

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION
BOARD OF DIRECTORS
SEPTEMBER 29, 2017
MINUTES**

President Sally Roush called the meeting to order at 9:07 a.m. in the James W. Cobble Boardroom of the Gateway Center.

Present: Ms. Sally Roush, presiding; Dr. Guadalupe Ayala; Mr. Bill Brack; Ms. Vickie Capps; Mr. Chimezie Ebiriekwe; Dr. Karen Emmorey; Dr. Chukuka S. Enwemeka; Dr. Craig Hauser; Dr. Samuel Kassegne; Mr. Tom McCarron; Dr. Randolph Philipp; Dr. Jennifer Thomas; Dr. Ming-Hsiang Tsou; Dr. Stephen Welter; Dr. Robert Zeller; and Ms. Michèle Goetz.

Absent: Dr. Kim Barrett and Ms. Paula Brock

Guests and staff attending: Mr. Justin Fiore and Mr. Matt Spagnuolo from Grant Thornton LLP; Dr. Inna Fishman and Ms. Agnes Wong-Nickerson from SDSU; and Ms. Debbie Brighton, Mr. Eric Elson, Mr. Tim Hushen, Ms. Vicky Kern, Ms. Leslie Levinson, Ms. Teresa Loren, Ms. Rachel Raynoha, and Ms. Renée Daniels from SDSU Research Foundation.

Call to Order

President Roush welcomed:

- Dr. Inna Fishman, assistant research professor in SDSU's psychology department, in attendance to give a presentation on her research;
- From Grant Thornton LLP: Mr. Justin Fiore, senior manager and Mr. Matt Spagnuolo, audit manager;
- From SDSU Research Foundation (SDSURF): Ms. Teresa Loren, director of finance and controller, and Ms. Vicky Kern, director of accounting, who were present to answer questions related to the audited financial statements, and Mr. Eric Elson, director of facilities planning and management, in attendance to answer questions related to the sale of the Heber Avenue property in Calexico.

Election of Board Members and Secretary and Committee Appointments

Election of Board members:

Upon recommendation of The Senate, President Roush nominated Dr. Robert Zeller to serve a second four-year term.

President Roush also nominated Ms. Vickie Capps to serve a second three-year term.

There were no additional nominations and the board member appointments were approved unanimously. President Roush thanked Dr. Zeller and Ms. Capps for their continued service.

Election of Secretary: President Roush nominated Dr. Karen Emmorey to serve as Secretary for one additional year. There were no additional nominations and the secretary appointment was approved unanimously. President Roush noted that Dr. Emmorey was a long-term member of the board and expressed appreciation for Dr. Emmorey's dedicated service.

Appointment of Finance and Investment Committee: On behalf of the board, President Roush expressed appreciation for the expertise and effort provided by each of the current Finance and Investment Committee members. She recommended that Mr. McCarron continue to serve as chair, and Mr. Brack, Ms. Capps, and Drs. Kassegne and Philipp continue to serve as members. There were no objections or additional nominations. The Finance and Investment Committee appointments were approved unanimously.

Appointment of Audit Committee: On behalf of the board, Ms. Roush expressed appreciation for the expertise and effort provided by each of the current Audit Committee members. She recommended that Ms. Brock continue to serve as chair, and Ms. Capps, Ms. Copenrath and Dr. Tsou continue to serve as members. There were no objections or additional nominations. The Audit Committee appointments were approved unanimously.

Ms. Roush concluded the elections and committee appointments by expressing thanks to each of the nominees and appointees for their willingness to serve.

Consent Agenda

Ms. Roush introduced the consent agenda which contained three items:

1. The minutes from the last board meeting held on May 5, 2017
2. A resolution ratifying the contribution to SDSU's research endowment in honor of President Elliot Hirshman, and
3. A resolution designating board member access to classified information.

Ms. Roush asked if there were questions or discussion needed on any of the items. No discussion was requested. The consent agenda items were approved unanimously:

RESOLUTION OF THE BOARD OF DIRECTORS: RATIFICATION OF CONTRIBUTION TO SDSU'S RESEARCH ENDOWMENT IN HONOR OF PRESIDENT ELLIOT HIRSHMAN:

RESOLVED FIRST, that the Board of Directors ratifies the contribution of \$25,000 to SDSU's Research Endowment in honor of President Elliot Hirshman's contributions to SDSU and SDSU Research Foundation; and,

SECOND, that all past actions of the Corporation's management in funding the contribution are hereby ratified and confirmed, and,

FINALLY, that this resolution shall take effect immediately upon its adoption.

**RESOLUTION OF THE BOARD OF DIRECTORS:
EXCLUDING CERTAIN BOARD MEMBERS
FROM ACCESS TO CLASSIFIED INFORMATION**

WHEREAS, San Diego State University Foundation has entered into a Security Agreement with the Department of Defense for the protection of classified information released to said Corporation, and such Agreement requires that certain management personnel of said Corporation be cleared and permits the exclusion of certain members of the Board of Directors from access to classified information by formal action of the Board of Directors.

NOW THEREFORE BE IT DECLARED that the officers and directors listed below shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of San Diego State University Foundation. The below listed officers and directors do not occupy positions that would enable them to affect adversely the Corporation's policies and practices in the performance of classified contracts.

**Dr. Stephen C. Welter
Vice President
Vice President for Research, San Diego State University**

**Dr. Karen D. Emmorey
Secretary
Professor of Speech, Language, and Hearing Sciences, San Diego State University**

**Mr. Thomas J. McCarron
Treasurer
Vice President for Business and Financial Affairs, San Diego State University**

**Dr. Guadalupe X. Ayala
Professor, Graduate School of Public Health
College of Health and Human Services, San Diego State University**

**Dr. Kim E. Barrett
Distinguished Professor of Medicine, University of California, San Diego
Community Member**

**Mr. William J. Brack
Retired, Self-Employed Financial Consultant
Community Member**

Ms. Paula S. Brock
Chief Financial Officer, Zoological Society of San Diego
Community Member

Ms. Vickie L. Capps
Certified Public Accountant
Community Member

Mr. Chimezie Ebiriekwe
President, Associated Students, San Diego State University

Dr. Chukuka S. Enwemeka
Provost and Senior Vice President, San Diego State University

Dr. Craig A. Hauser
Vice President for Scientific Resources
Sanford Burnham Prebys Medical Discovery Institute
Community Member

Dr. Samuel K. Kassegne
Professor of Mechanical Engineering, San Diego State University

Dr. Randolph A. Philipp
Professor, School of Teacher Education, San Diego State University

Dr. Jennifer D. Thomas
Professor of Psychology, San Diego State University

Dr. Ming-Hsiang Tsou
Professor of Geography, San Diego State University

Dr. Robert W. Zeller
Professor of Biology, San Diego State University

Executive Director Report

Ms. Goetz welcomed Ms. Roush to her first meeting as president of the research foundation board. Ms. Goetz noted that due to President Roush's prior role as SDSU's CFO, she has extensive knowledge of the research foundation and its mission and operations.

Ms. Goetz provided the following updates:

Year-end numbers:

- Proposal and award numbers continue to rise. The FY 2016-17 year ended with total awards of \$134.3 million—up 3.4% over last fiscal year. Ms. Goetz referenced the FY 2016-17 annual report that includes totals of proposals and awards as well as historical trends and analysis of revenue sources. Ms. Goetz acknowledged Ms. Brighton for her work in producing the document and noted that CFO Levinson's report would include general fund budget year-end results.

Federal Update:

Ms. Goetz noted a number of positive outcomes:

- NIH's proposed scoring methodology was dropped after an outpouring of comments from the academic community. Instead, resources will be redirected to fund programs targeting young investigators to accomplish the same purpose.
- Both the house and the senate have put language in the budget appropriation bills to prohibit the proposed 10% cap on F&A.
- Congress passed the FY 17 budget with significant increases approved for NIH (\$2 billion) and NSF (\$9 million).

Ms. Goetz reported that management will continue to remain conservative in both spending and forecasting for the coming year due to the following:

- The Trump administration continues to propose deep cuts to federal research.
- 74% of awards received by the research foundation are federal or federal pass-through.
- Although FY 2016-17 ended with an increase in total awards, awards for research activity slowed considerably in the final two quarters of the year.
- The FY 2018 appropriations bill to fund the government from October 1, 2017 to September 30, 2018 is still in process; a continuing resolution has been approved through December 8, 2017.

Ms. Goetz reported on a number of other significant activities related to automating systems and improving services to researchers, including updates to the electronic personnel action system, enhanced scholarship and endowment reporting for The Campanile Foundation, and implementation of a new accounting structure for the College of Extended Studies.

Finally, Ms. Goetz outlined the following priorities for the upcoming year:

- Continued review of staffing and service standards to ensure maximization of resources wherever possible at levels that provide direct service to researchers.
- Review of the structure of the human resources area with the recent departure of the associate executive director, Mr. Blizinski. Ms. Goetz noted that additional staffing resources may be needed to ensure quality of services.
- Development of consolidated financial reporting strategies for the College of Extended Studies.
- Implementation of a new facilities information system to allow easier sharing of data with the university.
- Enhanced financial analytic reporting and migration of PI Profile, the web-based interface with the research foundation accounting system, to improved underlying technology.

Ms. Goetz concluded her report with thanks to SDSURF staff for their hard work and commitment to SDSU. She then briefly reviewed the following items distributed to each board member:

- PI Lecture series scheduled for the fall semester
- Conflict of Interest and Code of Ethics disclosure statements

Audit Committee Report

Ms. Capps provided the report in lieu of Audit Committee Chair Brock, who was unable to attend the meeting. Items discussed at the September 20th meeting included:

- Proposed revisions to the Audit Committee charter which will be presented to the committee at its February 2018 meeting.
- Updates on sponsor audits—all closed with no findings
- Status updates on the employee benefit plan (VEBA and 403b) audits
- Review and discussion of the FY 2016-17 Audited Financial Statements and Compliance Report with the audit team from Grant Thornton LLP.

Review and Adopt: FY 2016-17 Audited Financial Statements and Compliance Report

Ms. Capps reported that Grant Thornton presented the results of the annual audit on the financial statements and compliance report at the September 20th audit committee meeting – with no findings identified. This was an outstanding outcome given that Grant Thornton had selected approximately 1700 documents for review during the audit. Ms. Capps expressed her admiration of the intensive work accomplished by SDSURF’s finance team. Ms. Levinson pointed out the management, discussion and analysis (MDA) section of the financial statements and said it had been updated to provide more clarity. On behalf of Grant Thornton, Mr. Fiore commended SDSURF’s team on how smoothly the audit was conducted and said it was a pleasure to work with such an outstanding team.

Ms. Capps reported that following the audit committee’s review and discussion, the committee recommended the board adopt the resolution approving SDSURF’s FY 2016-17 Audited Financial Statements and Compliance Report. Dr. Tsou proposed that the board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
ACCEPTANCE OF SDSU RESEARCH FOUNDATION’S FY 2016-2017
AUDITED FINANCIAL STATEMENTS AND COMPLIANCE REPORT**

**RESOLVED, that the Board of Directors of San Diego State University
Research Foundation accepts the Financial Statements and the Compliance
Report, both audited by the firm of Grant Thornton LLP, for the fiscal year
2016-2017.**

The motion was seconded by Mr. Brack and adopted unanimously.

Finance and Investment Committee Report

Finance and Investment Committee Chair McCarron provided an update on the September 20th meeting. Items addressed included:

- A briefing and discussion of the Santa Margarita Ecological Reserve property transaction
- General Fund Budget results for FY 2016-17
- A review of the Summary of Investments for the period ending June 30, 2017
- Proposed changes to the Investment Policy Statement
- Sale of 619 Heber Avenue in Calexico
- An Executive Session to discuss negotiation of the collective bargaining agreement related to the KPBS employees represented by SAG-AFTRA (Screen Actors Guild-American Federation of Television and Radio Artists).

Mr. McCarron reported the committee approved the negotiation team comprised of Randy Erickson, Victoria Kuebler, Brenda Foster, Vince Petronzio, and Nancy Worlie, and authorized the executive director, Michèle Goetz, to approve any tentative agreements resulting from negotiations with SAG-AFTRA—subject to final approval by the Finance and Investment committee.

At the conclusion of his report, Mr. McCarron asked Ms. Levinson to provide additional details on several of the topics.

General Fund Budget Results for FY 2016-17

Ms. Levinson referenced her memo included in the agenda materials summarizing the budget to actual results. She then provided a high-level review of the positive results for the FY 2016-17 general fund budget, including the major line items and significant changes. She noted that SDSURF was able to add \$775, 000 to reserves instead of using the \$40,000 anticipated in the mid-year budget review.

Review and Adopt: Revised Investment Policy Statement

Ms. Levinson explained that the last review of the Investment Policy Statement (IPS) took place in 2007. In the interim, many changes have occurred including the need to update the IPS to match the allocation ranges for The Campanile Foundation (TCF) endowment. TCF recently updated its IPS and because the research foundation invests in the TCF endowment, SDSURF's IPS also required updating. Going forward, the research foundation plans to update its IPS annually and present it to the board for approval.

Mr. McCarron reported that following the committee's review and discussion, the committee recommended that the board adopt the resolution approving the revised IPS. Dr. Emmorey proposed that the board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
REVISED INVESTMENT POLICY STATEMENT**

RESOLVED: That the Board of Directors approves the revised Investment Policy Statement as presented to the board at its meeting on September 29, 2017.

The motion was seconded by Dr. Philipp and adopted unanimously.

Review and Adopt: Sale of Real Property Located at 619 Heber Avenue, Calexico

Ms. Levinson provided background on the Heber Avenue property and summarized the reasons for recommending sale of the property, including the operating cost, debt service cost and cost for significant capital repairs. An all-cash offer requiring no buyer due diligence has been received and the buyer is prepared to close immediately following the board's approval.

Mr. McCarron reported that following the committee's review and discussion, the committee recommended that the board adopt the resolution approving the sale of the Heber Avenue property. Dr. Ayala proposed that the board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
SALE OF REAL PROPERTY LOCATED AT
619 HEBER AVENUE, CALEXICO, CALIFORNIA**

WHEREAS, San Diego State University Foundation, a California nonprofit public benefit corporation which operates as San Diego State University Research Foundation (the "Corporation"); sometimes referred to as "**SDSURF**" has been formed to promote and assist the educational and community programs of San Diego State University (the "**University**") as more fully described in the Articles of Incorporation and Bylaws of the Corporation;

NOW, THEREFORE, be it resolved by the Board of Directors of the Corporation (the "Board"), as follows:

FIRST, that the Board approves the sale of real property located at 619 Heber Avenue Calexico, California, at a price of \$115,000, as is, all cash, plus all other costs; and

SECOND, that the Board authorizes any one or more of the officers of the Corporation named below (each, an "Authorized Officer"), on behalf of the Corporation, to review, approve and deliver the actual agreements, documents and instruments that may be required for completion of the sale including without limitation purchase and sale agreements, deeds, loan assumption agreements, assignments of leases and other transaction and conveyancing documents, in each case in the form approved by the Authorized Officer(s), such approval to be conclusively evidenced by the execution and delivery thereof; and

THIRD, that the Authorized Officers shall be the Corporation’s Executive Director Michele Goetz and its Chief Financial Officer Leslie Levinson; and

FOURTH, that the Board also authorizes any one of the Authorized Officers to do any and all things and to execute and deliver any and all documents and to pay such costs and expenses which they may deem necessary or advisable in order to effectuate the purposes of this resolution; and

FIFTH, that all past actions of the Corporation’s management in discussing and negotiating the terms of the sale and transactions contemplated thereby are hereby ratified and confirmed, and

FINALLY, that this Resolution shall take effect immediately upon its adoption.

The motion was seconded by Dr. Zeller and adopted unanimously.

Vice President for Research Report

Dr. Welter’s report included the following highlights:

- Current proposal, award and F&A trends
- Productivity of research active faculty
- Faculty receiving research support funds for the first time
- GREW (Grants and Research Enterprise Writing) success rates
- The search to replace Mr. Barry Janov’s position in Research Advancement
- Creation of a “Red Team Review” process to strengthen proposal submissions
- Update on the Engineering and Interdisciplinary Sciences building, scheduled to open in January 2018.

In concluding his talk, Dr. Welter stated in 2016, SDSU conducted more NIH-supported research than all other CSU campuses combined and more than four UC campuses.

PI Presentation—Dr. Inna Fishman

President Roush welcomed Dr. Inna Fishman, assistant research professor in SDSU’s psychology department. She noted that the agenda materials contained additional biographical information on Dr. Fishman.

Dr. Fishman’s presentation was titled “What can Brain Imaging Reveal about Autism and other Developmental Disorders?” She began by defining Autism Spectrum Disorder (ASD), and identified the early signs and prevalence of ASD. One of the questions posed by her research is how/when neural mechanisms and brain circuits ultimately give rise to overt patterns of behavioral impairments observed in ASD. She discussed the brain imaging approaches used (EEG/ERPs, and functional and diffusion MRIs) in her research such as those done at the SDSU Toddler MRI Project. She explained that the aim of this research is to identify early brain

markers of risk that can guide diagnostic and intervention strategies. Following a brief question and answer period, President Roush thanked Dr. Fishman for her informative presentation.

New Business

President Roush called for any items of new business. Hearing none, she adjourned the meeting at 10:47 a.m.

Respectfully submitted,

Michèle G. Goetz
Associate Secretary-Treasurer