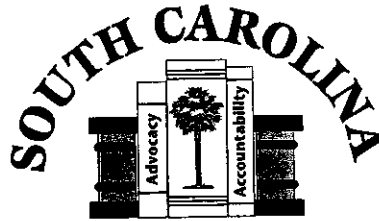


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CHE
10/7/2004
Agenda Item 4.02. A.

Dr. Conrad D. Festa
Executive Director

October 7, 2004

MEMORANDUM

To: Mr. Dalton B. Floyd, Jr., Chairman, and Members, Commission on Higher Education

From: Dr. Vermelle J. Johnson, Chair, and Members,  Committee on Academic Affairs and Licensing

Consideration of Budget Request, FY 2004-05 **Research Centers of Excellence /Endowed Chairs Professorship Program**

Background

At its August 30, 2004, meeting, the Review Board for the South Carolina Research Centers of Economic Excellence approved a budget for the 2004-05 Fiscal Year.

The total budget (see **Attachment I**) is \$441,618, and includes \$75,000 for technical review and on-site review of proposals, \$60,000 for independent auditors, \$37,500 for salaries (representing a percentage of CHE staff time devoted to administering the program), and \$223,000 for public relations activities and in-state conferences represented in three line items: Public Relations/Conferences, Website Development/Maintenance, and Research Project Development. Auditing costs and anticipated expenditures related to public relations activities are new budget items this year and represent the natural evolution of this program as it begins its third year.

Over the last two years the Review Board has approved funding for 17 research proposals from USC, MUSC, and Clemson University and their partner institutions, totaling \$72.5 million in state lottery funds (see **Attachment II**).

Responsibility and authority for approving the Review Board's annual budget is found in Section 2-75-70 of the 2002 Research Centers of Economic Excellence Act (Session 114, Chapter 75), which notes that:

Staff and support for the operations of the board and the panels must be provided by the Commission on Higher Education. The Commission on Higher Education shall approve all necessary funds for the prudent operation of the board, including per diem, subsistence, and mileage expenses of board members as provided by law for members of state boards, committees, and commissions, and for the costs and expenses of the panel members.

Recommendation

The Committee on Academic Affairs and Licensing recommends that the Commission approve the proposed budget request from the Review Board, Research Centers of Economic Excellence/Endowed Professorship Program, FY 2004-05.

SC Research Centers of Economic Excellence Budget FY 04-05

Personal Services

Salaries	\$37,355
Per Diem	\$1,750
Subtotal Personal Services	<u>\$39,105</u>

Contractual Services

Consultants	
On-Site Panelists	\$34,000
On-Site Panelists Travel	\$15,000
Electronic Reviewers	\$41,000
Independent Auditors	\$60,000
Marketing	
Public Relations/Conferences	\$183,000
Website Development/Maint.	\$10,000

Operations

Agency Mail	--
Office Maintenance	--
Copier Lease	--
Internet Access	--
Telephone	--
Recycling	--
Catering	--
Other	--
Subtotal Operations	<u>\$3,000</u>

Subtotal Contractual Services	<u>\$336,000</u>
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Supplies

Postage	--
Publications	--
PC Software	--
Stationery	--
Office Supplies	--
Subtotal Supplies	<u>\$2,000</u>

Fixed Costs

Facility Rental	--
Liability Insurance	--
Subtotal Fixed Costs	<u>\$4,142</u>

Employee Travel\$3,500**Equipment**

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Grants

Research Project Development	\$40,000
Subtotal grants	<u>\$40,000</u>

Fringe Benefits\$6,872**Other**

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Grand Total:\$441,618

South Carolina Research Centers of Economic Excellence Summary of Funded Proposals

Institution(s)	Funding Status	Proposal	Proposal Amount	State Funds Drawn	Match Pledged	Match Received
2002-03						
Clemson	Funded 02-03	Automotive Research	\$5 Million	\$5,000,000	\$5,000,000	\$5,000,000
Clemson	Funded 02-03	Automotive Research	\$5 Million	\$2,000,000	\$5,000,000	\$2,000,000
Clemson	Funded 02-03	Automotive Research	\$5 Million			
USC	Funded 02-03	Nanostructures	\$4 Million	\$500,000	\$1,800,000	\$500,000
MUSC	Funded 02-03	Marine Genomics	\$4 Million	\$1,500,000	\$2,000,000	\$1,500,000
MUSC	Funded 02-03	Proteomics	\$4 Million	\$500,000	\$2,000,000	\$500,000
MUSC	Funded 02-03	Neuroscience	\$3 Million	\$1,250,000	\$3,000,000	\$1,250,000
MUSC/USC	Funded 02-03	Brain Imaging	\$5 Million		\$1,987,080	
MUSC/Clemson/USC	Funded 03-04	Regenerative Medicine	\$6 Million		\$1,046,287	
Total 2003-04 Funding Allocated In Prior Year			\$30 Million	\$10,750,000	\$21,843,367	\$10,750,000
2003-04						
Clemson	Funded 03-04	Photonic Materials	\$5 Million		\$1,220,000	
Clemson	Funded 03-04	Restoration	\$3 Million		\$3,000,000	
Clemson	Funded 03-04	Vehicle Electronic Systems	\$3 Million	\$600,000		\$800,000
USC	Funded 03-04	Polymer Nanocomposite	\$3.5 Million			
USC	Funded 03-04 (\$2.5 M)	Hydrogen Fuel Cell Economy	\$5 Million			
MUSC and USC	Funded 03-04	Translational Cancer Therapeutics	\$5 Million	\$4,653,084	\$5,000,000	\$4,653,084
USC and Coastal Carolina	Funded 04-05	Travel & Tourism Technology	\$2 Million		\$2,000,000	\$3,000,000
MUSC and USC	Funded 04-05	Drug Discovery in Cancer	\$5 Million		\$4,600,000	
Total 2003-04			\$19 Million	\$5,253,084	\$15,820,000	\$8,253,084
Total 2004-05 Funding Allocated in 2003-04			\$12.5 Million			
Totals Since Program Inception			\$72.5 Million	\$16,003,084	\$37,663,367	\$19,003,084