

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION  
BOARD OF DIRECTORS BUSINESS MEETING

MINUTES

December 14, 2017

8:30-10:00a.m.

Corbett Conference Room, SH 222

MEMBERS PRESENT: Lisa Rossbacher  
Jason Ramos  
Steve Karp  
Richard Boone  
Alison O'Dowd  
Amy Sprowles  
Peter Alstone  
Renee Byrd  
C.D. Hoyle  
Ivy Widick  
Steven Shoemaker

MEMBERS ABSENT: Alex Enyedi  
Wayne Brumfield  
Ronnie Swartz  
Craig Wruck  
Chris Dugaw

OTHERS PRESENT: Kacie Flynn, HSU SPF  
Andrea Barrera, HSU SPF  
Erika Wright, HSU SPF  
Denise Bettendorf, HSU Accounting  
Douglas Dawes, HSU Administrative Affairs  
James Roscoe, HSU CRF  
Connie Stewart, CCRP  
Peter Lehman, SERC

**I. Call to Order**

President Rossbacher called the meeting to order at 8:31 a.m.

**II. Research Presentation: James Roscoe, *Cultural Resources Facility, Anthropology***

James Roscoe, Director of the Cultural Resources Facility (CRF) in Anthropology, presented an overview of his facility and research. Established in 1997, the CRF offers professional cultural resources management services to federal, state, and local agencies, Northwest California Tribes, and private individuals. CRF provides a unique learning opportunity for students to participate in cultural resource surveys, excavation, and historical and ethnographic research. During his time at HSU, James has overseen 97 contracts, all of which have involved student participation. CRF

advertises these hands on learning opportunities both in classes and within the Anthropology Department.

### **III. Time Certain 8:45- 9:00 am: Open Forum for the Campus Community**

There were two guest speakers signed up for today's Open Forum.

Peter Lehman, *Founding Director of the Schatz Energy Research Center (SERC)*

Peter was present to discuss the proposed Phase 2 budget reductions, primarily those that dealt with changes to SPF and the auxiliary management structure (Option 5.2). Peter referenced a memo written by himself and eight other Faculty and Staff research directors. This memo outlines their concerns for the proposed ideas (see attached *Appendix II*). Peter emphasized that SPF runs extremely efficiently today, the best he has seen in almost 40 years. Additionally, charging SPF more for University Services (Option 5.3) will reduce or may even eliminate returned Indirect Costs (IDC). They think it is a bad idea and a bad investment for the campus. They urged that this option not be implemented (see attached *Appendix I* for full written statement).

Connie Stewart, *Director of California Center for Rural Policy (CCRP)*

Connie was present to share those concerns expressed by Peter Lehman. Connie explained she has had over 100 contracts through SPF and has benefited from the established IDC return model that would be harmed if Option 5.3 were enacted. The IDC distribution has successfully funded new programs and community-based projects, including supporting grant-writing costs.

Steve Karp explained that there is a campus 'Cost Allocation Committee' currently preparing to present their recommendations on the proposed Phase 2 Budget reductions to the Cabinet. Amy Sprowles suggested having the Cost Allocation Committee present to the Board at the March meeting. Peter Alstone suggested it might be useful to provide input to the committee before they present rather than after. Connie Stewart and Peter Lehman expressed interest in being involved in the conversations that the Cost Allocation Committee are having. Discussion ensued on the timeline and how best to provide input before decisions have been made. President Rossbacher concluded that this will be added as an agenda item to the March 6, 2018 Board Meeting.

### **IV. Review and Approval of Minutes of September 26, 2017 Board Meeting**

**Action Item:** Jason Ramos m/s Peter Alstone "Motion to approve the Minutes of the September 26, 2017 Annual Board Meeting." 9 ayes. 2 abstention. Motion carried.

**Action Item:** Jason Ramos m/s Amy Sprowles "Motion to approve the Minutes of the September 26, 2017 Business Board Meeting." 9 ayes. 2 abstention. Motion carried.

### **V. Annual Report of Indirect Cost Recovery Expenditures FY 16/17**

Per the HSU SPF indirect Revenue Distribution Policy, all distributions of indirect revenue are to be managed by the respective groups to facilitate additional research opportunities within their areas. The policy calls for a brief annual update of how the funds were spent from the President's Office, the Academic Colleges, and the Dean for Research. Attachment C is the annual report of spending for distributions approved by the Board in FY 16/17.

**Action Item:** C.D. Hoyle m/s Richard Boone. "Motion to accept the Annual Report of Indirect Cost Recovery Expenditures FY 16/17." Motion carried unanimously

## VI. Finance Committee Report

Amy Sprowles gave a brief recap of the Finance Committee meeting that took place in December as outlined in Attachment D. Accounting presented the 1<sup>st</sup> Quarter Financial Report ending September 30, 2017.

For the first three months, the effective IDC rate was 13.1%, which is a 1.1-point increase from the prior year. At the end of the 1<sup>st</sup> Quarter, there were 388 active projects with a total award portfolio of \$76.7 million. Comparatively, at this point in FY 16/17 there were 312 active projects with a total award portfolio of \$59.6 million. In the 1st Quarter, the foundation submitted 61 proposals requesting \$15.8 million in funding. Of those proposals, 42 (69%) were \$25K or greater. In that same time, SPF received 46 new awards totaling \$9.0 million. Of those new awards, 31 (67%) were \$25K or greater (Strategic Plan Objective 4.3 – Increase Grants over \$25,000 by 30%).

Amy Sprowles thanked Chrissie Anderson for the accounting work she has done for SPF these last few years, and wish her well in her new position.

**Action Item:** Peter Alstone m/s Alison O'Dowd "Motion to accept the Finance Committee Report." Motion carried unanimously.

## VII. Equipment Transfer to HSU for the Quarter Ended September 30, 2017

Steve Karp reviewed the proposed equipment transfer items as outlined in Attachment E and gave a brief recap of the process for transferring equipment purchased on HSU SPF grants and contracts. This quarter includes mostly computer equipment that is still in use, as well as a drone which will be the first owned by the University.

**Action Item:** Amy Sprowles m/s C.D. Hoyle "Motion to approve the transfer of ownership of equipment on the attached list from the Sponsored Programs Foundation to Humboldt State University effective September 30, 2017." Motion carried unanimously.

Richard Boone commented that ITS costs that are incurred because of these transfers should be a topic of discussion in the future. Steve Karp confirmed that is one of the areas that the Cost Allocation Committee is currently reviewing in regards to auxiliary-campus support.

**VIII. Ad Hoc Investment Committee Report**

Steve Karp gave a brief recap of both the Investment Committee meetings. In September, Kameron Jones (NFP) reviewed the analysis of fees, investments, and services offered by bidding service providers. The committee agreed to conduct interviews with TIAA, OneAmerica, and Principal to consider each as a potential provider to offer an open architecture institutional platform.

In November 2017, the committee held vendor presentations with NPF and the three pre-selected companies OneAmerica and Principal presented in-person, while TIAA conducted a presentation by phone. Before selecting a new vendor, the committee agreed to send a participant survey to employees to see how they would like to engage in the retirement plan.

After conducting and reviewing the survey results, the committee is looking to have a recommendation by the spring semester.

**Action Item:** Alison O'Dowd m/s C.D. Hoyle "Motion to accept both the Investment Committee Reports" Motion carried unanimously.

**IX. Other**

President Rossbacher shared a suggestion from Chancellor White regarding CSU marketing strategies as it relates to promoting research. Rather than using the term 'Applied Research' to describe what we do, CSU's could instead describe their work as 'Directed Research.' By using this term instead, it is meant to highlight our research directed at solving societal problems. The Chancellor emphasized the importance of promoting the issues being solved through CSU research endeavors, rather than solely highlighting the dollar amounts being brought in. Discussion ensued.

**X. Adjournment at 9:53 A.M.**

Respectfully Submitted,

  
Lisa Rossbacher, President

  
Alison O'Dowd, Secretary

**Open Forum for the Campus Community**  
*Appendix I*

Peter Lehman, December 14, 2017  
Statement to the SPF Board of Directors

Good morning. Thanks for this opportunity to speak. I'm Peter Lehman, Founding Director of the Schatz Energy Research Center.

We're all aware that there's a review on-going on campus with the goal of trimming the University's budget. As part of that review, the President's Cabinet proposed possible choices in the Phase 2 Budget Reduction Options Memo, which they sent out on October 31.

Several of those options dealt with changes to the Sponsored Programs Foundation. Nine of us who do a lot of business with the SPF, both faculty members and leaders of Centers and Institutes, responded with a memo to the Resources and Planning Committee and to University administrators with concerns over some of the budget options being considered—options that directly affected the SPF. I'm here to communicate our concerns.

One option suggests that the SPF, the Advancement Foundation, and the University Center be combined into a single organization and that once this merger occurred, there would be a consolidation of leadership. We don't think this will work. These three organizations have very different missions and ways of doing business. It seems to us that their merger would produce a conglomerate that would not be able to accomplish the mission of any of its three parts.

For us, the effect on the SPF would be a serious consequence. Right now, the SPF runs extremely efficiently, the best I've seen in my almost 40 years here. The Foundation helps us attract funding and deal smoothly with our funding agencies. This is one organization that's working really well at this university; we urge that it be left alone to continue doing its job.

Another of the budget options being considered is to charge the Foundation higher fees for University Services. We're concerned about that because the monies to pay for these charges would come directly from indirect cost revenue. That revenue is important because the SPF has begun returning a portion of IDC to colleges, departments, centers, and researchers themselves. Those returned dollars are extremely valuable. They incentivize and reward faculty. Those dollars are invested in students, in new equipment, in travel to conferences, and to pay for writing that next proposal. The fact is that returned IDC is a great investment; it pays the university back many times over.

Charging the SPF more for University Services will reduce or maybe even eliminate returned IDC. We think it's a bad idea and a bad investment. Rather than incentivizing faculty and centers and getting leveraged return, this is just trading a valuable IDC dollar for a dollar somewhere else in the university. We urge that this option not be implemented.

**Open Forum for the Campus Community**  
*Appendix II*

MEMORANDUM

Date: December 7, 2017

To: Alex Enyedi, Provost and Co-Chair, University Resources & Planning Committee

From: Arne Jacobson, Director, Schatz Energy Research Center  
Kristin Johnson, Director, California Small Business Development Center  
Matt Johnson, Professor, Wildlife, Director, HSI-STEM  
Erin Kelly, Associate Professor, Forestry and Wildland Resources  
Peter Lehman, Founding Director, Schatz Energy Research Center  
Justus Ortega, Professor, Kinesiology & Recreation Administration  
Frank Shaughnessy, Professor, Biological Sciences  
Amy Spowles, Assistant Professor, Biological Sciences, Co-Director, HSI-STEM  
Connie Stewart, Director, California Center for Rural Policy

Subject: Retention of Current Auxiliary Framework and Current Leadership of the Sponsored Programs Foundation

We are writing concerning the review that is now taking place on campus with the goal of reducing the University's budget. We are faculty members and leaders who represent organizations that have significant funding through external grants and contracts. Some of the budget reduction options suggested in the Phase 2 Budget Reduction Options Memo (of October 31) from the President's Cabinet to the University Resources and Planning Committee concern the HSU Sponsored Programs Foundation and would directly and significantly affect our operations.

Our greatest concern is Option 5.2, "Consolidate Auxiliary Organizations." This option suggests that the Sponsored Programs Foundation (SPF), the Advancement Foundation (AF), and the University Center be combined into a single organization and that a merger of these auxiliaries would lead to a consolidation of leadership. These three organizations have significantly different missions and ways of doing business. It seems to us that their merger would produce a conglomerate that would be difficult to manage, lead to inefficiencies, and would ultimately not be able to successfully accomplish the mission of any of the existing entities.

For us, the effect on the SPF would be the most serious consequence. Under the able leadership of Executive Director Steve Karp, the SPF currently runs extremely efficiently and productively, much more so now than was true previously. The SPF is a great aid in attracting funding, completing contracting, and interacting smoothly with diverse external agencies. If the merger changes the current leadership and/or adds additional layers of bureaucracy to project proposal and management processes, the University should expect reduced income and other benefits from funded work, including a reduction in student opportunities to engage in research. It would also likely interfere with the business incentive model currently in place at the SPF.

We also do not understand the magnitude of the savings projected under Options 5.2 and 5.3. It is our understanding that some (maybe most) of the estimated savings listed under these options have already been realized due to the SPF and AF utilizing the University's Business Services. Further, it is acknowledged in Option 5.2 that to merge these organizations, "...significant time and effort to reconfigure organizational structures and implement changes" will be necessary. It is likely that actual net savings will be less than projected, probably by a considerable margin.

Given the disruption of grant and contract work that would occur and the uncertainty of budget savings, we strongly recommend that the current auxiliary framework be retained, along with the leadership group now in place at the SPF. And, as important clients of the SPF, we ask that you please consult with us as this process moves forward.

cc: Lisa Rossbacher, President  
Richard Boone, Dean, Natural Resources & Sciences  
Lisa Bond-Maupin, Dean, Arts & Humanities  
Manohar Singh, Dean, Professional Studies  
Cyril Oberlander, Dean, University Library, URPC  
Mark Rizzardi, Mathematics, Co-Chair, URPC  
Douglas Dawes, Vice President, Administrative Affairs, URPC  
W. Wayne Brumfield, Vice President, Student Affairs, URPC  
Craig Wruck, Vice President, Advancement, URPC  
Erick Eschker, Economics, URPC  
Hari Singh, School of Business, URPC  
James Woglom, Art, URPC  
Kacie Flynn, Sponsored Programs Foundation, URPC  
Sarah Bacio, Sponsored Programs Foundation, URPC  
Joey Mularky, Associated Students, URPC