

**Research Foundation****Board of Directors Meeting****March 2, 2018****9:00 a.m.****MINUTES**

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A meeting of the Board of Directors of San Diego State University Research Foundation was held at San Diego State University in the James W. Cobble Boardroom of the Gateway Center, San Diego, California, on Friday, March 2, 2018 pursuant to the notice duly posted for public information.

**The following Officers were present:**

Sally Roush, President  
Stephen Welter, Vice President  
Tom McCarron, Treasurer  
Michèle Goetz, Associate Secretary-Treasurer

**The following Directors were present:**

Guadalupe X. Ayala	Chimezie Ebiriekwe	Ming-Hsiang Tsou
Kim Barrett	Chukuka Enwemeka	Robert Zeller
Bill Brack	Craig Hauser	
Paula Brock	Samuel Kassegne	
Vickie Capps	Randolph Philipp	

**The following Officer and Director were absent:**

Karen Emmorey, Secretary  
Jennifer Thomas

**The following University and Research Foundation administrators and staff members were present:**

Debbie Brighton	Lizette Najera	Rachel Raynoha
Tim Hushen	Deb Naylor	
Leslie Levinson	Agnes Wong Nickerson	

**The following guests were present:**

Dr. Greg Talavera, Professor, Graduate School of Public Health  
Dr. Eyal Oren, Associate Professor, Graduate School of Public Health

## **I. Call to Order**

President Roush called the meeting to order at 9:04 a.m. and welcomed the following guests:

- New Research Foundation Staff: Ms. Deb Naylor, Director of HR and Ms. Lizette Najera, Executive Assistant to Michele Goetz
- Dr. Greg Talavera, Professor, Graduate School of Public Health
- Dr. Eyal Oren, Associate Professor, Graduate School of Public Health

## **II. Consent Agenda**

President Roush requested a motion to accept the Consent Agenda.

**Motion: A motion was made, seconded, and unanimously carried to accept the Consent Agenda for the SDSU Research Foundation Board of Directors meeting on September 29, 2017 thereby approving:**

- a. SDSU Research Foundation Board Meeting Minutes of September 29, 2017
- b. Resolution: Signature Authorization (Attachment 1)
- c. Resolution: Authorized Signatories for Banking and Investment Transactions (Attachment 2)

## **III. Executive Director Report**

Ms. Goetz provided the following updates:

### ***Federal Update***

Ms. Goetz shared a handout prepared by our Washington representatives, Carpi and Clay and discussed the following highlights:

- U.S. government is on a continuing resolution through March 23<sup>rd</sup>.
- Current resolution includes the Bipartisan Budget Act which:
  - Suspends the debt ceiling through March 1, 2019
  - Eliminates the Budget Control Act scheduled sequester (cuts) for FY 18 and 19
  - Increases spending amounts for defense and non-defense discretionary programs for each of the next two years
  - Sets certain non-defense spending priorities including \$1B increase in each fiscal year for NIH – between a 3% (House) and 6% (Senate) increase over the current year funding levels
- Need to wait and see how Congress will allocate the additional funding as the administration continues to propose deep cuts to federal research for FY 19.
- Congress unlikely to act on FY 19 budget before elections in November so likely to operate on continuing resolutions through end of election period.

- National debt is anticipated to exceed \$1 trillion some-time this year so likely to be a focus of elections and could curb Congress's willingness to continue to deficit spend.
- Beginning work on next year's budget now so will be doing additional analytics on our award trends and will continue to take a fiscally conservative approach as we plan for the coming year.

### ***Black Resource Center***

The university leased the property located at 5723 Lindo Paseo to house the black student resource center. Eric Elson and his team worked hard to renovate the small residential building in time for the Grand Opening held on February 28, which included approximately 100 SDSU and community guests and 200 students.

### ***Paper Reduction***

Although staff continue to focus on major initiatives, we are also looking at small ways to improve communications and reduce paper processes. Board members received a short information sheet asking about, among other things, their willingness to receive board packets electronically only. Ms. Goetz asked board members to please complete their sheet if not yet submitted.

### ***Informational Handouts***

Ms. Goetz called the board's attention to the following handouts: The latest issue of the research brochure and the Spring PI Lecture Series flyer. The next PI Lecture is March 16<sup>th</sup> featuring Dr. Mounah Abdel-Samad of the School of Public Affairs.

President Roush thanked everyone who helped make the Black Resource Center a reality.

## **IV. Audit Committee Report**

Audit Committee Chair Paula Brock reported on the February 19, 2018 meeting:

### ***Audit Updates***

The Audit Committee received an update from management on recent sponsor audits:

- SDSU Research Foundation has had 11 sponsor audits so far this year, seven audits have been completed and they have had no financial findings.

Audit Planning:

- The firm of Grant Thornton, partner Rick Wentzel, presented the audit planning for the FY 18/19 audit.
- The firm of HCVT, partner Diane Takahashi, presented the audit planning for the employee benefit plans for the calendar year end 12/31/18.
- The committee discussed the plans with the auditors and members were satisfied with the planning for the next audits.

### ***Audit Committee Charter***

The committee reviewed the audit committee charter at the September meeting. Based upon feedback from the committee, management updated the charter. The write-up on the changes to the charter can be found in the board packet on page 1 of Tab B.

The most significant changes were in the following sections:

- Authority Section
- Meetings section
- Roles and responsibilities

The charter now more clearly delineates the differentiation between roles of management and the committee. Additionally as part of the charter development, management developed a work plan that lists all of the responsibilities and activities of the committee and the plan for the next year at each audit committee meeting.

President Roush called for a motion to approve the Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
APPROVING A REVISED AUDIT COMMITTEE CHARTER**

**RESOLVED, First, that the Board of Directors of San Diego State University Research Foundation hereby adopts the revisions to the Audit Committee Charter; and,**

**Finally, that this Resolution shall take effect immediately upon adoption.**

**Motion: A motion was made, seconded, and unanimously carried to approve the Revised Audit Committee Charter.**

**V. Finance and Investment Committee Report**

Finance and Investment Committee Chair McCarron updated the board on the following:

***KPBS***

- At the last Finance and Investment committee meeting on January 11th, the committee approved the tentative agreement with the union representing certain KPBS employees – SAG-AFTRA.
- The Board previously delegated the authority to the Finance & Investment Committee to approve the SAG-AFTRA agreement.
- The agreement has been finalized; the committee and the board received a copy of the final agreement via email.

***Santa Margarita Property***

- The committee approved the acquisition of some property at our Santa Margarita field station. The acquisition is actually donation of the property.
- Management is working on finalizing some details and expects to complete the transaction soon.

***Investment results for the quarter ended 12/31/17***

- The committee reviewed the detailed investment report at the February 19 meeting.
- Our overall investment portfolio has total assets of \$128.5 million.
- Our investment in The Campanile Foundation endowment totals \$20.6 million.
  - For calendar year 2017, the return was 14.7% for the endowment.
- Overall, calendar year 2017 was a good one for the investment portfolio.

***Budget presentation***

- The board approved the FY 17/18 budget in May 2017.
- When the budget is prepared, there are many unknowns.
- Each March, a mid-year update is prepared once more information is known regarding proposals and awards.

Mr. McCarron asked Leslie Levinson to review the major changes to the budget from the original budget.

Ms. Levinson reported that the budget is not changing significantly, no reserve funds will be utilized and the budget is balanced. She then provided highlights.

Dr. Ayala noted a spike in sub-contracts; the issue of sub-awards vs. RO1 grants was discussed. Applications to the PCORI program were also discussed.

Dr. Ayala also acknowledged Rick Gulizia for the good job he does with compliance issues.

President Roush noted that incoming president Adela De la Torre's has impeccable research credentials and leadership qualities. Dr. De la Torre has been and will be visiting campus periodically until her official start date of June 28. The dean searches are making good progress. President Roush stated that over the years, the university has gone through significant trials and tribulations and the university not only perseveres and persists but it continues to thrive. President Roush noted the value of discussion and expressed her appreciation for the board's comments.

President Roush called for a motion to approve this Resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
APPROVING FISCAL YEAR 2017-18  
MID-YEAR GENERAL FUND BUDGET**

**RESOLVED, That the mid-year General Fund Budget, as submitted to the Board of Directors at its meeting on March 2, 2018, at a level of \$29,909,000, be adopted as SDSU Research Foundation's budget for the remainder of the fiscal year, and forwarded to the President for her approval.**

**Motion: A motion was made, seconded, and unanimously carried to approve SDSU Research Foundation's FY 2017-18 Mid-Year General Fund Budget.**

***Retirement Plan Changes***

Mr. McCarron reviewed the SDSURF Supplemental 403(b) plan consolidation:

- The Retirement Plan oversight committee, also known as RPOC, meets regularly to review the plan.
- RPOC has been active in reviewing the structure of the plan.
- The change proposed includes the following:
  - Currently there are two different sub plans under one plan.
  - The employer contributions are paid into a plan that is covered by ERISA, which is the Employee Retirement Income Security Act.
  - The employee contributions are contributed to a Non-ERISA plan.
  - The committee, based upon advice of our consultant, NFP, recommends freezing the current Non-ERISA employee plans.
  - All employee contributions would go into the ERISA plan.
- RPOC's recommendation is to freeze the NON-ERISA plan and all new employee contributions would be covered by the ERISA plan.

Tom then referred board members to TIAA's attachment outlining the recommendations in tab C, attachment 2 of the board packet.

**President Roush called for a motion to approve the SDSURF Supplemental 403(b) Plan Consolidation.**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
APPROVING OF SDSU RESEARCH FOUNDATION'S  
SUPPLEMENTAL 403(b) PLAN CONSOLIDATION**

**RESOLVED, That the Board of Directors adopt the following resolution to approve the modifications to the SDSURF 403(b) Retirement Plan:**

**First, that the Board of Directors authorizes management to pursue creating and modifying, as required, the plan documents on its voluntary and employer sponsored plans, and specifically modifying provisions of SDSURF's retirement plan as follow:**

- **On or after July 1, 2018, no further contributions shall be made to the non-ERISA Plan.**

- All participants shall remain 100% vested in their non-ERISA Accounts.
- The freeze of the non-ERISA Plan shall not constitute a distributable event and withdrawals and distributions shall be made in accordance with and subject to “Section Five: Distributions” of the Adoption Agreement.
- Participant loans outstanding as of the Freeze Date shall continue to be administered in accordance with their terms and participant loans occurring after the Freeze Date shall be administered in accordance with the Plan’s loan policy as in effect on July 1, 2018 or as amended from time to time.

Finally, that the Board delegates to its Finance and Investment Committee authority to approve any changes to the aforementioned recommendations.

**Motion:** A motion was made, seconded, and unanimously carried to approve the SDSURF Supplemental 403(b) Plan Consolidation.

*Federal Tax Return*

Ms. Levinson stated that the Federal Tax Return Form 990 was reviewed by the Finance and Investment Committee prior to filing and all board members received a copy via email.

**VI. Vice President for Research Report**

Vice President Welter provided updates on the following:

- Proposals (as of February 28, 2018)
- Graduate Fellowships: Creating cohort models to help graduate students
- Red teams: pairing up young faculty with mentors; mentors look at grants prior to submission; receiving positive feedback
- Continued success of the GREW program
- Status of recruitment for Director, Sponsored Research Advancement
- Rising Stars Program: Inviting young NIH recipients to campus to serve on review panels.
- The number of grant active faculty is up by 21.
- 88 searches underway for new faculty positions

**VII. PI Presentation—Dr. Aaron Elkins**

President Roush welcomed Dr. Aaron Elkins, assistant professor in SDSU’s Fowler College of Business. Dr. Elkins presented on his Automated Virtual Agent for Truth Assessments in Real Time (AVATAR), a kiosk-based automated screening system with integrated behavior sensors that conducts interviews using an AI-embodied conversational agent.

**VIII. New Business**

President Roush called for any items of new business. Hearing none, she adjourned the meeting at 10:43 a.m.

Respectfully submitted,

Michèle G. Goetz  
Associate Secretary-Treasurer



**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
SIGNATURE AUTHORIZATION**

In order to maintain adequate internal controls, the Board designates certain officers and staff to establish accounts and to execute banking and investment transactions on behalf of SDSU Research Foundation. It is necessary to update signature authorizations for banking and investment transactions annually.

Management recommends that the Board approve the following resolution:

**WHEREAS, San Diego State University Foundation, a California nonprofit public benefit corporation doing business as San Diego State University Research Foundation (the “Corporation”), wishes to establish policies whereby certain of the Corporation’s officers and managers (each, an “Authorized Signer”) will have authority to sign and deliver contracts, agreements and other obligations of the Corporation (collectively, “Corporation Obligations”) within the Authorized Signer’s scope of authority; and,**

**WHEREAS, management has identified specific expenditure or transaction types and has presented them to the Board (collectively, “Signature Authorization Table”),**

**NOW, THEREFORE, BE IT RESOLVED:**

**First, that the Board authorizes each of the Authorized Signers named in the Signature Authorization Table to sign and deliver Corporation Obligations within the categories set forth therein; and,**

**Second, the Board directs management to ensure that officers and managers not listed in the Signature Authorization Table as Authorized Signers do not sign Corporation Obligations without also obtaining a second signature from among the Authorized Signers; and,**

**Third, the Authorized Signers named in the Signature Authorization Table cannot delegate authority beyond the positions identified within the Signature Authorization Table; and,**

**Fourth, the Authorized Signers are required to follow the Corporation’s policies and procedures prior to executing the agreement including, but not limited to, required source documentation and applicable dollar limits; and,**

**Fifth, in the event that the Executive Director determines that additional Corporation Obligations must be executed, the Executive Director has the authority to execute such Corporation Obligations, with the requirement that a modified Signature Authorization Table be presented to the Board annually for approval; and,**

**Finally, that this Resolution shall take effect immediately upon its adoption**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF SDSU RESEARCH FOUNDATION  
AUTHORIZED SIGNATORIES FOR BANKING  
AND INVESTMENT TRANSACTIONS**

In order to maintain adequate internal controls, the Board designates certain officers and staff to establish accounts and to execute banking and investment transactions on behalf of SDSU Research Foundation. It is necessary to update signature authorizations for banking and investment transactions annually.

Management recommends that the Board approve the following resolution:

**RESOLVED:**

**FIRST, that the following designated positions are the only authorized positions to establish banking and investment accounts on behalf of SDSU Research Foundation effective March 2, 2018 and are considered the business banking officers:**

**President**

*Sally F. Roush*

**Vice President**

*Stephen C. Welter*

**Treasurer**

*Thomas J. McCarron*

**Associate Secretary-Treasurer**

(Associate Vice President and Executive Director)

*Michèle G. Goetz*

**Chief Financial Officer**

(Chief Financial Officer)

*Leslie R. Levinson*

**SECOND, these designated positions are authorized to open accounts in the name of the corporation and give instructions and effect transactions with banks, investment brokerage firms, and other financial institutions;**

**THIRD, that the following designated positions are the only authorized signatories to execute banking and investment transactions on behalf of SDSU Research Foundation effective March 2, 2018:**

**President**

*Sally F. Roush*

**Vice President**  
*Stephen C. Welter*

**Treasurer**  
*Thomas J. McCarron*

**Associate Secretary-Treasurer**  
(Associate Vice President and Executive Director)  
*Michèle G. Goetz*

**Chief Financial Officer**  
(Chief Financial Officer)  
*Leslie R. Levinson*

**Associate Executive Director/CIO, Information Systems**  
*Rachel Raynoha*

**Associate Executive Director, Research Advancement**  
*W. Timothy Hushen*

**Director of Sponsored Research Administration**  
*Renée L. Lechner*

**Director of Finance/Controller**  
*Teresa A. Loren*

**Director of Accounting & Reporting**  
*Victoria W. Kern*

**Director of Human Resources**  
*Deb Naylon*

**FOURTH, that for banking and investment transactions, two signatures will be required on all transactions over \$25,000 and one signature on transactions under \$25,000;**

**FIFTH, that the designated signatories are authorized to purchase, sell, assign, endorse for transfer, and do all other things necessary in the name of the corporation to secure the transfer of certificates representing stocks, certificates of deposit, mutual fund shares, bonds, common trust funds, or other securities now registered or hereafter registered in the name of this corporation; and,**

**FINALLY, that the Secretary or Associate Secretary-Treasurer of SDSU Research Foundation is authorized and directed to certify the content and purport of this resolution to financial institutions and others upon such statements or forms as said organizations may provide or require for that purpose.**