

CHICO STATE

ENTERPRISES

Board of Directors' Meeting Minutes

Wednesday, May 12, 2021, 2:00 – 4:30 pm

MEMBERS PRESENT: John Unruh, Gayle Hutchinson, Debra Larson, Bob Kittredge, Angela Trethewey, Ben Seipel, Tom Lando, John Carlon, David Stachura

MEMBERS ABSENT: Ahmad Boura, Bre Holbert, Tod Kimmelshue, Ann Sherman,

ALSO PRESENT: Mary Sidney, Natalie Carter, Vance Kelly, Timothy Sailsbery, Michele Flowerdew, Russell Wittmeier, Tara Becraft, Michael Schilling, Skye Gebhart, Tom Wilder

I. **Call to order** – Larson called the meeting to order at 2:02pm

II. **Approval of minutes from March 13, 2021**

Motion to approve the minutes from the Board of Directors meeting on March 13, 2021

(Lando/Kittredge)

Motion carried (8/0/0)

III. **Public comments and announcements** – none

IV. **Reports**

A. **University President's Report** – Hutchinson congratulated CSE for continued success following the reorganization. Hutchinson shared about the University's accomplishments despite the pandemic and aftermath following the Camp Fire, including the first ever institutional capital campaign, raising \$100 million so far, with plans underway for a new campaign with a goal of \$200 million. She shared that there have been a number of new faculty hires and that there are a number of Dean searches underway. There are over 4,000 undergraduates, 300 graduates, and 253 credential students earning degrees and credentials this year. There will be nine separate in-person, no guest ceremonies, including a ceremony for the class of 2020. Hutchinson noted there is continued progress on the strategic plan, focusing on the three strategic priorities: Equity, Diversity & Inclusion, Civic & Global Engagement, and Resilient & Sustainable Systems. She shared that the new physical science building is opening, and that the old physical science building will be taken down over the Summer, making way for the new Butte Hall. Hutchinson noted that a new identity and logo will be released in

the Fall, along with a refreshed athletic identity. She shared that the presidential task force charged with examining policing policies and practices will be providing recommendations in the coming weeks, looking for ways to improve community policing. She shared an upcoming search for a Chief Information Officer, Chief Diversity Officer. Hutchinson recognized Dean Unruh's coming retirement at the end of the semester, thanked him for his service, and wished him well. She shared that a search will begin in the Fall for a Vice President of Student Affairs, which had been stalled during the pandemic. Lastly, she shared that while enrollment is down slightly, 60 percent of courses in the Fall will be in-person, and 1750 students will be living on campus out of a total of 2300 beds, in part due to the University's vaccination requirement.

- B. Board President's Report** – Larson shared that a new, third faculty member, Anita Chaudhry, will be joining the Board following recent bylaw changes. Anita is a faculty member in the economics department, with an expertise in the environment and sustainability. Larson shared that Dean Unruh is retiring from the University and from the Board of Directors. She shared her appreciation and thanks for his contributions to Chico State Enterprises through his Board service, and to the Agriculture Department at Chico State, and wished him the best. Larson noted that she has been accepted as a member of the Board for CapRadio, representing CSE and the University. She also shared that there is a new incoming STEM Net fellow, participating in the CSU wide consortium focused on supporting funded research in the STEM arena. Finally, she shared that Chico State had two graduate students who were awarded at the 35th annual CSU research competition.
- C. Finance and Investment Committee Report** – Kelly shared an update on the 3rd quarter financials, ending March 31, 2021. Kelly shared the Budget to Actual, highlighting that the indirect cost recovery is slightly above projections, and that the administrative fees are below projections following reduced activity in campus self-supported programs due to the pandemic. Kelly noted an increase in unrealized gains from investment income, and that overall revenue is higher than projected. Kelly shared that expenses are slightly above projections due to higher than expected office operations costs, contract services, and increased insurance costs resulting from higher claims. He noted that audit and tax services are wrapping up, and that there should not be significant remaining costs in that category.

Kelly briefly reviewed the CSE fund account sources and uses. He shared the Statement of Net Position as of March 31, 2021. Kelly noted that assets are listed with the most liquid assets toward the top, and that liabilities are listed with the most current liabilities toward the top. Kelly shared that cash and investments have increased, and that as a result of combining the unbilled revenue and accounts receivable, the accounts receivable assets reflected a decrease. Prepaid expenses have decreased as those assets

have been used, and capital assets have decreased due to depreciation. Overall assets have increased by \$1,462,780. Reviewing liabilities, Kelly noted an overall decrease resulting from a decrease in accounts payable and accrued expenses, along with an increase in unearned revenue from outstanding grant and contract deliverables. The change in net position overall was an increase of \$1,792,6389. Kelly then presented the Statement of Revenues, Expenses and Changes in Net Position through March 31, 2021. He again noted that a significant increase in investments activity currently representing unrealized gains, and that overall financial activity is similar if not slightly above the previous year.

Kittredge noted that the budget had not been approved by the Finance and Investment Committee, due to ongoing discussions relating to potentially significant campus facility utilization fees. Sidney added that the costs in question cover multiple years, and that discussions are expected to conclude over the Summer for presentation to the Board at the September meeting. Seipel asked what was included in the campus facility utilization fees. Sidney explained that the fees are intended to reflect the cost of space used for grant and contract activities that take place on campus. Seipel suggested that it would be helpful to explore if there is equity between PI's on and off campus as well as CSU wide. He added that for a number of projects, especially for those operating off campus, indirect rates should offset those costs. Sidney shared that there is some confusion around the underlying rationale for the indirect funding distribution formula and that the two parties are working to explore what makes the most since going forward. Larson noted that Executive Order 1000 was the genesis of this type of agreement relating to public resources and reassured the board that all parties were working toward a resolve to the issue. Sidney noted that Executive Order 1000 provides guidance that will be utilized in discussions.

D. Audit Committee Report

1. Authorize Audit Committee to approve submission of final audited financials –

Kittredge shared that the Audit Committee met with Bobby LaCour with Aldrich Advisors, and that again this year the audit would be conducted remotely. He explained the projected timeline for the interim work, conducting reviews of internal controls in June, followed by testing the year-end balances starting in August, anticipates concluding in September. He shared that the timing of submission deadlines to the Chancellor's Office will make it difficult for the final submission of financial statements to the Board by the regular meeting in September. As a result, the Audit Committee is requesting that the Board give authority to the Committee to approve the financials for submission to the Chancellors Office.

**Motion to grant the Audit Committee authority to approve submission of final audited financials to the Chancellor's Office
(Kittredge/Trethewey)
Motion carried (8/0/0)**

E. Chief Executive Officer's Report

1. **NSPR Update and FCC Compliance** – Sidney shared that Provost Larson has been approved to serve on the CapRadio Board of Directors. She continued, following up on a previous Board inquiry relating to the CSE fiduciary responsibilities relating to FCC compliance, sharing that the station manager has committed to reporting to the Board on a regular basis including updates on compliance activities. Larson suggested a regular update from the CapRadio Board be shared as well.
2. **CSE Operations update** – Sidney shared that a number of improvements have been made in day-to-day operations, and that a significant amount of positive feedback from faculty and center directors has reflected those improvements. She shared that the management team meets monthly with the Sponsored Programs Advisory Committee (SPAC), and that the committee continues to express the desire to be involved in the ongoing process improvements.

Unruh asked about updates relating to indirect rates and incentive funds. Sidney explained that the implementation of CAYUSE has delayed the roll-out of the new F&A methodology, and that updates can be expected in the Fall.

3. Technology updates

- **Cayuse Go-Live this July** – Sidney shared that a detailed timeline has been developed to guide communications to the campus relating to the roll-out of the new software, and that increasing amounts of detail will be provided to campus as we approach the launch in the Summer. She added that one excellent feature of the new software is the ability to provide statistical data on proposal and award activity. Sidney continued that there will be two launches, one in the Summer, and one in the Fall, supporting faculty who work over the Summer and those who are off-contract until Fall.
- **OneSolution** – Sidney shared that the OneSolution refinement continues, providing increased functionality. She added that there is an available, cloud-based upgrade to the OneSolution platform which will be introduced in the future bringing significantly improved features to users. Seipel asked if faculty had been involved in the OneSolution improvement process. Sidney stated that she invited volunteers from SPAC. Larson asked if there

would be a benefit to formalizing the SPAC. Sidney shared that the SPAC had recently increased participation in the committee, adding more participants at varying levels from the individual PI's to the larger centers. Larson asked that updates be shared in the future relating to new awards and programs, as well as staffing changes within the organization.

Seipel asked about pending updates to Executive Memorandums referencing the formers Research and Sponsored Programs (RESP). Larson acknowledged that there were a number of outstanding Executive Memorandums and committed to working toward refreshing the documents over the coming months.

F. Meeting Adjourned at 3:19pm

Mary Sidney

Mary Sidney, Secretary