

Summary of Evidence

Criterion for Review: 3.5

FISCAL AND PHYSICAL RESOURCES ARE EFFECTIVELY ALIGNED WITH INSTITUTIONAL PURPOSES AND EDUCATIONAL OBJECTIVES, AND ARE SUFFICIENTLY DEVELOPED TO SUPPORT AND MAINTAIN THE LEVEL AND KIND OF EDUCATIONAL PROGRAMS OFFERED BOTH NOW AND FOR THE FORESEEABLE FUTURE. THE INSTITUTION HAS A HISTORY OF FINANCIAL STABILITY, APPROPRIATE INDEPENDENT AUDITS, AND REALISTIC PLANS TO ELIMINATE ANY ACCUMULATED DEFICITS AND TO BUILD SUFFICIENT RESERVES TO SUPPORT LONG-TERM VIABILITY.

Independent Audits

[External and independent audits](#) of Sonoma State University and its auxiliary organizations are completed annually. In each year that these audits have occurred, SSU has received an unqualified opinion with no material findings for improvement. In addition, the University and its auxiliaries have never operated in a deficit position and each has a fund balance necessary to support long term viability.

Campus Consultation on Budgetary Matters

The President consults on budgetary matters via the [President's Budget Advisory Committee](#) which is guided by [campus policy](#). Consultation on fiscal aspects of the Academic Affairs division is provided via the [Academic Affairs Budget Advisory Committee](#) while budget advice on administrative matters is provided to the Chief Financial Officer via the [Campus Reengineering Committee](#). The budgets of the [SSU Academic Foundation](#), the [Sonoma State Enterprises](#), the [Associated Students Incorporated](#) and the [Student Union Corporation](#) are recommended by the respective Boards of these corporations. Advice to the President on campus physical facilities and capital planning matters is provided to the President via the [Campus Planning Committee](#).

Fiscal Resources Capacity

In 2005/06, the University deployed \$141,059,415 in support of its educational programs and related support activities. The University believes that its fiscal resources are aligned with campus institutional purposes. The audited financial statements for Sonoma State University, prepared in accordance with Generally Accepted Accounting Principles (GAAP), illustrate how the University deployed those resources in accordance with higher education classifications defined by the College and University Audit Guide. These figures are compared to the audited financial statements of the California State University System.

	SSU	%	CSU	%
Instruction	\$ 36,245,130	25.7%	\$ 1,963,148,000	34.2%
Research/Public Service	\$ 31,349,936	22.2%	\$ 439,922,000	7.7%
Academic Support	\$ 10,575,271	7.5%	\$ 575,848,000	10.0%
Student Services	\$ 14,235,642	10.1%	\$ 546,809,000	9.5%
Institutional Support	\$ 14,978,207	10.6%	\$ 628,853,000	11.0%
Operation and Maintenance of Plant	\$ 12,203,230	8.7%	\$ 431,478,000	7.5%
Student Grants and Scholarships	\$ 5,119,624	3.6%	\$ 493,790,000	8.6%
Auxiliary Enterprise Expenses	<u>\$ 16,352,375</u>	<u>11.6%</u>	<u>\$ 662,595,000</u>	<u>11.5%</u>
	\$ 141,059,415	100%	\$ 5,742,443,000	100%

*Source: June 30, 2006 Audited Financial Statements – Statement of Revenues Expenses and Change in Net Assets. Depreciation removed from total expenditures.

	SSU	CSU
Research/Public Service Expenditures per actual FTEF*	\$100,224	\$29,308
Student Services Expenditures per Headcount	\$1,857	\$1,263
Auxiliary Enterprise Expenditures per Headcount	\$2,133	\$1,531
Operation and Maintenance of Plant \$ per Square Foot	\$7.08	\$6.44
Academic Support Expenditures per Headcount	\$1,379	\$1,330
Student Grants and Scholarships Expenditures per Headcount	\$668	\$1,141
Institutional Support % of Total Expenditures	10.6%	11.0%
Instructional Expenditures per actual FTES	\$5,387	\$5,872

* Fall 2005 FTEF

Explanations of variations in expenditures at SSU compared to the CSU system cited above:

Expenditures in the area of **Public Service** are significantly higher at SSU due largely to the California Institute on Human Services (CIHS). Effective Spring 2007, the University has made the decision to phase out this public service activity given its secondary connection to the University's mission.

Student Services Expenditures are considerably higher at SSU as a result of various student centered campus-based fees initiated by and approved by the student body.

Expenditures in the areas of **Auxiliary Enterprise and Operation** and **Maintenance of Plant** are higher at SSU due to the highly residential nature of SSU compared to the average CSU campus. As such, SSU has particularly large expenditures in the housing program and a related increased focus on campus safety.

SSU is similar to the CSU system in **Academic Support** expenditures.

Student Grants and Scholarships expenditures are principally determined by the State and CSU system and thus are not a campus decision.

The expenditures at SSU in the area of **Institutional Support** are lower at SSU, reflecting efficiency in the performance of administrative services.

Expenditures at SSU in the areas of **Instruction** are somewhat lower than the CSU system. The level of resources in this area is a function of the mode and level of the curriculum of SSU, as determined by the campus historically. The campus General Fund allocation was funded accordingly by the CSU Chancellor's Office, via a comprehensive set of formulas prior to 1993/1994. At this point in time, these base fund levels were locked in, with additional funding coming through growth funds via the newly adopted Marginal Cost Formula. SSU's historical status as a Liberal Arts University resulted in a lower mode and level funding. However, SSU has made a considerable effort to support and maintain the level and kind of its educational programs. This statement is supported by the fact that the current Student to Faculty Ratio (SFR) at SSU is equal to the average of the CSU System (Fall 2006: CSU SFR = 21.9 and SSU SFR = 21.9). In addition, the campus has plans to enhance this condition via an initiative to add an additional \$1M allocation to this area over a five year period, beginning in Fall 2007.

Operating Budget Growth

Decisions regarding new allocations to SSU have been determined by CSU Board of Trustees initiatives, mandatory costs, SSU President's Budget Advisory Committee (PBAC) recommendations, and SSU Cabinet recommendations as described below. Between 1992/1993 and 2006/2007 the campus Operating Budget, composed of student fees and State appropriation, grew by \$35,973,850. During this same period, the University also reallocated an additional \$4,858,505 from the areas of Instruction and Academic Support (\$722,597), Student Services (\$1,164,673), and Institutional Support and Plant Operations (\$2,971,235). As a result, the total amount of new resources available to the campus totaled \$40,832,355. As the data indicates below, nearly 79% of all new resources have been used to fund compensation and financial aid.

<i>Item</i>	<i>Amount</i>	<i>Institutional Purpose / Educational Objective</i>
Compensation	\$ 30,360,832	<i>Board of Trustees</i>
Financial Aid	\$ 1,768,118	<i>Board of Trustees</i>
Deferred Maintenance and Technology	\$ 1,629,870	<i>Board of Trustees</i>
Targeted Enrollment Growth, Nursing and Education	\$ 305,800	<i>Board of Trustees</i>
CSU Assessments, Audit and Technology	\$ 279,400	<i>Board of Trustees</i>
CSU Decentralized Items	\$ 163,911	<i>Board of Trustees</i>
Mid-Year Reduction	\$ 104,000	<i>Board of Trustees</i>
Increased Utility Costs	\$ 660,490	<i>Mandatory Cost</i>
Year 2K Compliance, TII	\$ 450,000	<i>Mandatory Cost</i>
Revenue Management Program	\$ 190,690	<i>Mandatory Cost</i>
Disabled Student Accessibility, Technology	\$ 35,000	<i>Mandatory Cost</i>
Student Administrative Application (Oracle/PeopleSoft)	\$ 1,300,840	<i>Board of Trustees</i>
New Space	\$ 1,436,800	<i>Mandatory Cost</i>
Campus Reserve	\$ 625,000	<i>PBAC Recommendation</i>
Land Acquisition	\$ 485,000	<i>PBAC Recommendation</i>
Instructional Equipment	\$ 150,000	<i>PBAC Recommendation</i>
EMT Program	\$ 100,000	<i>PBAC Recommendation</i>
Scholarship Coordinator	\$ 55,000	<i>PBAC Recommendation</i>
Institutional Memberships	\$ 40,000	<i>PBAC Recommendation</i>
Health Center Rental	\$ 3,000	<i>PBAC Recommendation</i>
Athletics	\$ 140,000	<i>Cabinet Recommendation</i>
Information Security	\$ 100,000	<i>Cabinet Recommendation</i>
Fundraising	\$ 448,604	<i>Cabinet Recommendation</i>
TOTAL	\$ 40,832,355	

Descriptions of Institutional Purposes /Educational Objectives cited above:

Board of Trustees – Initiatives that were either a directive or the direct intent of the Board of Trustees of the California State University System.

Mandatory Cost – Required initiatives or mandates from the CSU Chancellor's Office.

PBAC Recommendation – Initiatives carried out by the President of SSU per recommendation of the President's Budget Advisory Committee.

Cabinet Recommendation – Initiatives carried out by the President of SSU per recommendation of the SSU Cabinet.

Growth in Self Support Funds

Between 1992/1993 and 2006/2007, budgeted revenues of Auxiliary Enterprise Funds (Non-General Fund entities) grew by a total of \$50,893,220.

	1992/93 Budgeted Revenue	2006/07 Budgeted Revenue	Growth	<i>Institutional Purpose/ Educational Objective</i>
Academic Foundation*	\$ 144,000	\$ 977,395	\$ 833,395	<i>Board of Trustees</i>
Instructionally Related Activities	\$ 218,834	\$ 2,061,000	\$ 1,842,166	<i>Student Initiative</i>
Student Health Center	\$ 0	\$ 1,690,000	\$ 1,690,000	<i>Student Initiative</i>
Student Union Corporation	\$ 560,836	\$ 2,204,000	\$ 1,643,164	<i>Student Initiative</i>
Associated Students Incorporated	\$ 675,610	\$ 1,638,364	\$ 962,754	<i>Student Initiative</i>
Housing	\$ 3,026,860	\$ 15,686,204	\$ 12,659,344	<i>Enrollment Growth</i>
Sonoma State Enterprises	\$ 5,812,458	\$ 9,029,000	\$ 3,216,542	<i>Enrollment Growth</i>
Parking	\$ 800,000	\$ 2,061,000	\$ 1,261,000	<i>Enrollment Growth</i>
Extended Education	\$ 1,950,046	\$ 3,882,537	\$ 1,932,491	<i>Curriculum Growth</i>
Grants and Contracts	<u>\$ 5,082,636</u>	<u>\$ 29,935,000</u>	<u>\$ 24,852,364</u>	<i>CIHS Expansion</i>
TOTAL	\$18,271,280	\$ 69,164,500	\$ 50,893,220	

* *Endowment Earnings Distribution*

6/30/92 Total Endowment Market Value = \$ 3.6 M

6/30/06 Total Endowment Market Value = \$ 31.3 M

Key reasons for growth in the Budgeted Revenues of each Auxiliary Enterprise Fund cited above:

Academic Foundation (SSUAF)

The SSU has been very successful in meeting a CSU Board of Trustee's initiative for each campus to raise a specific portion of their General Fund appropriation through external support. This is evidenced by the growth of the University's endowment, through new donations and investment returns. Approximately 30 percent of the related annual endowment earnings distribution returned to the campus consists of scholarships and the remainder is comprised of campus programs.

Instructionally Related Activities (IRA)

In addition to enrollment growth, SSU students made the decision to raise the IRA fee portion of their campus based student fees to support efforts in the co-curriculum.

Student Health Center

In addition to enrollment growth, SSU students voted to raise the Student Health fee portion of their campus based student fees, allowing regularly enrolled SSU students to receive most basic service health care and health education services free of additional charge during the academic semester.

Student Union Corporation

In addition to enrollment growth, SSU students voted to increase their fees to fund the construction of a new Recreation Center, which is operated by the Student Union Corporation.

Associated Students Incorporated (ASI)

In addition to enrollment growth, SSU student decided to increase their student body fees in order to expand their involvement in student government initiatives and campus life programs.

Housing

SSU has provided a 1,550 student capacity increase in on-campus student housing since 1992/93. The housing program also performs an annual increase in student housing rates due to inflation. Revenues are largely from rent paid by students, lease revenues from SSU Police Department, Facilities Services and Sonoma State Enterprises, summer housing program revenue, and interest earnings on the fund's working capital reserve.

Sonoma State Enterprises (SSE)

Revenue growth is largely related to an increase in retail and dining activity in relation to the growth in the student residential population. SSE also continues to make investments in its key growth areas, which include the University Center, the Blackboard Transaction System, the Faculty/Staff Housing project, the One Card program, equipment purchases, and equipment and furnishings for the Green Music Center Hospitality Center.

Parking

Revenue growth in the Parking program can be tied to enrollment growth and greater demand for on-campus parking, combined with increases in parking fees to fund the construction of Parking Lots J, L, M, N, O.

School of Extended Education

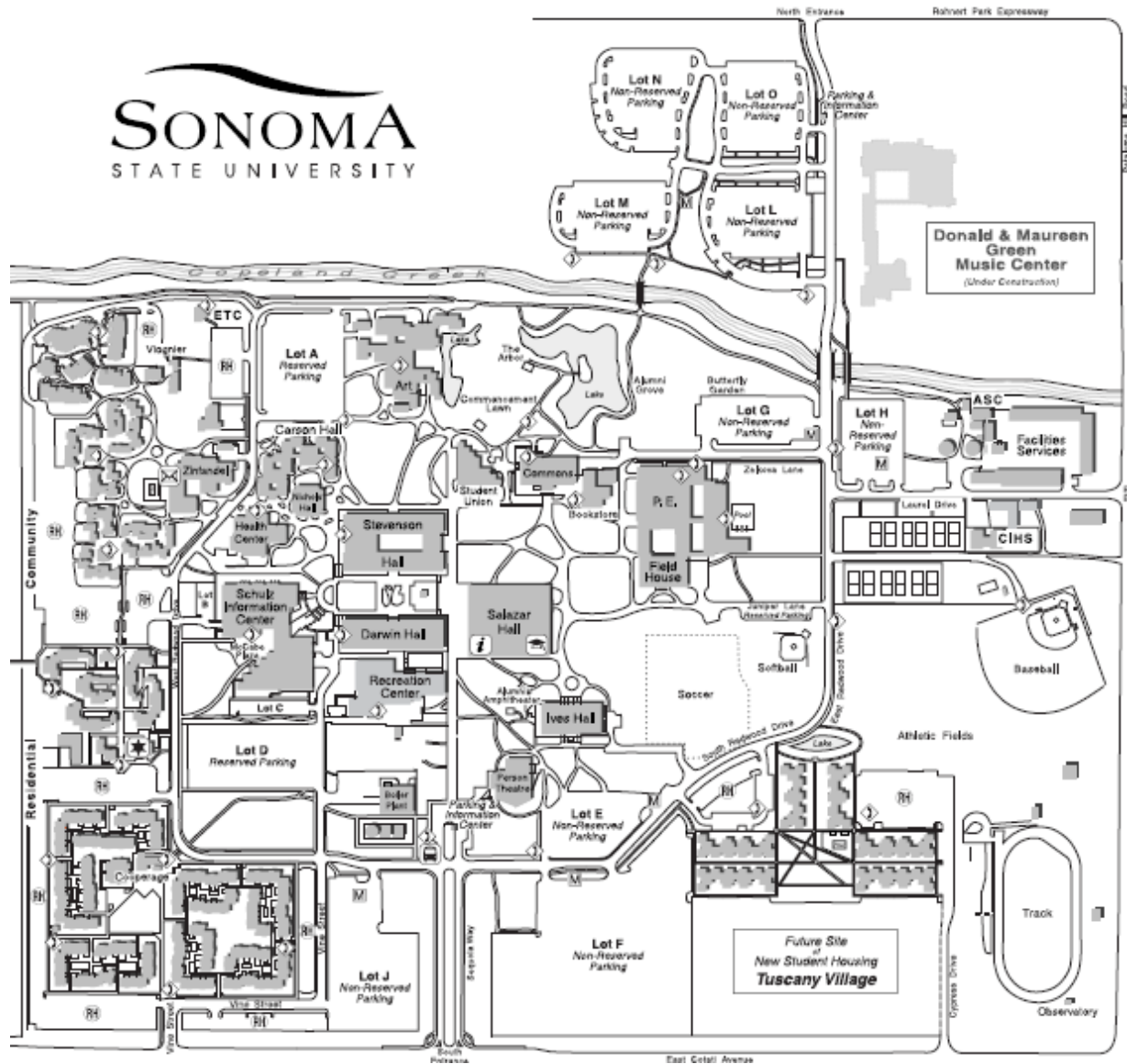
Growth in Summer School tuition, Special Session degree programs, the Open University, various non-credit courses, and academic-year continuing education activities have increased the revenues of Extended Education.

Grants and Contracts

The substantial growth of this entity illustrates a dramatic growth in the California Institute on Human Services over this time period. As mentioned previously, effective Spring 2007, the University has made the decision to phase out this public service activity given its secondary connection to the University's mission.

Physical Resource Capacity

Located in California's premier wine country 40 miles north of San Francisco, SSU offers its 8,100 students a friendly, safe and informal atmosphere on a beautiful campus setting of 269 richly-landscaped acres.



Between 1992/1993 and 2006/2007, SSU had capital outlay projects totaling \$340,651,422. A detailed list of all capital outlay projects during this period are provided below and categorized according to their primary purpose as instructional and academic support project initiatives, student services project initiatives, or ancillary support project initiatives. These capital activities were developed in alignment with campus institutional purposes and/or educational objectives:

Instructional and Academic Support project initiatives: Total = \$189,122,678

Construction of the Jean and Charles Schulz Information Center

\$44,550,889

The Schulz Information Center provides facilities for the Library as well as Computing, Media and Telecommunication Services at Sonoma State University.

Construction of the Environmental Technology Center (ETC)

\$1,056,570

The ETC serves SSU and the CSU system by addressing campus-related environmental technologies and techniques and serves as a student and faculty laboratory for interdisciplinary environmental science research, and to study sustainable produce production and related environmental effects.

Remodel of Ruben Salazar Hall

\$20,882,000

A “Learning Center” was created in Salazar Hall with enhanced technologies in classrooms and labs which foster innovative teaching. Salazar provides creation of a one-stop “Student Service Center” by combining administrative units providing student services. The facility also allowed relocation of all units in temporary buildings.

Installation of the Telecommunications Infrastructure Initiative

\$6,136,000

This initiative provides all faculty, students and staff the competitive advantage of a technology-enhanced education by providing a more complete range of technology-related services as well as increased communication and enhancement of educational resources of the campus to students, staff and faculty.

Remodel of Darwin Hall

\$28,733,000

Correcting health and safety code deficiencies and seismic strengthening, this complete building renovation has been conducted in order to meet existing deficiencies and growth in campus student capacity, changing pedagogies, and demands on departmental and faculty office space.

Construction of the Donald and Maureen Green Music Center

\$87,764,219

The Green Music Center Complex will directly benefit Sonoma State University students, faculty, and the community at large in providing a first class complex for teaching, learning, and performance for the performing arts curriculum, community outreach programs, and teaching partnership with local school districts and the Santa Rosa Symphony.

Student Services project initiatives: Total = \$136,716,910

Construction of Sauvignon Village

\$25,382,979

Increased pressures from enrollment growth, along with the lack of available housing in the surrounding neighboring communities prompted the campus to construct an additional 898 bed student apartment complex.

Construction of the Beaujolais Village

\$35,691,011

The lack of available off-campus housing drives the demand to house students on-campus and directly impacts the campus' ability to grow to the projected FTES, thereby Beaujolais Villages assists in fulfilling the campus strategic plan by adding an additional 655 bed student housing complex.

Construction of the Student Recreation Center

\$16,750,920

This facility offers a student activity center on the campus for health and well being. It is a place which provides the infrastructure and state of the art technology in the area of health and fitness, enhances student life on campus, and assists in the recruiting and retention of students at Sonoma State University.

Construction of Tuscany Village

\$58,892,000

A new 700 bed student housing project at SSU to be known as Tuscany Village is being constructed to accommodate the increasing campus enrollment growth. Tuscany will consist of a community building and a multi-purpose building.

Ancillary Support project initiatives: Total = \$14,811,834

Construction of Parking Lots L, M, N and O

\$10,575,310

These lots, accessed from the north entry to the campus, are serving the campus community during regular session by meeting parking demands as enrollment growth continues. Upon completion of the Green Music Center Complex, the north parking lots L, M, N, and O will also provide parking for this Academic facility as well as during campus and community performances.

Acquisition of Land for Faculty/Staff Housing

\$4,236,524

The campus purchased 88 acres of land one mile north of the main campus. The University envisions a phased development of approximately 400 single-family detached homes and 32 attached town homes at affordable prices.

The capital projects described above have been planned and approved in accordance with the Campus Master Plan and thus are aligned with the institutional purposes and educational objectives of the University. These projects, when combined with the existing physical plant, have been programmed and constructed to meet the capacity of the Campus Master Plan enrollment of 10,000 FTES in approximately 2012/2013. In addition, the campus five year capital outlay plan reflects additional projects planned that will provide the required physical resources in order to meet the projected growth needs of this larger campus community population. Thus, the current and planned campus physical resources provide the level of physical resources sufficient to support and maintain the level and kind of educational programs offered both now and for the foreseeable future. These future projects currently include but are not limited to:

Construction of the University Center

The University Center will house the campus bookstore, food services and kitchen support facilities, administrative office space (ASI and Student Union functions, Conferences Events and Catering department), copy center, mail room, a multi-use conference center, and a cinema.

Construction of the Professional Schools Building

This instructional facility will house and serve the needs of the School of Business and Economics, the School of Education, and the Department of Nursing.

Renovation of Stevenson Hall

This scope of work will involve a complete building renovation in order to correct health and safety code deficiencies and seismic strengthening. In addition, it will meet existing deficiencies and growth in campus student capacity, changing pedagogies, and demands on departmental and faculty office space.

Construction of Faculty/Staff Housing Project

The University envisions a phased development of approximately 400 single-family detached homes and 32 attached town homes at affordable prices.

Construction of the Wastewater Holding Tank

This project involves the construction of a wastewater holding tank for equalizing off campus wastewater flow in order to keep within the campus contract and capacity allocation with the City of Rohnert Park.

Capital Renewal Projects:

- Chiller 1 & 2 replacement at the Boiler Plant
- Domestic water tanks replacement
- Campus infrastructure hot and cold water piping replacement
- Campus infrastructure gas valve replacement
- Schulz hot water heating system replacement

Links

- <http://www.sonoma.edu/afd/audit.shtml>
 - External Financial Audits of SSU and Auxiliaries
- <http://www.sonoma.edu/afd/pbac/>
 - Presidents Budget Advisory Committee Minutes
- <http://www.sonoma.edu/uaffairs/policies/default.html>
 - SSU Campus Policies
- <http://www.sonoma.edu/afd/crc/>
 - Sonoma State Campus Reengineering Committee
- <http://www.sonoma.edu/uaffairs/policies/facultyconsultbudget.htm>
 - Policy on Faculty Consultation in Budgetary Matters
- http://www.sonoma.edu/afd/fdn_minutes.shtml
 - SSU Academic Foundation Minutes
- http://www.sonoma.edu/afd/ent_minutes.shtml
 - Sonoma State Enterprise Board Minutes
- <http://www.sonoma.edu/as/>
 - SSU Associated Students, Inc.
- <http://www.sonoma.edu/union/>
 - SSU Student Union