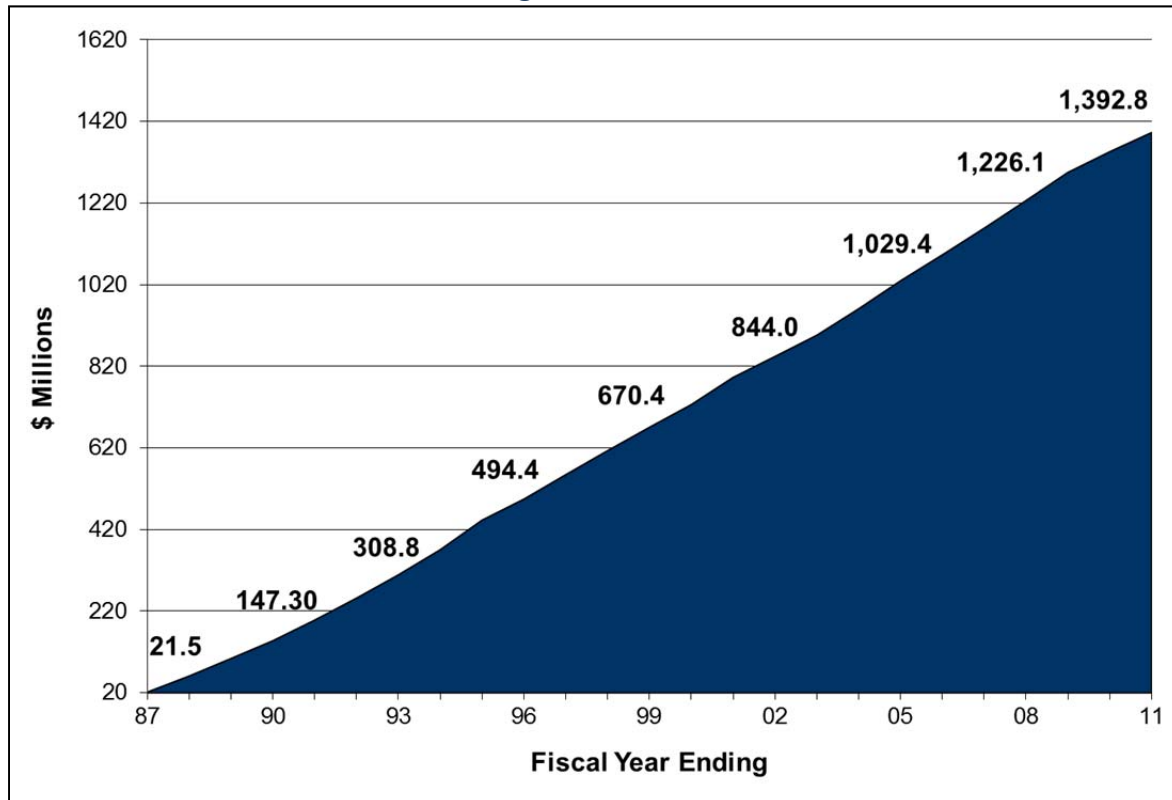


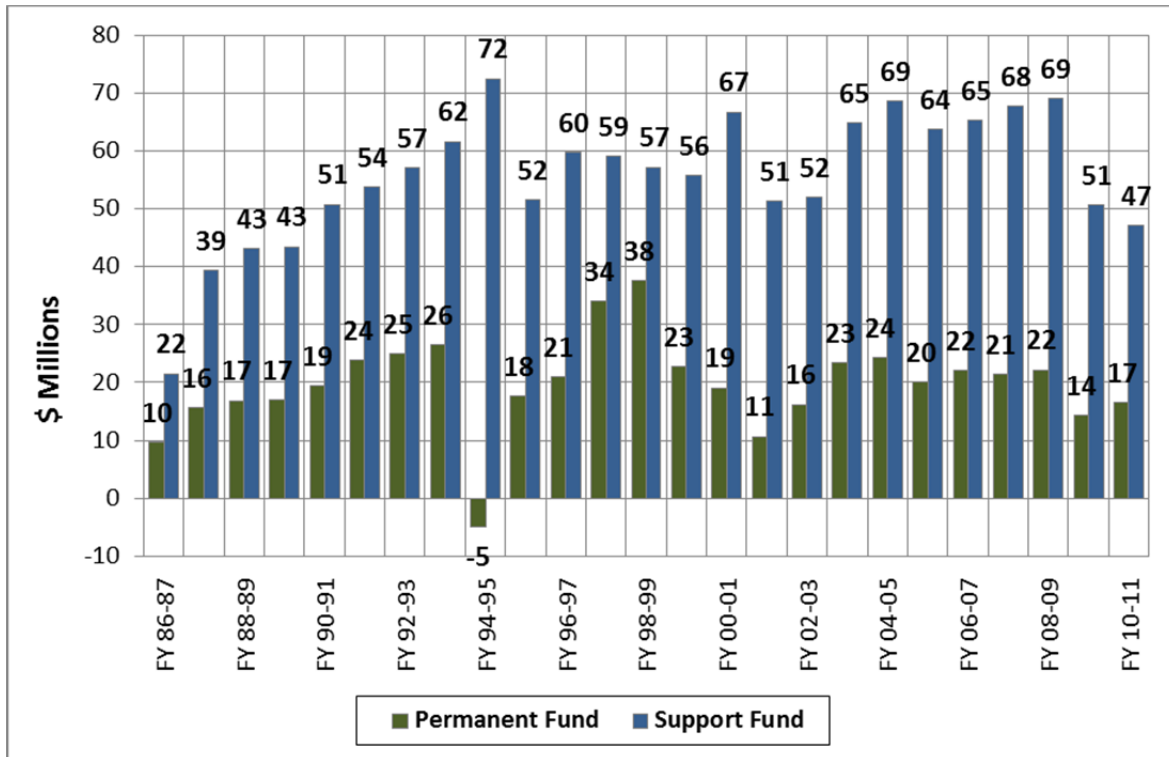
FY 93-94	\$66.95	\$21.04	\$88.00	\$26.41	\$61.59	\$30.79	\$30.79
FY 94-95	\$52.82	\$14.77	\$67.60	-\$4.85	\$72.45	\$36.22	\$36.22
FY 95-96	\$51.26	\$17.97	\$69.23	\$17.68	\$51.55	\$25.73	\$25.73
FY 96-97	\$54.24	\$26.42	\$80.66	\$20.91	\$59.76	\$29.81	\$29.81
FY 97-98	\$68.39	\$24.59	\$92.98	\$33.94	\$59.03	\$29.42	\$29.42
FY 98-99	\$77.95	\$16.83	\$94.78	\$37.62	\$57.17	\$28.37	\$28.37
FY 99-00	\$59.80	\$18.67	\$78.47	\$22.77	\$55.70	\$27.59	\$27.59
FY 00-01	\$49.57	\$36.16	\$85.73	\$19.04	\$66.69	\$33.16	\$33.16
FY 01-02	\$42.17	\$19.73	\$61.90	\$10.66	\$51.24	\$25.67	\$25.59
FY 02-03	\$49.48	\$18.75	\$68.23	\$16.21	\$52.02	\$25.98	\$25.86
FY 03-04	\$52.05	\$36.12	\$88.17	\$23.40	\$64.77	\$32.56	\$32.14
FY 04-05	\$56.99	\$35.87	\$92.86	\$24.28	\$68.58	\$34.38	\$34.11
FY 05-06	\$55.20	\$28.54	\$83.73	\$20.01	\$63.72	\$29.69	\$29.91
FY 06-07	\$59.77	\$27.59	\$87.35	\$22.12	\$65.23	\$32.65	\$32.50
FY 07-08	\$56.11	\$33.02	\$89.13	\$21.37	\$67.76	\$33.99	\$33.73
FY 08-09	\$53.20	\$38.02	\$91.23	\$22.19	\$69.03	\$34.60	\$34.27
FY 09-10	\$43.88	\$21.02	\$64.89	\$14.32	\$50.58	\$25.38	\$25.06
FY 10-11	\$41.94	\$21.67	\$63.62	\$16.55	\$47.07	\$23.74	\$23.17
TOTAL	\$1,328.34	\$556.43	\$1,884.77	\$491.94	\$1,392.83	\$694.18	\$691.88

* In \$ Millions

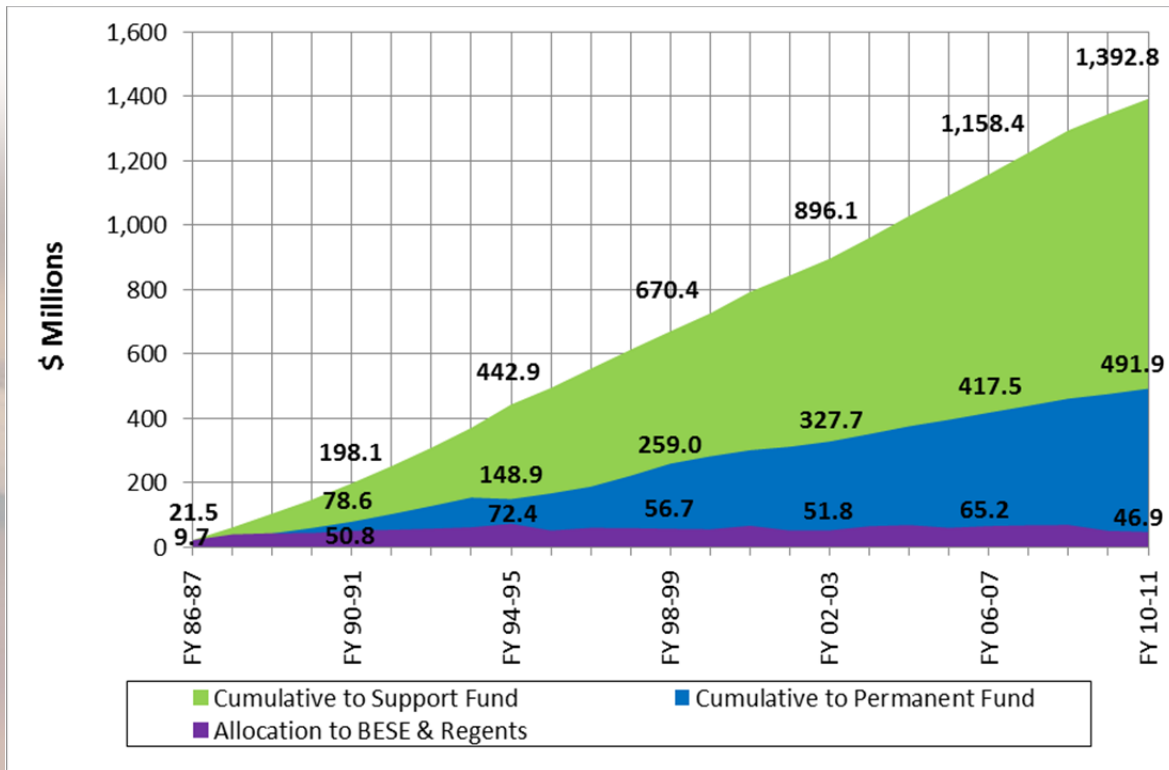
Cumulative Allocations to BESE and Regents



Annual Allocations



Cumulative & Annual Allocations



Investment Results & LEQTF Income

There are three major sources of income for the LEQTF: Investments, Royalties and Capital Gains/Losses. For FY 2011, the LEQTF earned a total of \$63.62 million in income, which includes interest, dividends, securities lending and royalty income and capital gains/losses.

Investments

As stated earlier, 75 percent of these earnings are credited to the Support Fund and 25 percent are reinvested in the Permanent Fund. Income from investments totaled \$40.047 million and consists of interest income, dividend income and securities lending income.

Interest Income: The LEQTF holds a variety of fixed-income investments, including U.S. Treasury and Agency securities as well as other investment-grade bonds. LEQTF earnings from coupon interest for FY 2011 totaled \$33.79 million.

Dividend Income: The LEQTF invests in the stocks of publicly traded companies. These companies distribute their earnings to shareholders in the form of dividends. Dividend income from LEQTF equity investments in FY 2011 was \$6.098 million.

Securities Lending Income: LEQTF securities holdings are sometimes temporarily loaned to major Wall Street brokerage firms, providing an additional source of income for the fund. For FY 2011, the LEQTF earned \$159,818.00 in additional income through the securities lending program.

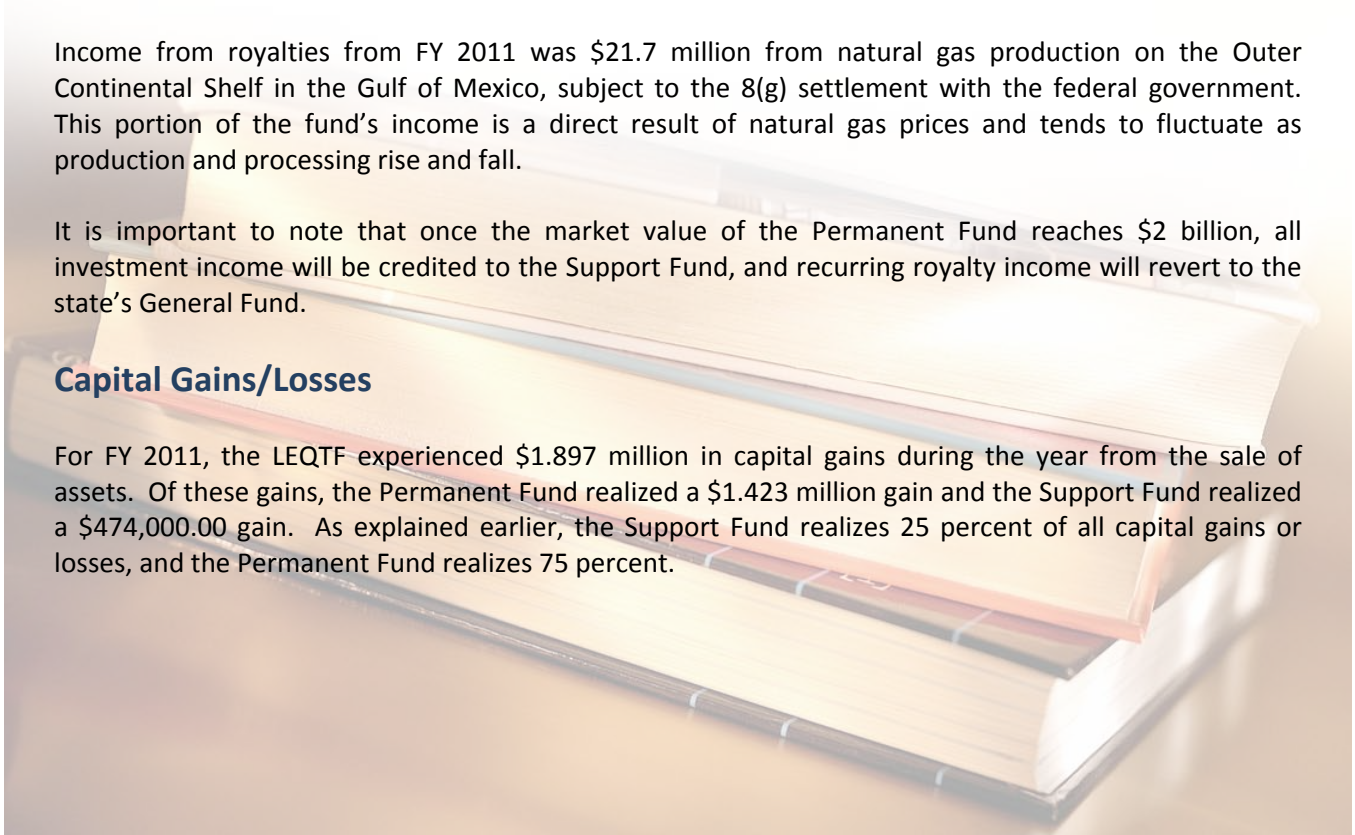
Royalties

Income from royalties from FY 2011 was \$21.7 million from natural gas production on the Outer Continental Shelf in the Gulf of Mexico, subject to the 8(g) settlement with the federal government. This portion of the fund's income is a direct result of natural gas prices and tends to fluctuate as production and processing rise and fall.

It is important to note that once the market value of the Permanent Fund reaches \$2 billion, all investment income will be credited to the Support Fund, and recurring royalty income will revert to the state's General Fund.

Capital Gains/Losses

For FY 2011, the LEQTF experienced \$1.897 million in capital gains during the year from the sale of assets. Of these gains, the Permanent Fund realized a \$1.423 million gain and the Support Fund realized a \$474,000.00 gain. As explained earlier, the Support Fund realizes 25 percent of all capital gains or losses, and the Permanent Fund realizes 75 percent.

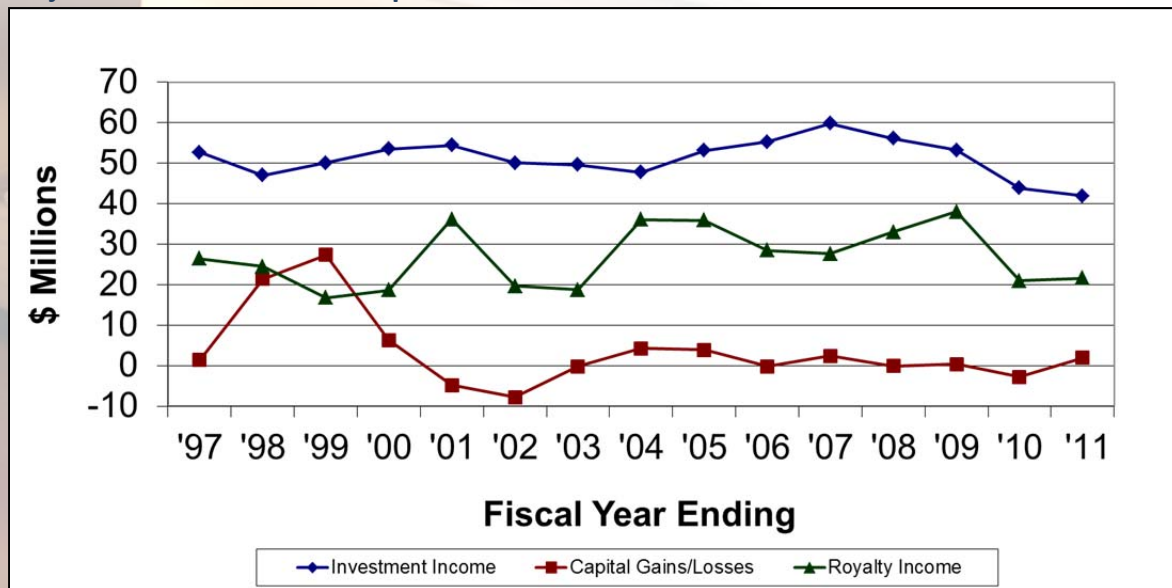


History of Investment Income, Royalty Income and Capital Gains/Losses *

	Investment Income	Capital Gains & Losses	Royalty Income
1987	\$21	\$0	\$10
1988	\$39	\$0	\$16
1989	\$41	\$0	\$19
1990	\$47	\$0	\$13
1991	\$57	\$0	\$14
1992	\$64	\$0	\$13
1993	\$55	\$12	\$15
1994	\$51	\$16	\$21
1995	\$53	\$0	\$15
1996	\$51	\$1	\$18
1997	\$53	\$1	\$26
1998	\$47	\$21	\$25
1999	\$50	\$27	\$17
2000	\$54	\$6	\$19
2001	\$54	-\$5	\$36
2002	\$50	-\$8	\$20
2003	\$50	\$0	\$19
2004	\$48	\$4	\$36
2005	\$53	\$4	\$36
2006	\$55	\$0	\$29
2007	\$60	\$2	\$28
2008	\$56	\$0	\$33
2009	\$53	\$0	\$38
2010	\$44	-\$3	\$21
2011	\$42	\$2	\$22
TOTAL	\$1,247	\$82	\$555

* In \$ Millions

Major Sources of Income Graph



Investments Performance Comparison

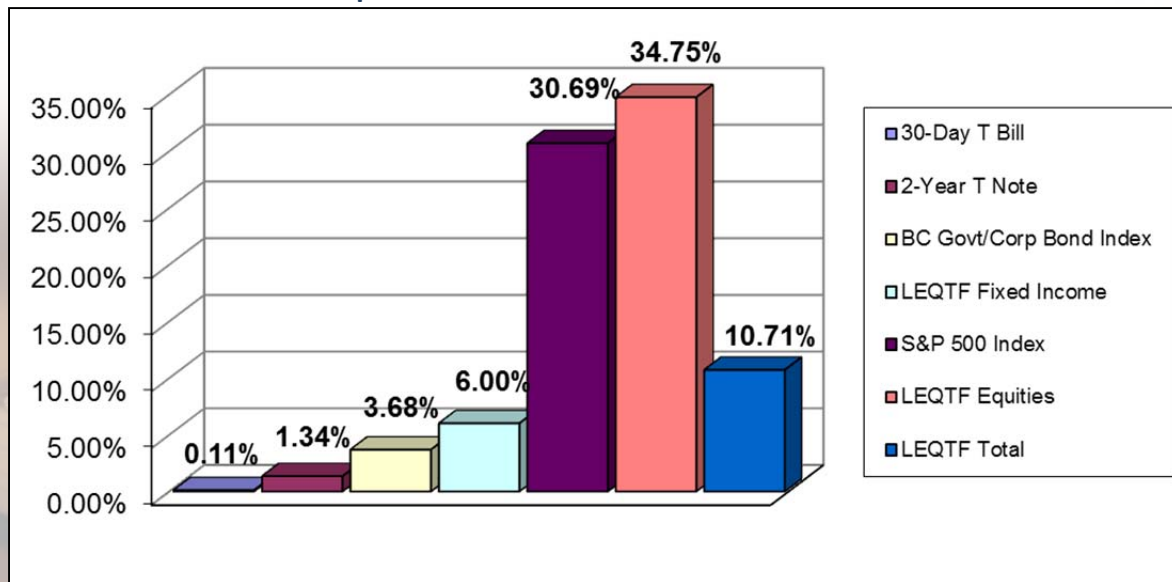
For FY 2011, the LEQTF bond portfolio earned a total rate of return of 6.00 percent, while the Barclays Government/Credit bond index – the portfolio’s internal benchmark – earned 3.68 percent. Total rate of return includes both interest income and capital appreciation. However, the LEQTF’s bond portfolio is managed to maximize investment income for its beneficiaries. LEQTF equity investments returned 34.75 percent for the fiscal year. The S&P 500 index returned 30.69 percent, and the rest of the market measured by the Wilshire 5000 finished at 16.13 percent. In addition, the LEQTF money market fund earned 0.18 percent.

The LEQTF legislative benchmarks are the 30-day Treasury Bill and the Two-year Treasury Note. The 30-day Treasury Bill returned 0.107 percent and the Two-year Treasury Note returned 1.34 percent. The LEQTF earned a total return of 10.71 percent for FY 2011.

LEQTF Performance Fiscal Year 2011

Portfolio/Benchmark	30-Day T Bill	2-Year T Note	BC Govt/Corp Bond Index	LEQTF Fixed Income	S&P 500 Index	LEQTF Equities	LEQTF Total
Percent (%) Return	0.11%	1.34%	3.68%	6.00%	30.69%	34.75%	10.71%

LEQTF vs. Benchmarks Graph



LEQTF Performance History

	30-Day T Bill	2-Year T Note	BC Govt/Corp Bond Index	LEQTF Fixed Income	S&P 500 Index	LEQTF Equities	LEQTF Total
FY 10-11	0.11%	1.34%	3.68%	6.00%	30.69%	34.75%	10.71%
FY 09-10	0.50%	2.66%	9.65%	21.89%	14.43%	20.26%	16.66%
FY 08-09	0.50%	5.73%	5.26%	1.37%	-26.21%	-25.05%	-6.24%
FY 07-08	2.96%	7.66%	7.39%	2.54%	-13.12%	-12.99%	-1.84%
FY 06-07	5.00%	5.04%	5.76%	6.60%	20.59%	17.89%	9.71%
FY 05-06	3.96%	1.46%	-0.18%	-1.96%	8.63%	9.62%	1.00%
FY 04-05	0.67%	1.74%	4.70%	10.00%	6.30%	10.00%	9.60%

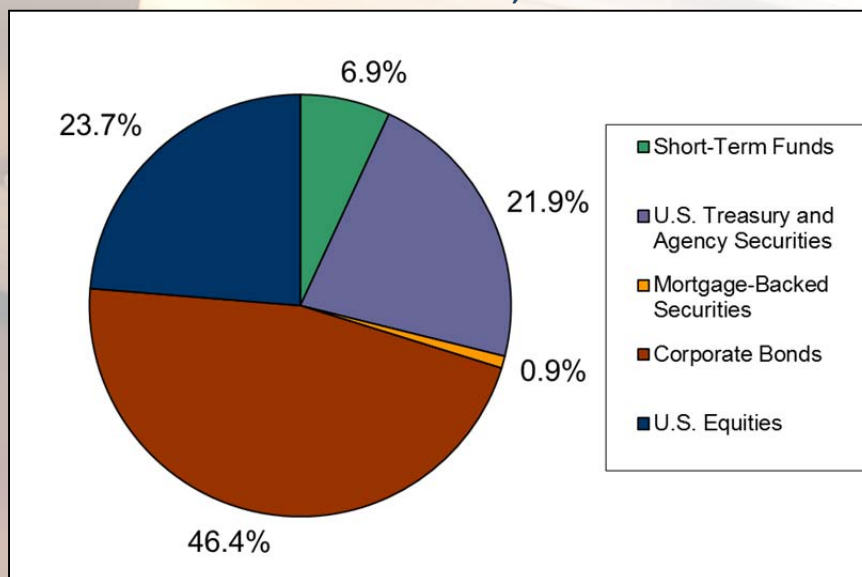
LEQTF Portfolio Characteristics

	6/30/2008	6/30/2009	6/30/2010	6/30/2011
Mkt. Value of Portfolio With Support Fund	\$1,057,596,097	\$959,950,000	\$1,059,285,218	\$1,118,489,717
Mkt. Value of Permanent Fund	\$968,122,567	\$872,736,756	\$ 997,888,851	\$1,082,169,386
Unrealized Gains And Losses	(\$21,878,864)	(\$137,765,575)	(\$26,531,825)	\$41,052,213
Average Maturity	13.5 Years	11.0 Years	7.7 Years	7.6 Years
Average Coupon	5.81%	4.96%	4.67%	4.63%
Total Amount Rate Of Return	-1.8%	-6.2%	16.66%	10.71%

Asset Allocation Table

Asset Allocation	6/30/2008	6/30/2009	6/30/2010	6/30/2011
Short-Term Funds	7.0%	14.1%	25.5%	6.9%
U.S. Treasury and Agency Securities	21.2%	11.5%	12.5%	21.9%
Mortgage-Backed Securities	8.3%	8.2%	0.2%	0.9%
Corporate Bonds	37.5%	40.2%	41.2%	46.4%
U.S. Equities	25.8%	25.7%	20.4%	23.7%

Portfolio Asset Allocation on June 30th, 2011



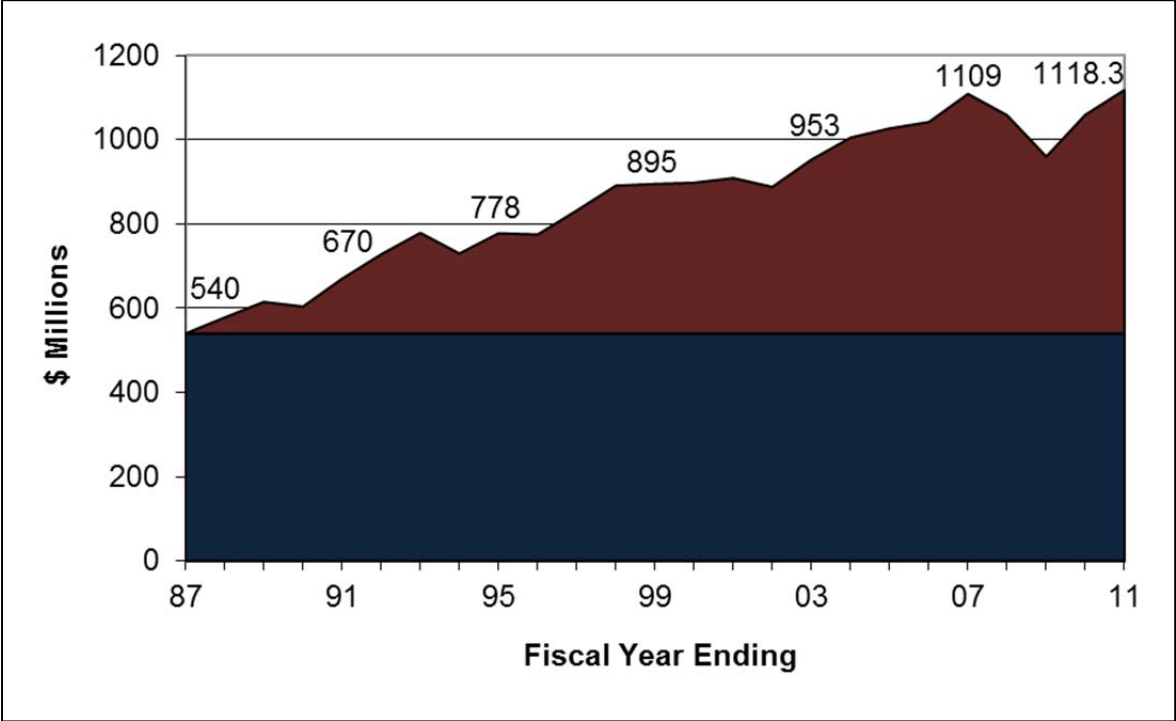
Growth of Market Value and Cumulative Allocations to BESE & Regents *

	LEQTF Market Value	Cumulative to BESE & Regents
1987	\$540	
1988	\$578	\$61
1989	\$615	\$104
1990	\$604	\$147
1991	\$670	\$198
1992	\$728	\$252
1993	\$779	\$309
1994	\$730	\$371
1995	\$778	\$443
1996	\$775	\$495
1997	\$832	\$554
1998	\$891	\$613
1999	\$895	\$670
2000	\$898	\$725
2001	\$909	\$791
2002	\$888	\$842
2003	\$953	\$894
2004	\$1,005	\$959
2005	\$1,027	\$1,029
2006	\$1,042	\$1,093
2007	\$1,021	\$1,109
2008	\$968	\$1,220
2009	\$873	\$1,289
2010	\$1,059	\$1,339
2011	\$1,118	\$1,393

* In \$ Millions



Growth of Market Value



Board of Elementary and Secondary Education

Overview

In 1986, the Louisiana voters approved a constitutional amendment dedicating the Federal Outer Continental Shelf Lands Act money to improve the quality of education in the state by establishing the Louisiana Education Quality Trust Fund, more commonly known as 8(g). The State Treasury deposits these funds in what is known as the Permanent Fund. From this Permanent Fund, a separate Support Fund was created to receive and hold 75 percent of the earnings from investment income and royalty income and 25 percent of the earnings from net capital gains/losses. From the Support Fund, fifty percent of the funds are appropriated and allocated by the Board of Elementary and Secondary Education (BESE). The 8(g) funds administered by BESE are utilized for the support and enhancement of elementary and secondary education in all public schools, as well as approved nonpublic systems/schools.

BESE - 8(g) 1986-2011 Funding Overview

More than 7,075 projects since 1986.

More than \$790 million allocated since 1986.

BESE awards grants using three funding methods block, competitive, and statewide grants – and focuses its endowments on improving classroom teaching and learning. Local schools and school systems submit project proposals that are written according to published guidelines and funded through a review process.

Through innovative programming, BESE strives to:

- build expectations of academic excellence;
- require accountability of performance;
- provide superior instruction/state-of-the art technology; and
- enhance educational leadership.

Each year, a percentage of the funded projects are evaluated for program effectiveness. Independent evaluators are hired by BESE to make site visits and to assess the projects' adherence to 8(g) guidelines. Student performance results and project goal attainment are reported by program administrators at year-end. Each project selected for evaluation receives a rating from 0-150 indicating appropriateness of activities, adherence to timelines, and evidence of impact at the local level.

Program Funding

BESE allocates earnings from the Louisiana Education Quality Trust Fund - 8(g) on a yearly basis for the enhancement of elementary and secondary education. The annual program and budget for the allocation of 8(g) funds is developed in compliance with activities delineated in the 8(g) Policies and Procedures Manual (Title 28: Bulletin 921) and according to the 8(g) Strategic Long Range Plan. Projects are selected, and the budget is weighted, based on conformity to the education purposes set forth in the Constitution. The emphasis is reflected in the method of allocation selected: competitive projects, block grants, and statewide projects. Administrative costs associated with managing the funds are

limited to 3% of the average amount of actual expenditures for the most recent three previous fiscal years.

BESE and the 8(g) Staff oversee all activities for the three grant programs - the 8(g) Competitive Grant Program, the 8(g) Student Enhancement Block Grant Program, and the 8(g) Statewide Grant Program - and operates within three fiscal years. During the current year of project implementation, the BESE 8(g) Office begins building the annual program and budget for the upcoming fiscal year and oversees the fiscal monitoring (audits) of projects implemented in the previous fiscal year.

When building the 8(g) Annual Program and Budget, BESE follows a set process. Each year, a public hearing is held to receive input from the public-at-large for the expenditure of Support Fund proceeds for elementary and secondary education. The 8(g) Advisory Council, comprised of educators and administrators from all levels, as well as representatives of business, labor, the Parent Teacher Association, and the Legislature, meets to review the minutes from the public hearing and to recommend priorities to the Board. BESE requests statewide project budget projections for review and analysis by Board staff and receives the 8(g) Annual Report of prior year projects, including evaluation results and expenditures, to determine cost effectiveness and project impact.

Competitive Grant Program-This funding method was not utilized in 2010-2011

Competitive projects identify exemplary and innovative programs designed to improve elementary and secondary student academic achievement or vocational-technical skill. The competitive allocation funds those innovative programs ranked highest by grant readers, which are designed by school level personnel to enhance student academic achievement or vocational-technical skill in public and nonpublic systems, public independent schools, and nonpublic independent schools meeting eligibility requirements.

Allocations are based on enrollment figures, and public and nonpublic systems are divided into four categories: extra-small, small, medium, and large agencies. Each system is limited to a certain number of submissions according to its allocation category. Large agencies may submit fifteen proposals per system. Medium agencies may submit ten proposals per system. Small agencies may submit five per system, and extra-small agencies may submit three per system. Independent schools may submit one proposal per school. In all categories, no more than one proposal will be accepted from each individual school.

Projects are funded on an annual basis with a maximum of three years of funding. BESE members appoint independent readers to rate the proposals for funding. Proposals are rated according to their overall design, projected outcomes, needs assessment, and general adherence to the published guidelines. Competitive grants are awarded in May of each year, and are implemented during the following fiscal year. The Board also appoints Program Evaluators to evaluate the implemented projects. Evaluators review and rate the projects' general effectiveness and impact on student achievement.

Student Enhancement Block Grant Program

The Elementary/Secondary Block Grant Program provides funds for projects that serve as catalysts for student academic or vocational technical skill improvement. Participants select from designated focus areas in accordance with local priorities. Eligible participants are limited to public and nonpublic

systems, public independent schools, and nonpublic independent schools meeting eligibility requirements. Block grant guidelines and application packets are published in the spring, and proposals are due for BESE approval in the fall. Based on a per pupil allocation, eligible systems and schools receive block grant funding according to enrollment figures from the previous year.

Agencies may apply for block grant funds for all Board-focused projects for up to four consecutive years. Selected block grant projects are evaluated by independent evaluators selected by BESE. Evaluators conduct site visits to the schools being served and report on the strengths and weaknesses of the project design as well as the impact on student learning.

Statewide Grant Programs

The Statewide Programs are administered by state agencies, usually the Department of Education, to provide goods (such as equipment), services (such as staff development), or flow-through dollars to schools or school systems. The programs target specific participants and/or focus on common goals determined by the administering agency. Some Statewide Programs are implemented on a pilot basis with selected sites, while others impact large numbers of schools and students throughout Louisiana.

Independent evaluators, selected by BESE, conduct visits to local program sites around the state. Evaluators interview teachers, administrators, and central office supervisors to determine how well the program is operating and whether it is meeting specific performance objectives.

Each year BESE allocates a percentage of the overall 8(g) budget for the statewide grant programs, and the program design and budgets are approved by BESE. The agencies administering the Statewide Programs have their own system for funding, as well as identifying and notifying participants, and districts or independent schools apply directly to these agencies for program guidelines and funding methods.

BESE 8(g) Funded Program Summary

Total 2010-2011 Allocation: \$38,000,000
166 Student Enhancement Block
20 Statewide
186 Total Grants

BESE 8(6) Funded Programs Awards Fiscal Year 2010-11

Student Enhancement Block Program Allocation (49.7%)	\$18,900,000
School remediation programs and preschool programs	
Prekindergarten programs for at-risk four-year-olds	
Remediation programs for students unsuccessful on high stakes testing and/or unable to keep up with their peers	
Proven instructional strategies for literacy	
Statewide Program Allocation (47.7%)	\$18,119,600

Exemplary programs in elementary and secondary schools designed to improve student academic achievement or vocational-technical skill

Louisiana Virtual School	\$2,372,600
Mini-Grant Awards of Excellence	\$75,000
LaSIP Professional Development	\$500,000
TAPTM: The System for Teacher and Student Advancement	\$2,000,000
Louisiana Educational Leaders Induction	\$204,743
National Teacher Certification Program	\$300,000
Louisiana Online Professional Development Initiative	\$147,706
Local Teacher Quality	\$413,257
Everybody Graduates!	\$2,000,000
Louisiana’s Adolescent Literacy Plan	\$1,000,000
Comprehensive Performance Management System for Teachers	\$134,924

Research or pilot programs designed to improve elementary or secondary student academic achievement

LEAP	\$2,850,000
Quality Classroom Literacy & Numeracy Initiative	\$5,242,000
Louisiana School Turnaround Specialist Program	\$403,500
Comprehensive Performance Management System for Leaders	\$96,500

Insure an adequate supply of superior textbooks, library books, equipment, and other instructional materials

Academic/Vocational Enhancement of BESE Special Schools	\$105,000
Enhancement of the LA Instructional Material Center for the Blind and Visually Impaired	\$75,000

The teaching of foreign languages in elementary and secondary schools

Foreign Language Model Program	\$200,000
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Administrative Fees **\$980,400**

Total **\$38,000,000**

The Constitution and Statutory Law provide that BESE must annually submit the program and budget to the Legislature and the Governor at least 60 days prior to the regular session. Each year, the Joint House and Senate Education Committee hold a public hearing to review the proposed program and budget.

Student Enhancement Block Project Results

8(g) Program Evaluators conducted site visits and overall project evaluations for assigned projects, using forms and procedures prescribed by the BESE - 8(g) Office. Projects were evaluated in six categories: 1) Purpose; 2) Activities; 3) Personnel; 4) Resources; 5) Objectives and Evaluation; and 6) Results. All

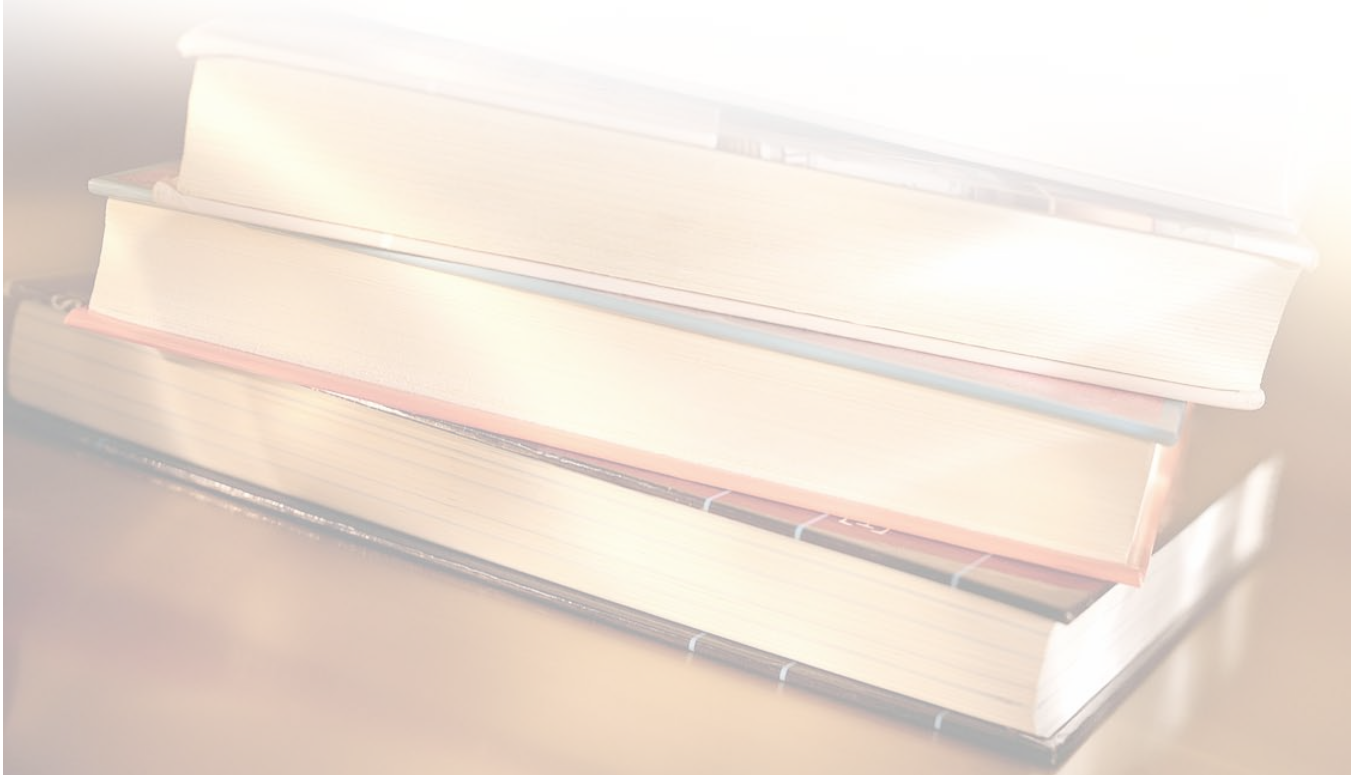
projects submitted an End of Year Report of results to the BESE - 8(g) Office. After reviewing the End of Year Reports, Program Evaluators assigned final evaluation scores out of 150 possible points.

Block projects receiving a final evaluation score of below 100 for 2 consecutive years were ineligible to receive continued funding. For projects scoring below 100, the agency was required to submit a written explanation of implementation problems and a plan for corrective action.

Statewide Program Results

All 20 Statewide Grant programs were evaluated in 2010-2011. Each project submitted an End of Year Report of results to the BESE - 8(g) Office, detailing the regions served, as well as the number of participating school districts, public and nonpublic schools.

8(g) Program Evaluators conducted site visits and overall program evaluations for assigned programs using forms and procedures prescribed by the BESE - 8(g) Office. Programs were evaluated in six categories: 1) Participants; 2) Personnel; 3) Activities; 4) Constitutional Category; 5) Objectives and Evaluation; and 6) Results. After reviewing the End of Year Reports, Program Evaluators assigned final evaluation scores out of 150 possible points. Evaluators also offered program observations and recommendations, based on their overall evaluation of the programs.



Board of Regents

Overview

The Louisiana Education Quality Trust Fund was established in 1986 in the state constitution by Louisiana voters to improve the quality of education in the state. The LEQTF receives funds through the Federal Outer Continental Shelf Lands Act and deposits them in what is known as the Permanent Fund. From this Permanent Fund, a separate Support Fund was created to receive and hold 75 percent of the earnings from investment income and royalty income and 25 percent of the earnings from net capital gains/losses. From the Support Fund fifty percent of the funds are appropriated and allocated by the Board of Regents.

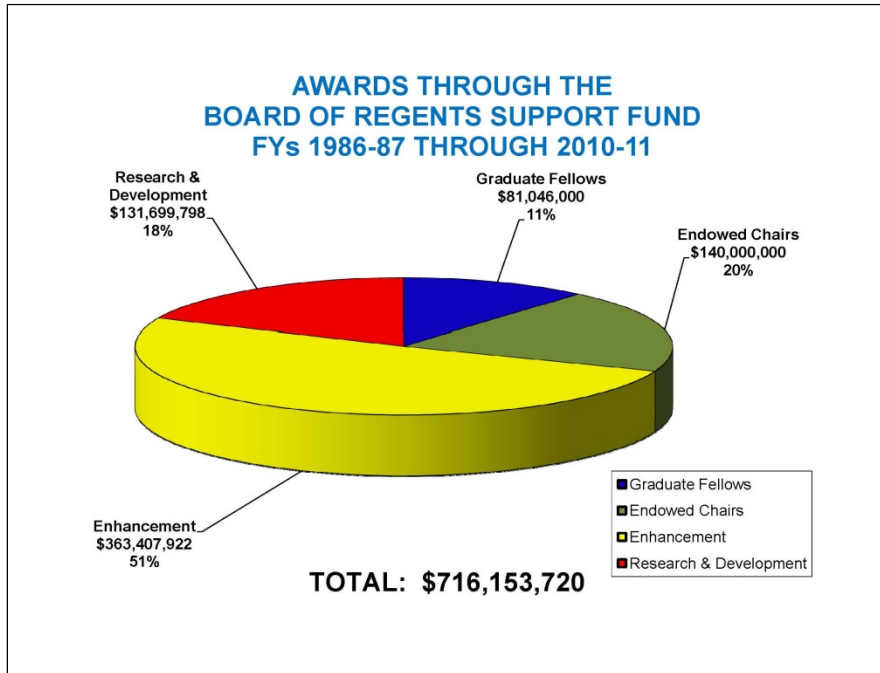
Now operational for 27 years, the Board of Regents Support Fund (BoRSF) has provided over \$700 million to public and private campuses across Louisiana to meet four constitutionally mandated goals: enhancement of academic departments and units, carefully defined research efforts, endowment of chairs for eminent scholars, and recruitment of superior graduate students. Currently forty campuses are eligible to compete for BoRSF funding, and only the newly eligible Northshore Technical Community College has not yet received BoRSF support.

Statewide Results

- **\$1.15 billion in external funds generated**, including \$804.6 million in non-Support Fund awards and \$346.5 million in non-State match for endowment programs. This represents \$1.60 for every BoRSF dollar invested since the inception of the program. The figure reflects only dollars generated during the life of the awards – additional revenues have been generated after the expiration of the awards.
- External funding agencies have awarded **2,875 grants and contracts** to Louisiana universities as a direct result of BoRSF investments
- BoRSF research has led to **197 patents, with another 183 pending**
- **Expanded multi-campus collaborations** have increased competitiveness for federal R&D money
- The Board of Regents and BESE have jointly funded the Louisiana Systemic Initiatives Program (LaSIP), which has **helped teachers gain essential skills and knowledge and produced rising test scores on statewide tests**



Programs Funded Through Board of Regents Support Fund Awards



Fiscal Year 2010-11 Board of Regents Support Fund Awards		
Program	Awards	\$ Awarded
Endowed Chairs Program	6	\$3,200,000
Graduate Fellows Program		
Traditional	17	\$3,182,000
Graduate Fellowships for Teachers	2	\$63,000
BoR/SREB Graduate Fellowships	3	\$950,000
R&D Program		
Research Competitiveness	30	\$3,316,767
Industrial Ties	8	\$1,328,000
Awards to LA Artists & Scholars	10	\$445,427
Enhancement Program		
Traditional	40	\$4,033,604
Undergraduate	25	\$1,605,727
Two-Year Institutions	17	\$1,072,017
Endowed Professorships	42	\$1,680,000
Endowed Undergraduate Scholarships	12	\$480,000
Federal Matching		\$2,625,000
Total Awarded		\$23,981,542

Programs & Subprograms

Endowed Chairs for Eminent Scholars

The Endowed Chairs for Eminent Scholars Program was established in 1988 as a matching grants program to attract eminent scholars to Louisiana. A minimum \$600,000 contribution of private funds is required, which is matched with \$400,000 from the BoRSF to create a minimum \$1million endowed chair. The same private funds: BoRSF ratio can be used to endow a \$2 million or \$3 million chair. Since its inception, the Endowed Chairs for Eminent Scholars Program has awarded \$140 million in matching funds to establish 265 \$1 million and 40 \$2 million chairs at 26 campuses across the State.

Recruitment of Superior Graduate Students

The Recruitment of Superior Graduate Students Program is designed to help recruit students of superior ability to Louisiana and encourage top graduates from the State's higher education institutions to pursue advanced degrees. It consists of three competitive subprograms:

- **Traditional Graduate Fellows** primarily supports fellowships across all disciplines for excellent doctoral-level students, but also allows student stipends in master's-level programs of distinction.
- **Graduate Fellowships for Teachers** offers support to pre- and in-service teachers seeking master's degrees in science or mathematics.
- **Board of Regents/Southern Regional Education Board Graduate Fellowships to Promote Diversity** help successful universities build diversity in graduate programs by recruiting and retaining excellent under-represented minority doctoral candidates.

The Board has invested \$81 million in the Graduate Fellows Program since 1987, funding 1,429 graduate fellowships at 14 campuses.

Research & Development

The Research and Development Program provides competitive grants for basic and applied research projects with the potential to contribute to the knowledge base and the State's economic development. Awards are made through three subprograms:

- The **Research Competitiveness Subprogram (RCS)** is a stimulus program directed only toward those researchers who are at the threshold of becoming competitive in the Federal R&D marketplace. It is designed to assist these researchers to overcome the barriers that have prevented them from competing successfully at the national level for R&D funds.
- The **Industrial Ties Research Subprogram (ITRS)** funds research proposals that have significant near-term potential for contributing to the development and diversification of the Louisiana economy. Accordingly, all proposals and funded projects must demonstrate strong interest from and continued involvement by the private sector and/or non-State public agencies.
- The **Awards to Louisiana Artists and Scholars (ATLAS) Subprogram** provides support for major scholarly and artistic productions with potential to have a broad impact on a regional or national level. ATLAS awards facilitate the completion of manuscripts for publication and the mounting

of creative productions including recordings, performances, and gallery shows.

Since 1987, the Board has invested \$131.7 million in more than 1,300 R&D projects across 22 campuses. All R&D components are competitive and use the services of out-of-state consultants to review and make recommendations relative to proposals submitted for consideration.

Enhancement

The Enhancement component includes the widest variety of programs and supports the broadest range of activities in the Support Fund. Through Enhancement, the BoRSF supports competitive programs for departments and units, non-competitive endowment programs, and matching for federal awards:

- **Competitive Enhancement Programs – Traditional Enhancement, Undergraduate Enhancement, and Enhancement for Two-Year Institutions** – provide opportunities to improve the quality of academic departments or units at all academic levels, thus enhancing the infrastructure of individual institutions and higher education across the State. Emphasis is on the purchase of instructional and research equipment, although other types of enhancements are allowed. Proposals, reviewed by teams of out-of-state experts, are judged principally on the value and potential impact of proposed enhancements. Approximately 2,800 Enhancement projects have been funded since 1987.
- **Enhancement's Endowment Programs – Endowed Professorships and First-Generation Endowed Undergraduate Scholarships** – are non-competitive programs in which a non-State donation is matched with a Support Fund contribution to establish an endowed fund. In Endowed Professorships, matching funds help campuses recruit or retain faculty whose research, teaching, and public service uniquely contribute to the mission of their departments and institutions. Established in FY 2007-08, the Endowed Undergraduate Scholarships program provides match to establish endowed scholarships in support of first-generation college students. To date, 2,322 \$100,000 Professorship slots and 45 Undergraduate Scholarships have been matched.
- **Federal Matching** uses Support Fund monies to leverage funds from federal research programs, particularly through the Experimental Program to Stimulate Competitive Research (EPSCoR). The Board has also matched Enhancement monies to obtain federal grants to implement and sustain statewide education reform efforts. Between 1987 and 2011, joint federal/State programs were awarded over \$140 million, for which the BoRSF provided match of \$92.5 million.

As the most inclusive program, Enhancement represents the largest investment of BoRSF monies, committing \$363.4 million over 27 years to fund thousands of competitive projects, endowments, and matching opportunities across eligible campuses statewide.

