

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
February 10, 2005**

MEMBERS PRESENT:

Eduardo Ochoa	Provost, Co-Chair
Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Andy Merrifield	CFA Representative
Gloria Ogg	CRC
Henry Amaral	Staff Representative
Janice Peterson	CRC
Elizabeth Stanny	Chair-Elect of the Faculty
Chris Fadeff	Associated Students Treasurer
Melinda Barnard	CRC
Lynn McIntyre	Vice-President, University Affairs
Jason Spenser	President, Associated Students
Catherine Nelson	Immediate Past Chair of the Faculty
Saied Rahimi	VPBAC
Sam Scalise	CRC
Letitia Coate	Associate Vice-President, Administration and Finance

STAFF PRESENT:

Bill Ingels	University Treasurer
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MEMBERS ABSENT:

Katharyn Crabbe	VPBAC
Melanie Dreisbach	Chair of the Faculty
Rand Link	Vice-President, Student Affairs
Tim Wandling	VPBAC Faculty
Stuart Jones	Vice-President Development
John Kramer	Faculty Representative at Large
Katie Pierce	Associate Vice-President for Academic Resources

GUESTS PRESENT:

Robert Rosen
Jane Wright
Lori Heffernon

AGENDA

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| I: | APPROVAL OF THE AGENDA |
| II: | APPROVAL OF THE MINUTES |
| III: | ALLOCATION OF RESERVE FUNDS FOR SPRING COURSE SECTIONS |
| IV: | GRANTS AND CONTRACTS |
| V: | EXTENDED EDUCATION/CFA SETTLEMENT |
| VI: | FACULTY STAFF HOUSING: 2004-2005 FUNDING REQUIREMENTS |
| VII: | 2005-2006 PROJECTED GOVERNOR'S BUDGET |

I: APPROVAL OF THE AGENDA

Eduardo Ochoa brought the meeting to order at 8:07 am. Andy Merrifield recommended that the 2004 CFA Settlement be added to Item V. The agenda was passed unanimously.

II: APPROVAL OF THE MINUTES: December 16, 2004

The minutes were approved unanimously with abstentions from those not in attendance at the December 16, 2004 meeting.

III: ALLOCATION OF RESERVE FUNDS FOR SPRING COURSE SECTIONS

Larry Schlereth informed the Committee that \$109,472 was rolled from 2003-2004 to the 2004-2005 University Reserve. The President has allocated \$120,000 from the current year's reserve to Academic Affairs for Spring course sections. The Provost reported that he, along with the Deans, has determined the allocation among the schools. Saied Rahimi indicated that the schools worked together and placed the major emphasis on freshman classes. Schlereth reported that at this time, the reserve is zero.

IV: GRANTS AND CONTRACTS

Schlereth stated that there is a negative cash flow situation in Grants and Contracts. The current annual volume is \$30m, which is huge for a campus of our size. Much of the work is with the State of California, which reimburses SSU for its expenses in arrears. Thus the completed work is reflected in the accounting records as an accounts receivable and not in cash. The negative cash could approach \$10m by next year. A current loan from University Trust Funds will not be available next year, and the University may have to borrow elsewhere – probably at a much higher interest rate.

V: EXTENDED EDUCATION/CFA SETTLEMENT and 2004 SETTLEMENT
(Please see the February 10, 2005 Agenda Packet for this document)

Schlereth reported that the settlement (prior years) was finalized in January, and results in a current year expense to Extended Education in the amount of \$1,086,000. The Chancellor's Office will fund 50% (\$543,000) of this expense. The remaining budgeted distribution to the schools (\$224,000) will be made. Extended Education's expected reserve will be approximately \$540,000 which is at the minimum acceptable level. There may be a 2003/04 settlement. The amount is unknown at this time. It is possible the Chancellor's Office may contribute towards this settlement cost. If Extended Education's reserve becomes too low, they would have to borrow from the University Reserve and a university-wide assessment would occur.

VI: FACULTY STAFF HOUSING: 2004-2005 FUNDING REQUIREMENTS
(Please see the February 10, 2005 Agenda Packet for this document)

Schlereth presented a handout reflecting projected expenses and revenue. He had previously proposed to the CRC, and they approved, that \$125,000 come from Administration and Finance. Additionally, the SSU Parking Program and the SSU Housing Program will each contribute \$125,000. Sonoma State Enterprises will contribute \$100,000. Total contributions are \$475,000 and will fund due diligence, master planning, and project management costs. Parcel C will not be purchased due to a costly mitigation.

VII: 2005-2006 PROJECTED GOVERNOR'S BUDGET

(Please see the February 10, 2005 Agenda Packet for this document)

Schlereth reported that our enrollment target for next year will be an increase of 168 FTES over this year's target. This equates to a 2.5% increase. Consequently, enrollment growth funding will be distributed based on the marginal cost formula. There is a planned 3.5% compensation increase that will be calculated and distributed by the Chancellor's Office. Not all bargaining groups will receive the same percentage increase.

VIII: STRATEGIC PLANNING

Schlereth indicated that according to the Chancellor' Office, SSU may soon be growing faster than the average campus in the future. This would have an impact on capital outlay, institutional space, and housing. Within ten years, the campus enrollment could be 12,000 FTES.

Ochoa adjourned the meeting at 9:30am.

Minutes prepared by Letitia Coate