

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION
BOARD OF DIRECTORS
MAY 5, 2017
MINUTES**

President Elliot Hirshman called the meeting to order at 9:04 a.m. in the University Club Room on the fourth floor of Manchester Hall at San Diego State University.

Present: Dr. Elliot Hirshman, presiding; Dr. Guadalupe Ayala; Mr. Bill Brack; Ms. Paula Brock; Mr. Chimezie Ebiriekwe; Dr. Karen Emmorey; Dr. Craig Hauser; Dr. Samuel Kassegne; Mr. Tom McCarron; Dr. Ming-Hsiang Tsou; Dr. Robert Zeller and Ms. Michèle Goetz.

Absent: Dr. Kim Barrett, Ms. Vickie Capps, Dr. Chukuka Enwemeka, Dr. Randolph Philipp, Dr. Jennifer Thomas and Dr. Stephen Welter.

Also attending: Dr. Gale Etschmaier, Ms. Jamie Miller and Ms. Agnes Wong Nickerson from SDSU, and Mr. Bob Blizinski, Ms. Debbie Brighton, Ms. Leslie Levinson, Ms. Rachel Raynoha, Mr. Tim Hushen and Ms. Renée Daniels from SDSU Research Foundation.

CALL TO ORDER

President Hirshman welcomed:

- Mr. Chimezie Ebiriekwe, the newly-elected Associated Students president, to his first meeting, and
- Dr. Gale Etschmaier, SDSU dean of library and information access, in attendance to talk about the library and the benefits of the annual research support allocation provided by the research foundation. President Hirshman added that Dr. Etschmaier would lead a tour of the library's special collections following her remarks.

President Hirshman announced that this was Associated Students president Jamie Miller's last meeting. President Hirshman introduced the following resolution of appreciation for Ms. Miller:

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation honors and commends Ms. Jamie Miller for her service on the Board. Through this resolution, the Board endeavors to record its sincere appreciation and respect for Ms. Miller and her contributions to SDSU Research Foundation.

Consent Agenda

The consent agenda contained one item: approval of the March 3, 2017 meeting minutes. President Hirshman asked if there were any questions or discussion needed. Hearing none, President Hirshman called for a vote on the consent agenda. The consent agenda was approved unanimously.

Executive Director Report

Ms. Goetz noted that it was President Hirshman's last board meeting, and read into the record the following resolution recognizing President Hirshman's contributions to SDSU Research Foundation (SDSURF) throughout the past six years.

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation honors and commends Dr. Elliot Hirshman for his distinguished leadership, vision, and advocacy of research.

The Board recognizes, in particular, Dr. Hirshman's leadership of the Research Foundation and his vision of transforming San Diego State University into a top 50 public research university. During his tenure, sponsored research volume has grown to \$130 million. His commitment to fostering the development and growth of excellence in research included investing needed funds for tenured and tenure-track faculty to advance existing and future areas of scholarly excellence; improvements in infrastructure, facilities and equipment essential to sustain scholarly activity and productivity; and fostering interdisciplinary collaborative research in areas of excellence. This commitment contributed to the success of SDSU Research Foundation's operations, thereby enhancing its ability to serve the University and specifically, its research faculty. In addition, his wise guidance and ongoing support during a challenging budget period helped stabilize Research Foundation resources and position us for future growth.

Upon the occasion of his departure, the Board desires to convey its thanks to Dr. Hirshman for his six years of service as president of SDSU Research Foundation's board. Through this resolution, the Board wishes all to know its respect for Dr. Hirshman and its appreciation for his numerous contributions to SDSU Research Foundation.

Ms. Goetz then announced that SDSURF would make a \$25,000 contribution to the research endowment in honor of President Hirshman. She explained that this contribution would be funded through savings in this year's budget—rather than being taken from reserves—generated from the cost-saving initiatives that Ms. Levinson would review during the budget discussion.

Ms. Goetz also provided the following updates:

- April numbers related to proposals and awards are ahead of last year in all indicators.

- Management continues to monitor the information coming out of Washington D.C. regarding federal budget priorities. The good news is that Congress has not adopted the proposed cuts in the FY 17 budget as originally proposed by the new administration. The Senate and the House voted on the “omnibus appropriations bill” and sent it to the president for signature/veto. The bill funds the government through September 2017 and includes:
 - An additional \$15 billion in defense spending
 - No cuts to NEA (National Endowment for the Arts), NEH (National Endowment for the Humanities), CPB (Corporation for Public Broadcasting)
 - \$2 billion (six percent) increase for NIH (National Institutes of Health) (for a total of \$34 billion) over current levels. NIH funded 35% of SDSURF’s F&A awarded last fiscal year.
 - The FY 2018 appropriations bill to fund the government from October 1, 2017 to September 30, 2018 is still going through the legislative process. Management will continue to monitor this closely.
- NIH has proposed a change to its funding structure that could be beneficial for some researchers, while having a negative impact on others. The proposed Grant Support Index is being recommended as a tool for redistributing research funds from a small percentage of senior researchers to fund a higher volume of early and mid-career researchers. Discussion ensued. The proposed change is out for public comment so there may be revisions to the proposed model.
- A large contingency of government and industry leaders from the country of Georgia visited San Diego last week. Negotiations for the next funding period of the agreement took place and the contract is in the finalization process. Ms. Brock was recognized for hosting a tour of the San Diego Zoo for the mayor of Tbilisi, the U.S. Ambassador to Georgia and other Georgian visitors. Two years ago the Georgia zoo was flooded and the majority of animals died. The Georgian zoo is being rebuilt and tour attendees wanted to experience how a world-class zoo is run.
- Service Initiatives: two new enhanced service initiatives were launched on Monday:
 - The research foundation website has a new look and feel with more graphics and information grouped from an end-user perspective to make navigation easier.
 - The new Electronic Personnel Action System (E-PAS) eliminates most remaining paper processes for employment actions. Action alerts are sent each morning as part of an alert digest. Feedback received in the first three days following the launch indicated that E-PAS is easy to use with faster turnaround time. E-PAS is an example of SDSURF’s continued focus on efficiency through automation of paper processes and reduction of manual data entry.
- SDSURF has been sharing a CFO with The Campanile Foundation (TCF) under a shared resources pilot. With the leadership changes and transition to the next phase of the campaign, TCF determined it was the right time to end the arrangement and return to a full-time CFO model. Ms. Levinson accepted SDSURF’s offer to become the full-time CFO effective May 1, 2017.

Executive Session

President Hirshman noted that the next agenda item related to a personnel matter—and in accordance with Education Code §89923 and the research foundation’s meetings and records openness policy—called for the board to go into Executive Session to discuss the item. Staff and guests were excused for the duration of Executive Session.

Return to Open Session

At the conclusion of Executive Session, staff and guests were invited to return. Open Session resumed.

Audit Committee Report

Audit Committee Chair Brock reported on the April 18 meeting:

- New committee member Joan Copenrath attended her first meeting
- Updates were provided on audit activity and the cyber-crime matter
- The Grant Thornton audit team reviewed details of the FY 2016-17 audit plan
- A change in SDSURF’s benefit plan auditors was discussed and approved.

Review and Adopt: Ratification of SDSU Research Foundation’s Benefit Plan Auditors

Ms. Brock reported that Grant Thornton LLP had audited both the research foundation’s benefit plans and financial statements for the past two years. She explained that Ms. Diane Takahashi, the Grant Thornton director overseeing these audits had recently left the firm to become a partner at Holthouse, Carlin, Van Trigt—a firm specializing in benefit plan audits. Because Ms. Takahashi had worked so well with the research foundation audit team, she was asked to submit a proposal to audit SDSURF’s benefit plan. The proposal included a 17% reduction in fees. Among other factors, the ease of the transition process and continuation of expertise were consideration in deciding to engage Holthouse, Carlin, Van Trigt—rather than starting over with a new team from Grant Thornton. The audit committee approved the engagement and recommends that the board approve the resolution ratifying Holthouse, Carlin & Van Trigt LLP as SDSU Research Foundation’s benefit plan auditors.

Ms. Takahashi presented the plan for the 2016-17 benefit audit at the April 18 meeting—including specific accounting and reporting issues impacting the benefit plans.

Ms. Brock proposed that the Board adopt the following resolution:

RESOLUTION OF THE BOARD OF DIRECTORS: RATIFICATION OF SDSU RESEARCH FOUNDATION’S BENEFIT PLAN AUDITORS

RESOLVED, FIRST, that the Board of Directors ratifies the engagement of Holthouse, Carlin & Van Trigt LLP to provide audit services in conformity with all required auditing standards for San Diego State University Research Foundation’s Benefit Plan audits; and,

SECOND, that the Board of Directors ratifies any and all actions taken by management in engaging said auditors; and
FINALLY, that this resolution shall take effect immediately upon its adoption.

Dr. Tsou seconded and the motion was adopted unanimously.

Finance and Investment Committee Report

Finance and Investment Committee Chair McCarron reported that Ms. Capps chaired the April 24 meeting in his absence. Since Ms. Capps was unavailable to attend today's meeting, Mr. Brack provided the committee report.

Mr. Brack reported on these items:

- CFO update
- Review of SDSURF's annual federal tax return—IRS form 990
- Investments
- FY 2017-18 general fund budget.

Review and Adopt: FY 2016-17 General Fund Budget

Mr. Brack reported that CFO Levinson reviewed the proposed FY 2017-18 general fund budget in detail with the committee at the April 24 meeting. Following its review, the committee approved the budget and recommends board approval of the budget as proposed. Ms. Levinson then provided a high-level review of the budget that included an overview of the source and use of funds. Highlights included:

- Revenues increased by \$1,065,000 or 3.7%
- Research Support Funds will continue to be funded at 100%
- Strategic investments in staff positions will help generate additional revenues, protect faculty intellectual property and improve timely negotiation of awards
- Staffing: a restructure eliminated and reallocated two senior management positions so that staff positions providing direct support to researchers could be added.
- Cost savings measures: changes to service providers for banking, audit and investment management and relocation of the research foundation's computer servers to the university data center resulted in financial savings.
- Service enhancements:
 - Automated workflow of over 60 different types of personnel changes
 - Electronic fixed asset inventory system
 - Automated feed of data from InfoEd (proposal routing software) to Banner (financial accounting system), eliminating one data entry position in FY 2016-17.
- Reserves: no reserves were required to balance the budget.

Ms. Levinson noted and thanked the university for agreeing to a continued waiver of \$1 million in research compliance costs for FY 2017-18. Mr. Brack proposed that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
APPROVAL OF SDSU RESEARCH FOUNDATION'S
FY 2017-18 GENERAL FUND BUDGET**

RESOLVED, That the General Fund Budget, as submitted to the board of directors at its meeting on May 5, 2017, at a level of \$30,015,000, be adopted as SDSU Research Foundation's budget for FY 2017-18, and forwarded to the president for his approval.

Dr. Kassegne seconded and the motion was adopted unanimously.

Vice President for Research Report

Vice President Welter was not available to attend the meeting so Tim Hushen, SDSURF associate executive director for research advancement, provided updates on success rates for:

- Proposals (as of April 30, 2017)
- The GREW (Grant and Research Enterprise Writing) program
- Summer undergraduate research program
- Sponsored research active faculty.

Dean's Remarks

President Hirshman introduced Dr. Gale Etschmaier, SDSU dean of library & information access, and directed the board to Tab E for additional biographical information about Dr. Etschmaier.

Dr. Etschmaier's remarks focused on library research initiatives for 2016-17 and highlighted: the Digital Humanities Showcase—an Area of Excellence, a CAL (College of Arts and Letters) humanities grant, research support services provided to the university, current exhibits of research resources, and new and enhanced research resources—including the resources funded by the research foundation.

New Business

President Hirshman called for any items of new business. Hearing none, he adjourned the meeting at 10:13 a.m. Dr. Etschmaier then conducted a tour of special collections for board members.

Respectfully submitted,

Michèle G. Goetz
Associate Secretary-Treasurer