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October 28, 2014

Ms. Kristy Nichols
Commissioner of Administration
Claiborne Building, 7th Floor
Baton Rouge, LA 70802

Dear Commissioner Nichols:

In accordance with RS 39:32.1(F), the Board of Regents approved the required initial postsecondary education formula funding budget request for FY 2015-2016 at its October 22nd meeting. This request also includes the funding needs of the non-formula units for the ensuing fiscal year. The annual operating budget and operational plan documents were submitted to your office by October 15, 2014, as requested.

Our FY 2015-16 budget request includes the following components:

Formula Units

- \$20 million above the existing operating budget base of \$482 million is requested to bring 2 and 4 year institutions to a minimum 62% formula implementation rate. \$2 million is also requested for Science, Technology, Engineering & Math (STEM) initiatives at Grambling State University and Southern University A&M. Please note that while the cost to fully fund the state share of the formula calculation is \$769 million, we recognize the state's current financial position and request \$504 million.

Specialized Units (Medical Schools, Ag Centers, Law Centers)

- \$36 million above the existing operating budget base of \$183 million is requested to fund legacy costs associated with the privatization of state-run hospitals and expand research capacity and program offerings.

Pennington Biomedical Research Center

- \$1.85 million above the existing operating budget base of \$12.3 million is requested to maintain the current level of operations.

Louisiana Universities Marine Consortium (LUMCON)

- \$750,000 above the existing operating budget base of \$2.3 million is requested to stabilize operations.

Louisiana Office of Student Financial Assistance (LOSFA)

- \$8.2 million is requested to maintain the current level of operations.

Management and Coordinating Boards

- \$1.5 million is requested to continue the Southern Regional Education Board (SREB) Regional Contract Program, replace data collection technology systems and expand system program initiatives.

TOTAL: \$70.3 Million

Please keep in mind that this request assumes that \$40 million will continue to be provided for the **Workforce and Innovation for a Stronger Economy (WISE)** fund and any tuition increases approved by the management boards and legislature will not be offset by a state general fund reduction.

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

Sincerely,



Barbara Goodson
Deputy Commissioner

BG:TG:mjb

Enclosure