MEMBERS PRESENT:

Larry Furukawa-Schlereth, Chair          Ruth Burke
Letitia Coate                              Jenifer Crist
Erik Dickson                              Christopher Dinno
Whitney Diver                             Timothy Dondero
Peter Flores                              Dolly Freidel
Bennett Hall                               Ian Hannah
Sue Hayes                                 Lori Heffernon
Bill Ingels                               Carol Ingerman
Nate Johnson                              Susan Kashack
Tristan Kelley                             Mike Kiraly
Paul Lange                                Rick Ludmerer
Laura Lupei                               Rich Marker
Neil Markley                              Brigitte Lahme for Elaine McDonald
Scott Miller                               Peter Neville
Eduardo Ochoa                              Gloria Ogg
Janice Peterson                           Katie Pierce
Anna Reynolds                             Chuck Rhodes
Robert Rosen                              Floyd Ross
Kathleen Spitzer                          Tim Tiemens
Tim Wandling                              Jason Wenrick
Xiaodong Zhu

MEMBERS ABSENT:

Melinda Barnard                          Dan Condon
Tyson Hill                               Kelley Kaslar
Matthew Lopez-Phillips                    Perry Marker
Catherine Nelson                         Sam Scalise
Beez Schell                              Erica Wilcher

GUESTS PRESENT:

Dee Dee Brannan                          Sally Miller
Bill Poe
AGENDA

I. APPROVAL OF THE MINUTES
December 7, 2007
(Please refer to the February 8, 2007 agenda packet for related documents)

Laurence Furukawa-Schlereth called the meeting to order at 12:21 pm. Schlereth welcomed the committee to the first meeting of the Spring 2008 semester. He noted that Catherine Nelson would not be attending today and that Bill Poe would be in attendance instead. Also, Perry Marker is on sabbatical and Kelly Estrada will be acting as his proxy for the entire semester. Schlereth asked for a motion to approve the minutes from the December 7, 2007 meeting. Ian Hannah moved, Floyd Ross seconded. The minutes were approved unanimously with abstentions from those who were not in attendance at the December meeting.

II. VICE-PRESIDENT’S REPORT
(Please refer to the February 8, 2007 agenda packet for related documents)

Introduction of New CRC Member: Robert Rosen
Schlereth introduced Robert Rosen, the fiscal business officer for the School of Extended Education. Schlereth asked Rosen to join the committee given the challenges facing Extended Ed. Schlereth welcomed Rosen to the committee.

Introduction of New Deputy Chief Sally Miller
Schlereth announced that, after a long recruitment process, we have hired a new deputy chief, Sally Miller. Nate Johnson provided an introduction noting that Miller has been in law enforcement for over 20 years, 16 at Santa Rosa Junior College. Miller has received numerous awards for various projects and has worked on federal and state legislation for the campus federal crimes act.

Globalization Study Group
Schlereth provided an update on the Globalization Study Group. This group was created in response to some discomfort felt on campus about the decision to outsource the Bookstore to Barnes and Noble. This committee was initially created to analyze the effects of the decision on the student body but has morphed into reviewing the broader question of the effects of outsourcing and globalization on the entire campus community. The group was getting close to finishing up, but has encountered a problem. At the end
of the Fall semester, a grievance was filed by the CSUEU that the subject matter being discussed was in the subject matter of bargaining and thus, in the realm of an unfair labor practice dispute. The legal guidance was that the group was indeed close to the scope of bargaining in these globalization discussions. So, the group is planning to continue, but now intends to focus on the original charge, which is to understand the economic impact of the decision to outsource the Bookstore on the student body; to determine what the impact is on the educational mission of the University; and lastly, to determine the impact on the social and cultural mission of the University. The discussion will be limited to these areas and will include no discussions about employees. Schlereth will meet with the CSUEU representatives to explain the limited scope of the discussion and this change in the direction of the committee should also be reported back to the Academic Senate.

Green Music Center Presenting
The Green Music Center Presenting group is an ad hoc, informal group with representatives from Associated Students, the Student Union, Residential Life, the Green Music Center, Sonoma State Enterprises and other areas that are directly involved with students. The intent is to determine strategies to make the GMC come to life for the students. The group will continue to actively meet. Another task in addition to planning activities in the GMC is to get input from students on how we wish to design the North Campus Quadrangle. This area used to be called the GMC Lawn, but Schlereth anticipates that it will have much broader use than just that. Schlereth would like to make a case to the CSU for resources to complete the lawn, just as they have provided SSU with resources to complete other campus lawn areas. If anyone is interested in this discussion, Schlereth invited them to contact either him or Anna Reynolds-Smith. There should be a more detailed plan and cost estimate for this area in the next few months.

Green Music Center Hospitality Center Design
The design for the restaurant and conference center is almost complete and more information should be available by the May CRC meeting. Schlereth added that this will be another great space for campus and student programming.

Internal Audit Mandate
A new potential mandate is being discussed at the Chancellor’s Office to require each CSU campus to have an internal auditor who is also a CPA. This position would have a joint reporting relationship and report to the CO auditor as well as the campus administration. SSU currently has an internal auditor, Kurt Koehle, but he is not a CPA. Schlereth is hopeful that there will not be a mandate in this budget cycle. Scott Miller asked for some background on the internal auditor issue. Schlereth responded that the Office of the Internal Auditor at the CO goes though a periodic peer review process similar to accreditation. The resulting report said that for a system of our size, the CSU is woefully short on auditors and the report provided a number of recommendations on how to remedy this problem. The consensus seems to be that it makes better sense to place the auditors directly on the campuses in order to limit travel for people headquartered at the CO. The counterargument is that there may be a loss of objectivity in auditors headquartered on campuses. Hannah asked if it looked like the mandate was going to be one auditor per campus regardless of size. Schlereth replied that, yes that looked to be the case. This would allow the campuses to undergo more scrutiny and assessment of programs and additional focus on non-financial areas for auditing.
CMS/Chinese Delegation
Schlereth announced that SSU was asked by the system to host a group of Chinese educators who were interested in how Oracle has made a difference to our institution and the lessons we have learned working with the PeopleSoft product. Jason Wenrick and the rest of the CMS team, with some support from the CO, did an excellent job of hosting the guests and the feedback was that it was a very helpful meeting.

CMS Absence Management Module – Payroll/Benefits
Schlereth explained that the State of California, who handles the payroll, has decided to move to a new payroll system because the current system is antiquated. This new system was originally conceived in 1998, but has had issues with funding. However, it is moving along quickly now and the funding is in the Governor’s Budget. We will go live to a new system in 2010. This change will require a new module in PeopleSoft called Absence Management. This will have a one-time cost of about $200,000 and funding needs to be found for this mandate. Wenrick added that all absence and time sheets will be available online to be self-completed. So, it will take a lot of work upfront to roll out the new module but it should be a time saver once it is implemented.

CMS Student Administration
Schlereth announced an organizational change. The CMS Student Administration team which has always reported in SAEM is being reassigned to the CMS central project. There is a certain challenge to develop a level of redundancy for CMS if the tasks are not centralized. Schlereth, Wenrick and Matthew Lopez-Phillips had discussed whether or not SAEM could create the levels of redundancy and support that are needed within the SAEM and it was determined that it would be easier to provide redundancy if these positions were in the central CMS administration team. Physically, there is no change, since this team has been located in Salazar for almost a year. So, all aspects of CMS now report to Jason except for in Faculty Affairs, Eduardo Ochoa and Carol Blackshire-Belay are currently considering how to proceed with the needs in that area. Schlereth thanked Wenrick for his willingness to take on this additional responsibility.

On-Line Giving
Schlereth noted that the on-line giving module is moving forward. Soon, donors will be able to contribute directly on the website to the campus area of their choice.

Sustainability Conference
Schlereth explained that Sue Hayes brought this conference on sustainability called Focus the Nation, to his attention and Schlereth encouraged all those who were interested to attend. Schlereth added that he would also like to gather all of the information on the sustainability initiatives into one place and thanked the Facilities and Dining Services people for taking the lead in this area.

Cell Phone Policy
Schlereth announced that all of the meet and confers with the various unions on the subject of the new cell phone policy are complete. The policy will be implemented on the first of July and Schlereth encouraged everyone to be prepared for this change.

Performance and Financial Audits
There was a resolution in the Academic Senate that was being discussed since before the holiday break calling for an independent audit of CIHS. The scope of the resolution has gotten broader and the Senate will take it up again in the next few weeks. Schlereth
has asked Koehle to gather all external and internal audits from the past five years so that all the information will be available which could be helpful for that discussion.

**Post Award Grant Administration - Schools**
Schlereth explained that the Schools are anxious for the distribution of IDC and that there just needs to be one more meeting with the deans first. The meeting is scheduled to take place in a few weeks.

**CIHS Update**
Schlereth has asked Letitia Coate to continue the internal review of CIHS. The original focus, which resulted in the special investigation and report, was related to only one two or three grants. Upon reflection, discussions with the CO and new information, Schlereth has asked for a comprehensive review of all CIHS activity of the last five years.

**Services to Students: Evenings and Weekends**
Schlereth explained that there was a recent conversation thread on Senate-Talk that services for students on campus generally stop at 4:30 or 5:00 pm. Schlereth would like to create a group to understand what services are currently provided to the student body in the evenings and on the weekends. Currently, Customer Services and Financial Aid are open until 7:00 pm Monday through Thursday. Dining Services is open, and Police Services and Facilities are available around the clock. Perhaps the availability of IT and the Help Desk hours need to be reviewed. Schlereth asked the committee if this should be an internal discussion or if a separate committee should be formed. Dolly Freidel agreed that it would be worthwhile to look at IT and that more media and help desk support is needed. Gloria Ogg asked if a group would be limited to just looking at services provided by A&F. Robert Rosen added that this discussion is also important for Extended Education since many Extended Ed classes take place outside of regular business hours. Chuck Rhodes suggested that there should be a joint committee with SAEM instead of just A&F. Katie Pierce added that Academic Affairs should be involved too. Whitney Diver noted that students would be interested in being involved. Schlereth suggested that such a committee be created and asked Miller and Rhodes to work on putting the committee together. Pierce will bring the issue to the Faculty Affairs Council to select representatives. Diver emphasized that this committee should stay focused on student services. Hayes added that the night and weekend students that are most impacted by this discussion are not generally active in student government, so there needs to be some strategy to get them involved. Neil Markley added that he would also like to be included. Schlereth thanked the committee for their assistance and would like to add this as a standing topic for CRC.

**Campus Notification System**
Nate Johnson will be bringing a proposal to the committee in March for the campus alert system.

**Housing Assistance Program**
The Housing Assistance Program proposal will be brought to the March meeting for action.
III. FINANCIAL AFFAIRS
(Please refer to the February 8, 2007 agenda packet for related documents)

**Governor's Budget: 2008-2009**
- Budget Summits
- Hiring Freeze

The Governor's budget is out and basically, he provides funding to cover the compact and then takes a cut and the CSU ends up with a $99.3 million overall reduction. Then, resources are not provided for contracts associated with the collective bargaining agreements, other mandatory costs such as rising health care costs or funding to offset an increase in tuition. Taking all of these items into account, the CSU is about $241 million in the red. SSU’s share amounts to a campus budget cut of about $5 million. Additionally, on June 30, the faculty will receive an increase based on their bargaining agreement which is not covered for 08/09. If the Trustees act on the fee increase, the gap will be closed a bit and the impact to the campus is about $3.5 million. President Armiñana has made a commitment to no layoffs for permanent employees. A permanent employee is considered anyone whose appointment letter does not have an ending date. A hiring freeze has been put into effect. Positions that are determined to be essential or that are paid from fee revenue or other non-general fund revenue may still be filled. Schlereth added that he is in the process of planning budget summits to keep the campus informed.

**Repairing the Base Initiative**
Schlereth is in the process of meeting with areas on campus to explore where the major funding problems exist even before these new rounds of potential cuts. There exist serious operational issues that threaten the fundamental business of the University. Schlereth has met with most areas in Academic Affairs and hasn’t yet met with SAEM. He will provide a summary and allow various committees to weigh in on the issues that have been raised.

**Extended Education**
Schlereth explained that Extended Education is facing some challenging external realities. Costs associated with collective bargaining are rising and the University has changed to year-round operations which has compromised Extended Ed’s summer school program. The School is not in as strong a financial position as it has historically been. This is important because the Schools rely on money distributed from Extended Ed to assist with expenses. Extended Ed needs to reposition itself into different markets, and this kind of activity requires investments.

**Foundation**
The Academic Foundation is an increasingly complicated entity. Currently, $87 million of assets are being managed virtually by volunteers. This is the most complex auxiliary and it has no direct staffing. Schlereth emphasized that this is not a good situation to continue for the long haul.

**Division Budget Planning 2008-2009**
Administration and Finance is taking the hiring freeze very seriously. However, it must be realized that, at some point, a department gets so understaffed that continuing current levels of service is not possible. Schlereth raised some hypothetical questions
for the committee to consider. If Facilities is extremely understaffed in custodians, do we continue to clean the campus? If IT is woefully understaffed, do we continue to service the computer labs? Assessments are currently underway in Entrepreneurial Activities and IT. We may need to change the services we provide or the way we do business in order to adjust to the budget cuts and the hiring freeze. At some point, we will not have enough staff to support functions, so people may need to be reassigned, which will be controversial. There are also a number of areas that can earn revenue to support the campus with various rates of return. These include Extended Education, Grants and Contracts and Development. Each of these areas requires investment up front to increase the potential for revenue. Entrepreneurial Activities is making investments in the University Center to expand their operations and provide increased opportunity for revenue. These investments need to be discussed in addition to the repairing the base discussion. Schlereth added that a strategy might be to cut further than the quota in order to repair the base or make improvements and investments. The strategic planning process is instrumental in providing guidance and recommendations on how these priorities should be determined.

Gloria Ogg asked if the kind of “creativity” and “reengineering” activities that the Division undertook in the nineties were even possible in the current bargaining unit environment. Schlereth replied that it is more difficult now than it used to be, but he feels that, at some point, there just won’t be any other options. Scott Miller thanked Schlereth for continuing the work on repairing the base despite the current budget climate and wondered how this would proceed considering the hiring freeze and the current budget situation. Schlereth replied that the majority of the base issues lie in operating expense and not in staffing and that, regardless of the current budget issues, these are problems that must somehow be addressed.

IV. HISTORICAL ALLOCATION OF INDIRECT COST RECOVERY REVENUE
(Please refer to the February 8, 2007 agenda packet for related documents)

A concern has been voiced that the indirect cost recovery from Grants and Contracts is not appropriately distributed and not enough funding is going to the Schools. Schlereth has asked Letitia Coate to pull the detailed information from the general ledger to provide a historical view of the allocation of the indirect cost recovery revenue. Schlereth reviewed the allocation of the IDC over the past five years for the Grants and Contracts program. Grants and Contracts had a total volume of over $173 million and over $17 million of IDC was distributed. The analysis of how the money was then used within each of the allocation areas is currently being completed. Ochoa added that, within Academic Affairs, a balanced distribution scheme based on the effectiveness of bringing in IDC grants was used. This scheme recognized that all Schools do not have equal opportunity to bring in these types of grants. Ochoa emphasized that the overwhelming majority of the money was delegated to the schools. Schlereth noted that the next report will also provide information on the return of IDC to CIHS.

V. NACUBO ENDOWMENT SURVEY
(Please refer to the February 8, 2007 agenda packet for related documents)

Schlereth explained that, each year, SSU participates in the NACUBO Endowment Survey, which is a benchmarking exercise, to determine how our University compares to similar institutions on our endowment. Hannah provided a presentation on SSU’s endowment along with comparison data and results of the endowment survey.
Schlereth emphasized that SSU has created a large amount of money, with only a small amount of people. Last year, the endowment provided a one million dollar distribution to the University that otherwise would not have existed. The Development Office would make an argument that this is a good area to invest in. Schlereth also plans on demonstrating how the dollars being distributed annually from the endowment are used to directly enrich the University. SSU had the highest performance in the CSU system in the 06/07 fiscal year. Schlereth thanked Hannah, Bill Ingels, Coate, John Beckman and the Foundation Finance Committee for their work in this area.

VI. CODE OF ETHICS
(Please refer to the February 8, 2007 agenda packet for related documents)

This is an item for review that will be brought back for action at the next meeting. Schlereth reviewed the draft Code of Ethics Statement. The intent is to state for the record our code of ethics for those charged with handling finance on the campus and Schlereth asked the committee to reflect on whether or not this statement is accurate for our campus. Ochoa asked if other campuses have codes of ethics that cover all aspects or just the financial area. Schlereth responded that these types of statements are generally geared towards the financial area because the auditors and accreditors request it for the financial areas. Schlereth added that we could do a campus wide statement, but that would require much more conversation. Ochoa noted that it does seem odd to single out financial officers as the only ones responsible to a code of ethics.

VII. FACULTY IN RESIDENCE PROGRAM
(Please refer to the February 8, 2007 agenda packet for related documents)

Schlereth provided the report from the ad hoc task force on the Faculty in Residence Program and added that this should be an action item to vote on today. Schlereth thanked task members Tim Tiemens, Cyndie Morozumi, Dolly Freidel and Chuck Rhodes for their work on this project. Rhodes provided an overview of the proposal from the committee. Last year, the committee was formed to begin this project and CRC provided the recommendation to move forward with the planning. A variety of possible situations were reviewed. Currently, the program is partnering with the FYE program; however, a backup plan exists if FYE is not renewed for next year. One building in Sauvignon Village has been identified to house University 150 students. One four-bedroom, fully furnished apartment was determined sufficient compensation for the faculty member. Retail value of the apartment is $2,000 per month. Once a semester a major guest speaker will visit and spend a couple of days in the dorm conducting seminars, discussions and informal chats. Students will not receive academic credit for this portion of the experience. The programmatic costs are about $18,000 and the loss of revenue for Housing is about $41,000. Sauvignon Village was not originally designed to house freshman, so this program will assist in making the community more appropriate for the freshman experience. Living and learning groups tend to have high GPA’s, higher satisfaction and higher engagement. This proposal has been discussed with the Faculty Affairs and Structures Committee. The CRC members expressed no major objections to the program and Schlereth suggested that it be presented to the Academic Senate as an informational item.

Brigitte Lahme asked if the rent is considered to be taxable income. Rhodes replied that it was, but that part of the plan is to allow new faculty to save up for a down payment for a home. Lahme responded that the additional taxes on the lost rent may be tax
prohibitive. Tiemens added that utilities are also covered which adds to the financial incentive. Schlereth asked Rhodes to work with Kathleen Spitzer on this issue and determine if there needed to be a meeting with the CFA. Katie Pierce asked where the funding would be coming from and Schlereth responded that it would be covered by Housing since this is a way to bridge residential and academic life. Neil Markley added that, while he supports the program, there is a concern about displacing six slots for students at a time when our housing is already impacted. One possibility, if the program is successful is to build a residence down the road. Schlereth asked Markley to meet with Dinno about the possibility of working two housing units into the Tuscany project. Schlereth noted that this is a pilot program.

Schlereth moved to approve the Faculty in Resident Program proposal; Ross seconded. No objections or abstentions were heard and the proposal passed unanimously.

Schlereth also asked Rhodes to explore the possibility of creating an international student residential program. This idea has been raised in the past, but it might be time to revisit it. There has been some campus dialogue about it and it might relate well to the diversity goal area. Schlereth asked any interested committee member to contact him or Rhodes.

VIII: ALCOHOL POLICY REVISIONS – FIRST READING
(Please refer to the February 8, 2007 agenda packet for related documents)

Schlereth is proposing to revise the campus alcohol policy and asked Markley to review the proposed changes to the policy. Markley explained that the main reason for this is the opening of the GMC and the Hospitality Center and Restaurant at the GMC. In the restaurant and hospitality center, the experience provided should be similar to what can be found off campus. The facility will include a bar and the proposal is to amend the policy to allow the serving of spirits at the GMC facility only. Looking at similar facilities around the country, this is a standard. Schlereth emphasized that this change would be at the GMC only and the intention is to keep it that way. At the same time, portions of the policy that were outdated were also updated in this revision. Major revisions include the definition of the word “serve”, requiring that Dining Services serves alcohol at events. This has been enforced for a while because it is a liability issue but the verbage never made it into the policy. Markley added that nothing has changed for those wishing to hold a departmental party, but when an event is open to the public, Dining staff must serve the alcohol. Additionally, there was a dialogue with student life concerning student consumption of alcohol. The policy has been revised to allow the Office of Campus Life to set policies relating to student alcohol consumption. Markley asked the committee to provide changes or feedback for a second reading and possible approval at the next meeting.

IX. UNIVERSITY CENTER
(Please refer to the February 8, 2007 agenda packet for related documents)

Markley, Dinno, Diver and Bennett Hall provided a presentation to the committee on the University Center project. The goal of the University Center is to enhance the student experience and become the “living room” of the campus. SSU doesn’t really have a central student center like many other campuses do and since we are a highly residential campus, this is an important issue. There are four partners working together on this project, the Housing program, Associated Students, the Student Union and
Sonoma State Enterprises. There has been great collaboration and cooperation on this project. It was emphasized that none of the funding for the $62 million project comes from the general fund.

Freidel asked about the sustainability considerations of the project and Dinno responded that there would be a focus on these issues in the planning and construction of the building. Ochoa asked if the building plans for University growth and Dinno replied that it has taken into account the projected 10,000 FTE in the University plan. Ochoa pointed out the irony that it is difficult to fund the academic mission, but that this type of project has funding. Lahme agreed and noted that this kind of thing affects the perception of where priorities lie on campus. Rhodes pointed out that all of our student activity facilities are outdated and run down. The campus either needs to invest in something new or spend money trying to patch up what we do have. This project is critical to our ability to recruit and retain students. Ochoa replied that his comment was not meant as a criticism of this project, but more of an observation that the higher education system is irrational. Hayes reiterated that our Commons and Zinfandel facilities are past patching up. She views the University Center as a major selling point for SSU. Schlereth thanked all those involved in the project for their work.

X. SUSTAINABILITY INITIATIVES
Schlereth said that he attended the Focus the Nation event which was focused on sustainability and thanked those involved for organizing the event. Schlereth said that he would like to define five or six tangible actions that the Division of Administration and Finance could tackle in the coming year and would like to set an agenda to discuss these objectives. He has asked his management team and asked the CRC members to provide any suggestions.

XI. DIVERSITY INITIATIVES
Schlereth said that there has been a lot of talk around the University about diversity, but again, he would like to define about five tangible initiatives for the Division to embark on in the next year. The division has been working with Pat Fuscaldo on the Ron Lodgson tournament and he would like to see this made into an educational opportunity for the campus. Schlereth would like to discuss this further in the March meeting.

XII. PERIODIC REVIEW OF ADMINISTRATORS
Item deferred.

XIII. TOUR OF GREEN MUSIC CENTER
Members were invited to attend a tour of the Green Music Center construction site.

Schlereth adjourned the meeting at 3:47 to allow members of the committee to tour the Green Music Center.

Minutes prepared by Laura Lupei.