PRESIDENT’S BUDGET ADVISORY COMMITTEE
December 8th, 2011

MEMBERS PRESENT:
Larry Furukawa-Schlereth CFO, Vice-President for Administration and Finance, Co-Chair
Andrew Rogerson Provost, CAO, Vice-President for Academic Affairs, Co-Chair
Matthew Lopez-Phillips Interim Vice-President for Student Affairs & Enrollment Management
Ben Ford Chair of the Faculty, Mathematics Department
Margaret Purser Chair-Elect of the Faculty, Anthropology Department
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
Katie Higgins for Alex Boyer Senator, Associated Students
Collin Yballa Vice-President, Finance, Associated Students

STAFF PRESENT:
Lori Heffernon Director of Academic Resources, Academic Affairs
Ian Hannah Acting University Treasurer, Administration and Finance
Laura Lupei Budget Manager, Administration and Finance

GUESTS PRESENT:
Matt Benney Associate Vice President, Student Affairs and Enrollment Management
Arcelia Cabrera Administrative Assistant, University Development
Erik Greeny Associate Vice-President, University Development
Susan Kashack Associate Vice President, University Affairs
Kathy Mahler Lead Budget Manager, Administration and Finance
Mike Ogg Budget Manager, Administration and Finance
Katie Robinson Project Assistant, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana President, SSU, Chair
Dan Condon Vice-President for University Affairs
Patricia McNeill Vice-President for Development
John Wingard Past Chair of the Faculty, Anthropology Department
Bill Silver Dean, School of Business and Economics, AABAC Representative
Andy Merrifield CFA Representative, Political Science Department
Henry Amaral Staff Representative, Facilities

AGENDA

I. APPROVAL OF THE MINUTES
II. “TRIGGER” UPDATE
I. APPROVAL OF THE MINUTES
Larry Furukawa-Schlereth called the meeting to order at 8:06 am. Schlereth asked for a motion to approve the minutes of the November 17th, 2011 meeting. Margaret Purser moved; Janice Peterson seconded. The minutes were approved with no objections or changes.

II. “TRIGGER” UPDATE
Schlereth reported that it will be announced in the next week or so whether or not the CSU will take a mid-year trigger budget cut and whether or not that cut will be permanent or one-time. As has been discussed before, the campus is prepared to deal with a one-time cut this year, but does not have a plan for a permanent reduction. President Armíñana has asked that this committee and the Cabinet members begin to consider how the campus would manage a permanent reduction.

III. REVIEW OF CAMPUS RESERVE
(Please see the December 8th, 2011 agenda packet for related documents)

Schlereth reported that the PBAC reviews the campus reserve twice each year, once in December and once after the fiscal year is complete. The reserve is a permanent allocation of $625,000 in our Operating Fund for items that are typically unforeseen. These items need to be approved by the President. Schlereth reviewed the items that have been charged to the reserve so far this year. The Risk Deductible of $100,000 for a general liability claim is related to an employment lawsuit brought forth by one of our employees. We immediately set aside the $100,000 in case it is needed, but this claim could be resolved and this item would be removed from the reserve. The Re-keying item was discussed in CRC and it was determined that, rather than having the employee or the employee’s department pay when a key was lost, that the University reserve will now cover the cost to re-key. The CSU Online Initiative item of $50,000 is a program that is mandated from the CSU. The item for Osher Life-Long Learning Institute (OLLI) is the difference between the Foundation’s policy spending rate of 40% of the 5-year rolling average of the endowment market value and the 5% payout mandated by the donor. Instead of invading the principle portion of the endowment, there was an agreement that the campus would make up the difference to satisfy the intent of the donor. The next item is a $25,000 expense for the Art Department air compressor, which is to replace a piece of instructional equipment that was no longer working and the last item is a $9,000 expense for an electric power generator for the greenhouse program in the School of Science and Technology. Schlereth added that the Faculty Sick Leave expenses are also charged to the reserve and haven’t been added to this list yet and Lori Heffernon said that she believes that those costs will be about $200,000 this year.

IV. SPRING ENROLLMENT
Schlereth told the committee that a recommendation needs to be made to the President on whether or not the campus should put aside funding for additional class sections for Spring to meet demand.
Andrew Rogerson said that the campus was 7.5% over target in the fall and enrollment needs to stay at 103% or less, which means having our students take less coursework for Spring. There is a staggered registration process in place for Spring and it is too early at this point to say if we are going to have an issue with course offerings. Currently, we are in the second pass, so the course load is low, but if students can’t get enough classes, we will need to add more sections. In that case, the costs would obviously increase and additionally, we would likely go over the 103% enrollment cap and incur a fine from the CSU. The fine is estimated at about $240,000 per 1% over target. Schlereth noted he’s not sure how to fund the increased cost of instruction and the fine other than using the reserve or assessing the divisions. Schlereth noted that there would be more information available next week on what these costs might be and he asked the committee for feedback. He added that he and Rogerson need to make a decision next week once the picture becomes clearer. Suggestions included setting aside a portion of the reserve, slowing down on filling vacant positions or holding to a 13.5 unit load. Schlereth thanked the committee for their feedback.

V. GOOD OF THE ORDER
Schlereth announced that this would be Collin Yballa’s final meeting and he thanked Yballa for his service to the PBAC.

Schlereth adjourned the meeting at 8:57 am.
Minutes prepared by Laura Lupei.