

Board of Trustees Meeting

Friday, April 24, 2026

via Zoom Conference Call: [Join Zoom Meeting](#)

10:00 a.m. to noon Pacific Time; 1:00 p.m. to 3:00 p.m. Eastern Time



Agenda

- | | |
|--|--------------|
| 1. Meeting called to order/Quorum noted | Mr. Stewart |
| 2. Welcome and introductions | Mr. Stewart |
| 3. Motion to wave reading of the Minutes of the July | Mr. Stewart |
| 4. Nominating Committee | Mr. Stewart |
| - Current Board Slate | |
| 5. Science Committee | Dr. Dold |
| 6. Corporate and Government Relations Committee | Mr. King |
| - Letter to CA Fish and Game Commission | |
| 7. Development Committee | Ms. Thompson |
| 8. Finance Committee | Mr. Gardner |
| - Strategic Plan Discussion | |
| 9. Press Packet | Mr. Kent |
| 10. Past Business | Mr. Stewart |
| 11. Future Business | Mr. Stewart |
| - Future Meetings: Friday, July 24, 2026 | |
| Friday, October 30, 2026 | |
| Friday, January 29, 2027 | |
| 12. Adjournment | |



Hubbs-SeaWorld Research Institute Board of Trustees Meeting Minutes

Date: January 23, 2026

Location: Virtual via Zoom

1. Call to Order & Attendance

The meeting was called to order with a quorum noted. Board members, staff, and guests introduced themselves, including new board members Michele Murrell and Amber Ter-Vrugt, who were formally welcomed.

2. Approval of Prior Meeting Minutes

Motion to waive the reading of prior meeting minutes was made, seconded, and approved unanimously. Motion carried.

3. Nominating Committee Update

New board members were welcomed. Discussion regarding potential board candidate Dixie Sansom resulted in a decision to defer outreach. John Peterson, President of SeaWorld Orlando, was identified as a potential candidate.

Action Items:

- Follow up with John Peterson regarding board interest.
- Revisit Dixie Sansom candidacy at a later date.

4. Science Committee Report

Key highlights included halibut and white seabass releases, strong research output, and over \$2M in grant submissions. Public engagement exceeded 3,000 individuals.

Action Items:

- Develop simplified messaging for broader audiences.
- Expand partnerships with universities and stakeholders.

5. Strategic Discussion

Board discussed financial sustainability and alignment of programs with funding. Leadership emphasized interconnected nature of programs and focus on aquaculture as a revenue driver.

Action Items:

- Evaluate program-level financial performance.
- Develop revenue-generating partnerships.

6. Corporate & Government Relations

Federal funding opportunities are pending, including HR 6938 and NOAA Cooperative Institute funding.

Action Items:

- Monitor funding approvals.
- Continue advocacy efforts.

7. Finance Committee Report

YTD revenue ~\$2.9M, expenses ~\$3.2M, deficit ~\$235K. Financial pressure is due to timing of revenue, not overspending. Cash runway is limited.

Action Items:

- Secure bridge funding.
- Accelerate receivables.
- Maintain cost controls.

8. Adjournment

The meeting was adjourned after completion of all agenda items.

Q3 Nominating Committee Highlights

- No nominations under consideration right now
- Discussion of potential nominees

FY26 Q3

Science Committee Highlights



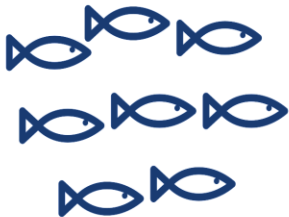
Grants & Contracts

- Awarded \$965k federal Florida FY26 appropriation
- Submitted \$3.68M in new proposals



Infrastructure & Capacity Building

- Green abalone brood stock collected for conditioning
- IRLRAS seawall and boat ramp permits in review



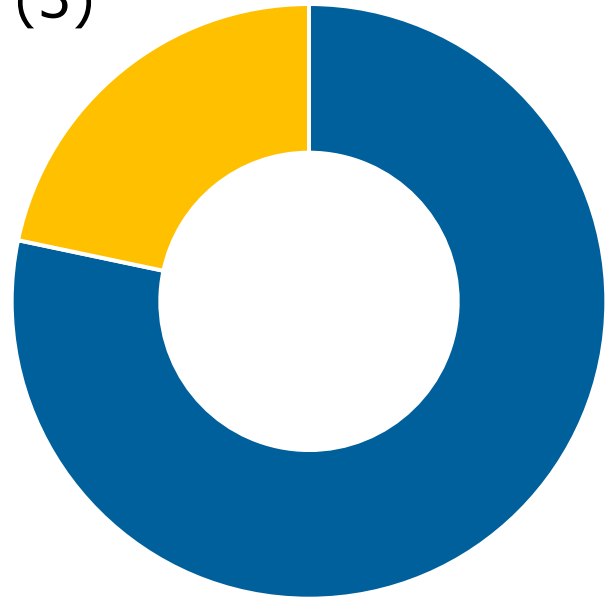
Impact

- Released over 16,000 halibut
- 3 millionth white seabass release

FY26 Q3 Grants & Contracts



Grants awarded (3)
\$1.08M



Grants
Submitted (9)
\$3.68M

Does not include >\$1M still in review

FY26 Q3

Science Impact



2

peer-reviewed
Manuscripts

0

white papers or
technical reports



5

conference
presentations



invited
panel
expert

5

>25 active funded
projects



24

student
research assistants

16

education
events



people directly engaged

3,021

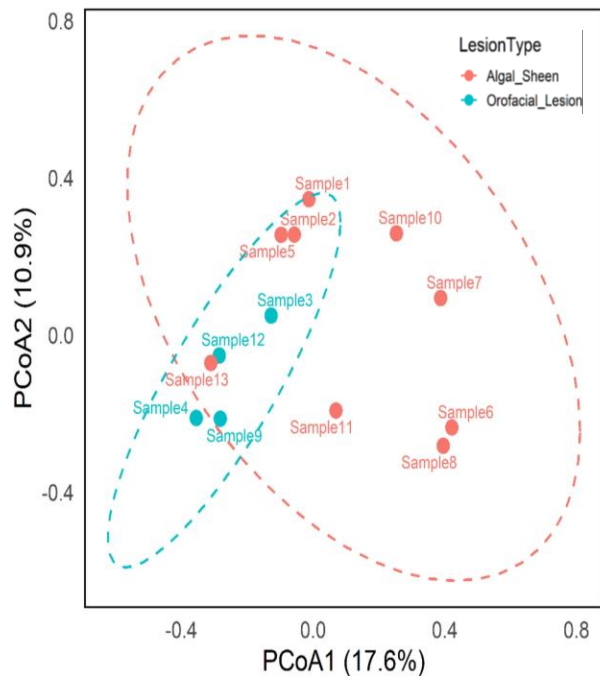


invited
seminar
speaker

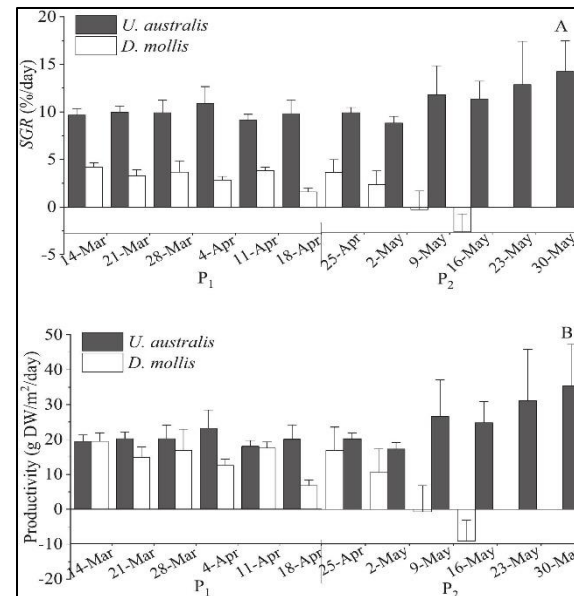
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FY26 Q3

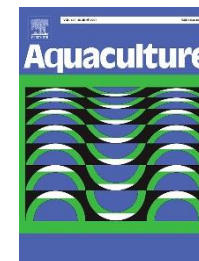
Science Highlights Publications



An exploratory investigation into the microbial and cyanobacterial presence...



The culture of fish, sea cucumbers and seaweeds...



FY26 Q3

Science Highlights

3 millionth White Seabass release!



Hubbs-SeaWorld releases 3 millionth white seabass to the wild

FY26 Q3

Science Highlights

Conservation Activity



Population Enhancement



White Seabass Released

quarter: **15,778**

total: **3,022,558**

Halibut Released

quarter: **11,031**

total: **21,392**

Habitat Restoration



Seagrass Planted

quarter: **11 acres**

total: **87.5** (since 2025)



Marine Mammal Rescue



Marine Mammal Strandings

quarter: **10**

total: **>2000**

Dolphin Rescues

quarter: **2** (attempted)

FY26 Q3

Education and Outreach

Inspiring a love for science

Major Quarterly Activities



478

white seabass delivered to schools

350

students have helped conduct initial length/weight measurements

| School | School Type | Title 1 | Minority Enrollment |
|-----------------|-------------|-----------------------------------|---------------------|
| Madison | HS | Yes | 88% |
| Miramar | CC | No - Minority Serving Institution | 69% |
| Mar Vista | HS | Yes | 89% |
| La Costa Canyon | HS | No | 31% |
| Orange Coast | CC | No - Minority Serving Institution | 70% |
| Warner | MS | Yes | 97% |
| Sycamore | MS | Yes | 97% |
| Edison | HS | No | 41% |
| San Clemente | HS | No | 37% |
| Carlsbad | HS | No | 40% |
| El Modena | HS | No | |

Q3 Corporate and Government Relations Committee Highlights



- President has submitted his recommendation for the next FY budget with major cuts to most Departments and a 50% increase in the Department of War budget
- The FL lab's appropriation proposal for State funding FY27 for a IRL seatrout replenishment program and lab upgrades is being reviewed
- The NOAA earmark for the FL Lab marina site improvements has been approved and will be active in the Fall
- Cong. Haridopolos (FL-8th) invited us to submit another earmark, but the House Appros. Committee will only fund non-profit universities
- The Marine Aquaculture Research for America (MARA) Act, has been introduced and they are seeking endorsements
- We are informed that NOAA has decided on which collaborative group will be awarded to Cooperative Institute Fostering Aquaculture Research and Marketing (CIFARM)
- CA Ocean Protection Council has been taking comments on the State's Aquaculture Strategic Plan. Seafood industry needs to comment or only the negative eNGO voices will be heard.

April 2026

Melissa A. Miller-Henson
Executive Director
California Fish and Game Commission

Re: Comments on California Aquaculture Action Plan

Director Miller-Henson:

Thank you for the opportunity to provide comments on the proposed framework for aquaculture development in California. We write to emphasize that **public sentiment, scientific evidence, and global food system realities all support the responsible expansion of aquaculture**, including finfish, shellfish, and seaweed, as a critical component of California's environmental and economic future.

Public Support for Aquaculture in California

Recent findings from the Aquaculture California Results Survey¹ demonstrate that opposition to aquaculture is limited to a small minority of respondents. Specifically:

- Approximately 66% of respondents support or strongly support aquaculture development in California
- About 22% neither support nor oppose aquaculture
- Only 6% expressed opposition or concern about its appropriateness

This indicates that the **vast majority of Californians recognize aquaculture as appropriate and beneficial when conducted responsibly**. Public policy should reflect this broad support.

Aquaculture as the Most Environmentally Efficient Animal Protein

A substantial body of scientific literature demonstrates that aquaculture is among the most environmentally efficient forms of animal protein production.

The *Blue Frontiers* report² shows that:

- Aquaculture systems are **more resource-efficient than terrestrial livestock**, particularly in feed conversion, land use, and emissions
- Producing fish protein requires **far less feed than any terrestrially farmed source of animal protein**
- Aquaculture generates **lower nutrient pollution and greenhouse gas emissions per unit of protein** than beef and pork

¹ [U.S. Pacific Region Residents' Awareness of and Attitudes Toward Aquaculture](#)

² http://www.worldfishcenter.org/global_aquaculture/

- Aquaculture can **reduce pressure on wild fisheries by meeting growing seafood demand**, is far more adaptable to climate change than wild fish harvest and minimizes adverse interactions with protected resources

The report concludes that aquaculture has **clear environmental advantages over other animal protein systems**.

Global Demand Requires Expansion of Aquaculture

The FAO's *State of World Fisheries and Aquaculture 2020*³ makes clear that aquaculture must expand to meet global demand:

- Aquaculture already supplies **46% of total fish production and over half of fish consumed by humans**
- Global production reached **~179 million tonnes**, with demand continuing to grow
- Fish provides **20% of animal protein for more than 3.3 billion people**
- Wild fisheries have plateaued, meaning **future supply must come from aquaculture**

In short, aquaculture is not optional, it is essential.

The Case for Including Finfish Alongside Shellfish and Seaweed

The American Fisheries Society Policy on Aquaculture⁴ supports the expansion of finfish aquaculture as a necessary and sustainable way to meet growing seafood demand, particularly given the limits of wild capture fisheries and increasing pressures from climate change. AFS advocates for a clear, consistent regulatory framework and continued investment in research and innovation to ensure aquaculture development minimizes environmental and social impacts. AFS emphasizes that responsible aquaculture and healthy wild fisheries can coexist, strengthening domestic seafood production while reducing reliance on imports.

While shellfish and seaweed aquaculture are widely recognized for their environmental benefits, **finfish aquaculture must also be included as part of California's strategy**.

Finfish already represent a major component of seafood consumed in California and the United States, and **are extensively imported from global aquaculture operations**. As such:

- Finfish consumption is already **socially accepted and embedded in the market**
- The key policy question is not whether finfish aquaculture should exist, but **where and how it is produced**

By developing **domestic finfish aquaculture under California's stringent environmental and public health standards**, the State can:

³ <https://doi.org/10.4060/ca9229en>

⁴ <https://fisheries.org/2020/07/american-fisheries-society-position-on-aquaculture/>

- Ensure **its environmental and health standards are used**
- Improve **traceability, food safety, and labor standards**
- Reduce the **carbon footprint associated with international transport**
- Support **local economic development, working waterfronts and food resilience**

Addressing Concerns Through Proven Mitigation Measures

We recognize that aquaculture development raises some environmental concerns. However, an extensive review of the peer-reviewed scientific literature review⁵ reports that these concerns are **well understood and can be effectively mitigated through modern practices and regulatory oversight.**

Key concerns and corresponding mitigation strategies include:

1. Water Quality and Nutrient Impacts

- Implementation of **site-specific carrying capacity analyses**
- Use of **advanced feeds and feeding practices** to minimize waste
- Regular **water quality monitoring and adaptive management**

2. Benthic and Habitat Effects

- Careful **site selection away from sensitive habitats**
- **Fallowing practices and rotational use** of sites
- Ongoing **benthic monitoring programs**

3. Escapes and Genetic Interaction

- Use of **robust containment systems and engineering standards**
- Use of recently develop population models that assess impacts of escapements on wild population genetic variability
- Deployment of **sterile or non-reproductive stocks where appropriate**
- Emergency response protocols

4. Disease and Biosecurity

- Strict **biosecurity protocols and health management plans**
- Reduced reliance on antibiotics through **best management practices and vaccination**
- Adhering to existing water quality and FDA regulations governing the use of therapeutic treatments
- Monitoring aligned with state and federal health standards

5. Feed Sustainability

⁵ <https://doi.org/10.1080/23308249.2021.1980767>

- Continued transition toward **alternative feeds** reducing reliance on wild fish inputs
- Innovation in **plant- and algae-based feed ingredients**

These mitigation strategies are already widely used in leading aquaculture regions and can be **codified into California's regulatory framework to ensure high performance and accountability.**

The Need for a Clear, Coordinated Regulatory Pathway

One of the most significant barriers to aquaculture development in California is not environmental feasibility, but **regulatory fragmentation and uncertainty.**

We strongly recommend establishing a **coordinated, concurrent permitting framework** in which:

- All relevant agencies (e.g., Coastal Commission, State Lands Commission, Regional Water Boards, CDFW, NOAA, USACE) **work in parallel rather than sequentially**
- Applicants can pursue permits through a **single, structured process with clear timelines**
- Regulatory requirements are **consistent, transparent, and science-based**
- Monitoring and compliance standards are **clearly defined upfront and uniformly enforced**

A streamlined process does not mean reduced rigor, but rather **greater efficiency, predictability, and accountability,** benefiting both regulators and applicants.

Conclusion

Consistent with its history of environmental stewardship, innovative technology development and food production supremacy, California has an opportunity to lead in developing a **modern, science-based aquaculture sector** that aligns with public support, environmental sustainability, and global food system needs.

To do so, the State should:

- Recognize and act on **strong public support for aquaculture**
- Complete development and approval of the legislatively **mandated Programmatic Environmental Impact Report**
- Embrace aquaculture as a **highly sustainable protein source**
- Support development across **finfish, shellfish, and seaweed systems**
- Implement **robust mitigation and monitoring frameworks**
- Establish a **coordinated, efficient permitting pathway**

By taking these steps, California can ensure that aquaculture development occurs **responsibly, transparently, and in alignment with the State's environmental leadership goals.**

Thank you for the opportunity to provide comments.

cc: Aquaculture Development Committee
Ocean Protection Council
GoBiz
Secretary of Resources
Joint Committee on Fisheries and Aquaculture
WHO ELSE???

California Fisheries and Seafood Institute

California Aquaculture Association

California Restaurant Association

King's Seafood Company

Santa Monica Seafood

Pacific Seafood Group

Unified Port of San Diego

Port of Long Beach

Port of Ventura

National Fisheries Institute

National Aquaculture Association

WHO ELSE???

Q3 Development Committee Highlights



- No Development Staff since January
- Financials in the Finance Report
- Social Metrics
- Priority projects

Social Media Metrics

Followers:

- LinkedIn: 2,000 Followers (+522)
- Instagram: 4,703 Followers (+841)
- Facebook: 10,403 Followers (+1,088)
- X: 1,294 Followers (+4)
- Donor Dock: 8,600 Contacts

Revenue Generating Priority Projects



1. Pacific Ocean Fresh:

- Offshore Farm
- SD Port shellfish culture in AHL
- Commercial seaweed culture at hatchery
- Sale of YT larvae

2. Hatchery renovation

- Immediate repairs for safety and compliance (\$200K)
- Renovation for commercial production (Cost TBD)

3. Blue Foods innovation Laboratory at Agua Hedionda Lagoon, Carlsbad

- 20K sqft laboratory/office/education complex
- 32K sqft experimental culture space
- Cost est. at \$50M

Innovation, Research and Education



- Continuation of Seabass In The Classroom
- Continuation of Aquaculture Training program with UC Sea Grant
- Blue Tech Education and Training Center at Mission Bay: Renovation of unused meeting space (Cost TBD)
 - City schools
 - Local private universities

FY26 Q3 Financial Committee Report

As of March 31, 2026



Financial Highlights

- **Revenue up +18.8% year-over-year**
 - Total income of \$4.4M driven by growth in grants, federal contracts, and a significant \$200k board gift in the period.
- **Operating loss dramatically reduced**
 - 9-month net loss of (\$256k) compares to (\$1,157k) in the same period last year — a \$901k improvement, or 78.0% reduction in deficit.
- **Expenses down 4.3% vs. prior year**
 - Total expenses of \$4.6M held below prior year despite program expansion, led by reductions in salaries and facility costs, with depreciation consistent with prior year.
- **Cash position strengthened**
 - Cash grew from \$54k (Mar '25) to \$341k (Mar '26), reflecting improved billing collection and a \$212k restricted Comerica deposit.

Total Income (9-mo YTD)

\$4.4M

Prior year: \$3.67M | +18.8%

Total Expense (9-mo YTD)

\$4.62M

Prior year: \$4.83M | -4.3%

Net Operating Income

(\$256k)

Prior yr: (\$1,157k) — \$901k better

FY26 Q3

Net Operating Result – Year-Over-Year

9 Months Ended March 31

| | FY2025-26 YTD (9-mo) | FY2024-25 YTD (9-mo) | \$ Change | % Change |
|----------------------------|-------------------------|-------------------------|-------------------|---------------|
| Total Income | \$4,365,015 | \$3,673,632 | +\$691,383 | +18.8% |
| Total Expense | \$4,620,532 | \$4,830,116 | (\$209,584) | -4.3% |
| Net Ordinary Income | (\$255,517) | (\$1,156,484) | +\$900,967 | +78.0% |

Key Drivers of \$901k Improvement

- **Revenue growth:** Grant income up \$471k (individual grants) and Board Gifts up \$208k vs prior period.
- **Salary savings:** Total salaries declined \$189k (-7.3%) as unrecovered science salaries dropped from \$275k to \$38k.
- **Depreciation:** Depreciation expense of \$323k is consistent with prior year (\$323k) after recording all current-year entries.
- **Occupancy savings:** Occupancy costs down \$28k (-8%) driven by building repair and utility reductions.

FY26 Q3 Expense Overview – 9-Month YTD

July 1, 2025 – March 31, 2026

| Category | FY25/26 YTD | FY24/25 YTD | \$ Change | % Change |
|--------------------------|-----------------|-----------------|-----------------|--------------|
| Salaries & Fringe | \$2,782k | \$2,985k | \$-203k | -7% |
| Equipment & Supplies | \$775k | \$653k | +\$121k | +19% |
| Occupancy | \$322k | \$349k | \$-28k | -8% |
| Outside Services | \$298k | \$223k | +\$75k | +34% |
| Travel & Meetings | \$41k | \$53k | \$-12k | -22% |
| All Other / Depreciation | \$403k | \$567k | \$-164k | -29% |
| TOTAL EXPENSE | \$4,621k | \$4,830k | (\$210k) | -4.3% |

"All Other / Depreciation" includes depreciation (\$323k vs \$323k prior), business/admin expenses (\$140k), and indirect cost pool offsets (net ~\$0). Salaries include payroll taxes. Fringe includes health, retirement, and workers comp.

FY26 Q3 Staffing & Payroll Commentary

9 Months Ended March 31, 2026

Staffing Levels Stable

Headcount held steady with no unplanned expansion. Staffing levels are primarily mission-critical positions supported by funded grant programs.

Benefits Slight Increase

Employee benefits (health, retirement, workers comp) totaled \$370k, up \$30k (+7.8%). Health insurance rose \$30k reflecting premium increases.

Officer Comp Reduced

Officers & Directors salaries of \$117k vs. \$281k prior year (-58%). Reflects restructuring and reallocation of senior leadership time to funded programs.

Salaries Down 7.3%

Total salaries of \$2.41M compared to \$2.60M in the prior year period. The decline reflects a \$238k reduction in unrecovered science salaries (from \$275k to \$38k).

Indirect Cost Recovery

\$812,643 in indirect costs allocated to contracts vs. \$712,654 prior year (+14.0%). Indirect pool rate remains consistent; allocation growth reflects increased program activity.

Fringe Allocation Active

Fringe allocated to contracts: (\$105k) vs. (\$184k) prior, consistent with lower unrecovered science activity. Unrecovered fringe matching: \$105k (net zero impact).



FY26 Q3 Balance Sheet Summary

As of March 31, 2026

ASSETS

| | |
|-----------------------------|--------------------|
| Cash & Bank Accounts | \$340,968 |
| Accounts Receivable (net) | \$693,525 |
| Restricted Contributions | \$919,621 |
| Schwab Money Market | \$47,206 |
| Other Current Assets | \$95,748 |
| Total Current Assets | \$1,695,049 |
| Net Fixed Assets | \$4,605,807 |
| Other Long-Term Assets | \$1,273,368 |
| TOTAL ASSETS | \$7,574,225 |

LIABILITIES & EQUITY

| | |
|----------------------------------|--------------------|
| Accounts Payable | \$288,969 |
| Equipment Finance – FL | \$11,329 |
| Accrued Vacation | \$171,219 |
| Other Current Liabilities | \$348,423 |
| Total Current Liabilities | \$819,940 |
| Lease Liability – Long Term | \$2,725 |
| TOTAL LIABILITIES | \$822,665 |
| Net Income YTD (deficit) | (\$49,092) |
| Total Equity | \$6,751,560 |
| TOTAL LIAB. & EQUITY | \$7,574,225 |

FY26 Q3 Fundraising & Contributed Support

9 Months Ended March 31, 2026



| Category | FY2025-26 YTD (9-mo) | FY2024-25 YTD (9-mo) | \$ Change | Notes |
|------------------------------|-------------------------|-------------------------|----------------|--|
| Board Gifts | \$225k | \$18k | +\$208k | <i>Includes \$200k gift received in period</i> |
| Major Gifts (> \$5k) | \$35k | \$57k | \$-22k | |
| Individual Gifts | \$32k | \$18k | +\$15k | |
| Foundation & Corporate | \$163k | \$33k | +\$130k | <i>Strong grant season</i> |
| SUBTOTAL – Cash Gifts | \$456k | \$125k | +\$330k | |
| HFOF Proceeds | \$228k | \$230k | \$-2k | <i>Hubbs-SeaWorld Oceanographic Foundation</i> |
| Donated Services / In-Kind | \$38k | — | +\$38k | <i>Non-cash / GAAP adjustment</i> |
| GRAND TOTAL | \$722k | \$355k | +\$367k | |

Note: Board Gifts significantly higher due to \$200k donation. Foundation & Corporate giving of \$163k reflects active proposal season (prior year Q4-weighted). Donated Services (\$35k) is non-cash/GAAP; not in operating cash receipts.

FY26 Q3 Cash Position & Liquidity

As of March 31, 2026



Bank Account Detail

| Account | Mar 31, 2026 | Dec 31, 2025 |
|-----------------------------------|------------------|------------------|
| 1035 – Comerica Bank (Restricted) | \$212,000 | — |
| 1030 – Comerica Bank (Operating) | \$6,522 | \$92,105 |
| 1020 – Torrey Pines Bank | \$122,445 | \$66,747 |
| 1028 – Petty Cash | — | \$47 |
| TOTAL CASH | \$340,968 | \$158,899 |

Cash & Liquidity Notes

● Cash up \$287k vs. Mar '25

HSWRI ended Q3 with \$341k in available/restricted cash, compared to only \$54k at March 31, 2025.

● Restricted deposit – \$212k

Comerica 1035 holds a restricted balance for a specific program obligation; not available for general operations.

● Operating cash – \$129k

Combined operating cash (1020 + 1030) = \$129k, supporting day-to-day obligations.

● A/R supports outlook

Accounts receivable of \$694k provides a strong forward-collection position heading into Q4.

● Prepaid liabilities – watch

Prepaid grant liability balance remains at ~\$899k (QB), with \$607k identified for potential closeout, reducing net exposure to ~\$292k.

Q4 Outlook & Key Action Items

Finance Committee – April 2026

Q4 Revenue Realization

01

Confirm expected grant reimbursements and mailed invoices for April–June. Key drivers include state contracts (CDFW, CA Dept of Water Resources) and federal contract close-outs.

Prepaid Liability Reduction

02

Complete closeout documentation for 6787 Lund, 7050 CEMA, and 6804 Website grants (~\$607k). Board approval may be required for write-off accounting treatment.

FY2026 Budget vs. Actual Review

03

Full budget comparison pending QB budget export. CFO to provide variance analysis once QB budget data is confirmed.

Insurance Renewals – July 1

04

Chubb (Commercial Package & Umbrella), Federal Insurance (Business Auto), and LG Marine (Workers Comp) all renew July 1. Renewal review underway.

Audit Preparation

05

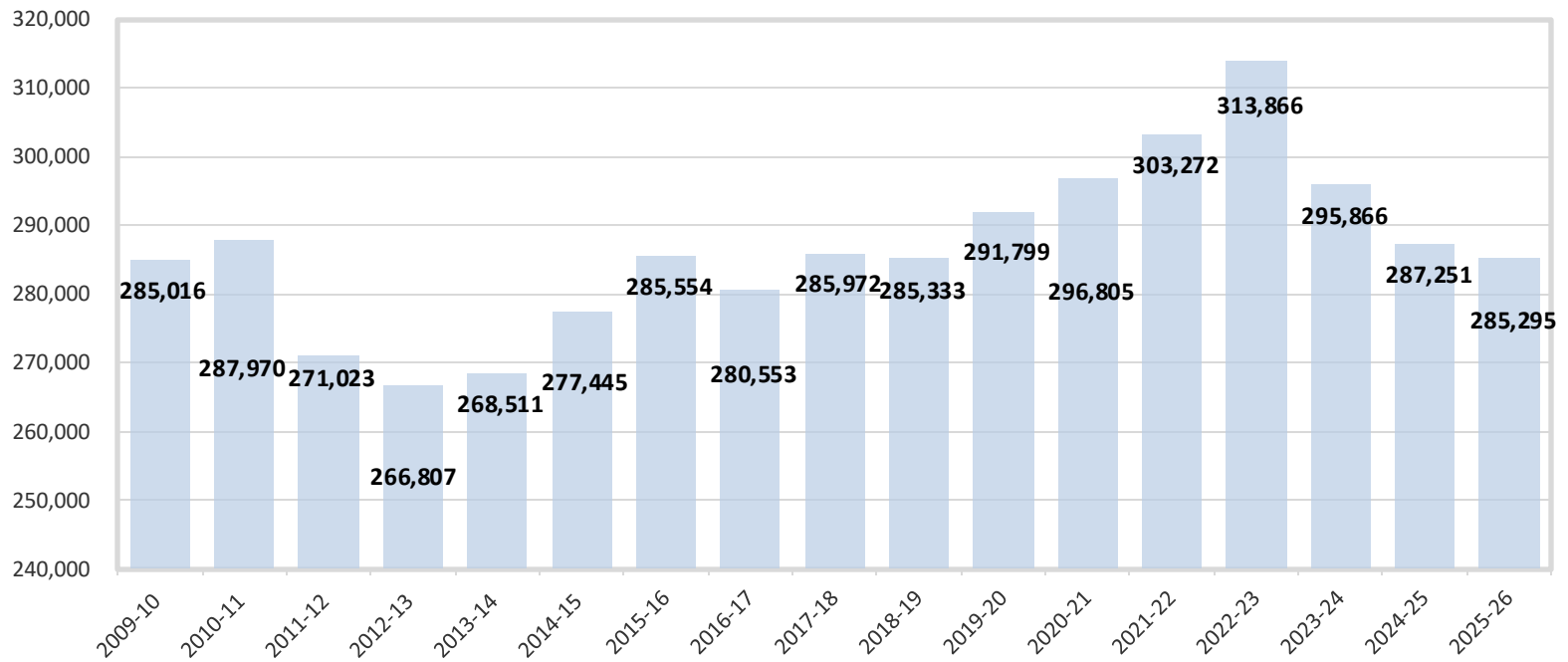
Fiscal year ends June 30. Audit fieldwork typically begins August. Prepare reconciliations and grant schedules through Q4 close.

Cash Flow Management

06

Monitor A/R collections closely. Restricted cash at Comerica should release upon program completion. Target operating cash above \$150k entering new FY.

HFOF (FL License Plate) 3rd Quarter Gross Receipt July - March (9 Months)



HSWRI Strategic Plan Outline

1. Executive Summary

- **Context: Institute at an Inflection Point**

The Institute is at a critical inflection point in its history. Over more than six decades, it has established a strong reputation in marine conservation and aquaculture research. However, the financial and operational environment in which the Institute operates has changed significantly. The historical model that is reliant on competitive grants, partial indirect cost recovery, and intermittent unrestricted support can no longer provide a stable or sufficient foundation for long-term sustainability.

Annual revenues of approximately \$6.4 million continue to support active research programs, but structural issues persist. These include incomplete indirect cost recovery, reimbursement-driven cash flow constraints, and the loss of historical corporate support. These factors are not indicative of weak programmatic performance but rather reflect a misalignment between funding sources and the full cost of operations.

- **Core Strategic Conclusion: Structural, Not Programmatic Problem**

The Institute's challenge is not a lack of scientific relevance or productivity. Rather, it is a structural issue in how research is funded and how institutional costs are supported. Successful grant activity no longer generates sufficient unrestricted revenue to sustain administrative infrastructure, facilities, and working capital needs. While at the same time a significant reduction in unrestricted corporate support has undermined our ability to absorb unrecovered costs.

This distinction is critical. The Institute does not need to reinvent its science, but it must realign its operating model and narrow the scope of its research mission to enhance the potential for higher levels of financial support.

- **Strategic Direction: Transition to Prioritize Aquaculture Program and Seek IP Returns**

This strategic plan outlines a transition to a financially disciplined, aquaculture-focused platform. Aquaculture represents the strongest alignment with national priorities, funding opportunities, commercialization pathways, and long-term revenue generation.

The Institute will concentrate institutional investment in aquaculture while maintaining other scientific programs where they are financially self-sustaining. This ensures both strategic focus and preservation of core scientific capabilities.

- **Financial Strategy Summary**

The Institute will transition to a diversified financial model supported by:

- Public funding (grants and contracts)
- Strategic philanthropic support
- Commercial aquaculture revenue (e.g., Pacific Ocean Fresh)
- Resource-sharing partnerships

Growth will be sequenced and disciplined. No expenditures will be made based on projected revenue that has not yet been realized.

- **Operational and Structural Alignment**

Facilities will be aligned with this strategy:

- Carlsbad as the primary aquaculture hub
- Florida as a self-funded aquaculture/restoration platform
- Mission Bay as a cost-efficient administrative, research and partnership hub

The Institute will also evaluate a dual-entity structure to align revenue generation with administrative cost recovery.

- **Outcome**

Through this approach, the Institute will transition from a grant-dependent organization to a **sustainable, revenue-generating aquaculture and marine science platform**, capable of supporting its mission over the long term.

2. Strategic Phasing

- **Short-term (Immediate to FYE)**

- Align overhead cost rate (i.e., 44%) to more closely match recoverable rate (e.g., 25%)
 - Reduced indirect costs through administrative salary reductions
 - Loss of CSO, HR, Development (2), Facilities staff
 - Remaining officers unpaid
 - Reduced occupancy costs (landscaping, janitorial)
 - Eliminated retirement contribution
- Secure a bank line of credit to...
 - Pay down imminent liabilities
 - Establish a revolving fund to finance reimbursable expenses to generate income

- **Mid-term (FYE to calendar year-end)**
 - Accelerate invoice submission and grant drawdown
 - Hire temporary staff to submit invoices
 - Strategically manage new grant submissions
 - Maximize overhead cost recovery
 - Establish minimum recovery rates for new proposals
 - Target grants with full overhead recovery
 - Aggressively pursue matching and supplemental funding
 - Build and formally establish an operating reserve policy as a non-negotiable budget item
 - Maintain 6 months of core operating expenses
 - Build new revenue streams in parallel with cost cutting
 - Develop cost-sharing of occupancy expenses by partnering with private universities (e.g., USD, PLNU, FIT)
 - Develop short-term partnerships demonstrating value of IP
 - Sale of yellowtail larvae
 - Commercial demonstration of seaweed farming
 - Partner with Port of San Diego on shellfish culture
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- **Long-term (now through 2027)**
 - Formalize and grow commercial enterprises
 - Finalize permitting for offshore farm
 - Use newly acquired property to support commercial aquaculture development
 - Develop business plan including pricing models and customer pipelines
 - Refurbish existing and build new hatchery infrastructure where aligned with well-developed business opportunities
 - Refurbish hatchery to provide seed of multiple species of fish, shellfish and seaweeds
 - Rebuild administrative capacity with a focus on revenue generation (e.g., Full-time grant / contract administrator)
 - Rebuild development capacity
 - Hire a major gifts officer to prioritize large or reoccurring donations and to start building an endowment.
 - Refresh and reaffirm Board “give-or-get” policy and more direct, informed oversight.
 - Develop strategic partnership structure
 - E.g., shared research center model like CEMA
 - Establish formal Risk and Scenario Planning
 - Regular cash flow forecasting (e.g., 12-week minimum)
 - Reserve cash policy with clear triggers
 - Meaningful board-level financial oversight

Press Highlights



- **3 Millionth White Sea Bass Release** - [KPBS](#), [Fox 5 KUSI News](#), [Western Outdoor News](#)
- **Harbor seal makes rare appearance in Mosquito Lagoon** - [Florida Today](#), [Fox 35 Orlando](#), [WESH](#), [WNDB](#)
- **Stranded baby dolphin found by beachgoers rescued from Florida beach** - [The Daytona Beach News Journal](#), [WKMG](#)
- **[Local College Students Release 100 Seabass in Newport Harbor for Ocean Restoration Event](#)**
- **[Get An 'Inside Look' At Animals At SeaWorld San Diego](#)**

Other Business

- Future Meetings:
 - July 26, 2026
 - October 30, 2026
 - January 29, 2027
- Volunteers for CA Aquaculture Action Plan