Not too long ago the School of Medicine (SOM) conducted a Faculty Forward survey. Developed by the Association of American Medical Colleges (AAMC), the intent of this survey was to provide an overview of the global satisfaction and engagement of the faculty. This survey also included specific questions to provide direct targets for the faculty and administration to improve workplace satisfaction and engagement; therefore, Faculty Forward is a quality improvement exercise.

Through the results of this survey, the faculty indicated a need for more transparency and clarity of the governance and finances at the SOM. In response, a subcommittee was tasked with developing strategies to improve understanding of how the institute is governed, the chain of command, the flow of revenue, how certain fiscal decisions are made, and our relationships with clinical partners.

The Pulse Special Edition is a direct product of that subcommittee, and a direct response to the concerns voiced by our faculty through Faculty Forward. The present issue addresses communication flow and decision-making throughout the LSU system. It describes the chain of command, starting with the Governor and ending with individual departments, and describe who answers to whom and how communication flows.

This is the first of a limited series of special editions of The Pulse aimed at “demystifying” how governance and finance works at LSU SOM. We will cover such topics as System and Institutional Governance Structure, Revenue Flow, Support Organizations and Clinical Partners, and Fringe Rates and Pension.

The Pulse is greatly indebted to Ben Lousteau, Executive Director of Fiscal Operations, and Chris Vidrine, Director of External Affairs for LSUHSC for their help and hard work in producing this issue. Even more gratitude is in order for their patience and time spent describing the complex structure of governance and finance needed to develop this edition of The Pulse.
The governance structure at the state level is comprised of a coordinating system of governance in which the Governor, the Louisiana Board of Regents (BoR), and the individual systems’ Boards of Supervisors (BoS) collaboratively oversee all aspects of higher education in the state.

**LOUISIANA BOARD OF REGENTS**
Coordinate the policy efforts of all 33 degree-granting public institutions of higher education in the state through oversight of the Board of Supervisors of the four educational systems in Louisiana (see below). Powers include: adoption of master plans and funding formulas, merger/transfer/creation of institutions, approval of degree programs, budget recommendations, setting statewide education standards, and representing public higher education to all branches of state government.

**BOARD OF SUPERVISORS**
Manage operational issues within their respective individual educational system (University of Louisiana System, Southern University and Agricultural and Mechanical College, Louisiana State University and Agricultural and Mechanical College, or Louisiana Community and Technical College). Powers include: receive/expend funds, borrow money/issue notes, purchase land/acquire buildings, confer degrees, oversee personnel decisions, determine student fees within legislative parameters, set rules for governing/disciplining students, set bylaws for rights/duties of board, administrative officers, and faculty.

**COMPOSITION OF THE BOARDS**
The Board of Regents and the Board of Supervisors each have 15 members appointed by the governor with the consent of the State Senate. Two members represent each congressional district and one member represents the state at large. Composition is required to be representative of the state’s population by race and gender with board members serving overlapping six-year terms limited to three consecutive terms. Therefore, each Governor will “inherit” board members from previous administrations. Each board also has one student representative.

**PRESIDENT OF THE LSU SYSTEM (F. KING ALEXANDER)**
Appointed by the LSU Board of Supervisors. Oversees and manages all six institutions of higher education in the LSU System.
CHANCELLOR OF LSU HEALTH NEW ORLEANS (DR. LARRY HOLLIER)
Works within LSU bylaws and policies set by the LSU Board of Supervisors and the President of
LSU to oversee, manage, and control the administrative functions of LSUHSC. Ensure that goals
established by the state are pursued by all employees and the institution is meeting its performance
targets. Responds to the needs of faculty and students, champions the institution to the community.

VICE CHANCELLORS
Chief assistants to the chancellor in charge of key administrative aspects of the University, which
include: Academic Affairs, Finance, Administration, Clinical Affairs, and Community and
Multicultural Affairs.

ADDITIONAL SENIOR STAFF
Individuals in charge of key roles important for the functioning of the University: Including
Associate Vice Chancellor for Business Development, Assistant Vice Chancellor for Information
Technology, Director of Information Services, Director of Human Resource Management, Director
of External Affairs, and Fiscal Compliance Officer.

DEANS
The Deans oversee and manage each individual school within LSU Health New Orleans.
Governance Structure - SOM Level

DEAN OF THE SCHOOL OF MEDICINE (DR. STEVE NELSON)
Oversees and manages the School of Medicine.

SENIOR ASSOCIATE DEAN FOR FACULTY AND INSTITUTIONAL AFFAIRS
Has oversight responsibilities for faculty matters; serves as a representative or surrogate for the Dean internally and externally as needed. Duties include: faculty needs assessment, faculty/leadership recruitment, annual review, academic advancement, faculty compensation, leadership/faculty mentoring and development.

ASSOCIATE DEANS
Chief assistants to the Dean of the SOM. In charge of key administrative aspects of the SOM, which include: Research, Fiscal Affairs, Student Affairs, Clinical Affairs, Alumni Affairs, Diversity and Community Engagement, Admissions, and Academic Affairs, and Branch Campuses.

DEPARTMENT HEADS AND DIRECTORS OF CENTERS OF EXCELLENCE
In charge of key administrative aspects for individual departments (Basic Science and Clinical) and centers of excellence (formally funded entities that provide leadership and support for research and training in a specific area). Part of their responsibilities include disseminating information received from the higher administration to the faculty within their departments.
### Where and How Decisions Are Made

The results of the Faculty Forward survey highlighted three key issues on which faculty wanted more transparency, clarity, and understanding in where and how decisions are made, including Salary Increases, Hiring, and Benefit Rates. As you’ll read, these decisions are more complex than many may realize....

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<thead>
<tr>
<th><strong>SALARY INCREASE</strong></th>
<th>Cost of living or merit increase in base compensation.</th>
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<tr>
<td>Initial decision</td>
<td>Governor’s office, Division of Administration.</td>
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<td>• Last 7 - 8 years – they have either been silent or issued policy that salary increases cannot be given.</td>
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<td>• Reason – general lack of support from the general public and state legislature in times of fiscal crisis.</td>
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<td>• Result - We have operated for the most part on a salary freeze for these years</td>
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<td>Next decision level</td>
<td>LSU system office – provides guidance to schools in annual budget instructions.</td>
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<td>• Guidance language – very general as to target percent of salary increase and maximum individual amount to be awarded for merit and/or promotion.</td>
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<td>Final decision level</td>
<td>Chancellor’s office at individual campuses to develop policy.</td>
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<td>• Last 8 years – two salary increases of a maximum of 4% were given (June 2013 and January 2015) intended to address “Compression” (newer hires brought on at higher rates than long-standing employees)</td>
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<td>• Promotion based salary increase – consistently approved throughout for full time faculty.</td>
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### HIRING

- Department initiates process – completes a “Per 1” to authorize recruitment process, supply documentation to outline source of funds and rationale for position.
- Route to appropriate Dean's office (SOM) and Chancellor’s office for position approval.
- Post-Per 1 approval – position advertised on LSUHSC website and appropriate professional journals.
- Interview process – facilitated by the Department with selection of candidate made by department.
- Post-selections – salary is negotiated and offer letter prepared by the Hiring Official.
- Two weeks prior to effective hire date – “Per 2” form submitted appointing individual to the position with approval at both levels described above.
- Delegated authority – the LSU Board of Supervisors has delegated authority for hiring to individual campuses.

### BENEFIT RATES

- Percentage factor established each fiscal year to cover cost of health insurance, retirement, and payroll taxes.
- State-mandated Inclusion in benefit rate – amount LSUHSC is assessed by the state to cover the Unfunded Accrued Liabilities (UAL) in the Teachers and Lasers Retirement System.
- UAL – reflects the system’s shortfall (or deficit) of assets needed to pay long-term pension obligations for 240,000 active and retired members.
- UAL rate decision – Governor and Legislature – based on amounts of deficits or surpluses from previous years.
- UAL rate applies to every faculty employee regardless of their choice of retirement plan.
- Institutional rate decision – Vice Chancellor for Administration and Finance – based on historical costs/anticipated expenditures for benefits and state-mandated UAL rate.
- Final approval – Department of Health and Human Services approves our federal fringe benefit rate.
- Why we see annual changes – State-mandated increases in UAL and other expenses (e.g., medical coverage and other benefits)