

UEC Board of Directors Meeting

Friday, January 30, 2026 – 3:00 P.M.

Minutes

MEMBERS PRESENT: Tomás D. Morales, Paz Oliverez, Sam Sudhakar, Rafik Mohamed, David Dufault-Hunter, Anthony Roberson, Timothy Akers, Raymond Watts, Jennifer Sorenson, Taewon Yang, Diego Rendon, Daisy Dominguez, Valerie Zellmer, Evajuani Bynum, Robin Phillips, Dorothy Chen-Maynard, Mike Razo, Jeremy Dodworth.

MEMBERS ABSENT: Jose Hernandez, Maritza Gomez.

STAFF PRESENT: Jason Espinoza, Sesar Morfin, Michelle Mondorf, Michelle Bulaon, Julie Wessel, Ingrid Valdez, Vilayat Del Rossi, Naomi Rodriguez.

GUESTS PRESENT: Jason Hicks

CALL TO ORDER

Vice President, Dr. Paz Oliverez, called the meeting to order at 3:00 P.M.

This meeting was held in the University Enterprises Boardroom, UEC-102, with a small number of Board Directors participating via Zoom.

I. APPROVAL OF MINUTES – ACTION ITEM

The minutes of the September 26, 2025, UEC Board of Directors meeting were approved as presented.

Board Result (*Roberson/Dominguez - Motion Passed*)

II. PRESIDENT’S REPORT

President Tomás D. Morales provided updates on campus activities and upcoming events.

III. EXECUTIVE DIRECTOR’S REPORT

UEC Executive Director, Jason Espinoza, provided updates and operational highlights:

- UEC’s focus has been on strengthening operational and financial discipline, including monthly financial reviews to improve budget-to-actual tracking, forecasting, and decision-making while advancing campus-aligned initiatives to improve service delivery and long-term auxiliary stability. Additionally, referenced the dedicated and strategic efforts to align operational compliance with 2 CFR 200 Uniform Guidance requirements, with a specific focus on timeliness, accuracy, award allowances, and responsibilities of the principal investigators, as well as the authorized colleges or departments oversight of grant funded projects.

- UEC increased coordination with campus partners, including the Office of Academic Research and Sponsored Programs Administration, to improve sponsored program workflows, documentation, and overall reliability from proposal through closeout.
- UEC strengthened performance expectations and service standards across auxiliary operators, including Chartwells (Dining), Follett (Bookstore), Pepsi (Beverage), and First Class (Vending).
- Jason shared year-over-year performance trends, noting Dining sales increased approximately 3.5% from July to December, and Dining finished approximately 4% ahead of last year through December. Mandatory meal plans increased approximately 18.5% year-over-year.
- Bookstore sales showed growth, with cumulative sales across both campuses increasing approximately 16.5% year-over-year from July to December (19% at the main campus and 14% at PDC), with normal seasonal dips in August and December.
- UEC continued strengthening internal controls and compliance practices, including standardizing SOPs and period-close processes to support audit readiness.
- Jason reported an internal office reorganization over winter break to streamline operations and improve collaboration across teams.
- Jason concluded by noting UEC will continue financial review practices, deepen campus partnerships, and pursue innovative opportunities to strengthen further UEC's role in supporting CSU

IV. OFFICE OF ACADEMIC RESEARCH REPORT

Julie Wessel, Interim Director of Sponsored Programs Administration, reviewed the summary of awards and proposal submissions as of quarter ending September 30, 2025:

- For the quarter ending 9/30/25, award data totaled \$22.6M, and 31 proposals were submitted totaling \$26.9M, with expectations of increased activity in the second quarter.
- Julie reported the receipt of discontinuation notices impacting four HSI-related awards, with an estimated total loss of \$5.5M (direct and indirect). She noted that the IDC impact is expected to be minimal (approximately \$150,000) due to the nature of the awards. Funding for these projects will continue through the end of the current fiscal year (9/30/26), at which point the awards will be formally closed out.
- Julie also provided updates on federal developments and pending guidance that may impact indirect cost rates, including potential changes to Uniform Guidance and a possible 15% IDC cap. The office is preparing a draft response letter for submission to OMB on behalf of President Morales once guidance is released.

Dr. Tim Akers added that CSUSB's IDC rate application remains under review and that the campus has made progress in strengthening research infrastructure, including improvements to space calculations for IDC purposes, the development of a funding projections dashboard, and the completion of a PI handbook with interactive AI-supported features.

Jason Espinoza expressed the shared partnership with SPA, and OAR on establishing organizational readiness and notifications for potential changes to the unpublished 2 CFR 200 Uniform Guidance requirements, in light of the current federal administrations increased focus on compliance, distribution of grant funds, applicability, accountability measures, and compliance adherences.

V. AUDIT COMMITTEE REPORT

Audit Committee Chair, Valerie Zellmer reported that UEC received an unmodified audit opinion on the final audit report, and that the Single Audit is still in progress and expected to be completed by mid-to-late February. She noted the auditors identified an internal control deficiency related to grant revenue accrual timing at year-end. Valerie advised that corrective actions are underway, including development of a standard operating procedure and stronger accountability measures to prevent future recurrences. Mrs. Zellmer concluded by thanking staff and campus partners for their efforts during the audit process.

VI. FINANCIAL REPORT

Michelle Bulaon, CSUSB Associate Controller, presented UEC's Financial Statements as of September 30, 2025. Michelle reviewed the revenues, operating expenses, and other income/expenses and noted the following:

- Total assets were reported at approximately \$38.8 million. Cash and cash equivalents decreased by \$1.5 million due primarily to the timely payment of \$1.3 million in Cost Allocation Plan (CAP) billings. Short-term investments increased by \$530,000 due to strong money market performance, while prepaid expenses increased by \$860,000, related to OPEB (Other Post-Employment Benefits) funding. Property, equipment, and right-of-use assets declined as expected due to depreciation and lease amortization.
- Total liabilities were approximately \$24.4 million. Accounts payable decreased significantly to \$86,000 due to timing differences in invoice payments. Deferred revenue increased by \$767,000 due to unspent grant funds, and pension liabilities increased by \$846,000 based on CalPERS actuarial calculations.
- Operating revenues totaled approximately \$1.3 million. Bookstore commissions declined year over year due to changes in commission structures, while dining services contributions increased to \$77,000. Sponsored programs' indirect cost recovery totaled \$776,000, reflecting reduced activity from program closures. Business office revenue increased modestly, supported by investment income and early receipt of the Pepsi annual rebate.
- Operating expenses totaled approximately \$1.4 million, with higher year-over-year expenses attributable primarily to timing differences from CAP billings paid earlier in the fiscal year.
- Other activities included increased sponsored programs revenue due to expense timing, improved performance of UEC-supported programs, and an overall positive change in fund balance of approximately \$956,000 for the period.

VII. PUBLIC COMMENTS & ANNOUNCEMENTS

Paz Oliverez reminded attendees that registration for Coyote Cares Day closes today and encouraged early registration to allow advance placement at volunteer sites. On-site registration may be available if needed. Attendees were invited to participate in Coyote Cares Day on February 28th and to help spread the word.

ADJOURNMENT

The meeting was adjourned at 4:02 pm.

Approved by the UEC Board of Directors

Valerie J Zellmer

Valerie J Zellmer (Feb 19, 2026 18:25:05 PST)

Valerie Zellmer, Board Vice-Chair