

Marty J. Chabert
Chair

Collis B. Temple III
Vice Chair

Blake R. David
Secretary

Kim Hunter Reed, Ph.D.
Commissioner of
Higher Education



Claudia H. Adley
Randy L. Ewing
Robert W. Levy
Charles R. McDonald
Darren G. Mire
Sonia A. Pérez
Wilbert D. Pryor
T. Jay Seale III
Gary N. Solomon, Jr.
Gerald J. Theunissen
Felix R. Weill
Jacqueline V. Wyatt
William S. Jewell, Student

BOARD OF REGENTS
P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.la.gov

AGENDA
SPONSORED PROGRAMS COMMITTEE
Wednesday, December 11, 2019 at 11:40 a.m.

The Claiborne Building
Thomas Jefferson A&B (Room 1-136)
Baton Rouge, Louisiana

- I. Call to Order
- II. Roll Call
- III. Board of Regents Support Fund (BoRSF) Plan and Budget, FY 2020-21
- IV. Other Business
- V. Adjournment

Committee Members: Sonia Pérez, Chair, Collis Temple III, Vice Chair, Blake David, William Jewell, Charles McDonald, Darren Mire, T. Jay Seale III, and Felix Weill

Staff Member: Carrie Robison, Deputy Commissioner for Sponsored Programs

AGENDA ITEM III.

Board of Regents Support Fund (BoRSF) Plan and Budget, FY 2020-21

Background Information

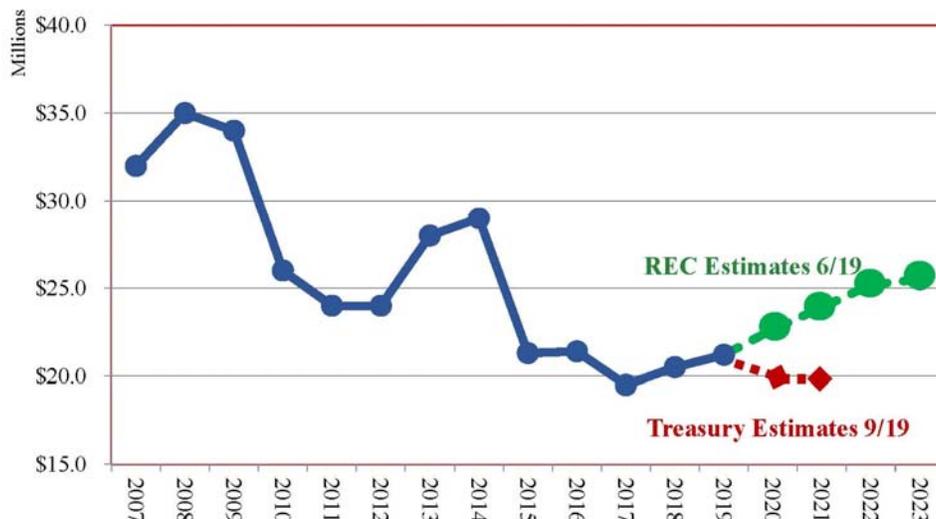
The Board of Regents Support Fund (BoRSF), constitutionally designated and managed by the Board of Regents, receives revenues on an annual basis from the Kevin P. Reilly Louisiana Education Quality Trust Fund (LEQTF). These dollars, separate from State General Fund appropriations, cannot be used for operational costs, but are designated to support supplementary and enhancing programs to improve the quality of higher education and contribute to Louisiana's economic development. Accordingly, within the parameters set forth in the Constitution, the Board of Regents operates competitive programs and subprograms through the BoRSF appropriations, to bolster performance in priority areas through a variety of activities, including equipment purchases, research and development, endowment matching, and targeted student support.

The Board is required by Article VII, Section 10 of the Constitution to submit an annual plan and budget to the Legislature and the Governor not less than 60 days prior to the beginning of the Regular Legislative Session. This document outlines proposals for expenditure across the four constitutionally permitted components of the Support Fund: Endowed Chairs for Eminent Scholars, Recruitment of Superior Graduate Students, Research and Development, and Enhancement.

Staff Summary

Though the Revenue Estimating Conference (REC) provides the official revenue estimate for the Support Fund, staff considers both trends over the recent past and the annual projection of the Treasury. Annual income from the Support Fund declined steadily and significantly during FY 2006-07 through FY 2018-19, from a peak of \$35 million to approximately \$21 million. Projections of the Treasurer and Revenue Estimating Conference diverge markedly for current and future years.

SUPPORT FUND REVENUES FY 2006-07 THROUGH FY 2022-23



The Revenue Estimating Conference (REC) in September 2019 forecast gradually increasing levels of earnings over the coming years, starting from \$23.9 million projected for FY 2020-21; the Treasury has estimated a steady revenue of \$20 million for FY 2019-20 and 2020-21. New REC forecasts, to be provided prior to the 2020 Regular Session, will likely either hold or slightly increase the previous estimate. It is notable that the Treasury estimate, tends to be highly conservative, is consistently significantly lower than REC's.

Based on current estimates, recent earnings, and Support Fund history, the BoRSF Planning Committee concluded that \$22 million would be a reasonable budget level for the BoRSF in FY 2020-21. This level will enable full support for existing contracts and matching obligations and continued implementation of the revised BoRSF program structure adopted in FY 2017-18, including competitive grants programs and endowment matching. Program allocations, as well as contingencies in the event that revenues are higher or lower than projected, are detailed in Attachment A. Brief descriptions of each program/subprogram included in the budget are provided in Attachment B.

Senior Staff Recommendation

Senior Staff recommends approval of the FY 2020-21 Board of Regents Support Fund budget, with contingencies, as presented.

ATTACHMENT A

FY 2020-21 Board of Regents Support Fund Budget: BoRSF Staff & Planning Committee Recommendation

Support Fund Program/Subprogram	FY 2020-21 PROPOSED BUDGET		FY 2019-20 APPROVED BUDGET	
	Prior Commitments (Existing Obligations)	New Monies	Prior Commitments (Existing Obligations)	New Monies
Federal Matching	\$625,000	\$1,300,000	\$1,300,000	\$625,000
Endowed Chairs	\$0	\$2,020,000	\$0	\$1,220,000
Graduate Fellows	\$1,722,500	\$1,005,000	\$2,774,000	\$685,000
Traditional (GF)	\$1,542,500	\$0	\$2,349,000	\$0
BoR/SREB Fellowships	\$180,000	\$0	\$425,000	\$0
Endowed Grad Scholarships	\$0	\$1,005,000	\$0	\$685,000
Research & Development	\$3,243,314	\$2,525,000	\$3,236,741	\$2,400,000
Research Competitiveness	\$2,266,189	\$1,350,000	\$2,192,673	\$1,300,000
Industrial Ties/PoCP	\$977,125	\$800,000	\$1,044,068	\$750,000
Awd's to Artists & Scholars	\$0	\$375,000	\$0	\$350,000
Enhancement	\$1,837,356	\$7,118,409	\$1,369,150	\$5,745,725
Departmental ENH	\$1,837,356	\$4,338,409	\$1,369,150	\$2,505,725
Endowed Professorships	\$0	\$2,000,000	\$0	\$2,000,000
Endowed WF Scholarships	\$0	\$780,000	\$0	\$600,000
Endowed First-Gen	\$0	N/A: All remainder matched	\$0	(PHASEOUT) \$640,000
Administration (Formula)	\$0	\$603,421	\$0	\$644,384
TOTAL	\$7,428,170	\$14,571,830	\$8,679,891	\$11,320,109
FISCAL YEAR BUDGET	\$22,000,000 (+10%)		\$20,000,000	

Contingencies:

Revenues Higher than Budgeted: Additional revenues shall be allocated as approved by the BoR; no increase in spending authority will be requested.

Revenues Lower than Budgeted:

- Proportionate cuts taken in first-year amounts allocated for proposals across all competitive programs and subprograms
- After all first-year funds for competitive programs and subprograms have been eliminated, reductions taken to the non-competitive Endowed Professorships & First-Generation Scholarships Subprograms
- If additional cuts needed after first-year funds are eliminated, reductions made to federal matching commitments and/or prior contractual obligations

ATTACHMENT B

Board of Regents Support Fund Program/Subprogram Descriptions

The Constitution specifies that the Board of Regents Support Fund (BoRSF) may be used to support “any or all” of the following activities:

- The carefully defined research efforts at public and private universities in Louisiana;
- The endowment of chairs for eminent scholars;
- The enhancement of the quality of academic, research or agricultural departments or units within a university; and
- The recruitment of superior graduate students.

Programs and subprograms are divided among these categories, to ensure the BoRSF is structured in accordance with the constitutional provisions.

Enhancement of the Quality of Academic, Research & Agricultural Departments and Units

1. Departmental Enhancement

Departmental Enhancement is a competitive infrastructure-building component with the goal of improving the educational and research infrastructure and capacity in academic, research, and agricultural departments and units. Departmental Enhancement is available to any eligible formally recognized department or unit, and includes a Multidisciplinary component. Awards will be made for comprehensive (multi-year, multi-activity, broad-impact) projects, as well as targeted (short-term, smaller-scale) projects. All institutions are eligible to compete to support educational, research, and workforce activities. A spectrum of activities, from equipment purchases to curricular redesign, are allowed and encouraged; support for graduate students, either as fellowships/scholarships or assistantships, is also permitted. Disciplines are eligible every other year, on a rotating basis.

2. BoR/Southern Regional Education Board Doctoral Support Initiative to Promote Student and Faculty Diversity

The Board of Regents/SREB Doctoral Support Initiative to Promote Student and Faculty Diversity provides up to ten (10) support slots per year statewide to help recruit and retain underrepresented minority students seeking doctoral degrees. Awards are made to graduate schools or governing units for graduate education at eligible institutions, which then determine the distribution of individual slots among qualified departments. Each slot includes an academic-year supplement for student support, membership in SREB’s Doctoral Scholars Program, and participation in SREB’s annual Institute on Teaching and Mentoring.

3. Endowed Professorships

Endowed Professorships is a non-competitive subprogram designed to help campuses recruit or retain faculty whose research, teaching, and/or public service uniquely contribute to the mission of their departments and institutions. Participation requires a contribution of at least \$80,000 from an external source, to be matched with \$20,000 from the BoRSF; campuses with fewer than 15 matched Professorships may continue to request matching at the previous rate of \$40,000 BoRSF for \$60,000 non-State contribution until the threshold of 15 is reached. Each eligible campus is guaranteed, but not necessarily restricted to, two matching slots per year, provided that required external contributions are raised and documented. Beginning in FY 2019-20, campuses are permitted to submit requests for matching of Endowed First-Generation Undergraduate Scholarships under the same terms as Endowed Professorships, with the guarantee of two matching slots total, inclusive of both types, per campus.

4. Endowed Two-Year Student Workforce Scholarships

The competitive Endowed Two-Year Student Workforce Scholarships subprogram provides scholarship opportunities for students on two-year campuses to enter the Louisiana workforce in the following ways: (a) train students for immediate entrance into selected, high-demand, four- and five-star jobs, including positions in nursing and allied health; and/or (b) prepare students to become job-ready in STEM fields after completing degrees on four-year campuses. Non-State contributions combined with a BoRSF match will produce permanent endowments.

5. Federal Matching

The Board of Regents manages several major federal research and education awards from agencies such as the National Science Foundation, NASA, the National Institutes of Health, and the Department of Energy. Many State-level federal grant opportunities require matching be provided, and the BoRSF has been the source of Louisiana's match since 1987. BoRSF matching funds have leveraged more than \$7 in federal funding for every dollar committed.

Targeted Research and Development

1. Research Competitiveness Subprogram (RCS)

RCS funds projects that strengthen the fundamental research base and competitiveness of Louisiana's public and private universities. The subprogram is a stimulus opportunity available to researchers who are currently not competitive for federal support but show strong potential for achieving national research competitiveness in an area funded by the federal government within a limited span of time. Research funded through RCS must make fundamental contributions to knowledge in eligible scientific and engineering disciplines rather than simply seek to apply existing knowledge. RCS also includes a one-year award to assist faculty who may already be competitive through short-term pilot awards to

conduct novel scientific and engineering research leading to near-term federal support. RCS has been a highly successful initiative: a recent survey showed more than \$9 in federal/private research funding received for every \$1 in RCS funds awarded.

2. Industrial Ties Research Subprogram (ITRS)

ITRS supports research efforts that show significant potential for contributing to the development and diversification of Louisiana's economy in the near term. Funded projects are required to involve significant private sector or Federal funding or, at a minimum, include a plan to leverage substantial Federal or private sector funding in the near future; and link research efforts to establishment of a new or enhancement of an existing Louisiana business or industry. A consolidated component of ITRS, the Proof-of-Concept/Prototyping Initiative provides funding to enable technology transfer research and activities, to advance innovations toward commercialization. Like RCS, ITRS has leveraged significant external investment in Louisiana research, attracting more than \$10 for every BoRSF dollar invested.

3. Awards to Louisiana Artists and Scholars (ATLAS)

The BoRSF Awards to Louisiana Artists and Scholars (ATLAS) Subprogram provides support to faculty members in arts, humanities, and social sciences disciplines to complete major scholarly and artistic productions with the potential to have a broad impact on a regional, national, and/or international level. The primary focus of ATLAS is the scholarly or artistic merit of the proposed work. Projects are assessed based on their necessity, importance, originality, and likelihood to have an impact on a broad academic and/or artistic community. ATLAS has supported major scholarly and creative works that have received significant recognition and accolades across the region, the nation, and the world.

Recruitment of Superior Graduate Students

1. Endowed Superior Graduate Student Scholarships

The Endowed Superior Graduate Student Scholarships subprogram matches non-State contributions of at least \$60,000 with \$40,000 from the BoRSF to create endowed scholarships that may be used in support of graduate and first-professional students as well as post-doctoral fellows. Higher levels of non-State contributions, in minimum increments of \$60,000, may be matched with additional \$40,000 contributions from the Support Fund. The initial corpus of the endowment must remain intact, while income above the corpus may be used to benefit the student recipient in the form of scholarships, fellowships, and/or experiential opportunities, including internships, externships, conference travel, and field work.

Endowed Chairs for Eminent Scholars

Endowed Chairs for Eminent Scholars, introduced in 1987, is a highly competitive program designed to enhance the recruitment and retention of distinguished university faculty at institutions throughout Louisiana. The program pairs a 60% private-sector match with a 40% Board of Regents award to endow a chair at a minimum level of \$1 million. The Chair, operating from the income generated by investment of the permanent endowment, must be filled in perpetuity by scholars of high renown and great ability. Given the permanent commitment of funding, Endowed Chairs must be aligned clearly with institutional role, scope, mission, and strategic priorities, and the campus must demonstrate the long-term value of the Chair to academic, teaching, and/or service work in the discipline. Campuses must provide each Chair, at a minimum, with a salary line sufficient to engage a senior scholar/leader.