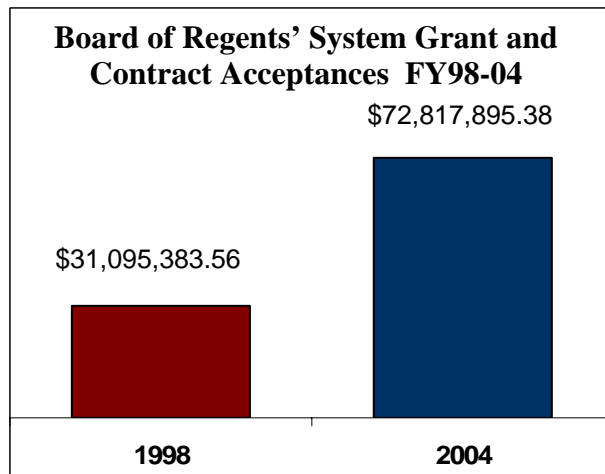


Synopsis: The Governor’s 2010 Initiative includes a substantial investment in scientific research infrastructure. The goal is to increase the role of university research in South Dakota’s economic development—expand academic research and exploit new development opportunities arising from it. The Board of Regents requests \$1 million to match federal and private grants, in those cases where matching funds are required to purchase equipment. This demonstrates to potential grantors the state’s continuing support for research. It also serves to increase the number and quality of grant applications and awards, thereby bringing additional research activity to South Dakota.

Why is a “grants match” so important to higher education and the state of South Dakota?

In any technology-based economic development initiative, a sufficient level of funding is critical. Specialized equipment is very expensive, and external funding organizations often require matching funds to purchase equipment.

Making available a pool of state funds for matching grants will stimulate the universities’ ability to seek new grants, especially those requiring matching funds that are beyond the campuses’ limited resources. **One million dollars as a match (requirements usually vary from 10 percent to 50 percent, depending on the federal agency and program or private sector requirements) has the potential to yield several million additional dollars in new equipment critical to the state’s research strategy.** The funds will target strategic technology areas, and position South Dakota researchers to be more competitive in securing externally funded projects. It is important that university research and development be recognized in South Dakota as an industry in itself.



The \$1 million request will leverage federal and private grant funding with seed and match funds for equipment. Altogether, these funds will enhance research capabilities while providing state-of-the-art equipment to be used for research and instruction. While the state continuously invests in its higher education system, ongoing requirements to upgrade and replace assets always demand considerably more than the state’s capacity.

Why focus on spending money for equipment?

The equipment demands are significant for projects related to technology-based research and economic development. These demands will only increase as the life cycle of technology and scientific equipment becomes shorter and shorter.

In the next three to five years, South Dakota's public universities will need considerable investments in equipment for research functions and to support their instructional mission. **This is particularly important to meet requirements for equipping research laboratories to support the state's proposed new Ph.D. programs.** Matching funds hold the promise of accessing federal, corporate, and private funds for equipment from entities that otherwise may not be interested in partnering with institutions.

The most recent equipment match program administered by the Board of Regents was funded for one year in FY2002. This program, supported by the Great Plains Foundation, was significant in terms of resources but fell short in not allowing for a multi-year planning process.

In FY03, the public universities expended \$6.5 million on capital outlays from grant funding. This is a significant resource, and critical to upgrading the scientific and instructional equipment on campuses. External funding is a viable source of assistance for the public universities. By actively pursuing and leveraging these external dollars, the campuses are able to supplant the dollars received from the state for capital equipment.

What is the financial structure of this request?

The matching program funds would be distributed to all Board of Regents' institutions on the basis of their grant applications, with a focus on targeted science, technology, and engineering strategic areas. Funds would be provided on a dollar-for-university-dollar basis to fund the match.

For example, a university would need to commit \$10,000 of its own funds to get \$10,000 in state funds to provide the \$20,000 match that is required to get \$20,000 in grantor funds, if a 50 percent match was required.