

CHICO STATE ENTERPRISES
California State University, Chico
Minutes for the Board of Directors' Meeting
Monday, December 9, 2019 9:00 am
BMU 210

MEMBERS PRESENT: Debra Larson, John Unruh, David Stachura, Ben Seipel, Bob Kittredge, Ahmad Boura, Sandy K. Parsons-Ellis, Tod Kimmelshue, Tom Lando, John Carlon, Trevor Guthrie, Ann Sherman, Angela Trethewey

MEMBERS ABSENT: Gayle Hutchinson

ALSO PRESENT: Mary Sidney, Annabel Grimm, Vance Kelly, Natalie Carter, Caitlin Cathy, Marianne Paiva, Julie Jessen, Russell Wittmeier, Jeni Kitchell, Kristin Gruneisen, Stephanie Bianco, Tracy Johnson, Tom Wilder, Julie Jessen, Tim Sistrunk, Rick Ford, Betsy Boyd, Eli Goodsell

- I. **Call to order** – Larson called the meeting to order at 1:33 PM and asked for introductions from the Board and gallery.
- II. **Approval of minutes from September 19, 2019**

Motion to approve the minutes from the Board of Directors Annual and General meetings on September 19, 2019

(Lando/Kittredge)

Motion carried (10/0/0)

Larson requested to modify the Agenda by adding a Closed Session and a Report Item C “Bond Item”

Motion to approve modification of the Agenda as requested by Larson

(Lando/Kimmelshue)

Motion carried (10/0/0)

- III. **Public comments and announcements** – Rick Ford, Statewide Academic Senator spoke in favor of the proposed bylaw amendments. He shared that the recent change in organizational structure had eroded faculty representation and interests, most significantly due to the absorption/loss of a State Side employee heading the former RESP, and that the addition of a faculty member to the Chico State Enterprises (CSE) Board would alleviate some of the perceived erosion. Betsy Boyd, Statewide Senator also spoke in support of the proposed bylaw amendment, and requested that the June 2019 board minutes be updated on the CSE webpage.
- IV. **Reports**
 - A. **Provost's report** – Larson reported on behalf of both the Provost and President. Larson welcomed new CEO Mary Sidney, who started on October 1, 2019. She shared Mary's background working in the CSU system with sponsored programs and research grants. Larson also thanked Dean Hassenzahl for his support of Research and Sponsored Programs (RESP) and then CSE through the transition. Larson continued to thank

Anabelle Grimm and Jeni Kitchell for their support during the transition.

Larson shared that the Fall Semester was coming to a close, and reminded faculty of the pending December 31 due date for grades, as well as the start of the Spring 2020 Semester on January 21, 2020. On behalf of President Hutchinson Larson shared about the CSU Chico Strategic Plan containing three (3) Strategic Priorities and four (4) Enduring Commitments. She also shared that six (6) Strategic Goals are currently being developed, two (2) for each Strategic Priority. Larson also shared that University is currently conducting National searches to fill 3 positions, Vice President of Student Affairs, Dean of Engineering Computer Science and Construction Management, Associate Vice President for Enrollment Management Services.

Larson shared that CSE is now in a position to work in a more productive way with the campus community. She shared a desire to establish a formal advisory committee to build a stronger relationship between the academic community and CSE, and that an interim Executive Memorandum is pending.

Larson shared that two IRB committees have been reactivated, and recently became aware of a situation with one department in the College of Natural Sciences with outdated protocols relating to the frog lab. An initial report of findings was made to Office of Laboratory Animal Welfare (OLAW), and a report of corrective actions is pending. The IRB has also submitted a semi-annual report of activities to the Provost. Larson will continue to serve as the Intuitional Officer to allow for streamlined responses to any future issues. Lastly, Larson shared that the CSU has released a Strategic Plan for Research, representing a milestone toward embracing research within the CSU system. The goals that were identified are to Leverage Research Scholarship and Creative Activity to drive student engagement, retention and success with cutting-edge knowledge and collaborative discovery; Empower faculty to pursue Research, Scholarship and Creative Activity to advance knowledge in their fields and integrate their scholarship into their curriculum; and Connect Research, Scholarship and Creative Activity with California's needs for economic growth, health and sustainability.

- B. President's report** – as reported above.
- C. Bond Item** – Larson shared that a bill (prop 13) is to be placed on the ballot in March 2020 for a 15-billion-dollar bond for the construction modernization of Public Schools and Universities. If approved by voter the bond would direct 2-billion dollars to the CSU for renovation and replacement of aging infrastructure. The Chancellors office has asked that each University, and Campus Auxiliaries to contribute to support the bond. Chico State is in the middle tier and has been asked to contribute a combined \$30,000 to the California Coalition for Public Higher Education Issues Committee, for the purpose of promoting and supporting this bond. This shared contribution spilt between the University Foundation and Chico State Enterprises. Lando inquired about potential implications to CSE's non-profit tax status. Sidney shared that a contribution of this nature would not impact the tax status. Kimmelshue asked for clarification regarding the use of funds that would be generated by this bond measure, and shared a preference to leave the decision to contribute to the CSE CEO.

- D. Audit Committee report** – Kittredge shared that the Audit Committee had not met since the last board meeting. He shared that the Audit Report is now complete and that there was a significant amount of work done to complete and submit the Audit materials in a timely fashion. Kittredge continued that there were a number of material internal control weaknesses identified in the audit, Kittredge referenced page 42 of the Financial Statements. Kittredge shared that the auditing firm identified that the audit was deemed as “high risk” due to issues being identified in previous years, and that this resulted in additional audit testing and a higher expense. Next year’s audit will also be “high risk” and will require additional testing and expense. Lando asked if there had been a change in audit firms. Kittredge shared that there was not a change in audit firm. Trethewey added that there had been a change in the audit firm staff that conducted the Audit.
- E. Finance and Investment Committee report** – Grimm shared that the Finance and Investment Committee met on December 4, 2019, where the audit and findings and current budget were reviewed. Sidney added that the overall financial health of the organization is good and shared that a change in the presentation of financial was discussed to make the material more understandable. Sidney continued that the organization’s cash flow is strong, and clarified that at a more detailed level program cash flow is at times dependent on the aggregate revenue. In addition, that CSE is investigating a line of credit as a general best-practice. Kittredge shared that the discussion at the recent meeting highlighted the improvements and progress that has resulted from the reorganization, in significant part by improving internal communication. Lando asked about the Auditors perspective on funds being used across accounts/programs in order to maintain a strong cash flow balance. Larson shared that internal processes were being evaluated to improve issues, particularly unbilled revenue. Lando asked if CSE currently has a reserve policy, and suggested that such a policy be created. Grimm shared that some of the issues are still being resolved, and are expected to be identified in audit materials going forward.
- F. Ad-Hoc Committee on Governance Report** – Sidney shared that the Ad-Hoc committee met, that the bylaws are currently being reviewed, and that revisions are being discussed. She added that the group will be reviewing and revising the operating agreements in addition to the Bylaws in the coming months. Kittredge asked about the potential for establishing a standing governance committee. Boura shared that it had previously been discussed, and shared that the University Foundation found establishing a standing committee to be helpful.
- G. Chief Executive Officer’s report** – Sidney shared an update on the goings on at CSE since her arrival, some of the information she has learned, and her interactions with the management team. She also shared that a status update communication with the Campus Community is being drafted and should be expected soon to share about current and future work at CSE.

1. Operations Update

- a. Presentation – Building Organizational Excellence** – Sidney Shared the first steps towards building organizational excellence: reassessing and realigning reporting relationships, identifying and meeting weekly with

the management team to identify issues, challenges, and opportunities. Meetings with management have resulted in modifying workload responsibilities, and implementing a number of process improvements.

With regards to modifying workload responsibilities Sidney shared that changes were made to increase capacity for quality analysis by changing professional and support level duties. Routine transactional responsibilities were transferred from Analysts to a support staff member. She continued that there is an ongoing review to identify dual Research Foundation (RF) and Research and Sponsored Programs (RESP) policies, in order to consolidate to one updated CSE policy going forward. Sidney shared about an increase in focus and support for Institutional Review Board (IRB) policies and duties. She shared that there is some work still to be done to clarify finance/accounting roles. Additionally, processes for Independent Contractors (ICs) are being reviewed, and changed based on guidance from the Chancellor's Office that are based on case law and ongoing legislations which identify a default classification of Employee rather than IC in the absence of a compelling argument otherwise. Based on established criteria determination of IC vs employee will be made initially by HR, rather than accounting.

Sidney shared ongoing changes within the Proposal Development Team that is currently developing a database of historical activity, tracking the proposals submitted and awarded by PI/Department/College in order to identify trends and effectively target future activity. This will also allow for reporting to Deans and PIs to help them stay informed and engaged. CSE is temporarily decreasing outreach to the campus while this data is being generated and evaluated. Sidney continued that there is a need for new software implementation for pre-award, explaining that new software can help streamline the proposal and award process. Sidney briefly discussed plans to provide additional training on the use of OneSoultion software to increase utilization and effectiveness internally as well as for PIs and other end-users.

Stachura asked about the recent change of the Institutional Animal Care and Use Committee (IACUC) and Institutional Review Board (IRB) being overseen by CSE, and whether that was always overseen by CSE. Larson shared that the committees were previously supported by RESP, is now supported by a CSE staff member that reports directly to Sidney for this particular component of their assignment, and continues to be chaired by a faculty member. Lando requested that discussion be had in closed session relating to the revised organizational chart. Kimmelshue asked about the apparent reduction in staff on the organizational chart. Sidney explained that some positions, which were retained, were excluded for increased clarity. Larson added that a more effective

comparison could be made with the previous RESP organizational chart.

- b. Org Chart** – Sidney Shared the Organizational Chart from the end of September 2019, and the newly revised chart as of early December 2019. Specifically, she identified changes to management roles to provide additional clarity relating to tasks and roles. Separating Business Services into Finance/Accounting and Grants/Contracts.
- c. Process Improvements** – Sidney Shared about the ongoing process improvements in three areas, and that each area identified issues that are being closely tracked. Some priority issues are those identified by the auditors, and those identified internally by staff. She shared about staff vacancies and the recent acquisition of a Senior Analyst who will be starting in January. In addition, a temporary hire has been made to help manage the current backlog.

Sidney spoke about OneSoulution, sharing that she had initial concerns about OneSolution which have been resolved following discussions with staff and other organizations that use OneSolution successfully. She identified that some issues have resulted from the implementation process. The plan is to improving the implementation of a variety of features not currently being utilized, in part with support from a consultant whom participated in the successful implementation of OneSolution at San Jose State University. She also shared the intention to increase user training.

Sidney shared about near term priorities: filling staff vacancies to increase capacity along with the quality of customer service, increasing staff development and training opportunities, and improving communication with the campus community.

Larson shared about Mary's work over her first two months, and how much meaningful progress she has been able to accomplish in order to improve the organization and allow CSE to rebuild. Larson thanked Mary for her work, acknowledging that it is still a work in progress. Sherman echoed Larson's comments, and her increased confidence in CSE's finances. Sherman also acknowledged Kelly's contributions.

- 2. CAYUSE Software Acquisition** – Sidney Shared about the importance of implementing new pre-award software. She shared that the CAYUSE software has been successful utilized within the campus community by eight other universities, and that is has been identified as the preferred vendor after reviewing three options. Jessen shared the benefits of the CAYUSE software, including IRB modules, conflict of interest modules, and overall that it in an integrated system rather than having multiple feature operating independently. Jessen shared that the software currently being used was originally created by CSU Chico Computer Science Faculty as a temporary system. She shared about

challenges with the current system, which is labor intensive rather than being designed with a work flow. She continued to share that CAYUSE allows for PIs to initiate a proposal, avoiding the emails and phone calls that are currently needed. Jessen also shared that CAYUSE allows for Deans to access and review information on faculty activities. Sidney referenced both the Proposal Development, and Contracts workflow currently being used, and the projected streamlined workflow resulting from CAYUSE implementation.

Stachura asked if PIs were included in the review and selection on CAYUSE. Jessen shared that the review and selection was internal, including pre-award staff, management team, as well as IT. Stachura shared the benefit of including PIs. Wittmeier added that CAYUSE will be able to integrate with OneSolution, eliminating redundancies. Seipel asked if Joleen Barnhill in the College of Communication and Education was involved in the discussion and selection of CAYUSE. Jessen reiterated that the selection process had been limited to CSE staff.

Trethewey asked about the timeline for integration of CAYUSE with other systems, she continued to ask about OneSolution support having heard feedback that OneSolution support was lacking. Jessen shared about discussions with CAYUSE regarding support, which is part of the contract. Wittmeier shared that the challenges with OneSolution were in part due to training being provided by IT staff, which was not ideal, and that other training options are being explored to improve the execution and utilization of OneSolution. Larson clarified that there were previously issues with the vendor, and that the vendor has since changed. Sidney shared that the vendor relationship has been identified as needing improvement.

Lando shared that he planned to support the proposal in line with staff recommendation. He asked about input/feedback from other campuses that use CAYUSE, and the costs associated with software acquisition as well as anticipated annual costs. Sidney shared that closely monitoring implementation is a priority. Jessen shared that other campuses using CAYUSE gave specific feedback relating to implementation and overall feedback was positive. Wittmeier shared further about OneSolution, the significant amount of time that had passed since the last software upgrade creating additional challenges during implementation, and the benefit of reaching out to other OneSolution users, specifically the City of Chico.

Boura shared the importance of including the end user in the implementation process, and the realistic/cautious expectations that are needed when implementing new software. Seipel asked about current editions, update frequency and associated costs, specifically he expressed a concern about support expiring as new versions are released.

Jessen shared about the implementation and training process with the vendor. She shared that the vendor would conduct 5 days of on-site training, and

ongoing training over a 6-month initial period. Jessen clarified that the priority user is internal on the pre-award side and that faculty use of the software will be comparatively limited. CSE staff plan to guide and support faculty users. Sidney committed to including the end users in the training process. Mary Sherman asked who was going to serve the project manager, and what training they have. Jessen shared that project managers will be Jessen, CSE ERP Systems Specialist, Jim Forberg, Vice Prov. Info Resources/CIO, Michael Schilling, and the Post-award Contracts Manager, Michele Flowerdew. Sherman expressed concern at not having a single Project Manager identified. Sidney identified Jessen as the Project Manager. Sherman continued that a Change Manager was also needed to guide fast and effective user adoption. Sherman asked about the measures of efficiency and success that are planned to result from the implementation, specifically a reduction of the overhead load. Boura shared that he would like to see the faculty board members involved with the implementation process, as well as the Sponsored Program Advisory Committee (SPAC).

Kimmelshue asked about the budget for acquisition, and the source of funds. Sidney identified that the Professional Development fund has been previously identified as the source. Lando suggested that implementation challenges with OneSolution be thoughtfully considered as implementation of this new software is approached.

Seipel raised concerns about the Professional Development fund being used for this purpose, as the fund was identified for faculty development purposes. Larson shared that the fund was previously not being used. Stachura asked if there was a specific problem with pre-award software being used currently. Jessen shared that the age of the current system was creating issues, and that it does not allow for ease of reporting. Sidney added that this upgrade was needed because the current software is failing, and does not allow for efficient data extraction. Larson shared that improved software will eliminate barriers to PI's which will hopefully encourage increased participation.

**Motion to approve the acquisition of CAYUSE pre-award software
(Kittredge/Kimmelshue)**

Motion carried (13/0/0)

3. Update of Corporate Resolutions

a. Resolution FY20-01, authorized signer – Sidney Shared

b. Resolution FY20-02, authorized signer – Sidney Shared

Motion to approve resolution FY20-01 and FY20-02 as presented and amended

(Lando/Kimmelshue)

Motion carried (13/0/0)

H. Ecological Reserves Update –

1. **Big Chico Creek Ecological Reserves** - Goodsell distributed the 2018-2019 annual report and shared some highlights. First, the \$50,000 Butte Strong Fund award to design and enact a Forest Therapy Program, which will involve 15 local mental health professionals and service providers who will become certified as Forest Therapists through attending a week-long intensive training, and a 6-month online certification program. Initial interest is strong. 450 camp fire survivors will be involved in the training process, receiving mental health benefits. Second, the field ecology crew which consists of interdisciplinary students from Recreation, Agriculture, College of Natural Science, and more (undergrad, grad, and recent grads) will be getting out in the field on private as well as public lands thanks to \$125,000 in funding. Lastly, recently an application was submitted for \$259,000 California Climate Investments grant funding to study bio-char, measure carbon and sequestration of carbon through fire mitigation and by evaluating forest health.

Goodsell shared about ongoing projects. Goodsell shared about the recently launched Adopt-an-Acre program, reviewing the levels of giving as well as the benefits that come along with the different program levels. He also spoke about the benefits to the Reserve, not only financial but also the trail camera data which tracks wildlife activity on the Reserve.

In the annual report Goodsell also highlighted the changes in funding that have occurred over the past three years, diversifying income sources to expand beyond the Reserves MOU with the State, and include private donations as well as grants and contracts. Parsons-Ellis asked about the Forest Therapy program and if any collaboration with the Counselling Center was currently planned, and how more collaboration with the campus could be achieved. She also asked if there will be fees to participants. Goodsell shared that professionals being certified and participants will be able to participate free of cost. Boura praised Goodsell for his tremendous and collaborative work to promote the Reserve. Sherman shared that she has adopted an acre, and about her positive experience on a recent tour as well as having a sponsored trail camera.

2. **Eagle Lake Field Station Disposition** - Goodsell shared an update on the Eagle Lake Field station disposition. A letter has been sent to the Susanville Rancheria, identifying disposition timeline and next steps, specifically the need for an appraisal of the property to be paid for by the rancheria and submitted to CSE in February. Goodsell shared that there was a change in the planned disposition effort and that he will serve as the point person for the disposition. The goal is to transfer the property by the end of June.

- V. **Proposed Bylaw Amendments** – Lando asked about the number of board members and the current number of faculty members. He also asked about the Faculty Advisory Committee (FAC). Larson shared the benefit of the FAC representing the interests of the Faculty. Lando expressed hesitation to continue the discussion due to Sidney recently joining CSE, and asked if added

faculty members would be serving as independent agents or as representatives for the Academic Senate. Boura asked what Sidney's perspective was of how the FAC would operate and engage with CSE. Sidney shared the benefit of direct communication she had witnessed at recent meetings a desire to continue the engagement at the FAC/SPAC level. Boura asked about the potential to include a board faculty member or Dean on the Advisory committee(s). Seipel suggested that the issue be addressed at the present time, and a concern about adding to the expectations of current faculty board members by asking for participation on the Faculty Advisory committee(s). Stachura questions the need to create an additional board committee. Larson clarified that SPAC is a committee of the Academic Senate, not of the CSE Board.

Kimmelshue shared that his past experience has demonstrated the benefit and efficiency of having a smaller board, and his perspective that there is a significant presence of faculty on the CSE Board, particularly when considering Dean appointments. He expressed opposition to the current motion to table. Unruh shared his previous expectation that the Ad-hoc Governance Committee was tasked with evaluating this possibility. Larson shared the need for any bylaw amendment to be presented to the Board with 30 days advanced notice, and that conversations with the Executive Committee of the Academic Senate had resulted in the presentation of this proposed amendment. Parsons-Ellis shared opposition to tabling the motion, and a preference to acknowledge the procedural error without taking further action.

Motion to Table the Proposed Bylaw Amendment

(Lando/Kittredge)

(4/7/0)

Lando shared hesitation to add an additional member noting the historical lack of controversial votes, and asked if the appointed member would be a free agent or a representative voice for the Academic Senate. Larson shared her understanding that the appointee would be expected to represent the perspective of the Academic Senate. Parsons-Ellis shared that her understanding was that this resulted from a procedural error, and that she did not feel this was cause for an amendment. She continued that previous auditors have identified an overabundance of the campus community on the CSE Board. Kittredge shared that he felt this was a step in the wrong direction, also sighting previous audit findings.

Stachura commented that CSE exists to serve CSU Chico and that he did not feel there could be too many CSU Chico representatives. He continued that he felt the loss of the State Side RESP director necessitated this change. Boyd shared the previous RESP Associate Vice President of Research served as a State side employee allowed the faculty involvement in the hiring process. She continued that this change affected the representation of faculty and the Academic Senate. Paiva shared about the previous organizational structure, particularly RESP and its function to support and oversee faculty research. The reorganization and consolidation of CSE reduced control of IRB and other institutional research activities. She continued that the dissolution of RESP removed oversight by the Academic Senate and that there are outstanding questions about the engagement with IACUC and IRB to ensure compliance in research ethics and guidelines. Ford shared his agreement regarding concerns with the efficiency regarding large boards, but that the current balance of representation does not allow for needed faculty representation. He added that the addition of a faculty board member would address change in the balance of representation that resulted from the reorganization and absorption of RESP.

Trethewey asked what specific problem(s) this amendment is designed to solve, and how the proposed amendments were generated. Larson shared that she proposed the amendment to address concerns raised by the Academic Senate. Seipel shared the challenges that current faculty board members face in representing the broader campus community. Lando shared his perspective that the Board continuously strives to represent faculty in service to the University. Sherman in response to Trethewey's questions shared that the specific problem being addressed by was the failure to properly assign the faculty board members through nomination by the Academic Senate, she also shared her perspective that the proposed bylaw amendment was not an ideal remedy, and preference to dismiss the faculty members currently on the Board and allow for the Academic Senate to nominate two faculty board members as was originally intended. Boura shared his perspective that review by the Ad-hoc Governance Committee was needed to address this issue and offered his apologies for any offense that was felt as a result of this discussion and the underlying issues that the Board is striving to address. Kimmelshue shared that the non-faculty members of the Board are proud to serve on this board and that the success of the University and its faculty are paramount in the eyes of the Board.

**Motion to deny the Proposed Bylaw Amendments as presented in board packet
(Kimmelshue/Kittredge)**

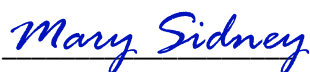
Motion carried (7/3/0)

Trethewey shared the importance of evaluating representation of faculty needs on the Board. Kittredge echoed interest in the Ad-hoc Governance Committee evaluating representation on the Board. Lando suggested the inclusion of a faculty member on the Ad-hoc Committee.

VI. Closed Session at 4:09

VII. Adjournment to next meeting scheduled for Monday, March 9 2019, 1:30-4:00pm in BMU 210 at 4:44pm.

Respectfully submitted,



Mary Sidney, Secretary