

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
October 21, 2004**

MEMBERS PRESENT:

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| Eduardo Ochoa | Provost, Co-Chair |
| Larry Furukawa-Schlereth | Vice-President, Administration and Finance, Co-Chair |
| Katharyn Crabbe | VPBAC |
| Melanie Dreisbach | Chair of the Faculty |
| Andy Merrifield | CFA Representative |
| Gloria Ogg | CRC |
| Henry Amaral | Staff Representative |
| Rand Link | Vice-President, Student Affairs |
| Janice Peterson | CRC |
| Elizabeth Stanny | Chair-Elect of the Faculty |
| Chris Fadeff | Associated Students Treasurer |
| Sam Scalise | CRC |
| Steve Wilson | Associate Vice-President, Administration and Finance |
| Stuart Jones | Vice-President, Development |
| John Kramer | Faculty Representative at Large |
| Bill Crowley for Tim Wandling | VPBAC Faculty |

STAFF PRESENT:

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

MEMBERS ABSENT:

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| Saied Rahimi | VPBAC |
| Melinda Barnard | CRC |
| Lynn McIntyre | Vice-President, University Affairs |
| Jason Spencer | President, Associated Students |
| Catherine Nelson | Immediate Past Chair of the Faculty |

STAFF ABSENT:

None

GUESTS PRESENT

None

AGENDA

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| I: | APPROVAL OF THE AGENDA |
| II: | APPROVAL OF THE MINUTES |
| III: | 2003-2004 YEAR-END FINANCIAL REPORT |
| IV: | 2004-2005 BUDGET REDUCTIONS |
| V: | CSU SYSTEMWIDE ADVISORY COMMITTEE |
| VI: | SSU STRATEGIC PLANNING |
| VII: | EMERGING CURRENT YEAR FINANCIAL ISSUES |
| VIII: | ITEMS FOR THE GOOD OF THE ORDER |

I: APPROVAL OF THE AGENDA

Eduardo Ochoa brought the meeting to order at 8:12AM. Katharyn Crabbe moved and Andy Merrifield seconded a motion to approve the agenda. No objections were heard.

II: APPROVAL OF THE MINUTES: September 9, 2004

Steve Wilson moved and Katharyn Crabbe seconded a motion to approve the minutes of September 9, 2004. The minutes were approved unanimously with abstentions from those not in attendance at the September 9, 2004 meeting.

III: 2003 – 2004 YEAR-END FINANCIAL REPORT

(Please see the October 21, 2004 Agenda Packet for this document)

Schlereth presented the 2003-2004 Year-End Expenditure Report. The data has been verified and follows the Generally Accepted Accounting Principles (GAAP) format. All data is presented with amortization and depreciation removed. This data, over time, will allow begin to show trends in the expenditures of the University. Auxiliary Enterprises encompasses all auxiliaries as well as housing and parking. The large increase in this category is primarily a result of the Beaujolais Village and Recreation Center projects. This increase is responsible for an overall increase in total dollar expenditures. While all other categories experienced overall expenditure increases, percentages decreased due to larger portion of Auxiliary Enterprises expenditures. Also of note, is the large amount of Research and Public Service our institution conducts. This large amount is unusual for a public, liberal arts university of our size. The increase in Plant Operations was largely due to rebates associated with energy conservation projects.

Merrifield noted that it is difficult to reconcile projected budgeted figures with GAAP figures. He asked how money within Academic Affairs can be traced and compared to budgeted projections. Eduardo Ochoa responded that this is largely the work of the Vice-President's Budget Advisory Committee and the Schools.

IV: 2004 – 2005 BUDGET REDUCTIONS

(Please see the October 21, 2004 Agenda Packet for this document)

Schlereth presented the 2004-2005 General Fund budget reductions. These reductions were actual cuts not associated with enrollment reductions. Schlereth noted that these reductions were permanent and not returning to the campus.

V: CSU SYSTEM-WIDE BUDGET ADVISORY COMMITTEE

(Please see the October 21, 2004 Agenda Packet for this document)

Schlereth presented the preliminary 2005-2006 CSU Support Budget. Schlereth emphasized that most of the anticipated new revenue to the campus will be allocated for mandatory costs, enrollment growth and compensation increases. Other new revenue will likely be targeted for identified programs. This budget assumes the compact between the CSU and the Governor will hold. Schlereth noted that the State of California is facing a shortfall of at least \$7,000,000,000 in the upcoming fiscal year. Schlereth noted that this plan does not address repairing the base budgets.

Merrifield believes many political factors are at play that could effect the budget planning process. Steve Wilson emphasized that these projections are speculative until the Governor releases his January budget plan.

VI: SSU STRATEGIC PLANNING

Ochoa announced that the President has asked him and Schlereth to co-chair a strategic planning group for the campus. They will use the WASC self-assessment worksheet to guide their process. Ochoa and Schlereth will likely form a steering committee and sub-committees to commence the planning process.

VII: EMERGING CURRENT YEAR FINANCIAL ISSUES

Darwin Hall Interim Plan

\$1,500,000 was set aside for the interim plan. Science and Technology feels an additional \$300,000 is needed. Academic Affairs and Administration and Finance will split the \$300,000, two-thirds and one-third respectively.

Employee Workstation Replacement

This program was eliminated in the budget reductions two years ago. Many workstations are in need of replacement. Sam Scalise is determining the cost of needed replacements by division. This will likely be a cost of at least \$400,000 per year.

Water Tank Repair

The University's two main water tanks are beginning to leak. The estimated cost to repair the tanks is \$400,000 per tank.

Carson Hall HVAC Repair

The Carson Hall HVAC system needed immediate attention to provide heat during the winter months. This project is underway at a cost of \$80,000.

Schulz Heating Repair

The main heating line to the Schulz Information Center is leaking and will need repair. A short-term patch has been implemented while the \$375,000 needed for repair is identified.

VII: ITEMS FOR THE GOOD OF THE ORDER

Schlereth announced that the University is no longer required to purchase from the Prison Industries Authority unless they provide the best value to the campus. This is good news, especially for the housing program.

Ochoa provided an overview of the Strategic Planning Steering Committee Membership. The committee will include faculty, staff, students and administrators from across the University.

Ochoa adjourned the meeting at 9:40am.

Minutes prepared by Neil Markley