PRESIDENT’S BUDGET ADVISORY COMMITTEE
December 9, 2010

MEMBERS PRESENT:
Larry Furukawa-Schlereth CFO, Vice-President for Administration and Finance, Co-Chair
Saeid Rahimi Interim Provost, CAO, Vice-President for Academic Affairs, Co-Chair
Matthew Lopez-Phillips Interim Vice-President for Student Affairs & Enrollment Management
John Wingard Chair of the Faculty, Anthropology Department
Ben Ford Chair-Elect of the Faculty, Chair, Math Department
Susan Moulton Immediate Past Chair of the Faculty, Art Department
Bill Silver Dean, School of Business and Economics, AABAC Representative
Letitia Coate Associate Vice-President for Administration and Finance
Janice Peterson Senior Director for University Budget, A&F, CRC Representative
Jason Wenrick Acting Chief Information Officer, Administration and Finance
Bridgette Dussan President, Associated Students
Katie Robinson Vice-President, Finance, Associated Students

STAFF PRESENT:
Ian Hannah Acting University Treasurer, Administration and Finance
Laura Lupei Budget Manager, Administration and Finance

GUESTS PRESENT:
Christopher Dinno Senior Director for Facilities and Construction Management, A&F
Erik Greeny Associate Vice President, Development
Kathy Mahler Lead Budget Manager, Administration and Finance
Mike Ogg Budget Manager, Administration and Finance
Art Warmouth Professor, Psychology

MEMBERS ABSENT:
Ruben Armiñana President, SSU, Chair
Dan Condon Vice-President for University Affairs
Patricia McNeill Vice-President for Development
Andy Merrifield CFA Representative, Political Science Department
Henry Amaral Staff Representative, Facilities

AGENDA
I. APPROVAL OF THE MINUTES
II. UPDATED BUDGET PLAN: 2010-2011
III. REVIEW OF CAMPUS RESERVE
IV. BOARD OF TRUSTEES BUDGET REQUEST 2011-2012
V. FIVE YEAR CAPITAL OUTLAY PLAN
VI. BUDGET PRIMER
VII. ALLOCATIONS TO SCHOOLS AND LIBRARY COMMITTEE UPDATE
I. APPROVAL OF THE MINUTES
Saied Rahimi called the meeting to order at 8:06 am. Laurence Furukawa-Schlereth asked for a motion to approve the minutes of October 28, 2010. Janice Peterson moved; Jason Wenrick seconded. The minutes were approved with no changes.

II. UPDATED BUDGET PLAN
(Please see the December 9, 2010 agenda packet for related documents)
Schlereth reviewed the campus budget plan for 2010-2011 and noted that much of the plan has not changed since the October meeting. Schlereth noted that the student fee increase has been passed by the Board of Trustees and is a 5% increase for the Spring semester and a 10% increase for the Fall 2011 semester. Schlereth notated that these budget figures are all estimates until the census data is compiled. Discussion ensued regarding the enrollment increase to 7420 FTES and the impact on the budget and instruction workloads. Schlereth noted that there are concerns about the new governor and a potential mid-year budget reduction. He has asked each of the VPs to be careful about how they deploy these resources because this could all change in a few weeks. Schlereth also informed the committee that the CSU is moving back to Year Round Operations and this will again affect Extended Ed’s net income.

III. REVIEW OF CAMPUS RESERVE
Schlereth noted that this is the first time at this point in the year when we review the campus reserve that no items have been charged there yet. So the balance of the reserve is still $625,000. This is partially because the President has directed the divisions to utilize their new funding before asking for funding from the reserve.

IV. BOARD OF TRUSTEES BUDGET REQUEST
(Please see the December 9, 2010 agenda packet for related documents)
Schlereth reviewed the Board of Trustees Budget Request for 2011-12 and noted that this may not be a realistic budget request for next year. It includes permanent funding for the one-time funding that we are receiving this year, a buyout for the student fee increase, mandatory costs, compensation increase pool, funding for the Early Start initiative and 2.5% enrollment growth above the 10/11 target amounts.

V. FIVE YEAR CAPITAL OUTLAY PLAN
(Please see the December 9, 2010 agenda packet for related documents)
Schlereth introduced Christopher Dinno, Senior Director for Facilities and Construction Management who reviewed the requested five year SSU Capital Outlay and Capital Improvement Plan. Dinno explained that this program is a planning tool for the Chancellor’s Office to estimate future bonds and this plan covers 2011-2012 through 2015-2016. The funds for these programs are restricted to the specific construction project for which the bond was issued and the campus is reimbursed for overhead.
costs. All items are approved by the Board of Trustees and SSU is not required to pay back the funds for any state funded projects. The Major Capital Outlay projects identified in the five year plan include the Professional Schools Building, Stevenson Hall Renovation, Galbreath Observatory, the Ives Hall Renovation and the Kinesiology Renovation which total about $144M. Minor Capital Outlay projects total about $2M over the five years and include funding requests for classroom renovations, ADA related projects and deferred maintenance. The requested funds for various energy projects total $649,000 and the list of requested Capital Renewal Projects totals almost $13M in the next five years. The total requested funding for State Funded Capital Outlay for 2011-12 to 2015-16 is almost $159M. There is also one project in the five year plan for the Non-State funded program which is the Student Center, estimated at $62M.

VI. BUDGET PRIMER
(Please see the December 9, 2010 agenda packet for related documents)

Schlereth reviewed the Budget Primer presentation for the committee. The presentation provided an overview of the composition of the 09/10 SSU Budget included the Operating Fund, the Capital Budget and the Self-Support and Auxiliary Funds. The Operating Fund budget for 09/10 was $86.3M and is composed primarily of state appropriations and student fees. The Capital Budget was $4.3M in 09/10. The 09/10 Capital Budget included GMC Phase II and IV, the Student Center design, and various energy projects. This budget varies from year to year and strict restrictions are set on how these funds are used.

Schlereth then reviewed the budgets for each of the Self-Support funds. The Grants and Contracts program was budgeted at $8.4M, comprised of $1.9M for the ASC, $3.8M in the Schools and $2.7M related to student outreach and public service. Resources are restricted to the specific grant or contract and the campus is reimbursed for overhead costs via Indirect Cost Recovery (IDC). The Housing program had a budget of $19.2M in 09/10. These resources are restricted to the program. Housing has a high level of debt at $138M which is characteristic of a young and highly residential campus. The 09/10 budget for the School of Extended Education was $6.1M and Extended Education has $8.4M in debt related to the Green Music Center. The Parking program had a budget of $2M in 09/10 and these resources are restricted to the Parking and Alternate Transportation program. Parking has outstanding debt of $8.5M. The Instructionally Related Activities (IRA) budget was $3.2M.

Schlereth then provided an overview of each of the campus Auxiliaries. The Associated Students, Inc. (ASI) had budgeted revenue of $2M in 09/10. The Student Union’s budget was $2.1M. The Student Union has outstanding debt of $14.6M. Sonoma State Enterprises (SSE) had a budget of $8.9M and outstanding debt of $5M. The Sonoma State University Academic Foundation (SSUAF) had a $217,500 General Fund budget for 09/10. Total assets of the SSUAF were $39.5M.

Schlereth reviewed the annual audit activity as well as the Debt Service Coverage Ratio (DSCR) and Campus Reserve policy requirements.

VII. ALLOCATIONS TO SCHOOLS AND LIBRARY COMMITTEE UPDATE
Schlereth reported that this item is in process and he should have more information in the Spring.

Rahimi adjourned the meeting at 9:54 am.
Minutes prepared by Laura Lupei.