ESCOP Committee Meeting

Monday, March 2, 2020, 8:00 to 12:00

Omni Shoreham Hotel, Washington, DC

Minutes

Attendees: Chair George Hopper, MS; Rick Rhodes, NERA; Keith Owens, OK; Saied Mostaghimi, VA; Eric Young, SAAESD; Brett Hess, WAAESD; Walter Bowen, HI; Nick Comerford; HI; Alton Thompson, ARD; Doug Buhler, MSU; Steve Lommel, NC; Bob Godfrey, UVI; Glenda Humiston, CA; Greg Cuomo, UMN; Aaron Corbett, NIFA; Michael Litwack, NIFA; George Smith, MSU; Doug Steele, APLU; Jeff Jacobsen, NCRA; Rick Klemme, ECOP; Gary Thompson, PA; Ernie Minton, KS; Hongwei Xin, TN; Jan Nyrop, Cornell; Bill Hoffman, NIFA; Natalie Goldberg, NM, Katie Frazier, CARET; Moses Kairo, MD; Mark Riegor, DE; Hunt Shipman, Cornerstone; David Leibovitz, NERA

Item	Time	Topic	Presenter(s) and Action
1.0	8:00	Call to Order • Introductions • Approve 11/11/19 Minutes • Approve Agenda • Approve Interim Actions • Sent letters to the Senate and House Appropriations Committees' Chairs and Ranking Members thanking them for including the match waiver in the FY '19/'20 appropriations bill.	George Hopper, ESCOP Chair • Minutes - Approved – Gary Thompson/Keith Owens • Agenda – MIT Climate Change initiative added – Approved – Gary Thompson/Keith Owens
2.0	8:10	NIFA Reimagining Input Summary (PowerPoint below) • need communication points of contact now • Formalizing the external advisory committee representative of Land-grant Universities' to advise in transition and beyond	George Hopper

3.0	8:30	NIFA Report and Reimagining Discussion
		• Reimagining input had a lot of commonality from all the different partners
		• NIFA now has a contractor and a five person board analyzing input content and will try to make simple changes quickly
		• More complicated changes will take more planning and potentially Congressional action, which would need to be initiated by the LGU's
		• Hope to have some changes identified by the NEAROC conference in April
		• Working on FY'20 appropriations distribution of funds, hope to have everything available by end of March
		• Also working on setting up three new programs authorized by the Farm Bill
		• President's budget proposes an increase in AFRI but decreases in capacity lines
		• Farm Bill provisions are being implemented
		  • IDC is now at 30% for most lines that require it
		  • Farm Bill eliminated ability to waive match, which affected SCRI and CDRE. Appropriations bill put that ability back in place and match is now waived for both programs
		  • Centers of excellence and other grants for 1890's
		  • Urban Agriculture & Innovation Production provision, including farming advisory board
		  • Changed some provisions related to hemp
		• Updated FAQ's recently on hemp
		• Three AFRI RFA's are posted now
		• Working hard to fill many positions in Kansas City
		• Updating organizational chart as they hire
		• Working on implementing budget requirement for capacity lines using a high-level, general budget form for overall program, not per project
		• Now putting award announcements out in the regular Wednesday NIFA update newsletter
		• USDA Science Blueprint rolled out in February as long range vision and framework for 5 major themes:
		  • Sustainable agriculture intensification
		  • Agriculture climate adaptation
		  • Food & nutrition
		  • Value added products
		  • Agriculture science policy
		• Blueprint will influence some RFA's from NIFA
			Bill Hoffman

		• How is foreign input to research agenda being reported? Current & Pending Support form will be used to report that • NIFA will be discussing how the Secretary's innovation initiative will impact their programs • Working hard to coordinate hiring new people with the reimagining effort	
4.0	9:15	REEport & POW Update and Future Changes (PowerPoint below) • Science Emphasis Areas help tie the critical issues in the POW to NIFA priority's • LGU's need as much information and guidance as possible on how to do POW and streamline the document • New reporting systems will be well connected and able to pull information from each other, so there won't be so much input redundancy • Plan to look at external systems like NIMSS and create ways to take reported information there and move it into NIFA systems • Need to make sure that as the Extension reporting system is developed, it is compatible with NIMSS • NIFA is way ahead of rest of USDA on developing new software systems for reporting • Also, making sure the right stakeholders are in room during development, from the beginning • LGU's need guidance on how to handle state support integrated with Federal support in the POW and Annual report.	Michael Litwack, NIFA PAR, and Aaron Corbett, Booz Allen Hamilton

5.0	9:45	Cornerstone Report • Final appropriations for FY'20 gave NIFA a $56 Million increase • President's budget for FY'21 is similar to previous years, increase in AFRI, decrease in capacity lines, and elimination of many small lines • Board on Agriculture Assembly will advocate for 8% increase across all 7 priority lines • Match waiver language will also be supported • Need to stress that institutions ask Members to submit formal requests to Appropriations Committee • Best case is level funding for total amount subcommittee in House has to appropriate • Budget Advocacy Committee had a work session Saturday and discussed different presentation methods for budget priorities and how to better use "footnotes" in the one-pager • Infrastructure funding may be easier to get once ARS facilities funding is done • Hope to position NIFA to receive those funds in 1 or 2 years when current ARS building is done	Hunt Shipman
	10:00	**Break**	

6.0	10:30	APLU and Realignment Update • Unified ask for FY'21 is same as last year, except 1994's lines added • We support Senator Durbin's office on increasing research funding but hasn't gotten any traction • Budget and Advisory Committee was requested to sign on with AGARDA, but we declined • Budget and Advisory Committee wants to develop protocol for sign on to initiatives that come up from various external groups • Strategy for this year will be 8% increase across all priorities • Budget and Advisory Committee has asked PBD to appoint a task force on strategic realignment implementation to make a final decision on the budget lines to be included, current scheme has 14 lines, all over $10 Million • APLU would like to form a coalition that supports NIFA, or maybe REE, budget priorities • Cornerstone and CGA's came together to get match waiver in appropriations bill • Received a request to support an initiative to study CO2 level impacts on crop nutrition quality from new Washington Congressman. There probably is already a lot of data on this, should do literature search first, also not sure where the funding will come from • REE will be hosting stakeholder meetings around country to implement innovation initiative	Doug Steele, APLU

7.0	10:50	Finance Task Force Report
		• Task Force has developed an investment policy patterned after BHS policy
		  ○ Action – approve policy, seconded motion from TF – approved
		  ○ Action – approve TD Wealth as our investment portfolio manager - approved
		• Actual investment will go out to Section for vote
			Jeff Jacobsen

8.0	11:05	PBD Report • Request Policy Board of Directors to discuss how to move forward with infrastructure ask • Ernie will draft a letter from ESCOP to the PBD making this formal request, Jeff will help	Gary Thompson, Eric Young

9.0	11:15	CARET Liaison Report • CARET Executive Committee met yesterday • Discussed bringing in new partners to help with advocacy • Emphasized training delegates and improving relationship with Administrative Heads Section	Katie Frazier, Farm Credit of the Virginias

10.0	11:25	Questions & Discussion on Written ESCOP Committee Reports -
		• BLC - Ernie Minton, Jeff Jacobsen
		• CMC - Steve Loring, Rick Rhodes
		  • Released RFP for marketing consultant
		  • Search goes to end of March
		  • Final report on strategy due by November APLU meeting
		• STC - Jody Jellison, Bret Hess
		  • Looking at USDA Science Blueprint and crosswalking it to Roadmap
		• DCC - Ali Fares, Rick Rhodes
		  • Nomination for diversity award deadline is coming up
		  • Tomorrow is pilot training on Intercultural Competency Inventory
		• NRSP-RC - Doug Buhler, Jeff Jacobsen
		  • Three projects being proposed for renewal this Oct 1
		  • Guidelines revision almost done, will be presented at Joint COPs, then go to ESS for approval at Section meeting in September
		• MIT Climate Change Initiative
		  • The PI on this initiative has had discussions with Extension on their activities and priorities on climate change, now he wants to talk with research
		  • Doug Buhler will talk with him about AES activities in climate change research	

11.0	11:50	Joint COP's Meeting, Kansas City • July 20-23 in Kansas City	George Hopper
12.0	11:55	ESS/ARD/AES Workshop, Baltimore • Baltimore – September 28-30 • Committee has workshop agenda almost completed	Moses Kairo and Alton Thompson
	12:00	**Adjourn**	

NIFA REIMAGINING INPUT NATIONAL SUMMARY

Experiment Station Committee on Organization and Policy
Washington, DC
March 2, 2020

COLLECTED BY REGIONAL RESEARCH EXECUTIVE DIRECTORS WITH INPUT FROM:

- Administrative Heads
- Research Directors
- Extension Directors/Administrators
- Academic Program Directors
- Business Officers
- Others

CAPACITY FUNDING NOT THE SAME AS COMPETITIVE FUNDING

- Administered differently
- Discretion needed in expenditures
- Addresses unexpected needs

REPORTING CONTENT AND REDUCING REDUNDANCIES

- Improve relevance of reporting
- Restrict redundancy in reporting (REEport, POW, annual report)
- Integrate reporting for research and extension
- Report expenditures & FTEs on Financial Report only

ADMINISTRATIVE BURDEN

- Reduce burden on directors and administrative staff
- Administrative activities required of LGUs must have a basis in law
- Eliminate legacy practices and focus on actual requirements

CONSISTENCY

- Across priorities, commodities, and themes
- Match requirement, letter of intent, IDC rates, and dates differ across programs
- Balance subject of interest and regional challenges
- Reporting procedures and standards across programs & NPL's
- Align project initiation proposal templates between McIntire-Stennis, Animal Health & Hatch

TIMELINESS

- Reduce the lag time for first drawdown. Late funding has negative impacts.
- Release all RFP's in a single announcement for multiple years
- Rapid panel review & funding allocation
- Set consistent dates for Foundational Grants & similar programs
- Develop more efficient AR & POW approval process

WEB-BASED PROCESSES AND INFORMATION

- Create a webpage with competitive grants' due dates & award dates (similar to NIH)
- Improve ezFedGrants system
- Allow PI to track entire grant process
- Provide "process level" org chart with links
- Ensure links are functional and provide needed & expected information
- Allow access to REEport data

COMMUNICATIONS

- Inform deans, directors, business officers on grant information
- Regular & consistent avenues between NIFA and LGU's
- Regular web calls in all grant administrative areas
- Create liaison for business officers
- Centrally locate information
- Respond to suggestions for improvement

ENGAGEMENT AND PARTNERSHIPS

- Improve engagement with faculty
- Create new partnerships with other federal agencies
- Include LGU in interpretation of legislation and rule making
- Increase NIFA staff visits to 1890 campuses
- Invite business officers to hold regional meetings
- Use Executive Directors & Administrators as consultants

POW-REEport Integration: Update

Lynn Khadiagala, Project Co-Lead
Michael Litwack, Project Co-Lead
Aaron Corbett, Contractor, Booz | Allen | Hamilton

February, 2020

- **Organizational updates**
- **Institutional Profile New Features** (since NERAOC 2019)
  - Institutional Profile
  - Release 1.3 – Research Critical Issue
- **What's coming?**
  - Director's mandate
  - Extension and Classification Working Groups
  - Revisions to Annual Report/Supplemental due date/content
  - 2020 Panel of Experts

Organizational Updates (1)

People

- ✓ Hiring is underway
- ✓ New NPL Liaison assignments should be coming soon
- ✓ New Organizational Chart: https://nifa.usda.gov/resource/nifaorgchart
- ✓ New email addresses: first.last@usda.gov Our NIFA emails still work.

Organizational Updates (2)

New Digs – Kansas City and Washington, DC

- ✓ Permanent building selected in downtown Kansas City, MO; no move-in date yet
- ✓ DC-based staff are housed with Economic Research Service at the Patriot's Plaza for the time being.

Terms (1)

- Agricultural Research, Extension, and Education Reinvestment Act (AREERA) – AREERA is the funding authority for Hatch, Evans-Allen, Smith-Lever, and 1890 Extension funds.
- Institutional Profile – This is the label for the features of the new system.

Terms (2)

- Plan of Work (POW) – The report submitted by LGUs eligible for Hatch, Evans-Allen, Smith-Lever, and 1890 Extension funds. The POW is distinct from but related to the Annual Report of Accomplishments and Results. This also refers to the older application being integrated with REEport.

Terms (3)

- **Annual Report of Accomplishments and Results** – The AREERA-mandated report. It summarizes accomplishments and results that institutions realized based on the plan and as captured in the outcomes from research projects and extension programs.
- **OGFM Supplemental form** – This form details expenditures for multi-state and integrated projects.

Terms (4)

- **Critical Issues** – Critical Issues replace Planned Programs and are selected by the institutions.
- **Knowledge Areas** (KA's) – NIFA uses KA's to map projects to strategic Science Emphasis Areas.
- **Science Emphasis Areas** (SEAs) – Previously referred to as Portfolios, the SEAs reflect NIFA's strategic goals and objectives.

New Features

Institutional Profile (new POW)

- ✓**Reduced burden**: 7 to 8 pages
- ✓Most LGUs identified 5 to 7 Critical Issues
- ✓NIFA will develop guidance to help LGUs further streamline POWs

Release 1.3 : November 2019 (1)

Major Changes (Hatch and Evans-Allan Only)

- **Retired** Planned Programs from research project initiations
- **New RESEARCH projects** will be prompted to associate projects to a Critical Issue
- Projects that were submitted but not approved prior to release will be assigned a critical issue by the approving NIFA staff

Release 1.3 : November 2019 (2)

Research and Extension:

- Deans and Directors can **un-submit** the Plan of Work
- 2021 Plan of Work has been **rolled over automatically** with the data from the FY 2020
- The Institutional Profile dashboard includes **contact information** for the NIFA Liaison (when appointed)
- **New email notifications** are being added throughout the POW process

Next Steps

- ✓Continuing Extension Working Group
- ✓Annual Report Update
- ✓Supplemental Update
- ✓Panel of Experts 2020
- ✓Classification Working Group

Mandate from NIFA Director

- **Restore** stakeholder engagement and communication
  - Working Groups and General Updates
- **Collaborate** with stakeholders as NIFA rebuilds
- **Reduce the burden** on LGU staff responsible for reporting and NIFA staff who review submissions
- **Maintain accountability** as the Federal partner

Extension Working Group (1)

Purpose - Help NIFA design the Extension reporting module

- Data requirements
- Reporting format
- Reporting guidance
- Testing
- Issues for next Panel of Experts

Extension Working Group (2)

Composition of working group

- NIFA: Michael, Lynn, and Aaron
- Each ECOP region nominated two persons to participate
- One Extension Administrator or Director and 1 Extension colleague with reporting and/or evaluation expertise
- Plus one person from NERAOC and 1 person from National Impact Database

Annual Report Restructuring

Annual Report Changes

- Retiring Legacy Plan of Work
- Long form eliminated
- Simplified format with fewer data fields
- One-time collection in alternative format.
- Future format to be built in similar collaboration vein.

Supplemental Restructuring

Supplemental(OGFM) Form Changes

- Simplified format
- Brief Summaries – Refer to Plan of Work or Enter Data.
- Target Percentage Certification or Attach Justification
- Elimination of Financial Tables

Panel of Experts

Purpose – Develop recommendations to assist working groups to continue streamlining the reporting system, reducing the burden of reporting, and improving the quality of reports.

- Led by Scott Angle, NIFA Director
- Planning will get underway soon

Classification Working Group

Purpose and Timeline

To Be Determined

Share Your Results with Us

We need media-ready submissions for:

- Budget justifications and Congressional testimony
- USDA blogs and NIFA Web content
- Talking points, and more

Send them to: impactstories@usda.gov or #NIFAimpacts on Twitter (link is external).

How to Contact Us

For general assistance: POW@usda.gov

If you need to reach us directly:

Michael Litwack: Michael.Litwack@usda.gov

Lynn Khadiagala: Lynn.Khadiagala@usda.gov

Aaron Corbett: Aaron.Corbett@usda.gov

Questions?

Agenda Item 7.0 Finance Task Force Report
Presentors: Deb Hamernik and Jeff Jacobsen
Action: Discussion and Action

A Finance Task Force was formed at the ESCOP Executive Committee meeting in San Diego, CA with the charge to invest ESS reserves. The Task Force completed their charge to: create a proposal for an investment policy for ESS, propose committee membership and ESCOP organizational relationships, outline management practices and articulate any other policy concepts. This was to be completed for discussion and action at the ESCOP meeting during CARET/AHS. Task Force membership was Deb Hamernik (Chair, Past ESCOP Chair), Ernie Minton (ESCOP BLC Chair), Moses Kairo (Incoming ESCOP Chair) and Gary Thompson (at large) with support from Jeff Jacobsen (ESCOP BLC Vice-Chair), Eric Young (ESCOP Executive Vice-Chair) and Alton Thompson (Incoming Executive Vice-Chair). Work was conducted via email and several Zoom meetings. Throughout the process the Finance Task Force kept APLU informed via Doug Steele (VP FANR), Emily Van Loon (past CFO) and Scott Powell (new CFO). In addition, we worked with TD Wealth via their TD Private Client Group, since APLU has all their accounts with TD Private Client Group, with Suzanne Moran (VP Institutional Relationship Manager) and Matt Kappa (VP Investment Advisor).

The Task Force modified the Board on Human Sciences recently completed Investment Policy to reflect ESS goals, structure and future needs. Prior to engaging with any investment advisors, a formal Investment Policy for ESS must be created to engage investment advisors. The ESS Investment Policy (part of this Agenda Brief), is recommended by the Finance Task Force for approval by ESCOP (**ACTION 1**).

Based upon this Investment Policy, TD Private Client Group provided a proposal for consideration by the Finance Task Force reflecting our Investment Policy and their recommendations. This presentation can be found at: http://escop.info/wp-content/uploads/2020/02/ESCOP_Finance_TDWeathPresentation_20200114.pdf. Note that the first 13 pages of 77 pages are the core facets of the proposal. The remaining pages provide more in-depth performance and policy information. Following the presentation, general discussion and Task Force (only) discussion, the Finance Task Force recommended approval of TD Private Client Group as our investment firm (**ACTION 2**).

With these approvals and per our ESCOP Rules of Operation, an electronic vote by ESS/ARD must approve this 'expenditure of funds' by direct vote and simple majority (**ACTION 3**). If approved, APLU will then begin the process to establish this ESS account and provide instructions for fund transfers to TD Private Client Group.

ACTION 1: ESCOP approval of the Investment Policies of the Experiment Station Section document.

ACTION 2: ESCOP approval of TD Private Client Group, part of TD Wealth, to be our investment firm and assist in investing ESS reserves.

ACTION 3: ESCOP Chair will conduct a national vote to approve this 'expenditure' by investing ESS reserves.

Investment Policies of the Experiment Station Section

Purpose

The purpose of this Investment Policy is to provide a clear statement of the Experiment Station Section (ESS) investment objective, to define the responsibilities of the ESS leadership group (ESCOP, Experiment Station Committee on Organization and Policy) and the ESS Finance Committee involved in managing ESS investments, and to identify or provide target asset allocation, permissible investments, and diversification requirements. The ESS Finance Committee will be a subcommittee of the ESS Budget and Legislative Committee (BLC). In doing so, the policy:

- clarifies the delegation of duties and responsibilities concerning the management of ESS funds;
- identifies the criteria against which the investment performance of ESS funds will be measured;
- communicates the objectives to ESS, investment managers, brokers, donors, and funding sources that may have involvement;
- confirms policies and procedures relative to the expenditure of ESS funds;and,
- serves as a review document to guide the ongoing oversight of the management of ESS investments.

Investment Objective

The overall investment objective of ESS is to maximize the return on invested assets, while minimizing risk and expenses. This is accomplished through prudent investing and planning, as well as through the maintenance of a diversified portfolio. Investment of these ESS reserves will create financial resources for future programmatic opportunities.

Delegation of Responsibilities

ESCOP has a direct oversight role regarding all decisions that impact ESS institutional funds. ESCOP has delegated supervisory responsibility for the management of ESS funds to the Finance Committee per ESS Rules of Operation. The Finance Committee membership and purpose is:

<u>Membership:</u>

The Past ESCOP Chair serves as chair of the Finance Committee. Committee members include the BLC Chair, Incoming ESCOP Chair and one at-large member of the BLC, supported by the BLC Executive Vice-chair (regional Executive Director).

<u>Purpose:</u>

The Finance Committee, with the BLC Executive Vice-chair, shall draft and present a budget to the BLC, then ESCOP, for review, vote, and approval prior to submitting it to ESS for adoption; act in an advisory capacity and give counsel regarding financial matters affecting

the organization; conduct an orientation for ESCOP on income and expenses; and, review the investment plan annually. Specific responsibilities of the various bodies and individuals responsible for the management of ESS funds are set forth below:

Responsibilities of ESCOP

ESCOP shall ensure that its fiduciary responsibilities concerning the proper management of ESS funds are fulfilled through appropriate investment structure, internal, and external management and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the Finance Committee, ESCOP shall:

- select, appoint, and remove members of the Committee;
- approve investment policies and objectives that reflect the long-term investment-risk orientation of ESS funds; and,
- meet yearly with members of the Finance Committee to relay ESCOP expectations for ESS funds based on upcoming needs for special projects and operating expenses in order to determine investment allocations for the coming year.

Responsibilities of the Finance Committee

Members of the Finance Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to endowment assets. In consideration of the foregoing, the Finance Committee is responsible for the development, recommendation, implementation and maintenance of all policies relative to ESS funds and shall:

- develop and/or propose policy recommendations to ESCOP with regard to the management of all ESS funds;
- recommend short-term and long-term investment policies and objectives for ESS funds, including the study and selection of asset classes, determining asset allocation rangesand setting performance objectives;
- determine that ESS funds are prudently and effectively managed with the assistance of management (i.e., the BLC Executive Vice-chair and Chief Financial Officer of APLU) and any necessary investment consultants and/or other outside professionals, if any;
- monitor and evaluate the performance of all those responsible for the management ESS funds;
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals;
- receive and review reports from management, investment consultants, and/or other outside professionals, if any;

- periodically meet with management, investment consultants and/or other outside professionals' management, investment consultants and/or other outside professionals;
- report (as desired) at ESCOP, ESCOP Executive Committee and ESS regular meetings; and,
- convene regularly to evaluate whether this policy, investment activities, risk management controls, and processes continue to be consistent with meeting the goals and objectives set for the management of ESS funds.

Responsibilities of Management

Management (i.e., the BLC Executive Vice-chair and Chief Financial Officer of APLU) shall be responsible for the day-to-day administration and implementation of policies established by ESCOP and/or the Finance Committee concerning the management of ESS funds. Management shall also be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds. Specifically, management shall:

- oversee the day-to-day operational investment activities of all institutional funds subject to policies established by ESS, ESCOP and/or the Finance Committee;
- contract with any necessary outside service providers, such as: investment consultants, investment managers, banks, and/or trust companies and/or any other necessary outside professionals;
- ensure that the service providers adhere to the terms and conditions of their contracts; have no material conflicts of interests with the interests of ESS; and, performance monitoringsystems are sufficient to provide the Finance Committee with timely, accurate and useful information;
- regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook, and investment strategies; monitor asset allocation and rebalance assets, as directed by the Finance Committee and in accordance with approved asset allocation policies, among asset classes and investment styles; and, tend to all othermatters deemed to be consistent with due diligence and prudent management of ESS funds; and,
- comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments, especially alternative investments. Prepare and issue periodic status reports to ESS, ESCOP and the Finance Committee.

Responsibilities of Investment Advisors

Any and all investment advisors, managers and/or custodians of ESS funds are expected to

manage the ESS portfolio consistent with this Investment Policy Statement and in accordance with State and Federal law and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Investment advisors shall:

- design, recommend and implement, under the direction of the Finance Committee, an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement; and,
- advise about the selection of and the allocation of asset categories; identify specific assets and mutual funds within each asset category; monitor performance of all selected assets; recommend changes to any of the above; periodically review the suitability of the investments for ESS; and, prepare and present appropriate reports.

General Investment Considerations

- The Association of Public and Land-grant Universities (APLU), of which the ESS is a constituent member, is a tax-exempt organization as described in section 501(c)(3) of the Internal Revenue Code. This tax-exempt status should be taken into consideration when making ESS investments.
- A copy of this ESS Investment Policy Statement shall be provided to all investment managers.
- All individuals responsible for managing and investing ESS institutional funds must do so in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
- All individuals responsible for managing and investing ESS funds shall immediately inform ESS of any actual or potential conflict of interest – business, professional, personal, or other interest, including, but not limited to, the representation of other clients – that would conflict in any manner or degree with the performance or obligations under this Investment Policy Statement.
- ESS is expected to operate in perpetuity; therefore, a 10-year investment horizon shall be employed. Interim fluctuations should be viewed with appropriate perspective.
- A cash account shall be maintained with a zero to very low risk tolerance to keep cash available for any anticipated expenses.
- Transactions shall be executed at reasonable cost, taking into consideration prevailingmarket conditions and services and research provided by the executing broker.
- Permitted investments include: money market funds, marketable securities including equities, and fixed income securities.

Money Market Funds:
A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with liquidity and stability of

principal. The fund will invest in "money market" instruments with remaining maturates of one year or less, that have been rated by at least one nationally recognized rating agency in the highest category for short-term debt securities. If non-rated, the securities must be of comparable quality.

Equities:

The equity component of the portfolio will consist of high-quality equity securities traded on the New York, NASDAQ or American Stock exchanges. Securities must be screened for above average financial characteristics such as price-to-earnings, return-on-equity, debt-to-capital ratios, etc.

Prohibited equity investments include: initial public offerings, restricted securities, private placements, derivatives, options, futures and margined transactions. Exceptions to the prohibited investment policy may be made only when assets are invested in a Mutual Fund(s) that periodically utilizes prohibited strategies to mitigate risk and enhance return.

Fixed Income:

Bond investments will consist solely of taxable, fixed income securities that have an investment-grade rating (BBB or higher by Standard & Poor's and Baa or higher by Moody's) that possess a liquid secondary market. If the average credit quality rating disagrees among the two rating agencies, then use the lower of the two as a guideline.

The following transactions are *prohibited*: Purchase of non-negotiable securities, derivatives, high risk or junk bonds, private placements, precious metals, commodities, short sales, any margin transactions, straddles, warrants, options, life insurance contracts, leverage or letter stock. Exceptions to the prohibited investment policy may be made only when assets are invested in a Mutual Fund(s) that periodically utilizes prohibited strategies to mitigate risk and enhance return.

Asset Allocation	Range
Cash and Equivalents	0-10%
Fixed Income	60-70%
Equities: Domestic Large Cap	30-40%
Equities: Domestic Small/Mid	
Equities: International	

Performance Measurements Standards

The benchmarks to be used in evaluating the performance of the two main asset classes will be:

- Equities: S&P 500 Index - Goal: exceed the average annual return of the index over a full market cycle (3-5 years); and,
- Fixed Income: Government/Corporate Index - Goal: exceed the average annual return of the index over a full market cycle (3-5 years).

It will be the responsibility of the Finance Committee to regularly review the performance of the investment account and investment policy guidelines, and report to ESCOP at least annually with updates and recommendations as needed.

Expenditure Considerations

ESCOP and the Finance Committee are responsible for the establishment of a balanced reserve fund spending policy to: (a) ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value as a first priority; and, (b) to provide funds for the annual operating budget in an amount which is not subject to large fluctuations from year-to-year to the extent possible.

Expenditure of ESS Funds

All decisions relative to the expenditure of ESS funds must assess the uses, benefits, purposes and duration for which the ESS fund was established, and, if relevant, consider the factors:

- the duration and preservation of the ESS fund;
- purposes of ESS and the fund;
- general economic conditions;
- possible effect of inflation or deflation;
- expected total return from income and appreciation of investments;
- other organizational resources;
- all applicable investment policies; and,
- where appropriate, alternatives to spending from the ESS fund and the possible effects of those alternatives.

For each decision to appropriate ESS funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors. This document has been reviewed and approved by ESCOP and is subject to annual review by ESCOP to ensure it continues to reflect the goals, objectives and risk profile of ESS.

Agenda Brief: Policy Board of Directors
Presenters: Gary Thompson and Eric Young

The BAA Policy Board of Directors met during the APLU Annual Conference on November 12, 2019 in San Diego, CA. Below are some highlights from that meeting.

1. APLU Update and Assessments – Doug Steele
    - Might move Policy Board of Directors meeting to late Monday afternoon during APLU conference so members don't have to stay an extra day
    - Joint COPs may be in Kansas City next July
    - Not increasing any BAA assessments for 2020
    - Billing system currently only accepts one point of contact, but working to change it to two contacts, second one to be named by each Administrative Head
    - Assessment statement will also now have explanation of how assessments are calculated
    - Going to look into all aspects of how assessments are calculated after next year. Any changes will come to Policy Board of Directors for review and approval
    - Want to review how APLU IDC charge is calculated and make sure it's appropriate
    - Board on Agriculture Assembly proposed budget presented
        - Motion to approve 2020 BAA budget. Michelle Rogers/ Gary Thompson - approved
2. CARET Budget – Eddie Gouge
    - Based on assessments and collection rate, budget remains the same for 2020
        - Motion to approve 2020 CARET budget. Gary Thompson / Lee Yudin - approved
3. Rules of Operations – Doug Steele
    - Working on making it easier to find information on APLU web site
4. Budget and Advocacy Committee – Gary Thompson
    - Met Saturday afternoon
    - Discussed the One Ask being converted to Unified Ask, now includes 7 lines with 1994 consolidated lines
    - Agreed on additional support items to be listed at bottom od budget priorities
    - Decided to have a fly-in in February to discuss advocacy strategy
    - Discussed next steps for strategic realignment
    - Heard a presentation on anti-microbial resistance institute at IA State and Nebraska
    - Motion from BAC to move forward with Unified Ask with addition of 1994 line and footnote including non-lands, APS lines, anti-microbial resistance, and international agriculture. Approved
5. Committee on Legislation and Policy – Doug Steele
    - Looking at implementation of Farm Bill
    - Middle of next year, they'll start gathering information on changes / additions for 2023 Farm Bill

6. Communication and Marketing Committee – Steve Loring
    - Proposal to hire strategist using the terminated kglobal contract residual funding was approved by Administrative Heads, CES, and ESS
    - Communication and Marketing Committee motion to move forward with proposal approved by Sections. Approved
    - Want to keep Ag is America and social media active and up to date during plan development and Faith Peppers will be leading this effort
    - Discussed bringing NIDB under the Communication and Marketing Committee to increase coordination, but waiting on strategist's advice
    - APLU Council on Research report, Public Impact Research, did not involve Board on Agriculture Assembly or mention CES or AES. Need to develop a better relationship between BAA and CoR
7. Strategic Realignment – Doug Steele
    - PowerPoint below explains most recent realignment scheme
    - Motion to approve this scheme and create Implementation Committee appointed by Policy Board of Directors Chair. Tom Coon/Gary Thompson - approved
8. BAA New Initiatives – Doug Steele
    - Gene Editing
        - BAA hosted a summit on gene editing in late September
        - Will be setting up a task force (nominations closed November 15) to write an initiative white paper on this topic
    - Healthy Forest Initiative
        - Joint BAA and BNR Task Force has developed white paper for this initiative
        - Next step is for Sections' budget committees to review and approve, then it goes to Budget and Advocacy Committee
        - Initiative paper needs a budget before it can go to the Sections
        - Motion to appoint an implementation group to work on budget and structural aspects of initiative. Michelle Rogers / Lee Yudin - approved
9. Section Reports
    - ACOP – employability skills survey and workshop to be presented at the 2020 NACTA meeting - staff development efforts - professional development throughmini-sabaticals to bring home ideas.
    - ECOP – RWJ Foundation funding – Systems work for 3 mission areas integration - 4H leadership meeting task force for additional funding for youth development
    - ICOP – defined ICOP with new operations document – set up ask $20M for International Programs in NIFA – developing strategies to work with BAA in coming year
    - 1890s – FY19 approps good – scholarships Nov 8 applications – Centers of Excellence: 5M approps letter of intent Dec 6 …final proposals Jan
    - Insular – very dependent on fed funds – ensure NIFA funds get to them
    - Non-LGU – annual meeting in October – capacity building grants – work with APS for staff workshop
    - 1994 – 25-year anniversary – FALCON meeting recently---1862 & 1890 collaborations workshop– convene (AHEC Feb 6) all 38 1994 presidents to discuss the values and involvement inAPLU

10. Executive Session
    - Discussion and vote on cornerstone contract

Strategic Realignment

APLU Annual Meeting

November 9-12, San Diego, CA

Development of a New Strategy

- Simplify NIFA Budget and Appropriations
- More acceptable to Congress (i.e. NIH)
- More effective advocacy---all sections making unified ask
- FY 2020 President's Budget eliminates several lines and proposes one account for the NIFA - rather than individual accounts for Research and Education, Extension and Integrated Activities.

FY 2019 Appropriations Report Language

(NIFA Program Authorities and Consolidation Report)

FY18 Consolidated Appropriations Act and report contains fifty appropriated lines covering the entirety the agricultural research, education and extension realm.

The Committee is concerned that some of these programs are duplicative or can be executed under the broad authorities of the Agriculture and Food Research Initiative, Evans-Allen Program, 1890's Extension, and Hatch and Smith-Lever Acts.

The Committee notes that USDA's annual budget submission routinely proposes the elimination of many of the smaller NIFA programs.

Accordingly, the Committee directs NIFA to provide a report by September 30, 2019 that details the authority under which each funded NIFA program is administered and whether that program (its goals or priorities), or the challenges each program is intended to address, can be achieved under the authorities of the Agriculture and Food Research Initiative, Evans-Allen Program, 1890's Extension, and Hatch and Smith-Lever Acts or other appropriate programs.

Realignment Title	FY2019 Enacted	FY2020 PBR	FY2020 House
Ag Ed and Workforce Develop	41,265,000	19,147,000	54,552,000
1994 Research, Ed. & Extension	13,686,000	9,621,000	15,801,000
1890 Research, Ed. & Extension	145,686,000	119,537,000	182,538,000
1862 Research & Extension	712,654,000	635,653,000	735,315,000
AFRI	415,000,000	500,000,000	460,000,000
Other Competitive	115,568,000	70,706,000	141,405,000
Grand Total	1,443,859,000	1,354,664,000	1,589,661,000

NIFA Top Line (16 line format)

Realignment Title	FY2018 Enacted	FY2019 Enacted	FY2020 PBR	FY2020 House
Ag Ed and Workforce Develop	40,765,000	41,265,000	19,147,000	54,552,000
1994 Research, Ed & Extension	13,686,000	13,686,000	9,621,000	15,801,000
1890 Extension	45,620,000	48,620,000	47,310,000	57,000,000
1890 Facilities	19,730,000	19,730,000	0.000	23,529,000
1890 Research	54,185,000	58,000,000	53,517,000	69,000,000
1890 Education	19,336,000	19,336,000	18,710,000	33,009,000
McIntire-Stennis Forestry	33,961,000	36,000,000	28,867,000	38,000,000

NIFA Top Line (16 lines continued)

Realignment Title	FY2018 Enacted	FY2019 Enacted	FY2020 Request
Smith-Lever 3 B & C	300,000,000	315,000,000	359,000,000
Hatch	243,701,000	259,000,000	292,000,000

NIFA Top Line (16 lines—continued)

Realignment Title	FY2018 Enacted	FY2019 Enacted	FY2020 PBR	FY2020 House
AFRI	400,000,000	415,000,000	500,000,000	460,000,000
Special Res Grants	12,330,000	14,155,000	0.000	`16,655,000
Crop Protection Tactical Science	49,413,000	50,413,000	0.000	52,500,000
Regional Centers of Excellence	12,000,000	14,000,000	1,697,000	22,250,000
Sustainable Ag Research & Ed	35,000,000	37,000,000	19,009,000	45,000,000
Facility Modernization	0.000	0.000	50,000,000	0.000
Research Equipment Grants	0.000	0.000	0.000	5,000,000
Grand Total	1,380,315,000	1,443,859,000	1,354,664,000	1,589,611,000

Ag Education and Workforce Development

Current Line Title	FY2019 Funding
Grants for Hispanic Serving	9,219,000
Multicultural Scholars	9,000,000
Capacity Building Non-LGU	5,000,000
Alaska Native and Hawaiian	3,914,000
Insular Areas	2,000,000
Vet Medicine Loan Repay	8,000,000
Secondary/Post Secondary	900,000
Ag in Classroom	552,000
Women and Minorities STEM	400,000

Capacity Funding

Current Line Title	FY2019
Smith Lever	315,000,000
1890 Extension	48,620,000
Facilities Improvements 1890	19,730,000

Smith-Lever 3d
New Top Line: $102.654

Current Line Title	FY 2019
EFNEP	69,000,000
Children, Youth & Families at Risk	8,395,000
Food Safety Outreach	8,000,000
Farm Safety Youth Programs	4,610,000
Renewable Resources Extension Act	4,060,000
FRTEP	3,039,000
Rural Health and Safety	3,000,000
New Technologies Ag Extension	1,550,000
Food and Ag Service Learning	1,000,000

Capacity Funds

Current Line Title	FY2019
Hatch Act	259,000,000
McIntire-Stennis Forestry	36,000,000
Education Grants 1890	19,336,000

AFRI
New Top Line: $429,115,000

Current Line Title	FY2019
Animal Health and Disease	4,000,000
Potato Research	2,750,000
Alfalfa and Forage	3,000,000
Global Change/UV	1,405,000
Aquatic Research	2,000,000
Alternative Crops	1,000,000

Crop Protection/Tactical Science
New Top Line: $50,413,000

Current Line Title	FY2019
Crop Protection Pest Management	20,000,000
IR-4	11,913,000
Food and Ag Defense Initiative	8,000,000
Food Animal Residue	2,500,000
Organic Transition	6,000,000
Methyl Bromide	2,000,000

Regional Centers of Excellence
New Top Line: $51,000,000

Current Line Title	FY2019
Aquatic Centers	5,000,000
Sun Grant Program	3,000,000
Farm Business Management	2,000,000
Regional Rural Development Centers	2,000,000
Sustainable Ag Research and Education	37,000,000
Farmer Stress Assistance	2,000,000

Current Line Title	FY2019
Payments to 1994	3,439,000
Extension Services 1994	6,446,000
Research Grants 1994	3,801,000

New Top Line: $13,686,000

Moving Forward

- Recommendations go to the Policy Board of Directors (PBD)
- PBD takes action on next steps
- Appointment of Implementation Committee
- Work with NIFA to align goals
- Develop new advocacy strategy for 2021

- QUESTIONS

Agenda Brief 10.1 ESCOP Budget and Legislative Committee (BLC)
Presentors: Ernie Minton and Jeff Jacobsen
Action: Information Only

Committee Members:

Chair: Ernie Minton (NCRA) **Past Chair:** Bill Brown (SAAESD) **Delegates:** Alton Thompson (ARD) Dyremple Marsh (ARD) Gary Pierzynski (NCRA) Shawn Donkin (NCRA) Sabine O'Hara (NERA) Jon Wraith (NERA) Steve Lommel (SAAESD) Saied Mostaghimi (SAAESD) Glenda Humiston (WAAESD, Incoming Chair) Chris Pritsos (WAAESD) **Executive Vice-Chair** Jeff Jacobsen (NCRA ED) Chris Hamilton (NCRA AD; Recorder)	**Liaisons:** Jon Boren (ECOP) Katie Frazier (CARET) Doug Steele (APLU, Ex-officio) Eddie Gouge (APLU) Jim Richards (CGA) Hunt Shipman (CGA) Maggie Earle (CGA) Vernie Huber (CGA) Josh Stull (NIFA) Paula Geiger (NIFA) Glen Hoffsis (BVM) Vacant (BHS)

Regular Zoom calls are held on the fourth Tuesday monthly with notes posted on the ESCOP website http://escop.info/committee/blc/ . In general, the Zoom calls are well attended and participatory. In particular, we would acknowledge the regular participation by APLU, CGA and NIFA. Glenda Humiston has been designated as the WAAESD member and the incoming ESCOP BLC Chair. In addition, liaisons with ECOP BLC and the ECOP representative to ESCOP BLC have been reaffirmed.

In addition to regular APLU, CGA and NIFA updates, the ESCOP BLC thematically has discussed the NIFA Reimagining effort, willingness to support efforts with climate, new legislation that would significantly grow the research enterprise of key USDA agencies, ROI on capacity funds and the continued interest to keep agriculture infrastructure on the forefront. Historically, Hill staff have asked the question, 'With the formal need of $8.4M and growing, how will *limited* federal funding make a difference given the magnitude of the problem?' CGA would welcome feedback.

Recent discussions in the BAA PBD Committee on Legislation and Policy (CLP) and the Budget and Advocacy (BAC) Committees have revolved around addressing system priorities earlier in the calendar cycle, including the Unified Ask branding, and, most recently, the inclusion of a competitive Agricultural Facilities program language within the LGU system one-pager narrative to be used during CARET/AHS.

Agenda Item 10.3: Science and Technology Committee (STC)

Presenters: Bret Hess on behalf of Jody Jellison
Action Requested: For Information

Committee Members:

Chair: Jody Jellison (NERA) **Past Chair:** Laura Lavine (WAAESD) **Delegates:** Alton Thompson (ARD) John Yang (ARD) Joe Colletti (NCRA) Bill Barker (NCRA) Indrajeet Chaubey (NERA) Mark Hutton (NERA) Susan Duncan (SAAESD) Nathan McKinney (SAAESD) Gene Kelly (WAAESD) Chris Davies (WAAESD) **Executive Vice Chair:** Bret Hess (WAAESD ED) Saige Zespy (WAAESD Recorder)	**Liaisons:** Wendy Powers (ECOP) Ann Hazelrigg/Danesha Carley (NIPMCC; ; Pest Mgmt Subc) Kristina Hains (SSSC; Social Sci Subc) Parag Chitnis and/or Tim Conner (NIFA) Robert Matteri (USDA ARS)

ESCOP Web: http://escop.info/committee/scitech/

http://escop.info/committee/national-integrated-pest-management- coordinating-committee-nipmcc/

http://escop.info/committee/social-sciences-subcommittee-sssc/

S&T Committee (STC)

Regular STC business encompasses reviews, reactions, and feedback to relevant national-level reports and findings. Most recently, STC began determining how well the State Agricultural Experiment Station's portfolio of multistate research aligns with the five main themes outlined in the report of the National Academy of Sciences Science titled "Breakthroughs 2030: A Strategy for Food and Agricultural Research." The microbiome was selected as the first topic to explore. The search function of NIMSS revealed that 20 multistate research projects include the term "microbiome" in their project outline. A comparison of these multistate research projects with NIFA's current RFA revealed that most of the multistate research projects do not align with NIFA 2020 RFA b. Agricultural Microbiomes Program Area Priority Code: A1402; only four multistate research projects address the main areas described in the RFA. Consequently, STC intends to learn about NIFA's impressions of the report to help guide future efforts.

It was brought to STC's attention that a one-page, double-side "leave-behind" could be developed to help describe what the collective body of State Agricultural Experiment Stations do. Members of STC were uncomfortable taking on the task without the assistance of a professional communicator. Thanks to Rick Rhodes, Faith Peppers and Sara Delheimer have agreed to develop the one-pager drawing from information presented in the 8 Grand Challenges documents published by STC and available at A Science Roadmap For Food & Agriculture – Briefs (Text version).

Members of STC look forward to reviewing regional nominations for the Excellence in Multistate Research Award.

National Integrated Pest Management Coordinating Committee (NIPMCC)

The NIPMCC held a meeting an in-person meeting in at APLU Washington, DC October 22-23, 2019. In addition to a presentation on the State of IPM Report and annual regional reports, NIPMCC continued discussing ways to integrate priorities and national activities and advocacy efforts. Attendees decided to meet in Washington, DC the third week of October 2020. Planning for the October 2020 has been initiated by coordinating with regional IMP Center directors.

Social Sciences Subcommittee (SSSC)

The traditional February ESCOP SSSC meeting in Washington, DC was postponed. The subcommittee is exploring the possibility of returning to Washington, DC the second week of May 2020. In addition to several organizations speaking to SCCC, the SCCC Executive Committee is interested in having a work session with presenters and NIFA leaders who remained in Washington, DC. The purpose of the work session would be to advance the development of products describing the importance of social and behavioral sciences in agriculture that are in various stages of development since last year's work sessions. Attendees of the upcoming meeting also expect to review membership and discipline team status with assignments made for recruitment and appointment. When these are complete, they will be sent to the STC Executive Vice-Chair for formal ESCOP appointment to SSSC. Lastly, updating the SCCC Rules of Operation remains on the SCCC radar.

Agenda Item 10.5 NRSP Review Committee (RC)
Presentors: Doug Buhler and Jeff Jacobsen
Action: For Information Only

NRSP-RC Committee Members:

Chair: Doug Buhler (NCRA)	**Delegates:**
Past Chair: Fred Servello (NERA)	Shirley Hymon-Parker (ARD)
	Mark McGuire (WAAESD)
	Keith Owens (SAAESD)
Executive Vice-Chair:	Don Latham (CARET, Stakeholder)
Jeff Jacobsen (NCRA ED)	Tom Bewick (NIFA)
Assistant Director, Ex-officio:	Ron Brown (ECOP)
Chris Hamilton (NCRA AD, Recorder)	Bret Hess (WAAESD ED)

Website: http://escop.info/committee/nrsp-rc/

NRSP renewals for this review cycle will include: NRSP4, *Facilitating Registration of Pest Management Technology for Specialty Crops and Specialty Uses*; NRSP6, *The US Potato Genebank: Acquisition, Classification, Preservation, Evaluation and Distribution of Potato (Solanum) Germplasm*; and NRSP8 *National Animal Nutrition Program*. NRSP1 *Multistate Research Information Management and Impact Communications Program* will undergo its midterm review. External reviews, AAs and regional association reviews will comprise the remainder of the comprehensive review process. Recent communications from the NRSP6 technical lead has led to extensive conversations with the Chair and Executive Vice-Chair and USDA ARS regional and national leadership on short- and long-term activities. This has included conversations with the National Plant Germplasm Coordinating Committee USDA ARS lead and a key stakeholder group, the National Potato Council. The NRSP RC face-to-face will be on May 27, 2020 in Madison, WI.

As a prelude to continued work on the NRSP Guidelines, the NRSP RC will conduct a Zoom meeting on February 25, 2020 to discuss the goals and purposes of investing Hatch Multistate by the NRSP mechanism and relevant Guideline revisions. Discussion on this call will focus on an evaluation of the desirable and undesirable characteristics of NRSPs, which will then advance the conversation and direction of the NRSP Guideline revisions going forward.

The NRSP guidelines (2015 version) were reviewed and edited by several members of the NRSP RC over the past year, focusing on simplification, modernization, consistency and clarity of purpose. This work has been continued by the current and former NRSP Executive Vice-Chairs. This iteration will be thoroughly reviewed and vetted by the Executive Directors. Depending upon the direction of modifications, timing, integration of NRSP RC perspectives and priorities, and allied issues, we will discuss the 2020 revisions to the NRSP Guidelines (2015) during the May 27 NRSP RC meeting, followed by input from the regional associations and ESCOP, culminating in discussions and vote by the SAES directors during the 2020 ESS/ARD annual meeting.