

**PRESIDENT'S BUDGET ADVISORY COMMITTEE
MINUTES
September 8, 2005**

MEMBERS PRESENT:

Larry Furukawa-Schlereth	Vice-President, Administration and Finance, Co-Chair
Katharyn Crabbe	VP SAEM
Saied Rahimi	Deans Representative
Melanie Dreisbach	Immediate Past Chair of the Faculty
Tim Wandling	AABAC Representative
Gloria Ogg	Sr. Director for University Business Services, CRC Rep
Janice Peterson	Senior Director for University Budget, CRC rep
Elizabeth Stanny	Chair of the Faculty, BUS Dept.
Melinda Barnard	Communications Dept., CRC rep
Nadir Vissanjy	President, Associated Students
Steve Campbell	AS Vice President for Finance
Letitia Coate	Associate Vice-President, Administration and Finance
Henry Amaral	Staff Representative, Facilities
Sam Scalise	CIO
Elaine McDonald	Chair Elect of the Faculty, Math Dept.
Bucky Peterson	VP Development
Dan Condron	VP University Affairs
Catherine Nelson	Represented Andy Merrifield, CFA
Carol Blackshire-Belay	Vice Provost Academic Affairs (Represented Eduardo Ochoa)

STAFF PRESENT:

Bill Ingels	University Treasurer
Katie Pierce	Associate Vice-President for Academic Resources
Ian Hannah	Management Trainee, A & F

MEMBERS ABSENT:

Eduardo Ochoa	Provost
Andy Merrifield	CFA Representative
John Kramer	Political Science Department

GUESTS PRESENT:

David Abbott	Staff Writer, SSU Star
Steve Wilson	CFA Lecturer's Rep

AGENDA

- I: APPROVAL OF THE AGENDA
- II: APPROVAL OF THE MINUTES
- III: YEAR-END FINANCIAL REPORT: 2004-2005
- IV: STATUS OF THE CAMPUS RESERVE
- V: STATUS OF THE DARWIN INTERIM PROJECT FUNDING
- VI: 2005-2006 BUDGET
- VII: SSU ACADEMIC FOUNDATION RE-INVESTMENT FEE
- VIII: 2005-2006 AGENDA TOPICS
- IX: ITEMS FOR THE GOOD OF THE ORDER

I: APPROVAL OF THE AGENDA

Larry Schlereth brought the meeting to order at 8:10 am. The agenda was passed unanimously.

II: APPROVAL OF THE MINUTES: May 26, 2005

Passed.

III: YEAR-END FINANCIAL REPORT: 2004-2005

(Please see the September 8, 2005 Agenda Packet for this document)

Larry Schlereth presented the 2004-2005 Year-End Financial Report. Each division reported a cash balance at the end of the fiscal year, however much of the money had been committed before year-end. The total General Fund balance is \$1,372,305, and it will be rolled forward to each division's FY 2005-2006 budget.

IV: STATUS OF THE CAMPUS RESERVE

(Please see the September 8, 2005 Agenda Packet for this document)

Schlereth presented the 2005-2006 University Reserve Status Report. The total deficit is \$886,394, and it is being rolled forward into the FY 2005-2006 budget. Each division will be assessed at the marginal cost rate. There is a concern by many members that the reserve items should be very closely watched before being put on the list as University Wide. These should be items that are unforeseen, not ongoing costs/shortfalls from different departments.

V: STATUS OF THE DARWIN INTERIM PROJECT FUNDING STATUS REPORT

(Please see the September 8, 2005 Agenda Packet for this document)

Schlereth informed the Committee that during the early stages of the Darwin Hall remodeling project, it was determined that the total cost exceeded the funds available from the Chancellor's Office (state bond issue). State funded capital outlay program does not provide the campus with the interim relocation costs connected with the Darwin renovation. It was decided to fund these additional costs internally by assessing each division. The final installment needed to be paid this year is \$611,522 and includes Academic Affairs (\$293,002), Student Affairs (\$98,410), and Administration and Finance (\$220,110).

VI: 2005-2006 BUDGET

(Please see the September 8, 2005 Agenda Packet for this document)

- A. New Restricted General Funds** Schlereth informed the Committee that the overwhelming increase in restricted General Fund dollars is in Compensation and Benefits in the amount of \$3,564,000 which reflects a 3.5% CSU wide salary increase. Energy Augmentation of \$119,890 is provided due to rising energy costs and put directly in to the utility budget. Financial Aid Augmentation of \$318,900 is associated with 168 new FTES and in theory is associated with the rise in enrollment. A Maintenance and Repair Augmentation of \$96,380 is to restore budget cuts. In recognition of rising insurance costs, there is a CSU Risk Pool Augmentation of \$397,500. The Total New Restricted Dollar amount is \$4,496,670 and represents mandatory costs.
- B. New Discretionary General Funds** Schlereth explained that our Enrollment Growth amount of \$1,161,600 is associated with marginal cost formula funding for 168 new FTES. (approx. \$7,500 per FTES) One-Time Funds, Academic Preparation/Outreach is in the amount of \$160,200 to reimburse a \$7M governor EOP/Outreach cut.
Adjustments: An Enrollment Revenue Adjustment of \$550,000 stands because we increased our average student unit load to achieve our 168 new FTES target rather than an increase in new student bodies. For Institutional Memberships, \$40,000 was taken off the top. Information Security Costs totaled \$185,000 in response to the President moving forward with an information security initiative. CSU Cisco Assessment represents \$115,000 off the top for mandatory new costs for a system-wide software license. This leaves a Net New Discretionary Dollars amount of \$431,800 recommended to be allocated to Academic Affairs for instruction. There was consensus on this item of all the dollars going to Academic Affairs. Members expressed that \$431,800 is less than was initially expected which will make it impossible to hold the current SFR constant and to meet a 168 new FTES target.
- C. Final Budget: Endowment Earnings Distribution.** Schlereth indicated that the distribution of endowment earnings totals \$884,126 and will be dispersed amongst the different departments.
- D. Final Budget: IDC Distribution** Schlereth informed the Committee that the total 2005-2006 distribution of discretionary indirect cost recovery revenue given to academic affairs is \$1,113,031.
- E. Final Budget: Extended Education Distribution.** Schlereth explained that the Extended Education earnings distribution 2005-2006 projection in the amount of \$451,727 is down from the prior year due to a change in summer school.

VII: SSU ACADEMIC FOUNDATION RE-INVESTMENT FEE

(Please see the September 8, 2005 Agenda Packet for this document)

Bucky Peterson presented a proposal for a reinvestment fee. He explained that the purpose of the fee is to strengthen SSU's fundraising capabilities in order to generate higher levels of gift income to support all University programs. With several exceptions, a fee of 5% would be applied to all cash gifts, bequests and payments on new pledges. A general concept will be developed and presented again to the committee with more detail of the percentage, how to access it and how to distribute it. Schlereth would like to express to the Foundation the PBAC's support of the reinvestment fee.

VIII: 2005-2006 AGENDA TOPICS

Schlereth expressed the time frame for the Agenda topics that will be discussed in the future. (Please refer to the September 8, 2005 Agenda VIII for these topics)

Schlereth adjourned the meeting at 10:00 a.m.

Minutes prepared by Bill Ingles & Ian Hannah