029,800	41.4%
Library Acquisitions	10,000	296	0	0	0	296	3.0%
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	2,495,515	166,667	863,429	0	0	1,030,096	41.3%
TOTAL	213,907,521	96,311,547	54,258,372	0	0	150,569,919	70.4%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC-Shreveport**

	Operating Budget 2013-14	Actual Amount for each Quarter				Cumulative Total 2013-14	% Actual to Budget 2013-14
		1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14		
by Function							
Instruction	38,488,312	8,911,386	14,887,379	0	0	23,798,765	61.8%
Research	24,624,364	4,970,831	4,321,509	0	0	9,292,340	37.7%
Public Service	1,860,763	463,270	402,365	0	0	865,635	46.5%
Academic Support (Includes Library)	7,947,516	2,292,439	1,701,692	0	0	3,994,131	50.3%
Academic Expenditures Subtotal	72,920,955	16,637,926	21,312,945	0	0	37,950,871	52.0%
Student Services	1,305,595	355,281	322,213	0	0	677,494	51.9%
Institutional Support	21,091,389	2,804,770	5,938,717	0	0	8,743,487	41.5%
Scholarships/Fellowships	1,255,941	469,261	618	0	0	469,879	37.4%
Plant Operations/Maintenance	4,608,887	1,119,937	1,337,002	0	0	2,456,939	53.3%
Hospital	112,678,555	74,917,355	25,322,695	0	0	100,240,050	89.0%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	46,199	7,017	24,182	0	0	31,199	67.5%
Non-Academic Expenditures Subtotal	140,986,566	79,673,621	32,945,427	0	0	112,619,048	79.9%
TOTAL	213,907,521	96,311,547	54,258,372	0	0	150,569,919	70.4%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1:

- (1) FY 13-14 Operating Budget only reflects Hospital spending authority for 1 quarter and Academic spending authority for the year; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Quarter 2:

- (1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

The total campus budget includes the schools and hospital. The appropriated budget for the schools is for 12 months and the hospital for 3 months. However, the cumulative expenditures for the campus reflected through December 2013 includes termination pay of \$8.2M and House Officer expenditures of \$10.5M, which is not fully reflected in the budget. Financial negotiations are currently underway with BRFH, LLC regarding the services of the residents to the Shreveport and Monroe hospitals. This agreement, along with others, will impact the actual expenditures reported for LSU Health Shreveport at fiscal year end.

Overview of Restricted Funds

Campus: LSUHSC-Shreveport

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations	0	0	0	0		0	
Restricted Fees	250,879	181,325	71,015	0	0	252,340	100.6%
Sales and Services of Educational Activities	75,124,947	13,127,092	35,789,484	0	0	48,916,576	65.1%
Auxiliaries							
Bookstores	1,512,000	387,063	249,270	0	0	636,333	42.1%
Cafeterias	3,892,000	961,884	586,593	0	0	1,548,477	39.8%
Computer Networking	600,000	166,294	111,713	0	0	278,007	46.3%
General Service Store	3,252,000	606,947	216,467	0	0	823,414	25.3%
Gift Shop	82,100	17,559	381	0	0	17,940	21.9%
Linwood Properties	0	486	2,175	0	0	2,661	
Microcomputers	380,000	340,336	29,940	0	0	370,276	97.4%
Parking	809,000	166,671	126,573	0	0	293,244	36.2%
Printing	450,600	97,770	23,610	0	0	121,380	26.9%
Rental Property	95,000	96,618	1,537	0	0	98,155	103.3%
Student Union	84,000	80,800	20,271	0	0	101,071	120.3%
Telcommunications	2,645,000	658,245	441,901	0	0	1,100,146	41.6%
Endowment Income	3,084,485	122,661	(58,319)	0	0	64,342	2.1%
Grants and Contracts							
Federal	14,020,725	261,634	2,335,283	0	0	2,596,917	18.5%
State and Local	18,231,956	2,711,653	2,839,471	0	0	5,551,124	30.4%
Private	19,300,109	3,206,723	3,605,277	0	0	6,812,000	35.3%
Indirect Cost Recovered	4,030,496	683,654	(99,913)	0	0	583,741	14.5%
Gifts	0	43,564	22,006	0	0	65,570	
Federal Funds	0	0	0	0	0	0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	
Physician Practice Plans	0	0	0	0	0	0	
Medicare	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	
Uncompensated Care Costs	0	0	0	0	0	0	
Sponsored Grants and Contracts	899,654	466,057	337,834	0	0	803,891	89.4%
Sales and Services Physicians & CRNAs	0	0	0	0	0	0	
Sales and Services Other	919,295	143,450	163,500	0	0	306,950	33.4%
All Other Sources	2,290,047	520	9,672	0	0	10,192	0.4%
TOTAL	151,954,293	24,529,006	46,825,741	0	0	71,354,747	47.0%

Overview of Restricted Funds

Campus: LSUHSC-Shreveport

Report on Restricted Budget

Quarter 1:

(1) FY 13-14 Estimated Revenues and Transfers only reflects hospital activity for 1 quarter and Academic activity for the year; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, HSCS Hospital transitioned to the BRFHH, LLC

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFHH, LLC

Overview of Restricted Operations

Campus: LSUHSC-Shreveport

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fees	918,402	181,325	43,810	1,055,917	71,015	44,743	1,082,189	0	0	1,082,189	0	0	1,082,189
Sales & Svcs of Educ. Activ's	30,601,881	13,127,092	22,549,481	21,179,492	35,789,484	23,300,704	33,668,272	0	0	33,668,272	0	0	33,668,272
Auxiliaries				0									
Bookstores	2,585,268	387,063	367,877	2,604,454	249,270	323,353	2,530,371	0	0	2,530,371	0	0	2,530,371
Cafeterias	3,710,384	961,884	683,383	3,988,885	586,593	425,890	4,149,588	0	0	4,149,588	0	0	4,149,588
Computer Networking	435,639	166,294	40,371	561,562	111,713	258,765	414,510	0	0	414,510	0	0	414,510
General Service Store	(256,382)	606,947	591,624	(241,059)	216,467	396,232	(420,824)	0	0	(420,824)	0	0	(420,824)
Gift Shop	23,982	17,559	14,886	26,655	381	4,114	22,922	0	0	22,922	0	0	22,922
Linwood Properties	1,003,916	486	0	1,004,402	2,175	0	1,006,577	0	0	1,006,577	0	0	1,006,577
Microsystems	(272,164)	340,336	307,168	(238,996)	29,940	12,684	(221,740)	0	0	(221,740)	0	0	(221,740)
Parking	356,630	166,671	246,410	276,891	126,573	74,680	328,784	0	0	328,784	0	0	328,784
Printing	871,059	97,770	74,288	894,541	23,610	59,619	858,532	0	0	858,532	0	0	858,532
Rental Property	624,637	96,618	5,639	715,616	1,537	6,283	710,870	0	0	710,870	0	0	710,870
Student Union	536,291	80,800	3,528	613,563	20,271	1,462	632,372	0	0	632,372	0	0	632,372
Telcommunications	3,166,474	658,245	512,614	3,312,105	441,901	524,084	3,229,922	0	0	3,229,922	0	0	3,229,922
Endowment Income	16,344,608	122,661	304,317	16,162,952	(58,319)	613,829	15,490,804	0	0	15,490,804	0	0	15,490,804
Grants and Contracts													
Federal	1,135,511	261,634	2,263,031	(865,886)	2,335,283	2,555,779	(1,086,382)	0	0	(1,086,382)	0	0	(1,086,382)
State and Local	1,756,840	2,711,653	4,455,313	13,180	2,839,471	3,916,022	(1,063,371)	0	0	(1,063,371)	0	0	(1,063,371)
Private	14,125,395	3,206,723	4,228,527	13,103,591	3,605,277	4,085,614	12,623,254	0	0	12,623,254	0	0	12,623,254
Indirect Cost Recovered	10,872,961	683,654	934,181	10,622,434	(99,913)	1,105,083	9,417,438	0	0	9,417,438	0	0	9,417,438
Gifts	14,659	43,564	35,459	22,764	22,006	37,336	7,434	0	0	7,434	0	0	7,434
Federal Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
Physician Practice Plans	0	0	0	0	0	0	0	0	0	0	0	0	0
Medicare	0	0	0	0	0	0	0	0	0	0	0	0	0
Medicaid	0	0	0	0	0	0	0	0	0	0	0	0	0
Uncompensated Care Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Sponsored Grants and Contracts	1,039,919	466,057	720,706	785,270	337,834	548,973	574,131	0	0	574,131	0	0	574,131
Sales and Services Physicians & CRNAs	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales and Services Other	67,542,756	143,450	731,618	66,954,588	163,500	405,816	66,712,272	0	0	66,712,272	0	0	66,712,272
All Other Sources	1,091,523	520	1,154	1,090,889	9,672	17,928	1,082,633	0	0	1,082,633	0	0	1,082,633
TOTAL	158,230,189	24,529,006	39,115,385	143,643,810	46,825,741	38,718,993	151,750,558	0	0	151,750,558	0	0	151,750,558

Quarter 1:

(1) FY 13-14 1st quarter amounts are final as of September 30, 2013; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, HSCS Hospital transitioned to the BRFH, LLC

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	0	336,056	0	0	0	336,056
Statutory Dedications	1,008,172	0	168,028	0	0	168,028
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	12,271,026	3,050,805	4,948,014	0	0	7,998,819
Self Generated Revenues	2,999,765	4,201,111	(5,953,682)	0	0	(1,752,571)
Federal Funds	2,014,619	2,336,161	(755,020)	0	0	1,581,141
Total Revenues	18,293,582	9,924,133	(1,592,660)	0	0	8,331,473
Expenditures by Object:						
Personal Services	11,110,490	8,536,896	4,336,106	0	0	12,873,002
Operating Expenses	3,182,799	3,342,824	782,787	0	0	4,125,611
Other Charges	4,000,293	855,789	2,469,891	0	0	3,325,680
Acquisitions and Major Repairs	0	232,407	20,521	0	0	252,928
Total Expenditures	18,293,582	12,967,916	7,609,305	0	0	20,577,221
Expenditures by Function:						
Academic Expenditures	0	0	0	0	0	0
Non-Academic Expenditures	18,293,582	12,967,916	7,609,305	0	0	20,577,221
Total Expenditures	18,293,582	12,967,916	7,609,305	0	0	20,577,221

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	0	0	0	0	0
Endowment Income	0	0	0	0	0
Grants and Contracts	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0
Gifts	0	0	0	0	0
Federal Funds	0	0	0	0	0
Hospitals	4,657,064	5,474,849	5,288,322	0	0
All Other Sources	0	0	0	0	0
TOTAL	4,657,064	5,474,849	5,288,322	0	0

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes

Quarter 1: (1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, EACMC transitioned to the BRFH,LLC.

Quarter 2: (1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFH,LLC.

Operating Budget Development

Campus: Budget Adjustments

E. A. Conway

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	0	0	0	0	0	0	
Statutory Dedications	1,008,172	0	0	0	0	1,008,172	0.0%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	12,271,026	0	0	0	0	12,271,026	0.0%
Self Generated Revenues	2,999,765	0	0	0	0	2,999,765	0.0%
Federal Funds	2,014,619	0	0	0	0	2,014,619	0.0%
Total Revenues	18,293,582	0	0	0	0	18,293,582	0.0%
Expenditures by Object:							
Salaries	7,888,218	0	0	0	0	7,888,218	0.0%
Other Compensation	405,800	0	0	0	0	405,800	0.0%
Related Benefits	2,816,472	0	0	0	0	2,816,472	0.0%
Total Personal Services	11,110,490	0	0	0	0	11,110,490	0.0%
Travel	2,058	0	0	0	0	2,058	0.0%
Operating Services	1,076,219	0	0	0	0	1,076,219	0.0%
Supplies	2,104,522	0	0	0	0	2,104,522	0.0%
Total Operating Expenses	3,182,799	0	0	0	0	3,182,799	0.0%
Professional Services	683,996	0	0	0	0	683,996	0.0%
Other Charges	0	0	0	0	0	0	
Debt Services	0	0	0	0	0	0	
Interagency Transfers	3,316,297	0	0	0	0	3,316,297	0.0%
Total Other Charges	4,000,293	0	0	0	0	4,000,293	0.0%
General Acquisitions	0	0	0	0	0	0	
Library Acquisitions	0	0	0	0	0	0	
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	0	0	0	0	0	0	
Total Expenditures	18,293,582	0	0	0	0	18,293,582	0.0%
Expenditures by Function:							
Instruction	0	0	0	0	0	0	
Research	0	0	0	0	0	0	
Public Service	0	0	0	0	0	0	
Academic Support (Includes Library)	0	0	0	0	0	0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services	0	0	0	0	0	0	
Institutional Support	0	0	0	0	0	0	
Scholarships/Fellowships	0	0	0	0	0	0	
Plant Operations/Maintenance	0	0	0	0	0	0	
Hospital	18,293,582	0	0	0	0	18,293,582	0.0%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	0	0	0	0	0	0	
Non-Academic Expenditures Subtotal	18,293,582	0	0	0	0	18,293,582	0.0%
Total Expenditures	18,293,582	0	0	0	0	18,293,582	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

E. A. Conway

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1:
(1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Quarter 2:
(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Report on changes to Significant Funding Issues

Quarter 1:
(1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Quarter 2:
(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Overview of Unrestricted Revenues and Expenditures

Campus: E. A. Conway

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	0	336,056	0	0	0	336,056	
Statutory Dedications	1,008,172	0	168,028	0	0	168,028	16.7%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	12,271,026	3,050,805	4,948,014	0	0	7,998,819	65.2%
Self Generated Revenues [see notes]	2,999,765	4,201,111	(5,953,682)	0	0	(1,752,571)	-58.4%
Federal Funds	2,014,619	2,336,161	(755,020)	0	0	1,581,141	78.5%
TOTAL	18,293,582	9,924,133	(1,592,660)	0	0	8,331,473	45.5%
Expenditures							
by Category							
Salaries	7,888,218	5,813,808	3,328,280	0	0	9,142,088	115.9%
Other Compensation	405,800	418,386	86,496	0	0	504,882	124.4%
Related Benefits	2,816,472	2,304,702	921,330	0	0	3,226,032	114.5%
Total Personal Services	11,110,490	8,536,896	4,336,106	0	0	12,873,002	115.9%
Travel	2,058	0	0	0	0	0	0.0%
Operating Services	1,076,219	1,230,490	438,378	0	0	1,668,868	155.1%
Supplies	2,104,522	2,112,334	344,409	0	0	2,456,743	116.7%
Total Operating Expenses	3,182,799	3,342,824	782,787	0	0	4,125,611	129.6%
Professional Services	683,996	508,653	124,851	0	0	633,504	92.6%
Other Charges	0	0	0	0	0	0	
Debt Services	0	0	0	0	0	0	
Interagency Transfers	3,316,297	347,136	2,345,040	0	0	2,692,176	81.2%
Total Other Charges	4,000,293	855,789	2,469,891	0	0	3,325,680	83.1%
General Acquisitions	0	232,407	20,521	0	0	252,928	
Library Acquisitions	0	0	0	0	0	0	
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	0	232,407	20,521	0	0	252,928	
TOTAL	18,293,582	12,967,916	7,609,305	0	0	20,577,221	112.5%
by Function							
Instruction	0	0	0	0	0	0	
Research	0	0	0	0	0	0	
Public Service	0	0	0	0	0	0	
Academic Support (Includes Library)	0	0	0	0	0	0	
Academic Expenditures Subtotal	0	0	0	0	0	0	

Overview of Unrestricted Revenues and Expenditures

Campus: E. A. Conway

	Operating Budget 2013-14	Actual Amount for each Quarter				Cumulative Total 2013-14	% Actual to Budget 2013-14
		1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14		
Student Services	0	0	0	0	0	0	
Institutional Support	0	0	0	0	0	0	
Scholarships/Fellowships	0	0	0	0	0	0	
Plant Operations/Maintenance	0	0	0	0	0	0	
Hospital	18,293,582	12,967,916	7,609,305	0	0	20,577,221	112.5%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	0	0	0	0	0	0	
Non-Academic Expenditures Subtotal	18,293,582	12,967,916	7,609,305	0	0	20,577,221	112.5%
TOTAL	18,293,582	12,967,916	7,609,305	0	0	20,577,221	112.5%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1:
 (1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, EACMC transitioned to the BRFH,LLC.

Quarter 2:
 (1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFH,LLC.
 The appropriated budget for the hospital is for 3 months. However, the cumulative expenditures for the campus reflected through December 2013 include residual costs [termination pay and statewide mandates], which are not fully reflected in the budget.

Overview of Restricted Funds

Campus: E. A. Conway

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations	0	0	0	0	0	0	
Restricted Fees	0	0	0	0	0	0	
Sales and Services of Educational Activities	0	0	0	0	0	0	
Auxiliaries	0	0	0	0	0	0	
Endowment Income	0	0	0	0	0	0	
Grants and Contracts							
Federal	0	0	0	0	0	0	
State and Local	0	0	0	0	0	0	
Private	0	0	0	0	0	0	
Indirect Cost Recovered	0	0	0	0	0	0	
Gifts	0	0	0	0	0	0	
Federal Funds	0	0	0	0	0	0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	
Physician Practice Plans	0	0	0	0	0	0	
Medicare	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	
Uncompensated Care Costs	0	0	0	0	0	0	
Sponsored Grants and Contracts	63,342	14,481	19,143	0	0	33,624	53.1%
Sales and Services Physicians & CRNAs	188,891	922,238	(76,168)	0	0	846,070	447.9%
Sales and Services Other	129,695	8,757	22,521	0	0	31,278	24.1%
All Other Sources	0	0	0	0	0	0	
TOTAL	381,928	945,476	(34,504)	0	0	910,972	238.5%

Report on Restricted Budget

Quarter 1:

(1) FY 13-14 Estimated Revenues and Transfers only reflects activity for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) effective 10/01/13, EACMC transitioned to the BRFHH , LLC.

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFHH,LLC.

Overview of Restricted Operations

Campus: E. A. Conway

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fees	0	0	0	0	0	0	0	0	0	0	0	0	
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0	0	0	0	0	0	
Auxiliaries	0	0	0	0	0	0	0	0	0	0	0	0	
Endowment Income	0	0	0	0	0	0	0	0	0	0	0	0	
Grants and Contracts													
Federal	0	0	0	0	0	0	0	0	0	0	0	0	
State and Local	0	0	0	0	0	0	0	0	0	0	0	0	
Private	0	0	0	0	0	0	0	0	0	0	0	0	
Indirect Cost Recovered	0	0	0	0	0	0	0	0	0	0	0	0	
Gifts	0	0	0	0	0	0	0	0	0	0	0	0	
Federal Funds	0	0	0	0	0	0	0	0	0	0	0	0	
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0	0	0	0	0	
Physician Practice Plans	0	0	0	0	0	0	0	0	0	0	0	0	
Medicare	0	0	0	0	0	0	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	0	0	0	0	0	0	
Uncompensated Care Costs	0	0	0	0	0	0	0	0	0	0	0	0	
Sponsored Grants and Contracts	5,068	14,481	17,073	2,476	19,143	61,688	(40,069)	0	0	(40,069)	0	(40,069)	
Sales and Services Physicians & CRNAs	2,858,402	922,238	0	3,780,640	(76,168)	0	3,704,472	0	0	3,704,472	0	3,704,472	
Sales and Services Other	1,793,594	8,757	110,618	1,691,733	22,521	90,335	1,623,919	0	0	1,623,919	0	1,623,919	
All Other Sources	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	4,657,064	945,476	127,691	5,474,849	(34,504)	152,023	5,288,322	0	0	5,288,322	0	5,288,322	

Report on Restricted Operations

Quarter 1:

(1) FY 13-14 1st quarter amounts are final as of September 30, 2013; 2) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close; (2) effective 10/01/13, EACMC transitioned to the BRFH, LLC.

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	0	54,389	(54,389)	0	0	0
Statutory Dedications	652,671	163,167	163,167	0	0	326,334
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	8,646,439	918,049	9,354,026	0	0	10,272,075
Self Generated Revenues	1,290,714	950,093	(236,419)	0	0	713,674
Federal Funds	945,558	745,526	325,133	0	0	1,070,659
Total Revenues	11,535,382	2,831,224	9,551,518	0	0	12,382,742
Expenditures by Object:						
Personal Services	6,067,461	4,404,074	5,081,011	0	0	9,485,085
Operating Expenses	2,073,086	1,722,188	1,880,666	0	0	3,602,854
Other Charges	3,344,835	1,010,447	1,842,925	0	0	2,853,372
Acquisitions and Major Repairs	50,000	0	0	0	0	0
Total Expenditures	11,535,382	7,136,709	8,804,602	0	0	15,941,311
Expenditures by Function:						
Academic Expenditures	0	0	0	0	0	0
Non-Academic Expenditures	11,535,382	7,136,709	8,804,602	0	0	15,941,311
Total Expenditures	11,535,382	7,136,709	8,804,602	0	0	15,941,311

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	0	0	0	0	0
Endowment Income	0	0	0	0	0
Grants and Contracts	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0
Gifts	0	0	0	0	0
Federal Funds	0	0	0	0	0
Hospitals	14,721,268	16,652,813	17,475,833	0	0
All Other Sources	0	0	0	0	0
TOTAL	14,721,268	16,652,813	17,475,833	0	0

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes
 Quarter 1: (1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013
 Quarter 2: (1) FY 13-14 amounts reflected above are being reported before December 2013 final close

Operating Budget Development

Campus: Budget Adjustments

Huey P. Long

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	0	0	0	0	0	0	
Statutory Dedications	652,671	0	0	0	0	652,671	0.0%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	8,646,439	0	0	0	0	8,646,439	0.0%
Self Generated Revenues	1,290,714	0	0	0	0	1,290,714	0.0%
Federal Funds	945,558	0	0	0	0	945,558	0.0%
Total Revenues	11,535,382	0	0	0	0	11,535,382	0.0%
Expenditures by Object:							
Salaries	4,412,681	0	0	0	0	4,412,681	0.0%
Other Compensation	170,176	0	0	0	0	170,176	0.0%
Related Benefits	1,484,604	0	0	0	0	1,484,604	0.0%
Total Personal Services	6,067,461	0	0	0	0	6,067,461	0.0%
Travel	1,119	0	0	0	0	1,119	0.0%
Operating Services	993,115	0	0	0	0	993,115	0.0%
Supplies	1,078,852	0	0	0	0	1,078,852	0.0%
Total Operating Expenses	2,073,086	0	0	0	0	2,073,086	0.0%
Professional Services	2,125,258	400,000	0	0	0	2,525,258	18.8%
Other Charges	32,578	0	0	0	0	32,578	0.0%
Debt Services	0	0	0	0	0	0	
Interagency Transfers	1,186,999	(400,000)	0	0	0	786,999	-33.7%
Total Other Charges	3,344,835	0	0	0	0	3,344,835	0.0%
General Acquisitions	50,000	0	0	0	0	50,000	0.0%
Library Acquisitions	0	0	0	0	0	0	
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	50,000	0	0	0	0	50,000	0.0%
Total Expenditures	11,535,382	0	0	0	0	11,535,382	0.0%
Expenditures by Function:							
Instruction	0	0	0	0	0	0	
Research	0	0	0	0	0	0	
Public Service	0	0	0	0	0	0	
Academic Support (Includes Library)	0	0	0	0	0	0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services	0	0	0	0	0	0	
Institutional Support	0	0	0	0	0	0	
Scholarships/Fellowships	0	0	0	0	0	0	
Plant Operations/Maintenance	0	0	0	0	0	0	
Hospital	11,535,382	0	0	0	0	11,535,382	0.0%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	0	0	0	0	0	0	
Non-Academic Expenditures Subtotal	11,535,382	0	0	0	0	11,535,382	
Total Expenditures	11,535,382	0	0	0	0	11,535,382	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus:

Huey P. Long

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1:

(1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013;

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close

Report on changes to Significant Funding Issues

Quarter 1:

(1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013;

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close

Overview of Unrestricted Revenues and Expenditures

Campus: Huey P. Long

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	0	54,389	(54,389)	0	0	0	
Statutory Dedications	652,671	163,167	163,167	0	0	326,334	50.0%
Interim Emergency Board	0	0	0	0	0	0	
Interagency Transfers	8,646,439	918,049	9,354,026	0	0	10,272,075	118.8%
Self Generated Revenues [see notes]	1,290,714	950,093	(236,419)	0	0	713,674	55.3%
Federal Funds	945,558	745,526	325,133	0	0	1,070,659	113.2%
TOTAL	11,535,382	2,831,224	9,551,518	0	0	12,382,742	107.3%
Expenditures							
by Category							
Salaries	4,412,681	2,854,173	3,347,175	0	0	6,201,348	140.5%
Other Compensation	170,176	304,154	408,363	0	0	712,517	418.7%
Related Benefits	1,484,604	1,245,747	1,325,473	0	0	2,571,220	173.2%
Total Personal Services	6,067,461	4,404,074	5,081,011	0	0	9,485,085	156.3%
Travel	1,119	737	1,404	0	0	2,141	191.3%
Operating Services	993,115	573,442	797,430	0	0	1,370,872	138.0%
Supplies	1,078,852	1,148,009	1,081,832	0	0	2,229,841	206.7%
Total Operating Expenses	2,073,086	1,722,188	1,880,666	0	0	3,602,854	173.8%
Professional Services	2,525,258	647,484	1,475,892	0	0	2,123,376	84.1%
Other Charges	32,578	29,107	24,246	0	0	53,353	163.8%
Debt Services	0	0	0	0	0	0	
Interagency Transfers	786,999	333,856	342,787	0	0	676,643	86.0%
Total Other Charges	3,344,835	1,010,447	1,842,925	0	0	2,853,372	85.3%
General Acquisitions	50,000	0	0	0	0	0	0.0%
Library Acquisitions	0	0	0	0	0	0	
Major Repairs	0	0	0	0	0	0	
Total Acquisitions and Major Repairs	50,000	0	0	0	0	0	0.0%
TOTAL	11,535,382	7,136,709	8,804,602	0	0	15,941,311	138.2%
by Function							
Instruction	0	0	0	0	0	0	
Research	0	0	0	0	0	0	
Public Service	0	0	0	0	0	0	
Academic Support (Includes Library)	0	0	0	0	0	0	
Academic Expenditures Subtotal	0	0	0	0	0	0	

Overview of Unrestricted Revenues and Expenditures

Campus: Huey P. Long

	Operating Budget 2013-14	Actual Amount for each Quarter				Cumulative Total 2013-14	% Actual to Budget 2013-14
		1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14		
Student Services	0	0	0	0	0	0	
Institutional Support	0	0	0	0	0	0	
Scholarships/Fellowships	0	0	0	0	0	0	
Plant Operations/Maintenance	0	0	0	0	0	0	
Hospital	11,535,382	7,136,709	8,804,602	0	0	15,941,311	138.2%
Transfers out of agency	0	0	0	0	0	0	
Athletics	0	0	0	0	0	0	
Other	0	0	0	0	0	0	
Non-Academic Expenditures Subtotal	11,535,382	7,136,709	8,804,602	0	0	15,941,311	138.2%
TOTAL	11,535,382	7,136,709	8,804,602	0	0	15,941,311	138.2%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1:

(1) FY 13-14 Operating Budget only reflects spending authority for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013;

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close HPLMC was appropriated a budget for 3 months. As a result, the actuals reflected through December 2013 exceed the original appropriation. The transition to a public/private partnership will not be completed until June 30, 2014. Therefore, LSU Health Shreveport is in the process of completing a proposal to annualize the spending authority for FY 2013-2014. This increase in spending authority should be considered during the FY 2014 Legislative Session.

Overview of Restricted Funds

Campus: Huey P. Long

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations	0	0	0	0	0	0	
Restricted Fees	0	0	0	0	0	0	
Sales and Services of Educational Activities	0	0	0	0	0	0	
Auxiliaries	0	0	0	0	0	0	
Endowment Income	0	0	0	0	0	0	
Grants and Contracts							
Federal	0	0	0	0	0	0	
State and Local	0	0	0	0	0	0	
Private	0	0	0	0	0	0	
Indirect Cost Recovered	0	0	0	0	0	0	
Gifts	0	0	0	0	0	0	
Federal Funds	0	0	0	0	0	0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	
Physician Practice Plans	0	0	0	0	0	0	
Medicare	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	
Uncompensated Care Costs	0	0	0	0	0	0	
Sponsored Grants and Contracts	44,590	38,169	46,554	0	0	84,723	190.0%
Sales and Services Physicians & CRNAs	246,144	492,510	453,368	0	0	945,878	384.3%
Pharmacy	404,330	322,567	311,860	0	0	634,427	156.9%
Sales and Services Other	40,440	1,078,299	11,722	0	0	1,090,021	2695.4%
All Other Sources	0	0	0	0	0	0	
TOTAL	735,504	1,931,545	823,504	0	0	2,755,049	374.6%

Report on Restricted Budget

Quarter 1:

(1) FY 13-14 Estimated Revenues and Transfers only reflects activity for 1 quarter; (2) FY 13-14 1st quarter amounts are final as of September 30, 2013; (3) Sales and Services Other includes \$1.065M in Medicaid Stimulus EHR revenue

Quarter 2:

(1) FY 13-14 amounts reflected above are being reported before December 2013 final close

Overview of Restricted Operations

Campus: Huey P. Long

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fees	0	0	0	0	0	0	0	0	0	0	0	0	
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0	0	0	0	0	0	
Auxiliaries	0	0	0	0	0	0	0	0	0	0	0	0	
Endowment Income	0	0	0	0	0	0	0	0	0	0	0	0	
Grants and Contracts													
Federal	0	0	0	0	0	0	0	0	0	0	0	0	
State and Local	0	0	0	0	0	0	0	0	0	0	0	0	
Private	0	0	0	0	0	0	0	0	0	0	0	0	
Indirect Cost Recovered	0	0	0	0	0	0	0	0	0	0	0	0	
Gifts	0	0	0	0	0	0	0	0	0	0	0	0	
Federal Funds	0	0	0	0	0	0	0	0	0	0	0	0	
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0	0	0	0	0	
Physician Practice Plans	0	0	0	0	0	0	0	0	0	0	0	0	
Medicare	0	0	0	0	0	0	0	0	0	0	0	0	
Medicaid	0	0	0	0	0	0	0	0	0	0	0	0	
Uncompensated Care Costs	0	0	0	0	0	0	0	0	0	0	0	0	
Sponsored Grants and Contracts	1,868,767	38,169	0	1,906,936	46,554	0	1,953,490	0	0	1,953,490	0	0	1,953,490
Sales and Services Physicians & CRNAs	2,234,824	492,510	0	2,727,334	453,368	532	3,180,170	0	0	3,180,170	0	0	3,180,170
Pharmacy	4,544,973	322,567	0	4,867,540	311,860	0	5,179,400	0	0	5,179,400	0	0	5,179,400
Sales and Services Other	6,072,704	1,078,299	0	7,151,003	11,722	(48)	7,162,773	0	0	7,162,773	0	0	7,162,773
All Other Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	14,721,268	1,931,545	0	16,652,813	823,504	484	17,475,833	0	0	17,475,833	0	0	17,475,833

Report on Restricted Operations

Quarter 1:
 (1) FY 13-14 1st quarter amounts are final as of September 30, 2013; (2) Sales and Services Other includes \$1.065M in Medicaid Stimulus EHR revenue

Quarter 2:
 (1) FY 13-14 amounts reflected above are being reported before December 2013 final close



Louisiana State University System

3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Associate Vice President Finance & Administration

225 / 578-8878
225 / 578-5524 fax

January 22, 2014

TO: President & Chancellor King
FROM: Wendy C. Simoneaux 
RE: LSU System FY2013-14 2nd Quarter Financial Report

The LSU Board of Supervisors approved the System Office's 2013-2014 operating budget on September 6, 2013. The LSU System's operating budget includes \$3,495,054 of state funds; a 2.67% reduction from last year's beginning operating budget. Since the beginning 2008-09 Budget, the LSU System Office has been reduced over seven million dollars, or 67.2%.

It should be noted that the System Office's appropriation does include the Audubon Center for Research of Endangered Species pass-through (ACRES-\$555,694). This pass-through will be transferred out of our budget as the recipient campus or entity submits invoices for expenses incurred. This report reflects these transfers as expenditures on the LSU System Office's budget.

On the Overview of Restricted Funds form, the largest portion of revenues received in the second quarter is associated with premiums for the LSU Health Plan.

On the Overview of Restricted Operations form, the All Other Sources fund balance includes monies for (1) System Technology Transfer activity, (2) the operation of the System Human Resource Benefits Office, (3) royalty income from System mineral leases, and (4) the LSU System Health Plan.

LSU Board of Supervisors and System Office Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	2,056,185	1,160,399	750,504	0	0	1,910,903
Statutory Dedications	1,438,869	4,617	123,258	0	0	127,875
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	0	0	0	0	0	0
Self Generated Revenues	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Total Revenues	3,495,054	1,165,016	873,762	0	0	2,038,778
Expenditures by Object:						
Personal Services	1,836,605	666,100	496,085	0	0	1,162,186
Operating Expenses	364,514	235,304	53,725	0	0	289,029
Other Charges	1,290,935	723,697	103,160	0	0	826,857
Acquisitions and Major Repairs	0	0	0	0	0	0
Total Expenditures	3,492,054	1,625,101	652,970	0	0	2,278,071
Expenditures by Function:						
Academic Expenditures	0	0	0	0	0	0
Non-Academic Expenditures	3,495,054	1,625,101	652,970	0	0	2,278,071
Total Expenditures	3,495,054	1,625,101	652,970	0	0	2,278,071

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	0	0	0	0	0
Endowment Income	0	0	0	0	0
Grants and Contracts	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0
Gifts	1,780	962	776	776	776
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	40,729,219	54,442,143	42,880,804	42,880,804	42,880,804
TOTAL	40,730,999	54,443,105	42,881,580	42,881,580	42,881,580

Overview and Analysis of Campus Operations

The LSU Board of Supervisors and System Office did not have any budget adjustments during the first quarter. Expenses were normal during the first quarter, and the large amount of other charges were due to mandates such as the Legislative Auditor and Civil Service Fees being paid. All other expenses are in line with its budget.

All other restricted operations are accounted for and the increase in restricted operations is predominantly due to the LSU First health plan.

The General Fund adjusted operating budget per financial report (\$2,056,185) is overstated by \$23,034, and the Statutory Dedications adjusted operating budget is understated by \$23,034. A budget adjustment to correct the amounts will be prepared during the third quarter.

Operating Budget Development

Campus: LSU Board of Supervisors and System Office Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	2,056,185					2,056,185	0.0%
Statutory Dedications	1,438,869					1,438,869	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues						0	
Federal Funds						0	
Total Revenues	3,495,054	0	0	0	0	3,495,054	0.0%
Expenditures by Object:							
Salaries	1,275,917					1,275,917	0.0%
Other Compensation	67,300					67,300	0.0%
Related Benefits	493,388					493,388	0.0%
Total Personal Services	1,836,605	0	0	0	0	1,836,605	0.0%
Travel	18,700		(1,500)			17,200	-8.0%
Operating Services	327,634		4,869			332,503	1.5%
Supplies	15,811		(1,000)			14,811	-6.3%
Total Operating Expenses	362,145	0	2,369	0	0	364,514	0.7%
Professional Services	555,694					555,694	0.0%
Other Charges	737,610		(2,369)			735,241	-0.3%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	1,293,304	0	(2,369)	0	0	1,290,935	-0.2%
General Acquisitions						0	
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	0	0	0	0	0	0	
Total Expenditures	3,492,054	0	0	0	0	3,492,054	0.0%
Expenditures by Function:							
Instruction						0	
Research						0	
Public Service						0	
Academic Support (Includes Library)						0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services						0	
Institutional Support	3,397,715		25,000			3,422,715	0.7%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	97,339		(25,000)			72,339	-25.7%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	3,495,054	0	0	0	0	3,495,054	
Total Expenditures	3,495,054	0	0	0	0	3,495,054	0.0%

Operating Budget Development

Use next page for Detailed Explanation

Campus: **LSU Board of Supervisors and System Office**

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

There were not any budget adjustments during the first quarter.

The General Fund beginning operating budget per financial report (\$2,056,185) is overstated by \$23,034, and the Statutory Dedications adjusted operating budget is understated by \$23,034. A budget adjustment to correct the amounts will be prepared during the third quarter.

Report on changes to Significant Funding Issues

There were not any budget adjustments during the first quarter.

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Board of Supervisors and System Office

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	2,056,185	1,160,399	750,504			1,910,903	92.9%
Statutory Dedications	1,438,869	4,617	123,258			127,875	8.9%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	0					0	
Federal Funds	0					0	
TOTAL	3,495,054	1,165,016	873,762	0	0	2,038,778	58.3%
Expenditures							
by Category							
Salaries	1,275,917	318,979	318,979			637,958	50.0%
Other Compensation	67,300	12,807	15,442			28,248	42.0%
Related Benefits	496,388	334,314	161,665			495,979	99.9%
Total Personal Services	1,836,605	666,100	496,085	0	0	1,162,186	63.3%
Travel	17,200	4,678	3,665			8,343	48.5%
Operating Services	332,503	227,583	46,825			274,408	82.5%
Supplies	14,811	3,043	3,235			6,278	42.4%
Total Operating Expenses	364,514	235,304	53,725	0	0	289,029	79.3%
Professional Services	555,694	1,500	98,160			99,660	17.9%
Other Charges	735,241	722,197	5,000			727,197	98.9%
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	1,290,935	723,697	103,160	0	0	826,857	64.1%
General Acquisitions	0					0	
Library Acquisitions	0					0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	0	0	0	0	0	0	
TOTAL	3,495,054	1,625,101	652,970	0	0	2,278,071	65.2%
by Function							
Instruction	0					0	
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	0					0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services	0					0	

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Board of Supervisors and System Office

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Institutional Support	3,422,715	1,586,736	617,522			2,204,258	64.4%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	72,339	38,365	35,448			73,814	102.0%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	3,495,054	1,625,101	652,970	0	0	2,278,071	65.2%
TOTAL	3,495,054	1,625,101	652,970	0	0	2,278,071	65.2%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

The general fund is greater than anticipated since the over collections fund has not been available for draw. The related benefits expenditure object is greater than the anticipated budget due to all of System Office employees 'related benefits being charged to the unrestricted related benefit account (whether or not the employee is paid from unrestricted or restricted funds). At year end, there will be a transfer to properly charge the appropriate accounts. ther Charges include mandates (such as Legislative Auditor and Civil Service fees) that have been paid in the first quarter. All other expenses have been accounted for and are in line with their budget or will be watched closely for compliance.

The General Fund operating budget per financial report (\$2,056,185) is overstated by \$23,034, and the Statutory Dedications adjusted operating budget is understated by \$23,034. A budget adjustment to correct the amounts will be prepared during the third quarter.

Overview of Restricted Funds

Campus: LSU Board of Supervisors and System Office

	Actual Revenues/Transfers for each Quarter						
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
Endowment Income						0	
Grants and Contracts							
Federal						0	
State and Local	154,741					0	0.0%
Private						0	
Indirect Cost Recovered						0	
Gifts	172,519	(500)				(500)	-0.3%
Federal Funds						0	
Hospitals							
All Other Sources	128,008,944	27,572,491	26,861,328			54,433,819	42.5%
TOTAL	128,336,204	27,571,991	26,861,328	0	0	54,433,319	42.4%

Report on Restricted Budget

On the Overview of Restricted Funds form, first quarter revenue is as anticipated, with the largest portion of the revenues associated with premiums for the LSU Health Plan. The estimated state and local grant is not expected this year as it was a 'pass-through' grant for Dual enrollment. The state is not funding this in FY 13-14.

All Other Revenues during the first quarter:

Tech Transfer	\$35,102
Cigna	\$27,301,104
Mineral Revenues	\$65,845
Benefit Plan	\$170,440

All Other Revenues during the second quarter:

Tech Transfer	\$675,589
Cigna	\$26,058,587
Mineral Revenues	\$4,512
Benefit Plan	\$122,640

Overview of Restricted Operations

Campus: **LSU Board of Supervisors and System Office**

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0		0
Restricted Fees		0		0	0		0		0		0		0
Sales & Svcs of Educ. Activ's		0		0	0		0		0		0		0
Auxiliaries (List)													
Endowment Income		0		0	0		0		0		0		0
Grants and Contracts													
Federal		0		0	0		0		0		0		0
State and Local		0		0	0		0		0		0		0
Private		0	0	0	0		0		0		0		0
Indirect Cost Recovered		0		0	0		0		0		0		0
Gifts	1,780	(500)	318	962	0	186	776	0	776	0	776	0	776
Federal Funds		0		0	0		0		0		0		0
Hospitals													
All Other Sources	40,729,219	27,572,491	13,859,567	54,442,143	26,861,328	38,422,667	42,880,804	0	42,880,804	0	42,880,804	0	42,880,804
TOTAL	40,730,999	27,571,991	13,859,885	54,443,105	26,861,328	38,422,853	42,881,580	0	42,881,580	0	42,881,580	0	42,881,580

Report on Restricted Operations

On the Overview of Restricted Operations form, the all other sources account/fund balance includes funds for (1) the System Technology Transfer activity, (2) associated with the operation of the System Human Resource Benefits Office, (3) royalty income from System mineral leases, (4) the LSU System Health Plan, and (5) other operational balances.



- BOGALUSA MEDICAL CENTER – INDEPENDENCE
- EARL K. LONG MEDICAL CENTER - BATON ROUGE
- LALIE KEMP REGIONAL MEDICAL CENTER - INDEPENDENCE
- LEONARD J. CHABERT MEDICAL CENTER - HOUMA
- MEDICAL CENTER OF LOUISIANA - NEW ORLEANS
- UNIVERSITY MEDICAL CENTER - LAFAYETTE
- W.O. MOSS REGIONAL MEDICAL CENTER - LAKE CHARLES

WWW.LSUHOSPITALS.ORG

TO: Wendy Simoneaux
VP Finance
LSU System

FROM: Tanesha Morgan
Budget Director
LSU Health Care Services Division

DATE: January 15, 2014

RE: Quarterly Budget Report
For Quarter Ended December 31, 2013

We have compiled the Quarterly Budget Report for the Quarter Ended December 31, 2013 for the LSU Health Care Services Division.

Major developments during this quarter included:

Actual:

Unrestricted Operations: Lallie Kemp and Bogalusa Medical Center received Interagency Funds, primarily due to a UCC payment, in the amount of \$16.8M and \$9.3M, respectively.

Restricted Operations – In FY14, Central Office operations was moved off budget. Therefore, central office operations are being reflected in the restricted budget reports.

cc: Dr. Frank Opelka
Rhonda Green
Lanette Buie

Unrestricted Operations		Actual Amount for each Quarter in 2013-14				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	7,612,504	7,612,538	0	0	0	7,612,538
Statutory Dedications	20,000,000	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	55,403,076	1,412,642	26,054,834	0	0	27,467,476
Interagency Transfers - Federal Stimulus	0	0	0	0	0	0
Self Generated Revenues	11,723,879	3,250,752	4,079,045	0	0	7,329,797
Federal Funds	18,219,006	3,476,411	2,899,848	0	0	6,376,259
Total Revenues	112,958,465	15,752,343	33,033,727	0	0	48,786,070
Expenditures by Object:						
Personal Services	38,703,521	33,401,462	15,299,822	0	0	48,701,284
Operating Expenses	14,963,047	3,977,683	4,932,192	0	0	8,909,875
Other Charges	58,888,055	645,222	2,002,236	0	0	2,647,458
Acquisitions and Major Repairs	403,842	10,593	418,209	0	0	428,802
Total Expenditures	112,958,465	38,034,960	22,652,459	0	0	0
Expenditures by Function:						
Academic Expenditures	0	0	0	0	0	0
Non-Academic Expenditures	112,958,465	38,034,960	22,652,459	0	0	60,687,419
Total Expenditures	112,958,465	38,034,960	22,652,459	0	0	60,687,419

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	0	0	0	0	0
Endowment Income	0	0	0	0	0
Grants and Contracts	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0
Gifts	0	0	0	0	0
Federal Funds	0	0	0	0	0
Hospitals	0	0	0	0	0
All Other Sources	95,699,552	124,000,019	112,460,515	0	0
TOTAL	95,699,552	124,000,019	112,460,515	0	0

Overview and Analysis of Campus Operations

1st quarter:	
Unrestricted:	HCS D drew its State General Fund dollars in the 1st Quarter .
Restricted:	HCS D received \$506,000 in grants and sponsored projects and \$80,000 in FEMA revenue.
2nd Quarter:	
Unrestricted:	Lallie Kemp and Bogalusa Medical Center received Interagency Funds, primarily due to a UCC payment, in the amount of \$16.8M and \$9.3M, respectively.
Restricted:	HCS D received \$3M in FEMA Revenue

Operating Budget Development

Campus: **LSU - Health Care Services Division** Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	7,612,504	0				7,612,504	0.0%
Statutory Dedications	20,000,000					20,000,000	0.0%
Interim Emergency Board	0					0	
Interagency Transfers	55,403,076					55,403,076	0.0%
Interagency Transfers - Federal Stimulus	0					0	
Self Generated Revenues	11,723,879					11,723,879	0.0%
Federal Funds	18,219,006					18,219,006	0.0%
Total Revenues	112,958,465	0	0	0	0	112,958,465	0.0%
Expenditures by Object:							
Salaries	29,661,268					29,661,268	0.0%
Other Compensation						0	
Related Benefits	9,042,253					9,042,253	0.0%
Total Personal Services	38,703,521	0	0	0	0	38,703,521	0.0%
Travel	11,750					11,750	0.0%
Operating Services	6,355,469					6,355,469	0.0%
Supplies	8,595,828					8,595,828	0.0%
Total Operating Expenses	14,963,047	0	0	0	0	14,963,047	0.0%
Professional Services	1,685,436	0				1,685,436	0.0%
Other Charges	37,202,619					37,202,619	0.0%
Debt Services						0	
Interagency Transfers	20,000,000					20,000,000	0.0%
Total Other Charges	58,888,055	0	0	0	0	58,888,055	0.0%
General Acquisitions	403,842					403,842	0.0%
Library Acquisitions						0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	403,842	0	0	0	0	403,842	0.0%
Total Expenditures	112,958,465	0	0	0	0	112,958,465	0.0%
Expenditures by Function:							
Instruction						0	
Research						0	
Public Service						0	
Academic Support (Includes Library)						0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services						0	
Institutional Support						0	
Scholarships/Fellowships						0	
Plant Operations/Maintenance						0	
Hospital	112,958,465					112,958,465	0.0%
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	112,958,465	0	0	0	0	112,958,465	0.0%
Total Expenditures	112,958,465	0	0	0	0	112,958,465	0.0%

Operating Budget Development

Campus:

LSU - Health Care Services Division

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

\$20 million in termination pay for the layoff of employees at MCL, LJC, EKL, UMC, and WOM is budgeting in Other Charges but was paid through the salary line item. Budget adjustments will be made to move budget authority from other charges to salaries and acquisitions to appropriately reflect expenditure trends.

Report on changes to Significant Funding Issues

In FY14, Central Office operations was moved off budget. Therefore, central office operations are being reflected in the restricted budget reports.

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU - Health Care Services Division**

	Actual Amount for each Quarter						% Actual to Budget 2013-14
	Operating Budget 2013-14	1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14	Cumulative Total 2013-14	
Revenues							
General Fund	7,612,504	7,612,538	0			7,612,538	100.0%
Statutory Dedications	20,000,000		0			0	0.0%
Interim Emergency Board	0					0	
Interagency Transfers	55,403,076	1,412,642	26,054,834			27,467,476	49.6%
Interagency Transfers - Federal Stimulus	0					0	
Self Generated Revenues	11,723,879	3,250,752	4,079,045			7,329,797	62.5%
Federal Funds	18,219,006	3,476,411	2,899,848			6,376,259	35.0%
TOTAL	112,958,465	15,752,342	33,033,727	0	0	48,786,070	43.2%
Expenditures							
by Category							
Salaries	29,661,268	28,976,750	10,291,904			39,268,654	132.4%
Other Compensation	0	795,556	1,085,537			1,881,093	
Related Benefits	9,042,253	3,629,156	3,922,381			7,551,537	83.5%
Total Personal Services	38,703,521	33,401,462	15,299,822	0	0	48,701,284	125.8%
Travel	11,750	2,612	3,985			6,597	56.1%
Operating Services	6,355,469	2,203,991	2,018,052			4,222,043	66.4%
Supplies	8,595,828	1,771,080	2,910,155			4,681,235	54.5%
Total Operating Expenses	14,963,047	3,977,683	4,932,192	0	0	8,909,875	59.5%
Professional Services	1,685,436	330,757	490,191			820,948	48.7%
Other Charges	37,202,619	490	393,797			394,287	1.1%
Debt Services	0	0				0	
Interagency Transfers	20,000,000	313,975	1,118,248			1,432,223	7.2%
Total Other Charges	58,888,055	645,222	2,002,236	0	0	2,647,458	4.5%
General Acquisitions	403,842	10,593	418,209			428,802	106.2%
Library Acquisitions	0					0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	403,842	10,593	418,209	0	0	428,802	106.2%
TOTAL	112,958,465	38,034,960	22,652,459	0	0	60,687,419	53.7%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU - Health Care Services Division**

	Operating Budget 2013-14	Actual Amount for each Quarter				Cumulative Total 2013-14	% Actual to Budget 2013-14
		1st Quarter 2013-14	2nd Quarter 2013-14	3rd Quarter 2013-14	4th Quarter 2013-14		
by Function							
Instruction	0					0	
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	0					0	
Academic Expenditures Subtotal	0	0	0	0	0	0	
Student Services	0					0	
Institutional Support	0					0	
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	0					0	
Hospital	112,958,465	38,034,960	22,652,459			60,687,419	53.7%
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	112,958,465	38,034,960	22,652,459	0	0	60,687,419	53.7%
TOTAL	112,958,465	38,034,960	22,652,459	0	0	60,687,419	53.7%

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Revenues: Lallie Kemp and Bogalusa Medical Center received Interagency Funds, primarily due to a UCC payment, in the amount of \$16.8M and \$9.3M, respectively.

\$20 million in termination pay for the layoff of employees at MCL, LJC, EKL, UMC, and WOM is budgeting in Other Charges but was paid through the salary line item. Budget adjustments will be made to move budget authority from other charges to salaries and acquisitions to appropriately reflect expenditure trends.

Overview of Restricted Funds

Campus: LSU - Health Care Services Division

	Actual Revenues/Transfers for each Quarter						% Collected
	Estimated Revenues & Transfers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	
	2013-14	2013-14	2013-14	2013-14	2013-14	2013-14	
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
1						0	
2						0	
3						0	
4						0	
5						0	
6						0	
7						0	
8						0	
9						0	
10						0	
11						0	
12						0	
13						0	
14						0	
15						0	
Endowment Income						0	
Grants and Contracts							
Federal						0	
State and Local						0	
Private						0	
Indirect Cost Recovered						0	
Gifts						0	
Federal Funds						0	
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans						0	
Medicare						0	
Medicaid						0	
Uncompensated Care Costs (UCC)						0	
All Other Sources	296,360,619	50,451,682	17,174,992			67,626,674	22.8%
TOTAL	296,360,619	50,451,682	17,174,992	0	0	67,626,674	22.8%

Report on Restricted Budget

In FY14, Central Office operations was moved off budget. Therefore, central office operations are being reflected in the restricted budget reports.

Overview of Restricted Operations

Campus: LSU - Health Care Services Division

Show Expenditures As Positive	Actual Amount for each Quarter												
	Acct/Fund Balance 2013-14	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
		Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14	Revenues 2013-14	Expenses, Transfers, & ICR 2013-14	Fund Balance 2013-14
Revenues													
Restricted State Appropriations		0		0	0		0		0		0	0	
Restricted Fees		0		0	0		0		0		0	0	
Sales & Svcs of Educ. Activ's		0		0	0		0		0		0	0	
Auxiliaries (List)													
1		0		0	0		0		0		0	0	
2		0		0	0		0		0		0	0	
3		0		0	0		0		0		0	0	
4		0		0	0		0		0		0	0	
5		0		0	0		0		0		0	0	
6		0		0	0		0		0		0	0	
7		0		0	0		0		0		0	0	
8		0		0	0		0		0		0	0	
9		0		0	0		0		0		0	0	
10		0		0	0		0		0		0	0	
11		0		0	0		0		0		0	0	
12		0		0	0		0		0		0	0	
13		0		0	0		0		0		0	0	
14		0		0	0		0		0		0	0	
15		0		0	0		0		0		0	0	
Endowment Income		0		0	0		0		0		0	0	
Grants and Contracts													
Federal		0		0	0		0		0		0	0	
State and Local		0		0	0		0		0		0	0	
Private		0		0	0		0		0		0	0	
Indirect Cost Recovered		0		0	0		0		0		0	0	
Gifts		0		0	0		0		0		0	0	
Federal Funds		0		0	0		0		0		0	0	
Hospitals													
Hospital - Commercial/Self-Pay		0		0	0		0		0		0	0	
Physician Practice Plans		0		0	0		0		0		0	0	
Medicare		0		0	0		0		0		0	0	
Medicaid		0		0	0		0		0		0	0	
Uncompensated Care Costs		0		0	0		0		0		0	0	
All Other Sources	95,699,552	50,451,682	22,151,215	124,000,019	17,174,992	28,714,496	112,460,515	0	0	0	0	0	
TOTAL	95,699,552	50,451,682	22,151,215	124,000,019	17,174,992	28,714,496	112,460,515	0	0	0	0	0	

Overview of Restricted Operations

Campus: LSU - Health Care Services Division

Report on Restricted Operations

1st quarter: In FY14, Central Office operations was moved off budget. Therefore, central office operations is being reflected in the restricted budget reports.

2nd quarter: HCSD received \$3M in FEMA Revenue

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11. Adjournment

7

MINUTES

REGULAR BOARD MEETING

December 13, 2013

1. Call to Order and Roll Call

Mr. Robert "Bobby" Yarborough, Chairman, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the System Building, Baton Rouge, Louisiana, on December 13, 2013 at 1:00 P.M.

The secretary called the roll.

PRESENT

Mr. Robert "Bobby" Yarborough
Chairman
Mr. Ronnie R. Anderson
Mr. James W. Moore, Jr.
Mr. Scott Ballard
Mr. R. Blake Chatelain
Mr. John S. Woodard
Mr. Scott A. Angelle
Mr. Lee Mallett

Mrs. Ann D. Duplessis
Chairman-Elect
Mr. Raymond J. Lasseigne
Mr. Jack E. Lawton, Jr.
Mr. Stanley J. Jacobs
Mr. Rolfe McCollister, Jr.
Mr. Garret "Hank" Danos
Dr. John F. George

ABSENT

Mr. J. Stephen Perry

Also present for the meeting were the following: Dr. F. King Alexander, President and Chancellor; LSU System, Mr. Shelby McKenzie, Lead Counsel, LSU System officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comments

There were no Public Comments to be made at the December 13, 2013 Regular Board Meeting.

2. Invocation and Pledge of Allegiance

Peyton Miller gave the invocation. Chance Bazar led the Pledge of Allegiance. Both students attend LSU Eunice.

Chairman Yarborough recognized Chancellor Bill Nunez who introduced Dr. John A. Hamlin, Associate Professor and Head of the Division of Sciences and Mathematics at LSU Eunice.

3. Approval of the Minutes of the Board Meeting held on October 25, 2013

Upon motion of Mr. Ballard, seconded by Dr. George, the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on October 25, 2013.

Minutes – Regular Board Meeting
December 13, 2013

4. Personnel Actions Requiring Board Approval

Mr. Shelby McKenzie, Lead Counsel, LSU System, advised that Board action is requested for approval of the Personnel Actions. The executive staff has reviewed these actions and recommends Board approval.

Upon motion of Mr. Ballard, seconded by Mr. Lasseigne, the Board voted unanimously to approve the Personnel Actions as presented. **(Copy of Personnel Actions on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

5. President's Report

Dr. F. King Alexander, President, LSU System recognized:

Mr. John S. Woodard, Student Board Member, reported on the activities of the Council of Student Body Presidents;

Chancellor Jack Weiss, LSU Law Center;

Interim Chancellor Paul Coreil, LSU Alexandria;

Interim Chancellor Paul Sisson, LSU Shreveport;

Chancellor Bill Nunez, LSU Eunice;

Dr. Bill Richardson, Vice President for Agriculture and Dean of the College of Agriculture;

Dr. William T. Cefalu, Executive Director, Pennington Biomedical Research Center; and

Dr. Stewart Bell, Executive Vice Chancellor & Provost.

Each provided recent activities, awards and contributions regarding respective campuses.

6. Reports from the Council of Faculty Advisors and the Council of Staff Advisors

Mr. Chad Gothreaux, Council of Staff Advisors, and Dr. Jim Robinson from the Council of Faculty Advisors gave reports to the Board.

7. Reports to the Board

7A. Health Plan Status Report (Written Report Only)

7B. FY 2013 Quarterly Audit Summary, 4th Quarter (Written Report Only)

Mr. Moore moved, Mr. Ballard seconded, and the Board voted unanimously to accept these reports.

8. Approval of Consent Agenda Items

Chairman Yarborough offered the following recommendation:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the Consent Agenda items as submitted.

Minutes – Regular Board Meeting
December 13, 2013

Upon motion of Mr. Chatelain, seconded by Mr. Mallett, the Board voted unanimously to approve the following Consent resolutions:

- 8A. Authorization for the President to approve football post-season additional compensation in accordance with existing Board Policy

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the attached recommended changes to the Additional Compensation Policy for Post Season Athletic Events at LSU, effective upon approval.

- 8B. Request approval to establish Endowed Professorships at LSU

Each professorship, dependent on available funds, will provide between \$3,500 and \$4,500 annually to each faculty appointee. The four professorships are to be named as follows:

- Toni Stephenson Professorship
- Stephenson Disaster Management Institute Professorship #1
- Stephenson Disaster Management Institute Professorship #2
- Stephenson Disaster Management Institute Professorship #3

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the above mentioned Professorships at Louisiana State University.

- 8C. Recommendation to Name a classroom in the New Business Education Complex the "Laura A. and A. Claude Leach, Jr. Classroom"

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of an undergraduate classroom in the Business Education Complex the "Laura A. and A. Claude Leach, Jr. Classroom".

- 8D. Recommendation to Name the Percussion Room in the new Tiger Band Hall the "Laura and Buddy Leach Family Percussion Room"

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of a the Percussion Room in the new Tiger Band Hall the "Laura and Buddy Leach Family Percussion Room".

- 8E. Recommendation to name the digital processing Lab in the College of Engineering the "PreSonus Digital Processing Lab"

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the Digital Processing Lab in the College of Engineering the "PreSonus Digital Processing Lab".

- 8F. Request for LSU Paul M. Hebert Law Center Scholarship Authority

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize the LSU Paul M. Hebert Law Center to award, for the 2013-2014 academic year, scholarships through the waiver of tuition and non-resident fees in an amount not to exceed \$5,000,000.

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8G. Assignment of Oil, Gas & Mineral Lease from Cortez Southern Resources, LLC to Halcon Energy Properties, Inc. for land in East Feliciana Parish

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that F. King Alexander, President of the LSU System, or his designee, is authorized and empowered for and on behalf of the Board of Supervisors to execute a consent to assignment by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Cortez Southern Resources, LLC, as assignor, and Halcon Energy Properties, Inc., as assignee concerning the following described mineral lease:

A certain Oil, Gas, and Mineral Lease dated December 14, 2011 containing 1,803.56 acres, more or less, situated in Sections 44, 46, 69, 70 and 71, Township 3 South, Range 2 East; and Sections 42, 68 and 72, Township 3 South, Range 3 East, East Feliciana Parish, Louisiana. Being the State Agency Lease No. 20808 recorded under File Number 212002 of the Conveyance Records of East Feliciana Parish, Louisiana.

8H. Recommendation to name a faculty office in the New Business Education Complex the "John R. and Eleanor D. Landon Faculty Office"

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of a faculty office in the Business Education Complex the "John R. and Eleanor D. Landon Faculty Office".

8I. Request approval of a Letter of Intent for a Master of Science in Digital Media Arts & Engineering at Louisiana State University

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to submit a Letter of Intent for a Master of Science in Digital Media Arts & Engineering at Louisiana State University, subject to approval by the Louisiana Board of Regents.

9. Committee Reports

9A. Academic and Student Affairs, Achievement and Distinction Committee

Mr. Scott Ballard, Vice Chairman of Academic and Student Affairs Achievement and Distinction Committee, reported that the Committee received one (1) recommendation for consideration for Board approval. It is the recommendation of the Committee that the recommendation receives Board approval.

9A1. Request for reauthorization of the Louisiana Vaccine Center at the LSU Health Sciences Center in New Orleans

Upon motion of Mr. Ballard the Board voted unanimously to approve the following resolution:

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approves the request for reauthorization of the Louisiana Vaccine Center at Louisiana State University Health Sciences Center through June 2017, subject to approval by the Board of Regents.

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9B. Property and Facilities Committee

Mr. McCollister, Chairman of the Property and Facilities Committee, reported that the Committee received four (4) recommendations for consideration for Board approval and one (1) report. It is the recommendation of the Committee that the recommendations receive Board approval.

9B1. Request for LSU Board of Supervisors approval for the acquisition of property located at 535 West Roosevelt Street Baton Rouge, Louisiana

Upon motion of Mr. McCollister, seconded by Mr. Angelle, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that F. King Alexander, President and Chancellor, or his designee, is authorized on behalf of and in the name of the Board of Supervisors to approve the acquisition of property from the Baton Rouge Speech and Hearing Foundation.

BE IT FURTHER RESOLVED that the F. King Alexander, President and Chancellor, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in said approval to purchase said property any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

9B2. Recommendation to approve the Lease Agreement for Construction of the LSU Women's Gymnastics Practice Facility

Upon motion of Mr. McCollister, seconded by Mr. Angelle, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, President of the Louisiana State University System, to execute a Lease Agreement between the Board and Tiger Athletic Foundation, for construction of the proposed LSU Women's Gymnastics Practice Facility and any additional related agreements as may be reasonably necessary to facilitate the design and construction of this project;

BE IT FURTHER RESOLVED that the Board, pursuant to the Uniform Affiliation Agreement between it and the Tiger Athletic Foundation, finds an acceptable University purpose for Tiger Athletic Foundation to enter into this Lease Agreement, and any related or ancillary contracts and agreements reasonably necessary for the design and construction of the LSU Women's Gymnastics Practice Facility; and

BE IT FURTHER RESOLVED that F. King Alexander, President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, to include in the Lease Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

9B3. Recommendation to approve the LSU Tennis Facility Schematic Design Elevations

Upon motion of Mr. McCollister, seconded by Mr. Angelle, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the

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LSU Tennis Facility is in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the System Director of Facility Planning, or his designee.

- 9B4. Recommendation to approve a request for the Lease of Property at the Pennington Biomedical Research Center with the Recreation and Park Commission of East Baton Rouge Parish (BREC)

Upon motion of Mr. McCollister, seconded by Mr. Angelle, the Board voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University System, or his designee, to execute a Lease Agreement with BREC - the Recreation and Park Commission for East Baton Rouge Parish.

- 9B5. Report on the status of the LSU Foundation building (For informational purposes only)
- 9B6. Discussion of a strategy for reviewing the Master Plans of all LSU System Campuses
- 9B7. Discussion of potential plans to review all campus assets including space utilization, property management, and opportunities for economic development through the establishment of partnerships with the private sector
- 9C. Health Care and Medical Education Committee

Mr. Lasseigne, Chairman Health Care and Medical Education Committee, reported that the Committee received no recommendations for approval, three (3) updates, and one (1) report.

- 9C1. Update on the Bogalusa Medical Center Cooperative Endeavor Agreement
- 9C2. Report on the LSU Health Care Services Division Data Warehouse Project
- 9C3. Update on hospital partnerships
- 9C4. Updates from the LSU Health Sciences Centers in New Orleans and Shreveport
- 9D. Athletic Committee

Mr. Chatelain, Chairman Athletic Committee, reported that the Committee received one (1) recommendation for consideration for Board approval. It is the recommendation of the Committee that the recommendation receives Board approval.

- 9D1. Recommendation to approve revisions to the LSU Athletics Ticket, Parking, and Tradition Fund Policy

Upon motion of Mr. Chatelain, seconded by Mr. Mallett, with objections by Mr. Woodard and Mr. Angelle, the Board voted to approve the following resolution:

WHEREAS, LSU A&M maintains a comprehensive policy for tickets, parking, and the tradition fund for athletic events, known as the Athletics Ticket, Parking, and Tradition Fund Policy, and;

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WHEREAS, the President and Chancellor has recommended revisions to the Athletics Ticket, Parking, and Tradition Fund Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that it hereby approves the revisions to the Athletics Ticket, Parking, and Tradition Fund Policy. (See attached policy with amendments)

BE IT FURTHER RESOLVED that the Director of Athletics shall report annually to the Board on the status of the Athletic Department at Louisiana State University.

10. Chairman's Report

Chairman Yarborough announced that the Audit Committee would not meet following the meeting. He reminded members that the next regularly scheduled Board meeting will be held on Friday, January 31, 2014.

11. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 2:50 p.m.

Vicki L. George
Acting Administrative Secretary
LSU Board of Supervisors

I. RESEARCH AND ECONOMIC DEVELOPMENT COMMITTEE

Mr. J. Stephen Perry, Chair
Mr. Scott Angelle, Vice Chair

Mr. Ronald R. Anderson

Mr. Scott Ballard

Mr. Hank Danos

Mr. Raymond J. Lasseigne

Mr. Stanley J. Jacobs

Mr. Lee Mallett

Mr. Rolfe McCollister, Jr.

AGENDA

1. Receive the report of the President's Committee on Technology Transfer (Report Only, no action)
2. Recommendation to amend the Regulations of the Board, Chapter VII, Intellectual Property and recommendation to create the LSU *Lift Fund* restricted account

**A New Approach to Technology Transfer at LSU:
Partnerships for Progress in Leveraging Innovation**

**REPORT OF THE
LSU PRESIDENT'S COMMITTEE ON TECHNOLOGY TRANSFER**

December 20, 2013

LSU President's Committee on Technology Transfer (PCTT)

Arthur Cooper

CEO, LSU System Research & Technology Foundation, Chair of the PCTT

Dr. William Richardson

Vice President of Agriculture & Dean, College of Agriculture, LSU Ag Center & LSU A&M

Dr. Kalliat T. Valsaraj

Vice Chancellor for Research & Economic Development, LSU A&M

Patrick E. Reed, RTTP

Director, Office of Technology Management, LSU Health Sciences Center New Orleans

Annella Nelson

Director, Sponsored Programs & Tech Transfer, LSU Health Sciences Center Shreveport

Leslie Smith

Licensing Officer, LSU Pennington Biomedical Research Center

Nicole Baute Honorée, RTTP

Director of Research & Economic Development Initiatives, LSU System

Summary of Recommendations

- **Adopt a new, shared mission statement which emphasizes high-quality faculty service and effective, efficient commercialization practices for public benefit and economic impact.**
- **Establish a new, shared-services partnership with the LSU System Research and Technology Foundation for centralized administrative support functions, allowing each campus the ability to maintain and enhance its individual technology transfer operations.**
- **Launch a new, permanent, proof-of-concept program to support commercialization of inventions, the LSU LIFT Fund (*Leveraging Innovation for Technology Transfer*).**
- **Revise pertinent regulations and policies to streamline and clarify the management of intellectual property through technology transfer at LSU.**
- **Maximize the strengths of each campus technology transfer office, the Research and Technology Foundation and the University through a novel partnership which will make progress in leveraging innovation at every level for all members of the LSU community.**

Introduction

LSU affirms its commitment to education, research, service, and economic development by creating, disseminating and advancing knowledge in an open and entrepreneurial environment. In the course of research by members of the multiple LSU campuses, inventions may arise. The commercialization of these inventions through the process called "technology transfer" further enhances LSU's mission and increases its economic impact. A primary objective of technology transfer at LSU, in common practice with universities nationwide, is to move inventions from the laboratory to the market for public use and benefit through partnerships with new and existing businesses.

Over the past several years, much attention has been paid to how LSU campuses manage technology transfer and commercialization activities. Several of the five research campuses within the LSU community have staff assigned full time to these activities; others do not. Nationally-recognized universities which excel in partnering with companies to commercialize inventions through technology transfer have expert professional staff who are dedicated full time to technology transfer, who work in close and regular contact with faculty and who have the autonomy and flexibility necessary to respond quickly to business needs. While these best-practice principles are implemented in various organizational models, all are designed to best serve the needs of the faculty and the institution, and all serve as the basis for this report.

Earlier this year, the LSU Transition Advisory Team (TAT) identified technology transfer as a key component in reshaping LSU's research enterprise. The TAT final report called for a new model of technology transfer to spur and support innovation on each campus and to provide a high level of service to faculty, business partners, and the community. In response to the TAT report, President Alexander formed a President's Committee on Technology Transfer (PCTT) in September to evaluate the pertinent recommendations and to devise a new, comprehensive approach to technology transfer across the research campuses of LSU.

The President's specific charge to the PCTT was to:

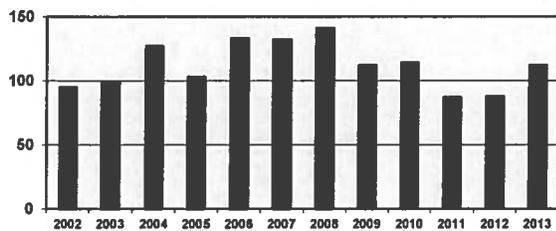
1. Clearly define a mission for technology transfer across all research components of LSU which promotes, supports and prioritizes innovation through LSU's research and related activities.
2. Develop strategies to more closely integrate technology transfer activities through collaboration between the LSU System Research & Technology Foundation (RTF) and LSU campuses
3. Determine how best to establish and implement an innovation investment fund to provide small grants to faculty for proof-of-principle in support of further commercialization activities.
4. Determine what changes are needed in LSU's bylaws and regulations to enhance technology transfer.
5. Begin developing specific mechanisms and plans to enhance technology transfer throughout LSU, to build an adequate support structure for potential commercial development of inventions.

The PCTT met multiple times over the past several months to evaluate data and previous studies and to make specific recommendations for each item in the President's charge. The PCTT recommends a new direction for technology transfer at LSU which combines the best of multiple approaches, leveraging existing expertise and resources into a new hybrid model for managing technology transfer. This collaborative approach to commercialization will advance innovation, provide excellent faculty service, be responsive to the needs of business and actively support LSU's critical role in helping to build an innovation economy in Louisiana.

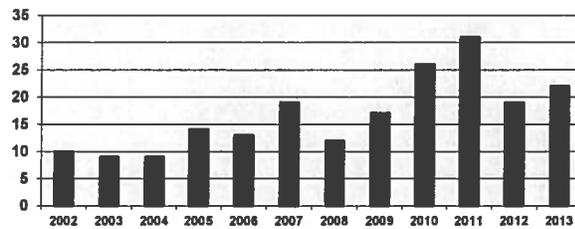
Technology Transfer Metrics

As this new approach to technology transfer is launched at LSU, it is important to assess recent activity on several key technology transfer metrics. These data will establish a baseline for evaluating the ongoing impact and success of this new partnership model for commercialization across all campuses of LSU. The six tables below illustrate annual total activity on each measure by all campuses at LSU over the past decade. It is critical to note that these technology transfer activities are all *outputs* of the research enterprise, and are largely dependent upon the success of the faculty in acquiring critical *inputs* of funding for basic and applied research.

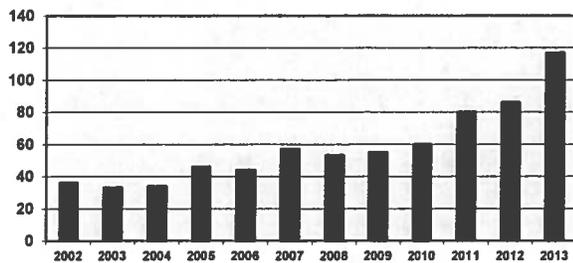
Invention Disclosures



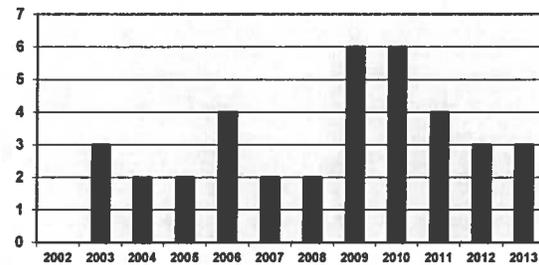
Licenses & Options Signed



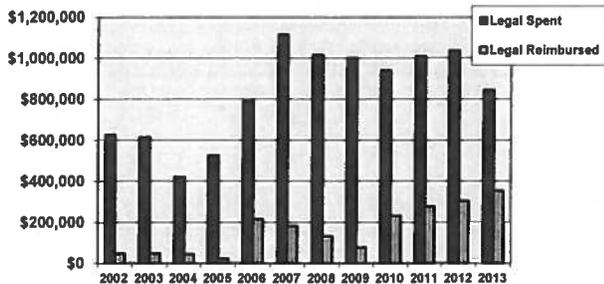
Licenses Producing Income



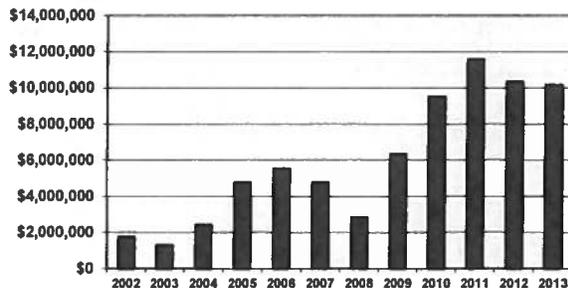
Start-ups Formed



External Legal Fees



Licensing Income



A New Shared Mission Statement

Technology transfer offices at LSU campuses advance innovation by serving the faculty, supporting the research enterprise, and partnering with entrepreneurs and businesses to commercialize inventions that enhance the economy and benefit the public.

A New Partnership with the LSU System Research & Technology Foundation

The LSU System Research & Technology Foundation (RTF) was founded in 2002. One of its three main purposes, never before fully implemented, is to “coordinate and manage the transfer of intellectual property and other intangible property and rights derived from such research and technology to the marketplace.” The PCTT recommends a new approach to technology transfer at LSU in close partnership with the RTF to maximize the benefits of a foundation structure while maintaining an independent technology transfer office under the direction and control of each senior campus leader. This is a novel approach to the management of technology transfer at a public university and represents a hybrid model which draws upon the strengths of both the foundation and the university.

In order to ensure the highest level of faculty service and optimize technology transfer at LSU, it is crucial that each research campus has a technology transfer office on site and easily accessible. The process of stimulating new invention disclosure and expanding faculty interest in commercialization can only occur when the technology transfer officer is in close and regular contact with all faculty. However, many administrative aspects of the technology transfer process can be centralized for better efficiency, coordinating effort and leveraging expertise to optimize the operations of each campus technology transfer office.

The PCTT has developed a shared-services model in which the RTF will provide certain common technology transfer administrative functions while each research campus of LSU will maintain its own staff, budget, and decision-making autonomy. Under a one year Memorandum Of Understanding (MOU) between the RTF and each campus, expenses for these centralized services will be shared according to a formula based upon each campus’ relative proportion of LSU’s total annual research expenditures, along with a contribution by the LSU Office of the President for year one of this new hybrid model. After the first year of operation, the PCTT expects that the campus expense allocation in the MOU will be adjusted based upon actual accrued expenditures and other factors. The projected costs of this new collaborative model represent reasonable estimates that will offset legal and other expenses currently incurred by each campus in its technology transfer operations.

As a part of the partnership, the RTF will provide regular reporting on various technology transfer activities and metrics to the President, the LSU Board of Supervisors, and to each campus’s technology transfer office; the timing, content and structure of each level of reporting will be by mutual agreement. The RTF will consult with and receive approval from each campus’s technology transfer office before taking action on matters that involve that campus, and will work in close consultation with each campus to support the individual needs of that campus. Further, the RTF will receive no compensation for its services to LSU regarding intellectual property matters except that which is specified in the MOU.

Under this collaborative model, the RTF will perform the following functions on behalf of the research campuses:

- Hire a database administrator to manage the relational database already shared by the campus tech transfer offices, to establish standard guidelines for data entry and management.
- Assume all costs associated with the ongoing use of the database.

- Implement a license monitoring program, including compliance and fee collections.
- Retain legal counsel or other external advisors, upon request of a campus, for invention assessment, patent prosecution or licensing negotiation matters and assume all costs related to these services. The legal counsel may be hired in-house by the RTF or may be retained externally on a case-by-case basis, as mutually agreed upon by the RTF and all LSU parties.
- Provide patentability and marketability evaluation of any intellectual property, and identify potential licensees, as requested by each campus on a case by case basis.
- Host a website featuring all LSU technologies available for licensing from all campuses.
- Provide training and resources for staff professional development and faculty enhancement.

Below is the estimated Year One budget for the centralized technology transfer functions of the RTF.

In-House Attorney Salary & Benefits	\$190,000
Database Administrator Salary & Benefits	\$93,000
Legal	\$470,000
Disclosure Analysis Reports	\$80,000
Total Direct Cost	\$833,000
RTF Indirect Cost (20%)	\$167,000
Total Cost	\$1,000,000

The LSU Office of the President will provide 20% of the funding for the Year One budget above. The remainder will be divided among the five research campuses according to a five year rolling average of each campus' relative share of the total LSU research and development expenditures reported annually to the National Science Foundation (NSF). The RTF will also seek additional funding to help offset the startup and initial years of the centralized operations.

The Year One budget will be divided as follows:

LSU Office of the President	20.00%	\$200,000
LSU A&M	33.21%	\$332,061
Ag Center	15.45%	\$154,530
Pennington	8.80%	\$87,960
HSC-NO	17.62%	\$176,229
HSC-S	4.92%	\$49,219

A New Proof-of-Concept Program through a Permanent Innovation Investment Fund:
LSU LIFT– Leveraging Innovation For Technology Transfer

The PCTT recommends that LSU establish a new, permanent, innovation investment fund to provide its entrepreneurial and creative faculty with small “proof of concept” grants to support further commercialization of inventions. This new funding initiative, ***LSU LIFT (Leveraging Innovation For Technology Transfer)***, will help move LSU inventions farther up the technology readiness ladder, advancing innovation towards application by helping validate commercial potential.

Most traditional sources of funding sustain only basic research; however, many discoveries require significant additional development to prove the invention has enough market potential to attract commercial partners. Funding for this type of research is difficult to obtain from either government or private sources, leaving many promising inventions languishing in a funding gap often referred to as “the valley of death.” The LSU LIFT grants will help faculty fill this critical gap in the critical funding continuum from discovery to commerce, establish data on commercial feasibility, and thus reduce the risk for companies interested in licensing the invention.

The LSU LIFT proof-of-concept program will be modeled after similar programs at leading research universities. The grants are expected to be awarded twice a year, on a competitive basis, in amounts up to \$50,000. The LSU LIFT grants will be time-limited and performance-based and for applied rather than basic research. An advisory panel, comprised of faculty, independent external experts and business leaders who serve on the Board of Directors of the RTF, will recommend awards after evaluation of the proposals. Upon approval of the LSU LIFT Investment Fund by the President and LSU Board of Supervisors, specific details for implementation of the grant program will be developed in close consultation with faculty researchers, the RTF, and campus research and technology transfer offices.

The new and permanent LSU LIFT Innovation Investment Fund will be sustained through a portion of revenues from past and future technology licensing agreements. Both federal law and LSU regulations require licensing income from inventions be used to further support the research enterprise; securing a portion of such technology transfer licensing income in the LSU LIFT Fund will ensure that revenues from inventions are continually reinvested in new innovation opportunities.

Under current regulations, the LSU Office of the President receives ten percent (10%) of all Distributable Royalties, as defined in Chapter VII of the Regulations of the LSU Board of Supervisors. The PCTT recommends that this allocation be split in half, retaining five percent (5%) in the LSU Office of the President and dedicating five percent (5%) of all future license income to the LSU LIFT Fund, to ensure ongoing financial support for much needed proof of concept projects for faculty from any LSU campus.

The PCTT urges LSU President Alexander to launch this new, permanent innovation investment fund for proof-of-concept activities, ***LSU LIFT (Leveraging Innovation For Technology Transfer)***, with at least ***\$1 million*** as a signal of LSU’s strong commitment to investing in its researchers and advancing discoveries to benefit the public.

Proposed Policy Revisions

LSU Board of Supervisors Regulations, Chapter VII and PM-16 and PM-64

In developing the proposed revisions to various LSU policies related to technology transfer, the PCTT recognized that the multiple regulations and presidential memoranda pertaining to the management of intellectual property were developed at various times, leading to misunderstanding and confusion

This amended Chapter VII of the Regulations consolidates all those documents into a single policy regulation while preserving the intent and integrity of the earlier related documents. In particular, PM-16 (effective 3.7.95) and PM-64 (effective 1.24.97) are eliminated in their entirety, with the pertinent sections and procedural matters incorporated into one place in the proposed revised Chapter VII.

In drafting the revised Chapter VII, great care has been taken to avoid changing any substantive rules affecting the rights of faculty and staff members who create LSU Intellectual Property. These proposed revisions change certain order and structure, and incorporate key aspects of the two PMs, to ensure the policy is easier to follow and understand, but make no substantive changes to definitions, intent or rights of inventors.

Two versions of the proposed new Chapter VII are attached. Attachment One is an annotated version which clearly identifies and explains any changes. Attachment Two is the clean document in its new form.

The PCTT recommends these proposed policy revisions as a way to streamline and clarify the framework for technology transfer at LSU for both inventors and external commercialization partners.

Conclusion

The LSU President's Committee on Technology Transfer believes its proposed new model for technology transfer at LSU will strengthen service to the faculty, measurably increase important activities and streamline interactions with business. Specific mechanisms and plans for action to enhance technology transfer across LSU will be determined upon approval of this plan by the President, Board and campus leaders. This new partnership with the Research & Technology Foundation will centralize certain administrative functions and expand both support and resources for each campus technology transfer offices.

By maximizing the strengths of each campus, of the entire university and of the foundation, this new hybrid model of technology transfer at LSU builds a strong partnership for making tremendous progress in leveraging innovation for economic impact and public benefit.

Attachment 1 – Annotated Version of Proposed New Policy

CHAPTER VII

INTELLECTUAL PROPERTY

In this annotated draft of the proposed revisions, comments are indicated in bold in this type face. The comments are not a part of the revision and will not be shown in the final version presented to the Board for approval.

Section 7-1. General Policy.

LSU encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All LSU Personnel are required to disclose to the appropriate campus officer at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. The inventor, the inventor's department, and the inventor's campus gain prestige, and in some cases financial benefits, from commercializing an invention or discovery. Such commercialization is consistent with, and complementary to, LSU's academic mission; through such activities, LSU provides new benefits to the public and enhances economic development.

Section 7-2. Definitions.

- a. "LSU Invention" shall mean an invention or discovery that is either conceived, created, designed, developed, conducted or first reduced to practice, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where conception or reduction to practice occurs; or **(2)** are supported by funds under the control of LSU; or **(3)** are performed with the use of LSU facilities, equipment, or supplies. The term "LSU Invention" shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an "LSU Invention": an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that: **(1)** occur during the personal, off-duty time of all involved LSU Personnel; and **(2)** are not supported by funds under the control of LSU; and **(3)** are not performed with the use of LSU facilities, equipment, or supplies; and **(4)** are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved LSU Personnel.
- b. "LSU Work" shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by LSU, in whole or in part. The term "LSU Work" shall also include any copyright or other legal rights derived from such a work. The support by LSU may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the consideration provided in a particular contract, or otherwise. "LSU Work" shall not, however, include any work deemed to be LSU Software.

- c. "LSU Software" shall mean any software created or developed, in whole or in part, during activities that: (1) are carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; or (2) are supported by funds under the control of LSU; or (3) are performed with the use of LSU facilities, equipment, or supplies. The term "LSU Software" shall also include any source code pertaining to such software; any copyright derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; and any other legal rights derived from such software.
- d. "LSU Digital Media" is a collective term that encompasses all LSU Software, as well as some LSU Works. All LSU Software is considered "LSU Digital Media." An LSU Work is considered "LSU Digital Media" if it is fixed in a tangible digital medium (including, by way of example, a magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video disk/digital versatile disk/DVD, or an Internet website) that is intended to be used by third parties in digital form or that is intended to be distributed in digital form to third parties for consideration. An LSU Work that is transmitted to a publisher in digital form at the request of the publisher or for the convenience of the author or publisher, but that will not be distributed by the publisher to third parties in digital form (e.g., a conventional printed book whose text is prepared on a word processor) is not considered "LSU Digital Media." However, any digital media that otherwise satisfies the above definition, and that is intended to be distributed to third parties with a printed book (for example, a compact disk read-only-memory packaged with a book) is considered "LSU Digital Media." An LSU Work that is published electronically as part of a peer-reviewed scholarly journal on the Internet shall not be considered "LSU Digital Media." Some "LSU Digital Media" will be treated as LSU Works, and some "LSU Digital Media" will be treated as LSU Software, as provided in greater detail in Section 7-7(b).
- e. "LSU Database" shall mean a digital database that has commercial value, or that reasonably may be considered to have potential commercial value, regardless of whether the database is the subject of copyright, where the database is created or developed, in whole or in part, during activities that are: (1) carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; or (2) supported by funds under the control of LSU; or (3) conceived, created, designed, developed, or conducted with the use of LSU facilities, equipment, or supplies. The term "LSU Database" shall also include any source code pertaining to such database; any copyright derived from such database; any patent application or issued patent containing at least one claim reading on such database, or having at least one claim reading on a process or apparatus incorporating such database; and any other legal rights derived from such database, including by way of example any statutory legal protection for a database, whether the statute is enacted before or after the provisions of these *Bylaws* concerning LSU Databases take effect.
- f. "LSU Mark" shall mean any trade name, trademark, service mark, design, or trade dress: (1) that is associated with LSU, or with any campus or other part of LSU; or (2) that is created or produced during an activity that is supported by LSU, in whole or in part; or (3) that is created or produced by LSU Personnel and is associated with any other LSU Intellectual Property. The term "LSU Mark" shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.

- g.** "Other LSU Intellectual Property" shall mean any intellectual property, other than an LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, or LSU Mark, where the events giving rise to the creation of that intellectual property are supported by LSU in whole or in part. By way of illustration only, such "Other LSU Intellectual Property" may include plant variety protection applications or certificates; semiconductor mask works; trade secrets; know how; and tangible research property (e.g., semiconductor chips, software, biological organisms, prototypes, drawings, original research records, notebooks, data, and other corporeal property that can be physically or electronically distributed). In interpreting this paragraph, the principles of paragraphs (a) through (f) above shall apply by analogy where appropriate.
- h.** "LSU Intellectual Property" shall mean, collectively, any LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark, or Other LSU Intellectual Property.
- i.** "Course Materials" shall mean any copyrights in underlying educational materials or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by LSU, to the extent that an author of those materials, himself or herself, uses those materials in teaching the course; including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio- or video-based, or otherwise. "Course Materials" may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media. "Course Materials" shall not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention. "Course Materials" shall not include any rights that are derived from a co-author who is not also directly involved in the teaching or instruction of a regularly scheduled course for credit at LSU using those materials.

COMMENT TO AMENDMENT

The definition of "Course Materials" was previously subsection "e". It has been reordered to come after the definitions of all the various forms of LSU Intellectual Property. No change has been made to the definition itself.

- j.** "Distributable Royalties" shall mean any consideration, whether in the form of money, corporate stock or other equity in a business organization, or any other thing of value, actually received by and in the control of LSU pursuant to an authorized agreement granting any rights in any LSU Intellectual Property, after deduction of LSU's legal, professional and patent expenses directly expended in support of and allocable to that LSU Intellectual Property, except that "Distributable Royalties" shall not include:

 - (1) Any such consideration received by LSU in reimbursement of or allocated for direct, out-of-pocket expenses paid or owed by LSU to third parties which are directly allocable to the LSU Intellectual Property for which the consideration is received, such as expenses for past, present, or future attorneys fees and other legal expenses, and amounts paid to outside contractors, regardless of whether the authorized agreement expressly provides for such reimbursement; provided that such expenses shall not include any internal expenses of LSU, such as salaries, administrative overhead, building rent, equipment purchases, and similar expenses;
 - (2) Any consideration received through a Research Grant or which are Litigation Proceeds; and

- (3) Any amounts received by LSU that are attributable to an LSU Mark.

COMMENT TO AMENDMENT

This definition of Distributable Royalties has been slightly modified to make it easier to understand. It does not change the substantive rights of faculty members regarding distributable royalties. It clarifies that royalties paid by licensees to LSU for direct, out-of-pocket expenses which LSU has had to pay to an outside party (such as a patent attorney or for a professional service) specifically related to the licensed intellectual property are not part of "distributable royalties," which means that the faculty inventor will not receive 40% of those payments. It does *not* allow LSU to reduce royalties paid to faculty inventors as a result of internal LSU costs such as staff salary or administrative overhead, etc. but it does specify that any external legal, professional or patent expenses of LSU related directly to the commercialization of that invention first will be reimbursed to LSU before any distribution is made to the inventors or university units.

- k. "Research Grant" shall mean (for purposes of this Chapter VII of the *Regulations of the Board*) any consideration received by LSU under an authorized sponsored research agreement that, along with any other provisions, grants another party any rights in any LSU Intellectual Property, where LSU's disposition of that consideration is restricted by that contract to use for conducting research.
- l. "Litigation Proceeds" shall mean any money or other property received by LSU as a result of any resolution of a dispute over another's use, infringement, or licensing of any LSU Intellectual Property, whether received by way of judgment, arbitration, or settlement -- and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted.
- m. "LSU" or "University" shall mean the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including all of its campuses, centers, institutions, facilities, and other property.
- n. "LSU Personnel" shall mean all LSU Supervisors, Officers, Faculty, Staff, Research Associates, Postdoctoral Fellows, Instructors, Graduate Students, and other employees of LSU, whether part-time or full-time. "LSU Personnel" shall include, for example: (1) faculty or other LSU Personnel who are on nine-month appointments, who shall be considered "LSU Personnel" throughout the calendar year for purposes of this Chapter VII of the *Bylaws*, (2) visiting faculty, and (3) adjunct faculty, emeritus faculty, and LSU undergraduate and professional students employed by LSU when those persons act within the course and scope of their employment by LSU. "LSU Personnel" shall not include adjunct faculty and LSU undergraduate and professional students when those individuals are not acting as employees of LSU.

Previous section "o" defined "Chancellor" to also include the Executive Director of Pennington. This has been removed as unnecessary. Consistent with the general practice of the *Bylaws* and *Regulations*, the proposed revisions use the phrase "Chancellor or equivalent" throughout.

INTRODUCTION TO SECTION 7-3.

This section has been retitled, re-ordered and reformatted for clarity but unless otherwise noted has not been amended. References to prior section numbering and brief comments are shown in brackets below, which bracketed material will not be part of the Regulations when adopted.

Section 7-3. Ownership and Management of LSU Intellectual Property

a. Right to Own and Manage LSU Intellectual Property

- (1) LSU holds all right, title, and interest to all LSU Intellectual Property in all countries. LSU Personnel shall execute any formal assignments to LSU of all right, title, and interest to any LSU Intellectual Property, and shall execute such other documents and perform such other lawful acts (at no out-of-pocket expense to the LSU Personnel) as may be requested by LSU fully to secure LSU's interest in LSU Intellectual Property. [formerly 7.3.a]
- (2) As owner of LSU Intellectual Property, LSU may manage, license, patent, register, sell, abandon, or otherwise dispose of any LSU Intellectual Property as LSU in its discretion sees fit, including but not limited to all decisions concerning potential financial benefits to be derived from any LSU Intellectual Property. [formerly 7.3.c.1]
- (3) Only LSU, acting through the procedures set forth in this Chapter 7, has the authority to enter into any agreement relating to LSU Intellectual Property. Any purported assignment, transfer, license, assertion of ownership, or other disposition of LSU Intellectual Property by the inventor(s) or author(s), without the prior written approval of an LSU official authorized pursuant to these *Regulations*, is void and will not be recognized by LSU -- including, by way of example and not limitation, any such purported assignment or other disposition in a consulting agreement, research agreement, material transfer agreement, or confidentiality agreement. [formerly 7.3.b.3, with new first sentence added]
- (4) If LSU elects not to manage, license, patent, register, sell, or otherwise dispose of any item of LSU Intellectual Property, then on written request from the affected inventor(s) or author(s), in LSU's sole discretion, LSU, in accordance with the policies and processes set forth in this Section 7 may, with any required concurrence from a research sponsor, by written agreement with the respective inventor(s) or author(s), relinquish and assign that item to the inventor(s) or author(s), subject to such conditions as the parties find mutually agreeable. [formerly 7.3.c.2 AND PM-64.C]

- b. Each Chancellor or equivalent shall establish policies and procedures for, and identify employees or positions responsible for, the management of LSU Intellectual Property on that campus. Each campus shall be responsible for compliance with all procedures and obligations under the Bayh-Dole Act (PL 96-517) or other applicable laws, regulations, agreements or contracts with respect to the management of LSU Intellectual Property. LSU may elect to enter into an agreement with an affiliated non-profit foundation for the

COMMENT TO AMENDMENT

Previously, PM-16 and PM-64 included very specific procedures for disclosure of inventions and for compliance with the straight-forward provisions of the Bayh-Dole act. It is more appropriate for procedures at that level of detail to be developed by each campus to fit its own needs in accordance with its organizational structure.

- c. (1) In exceptional circumstances, LSU may waive its rights to certain items that would otherwise be LSU Intellectual Property, in favor of an outside employer of one or more LSU Personnel, if LSU expressly approves in writing and in advance a valid consulting agreement between that employer and the LSU Personnel, and if the consulting agreement expressly states in writing that such items shall become the property of that employer, and if the consulting agreement and all activities conducted under the consulting agreement are in full compliance with the Code of Governmental Ethics and all pertinent rules and regulations of LSU.
- (2) Any such waiver may only be made in writing by the Chancellor or equivalent (or the President, if PM-11 or PM-67 require approval by the President of the related consulting agreement), which authority may not be further delegated, based on a written finding setting forth the reasons that such a waiver is in the best interests of LSU. [formerly section 7.3.b.1]

COMMENT TO AMENDMENT

The final sentence was added to clarify the procedure for obtaining such a waiver.

- (3) LSU will ordinarily grant to a non-governmental sponsor of funded research at LSU an exclusive right, for a limited period of time, to negotiate with LSU for a royalty-bearing license under inventions that may result from the funded research, under mutually agreeable terms. Royalty rates or other consideration to be paid for a licensed invention will not ordinarily be determined before the invention has been made, except where approved in writing by the President, based on a written recommendation from the Chancellor or equivalent setting forth the facts justifying a finding that the deviation is in the best interests of LSU. [formerly section 7.3.b.2]

COMMENT TO AMENDMENT

This provision previously specified that the sponsor of funded research will ordinarily be granted a limited free right to reproduce copies of research reports and scholarly papers arising from the funded research. The revision deletes that provision, at the request of the campus technology tech transfer officers, as unnecessary as it is already done in practice.

d. Restrictions on Publication

- (1) Nothing in this Chapter shall be construed to prohibit or restrict LSU Personnel from publishing in academic channels any material that LSU and those Personnel are otherwise free to publish. LSU Personnel are cautioned that early publication can destroy or impair the legal protection that might otherwise be available for intellectual property,

and where appropriate are advised to consult with their campus technology transfer officers well before the first planned publication to discuss this question further. [formerly 7.3.d]

- (2) As a matter of University policy, LSU shall not normally accept restrictions or prohibitions on publications, other than a requirement for delaying publication for a reasonable period of time, from research sponsors and intellectual property licensees. Any waiver of this requirement in any agreement must be made by the President, based on a written recommendation from the Chancellor or equivalent, that: (1) the restrictions are tailored to be the least restrictive conditions which will satisfy the legitimate concerns of the sponsor or licensee, and (2) all LSU Personnel likely to be affected by the proposed restrictions have consented to the restrictions.

COMMENT TO AMENDMENT

This section 7-3.d(2) is based on and replaces PM-64 E. It clarifies the specific process to be followed if LSU is to agree to restrict or prohibit publication of research findings.

Section 7-4. Allocation of Distributable Royalties [formerly 7.3.e and PM-64.A]

a. Distribution to Inventor or Author

- (1) Forty percent (40%) of all Distributable Royalties as defined in Section 7-2(j) shall be paid or transferred to the respective inventors or authors within thirty days of receipt by LSU, unless a different schedule is otherwise agreed in writing by LSU and the inventor(s) or author(s).
- (2) For as long as LSU receives such Distributable Royalties, payment of this allocation of Distributable Royalties shall continue to the respective inventors or authors regardless of whether they continue employment at LSU, or to their heirs, as applicable.

COMMENT TO AMENDMENT

The last sentence has been added to clarify that the inventor's right to royalties is a heritable right. This is consistent with current practice, that if an inventor were to pass away, his share of future royalties will continue to be paid to his heirs.

Previously, the provisions now designated as a.(1) – a.(3) were included in one long section 7.3.e(1). They have been separated for clarity.

- (3) Provided, however, that the Chancellor or equivalent of the appropriate campus (or campuses) may direct that no part (or a reduced part) of Distributable Royalties shall be paid or transferred to the inventors where those Distributable Royalties are attributable to one or more Plant Patents or Plant Variety Protection Certificates.
- (4) Further provided, that on the written request of any inventor or author, all or part of that inventor's or author's share of Distributable Royalties may be retained by LSU to support research under the direction of that inventor or author, or may be paid to any other LSU Personnel who made a non-inventive contribution to the LSU Intellectual

Property, according to a written agreement. Assessing and managing any personal income tax implications of any such requests shall be the sole responsibility of the inventor or author.

COMMENT TO AMENDMENT

The portion of this provision which authorizes the inventor to direct a portion of his distributable royalties to other LSU personnel who made non-inventive contributions to the LSU Intellectual Property is drawn from PM-64 section A.1. The added sentence indicates that assessing and managing any tax implications of such an allocation are the sole responsibility of the inventor.

- (4) In recognition of the administrative costs that are associated with distributing small Distributable Royalty payments, the following procedures shall be used where applicable:
- (a) At any time when the cumulative total of undistributed Distributable Royalty payments received on account of a particular license of LSU Intellectual Property in a given fiscal year is less than \$1,000, the Distributable Royalties for that license shall not be distributed as otherwise provided, but shall instead be held by the University until the end of the current fiscal year.
 - (b) If, at any time during the fiscal year, the cumulative undistributed total reaches \$1,000, then the accumulated Distributable Royalties shall at that time be distributed as otherwise provided herein.
 - (c) At the end of each fiscal year, if LSU is holding a cumulative total in undistributed Distributable Royalty payments on account of a particular license of LSU Intellectual Property during the preceding fiscal year of less than \$1,000, then 100% of those undistributed Distributable Royalty payments shall be allocated to the Office of the President.
 - (d) Upon the written request of any affected inventor or author, made within six months of the close of the fiscal year, the inventor's or author's forty percent (40%) share of such Distributable Royalties described in part (c) above shall be paid to the respective inventor(s) or author(s), and the remaining sixty percent (60%) shall be retained by the Office of the President.
 - (e) LSU shall not be required to honor any such request from an author or inventor received either before the close of the fiscal year or more than six months after the close of the fiscal year. A separate written request must be made for each license and for each fiscal year. [formerly 7.3.g]

COMMENT TO AMENDMENT

The amendment changes the definition of small payments from \$250 to \$1,000, at request of the campus tech transfer officers, as a more reasonable level in today's dollars. The inventor can still request payment at any time during the first 6 months after the fiscal year in which the payments were posted. The sections of the former single paragraph were broken into separate sections for ease of reading.

b. Distribution to the Office of the President, the LSU Innovation Investment Fund and the Campus

- (1) Five percent (5%) of all Distributable Royalties shall be allocated to the Office of the President.
- (2) Five percent (5%) of all Distributable Royalties shall be allocated to the LSU Innovation Investment Fund in the Office of the President for support of proof-of-concept grants to faculty at any LSU institution in furtherance of commercial development of inventions.
- (3) Fifty percent (50%) of all Distributable Royalties shall be allocated within the appropriate campus as directed by the Chancellor or equivalent of that campus.
- (4) None of the allocation of Distributable Royalties to either the Office of the President or to the campus may be allocated directly to any individual.
- (5) In accord with LSU's obligations under the federal Bayh-Dole Act, the allocations of Distributable Royalties to the Office of the President, the Innovation Investment Fund and to the campus will be used in further support of scientific research and education. [formerly 7.3.e.2]

COMMENT TO AMENDMENT

This section now specifies the further allocation of the prior section distributing 10% of royalties to the Office of the President into two components, with 5% going to the new proof-of-principle innovation / gap fund, and maintains the 50% to the inventor's campus. The other sections have been broken into separate parts for clarity, and the last sentence was added to ensure compliance with federal law and is consistent with current practice.

c. Distribution and Management of Equity

- (1) Corporate stock or other equity shares within Distributable Royalties which comprises the inventor's allocation as described above shall be transferred to the respective authors or inventors as soon as reasonably practicable after LSU is legally able to transfer title to such equity, and until that time LSU shall be the sole owner of such equity. LSU shall have no liability in the event the value of such equity changes before it is distributed to the inventors or authors.

COMMENT TO AMENDMENT

The current regulation provides for distribution of the inventor's share of an equity interest "as soon as LSU is legally able to transfer title to such equity." In practice, this has occasionally presented problems in the case of small, closely held corporations and LLCs or in the case where the inventor may be a "non-qualified investor" under applicable securities law, which would subject the inventor or the company to greater regulatory controls if ownership was transferred to him. The proposed revision provides for LSU to transfer the inventor's share of the equity to the inventor "as soon as reasonably practicable" after LSU has the right to make such a transfer. The additional phrase is for clarification on the inventor's share.

- (2) All stock or other equity owned by LSU as LSU's portion of Distributable Royalties shall be managed and disposed of by the President, in consultation with the Chair and Chair-

Elect. The President shall have the authority to perform all acts that a stockholder or other equity holder lawfully may perform under applicable law. The President or his designee shall regularly review all equity that LSU has acquired as LSU's portion of Distributable Royalties, to decide when it should be held and when it should be sold or otherwise transferred. The President is authorized to confer with one or more financial professionals in reaching these decisions, and to rely on the advice of such professionals in making these decisions. The President shall notify the affected campus(es) prior to selling stock or other equity, except where exigent circumstances prevent prior notice.

COMMENT TO AMENDMENT

The current regulation provides for LSU's equity interest in corporations to be managed by an "Equity Committee," composed of 3 members of the Board. No such Equity Committee exists. The proposed revision authorizes the President to manage any equity interest, subject to the limitations provided in the remaining subsections.

- (3) To avoid potential conflicts of interest, the appearance of conflicts of interest, and potential liability:
 - (a) No LSU Personnel shall act as an officer, director, manager, or the like in any business entity in which LSU acquires stock or other equity under this Section 7; except that where the pertinent contract granting the business entity rights in LSU Intellectual Property has been approved under the provisions of LSU's Permanent Memorandum 67, the affected inventor(s) or author(s) may hold such managerial roles in the business entity in their personal capacities, but not as representatives of LSU; and
 - (b) LSU shall not otherwise attempt to influence the management or operation of any such business entity in which LSU owns equity. Exercising any voting rights associated with equity owned by LSU shall not be considered to be prohibited by this subsection. In exceptional circumstances, the President, after consultation with the Board Chair and Chair-elect, may authorize a departure from this requirement; upon a written finding that doing so will be in the best interests of LSU.

COMMENT TO AMENDMENT

The last sentence, setting forth the process to be followed to authorize LSU to influence the management of the business in which it owns equity in exceptional circumstances, has been added. The prior section 7-6 explicitly recognized the inherent authority of the President to approve departures from this requirement, so the proposed revision clarifies and provides a process for the President to do so. The President must authorize the departure in writing and must consult with the Chair and Chair-elect before doing so.

- (4) Any equity owned by LSU as LSU's portion of Distributable Royalties shall not be further distributed within LSU, but instead shall be managed by the President. Any cash benefits received by LSU arising from such equity ownership (for example, cash dividends, or proceeds from the sale of the equity) shall be distributed within LSU in the same relative proportions as other Distributable Royalties; except that the inventor(s) shall receive no

portion of any such cash, because the inventor(s) will ordinarily have already received 40% of the equity originally received by LSU under section 7-4(b)(1).

COMMENT TO AMENDMENT

Replaces a reference to the "Equity Committee" with a reference to the President.

d. Distributions Involving Multiple Parties

- (1)** Distribution to Multiple Inventors or Authors. When more than one inventor or author is entitled to share in Distributable Royalties, the inventors or authors as a group shall receive the forty percent of Distributable Royalties specified above, and the allocation of Distributable Royalties among those individuals will be determined as follows. That inventor's share of Distributable Royalties shall be distributed equally among the inventors or authors unless either: (i) all affected inventors or authors unanimously agree in writing on a different distribution, or (ii) if the affected inventors or authors are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the President based upon the merits of the individual case. This allocation by the President shall be final and unappealable.

COMMENT TO AMENDMENT

The amendment pulls from and replaces the language from PM-64 Appendix 2. It does not change the substantive rule for distribution of royalties to multiple inventors or authors, but simplifies the language to make the rules and procedures easier to understand.

- (2)** Distribution to Multiple Entities. Where more than one entity is entitled to share in Distributable Royalties, the allocation of Distributable Royalties will be determined as follows:
 - (a)** By contract, negotiation, litigation or otherwise, LSU and any party not affiliated with LSU shall resolve any apportionment between LSU and that other party. Only LSU's part of this apportionment shall be considered Distributable Royalties.
 - (b)** In the absence of any agreement by LSU to the contrary, each unique invention, related patent, patent application or other form of uniquely identifiable intellectual property associated with a particular license which generates Distributable Royalties will be presumed to have contributed equally to those Distributable Royalties.
 - (c)** The respective contributions to Distributable Royalties from different departments or campuses will be presumed to be the sum of the contributions for the inventors associated with each department or campus. If one inventor has appointments with more than one department or campus, each such department or campus will be deemed to participate equally in the departmental or campus contribution to Distributable Royalties associated with

that inventor, unless the invention clearly resulted from work done in association with only one department or campus.

- (d) The unique circumstances of individual cases involving multiple entities may require an unequal distribution of Distributable Royalties. Deviation from the equal distribution provided for in subsections (b) or (c), above, may be made either: (i) by unanimous written consent of all affected entities, or (ii) if the affected entities are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the Chancellor or equivalent, or if more than one campus is involved, by the President, based upon the merits of the individual case. This determination shall be final and unappealable.

COMMENT TO AMENDMENT

The amendment is drawn From PM-64 A(2) and Appendix. It does not change the substantive rules for distribution of royalties between multiple LSU institutions or between LSU and outside parties, but simplifies the language to make the rule easier to understand.

e. Distributions in Special Circumstances

- (1) A Research Grant shall be administered by LSU in accordance with the terms of the contract establishing the Research Grant, and in accordance with any applicable laws, rules, and regulations. Authors and inventors shall not be entitled to any portion of a Research Grant, except in some cases for that portion of a salary that is customarily paid from such a source, and then only in accordance with the terms of the contract establishing the Research Grant. [formerly 7.3.e.3]
- (2) Litigation Proceeds shall be administered and distributed as follows. That unit of the LSU System which funds expenses related to litigation or other means of dispute resolution related to LSU Intellectual Property shall be entitled to recover double its legal and other associated expenses first before any other distribution of Litigation Proceeds. After this recovery of double expenses, any excess Litigation Proceeds shall be treated as Distributable Royalties and distributed accordingly. [formerly 7.3.e.4 and PM-64.B; this language is consistent with current practice regarding distribution of litigation proceeds]
- (3) If LSU directly sells research materials (not including agricultural products) to third parties, in greater than nominal quantities and for more than a nominal charge; and if those research materials incorporate an LSU Invention (patented or unpatented) that is not in the public domain at the time -- for example cell lines or laboratory animals that are not otherwise publicly available -- and if LSU therefore has no agreement with a third party as to royalties attributable to the LSU Invention; then in such a case LSU and the inventors shall agree in writing as to a reasonable royalty rate to be imputed to net sales of the research materials, the agreed royalty rate to be treated as Distributable Royalties for all purposes. [formerly 7.3.e.5]

- (4) Activity conducted by LSU for educational, research, or non-commercial purposes shall not give rise to any "Distributable Royalties." [This provision was formerly included in the definition of Distributable Royalties, but was moved here for clarity and consistency.]

Section 7-5. General Requirements for Licenses and Other Agreements

- a. As a matter of policy, LSU will not license or otherwise encumber rights in future LSU Intellectual Property whose conception is not complete as of the date the license or other encumbrance is executed; except for the strictly limited rights that may be granted to a sponsor of funded research respecting inventions resulting from the funded research, as provided in greater detail in section 7-3(c)(2). [formerly 7.3.h]
- b. As a matter of policy, LSU shall require that each licensee of rights in LSU Intellectual Property may not assign or transfer the licensed rights without LSU's express prior written approval; provided that in its discretion LSU may agree by contract not to unreasonably withhold that approval. Further, LSU shall require: (i) that any sublicense made by the licensee shall include express provisions requiring the sublicensee to abide by the terms of the license between LSU and the licensee, (ii) that no sublicensee shall issue any further sublicenses without the express written consent of LSU, and (iii) that the licensee provide copies of sublicenses and all amendments thereto within a reasonable time period from date of execution. [formerly 7.3.i]

COMMENT TO AMENDMENT

The prior provision required that LSU have authority to approve proposed sublicensees. This provision has been removed because it has not been standard practice for several years under the new template agreements. The former provision would unduly restrict licensees, and LSU's interests are adequately protected by insurance requirements imposed on both the licensee and all sublicensees, and by the requirement that each sublicensee must adhere to all the requirements imposed on the licensee.

- c. As a matter of policy, LSU shall require each licensee of LSU Intellectual Property, and ordinarily each sublicensee, to obtain reasonable levels of liability insurance or to have adequately capitalized self-insurance, the amount of required liability insurance to be included in the license or other agreement to be determined in view of the reasonably perceived risks presented by the particular technology being licensed. This insurance coverage shall commence no later than the date when the first commercial sale under the license is made, or if earlier the date of the first clinical trials of a human drug or medical device, and shall continue in effect until the expiration of all applicable periods of prescription or statutes of limitation. LSU shall be named as an additional insured in each such insurance policy. On a case-by-case basis, after reviewing all pertinent facts, the requirement of liability insurance may be waived where LSU assigns all rights in LSU Intellectual Property to another party, with LSU retaining no residual rights or residual share of royalties; except that in such a case LSU may retain a nonexclusive right to practice the assigned intellectual property right for experimental, educational, or noncommercial purposes. [formerly 7.3.j]

COMMENT TO AMENDMENT

No change has been made to the requirement that each licensee and sublicensee obtain reasonable levels of insurance. Language has been added to clearly specify that the amount of required insurance, or a specific method for calculating the amount of required insurance at a future date, be included in the license or other agreement.

- d. As a matter of policy, LSU shall require that each licensee and assignee, and ordinarily each sublicensee, of LSU Intellectual Property shall indemnify LSU against claims and lawsuits arising as a result of activities related to the licensed or assigned intellectual property, whether the claim or lawsuit arises under tort law, products liability law, intellectual property law, or otherwise, the indemnity to include reasonable costs of litigation and attorneys fees. [formerly 7.3.k]
- e. As a matter of policy, LSU does not ordinarily permit brokerage of LSU Intellectual Property. Rather, LSU expects LSU's licensees to be directly active in developing and commercializing licensed LSU Intellectual Property. Exceptions to this policy will be permitted only upon the written authorization of the Chancellor or equivalent upon a written finding that exceptional circumstances exist such that brokerage of particular LSU Intellectual Property is in the University's best interests in the circumstances. [formerly 7.3.l]

COMMENT TO AMENDMENT

This is a continuation of prior policy. Language has been added to provide a formal process for consideration and approval of waivers of the normal policy requirement.

- f. In circumstances where LSU assigns or waives certain intellectual property rights in favor of the authors or inventors, whether under Section 7-3(a)(4), Section 7-7.a, or otherwise, then, unless there is an authorized written agreement by LSU that expressly provides otherwise, in each such case the assignment or waiver shall be without representation or warranty from LSU of any kind, including no warranty or representation as to validity; scope; enforceability; inventorship; authorship; title; or absence of infringement of third party patents, copyrights, trademarks, or other third party rights. As examples: (1) In such a case it shall be an author's sole responsibility to obtain any necessary copyright clearances from third parties; and (2) In such a case it shall be an inventor's sole responsibility to obtain any necessary patent licenses from third parties. Furthermore, authors and inventors in such cases are cautioned that the waiver or assignment of such intellectual property rights by LSU does not include the right to use any LSU Mark. [formerly 7.3.m]
- g. Except as otherwise expressly provided herein, any substantial deviation from any general policy requirements set forth in this Section 7-5 must be approved by the President. The Chancellor or equivalent shall recommend any proposed deviation in writing, setting forth the specific facts which justify a conclusion that the deviation is in the best interests of LSU and that the recommended agreement, including the deviation, is adequate to protect LSU's interests.

COMMENT TO AMENDMENT

This subsection, specifying the approval process for deviations from the general policies set forth in the earlier provisions of section 7-5, is new, but is based on the former section 7-6 which established which policies required waivers from the President and which from the Chancellor.

INTRODUCTION TO NEW SECTION 7-6.

The following section is entirely new. It creates a new uniform process for managing the transfer of technology within the LSU System.

Section 7-6. Uniform Process for Managing Technology Transfer at LSU

Except as otherwise provided in the Bylaws, and notwithstanding any other provisions of these Regulations, all purchases, sales, transfers, assignments, or licenses (collectively, "Commercialization") of LSU Intellectual Property made by any campus or institution of the LSU System shall be conducted in accordance with the following uniform process.

a. Presidential Approval of License Agreements

License agreements shall require approval and execution by the President, which authority may be further delegated at the discretion of the President, pursuant to Section 8.B.2 of the Bylaws, as is deemed to be in the best interests of LSU.

b. Standard Forms, Reporting, and Procedures

- (1)** Standard templates for the commercialization of LSU Intellectual Property have been developed and may continue to be developed and refined through use. Each campus or institution shall use these templates in all transactions related to the commercialization of LSU Intellectual Property and shall justify deviations from the template as necessary.
- (2)** All actions related to the Commercialization of LSU Intellectual Property shall be reported to the President and the Board, in a format, on a timeframe and with information prescribed by the President after consultation with the Board. Such reporting requirements may be fulfilled by such campus or partnering entity as is designated to manage that activity.
- (3)** All license agreements submitted by a campus for approval and execution by the President or his designee shall also include a fully completed copy, executed by the Chancellor or equivalent and the campus chief technology transfer officer, of a Certification for Commercialization of LSU Intellectual Property and checklist which shall include:
 - (i)** a description of any potential conflicts of interest and a certification that all disclosure forms required by any LSU policy have been executed, or a certification that no such potential conflicts are known to exist;

- (ii) a description of the due diligence performed to determine the value of the LSU Intellectual Property which is the subject of the proposed license or other agreement and to justify that those terms are commercially reasonable;
- (iii) a description of the due diligence activities performed to evaluate the proposed licensee;
- (iv) a description of any deviations from the standard template agreements.

COMMENT TO AMENDMENT

A due diligence checklist is required by current policy. This revision adds additional information to be included in the checklist to fully identify and manage potential conflicts of interest, to ensure that the proposed licensing agreements contain commercially reasonable terms, and to evaluate any business risk posed by the licensee.

Section 7-7. LSU Works, LSU Software, LSU Databases, LSU Digital Media, and Course Materials.

The various provisions of Sections 7-3 through 7-6 shall apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media. In addition, the provisions of this Section 7-7 shall also apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media, but not to other forms of LSU Intellectual Property. This Section 7-7 shall also apply to Course Materials.

- a. Notwithstanding the provisions of Section 7-3(a) above, LSU releases to the respective author(s) all of LSU's interest in any copyright to a book, article, lecture, thesis, dissertation, other literary work, work of art, Course Material, or musical composition that would otherwise be an LSU Work; except that LSU's interest shall not be so released: (i) if LSU publishes the work itself; or (ii) if LSU publishes or produces a derivative work based on that work, where the derivative work is an audio, video, or digital production or broadcast, including by way of example video recordings of lectures, other recordings of lectures, distance learning activities, or other course-related activities; or (iii) if LSU is required to deliver the work to a third party under a research contract or other contract between LSU and the third party. This release of certain rights to the author(s) does not apply to LSU Software or to LSU Databases. LSU reserves a nonexclusive, paid-up, royalty-free right to distribute copies of Course Materials, theses and dissertations, both internally and to third parties, whether by electronic means, microfilm, or otherwise.

The release of rights to Course Materials only applies to the extent that an author or co-author himself or herself uses those materials in the *bona fide* teaching or instruction of a regularly scheduled course for credit at LSU, and does not extend to rights that are derived from a co-author who is not involved in the teaching or instruction of a regularly scheduled course for credit at LSU. The release of rights to Course Materials may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media; such a release does not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention.

- b. Prior to submitting any LSU Digital Media to an entity outside LSU, the author(s) shall first submit a disclosure of the LSU Digital Media to an office or committee on the author(s)' campus to be appointed by the Chancellor or equivalent or the Chancellor's designee. The disclosure shall include a detailed description of the proposed LSU Digital Media, a copy of the LSU Digital

Media, or both, and shall also include a statement specifying what resources (Personnel, funds, equipment) were used to prepare the LSU Digital Media. The office or committee designated by the Chancellor or equivalent shall then determine, on a case-by-case basis, whether the LSU Digital Media shall be treated as an LSU Work or as LSU Software for purposes of these *Bylaws*, including whether or not an express, written release of copyright to the author(s) is appropriate by analogy to Section 7-7(a). In deciding this question, the office or committee shall consider such factors as whether the LSU Digital Media more closely resembles an electronic version of a traditional printed book, versus a work substantially enhanced with multimedia; the extent to which University resources and Personnel were used; the extent to which the resources and Personnel of an outside party such as a publisher were used; and any other factors that the committee or office considers relevant in reaching an equitable decision.

- c. If LSU publishes an LSU Work or LSU Database itself, or if LSU directly provides others access to an LSU Work or LSU Database in exchange for consideration received directly by LSU, and if LSU therefore has no agreement with a third party concerning royalties attributable to the LSU Work or LSU Database, then twelve-and-one-half percent (12.5%) of the net sales attributable to the LSU Work or LSU Database shall be treated as Distributable Royalties for all purposes. For example, the respective author or authors (as a group) shall be entitled to receive a total of $40\% \times 12.5\% = 5.0\%$ (five percent) of such net sales as the authors' portion of Distributable Royalties.
- d. If an LSU Work, LSU Database, LSU Digital Media, or Course Material is used by the University as part of course instruction, including without limitation Course Materials posted on the Internet and Course Materials used in distance learning, then the author(s) of the LSU Work, LSU Database, LSU Digital Media, or Course Material shall not be entitled to receive any portion of any tuition, fees, or other amounts received by LSU on account of that course, regardless of whether an author is substantively involved in the teaching of that course. LSU shall be free to use the LSU Work, LSU Database, LSU Digital Media, or Course Material as part of the course instruction in LSU's discretion. By contrast, if LSU should receive any royalties on account of an LSU Work, LSU Database, or LSU Digital Media -- for example, royalties for videotapes, audiotapes, or digital media licensed to a third party for distribution independently of the LSU course -- then those royalties will be treated as Distributable Royalties for purposes of Section 7-4 above.

COMMENT TO AMENDMENT

This was previously section 7-4. No changes have been made to it other than to update cross-references.

Section 7-8. Confidential Materials.

LSU System and LSU Campus officials are authorized to protect the confidentiality of materials that are exempt from the Louisiana Public Records Law, pursuant to La. R.S. 44:4(16) or otherwise, to the full extent permitted by law. The President, the Chancellor or equivalent, the technology transfer officer for each campus, and any other individual designated by the President or by the Chancellor or equivalent, may certify in writing that particular materials that have been requested under the Public Records Law are subject to a particular statutory exemption under the Public Records Law.

COMMENT TO AMENDMENT

This was previously section 7-5. No changes have been made.

Section 7-9. Miscellaneous.

- a. Nothing herein shall be construed to alter, amend, or in any way affect PM-11 or PM-67, or the policies and procedures set forth therein, which are required by La. R.S. 42:1123(9) and (10).
- b. In the event of any conflict between the provisions of this Section 7 and any other provisions of the *Regulations* of the Board of Supervisors or any Permanent Memorandum, the provisions of this Section 7 shall control.
- c. Nothing herein creates any rights, procedural or substantive, in any third parties.

Attachment 2 – Proposed New Policy

CHAPTER VII

INTELLECTUAL PROPERTY

Section 7-1. General Policy.

LSU encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All LSU Personnel are required to disclose to the appropriate campus officer at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. The inventor, the inventor's department, and the inventor's campus gain prestige, and in some cases financial benefits, from commercializing an invention or discovery. Such commercialization is consistent with, and complementary to, LSU's academic mission; through such activities, LSU provides new benefits to the public and enhances economic development.

Section 7-2. Definitions.

- a. "LSU Invention" shall mean an invention or discovery that is either conceived, created, designed, developed, conducted or first reduced to practice, in whole or in part, during activities that: (1) are carried on by, or under the direction of, LSU Personnel, regardless of when or where conception or reduction to practice occurs; or (2) are supported by funds under the control of LSU; or (3) are performed with the use of LSU facilities, equipment, or supplies. The term "LSU Invention" shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an "LSU Invention": an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that: (1) occur during the personal, off-duty time of all involved LSU Personnel; and (2) are not supported by funds under the control of LSU; and (3) are not performed with the use of LSU facilities, equipment, or supplies; and (4) are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved LSU Personnel.
- b. "LSU Work" shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by LSU, in whole or in part. The term "LSU Work" shall also include any copyright or other legal rights derived from such a work. The support by LSU may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the consideration provided in a particular contract, or otherwise. "LSU Work" shall not, however, include any work deemed to be LSU Software.
- c. "LSU Software" shall mean any software created or developed, in whole or in part, during activities that: (1) are carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; or (2) are supported by funds under the control of LSU; or (3) are performed with the use of LSU facilities, equipment, or supplies. The term "LSU Software" shall also include any source code pertaining to such software; any copyright

derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; and any other legal rights derived from such software.

- e. **"LSU Digital Media"** is a collective term that encompasses all LSU Software, as well as some LSU Works. All LSU Software is considered **"LSU Digital Media."** An LSU Work is considered **"LSU Digital Media"** if it is fixed in a tangible digital medium (including, by way of example, a magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video disk/digital versatile disk/DVD, or an Internet website) that is intended to be used by third parties in digital form or that is intended to be distributed in digital form to third parties for consideration. An LSU Work that is transmitted to a publisher in digital form at the request of the publisher or for the convenience of the author or publisher, but that will not be distributed by the publisher to third parties in digital form (e.g., a conventional printed book whose text is prepared on a word processor) is not considered **"LSU Digital Media."** However, any digital media that otherwise satisfies the above definition, and that is intended to be distributed to third parties with a printed book (for example, a compact disk read-only-memory packaged with a book) is considered **"LSU Digital Media."** An LSU Work that is published electronically as part of a peer-reviewed scholarly journal on the Internet shall not be considered **"LSU Digital Media."** Some **"LSU Digital Media"** will be treated as LSU Works, and some **"LSU Digital Media"** will be treated as LSU Software, as provided in greater detail in Section 7-7(b).

- e. **"LSU Database"** shall mean a digital database that has commercial value, or that reasonably may be considered to have potential commercial value, regardless of whether the database is the subject of copyright, where the database is created or developed, in whole or in part, during activities that are: (1) carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; or (2) supported by funds under the control of LSU; or (3) conceived, created, designed, developed, or conducted with the use of LSU facilities, equipment, or supplies. The term **"LSU Database"** shall also include any source code pertaining to such database; any copyright derived from such database; any patent application or issued patent containing at least one claim reading on such database, or having at least one claim reading on a process or apparatus incorporating such database; and any other legal rights derived from such database, including by way of example any statutory legal protection for a database, whether the statute is enacted before or after the provisions of these *Bylaws* concerning LSU Databases take effect.

- f. **"LSU Mark"** shall mean any trade name, trademark, service mark, design, or trade dress: (1) that is associated with LSU, or with any campus or other part of LSU; or (2) that is created or produced during an activity that is supported by LSU, in whole or in part; or (3) that is created or produced by LSU Personnel and is associated with any other LSU Intellectual Property. The term **"LSU Mark"** shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.

- g. **"Other LSU Intellectual Property"** shall mean any intellectual property, other than an LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, or LSU Mark, where the events giving rise to the creation of that intellectual property are supported by LSU in whole or in part. By way of illustration only, such **"Other LSU Intellectual Property"** may include plant variety protection applications or certificates; semiconductor mask works; trade secrets; know how; and tangible research property (e.g., semiconductor chips, software, biological organisms,

prototypes, drawings, original research records, notebooks, data, and other corporeal property that can be physically or electronically distributed). In interpreting this paragraph, the principles of paragraphs (a) through (f) above shall apply by analogy where appropriate.

- h. "LSU Intellectual Property" shall mean, collectively, any LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark, or Other LSU Intellectual Property.
- i. "Course Materials" shall mean any copyrights in underlying educational materials or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by LSU, to the extent that an author of those materials, himself or herself, uses those materials in teaching the course; including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio- or video-based, or otherwise. "Course Materials" may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media. "Course Materials" shall not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention. "Course Materials" shall not include any rights that are derived from a co-author who is not also directly involved in the teaching or instruction of a regularly scheduled course for credit at LSU using those materials.
- j. "Distributable Royalties" shall mean any consideration, whether in the form of money, corporate stock or other equity in a business organization, or any other thing of value, actually received by and in the control of LSU pursuant to an authorized agreement granting any rights in any LSU Intellectual Property, after deduction of LSU's legal, professional and patent expenses directly expended in support of and allocable to that LSU Intellectual Property, except that "Distributable Royalties" shall not include:

 - (4) Any such consideration received by LSU in reimbursement of or allocated for direct, out-of-pocket expenses paid or owed by LSU to third parties which are directly allocable to the LSU Intellectual Property for which the consideration is received, such as expenses for past, present, or future attorneys fees and other legal expenses, and amounts paid to outside contractors, regardless of whether the authorized agreement expressly provides for such reimbursement; provided that such expenses shall not include any internal expenses of LSU, such as salaries, administrative overhead, building rent, equipment purchases, and similar expenses;
 - (5) Any consideration received through a Research Grant or which are Litigation Proceeds; and
 - (6) Any amounts received by LSU that are attributable to an LSU Mark.
- k. "Research Grant" shall mean (for purposes of this Chapter VII of the *Regulations of the Board*) any consideration received by LSU under an authorized sponsored research agreement that, along with any other provisions, grants another party any rights in any LSU Intellectual Property, where LSU's disposition of that consideration is restricted by that contract to use for conducting research.
- l. "Litigation Proceeds" shall mean any money or other property received by LSU as a result of any resolution of a dispute over another's use, infringement, or licensing of any LSU Intellectual

Property, whether received by way of judgment, arbitration, or settlement -- and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted.

- m. "LSU" or "University" shall mean the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including all of its campuses, centers, institutions, facilities, and other property.
- n. "LSU Personnel" shall mean all LSU Supervisors, Officers, Faculty, Staff, Research Associates, Postdoctoral Fellows, Instructors, Graduate Students, and other employees of LSU, whether part-time or full-time. "LSU Personnel" shall include, for example: (1) faculty or other LSU Personnel who are on nine-month appointments, who shall be considered "LSU Personnel" throughout the calendar year for purposes of this Chapter VII of the *Bylaws*, (2) visiting faculty, and (3) adjunct faculty, emeritus faculty, and LSU undergraduate and professional students employed by LSU when those persons act within the course and scope of their employment by LSU. "LSU Personnel" shall not include adjunct faculty and LSU undergraduate and professional students when those individuals are not acting as employees of LSU.

Section 7-3. Ownership and Management of LSU Intellectual Property

a. Right to Own and Manage LSU Intellectual Property

- (1) LSU holds all right, title, and interest to all LSU Intellectual Property in all countries. LSU Personnel shall execute any formal assignments to LSU of all right, title, and interest to any LSU Intellectual Property, and shall execute such other documents and perform such other lawful acts (at no out-of-pocket expense to the LSU Personnel) as may be requested by LSU fully to secure LSU's interest in LSU Intellectual Property.
- (2) As owner of LSU Intellectual Property, LSU may manage, license, patent, register, sell, abandon, or otherwise dispose of any LSU Intellectual Property as LSU in its discretion sees fit, including but not limited to all decisions concerning potential financial benefits to be derived from any LSU Intellectual Property.
- (3) Only LSU, acting through the procedures set forth in this Chapter 7, has the authority to enter into any agreement relating to LSU Intellectual Property. Any purported assignment, transfer, license, assertion of ownership, or other disposition of LSU Intellectual Property by the inventor(s) or author(s), without the prior written approval of an LSU official authorized pursuant to these *Regulations*, is void and will not be recognized by LSU -- including, by way of example and not limitation, any such purported assignment or other disposition in a consulting agreement, research agreement, material transfer agreement, or confidentiality agreement.
- (4) If LSU elects not to manage, license, patent, register, sell, or otherwise dispose of any item of LSU Intellectual Property, then on written request from the affected inventor(s) or author(s), in LSU's sole discretion, LSU, in accordance with the policies and processes set forth in this Section 7 may, with any required concurrence from a research sponsor, by written agreement with the respective inventor(s) or author(s), relinquish and assign

that item to the inventor(s) or author(s), subject to such conditions as the parties find mutually agreeable.

- b. Each Chancellor or equivalent shall establish policies and procedures for, and identify employees or positions responsible for, the management of LSU Intellectual Property on that campus. Each campus shall be responsible for compliance with all procedures and obligations under the Bayh-Dole Act (PL 96-517) or other applicable laws, regulations, agreements or contracts with respect to the management of LSU Intellectual Property. LSU may elect to enter into an agreement with an affiliated non-profit foundation for the
- c.
 - (1) In exceptional circumstances, LSU may waive its rights to certain items that would otherwise be LSU Intellectual Property, in favor of an outside employer of one or more LSU Personnel, if LSU expressly approves in writing and in advance a valid consulting agreement between that employer and the LSU Personnel, and if the consulting agreement expressly states in writing that such items shall become the property of that employer, and if the consulting agreement and all activities conducted under the consulting agreement are in full compliance with the Code of Governmental Ethics and all pertinent rules and regulations of LSU.
 - (2) Any such waiver may only be made in writing by the Chancellor or equivalent (or the President, if PM-11 or PM-67 require approval by the President of the related consulting agreement), which authority may not be further delegated, based on a written finding setting forth the reasons that such a waiver is in the best interests of LSU.
 - (3) LSU will ordinarily grant to a non-governmental sponsor of funded research at LSU an exclusive right, for a limited period of time, to negotiate with LSU for a royalty-bearing license under inventions that may result from the funded research, under mutually agreeable terms. Royalty rates or other consideration to be paid for a licensed invention will not ordinarily be determined before the invention has been made, except where approved in writing by the President, based on a written recommendation from the Chancellor or equivalent setting forth the facts justifying a finding that the deviation is in the best interests of LSU.
- d. **Restrictions on Publication**
 - (1) Nothing in this Chapter shall be construed to prohibit or restrict LSU Personnel from publishing in academic channels any material that LSU and those Personnel are otherwise free to publish. LSU Personnel are cautioned that early publication can destroy or impair the legal protection that might otherwise be available for intellectual property, and where appropriate are advised to consult with their campus technology transfer officers well before the first planned publication to discuss this question further.
 - (2) As a matter of University policy, LSU shall not normally accept restrictions or prohibitions on publications, other than a requirement for delaying publication for a reasonable period of time, from research sponsors and intellectual property licensees. Any waiver of this requirement in any agreement must be made by the President, based on a written

recommendation from the Chancellor or equivalent, that: (1) the restrictions are tailored to be the least restrictive conditions which will satisfy the legitimate concerns of the sponsor or licensee, and (2) all LSU Personnel likely to be affected by the proposed restrictions have consented to the restrictions.

Section 7-4. Allocation of Distributable Royalties

a. Distribution to Inventor or Author

- (1) Forty percent (40%) of all Distributable Royalties as defined in Section 7-2(j) shall be paid or transferred to the respective inventors or authors within thirty days of receipt by LSU, unless a different schedule is otherwise agreed in writing by LSU and the inventor(s) or author(s).
- (2) For as long as LSU receives such Distributable Royalties, payment of this allocation of Distributable Royalties shall continue to the respective inventors or authors regardless of whether they continue employment at LSU, or to their heirs, as applicable.
- (3) Provided, however, that the Chancellor or equivalent of the appropriate campus (or campuses) may direct that no part (or a reduced part) of Distributable Royalties shall be paid or transferred to the inventors where those Distributable Royalties are attributable to one or more Plant Patents or Plant Variety Protection Certificates.
- (4) Further provided, that on the written request of any inventor or author, all or part of that inventor's or author's share of Distributable Royalties may be retained by LSU to support research under the direction of that inventor or author, or may be paid to any other LSU Personnel who made a non-inventive contribution to the LSU Intellectual Property, according to a written agreement. Assessing and managing any personal income tax implications of any such requests shall be the sole responsibility of the inventor or author.
- (4) In recognition of the administrative costs that are associated with distributing small Distributable Royalty payments, the following procedures shall be used where applicable:
 - (a) At any time when the cumulative total of undistributed Distributable Royalty payments received on account of a particular license of LSU Intellectual Property in a given fiscal year is less than \$1,000, the Distributable Royalties for that license shall not be distributed as otherwise provided, but shall instead be held by the University until the end of the current fiscal year.
 - (b) If, at any time during the fiscal year, the cumulative undistributed total reaches \$1,000, then the accumulated Distributable Royalties shall at that time be distributed as otherwise provided herein.
 - (c) At the end of each fiscal year, if LSU is holding a cumulative total in undistributed Distributable Royalty payments on account of a particular license of LSU Intellectual Property during the preceding fiscal year of less than \$1,000, then 100% of those

undistributed Distributable Royalty payments shall be allocated to the Office of the President.

(d) Upon the written request of any affected inventor or author, made within six months of the close of the fiscal year, the inventor's or author's forty percent (40%) share of such Distributable Royalties described in part (c) above shall be paid to the respective inventor(s) or author(s), and the remaining sixty percent (60%) shall be retained by the Office of the President.

(e) LSU shall not be required to honor any such request from an author or inventor received either before the close of the fiscal year or more than six months after the close of the fiscal year. A separate written request must be made for each license and for each fiscal year.

b. Distribution to the Office of the President, the LSU Innovation Investment Fund and the Campus

- (6) Five percent (5%) of all Distributable Royalties shall be allocated to the Office of the President.
- (7) Five percent (5%) of all Distributable Royalties shall be allocated to the LSU Innovation Investment Fund in the Office of the President for support of proof-of-concept grants to faculty at any LSU institution in furtherance of commercial development of inventions.
- (8) Fifty percent (50%) of all Distributable Royalties shall be allocated within the appropriate campus as directed by the Chancellor or equivalent of that campus.
- (9) None of the allocation of Distributable Royalties to either the Office of the President or to the campus may be allocated directly to any individual.
- (10) In accord with LSU's obligations under the federal Bayh-Dole Act, the allocations of Distributable Royalties to the Office of the President, the Innovation Investment Fund and to the campus will be used in further support of scientific research and education.

c. Distribution and Management of Equity

- (1) Corporate stock or other equity shares within Distributable Royalties which comprises the inventor's allocation as described above shall be transferred to the respective authors or inventors as soon as reasonably practicable after LSU is legally able to transfer title to such equity, and until that time LSU shall be the sole owner of such equity. LSU shall have no liability in the event the value of such equity changes before it is distributed to the inventors or authors.
- (2) All stock or other equity owned by LSU as LSU's portion of Distributable Royalties shall be managed and disposed of by the President, in consultation with the Chair and Chair-Elect. The President shall have the authority to perform all acts that a stockholder or other equity holder lawfully may perform under applicable law. The President or his designee shall regularly review all equity that LSU has acquired as LSU's portion of Distributable Royalties, to decide when it should be held and when it should be sold or otherwise transferred. The President is authorized to confer with one or more financial professionals in reaching these decisions, and to rely on the advice of such professionals

in making these decisions. The President shall notify the affected campus(es) prior to selling stock or other equity, except where exigent circumstances prevent prior notice.

- (3) To avoid potential conflicts of interest, the appearance of conflicts of interest, and potential liability:
 - (a) No LSU Personnel shall act as an officer, director, manager, or the like in any business entity in which LSU acquires stock or other equity under this Section 7; except that where the pertinent contract granting the business entity rights in LSU Intellectual Property has been approved under the provisions of LSU's Permanent Memorandum 67, the affected inventor(s) or author(s) may hold such managerial roles in the business entity in their personal capacities, but not as representatives of LSU; and
 - (b) LSU shall not otherwise attempt to influence the management or operation of any such business entity in which LSU owns equity. Exercising any voting rights associated with equity owned by LSU shall not be considered to be prohibited by this subsection. In exceptional circumstances, the President, after consultation with the Board Chair and Chair-elect, may authorize a departure from this requirement; upon a written finding that doing so will be in the best interests of LSU.
- (4) Any equity owned by LSU as LSU's portion of Distributable Royalties shall not be further distributed within LSU, but instead shall be managed by the President. Any cash benefits received by LSU arising from such equity ownership (for example, cash dividends, or proceeds from the sale of the equity) shall be distributed within LSU in the same relative proportions as other Distributable Royalties; except that the inventor(s) shall receive no portion of any such cash, because the inventor(s) will ordinarily have already received 40% of the equity originally received by LSU under section 7-4(b)(1).

d. Distributions Involving Multiple Parties

- (1) **Distribution to Multiple Inventors or Authors.** When more than one inventor or author is entitled to share in Distributable Royalties, the inventors or authors as a group shall receive the forty percent of Distributable Royalties specified above, and the allocation of Distributable Royalties among those individuals will be determined as follows. That inventor's share of Distributable Royalties shall be distributed equally among the inventors or authors unless either: (i) all affected inventors or authors unanimously agree in writing on a different distribution, or (ii) if the affected inventors or authors are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the President based upon the merits of the individual case. This allocation by the President shall be final and unappealable.
- (2) **Distribution to Multiple Entities.** Where more than one entity is entitled to share in Distributable Royalties, the allocation of Distributable Royalties will be determined as follows:

- (a) By contract, negotiation, litigation or otherwise, LSU and any party not affiliated with LSU shall resolve any apportionment between LSU and that other party. Only LSU's part of this apportionment shall be considered Distributable Royalties.
- (b) In the absence of any agreement by LSU to the contrary, each unique invention, related patent, patent application or other form of uniquely identifiable intellectual property associated with a particular license which generates Distributable Royalties will be presumed to have contributed equally to those Distributable Royalties.
- (c) The respective contributions to Distributable Royalties from different departments or campuses will be presumed to be the sum of the contributions for the inventors associated with each department or campus. If one inventor has appointments with more than one department or campus, each such department or campus will be deemed to participate equally in the departmental or campus contribution to Distributable Royalties associated with that inventor, unless the invention clearly resulted from work done in association with only one department or campus.
- (d) The unique circumstances of individual cases involving multiple entities may require an unequal distribution of Distributable Royalties. Deviation from the equal distribution provided for in subsections (b) or (c), above, may be made either: (i) by unanimous written consent of all affected entities, or (ii) if the affected entities are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the Chancellor or equivalent, or if more than one campus is involved, by the President, based upon the merits of the individual case. This determination shall be final and unappealable.

e. Distributions in Special Circumstances

- (1) A Research Grant shall be administered by LSU in accordance with the terms of the contract establishing the Research Grant, and in accordance with any applicable laws, rules, and regulations. Authors and inventors shall not be entitled to any portion of a Research Grant, except in some cases for that portion of a salary that is customarily paid from such a source, and then only in accordance with the terms of the contract establishing the Research Grant.
- (2) Litigation Proceeds shall be administered and distributed as follows. That unit of the LSU System which funds expenses related to litigation or other means of dispute resolution related to LSU Intellectual Property shall be entitled to recover double its legal and other associated expenses first before any other distribution of Litigation Proceeds. After this recovery of double expenses, any excess Litigation Proceeds shall be treated as Distributable Royalties and distributed accordingly.

- (3) If LSU directly sells research materials (not including agricultural products) to third parties, in greater than nominal quantities and for more than a nominal charge; and if those research materials incorporate an LSU Invention (patented or unpatented) that is not in the public domain at the time -- for example cell lines or laboratory animals that are not otherwise publicly available -- and if LSU therefore has no agreement with a third party as to royalties attributable to the LSU Invention; then in such a case LSU and the inventors shall agree in writing as to a reasonable royalty rate to be imputed to net sales of the research materials, the agreed royalty rate to be treated as Distributable Royalties for all purposes.
- (4) Activity conducted by LSU for educational, research, or non-commercial purposes shall not give rise to any "Distributable Royalties."

Section 7-5. General Requirements for Licenses and Other Agreements

- a. As a matter of policy, LSU will not license or otherwise encumber rights in future LSU Intellectual Property whose conception is not complete as of the date the license or other encumbrance is executed; except for the strictly limited rights that may be granted to a sponsor of funded research respecting inventions resulting from the funded research, as provided in greater detail in section 7-3(c)(2).
- b. As a matter of policy, LSU shall require that each licensee of rights in LSU Intellectual Property may not assign or transfer the licensed rights without LSU's express prior written approval; provided that in its discretion LSU may agree by contract not to unreasonably withhold that approval. Further, LSU shall require: (i) that any sublicense made by the licensee shall include express provisions requiring the sublicensee to abide by the terms of the license between LSU and the licensee, (ii) that no sublicensee shall issue any further sublicenses without the express written consent of LSU, and (iii) that the licensee provide copies of sublicenses and all amendments thereto within a reasonable time period from date of execution.
- c. As a matter of policy, LSU shall require each licensee of LSU Intellectual Property, and ordinarily each sublicensee, to obtain reasonable levels of liability insurance or to have adequately capitalized self-insurance, the amount of required liability insurance to be included in the license or other agreement to be determined in view of the reasonably perceived risks presented by the particular technology being licensed. This insurance coverage shall commence no later than the date when the first commercial sale under the license is made, or if earlier the date of the first clinical trials of a human drug or medical device, and shall continue in effect until the expiration of all applicable periods of prescription or statutes of limitation. LSU shall be named as an additional insured in each such insurance policy. On a case-by-case basis, after reviewing all pertinent facts, the requirement of liability insurance may be waived where LSU assigns all rights in LSU Intellectual Property to another party, with LSU retaining no residual rights or residual share of royalties; except that in such a case LSU may retain a nonexclusive right to practice the assigned intellectual property right for experimental, educational, or noncommercial purposes.
- d. As a matter of policy, LSU shall require that each licensee and assignee, and ordinarily each sublicensee, of LSU Intellectual Property shall indemnify LSU against claims and lawsuits arising

as a result of activities related to the licensed or assigned intellectual property, whether the claim or lawsuit arises under tort law, products liability law, intellectual property law, or otherwise, the indemnity to include reasonable costs of litigation and attorneys' fees.

- e. As a matter of policy, LSU does not ordinarily permit brokerage of LSU Intellectual Property. Rather, LSU expects LSU's licensees to be directly active in developing and commercializing licensed LSU Intellectual Property. Exceptions to this policy will be permitted only upon the written authorization of the Chancellor or equivalent upon a written finding that exceptional circumstances exist such that brokerage of particular LSU Intellectual Property is in the University's best interests in the circumstances.
- f. In circumstances where LSU assigns or waives certain intellectual property rights in favor of the authors or inventors, whether under Section 7-3(a)(4), Section 7-7.a, or otherwise, then, unless there is an authorized written agreement by LSU that expressly provides otherwise, in each such case the assignment or waiver shall be without representation or warranty from LSU of any kind, including no warranty or representation as to validity; scope; enforceability; inventorship; authorship; title; or absence of infringement of third party patents, copyrights, trademarks, or other third party rights. As examples: **(1)** In such a case it shall be an author's sole responsibility to obtain any necessary copyright clearances from third parties; and **(2)** In such a case it shall be an inventor's sole responsibility to obtain any necessary patent licenses from third parties. Furthermore, authors and inventors in such cases are cautioned that the waiver or assignment of such intellectual property rights by LSU does not include the right to use any LSU Mark.
- g. Except as otherwise expressly provided herein, any substantial deviation from any general policy requirements set forth in this Section 7-5 must be approved by the President. The Chancellor or equivalent shall recommend any proposed deviation in writing, setting forth the specific facts which justify a conclusion that the deviation is in the best interests of LSU and that the recommended agreement, including the deviation, is adequate to protect LSU's interests.

Section 7-6. Uniform Process for Managing Technology Transfer at LSU

Except as otherwise provided in the Bylaws, and notwithstanding any other provisions of these Regulations, all purchases, sales, transfers, assignments, or licenses (collectively, "Commercialization") of LSU Intellectual Property made by any campus or institution of the LSU System shall be conducted in accordance with the following uniform process.

a. Presidential Approval of License Agreements

License agreements shall require approval and execution by the President, which authority may be further delegated at the discretion of the President, pursuant to Section 8.B.2 of the Bylaws, as is deemed to be in the best interests of LSU.

b. Standard Forms, Reporting, and Procedures

- (1) Standard templates for the commercialization of LSU Intellectual Property have been developed and may continue to be developed and refined through use. Each campus or institution shall use these templates in all transactions related to the commercialization of LSU Intellectual Property and shall justify deviations from the template as necessary.
- (2) All actions related to the Commercialization of LSU Intellectual Property shall be reported to the President and the Board, in a format, on a timeframe and with information prescribed by the President after consultation with the Board. Such reporting requirements may be fulfilled by such campus or partnering entity as is designated to manage that activity.
- (3) All license agreements submitted by a campus for approval and execution by the President or his designee shall also include a fully completed copy, executed by the Chancellor or equivalent and the campus chief technology transfer officer, of a Certification for Commercialization of LSU Intellectual Property and checklist which shall include:
 - (i) a description of any potential conflicts of interest and a certification that all disclosure forms required by any LSU policy have been executed, or a certification that no such potential conflicts are known to exist;
 - (ii) a description of the due diligence performed to determine the value of the LSU Intellectual Property which is the subject of the proposed license or other agreement and to justify that those terms are commercially reasonable;
 - (iii) a description of the due diligence activities performed to evaluate the proposed licensee;
 - (iv) a description of any deviations from the standard template agreements.

Section 7-7. LSU Works, LSU Software, LSU Databases, LSU Digital Media, and Course Materials.

The various provisions of Sections 7-3 through 7-6 shall apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media. In addition, the provisions of this Section 7-7 shall also apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media, but not to other forms of LSU Intellectual Property. This Section 7-7 shall also apply to Course Materials.

- a. Notwithstanding the provisions of Section 7-3(a) above, LSU releases to the respective author(s) all of LSU's interest in any copyright to a book, article, lecture, thesis, dissertation, other literary work, work of art, Course Material, or musical composition that would otherwise be an LSU Work; except that LSU's interest shall not be so released: (i) if LSU publishes the work itself; or (ii) if LSU publishes or produces a derivative work based on that work, where the derivative work is an audio, video, or digital production or broadcast, including by way of example video recordings of lectures, other recordings of lectures, distance learning activities, or other course-related activities; or (iii) if LSU is required to deliver the work to a third party under a research contract or other contract between LSU and the third party. This release of certain rights to the author(s) does not apply to LSU Software or to LSU Databases. LSU reserves a nonexclusive,

paid-up, royalty-free right to distribute copies of Course Materials, theses and dissertations, both internally and to third parties, whether by electronic means, microfilm, or otherwise.

The release of rights to Course Materials only applies to the extent that an author or co-author himself or herself uses those materials in the *bona fide* teaching or instruction of a regularly scheduled course for credit at LSU, and does not extend to rights that are derived from a co-author who is not involved in the teaching or instruction of a regularly scheduled course for credit at LSU. The release of rights to Course Materials may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media; such a release does not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention.

- b. Prior to submitting any LSU Digital Media to an entity outside LSU, the author(s) shall first submit a disclosure of the LSU Digital Media to an office or committee on the author(s)' campus to be appointed by the Chancellor or equivalent or the Chancellor's designee. The disclosure shall include a detailed description of the proposed LSU Digital Media, a copy of the LSU Digital Media, or both, and shall also include a statement specifying what resources (Personnel, funds, equipment) were used to prepare the LSU Digital Media. The office or committee designated by the Chancellor or equivalent shall then determine, on a case-by-case basis, whether the LSU Digital Media shall be treated as an LSU Work or as LSU Software for purposes of these *Bylaws*, including whether or not an express, written release of copyright to the author(s) is appropriate by analogy to Section 7-7(a). In deciding this question, the office or committee shall consider such factors as whether the LSU Digital Media more closely resembles an electronic version of a traditional printed book, versus a work substantially enhanced with multimedia; the extent to which University resources and Personnel were used; the extent to which the resources and Personnel of an outside party such as a publisher were used; and any other factors that the committee or office considers relevant in reaching an equitable decision.
- c. If LSU publishes an LSU Work or LSU Database itself, or if LSU directly provides others access to an LSU Work or LSU Database in exchange for consideration received directly by LSU, and if LSU therefore has no agreement with a third party concerning royalties attributable to the LSU Work or LSU Database, then twelve-and-one-half percent (12.5%) of the net sales attributable to the LSU Work or LSU Database shall be treated as Distributable Royalties for all purposes. For example, the respective author or authors (as a group) shall be entitled to receive a total of $40\% \times 12.5\% = 5.0\%$ (five percent) of such net sales as the authors' portion of Distributable Royalties.
- d. If an LSU Work, LSU Database, LSU Digital Media, or Course Material is used by the University as part of course instruction, including without limitation Course Materials posted on the Internet and Course Materials used in distance learning, then the author(s) of the LSU Work, LSU Database, LSU Digital Media, or Course Material shall not be entitled to receive any portion of any tuition, fees, or other amounts received by LSU on account of that course, regardless of whether an author is substantively involved in the teaching of that course. LSU shall be free to use the LSU Work, LSU Database, LSU Digital Media, or Course Material as part of the course instruction in LSU's discretion. By contrast, if LSU should receive any royalties on account of an LSU Work, LSU Database, or LSU Digital Media -- for example, royalties for videotapes, audiotapes, or digital media licensed to a third party for distribution independently of the LSU course -- then those royalties will be treated as Distributable Royalties for purposes of Section 7-4 above.

Section 7-8. Confidential Materials.

LSU System and LSU Campus officials are authorized to protect the confidentiality of materials that are exempt from the Louisiana Public Records Law, pursuant to La. R.S. 44:4(16) or otherwise, to the full extent permitted by law. The President, the Chancellor or equivalent, the technology transfer officer for each campus, and any other individual designated by the President or by the Chancellor or equivalent, may certify in writing that particular materials that have been requested under the Public Records Law are subject to a particular statutory exemption under the Public Records Law.

Section 7-9. Miscellaneous.

- a. Nothing herein shall be construed to alter, amend, or in any way affect PM-11 or PM-67, or the policies and procedures set forth therein, which are required by La. R.S. 42:1123(9) and (10).
- b. In the event of any conflict between the provisions of this Section 7 and any other provisions of the *Regulations* of the Board of Supervisors or any Permanent Memorandum, the provisions of this Section 7 shall control.
- c. Nothing herein creates any rights, procedural or substantive, in any third parties.



Research & Economic Development Committee Agenda Item #2

RECOMMENDATION TO AMEND THE REGULATIONS OF THE BOARD, CHAPTER VII, INTELLECTUAL PROPERTY, AND RECOMMENDATION TO CREATE THE *LSU LIFT FUND* RESTRICTED ACCOUNT

To: Members of the Board of Supervisors

Date: January 31, 2014

Re: Amending the Regulations of the Board of Supervisors, Chapter VII, Intellectual Property, and Creating the LSU LIFT Fund as a restricted account for support of innovation as defined in the revised Chapter VII of the Regulations.

1. Items Requiring Board Action

A. Chapter IX, Amendment to Regulations

The first part of this matter is presented pursuant to Chapter IX of the Regulations of the Board of Supervisors, which provides for the amendment of the Regulations of the Board upon an affirmative vote of the majority of the members of the Board, after receiving recommendations of the appropriate committee of the Board.

B. Significant Board Matter

The second part of this matter is presented as a "Significant Board Matter" pursuant to the Bylaws of the Board, Article VII, section 8:

D.1: Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Background

Commercialization of academic inventions through technology transfer further enhances multiple aspects of LSU's mission and creates new economic opportunity in Louisiana and elsewhere. A primary objective of technology transfer at LSU, like most other research universities nationwide, is the transition of inventions from the laboratory to the marketplace for public use and benefit.

Over the past several years, much attention has been paid to enhancing how LSU campuses manage their technology transfer and commercialization activities. Earlier this year, the LSU Transition Advisory Team (TAT) identified technology transfer as a key component in reshaping LSU's research enterprise; the TAT Final Report called for a new model of technology transfer which would enhance the culture of innovation on each campus while providing a high level of service to the faculty, the business partners and the community.

In September, President Alexander formed a President's Committee on Technology Transfer (PCTT), comprised primarily of a senior representative from each of the five research campuses, to evaluate the pertinent recommendations of the TAT report and to devise a new, comprehensive approach to technology transfer at LSU. The PCTT met multiple times to consider the various aspects of his charge to the committee, and submitted its final report to President Alexander on December 20, 2013.

The PCTT report includes a new, common mission statement for all technology transfer offices and a new shared-services model with the LSU System Research and Technology Foundation ("RTF") to leverage existing strengths. The RTF will provide certain common technology transfer functions to all of the LSU research campus technology transfer offices; each campus will maintain its own staff and decision-making autonomy and will share in the projected operational costs according to an equitable formula. This structure will allow a single foundation to provide common services to multiple campuses, allowing each to enhance its individual commercialization operations and increase activity across multiple metrics.

3. Summary of the Matter

Two recommendations of the PCTT, changes to policy and creation of a new restricted account for an innovation support program, require the approval of the Board of Supervisors and are presented for consideration.

First, the multiple regulations and presidential memoranda pertaining to the management of intellectual property were developed at various times and lead to misunderstanding, confusion and lack of clarity. Changes to the current regulations and policies are thus recommended for Board and Presidential action. This proposed amended Chapter VII of the Board's Regulations consolidates all related documents into a single policy regulation while preserving the primary intent of those to be replaced. Specifically, PM-16 (effective 3/7/95) and PM-64 (effective 1/24/97) are recommended to be rescinded, as the pertinent sections and procedural matters have been incorporated into the newly revised and comprehensive Chapter VII.

It is critical to note that great care has been taken, in drafting the proposed revised Chapter VII, to avoid changing any substantive rules affecting the rights of faculty and staff members who create LSU Intellectual Property. These proposed revisions change certain order and structure of the current regulation, and incorporate key aspects of the two permanent memoranda referenced above, to ensure the new single policy is easier to follow and understand, but make no substantive changes to definitions, intent or application of the policy, or rights of inventors. The only substantive change to current policy is a recommendation to divide and further dedicate the portion of licensing revenues allocated to the Office of the President, as further detailed below.

Second, as a complement to this new approach to commercialization and technology transfer at LSU, it is recommended that the Board approve the creation of a new, permanent restricted account to provide LSU's entrepreneurial and creative faculty with small "proof of concept" grants to support further commercialization of inventions. This new account, the *LSU LIFT (Leveraging Innovation For Technology Transfer) Fund*, will be used as the key part of a new

program to advance innovation towards application by providing small competitive funding awards for faculty to validate the commercial potential of inventions.

It is further recommended that the LSU LIFT Fund, if approved by the Board, be funded through a portion of revenues from past and future technology licensing agreements. Both federal law and LSU regulations restrict the use of licensing income from inventions to activities which further support the research enterprise. By permanently securing a portion of technology transfer licensing income in the new LSU LIFT Fund, LSU can ensure that a portion of revenues from commercialized inventions will continually be reinvested in new innovation opportunities. In addition, establishing a permanent funding source for the LSU LIFT Fund will affirm LSU's commitment to investing in its researchers and advancing discoveries to benefit the public.

Under current regulations, the LSU Office of the President receives ten percent of all Distributable Royalties (as defined in Chapter VII of the Regulations). It is recommended that the Board approve a further division of this allocation into two equal parts, retaining five percent in the current *LSU Office of the President - Tech Transfer Fund* for ongoing support of commercialization and related research initiatives, and making a new, permanent dedication of five percent of all future license and royalty income to the *LSU LIFT Fund*, to ensure ongoing financial support for much needed proof of concept projects for faculty from any LSU campus.

This combination of revised regulations, a new approach to technology transfer and a new, permanent innovation investment fund for proof of concept projects will dramatically reshape the commercialization enterprise at LSU. Both the number of invention disclosures and license agreements are expected to increase, and the time to license, whether to an existing or a start-up company, is expected to decrease. Appropriate metrics will be developed to track impact of the new approach and will be reported regularly to the President and the Board.

RECOMMENDATION:

It is recommended that the LSU Board of Supervisors approve the following:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College hereby amends the Regulations of the Board, Chapter VII, Intellectual Property, in its entirety, replacing it with the attached revised Chapter VII, effective as of this date, and hereby authorizes the Office of the General Counsel to make any necessary technical amendments to this revised Chapter VII; and

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the creation of a restricted account, entitled the LSU LIFT (Leveraging Innovation for Technology Transfer) Fund, as a permanent account within the Office of the President to support proof-of-concept grants to faculty at any LSU institution in furtherance of commercial development of inventions, and does also hereby approve the continued deposit into this Fund of Distributable Royalties allocated to the Fund in accordance with the revised Chapter VII, Section 7-4(b) of the LSU Board of Supervisors Bylaws and Regulations.

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CHAPTER VII

INTELLECTUAL PROPERTY

(revised 1/31/2014)

Section 7-1. General Policy.

LSU encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All LSU Personnel are required to disclose to the appropriate campus officer, at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. The inventor, the inventor's department, and the inventor's campus gain prestige, and in some cases financial benefits, from commercializing an invention or discovery. Such commercialization is consistent with, and complementary to, LSU's academic mission; through such activities, LSU provides new benefits to the public and enhances economic development.

Section 7-2. Definitions.

- a. "LSU Invention" shall mean an invention or discovery that is either conceived, created, designed, developed, conducted or first reduced to practice, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where conception or reduction to practice occurs; **or (2)** are supported by funds under the control of LSU; **or (3)** are performed with the use of LSU facilities, equipment, or supplies. The term "LSU Invention" shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an "LSU Invention": an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that: **(1)** occur during the personal, off-duty time of all involved LSU Personnel; **and (2)** are not supported by funds under the control of LSU; **and (3)** are not performed with the use of LSU facilities, equipment, or supplies; **and (4)** are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved LSU Personnel.
- b. "LSU Work" shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by LSU, in whole or in part. The term "LSU Work" shall also include any copyright or other legal rights derived from such a work. The support by LSU may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the

1 consideration provided in a particular contract, or otherwise. **"LSU Work"**
2 shall not, however, include any work deemed to be LSU Software.
3

4 **c. "LSU Software"** shall mean any software created or developed, in whole
5 or in part, during activities that: **(1)** are carried on by, or under the direction
6 of, LSU Personnel, regardless of when or where the creation or
7 development occurs; **or (2)** are supported by funds under the control of
8 LSU; **or (3)** are performed with the use of LSU facilities, equipment, or
9 supplies. The term **"LSU Software"** shall also include any source code
10 pertaining to such software; any copyright derived from such software; any
11 patent application or issued patent containing at least one claim reading
12 on such software, or having at least one claim reading on a process or
13 apparatus incorporating such software; and any other legal rights derived
14 from such software.
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16 **d. "LSU Digital Media"** is a collective term that encompasses all LSU
17 Software, as well as some LSU Works. All LSU Software is considered
18 **"LSU Digital Media."** An LSU Work is considered **"LSU Digital Media"** if
19 it is fixed in a tangible digital medium (including, by way of example, a
20 magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video
21 disk/digital versatile disk/DVD, or an Internet website) that is intended to
22 be used by third parties in digital form or that is intended to be distributed
23 in digital form to third parties for consideration. An LSU Work that is
24 transmitted to a publisher in digital form at the request of the publisher or
25 for the convenience of the author or publisher, but that will not be
26 distributed by the publisher to third parties in digital form (e.g., a
27 conventional printed book whose text is prepared on a word processor) is
28 not considered **"LSU Digital Media."** However, any digital media that
29 otherwise satisfies the above definition, and that is intended to be
30 distributed to third parties with a printed book (for example, a compact disk
31 read-only-memory packaged with a book) is considered **"LSU Digital
32 Media."** An LSU Work that is published electronically as part of a peer-
33 reviewed scholarly journal on the Internet shall not be considered **"LSU
34 Digital Media."** Some **"LSU Digital Media"** will be treated as LSU Works,
35 and some **"LSU Digital Media"** will be treated as LSU Software, as
36 provided in greater detail in Section 7-7(b).
37

38 **e. "LSU Database"** shall mean a digital database that has commercial value,
39 or that reasonably may be considered to have potential commercial value,
40 regardless of whether the database is the subject of copyright, where the
41 database is created or developed, in whole or in part, during activities that
42 are: **(1)** carried on by, or under the direction of, LSU Personnel, regardless
43 of when or where the creation or development occurs; **or (2)** supported by
44 funds under the control of LSU; **or (3)** conceived, created, designed,
45 developed, or conducted with the use of LSU facilities, equipment, or
46 supplies. The term **"LSU Database"** shall also include any source code

1 pertaining to such database; any copyright derived from such database;
2 any patent application or issued patent containing at least one claim
3 reading on such database, or having at least one claim reading on a
4 process or apparatus incorporating such database; and any other legal
5 rights derived from such database, including by way of example any
6 statutory legal protection for a database, whether the statute is enacted
7 before or after the provisions of these *Bylaws* concerning LSU Databases
8 take effect.
9

10 **f.** **"LSU Mark"** shall mean any trade name, trademark, service mark, design,
11 or trade dress: **(1)** that is associated with LSU, or with any campus or
12 other part of LSU; **or (2)** that is created or produced during an activity that
13 is supported by LSU, in whole or in part; **or (3)** that is created or produced
14 by LSU Personnel and is associated with any other LSU Intellectual
15 Property. The term "LSU Mark" shall also include any goodwill associated
16 with any such mark, and any registrations or other legal rights derived
17 from such a mark.
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19 **g.** **"Other LSU Intellectual Property"** shall mean any intellectual property,
20 other than an LSU Invention, LSU Work, LSU Software, LSU Digital
21 Media, LSU Database, or LSU Mark, where the events giving rise to the
22 creation of that intellectual property are supported by LSU in whole or in
23 part. By way of illustration only, such **"Other LSU Intellectual Property"**
24 may include plant variety protection applications or certificates;
25 semiconductor mask works; trade secrets; know how; and tangible
26 research property (e.g., semiconductor chips, software, biological
27 organisms, prototypes, drawings, original research records, notebooks,
28 data, and other corporeal property that can be physically or electronically
29 distributed). In interpreting this paragraph, the principles of paragraphs (a)
30 through (f) above shall apply by analogy where appropriate.
31

32 **h.** **"LSU Intellectual Property"** shall mean, collectively, any LSU Invention,
33 LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark,
34 or Other LSU Intellectual Property.
35

36 **i.** **"Course Materials"** shall mean any copyrights in underlying educational
37 materials or course content used in the *bona fide* teaching or instruction of
38 a regularly scheduled course for credit offered by LSU, to the extent that
39 an author of those materials, himself or herself, uses those materials in
40 teaching the course; including portions, subsets, drafts, revisions,
41 updates, versions, and instructional components of such materials;
42 whether printed, digital, Internet based, CD/DVD-based, audio- or video-
43 based, or otherwise. **"Course Materials"** may include copyrights in items
44 that would otherwise constitute LSU Works, LSU Software, or LSU Digital
45 Media. **"Course Materials"** shall not, however, include rights in any
46 patent, patent application, LSU Database, LSU Mark, or LSU Invention.
47 **"Course Materials"** shall not include any rights that are derived from a co-

1 author who is not also directly involved in the teaching or instruction of a
2 regularly scheduled course for credit at LSU using those materials.
3

4 **j. "Distributable Royalties"** shall mean any consideration, whether in the
5 form of money, corporate stock or other equity in a business organization,
6 or any other thing of value, actually received by and in the control of LSU
7 pursuant to an authorized agreement granting any rights in any LSU
8 Intellectual Property, after deduction of LSU's legal, professional and
9 patent expenses directly expended in support of and allocable to that LSU
10 Intellectual Property, except that "Distributable Royalties" shall **not**
11 include:

12
13 (1) Any such consideration received by LSU in reimbursement of or
14 allocated for direct, out-of-pocket expenses paid or owed by LSU to
15 third parties which are directly allocable to the LSU Intellectual
16 Property for which the consideration is received, such as expenses for
17 past, present, or future attorneys fees and other legal expenses, and
18 amounts paid to outside contractors, regardless of whether the
19 authorized agreement expressly provides for such reimbursement;
20 provided that such expenses shall not include any internal expenses of
21 LSU, such as salaries, administrative overhead, building rent,
22 equipment purchases, and similar expenses;

23
24 (2) Any consideration deemed a Research Grant or deemed as Litigation
25 Proceeds, as defined herein; and
26

27 (3) Any amounts received by LSU that are attributable to an LSU Mark.
28

29 **k. "Research Grant"** shall mean (for purposes of this Section 7 of the
30 *Regulations of the Board*) any consideration received by LSU under an
31 authorized sponsored research agreement that, along with any other
32 provisions, grants another party any rights in any LSU Intellectual
33 Property, where LSU's disposition of that consideration is restricted by that
34 contract to use for conducting research.
35

36 **l. "Litigation Proceeds"** shall mean any money or other property received
37 by LSU as a result of any resolution of a dispute over another's use,
38 infringement, or licensing of any LSU Intellectual Property, whether
39 received by way of judgment, arbitration, or settlement -- and in the case
40 of a settlement, regardless of whether any arbitration or lawsuit has been
41 instituted.
42

43 **m. "LSU" or "University"** shall mean the Board of Supervisors of Louisiana
44 State University and Agricultural and Mechanical College, including all of
45 its campuses, centers, institutions, facilities, and other property.
46

1 n. "LSU Personnel" shall mean all LSU Supervisors, Officers, Faculty, Staff,
2 Research Associates, Postdoctoral Fellows, Instructors, Graduate
3 Students, and other employees of LSU, whether part-time or full-time.
4 "LSU Personnel" shall include, for example: (1) faculty or other LSU
5 Personnel who are on nine-month appointments, who shall be considered
6 "LSU Personnel" throughout the calendar year for purposes of this
7 Section 7 of the *Bylaws*, (2) visiting faculty, and (3) adjunct faculty,
8 emeritus faculty, and LSU undergraduate and professional students
9 employed by LSU when those persons act within the course and scope of
10 their employment by LSU. "LSU Personnel" shall not include adjunct
11 faculty and LSU undergraduate and professional students when those
12 individuals are not acting as employees of LSU.
13
14

15 Section 7-3. Ownership and Management of LSU Intellectual Property

16 a. Right to Own and Manage LSU Intellectual Property

- 17
18
19 (1) LSU holds all right, title, and interest to all LSU Intellectual Property
20 in all countries. LSU Personnel shall execute any formal
21 assignments to LSU of all right, title, and interest to any LSU
22 Intellectual Property, and shall execute such other documents and
23 perform such other lawful acts (at no out-of-pocket expense to the
24 LSU Personnel) as may be requested by LSU fully to secure LSU's
25 interest in LSU Intellectual Property.
26
27 (2) As owner of LSU Intellectual Property, LSU may manage, license,
28 patent, register, sell, abandon, or otherwise dispose of any LSU
29 Intellectual Property as LSU in its discretion sees fit, including but
30 not limited to all decisions concerning potential financial benefits to
31 be derived from any LSU Intellectual Property.
32
33 (3) Only LSU, acting through the procedures set forth in this Section 7,
34 has the authority to enter into any agreement relating to LSU
35 Intellectual Property. Any purported assignment, transfer, license,
36 assertion of ownership, or other disposition of LSU Intellectual
37 Property by the inventor(s) or author(s), without the prior written
38 approval of an LSU official authorized pursuant to these
39 *Regulations*, is void and will not be recognized by LSU -- including,
40 by way of example and not limitation, any such purported
41 assignment or other disposition in a consulting agreement, research
42 agreement, material transfer agreement, or confidentiality
43 agreement.
44
45 (4) If LSU elects not to manage, license, patent, register, sell, or
46 otherwise dispose of any item of LSU Intellectual Property, then on

1 written request from the affected inventor(s) or author(s), in LSU's
2 sole discretion, LSU may, with any required concurrence from a
3 research sponsor, by written agreement with the respective
4 inventor(s) or author(s), relinquish and assign that item to the
5 inventor(s) or author(s), subject to such conditions as the parties
6 find mutually agreeable and to such conditions as may be required
7 by a research sponsor.
8
9

10 **b.** Each Chancellor or equivalent shall establish policies and procedures for,
11 and identify employees or positions responsible for, the management of
12 LSU Intellectual Property on that campus. Each campus shall be
13 responsible for compliance with all procedures and obligations under the
14 federal Bayh-Dole Act (PL 96-517) or any other applicable laws,
15 regulations, agreements or contracts with respect to the management of
16 LSU Intellectual Property.
17

18
19 **c.** (1) In exceptional circumstances, LSU may waive its rights to certain
20 items that would otherwise be LSU Intellectual Property, in favor of
21 an outside employer of one or more LSU Personnel, if LSU
22 expressly approves in writing and in advance a valid consulting
23 agreement between that employer and the LSU Personnel, and if
24 the consulting agreement expressly states in writing that such items
25 shall become the property of that employer, and if the consulting
26 agreement and all activities conducted under the consulting
27 agreement are in full compliance with the Code of Governmental
28 Ethics and all pertinent rules and regulations of LSU.
29

30 (2) Any such waiver may only be made in writing by the Chancellor or
31 equivalent (or the President, if PM-11 or PM-67 require approval by
32 the President of the related consulting agreement), which authority
33 may not be further delegated, based on a written finding setting forth
34 the reasons that such a waiver is in the best interests of LSU.
35

36 (3) LSU will ordinarily grant to a non-governmental sponsor of funded
37 research at LSU an exclusive right, for a limited period of time, to
38 negotiate with LSU for a royalty-bearing license under inventions
39 that may result from the funded research, under mutually agreeable
40 terms. Royalty rates or other consideration to be paid for a licensed
41 invention will not ordinarily be determined before the invention has
42 been made, except where justified in writing, in light of exceptional
43 circumstances, to be in the best interests of LSU.
44
45
46

1 **d. Restrictions on Publication**

2
3 **(1)** Nothing in this Section 7 shall be construed to prohibit or restrict
4 LSU Personnel from publishing in academic channels any material
5 that LSU and those Personnel are otherwise free to publish. LSU
6 Personnel are cautioned that early publication can destroy or impair
7 the legal protection that might otherwise be available for intellectual
8 property, and where appropriate are advised to consult with their
9 campus technology transfer officers well before the first planned
10 publication to discuss this question further.

11
12 **(2)** As a matter of University policy, LSU shall not normally accept
13 restrictions or prohibitions on publications, other than a requirement
14 for delaying publication for a reasonable period of time, from
15 research sponsors and intellectual property licensees. Before LSU
16 can consent to any such restrictions on publication, both of the
17 following conditions must be satisfied and documented: (1) the
18 restrictions are tailored to be the least restrictive conditions which
19 will satisfy the legitimate concerns of the sponsor or licensee, and
20 (2) all LSU Personnel likely to be affected by the proposed
21 restrictions have consented to the restrictions.

22
23
24 **Section 7-4. Allocation of Distributable Royalties**

25
26 **a. Distribution to Inventor or Author**

27
28 **(1)** Forty percent (40%) of all Distributable Royalties as defined in
29 Section 7-2(j) shall be paid or transferred to the respective inventors
30 or authors within thirty days of receipt by LSU, unless a different
31 schedule is otherwise agreed in writing by LSU and the inventor(s)
32 or author(s).

33
34 **(2)** For as long as LSU receives such Distributable Royalties, payment
35 of this allocation of Distributable Royalties shall continue to the
36 respective inventors or authors, regardless of whether they continue
37 employment at LSU, or to their heirs, as applicable.

38
39 **(3)** Provided, however, that the Chancellor or equivalent of the
40 appropriate campus (or campuses) may direct that no part (or a
41 reduced part) of Distributable Royalties shall be paid or transferred
42 to the inventors where those Distributable Royalties are attributable
43 to one or more Plant Patents or Plant Variety Protection Certificates.

44
45 **(4)** Further provided, that upon the written request of any inventor or
46 author, all or part of that inventor's or author's share of Distributable

1 Royalties may be (1) retained by LSU to support research under the
2 direction of that inventor or author, or (2) paid to any other LSU
3 Personnel who made a non-inventive contribution to the LSU
4 Intellectual Property, according to a written agreement. Assessing
5 and managing any personal tax implications of any such requests
6 shall be the sole responsibility of the inventor or author.
7

8 **(4)** In recognition of the administrative costs that are associated with
9 distributing small Distributable Royalty payments, the following
10 procedures shall be used where applicable:
11

12 **(a)** At any time when the cumulative total of undistributed
13 Distributable Royalty payments received on account of a particular
14 license of LSU Intellectual Property in a given fiscal year is less than
15 \$1,000, the Distributable Royalties for that license shall not be
16 distributed as otherwise provided, but shall instead be held by the
17 University until the end of the current fiscal year.
18

19 **(b)** If, at any time during the fiscal year, the cumulative undistributed
20 total reaches \$1,000, then the accumulated Distributable Royalties
21 shall at that time be distributed as otherwise provided herein.
22

23 **(c)** At the end of each fiscal year, if LSU is holding a cumulative
24 total in undistributed Distributable Royalty payments on account of a
25 particular license of LSU Intellectual Property during the preceding
26 fiscal year of less than \$1,000, then 100% of those undistributed
27 Distributable Royalty payments shall be allocated to the Office of the
28 President.
29

30 **(d)** Upon the written request of any affected inventor or author,
31 made within six months of the close of the fiscal year, the inventor's
32 or author's forty percent (40%) share of such Distributable Royalties
33 described in part (c) above shall be paid to the respective
34 inventor(s) or author(s), and the remaining sixty percent (60%) shall
35 be retained by the Office of the President.
36

37 **(e)** LSU shall not be required to honor any such request from an
38 author or inventor received either before the close of the fiscal year
39 or more than six months after the close of the fiscal year. A
40 separate written request must be made for each license and for
41 each fiscal year.
42
43

1 **b. Distribution to the Office of the President, the LSU LIFT Fund and the**
2 **Campus**

- 3
- 4 **(1)** Five percent (5%) of all Distributable Royalties shall be allocated to
5 the Office of the President.
- 6 **(2)** Five percent (5%) of all Distributable Royalties shall be allocated to
7 the *LSU LIFT (Leveraging Innovation for Technology Transfer) Fund*
8 in the Office of the President for support of proof-of-concept grants
9 to faculty at any LSU institution in furtherance of commercial
10 development of inventions.
- 11 **(3)** Fifty percent (50%) of all Distributable Royalties shall be allocated
12 within the appropriate campus as directed by the Chancellor or
13 equivalent of that campus.
- 14 **(4)** None of the allocation of Distributable Royalties to either the Office
15 of the President or to the campus may be allocated directly to any
16 individual.
- 17 **(5)** In accord with LSU's obligations under the federal Bayh-Dole Act
18 and with LSU's commitment to investing in its researchers and
19 advancing discoveries to benefit the public, all allocations of
20 Distributable Royalties to the Office of the President, to the LSU
21 LIFT Fund or to a campus will be used only in further support of
22 scientific research, education and commercialization activities.

23

24 **c. Distribution and Management of Equity**

- 25
- 26 **(1)** Corporate stock or other equity shares within Distributable Royalties
27 which comprises the inventor's allocation as described above shall
28 be transferred to the respective authors or inventors as soon as
29 reasonably practicable after LSU is legally able to transfer title to
30 such equity, and until that time LSU shall be the sole owner of such
31 equity. LSU shall have no liability in the event the value of such
32 equity changes before it is distributed to the inventors or authors.
- 33
- 34 **(2)** All stock or other equity owned by LSU as LSU's portion of
35 Distributable Royalties shall be managed and disposed of by the
36 President, in consultation with the Chair and Chair-Elect. The
37 President shall have the authority to perform all acts that a
38 stockholder or other equity holder lawfully may perform under
39 applicable law. The President or his designee shall regularly review
40 all equity that LSU has acquired as LSU's portion of Distributable
41 Royalties, to decide when it should be held and when it should be
42 sold or otherwise transferred. The President is authorized to confer
43 with one or more financial professionals in reaching these decisions,
44 and to rely on the advice of such professionals in making these
45 decisions. The President shall notify the affected campus(es) prior

1 to selling stock or other equity, except where exigent circumstances
2 prevent prior notice.

3
4 **(3)** To avoid potential conflicts of interest, the appearance of conflicts of
5 interest, and potential liability:

6
7 **(a)** No LSU Personnel shall act as an officer, director, manager,
8 or the like in any business entity in which LSU acquires
9 stock or other equity under this Section 7; except that where
10 the pertinent contract granting the business entity rights in
11 LSU Intellectual Property has been approved under the
12 provisions of LSU's Permanent Memorandum 67, the
13 affected inventor(s) or author(s) may hold such managerial
14 roles in the business entity in their personal capacities, but
15 not as representatives of LSU; and

16
17 **(b)** LSU shall not otherwise attempt to influence the
18 management or operation of any such business entity in
19 which LSU owns equity. Exercising any voting rights
20 associated with equity owned by LSU shall not be
21 considered to be prohibited by this subsection. In
22 exceptional circumstances, the President, after consultation
23 with the Board Chair and Chair-elect, may authorize a
24 departure from this requirement; upon a written finding that
25 doing so will be in the best interests of LSU.

26
27 **(4)** Any equity owned by LSU as LSU's portion of Distributable
28 Royalties shall not be further distributed within LSU, but instead
29 shall be managed by the President. Any cash benefits received by
30 LSU arising from such equity ownership (for example, cash
31 dividends, or proceeds from the sale of the equity) shall be
32 distributed within LSU in the same relative proportions as other
33 Distributable Royalties; except that the inventor(s) shall receive no
34 portion of any such cash, because the inventor(s) will ordinarily
35 have already received 40% of the equity originally received by LSU
36 under Section 7-4(b)(1).

37
38 **d. Distributions Involving Multiple Parties**

39
40 **(1)** Distribution to Multiple Inventors or Authors. When more than one
41 inventor or author is entitled to share in Distributable Royalties, the
42 inventors or authors as a group shall receive the forty percent of
43 Distributable Royalties specified above, and the allocation of
44 Distributable Royalties among those individuals will be determined
45 as follows. That inventor's share of Distributable Royalties shall be
46 distributed equally among the inventors or authors unless either: **(i)**

1 all affected inventors or authors unanimously agree in writing on a
2 different distribution, **or (ii)** if the affected inventors or authors are
3 unable to reach unanimous agreement on a different distribution,
4 then in proportions and under procedures established by the
5 President based upon the merits of the individual case. This
6 allocation by the President shall be final and unappealable.
7

8 **(2)** Distribution to Multiple Entities. Where more than one entity is
9 entitled to share in Distributable Royalties, the allocation of
10 Distributable Royalties will be determined as follows:
11

12 **(a)** By contract, negotiation, litigation or otherwise, LSU and any
13 party not affiliated with LSU shall resolve any apportionment
14 between LSU and that other party. Only LSU's part of this
15 apportionment shall be considered Distributable Royalties.
16

17 **(b)** In the absence of any agreement by LSU to the contrary,
18 each unique invention, related patent, patent application or
19 other form of uniquely identifiable intellectual property
20 associated with a particular license which generates
21 Distributable Royalties will be presumed to have contributed
22 equally to those Distributable Royalties.
23

24 **(c)** The respective contributions to Distributable Royalties from
25 different departments or campuses will be presumed to be
26 the sum of the contributions for the inventors associated with
27 each department or campus. If one inventor has
28 appointments with more than one department or campus,
29 each such department or campus will be deemed to
30 participate equally in the departmental or campus
31 contribution to Distributable Royalties associated with that
32 inventor, unless the invention clearly resulted from work
33 done in association with only one department or campus.
34

35 **(d)** The unique circumstances of individual cases involving
36 multiple entities may require an unequal distribution of
37 Distributable Royalties. Deviation from the equal distribution
38 provided for in subsections (b) or (c), above, may be made
39 either: **(i)** by unanimous written consent of all affected
40 entities, **or (ii)** if the affected entities are unable to reach
41 unanimous agreement on a different distribution, then in
42 proportions and under procedures established by the
43 Chancellor or equivalent, or if more than one campus is
44 involved, by the President, based upon the merits of the
45 individual case. This determination shall be final and
46 unappealable.

1
2
3 **e. Distributions in Special Circumstances**
4

- 5 (1) A Research Grant shall be administered by LSU in accordance with
6 the terms of the contract establishing the Research Grant, and in
7 accordance with any applicable laws, rules, and regulations.
8 Authors and inventors shall not be entitled to any portion of a
9 Research Grant, except in some cases for that portion of a salary
10 that is customarily paid from such a source, and then only in
11 accordance with the terms of the contract establishing the Research
12 Grant.
13
- 14 (2) Litigation Proceeds shall be administered and distributed as follows.
15 That unit of the LSU System which funds expenses related to
16 litigation or other means of dispute resolution related to LSU
17 Intellectual Property first shall be entitled to recover double its legal
18 and other associated expenses, before any other distribution of
19 Litigation Proceeds. After such recovery of double expenses, any
20 excess Litigation Proceeds shall be treated as Distributable
21 Royalties and allocated accordingly.
22
- 23 (3) If LSU directly sells research materials (not including agricultural
24 products) to third parties, in greater than nominal quantities and for
25 more than a nominal charge; *and* if those research materials
26 incorporate an LSU Invention (patented or unpatented) that is not in
27 the public domain at the time (for example cell lines or laboratory
28 animals that are not otherwise publicly available), *and* if LSU
29 therefore has no agreement with a third party as to royalties
30 attributable to the LSU Invention; then in such a case LSU and the
31 inventors shall agree in writing as to a reasonable royalty rate to be
32 imputed to net sales of the research materials. The agreed-upon
33 royalty rate and any proceeds arising therefrom will be treated
34 thereafter as Distributable Royalties for all purposes.
35
- 36 (4) Activity conducted by LSU for educational, research, or non-
37 commercial purposes shall not give rise to any "Distributable
38 Royalties."
39
40

41 **Section 7-5. General Requirements for Licenses and Other Agreements**
42

- 43 **a.** As a matter of policy, LSU will not license or otherwise encumber rights in
44 future LSU Intellectual Property whose conception is not complete as of
45 the date the license or other encumbrance is executed; except for the
46 strictly limited rights that may be granted to a sponsor of funded research

1 respecting inventions resulting from the funded research, as provided in
2 greater detail in Section 7-3(c)(2).
3

4 **b.** As a matter of policy, LSU shall require that each licensee of rights in LSU
5 Intellectual Property may not *assign* or *transfer* the licensed rights without
6 LSU's express prior written approval, which LSU may agree, in its sole
7 discretion, not to unreasonable withhold. Further, LSU shall require that a
8 licensee may *sublicense* the licensed rights in LSU Intellectual Property
9 only if (i) the sublicense agreement includes express provisions requiring
10 the sublicensee to abide by the terms of the license between LSU and the
11 licensee, (ii) the sublicense agreement specifies that no sublicensee shall
12 issue any further sublicenses without the express written consent of LSU,
13 and (iii) the licensee agrees to provide LSU with copies of each
14 sublicense, and all subsequent amendments thereto, within a reasonable
15 time period from date of execution of such documents.
16

17 **c.** As a matter of policy, LSU shall require each licensee of LSU Intellectual
18 Property, and ordinarily each sublicensee, to obtain reasonable levels of
19 liability insurance or to have adequately capitalized self-insurance, in an
20 amount to be included in the license or other agreement and to be
21 determined in view of the reasonably perceived risks presented by the
22 particular technology being licensed. This insurance coverage shall
23 commence no later than the date when the first commercial sale under the
24 license is made, or the date of the first clinical trials of a human drug or
25 medical device, whichever is earlier, and shall continue in effect until the
26 expiration of all applicable periods of prescription or statutes of limitation.
27 LSU shall be named as an additional insured in each such insurance
28 policy. On a case-by-case basis, after reviewing all pertinent facts, the
29 requirement of liability insurance may be waived where LSU assigns all
30 rights in LSU Intellectual Property to another party, with LSU retaining no
31 residual rights or residual share of royalties; except that in such a case
32 LSU may retain a nonexclusive right to practice the assigned intellectual
33 property right for experimental, educational, or noncommercial purposes.
34

35 **d.** As a matter of policy, LSU shall require that each licensee and assignee,
36 and ordinarily each sublicensee, of LSU Intellectual Property shall
37 indemnify LSU against claims and lawsuits arising as a result of activities
38 related to the licensed or assigned intellectual property, whether the claim
39 or lawsuit arises under tort law, products liability law, intellectual property
40 law, or otherwise, the indemnity to include reasonable costs of litigation
41 and attorneys' fees.
42

43 **e.** As a matter of policy, LSU does not ordinarily permit brokerage of LSU
44 Intellectual Property. Rather, LSU expects LSU's licensees to be directly
45 active in developing and commercializing licensed LSU Intellectual
46 Property. Exceptions to this policy will be permitted only upon the written

1 authorization of the Chancellor or equivalent upon a written finding that
2 exceptional circumstances exist such that brokerage of a particular LSU
3 Intellectual Property is in the University's best interests.
4

- 5 **f.** In circumstances where LSU assigns or waives certain intellectual property
6 rights in favor of the authors or inventors, whether under Section 7-3(a)(4),
7 Section 7-7.a, or otherwise, then, unless there is an authorized written
8 agreement by LSU that expressly provides otherwise, in each such case
9 the assignment or waiver shall be without representation or warranty from
10 LSU of any kind, including no warranty or representation as to validity;
11 scope; enforceability; inventorship; authorship; title; or absence of
12 infringement of third party patents, copyrights, trademarks, or other third
13 party rights. As examples: **(1)** In such a case it shall be an author's sole
14 responsibility to obtain any necessary copyright clearances from third
15 parties; and **(2)** In such a case it shall be an inventor's sole responsibility
16 to obtain any necessary patent licenses from third parties. Furthermore,
17 authors and inventors in such cases are cautioned that the waiver or
18 assignment of such intellectual property rights by LSU does not include the
19 right to use any LSU Mark.
20

- 21 **g.** Except as otherwise expressly provided herein, any substantial deviation
22 from the general policy requirements set forth in this Section 7-5 must be
23 approved by the President, upon a written recommendation from the
24 Chancellor or equivalent which documents that the deviation is in the best
25 interests of LSU and is adequate to protect LSU's interests.
26
27

28 **Section 7-6. Uniform Process for Managing Technology Transfer at LSU**

29

30 Except as otherwise provided in the Bylaws, and notwithstanding any other
31 provisions of these Regulations, all purchases, sales, transfers,
32 assignments, or licenses (collectively, "Commercialization") of LSU
33 Intellectual Property made by any campus or institution of the LSU System
34 shall be conducted in accordance with the following uniform process.
35

36 **a. Presidential Approval of License Agreements**

37

38 License agreements shall require approval and execution by the
39 President, which authority may be further delegated at the discretion of the
40 President, pursuant to Article VII, Section 8.B.2 of the Bylaws, as is
41 deemed to be in the best interests of LSU.
42
43

1 **b. Standard Forms, Reporting, and Procedures**
2

- 3 **(1)** Standard templates for the commercialization of LSU Intellectual
4 Property have been developed and may continue to be developed
5 and refined through use. Each campus or institution shall use these
6 templates in all transactions related to the commercialization of LSU
7 Intellectual Property and shall justify deviations from the template as
8 necessary.
9
- 10 **(2)** Actions related to the Commercialization of LSU Intellectual
11 Property shall be reported to the President and the Board, in a
12 format, on a timeframe, and with information prescribed by the
13 President after consultation with the Board. Such reporting
14 requirements may be fulfilled by any such entity as is designated to
15 manage that activity.
16
- 17 **(3)** All license agreements submitted by a campus for approval and
18 execution by the President or his designee shall be accompanied by
19 a certification from appropriate campus officials and a checklist
20 which provides:
21
- 22 **(i)** a description of any potential conflicts of interest and a
23 certification that all applicable disclosure forms required by
24 any LSU policy have been executed, or a certification that no
25 such potential conflicts are known to exist; and
 - 26 **(ii)** a description of the due diligence performed to evaluate the
27 commercial potential of the LSU Intellectual Property which is
28 the subject of the proposed agreement; and
 - 29 **(iii)** a description of the due diligence activities performed to
30 evaluate the proposed licensee; and
 - 31 **(iv)** a description of any significant deviations from the standard
32 template agreements and justification for such changes.
33
34

35 **Section 7-7. LSU Works, LSU Software, LSU Databases, LSU Digital Media,**
36 **and Course Materials.**
37

38 The various provisions of Sections 7-3 through 7-6 shall apply to LSU
39 Works, LSU Software, LSU Databases, and LSU Digital Media. In
40 addition, the provisions of this Section 7-7 shall also apply to LSU Works,
41 LSU Software, LSU Databases, and LSU Digital Media, but not to other
42 forms of LSU Intellectual Property. This Section 7-7 shall also apply to
43 Course Materials.
44

- 45 **a.** Notwithstanding the provisions of Section 7-3(a) above, LSU releases to
46 the respective author(s) all of LSU's interest in any copyright to a book,

1 article, lecture, thesis, dissertation, other literary work, work of art, Course
2 Material, or musical composition that would otherwise be an LSU Work;
3 except that LSU's interest shall not be so released: (i) if LSU publishes the
4 work itself; or (ii) if LSU publishes or produces a derivative work based on
5 that work, where the derivative work is an audio, video, or digital
6 production or broadcast, including by way of example video recordings of
7 lectures, other recordings of lectures, distance learning activities, or other
8 course-related activities; or (iii) if LSU is required to deliver the work to a
9 third party under a research contract or other contract between LSU and
10 the third party. This release of certain rights to the author(s) does not
11 apply to LSU Software or to LSU Databases. LSU reserves a
12 nonexclusive, paid-up, royalty-free right to distribute copies of Course
13 Materials, theses and dissertations, both internally and to third parties,
14 whether by electronic means, microfilm, or otherwise.
15

16 The release of rights to Course Materials only applies to the extent that an
17 author or co-author himself or herself uses those materials in the *bona fide*
18 teaching or instruction of a regularly scheduled course for credit at LSU,
19 and does not extend to rights that are derived from a co-author who is not
20 involved in the teaching or instruction of a regularly scheduled course for
21 credit at LSU. The release of rights to Course Materials may include
22 copyrights in items that would otherwise constitute LSU Works, LSU
23 Software, or LSU Digital Media; such a release does not, however, include
24 rights in any patent, patent application, LSU Database, LSU Mark, or LSU
25 Invention.
26

- 27 **b.** Prior to submitting any LSU Digital Media to an entity outside LSU, the
28 author(s) shall first submit a disclosure of the LSU Digital Media to an
29 office or committee on the author(s)' campus to be appointed by the
30 Chancellor or equivalent or the Chancellor's designee. The disclosure
31 shall include a detailed description of the proposed LSU Digital Media, a
32 copy of the LSU Digital Media, or both, and shall also include a statement
33 specifying what resources (Personnel, funds, equipment) were used to
34 prepare the LSU Digital Media. The office or committee designated by the
35 Chancellor or equivalent shall then determine, on a case-by-case basis,
36 whether the LSU Digital Media shall be treated as an LSU Work or as LSU
37 Software for purposes of these *Bylaws*, including whether or not an
38 express, written release of copyright to the author(s) is appropriate by
39 analogy to Section 7-7(a). In deciding this question, the office or
40 committee shall consider such factors as whether the LSU Digital Media
41 more closely resembles an electronic version of a traditional printed book,
42 versus a work substantially enhanced with multimedia; the extent to which
43 University resources and Personnel were used; the extent to which the
44 resources and Personnel of an outside party such as a publisher were
45 used; and any other factors that the committee or office considers relevant
46 in reaching an equitable decision.

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- c. If LSU publishes an LSU Work or LSU Database itself, or if LSU directly provides others access to an LSU Work or LSU Database in exchange for consideration received directly by LSU, and if LSU therefore has no agreement with a third party concerning royalties attributable to the LSU Work or LSU Database, then twelve-and-one-half percent (12.5%) of the net sales attributable to the LSU Work or LSU Database shall be treated as Distributable Royalties for all purposes. For example, the respective author or authors (as a group) shall be entitled to receive a total of $40\% \times 12.5\% = 5.0\%$ (five percent) of such net sales as the authors' portion of Distributable Royalties.
 - d. If an LSU Work, LSU Database, LSU Digital Media, or Course Material is used by the University as part of course instruction, including without limitation Course Materials posted on the Internet and Course Materials used in distance learning, then the author(s) of the LSU Work, LSU Database, LSU Digital Media, or Course Material shall not be entitled to receive any portion of any tuition, fees, or other amounts received by LSU on account of that course, regardless of whether an author is substantively involved in the teaching of that course. LSU shall be free to use the LSU Work, LSU Database, LSU Digital Media, or Course Material as part of the course instruction in LSU's discretion. By contrast, if LSU should receive any royalties on account of an LSU Work, LSU Database, or LSU Digital Media -- for example, royalties for videotapes, audiotapes, or digital media licensed to a third party for distribution independently of the LSU course -- then those royalties will be treated as Distributable Royalties for purposes of Section 7-4 above.

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Section 7-8. Confidential Materials.

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LSU System and LSU Campus officials are authorized to protect the confidentiality of materials that are exempt from the Louisiana Public Records Law, pursuant to La. R.S. 44:4(16) or otherwise, to the full extent permitted by law. The President, the Chancellor or equivalent, the technology transfer officer for each campus, and any other individual designated by the President or by the Chancellor or equivalent, may certify in writing that particular materials that have been requested under the Public Records Law are subject to a particular statutory exemption under the Public Records Law.

1 **Section 7-9. Miscellaneous.**
2

- 3 **a.** Nothing herein shall be construed to alter, amend, or in any way affect
4 either PM-11 or PM-67, or the policies and procedures set forth therein,
5 which are required by La. R.S. 42:1123(9) and (10).
6
- 7 **b.** In the event of any conflict between the provisions of this Section 7 and
8 any other provisions of the *Regulations* of the Board of Supervisors or any
9 Permanent Memorandum, the provisions of this Section 7 shall control.
10
- 11 **c.** Nothing herein creates any rights, procedural or substantive, in any third
12 parties.
13

II. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE

Mr. Ronald Anderson, Chair

Mr. Scott Ballard, Vice Chair

Mr. Scott A. Angelle

Mr. Hank Danos

Mrs. Ann D. Duplessis

Dr. John F. George

Mr. Jack E. Lawton, Jr.

Mr. Lee Mallett

Mr. James W. Moore, Jr.

AGENDA

1. Discussion of the FY 2014-15 Governor's Executive Budget

III. PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chair

Mr. Lee Mallett, Vice Chair

Mr. Scott A. Angelle

Dr. John F. George

Mr. Stanley J. Jacobs

Mr. Raymond J. Lasseigne

Mr. Jack E. Lawton, Jr.

Mr. J. Stephen Perry

Mr. John S. Woodard

AGENDA

1. Recommendation to reallocate the Excess Series 2010A Bond Proceeds from completed projects to fund the design and construction of the Evangeline Hall Renovation and New Greek House on the Louisiana State University A&M Campus
2. Recommendation to approve the Schematic Design for a new Residential Facility at the Hart Parking Lot on the Louisiana State University A&M Campus
3. Proposal to approve the Lease of Louisiana State University at Eunice Agricultural Land
4. Recommendation to authorize an agreement with Tiger Athletic Foundation for creation and use of temporary parking spaces and related demolition of vacant LSU buildings



**RECOMMENDATION TO REALLOCATE THE
EXCESS SERIES 2010A BOND FROM COMPLETED PROJECTS
TO FUND THE DESIGN AND CONSTRUCTION OF
THE EVANGELINE HALL RENOVATION
AND NEW GREEK HOUSE ON THE LSU A&M CAMPUS**

To: Members of the Board of Supervisors

Date: January 31, 2014

1. Significant Board Matter

This matter is a "Significant Board Matter" pursuant to the following provisions of Article VII, Section 8 of the Bylaws:

D.5(c) Such other matters are not expressly delegated herein or hereafter by the Board to the President or a chancellor or equivalent and which reasonably should be considered to require Board approval as generally defined above and as construed in light of the illustrative listings.

2. Summary of the Matter

On June 24, 2010, the LSU Board of Supervisors issued \$87,625,000 principal amount of its Auxiliary Revenue Bonds, Series 2010A (the "Series 2010A Bonds"). The amount of \$41,830,000 of the Series 2010A Bonds was issued for the purpose of constructing the Residential College One, Phase II (the "Residential College Project") and the amount of \$34,785,000 was issued for the purpose of construction the East Laville Honors College (the "Laville Project"). Of the principle amount of \$41,830,000, \$35,889,790 was available for the Residential College Project. Of the principle amount of \$34,785,000, \$29,838,928 was available for the Laville Project.

Subsequently, on April 15, 2011, the LSU Board of Supervisors approved the reallocation of excess proceeds of the Series 2010A Bonds originally to be used for the Residential College One, Phase II Project in the amount of \$15,500,000 to the planning, construction and equipping of the Annie Boyd Hall Renovation (the "Annie Boyd Project") and to reallocate the excess proceeds for the Series 2010A Bonds originally to be used for the Laville Project in the amount of \$7,618,078 to be used for planning, construction and equipping of the New Residence Hall Project.

Construction is now complete for the Laville Project with the total project cost at \$17,624,856. With \$22,220,850 in Series 2010A Bonds allocated to the project, there remains an excess balance of \$4,595,994 for the Laville Project, of which the entire amount would be reallocated.

Construction is now complete for the Residential College Project with the total project cost at \$18,428,993. With \$20,389,790 in Series 2010A Bonds allocated to the project, there remains an excess balance of \$1,960,797 for the Residential College Project, of which the entire amount would be reallocated.

Construction is now complete for the Annie Boyd Project with the total project cost at \$10,468,739. With \$15,500,000 in Series 2010A Bonds allocated to the project, there remains an excess balance of \$5,016,715 for the Annie Boyd Project. Of this amount \$5,000,000 would be reallocated. The remaining \$16,715 would be available for additional project costs or debt service.

The University has experienced significant savings on project costs from the reduced pricing as the result of the recession and adjustments to costs as the construction market has corrected the inflated costs of the post Katrina era. Therefore, the University desires that the excess Series 2010A Bond proceeds from the Laville and Residential College Projects be allocated to the planning and construction of the Evangeline Hall Renovation Project (the "Evangeline Project"). In

addition, the University desires the excess Series 2010A Bond proceeds from the Annie Boyd Project to be allocated to the planning, design, equipping and construction of the New Greek House Project (the "New Greek House Project").

The 2013 Capital Outlay Act includes \$16,600,000 for the Evangeline Project and \$6,000,000 for the New Greek House Project payable from revenue bonds. Upon a reallocation of the Series 2010A Bond proceeds, a total of \$6,556,791 would be allocated from the Laville and Residential College Projects to the Evangeline Project and a total of \$5,000,000 would be allocated from the Annie Boyd Project to the New Greek House Project.

The University is requesting the Board to grant approval and authorization to reallocate the excess Series 2010A Bond proceeds from the Laville and Residential College Projects in the amount of \$6,556,791 to the Evangeline Project and excess proceeds from the Annie Boyd Project in the amount of \$5,000,000 to the New Greek House Project.

3. Review of Business Plan

Not applicable

4. Fiscal Impact

None

5. Review of Related Documents

None

6. Parties of Interest

None

7. Related Transactions

None

8. Conflicts of Interest

None

ATTACHMENTS:

- Letter from Interim Vice Chancellor Kuhn to President and Chancellor Alexander
- Summary of Residential College One, Phase II Costs
- Summary of East Laville Honors College, Phase II Costs
- Summary of Annie Boyd Hall Costs
- Capital Outlay

RECOMMENDATION

It is recommended that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College adopt the following resolution:

“NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “LSU Board”) that: The LSU Board hereby grants approval and authorization to Louisiana State University and Agricultural and Mechanical College (the “University”) to (i) reallocate the excess proceeds of the Series 2010A Bonds originally to be used for the Residential College One, Phase II Project in the amount of \$1,960,797 to the planning and construction of the Evangeline Hall Renovation Project, (ii) reallocate the excess proceeds of the Series 2010A Bonds originally to be used for the East Laville Honors College Project in the amount of \$4,595,994 to the Evangeline Hall Project, (iii) and to reallocate the excess proceeds of the Series 2010A Bonds originally to be used for the Annie Boyd Hall Project in the amount of \$5,000,000 to be used for planning, design, and construction of the New Greek House Project.

BE IT FURTHER RESOLVED that the Chairman, Vice Chairman and Secretary of the LSU Board, the President, the Executive Vice President and the Assistant Vice President and University Architect of the LSU System and the Vice Chancellor for Finance and Administrative Services and CFO of the University or any one of them and their designees are hereby authorized to execute all documents and do all things necessary, on the advice of counsel to the LSU Board of Supervisors, to effectuate and implement this resolution.”



LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

TO: F. King Alexander
President and Chancellor

DATE: December 16, 2013

FROM: Robert Kuhn *Robert Kuhn*
Interim Vice Chancellor for
Finance & Administrative Services and CFO

RE: Recommendation Requesting Approval to Reallocate the Excess Series 2010A
Bond Proceeds

The recommendation attached is requesting the approval of the Board of Supervisors to reallocate excess proceeds from Auxiliary Revenue Bonds, Series 2010A. The excess proceeds will be reallocated to additional residential housing construction projects on the LSU campus.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the January 2014 meeting of the Board of Supervisors.

Please let me know if you have additional questions. Thank you.

Attachments

SUMMARY OF RESIDENTIAL COLLEGE ONE, PHASE 2 COSTS

Series 2010A Project Fund	\$20,389,790
Project Costs	
Construction, Lincoln Builders of Baton Rouge, Inc.	\$18,274,993
% for the Arts	<u>\$154,000</u>
Total Project Costs	\$18,428,993
Estimated Excess Proceeds	\$1,960,797
Evangeline Hall Renovation Project	(\$1,960,797)
Balance	<u><u>\$0</u></u>

SUMMARY OF EAST LAVILLE HONORS COLLEGE, PHASE II COSTS

Series 2010A Project Fund	\$22,220,850
Project Costs	
Abatement and Demolition, ARC Abatement, Ltd.	\$983,358
Construction, Frank A. Anzelone General Contractors, Inc.	\$16,516,148
% for the Arts	<u>\$125,350</u>
Total Project Costs	\$17,624,856
Estimated Excess Proceeds	\$4,595,994
Evangeline Hall Renovation Project	(\$4,595,994)
Balance	<u><u>\$0</u></u>

SUMMARY OF ANNIE BOYD RENOVATION COSTS

Series 2010A Project Fund	\$15,500,000
Project Costs	
Abatement and Demolition, ARC Abatement, Ltd.	\$575,040
Construction, Buquet & LeBlance, Inc.	\$9,836,775
% for the Arts	<u>\$71,470</u>
Total Project Costs	\$10,483,285
Estimated Excess Proceeds	\$5,016,715
New Greek House Project	(\$5,000,000)
Balance	<u><u>\$16,715</u></u>

1	Provided, however, that this appropriation is in lieu of Revenue Bonds appropriated in Act	
2	23 of 2012 to LSU Baton Rouge for University Recreation Facility Expansion and	
3	Additions, Acquisition, Planning and Construction	
4	(6) Evangeline Residence Hall Renovation,	
5	Planning and Construction	
6	(East Baton Rouge)	
7	Payable from Revenue Bonds	<u>\$ 16,600,000</u>
8	Provided, however, that this appropriation is in lieu of Revenue Bonds appropriated in Act	
9	23 of 2012 to LSU Baton Rouge for Evangeline Residence Hall, Planning and Construction	
10	(7) Kirby Smith Hall Upgrades, Planning and Construction	
11	(East Baton Rouge)	
12	Payable from Fees and Self Generated Revenues	<u>\$ 6,500,000</u>
13	(8) New Greek House, Planning and Construction	
14	(East Baton Rouge)	
15	Payable from Fees and Self Generated Revenues	\$ 500,000
16	Payable from Revenue Bonds	<u>\$ 6,000,000</u>
17	Total	<u>\$ 6,500,000</u>
18	(9) New Gymnastics Facility, Planning and Construction	
19	(East Baton Rouge)	
20	Payable from Fees and Self Generated Revenues	<u>\$ 20,000,000</u>
21	(10) New Tennis Facility, Planning and Construction	
22	(East Baton Rouge)	
23	Payable from Fees and Self Generated Revenues	<u>\$ 15,000,000</u>
24	(11) South Campus, Land Acquisition	
25	(East Baton Rouge)	
26	Payable from General Obligation Bonds	
27	Priority 5	<u>\$ 4,375,000</u>
28	(12) Patrick F. Taylor Hall Renovations and Expansion,	
29	Planning and Construction	
30	(East Baton Rouge)	
31	Payable from General Obligation Bonds	
32	Priority 5	\$ 50,000,000
33	Payable from Fees and Self-Generated Revenues	<u>\$ 50,000,000</u>
34	Total	<u>\$ 100,000,000</u>
35		
36	Provided, however, that this appropriation of Fees and Self-Generated Revenues is in lieu	
37	of Fees and Self-Generated Revenues appropriated in Act 22 of 2011 to LSU Baton Rouge	
38	for Patrick Taylor Hall Renovation, Planning and Construction.	
39	(1478) French House Renovation, Acquisition,	
40	Planning and Construction	
41	(East Baton Rouge)	
42	Payable from General Obligation Bonds	
43	Priority 1	\$ 2,000,000
44	Priority 5	<u>\$ 3,325,000</u>
45	Total	<u>\$ 5,325,000</u>



**RECOMMENDATION TO APPROVE THE
SCHEMATIC DESIGN FOR CONSTRUCTION OF A
NEW RESIDENTIAL FACILITY AT
THE HART PARKING LOT ON LSU A&M CAMPUS**

To: Members of the Board of Supervisors

Date: January 31, 2014

Pursuant to Article VII, Section 8. D.5.c. of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter."

D.5(c) Such other matters that are not expressly delegated herein or hereafter by the Board to the President or equivalent and which reasonably should be considered to require Board approval as generally defined above and as construed in light of the illustrative listings.

1. Summary of Matter

The proposed new Residential Facility will contain approximately 400 additional beds for students wishing to live on campus. Due to the demand for on-campus housing, the University has had a waiting list for the last few years and had to re-open Kirby Smith Hall as a temporary solution until new facilities can be constructed.

This project is the second of two planned facilities that will eventually add an additional 730 beds to the existing housing inventory.

The new facility will be located in the northeast corner of the Hart Parking Lot, adjacent to Phase I, which is under construction. This area was chosen due to its proximity to both dining facilities and existing parking to support student service needs. The location and Schematic Design were approved by the University's Facility Development & Design Committee at a special meeting on Tuesday, December 17, 2013.

2. Review of Business Plan

Business Plan review and project approval was granted by the Board as part of the University's Fiscal Year 2013-14 Capital Outlay request and approved under ACT 24 by the 2013 Legislature.

3. Fiscal Impact

The estimated cost of the construction for this phase is approximately \$25,300,000. The total cost and expenses shall be paid by the sale of Revenue Bonds for the purpose of supporting the design, construction and related expenses associate with the building. Re-payment of the Revenue Bonds will be from revenues generated from rental income from students occupying the new facility.

4. Description of Competitive Process

None.

5. Review of Legal Documents

None.

6. Parties of Interest

None.

7. Related Transactions

None.

8. Conflicts of Interest

None.

ATTACHMENTS:

- Attachment I- Letter from Interim Vice Chancellor Kuhn to President and Chancellor F. King Alexander
- Attachment II- Schematic Design Elevations

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the Residential Facility to be constructed at the Hart Parking Lot is in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the System Director of Facility Planning, or their designee.”



LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

TO: F. King Alexander
President and Chancellor

DATE: December 20, 2013

FROM: Robert Kuhn *Robert Kuhn*
Interim Vice Chancellor for
Finance & Administrative Services and CFO

RE: Recommendation to Approve the Schematic Design for construction of a
Residential Facility at the Hart Parking Lot

The expansion of the Residential Facility at the Hart Parking Lot is in the Schematic Design phase of development. The exterior elevations require approval by the Board of Supervisors to assure campus development is in accordance with the adopted design standards. The Facilities Design and Development Committee (FDDC) approved the design at the December 17, 2013 special meeting.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the January 2014 meeting of the Board of Supervisors.

Please let me know if you have additional questions. Thank you.

Attachments

New Residence Hall – Phase 2



Schematic Design Submittal
January 31, 2014



Campus Context



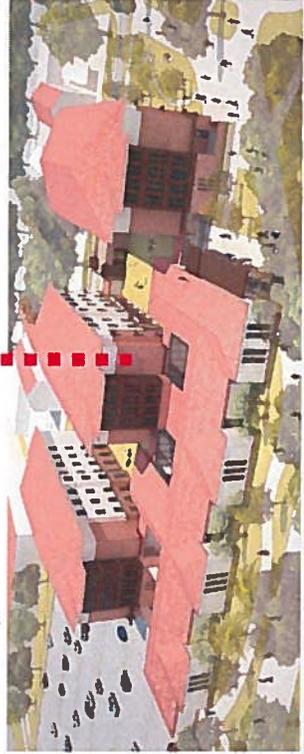
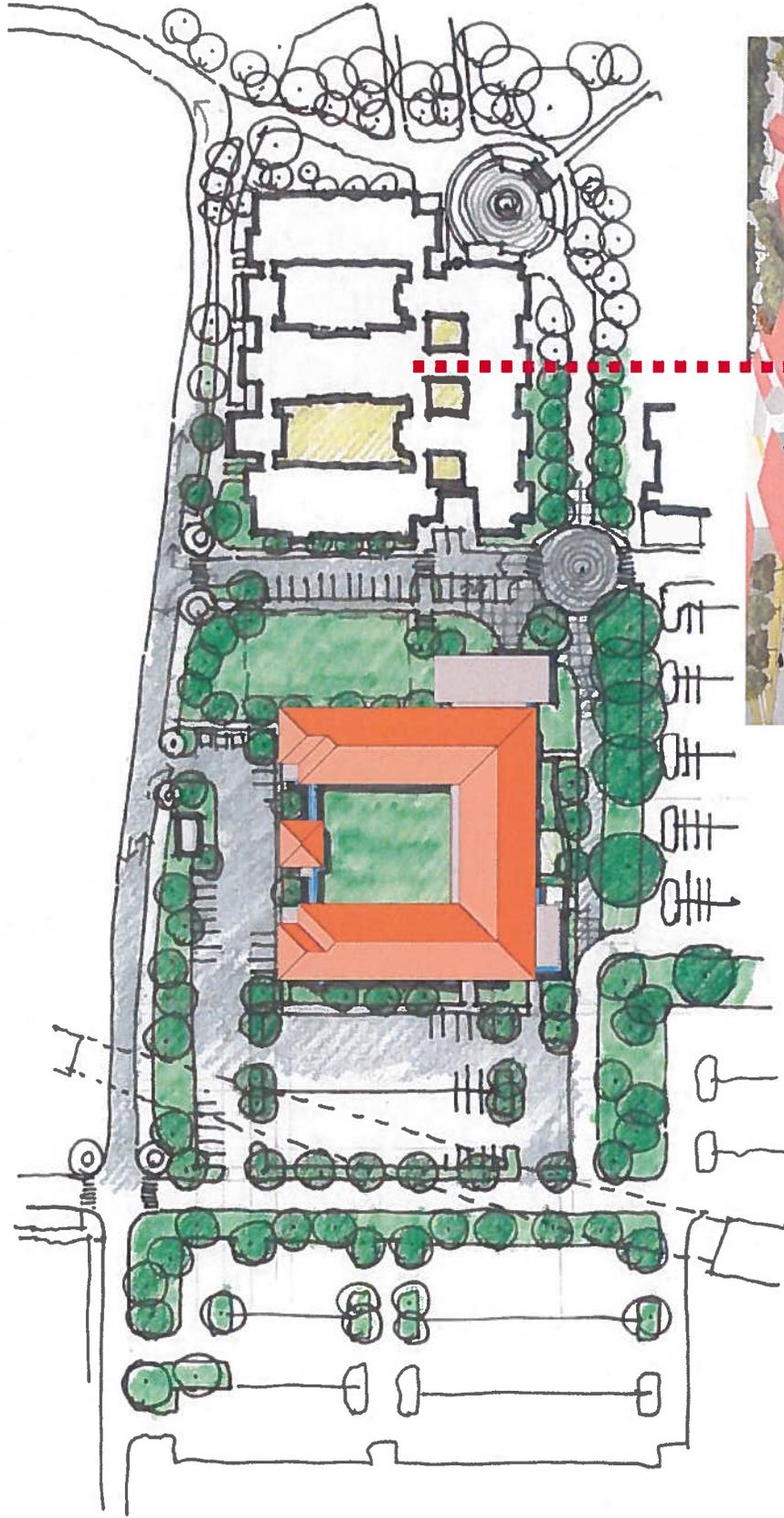
Exterior Design

Aerial View



Site Plan

Relationship to Phase 1



Exterior Design

View from South West



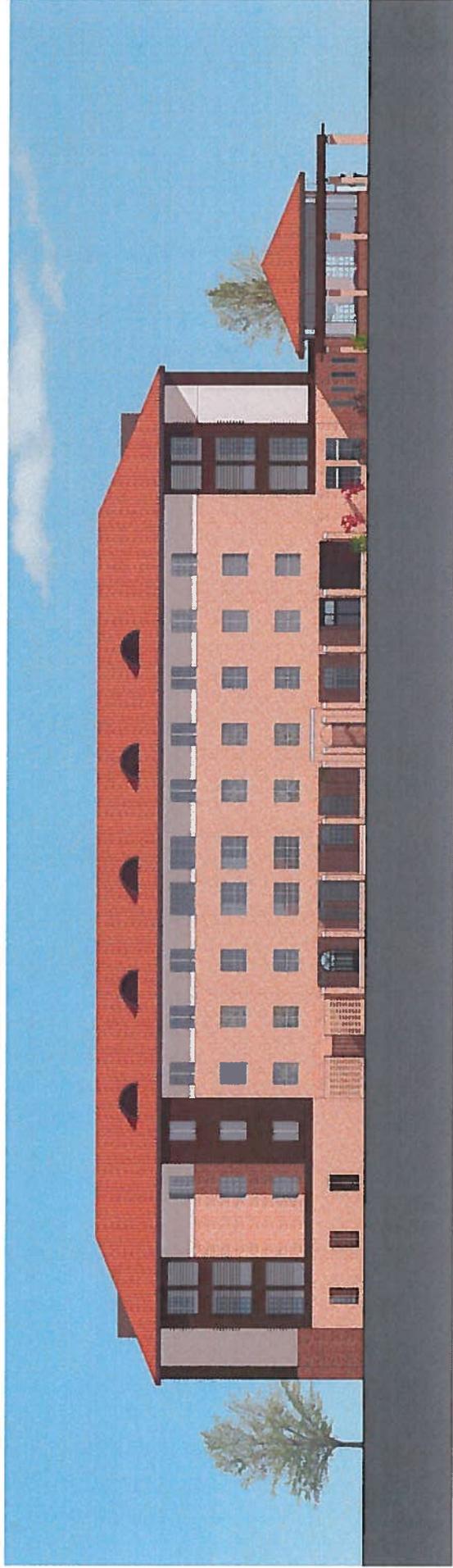
Exterior Design

South Elevation



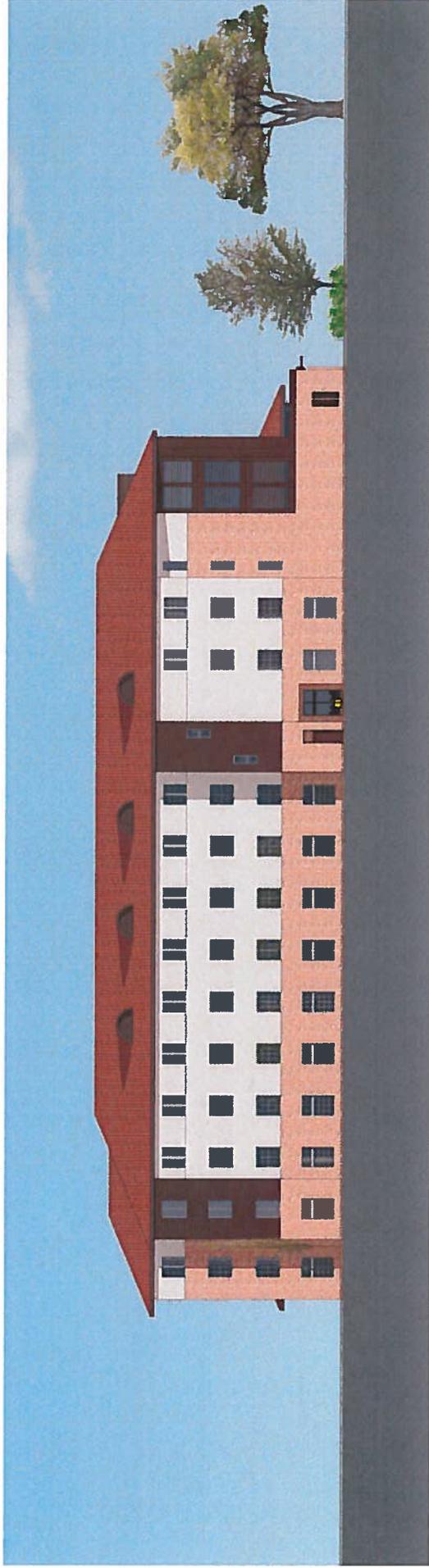
Exterior Design

West Elevation - Courtyard



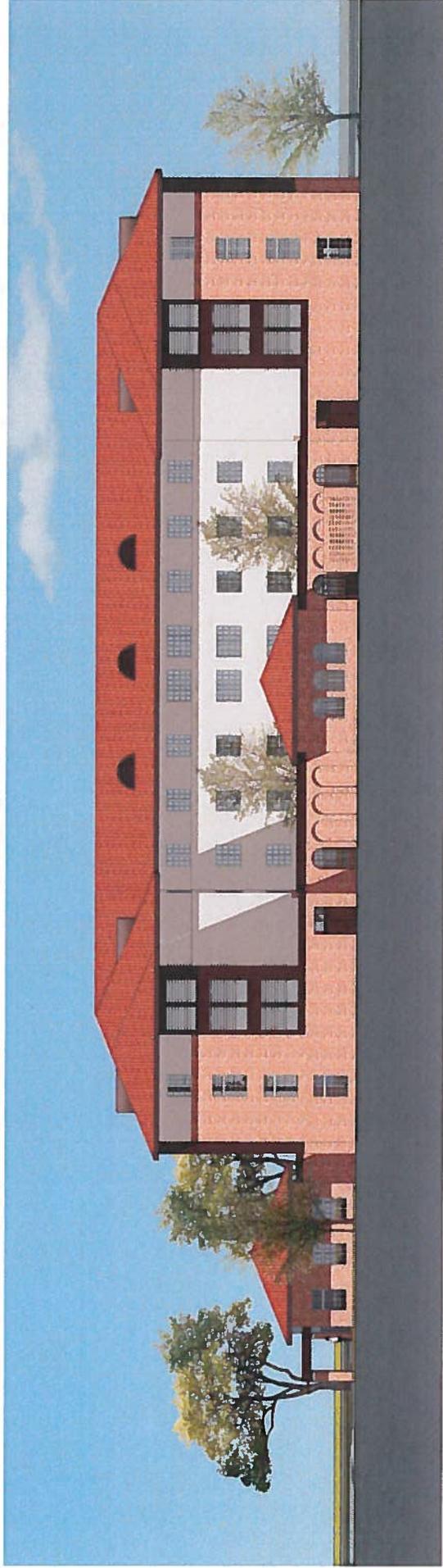
Exterior Design

North Elevation



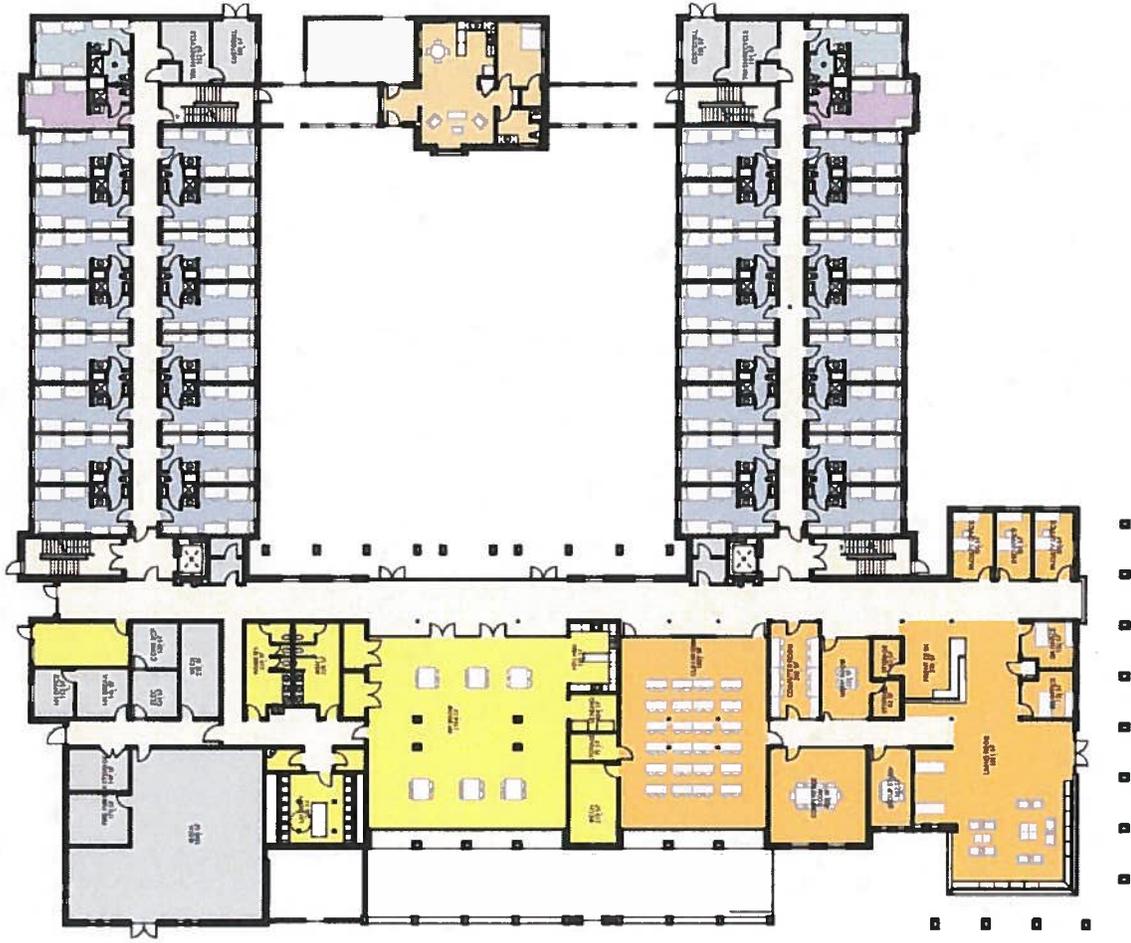
Exterior Design

East Elevation



Schematic Plans

First Floor



Material Palette

Phase 2

Materials to match Residential College One and Hart Phase 1 Projects



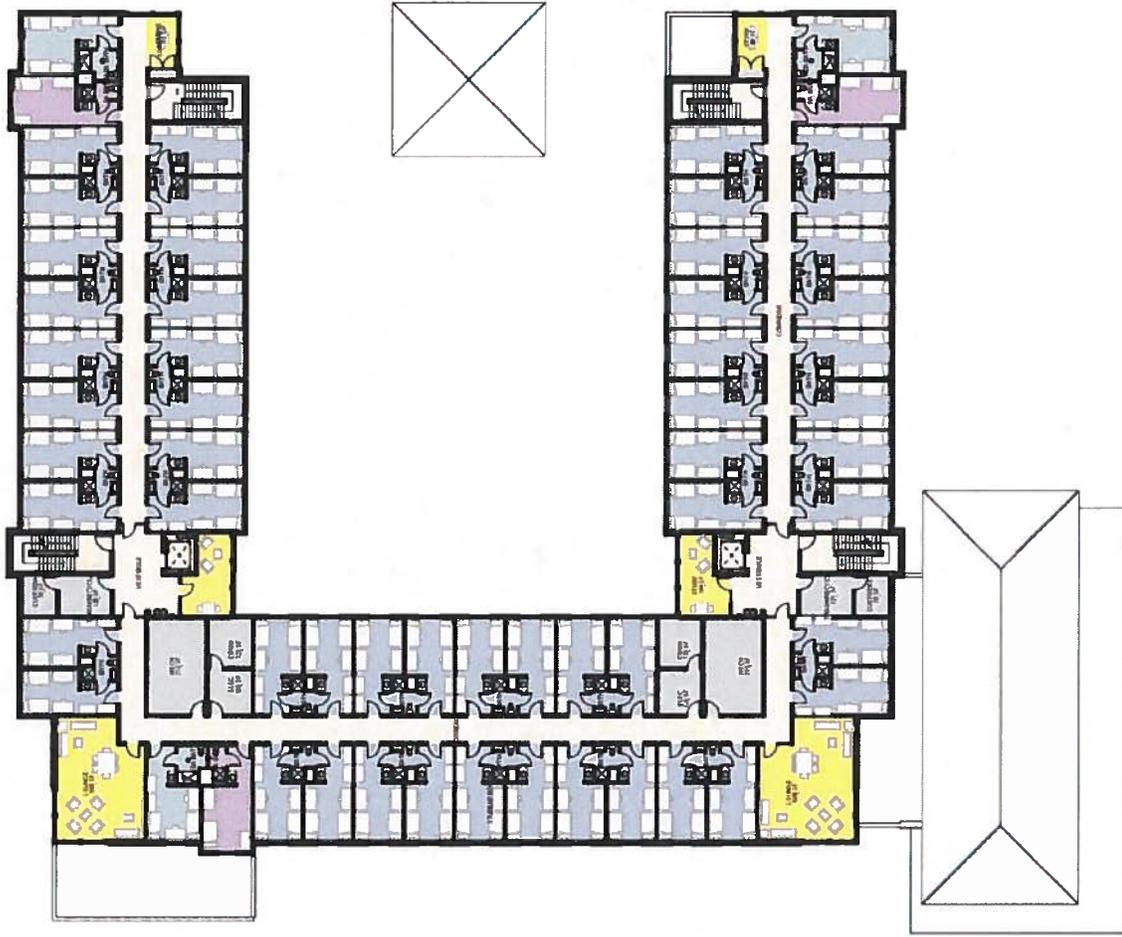
Residential College One – Existing Material Palette



NRH Phase 1 – Design Rendering

Proposed Floor Plans

Upper Floor



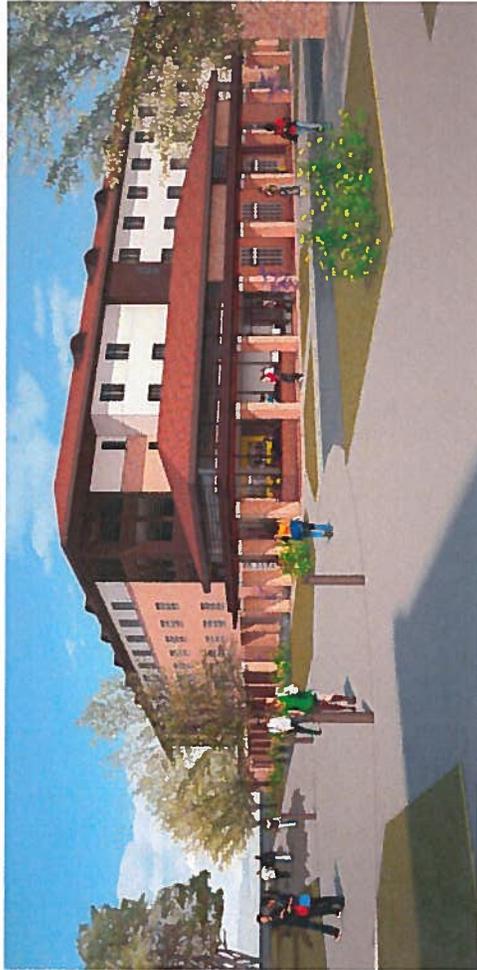
Material Palette

Phase 2

Materials to match Residential College One and Hart Phase 1 Projects



Residential College One – Existing Material Palette



NRH Phase 1 – Design Rendering



**RECOMMENDATION TO APPROVE THE
LEASE OF LSU EUNICE
AGRICULTURAL LAND**

To: Members of the Board of Supervisors

Date: January 31, 2014

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by LSU...

1. Summary of the Matter

Louisiana State University Eunice requests approval to lease certain property for the sole purpose of farming crops of soybean, rice, milo and/or winter wheat or combination thereof. The property contains eighty-three (83) acres. Lessee, at his own expense, will be responsible to make improvements to the property, subject to approval of the University, as may be necessary in order to farm the entire property. Lessee shall be completely responsible for all other costs of production related to the farming of the property. The lease will be for a period of three (3) years, beginning on February 1, 2014 and ending on January 31, 2017 with the option of renewing for two additional one-year periods if mutually agreed upon. Additionally, the neighboring farmer shall be given, upon his request, free ingress and egress to his property at the northwest boundary of the University property.

2. Review of Business Plan

Not applicable

3. Fiscal Impact

Rent payable at a rate of \$20.00 per acre per year for a total of \$1,660.00 per year.

4. Description of Competitive Process

The competitive bid process was followed with only one bid received.

5. Review of Legal Documents

Proposed Lease is attached and in order.

6. Parties of Interest

None

7. Related Transactions

None

8. Conflicts of Interest

None

ATTACHMENTS

- Letter from Vice Chancellor Tucker
- Copy of Invitation, Bid and Acceptance
- Proposed Lease Agreement
- Map

RECOMMENDATIONS

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President and Chancellor of the Louisiana State University System, or his designee, to execute a lease agreement with Robert Keith Heinen for the farming of soybeans, rice, milo, and/or winter wheat or combination thereof on approximately eighty-three (83) acres of land located in Section 2, T-7-S, R-1-W, Acadia Parish, as more fully described on Attachment A to this resolution .

BE IT FURTHER RESOLVED that said F. King Alexander, President and Chancellor, or his designee, be and he is hereby authorized and empowered for and on behalf of and in the name of the Board of Supervisors to include in the lease agreement any terms and conditions that he may deem in the best interest of the Board of Supervisors."



OFFICE OF BUSINESS AFFAIRS

PO Box 1129
Eunice, LA 70535-1129

Phone (337) 550-1231
Fax (337) 550-1450
www.lsu.edu

December 17, 2013

RECEIVED

JAN 14 2014

PROPERTY & FACILITIES

Mr. Danny Mahaffey
System Director of Facility Planning
Louisiana State University
109 System Building
3800 West Lakeshore Drive
Baton Rouge, Louisiana 70808

RE: Lease of Louisiana State University at Eunice

Dear Mr. Mahaffey:

Attached is a copy of the sole bid received for the lease of agricultural land owned by the University, along with the proposed lease agreement for your review and further handling. Please place our farm lease on the January board agenda.

Please contact me if you need further information.

Sincerely,

A handwritten signature in cursive script that reads "Arlene C. Tucker".

Arlene C. Tucker
Vice Chancellor for Business Affairs

Enc.

Bid Number: 112513
Proposal for Farm Lease
Louisiana State University Eunice

Sealed bids will be received by the Vice Chancellor for Business Affairs of Louisiana State University Eunice until 2:00 p.m., Monday, November 25, 2013 in Science Building Room 115, for and on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, hereinafter referred to as the University, for the lease of certain property of the University located in the Parish of Acadia for the sole purpose of farming crops of soybeans, rice, milo, and/or winter wheat or combination thereof. The property offered for lease contains eighty-three (83) acres, and comprises a part of the property more fully described below:

A certain tract or parcel of land situated in Section 2, T-7-S, R-1-W, Acadia Parish, Louisiana, containing 95.83 acres, being more particularly described as beginning at a point N 89 28' W, 2206.0 feet from the northeast corner of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said section 2, then from point of beginning, due South, 1317.6 feet, thence N 89 36' W, 3159.3 feet, to the west line of said Section 2, thence along the west line of Section 2, due North, 1325 feet, thence S 89 28'E, 3159.3 feet, to the point of beginning and being Tract 2 on map of survey made for Louisiana State University Eunice, signed by Lindsey J. Aucoin, Civil Engineer, dated March 8, 1965.

The University proposes to award this lease to the bidder submitting the most favorable bid, based on a cash rent basis per acre, for the farming of 83 acres of the above-described property.

It shall be the responsibility of the bidder to inspect the property prior to submitting a bid and acquaint himself with conditions there existing. Failure to do so will in no way relieve him of his obligations to the University.

If necessary, the University shall grant the lessee a specific means of ingress and egress in order that the lessee can utilize the property for the purpose for which it is leased.

The property shall be used by the successful bidder only for the purpose of farming crops of soybeans, rice, milo, and/or winter wheat or combination thereof. In so utilizing the property for such purposes as herein set forth the successful bidder shall, at his own expense, make such improvements to the property, subject to the approval of the University, as may be necessary in order to farm the entire property. Lessee shall be completely responsible for all other costs of production related to the farming of the property.

The successful bidder shall not assign or subcontract his interest in this agreement without the prior written consent of the University.

The agreement will be in effect for a period of three years, with the option of renewing for two additional one-year periods if mutually agreed upon. The three-year period will begin February 1, 2014 and will end January 31, 2017. The University reserves the right of cancellation if the successful bidder fails to conform to these specifications of the terms of the formal lease agreement to be executed with the successful bidder.

The successful bidder agrees to indemnify and hold harmless the University for any loss, damages, costs and attorneys' fees the successful bidder (lessee) may suffer or incur by reason of having entered into

this lease agreement and conducting the work provided thereunder. This indemnity and agreement to hold harmless shall be effective and applicable notwithstanding the fact that the loss, damage, or costs may be due, wholly or partially, jointly or separately, to the active or passive negligence of the University, its representatives, successors or assigns.

Additionally, the neighboring farmer shall be given, upon his request, free ingress and egress to his property at the northwest boundary of the University property.

Bid For Farm Lease

In consideration of the above conditions and specifications, Lessee agrees to pay to the University:

\$ 20 per acre, annually (Cash rent per acre, annually)

Based on farming the 83 acres hereinabove described.

IN ACCORDANCE WITH L.R.S. 39:1594 (C) (2) (D), THE PERSON SIGNING THE BID MUST BE:

1. A CURRENT CORPORATE OFFICER, PARTNERSHIP MEMBER OR OTHER INDIVIDUAL SPECIFICALLY AUTHORIZED TO SUBMIT BIDS AS EVIDENCED IN APPROPRIATE RECORDS ON FILE WITH THE SECRETARY OF STATE; OR
2. AN INDIVIDUAL AUTHORIZED TO BIND THE VENDOR, AS EVIDENCED BY AN ACCOMPANYING CORPORATE RESOLUTION, CERTIFICATE OR AFFIDAVIT. BY SIGNING THIS BID, THE BIDDER CERTIFIES COMPLIANCE WITH THE ABOVE.

BIDDER:

NAME:

Keith Hensen

ADDRESS:

2434 Lemien Rd.

CITY, STATE, ZIP CODE:

Basile, La 70515

PHONE NUMBER:

337-789-6633

SIGNATURE:

Robert Keith Hensen

DATE:

11-24-13

AGRICULTURAL LEASE
FROM BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL COLLEGE
TO Robert Keith Heinen

STATE OF LOUISIANA
PARISH OF ACADIA

THIS LEASE AGREEMENT made by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, hereinafter called "University", whose permanent mailing address is declared to be President, Louisiana State University and Agricultural and Mechanical College, Baton Rouge, Louisiana, and Robert Keith Heinen, hereinafter called "LESSEE", whose permanent mailing address is declared to be 2434 Cemien Rd., Eunice, LA 70535.

UNIVERSITY hereby leased to LESSEE AND LESSEE leased from UNIVERSITY for the consideration and on the terms and conditions hereinafter contained, certain property, consisting of approximately eighty (80) acres, situated in Acadia Parish, Louisiana, comprising a part of the property described below:

A certain tract or parcel of land situated in Section 2, T-7-S, R-1-W, Acadia Parish, Louisiana, containing 95.83 acres, being more particularly described as beginning at a point N 89 28'W, 2206.0 feet from the Northeast corner of the Southeast ¼ of the Northeast ¼ of said Section 2, then from point of beginning, due South, 1317.6 feet, thence N 89 36"W, 3159.3 feet, to the west line of said Section 2, thence along the west line of Section 2, due North, 1325 feet, thence S 89 29"E, 3159.3 feet, to the point of beginning and being Tract 2, on map of survey made for Louisiana State University at Eunice, signed by Lindsey J. Aucoin, Civil Engineer, and dated March 8, 1965.

TERM

1. This lease shall be for a three-year term beginning as of the 1st day of February, 2014, and ending on the 31st day of January, 2017, with the option to renew for two additional one year periods if mutually agreed upon. At the end of the term of this lease, LESSEE agrees, without legal notice or demand to give UNIVERSITY possession of all of said property in good condition, ordinary wear and tear excepted. The previous LESSEE shall have the privilege of harvesting any immature crops.

RENTAL

2. LESSEE agrees to pay the UNIVERSITY annual rent in the amount of **\$20.00 per acre based on a total of 83 acres**. The rent shall be due and payable annually starting February 1, 2014.

USE OF THE PREMISES

3. During the term of the lease, LESSEE agrees:
 - a. To use the property solely for farming crops of rice, soybeans, milo and/or winter wheat or combination thereof.
 - b. To actively plant and cultivate the property in a good and workmanlike manner and maintain and keep clean all fences, turnrows, ditches and improvements located thereon.
 - c. At the expiration of this lease, all water control levees and other special land preparations necessary for the growth of crops must be restored for natural drainage.

ACCEPTANCE OF PREMISES

4. The UNIVERSITY and LESSEE further stipulate and agree that the leased premises are accepted subject to the following conditions:
 - a. LESSEE hereby assumes responsibility for the conditions of the lease premises, and acknowledges that said premises are in good condition and exonerates and released the UNIVERSITY from all responsibility by reason of any defect in said leased premises as fully and completely as LESSEE may do under the law and particularly the provisions of L.R.S. 9:3221 as amended.
 - b. The UNIVERSITY reserves the right of ingress and egress for inspection of the lease premises and for such purposes which do not substantially interfere with the use of the premises by the LESSEE, including surveying, soil testing and other engineering work.
 - c. The rights of LESSEE hereunder are subject to any and all prior recorded rights-of-way, servitudes, mineral reservations or other rights affecting the leased premises.

ASSIGNMENT

5. This lease cannot be assigned by LESSEE, nor the land herein described or any portion thereof subleased or farmed on a sharecrop basis without prior written consent of the UNIVERSITY.

RESPONSIBILITY OF OWNER

6. LESSEE shall be completely responsible for all costs and expenses related to the farming of crops, and LESSEE shall not be reimbursed for any money, labor or other expenses incurred in connection with repair, improvement or cultivation of the property.

INDEMNITY

7. The UNIVERSITY will not be in any manner liable to LESSEE or any other party for any loss or damage that may happen on any part of the performing farming operations or in the exercise of other rights hereunder, or for injury to or death of any person or persons, either workmen or the public, or for any injury or damage to adjoining property or any other property caused by or in any way connected with LESSEE's agents, employees, or those claiming under them being on said property or traveling to and from said property in connection with the farming operations thereon or in the exercise of other rights hereunder; and regardless of the cause of such loss or damage, LESSEE agrees to indemnify, defend and hold harmless UNIVERSITY, and its agents or employees, at LESSEE's expense, against any claim or action for damage or loss brought against the UNIVERSITY, his agents, or employees, by any such third person and to reimburse the UNIVERSITY, his agents or employees, for any reasonable expense of any kind which might be incurred by the UNIVERSITY, his agents or employees, in connection with the investigation or defense of any such suit, including any reasonable attorney's fees which the UNIVERSITY, his agents or employees, may be obligated to pay. This indemnity and agreement to hold harmless shall be effective and applicable notwithstanding the fact that the loss, damage or cost may be due, wholly or partially, jointly or separately, to the active or passive negligence of the UNIVERSITY, its representatives, successors and assigns.

INSURANCE

8. LESSEE shall at all times during the term of this agreement at his own cost and expense carry the following insurance with responsible insurance companies authorized to do business in Louisiana, and acceptable to the UNIVERSITY:

INSURANCE REQUIREMENTS

- a. Worker's Compensation –Statutory – in compliance with the Compensation Law of the State.
- b. Commercial General Liability Insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. This insurance shall include coverage for bodily injury and property damage.
- c. Business Automobile Liability Insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage, unless otherwise indicated. This insurance shall include for bodily injury and property damage the following coverages:
 1. Owned automobiles
 2. Hired automobiles
 3. Non-owned automobiles

Upon request from the UNIVESITY, LESSEE shall furnish certificates of all insurance policies required in connection with this agreement, which policies shall be issued to LESSEE and/or the UNIVERSITY as their interests may appear, together with certificates certifying to the UNIVERSITY that all said insurance is in force and that said insurance will not be cancelled or otherwise changed or modified during the term of this agreement without ten (10) days written notice in advance of such cancellation to the UNIVERSITY.

DRAINAGE AND TIMBER

9. LESSEE shall obtain the prior written approval of the UNIVERSITY before undertaking any work which will substantially alter the drainage of or flow of water over or through the property, including the construction of any ponds. LESSEE is not given any rights in or to timber on the property and shall not cut any trees unless essential to the exercise of his rights hereunder. LESSEE shall not clear any additional land without the prior written approval of the UNIVERSITY.

DEFAULT

10. The UNIVERSITY shall have the right to terminate this lease by serving written notice of termination on LESSEE if LESSEE fails to comply with the terms of this lease.

RIGHT OF INGRESS AND EGRESS BY ADJACENT LAND OWNER

11. During the term of this lease, LESSEE agrees that neighboring farmer shall be given the right to request free ingress and egress to property at the Northwest boundary of the UNIVERSITY property. LESSEE and neighboring farmer shall cooperate in establishing a route of ingress and egress which will be of mutual advantage to both parties.

ENTIRE AGREEMENT

12. This agreement contains the entire understanding between the parties and shall not be modified in any manner except by an instrument in writing signed by the parties, and shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties. Either party who fails to comply with said party's obligations hereunder shall be bound to pay the attorney's fees of the other party in enforcing such party's rights, which fees shall not exceed the sum of ten percent (10%) of the amount of value involved.

THUS DONE, READ AND SIGNED in duplicate originals as of the ____ day of _____, in the presence of the undersigned competent witnesses who have hereunto signed their names with the parties thereunder.

WITNESS TO OWNER:

BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE

BY: _____
F. King Alexander

WITNESS TO LESSEE:

BY: _____
Robert Keith Heinen

SECTION 3
SECTION 2

NORTH

1325.0'

N89°-36'W

2685.0'

FOUND OLD IRON BAR

IRRIGATION CANAL

TRACT 2
95.83 ACRES

S89°-28'E
3159.3'

V2 SECTION LINE

3'
SERVITUDE R/W
FOR IRRIGATION

2" CITY OF EUNICE GAS LINE (ABANDONED)

2" CITY OF EUNICE GAS LINE (IN USE)

R/W WIDTH SAME AS PIPE
WIDTH (2 V2 O.D.)

S89°-36'E 474.3'

NORTH

1317.6'

PIPELINE CORP

24" PIPELINE
20" PIPELINE

24" PIPELINE

TRACT 1B
50.00 ACRES

40' WIDE SERVITUDE ROAD
RESERVED BY ARNOLD
LEDOUX HEIRS

725.4'

FOUND OLD IRON

North



**RECOMMENDATION TO AUTHORIZE AN AGREEMENT
WITH TIGER ATHLETIC FOUNDATION FOR
CONSTRUCTION OF TEMPORARY PARKING SPACES
AND RELATED DEMOLITION OF VACANT LSU BUILDINGS**

To: Members of the Board of Supervisors

Date: January 31, 2014

Pursuant to Article VII, Section 8, D.2(a) and (b) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights of way, servitudes, or other immovable property owned or controlled by LSU.

D.2(b) Any contract or series of related contracts for the design, construction, repair, or renovation of any building or other structure involving a total of \$500,000 or more.

1. Summary of Matter

LSU and the Tiger Athletic Foundation ("TAF") request consideration and approval of a project to modify existing facilities on LSU owned land to provide temporary parking on game days accommodating approximately 628 cars and 44 RVs (the "Temporary Parking Areas"). The land is located on the west side of Nicholson Drive as shown as areas "A2, B, C and D" on the attached Parking Plan, (the "Land"). Creating the Temporary Parking Areas will require hazardous materials testing and abatement ("Abatement") and demolition of existing buildings on the Land ("Demolition"). Abatement and Demolition costs are currently estimated at \$695,000 and modifications required to create the Temporary Parking Areas are currently estimated at \$655,000.

The buildings to be demolished are known as Unit III of the West Nicholson Apartments (shown on the attached Map of Affected Area) and are currently vacant. Units I and II are currently occupied and will not be affected. Demolition of all of the Nicholson Apartment buildings is called for as part of the Master Plan for the Nicholson Gateway approved by the Board in March 2013. It was originally anticipated that the Master Developer for the Gateway project would demolish these buildings. Having TAF fund and contract for the demolition of the vacant Unit III buildings now will allow for the space to be used for game day parking during the 2014 football season. Approval by the Board at the January 31 meeting is needed in order to have the parking ready by the beginning of football season.

In consideration for performing the work and creating the Temporary Parking Areas (which can be used for other University needs as well) at no cost to LSU, TAF will be granted a right of first refusal to purchase 2014 game day parking passes in the Temporary Parking Areas and in available portions of the Old Alex Box Lot (e.g. those portions of Old Alex Box not leased for construction of the LSU Foundation Office Building) depicted as area "A1" on the attached Parking Plan. This right of first refusal may be renewed for 2015 and subsequent years by the President of LSU; however, LSU and TAF understand that these areas are included within the Master Plan for the Nicholson Gateway and LSU intends to develop the Land for other uses; therefore, the availability of the Land for use as game day parking in 2015 is doubtful and, consequently, renewal of the right to purchase game day parking on the Land in 2015 and subsequent years is likewise doubtful. Any agreement between LSU and TAF will specifically acknowledge this fact.

It is anticipated that TAF will commence work on or before March 1, 2014 and that TAF will use best efforts to complete the work on or before August 31, 2014. Work will not commence until the LSU Representative has given written approval to the final plans and specifications.

2. Review of Business Plan

TAF has sufficient funds on hand to pay for costs incurred in connection with the Work. Any improvements to Land resulting from the Work will be donated by TAF to the LSU Board of Supervisors upon completion and acceptance of the work by LSU

3. Fiscal Impact

The total estimated cost for Abatement and Demolition is Six Hundred Ninety-Five Thousand Dollars and the total estimated cost for creation of the Temporary Parking Area is Six Hundred Fifty-Five Thousand Dollars (\$655,000). The estimated amount may be increased only with the written consent of TAF and the President or his designee. All costs and expenses shall be paid by TAF from funds on hand.

4. Description of Competitive Process

Contracts will be negotiated between TAF and one or more consultants and contractors following the acceptance of competitive bids and/or receipt of proposals.

5. Review of Legal Documents

The agreement between LSU and TAF is still being drafted. The opportunity to make this parking available for the upcoming football season was not recognized until recently, and TAF and LSU staff have been working rapidly to do all the necessary due diligence to make sure it could be done. LSU System Counsel will review the agreement between LSU and TAF prior to execution by the President.

6. Parties of Interest

LSU and the Tiger Athletic Foundation are the primary parties in interest.

7. Related Transactions

TAF will enter into written contracts for construction with Louisiana licensed contractors.

8. Conflicts of Interest

None.

ATTACHMENTS:

- Attachment I - Letter from Bob Kuhn to President and Chancellor Alexander
- Attachment II - Parking Plan
- Attachment III - Map of Affected Area

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

“Now, Therefore, Be It Resolved that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, or his designee, to execute an agreement between the Board and Tiger Athletic Foundation for the creation and use of temporary parking facilities and any additional related agreements as may be reasonably necessary to facilitate the creation and use of temporary parking areas on the Land, with all such agreements to contain such terms and conditions as he deems to be in the best interests of LSU; and

Be It Further Resolved that the Board, pursuant to the Uniform Affiliation Agreement between it and the Tiger Athletic Foundation, finds an acceptable University purpose for Tiger Athletic Foundation to enter into an agreement with LSU for this purpose, and any related or ancillary contracts and agreements reasonably necessary for the creation and use of temporary parking facilities as part of the project.”

TO: F. King Alexander
President and Chancellor

DATE: January 22, 2014

FROM: Robert Kuhn *Robert Kuhn*
Interim Vice Chancellor for
Finance & Administrative Services and CFO

RE: Recommendation to Approve the Creation and Use of Temporary Parking by TAF

The attached submission regarding a project for TAF to create and use temporary parking for the 2014 football season by funding the demolition of existing LSU buildings and the construction of temporary parking spaces in the Nicholson Gateway area is being provided for review and submittal to be placed on the agenda for the January 31 meeting of the Board of Supervisors.

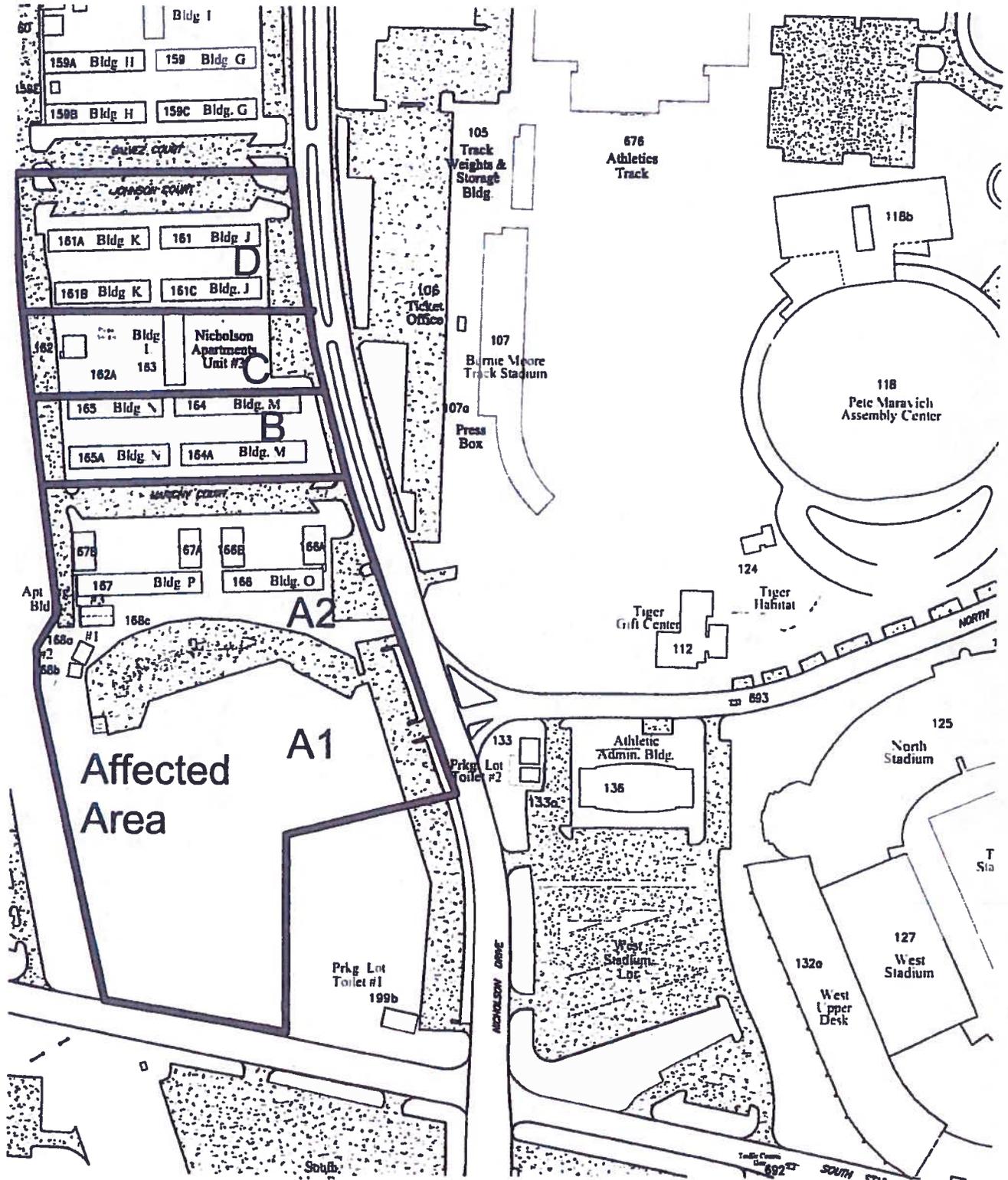
While this submission is made after the normal deadline, and some details are still being finalized, approval by the Board at the January meeting is necessary to allow for the parking spaces to be made available for the 2014 football season. Accordingly, it is requested that the President authorize a later submission of the matter in accordance with Art. VII, Sec. 8.F.1. of the Board Bylaws.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the January 2014 meeting of the Board of Supervisors.

Please let me know if you have additional questions. Thank you.

Attachments

Map of Affected Area



IV. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE

Mr. Raymond J. Lasseigne, Chair

Mr. Scott Ballard, Vice Chair

Mr. Scott A. Angelle

Mr. R. Blake Chatelain

Mr. Hank Danos

Mrs. Ann D. Duplessis

Dr. John F. George

Mr. James W. Moore, Jr.

Mr. J. Stephen Perry

AGENDA

1. Update from Executive Vice President for Health Care and Medical Education Redesign, LSU Health Sciences Center New Orleans, and LSU Health Sciences Center Shreveport

Louisiana State University System
Office of Internal Audit

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

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Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University and A&M College

Stephenson Disaster Management Institute (SDMI)

Audit Initiation:

This audit was included on the annual audit plan approved by the LSU Board of Supervisors Audit Committee.

Audit Scope and Objectives:

Determine SDMI's compliance with grant and contract management policy from July 2011 through July 2013.

Audit Findings:

- Professional Service Contracts (PSCs) with third party contractors were being executed, for the benefit of SDMI, through the Foundation rather than the University. Roughly half of the 21 PSC contracts reviewed were between the Foundation and the service provider.

Management's Response and Corrective Action Plan:

Management concurred with each of the finding and submitted an appropriate corrective action plan to contract directly between SDMI and the service provider.

Geaux Shop Implementation

Review Initiation:

At the request of the Chief Procurement Officer, Internal Audit completed a consulting engagement related to the adoption of the SciQuest (Geaux Shop) e-procurement system.

Review Scope and Objectives:

Procurement requested that Internal Audit provide input during the system's implementation with consideration of the ability of the proposed control structure within the catalog purchasing function of Geaux Shop to prevent misuse of State resources.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Review Findings:

Controls that were suggested for catalog purchasing but were not in place as of go-live on July 22, 2013 include:

1. Requiring up-front approval for all purchases;
2. Requiring departments to select separate employees to perform the Requestor, Approver, and Invoice Approver roles;
3. Limiting Requestors to their accounting span of control for approving purchases;
4. Ensuring only specific users can assign purchases to grant accounts;
5. Limiting Approver roles to individuals with management responsibilities within their department.

We communicated these control concerns to Procurement Management and agreed to perform a full audit of Geaux Shop as part of the FY 2014 audit plan.

Student Health Center Follow-up

Audit Initiation:

This audit was a follow-up of the FY 2012 "Leave Administration at the LSU Student health Center" audit.

Audit Scope and Objectives:

- To determine if management implemented the corrective action plan issued in their response.
- Testing covered an 8 month period from November, 2012 to June, 2013 and included analysis to determine dates absent, the review of time reports and leave documentation, and tests of internal controls that the LSU Student Health Center implemented to appropriately administer leave.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Audit Findings:

We concluded that management had implemented its correction plan and that sufficient action was taken to track leave completely and accurately and record it timely.

Student Credit Hour Report – (Board of Regents)

Audit Initiation:

The Louisiana Board of Regents (BOR) issued a report on Audit of Student Credit Hours (SCH).

Audit Scope and Objectives:

- To verify reported SCH and to assess the institution's ability to comply with the guidelines and instructions set by the BOR SCH Reporting System.
- Testing included examining on a sample basis evidence supporting the SCH data reported for the Summer 2011 and Spring 2012 semesters. This data included student classification, the number of SCH generated, and the number of students enrolled in classes as of the reporting date.

Audit Findings:

There were no exceptions noted in the testing performed.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Alexandria

Student Credit Hour Report – (Board of Regents)

Audit Initiation:

The Louisiana Board of Regents (BOR) issued a report on Audit of Student Credit Hours (SCH).

Audit Scope and Objectives:

- To verify reported SCH and to assess the institution's ability to comply with the guidelines and instructions set by the BOR SCH Reporting System.
- Testing included examining on a sample basis evidence supporting the SCH data reported for the Summer 2011 and Spring 2012 semesters. This data included student classification, the number of SCH generated, and the number of students enrolled in classes as of the reporting date.

Audit Findings:

There were no exceptions noted in the testing performed.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Eunice

Student Credit Hour Report – (Board of Regents)

Audit Initiation:

The Louisiana Board of Regents (BOR) issued a report on Audit of Student Credit Hours (SCH).

Audit Scope and Objectives:

- To verify reported SCH and to assess the institution's ability to comply with the guidelines and instructions set by the BOR SCH Reporting System.
- Testing included examining on a sample basis evidence supporting the SCH data reported for the Summer 2011 and Spring 2012 semesters. This data included student classification, the number of SCH generated, and the number of students enrolled in classes as of the reporting date.

Audit Findings:

There were no exceptions noted in the testing performed.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Paul M. Hebert Law Center

Student Credit Hour Report – (Board of Regents)

Audit Initiation:

The Louisiana Board of Regents (BOR) issued a report on Audit of Student Credit Hours (SCH).

Audit Scope and Objectives:

- To verify reported SCH and to assess the institution's ability to comply with the guidelines and instructions set by the BOR SCH Reporting System.
- Testing included examining on a sample basis evidence supporting the SCH data reported for the Summer 2011 and Spring 2012 semesters. This data included student classification, the number of SCH generated, and the number of students enrolled in classes as of the reporting date.

Audit Findings:

There were no exceptions noted in the testing performed.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Health Sciences Center New Orleans

Site Visit – Health Resources and Services Administration Funded Nurse Education Practice Quality and Retention (HRSA)

Audit Initiation:

The site visit was conducted by HRSA on May 23-24, 2013. The visit focused on the clinical, quality improvement, fiscal administrative, and management information system components of the Restoring Primary Care for Underserved Elders in Post-Katrina New Orleans East project.

Audit Findings:

The recommendations made were as follows:

- 1) A needs assessment be completed in East New Orleans to identify an area with the greatest need so HSCNO can open a new full-time primary care clinic to improve their patient encounters numbers, hiring of staff, and assisting with purchasing of insurance
- 2) Follow-up with patients who come in for acute illnesses and change fee structure for uninsured patients.
- 3) HSCNO should perform periodic monitoring process from a financial perspective to ensure grant funds are being used as specified
- 4) Establish deadlines for the completion of projects

Management's Response and Corrective Action Plan:

HSCNO concurred with the findings and provided a corrective action plan to HRSA.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Financial Audit – Deepwater Horizon Medical Benefits Claims Administrator

Audit Initiation:

Garretson Resolution Group as Claim Administrator of the Deepwater Horizon Medical Benefits Settlement, performed a financial audit of the Mental and Behavioral Health Capacity Project.

Audit Findings:

They found that HSCNO did not properly allocate interest earnings for the grant funds back to the grant. No other material financial irregularities were noted.

Management's Response and Corrective Action Plan:

HSCNO concurred with the finding and made the correction to the interest allocation.

Notice of Misappropriation

On July 17, 2013, two HSC-NO Facility Services employees were arrested by the New Orleans Police Department for theft of University property. The original cost of the missing property is valued at \$26,158.92 in the property management system. The University is working with legal counsel and Civil Service to address the matter.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Health Care Services Division

Review of Contract Pharmacy Agreement

Audit Initiation:

Management of the LSU Health Care Services Division (HCSD) requested that we conduct a review of the pharmacy agreement between the Interim Louisiana State University Public Hospital (ILH) and Avita Drugs LLC. The agreement called for Avita Drugs, LLC to provide contract pharmacy services by filling the 340B drug prescriptions for Human Immunodeficiency Virus (HIV) and infectious disease patients of ILH.

Scope and Objectives:

The purpose of this review was to provide information to management regarding Avita's compliance with key provisions of the memorandum of understanding (MOU).

Audit Findings:

Our test results identified the following:

1. Prescriptions dispensed to ineligible patients
2. Replenishments of dispensed drugs could not be reconciled back to the accounting records
3. The appropriate authorization form for purchases of drugs was not being utilized

In addition, ILH has not established a Financial Assistance Program as provided for in the MOU.

Management's Response and Corrective Action Plan:

None required.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana Department of Health and Hospitals Medicaid Program Integrity – Lallie Kemp Regional Medical Center (DHH)

DHH reviewed special report for January 1, 2010 – December 31, 2012. It was found on 171 occasions that Lallie Kemp inappropriately billed and received payment for ambulatory surgical care and outpatient services on the same dates of service. The amount owed for this area is \$7,915.52.

Human Resources Program Evaluation – Lallie Kemp Regional Medical Center (LA Civil Service)

The Human Resources Program Evaluation, conducted for the period March 1, 2012 through March 1, 2013, primarily focused on compliance with Civil Service Rules and Documentation Requirements. The Executive Summary included as part of the report stated that there are no areas of concern at this time. However, there were several discrepancies noted related to appointments, promotions, detail to special duty and reallocations. Management at LKRMC provided a corrective action plan to address the noted discrepancies.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Health Sciences Center Shreveport

Review of Willis Knighton Funding and Contracts

Audit Initiation:

This review was requested by management at the LSU Health Sciences Center in Shreveport.

Audit Scope and Objectives:

We were asked to provide an independent validation of the payments and contributions provided to LSUHSC-S by Willis Knighton Health Center.

Audit Findings:

The requested information was provided to management.

Management Response and Corrective Action:

None required.

Quarterly Audit Summary

Fiscal Year 2014, 1st Quarter

Louisiana State University Shreveport

Student Credit Hour Report – (Board of Regents)

Audit Initiation:

The Louisiana Board of Regents (BOR) issued a report on Audit of Student Credit Hours (SCH).

Audit Scope and Objectives:

- To verify reported SCH and to assess the institution's ability to comply with the guidelines and instructions set by the BOR SCH Reporting System.
- Testing included examining on a sample basis evidence supporting the SCH data reported for the Summer 2011 and Spring 2012 semesters. This data included student classification, the number of SCH generated, and the number of students enrolled in classes as of the reporting date.

Audit Findings:

There were no exceptions noted in the testing performed.

CONSENT AGENDA

- A. Request approval to establish the following Endowed Professorships at LSU A&M:
- Dr. Joseph D. Martinez Professorship in the School of the Coast and Environment
- B. Request approval to establish the following Endowed Professorships at Louisiana State University at Alexandria:
- Joanne Lyles White Endowed Professorship in Education
- C. Request approval to establish the following Endowed Scholarships at Louisiana State University at Alexandria:
- Elder Care Administration Endowed Scholarship for First Generation College Students
 - 2012 Endowed Scholarship for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #1 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #2 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #3 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #4 for First Generation College Students
 - Arnold Aubert Vernon Endowed Scholarship #5 for First Generation College Students
- D. Request approval to establish the following Endowed Professorships at LSU Shreveport:
- Louisiana State University Shreveport Museum of Life Sciences Endowed Professorship in the College of Sciences
 - Max and Jasmine Morelock Endowed Professorship in Chemistry in the College of Sciences
- E. Recommendation to name the Louisiana State University A&M Department of Construction Management the "Bert S. Turner Department of Construction Management"



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL OF AN ENDOWED PROFESSORSHIP AT LSU A&M

To: Members of the Board of Supervisors

Date: January 31, 2014

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

Significant donations have been made to the LSU Foundation for the establishment of an Endowed Professorship. The Board of Regents Support Fund was created by the Legislature of Louisiana in 1989 as Act 647 providing therein for multiple \$40,000 challenge grants to be awarded on a one to one and one-half matching basis, and these donations qualify for inclusion in the Board of Regents Support Fund matching grants program.

The following Endowed Professorship is proposed based on donations of \$60,000:

- Dr. Joseph D. Martinez Professorship in the School of the Coast and Environment

3. Review of Documents Related to Referenced Matter

Supporting materials for the proposed Professorship is in order.

4. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Professorship.

RECOMMENDATION

It is recommended that the Board of Supervisors approve the following resolution:

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the Dr. Joseph D. Martinez Professorship in the School of the Coast and Environment at LSU,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Professorship.



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL OF AN ENDOWED PROFESSORSHIP AT LSU ALEXANDRIA

To: Members of the Board of Supervisors

Date: January 31, 2014

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

Significant donations have been made to the LSU Alexandria Foundation for the establishment of an Endowed Professorship. The Board of Regents Support Fund was created by the Legislature of Louisiana in 1989 as Act 647 providing therein for multiple \$40,000 challenge grants to be awarded on a one to one and one-half matching basis, and these donations qualify for inclusion in the Board of Regents Support Fund matching grants program.

The following Endowed Professorship is proposed based on donations of \$60,000:

- Joanne Lyles White Endowed Professorship in Education

3. Review of Documents Related to Referenced Matter

Supporting materials for the proposed Professorship is in order.

4. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Professorship.

RECOMMENDATION

It is recommended that the Board of Supervisors approve the following resolution:

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the Joanne Lyles White Endowed Professorship in Education at LSU Alexandria,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Professorship.



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL TO ESTABLISH ENDOWED FIRST GENERATION SCHOLARSHIPS FOR COLLEGE STUDENTS AT LSU ALEXANDRIA

To: Members of the Board of Supervisors

Date: January 31, 2014

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

Substantial donations have been made to the LSU Alexandria Foundation to establish 7 Endowed Scholarships for First Generation college students at LSU Alexandria.

The BoRSF Endowed Undergraduate Scholarship Program, founded in 2007, is a non-competitive program providing BoRSF matching funds to establish endowed scholarship funds in support of first-generation college students. Each four-year institution is guaranteed one \$40,000 endowed scholarship fund challenge grant annually to match a private/institutional contribution of \$60,000; each two-year institution is guaranteed one \$20,000 endowed scholarship fund challenge grant annually to match a private/institutional contribution of \$30,000. Proceeds will be used to establish/enhance permanent endowed scholarship funds. The interest earning from the fund(s) will be awarded at the discretion of the institution to eligible students.

The following Endowed First Generation Scholarships for College Students are proposed based on donations of \$60,000:

- Elder Care Administration Endowed Scholarship for First Generation College Students
- 2012 Endowed Scholarship for First Generation College Students

The following Endowed First Generation Scholarships for College Students are proposed based on donations of \$309,839:

- Arnold Aubert Vernon Endowed Scholarship #1 - #5 for First Generation College Students

3. Review of Business Plan

Not applicable

4. Review of Documents Related to Referenced Matter

Supporting materials for the proposed scholarship program is in order.

5. Other

Not applicable

6. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the scholarship program.

ATTACHMENTS:

None

RECOMMENDATION(s)

It is recommended that the Board of Supervisors approve the following resolution:

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the above mentioned Scholarships for First Generation College Students at LSU Alexandria;

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named endowed scholarships.



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL OF ENDOWED PROFESSORSHIPS AT LSU SHREVEPORT

To: Members of the Board of Supervisors

Date: January 31, 2014

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the System or any of its campuses or divisions.

2. Summary of the Matter

Significant donations have been made to the LSU Shreveport Foundation for the establishment of Endowed Professorships. The Board of Regents Support Fund was created by the Legislature of Louisiana in 1989 as Act 647 providing therein for multiple \$40,000 challenge grants to be awarded on a one to one and one-half matching basis, and these donations qualify for inclusion in the Board of Regents Support Fund matching grants program.

The following Endowed Professorships are proposed based on donations of \$60,000:

- Louisiana State University Shreveport Museum of Life Sciences Endowed Professorship in the College of Sciences
- Max and Jasmine Morelock Endowed Professorship in Chemistry in the College of Sciences

3. Review of Documents Related to Referenced Matter

Supporting materials for the proposed Professorships are in order.

4. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Professorships.

RECOMMENDATION

It is recommended that the Board of Supervisors approve the following resolution:

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the above mentioned professorships at LSU Shreveport,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Professorships.



**RECOMMENDATION TO NAME THE
DEPARTMENT OF CONSTRUCTION MANAGEMENT IN THE
COLLEGE OF ENGINEERING THE
"BERT S. TURNER DEPARTMENT OF CONSTRUCTION MANAGEMENT"**

To: Members of the Board of Supervisors

Date: January 31, 2014

Pursuant to Article VII, Section 8. D.5.c. of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter."

D.5(c) Such other matters that are not expressly delegated herein or hereafter by the Board to the President or equivalent and which reasonably should be considered to require Board approval as generally defined above and as construed in light of the illustrative listings.

1. Summary of Matter

The LSU College of Engineering after receiving unanimous approval from the Construction Management faculty, requests the naming of the construction management department in memory of Bert S. Turner. Upon approval, the department shall be called the Bert S. Turner Department of Construction Management.

The late Bert S. Turner was a leader and philanthropist in the Baton Rouge community—and a mechanical engineer at heart.

After completing his mechanical engineering degree in three and one-half years, Mr. Turner was commissioned as a Second Lieutenant in the Army Corps of Engineers. Spending a total of 42 months in places around the world, he returned to Baton Rouge to embark on an illustrious career -- first with Esso -- then "taking his chance" to build what we now know today as Turner Industries, LLC, an industrial services company.

Headquartered in Baton Rouge, Turner Industries is one of the largest privately owned industrial service organization in the state, with over 10,000 employees in 15 separate companies involved in thousands of projects around the United States. The company has regional offices in Louisiana, Texas, Alabama and Florida.

Mr. Turner's community service was numerous, including membership and involvement in the Baton Rouge area's Jaycees, Chamber of Commerce, Safety Council, Speech and Hearing Foundation, Water Conservation Commission, Area Foundation, Board of Control-East Baton Rouge Parish Library, Business-Industry Political Action Committee (BIPAC), Community Services Council, Junior Achievement, Louisiana Labor Management Commission, Louisiana political Action Council (LAPAC), Louisiana State Museum, Our Lady of the Lake Hospital, Public Affairs Research Council, Salvation Army, United Givers Fund, YMCA, and Delta Kappa Epsilon Alumni Association.

Mr. Turner held a strong commitment to enhancing the quality of education in Louisiana, particularly at the college level. He has served on the Tulane Graduate School of Business Administration Advisory Council, Patrick F. Taylor Hall Advisory Board, LSU Department of Mechanical Engineering Advisory Board, LSU Board of Supervisors (Chairman 1987-88), LSU Foundation Board, LSU Alumni Association, and the Louisiana State Board of Regents. He enjoyed spectator participation in virtually all of LSU's varsity sports, particularly football and basketball.

In 1993 the College of Engineering inducted Mr. Turner into its Hall of Distinction. In 1996, The LSU Alumni Association bestowed upon him the honor of its Hall of Distinction award. In 2008, he was

inducted into the Baton Rouge Business Report's Hall of Fame. He also holds an Honorary Doctorate of Humane Letters from LSU, the highest recognition our University offers.

Since 1939, according to Mr. Turner, LSU has been the vehicle for him to grow as an individual, advance professionally, establish long-term personal relationships and friendships, meet and marry his wife of 45 years, raise a family, and thoroughly enjoy a full and meaningful life.

In this sentiment, the Turner family has made a memorial gift in Mr. Turner's honor to support the Patrick F. Taylor Hall building project—which coupled with the state match, meets the funding threshold to name a department outlined in PS-70.

It is of tremendous benefit to associate the Construction Management program with the leadership, integrity and values of Bert S. Turner. The naming of the Bert S. Turner Department of Construction Management honors LSU.

ATTACHMENTS:

- Memorandum from President and Chancellor F. King Alexander
- Memorandum from Rick Koubek, Dean LSU College of Engineering
- Letter from Paul E. Hoffman, Chair of Naming University Facilities Committee

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the Department of Construction Management within the LSU College of Engineering the "Bert S. Turner Department of Construction Management".



To: LSU System Office

From: Dr. F. King Alexander ^{FKA}
President and Chancellor

Date: January 9, 2014

Re: Bert S. Turner Construction Management Department

The Committee on Naming University Facilities has recommended that the Construction Management Department within the LSU College of Engineering be named the “Bert S. Turner Construction Management Department”.

The College of Engineering wishes to name this in honor of Mr. Bert S. Turner for his generosity to the program, college and the industry.

I agree with this recommendation and request that in accordance with PS-70 you forward this proposal to the Board of Supervisors for inclusion on the January 2014 meeting agenda.

Attachments

cc: Dean Rick Koubek, LSU College of Engineering
Jane Cassidy, Vice Provost Academic Affairs



January 6, 2014

Dr. Paul Hoffman
Chair, University Facilities Naming Committee
Facilities Naming Committee

Dear Dr. Hoffman:

Attached is a request from Dean Rick Koubek from the LSU College of Engineering in regard to the naming of the Department of Construction Management after Bert S. Turner.

In PS 70 Section 1:3 (c) it states that *"for an academic department: normally contributes not less than \$10 million to the endowment of that department."*

In this instance the financial contribution for this naming is needed for the completion of the Engineering Building Project in order to receive the state match for the building.

I am waiving the endowment stipulation of PS 70 in regard to this naming. Additional documentation will be supplied to you for committee review.

Thank you for your time and dedication to LSU and especially the University Facilities Naming Committee.

Sincerely,


King Alexander



College of Engineering

Office of the Dean

Louisiana State University
3304 Patrick F. Taylor Hall
Baton Rouge, LA 70803

O (225) 578-5701
F (225) 578-9162
www.eng.lsu.edu

DATE: December 14, 2013

TO: F. King Alexander
President and Chancellor

FROM: Rick Koubek *RK*
Dean, College of Engineering

Cc: Bunnie Cannon, Executive Director, Institutional Advancement

RE: Request to Name Construction Management Department

Receiving, unanimous approval from the Construction Management faculty on December 16, 2013, the LSU College of Engineering requests naming of the construction management department in memory of Bert S. Turner. Upon approval, the department shall be called the Bert S. Turner Department of Construction Management.

The late Bert S. Turner was a leader and philanthropist in the Baton Rouge community—and a mechanical engineer at heart.

After completing his mechanical engineering degree in three and one-half years, Mr. Turner was commissioned as a Second Lieutenant in the Army Corps of Engineers. Spending a total of 42 months in places around the world, he returned to Baton Rouge to embark on an illustrious career -- first with Esso -- then "taking his chance" to build what we now know today as Turner Industries, LLC, an industrial services company.

Headquartered in Baton Rouge, Turner Industries is one of the largest privately owned industrial service organization in the state, with over 10,000 employees in 15 separate companies involved in thousands of projects around the United States. The company has regional offices in Louisiana, Texas, Alabama and Florida.

Mr. Turner's community service was numerous, including membership and involvement in the Baton Rouge area's Jaycees, Chamber of Commerce, Safety Council, Speech and Hearing Foundation, Water Conservation Commission, Area Foundation, Board of Control-East Baton Rouge Parish Library, Business-Industry Political Action Committee (BIPAC), Community Services Council, Junior Achievement, Louisiana Labor Management Commission, Louisiana political Action Council (LAPAC), Louisiana State Museum, Our Lady of the Lake Hospital, Public Affairs Research Council, Salvation Army, United Givers Fund, YMCA, and Delta Kappa Epsilon Alumni Association.

Mr. Turner held a strong commitment to enhancing the quality of education in Louisiana, particularly at the college level. He has served on the Tulane Graduate School of Business Administration Advisory Council, Patrick F. Taylor Hall Advisory Board, LSU Department of Mechanical Engineering Advisory Board, LSU Board of Supervisors (Chairman 1987-88), LSU Foundation Board, LSU Alumni Association, and the Louisiana State Board of Regents. He enjoyed spectator participation in virtually all of LSU's varsity sports, particularly football and basketball.

In 1993 the College of Engineering inducted Mr. Turner into its Hall of Distinction. In 1996, The LSU Alumni Association bestowed upon him the honor of its Hall of Distinction award. In 2008, he was inducted into the Baton Rouge Business Report's Hall of Fame. He also holds an Honorary Doctorate of Humane Letters from LSU, the highest recognition our University offers.

Since 1939, according to Mr. Turner, LSU has been the vehicle for him to grow as an individual, advance professionally, establish long-term personal relationships and friendships, meet and marry his wife of 45 years, raise a family, and thoroughly enjoy a full and meaningful life.

In this sentiment, the Turner family has made a memorial gift in Mr. Turner's honor to support the Patrick F. Taylor Hall building project—which coupled with the state match, meets the funding threshold to name a department outlined in PS-70.

It is of tremendous benefit to associate the Construction Management program with the leadership, integrity and values of Bert S. Turner. The naming of the Bert S. Turner Department of Construction Management honors LSU, therefore the College of Engineering and the Construction Management Department Faculty respectfully request the President and Chancellor of LSU grant a waiver to the PS-70 endowment stipulation for the naming of a department.

I am pleased to provide any additional information as needed and thank you for your kind consideration of this request.

2013-14

January 9, 2013

TO: President-Chancellor F. King Alexander

FROM: Naming University Facilities and Academic Units Committee

RE: Naming Proposal 2013-14, Turner Department of Construction Management

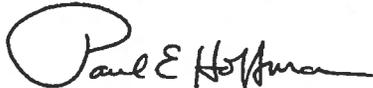
Dear Dr. Alexander:

Attached please find a memo from Dean Rick Koubek of the College of Engineering proposing that the Department of Construction Management be named the **Bert S. Turner Department of Construction Management** in recognition of his family's significant gift to the College, his long-standing generous support of LSU, and his notable career and philanthropic and civic activities.

In accordance with PS-70's provisions, the faculty of the Department of Construction Management has agreed to the naming and you have indicated that you are waiving the requirement of section 1.3 (c) that the memorial gift be an endowment for the department. Please see the memos attached.

Your Naming University Facilities and Academic Units Committee has reviewed this proposal and recommends its approval.

For the Committee,

A handwritten signature in black ink that reads "Paul E Hoffman". The signature is written in a cursive, flowing style.

Paul E. Hoffman, Chair
Naming University Facilities and Academic Units Committee

Paul W. and Nancy W. Murrill Distinguished Professor
And Professor of History

Attached: Memo of Dean Rick Koubek, December 14, 2013
Memo of Charles W. Berryman to Dean Richard Koubek, December 16, 2013
Memo of President King Alexander to Paul E Hoffman, January 6, 2014.

CC: Bunnie R. Cannon
Jane W. Cassidy