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Cameron T. Jackson, 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

RESEARCH AND SPONSORED INITIATIVES COMMITTEE

Wednesday, December 15, 2021

12:05 p.m.

Claiborne Building, First Floor
Thomas Jefferson A&B Room 1-136
1201 North Third Street
Baton Rouge, Louisiana

- I. Call to Order
- II. Roll Call
- III. Consent Agenda
 - A. Appointment of Endowed Chairholder without National Search: LSU and A&M College
- IV. Board of Regents Support Fund (BoRSF) Plan and Budget Recommendations, FY 2022-23
- V. Adjournment

Committee Members: Felix Weill, Chair; Sonia Pérez, Vice Chair; Stephanie Finley; Phillip May, Jr.; Darren Mire; T. Jay Seale III; Gary Solomon, Jr.
Staff: Carrie Robison, Deputy Commissioner for Sponsored Programs

AGENDA ITEM III.A.

Appointment of Endowed Chairholder without National Search: LSU and A&M College

Background Information

At its January 12, 2015 meeting, the Board unanimously approved the following revision to the Endowed Chairs for Eminent Scholars policy:

Effective immediately, all campuses shall provide documentation to the Commissioner of Higher Education that each Chair vacancy is being filled – whether externally or internally – following a national search. Any request for waiver of this policy shall be made in writing to the Commissioner of Higher Education and reviewed by external consultants. Upon receipt of the consultants' response, the Commissioner will provide a formal recommendation for consideration and approval by the Board of Regents. Board approval of the waiver must be provided prior to appointment of the chairholder. The Board reserves the right to render a campus not in compliance with this policy to be ineligible for new Endowed Chairs funds.

Staff Summary

The Kenneth Burns Endowed Chair in Veterinary Medicine, a \$1 million Chair matched by the Board of Regents Support Fund in FY 2009-10, was vacated when Dr. Joel Baines, former Dean of the School of Veterinary Medicine, left the faculty of LSU and A&M College. In accordance with current policy, LSU A&M has requested waiver of the Endowed Chairs national search requirement to appoint Dr. Oliver Garden, Dr. Baines' successor as Dean and a highly accomplished scholar and researcher, to the Burns Chair. Dr. Garden's qualifications were reviewed and determined to be appropriate to requirements outlined in the Endowed Chairs program policy.

STAFF RECOMMENDATION

Senior Staff recommends approval of LSU and A&M College's request to appoint Dr. Oliver Garden, Dean of the School of Veterinary Medicine, to the Kenneth Burns Endowed Chair in Veterinary Medicine, without a national search. As stipulated in Board policy, the Letter of Appointment to Dr. Garden must be submitted to the Board within 90 days of this approval.

AGENDA ITEM IV.

Board of Regents Support Fund (BoRSF) Plan and Budget, FY 2022-23

Background Information

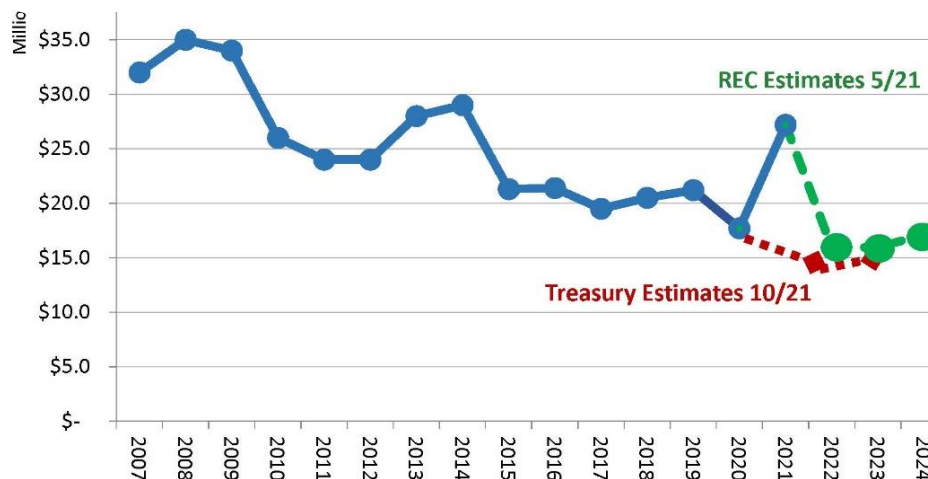
The Board of Regents Support Fund (BoRSF), constitutionally designated and managed by the Board of Regents, receives revenues on an annual basis from the Kevin P. Reilly Louisiana Education Quality Trust Fund (LEQTF). These dollars, separate from State General Fund appropriations, cannot be used for operating 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 departmental enhancements, 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 revenues generated for the Support Fund declined steadily and significantly for the period FY 2006-07 through FY 2019-20, from a peak of \$35 million to less than \$18 million. While revenues recovered to \$27 million in FY 2020-21, this was a result of significant sell-offs to accommodate statutory caps on investment in securities, and does not represent a general improvement in Trust Fund performance.

SUPPORT FUND REVENUES FY 2006-07 THROUGH FY 2023-24



Given the recent history of the Trust Fund income, projections of the Treasurer and Revenue Estimating Conference are similar and very low, ranging from \$15.25 million (Treasurer) to \$15.95 million (REC). If these revenue estimates are realized, these will be the second-lowest earnings in the 34-year history of the BoRSF; only the first year of earnings, realized in 1988, was lower. In light of last year's earnings, new REC forecasts, to be provided prior to the 2022 Regular Session, may increase the previous REC estimate, though this is highly uncertain. Due to the substantial surplus of FY 2020-21 revenues, which could not be expended during that fiscal year, the Support Fund is well positioned to budget in excess of these estimates.

There is still a significant degree of uncertainty around BoRSF revenues, for multiple reasons: interest rates at historic lows along with recent inflationary pressures; the unknown strength of the economic recovery from the COVID-19 disruptions; statutory restrictions on how the LEQTF may be invested and a constitutional amendment that would increase flexibility going to the voters in fall 2022; and continuing volatility in the oil market. It seems reasonable, however, to expect that some of these challenges will begin to be clarified or resolved during FYs 2021-22 and 2022-23, and the extent of need across higher education for investment in its stability and improvement argues for using excess earnings from FY 2020-21 to bolster the FY 2022-23 budget. Based on current estimates, recent earnings, and Support Fund history, the BoRSF Planning Committee concluded that \$20 million is a reasonable budget level for the BoRSF in FY 2022-23, with significant contingencies to accommodate uncertainties.

The Board is constitutionally required to submit a plan and budget for the upcoming fiscal year 60 days prior to the start of the next Regular Legislative Session, meaning that decisions must be made before the current economic situation fully stabilizes. Though in excess of fall 2021 estimates, the recommended \$20 million budget level will enable full support for existing contracts and matching obligations and reasonable levels of new monies for all BoRSF grant and endowment programs. The structure of the Support Fund, with RFPs released at the beginning of the fiscal year and funding allocated at the end, gives the Board ample opportunity to adjust as the budget picture clarifies over the spring and summer of 2022. Recommended contingencies call for staff to monitor updated revenue estimates and make a recommendation in spring/summer 2022 relative to the advisability of taking reduction in new monies before the competitive cycle for FY 2022-23 begins. If estimates continue to be well below the recommended budget level, staff will make pro-rata reductions to new monies for competitive programs, in accordance with contingencies outlined in the plan and budget. Only under extreme exigency would federal matching dollars, guaranteed donor matches in Endowed Professorships (two slots per campus), or prior commitments be reduced.

Operating in this manner will minimize risk to this long-standing and highly valuable activity of the Board of Regents, allowing flexibility to adjust approaches over time. The contingencies recommended enable the Board and the staff to reassess and make necessary changes as the BoRSF's financial situation becomes more clear.

Program allocations, as well as all 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.

STAFF RECOMMENDATION

Senior Staff recommends approval of the BoRSF Plan and Budget for FY 2022-23, with contingencies, as presented.

ATTACHMENT A

FY 2022-23 Board of Regents Support Fund Budget: BoRSF Planning Committee/Staff Recommendation

Support Fund Program/Subprogram	FY 2022-23 PROPOSED BUDGET		FY 2021-22 APPROVED BUDGET	
	Prior Commitments (Existing Obligations)	New Monies	Prior Commitments (Existing Obligations)	New Monies
Federal Matching	\$1,550,000	\$375,000	\$1,675,000	\$250,000
Endowed Chairs	\$0	\$2,420,000	\$0	\$2,020,000
Graduate Fellows	\$0	\$1,120,000	\$757,500	\$1,010,000
Traditional (GF)		\$0	\$757,500	\$0
BoR/SREB Fellowships		\$0	\$0	\$0
Endowed Grad Scholarships		\$1,120,000	\$0	\$1,010,000
Research & Development	\$3,391,575	\$2,500,000	\$3,071,047	\$2,300,000
Research Competitiveness	\$2,312,694	\$1,350,000	\$2,136,673	\$1,250,000
Industrial Ties/PoCP	\$1,078,881	\$750,000	\$934,374	\$700,000
Awd's to Artists & Scholars	\$0	\$400,000	\$0	\$350,000
Enhancement	\$1,733,268	\$6,321,154	\$2,180,662	\$6,137,422
Departmental ENH (includes BoR/SREB)	\$1,733,268	\$3,321,154	\$2,180,662	\$3,137,422
Endowed Professorships	\$0	\$2,000,000	\$0	\$2,000,000
Endowed WF Scholarships	\$0	\$1,000,000	\$0	\$1,000,000
Administration (Formula)	\$0	\$589,003	\$0	\$598,369
TOTAL	\$6,674,843	\$13,325,157	\$7,684,209	\$12,315,791
FISCAL YEAR BUDGET	\$20,000,000		\$20,000,000	

CONTINGENCIES:

Higher than Budgeted:

- Additional revenues allocated as approved by the Board
- No increase in spending authority

Lower than Budgeted

- Summer 2022 consideration of REC spring 2022 projections to determine whether budget reductions are needed prior to competitive cycle launch. If cuts are needed, federal matching, BoR/SREB, and Endowed Professorships will be maintained as possible
- If partial reductions are needed, proportionate cuts taken in first-year amounts allocated for proposals across all competitive programs and subprograms
- If additional cuts are needed after all competitive programs eliminated, reductions taken to the non-competitive Endowed Professorships subprogram once funding guarantees are met
- If additional cuts needed after all 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.