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**AGENDA**

**SPONSORED PROGRAMS COMMITTEE**

Wednesday, December 4, 2013

2:00 p.m.

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

- I. Call to Order
- II. Roll Call
- III. Recommendations of the BoR Master Plan Research Advisory Committee (MPRAC) to the Louisiana Innovation Council (LIC): January 28, 2014  
**Dr. Les Guice, President, Louisiana Tech University; Chair, MPRAC**
- IV. FY 2014-15 BoRSF Plan and Budget
- V. Other Business
- VI. Adjournment

**Committee Members:** Roy Martin III, Chair; William Fenstermaker, Vice Chair; Raymond Brandt; Chris Gorman; Edward Markle; Albert Sam II

## AGENDA ITEM III

### Recommendations of the Board of Regents Master Plan Research Advisory Committee (MPRAC) to the Louisiana Innovation Council (LIC): January 28, 2014

#### Background Information

The Board of Regents' five-year master plan is organized around three major goals. Master Plan Goal 2: Foster Innovation through Research in Science and Technology in Louisiana focuses on the role of colleges and universities as leaders in helping to transition Louisiana into a 21<sup>st</sup>-century, science- and technology-driven economy. To help guide the fulfillment of this goal, in 2012 the Board of Regents formed the statewide Master Plan Research Advisory Committee (MPRAC), comprised of representatives from public and private campuses with major STEM research activities.

The first priority of MPRAC coincided with a singular initiative of the Louisiana Department of Economic Development (LED) and the Louisiana Innovation Council (LIC)<sup>1</sup>: conduct a statewide survey of research assets across industry and higher education and recommend emerging growth sectors for Louisiana. Recognizing commonality of effort, MPRAC and LED, which engaged the services of Battelle<sup>2</sup> during 2012-13, collaborated closely to help identify university/industry research assets in relation to priorities for investment in Louisiana. The commonality of effort produced convergence in point of view. In July 2013, Battelle, LED and MPRAC had identified and begun to more fully define five emerging growth sectors and related opportunities for Louisiana: **Advanced Manufacturing and Materials, Clean Technology and Energy, Coastal and Water Management, Digital Media and Enterprise Software, and Life Sciences and Bioengineering.**

MPRAC, in collaboration with LED, immediately established five Task Forces to develop plans of action for each of the five emerging growth sectors, as well as a sixth cross-sector Task Force for **Technology Transfer and Research Commercialization**. With Battelle's recommendations as catalyst, the six Task Forces, comprised of MPRAC members, their faculty nominees, and LED staff (see Appendix I), weighed implications for university-based research and developed action plans to further the State's implementation of Battelle's ideas.

At LED's request, MPRAC representatives reported these collaborative efforts to LIC on October 29, 2013. At LED and the Innovation Council's request, MPRAC is scheduled to present follow-up

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<sup>1</sup> The Louisiana Innovation Council was created in 2009 by Executive Order of the Governor, with a "mission...to shape an innovation-based vision for Louisiana and coordinate activities in the statewide innovation agenda." The LIC includes members from private industry, K-12 and higher education, government, and non-profit organizations.

<sup>2</sup> Battelle, a global research and development organization, was engaged to conduct a survey of research assets across Louisiana and identify emerging growth sectors with potential to help drive the State's innovation economy.

recommendations to LIC on January 28, 2014. The December 4<sup>th</sup> presentation to the Sponsored Programs Committee focuses on these MPRAC recommendations.

### **Leadership of Dr. Les Guice**

Dr. Les Guice, President of Louisiana Tech University, has exercised distinctive statewide leadership in the effort to make university research a driving force in Louisiana's economic development. During 2008-09, he authored the Fostering Innovation through Research in Science and Technology in Louisiana (FIRST Louisiana) statewide science and technology plan, which was enthusiastically endorsed by researchers across the State and unanimously approved by the Board of Regents in January 2010. FIRST Louisiana, notably, provided the conceptual framework for the research chapter in the Regents 2011 Master Plan.

At its initial meeting on August 10, 2012, MPRAC members unanimously selected Dr. Guice as Chair; in this capacity, he will brief the Sponsored Programs Committee on MPRAC's upcoming recommendations to the Innovation Council.

### **Senior Staff Recommendation**

**No action required.**

## AGENDA ITEM IV

### FY 2014-15 BoRSF Plan and Budget

#### Background Information

The Board of Regents Support Fund (BoRSF), a constitutionally designated fund 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 designated components of the Support Fund: Endowed Chairs, Graduate Fellows, Research and Development, and Enhancement.

#### Staff Summary

It is relevant to note that annual income from the Support Fund has declined significantly during FY 2006-07 through FY 2012-13, from \$35 million to approximately \$24 million. The \$5 million in additional gains realized in FY 2012-13 to address the Endowed Professorships backlog was a notable exception from this trend.\*

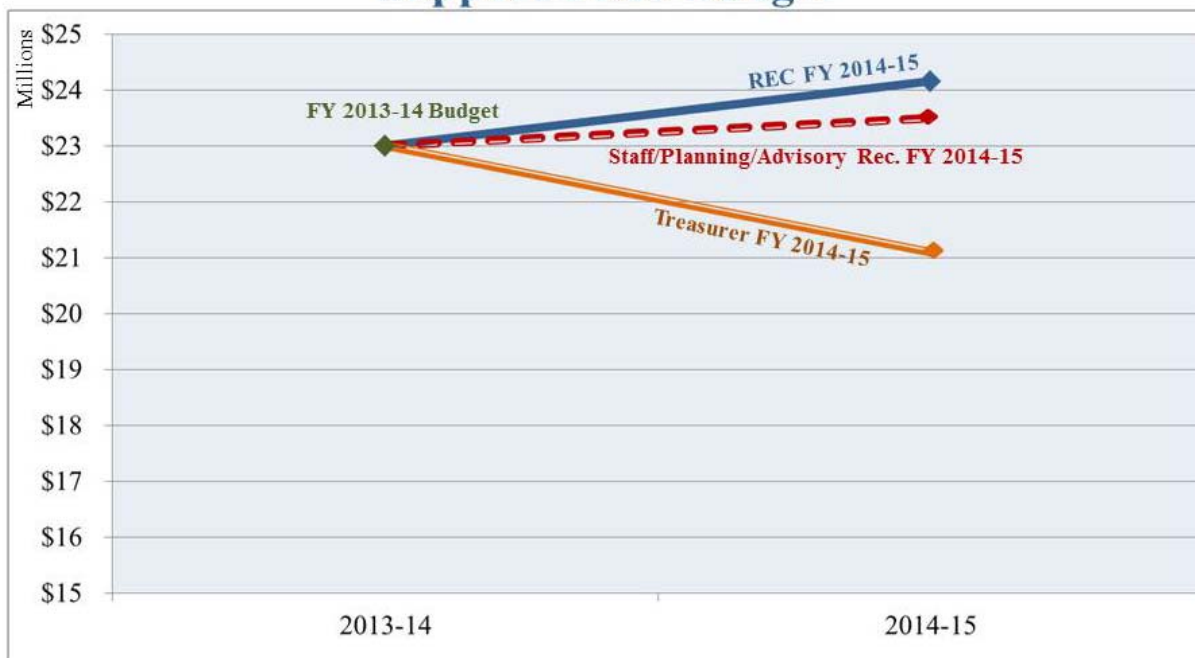
### BoRSF Income FY 2006-07 through FY 2012-13



\* Encouraged from the Treasury Department by Chair Roy Martin and Vice Chair William Fenstermaker.

Based on projections of the Treasury and the Revenue Estimating Conference (REC), budget levels of \$21-24 million can be expected for the next several years. While returns in the first quarter of FY 2013-14 showed growth and resulted in an increase in the Treasury's estimated income for the current fiscal year, the Treasury has indicated no change in its forecast for FY 2014-15.

## FY 2013-14 and Projected FY 2014-15 Support Fund Budget



- \$23 million approved Plan and Budget level for FY 2013-14
- \$24.15 million REC estimate for FY 2014-15 (April 2013)
- \$21.1 million Treasurer's estimate for FY 2014-15 (August 2013)
- \$23.5 million Planning/Advisory Committees' recommended FY 2014-15 projection reflects both REC and Treasurer's estimates

Based on current estimates and Support Fund history, the BoRSF Planning and Advisory Committees concluded that a \$23.5 million BoRSF budget for FY 2014-15, an overall \$.5 million increase from the FY 2013-14 Plan and Budget, would be a reasonable projection. This budget level, as well as the reduced amount needed for prior commitments and Federal matching obligations, enables the 25-37% reductions in new monies taken in FY 2013-14 to be restored. A one-page summary of the proposed FY 2014-15 budget, along with a comparison with the FY 2013-14 budget, is attached; staff will provide a more detailed account at the Board meeting.

### **Senior Staff Recommendation**

**With endorsements from the BoRSF Planning Committee and the BoRSF Advisory Committee, the Senior Staff recommends that the Board approve the FY 2014-15 Board of Regents Support Fund Plan and Budget to be discussed at the December 4 meeting.**

**BoRSF Planning & Advisory Committees  
October-November 2013**

**FY 2014-15 Recommended Board of Regents Support Fund Budget**

Support Fund Program/Subprogram	Prior Commitments In FY 2013-14	FY 2013-14 Adopted First-Year Funding Levels	Prior Commitments In FY 2014-15	Recommended FY 2014-15 First-Year Funding Levels
<b>Federal Matching</b>	\$3,875,000	\$250,000	\$1,375,000	\$250,000
<b>Endowed Chairs</b>	\$0	\$2,420,000	\$0	\$3,220,000
<b>Graduate Fellows</b>				
Traditional/Grad Fellowships for Teachers	\$3,042,500	\$575,000	\$2,789,000	\$900,000
BoR/SREB Fellowships	\$910,000	\$175,000 (FY 2015-16)	\$825,000	\$200,000 (FY 2016-17)
<b>Research &amp; Development</b>				
Research Competitiveness (RCS)	\$1,800,000	\$865,000	\$1,600,000	\$1,350,000
Industrial Ties Research (ITRS)	\$650,000	\$375,000	\$635,000	\$585,000
Awards to LA Artists & Scholars (ATLAS)	\$0	\$285,000	\$0	\$450,000
<b>Enhancement</b>				
Endowed Professorships	\$0	*\$1,600,000	\$0	*\$1,600,000
Traditional ENH	\$200,000	\$3,062,345	\$200,000	\$3,978,706
Undergraduate ENH	\$100,000	\$1,030,000	\$100,000	\$1,600,000
ENH for 2-Year Institutions	\$0	\$695,000	\$0	\$1,100,000
Undergraduate Scholarships	\$0	\$1,000,000	\$0	\$1,000,000
<b>Administration (derived by formula)</b>	\$0	\$840,155	\$0	\$ 842,294
<b>TOTAL</b>	<b>\$10,577,500</b>	<b>\$12,422,500</b>	<b>\$7,524,000</b>	<b>\$15,976,000</b>

\* If the \$1.6 million budget is insufficient to fund all guaranteed slots in Endowed Professorships, budgets for competitive Enhancement programs will be reduced to meet obligations in Professorships.