

Board of Directors Meeting
June 13, 2025
9:00 a.m.

MINUTES

A meeting of the Board of Directors of San Diego State University Research Foundation was held in the SDSU Research Foundation Boardroom on Friday, June 13, 2025, pursuant to the notice duly posted for public information.

The following Officers were present:

Hala Madanat, Vice President
Jennifer Thomas, Secretary
Agnes Wong Nickerson, Treasurer
Michèle Goetz, Associate Secretary-Treasurer

The following Officers were absent:

Adela de la Torre, President

The following Directors were present:

Vickie Capps	Mahasweta Sarkar
Joan Coppenrath	William Tong
Uduak Z. George	Ming-Hsiang Tsou
Steve Gill	Alex Waters
Tom McCarron	Robert Zeller

The following Directors were absent:

Kareen Holstrom	Humberto Parada Jr.
David Page	

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

Cody Lee	Rachel Raynoha
Leslie Levinson	Jessica Ross
Deb Naylor	

I. Call to Order

Vice President (VP) of the Board Hala Madanat, as acting Chair, called the meeting to order at 9:00 a.m. and welcomed staff and guests. She noted that the meeting would begin with public comments. No members of the media or public were present; therefore, she moved on to the consent agenda.

II. Consent Agenda

VP Madanat requested a motion to approve the consent agenda item.

Motion: A motion was made, seconded, and unanimously carried to accept the consent agenda thereby approving:

A. Minutes of the March 7, 2025, Board of Directors Meeting

III. Resolutions of Commendation

VP Madanat acknowledged and thanked Mr. David Page and Dr. Robert Zeller, whose board terms end September 2025, as well as Mrs. Kat Hernandez, 2024-25 Associated Students President, whose board term ends after today's meeting.

IV. Election of Board Members and Committee Members

VP Madanat nominated Dr. Steve Gill and Dr. Mahasweta Sarkar to serve their second three-year terms as presidential nominees; community members Mr. Tom McCarron and Mr. Rick Wentzel to serve their second and first, respectively, three-year term/s as presidential nominees; and Senate recommended nominee Dr. Mark Reed to serve his first four-year term. She then nominated Dr. Jennifer Thomas to serve as Secretary of the Board for a one-year term.

Motion: A motion was made, seconded, and unanimously carried to approve the above nominations, with each nominee respectively abstaining from voting for their own nomination.

VP Madanat called for a motion to approve the following committee appointments: Agnes Wong Nickerson as Chair of the Finance and Investment Committee; Vickie Capps, Tom McCarron, Mahasweta Sakar, and Mark Reed as Finance and Investment Committee members; Steve Gill as Chair of the Audit Committee; and Vickie Capps, Joan Coppenrath, Ming-Hsiang Tsou, and Rick Wentzel as Audit Committee members.

Motion: A motion was made, seconded, and unanimously carried to approve the above nominations, with each nominee respectively abstaining from voting for their own nomination.

V. CEO Report

Ms. Goetz began her report noting that SDSURF continues to navigate a volatile funding environment shaped by recent federal actions, including executive orders and shifting agency priorities. She stated that these changes have led to grant terminations, delays in non-competing renewals, and increased administrative burdens. She noted a major concern remains the proposed 15% cap on Facilities & Administrative (F&A) rates, initially introduced by NIH and now spreading to other agencies. Legal challenges have resulted in nationwide injunctions, allowing SDSURF to continue submitting proposals and managing awards under its current federally negotiated rates, though the administration is appealing the decision.

Ms. Goetz further noted that despite these disruptions, SDSURF has experienced some positive developments. Out of 57 terminated grants, several have been reinstated or resumed, including two large NIH projects and multiple subawards. Legal efforts supported by the CSU Office of General Counsel have contributed to lawsuits challenging NIH and NSF grant terminations. Ms. Goetz noted terminations represent only 6% of active awards and the financial impact totals approximately \$35 million when accounting for both current and future losses. Ms. Goetz informed the board that new awards from NIH and NSF were beginning to flow again although very slowly. She stated that the environment remains uncertain and challenging, and the organization is actively pursuing administrative remedies, legal recourse, and strategic planning to mitigate budgetary impacts and support its research community.

Ms. Goetz moved on to inform the board of a coalition of ten professional organizations, known as the Joint Association Groups (JAG), that has developed two proposed alternative funding models for indirect costs in response to recent federal attempts to limit the current rate. One model assigns predetermined rates based on institution type and research category, while the other uses direct cost charging based on actual institutional expenses, similar to philanthropic foundations. Ms. Goetz stated that management was reviewing the options and analyzing potential impacts.

Ms. Goetz turned the board's attention to reviewing proposals submitted and awarded. She noted that proposal submissions remain strong, with faculty showing remarkable resilience despite ongoing

challenges. She pointed out that the number of proposals submitted was down by three compared to last year, however the total dollars submitted were up by \$32 million, with an increase of \$6.5 million in F&A. She noted 650 proposals worth \$163 million were still pending agency decisions, though recent federal directives could affect outcomes.

Ms. Goetz went on to inform the board of the proactive steps taken by management to manage financial risk in response to the current challenges faced, including a hiring chill with vacant positions held and new openings being evaluated carefully. Staffing metrics are being updated to guide decisions, and efforts are underway to generate savings and explore alternative revenue sources. Other actions discussed included reviewing space utilization with college deans to potentially lease space to commercial tenants and other streamlining actions to reduce costs. Ms. Goetz opened the floor to questions. Discussion ensued.

VI. Vice President for Research and Innovation Report

Vice President Madanat began her report by thanking SDSURF's team for their work in managing all the challenges being presented. She noted their effort to ensure transparency with faculty and the time that's been dedicated to meeting one-on-one with them. Further, she provided the board with an overview of what the Division of Research and Innovation has been doing to support the university's research enterprise including bridge support and support for graduate students. She then opened the floor to questions. Discussion ensued.

VII. Finance and Investment Committee Report

Ms. Agnes Wong Nickerson, committee chair, reported on the Finance and Investment Committee meeting held May 14, 2025. She noted that the committee reviewed the summary of investments report, F&A rate challenges, and investment strategies. She then asked Ms. Leslie Levinson to provide an overview of the budget and banking update.

Ms. Levinson directed the board to the General Fund budget and provided an overview of revenue areas including F&A, self-support fees, facilities rents, investment income, and expense areas including administration and operations, facilities, and allocations. She elaborated on the budget uncertainties and challenges given the current research federal funding environment. With that, she discussed the reasoning behind restricting the research support funds budget line noting that the board will be discussing the issue further in the next agenda item. Ms. Levinson then opened the floor to questions. Discussion ensued.

VP Madanat called for a motion to adopt Resolution 25-04:

RESOLUTION OF THE BOARD OF DIRECTORS: APPROVAL OF SDSU RESEARCH FOUNDATION'S FY 2025-26 ORIGINAL GENERAL FUND BUDGET

RESOLVED, That the Original General Fund Budget, as submitted to the Board of Directors at its meeting on June 13, 2025, with total Source of Funds at \$45,069,000 and Use of Funds of \$45,104,000, be adopted as SDSU Research Foundation's budget for fiscal year 2025-26 and forwarded to the President for her approval.

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 25-04 approving the original FY 2025-26 General Fund Budget.

VIII. Resolution 25-05: Establishment Of Working Group and Delegation of Authority Regarding Restricted Research Support Funds

VP Madanat directed the board to a video prepared by President de la Torre that introduced the action item to establish a working group and delegate authority to the group regarding utilization of the restricted research support funds budget line. President de la Torre, in her prepared video, noted her support for the resolution and gave a brief overview and introduction to the resolution. VP Madanat then noted that the resolution is to create an ad-hoc committee to review research support funds over the summertime to determine next steps in determining how or if or when to distribute research support funds given the uncertain budget environment. She then opened the floor to questions. Discussion ensued.

An inquiry was raised regarding the composition of the ad-hoc committee, and whether there should be faculty representation. Discussion ensued and it was noted that VP Madanat, a faculty member and researcher herself, was able to represent the perspective and interests of faculty members. Further discussion noted that VP's Madanat role in the Division of Research and Innovation provided a comprehensive understanding of the different colleges and their respective needs and practices that would not be available from a single faculty representative. No further questions were raised.

VP Madanat then called for a motion to adopt Resolution 25-05:

**RESOLUTION OF THE BOARD OF DIRECTORS:
ESTABLISHMENT OF WORKING GROUP AND DELEGATION OF
AUTHORITY REGARDING
RESTRICTED RESEARCH SUPPORT FUNDS**

WHEREAS, the Research Foundation provides supplemental funds for faculty, professional staff, and administrators to develop new externally funded projects and to support ongoing externally funded projects; the funds are known as "Research Support Funds;" and,

WHEREAS, the existing policy of the Research Foundation for distribution of Research Support Funds ("Policy") provides that Research Support Funds are to be distributed annually in late summer / early fall to the categories of recipients identified in the Policy, and states that any reductions in distributions will be made proportionately to each category of recipient; and,

WHEREAS, the Executive Orders have resulted in certain research grants already being terminated, and other research grants remain under review for possible termination, non-renewal or modification, and certain federal agencies are proposing capping reimbursement of facilities and administration ("F&A") or indirect costs that fund approximately 70% of the Research Foundation's operating budget; and

WHEREAS, because of the Executive Orders and resulting actions (or proposed actions) of certain federal agencies, the current situation surrounding research grants is dynamic, fluid, and uncertain, requiring flexibility to meet changing needs;

THEREFORE, based on the foregoing Recitals, including the uncertainty resulting from the effect of the Executive Orders, the potential or proposed actions of certain federal agencies, the proposed cap on indirect cost recovery, and the changing priorities of the federal government related to support (including grants and other financial support) of research (collectively, whether actual or proposed, "Federal Actions"), the Board adopts the following resolutions:

FIRST, From the adoption of these resolutions through the 2025-2026 fiscal year ("Term"), the Research Foundation should: (a) Refrain from distributing Research Support Funds as outlined in

the Policy, including its timing, without first assessing the impact of Executive Orders and federal regulation changes on research grants. (b) Avoid proportional reductions to distributions across recipient categories without evaluating these regulatory impacts. (c) Assess each recipient category's needs based on the effects of the Executive Orders on research grants. (d) Withhold Research Support Funds if necessary and reallocate them to alternative needs, including supporting Research Foundation operations, based on an evaluation of regulatory impacts.

SECOND, The Board establishes an *ad hoc* committee ("Committee") for the purpose of enabling the Research Foundation to make prudent decisions during the Term concerning Research Support Funds, including (a) the timing for distributions during the Term; (b) the amounts of distributions to each category of recipient (including any reductions) during the Term; (c) whether to withhold Research Support Funds and reallocate them to alternative needs, including supporting the overall operations and infrastructure of the Research Foundation; and (d) whether adhering strictly to the Policy during the Term would be in the best interest of the University, its faculty and the Research Foundation, including their common mission as a research-oriented institution of higher learning.

THIRD, The following three members will comprise the Committee: (a) the President of the Board; (b) the Vice President of the Board; and (c) the Treasurer of the Board. The President of the Board will serve as the Chair of the Committee, and the Vice President of the Board will serve as Vice Chair of the Committee; the Vice Chair will serve as Chair if (i) the Chair is unavailable for a particular meeting or in particular situation; or (ii) the Chair asks the Vice Chair to serve as Chair for a particular meeting or in particular situation. The Chief Executive Officer of the Research Foundation and the Chief Financial Officer of the Research Foundation will serve as advisors for the Committee.

FOURTH, A majority of the members of the Committee will constitute a quorum for the transaction of business. Meetings will be scheduled as needed. The Chair, in consultation with the Chief Executive Officer and the Chief Financial Officer of the Research Foundation: (a) will prepare each meeting agenda; and (b) may invite others to attend Committee meetings. The Committee will maintain written minutes of its meetings. Meetings of the Committee are subject to the requirements of California Education Code Sections 89920, *et seq.*

FIFTH, During the Term, the Board delegates to the Committee the right, power, and authority to do the following, and directs the Committee to do the following:

- (a) Make decisions concerning distributions of Research Support Funds, which decisions may deviate from the Policy, and which are to include the timing and the amounts of distributions if any, including withholding Research Support Funds and reallocating them to alternative needs, including supporting the overall operations and infrastructure of the Research Foundation; and
- (b) Cause the management and staff of the Research Foundation to carry out the decisions of the Committee with respect to such matters.

SIXTH, In addition to its obligations pursuant to Resolution FIFTH immediately preceding, the Committee will perform such other functions and attend to such other matters as the Board may direct in writing.

SEVENTH, The Committee is obligated to report to the Board periodically (not less frequently than every three months) concerning its decisions and the implementation of its decisions.

FINALLY, This Resolution is effective immediately.

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 25-05 approving the establishment of working group and delegation of authority regarding restricted research support funds.

IX. New Business

VP Madanat called for any items of new business. Hearing none, she adjourned the meeting at 10:49 a.m.

Respectfully,

Michele G. Goetz

Michèle G. Goetz
Associate Secretary-Treasurer