MEMBERS PRESENT:
Eduardo Ochoa    Provost, Co-Chair
Larry Furukawa-Schlereth  Vice-President, Administration and Finance, Co-Chair
Katharyn Crabbe   VPBAC
Melanie Dreisbach  Chair of the Faculty
Andy Merrifield   CFA Representative
Gloria Ogg        CRC
Henry Amaral      Staff Representative
Rand Link         Vice-President, Student Affairs
Janice Peterson   CRC
Elizabeth Stanny  Chair-Elect of the Faculty
Chris Fadeff      Associated Students Treasurer
Tim Wandling      VPBAC Faculty
Melinda Barnard   CRC
Lynn McIntyre     Vice-President, University Affairs
Jason Spencer     President, Associated Students
Catherine Nelson  Immediate Past Chair of the Faculty
Saied Rahimi      VPBAC
Sam Scalise       CRC

STAFF PRESENT:
Neil Markley      Director, Administrative Services
Bill Ingles       University Treasurer
Letitia Coate     University Controller
Katie Pierce      Associate Vice-President for Academic Resources

MEMBERS ABSENT:
Steve Wilson      Associate Vice-President, Administration and Finance
Stuart Jones      Vice-President, Development
John Kramer       Faculty Representative at Large

STAFF ABSENT:
None

GUESTS PRESENT
Robert Rosen
Santos Torres

AGENDA
I:   APPROVAL OF THE AGENDA
II:  APPROVAL OF THE MINUTES
III: GREEN MUSIC CENTER – BOARD OF TRUSTEES ITEM
IV:  EXTENDED EDUCATION
V:   GRANTS AND CONTRACTS (Added)
VI:  ITEMS FOR THE GOOD OF THE ORDER
I: APPROVAL OF THE AGENDA

Eduardo Ochoa brought the meeting to order at 8:07AM. Ochoa introduced Professor Santos Torres, Graduate Program Director of the Division of Social Work at CSU Sacramento. Larry Schlereth proposed adding a brief introduction of an issue involving Grants and Contracts. No objections were heard to adding this item and approving the agenda.

II: APPROVAL OF THE MINUTES: November 11, 2004

Kathryn Crabbe moved and Lynn McIntyre seconded a motion to approve the minutes of November 11, 2004. The minutes were approved unanimously with abstentions from those not in attendance at the November 11, 2004 meeting.

III: GREEN MUSIC CENTER – BOARD OF TRUSTEES ITEM
(Please see the December 16, 2004 Agenda Packet for this document)

The Green Music Center project will cost $61,000,000 with $17,000,000 funded through proposition 65 funds and $7,000,000 through commercial activity financing. The Foundation Board of Directors approved the letter of credit at their recent meeting. The letters of credit represent little risk to the Foundation. The Foundation will be issuing four-year tax exempt notes in the amount not to exceed $13,000,000 to partially fund construction of the concert hall portion of the project. These notes will be issued pursuant to an indenture entered into by the Foundation and a bank serving as trustee for the bonds. The donors’ pledges, collateralized by their letters of credit, will secure the notes. Should the $13,000,000 not be raised in time to pay the notes, the donors will be responsible for repayment.

Schlereth is recommending the Green Music Center financing proceed to the Board of Trustees for approval.

Andy Merrifield asked if Development would now be freed for other fundraising activities. Schlereth commented that the arts are heavily reliant on donor funds and does not believe the fundraising will end anytime soon. He indicated that Development will need to balance the continued fundraising and the needs of other areas, including Academic Affairs. Tim Wandling congratulated all those who worked on the financing and feels the Green Music Center will be an asset to the campus once it is built. Henry Amaral asked how the complex will be operated. Schlereth noted that Academic Affairs and Administration and Finance have both created plans. The presenting season will be created by an Advisory Board. We currently do not have funding for a presenting season.

Questions regarding the project ensued. No objections were heard to Schlereth’s recommendation.

IV: EXTENDED EDUCATION
(Please see the December 16, 2004 Agenda Packet for this document)

Schlereth reviewed the Extended Education Cash Analysis. Extended Education is facing a number of challenges including a summer faculty employment settlement, a reserve requirement and the need for business development funds. Primarily due to the summer faculty employment settlement, Extended Education is facing a projected fund balance deficit of $476,632. Future funds are threatened as well, due to the impending loss of Summer Session classes. Only $74,342 has been distributed to the schools and no further distributions are planned for this year.

Elizabeth Stanny noted other scenarios that could play out to benefit Extended Education. Tim Wandling is happy to be able to see these numbers as many departments rely on Extended
Education distributions. Wandling suggested the Chancellor’s Office should assist offsetting the summer employment settlement. Schlereth responded that he is trying this angle. Another option is that the Systemwide Continuing Education Reserve Fund could help cover the costs. Crabbe noted that ESAS also relies on Extended Education distributions. Discussion ensued regarding potential new revenue sources for Extended Education. Schlereth reiterated the need for reserves in all our funds.

V: GRANTS AND CONTRACTS

The Grants and Contracts program is very successful and unusually large for a campus of our size. As many of our grants and contracts pay in arrears, this program requires $9,400,000 in working capital. To meet this need, the campus has had to initiate internal borrowing with every major fund source including Extended Educations, Indirect Cost Recovery fees (IDC), Course Fees, CIHS, project management trusts and all IRA fund balances. Further, many grants and contracts do not provide appropriate IDC revenue to fully reimburse the campus. Schlereth informed Members that this is a pending issue and cash is needed to support working capital needs of Grants and Contracts.

Saied Rahimi noted that NSF grants provide positive cash flow. Ochoa noted that he and Tony Appolloni were working on adjusting funding formulas and protocols for the future. Melinda Barnard would like to see some additional information on this. She is not convinced all the grant and contract activity is fully benefiting the campus. Ochoa noted that Grants and Contracts supports the campus in a number of ways, including service learning and revenue for Academic Affairs. Dreisbach noted that IDC is an important incentive to receive grants. Merrifield agrees with Barnard that all Grants and Contracts may not benefit the campus. Merrifield feels the individual faculty member is the person who need the Grants and Contracts support and should be kept in mind.

IV: ITEMS FOR THE GOOD OF THE ORDER

Dreisbach informed Members that the Academic Senate is working to rename committees to better reflect their purpose. She asked for feedback in renaming the President’s Budget Advisory Committee to the University Budget Advisory Committee.

Ochoa adjourned the meeting at 10:01am.
Minutes prepared by Neil Markley