

BOARD OF VISITORS
Research and Technology Committee Meeting
September 10, 2010
Board of Visitors Conference Room
8:00 a.m. – 9:00 a.m.

MINUTES

1. Establish Quorum/Call to Order

Mr. Henry D. Light, Chairperson, called the meeting to order at approximately 8:13 a.m. and established that a quorum was present:

Committee Members Present:

Mr. Henry D. Light, Chairperson
Mr. Howard P. Kern
Mr. Gary T. McCollum

Members of NSU Staff Present:

Dr. Joseph C. Hall, Vice President for Research & Economic Development
Dr. Kim Luckes, Acting President
Ms. Paula Gentius, Assistant to the NSU Board of Visitors and to the President
Dr. Govindarajan T. Ramesh, Associate Vice President for Research
Ms. Shawkita K. Harris, Office Manager for Research & Economic Development
Dr. Margaret Massey, Associate Vice President for Technology
Ms. Cynthia Duhe' -Harris, Prospect Researcher, Office of Sponsored Programs
Ms. Adrienne Washington, Administrative Specialist, Office of Sponsored Programs
Ms. Page Glass, Grants Administrator, Office of Sponsored Programs
Ms. Paula Thompson, Legislative and Community Liaison, Office of the President
Dr. William E. Ward, Legislative Liaison
Mr. Shelly Thomas, Fiscal Officer, E²F
Mr. Terry Stokes, Executive Director, E²F

Other Board Members Present:

Mr. Willie L. Brown
Mr. Edward L. Hamm, Jr.
Ms. Christel L. Lewis
Dr. Lauren R. Tucker

Committee Members Absent:

Mr. Bobby Vassar

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2. Discussion Items

A. Sponsored Programs

Dr. Hall began by thanking the Office of Sponsored Programs (OSP) for their diligent work. He then briefed the Committee of the Division of Research & Economic Development's organization chart and the staff involved with the processing of grants. He stated that a, "sum total of, approximately, \$81M worth of grants were submitted and processed." He also recognized that there are only 5 staff members responsible for the processing of grants within the Division of Research & Economic Development.

Dr. Hall informed the Committee that the College of Science Engineering & Technology still has the most grant submissions along with the most awarded funds which is at 66 submissions and \$66,693,119 submitted for FY 09-10.

Dr. Hall's concern is that the consistent faculty submitting proposals and receiving awards will begin to, "burn out" because the same 30% to 40% of faculty are submitting proposals. He recommends the different schools and colleges of NSU to engage in a faculty mentoring program which allows schools and colleges to bring in additional new faculty (junior faculty). The faculty mentoring program encourages the junior faculty to be mentored by senior faculty where in senior faculty will teach a class for junior faculty, giving junior faculty the opportunity to write and submit proposals. He also recommended using, financial incentives to encourage faculty as well as following point 4 of Dr. Shah's, 5 point plan.

Mr. Kern asked, "Which strategy is the best."

Dr. Hall replied, "To increase the number of faculty submitting proposals is the best strategy."

Mr. Light asked, "Is it a workload issue for faculty as to why some are not submitting."

Dr. Hall replied, "Yes, in some cases, faculty have too many classes and therefore do not have time to submit proposals." Therefore, the faculty mentoring program can be used by schools and colleges to, "alleviate the burden on faculty."

Dr. Hall made the following recommendations:

- Full time compliance officer for OSP

Mr. Kern questioned the need for a full time compliance officer since the reports show, the expenditure rates for FY 09-10 are up 99.08%.

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Dr. Hall replied, OSP staff is being over worked and sometimes work until, “8 or 9 p.m. at night.” He said, “I love their dedication but I can’t continue to work them like this any longer.”

- Deans need to be engaged in compliance
- Post and pre awards need to be kept in the same department
- Finance personnel need to be placed in key positions within OSP in order to better monitor and access indirect costs

B. Goals and Objectives for 2010-2011

Mr. Light stated that the Committee had no questions regarding the goals and objectives for 2010-2011 and that all items had been reviewed prior by the Committee Members.

C. E²F – Spartan Suites Interest Rate Issue

Mr. Light requested Mr. Thomas to inform the Committee of the Spartan Suites interest rate issue. Mr. Thomas presented the following details:

- Spartan Suites has a SWAP Interest Rate
- The swap rate is an exchange of interest payments on a specific principal amount. An interest rate swap involves two parties and involves an exchanging of a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate, which is LIBOR in the E²F Foundation’s case).
- The swap rate will assist to limit or manage exposure to fluctuations in interest rates or to acquire a lower interest rate than the E²F Foundation would otherwise be able to obtain.
- The swap will help E²F to hedge against interest rate exposure by reducing the uncertainty of future cash flows. As a result of these advantages, interest rate swaps are used as financial tools to lower the amount need to service a debt.
- The swap has a balance of over \$3.3 million as of June 30, 2010. It has increased more than \$2.5 million in the last two years due to low interest rates. When interest rates rise, a gain is produced. The swap produces a loss when interest rates decrease. At some point in the future, interest rise will increase and gains will arise from such activities once again. In previous fiscal years, the SWAP has provided gains because of rising interest rates.
- All interest rate swap contracts are reported at fair value. These contracts do not qualify for hedge accounting treatment; therefore, all gains and losses on the

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contract's fair values are recorded as unrealized gains or losses.

Mr. Light asked if the Committee had any questions regarding the E²F – Spartan Suites Interest Rate Issue.

The Committee Members unanimously responded, “no.”

Mr. Light stated that he is, “perfectly comfortable” with the explanation and he thanked Mr. Thomas for the briefing.

D. E²F – Future Directions

Mr. Light stated, there are benefits to using E²F as a source for multiple reasons. He said that everyone has to remember that E²F was created as a Foundation separate from NSU and there are benefits to utilizing E²F similar to the way NSU utilizes the Norfolk State Foundation.

Mr. Light informed the Committee that on August 25th he met with, Dr. Shah, Provost Dr. Hall, VP of Research & Economic Development, Mr. Maurice Kelly, E²F Chair and Dr. Steven Papamarcos, School of Business Dean. The meeting was in regards to, “Economic Development and Leveraging Industrial Corporate Relationships.” Mr. Light said that they had a, “very good discussion.”

Mr. Light said that he wanted to discuss E²F in general to get a take on what other see for their future directions.

Dr. Shah stated that he has written a white paper based on his thoughts as to how he sees the future of E²F:

- E²F is a tool to energize research which includes sponsored programs
- E²F can be utilized to work with outside industries and build incubators
- Place OSP under E²F to have more freedom

Dr. Hall stated that he agrees with Dr. Shah and that he has met with the Research Council to review Dr. Shah's white paper. He said that while they are in support of Dr. Shah's white paper, they expressed concerns of the following:

- Whether or not there will be effective financial support
- Possible lack of support from NSU leadership
- Possible lack of faculty development
- Whether or not there will be an adequate infrastructure

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Dr. Luckes assured the Committee that the Office of the President is reviewing the white papers and everything concerning Office of Research as well as E²F.

4. Adjournment

There being no further business, the meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Joseph C. Hall, Ph.D.
Vice President for Research & Economic
Development

Mr. Henry D. Light, Chairperson
Research & Technology Committee