PRESIDENT’S BUDGET ADVISORY COMMITTEE
October 23, 2014

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
Richard Senghas            Faculty Chair, Anthropology Department
Margie Purser              Immediate Past Chair of the Faculty; Anthropology Department
Bonnie Cormier             Proxy for Dan Condron: Vice-President, University Affairs
Erik Greeny                Interim Vice-President, University Development
Matthew Lopez-Phillips      Vice-President, Student Affairs
Jason Wenrick              Chief Information Officer, Administration and Finance
Laura Lupei                Senior Director for University Budget, Administration and Finance
Ian Hannah                 University Treasurer, Administration and Finance
Carlos Ayala               Dean, School of Education
Elaine Newman              CFA Representative, Mathematics Department
Adam Rosenkranz            Vice-President, Finance, Associated Students
Anthony Gallino            President, Associated Students

STAFF PRESENT:
Shawn Kilat                Director of Budget, Academic and Student Affairs
Katie Robinson             Budget Manager, Administration and Finance

GUESTS PRESENT:
Natalie Sanchez            Budget Manager, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana             President, SSU, Chair
Henry Amaral               Staff Representative, Facilities
Terry Lease                Vice-Chair of the Faculty; Business Department
AGENDA

I. APPROVAL OF THE MINUTES

Larry Furukawa-Schlereth called the meeting to order at 8:30 am. He introduced the agenda and added the item “Academic Affairs Structural Deficit” to the agenda, per Anthony Gallino’s request. Hearing no other agenda additions from the committee, Schlereth asked for a motion to approve the minutes of the September 18th, 2014 meeting. The minutes were approved unanimously.

II. DEVELOPMENT REPORT

(Please see the October 23rd, 2014 agenda packet for related documents)

Prompted by the committee’s request to see more detailed fundraising information, Erik Greeny presented a Philanthropic Gift Summary for the 2013-2014 year. Of the $10.3M raised, approximately $5.5M was cash, $2.9M was new bookable pledges, and $1.9M was deferred gifts. The large majority of these gifts were given by corporations/organizations or individuals outside of the campus community; only $134,000 was donated by alumni. Known future bequest intentions were at $37.6M as of 6/30/14, but Greeny explained that this is a fairly conservative estimate, as many bequests do not assign a specific value and are booked at $1.

Greeny also reviewed the uses of the 2013-2014 gifts. The largest use was the Wine Business Institute at $3.4M, due in large part to the efforts of Bill Silver and Ray Johnson. The next largest uses were GMC Programming & Operations and Deferred Gifts at approximately $1.9M each. Campus Programs received approximately $1.2M, while $1.1M was gifted to other areas of the university.

Schlereth inquired as to what steps the Development Office would take to grow or improve. Greeny responded that ideally the Development Office would like to hire more Development Officers, invest in collateral for the schools/programs, and make a broader appeal to alumni. These would all be possible if the campus were to receive enrollment growth of 800 FTES.
III. UTILITY BUDGET UPDATE AND RECOMMENDATION
(Please see the October 23rd, 2014 agenda packet for related documents)

As a follow-up to the previous meeting, Schlereth reviewed the campus Utilities Budget and clarified that there was a significant roll-forward balance that was skewing the data. The base Utilities budget for 2013-14 was $1,689,870, and of that $1,413,487 was expended; however, there remains a year-end balance of $1,874,626 in the area of utilities. Schlereth presented the committee with a recommended utilization of these funds, which included the following: $800k for classroom renovations (now referred to as classroom “upgrades”), $160k for one-time utility projects in progress, and $914,624 held in reserve for future utility improvements/repairs. This reserve for future projects is especially important as the university’s infrastructure is now aging to the point of major repair. Additionally the reserve may be invested into energy saving projects that may produce further savings in the area of utilities. Carlos Ayala inquired about the Children’s School which is currently in need of vast repairs. Schlereth responded that the burden of repairing the Children’s School lies with the Student Union, which owns the building, and the Associated Students, which operates the program.

IV. TASK FORCE ON A SUSTAINABLE FINANCIAL MODEL FOR THE CALIFORNIA STATE UNIVERSITY
(Please see the October 23rd, 2014 agenda packet for related documents)

Schlereth shared with the committee the charge for a new Chancellor’s Office System-Wide Task Force on A Sustainable Financial Model for the California State University. Due to the scheduling of the task force’s meetings, the remainder of the Fall PBAC meetings will need to be rescheduled.

V. TRUSTEES BUDGET PLANNING: 2015-2016 SUPPORT BUDGET
(Please see the October 23rd, 2014 agenda packet for related documents)

Schlereth briefed the PBAC on the Trustees budget request for the 2015-2016 fiscal year totaling $269 million. Key components of the request include funding for mandatory costs, a 2% compensation pool, 3% Enrollment Growth, Information Technology Renewal, Academic Facilities & Infrastructure, and Student Success & Completion Initiatives. According to the Governor’s Multi-Year Funding Plan the CSU can expect to receive an additional $120M, leaving a $97M need.

VI. ACADEMIC AFFAIRS STRUCTURAL DEFICIT

Gallino mentioned that he had recently seen a pattern at the Fee Advisory Committee of faculty requesting new course fees, particularly those associated with field trips. He did not believe it was fair to expect students to pay these increased fees when they had been paid by Academic Affairs in the past.
Gallino requested that PBAC consider adding the cost of field trips into the Academic Affairs Structural Deficit. Shawn Kilat responded that the money is not currently built into the base, but that supplemental funding for field trips is listed as a line item on the AA Structural Deficit document. Academic Affairs has been using one-time funds to provide this additional funding to four departments on an annual basis. Last year the Provost’s Office had asked the department to re-evaluate their fees since they had not increased in a number of years. Additionally, the items currently funded in the Structural Deficit will free up other resources within the schools to pay for field trips. Kilat agreed to ask the four departments to postpone requests for increases to their field trip fees pending further discussion on the topic. Schlereth added that if the university receives funding for an additional 800 FTES, there will be even more resources available.

Schlereth adjourned the meeting at 9:45 am.
Minutes prepared by Katie Robinson.