



**Research Council Minutes  
April 22, 2010 3:00 p.m.  
Champ Hall Conference Room**

**RESEARCH COUNCIL MEMBERS PRESENT:**

Brent Miller, Chair  
Chris Fawson  
for Doug Anderson  
Byron Burnham  
Jennifer Duncan  
for Richard Clement

Don Snyder  
for Noelle Cockett  
Mike Dietz  
for Nat Frazer  
Jagath Kaluarachchi  
for Scott Hinton  
Doug Lemon

Jim MacMahon  
Mac McKee  
Jim Dorward  
for Carol Strong  
Ned Weinschenker  
Vincent Wickwar

**GUESTS:**

DeeVon Bailey  
Jeff Broadbent  
Jeffrey Doyle

Irene Jorgensen  
Joyce Kinkead

Matthew Todd  
Teresa Seeholzer  
Lorraine Walker

1. **Approval of Minutes of March 25, 2010** - Minutes approved unanimously.
2. **Welcome & Introductions** - Brent Miller
3. **Research Presentation: Jeffrey T. Doyle – George S. Eccles Chair in Markets Research**

**Title: “Evil Managers and Foggy Crystal balls”**

How financial information is used by capital market participants is important to Dr. Doyle’s research. Two attributes, relevance and reliability, play a useful role in this decision making process: Preparers/Managers might have incentives and/or compensation plans that impact the information they produce. By law, earnings/income is based on “Generally Accepted Accounting Practices” (GAAP). In the early 90’s, managers didn’t like presenting just GAAP earnings so additional definitions such as “Pro Forma” or “expected earnings” emerged and were referred to as non-GAAP earnings. Dr. Doyle shared an example from 2001 where a company listed a Pro Forma comparison and diluted numbers by selecting specific reductions that altered the net income loss. Although the GAAP numbers are required by law, Dr. Doyle’s research looks at the question: Do investors understand the predictive ability of these exclusions? Findings show that exclusions are predictive of future cash flows and that firms using pro forma earnings tend to meet or beat analyst’s expectations more often. Additionally, a trading strategy (buy those with low exclusions, sell those with high exclusions) earns about 25% abnormal returns over 3 years. A second part of his research focuses on predictive ability of audit fees and the impact they may (or may not) have relative to material weaknesses within a company.

4. **3Q \$200m Research Goal – Update on Proposals and Awards** – Brent Miller

A spreadsheet was shared showing USU Sponsored Programs Awards (comparisons by college/ business unit) from FY2006 thru FY2012. USU was 92% to goal for FY2009 and is on target to finish close to the combined FY2010 goal. Jeff Broadbent referenced information about the Proposal Writing Institute that begins on April 22, 2010 and the important resources this institute provides in preparing successful proposals.

5. **NSF Directorates for Regional Grants Conference** - Jeff Broadbent

NSF Regional Grants Conference will take place in Salt Lake City on October 25-26, 2010. Jeff shared the NSF Organization Chart outlining the directorates and divisions. Because this conference is a unique opportunity for the State of Utah, Jeff asked representatives from the colleges to review the handout and contact him with input on areas that are critical to USU faculty. With college input, Jeff will relay this information to NSF so that specific topics/divisions can be covered to maximize the usefulness of the October conference. Jeff noted that EPSCoR and MRI topics will be on the agenda. More details will be shared as the conference agenda is finalized.

6. **HPC Update** - Brent Miller

HPC Steering Committee (Bob Spall, Chair) met and reviewed the USU Visualization Lab with USU IT and HPC personnel. After resolving some user glitches, the cluster and storage capabilities are running smoothly. Jon Huppi has been designated as the new HPC System Administrator with 100% of his time dedicated to USU HPC. Backup support to Jon has also been identified.

7. **APLU April 2010 Meetings Re: Research Universities** – Brent Miller

With public education experiencing a substantial decline in funding at the state level, APLU is holding regional meetings to address and review critical areas impacting research universities across the nation. A white paper was distributed showing a summary of how research universities have done over the last decade. Provost Coward and Brent Miller will be attending these meetings in Seattle on April 26 and the agenda outline was shared for discussion and input. Dean Burnham also noted that graduate education is impacted as well.

8. **Recap of Research Week 2010** – Joyce Kinkead

A summary of Research Week 2010 was distributed. Highlights included the following:

- 200% increase in Grad Student Symposium participants
- Total number of Research Week material participants: ~700
- Seven college faculty awards, 2010 D. Wynne Thorne Career Award (Steve Scheiner)
- SPO and Proposal Development workshops offered
- New Events: Faculty Book Exhibit & International Research Posters Display
- 127 undergraduates participated in Student Showcase
- New Award: “Joyce Kinkead Outstanding Honors Scholar” (endowed by David & Terry Peak)
- Guest Lecturer: Alan Jenkins, Oxford-Brookes University, UK

9. **Wrap Up Discussion & Calendar Events** – Brent Miller

- Research Council suspends May thru August, 2010
  - Next Meeting : September 16, 2010
- August 24, 2010 – New Faculty Research Orientation
- September 23-24, 2010 BEERC Ribbon Cutting Event at Uintah Basin
- Oct 25-26, 2010 – NSF Regional Grants Conference, SLC

Meeting adjourned at 4:15 pm

Minutes submitted by: Teresa Seeholzer, Research Council Secretary