PRESIDENT’S BUDGET ADVISORY COMMITTEE
February 12, 2015

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
Kirsten Ely  Interim Vice-Chair of the Faculty; Business Department
Dan Condon  Vice-President, University Affairs
Erik Greeny  Interim Vice-President, University Development
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:
Arcelia Cabrera  Administrative Assistant, University Development
Hayley Ross  Assistant Budget Analyst, Administration and Finance
Natalie Sanchez  Budget Manager, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana  President, SSU, Chair
Henry Amaral  Staff Representative, Facilities
Matthew Lopez-Phillips  Vice-President, Student Affairs
I. APPROVAL OF THE MINUTES

Larry Furukawa-Schlereth called the meeting to order at 8:00 am. He introduced the agenda and added “Task Force on a Sustainable Financial Model for the California State University” to the agenda. Schlereth asked for a motion to approve the minutes of the December 4th, 2014 meeting, pending a slight wording change. The minutes were approved unanimously. Schlereth introduced Kirsten Ely of the School of Business who will be acting as the Interim Vice-Chair for the Academic Senate.

II. GOVERNOR’S PROPOSED BUDGET: 2015-2016
(Please see the February 12th, 2015 agenda packet for related documents)

Schlereth once again shared the 2015-2016 Governors’ Proposed Budget, which the Board of Trustees had just approved at their January meeting. The budget included $119.5M in new funds to the CSU as well as $17.5M of tuition from new enrollment, for a total of $137M in new funds. The new funding will be allocated as follows: $23.1M for Mandatory Costs; $65.5M for a 2% Compensation Pool increase; $34.4M for 1% Enrollment Growth; and $14M is currently categorized as “To be determined”.

III. 2015-2016 ENROLLMENT GROWTH ALLOCATIONS
(Please see the February 12th, 2015 agenda packet for related documents)

The committee reviewed the 2015/16 allocation to divisions based on 1% funded growth. The enrollment growth will result in 78 additional FTES for the campus, funded at $9,942 each for a total of $775,476. The growth allocation is divided amongst the divisions using the marginal cost formula. There are slight variations in the percentages distributed to the divisions from year to year based on organizational changes between divisions.
IV. 2014-2015 FINANCIAL REQUIREMENTS: COLLECTIVE BARGAINING AGREEMENTS
(Please see the February 12th, 2015 agenda packet for related documents)

The University is starting to get a better understanding of the financial impact of the collective bargaining agreement negotiation. The Chancellor’s Office will provide $750k for CFA increases, and SSU will need to fund the remainder. The total cost is still being calculated, but the current estimate is an additional $483k. The committee requested to be kept informed as to what criteria and priorities would be used in determining the funding sources.

V. STATUS OF THE UNIVERSITY RESERVE
(Please see the February 12th, 2015 agenda packet for related documents)

Schlereth reminded the committee that the reserve is a permanent allocation of $625k in the Operating Fund for items that are typically unforeseen. In addition to the permanent allocation, there is a $104k 13/14 reserve balance roll-forward for total University reserve funding of $729k. These items paid for by the reserve require presidential approval. There are a number of issues which are recurring but difficult to budget for since the amount varies so drastically from year to year. This includes faculty leave, which is currently estimated at around $300k, KPMG GAAP audit fees ($25k), and risk pool deductibles ($105k). Other items being paid for by the reserve in the 14/15 year include the Art Department dust collector repair ($40k), and No Smoking permanent signage ($40k).

VI. TASK FORCE ON A SUSTAINABLE FINANCIAL MODEL FOR THE CALIFORNIA STATE UNIVERSITY

Schlereth mentioned the Task Force on a Sustainable Financial Model during the conversation on funding the collective bargaining agreements. There is a hope that the Task Force will propose new guidelines as to which money could be used for which purposes. In the meantime Schlereth was open to other ideas for either cutting back expenses or producing new revenue. Generally, the committee did not have any recommendations, but said they would provide input to working proposals. Kirsten Ely suggested the campus community focus on thinking more entrepreneurially and brainstorm how to integrate community partners.

Schlereth adjourned the meeting at 9:05 am.
Minutes prepared by Katie Robinson.