PRESIDENT’S BUDGET ADVISORY COMMITTEE
September 24, 2009

MEMBERS PRESENT:
Larry Furukawa-Schlereth CFO, Vice-President for Administration and Finance, Co-Chair
Eduardo Ochoa Provost, CAO, Vice-President for Academic Affairs, Co-Chair
Matthew Lopez-Phillips Interim Vice-President for Student Affairs & Enrollment Management
Patricia McNeill Vice-President for Development
Susan Moulton Chair of the Faculty, Art Department
John Wingard Chair-Elect of the Faculty, Anthropology Department
Scott Miller Immediate Past Chair of the Faculty, Director, Writing Center
Bill Silver Dean, School of Business and Economics, AABAC Representative
Andy Merrifield CFA Representative, Political Science Department
Janice Peterson Senior Director for University Budget, A&F, CRC Representative
Henry Amaral Staff Representative, Facilities
Heather Hanson President, Associated Students
Nick Curry Vice-President, Finance, Associated Students

STAFF PRESENT:
Lori Heffernon Director of Academic Resources, Academic Affairs
Laura Lupei Budget Manager, Administration and Finance

GUESTS PRESENT:
Susan Kashack Associate Vice President, University Affairs
Kathy Mahler Lead Budget Manager, Administration and Finance
Mike Ogg Budget Manager, Administration and Finance
Sandy Ratliff Administrative Manager, Student Affairs & Enrollment Management

MEMBERS ABSENT:
Ruben Armiñana President, SSU, Chair
Dan Condron Vice-President for University Affairs
Letitia Coate Associate Vice-President for Administration and Finance
Sam Scalise Chief Information Officer, Administration and Finance
John Kramer Faculty Representative at Large, Political Science Department

STAFF ABSENT:
Bill Ingels University Treasurer, Administration and Finance

AGENDA
I. APPROVAL OF THE AGENDA
II. APPROVAL OF THE MINUTES
III. PRIOR YEAR FINANCIAL REPORT
I. APPROVAL OF THE AGENDA
Larry Furukawa-Schlereth called the meeting to order at 8:06 am. Eduardo Ochoa called for a motion to approve the agenda. Schlereth requested that an item addressing the Utilities budget be added. Andy Merrifield moved to approve the amended agenda; Henry Amaral seconded. The committee approved the agenda with no opposition.

II. APPROVAL OF THE MINUTES
August 20, 2009

Ochoa called for a motion to approve the minutes of the August 20th, 2009 meeting. Patricia McNeil moved; Heather Hanson seconded. The minutes were approved with no objections.

III. PRIOR YEAR FINANCIAL REPORT
(Please see the August 20th, 2009 agenda packet for related documents)

Schlereth explained that every year the year-end balances are reported to PBAC as outlined in the Budget Cycle. The University-wide category had $485,000 left at the end of last fiscal year. Most of the Divisions had some savings due to holding positions vacant and saving money throughout the 08/09 year in anticipation of budget reductions in 09/10. Thus, it would be misleading to say that this money is available, as much of these dollars have been held for a specific purpose or to be used to manage the budget reduction. The practice is to allow the areas roll forward the funds that are left at year end and allow the Vice-Presidents to make the decisions of how to utilize these funds.

IV: UNIVERSITY-WIDE BUDGET VS ACTUALS
(Please see the August 20th, 2009 agenda packet for related documents)

Schlereth reviewed each of the line items in the 08/09 University-wide budget. There was about $780,000 left in the Benefits/Risk Pool category because the campus received a one-time dividend from the risk pool program as well as benefits savings from the many positions that were held vacant throughout the year. The budget for the Financial
Aid category is dictated by the Chancellor’s office and sometimes there is leftover funding in this area, but none remains in 08/09. As discussed at the May meeting, the University Reserve was over budget by about $315,000. Overall, the campus is left with $485,014 to be allocated from year-end money in the University-wide category.

V. RECOMMENDATION: EXTENDED EDUCATION BRIDGE FUNDING
Schlereth recommended that some of the year-end balance in the University-wide category be used as bridge funding for Extended Education. These funds would be used as the support to the Schools that Extended Ed typically provides. In order to make these distributions to the Schools complete for 08/09, $310,000 is needed. Since this funding is extremely important to the Schools, this would seem a logical thing to do with the year end funds. Merrifield confirmed that this funding would pass through Extended Ed directly to Academic Affairs and Schlereth said that was correct. Schlereth added that Extended Ed should be much better off in 09/10 and they now anticipate only needing about $33,000 of bridge funding.

VI. RECOMMENDATION: STUDENT SCHOLARSHIP FUNDING
Schlereth explained that funding for scholarships from the Foundation endowment distribution is typically set aside in the 07/08 year for scholarships that are determined in the 08/09 year and awarded in the 09/10 year. Schlereth explained that with a $65,253 augment, all scholarship commitments made to students for the 09/10 year will be fully funded, except for the student athletic scholarships which represent a cost of $200,000. Schlereth recommends the use of the Administration and Finance year end roll forward to fund those scholarship needs.

VII. RECOMMENDATION: UTILITIES FUNDING
Schlereth discussed the 09/10 Utilities budget which, as has been reported in the various Town Hall Meetings, is estimated to be about $200,000 short. The Spring campus closure plan would have helped by generating $100,000 in utilities savings, but it is still unclear whether or not this plan will be implemented. Schlereth proposes to use $76,378 of the balance of the University-wide roll forward to help fill the budget gap in the Utilities budget for 09/10.

Schlereth moved to recommend to the President to allocate the University-wide year end roll forward funds in the method that has been outlined for Extended Education bridge funding for 08/09 and 09/10, for 09/10 SSUAF Scholarships and towards the 09/10 projected Utilities shortfall. Bill Silver seconded. The motion to make a recommendation to the President passed with no oppositions or abstentions.

Schlereth noted that there are several more issues for the 09/10 year to be addressed such as how the endowment distribution to the Schools and the Athletics structural
deficit can be funded. He hopes to have a plan ready for discussion at the November PBAC Meeting.

VII: REVIEW OF STRATEGIC PLAN
(Please see the August 20th, 2009 agenda packet for related documents)
According to the annual budget cycle, this is the time of year to review the University Strategic Plan in order to ensure that the budget planning ties directly to the strategic plan. Schlereth directed the committees’ attention to the final page of the plan, known as the “mini-compact”. Due to the current budget situation, it is not possible to make much progress on funding these items this year or potentially next year. However, it is important to have in the plan because it remains at the center of the President’s long term strategy. Schlereth added that the strategic plan provides a resource for prioritizing budgetary decisions on allocating what resources we do have. For example, the recommendation that was just passed corresponds with the priorities in the strategic plan. Though the campus is not in a place to give resources to new initiatives, the strategic plan remain a framework for providing context for the tough decisions that are being made during budget cuts.

Susan Moulton expressed concern over the need to maintain the academic mission and student quality first in years of budget cuts. Schlereth added that there are priorities that are core to the mission that are competing for funding such as the endowment distribution, the Spring schedule and the Athletics structural deficit. Silver added that PBAC is focused on governmental accounting methods of shifting the resources around in order to balance the budget rather than looking at a non-profit accounting model of looking to increase revenue to balance the budget. Silver suggested looking at ways to earn additional revenue, such as investing in areas such as Extended Ed and Development. Merrifield expressed concern about relying more heavily on alternate revenues rather than focusing on securing proper funding from the state. Silver agreed and suggested organizing data on strategies that have been successful for SSU and other Universities both in securing adequate state funding and increasing sources of other revenues.

Ochoa adjourned the meeting at 9:35 am.
Minutes prepared by Laura Lupei.