

Research Foundation**Board of Directors Meeting****May 7, 2021****9:00 a.m.****MINUTES**

A meeting of the Board of Directors of San Diego State University Research Foundation was held virtually on the Zoom platform from San Diego, California, on Friday, May 7, 2021 pursuant to the notice duly posted for public information.

The following Officers were present:

Adela de la Torre, President

Karen Emmorey, Secretary

Agnes Wong Nickerson, Treasurer

Michèle Goetz, Associate Secretary-Treasurer

The following Officer was absent:

Hala Madanat, Vice President

The following Directors were present:

Guadalupe X. Ayala

Christian Holt

Ming-Hsiang Tsou

Bill Brack

Salvador Ochoa

Robert Zeller

Vickie Capps

David Page

Joan Copenrath

Randolph Philipp

Craig Hauser

Jennifer Thomas

The following Directors were absent:

Natalie Mladenov

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

Debbie Brighton

Rebecca Lewison

Rachel Raynoha

John Crockett

Lizette Nájera

Jessica Ross

Leslie Levinson

Deb Naylor

I. Call to Order

President de la Torre called the meeting to order at 9:00 a.m. and welcomed guests John Crockett and Rebecca Lewison to the meeting.

II. Consent Agenda

President de la Torre 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 thereby approving:

- a) SDSU Research Foundation Board Meeting Minutes of March 5, 2021

President de la Torre read two resolutions of commendation for departing board members Dr. Craig Hauser and Associated Students president Christian Holt.

III. Election of Board Members and Committee Membership

President de la Torre called for a motion to approve board member re-appointments for Robert “Bob” Zeller, Guadalupe “Suchi” Ayala and Joan Coppenrath.

A motion was made, seconded, and unanimously carried to approve Robert “Bob” Zeller to serve an additional four-year term and Guadalupe “Suchi” Ayala and Joan Coppenrath to serve additional three-year terms.

President de la Torre called for a motion to approve the following committee appointments: Agnes Wong Nickerson as Chair of the Finance and Investment Committee; William Brack, Vickie Capps, Randolph Philipp, and Robert Zeller as Finance and Investment Committee members; David Page as Chair of the Audit Committee; and Vickie Capps, Joan Coppenrath, Steven Gill, and Ming-Hsiang Tsou as Audit Committee members.

A motion was made, seconded, and unanimously carried to approve all Committee appointments.

IV. CEO Report

Ms. Goetz reported on the following:

- **Repopulation Plans:** The university is planning for a return to in-person instruction and services in September assuming that public health orders lift in June. Since the university announced the return to primarily in-person work in the fall, the research foundation has experienced a spike in turnover and retirement announcements in human resources, research administration and research development staff. Ms. Goetz reported that these are hard to fill positions as there is a large demand in San Diego for these positions and other organizations are offering higher compensation and opportunities for remote work to employees. As a result, the research foundation has been given approval by the president to pilot alternative telework and remote work models in the fall to help with retention of staff and recruitment for existing vacancies. The pilot will be assessed in the spring to determine the effectiveness and efficiency of continued remote/partially remote services.

- **Budget Preview:** Ms. Goetz introduced the research foundation budget. She pointed out that certain legacy line items that were previously listed as SDSURF investments in research are being reallocated to the VPR and clarified that the items will continue to receive their allocations but will be made from the VPR's funds as part of continuing efforts to provide flexible dollars to the office of the Vice President for Research and Innovation to support research investments.

Ms. Goetz also noted that proposal and award numbers for the first nine months were strong with number of proposal and awards just slightly behind last year and April continuing to follow that same trend. Ms. Goetz stated that significant investments were being made by VP Madanat into programs to provide assigned time to individual faculty, faculty teams, and centers and institutes to support research and enable the time needed to write proposals. She noted the call for proposals for centers and institutes funding was still open with a May 31st deadline for applications.

Federal Outlook: Ms. Goetz noted a summary of the President's "Skinny Budget" proposal for FY 2022 was included in the board packet and referenced the following highlights:

- **National Science Foundation** – President Biden is proposing to revamp the National Science Foundation and increase its budget to \$100 billion over five years.
- **NIH:** The president's budget includes a 20% increase over FY21.

She also noted a slow reintroduction of earmarks or "Community Project Funding" requests by Congress

- **COVID-19 Impacts:** Ms. Goetz next reported updates on policies to help support employees during the pandemic. She noted the COVID-19 administrative leave policies had been updated to address recent legislation requiring additional sick leave balances for employees. Like the CSU, all employee CPAL balances were adjusted back to 128 hours retroactive to January 1 to help with COVID-19 related illness, care for family members impacted by COVID or to address childcare. In addition, changes authorized by the IRS to allow for greater flexibility and support during the 2021 plan year were implemented which let employees to make changes to their Health Care and/or Dependent Care Flexible Spending Accounts without the need for a qualifying event to help with the financial impacts some staff may be experiencing. Ms. Goetz noted that the changes were being implemented now for the benefit of employees and management will come back to the board to approve a formal revision to the plan document at the fall meeting.
- **Construction Projects:** Lastly, Ms. Goetz provided a status update on the ground lease of the three properties located on the corner of Montezuma and Campanile, owned by SDSURF, for the development of a new student housing project. The development has been formally named "Viva 5750" and is on schedule for completion by the end of July in time for an

August 17 move-in. She also reported that construction is taking place at KPBS, and completion of their renovation would not be finished for another year.

V. Finance and Investment Committee Report

Finance and Investment Committee chair Agnes Wong Nickerson updated the board on the Finance & Investment Committee meeting held on April 29, 2021.

Ms. Wong Nickerson gave an update on union negotiations with KPBS – the current agreement expires on December 31, 2021. The finance and investment committee reviewed and agreed to the terms and parameters for the negotiation of the new agreement.

Ms. Wong Nickerson reminded the board that at the past board meeting the Payroll Protection Program (PPP) loan was approved for KPBS. Since that time, the loan was funded for \$2,095,000; the funds will be used for payroll until depleted. The research foundation will make a request for loan forgiveness after the funds are used.

The Finance & Investment Committee also reviewed the budget in depth and Ms. Levinson gave a thorough review of the FY21-22 General Fund Budget. The budget schedule found on page 32 of the board packet was reviewed.

President de la Torre called for a motion to adopt Resolution 21-05:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SDSU RESEARCH FOUNDATION
APPROVAL OF SDSU RESEARCH FOUNDATION'S
FY 2021-22 GENERAL FUND BUDGET**

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 21-05.

RESOLVED, That the General Fund Budget, as submitted to the board of directors at its meeting on May 7, 2021, at a total Source of Funds of \$33,103,000 and Use of Funds of \$33,465,000 reflecting potential use of Reserves of \$362,000 be adopted as SDSU Research Foundation's budget for FY 2021-22 and forwarded to the president for her approval.

Letter of Credit:

The research foundation has had a line of credit (LOC) since 2006. It is part of the research foundation's liquidity cash planning. In 2016 the board approved a resolution authorizing the research foundation to enter into an agreement for a \$12 million LOC with First Republic Bank (FRB) and replace the prior LOC with Union Bank. In 2018 the board approved a modification of the LOC to allow a portion to be used for a letter of credit for the Workers' Compensation program.

The existing LOC is set to mature on September 30, 2021. The research foundation is requesting an increase from \$12 million to \$15 million including the \$3 million sublimit for a standby letter of credit. After reviewing the key terms in the proposal from FRB, the finance and investment committee recommends board adopt resolution 21-06:

President de la Torre called for a motion to adopt Resolution 21-06:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SDSU RESEARCH FOUNDATION
APPROVING LINE OF CREDIT RENEWAL**

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 21-06.

RESOLVED, that this corporation, San Diego State University Foundation (the "Borrower"), a California Non-Profit Corporation, borrow from First Republic Bank (the "Lender"), from time to time, such sum or sums of money, as in the judgment of the officer hereinafter authorized, this corporation may require; provided that the aggregate principal amount of such borrowing, pursuant to this resolution, shall not at any one time exceed the principal sum of Fifteen Million and 00/100 Dollars (\$15,000,000.00) in addition to such amounts as may be otherwise authorized;

RESOLVED FURTHER, that Leslie Levinson, of this corporation (the officer authorized as Chief Financial Officer to act pursuant hereto being hereinafter designated as "Authorized Officer") be and is hereby authorized, directed and empowered, in the name of this corporation, to execute and deliver to Lender, and Lender is requested to accept, the note or notes, loan agreement, or other instruments evidencing the indebtedness of this corporation for the monies so borrowed, or to be borrowed, with interest thereon, and the Authorized Officer is authorized (1) to execute and deliver any amendments, modifications, or changes to any of the documents or instruments required by the Lender in connection with a loan or loans by the Lender or renewals thereof; and (2) to perform any other acts which may be necessary to carry out or implement any of the foregoing resolutions;

RESOLVED FURTHER, that the Authorized Officer is authorized, directed and empowered, as security for any note or notes or any other indebtedness of this corporation to Lender, whether arising pursuant to this resolution or otherwise, to grant a security interest in, transfer, or otherwise hypothecate to Lender, by deed of trust or security agreement for the Lender's benefit or otherwise, any property belonging to or under the control of this corporation, and to execute and deliver to Lender any and all loan or credit agreements, grants, transfers, security agreements, deeds of trust and other hypothecation agreements, which said instruments and note or notes and other instruments referred to in the preceding paragraph may contain such provisions, covenants, recitals and agreements as the Lender may require and the Authorized Officer may approve, and the execution thereof by said Authorized Officer shall be conclusive evidence of such approval;

RESOLVED FURTHER, that the Authorized Officer is authorized and empowered, in addition to the authorized borrowing set forth above (a) to discount with or sell to Lender,

security agreements, leases, bailment agreements, notes, acceptances, drafts, receivables and evidences of indebtedness payable to this corporation, upon such terms as may be agreed upon by them and Lender, and to endorse in the name of this corporation said notes, acceptances, drafts, receivables and evidences of indebtedness so discounted, and to guarantee the payment of the same to Lender; and (b) to apply for and obtain from Lender letters of credit and in connection therewith to execute security agreements, applications, guaranties, indemnities and other financial undertakings.

RESOLVED FURTHER, that Lender is authorized to act upon these resolutions until written notice of its revocation is delivered to Lender, and the authority hereby granted shall apply with equal force and effect to the successors in office of the officer herein named.

VI. Associated Students Report

Christian Holt provided a brief report on current activities, including an announcement that all facilities and operations are up and running. Associated Students was able to offer funds to the College of Health and Human Services to support their study abroad opportunities for students.

VII. PI Presentation

Drs. Rebecca “Becca” Lewison, Jennifer Thomas and John Crockett presented on “Impact of COVID-19 on Scientific Research and Young Investigators: Loss of a Generation.”

VIII. New Business

President de la Torre called for any items of new business. Hearing none, she adjourned the meeting at 10:30 a.m.

Respectfully submitted,

Michèle G. Goetz
Associate Secretary-Treasurer