

The CSU, Chico Research Foundation

California State University, Chico

Minutes for the Board of Directors

Monday, December 14, 2015, 1:30 – 3:30 p.m.

BMU – Room 209

MEMBERS PRESENT:

President, Paul Zingg; Interim Provost, Susan Elrod; VP Student Affairs, Drew Calandrella; VP Business & Finance, Lorraine Hoffman; Faculty Member, Erik Bartelink; Faculty Member, Russell Shapiro

ALSO PRESENT: Research Foundation staff Catherine Thoma, Jessica Bourne, Tyler Donnelley, Michele Flowerdew, Kevin Kelley, John Miner, Jamie Visinoni, Jerry Fieldsted, and Kathy Kinsey

GUESTS PRESENT: Dr. Kasey DeAtley

1. Call to Order – At 1:38 p.m. by Elrod.
2. Public Comments – No public comments.
3. Approval of the Minutes – Elrod asked for a motion to approve minutes from the September 28, 2015 and October 22, 2015 regular board meeting. Flowerdew pointed out that “MSW” on page 8 needs to be “NSW.” Motion was made and seconded.

Move to approve the September 28, 2015 and October 22, 2015 meeting minutes (Shapiro/Calandrella)

Motion carried (6-0-0)

4. President’s Report

Inside Chico included an announcement of the addition of the priority of civic engagement to the university strategic plan. The Academic Senate enthusiastically endorsed the final presentation of the plan.

Redding ranked first and Chico fifth last week in a report ranking the quality of healthcare of about 350 communities in the United States. This was largely because of the opportunities in the nursing profession and the quality of nursing education. The common denominator is the School of Nursing. The report came out online, and Joe Wills likely has it.

Zingg received an update about 10 days ago that here is a strong pool developing for the presidential search. The next meeting of the search committee is the first week of February, and they will reduce the pool to six to eight people at the most. After a classic airport interview, the pool will be reduced to two to four people. All of those names will go to the board of trustees the first week in March. The chancellor will bring to the March board of trustees meeting the name of the person who has been selected. Maybe by the next meeting in March, a new president will be here to attend.

5. Provost’s Report

- a. Board retreat

Elrod said the board retreat on October 22 at the Warren Center resulted in the intentions to bring in a facilitator consultant. That individual would help the board in subsequent meetings to think through strategic priorities and a revision of the Research Foundation's mission statement in light of the goals and priorities of the university. The individual has not been identified yet, and the search will be revisited at the beginning of next year.

b. Faculty research presentation – Dr. Kasey DeAtley

Elrod introduced DeAtley, an assistant professor in the College of Agriculture. DeAtley presented projects that cover genetics, nutrition, and range science. There are three major projects: utility of brewer's grain as a winter feed supplement for cattle; feed efficiency of half-blood lowline Angus steers; and delivering sustainable rangeland management training via multi-institutional collaboration.

6. Business

a. Financial Report

1. Financials

Bourne presented the September 30, 2015 financials, and provided a balance sheet for the operating and plant and bond fund. A balance sheet is not yet available for all RF funds, but a balance sheet for the operating and plant and bond fund will be available each quarter. RF management is working toward improved reporting from the financial system.

The roughly \$13.9 million in assets are largely illiquid, not comprised of cash and cash equivalents. Deposits of about \$300,000 are largely comprised of the foundation's investment in its JPA for our share of one of our payroll-related liabilities. Approximately \$260,000 represents a deposit in CSURMA.

Fixed assets were discussed, given the \$10 million in accumulated depreciation. Net book value of fixed assets is approximately \$5 million; this is an area of the books that requires review and adjustments. Although the totals of fixed assets and accumulated depreciation are quite high and likely misstated, there is no financial statement impact as the figures net.

Another large number, reviewed annually, is the grant cost disallowance reserve. Bourne said that number is overstated, but with the recent transitions in accounting, the conservative estimate has not been reduced. Flowerdew noted the figure is based on a percentage of what they have in grants and contracts and their external auditors are the ones who calculated the percentage. The auditors said that the RF is lower than really where it should be for what the cost disallowance should be. Bourne said she and Flowerdew reviewed the history of actual grant cost disallowance, and it was a very small number.

Approved allocations have already been moved out of the operating fund. The allocations for incentive and capacity funding are now in the board designated fund. The negative \$350,000 and the other board-approved allocations have been transferred. Large transfers between the administration and the Sponsored Programs columns summarizes the services that are provided with accounting. The RF Admin budget appears to be on track, with timing differences for shared costs with some our larger expenditures such as professional audit services, and corporate insurance.

Most of the long-term accrued liabilities of \$695,000 is in our post-retirement health benefit obligation. An actuarial valuation was prepared for the period ending 6/30/15, so the number for medical benefits and post-employment with the foundation is current and seems a conservative.

In the approved budget, the most attention goes to the net indirect income- \$2.75 million. Flowerdew said they're on track. Even through the first quarter, they're 23 percent realized so it's looking on track. Bourne said the expenses of 15 percent can be summed up to changes in staffing and vacant positions. College Park continues to bring in rental income. An anticipated gain of \$300,000 to recoup prior depreciation for the sale of the College Park houses this fiscal year is included in the fiscal year budget.

2. Chancellor's Office Audit Update

Thoma said the audit is going well. All of the audit findings are items that were recognized prior to the audit and are already being addressed. Bourne confirmed the findings will be reported to the board. Some of them are a result of the audit occurring so close to the transition and recent staffing changes with one of the accounting positions. Thoma said the audit will be wrapped up Friday, and the board will get the report in the middle of January.

b. 630 Stadium Way sale

Thoma confirmed the sale of 630 Stadium Way should close soon. The documents are at the Chancellor's Office, with the goal being to close by the end of the calendar year.

c. Human Resources

1. Staff update:

Thoma introduced Russell Wittmeier, the new Human Resources Director.

2. Benefits update:

Wittmeier explained the Human Resources office is preparing all of the Personnel Action Forms for the 5 percent, \$135 benefit allowance and the minimum wage increase. Bourne put together an Excel spreadsheet for the benefit changes to show the 182 full-time benefited employees what their differential is and how much it effects them per pay period. The big differentials is really just their change in premiums. Wittmeier has been working with Research and Sponsored Programs to calculate the benefit rates through 2020/2021. Starting January 1, 2016, minimum wage will go from \$9 to \$10. The 124 hourly, non-benefited employees who are below the minimum wage change have been identified. Those employees comprise of less than 10 percent of those in part-time positions. Open positions posted online will be updated to reflect the benefit and minimum wage changes.

Elrod asked how this will affect all of the employees with grants. Flowerdew explained she's been meeting those with projects that are in the middle of their allotted grant periods. They've already submitted their budgets, so they've been crunching numbers to see what it's going to cost the projects. They're figuring out how they can shift funds and resources.

d. Reserve update

1. BCCER:

Visinoni pointed out the sheet in the packet with 2014-2015 reserve usage data. Some of the numbers have gone up. In addition to students and faculty utilizing the reserve for research, there

is also an agreement with Altacal Audubon to monitor saw-whet owls. Close to 35 volunteers will conduct the monitoring. 724 university students have visited the reserve in the fall through university classes. Public service includes k-12 programs, their teachers, and public hikes. Zingg asked if the data goes back any further, and Visinoni said it goes back to 2009-2010, but it's not an accurate representation. It is her understanding the previous staff and volunteers weren't using the RAMs system where the data is pulled as well as they are now. Thoma said the usage is up and it can be attributed to the new 4x4 vans that can transport students on the reserve in a much easier fashion. Two 4x4 vans were purchased, and they've been used most of the semester. Around 300 students have been transported down to the creek so far. Visinoni and Kohner Vugrenes are working on getting a commercial driver program going by February so they can pick up the students when university buses aren't available. Visinoni is working on getting her Class-B license and Vugrenes already has his. Visinoni said David Hassenzahl, Dean of the College of Natural Sciences, has been a huge help in getting new faculty members out there and encouraging faculty members who had stopped using the reserves to come back up.

The Henning house demolition was halted November 16. Three bats were found in the house during a survey, and they appeared to be hibernating. The demolition is delayed until after the next mating season when most of the bats have left, so in the fall – around September to October – exclusion materials like tarps will be put up to push the bats out. The bats would be able to leave freely and not get back in.

The two 3,000-gallon water tanks. They're catching rainwater from the roof of the shop, and the last storm filled over 400 gallons of water. The gathered water will be used during the reserve's prescribed burning season. For the most part the water will be used during the summer season for emergencies and fire response. The reserve is the first to have this resource for the fire department. They will be able to fill their tanks in minutes to respond to fires in the canyon.

There is a Technical Advisory Committee, or TAC, meeting December 16, and the agenda is attached to the packet. Two MOUs will be discussed. One MOU is with the Mechoopda tribe, and the template that has been established with the university is being followed. The other is with Terra Fuego, a local nonprofit who is looking to partner within the Butte Creek water shed to reduce fuel loads and protect the watershed. They have already donated 600 hours of labor to help the reserve reduce fuel load and prepare for some of the prescribed burns.

Elrod explained that the TAC doesn't currently have guiding or a charter, and that should be explored further to establish the role and purpose of the committee. A document also needs to be drawn up explaining the purpose.

2. Eagle Lake Field Station:

Thoma explained that John Crowe is not managing Eagle Lake, but is checking up on it around four hours per pay period, and that he is being paid for it. Hoffman asked if there is a process in place to avoid going deeper into debt. For the last five years, the board has been reluctant to continue to put any more money into Eagle Lake. Elrod said Hassenzahl is continuing to work on a plan for the field station. Elrod has asked him to develop a financial plan. It may require some investment of academic affairs funding much like the RF provides funding for access to the reserves. A priority by the next board meeting should be to have some kind of update on where academic affairs is in terms of their thinking about use and financial viability of the field station. Elrod asked to put that

on the agenda for the next meeting. There will be an Eagle Lake discussion at the TAC and Hassenzahl will also be there to speak to it in a little more detail.

The very first step in doing anything with the property physically is doing something about the bats. There is monitoring up there now which they've never had before. Visinoni said they've had one preliminary report that identifies 12 to 16 species

e. Research and Sponsored Programs

1. Special setups:

John Miner, Contracts Officer, provided explanations for eight current "Special Set Ups" in advance of fully executed contracts. Each was a low-risk scenario including funds committed by the Chancellor's Office, for continuation of project years from USDA, Yolo County completing a purchase order, or with written dean guarantees.

2. Facilities & Administration rate proposal update:

The Maximus, Inc., consultant hired by the RF will be coming to Chico to work with staff at the end of January on the F&A proposal. Elrod explained this proposal must be submitted to the Department of Health and Human Services in order to obtain a federally approved F&A rate for grants and contracts. Bourne, Flowerdew, and stateside (B&F) staff are working together on this. There will be heavy demands for documentation from stateside relating to university facilities in particular.

3. Research update:

Kelley reported he is serving on the search committee for the Assistant Vice Chancellor of Research for the CSU Chancellor's Office. The CO is aiming to bring in a leader of national stature. The committee has narrowed the field to seven strong candidates and will meet in Long Beach to interview the finalists.

State law AB-20 has been in place for six years and relates to state contracting guidelines for the CSU and UC university systems with state agencies. The law's implementation took a long time to negotiate with the California Department of General Services (DGS). A model agreement and budget templates, in addition to University Terms and Conditions, will be operative as of January 1, 2016. One of the positive outcomes was the generation of a MOU between the CSU and UC which sets the F&A rate for state contracts with the universities. The F&A rate will be set at 25 percent starting January 1 and it will grow by 15 percent over the next three years, to cap at 40 percent. The UC and the CSU have shown a new level of cooperation on this. There will be a slight possibility of exceptions, but it's going to be rare and must be approved by all parties.

The RESP office has had a robust level of proposal activity, with over 130 proposals since July 1. Within that, 12 include federal NSF, NIH and USDA proposals for about \$8 million. These have full F&A (42%), and comprise an important arena for extramural funding growth for CSU Chico. David Stachura from the Natural Sciences College (NSC) applied for the first NIH RO1 research grant submitted from Chico in anyone's memory at RESP. That single grant proposal is \$839,400 with \$239,000 in F&A.

The campus also won a highly competitive Research Instrumentation (MRI) grant from the National Science Foundation (~\$200K). Shapiro was the principal investigator (PI) of the team, which acquired an analytical scanning electron microscope, which accommodates a lot of research fields. A new MRI proposal will be submitted early this year seeking a cell sorter instrument, which allows for the high resolution separation of single living cells. This is important for cancer research, microbiological work, and engineering. It's critically important to bring in these special kinds of instrumentation, since they are the research infrastructure that enables faculty to do cutting-edge work competitive for new extramural funding.

The Center for Healthy Communities has submitted \$4.7 million in grant proposals in the last several months. Most of these had F&A rates ranging from 22-42%. They've also been receiving quite a lot of press. Zingg asked what "Foodie U" is, and Wolff explained it is a partnership with Red Bluff Unified School District and several departments and faculty on campus. The project addresses food addiction, working with parents and kids at the upper-elementary level.

Kelley said of the various and sundry research and service projects at the university, six exemplars—including Kasey DeAtley's work as presented at this meeting—were presented and forwarded to the Chancellor's Office for public affairs purposes. ECC's Blitz Build program for Veterans and high-tech atmospheric research by Shane Mayor and his group from NSC, among others, were also sent to the CO. The outcome/products of this request by the CO are not yet finalized.

RESP established a new email address, Research@csuchico.edu, in order to make it easily remembered by CSU Chico principal investigators.

Faculty and PI outreach and development efforts continue vigorously. There are 48 new faculty members at CSU Chico this year and they come as new scholars with a research/RSCA agenda in their respective disciplines, and important for their RTP (tenure) process. RESP has reached out explicitly to these faculty. A New Faculty Breakfast was held, to introduce them to RESP, research administrative support, and the RF. The RESP development specialists team also participated in the New Faculty Orientation program. Additionally, RESP developed a "Research Roadshow" for initial use in the ECC. This presentation and meeting will be adapted and used for outreach to other colleges. We are particularly interested in the new faculty cohorts in terms of research development since the first three years of a faculty member's life at a university are critical. If you lose them to research/RSCA early, you can lose them for a career. Kelley and RESP staff have also given workshops (e.g., "Synergistic Mentoring" for CELT) and have been across campus for a variety of outreach and discussions (e.g., CHC's monthly meeting, working with NSC regarding HHMI and HSI-STEM grant programs).

Research compliance is a high risk arena for CSU Chico at present. RESP does not have a Compliance Officer to assist not only in financial compliance but to handle the myriad of compliance needs for implementation of research. The latter includes human subjects research, animal research, export compliance, responsible conduct of research training, drone (UAS) use, and more. With respect to drones, even though there might only be 10 affected faculty, their use by university parties poses a number of risk issues. RESP established a board of faculty experts to evaluate drone use and to interact with the Chancellor's Office and ultimately with the FAA. The challenges and risks that we're facing are significant because we're poorly developed compared with other CSU campuses in compliance.

RESP has experienced a decline of five staff since 2006-2007. During the year before Kelley arrived, there was a loss of the entire leadership and operations team, and with this significant operations and institutional knowledge and functions. To deal with this human resources challenge, Kelley has been working with Elrod to develop two stateside positions to replace lost personnel while addressing critical needs going forward for research and sponsored programs. One position is a Director of Research Compliance, to address the aforementioned compliance needs for CSU Chico. The other is a Director of Contracts and Development, which has been an area of RESP service that has not been able to meet the heavy contracts demands present at our institution. Kelley is working closely with Elrod to obtain approval from multiple campus constituencies, from the faculty senate to college deans to the research task force. RESP hopes to undertake these searches within a month.

Hoffman asked from a governance level, she's going to defer to Kelley on how and who needs to be hired. What she asked to see is a budget impact. Kelley responded by stating that the positions discussed are funded 'stateside' not RF. He added that the functionality of RESP depends on a hybrid budget of state + RF (like various other CSU research administrative units) –in the case of hiring the above positions, although it does not show on the RF budget, it is important to the RF budget, and to RESP functions and health. Elrod explained that if we are ever going to improve the position of not only RESP but the RF, these kinds of people are needed to help faculty. Elrod also asked for a grants and contracts update overview preferably with quarterly submissions funded by college. She suggested maybe a system could be figured so that the board could get an update on submissions, awards, where they are, and trend analysis. Kelley said RESP did not have a pre-award software system that worked well for reporting like this; a prior staff member used to work on reporting demands of RESP and required very substantial time and effort to get information out of the system. RESP will work on this issue. Kelley added that, in addition to basic data on proposals, etc., it is nonetheless also important to share operations and strategies with the board, so everyone understands how RESP is rebuilding. Each meeting he would like to reserve at least a couple minutes to talk about the nuts and bolts as well.

Kelley reported on the internal Research Stimulation Grant (RSG) program, funded by the Provost's Capacity funds (F&A-derived) and run through RESP. The faculty review committee is working with RESP to evaluate the proposals and decide on funding. In addition to the RSG, the CSU System RSCA (Research, Scholarly and Creative Activities) funds were released from the Chancellor's Office. The CO is now requiring each campus to develop and use a web-based internal grant system. RESP is developing a new "CSU Chico Internal Grants Portal", which will be used for the RSCA competition this year and for all future internal grants programs as they arise. The Chancellor's Office is particularly interested in the reporting capabilities of this system, where they can tap into the scholarly and creative activities of each of the campuses, roll it up, and use it for purposes legislative to public affairs.

7. Other Business

There was no other business to address.

8. Closed Session – Elrod stated they would now be moving to the posted closed session and that only board members would remain.

Report on closed session – The result of the executive session was to discuss pending litigation and personnel matters per the California Education Code Section 89923.

9. Adjournment – The meeting adjourned at 3:19 p.m.

Respectfully submitted,



Catherine Thoma
Catherine Thoma, Secretary