

COLORADO HIGHER EDUCATION COMPETITIVE RESEARCH AUTHORITY

Minutes of the February 5, 2016 Annual Board Meeting

Inta Morris, acting for Chairman Joe Garcia, called the meeting to order at 10:05 a.m.

In attendance were Board members Tony Dean (School of Mines), and Robert Houser (UNC); in attendance by telephone were Board members Theresa Fiez (University of Colorado) and Alan Rudolph (Colorado State University). Also in attendance were Inta Morris (Secretary and Treasurer) and Diane Duffy, DHE Chief Financial Officer.

Approval of January 15, 2015 minutes. Tony Dean made a motion to approve the January 29, 2015 minutes. The motion was seconded by Alan Rudolph and passed.

Legislative Update. Board members began with a conversation about legislation that had been introduced in the General Assembly that would have decreased funding for CHECRA (and other recipients of Limited Gaming Revenue) by 10 percent. The bill had been killed the previous week, but Board members agreed that they must be vigilant and prepared for similar attempts to cut funding in the future.

Tony Dean pointed out that CHECRA is particularly important going forward as a source of state matches for research as the Collaboratory is likely to lose state funding next year. Alan Rudolph recalled the previous year's conversation about marijuana tax revenue and other potential sources of funding for research. Inta Morris noted that the marijuana tax was unlikely to be a viable source as the funds are already earmarked for other purposes, but all agreed that the Board should explore other possible sources. Alan Rudolph made the further point that his institution (and, he presumed, others) had millions of dollars in deferred maintenance costs; this made the NSF's Major Research Instrumentation (MRI) grants and similar infrastructure support important. Terri Fiez added that CHECRA should consider getting industry to advocate on behalf of research funding. Board members agreed to continue this discussion at a separate meeting.

Financial Update. Inta Morris reminded Board members that Michael Evans, the Department's Controller who had overseen CHECRA finances since its inception, had recently retired. She updated Board members on the Authority's financial position. She noted that the CHECRA bank account is healthy: it had \$3.9 million in the bank as of the start of 2015 (calendar year) and ended the year with \$4.8 million.

In 2015, CHECRA received the anticipated \$2.1 million from limited gaming revenue. Disbursements in 2015 totaled \$1.2 million. (As is shown on the financial forecast document, several payments that should have been made to institutions in 2015 had been pushed back to 2016 because institutions had not made the requests in time; had they been made on schedule, total disbursements would have been 2.2 million.)

Inta Morris also summarized the budget forecast, which shows anticipated expenses and income through 2018 based on current commitments. Items shown in red on the financial forecast are commitments CHECRA has made for which the awards are still pending.

Research Discussion.

MRIs: Inta Morris passed around a list of funded projects from CHECRA's inception to show newer board members what had been funded in the past. Board members discussed that CHECRA's funding had undergone some "mission creep" from large center-type projects (e.g., MRSECs and STCs) to MRIs in recent years. All agreed that support of such infrastructure is important (as per earlier discussion). Tony Dean, Alan Rudolph and Terri Fiez said their respective institutions were each planning to submit three MRI proposals in 2016; to the question of whether the Board should set an amount for MRI matches this year, Robert Houser suggested that as long as the budget is healthy, the Board should not limit itself and rather wait to see how many of the MRI proposals are funded. All board members agreed, pointing out that these projects also in some cases involve collaboration among institutions.

Other anticipated proposals: Board members offered to provide Inta Morris with their institution's plans for larger proposals (MRSECs and ERCs) so that she can update the budget forecast in time for consideration of MRI funding later in the year (and any other future requests).

School of Mines Request for Continued funding of ERC: The Board discussed the Colorado School of Mines request for a second 5 years of funding for its Urban Water (ReNUWIt) ERC that was renewed by NSF. Alan Rudolph asked whether providing the funding would alter the funding model – that is, had CHECRA ever supported a renewal in the past. Inta Morris said that CHECRA had been formed with the intent of providing matching funds to enable institutions to win awards, but that there had been two exceptions in the past (the initial funding in 2008 for renewal of CSU's ERC and 7th year funding for Mines' MRSEC in 2015). The Board voted unanimously to provide a cost share for Mines' ERC of 400,000 per year for 5 years

Annual Audit. Diane Duffy said that we had a clean audit and offered to provide a copy to any Board member who would like to review it.

Election of Officers: Inta Morris said that with Stein Sture's retirement in 2015, CHECRA had no vice chair. Tony Dean nominated Alan Rudolph. The Board unanimously voted to approve Alan Rudolph as Vice Chair.

Other. Inta Morris reminded Board members that the annual report to the legislature is due March 1. Board members agreed that in providing their individual reports, they would again emphasize economic development benefits of each project, as well as benefits to the state's economy.

The meeting adjourned at 11:30am.