

# Mission Based Budgeting

- Fair distribution of available funds
- Provides transparency in budgeting
- Aligns funding with specific activities
- Drives responsibility and accountability
- Promotes pay for performance
- Demands cultural change and teamwork
- Drives efficient utilization of resources
- Promotes external funding sources

# Mission Based Budgeting "CARTS"

- Payment for
  - Clinical practice
    - Service at MCLNO
    - Private practice
  - Administration
  - Research
  - Teaching
    - Medical students
    - Supervising residents
  - Strategic investment

# Mission Based Budgeting

- Teaching Medical Students
  - University of Virginia rationale
  - Used LSU curriculum
  - Identified direct student contact hours
  - Allocated 1 faculty FTE salary and benefits for
    - Every 8 hours/week contact time in basic science
    - Every 10 hours/week contact time in clinical science

# Mission Based Budgeting

- Resident Supervision and Training
  - Allocated FTE faculty salary based on ACGME recommended ratio of faculty to residents in a program
  - Identified 50<sup>th</sup> percentile Southern average associate professorship faculty salary in each specialty
  - Provided standard salary regardless of where residents assigned

# Mission Based Budgeting

- Research

- Provided 30% of salary and benefits for NIH funded research faculty if the amount of salary on grants is 25% or greater
- Expect departments to cover support personnel and the other 70% of salary from grants

# Mission Based Budgeting

- Administration

- Provides 25% and 30% of salary and benefits for all Clinical Chairs and Basic Science Chairs respectively
- Provides 50% of salary and benefits for all Program Directors
- Provides salary and benefits for Section Chiefs of \$5,000 for a minimum of 3 faculty or \$10,000 for 7 faculty or greater
- Full salary and benefits of business manager and department secretary and 1 FTE secretary for every 4 faculty FTE's

- Academic Support

- Academic enhancement funds of \$2,500 for Chairs, Chiefs and Teaching FTE's
- Academic enhancement funds of \$1,500 for Funded Researchers, Program Directors, and Section Chiefs

# Mission Based Budgeting

- Clinical
  - MCLNO services paid for at “fair market value rate” regardless of MCLNO payment
  - Private practice paid at “fair market value rate” regardless of Contract payment

# Strategic Plan

- Mission-based Budgeting
  - Strategic Investment
    - New recruits
    - Start-up funding
    - Core equipment
    - Interim funding
    - Department development

LSU SCHOOL OF MEDICINE  
MISSION BASED BUDGET FUNDING BY FUNCTION FY 2009-2010  
\$261 MILLION

