NERA Work Session

COVID and Finance Workarounds (sharing challenges and solutions)

October 20, 2020

In attendance: Jody Jellison, Eric Wommack, Dan Lerner, Anton Bekkerman, Jan Nyrop, Debby Sheely, Jason White, Bill Miller, Margaret Smith, Puneet Srivastava, Rick Rhodes, David Leibovitz

Jody Jellison first led a conversation about the challenges of match.

Massachusetts

- Since April 2020, UMass has lost a lot of state 1:1 funding. How are others working to meet their match?
- UMass has implemented furloughs and is rolling out exit strategies for faculty and staff. If spending is restricted and hiring are frozen, and $1M capacity funds that could have been used as match are no longer eligible, what is a good workaround?

New York (Cornell)

- Most likely will have a reduction in state budget.
- Faculty are not hired on capacity funds, some staff to support farms and greenhouse ops are.
- Decisions have been made around retirement incentives. Cornell determined that staff who are paid on capacity funds are not eligible for the incentive. HR team advised to not push that issue so that capacity funds can still be treated as grants rather than university dollars.

Vermont

- Faculty are hired on capacity funds and state dollars. UVM is overmatched and is still able to be flexible with those funds.
- Hiring is not frozen but is slowed down. Currently seeking a new Director of Extension.
- University strongly discourages hiring on general revenue dollars and encourages units to hire internally if possible.

Rhode Island

- URI does not receive cash match from the state for capacity funds
- Experiment Station funds are not used to hire faculty, they are used to support faculty start-up packages and support AES farms.
- Extension capacity funds are used to support staff hires and (very recently) to partially support nontenured extension faculty hiresMatch for Extension capacity funds is achieved by designating a portion of relevant tenured faculty positions, which are supported with general revenue funds, as match. We include only those faculty who have a formal connection to Cooperative Extension programs.
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- On AES side, college Dean has access to general revenue funds (start up from the central administration) to be used as match plus using faculty salary and fringe as match.

Eric Wommack then led a discussion on revenue generation through service and cost recovery centers.

Delaware

- Sussex County is the #1 farm gate value county in the country and the university monitors all avian testing – a big challenge imposed by the state
- College is working to improve cost recovery, principally from service centers, created a cost recovery committee.
- UD has a 26-page policy on cost recovery / revenue generating operations.
- Encouragement for centers to redraft business plans and fee structures.
- Can we build a human resource infrastructure to make it easy for entrepreneurial faculty to start up a service center? (e.g. wastewater testing center)
- Greenhouse fee structure will be implemented for the first time.
- UD Provost told the college to dedicate its BSL-3 lab to COVID testing, not a revenue generating activity. However, this did build good will and awareness of the college.

New Hampshire

- Is this a good time to develop industry-based relationships and bring in private money to supplement capacity funds?
    - UD has an infrastructure for these types of activities. In the past, companies have wanted to discuss partnership opportunities directly with individual faculty members. Always looking for "next-step analysis / deeper interpretation" opportunities where the institution can provide a unique service not already available from private labs. Once activities move into the regulatory space, industry will outpace the university.
    - A number of institutions have business engagement units that work directly with or are embedded in the colleges of ag. ROI on those units varies across the region.
    - In ~2018 URI announced three innovation campus projects that have been funded, 1 was focused on agriculture (ag innovation and entrepreneurship campus). Business engagement center was involved in these projects. The goal: 25 acres of greenhouses, 15k square foot building, funded by public private partnership ($4M leveraged into $115M). Two years later, the university is close to breaking ground on these projects.
        - **https://today.uri.edu/news/gov-raimondo-uri-president-dooley-announce-first-round-of-innovation-campus-projects/**
    - UD was approached by Perdue about building a plant on campus but the project is on hold during the COVID pandemic. Discussions are ongoing and the university research office wants to develop a master research agreement with the company.

The conversation then shifted. Who provides PPE at your institution?

- Massachusetts – PPE being purchased by college with the assumption that future Federal COVID support funds would come back to the college. University provides a small amount of PPE that is inadequate for supporting small and large farm operations.

- New Hampshire – PPE being purchased by the university (currently in $70M shortfall.)
- CT New Haven – PPE is coming in directly from FEMA. The Governor's office shared a phone line with state agencies for requesting next-day PPE.

Personnel, furloughs, and evaluation of personnel.

- Massachusetts – furloughs were negotiated with unions; some furloughs are indefinite. Over 1,000 employees are on furlough in the UMass system. Sometimes people in the same work unit are being forced to abide by different furlough rules, which causes tension between faculty and staff.
- Maryland – the university did not go forward with furloughs. Everyone making over $150k took a pay cut of 5-10%; President took a 15% pay cut.
- Delaware – College has been asked to cut $3.7M from a $20M operating budget. 9-day furlough for staff only amounts to $160k.

Participants agreed that transparency and honesty were essential for resolving the financial challenges. The conversation will continue.

The call adjourned at 10:00 am EDT.