



## Ohio Administrative Code Rule 3333-1-21 Action and investment funds.

Effective: February 1, 2018

---

### (A) Authority

This rule is established by authority conferred upon the chancellor of higher education in section 3333.04 of the Revised Code.

### (B) Definitions

As used in this rule:

- (1) "Action funds" means a program that awards outright grants to projects initiated by eligible institutions which meet the criteria and conditions described in this rule.
- (2) "Investment funds" means a program that provides interest-free loans to projects initiated by eligible institutions which meet the criteria and conditions described in this rule.
- (3) "Required match" means the amount of money an institution must pledge as required by an external funding agency in support of a proposed project for which they are seeking funds. The match does not include in-kind contributions by the institution.
- (4) "Institutional liaison" means an academic or fiscal officer of an eligible institution with full-time status as an employee and who has been identified by the president of the institution as the liaison to the Ohio department of higher education for the purposes of the programs described in this rule.
- (5) "Ohio council on research and economic development" means a volunteer council appointed by the chancellor of higher education to advise her/him on short and long-term programmatic options for improving the research and economic development activities of the Ohio department of higher education and the state-assisted colleges and universities. The council serves at the invitation of the chancellor.



(6) "Major construction and/or renovation" means building and renovation projects, including instrumentation, for which the total project costs exceed two hundred fifty thousand dollars for action fund proposals, and two hundred thousand dollars for investment fund proposals.

(7) "Research facilities" means any building, or part of a building, structure, facility, site or other interest in real estate used in connection with the conduct or operation of an educational institution for research by faculty, students or staff of that institution.

(8) "Multi-campus research consortium" means two or more universities and/or colleges in mutual, collaborative planning and implementation of a research project. A multi-campus research consortium should demonstrate increased efficiency and effectiveness in the use of state resources and in the impact that can be achieved through collaboration. The Ohio department of higher education may request that the university research officers and two college representatives acting as an advisory council to the chancellor provide advice on the quality and authenticity of multi-campus research consortia.

#### (C) Scope and purpose

The "action and investment funds" provide grants and loans, in a timely manner, to eligible institutions of higher education for the construction and/or renovation of research facilities and/or instrumentation.

#### (D) Eligibility

Eligibility is limited to Ohio's state-assisted colleges and universities and two independent graduate research universities (Case Western Reserve university and the university of Dayton). These schools shall be encouraged, through the consortial principle detailed in this paragraph, to link up with research strengths in other Ohio institutions to ensure that Ohio's resources are fully and efficiently employed. As a general principle, the Ohio department of higher education encourages research projects that exhibit a local, regional, or statewide consortia approach. This approach includes, but is not limited to: the cooperative use of instrumentation and facilities by researchers from other eligible institutions; collaborative research projects; the establishment of inter-university



research institutes or centers; and programs that aid the articulation of students into and through higher education.

(E) Management of the funds

The college or university shall appoint an officer as liaison to the Ohio department of higher education for all action and investment fund requests. Only requests received from this officer or from a designee shall be considered. The Ohio department of higher education shall maintain an online database of the projects which have received action and investment fund support. The institutional liaison officers may be asked to assist in monitoring these commitments so that the chancellor's staff will be able to make the best possible use of resources. The Ohio research officers' council will be charged with developing recommendations for the use of the funds to be presented to the Ohio department of higher education; and assisting the staff in conducting an annual review of the effectiveness of the funds to prepare recommendations for the Ohio department of higher education.

(F) Procedures for application

(1) The action fund is a grant program which combines state support with institutional or other funds for capital projects in order to leverage major awards by federal and private agency programs, especially those that require a competitive review.

(2) Limits and conditions for action fund support:

(a) Categories of support are limited to new construction, expansion or renovation of existing research facilities, and/or the purchase of major research equipment and instrumentation to be used for research and research-oriented instructional programs.

(b) "Major awards" means total project costs of two hundred and fifty thousand dollars or more. The minimum action fund commitment is sixty thousand dollars and the maximum is three million dollars.

(c) For the purpose of review, there are three categories of proposals to the action fund: proposals that are peer reviewed and have a required institutional cost share; proposals that are peer reviewed but do



not have a required level of institutional participation; and proposals that do not receive a peer review on the national level. The federal agencies whose programs are eligible for action fund leverage without further review at the state-level include those from the national science foundation, the national institutes of health, and a few other agencies that have a required match or participation from the institution. Those proposals not meeting the criteria for national peer review and/or a required level of participation by the institution described above will be considered according to the procedures for review established for the investment fund described in paragraphs (F)(9)(a) to (F)(9)(e) of this rule.

A list of all agencies and/or programs considered to have national peer review will be available from the Ohio department of higher education.

(d) Action fund commitments are conditional and pledged in support of a specific project proposal and for a limited period of time. If the designated sponsor does not support the proposal within the stipulated period of time, the pledge of support is canceled.

(e) The action fund is intended as an enhancement that strengthens a proposal that an institution would submit in any case; it is not a substitute for institutional commitment. Action funds shall be used only for capital expenditures and only to match institutional capital expenditures of an equal or greater amount; the sponsor's funds may or may not be for capital costs. Action funds shall match only cash-cost sharing.

(i) The action fund contribution may be used to replace up to fifty per cent of the institution's required match or participation.

(ii) If there is no required level of institutional participation or matching, action funds may be used to match up to fifty per cent of the institutional cost share.

(3) Request for action funds:

The request for an action fund commitment shall require the following : a letter from the institutional liaison(s); a summary or abstract of the most current draft of the proposal narrative and the proposal budget, showing the commitment of all parties including the action fund and the sponsor(s); and a



brief narrative describing the consortia arrangements (if applicable), the project's impact on the strategic needs of the state together with a description of the role that it will have in addressing the human resources needs of the discipline(s) involved described in the section on educational activities, paragraph (G) of this rule.

(a) Electronic proposal: The institutional liaison or designee shall clarify funding levels, use of funds, estimated date to purchase instrumentation, or for institutional requests to extend the estimated date of the external award period, for the proposal project request. The project title and principal investigator and/or project director's name, address, and telephone number(s) and email address shall be listed to enable the chancellor's staff to ask questions during the review period. The institution shall propose a time limit for the pledged support; typically this will coincide with the sponsor's stated award date.

A summary or abstract of the most recent version of the proposal narrative shall be provided in the electronic proposal submission by the institutional liaison or designee. The narrative shall include sufficient information for the staff to identify the nature of the research project or program being proposed and the work plan, etc. A copy of the full proposal shall be available if requested by the chancellor's staff. A copy of the proposal's budget shall be included.

(b) Budget: A budget defined in the electronic proposal submission request shall identify the contributions of the agency, institution, and action fund to the total project costs. The budget shall identify the major areas of expenditure.

(c) Narrative: A brief narrative defined in the electronic proposal submission request shall identify the project's impact on the strategic needs of the state, including its quality of life; a description of the role of the project in addressing the human resources needs of the discipline(s) involved described in the section on educational activities, paragraph (G) of this rule; and any consortia arrangements or planning involved in the project's activities.

(4) Action fund proposal review

(a) All requests for required-match peer-reviewed grants shall be received by the Ohio department of higher education no later than three weeks before the sponsoring agency's published deadline for



receipt of proposals. Proposals will be accepted up to three working days before the agencies' deadlines in extraordinary circumstances. Requests for non-peer reviewed grants or those not requiring a match by the institution shall be received at least five weeks before the sponsoring agency's published deadline.

(b) Required matching, peer-reviewed fund proposals: requests for action fund support for a portion of a required match shall be reviewed by the staff with the advice of the Ohio department of higher education and the university research officers and two college representatives to determine if the request follows the guidelines described in paragraphs (F)(3)(a) to (F)(3)(c) of this rule and meets the criteria of peer-reviewed and requiring a institutional match. The staff shall forward a recommendation to the chancellor.

(c) A copy of the "Request for Proposals" or "Program Announcement" and description of the peer review procedures shall be available for chancellor's staff review.

(d) Non-required match or non-peer reviewed fund proposals: Requests for action fund support for proposals not requiring a match and/or not receiving a peer review shall be reviewed following the procedures outlined for investment fund requests and described in paragraphs (F)(9)(b) to (F)(9)(e) of this rule.

(e) A report of all applications for and awards made under these procedures shall be forwarded to the President of the Ohio senate and the speaker of the Ohio house of representatives on a regular basis.

(5) The investment fund is a loan program which assists, in a timely fashion, in major construction and/or renovation to campus research facilities. The funds shall be distributed in one or more competitive rounds each year, with total funding limited to the amount currently allocated for that purpose by the Ohio department of higher education.

(6) Limits and conditions of support for investment fund proposals

(a) Categories of support are limited to major construction or renovation of campus research buildings or that portion of campus buildings which shall be used principally for research and research-oriented instructional activities.



(b) Minimum investment fund participation shall be two hundred thousand dollars; the maximum shall be three million dollars.

(c) Investment fund loans shall be interest-free.

(d) Loans shall normally be repaid over a ten-year period from the time funds are available. Institutions shall have the option of delaying the initial payments for one to three years, although in such cases the yearly payment must be at a higher rate to permit repayment within the remaining portion of the ten-year period. A delayed payment schedule shall be proposed at the time of the original request. In the case of very large loans (in excess of two million five hundred thousand dollars), a fifteen-year repayment schedule may be considered.

(e) Repayments of loans shall be deposited to the higher education improvement fund (fund 034).

(f) A maximum for any one institution's share of the total investment fund may be set by the chancellor.

(g) Priority shall be given to investment fund proposals for facilities and research groups which have attracted other, non-state funds and which clearly add to the competitiveness of the state's institutions for future research funding.

(7) Investment fund grants for multi-campus research consortia

(a) In order that collaborative research projects may be encouraged, the Ohio department of higher education may make investment grants to multi-campus research consortia. The conditions and limitations of paragraphs (F)(6)(a), (b), (f) and (g) of this rule apply. These grants will not require repayment.

(b) Priority shall be given to investment grant proposals from multi-campus research consortia that demonstrate a high probability of attracting future federal or other external funding and that combine state resources in a manner that increases the competitiveness of Ohio universities in external grant funding competitions.



(c) Projects from multi-campus research consortia should include an evaluation component to assess such cost-effectiveness.

(d) Any consortium must be one that is legally constituted and that complies with all applicable Ohio law.

(8) Requests for investment funds

A request for investment funds shall include at least three components: a letter and a narrative report from the institution describing the project; a copy of any feasibility or planning studies that outline the construction and/or renovation planned; and a total project budget.

(a) Institutional letter: The letter shall be signed by the chief research and fiscal officers of the institution and shall request a specific amount of money from the investment fund. The project name and a brief description of the nature and timetable for the project and for repayment shall be included in this letter.

Narrative report: The narrative report shall include a description of: the nature of the research activities to be housed in the facility; the scholarly merit of these activities; the project's impact on the strategic needs of the state; the role of the project in addressing the human resource needs of the discipline(s) involved as described in the section on educational activities, paragraph (G) of this rule; the role of the investment in leveraging additional resources and attracting long-term economic development for Ohio; and the funding and research opportunities a positive department decision would provide the institution.

(b) Studies: Copies of any feasibility and/or planning studies that outline the construction and/or renovation planned for the specific facilities shall be included.

(c) Budget: A separate budget shall be prepared which identifies the costs for planning and construction/renovation of the facilities and the timetable for the project.

(9) Investment fund proposal review





(a) The distribution of monies from the investment fund shall be made in one or more competitive rounds each year. A request for proposals shall be issued by the Ohio department of higher education before the review.

(b) All proposals shall be reviewed by the chancellor's staff with the advice of the university research officers and two college representatives acting as an advisory council to the chancellor and, if necessary, statewide research advisory councils. The research Officers council shall advise the chancellor on issues of:

(i) The level of support requested, which can include an analysis of the adequacy of the funds to support the proposed activities or facilities and the strength of institutional commitment;

(ii) The collaborative opportunities of the project, which can include an analysis of the project planning process, research-oriented instructional activities, or potential for cooperative use of the facilities and/or instrumentation;

(iii) The scientific merit of the activity which can include the value of the proposed activities to the discipline and/or the strengthen of Ohio's research infrastructure.

(c) The chancellor's staff and the research officers' council may seek a consultant to help determine scientific merit and/or the feasibility of plan.

(d) Research advisory councils may assist the chancellor on questions of scientific merit; collaborative opportunities; and the level of support as described in paragraph (F)(9)(b) of this rule. The statewide research advisory councils may be convened in broadly defined disciplinary groups of faculty and researchers from the state-assisted colleges and universities which are eligible for action and investment funds.

(e) The chancellor's staff shall make recommendations for support, including funding levels, to the chancellor.

(G) Educational activities



Colleges and universities proposing to use action and investment fund monies are required to describe the contribution the project makes to research-oriented instructional activities and development of human resources. This statement may include, but is not limited to, the role of research in student training, course preparation, and seminars. Special effectiveness or achievement in the area of producing professionals from groups presently under-represented in the discipline should be described. Finally, the descriptions must specify actions to be taken by the proposing program.