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BOARD OF REGENTS

P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.state.la.us

November 2, 2015

Ms. Stafford O. Palmieri
Commissioner of Administration
Claiborne Building, 7th Floor
Baton Rouge, LA 70802

Dear Commissioner Palmieri:

In accordance with RS 39:32.1(F), the Board of Regents approved the required initial public postsecondary education formula funding budget request for FY 2016-2017 at its October 28nd meeting. Our formula process has been expanded to include separate formulas for the 4-Year, 2-Year and Specialized Units (Ag Centers, Health Science Centers and Pennington Biomedical Research Center). Additionally, this request includes the funding needs of the non-formula units (Boards, LUMCON and LOSFA) for the ensuing fiscal year. The annual operational plan documents were also submitted to your office as requested.

The methodology for the FY 2016-2017 funding formula request includes cost and performance outcomes components to increase the number of graduates to meet the state's workforce needs. Additionally, the differing roles, scopes, and missions of the 2-year, 4-year, and specialized institutions are more accurately recognized by separating the formula requests.

The breakdown of the request is as follows:

2 Year Formula Units

- \$276.6M Total request

4 Year Formula Units (Including Law Centers)

- \$300.8M Total request

Specialized Formula Units (Health Science Centers, Ag Centers, and Pennington)

- \$324.9M Total request (Includes legacy costs for LSUHSC-S)

Boards and Louisiana Universities Marine Consortium (LUMCON)

- \$50.3M Total request

Louisiana Office of Student Financial Assistance (LOSFA)

- \$300.8M (Includes the \$67.6M increase in the TOPS program)

The total postsecondary education budget request (formula and non-formula) for FY 2016-2017 is \$1,706,007,061. This amount represents a total increase of \$703,495,869 above the existing operating budget. The funding requested is necessary to meet Louisiana's existing workforce needs and we look forward to your favorable consideration.

Should you have any questions, please feel free to contact me.

Sincerely,

Joseph C. Rallo
Commissioner of Higher Education
Louisiana Board of Regents

C: Roy O. Martin, Chairman
Louisiana Board of Regents

JCR:tg