



Center for Public Higher Education Trusteeship and Governance

by

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**PUBLIC/PRIVATE PARTNERSHIPS LIKE STATE MATCHING FUNDS PROGRAMS
OFFER HIGHER EDUCATION A COMPETITIVE ADVANTAGE**

With an uncertain economy and declining state support for higher education, leaders of colleges and universities face unprecedented challenges. In the public sector, which enrolls 80 percent of the some 16 million college students in the United States, these challenges are particularly acute. Public higher education institutions are under pressure to do more - especially related to revenue generation. It has become essential for them to raise and manage millions of dollars from private sources. American higher education is counting on it.

AGB's Center for Public Higher Education Trusteeship and Governance's recent study of creative public/private partnerships discovered that state matching funds programs serve as powerful incentives for institutions to leverage and raise funds from private sources. Public and private colleges and universities that fully utilize state matching funds programs maintain a considerable competitive advantage over their peer institutions. AGB's study sought to identify and review matching fund programs, policies, and outcomes for higher education.

Several states have recently created matching fund programs to encourage private philanthropic support for higher education. The history of American philanthropy suggests that donors will make private gifts to higher education without the incentive of a matching fund program. However, an opportunity to double, or in some cases triple, the dollar value of a gift provides donors with powerful incentives. Matching fund programs can jumpstart a fund-raising campaign or fund a specific campus project.

What are matching fund programs? State programs have been created to offer matching funds for private gifts made to colleges and universities. These programs, excellent examples of public/private partnerships, are designed to encourage the creation of endowments or fund special projects. AGB found that 75 percent of the existing state matching funds programs support general endowments and endowed chairs or faculty professorships. The balance of the existing programs are equally split to support student scholarships, capital projects and technology initiatives. Only 4 percent of existing matching fund programs are designed to encourage research. For example, the Louisiana State University Foundation reported their endowment grew by \$30 million in just three years because of a state matching funds program that enabled the Foundation to establish 46 new endowed chairs and 340 new endowed professorships - worth more than \$80 million.

Are all state matching funds programs the same? AGB's study found 27 different types of matching fund programs and a range of higher education institutions as beneficiaries. The University of Massachusetts at Amherst was able to fund 18 new endowed chairs and professorships, plus \$10

million in student financial aid and scholarships, and \$35 million in new endowments solely due to the state's commitment to match private dollars given to public institutions.

What states have matching fund programs? Twenty-four states have established matching fund programs to encourage private support for higher education. Active matching fund programs - not just on the books, but funded and operating, can be found in: Alabama, Connecticut, Florida, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Missouri, North Carolina, New Hampshire, New Jersey, Oregon, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Washington, Wisconsin, and Wyoming. New Mexico and Virginia have expressed interest in creating such programs during the 2002 legislative session.

Who benefits? Who is eligible for state matching funds programs? The majority of state matching funds programs benefit public colleges and universities, but AGB's survey found three states that supported private higher education institutions. Of the 24 programs, only three supported community colleges with the balance supporting universities and four-year colleges. Several foundations responding to the AGB survey reported that their board leadership advanced the matching fund program idea at the state capitols - persuading elected officials to establish and fund these initiatives.

What is the financial impact of state matching funds programs? State matching funds dollars generate a tremendous return on investment for state policy makers and higher education officials. In FY01, matching fund dollars exceeded \$150 million, with \$38 million from state funds and \$112 million from private dollars. That's a return on investment of 400 percent. Over the past three

years, state matching funds programs have provided \$363 million to higher education, with \$276 million of that coming from private sources. The states' portion of the investment was only \$87 million in matching funds – a remarkable return on investment. The University of Wyoming reported that prior to the state establishing a matching fund program, the institution averaged \$6.5 million in private support annually between 1992-99. After the program was created, the university's annual average jumped to more than \$18.3 million each year.

Is there a standard program matching fund ratio? Forty-one percent of the states offer a 1:1 matching fund ratio. That means, for every dollar raised from private sources, the state will provide a dollar for dollar match. Fifteen percent offer a 2:3 matching ratio, 11 percent offer a 1:2 matching ratio, 4 percent reported a 1:3 matching ratio, and 18 percent use a sliding scale match. Only a small handful of states payout their match over time at 5 percent or 10 percent annually, while most states fulfill commitments during each year.

Is there really a competitive advantage? Perhaps the most dramatic example occurred in the State of Florida. The matching fund program has been so successful that over the past three years the state has tripled its dollar support for matching fund programs. One state institution, Florida State University, received just \$17 million in state matching funds just six years ago. In 2001 it rose to just over \$54 million. That is an increase of 215 percent. Since 1994, 72 percent of the Florida State University donors of \$1 million or more took advantage of the state match, enabling the institution to receive 69 cash gifts of a million dollars attributed in part to this incentive.

Is there a future for state matching funds programs? State matching funds programs are excellent examples of public/private partnerships. Legislative officials generally like matching fund programs because they provide leverage for private fund-raising and higher education institutions are seen as helping themselves. Higher education leaders support matching fund programs as incentives for donors and the potential for tremendous fund-raising results.

However, most matching fund programs were established during good economic conditions - when state revenues were growing at record-breaking rates. States that continue to generously support these programs, even during difficult economic times, will maintain a significant competitive advantage over those states that only marginally fund these programs or even worse, are still trying to establish a matching fund program. Higher education leaders and state policy makers should be able to clearly articulate their case for matching fund programs and look for ways to better leverage them during economic downturns when financial needs are so great.

AGB and survey participants have some concern that as these programs rise in popularity and success that matching fund initiatives could become a substitute for public support for higher education. We hope matching fund programs only enhance the state's ability to strengthen higher education and not become a substitute for funding.

For more information about current legislative initiatives affecting public higher education, please refer to AGB's website: <http://www.agb.org>.

Note: AGB's Center staff searched state statute databases including Cornell University's, Lexis/Nexis, West Publishing, and state legislative and administrative web sites, plus surveyed public university and college foundation leaders who are familiar with these programs.

INDIVIDUAL STATE SUMMARIES

ALABAMA

Program Summary: The challenge grant program offers \$2 in state funding for every \$3 of contributions and accrued interest by a public university foundation. State matching funds of \$400,000 are to be transferred upon notification and proof that a university foundation has \$600,000 deposited in its Eminent Scholars Trust Fund account. Initially and through FY 1988, all state universities were entitled to match an equal share of the total appropriated for the Eminent Scholars Trust Fund. After that date, remaining funds were to be available based on matching funds raised by the university foundations. Chairs created through the program are deemed the property of the university and may be named in honor of a donor, benefactor, or honoree of the university.

Matching Rate: \$2 in state funds for \$3 of contributions with a minimum total of \$1,000,000 for each chair endowed. Total Appropriated and Allocated by Fiscal Year: To be determined.

Total Appropriated and Allocated by Fiscal Year: To be determined

Program Name and Statutory Reference: Trust Fund for Eminent Scholars -- Matching Funds, Title 16, Chapter 61, Section 16-61-1 through 7.

Sources and Web Address: Alabama Commission on Higher Education, Alabama State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

CONNECTICUT

Program Summary: Since at least 1997, the state has operated a program to match private gifts that are for relatively broad purposes. These include gifts for the purpose of supporting students or faculty and/or program enhancement. Public institution-related foundations (like the University of Connecticut Foundation) generally reach the annual cap for state matching funds in each year of operation. First enacted in 1995 and was funded at \$20 million, then in 1998 the state increased the commitment to \$42 million through 4002. Extended on May 24, 2001 through June 30, 2014 for an additional \$115 million.

Matching Rate: In the first two years, the state match rate was 1:1. Since then and under the new law adopted in 2001, the rate is 1:2.

Total Appropriated and Allocated by Fiscal Year: \$115 million to extend the existing state matching funds program that was scheduled to end in 2004, now runs through 2014.

Sources and Web Address: Connecticut General Statutes, State Legislature Web Site, and interview with University of Connecticut Foundation

Program Name and Statutory Reference: Higher Education State Matching Grant Fund, Title 10A, chapter 185, Part I, Section 10a-8b.

Date Enacted/Sunset: First enacted in 1995, increased financial commitment in 1998, then on May 24, 2001 through June 30, 2014.

FLORIDA

Program Summary A: Florida's Trust Fund for Major Gifts. State statute: 240.2605 (2000), enables the Florida Board of Regents Foundation, and each state university with incentives in the form of matching grants for private donations. These grants establish permanent endowments, which must be invested, with the proceeds of the investment used to support libraries and instruction and research programs. When the Board of Regents Foundation and each university foundation raises between \$100,000 and \$2 million the state will match a percent of the private contribution as follows:

PRIVATE FUNDS		STATE MATCH
\$100,00 - \$599,999	=	50 percent
\$600,000 - \$1 million	=	70 percent
\$1 million - \$1.5 million	=	75 percent
\$1.5 million - \$2 million	=	80 percent
Above \$ 2 million	=	100 percent

Program Summary B: Facility Enhancement Challenge Grant program for facilities that are on the university's capital building priority list.

Matching Rate: \$1 dollar in private support is match with \$1 dollar from the state

Total Appropriated and Allocated by Fiscal Year:

Program Name and Statutory Reference: Facility Enhancement Challenge Grant program. State Statute 240.2601.

Sources and Web Address:

Date Enacted/Sunset:

Program Summary C: Florida has also enacted a matching program for endowment funds for community colleges.

Matching Rate:

Total Appropriated and Allocated by Fiscal Year:

Program Name and Statutory Reference:

Sources and Web Address:

Date Enacted/Sunset:

ILLINOIS

Program Summary: State Community College Board. The Academic Improvement Trust Fund for Community College Foundations provides each institution an opportunity to match at least one \$25,000 challenge grant. The matching rate is \$2 in state funds for \$3 of local funds. To be eligible, a "minimum of \$10,000 must be raised from private sources, and the contributions must be in excess of the total average annual cash contributions made to the foundation at each community college district in the 3 fiscal years before July 1, 1999." The legislature also capped challenge grants at \$100,000 for any single community college foundation. The use of funds is the responsibility of the boards of community college foundations. Such uses may include: scientific and technical equipment; professional development and training for faculty; and student scholarships and other activities appropriate to improving the quality of education at community colleges.

Matching Rate: \$2 in state funds for \$3 in local funds with at least \$10,000 of the local match raised from private sources.

Total Appropriated and Allocated by Fiscal Year: To be determined

Program Name and Statutory Reference: Academic Improvement Trust Fund for Community College Foundations, Chapter 110, Article II, Section 805/1-16.04.

Sources and Web Address: Illinois State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

KANSAS

Program Summary: Kansas "encourages gifts by private donors to enhance the ability of eligible educational institutions to attract and retain faculty of distinction" with a state matching funds

program. The Partnerships for Faculty of Distinction program combines these funds to create endowed professorships. All expenditures from the matching fund must be for endowed professorships to supplement salary and provide additional operating support for assistants, travel, equipment, or other expenses of the endowed professorship.

Matching Rate: Appears to be dollar for dollar "the state shall contribute income earnings equivalent awards in accordance with this act..." The state will transfer 5 percent of private dollar raised that qualify for this program.

Effective and Sunset Dates: Appears to date to 2000 with no sunset specified.

Total Appropriated and Allocated by Fiscal Year: Based on revenues and expenditures with limits by FY.

Program Name and Statutory Reference: Partnerships for Faculty of Distinction Program, Chapter 76-Article 7, 76-774.

Sources and Web Address: www.accesskansas.org/legislative/statutes/index.cgi as of May 2001.

KENTUCKY

Program Summary A: The state's research challenge trust fund was created "to encourage research activities at the University of Kentucky and the University of Louisville." The proceeds may provide support to an Endowed Professorship Matching Program, an Endowed Chair Matching Program, an External Research Grant Matching Program, a Graduate Assistance Program, a Junior Faculty Research Encouragement Program, or other efforts. Funds are apportioned two-thirds to the University of Kentucky and one-third to the University of Louisville.

Matching Rate: The Council on Postsecondary Education is charged with determining the matching fund or internal reallocation requirements necessary to qualify for funding.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Research Challenge Trust Fund, Title XIII, Chapter 164 Section 7917.

Sources and Web Address: Kentucky State Statutes, Lexis/Nexis.

Date Enacted/Sunset: Effective May 30, 1997.

Program Summary B: Six higher education institutions are specified as eligible for the state's Regional University Excellence Trust Fund. These include: Eastern Kentucky University; Kentucky State University; Morehead State University; Murray State University; Northern Kentucky University; and Western Kentucky University. The purpose of the trust fund is "to provide financial assistance to encourage regional universities to develop at least one nationally recognized program of distinction or at least one nationally recognized applied research program." Resources in the trust fund are to be apportioned to each of the regional universities "proportional to their respective share of total general fund appropriations in each fiscal year, excluding debt service and specialized, noninstructional appropriations."

Matching Rate: The Council on Postsecondary Education is charged with determining the matching fund or internal reallocation requirements necessary to qualify for funding.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Regional University Excellence Trust Fund, Title XIII, Chapter 164, Section 7919.

Sources and Web Address: Kentucky State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

Program Summary C: The Technology Initiative Trust Fund was created to "support investments in electronic technology for postsecondary education throughout the Commonwealth of Kentucky to improve student learning." More specifically, the resources are designated for acquiring and developing electronic technology capacity; encouraging shared program delivery among libraries, institutions, systems, agencies, and programs; funding Commonwealth Virtual University; and other purposes consistent with the adopted postsecondary education strategic plan. All universities and the Kentucky Community and Technical College System are eligible for financial assistance.

Matching Rate: The Council on Postsecondary Education is charged with determining the matching fund or internal reallocation requirements necessary to qualify for funding.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Technology Initiative Trust Fund, Title XIII, Chapter 164, Section 7921.

Sources and Web Address: Kentucky State Statutes, Lexis/Nexis.

Date Enacted/Sunset: Adopted in 1997.

LOUISIANA

Program Summary A: The program provides state matching funds for faculty incentive grants with each university, under the supervision and management of its board, responsible for soliciting and receiving grants and administration of the program. The Board of Regents may allocate funds from this program to each public university and regionally accredited independent institution of high education, which is a member of the Louisiana Association of Independent Colleges and Universities (with a 15 percent cap on funds to independent institutions).

Matching Rate: Private/State match of 60/40.

Total Appropriated and Allocated by Fiscal Year: To be determined

Program Name and Statutory Reference: Louisiana University Faculty Incentive Program, Title 17, Chapter 24, Section 3129.5.

Sources and Web Address: Louisiana State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

Program Summary B: The program provides state matching funds for creation of endowed chairs. Endowed chairs require \$1,000,000 in challenge grants and matching funds and approval of the Board of Regents. The Board of Regents may allocate funds from this program to each public university and regionally accredited independent institution of high education, which is a member of the Louisiana Association of Independent Colleges and Universities.

Matching Rate: One \$400,000 matching grant for each \$600,000 raised from private sources.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Louisiana Endowment Fund for Eminent Scholars, Title 17, Chapter 26, Part IX, Section 3384.

Sources and Web Address: Louisiana State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

MAINE

Program Summary: The Endowment Incentive Fund is created to provide an incentive for private donations for endowment purposes to and for the benefit of the University of Maine

System, the Maine Technical College System and the Maine Maritime Academy, by providing matching state funds for certain private donations for specified purposes. Any funds appropriated by the Legislature to carry out the purposes of this section may not lapse and must be carried forward for continued use in the fund. The Treasurer of State is responsible for the custodial care of the endowment fund. Interest earned on the investment of the endowment fund must be credited to the respective postsecondary entity or its qualified institutionally related foundation. The Treasurer of State is responsible for disbursement of the endowment fund, upon certification by the Chancellor of the University of Maine System, the President of the Maine Technical College System and the President of the Maine Maritime Academy that the criteria established are met. For each university in the University of Maine System, the respective university president must recommend qualifications for that institution's endowment fund criteria to the Board of Trustees of the University of Maine System. The endowment fund criteria must provide that only private donations for scholarships, professorships or other endowed faculty positions.

Matching Rate: to be determined

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: 20-A M.R.S. § 10006 (2000), The Endowment Incentive Fund

Sources and Web Address: Maine State Statutes, Lexis Nexis.

Date Enacted/Sunset:

MARYLAND

Program Summary: Endowment matching fund program that is mostly for scholarship endowment.

Matching Rate: Appears to be a 2:1 match.

Total Appropriated and Allocated by Fiscal Year:

Program Name and Statutory Reference:

Sources and Web Address:

Date Enacted/Sunset:

MASSACHUSETTS

Program Summary: The Public Higher Education Endowment Incentive Program aims to "encourage private fundraising by the state university and public colleges." Provisions also ensure that the program "does not result in direct or indirect reductions in the Commonwealth's appropriations to such institutions for operations or for capital support." Private contributions eligible for the match are limited to those made for academic purposes to include, but not limited to, scholarships and endowed chairs. The maximum amount of matching funds varies by institution -- \$25,000,000 for the university, \$2,500,000 for a state college, and \$1,000,000 for a community college. The program is administered by each institution's recognized foundation.

Matching Rate: \$1 in state funds for each \$2 in private contributions made for endowment.

Total Appropriated and Allocated by Fiscal Year: There is a cap each year from the state. For example, only \$25 million available from the state for four years, but the state offered a special 2001 initiative of \$10 million in addition to the cap.

Program Name and Statutory Reference: Public Higher Education Endowment Incentive Act, Part I, Title II, Chapter 15A, Section 15E.

Date Enacted/Sunset: Approved June 30, 1996 and to sunset no later than July 1, 2003.

Sources and Web Address: Massachusetts State Statutes, Nexis/Lexis as of June 21, 2001.

Special Narrative: Bridgewater State University Foundation's Executive Director commented on the impact of this legislation as follows: "The state match provides leverage for us in two ways. (1) For all gifts it provides an incentive regarding why it is important to give now - your gift will have a greater impact because of the state dollars we will receive. (2) The state match must go into endowment. At Bridgewater State University, our policy is to place the match received into the donors endowed account when people give us endowed gifts. As a result, people can create an endowed account for only \$6,667 since the state will match it with \$3,333 and we will assign that to the donors endowment. We have created a number of new endowments - we have a \$10,000 minimum - on that basis." State legislation specifies that the state match must go to the foundation as endowment and further states that this in no way will impact the independent status of the foundation.

MISSOURI

Program Summary: The Department of Elementary and Secondary Education is authorized to offer up to 100 one-year, renewable scholarships to encourage minority students to enter teaching. Scholarships of up to \$3,000 per year can be made to high school graduates and college students who are state residents and who are pursuing a teacher education program at an in-state, four-year college or university. Students must also have standardized test scores and class rankings that place them above the seventy-fifty percentile. Scholarship benefits are capped at no more than four years. Minorities eligible for the program are defined in law to include: Asian Americans, Hispanic Americans, Native Americans, and African Americans.

Matching Rate: \$2 in state funds will match \$1 provided by the college or university. State funds provided to the college or university cannot be used for matching.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Minority Teaching Scholarships, Title II, Chapter 161, Section 415.

Sources and Web Address: Missouri State Statutes, Nexis/Lexis.

Date Enacted/Sunset: Enacted 1990 and 1996(?).

NEW HAMPSHIRE

Program Summary: The Granite State Scholars Program authorizes state funding to match private contributions based on a sliding scale. Grants to students are to be made on the basis of merit and need, and can only be released to students following verification of high school graduation and achievement of the academic criteria established by the Postsecondary Education Commission.

Matching Rate: 50 percent state matching grant for \$1 - \$99,999 in private contributions; 75 percent state matching grant for up to \$999,999 in private contributions; 100 percent state matching grants for up to \$1,000,000 in private contributions.

Total Appropriated and Allocated by Fiscal Year: To be determined (some provision about not going into affect until the commissioner certifies that \$25,000,000 or more in state funds is appropriated for this purpose?)

Program Name and Statutory Reference: Granite State Scholars Program, Title XV, Chapter 188-D, Section 41.

Sources and Web Address: New Hampshire State Statutes, Lexis/Nexis.

Date Enacted/Sunset:

NEW JERSEY

Program Summary: The Higher Education Incentive Funding Act was created to “provide incentives that will assist the State’s public and independent colleges and universities in their fund raising efforts.” Matching funds are available to four-year and two-year public higher education institutions and to independent institutions of higher education that receive direct State aid for their foundations. Neither a higher education institution nor a foundation with an endowment exceeding \$1 billion is eligible for matching funds. Matching funds must be used solely for academic purposes and may pay for building construction in accordance with the purposes stipulated by the donor.

Matching Rate: Under most conditions, the matching fund contribution is equal to 10 percent of the private contribution(s) for each of ten years following the contribution.

Total Appropriated and Allocated by Fiscal Year: To be determined

Program Name and Statutory Reference: Title 18A. Sections 62-29 through 62-43. The Higher Education Incentive Fund Act which created the Higher Education Incentive Endowment Fund and Higher Education Incentive Grant Fund.

Date Enacted/Sunset:

NORTH CAROLINA

Program Summary: The Distinguished Professors Endowment Trust Fund provides to each state university the opportunity to receive and match challenge grants to create endowed chairs for selected distinguished professors. Public university and college related foundations are authorized to solicit and receive gifts from private sources to provide these matching funds, while the institutions board of trustees is responsible for recommending establishment of endowed chairs. The chairs are formally deemed the property of the institution and may be named in honor of a donor, benefactor, or honoree of the institution at the option of the board of trustees. Only the net income from the trust fund may be used to support the distinguished professorship.

Matching Rate: \$1 in state funds for each \$2 in private contributions -- Either \$334,000 in state challenge grants for \$666,000 raised from private sources, or \$167,000 in state funds for \$333,000 from private sources.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Distinguished Professors Endowment Trust Fund, Chapter 116, Article 1, Part 4A, Section 41.13.

Sources and Web Address: North Carolina State Statutes, Nexis/Lexis.

Date Enacted/Sunset: Adopted in 1985.

OREGON

Program Summary: The Oregon Health Sciences University Board of Directors shall enter into an agreement with a community foundation to create an Oregon Health Sciences University Medical Research Partnership. The partnership may be used to recruit and retain faculty who are national quality investigators who conduct bench-to-bedside research in emerging clinical areas such as cancer, gene therapy, vaccine development, women's health issues and cardiovascular disorders. The board shall transfer moneys appropriated to, allocated to, transferred to or otherwise received by the university for the purposes of the partnership to the community foundation to be placed in the partnership. Any agreement entered into between the board and a community foundation under this section shall include a requirement that the partnership be invested by the community foundation and that moneys in the partnership be distributed to the Oregon Health Sciences Foundation as follows. For each \$2 million of private matching funds raised by the OHSF, the community foundation shall release \$1 million from the partnership to recruit and retain intellectual capital at the university. For each \$3 million increment raised, OHSF may use up to \$1 million for recruitment, relocation and capital expenses for each faculty recruitment and a minimum of \$2 million to establish an income-producing endowment to support the faculty position.

Matching Rate: See explanation above

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Oregon Health Sciences University Medical Research Partnership, C. 919, section 6, 1999

Sources and Web Address: Oregon State Statutes, Lexis Nexis

Date Enacted/Sunset:

OKLAHOMA

Summary of Program A: The State Regents' Endowment Trust Fund provides state matching funds

to support endowed chairs, professorships, lectureships, and positions for artists in residence at public institutions of higher education. The state regents are charged with implementing the program and selecting proposals for support on a competitive and priority basis. These positions are to be established in "areas which will contribute to enhance the overall cultural, business, and/or economic development of the state." The minimum amount for these accounts is \$250,000 to support endowed chairs, \$50,000 for support of professorships, and \$25,000 for lectureships and artists in residence. At least one half of the requested total amount must be raised from private sources.

Matching Rate: \$1 state funds for \$1 in private funds

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name & Statutory Reference: Oklahoma State Regents' Endowment Trust Fund, Chapter 70, Section 3952

Date Enacted/Sunset: not specified.

Sources and Web Address: Oklahoma State Statutes as reported by Lexis/Nexis as of June 17, 2001.

Program Summary B: The Oklahoma Center for the Advancement of Science and Technology is authorized to use the Research Support Revolving Fund to offer challenge grants to institutions of higher education. Challenge grants are aimed at assisting these institutions "in raising funds in research areas where they have achieved or have true promise of attaining a high standard of excellence as recognized by national and international peers." To receive challenge grant funds, colleges and universities must apply to the Center and specify "the total amount of funds such institution will provide to meet the requirements of the challenge funding and the research merits and economic benefits of the proposal." State-appropriated funds may not be used to meet the requirements of challenge funding. Resources may be used either for endowed chair professional service contracts or grants or for research professional service contracts or grants.

Matching Rate: \$2 from the Center for \$1 of interest income generated by the endowment for the chairs for all endowed chair professional service contracts or grants. The minimum amount of the contract or grant is \$50,000. For research professional service contracts or grants, the match is \$1 from the Center for every \$1 raised by such institutions for matching purposes.

Total Appropriated and Allocated by Fiscal Year: To be determined

Program Name and Statutory Reference: Challenge Grant -- Center for the Advancement of Science and Technology, Title 74, Chapter 70, Section 5060.13 Challenge Funding of Research.

Sources and Web Address: Oklahoma State Statutes, Lexis/Nexis

Date Enacted/Sunset:

PENNSYLVANIA

Program Summary: The agency is authorized to conduct a matching funds program for the purpose of assisting Pennsylvania institutions of higher learning and Pennsylvania students attending any approved institution of higher learning in securing and distributing Federal or other funds to be used by the institutions, the agency or other entities approved by the agency as financial aid to students in meeting their costs of attendance at the institution of higher learning. The program is to be carried out in accordance with rules and regulations promulgated by the board of directors of the agency. Rules and regulations may include, but shall not be limited to, provisions for the repayment of funds to the agency where appropriate.

Matching Rate: to be determined.

Total Appropriated and Allocated by Fiscal Year: to be determined

Program Name and Statutory Reference: Higher Education Assistance Scholarships

Matching Funds program, : ACT NO. 2000-86 *** - TITLE 24. CHAPTER 18.

Sources and Web Address: Pennsylvania State Statutes, Lexis Nexis

Date Enacted/Sunset:

RHODE ISLAND

Program Summary: The Capital Project Matching Grant Program offers the opportunity to each public institution of higher education to receive state matching funds for some private contributions raised for capital projects. Capital funds are to be established by each public institution's foundation and these foundations are also responsible for assisting in the solicitation of gifts. Once the challenge grant and matching funds have been raised, the president of the institution is to recommend establishment of a capital project to the Board of Governors for Higher Education.

These projects may be named in honor of a donor, benefactor, or honoree at the option of the President.

Matching Rate: Each public institution which raises contributions for capital projects of no less than \$150,000 is to receive a matching grant equal to 33 percent of the private contributions.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Capital Project Matching Grant Program, Title 16, Chapter 72, Sections 1-4.

Sources and Web Address: Rhode Island State Statutes, Nexis/Lexis.

Date Enacted/Sunset: Created in 1993.

SOUTH CAROLINA

Program Summary: The Commission on Higher Education is authorized to provide funds to match funds from a qualifying college, university, or public institution related foundation from the state's Higher Education Matching Gift Fund. State funds are limited to matching the earnings of the endowment and not the principal or corpus. They must go directly into the institutions operating account, and be used only for academic purposes - such as academic scholarships.

Matching Rate: Not specified.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: South Carolina Academic Endowment Incentive Act of 1997, Title 59, Chapter 118, Sections 50, 70, and 80.

Sources and Web Address: South Carolina State Statutes, Lexis/Nexis.

Date Enacted/Sunset: Added in 1997.

TENNESSEE

Program Summary: The state has a Chairs of Excellence Trust Fund that operates as an irrevocable trust with prohibitions on expending the corpus of the trust and limiting the use of fund solely to supporting these endowed chairs. The trust funds are comprised of state funding combined with matching funds contributed by public universities and the earnings thereon. Private contributions on behalf of the respective universities are included in the matching funds. Appropriations to the Trust Fund are to be divided equally between the University of Tennessee and the Board of Regents

unless otherwise specified by state law.

Matching Rate: Implies a \$1 for \$1 matching rate.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Chairs of Excellence Endowment Fund, Title 49, Chapter 7, Section 501.

Sources and Web Address: Tennessee State Statutes, Nexis/Lexis.

Date Enacted/Sunset: Created in 1985.

UTAH

Program Summary: The State Board of Regents is authorized to consider and approve applications for designating endowment projects at higher education system institutions. These projects can include endowed faculty positions, instructional or research programs, student services, and student scholarships. Priority is given to projects that support the professional or vocational manpower needs of the state, economic development, and instructional programs. Institutions have up to four years to raise required matching funds from solely private sources following authorization of an endowment project. Funds appropriated to the Higher Education Endowment Matching Fund are non-lapsing.

Matching Rate: \$1 state funds for \$1 raised by the institution from private sources.

Total Appropriated and Allocated by Fiscal Year: To be determined.

Program Name and Statutory Reference: Higher Education Endowment Matching Fund, Title 53B, Chapter 7, Part 4, Section 402.

Sources and Web Address: Utah State Statutes, Lexis/Nexis.

Date Enacted/Sunset: Two dates for enactment are indicated -- 1953 and 1991.

WASHINGTON

Program Summary A: All state four-year institutions of higher education are eligible to receive matching resources for the Distinguished Professorship Trust Fund. The institutions are responsible for soliciting private donations and can apply for \$250,000 from the Higher Education Coordinating Board when it has raised an equal amount of pledged or contributed private donations. Funds are released from the state treasury only once the private donation is received, however. Only earnings on the fund may be used, as the state specifies that the

“principal of the invested endowment fund shall not be invaded.” Endowment fund proceeds may supplement the salary of the holder, pay salaries for assistants, and pay other expenses associated with scholarly work. The resulting professorships are deemed the property of the institution and may be named in honor of a donor, benefactor, or other honoree. An institution may also combine two professorships to support one professorship holder.

Matching Rate: Dollar for dollar with a \$250,000 threshold.

Total Appropriated and Allocated by Fiscal Year: To be determined based on state revenues, expenditures and limited by FY.

Effective and Sunset Dates: Appears to date to 1987 with no sunset specified.

Program Name and Statutory Reference: Distinguished Professorship Trust Fund – Matching Funds, Chapter 28B 28B.10.870

Sources and Web Address: www.leg.wa.gov/wsladm/rcw.htm.

Date Enacted/Sunset: not specified as of May 2001, State Statutes (Cornell LII)

Program Summary B: All state four-year institutions of higher education are eligible to receive matching resources for their Graduate Fellowship Trust Fund Program. The institutions are responsible for soliciting private donations and can apply for \$25,000 from the Higher Education Coordinating Board when they have raised an equal amount of pledged or contributed private donations. Funds are released from the state treasury only once the private donation is received, however. Only earnings on the fund may be used, as the state specifies that the “principal of the invested endowment fund shall not be invaded.” Endowment fund proceeds may be used to provide fellowship stipends to be used by the recipient for such things as tuition and fees, subsistence, research expenses, and other educationally related costs. The resulting fellowships are deemed the property of the institution and may be named in honor of a donor, benefactor, or other honoree.

Matching Rate: Dollar for dollar with a \$25,000 threshold.

Total Appropriated and Allocated by Fiscal Year: To be determined based on state revenues, expenditures and limited by FY.

Effective and Sunset Dates: Created in 1987 without a specified sunset date.

Program Name and Statutory Reference: Graduate Fellowship Trust Fund – Matching Funds, Chapter 28B, 28B.10.882

Sources and Web Address: www.leg.wa.gov/wsladm//rcw.htm.

Date Enacted/Sunset: not specified as of May 2001, State Statutes (Cornell LII)

WISCONSIN

Program Summary: The state has provided appropriations for the broad general purposes of improving masters level business programs in the University of Wisconsin System. But in so doing, the legislature placed conditions on the release of those state funds. The appropriation may only be spent if matching funds for the same purpose are raised from private contributions.

Matching Rate: \$1 dollar for \$1 dollar match up to a maximum seat through the annual appropriations process.

Total Appropriated and Allocated by Fiscal Year:

Effective and Sunset Dates: unknown

Program Name and Statutory Reference: "Special Programs – Improving Masters Level Business Programs", Chapter 36, 36.25(28).

Sources and Web Address: www.legis.state.wi.us/rsb.

Date Enacted/Sunset: May 2001, State Statutes (Cornell LII)

WYOMING

Program Summary: The Wyoming Endowment Challenge Fund.

Matching Rate:

Total Appropriated and Allocated by Fiscal Year: \$65,000,000 total, with \$30 million apportioned to the University of Wyoming for expenditures on or before July 2010. The remaining \$35 million is evenly split for the seven separate endowment challenge funds created for the Wyoming Community Colleges for expenditures on or before July 2008.

Effective and Sunset Dates: Created in 1987 without a specified sunset date.

Program Name and Statutory Reference:

Sources and Web Address:

Date Enacted/Sunset: March 1, 2001 with sunset of 2010 for University of Wyoming and 2008 for Community Colleges as of September 2001.