

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
February 26, 2004**

MEMBERS PRESENT:

Eduardo Ochoa	Provost, Co-Chair
Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Rand Link	Vice-President, Student Affairs
Katharyn Crabbe	VPBAC
Janice Peterson	CRC
Noel Byrne	Immediate Past Chair of the Faculty
Catherine Nelson	Chair of the Faculty
T.K. Clarke	VPBAC
Melinda Barnard	CRC
Victor Garlin	CFA Representative
Jason Spencer	President, Associated Students
Melanie Dreisbach	Chair-Elect of the Faculty
Ethan LaMoureaux	Associated Students Treasurer
Lynn McIntyre	Vice-President, University Affairs
Sam Scalise	CRC
Steve Wilson	Associate Vice-President, Administration and Finance
Gloria Ogg	CRC

STAFF PRESENT:

Katie Pierce	Associate Vice-Provost for Academic Resources
Neil Markley	Director, Administrative Services
Letitia Coate	University Controller
Bill Ingles	University Treasurer

MEMBERS ABSENT:

Debora Hammond	VPBAC Faculty
John Kramer	Faculty Representative at Large
Henry Amaral	Staff Representative
Stuart Jones	Vice-President, Development

STAFF ABSENT:

WANDLING< HAMMOND

None

GUESTS PRESENT

Bill Crowley, Jane Wright, Rick Luttmann

AGENDA

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| I: | CALL TO ORDER |
| II: | APPROVAL OF THE AGENDA |
| III: | APPROVAL OF THE MINUTES, December 18, 2003 |
| IV: | GOVERNOR'S 2004-2005 BUDGET |
| V: | STATE PRO-RATA CHARGES |
| VI: | IMPACT OF REDUCED ENROLLMENT ON SELF-SUPPORT |
| VII: | 2004-2005 DIVISIONAL FINANCIAL PLANNING |

I: CALL TO ORDER

Eduardo Ochoa brought the meeting to order at 8:07am.

II: APPROVAL OF THE AGENDA

Ochoa asked for any additions or deletions to the Agenda. No additions or deletions were heard and the Agenda was passed unanimously.

III: APPROVAL OF THE MINUTES: December 18, 2003

Schlereth noted that no minutes were attached. Approval will be sought at the March PBAC Meeting.

IV: GOVERNOR'S 2004-2005 BUDGET

(Please see the February 26, 2003 Agenda Packet for this document)

Schlereth presented the impacts of the Governor's 2004-2005 budget. Sonoma State University faces \$3,749,000 in budget reductions and \$1,529,856 in unfunded mandatory costs. The budget reductions were partially offset by increased tuition for students. The University anticipates 348 less FTES will be admitted in the Fall due to the budget reductions. The University will receive \$3,567,300 to fund new space and increased costs associated with health benefits.

The estimated divisional budget impacts are as follows:

Executive Office	\$ 121,336
Academic Affairs	\$ 3,501,733
Student Affairs	\$ 101,060
Administration and Finance	\$ 1,093,127
TOTAL	\$ 4,817,256

Schlereth noted that reduced funding and enrollment reductions will also adversely affect self-support funds. T.K. Clarke feels the reductions taken by Academic Affairs, when compared to benefit funding increases, show a higher percentage of cuts to that division. Schlereth responded that Academic Affairs will likely show larger reductions when enrollment declines. This is due to a reduction in the number of students needing direct instruction.

V: STATE PRO-RATA CHARGES

Schlereth informed Members that the rate the State of California charges self-support funds for services is increasing by 50%. As an example, Housing's pro-rata charges this year will approach \$800,000. This increase combined with lower funding could force some self-support funds to dip into reserves.

IV: IMPACT OF REDUCED ENROLLMENT ON SELF-SUPPORT FUNDS

Self-support funds will face increasing costs and lower revenue in the coming year. This will have an effect on all funds and could cause these funds to dip into reserves. Academic Affairs is looking to move additional graduate studies to self-support and replace it with lower cost undergraduate courses. Victor Garlin asked if year round operations would be funded this year. Schlereth responded that we will receive funding this year and campuses are free to revert to self-support next year. Next year, however, the self-support funds may only charge the rates set by

the state. This is a political move that will need to play out. Garlin asked why the SSE surplus had declined this year. Schlereth responded that the SSE is more accurately reflecting the numbers by budgeting needs that used to be funded through the surplus. These needs are very important to the operations of SSE.

Discussion ensued regarding the use of self-support funds to fund instruction. Many self-support funds cannot use money for instruction. Others are governed by Board of Directors who make decisions regarding fund uses and they have a duty to the fund to remain solvent.

Schlereth assured Members that the financial staff is scouring accounts looking for loose money that can be used to shore up the institution. He also noted that many alternatives will be explored.

Schlereth reported that the President will likely hold a budget summit to follow the CSU budget summit in March.

Ochoa adjourned the meeting at 9:54am.
Minutes prepared by Neil Markley