

# The CSU, Chico Research Foundation

## California State University, Chico

### Minutes for the Board of Directors

Thursday, December 20, 2012, 1:00 pm to 3:00 pm  
Kendall Hall, Room 103

#### MEMBERS PRESENT:

Belle Wei, Paul Zingg, Richard Ellison, Drew Calandrella, Dan Hunt, Russell Shapiro, Tim Colbie, Katy Thoma, Lindsey Siegel

#### MEMBERS ABSENT:

Lori Hoffman

#### ALSO PRESENT:

Karen Finley, Carol Sager, Fred Woodmansee, Stacie Corona, EK Park, Cindy Wolff, Jason Schwenkler

#### 1. **CALL TO ORDER** – Belle Wei

The Provost called the meeting to order at 1:00 pm

#### 2. **PUBLIC COMMENTS** – None

#### 3. **MINUTES**

Motion to approve the minutes of the Annual Meeting held September 26, 2012. (Colbie/Ellison) Motion carried. (9/0/0)

Motion to approve the minutes of the regular quarterly meeting held on September 26, 2012. (Colbie/Calandrella) Motion carried. (9/0/0)

#### 4. **FOUNDATION PRESIDENT'S REPORT**- Belle Wei

Provost Wei noted this was her first meeting as President of the Board. She stated that EK had shared with her that there was tremendous success in the past academic year with total revenue going up by 9% for a total of \$30 million with direct cost revenue increasing to 13%. This is good progress. Given the number of faculty compared to award dollars, we are one of the top campuses in the CSU. She stated that at the beginning of the semester she initiated a task force to look at developing a financial model to better support RESP and Research Foundation operations. Later on EK will report on this work. The overarching goal for the Research Foundation is to advance the university's research agenda, faculty development and student learning while maintaining strong financial vitality.

The Provost continued her report with a reference to the work being done on C2S2 (Chico Compact for Student Success) to generate fees to support programs that will advance student success and graduation in 4 years. They are working closely with student leaders. Lindsey Siegel added that she working on this effort and they have gone through the process of alternative consultation. The AS BOD sent out a letter

of recommendation and are continuing to meet with students and obtain feedback on the use of these fees. The Provost added these discussions are providing the students, deans and faculty the opportunity to identify the programs that are really beneficial to students.

**5. UNIVERSITY PRESIDENT'S REPORT- Paul Zingg**

President Zingg continued the discussion about C2S2 noting that the column he wrote in the recent edition of *Inside Chico State* entitled "More Than a Fee" talked about the notion of the compact. He said he could not emphasize enough what he means; a compact for the future will depend more on the students than on the state. He noted that 10 years ago CSU funding was 81% state general fund, 18% student fees and 1% from various other sources including grants and contracts. Today the state provides 45% for operations and students provide 48% and things will not be returning to the way they were. We can expect the ratio will continue to drift. Nationally, public support for higher education is under 40% and he said he has no doubt California is headed there. This is contrary to California's history of support for higher education. That is why the compact/partnership with the students is so important.

He stated there is still much to be achieved and this is where providing a safe and supportive teaching/learning/living environment comes in. He continued that later today or tomorrow at the latest he will be sending to the Chico community a statement – a call to action – that will be signed by community leaders about the alcohol problem we have in our community. It is hard hitting and will upset some who do not understand how deep and real the problem is. It is a very candid and partnered call to action that will lead to a meeting or summit in the new year that will bring together students, parents and community leaders to address the challenges that are laid out in the letter.

He continued that he sent a letter to 16,000+ parents explaining the situation at Chico and particularly the suspension of the Greek organizations. He has received hundreds of responses and only 1 negative one. However, this is not just a Greek problem, but a community problem.

The passage of Proposition 30 prevented further deductions, but no new dollars come from that. They are waiting for the 13/14 budget which is generally out by now and they are hoping that within that budget there is some indication of a reinvestment in education. The Trustees submitted their budget a month ago that called for a \$440 million investment. Zingg added he did not think that will happen, but they are hoping for something. Chico planned for the worse and we did not get that. They had a little more flexibility to deal with the budget situation this year. They planned on Prop 30 failing and planned accordingly. Instead of a \$10.1 million reduction, it is \$5.2 million. They have tapped the RCE reserves for half of that after receiving special permission to do so, but you can't continue to build a budget by tapping into one-time reserves.

The President asked for Rick Ellison to share information from the January Trustee meeting regarding Advancement. Total gifts to the system for 11/12 were \$240

million which was very close to the previous year. However, the previous year had included a \$30 million dollar gift to CSU Pomona from the Kellogg Foundation which was not part of the 11/12 totals. Chico State's total was \$7.6 million in gifts, pledges and bequests. Some of the highlights: Of the 24 campuses reporting (includes the Chancellor's Office), Chico had the 4<sup>th</sup> highest number of donors to the institution. He noted that at Chico, 50% of the donors are alumni whereas at Sacramento State and San Diego only about 10% of the donors are alumni. About 60% of our dollars come from individuals which surprises some who think that donations come from corporations and other foundations. Rick added that as an update for calendar year end they are negotiating some large gifts and hope to have them recorded before year end. They are ahead of last year and the previous year in terms of total fundraising.

Thoma thanked the President for his leadership with regard to the alcohol issue. Shapiro stated that as a response to this situation his department has met and are raising their standards at the departmental level and expectations for students.

#### **7.a Time Certain – Eagle Lake Field Station Update & Presentation**

Fraka Harmsen, Dean of the College of Natural Sciences and Randy Miller, Interim Associate Dean of the College of Natural Sciences provided an update on the progress made with regard to the Eagle Lake Field Station. A handout with the detailed presentation is incorporated as an attachment to these minutes.

Discussion focused on the development of a broader user base as well as funding streams.

#### **6. QUARTERLY FINANCIAL UPDATE**

**Budget to Actual Projections for 12/31/12 and Significant Activity-** Fred Woodmansee provided the quarterly financial update on the budget projected through 12/31/12. The budget hand out was distributed for the administrative office showing 51% of total revenue and 47% expenses year to date.

Carol Sager reviewed the RESP quarterly financial update noting that revenue is on pace to be at \$2.7 million and it is budgeted at \$2.4 million. She noted that at budget time they discussed keeping ahead of that budgeted number and it would help with reducing the deficit. Woodmansee pointed out that expenses are only at 45% which is less than the 50% one would expect at this point in the year. Shapiro asked what the "Sponsored Programs Space Fee" is. Sager explained that there were instances when grants or contracts or program income accounts were charged for use of space on campus and because it is not an allowable cost, EK has agreed to pay for it out of the RESP budget. Hunt asked if the 45% of budgeted expenses is a true number or because of late charges. Woodmansee responded it was probably a bit of both and stated he believes salaries and benefits are down. Sager agreed that they are down a position currently.

Provost Wei summarized that revenue is up, and expenses are down. Woodmansee added this is relative to what was budgeted.

**7.b Economic Development Administration (EDA) Application Regarding 25/35 Main St. Feasibility Study Update**

Finley explained that at the last meeting the Board had approved pursuing EDA funds for a feasibility study. Within two weeks of that meeting a webinar was hosted by the Chancellor's Office discussing issues surrounding buildings that were financed with public bonds. One of the issues is that you cannot have a private use in a building financed by tax exempt public bonds. 25 & 35 Main St. are financed with tax exempt public bonds. Part of the idea behind the feasibility study was mixed private/public use. We still think there is value to go forward with a study. There continue to be discussions about the buildings including the possibility of Regional Continuing Education perhaps utilizing 25 Main St. for their programs including OLLI (Osher Lifelong Learning Institute) and ALCI (American Language and Culture Institute). A feasibility study may still be in order for not just the two buildings, but also the corridor down East 1<sup>st</sup> where some broader partnership could be involved. The study could provide the tools to make some of those assessments. The funds have not yet been applied for and it will be after the first of the year. In a response to a question it was explained this is based on IRS definitions and the intent is that tax exempt bonds cannot be utilized by private entities for space. Hunt asked if the feasibility study was supposed to identify private users. Sager responded that initially the thought was that the use could be expanded to include private users. The idea was that mixed use/partnerships could provide additional rental income to offset costs.

**7.c Update on RESP/RF Financial Sustainability Task Force**

EK Park explained the task force was created as part of the 14 priority action items the Provost charged when she came to CSU, Chico. It is comprised of about 10 members who are deans, faculty and staff representatives from the Centers on campus. The committee has compiled a list of strategies for reducing expenses and increasing revenue to create a financially sustainable RESP and RF. Even though we are happy with last year's performance with a 13% increase in indirect and an overall increase in grants and contracts of 9%, there is still more that can be done for improvements. We are in the process of evaluating the potential strategies. A report and recommendations will come from these efforts. Finley further explained that the committee was working with the strategy matrix that had been provided to board members at the September meeting. These strategies were being fleshed out and expanded. The report is anticipated to be completed during the next semester.

Wei noted that for this year, the Board approved a deficit of over \$500,000 in the RF budget and that is obviously not financially sustainable. They must look at the revenue side as well as the expenditure side. She continued that the Research Foundation has a very important mission to support faculty and students and hopefully they can come up with a model that considers those factors and will work.

**7.d Report on Benefits Subcommittee Meeting in October, 2012**

Finley reported that a subcommittee had been formed comprised of Lori Hoffman, Drew Calandrella and Katy Thoma to meet with her as well as Fred Woodmansee and Carol Sager to review the renewal information for the benefits program and the split of the cost of benefits between employer and employee. They met on October 16, although Katy was unable to join them for the meeting. They reviewed the history of premium splits, comparability information with the Associated Students and the campus and settled that we would maintain employee premiums at their current level on the PPO program and for the HMO would share 50/50 with the increase in premium rates. At the time the group met, the dental program had just been let out to bid due to unfavorable renewal rates, and permission was given to either stay with the current carrier or if the bid process produced a better alternative to go with that. The decision was later made to move to a new carrier based on a 14% decrease in premiums as well as a two-year rate guarantee with no significant change in benefit levels. Finley stated she felt the committee approach had worked well and everyone felt we were on target and headed in the right direction.

**7.e Update on Recruitment for Executive Director**

Tim Colbie reported on the actions of the recruitment committee comprised of himself, Lori Hoffman and Russell Shapiro as a result of the closed session decision from the September meeting to recruit, on a nationwide basis, a new Executive Director. It was posted and at the time they reviewed applications about fifteen had been received. A few more have been received since then. A review was conducted on the original applications received and was short listed down to five for interviews. There are now two candidates being considered. They will be invited back to campus in January. Finley added that she elected not to be a candidate for the position and because of that Lori had asked that she be involved on a limited basis in the guidance of the process. The committee retained all the control for the review and selection of the candidates and that she and the Foundation Administration office had not been involved in that part of the process.

Wei clarified that we are down to two finalists and Colbie added that interviews would be the 22<sup>nd</sup> and 23<sup>rd</sup> of January. Hunt asked who would be making the final selection. Colbie responded that in the minutes of the last meeting in September it was stated that the entire Board would be involved. Shapiro stated that he felt the three on the committee were very fair. Even though there were discussions, the candidates who will be invited back to campus were a unanimous decision. He does not feel the committee overstepped what a small subcommittee should do and he had been worried about that. At this point, it will be going to the full board. Wei asked if Colbie could explain how things would proceed. Colbie felt Hoffman would be better able to address that. Finley added that due to the timing of Hoffman's departure from campus, she felt that when Hoffman returned after the break, the process would be solidified and communicated. If necessary, a special meeting could be convened outside of the normally scheduled quarterly meetings. President Zingg stated that ultimately it is a recommendation that comes to Provost Wei as president of the Foundation and to himself as president of the University. He stated he was sure they would reach consensus.

**7.f College Park Houses Update**

Finley reported they are working on the next three houses to move to the State and Sara Rumiano is spearheading that effort with the Chancellor's Office. She has the appraisals and is working on the balance of the back-up information. Hopefully this will be accomplished by the end of the fiscal year.

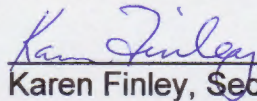
**7.e Special Set-Ups Report**

Carol Sager reported there were no special set ups to report.

**8. ADJOURNMENT**

The meeting was adjourned at 2:22 pm.

Respectfully submitted,



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Karen Finley, Secretary