PRESIDENT’S BUDGET ADVISORY COMMITTEE
August 23, 2012

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
Dan Condron  Vice-President, University Affairs
Margaret Purser  Faculty Chair, Anthropology Department
Richard Senghas  Faculty Chair-Elect; Anthropology Chair
Letitia Coate  Associate Vice-President for Administration and Finance
Jason Wenrick  Acting Chief Information Officer, Administration and Finance
Laura Lupei  Interim Senior Director for University Budget, Administration and Finance
Carlos Ayala  Dean, School of Education, AABAC Representative
Karen Paniagua  President, Associated Students
Adam Gourley  Vice-President, Finance, Associated Students
Henry Amaral  Staff Representative, Facilities

STAFF PRESENT:
Ian Hannah  Acting University Treasurer, Administration and Finance
Lori Heffernon  Director of Academic Resources, Academic Affairs
Katie Robinson  Project Assistant, Administration and Finance

GUESTS PRESENT:
Matt Benney  AVP- Academic Support
Arcelia Cabrera  Administrative Assistant, University Development
Susan Kashack  AVP Marketing & Communications, University Affairs
Kathy Mahler  Lead Budget Manager, Administration and Finance
Mike Ogg  Budget Manager, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana  President, SSU, Chair
Ben Ford  Immediate Past Chair of the Faculty, Mathematics Department
Erik Greeny  Interim Vice-President, University Development
Matthew Lopez-Phillips  Interim Vice-President, Student Affairs & Enrollment Management
Andy Merrifield  CFA Representative, Political Science Department
AGENDA

I. APPROVAL OF THE MINUTES
II. STRATEGIES TO ADDRESS THE STRUCTURAL DEFICIT
III. PLANNING FOR A POTENTIAL TRIGGER REDUCTION

I. APPROVAL OF THE MINUTES
Larry Furukawa-Schlereth called the meeting to order at 8:33 am. Schlereth introduced the new members to the committee: Carlos Ayala as the AABAC representative; Richard Senghas as the Faculty Chair-Elect; Karen Paniagua as the Associated Students President; and Katie Robinson as staff to the committee. Schlereth asked for a motion to approve the minutes of the May 3rd, 2012 meeting. Jason Wenrick moved; Dan Condron seconded. The minutes were approved with no objections.

II. STRATEGIES TO ADDRESS THE STRUCTURAL DEFICIT
(Please see the August 23rd, 2012 agenda packet for related documents)

Schlereth reported that the campus has a $5.4M structural deficit. The Chancellor’s Office is requesting all campuses submit a plan to eliminate said structural deficit composed of both old cuts and new expenses. Approximately $1.1M has been identified through the net revenue of the State University Fee increase after the 1/3 Financial Aid set aside and mandatory cost increases. The strategies also include the reduction of a position in both University Affairs and Development due to attrition. Additionally, Administration and Finance is working on a re-organization through discussions with the Campus Reengineering Committee which should be able to save about $1.6M, primarily in management positions. The saving amounts related to vacated positions include both salaries and benefits. Reorganizations of campus-wide IT departments, as well as the merger of Student Affairs under Academic Affairs are projected to yield savings of just under $1M. The Utility Sustainability Program generates an annual savings of $750,000, about half from utility savings, and half from the end of the loan payments. Currently, all but about $934,000 of the deficit has been identified. Schlereth mentioned he hopes to continue looking for operational expense reductions, and is confident he will be able to close the gap by the end of the year. A bridge will be required to cover the costs as transitions and reorganizations occur over the next year, which Schlereth believes can be covered by net cash balances across the university. Margaret Purser asked Schlereth to clarify if the university needed to closely follow the proposed plan presented to the Chancellor’s Office. He responded that they need to present a budget which identifies a $5.4M reduction; however, the bridge funding will be used to backfill for one year as the changes are implemented.
III. PLANNING FOR A POTENTIAL TRIGGER REDUCTION

(Please see the August 23rd, 2012 agenda packet for related documents)

Schlereth explained that if the tax measure on the November ballot does not pass the University will face a trigger reduction of $4.9M in addition to the $5.4M structural deficit. Schlereth believes there should be no reliance upon the CSU to increase tuition whether or not the measure passes. If the trigger is pulled SSU will have enough cash to make it through the 12-13 year, but will need to make significant cuts after that point. The campus will attempt to make enrollment at 103% of target. Once the instructional program is funded for the direct cost of teaching the extra 3% FTE, there should be remaining funds to be used to bridge the trigger. Schlereth hopes the various divisions on campus would have almost enough in reserves to cover much of the deficit; however, he will have a better idea in September. Additionally, the campus will save approximately $200,000 by deferring the computer refresh for a year. Purser inquired into the bill which would allow the universities across the system to access the reserves of the Schools of Extended Education. Rogerson explained it would be a good thing for SSU since Extended Education has so many restrictions placed on their funds. He also expects if the bill were to pass it would not be ongoing, but rather a one-time sweep of the funds. Letitia Coate asked if the Trustees would rescind the student fee increase if the trigger were not pulled. Schlereth responded that would most likely be the case; however, the potential income lost from stagnant tuition would be countered by the money saved if the trigger is not pulled. That being said, this is the time to seriously start considering long term strategies, which may require a re-imagination of the core mission of the campus. Purser reminded the committee members of the importance of spreading the message that further budget cuts would not only lead to fewer programs, but less access for students. Schlereth repeated that he is continuing to look for alternatives, but the University will be in a holding pattern until the election.

Schlereth adjourned the meeting at 9:40 am.
Minutes prepared by Katie Robinson.