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BOARD OF REGENTS

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AGENDA

SPONSORED PROGRAMS COMMITTEE

Wednesday, November 2, 2016

11:05 a.m.

Squire Creek Country Club

289 Squire Creek Parkway, Choudrant, Louisiana

- I. Call to Order
- II. Roll Call
- III. Faculty Endowment Policy Revisions
- IV. Board of Regents Support Fund Restructuring
- V. Use of Endowed Chair Expendable Earnings for National Search: University of Louisiana at Monroe
- VI. Endowed Professorship Transfer and Conversion: South Louisiana Community College to Louisiana Delta Community College
- VII. Consent Agenda
 - A. Refocusing of Endowed Chairs
 1. LSU Health Sciences Center – New Orleans
 2. Centenary College of Louisiana
 3. Tulane University Health Sciences Center
 - B. Appointments of Endowed Chairholders without National Search
 1. LSU Health Sciences Center – New Orleans
 2. LSU Health Sciences Center – Shreveport
 3. Louisiana Tech University
 4. Centenary College of Louisiana
- VIII. Other Business
- IX. Adjournment

Committee Members: Roy Martin III, Chair; Joseph Wiley, Vice Chair; Raymond Brandt; Marty Chabert; Benson Kinney; Edward Markle

AGENDA ITEM III

Faculty Endowment Policy Revisions

Background Information

The BoRSF Endowed Chairs and Endowed Professorships programs provide matching funds to a non-State contribution to establish Chairs with a corpus value of \$1,000,000 or above. The intent of the program is to generate income on endowment accounts for use by faculty appointees to support professional activities and enhance their academic and/or research productivity. Use of earnings to support faculty work is consistent with the constitutional purposes of the Support Fund to enhance higher education and contribute to Louisiana's economic development.

Staff Summary

Following review of multiple years of data on uses of faculty endowments at eligible campuses, the Regents and staff determined that policy changes are necessary to address management issues within the programs and larger challenges facing both the Support Fund and higher education in Louisiana more broadly. Though the matching programs have greatly benefitted higher education and several campuses and foundations have managed faculty endowments well, over the last decade the Regents have noted inactivity and persistent lack of use of numerous faculty endowments, along with significant accrual of expendable resources in endowment accounts, even as campuses work to address the challenges and resource shortages of the current funding environment. Ongoing issues include the following:

- Slots have been held vacant – some for more than a decade – providing no value to campuses or the State, and contrary to the intent of both the private donor and the State's matching program;
- Though some departments and campuses have been proactive in this respect, many unused and underused endowments have been retained as-is and dormant despite strong encouragement from the Board and increasingly flexible BoRSF policies to modify or convert such endowments, with donor permission, to other endowment types;
- Expendable funds in endowment accounts have accrued – often to high levels (50-100% in excess of corpus) – with no or very limited allocations for expenditure, even in slots held by faculty members, with some expendable monies invested in long-term, illiquid instruments which render the funds inaccessible to faculty users; and
- Intended beneficiaries of endowment earnings, including academic administrators and faculty holders, are unaware of their account values, funds available, and/or opportunities for expenditure.

The purpose of policy revisions, detailed in Attachment A, is to ensure, going forward, that BoRSF matching programs contribute as intended to campuses' ability to recruit and retain higher education's greatest asset – highly productive, engaged, and committed faculty and students. Most of these revisions principally affect endowments matched in FY 2016-17 and later and are triggered by campus use or lack of use of the endowment over multiple years; campuses and foundations, then, will have three to four years to adjust internal policies and procedures to enable compliance.

Staff will monitor the effects of any policy changes and propose adjustments as needed. In addition, a fiscal and program audit of matched endowments is in process, to determine the utility and function of these investments across campuses.

Senior Staff Recommendation

Senior Staff recommends approval of the faculty endowment policy changes as presented. Policy changes shall be effective immediately.

ATTACHMENT A

Proposed Revisions Considering Foundation and Campus Comments: BoRSF Endowed Chairs for Eminent Scholars & Endowed Professorships Program Policies

1. ADDITIONAL INFORMATIONAL ITEM: PUBLIC POSTURE OF BoRSF MATCH

The Board of Regents (BoR) is constitutionally entrusted with the allocation of the Louisiana Quality Education Support Fund (Support Fund) toward four specific goals enumerated in La. Const. art. VII, §10.1(D). The Support Fund is a constitutional dedication to promote excellence in higher education and enhance economic development through a set of specified purposes, which include the endowment of chairs for eminent scholars. In accordance with the constitutional parameters and restrictions, BoR through the Support Fund provides State funds to match non-State endowments.

The public dollars provided as match to endowments do not lose their public character and function, even when entrusted to or managed by a non-public entity or matched to a private donor's contribution. The endowed chairs toward which the Board is authorized to allocate public funds must be used within a reasonable period of the State match and consistently over time to achieve the specific goal of attracting eminent scholars to foster economic development. An endowment created through a non-State donation matched by State dollars is not simply a fund held by a university-affiliated foundation or other managing entity, as such funds being held are not required to serve a specific public purpose distinct from the institutional mission.

Accordingly, Support Fund policies restrict the use and investment of such funds to ensure all related activities serve the purposes for which Support Fund money may be expended. Should the public funds contributed for these purposes not be used to accomplish the mandated goals of the Support Fund and/or address specific BoR policy requirements, such funds and all associated earnings shall be subject to revocation by BoR. All agreements and arrangements related to the non-State funds are strictly the obligation of the original donor, his/her successors, and the campus; no private agreement or act of donation shall contravene or supersede State constitution and laws, and any BoR policy adopted in accordance therewith. To that end, all institutions and their affiliated foundations shall fully inform private donors of the purpose of the donation, initial and subsequent time periods within which a State-matched donation must be put to use, the possible reversion of the State match if it is not put to use within that time period, and the options available to the donor should such reversion occur.

2. REPLACES REVISION #1 APPROVED 6/16: VACANCIES AND RETENTION OF STATE MATCHING FUNDS

BoRSF faculty endowment programs are designed to provide matching resources to non-State donations, the earnings from which support the productivity and performance of superior faculty. Persistent vacancies are not in the interest of participating campuses and faculty nor supportive of BoRSF constitutional and program goals. Vacancies also do not serve the intent of the non-State

donor, to the extent that the donor expects the contribution to support faculty work. In addition, they sequester significant State resources – corpus and earnings – during the period of vacancy, severely limiting any impact these funds might have, especially in view of sharply declining State support for higher education. The following provisions are made to ensure that endowments matched by the State are needed, useful, and representative of campus priorities, as reflected in their consistent use; if an endowment is not consistently used, State funds should be freed to be applied to other priorities.

For endowments matched in FY 2016-17 or later, if the faculty endowment has not been filled within four years after provision of BoRSF matching or three years following departure of the most recent faculty holder of the endowment, the campus shall submit for BoR approval a written request and justification to retain the matching funds, along with an account of activities undertaken since the vacancy occurred to fill the faculty endowment, problems and barriers encountered, and plans and a timeline to appoint a faculty holder. Such request shall be submitted to the Deputy Commissioner for Sponsored Programs and assessed by both Sponsored Programs staff and the Commissioner of Higher Education, with staff recommendations forwarded to BoR, which has sole authority to grant final approval. If the campus does not act as approved to fill the slot, the campus shall return matching funds and associated unexpended principal and earnings to BoR. BoR reserves its right to seek a return of the match only in this circumstance or where it finds that the endowment becomes unusable as described in the paragraph below.

For endowments matched prior to FY 2016-17 and vacant for more than two years, on an annual basis the campus shall notify the non-BoRSF donor of the duration of the vacancy along with plans, if any, to fill the vacancy within the next two years, and request that the donor indicate how he/she wishes to proceed. This notification shall be documented by a signed donor statement, submitted to Deputy Commissioner for Sponsored Programs by the end of the fiscal year (June 30), stating that the donor is aware of current policies governing vacancies and the donor's preferred course of action. If the donor prefers to redirect the original non-State contribution and/or earnings to an activity not permissible under BoRSF endowment programs, the campus shall submit for BoR approval a plan to redirect the BoRSF share to a BoRSF-eligible endowment category to fund a donor contribution awaiting State match. In the event that the endowment becomes unusable (e.g., the associated academic program ceases to exist and the donor does not agree to redirect the original non-State contribution to a category eligible for BoRSF match), the campus shall return the BoRSF matching funds, with associated unexpended earnings, as soon as possible after the circumstance becomes known. BoR reserves its right to seek a return of the match only where it finds the BoRSF funds have become unusable for their intended purpose and no other acceptable use – repurposing the endowment or redirecting matching funds to an eligible endowment category – can be identified.

3. REPLACES REVISION #2 APPROVED 6/16: CHANGES IN ENDOWMENT PURPOSE

Provided the donor agreement(s) permits and subject to applicable legal restrictions, the non-BoRSF donor shall have the right to reallocate and/or change the purpose of the original non-State contribution in the following circumstances: (1) the campus has not adhered to the terms of

the agreement with the donor or BoR policies; (2) the campus has not met its fiduciary duties, including the duty of care/prudence, duty to investigate, duty of loyalty/obedience, and duty to minimize costs, in management of the faculty endowment; and/or (3) the faculty endowment has remained vacant in excess of three years upon start-up or two years for subsequent appointments. If the donor wishes to redirect the original non-State contribution and/or earnings to an activity not permissible under BoRSF endowment programs, the campus shall immediately return the BoRSF matching funds, with associated unexpended earnings, to BoR; disposition of earnings associated with the donor's reallocated contribution should be negotiated between the campus and donor.

4. REPLACES REVISION #3 APPROVED 6/16: ALLOCATION OF FUNDS FOR EXPENDITURE

BoR recognizes that, consistent with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), endowments should preserve purchasing power and be protected against market downturns. It is not, however, consistent with the programmatic intent of BoRSF endowment programs or the Constitutional provisions establishing the Support Fund for excessive earnings to be retained as market value in these accounts. Accordingly, campuses shall maximize allocation of funds for expenditure and limit, within the bounds of prudence, retention and long-term investment of earnings within the account in excess of the amount necessary to buffer against inflation. The entity selected by the campus to manage its endowment funds shall submit the annual distribution rate and disbursement/spending policy as adopted by its governing board or similar authority, and shall subsequently provide in annual fiscal reporting the actual dollar amount and percentage of market value allocated for expenditure to the faculty holder, as well as the amount expended. BoR reserves the right to request additional information and justification of disbursement rates when these fall below 4%.

5. ADDITIONAL REQUIREMENT: FACULTY EXPENDITURE OF AVAILABLE FUNDS

The purpose of BoRSF-matched faculty endowments is to provide a steady, permanent source of supplementary funding to support the faculty holder's professional academic and/or scholarly work. Accordingly, campuses must ensure that faculty holders expend available funds regularly and retain minimal amounts in expendable accounts; a spendable balance not to exceed 25% of the total market value of the endowment account may be retained for expenditure in a future year except in special circumstances (e.g., accrual of sufficient funds for a major equipment purchase or, as in recent years, excessive accrual of expendable earnings) as approved by BoR. This shall include all dollars allocated for expenditure, including any funds unspent at the end of a previous fiscal year. When the endowment is vacant, spending is not permitted beyond appropriate fees charged by the managing entity, though expendable amounts shall continue to be calculated and retained for expenditure by the holder, when appointed.

6. REPLACES REVISION #4 APPROVED 6/16: SHARING OF DONOR/BoRSF RESTRICTIONS

To certify that all contributing parties to each faculty endowment understand the conditions under which it is to be established and maintained, beginning with the FY 2016-17 competition the campus shall furnish as part of the initial proposal a detailed summary of all terms, inclusive of but not limited to conditions and restrictions related to disposition of endowment earnings, selection and retention of faculty holder(s), and intent of the endowment, set forth in any agreement(s) with non-State donor(s) specific to the endowment submitted for State match. Upon BoR staff's request, any portion of donor agreement(s) directly related to purpose of and restrictions pertinent to endowments matched with State funds must be furnished to an auditor for review at the campus; BoR staff shall not make copies or remove from the campus documents immediately pertaining to donor agreements without campus permission. Such information reviewed by BoR staff shall be deemed confidential pursuant to La. R.S. 44:4.1 and La. R.S. 17:3390, and not subject to disclosure under La. R.S. 44:1 et seq. Under no circumstances will the campus or its representatives be required to furnish to BoR staff agreements or other documents not related to the endowment for which State match is sought. BoR reserves the right to refuse BoRSF matching funds for any donor funds subject to terms which contravene or conflict with BoR policies until such are resolved, or terms to which BoR staff is not given access to ascertain the donor's intent.

In addition, a donor statement of understanding, indicating that the donor has received a copy of program and investment policies relevant to the appropriate BoRSF subprogram and understands the conditions under which the State provides and maintains endowment matching funds, shall be submitted as part of the proposal. A template for the donor statement shall be provided by BoR staff.

7. ADDITIONAL REQUIREMENT: REPORTING TO FACULTY HOLDER & ADMINISTRATION

On at least an annual basis, the campus or its designated manager of faculty endowment accounts (e.g., the associated foundation) shall provide in writing the following information to the faculty endowment holder, the appropriate administrative head (department chair, center director, dean, etc.), and the campus's chief academic officer:

- Corpus value of the endowment(s) held
- Market value of the endowment(s) held, including any amount held in a principal account
- Total amount available for expenditure in the current year, and maximum spendable balance that may be carried forward in accordance with Board policy

The holder shall also be notified by the appropriate campus office of the permissible uses of expendable funds, the amount(s) and purpose(s) of funds allocated at the campus's discretion (e.g., salary supplements); the amount available for expenditure at the faculty holder's discretion, and policies relating to the cap on retention of expendable funds without BoR approval. Such notifications shall be timely, to permit the faculty holder sufficient time to plan for meaningful expenditure of funds during the year.

8. ADDITIONAL REQUIREMENT: PLANS TO ADDRESS NECESSARY REVISIONS

Higher education is constantly evolving in focus and priorities. To ensure endowments, which are intended to exist in perpetuity, can be responsive to changes in academic, scholarly, educational, and other areas related to the endowment's purpose, the donor agreement with the campus shall specify how endowment-related decisions will be made over the long term in the event that revisions are needed. If a faculty endowment becomes no longer useful to the campus (e.g., the related academic program is terminated) and the endowment cannot be adjusted to accommodate a current focus, the BoR reserves the right to redirect or withdraw the BoRSF matching funds.

9. ADDITIONAL CLARIFICATION: QUALIFICATION FOR BoRSF MATCH

Campuses and foundations should ensure donors are aware that the full non-State contribution must be on deposit to be eligible for BoRSF matching. Should a donor wish to contribute and the campus choose to accept funds incrementally over time toward a BoRSF-eligible endowment, such contributions shall not be recognized or matched until the full required amount has been deposited. If Board programs or policies change during the period in which the donor is building a contribution for match, that contribution shall be considered for match under the program(s) and policies in place at the time the non-State contribution is completed and the campus's request for BoRSF match is submitted to the Board.

AGENDA ITEM IV

Board of Regents Support Fund Restructuring

Background Information

The Board of Regents Support Fund (BoRSF), a statutorily dedicated fund operating with annual income generated by the Louisiana Education Quality Trust Fund (LEQTF), was established through constitutional amendment in 1987. Funds available for higher education from the BoRSF are to be utilized "...as that money is appropriated by the Legislature and allocated by the Board for any or all of the following higher educational purposes to enhance economic development:

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

The basic structure of the BoRSF, consisting of six subprograms rooted in the four purposes specified in the constitution, has remained largely unchanged since 1987, with setasides and subprograms added over time to expand the Fund’s reach and impact. Almost \$900 million has been awarded in grants and endowment matching to eligible public and independent campuses across the State. This investment has helped to increase higher education’s research base and competitiveness, leveraged more than \$400 million in federal funds, supported thousands of undergraduate and graduate students, provided major infrastructure assets, and contributed to the launch of two of the most consequential statewide higher education resources: the Louisiana Optical Network Initiative (LONI) and the Louisiana Library Network (LOUIS).

The Commissioner of Higher Education has recommended that the Support Fund, which has existed in largely its current form since 1987, be reassessed and structured to ensure its investments and programs are aligned with State, system, and campus priorities for higher education. The Support Fund has never been restructured in its almost 30-year history, despite dramatic changes in Louisiana’s higher education landscape and in the Fund itself. Annual income to the Fund, generated by the Treasury through investment of the Louisiana Education Quality Trust Fund and oil and gas royalties, has decreased more than 40% in the last decade, from \$36M to \$21M, with little likelihood for near-term recovery. In addition, in difficult budget times for the State as a whole, stakeholders statewide have begun to investigate the impact of these dedicated funds on higher education and continuing value of the dedication. In this context, more strategic use of remaining monies is critical to ensure the Support Fund can continue to make clear and demonstrable contributions across higher education in current and prospective areas of excellence and priority consistent with the goals set forth in the Constitutional amendment.

Staff Summary

Staff has undertaken a highly interactive process to develop recommendations, engaging the two committees – BoRSF Planning and BoRSF Advisory, comprised of campus and system personnel, as well as State agency representatives – charged with making recommendations to the BoR relative to the Support Fund. After each committee completed its recommendations, drafts were sent to a broad group of system and campus stakeholders – system and campus heads, chief academic officers, chief research/economic development officers, sponsored programs officers, and foundation representatives – to solicit comments and questions; representatives were also invited to attend committee meetings to listen to and participate in discussions.

Final recommendations, included in Attachment A, represent the views of both committees, as revised and expanded by recommendations of campuses and systems. The plan explicitly aligns with the “Educate and Innovate” focus of the BoR Master Plan, and attempts to address in that framework the twin goals of enhancing higher education and contributing to Louisiana’s economic development. Highlights of the restructuring recommendations include:

- Phase-out plan for existing grants and contracts, and funding consideration for endowment matching requests already in process;
- Alignment of BoRSF investments with campus roles, scopes, missions, and strategic priorities;
- Flexibility for Regents and campuses to define priorities on an ongoing basis and to adjust to changing priorities;
- Retention of both competitive grant and endowment matching opportunities;
- Opportunities for department- and unit-based holistic assessment of goals, opportunities, and related needs, rather than single-investigator grants across a large number of highly specialized programs;
- Increased support for research commercialization and industrial partnership activities; and
- Continued funding for student professional development, scholarships, and fellowships within priority departments and units.

Staff will monitor implementation of all BoRSF initiatives and continually track impacts of funding on students, faculty, and campuses. Regular updates will be provided to the Board and further revisions recommended as appropriate.

Senior Staff Recommendation

Senior Staff recommends approval of the Board of Regents Support Fund (BoRSF) restructuring plan as presented. Staff shall use the structure as approved to develop the BoRSF Plan and Budget for FY 2017-18, to be considered by the Board at its December 2016 or January 2017 meeting and forwarded to the Legislature and the Governor no fewer than 90 days before the start of the 2017 Regular Legislative Session, as required in Article VII §10.1.(C) of the Louisiana Constitution.

ATTACHMENT A

Senior Staff Recommendations: Board of Regents Support Fund Restructuring

Support Fund as a Whole

- Ensure Louisiana’s unique Support Fund – the only such state-supported program in the country – deploys its extremely limited and dwindling resources strategically to accomplish constitutionally mandated goals of building excellence in higher education and contributing to Louisiana’s economic development.
- Applications for funding and funded projects must explicitly reflect the submitting campus’s role, scope, mission, and strategic priorities as defined in campus-based strategic and/or master planning.
- All awards except Endowed Professorships determined on a competitive basis with external review
- Align with BoR Centers of Excellence criteria: to be eligible, a program/unit/activity must demonstrate existing or potential:
 - strong performance record and alignment with the strategic goals of the campus
 - focus in one or more areas of research, education, and/or training relevant to the State
 - appropriate range of academic, training and/or research opportunities in the area(s) of focus
 - engagement with the economic, social, and/or cultural life of the community/region
- New structure to be phased in beginning in FY 2017-18 and assessment of its continued viability and need for additional refocusing considered based on program impact, Regents’ priorities, and potential for persistent, long-term declines in Support Fund income received
- All existing obligations – multi-year contracts, federal matching, etc. – will be honored as the new structure is implemented
- Phase-out plan to be provided to match endowment requests received/underway when previous subprograms terminate and/or policies/match requirements change (\$7.2M in unfunded requests as of April 2016)

Proposed Structure

I. Enhancement for Academic, Research, and Agricultural Departments and Units¹

A. Enhancement for Excellence

- Focus on infrastructure (broadly defined) in priority areas: equipment, supplies, curriculum redesign, development of new areas of focus, etc.
- Emphasis on need for supplemental funding and benefits of BoRSF investment to students, faculty, and the community or region (economic and/or social)
- Model on current Traditional Enhancement and previous P-KSFI subprograms and operate as three components: primarily research, primarily education, and primarily workforce development – offering both small short-term grants (e.g., for an equipment purchase or specific activity) and larger and longer-term awards (3-5 years), all on a departmental/unit/center basis.
- Build into Enhancement activities undergraduate and graduate student support – research experiences for undergrads, graduate research or professional development support, supplements to recruit/retain high-performing, URM, and/or high-need students, etc. Overlap of activities in a single project – research, education, workforce – permitted and encouraged as part of a holistic approach to enhancing an academic unit.

¹ “Departments and Units” is not intended to restrict eligibility to discipline-based departments. Instead, the phrase broadly refers to all formally constituted academic, research or agricultural organizational units on the campus, including centers, multidisciplinary research groups, etc. Informal or ad hoc partnerships or collaborative groups are not included, though multiple formally constituted units could collaborate on a single proposal.

- Encourage multi-campus, multi-level (i.e., research university-regional university-community college) partnerships for high-priority areas (e.g., LONI Institute project through P-KSFI) to support major activities including cluster hires, shared or core facility equipment purchases/access, cross-campus student opportunities, etc.
- Require projects to include appropriate sustainability plans to maintain activities after BoRSF funding ends; note that BoRSF monies are not intended by the Constitution or Regents policy to sustain activities permanently or over the long term.

B. Federal Matching

- Retain matching for EPSCoR projects under BoR management.
- Matching for major non-BoR campus-based consortial proposals to federal competitions: limited annual funding, to be combined with cash commitments from participating campuses. Expenditures only for LA higher education activities and campuses per constitutional restrictions. Given need to respond to federal solicitation deadlines, funds awarded on a first-come, first-served basis, pending submission and external review of a proposal to verify quality and impact.

C. Endowed Two-Year Workforce Scholarships

- Continue scholarship matching in high-demand workforce areas and monitor demand and impact.
- Based on program impact on two-year campuses, consider broadening opportunity to non-two-year campuses while retaining workforce focus.
- Eliminate First-Generation Scholarships – insufficient for meaningful impact on access and not aligned with the Support Fund’s constitutionally defined mission. Retain opportunities for departments/units to request funds for support of first-generation students within Enhancement projects.

II. Targeted R&D

- Restrict Industrial Ties Research Subprogram (ITRS) to MPRAC/BoR research focus areas adopted in 2015: Advanced Manufacturing and Materials; Life Sciences and Bioengineering; Digital Media and Enterprise Software; Coastal and Water Management; and Clean Technology and Energy. MPRAC will revisit focus areas on a regular basis, and ITRS eligibility will reflect any revisions to selected areas adopted by MPRAC and the BoR.
- Retain RCS as funding for basic research in foundational STEM areas leading to competitiveness for federal funding.
- Increase funding for ITRS to support economic development activities:
 - Two activities: industrial partnerships and proof-of-concept/prototyping
 - Up to three years of funding
 - Tiered industrial matching – cash match at a minimum level required for large companies (500+ employees); smaller, in-kind matches allowed for in-State and smaller companies; incentives for participation of start-ups, particularly those initiated by faculty, and partnerships with SBIR/STTR applicants with significant chances of receiving federal funds, and potentially tie BoRSF funding caps to match amounts (1:1 BoRSF request with non-state industrial partner, higher increments of BoRSF request with in-state and start-up companies)
- Retain ATLAS as a small research/creative opportunity for arts, humanities, and social sciences faculty – including faculty partnerships with regional arts organizations (galleries, performing arts organizations, etc.), with emphasis on near-term completion and impact.
- Require all RCS and ITRS projects and strongly encourage ATLAS projects to include student (undergrad and/or graduate) and/or post-doctoral fellow participation in research activities; where appropriate, strongly encourage partnerships with other institutions/institutional types.

III. Faculty Endowment

- 60% private-40% BoRSF match and tier minimum Endowed Chair levels by campus type: research, regional, CC/TCC while providing opportunities for campuses to seek higher endowment levels when appropriate to the subject area/function of the endowment.
- Four types of Endowed Chair based on campus definition of the chair's expected role: primarily scholarly, primarily teaching, primarily workforce, and combination (equal split scholarship, teaching, and/or workforce). All chairs are expected to include a mix of these functions – the different types are to provide guidance to campuses in framing expectations, purposes, and objectives for the chair and chairholder.
- Chair matching in areas explicitly linked with campus role/scope/mission and strategic priorities.
- Require all campuses to justify endowment investment by planned use (i.e., demonstrate how the endowment proceeds plus pledged campus contribution of salary and other resources is sufficient to attract and retain a superior scholar in the focus area). Endowment levels should be treated as minimum – any campus may propose higher endowment levels with justification.
- Higher corpus levels strongly encouraged for STEM and Business disciplines, which typically require greater investments in faculty and facilities.
- Given permanence of endowments, scoring to include assessment of value of long-term investment in subject area and plans for adjustment as subject area/chair focus evolves.
- Revise Endowed Professorships:
 - Retain non-competitive award, but align eligibility with campus role, scope, mission, and strategic priorities.
 - Reduce BoRSF match to 20% (i.e., \$80,000 minimum non-State contribution matched with \$20,000 BoRSF) for all campuses with more than 15 matching slots awarded; campuses with fewer than 15 slots (currently 15 campuses) retain 60%/40% matching until they receive 15 matches.
 - Guarantee two slots per eligible campus per year, with any funds remaining after guarantees are met to be distributed through a system to be determined.
 - If a department/administrative unit/campus has a number of faculty endowments (both BoRSF-matched and not) equal to or greater than the number of FTE faculty members, it becomes ineligible for additional matches.
 - Require for each new submission for match a brief statement that defines the need for the professorship, its intended purpose, selection criteria for the holder, etc.

IV. Graduate Student Recruitment

- Retain endowed graduate scholarships and monitor demand and outcomes (student performance & post-graduation placement, contributions to major initiatives/priorities, etc.) to ensure such permanent investments provide strong benefits to the State.
- As part of the Departmental Enhancement initiative, retain SREB membership opportunities and introduce stipend supplements for campuses to promote and sustain strong and diverse graduate populations, and contribute to the research capacity of campuses and departments.
- Eliminate stand-alone fellowship programs, which keep many strong students on the sidelines of research and teaching opportunities; instead incorporate significant graduate student support and participation in Enhancement and R&D projects (research assistantships, professional development opportunities, pedagogical support, fellowships and fellowship supplements in support of project goals, etc.).

AGENDA ITEM V

Use of Endowed Chair Expendable Earnings for National Search: University of Louisiana at Monroe

Background Information

The BoRSF Endowed Chairs program provides resources to help campuses recruit and retain superior scholars and teachers at Louisiana colleges and universities. These substantial and valuable endowments, established with a minimum corpus of \$1 million (\$600,000 private contribution matched with \$400,000 BoRSF), generate earnings to support professional activities and enhance the chairholder's academic and/or research productivity through salary supplements, student support, equipment, supplies, and other expenditures. The intent of the program is to bring highly impactful, nationally and internationally recognized faculty to Louisiana institutions and support their continued high level of academic and research productivity.

Staff Summary

The University of Louisiana at Monroe requests to use a portion of expendable income available to two Endowed Chairs – Kitty DeGree Eminent Scholars Chair in Nursing and Tom & Mayme Scott Endowed Chair in Clinical Pharmacy Practice – to pay the cost of a firm to conduct national searches for viable candidates as well as advertising and travel for candidate interviews. A total of \$47,000 is requested: \$25,000 from the DeGree Chair and \$22,000 from the Scott Chair.

Senior Staff is not supportive of UL Monroe's request. National searches are a condition of receiving Endowed Chairs matching from the Support Fund and a standard part of the campus's administrative responsibilities related to hiring appropriate faculty. In addition, diversion of endowment earnings to the national search reduces the amount available to the incoming faculty member for start-up costs, student recruitment, research and conference travel, and other activities crucial to establishing an academic/research program at the campus and maintaining professional visibility and productivity. The Board's national search policy does not require engagement of a search firm, and a search can be undertaken at a more minimal cost to the campus, with the endowment earnings used to make the employment offer more attractive to qualified candidates. If a search firm is determined to be necessary, the campus may use a portion of the vacant salary line associated with the Chair to offset the cost.

Senior Staff Recommendation

Senior Staff recommends denial of the University of Louisiana at Monroe's request to use expendable earnings from two BoRSF-matched Endowed Chairs for costs associated with the national searches for faculty to occupy the tenured positions associated with the Chairs.

AGENDA ITEM VI

Endowed Professorship Transfer and Conversion: South Louisiana Community College to Louisiana Delta Community College

Background Information

The BoRSF Endowed Professorships program generates resources to help campuses retain excellent faculty at Louisiana colleges and universities; Endowed Two-Year Scholarships provide scholarship and training support for students in high-priority areas contributing to Louisiana's workforce. Endowments are matched in perpetuity and their use is defined by the donor, within Board of Regents' policies.

Staff Summary

South Louisiana Community College (SLCC) received BoRSF matching of \$40,000 to complete the Ina May Gaskin Endowed Professorship for Midwifery Studies in FY 2008-09. The associated academic program does not currently exist at SLCC. Accordingly, the donor has requested to transfer all account funds, inclusive of the original non-State contribution, BoRSF match, and associated interest, to Louisiana Delta Community College, to establish an Endowed Two-Year Workforce Scholarship to be named the Edwards Barham Endowed Scholarship. Earnings from this endowment will provide scholarship support and workforce training opportunities for qualified students. The LCTCS Board of Supervisors has approved this request and submitted it for Board of Regents action.

Senior Staff Recommendation

Senior Staff recommends approval of transfer of all funds associated with the Ina May Gaskin Endowed Professorship for Midwifery Studies at South Louisiana Community College to Louisiana Delta Community College for the establishment of an Endowed Two-Year Workforce Scholarship to be named the Edwards Barham Endowed Scholarship.

AGENDA ITEM VII.A

Consent Agenda: Refocusing of Endowed Chairs

Background Information

BoRSF Endowed Chairs for Eminent Scholars are typically established in particular disciplines or specialties of interest to the donor, and approved for match based on the campus's argument for the viability and significance of the focus area. As academic disciplines evolve, often the foci of Chairs must evolve as well, to continue each Chair's alignment with areas of importance to the campus and the State.

1. LSU Health Sciences Center – New Orleans

Staff Summary

The David G. Kline, MD Endowed Chair in Peripheral Nerve Repair and Regeneration was matched by the Board of Regents Support Fund in FY 2008-09 to recruit and retain a faculty member in this unique and specialized area. Extensive efforts to fill the specialized Chair were unsuccessful, and the campus, with approval of the original donor, requests to broaden the scope of the Chair to Neurosurgery.

Senior Staff Recommendation

The Senior Staff recommends approval of LSU Health Sciences Center – New Orleans' request to broaden the scope of the David G. Kline, MD Endowed Chair in Peripheral Nerve Repair and Regeneration, renaming it the David G. Kline, MD Endowed Chair in Neurosurgery.

2. Centenary College of Louisiana

Staff Summary

Centenary College of Louisiana holds several chairs matched for more than 15 years, which no longer are aligned with campus and/or departmental objectives and priorities. With donor permission or approval of heirs or assigns as appropriate, the campus proposes the following modifications to existing Endowed Chairs:

- Broaden Allen Harvey Broyles Eminent Scholars Chair in Computational Sciences and Education (matched FY 1994-95) to Allen Harvey Broyles Eminent Scholars Chair in Science Education;
- Broaden Mary Amelia Douglas-Whited Chair in Neurobiology (matched FY 1996-97) to Mary Amelia Douglas-Whited Chair in Biological Sciences; and
- Revise Albert Sklar Eminent Scholars Chair in Chemistry (matched FY 2000-01) to eliminate directives for the specific utilization of NMR spectroscopy and collaboration with LSUHSC-S.

Senior Staff Recommendation

The Senior Staff recommends approval of Centenary College's request to modify existing Endowed Chairs as follows:

- **Broaden Allen Harvey Broyles Eminent Scholars Chair in Computational Sciences and Education (matched FY 1994-95) to Allen Harvey Broyles Eminent Scholars Chair in Science Education;**
- **Broaden Mary Amelia Douglas-Whited Chair in Neurobiology (matched FY 1996-97) to Mary Amelia Douglas-Whited Chair in Biological Sciences; and**
- **Revise Albert Sklar Eminent Scholars Chair in Chemistry (matched FY 2000-01) to eliminate directives for the specific utilization of NMR spectroscopy and collaboration with LSUHSC-S.**

3. Tulane University Health Sciences Center

Staff Summary

The Elias S. Hanna, M.D. Cardiovascular Foundation Chair in Cardiovascular Surgery was matched by the Board of Regents Support Fund in FY 2004-05 to recruit and retain a faculty member in this specialized area. Due to changes in the treatment of cardiovascular disease, TUHSC no longer has a primary focus on training in cardiovascular surgery. With approval of the donor, TUHSC requests to broaden the scope of the Chair to include all surgery and rename it accordingly.

Senior Staff Recommendation

The Senior Staff recommends approval of Tulane University Health Sciences Center's request to broaden the scope of the Elias S. Hanna, M.D. Cardiovascular Foundation Chair in Cardiovascular Surgery, renaming it the Elias S. Hanna, M.D. Cardiovascular Foundation Chair in Surgery.

AGENDA ITEM VII.B

Consent Agenda: Appointments of Chairholders without National Search

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.

1. LSU Health Sciences Center – New Orleans

Staff Summary

Following the change in focus of the Kline Chair, LSU Health Sciences Center – New Orleans further requests waiver of the Endowed Chairs national search requirement, to appoint Dr. Frank Culicchia to the David G. Kline, MD Endowed Chair in Neurosurgery. Documentation outlining Dr. Culicchia's qualifications was provided to an external reviewer, who concluded that Dr. Culicchia is a distinguished and highly qualified appointee to the Kline Chair and recommended approval; Dr. Joseph C. Rallo, Commissioner of Higher Education, concurred.

Senior Staff Recommendation

The Senior Staff recommends approval of LSU Health Sciences Center – New Orleans' request to appoint Dr. Frank Culicchia to the David G. Kline, MD Endowed Chair in Neurosurgery without a national search. As stipulated in Board policy, a Letter of Appointment to Dr. Culicchia must be submitted to the Board within 90 days of this approval.

2. LSU Health Sciences Center – Shreveport

Staff Summary

The Jack W. Pou, MD Endowed Chair in Otolaryngology and Head & Neck Surgery was matched by the Board of Regents Support Fund in FY 2003-04. When the previous recipient of the Chair retired, a national search was not conducted because no salary line was available in the department due to financial constraints.

In accordance with current policy, LSU Health Sciences Center - Shreveport has requested waiver of the Endowed Chairs national search requirement to appoint Dr. Cherie Ann Nathan, current head of the Department of Otolaryngology-Head and Neck Surgery, to the Pou Chair. Documentation outlining Dr. Nathan's qualifications was provided to an external reviewer, who concluded that this appointment is appropriate and recommended approval; the Commissioner of Higher Education concurred.

Senior Staff Recommendation

The Senior Staff recommends approval of LSU Health Sciences Center – Shreveport's request to appoint Dr. Cherie Ann Nathan to the Jack W. Pou, MD Endowed Chair in Otolaryngology and Head & Neck Surgery. As stipulated in Board policy, a Letter of Appointment to Dr. Nathan must be submitted to the Board within 90 days of this approval.

3. Louisiana Tech University

Staff Summary

In accordance with the above policy, Louisiana Tech University has requested waiver of the Endowed Chairs national search requirement, to appoint Dr. Sumeet Dua to the Max P. and Robbie L. Watson Eminent Scholar Chair in Biomedical Engineering. Documentation outlining Dr. Dua's qualifications was provided to an external reviewer, who concluded that this appointment is appropriate and recommended approval; the Commissioner of Higher Education concurred.

Senior Staff Recommendation

The Senior Staff recommends approval of Louisiana Tech University's request to appoint Dr. Sumeet Dua to the Max P. and Robbie L. Watson Eminent Scholar Chair in Biomedical Engineering. As stipulated in Board policy, a Letter of Appointment to Dr. Dua must be submitted to the Board within 90 days of this approval.

4. Centenary College of Louisiana

Staff Summary

Due to retirements, attrition, and lack of success in national searches, Centenary College of Louisiana has experienced a number of vacant Endowed Chairs over the past several years. Success in hiring exceptional junior faculty has also led to a highly productive group of newly promoted faculty who are strong candidates for Endowed Chairs. Accordingly, Centenary requested waiver of the Endowed Chairs national search requirement to fill the following four BoRSF-matched Chairs through internal appointments:

- Allen Harvey Broyles Eminent Scholars Chair in Science Education (matched FY 1994-95): Dr. Scott Vetter, Professor of Geology
- Albert Sklar Eminent Scholars Chair in Chemistry (matched FY 2000-01): Dr. Joshua Lawrence, Associate Professor of Chemistry

- Mary Amelia Douglas-Whited Chair in Biological Sciences (matched FY 1996-97): Dr. Rebecca Murphy, Assistant Professor of Biology
- Bill and Sarah James Eminent Scholars Chair in Psychology (matched FY 2000-01): Dr. Jessica Alexander, Assistant Professor of Psychology

Documentation outlining the qualifications of each proposed chairholder was provided an external reviewer and assessed internally by staff. Appointments to the Sklar and Broyles Chairs were deemed fully acceptable and recommended for approval.

It was determined that it is not appropriate to award Endowed Chairs, intended for scholars with established eminence, at the assistant professor level. Further communications with Centenary affirmed that both assistant professors recommended for appointment are highly productive faculty and superior teachers in the final stages of tenure review. The external reviewer recommended that each appointment be approved contingent on the proposed chairholder's receipt of tenure and promotion to associate professor rank, and that each appointment be delayed until the tenure process and promotion for the proposed recipient is complete. The Commissioner and staff concur with this recommendation.

Senior Staff Recommendation

The Senior Staff recommends approval of Centenary College of Louisiana's request to appoint internal candidates to four (4) BoRSF-matched Endowed Chairs, as follows:

- **Allen Harvey Broyles Eminent Scholars Chair in Science Education: Dr. Scott Vetter, Professor of Geology**
- **Albert Sklar Eminent Scholars Chair in Chemistry: Dr. Joshua Lawrence, Associate Professor of Chemistry**
- **Mary Amelia Douglas-Whited Chair in Biological Sciences: Dr. Rebecca Murphy, Assistant Professor of Biology**
- **Bill and Sarah James Eminent Scholars Chair in Psychology: Dr. Jessica Alexander, Assistant Professor of Psychology**

Appointments of Dr. Vetter and Dr. Lawrence may be immediately made; Dr. Murphy and Dr. Alexander's appointments are contingent upon receipt of tenure and promotion to associate professor rank. Each appointment shall be delayed until the promotion and tenure process for the proposed recipient is complete.

As stipulated in Board policy, Letters of Appointment to Dr. Vetter and Dr. Lawrence must be submitted to the Board within 90 days of this approval; for Dr. Murphy and Dr. Alexander, Letters of Appointment must be submitted within 90 days of official appointment following receipt of tenure and promotion to associate professor rank.