

## AGENDA ITEM VIII.D.1

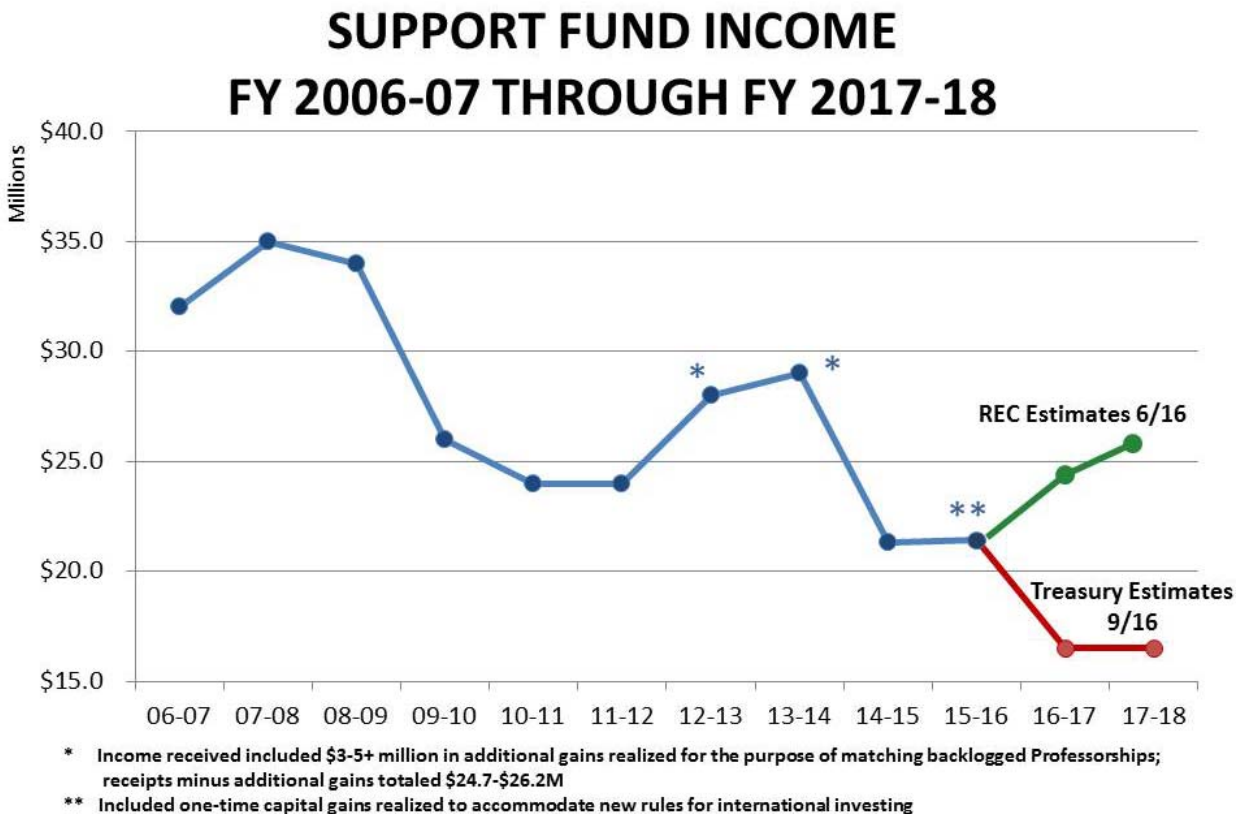
### BoRSF Plan and Budget, FY 2017-18

#### Background Information

The Board of Regents Support Fund (BoRSF), constitutionally designated and managed by the Board of Regents, 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

Annual income from the Support Fund declined significantly during FY 2006-07 through FY 2015-16, from a peak of \$35 million to approximately \$21 million. Projections of the Treasurer and Revenue Estimating Conference diverge significantly for current and future years.



The Revenue Estimating Conference (REC) in June 2016 assumed an increase of nearly 20% in earnings over recent years; the Treasury has estimated a decrease in income of 21% for FY 2016-17 and FY 2017-18. New REC forecasts will be provided in mid-January, and are expected to be substantially lower than the June 2016 figures. Further, it is notable that the Treasury estimate has been more accurate as revenue declines have persisted.

Based on current estimates and Support Fund history, the BoRSF Planning Committee concluded that \$22 million would be a reasonable budget level for the BoRSF in FY 2017-18. This level will enable continued funding for existing contracts and matching obligations, a setaside for 33 endowment matching requests backlogged since 2012, and limited implementation of the new BoRSF program structure, including competitive grants programs and endowment matching, approved by the Regents in November 2016. Program allocations are detailed in Attachment A.

**Senior Staff Recommendation**

**Senior Staff recommends approval of the FY 2017-18 Board of Regents Support Fund budget as presented.**

**ATTACHMENT A**  
**FY 2017-18 Board of Regents Support Fund Budget: Senior Staff Recommendation**  
**Assumes \$22M Base\***

Support Fund Program/Subprogram	FY 2016-17 Prior Commitments (Existing & Approved Obligations)	FY 2016-17 Funding Levels for New Monies	FY 2017-18 Prior Commitments (Existing & Approved Obligations)	FY 2017-18 Funding Levels for New Monies: BoRSF Restructure
<b>Federal Matching</b>				
State Level	\$1,425,000	\$250,000	\$1,675,000	\$750,000
Campus Level (Competitive)	N/A	N/A	N/A	(DELAY IMPLEMENT.) \$0
<b>Endowed Chairs</b>	\$0	\$2,020,000	\$0	\$1,620,000
<b>Graduate Fellows</b>				
Traditional (GF)	\$2,761,000	\$775,000**	\$2,655,500	N/A
BoR/SREB Fellowships	\$785,000	\$225,000**	\$815,000	N/A
Endowed Grad Schol	\$0	\$1,000,000	\$0	\$920,000
<b>Research &amp; Development</b>				
Research Competitiveness	\$2,370,000	\$1,350,000	\$2,327,009	\$1,350,000
Industrial Ties & Research Commercialization	\$960,000	\$750,000	\$1,055,458	\$800,000
Awds to Artists & Scholars	\$0	\$350,000	\$0	\$330,000
<b>Enhancement</b>				
Departmental ENH	(TR/UG ENH FY16) \$300,000	\$3,087,678	(TR ENH FY17) \$300,000	\$2,637,401
Endowed Professorships	\$0	\$2,000,000	\$0	(NEW + BACKLOG) \$3,000,000
Endowed WF Schol	\$0	\$800,000	\$0	\$650,000
Endowed 1 <sup>st</sup> -Gen Schol	\$0	\$1,000,000	\$0	(BACKLOG ONLY) \$380,000
<b>Administration (Formula)</b>	\$0	\$791,322	\$0	\$734,632
<b>TOTAL</b>	<b>\$8,601,000</b>	<b>\$13,399,000</b>	<b>\$8,827,967</b>	<b>\$13,172,033</b>
<b>BUDGET TOTAL</b>		<b>\$22,000,000</b>		<b>\$22,000,000</b>

\* \$22M base derived from current REC (\$25.95M) and Treasury (\$16.5M) estimates of earnings; revised and reduced revenue forecast expected from REC in November

\*\* First-year funding for GF and SREB is provided from future FYs and not included in FY 2016-17 total of new monies; programs have been terminated in FY 2017-18, so no new funding is needed.

## **AGENDA ITEM VIII.D.2.a**

### **Vacancy Rate Policy and Annual Calculations:**

#### **i. Endowed Chairs**

#### **ii. Endowed Professorships**

### **Background Information**

During September 2013, in response to data showing long-term vacancy rates for Chairs and Professorships above 30% statewide, the Board of Regents approved policy revisions to render ineligible for new matches any campus whose “percentage of vacancies of greater than two years’ duration in the Endowed Professorships subprogram [or Endowed Chairs program] exceeds 20%.” To determine eligibility, vacancy rates are calculated annually based on campus reporting.

The policy was applied first in FY 2014-15. During that fiscal year, ten (10) campuses were initially determined under the policy to be ineligible for Endowed Chairs. Following communications of presidents/chancellors to the Commissioner of Higher Education either updating vacancy data or explaining short- and long-term plans to resolve vacancies, the Regents included these campuses among those eligible during the FY 2014-15 competitive cycle.

In FY 2015-16, eleven (11) campuses were ineligible per the policy. Nine (9) of these campuses requested and were granted waivers to allow them to submit proposals for new awards in the 2017 competition.

For Endowed Professorships, eight (8) campuses were determined to be ineligible in FY 2014-15, and six (6) in FY 2015-16. No waivers of eligibility rules were requested by or granted to these campuses.

### **Staff Summary**

#### **i. Endowed Chairs**

For FY 2016-17, based on campus data submitted in October/November 2016 (see Attachment A), the staff initially deemed eight (8) campuses ineligible to submit proposals for new Endowed Chairs matches. Based on communications with campus personnel, three (3) of the affected campuses were determined to be eligible by exception, having reduced vacancies to or below the 20% threshold subsequent to the annual reporting period. The remaining five campuses – Dillard University, Grambling State University, Southern University Baton Rouge, the University of Louisiana at Lafayette, and the University of New Orleans – continue to have long-term vacancy rates in excess of 20%, so are ineligible by policy to submit proposals to establish new Chairs during the 2016-17 funding cycle.

#### **ii. Endowed Professorships**

For FY 2016-17, based on campus data submitted in October/November 2016 (see Attachment A), the staff determined the following three (3) campuses to be ineligible to submit requests for new Endowed Professorships: Dillard University, Louisiana Delta Community College, and Nunez Community College. Communications with campus personnel confirmed the vacancies reported are accurate and that the slots continue to be vacant; thus, these three campuses continue to be ineligible by policy to submit requests for new matches during the 2016-17 funding cycle.

### **Senior Staff Recommendation**

**Senior Staff recommends confirmation of the ineligibility under current policy of the campuses with vacancy rates in excess of 20% in Endowed Chairs and/or Endowed Professorships. Requests for waiver of the vacancy rate policy shall be considered on a case-by-case basis, following submission by each affected campus of a request for exemption, including an explanation of current rate(s), plans to address, and rationale(s) for providing additional public funds before the vacancy rate for existing matched slots is lowered. Campus updates to vacancies reported will continue to be accepted and long-term vacancy rates recalculated until proposal/application deadlines have passed.**

**ATTACHMENT A**

**Endowed Professorships and Endowed Chairs Vacancy Rates per Campus Reporting: FY 2015-16**

<b>System/Campus</b>	<b># EP Matched</b>	<b># (%) EP Vacant &gt; 2 Years*</b>	<b># EC Matched</b>	<b># (%) EC Vacant &gt; 2 Years*</b>
<b>UL System</b>	<b>811</b>	<b>61 (7%)</b>	<b>71</b>	<b>21</b>
GSU	29	6 (20%)	2	1 (50%)
LA Tech	143	3 (2%)	12	3 (25%)
McNeese	110	0	0	0
Nicholls	56	2 (3%)	2	0
NSU	56	9 (16%)	3	0
SELU	62	2 (3%)	1	0
ULL	236	28 (11%)	24	8 (33%)
ULM	62	3 (4%)	7	**1 (0%)
UNO	57	8 (14%)	19	7 (36%)
<b>LSU System</b>	<b>878</b>	<b>37 (4%)</b>	<b>140</b>	<b>34</b>
LSU Ag	39	2 (5%)	3	0
LSUA	23	0	3	0
LSU A&M	587	16 (2%)	70	19 (27%)
LSUE	7	1 (14%)	0	0
LSUHSCNO	120	8 (6%)	39	11 (28%)
LSUHSCS	48	8 (16%)	11	3 (27%)
LSUS	47	2 (4%)	4	0
Pennington	7	0	10	1 (10%)
<b>LAICU</b>	<b>557</b>	<b>19 (3%)</b>	<b>101</b>	<b>10</b>
Centenary	133	5 (3%)	12	0
Dillard	29	7 (24%)	4	1 (25%)
LA College	17	0	0	0
Loyola	84	0	10	0
OLOL	39	0	1	0
St. Joseph	15	0	0	0
Tulane	97	7 (7%)	34	4 (11%)
TUHSC	62	0	33	5 (15%)
UHC	36	0	1	0
Xavier	45	0	6	0
<b>SU System</b>	<b>67</b>	<b>2 (3%)</b>	<b>4</b>	<b>2 (50%)</b>
SUBR	42	0	2	2 (100%)
SU Law	13	0	0	0
SUNO	5	1 (20%)	2	0
SUS	7	1 (14%)	0	0
<b>LCTCS</b>	<b>41</b>	<b>7 (17%)</b>	<b>0</b>	<b>0</b>
BRCC	4	0		
BPCC	1	0		
CLTCC	0	0		
Delgado	16	0		
Fletcher	2	0		
LDCC	5	2 (40%)		
Northshore	0	0		
Nunez	10	4 (40%)		
RPCC	0	0		
SLCC	3	1 (33%)		
Sowela	0	0		
<b>Statewide Total</b>	<b>2,354</b>	<b>126 (5%)</b>	<b>316</b>	<b>67 (21%)</b>

\* Percentage calculated for each program as the number vacant more than 2 years (before 8/1/2014) divided by the total number matched through FY 2014-15, as specified in policy.

\*\* ULM vacancy removed from calculation per September 2016 Board action.

**Eligibility to Submit FY 2016-17 Endowed Professorships Match Requests Per Vacancy Policy  
Based on October 2016 Campus Endowment Reporting and Subsequent Campus Communications**

**Endowed Professorships**

**Admit by Exception:**

South Louisiana Community College transferred its long-term vacant Professorship in Midwifery to Louisiana Delta Community College, which converted it to a Workforce Scholarship (approved by BoR 11/16). SLCC therefore has no vacancies over two years and maintains eligibility.

**Campuses Ineligible Per Policy:**

- Dillard University (24% vacant)
- Louisiana Delta Community College (40% vacant)
- Nunez Community College (40% vacant)

**Endowed Chairs**

**Admit by Exception:**

The following campuses, ineligible per calculations based on data submitted, have reduced Endowed Chairs vacancies through internal appointments or conversion to other endowment types subsequent to reporting for FY 2015-16. The number of long-term vacancies eliminated and impacts on eligibility are noted below:

- LSU and A&M College: -5 (yields 20% vacancy rate) – Eligible
- LSUHSC-New Orleans: -3 (yields 20.5% vacancy) – Ineligible, but waiver requested (Agenda Item VIII.D.2.b)
- LSUHSC-Shreveport: -2 (yields 9% vacancy) – Eligible
- Louisiana Tech University: -2 (yields 8% vacancy) – Eligible

**Campuses Ineligible Per Policy:**

- Dillard University (25% vacant)
- Grambling State University (50% vacant)
- Southern University and A&M College (100% vacant)
- University of Louisiana at Lafayette (33% vacant)
- University of New Orleans (36% vacant)

## **AGENDA ITEM VIII.D.2.b**

### **Endowed Chairs and Professorships Vacancy Rate Policy: Campus Request for Waiver**

#### **Background Information**

Current BoRSF Endowed Chairs and Endowed Professorships policies render ineligible for new matches any campus whose “percentage of vacancies of greater than two years’ duration in the Endowed Professorships subprogram [or Endowed Chairs program] exceeds 20%.” Policy permits campuses to request a waiver of any policy provision based on “acute and exceptional circumstances.” Using this provision, all campuses determined to be ineligible for Endowed Chairs in FY 2014-15 and FY 2015-16 based on vacancy rate calculations asked for and were granted waivers to submit new proposals.

#### **Staff Summary**

For FY 2016-17, LSUHSC-New Orleans has requested a waiver of its ineligibility for Endowed Chairs to enable it to submit proposals for new matching. Since 2012-13, LSUHSC-New Orleans’ vacancy rate has decreased from 46% to 28%. Chairholders have been selected for three additional Chairs since the FY 2015-16 reporting period, with one fully approved and two pending final actions by the LSU Board of Supervisors and Board of Regents. Assuming approval, these actions will reduce the vacancy rate to 20.5%. The campus has submitted a detailed account of its efforts to date to fill all vacancies, and plans to continue this effort in the coming year.

#### **Senior Staff Recommendation**

**Senior Staff recommends approval of LSUHSC-New Orleans’ request for waiver of vacancy rate provisions of the Endowed Chairs policy, to make the campus eligible to submit proposals for new matches in FY 2016-17.**



## AGENDA ITEM VIII.D.3.a

### Consent Agenda Delinquent Reports: Sponsored Programs Contracts and Agreements

#### **Background Information**

The Board of Regents Sponsored Programs Division manages approximately 400 active contracts, funded from both State and federal sources, as well as more than 2,700 active endowments across public and independent campuses statewide. All contracts and endowments include at least annual reporting to the Board.

#### **Staff Summary**

The staff will provide a list of delinquent project and fiscal reports submitted in accordance with Sponsored Programs agreements to the Board at each meeting, to keep the Board apprised of any compliance issues in the management of policies, contracts, and agreements entered into on its behalf. Currently one report is outstanding, as follows:

<b>Contract #</b>	<b>Campus</b>	<b>Principal Investigator</b>	<b>Report Type</b>	<b>Date Due</b>
LEQSF(2015-18)-RD-A-32	UNO	Connie Lamm	Final Project	9/30/2016

Staff has contacted both the appropriate campus officials and the principal investigator multiple times to remind them of reporting deadlines and related requirements.

#### **Senior Staff Recommendation**

**This item is for information only. No action is required.**