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AGENDA

SPONSORED PROGRAMS COMMITTEE

Thursday, December 10, 2015

11:20 a.m.

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

- I. Call to Order
- II. Roll Call
- III. Update: Revisions of Board of Regents Support Fund FY 2016-17 Plan and Budget
- IV. Other Business
- V. Adjournment

Committee Members: Joseph Wiley, Chair; William Fenstermaker, Vice Chair; Raymond Brandt; Marty Chabert; Patrick Harrington; Edward Markle; Gray Stream

AGENDA ITEM III

Update: Revisions of Board of Regents Support Fund FY 2016-17 Plan and Budget

Preface

The Board of Regents is required by the Constitution to submit the succeeding year's Support Fund Plan and Budget to the Legislature and the Governor 60 days in advance of the Regular Session of the Legislature. The Regents have prepared to meet this requirement by approving the FY 2016-17 Support Fund budget on September 24, 2015. Subsequent income estimates by the Treasurer's Office and the Revenue Estimating Conference indicate that the Support Fund will receive substantially less than the \$26.5 million projected in the approved budget.* The proposed budget must be revised downward prior to consideration at the Regular Legislative Session; attached are preliminary staff recommendations.

Five (5) of the sixteen (16) Support Fund subprograms are recommended for retention in their entirety (no cuts): Federal Matching, which leverages major grants; Endowed Chairs, a high-priority matching program to recruit and retain eminent scholars (already reduced by 38% from FY 2015-16 to FY 2016-17); the much smaller and growing Endowed First-Generation Undergraduate Scholarships matching subprogram (\$1,000,000), which guarantees one award per campus per year; and the Traditional and BoR/SREB Graduate Fellowships, which are budgeted out of future fiscal years so reductions would have no effect on the FY 2016-17 budget**. The remaining eleven (11) subprograms are recommended for retention with reductions averaging 32%.

The revisions recommended are explained in the attached graphic and notes. The subprograms are color-coded to convey the following actions:

- ❖ **Retain in Entirety**
- ❖ **Retain and Reduce**
- ❖ **Eliminate Separate Budget and Retain through Consolidation**

In reviewing the budget, please note that prior contractual commitments and federal matching, totaling \$8,601,000, remain unchanged (see Attachment). The reductions recommended are for new first-year funding.

Senior Staff Recommendation

This update is for informational purposes only. The Senior Staff will bring final recommendations to the Sponsored Programs Committee and the Board in January 2016.

* The budget approved in September was based on the May 2015 Revenue Estimating Conference (REC) projection of \$26.5 million; in November 2015, the REC revised its FY 2016-17 income estimate to \$22 million.

** In Traditional GF, students will be recruited to new fellowships during 2017-18, and actually begin matriculating during 2018-19; SREB students will be recruited during 2016-17 to begin in 2017-18.

**STAFF RECOMMENDED BoRSF FY 2016-17 BUDGET
REDUCED FIRST-YEAR FUNDING LEVELS**

KEY:

❖ Retain in Entirety

❖ Retain and Reduce

❖ Eliminate Separate Budget & Retain through Consolidation

Support Fund Program/Subprogram & Key Objective	Alignment with BoR Master Plan Priorities	BOARD APPROVED FY 2016-17 Prior Commitments (Protected)	BOARD APPROVED Recommended FY 2016-17 First-Year Funding Levels	REVISED Recommended FY 2016-17 First-Year Funding Levels
Federal Matching: State Match for Federal Research Awards	Innovate	\$1,425,000	\$250,000	\$250,000
Endowed Chairs: Recruitment and Retention of Eminent Scholars	Innovate/Educate	\$0	\$2,020,000	\$2,020,000
Graduate Fellows				
Traditional Fellowships: Master's/Doctoral Student Fellowships	Educate	\$2,761,000	*\$775,000	*\$775,000
BoR/SREB Fellowships: Doctoral Fellowships to Build Diversity	Educate	\$785,000	*\$225,000	*\$225,000
Endowed Graduate Scholarships: Private/BoRSF Scholarships	Educate	\$0	\$2,000,000	\$1,000,000
Research & Development				
Research Competitiveness: Competitiveness for Federal Programs	Innovate	\$2,370,000	\$1,160,000	\$1,350,000
Pilot Funding for New Initiatives: Pilot Research for Federal Funding	Innovate	\$0	\$345,000	**Eliminate/Consolidate: RCS
Industrial Ties Research: Research Partnerships with Industry	Innovate	\$960,000	\$500,000	\$750,000
Proof-of-Concept/Prototyping: Research Ideas Preparing for Commercialization	Innovate	\$0	\$300,000	**Eliminate/Consolidate: ITRS
Awards to LA Artists & Scholars: Arts, Humanities, & Social Sciences Research	Innovate	\$0	\$385,000	\$350,000
Enhancement				
Endowed Professorships: Small Endowments for Faculty	Educate/Innovate	\$0	\$3,200,000	***\$2,000,000
Traditional Enhancement: Infrastructure Development in Academic Departments/Units	Educate/Innovate	\$200,000	\$3,287,678	\$3,087,678
Undergraduate Enhancement: Infrastructure for Primarily Undergraduate Campuses	Educate/Innovate	\$100,000	\$1,375,000	**Eliminate/Consolidate: Traditional ENH
Endowed Two-Year Workforce Scholarships: Workforce Training	Educate	\$0	\$1,200,000	\$800,000
Undergraduate Scholarships: Need-Based Scholarships	Educate	\$0	\$1,000,000	\$1,000,000
Supervised Undergraduate Research: Hands-on Student Research Experiences/Mentoring	Educate	\$0	\$85,000	**Eliminate/Consolidate: Traditional ENH
Administration (derived by legal formula)		\$0	\$791,322	\$791,322
TOTAL		\$8,601,000	\$17,899,000	\$13,399,000
TOTAL BUDGET LEVEL (PRIOR + NEW)			\$26,500,000	\$22,000,000

* New monies committed from FY 2018-19 for GF, and FY 2017-18 for BoR/SREB; reductions would have no effect on FY 2016-17 budget

** Consolidations have the serendipitous effect of increasing efficiency and reducing overhead costs related to proposal review

*** Reduce guaranteed funding to one slot per campus

REVISED FY 2016-17 BoRSF BUDGET
RATIONALES FOR BUDGETARY REDUCTIONS

Federal Matching:

- *Retain in Entirety:* Provides opportunity to leverage funds for major federal awards (100% STEM)

Endowed Chairs:

- *Retain in Entirety**: Endowed Chairs (62% STEM) offers distinct opportunity to attract top scholars and researchers to major campuses; policy change to reduce funding caps per institution/per LAICU to \$800,000 per year

Graduate Fellows:

- *Retain in Entirety:* High-demand Traditional Graduate Fellows (92% STEM) with new monies budgeted from FY 2018-19 prepares top-quality doctoral and master's students for jobs in private industry and academia
- *Retain in Entirety:* BoR/SREB Fellowships (72% STEM) critical to building diversity in graduate education and faculty appointments with new monies budgeted from FY 2017-18 prepares top-quality doctoral students for jobs in private industry and academia
- *Retain and Reduce:* Endowed Superior Graduate Student Scholarships provide major opportunities for campuses to leverage private investments for scholarships and professional development opportunities for all levels of graduate and professional students, better preparing them for employment in their fields

R&D:

- *Retain and Reduce:* High-demand, high-impact Research Competitiveness Subprogram (RCS) (100% STEM) with objective of boosting competitiveness for Federal research dollars
- *Eliminate Separate Budget and Retain through Consolidation:* Pilot Funding for New Initiatives (Pfund), focused on piloting of new research in preparation for federal competitions, integrated into RCS as short-term preparation for federal competitions (100% STEM). Subprogram consolidation will reduce overhead by combining previously separate proposal reviews
- *Retain and Reduce:* High-impact Industrial Ties Research Subprogram (ITRS) (96% STEM) builds partnerships between researchers and private industry
- *Eliminate Separate Budget and Retain through Consolidation:* Proof-of-Concept/Prototyping (PoC/P) consolidated with ITRS to retain statewide emphasis

* This program was already reduced by 38% (\$1,200,000) in the previously approved budget.

on industrial partnerships, development of entrepreneurial faculty, and preparation of research products for the marketplace (100% STEM). Subprogram consolidation will reduce overhead by combining previously separate proposal reviews

- **Retain and Reduce: Awards to Louisiana Artists and Scholars, only Support Fund innovation opportunity devoted exclusively to arts, social sciences, and humanities; 2% of the total FY 2016-17 Support Fund budget**

Enhancement:

- **Retain and Reduce: High-demand Endowed Professorships subprogram (39% STEM) would guarantee one \$40,000 slot per campus**
- **Retain and Reduce: High-demand, high-impact Traditional Enhancement subprogram (74% STEM) which furnishes equipment, supplies, curricular redesign, and other activities to boost performance of academic departments and units**
- **Eliminate Separate Budget and Retain through Consolidation: Undergraduate Enhancement (73% STEM) opportunity to support improvements at campuses with two or fewer doctoral programs integrated into Traditional Enhancement, for which all campuses are eligible. Subprogram consolidation will reduce overhead by combining previously separate proposal reviews**
- **Retain and Reduce: Two-Year Workforce Scholarships (100% STEM) support students enrolled in high-need workforce programs (four- and five-star jobs) at community and community technical colleges**
- **Retain in Entirety: Endowed Undergraduate Scholarships to meet increasing demand for endowed scholarships to support first-generation undergraduate students and prepare them for high-priority jobs**
- **Eliminate Separate Budget and Retain through Consolidation: Supervised Undergraduate Research Experiences (100% STEM), providing opportunities for students to receive hands-on experience in STEM research, integrated into broad-based Traditional Enhancement. Subprogram consolidation will reduce overhead by combining previously separate proposal reviews**

Administration:

- **Retain in Entirety: Administrative costs determined by formula established in statute (3% of the average of most recent three years' expenditures)**