PRESIDENT’S BUDGET ADVISORY COMMITTEE
April 9, 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
Bonnie Cormier  Proxy for Dan Condron; Vice-President, University Affairs
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 Affairs
Katie Robinson  Budget Manager, Administration and Finance

GUESTS PRESENT:
Arcelia Cabrera  Administrative Assistant, University Development
David Crozier  Senior Director for University Financial Services
Jason Lau  Executive Director of Business Operations, School of Extended Education
Mark Merickel  Dean, School of Extended Education
Hayley Ross  Assistant Budget Analyst, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana  President, SSU, Chair
Henry Amaral  Staff Representative, Facilities
Erik Greeny  Interim Vice-President, University Development
AGENDA

I. APPROVAL OF THE MINUTES

Larry Furukawa-Schlereth called the meeting to order at 8:33 am. He introduced the agenda and asked if there were any additions to the agenda. Hearing none, Schlereth asked for a motion to approve the minutes of the February 12th, 2015 meeting. Richard Senghas made one change. Otherwise, the minutes were approved unanimously.


Estimates for the cost of the CFA contract above what has been provided by the CSU total approximately $500,000 in full year recurring funds. This amount includes the cost of the contract terms along with the campus based inversion and compression programs. Resources to fund this recurring item were discussed and include the following:

- On-Going Over-Enrollment Revenue* $150,000
- Full-Costs, Executive Order 1000 $150,000
- Benefit/Utility Cost Savings $100,000
- 2015-2016 Growth Funds $100,000
- TOTAL $500,000

*After direct teaching costs are paid

Funds to support two-year costs for release time requirements for newly hired faculty have been identified within the Division of Academic Affairs. Costs to cover the contract terms in 2014-2015 of about $350,000 will be covered with one-time funds held in the University-Wide budget. The Committee indicated their support of the proposal.

III. 2015-2016 PROJECTED ENDOWMENT EARNING DISTRIBUTION

(Please see the April 9th, 2015 agenda packet for related documents)

Ian Hannah presented the projected 2015-2016 endowment distribution, which will be voted upon at the June SSUAF Board Meeting. The projected distribution will be approximately $1.21M; the largest in
campus history. The amount to be distributed is determined based on 4% of the five year rolling average of the pooled endowment’s market value. Hannah addressed the fact that due to the five year average this year’s distribution still slightly reflects the poor returns of 2010. The recipients of the endowment distribution are based solely on donor intent. Donations in recent years have favored scholarships over campus programs. In the current year 35% of the dollars support scholarships and 65% support various campus programs. The projected distribution is also reflective of several sizeable endowment gifts made in the past year, such as the Hamel Family Faculty Chair in Wine Business, the Barbara Biebush Library fund, and the Yvonne Stuart fund supporting the Green Music Center.

IV. 2015-2016 PROJECTED EXTENDED LEARNING DISTRIBUTION
(Please see the April 9th, 2015 agenda packet for related documents)

Jason Lau, Executive Director of Business/Program Operations, presented the School of Extended and International Education Projected Distribution for the 2015-16 year. As this is a conservative projection, the amounts are subject to change before the earnings are dispersed. The distribution to the schools amounts to $418,550, an increase from the $350,000 distributed in the current year. Lau responded to an inquiry of what restrictions are placed on the money— it must be used to support existing or develop new self-support programs to further advance the School of Extended Education.

V. BUILDING A SUSTAINABLE FINANCIAL MODEL FOR SSU

Schlereth discussed building a sustainable financial model for Sonoma State University. He indicated that he hoped to build on the recommendations from the Task Force for a Sustainable Model for the California State University in creating a financial strategy that would address many of the long standing campus financial challenges. He noted that he hoped this activity would be a primary focus of future PBAC meetings. Kirsten Ely expressed her interest in contributing to the conversation, even as her official capacity as Vice-Chair of the Academic Senate comes to an end.

VI. GAAP AUDIT, FISCAL YEAR ENDING JUNE 30, 2014
(Please see the April 9th, 2015 agenda packet for related documents)

Schlereth asked David Crozier, the Senior Director for University Financial Services, to present on the 2013-2014 GAAP Financial Reporting Package. Crozier reviewed the audited Financial Statements beginning with the Condensed Summary of Net Position, which shows an increase in assets of $1.6M between 12/13, and 13/14. This increase is primarily related to the completion of the Student Center. Total liabilities decreased by $3.6M, creating an increase in the total net position of $5.1M.

Crozier reviewed the total revenues based on the statement of revenues and expense. Between 12/13 and 13/14 total revenues increased by about $9.3M due to the collection of the Student Center fee, and the first full year of operations at the Green Music Center. Crozier then reviewed the total expenses.
based on the Statement of Revenue and Expense and described which items were in each of the categories. In conjunction with the increased revenues from the Student Center and Green Music Center Operations, there were corresponding expenses. Total expenses increased by $10.7M from the prior year. The net loss equaled $1.4M, which is less than the prior year.

Crozier moved on to explain the Unrestricted Net Position category. Although it is called the “Unrestricted” category, there are still State and CSU regulations on how those funds can be utilized. Crozier reviewed the Operating Fund Balances which amounted to $12.7M. Schlereth addressed some of the larger items including $3.9M being held for Academic Affairs, $4.8M in the Health Center and CAPS Reserve, and $1.1 in the University Wide Roll-forward Balance. This balance is largely made up of the utility reserve which will be used for future energy saving projects.

Schlereth adjourned the meeting at 10:00 am.
Minutes prepared by Katie Robinson.