

Subject: Message from Chancellor Martin re: LSU Implementation of Governor's Executive Orders BJ 2011-7; and BJ 2011-6

TO: Vice Chancellors and Deans

FROM: Michael Martin, Chancellor

On May 9, Governor Jindal issued Executive Order BJ 2011-7 that directed executive branch agencies including higher education to cease spending in support (non-personnel) categories. Since the University has not received guidance on how to implement this executive order, LSU has developed operating guidelines to meet the spirit of the order through June 30, 2011.

These Guidelines are attached for your use and are effective as described in the document. Please widely disseminate this information to the faculty and staff within your respective areas. These Guidelines apply only to expenditures using State appropriated funds that are included in the University's FY 2010-11 Operating Budget and so identified with a zero (0) in the sixth digit of the account number.

LSU has also received Executive Order BJ 2011-6 that directs executive branch agencies including higher education to freeze unclassified personal services expenditures through June 30, 2011. Additionally, the order recommends that executive branch agencies freeze classified personal services expenditures through June 30, 2011. If your department has any questions regarding Executive Order BJ 2011-6, please contact Human Resource Management at (225) 578-8296.

A pdf copy of both Executive Orders is attached. I realize that these Orders will have an impact on how we operate and will have long-term impacts on the University. However, LSU is obligated to comply with, and will adhere to, the Orders referenced above.

LSU IMPLEMENTATION OF EXECUTIVE ORDER BJ 2011-7

Effective Date: 05/16/2011

In an effort to comply with the spirit of Executive Order BJ 2011-7 issued May 9, 2011, LSU is enacting a spending freeze as described below.

Applicable Funds:

State appropriated funds included in the University's FY 2010-11 Operating Budget identified with a zero (0) in the sixth digit of the account number are subject to the Order. Accounts denoting all other sources of funds are not included.

Applicable Expenditure Object Codes:

No applicable funds can be expended after the Effective Date in object codes 2000, 3000, 4000, 5000, 6000, and 7000 by any method of procurement or payment including requisitions/purchase orders, LaCarte, direct charges, or petty cash, except as provided herein:

- 1) LSU will continue to process University internal transactions between University departments for campus services including, but not limited to, utilities, police, parking services, mailing services, telecommunications services, facility services, copier management services, internet services, and student health services.

Reason/Example: Without these expenditures, the University would not be able to maintain services for its students and the staff functions necessary to operate the University.

- 2) LSU will continue to purchase essential services including, but not limited to, drug and psychological testing, background checks, supplemental manpower, pre-employment testing, janitorial supplies and services, advertising, utilities, credit searches for student loans, law enforcement mandated obligations and emergency replacement and repairs.

Reason/Example: Some of these are federally mandated while others provide necessary safeguards for the student population.

- 3) LSU will continue to process licenses, maintenance, and related contracts for software and other critical information support services should the date of renewal fall prior to June 30, 2011.

Reason/Example: There is a severe risk of having services simply stop working. An example would be a software license agreement, wherein annually a new "key" is received that allows the software to continue to work.

- 4) LSU will continue to process contracts for professional, personal, and consulting services if the requisition has been released to Purchasing prior to the Effective Date. Services from any existing approved contract will continue. Related travel expenses for invited speakers will be included.

Reason/Example: Without these expenditures, the University would not be able to maintain services for its students and provide the staff functions necessary to operate the University.

- 5) LSU will continue to process requests/purchases that have been received by the Division of Administration control agencies: Office of Contractual Review, Office of State Purchasing, and Office of Information Technology, prior to effective date of the Executive Order.

Reason/Example: In most of these instances, large amounts of administrative time and effort have been expended and there exists the potential for liability on the part of the University.

- 6) LSU will continue to process purchases made from flow-through federal funds.

Reason/Example: An example is contracts for Truancy programs funded to LSU through the Department of Social Services with Federal TANF funding.

- 7) LSU will continue to expend funds for the operation of the University Laboratory School which is an independent school for grades K-12.

- 8) LSU will continue to expend funds for the recruitment of students.

Reason/Example: Recruitment is essential to the core instructional mission of the University.

- 9) LSU will continue to expend funds necessary to satisfy audit requirements or audit findings.

- 10) LSU will continue to process approved travel commitments if the travel was approved prior to the Effective Date and/or funds have been expended (registration fee paid, airline tickets purchased, etc.). Additionally, travel associated with student field trips, student study trips, or Academic Programs Abroad will continue to be allowed.

Reason/Example: Registration fees and airfares are nonrefundable. It is in the University's best interest to allow travelers to complete previously approved travel. For student field or study trips an obligation exists because students pay fees associated with the course of study to cover the travel and related costs.

- 11) LSU will continue to honor the approval for Special Meals and special meal reimbursements granted prior to the Effective Date. Any approval for Special Meals and special meal reimbursement after the Effective Date is suspended. Exceptions may be allowed for meals associated with the recruitment of faculty or staff.

Reason/Example: Faculty recruitment occurs in the spring semester. It is important for the current faculty to have the ability to meet with prospective faculty and graduate students to determine the fit within the department's culture, research activity, and student needs.

- 12) LSU will continue to process essential instructional supplies funded through accounts that have a "0" in the sixth and seventh digit of the account number.

Reason/Example: This is exempted in Section 3, D. 3 of Executive Order.

13) LSU will continue to expend funds for the operation of the LSU Veterinary Teaching Hospital and Clinic.

Reason/Example: Adequate care is mandated by federal, state and local laws.

14) LSU will continue to expend funds for cost centers and self-generated accounts.

Reason/Example: Cost center expenditures are funded with self-generated revenue. These centers must remain functional as they provide services necessary for researchers to meet the requirements of the grant funding they receive.

15) LSU will continue to process start-up and cost sharing expenditures.

Reason/Example: Research start-up funds and cost sharing are pre-existing commitments. Additionally, some of these funds are used for research expenditures that are necessary for the tenure process of new faculty.

16) LSU will continue to process travel requests for the recruitment of faculty and staff including recognition of faculty awards and committed moving expenses.

17) LSU will continue to process recurring subscriptions and memberships should the date of renewal fall prior to July 1, 2011.

18) LSU will continue to expend funds from Statutory Dedicated funds.

Reason/Example: These funds are for a specific purpose, and can be used for no other purpose. For example, the LSU Fire and Emergency Training Institute receives a statutory dedication of a tax that must be used to train local and municipal firefighters.

19) LSU will continue to expend funds associated with Commencement.

20) LSU will continue to expend funds for research purposes such as library loans or the publishing of journal articles.

Contacts:

Travel/Special Meals Questions: Donna Torres – 578-1623

Purchasing Questions: Marie C. Frank – 578-2307

Exceptions to the Implementation:

Any exception to the Implementation of the Executive Order may only be made with the written approval of the Chancellor or Vice Chancellor for Finance and Administrative Services. Please submit any requests for exceptions to Ms. Marie Frank (Purchasing questions) and Ms. Donna Torres (Travel/Special Meals questions) via e-mail at mfrank@lsu.edu and dtorres@lsu.edu.