

ESCOP CAC Teleconference
Thursday, March 19, 2020 at 4 pm ET

Website: <http://escop.info/committee/cac/>

Zoom Connection Info:

Web/mobile <https://ncsu.zoom.us/j/833707066>

Phone: 1 929 205 6099 or +1 669 900 6833 Meeting ID: 833 707 066

Participants: George Hopper, Chair, Eric Young, Deb Hamernik, Jeff Jacobsen, Maggie Earle, Vernie Hubert, Hunt Shipman, Chris Hamilton, Rick Rhodes, Bret Hess, Doug Steele, Ernie Minton, Jody Jellison, Gary Thompson, Moses Kairo, David Leibovitz, Steve Loring, Thomas Coon, Donna Pearce (recorder)

Agenda:

1. Welcome and roll call – George/Donna
2. Approval of today's agenda – George
3. March 2 ESCOP meeting follow-up - George
 - a. Finance proposal approvals - Deb and Jeff
 - i. ESS vote on investment (attached)
 - Recommendations to invest funds with TD Wealth
 - Ready to send out for an ESS vote
 - ESCOP approved the investment manager as TD Wealth.
 - Since these are ESS funds ESCOP felt we should have the investment approved by a section vote
 - Vote now, but TD Wealth will not invest until the market has stabilized based on their judgement
 - Send ballot out after regions have a chance to discuss it during their spring meetings
 - b. Infrastructure emphasis
 - i. Policy Board reaction - Gary and Eric
 - Rolled out during section report and was well received
 - Scott Angle thinks this is a good time to be thinking about this and it needs to be on the front burner
 - ARS has received some funds in the past few years, but there should be a break in those funds soon and we may be able to fall in line to receive the funds, especially if there is a required match by states
 - However, due to current situation, we will be lucky to receive level funding in FY'21
 - Two areas we should look seriously at
 - Have the Infrastructure advocacy plan prepared and ready to go
 - Have research directors give some thought on how we don't run short on research dollars
 - ECOP is working on a letter with Reilly Foundation to get an increase in 3D funds, but decided to pull letter back, don't want to be seen insensitive due to the reality of the COVID-19
 - Concerned about what funding is going to be available for FY'22
 - Mini sightline report update might be something we can do

- ii. Infrastructure letter - Ernie and Jeff
 - Supplemental bills are primary focus now on how to deal with this situation on a day to day
 - We should ask for One Billion per year, and we can reduce it if necessary
 - One Billion a year for 10 years would be matched 1 to 1 = Twenty Billion. 20 Billion is 70% of replacement cost for facilities in Sightline report
 - Sent letter to Policy Board and BAC
 - Eric and Jeff will take another look at the letter before sending it on to the Policy Board
- 4. ESCOP/ECOP Chairs meetings - George and Eric
 - Made visits while in DC. Met with National Association of State Directors of Agriculture, Group of Professional Society Members, ERS, ARS, NIFA, AIHEC, NRCS, and others
- 5. APLU update – Doug (if available)
 - Extension putting together a plan for funding to address crisis at county level – \$40 Million proposal
 - Canceled Ag Research Exhibit on the Hill in April
 - Not made a decision yet on the July Joint COPs meeting schedule for Kansas City
- 6. Cornerstone report – Hunt or Jim (if available)
 - Seen passage of two supplemental bills
 - Work is underway on the 3rd and largest supplemental bill
 - Everything that has been talked about so far is in the context of response to the public health emergency we are facing right now
 - Timing of infrastructure ask is very important, and where it would fit into the third bill
 - However, bill under development right now we believe will be prebaked in terms of agreement between the Senate and House
 - Continuing to hear from Appropriations Committee they are planning to stick to original schedule for movement of FY'21 appropriations bills
- 7. Other Committee updates since ESS meeting
 - a. B&L – Ernie/Jeff
 - Call next week
 - b. S&T – Jody/Brett
 - Meeting via Zoom next Monday
 - c. DCC – Ali/Rick
 - Submit nominations for the National Diversity and Inclusion Award
 - d. NRSP-RC – Doug/Jeff (attached)
 - e. PBD – Gary/Eric
 - Met March 3rd
- 8. Other items, as needed

Recent ESCOP Appointments (since ESS meeting):

- Ernie Minton will represent ESCOP on the Strategic Realignment Committee being appointed by the Policy Board

Upcoming Meetings:

- Joint COPS Meeting, July 21-23, 2020, Kansas City

Investment of ESS Residual Funds

- ✓ The Experiment Station Section (ESS) has had an assessment collected by APLU for the Communications and Marketing Committee (CMC) effort for many years. Over the years, ECOP and AHS have also contributed to the CMC effort, while the ESS assessment remained at the same amount. Consequently, a balance in this ESS account at APLU has accrued over many years.
- ✓ The estimated balance on December 31, 2019 was over \$700,000.
- ✓ APLU accounts are managed by TD Wealth.
- ✓ ESS voted at the 2019 annual meeting in Nashville, TN to continue the assessment in FY2020. A comprehensive review of the CMC effort and the actions associated with hiring a strategist (or firm) during FY2020 will develop new options for system-wide CMC efforts.
- ✓ ESCOP Chair Hopper in his 2020 Priorities and Initiatives articulated a goal to “invest ESCOP fund balances to an interest-bearing account and develop a plan to allocate interest earned.”
- ✓ The Finance Task Force was formed with membership of Deb Hamernik (ESCOP Past Chair) as Chair, Ernie Minton (BLC Chair), Moses Kairo (Incoming ESCOP Chair), Gary Thompson (ESCOP rep to PBD), and Alton Thompson, with support from Eric Young and Jeff Jacobsen. Task Force background and recommendations are provided at: http://escop.info/wp-content/uploads/2020/01/ESCOP_FINAL_AGD_20200302.pdf (page 35/52). TD Wealth presentation can be found at: http://escop.info/wp-content/uploads/2020/02/ESCOP_Finance_TDWeathPresentation_20200114.pdf.
- ✓ Following the ESS Finance Task Force recommendation, ESCOP unanimously at the CARET/AHS meeting approved the “Investment Policies of the Experiment Station Section” (pages 36-41/52). This action only approves the policy.
- ✓ Following the ESS Finance Task Force recommendation, ESCOP unanimously approved the selection of TD Private Client Group, part of TD Wealth, to be our investment firm and assist in investing ESS funds in a moderately conservative portfolio with a long-term horizon (10 years). This action only approves the firm.
- ✓ Per the ESS Rules of Operation, the explicit action to invest ESS funds is being treated as an expenditure and requires “a direct vote during the year...” Reference: http://escop.info/wp-content/uploads/2017/04/ESS_RULES_OF_OPERATION_SECTION_MEETING_FINAL-20190925.pdf (page 14/15).

BALLOT

Station (one vote): _____

I support the expenditure of ESS funds in an investment account guided by the ESS Investment Policy and APLU and managed by TD Private Client Group.

Approve _____

Reject _____

Abstain _____

Agenda Item 7:D

Jeff was technology limited, so could not report on Finance or NRSP RC. The Finance was taken care of by the Agenda Brief. I would add to the ballot that we will use TD Wealth, our manager, to determine an optimum time to enter the market if the vote is positive.

Three topics from the NRSP RC:

- 1) NRSP RC member survey to stimulate group discussion on core functions/needs from NRSPs
 - a. Members were supportive of change from major to minor (see below)
 - b. Increase the opportunities for SAES to solicit thematic needs to faculty
 - c. Project duration will be discussed at length (some options below)
 - i. Hard term limits with phase out
 - ii. Create two categories of NRPs
 1. New projects with sunset
 2. Long-term projects with sustainable funding
 - d. Desirable and Undesirable features of NRSPs were identified which will help to inform the new NRSP Guidelines
- 2) NRSP Guidelines
 - a. The on-going redo will result in a new set of NRSP Guidelines
 - b. Continued the work from the last two years (Fred, Doug, Rick, Jeff)
 - c. Current version under review by EDs sent to Jeff (Eric, Rick, Bret tbd)
- 3) ECOP member is Mike Schmitt from the University of Minnesota

Potential Meeting in Madison, WI May 26-27, 2020