

**CAMPUS REENGINEERING COMMITTEE MINUTES**  
**December 16, 2005**

MEMBERS PRESENT:

Larry Furukawa-Schlereth, Chair  
Neil Markley  
Sue Hayes  
Letitia Coate  
Melinda Barnard  
Lori Heffernon  
Gloria Ogg  
Paul Lange  
Rich Marker  
Richard Senghas  
Richard Ludmerer  
Christopher Dinno  
Nate Johnson  
Jason Wenrick  
Joel Grogan  
Melanie Dreisbach  
Ian Hannah  
Ruth Burke

Eduardo Ochoa  
Anna Reynolds-Smith  
Carol Ingerman  
Catherine Nelson  
Elaine McDonald  
Brian Jersky  
Sam Scalise  
Edna Nakamoto  
Mike Kiraly  
Tim Tiemens  
Bill Ingels  
Laura Lupei  
Katie Pierce  
Tyson Hill  
Nadir Vissanjy  
Floyd Ross  
Elizabeth Stanny

MEMBERS ABSENT:

Erica Wilcher  
Katharyn Crabbe  
Susan Kashack  
Erik Dickson  
John Rauschkolb

Janice Peterson  
Perry Marker  
Dan Condron  
Steve Campbell  
Peter Neville

GUESTS PRESENT:

Carol Blackshire-Belay

**AGENDA**

- I. APPROVAL OF THE MINUTES**
- II. VICE-PRESIDENT'S REPORT**
- III. UNIVERSITY BUDGET ISSUES**
- IV. CRC CHARGE**
- V. BACKGROUND AND REFERENCE CHECKING**
- VI. INDIRECT COST RECOVERY**
- VII. CHARGEBACKS**
- VIII. STRATEGIC PLANNING**
- IX. UNIVERSITY CENTER SCHEMATIC DESIGN**
- X. FACULTY/STAFF HOUSING**
- XI. STUDENT HOUSING EXPANSION**
- XII. DIVISION FINANCIAL AFFAIRS**
- XIII. WASC SELF-REVIEW WORKSHEET**

**I: APPROVAL OF THE MINUTES**

Larry Schlereth called the meeting to order at 12:34 pm. Schlereth asked for a motion to approve the minutes from October 14, 2005. Nate Johnson moved, Jason Wenrick seconded. No objections were heard and the minutes were passed unanimously with abstentions from those not in attendance at the October 14, 2005 meeting.

**II: VICE-PRESIDENT'S REPORT**

(Please see the December 16, 2005 Agenda Packet for this document)

CPDC Update

Schlereth welcomed Christopher Dinno to CRC. Dinno is serving as Interim Director of Campus Planning, Design and Construction as well as continuing to fulfill his position as Director of Campus Planning. Deborah Duvall has also agreed to temporarily come out of retirement and assist at CPDC. Additionally, CPDC is conducting search for project managers for GMC and Faculty/Staff Housing. Schlereth expressed thanks to Dinno and the entire CPDC team. Schlereth added that there will be plans discussed for a commemoration for Bruce Walker, such as a plaque in the Salazar Hallway and a possible Memorial Fund to provide a naming opportunity.

Multi-Purpose Academic Building Update

This project will be discussed at a special meeting of the Academic Council. Tentative plans are for 59,000 square feet which would accommodate 500 FTE growth and 100 faculty offices. The plan is for the building to come out of the 2008/09 budget year. Duvall will work with the Academic Council to determine the specific needs. The plan will then go to the Campus Planning Committee in March and on to the Chancellor's Office in April.

Enrollment Growth Projections

Enrollment Growth Projections show an FTE growth of 311 for 2006/07 and 551 in 2007/08 which is a large growth pattern. For this reason, the Multi-Purpose Academic Building needs to be complete by 2010. As the University's strategic planning moves into more concrete initiatives the enrollment growth projections will continue to have profound implications for campus infrastructure. Discussion ensued regarding the effect of Year Round Operations on enrollment growth projections and budget implications.

Financial Services Assessment

The assessment of Financial Services is currently underway. The assessment for SSE will begin in spring and CPDC in the summer. When it is time for the WASC review, the assessment for all nine clusters will be complete.

Service Awards – 40 Years

The campus has a Service Awards Ceremony each year and gives gifts for service milestones. Currently the highest gift is a chair for 35 years of service, however, we are now having people hit a 40 year milestone and solicit ideas for a gift for 40 years of service. The gift should be meaningful; Schlereth also added that many of those who are reaching the 40 year milestone are faculty. Catherine Nelson suggested that a letter from the president thanking the recipient for their years of service would be appropriate in addition to the gift. Schlereth asks the committee to consider gift ideas and suggested that Human Services contact other universities to find out if they have a similar program. Discussion ensued regarding adjusting the time and date of the Service Awards so that more faculty would be able to attend. Eduardo Ochoa suggested holding it during the first week of the semester before classes begin and Nate Johnson suggested combining the Service Awards with the Excellence in Teaching Awards. Edna Nakamoto said that she would look into both suggestions.

#### Wireless Technology

The campus community, especially students, have expressed an interest in having wireless technology available in the Commons and Zinfandel Dining Rooms. Because these are SSE spaces, the cost should be absorbed by SSE. Neil Markley noted that the costs aren't entirely insignificant, quotes for the Cooperage ranged from \$5,000 to \$10,000. Melinda Barnard noted that increased use of the spaces for scheduling conferences makes the wireless technology vital. Nadir Vissanji added that the Pub recently implemented wireless technology and it has been very popular. Peter Neville noted that the entire Student Union is wireless. Sam Scalise noted that the upgrade is not outrageously expensive but the money does need to come from somewhere. Schlereth asked Markley and Scalise to work together on this issue.

#### Fridays at Four

Schlereth announced that the final Fridays at Four for the fall semester is taking place after CRC today and everyone is invited to come by for free food and a cash bar.

#### Management Trainees

Schlereth announced that the recruitment for the next class of management trainees would begin in the spring. Doing the recruitment for the last group of trainees in the summer did not allow much time flexibility for admission to the University and the Master's programs. The Senior Directors have been asked to consider whether or not they would like to have a trainee in their area and this time, they will be required to provide the money. Schlereth will also be asking committee members in February if they would be available to serve on the search committee.

### **III: UNIVERSITY BUDGET ISSUES**

(Please see the December 16, 2005 Agenda Packet for this document)

#### Green Music Center Update

Construction has not yet started on the Green Music Center due to a couple of factors. The first is that Bruce Walker's absence has had an effect on the project. Schlereth recognized Floyd Ross and Dinno's efforts to take over the project. Additionally, there are outside influences affecting the cost of construction. It is difficult to obtain resources due to the large amount of public money being spent on construction and the effects of Hurricane Katrina, causing prices to rise. The problem has affected the entire CSU; most projects are over budget and behind schedule. These factors have also affected the GMC; the budget is about \$3 million dollars off. The campus is unable to sign a construction contract until the project budget is under control. The current goal is to sign the construction contract by January 15, 2006 and to start on the foundation. However, construction probably won't begin immediately due to the rainy season. Construction on the foundation will probably begin around March 1<sup>st</sup> through September and will cost approximately \$6 to \$7 million. After that, construction on the rest of the structure will take approximately 24 months and be complete sometime during Fall 2008. Currently, the budget issue is estimated to cause about a six month delay. After the building is complete, the concert hall needs to be tuned and Group 2 Equipment will be installed.

Schlereth and Ochoa are still working on the brief on operations which will be presented to CRC and Academic Senate in February 2006.

#### Trustees Budget Request: 2006-2007

All indications are that compact will be honored. The Trustee's Budget Request includes an 8% fee increase for undergraduate and 10% increase for graduate. There is some discussion that the Legislature may buy this out, but it is not certain. On the expense side, there is enrollment growth compensation. The plan to address salary lag is still unclear. Long term need addresses libraries, deferred maintenance and technology budget issues, however, libraries and technology monies will remain at the system-wide level. This is basically a growth and compensation focused budget.

#### FISMA Audit

The FISMA Audit is an internal audit process by the Office of the University Auditor at the Chancellor's Office. The audit is conducted every 2 years and focuses on operational and business process and compliance with standards such as the Standard Accounting Manual and CSU Executive Orders. The areas of Human Services, Finance and Information Technology are the most scrutinized. It is a very intense audit review that lasts from six to eight weeks. This is the first time that the results have been released. The SSU audit was a generally clean audit with six recommendations and no material weaknesses found. The average campus has 24 to 30 findings. Schlereth thanked the senior directors and administrative managers in these areas as the limited findings are a testament to how well the departments work. Discussion ensued on each of the audit recommendations.

Schlereth added that the external audit of the CSU system performed by KMPG is going to have a material weakness finding of major problems in accounting departments. SSU is not part of the issue, but about 50% of the campuses have major problems. This will have an impact with the Trustees. It is important that we document that we have sufficient CPA's and staff trained in GAAP and GASB.

#### **IV: CRC CHARGE**

(Please see the December 16, 2005 Agenda Packet for this document)

Schlereth presented a proposal for the new CRC charge. Schlereth moved to consider the charge for adoption, Letitia Coate seconded. Discussion ensued regarding specific wording of the charge. Changes were recorded and Melanie Dreisbach moved to approve the revised charge. Richard Senghas seconded and the revised charge was passed with no opposition.

#### **V: BACKGROUND AND REFERENCE CHECKING**

(Please see the December 16, 2005 Agenda Packet for this document)

This is the second reading of this document that was first reviewed at the October CRC meeting. Human Services has gathered input from various areas and the policy is now ready to be sent to the President to be passed as a blue paper policy. Schlereth moved to approve, Sue Hayes seconded the motion. Nakamoto outlined the changes that had been made to the policy since being presented in October. Most significantly was the clarification of minor status. The policy does not consider our own students to be minors; this categorization includes students of primary or secondary schools. Minors in our regular classes would be considered to be our own students. The revised Background and Reference Checking policy passed with no opposition and will be sent on to the President.

#### **VI: INDIRECT COST RECOVERY**

(Please see the December 16, 2005 Agenda Packet for this document)

Schlereth asked Lori Heffernon, Assistant Controller, Grants and Contracts to discuss the Indirect Cost Recovery report. Heffernon explained that this report reflection actual figures from 04/05 and projected figures for 05/06. Heffernon discussed each of the line items on the report. Dreisbach asked how this compares with other campuses and how is the breakdown to the departments decided. Heffernon replied that it is not easy to compare because most other campuses still operate their grants within a Foundation. Katie Pierce responded to the breakdown to departments, replying that there is a wide variance in the way that campuses handle indirect cost recover. SSU gives back 50% of indirect costs that are earned to ASC and CIHS. 20% of the remaining goes to the Provost, 5% to Student Affairs and 2% to each school. The remainder is divided up amongst the schools that bring in grants, 30% of the distribution is based on the money brought in, 70% is based on the indirect cost revenue.

Elaine McDonald questioned the working capital line of credit increase. Schlereth responded that in 04/05 the program was borrowing from SSU trust funds; however there is not enough in

reserve to accommodate this anymore. The program is now borrowing from the Academic Foundation at a higher interest rate of prime plus 1 1/4. This also means that as interest rates, IDC will be impacted. Senghas question the allocation to the President in 05/06 when no allocation was given in 04/05. Heffernon replied that 04/05 was the only year the President did not have an allocation. This allocation is largely used for fundraising. Next year it may be replaced by the investment fee that just passed by Foundation Board which is effective January 1, 2006. Schlereth noted that the main issue is the effect of interest rates. It would be better to borrow the money from a campus account. The loan is about \$5 million monthly. Pierce noted that lowering the need for borrowing and creating lower costs is being worked on. Heffernon added that the program has improved its cash position by about \$2 million in the past two months, largely due to higher discretion about who we are contracting with. Schlereth noted that increase in the Indirect Effective rate would cascade profits directly down to the bottom line and that the current target is to reach 15%.

**VII: CHARGEBACKS**

Event Set Ups, Renovations, Telephone and Postage

Schlereth asked Coate to chair this discussion of charge-backs and ascertain whether this was a question that needed to be revisited. Discussion ensued regarding the specifics of each kind of charge back. Coate proposed that a subcommittee be formed to gather the facts on how each kind of chargeback is applied and what the dollar amounts are. Additionally, the subcommittee should discuss plausibility of implementing a centralized phone bill. Coate asked Rich Marker, Markley, Pierce, Scalise and Ian Hannah to be a part of the subcommittee as well as inviting anyone else who is interested to participate.

**VIII: STRATEGIC PLANNING**

Item deferred.

**IX: UNIVERSITY CENTER SCHEMATIC DESIGN**

Item deferred.

**X: FACULTY/STAFF HOUSING**

Item deferred.

**XI: STUDENT HOUSING EXPANSION**

Projected Enrollment Growth and Freshman Class Size Projections

Item deferred.

**XII: DIVISION FINANCIAL AFFAIRS**

Item deferred.

**XIII: WASC SELF-REVIEW WORKSHEET**

Schlereth asked the members to complete the WASC Self-Review Worksheets from the point of view of the CRC and give them to Letitia to be passed on to Rose Bruce. Please notate that it has been completed at CRC.

Meeting was adjourned at 3:23 pm.

Minutes prepared by Laura Lupei.