PRESIDENTS BUDGET ADVISORY COMMITTEE
February 9th, 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
Matthew Lopez-Phillips  Interim Vice-President for Student Affairs & Enrollment Management
Erik Greeny  Interim Vice-President, University Development
Ben Ford  Chair of the Faculty, Mathematics Department
John Wingard  Past Chair of the Faculty, Anthropology Department
Bill Silver  Dean, School of Business and Economics, AABAC Representative
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
Henry Amaral  Staff Representative, Facilities
Alex Boyer  President, Associated Students
Adam Gourley  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:
Arcelia Cabrera  Administrative Assistant, University Development
Jeremy Hay  Reporter, Press Democrat
Kathy Mahler  Lead Budget Manager, Administration and Finance
Mike Ogg  Budget Manager, Administration and Finance
Katie Robinson  Project Assistant, Administration and Finance
Jean Wasp  Media Relations Coordinator, University Affairs

MEMBERS ABSENT:
Ruben Armiñana  President, SSU, Chair
Dan Condon  Vice-President for University Affairs
Margaret Purser  Chair-Elect of the Faculty, Anthropology Department
Andy Merrifield  CFA Representative, Political Science Department

AGENDA
I. APPROVAL OF THE MINUTES
II. INTRODUCTION OF ADAM GOURLEY
III. BUDGET PLANNING: 2012-2013
I. APPROVAL OF THE MINUTES: December 8, 2011
Larry Furukawa-Schlereth called the meeting to order at 8:06 am. Schlereth asked for a motion to approve the minutes of the December 8th, 2011 meeting. Jason Wenrick moved; Bill Silver seconded. The minutes were approved with no objections or changes.

II. INTRODUCTION OF ADAM COURLEY
Schlereth introduced a new member to the committee, Adam Gourley. Gourley is the newly selected Vice-President for Finance for the Associated Students and Schlereth welcomed him to the PBAC.

Schlereth also noted that the committee was joined today by Jeremy Hay from the Press Democrat.

III. BUDGET PLANNING 2012-2013
Schlereth said that the main issue on the table today is planning for the 2012-2013 budget year. It is still early in the budget planning process, so there is not a lot of information to share, but Schlereth reviewed the budget challenge for next year based on the information that is available. First, most of the committee members should be aware that the campus is operating in the current year with a structural deficit of about $1.8M, using one-time funds to provide bridge funding while we work on identifying funds for the permanent cut through reorganization. Additionally, the campus is dealing with a variety of other structural funding issues such as the ORSP Director, MCC budget, University Affairs position and two positions in Development which are all being paid for from one-time monies. Adding those issues to the $1.8M brings the structural deficit to $2.3M. Schlereth feels that there has been good progress made on addressing these issues and once complete, there will be a report on how those savings were attained.

Secondly, the $100M trigger budget cut to the CSU system in 11/12 took place in December and was bridged using one-time funds. However, the Governor’s budget has made that cut permanent in the 12/13 year. Now SSU has been instructed by the Chancellor’s Office to develop a methodology to make this $2.3M cut to our budget.

Finally, there is an additional trigger cut pending in 12/13 of $200M to the CSU system associated with the Governor’s sales tax increase initiative will be on the ballot in November. If the initiative is not approved, the Governor will pull the trigger and cut the CSU. The Chancellor has asked the campus Presidents to plan for this potential cut, which would be about $4.6M to our campus.

Schlereth added that the CSU Executive Council is meeting next week to reflect on possible system-wide solutions, so the campus is waiting to see what the collective determination of appropriate strategies may be. Schlereth noted that Academic Affairs did a superb job of keeping our enrollment for this year within 103% to avoid being fined. Schlereth underscored what a delicate task this is and congratulated Lori Heffernon, Andrew Rogerson and the Deans for their outstanding work. The President’s policy of no layoffs of permanent employees remains in place though there is a firm freeze on hiring, particularly
permanent positions other than those fundamental to the operations such as police and custodians. Schlereth noted that the primary strategy to meet these reductions is to reduce university personnel through attrition. Alex Boyer asked if the permanent position freeze applies to the Dean searches and Rogerson replied that the Science and Tech search is going forward but that is the only one that he can say with certainty. Discussion ensued regarding the role of fundraising on the campus to off-set reductions in the state allocation. Ben Ford asked about estimates for mandatory costs such as benefits and energy costs for next year. Schlereth replied that we have rough estimates and that the utilities budget is looking good. Janice Peterson added that she is waiting for the February benefits to post to see what the Spring appointments are costing. Schlereth added that there are two additional issues pending in the Governor’s budget, the first being retirement benefits. Traditionally, when PERS imposes changes on the retirement percentages, the Department of Finance adjusts our budgets appropriately. However, the Governor is proposing that the CSU receive the full allocation in 12/13, but any changes after that year need to be covered by the CSU. The second issue is debt service payments with the capital outlay program. Normally the payments on these general obligation bonds are covered by the state of California but the Governor’s new plan funds the CSU at the existing level and if the payments increase, the CSU has to fund them from their existing allocation.

Schlereth asked the committee to consider the budget challenges for next year and to provide him with any thoughts and feedback to be shared with the President. John Wingard asked that all the decisions related to managing these cuts be as transparent as possible and to include as much participation and feedback as possible.

Schlereth adjourned the meeting at 9:25 am.
Minutes prepared by Laura Lupei.