PRESIDENT’S BUDGET ADVISORY COMMITTEE

January 31, 2013

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
Margaret Purser Faculty Chair, Anthropology Department
Richard Senghas Vice-Chair of the Faculty; Anthropology Department
Carlos Ayala Dean, School of Science and Technology
Dan Condron Vice-President, University Affairs
Letitia Coate Associate Vice-President for Administration and Finance
Matthew Lopez-Phillips Chief Student Affairs Officer
Laura Lupei Senior Director for University Budget, Administration and Finance
Andy Merrifield CFA Representative, Political Science Department
Karen Paniagua President, Associated Students
Adam Gourley Vice-President, Finance, Associated Students
Henry Amaral Staff Representative, Facilities

STAFF PRESENT:
Ian Hannah 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, Academic Affairs
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
Jean Wasp Media Relations Coordinator, University Affairs

MEMBERS ABSENT:
Ruben Armiñana President, SSU, Chair
Ben Ford Immediate Past Chair of the Faculty, Mathematics Department
Erik Greeny Interim Vice-President, University Development
Jason Wenrick Chief Information Officer, Administration and Finance
AGENDA

I. APPROVAL OF THE MINUTES
Larry Furukawa-Schlereth called the meeting to order at 8:30 am. He introduced the agenda and asked if any items needed to be added. Hearing none, Schlereth asked for a motion to approve the minutes of the December 6th, 2012 meeting. Dan Condron moved; Laura Lupei seconded. Minutes approved unanimously.

II. GOVERNOR’S JANUARY, 2013 BUDGET FOR 2013-2014
(Please see the January 31st, 2013 agenda packet for related documents)
Schlereth shared with the committee the Governor’s proposed budget which had recently been released. As he had promised, Governor Brown has restored $125M to the CSU, as well as an additional $125M, $10M of which has been designated for online education. Schlereth reminded the committee of the importance of having mandatory costs covered, since the campus will have to make up the difference. He then asked the Committee for opinions regarding budget priorities at SSU and the new $125,000,000. Consensus was reached regarding the importance of funding mandatory costs as well as compensation for employees particularly as related to retaining talent within the university. Members also mentioned the importance of access and issues related to the graduation initiative and student academic success.

III. STABILIZING THE SSU BASE
(Please see the January 31st, 2013 agenda packet for related documents)
Schlereth presented an updated vision of what would be needed to stabilize the base. Since the last version was presented, there have been two additional management positions vacated due to retirements, with no intention of replacement. Based on the Provost’s best estimate, there is a $3M need to fill in the area of Academic Affairs. The categories of Urgent Maintenance and Repair, and Instructional Technology Needs are areas which together will need an additional $2.1M; however, this amount is a loose placeholder until a more accurate figure is provided.
IV. POTENTIAL STRATEGIES TO STABILIZE THE BASE
(Please see the January 31st, 2013 agenda packet for related documents)

The committee further examined the possibility of recruiting additional national and global students. In addition to increasing diversity across the campus, students from outside of California will bring more income for the campus. Before SSU can start recruiting, the campus must first further examine potential issues such as: graduation rate via advising and course sections; physical capacity; residential community capacity, enhanced co-curricular/campus life opportunities. The campus must also fully develop a recruitment strategy including marketing and advertising. Each of these issues will be addressed through soon to be formed sub-committees. Karen Paniagua inquired as to what kind of timeline the committee is working with. Schlereth hoped the various sub-committees will have solutions to all issues by the end of the semester.

Another potential strategy to stabilize the base is to enhance fundraising opportunities for Academic & Student Affairs. President Armiñana hopes to propose a fundraising goal of $5M annually, to be used exclusively in academic areas. The realization of this goal will require expanded offices in the areas of both Development, and Academic & Student Affairs.

V. BUDGET PRIMER
(Please see the January 31st, 2013 agenda packet for related documents)

Schlereth reviewed the Budget Primer presentation for the committee. The presentation provided an overview of the composition of the 11/12 SSU Budget including the Operating Fund, the Capital Budget and the Self-Support and Auxiliary Funds. The Operating Fund budget for 11/12 was $91.8M and is composed primarily of State appropriations and student fees. The proportion of student fees are getting higher as the State appropriation is reduced. The Capital Budget was $23.4M in 12/12 and included the Student Center, Parking Lot F, and design for the Weill Lawn& Commons/MasterCard Pavilion.

Schlereth then reviewed the budgets for each of the Self-Support funds. The Grants and Contracts program was budgeted at $8.3M, comprised of $1.9M for the Anthropological Studies Center, $3.6M in the Schools and $2.8M related to student outreach and retention and public and graduation services. The Housing program had a budget of $23.4M in 11/12. Housing has a high level of debt associated with the construction of the various Housing villages. The 11/12 budget for the School of Extended Education was $6.3M. The Parking program had a budget of $2.0M in 11/12. The Instructionally Related Activities (IRA) budget was $3.4M which is generated from a student fee that supports a variety of co-curricular activities mainly Athletics, Performing Arts, the Children’s School and the Library. Additionally, in 11/12 the Health Center and CAPS had a budget for $2.8M.

Schlereth then provided an overview of each of the campus Auxiliaries. The Associated Students, Inc. (ASI) had budgeted revenue of $2.0M in 11/12. The Student Union’s budget was $2.2M. Sonoma State Enterprises (SSE) had a budget of $10.4M. The Foundation has a small general fund budget of $240,892 to support operations and the total assets of the Foundation, which were $43.6M.
Schlereth reviewed the annual audit activity as well as the Debt Service Coverage Ratio (DSCR) and Campus Reserve policy requirements.

Schlereth adjourned the meeting at 10:05 am.
Minutes prepared by Katie Robinson.