

**PRESIDENT'S BUDGET ADVISORY COMMITTEE  
MINUTES  
February 22, 2007**

**MEMBERS PRESENT:**

Larry Furukawa-Schlereth	CFO, Vice-President for Administration and Finance, Co-Chair
Eduardo Ochoa	Provost, CAO, Vice-President for Academic Affairs, Co-Chair
Elaine McDonald	Chair of the Faculty, Math Department
Elaine Leeder	Dean, Social Sciences, AABAC Representative
Katharyn Crabbe	Vice-President for Student Affairs and Enrollment Management
Janice Peterson	Senior Director for University Budget, A&F, CRC Representative
Dan Condron	Vice-President, University Affairs
Letitia Coate	Associate Vice-President, Administration and Finance
Sam Scalise	Chief Information Officer, Administration and Finance

**STAFF PRESENT:**

Ian Hannah	Management Trainee, Administration and Finance
Bill Ingels	University Treasurer

**MEMBERS ABSENT:**

Bucky Peterson	Interim Vice-President for Development
Tim Wandling	Chair Elect of the Faculty, Chair, English Department
Elizabeth Stanny	Past Chair of the Faculty, Business Administration
Nadir Vissanjy	President, Associated Students
Henry Amaral	Staff Representative, Facilities
Andy Merrifield	CFA Representative
Steven Campbell	Vice-President for Finance, Associated Students
John Kramer	Professor, Political Science Department

**STAFF ABSENT:**

Katie Pierce	Associate Vice-President for Academic Resources
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**GUESTS PRESENT:**

Tandy Whitaker	Budget Manager, Administration and Finance
Kathy Mahler	Budget Manager, Administration and Finance
David Abbott	Chief Editor, SSU STAR

**AGENDA**

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| I:   | CALL TO ORDER AND APPROVAL OF THE AGENDA                      |
| II:  | APPROVAL OF THE MINUTES (December 14, 2006)                   |
| III: | REVIEW OF CAMPUS RESERVE                                      |
| IV:  | CAMPUS BUDGET PRIORITIES: 2007-2008                           |
| V:   | ANALYSIS OF GOVERNOR'S BUDGET AND PROPOSED CAMPUS ALLOCATIONS |

**I: APPROVAL OF THE AGENDA**

(Please see the February 22nd, 2007 Agenda Packet for this document)

Eduardo Ochoa brought the meeting to order at 8:10 am. The agenda passed unanimously.

**II: APPROVAL OF THE MINUTES: *December 14, 2006***

(Please see the February 22nd, 2007 Agenda Packet for this document)

The minutes were approved unanimously with one small change. Ochoa recommended and the committee approved changing the word “revealed” to “reported” in the fifth paragraph of item III.

**III: REVIEW OF CAMPUS RESERVE**

(Please see the February 22nd, 2007 Agenda Packet for this document)

Larry Schlereth mentioned that the campus reserve began with \$625,000. All reserve items are brought to the President and are to be items that are truly unexpected. For 2006/2007 there are nine items charged to the campus reserve, including the following:

- (1) \$60,000 - The Presidential Scholars Program was originally funded by the Alumni affinity card proceeds but this funding source has dried up. The Development office is attempting to find a donor to fund this item, hopefully in the form of an endowment. In the meantime, the scholarship commitment made to students entering SSU with a 4.0 GPA remains.
- (2) \$100,000 - The tennis courts have fallen into disrepair.
- (3) \$50,000 - There is no funding to support the search process for the Vice President for Development. This item would traditionally be funded by the home division but the Development office does not have the resources to cover the costs. A search firm was not hired for this search and Dan Condron is optimistic that if we are successful with the current pool of applicants, the cost will be well under \$50,000.
- (4) \$60,000 - This item relates to employees using the campus fee waiver program. A CSU system-wide ruling was made that requires the University to reimburse the waived fees associated with the Student Health Center and ASI.
- (5) \$189,506 - This amount represents the tax to the University to be paid back to the CSU system for our failure to meet target in 2005/2006. This tax relates to the amount in excess of 2% under target. Katharyn Crabbe added that last year SSU was under target by about 3%.
- (6) \$27,000 – This amount reflects the final residual costs involved in the Darwin interim space plan.
- (7) \$130,000 - The CFA arbitration award provides unfunded merit salary adjustments for professors moving from assistant to associate and associate to full professor classifications.

(8) \$220,000 – The collective bargaining settlements in excess of budget correspond to the salary offer on the table of 4.0%. The California government is providing 3.64% of this increase, resulting in the difference to be paid out of the campus reserve.

(9) The figure relating to the CIHS disallowance has not yet been developed but will be announced sometime in March.

The funds for items (7) and (8) have already been collected through assessments from all the divisions based on their share of the campus budget. Schlereth added that there are a couple of lawsuits underway against the University which could add a risk pool deductible amount of \$100,000 per lawsuit that would potentially hit the campus reserve. With strong agreement from the PBAC members, Elaine Leeder expressed a message to attempt to keep the reserve balance positive so that an assessment will not be required and hopefully even a refund would be possible.

#### **IV: CAMPUS BUDGET PRIORITIES: 2007-2008**

(Please see the February 22nd, 2007 Agenda Packet for this document)

Schlereth provided a sheet displaying a summary of the current progress of the University Strategic Plan. The bolded items within the document represent key priorities identified by the President. Ochoa mentioned that these items are short run budget priorities and the decisions were made relatively independently. Schlereth added that these items would specifically be pointed out later in the agenda packet with dollar figures attached. The bolded objectives include:

- *Under the strategic goal of Academic Programs:* Provide a nurturing and supportive environment for faculty development.
- *Under the strategic goal of Enrollment Management:* Make our enrollment targets.
  - Crabbe explained that meeting enrollment targets affects all areas, not just the SAEM division.
- *Under the strategic goal of External Support:* Implement Contributor Relations Module of PeopleSoft.
  - Schlereth expressed the importance of this item in helping to increase the fundraising abilities of the campus.
- *Under the strategic goal of Faculty and Staff Development:* Support comprehensive professional development and training opportunities for our employees.
- *Under the strategic goal of Infrastructure:* Construct Beaujolais Village II (Tuscany); Implement One Card System; Construct the University Center; Construct Faculty/Staff Housing; and Address Campus Instructional Technology Needs.
  - Schlereth mentioned that the first four of these objectives under Infrastructure represent priorities of the self-supporting entities and many of these are in the process of being implemented.
- *Under the strategic goal of Quality of the Student Experience:* Enhance and improve infrastructure and services to support the co-curriculum in an active residential campus, including leveraging technology.
  - Crabbe mentioned that this includes continuing to bring up the functionality of the student record system and increasing the number of

transactions that students will be able to complete online. Schlereth added that implementation of the One Card system is tied to this objective as well.

SSU budget priorities for both the General Fund and Self-Supporting Funds were provided and described separately by Schlereth in order to show their tie to the bolded objectives of the University Strategic Plan. These same priorities were initially brought to the 9/14/06 PBAC meeting. The budget priorities, as they relate to the General Fund include the areas of: funding of enrollment growth, academic quality, enhancing information technology (particularly instructional technology), and fundraising (supporting the Development office).

On the Self-Supporting Funds side, budget priorities include: Faculty/Staff Housing, One Card, Tuscany, University Center, Conference and Events Presenting Season, and Extended Education repositioning in light of YRO.

## **V: ANALYSIS OF GOVERNOR'S BUDGET AND PROPOSED CAMPUS ALLOCATIONS**

(Please see the February 22nd, 2007 Agenda Packet for this document)

Schlereth discussed the 2007/2008 CSU Support Budget as provided by the Governor's office. The first item on the budget, labeled *Base Budget General Fund Adjustment*, in the amount of \$7M was cut for outreach and academic preparation, but Schlereth is hopeful it will be restored in the May revision. One of the most significant differences between the two budgets is the presence of a 10% Student Fee increase in the Governor's budget that was not part of the CSU Support Budget. The total Budget Increase provided in the Governor's Budget is \$299,472,000, which is \$39,043,000 lower than the \$338,515,000 requested in the CSU Budget Plan.

Schlereth provided additional detail on some of the line items. Under Mandatory Costs, the portion of the \$4M to be allocated to SSU, provided for an energy cost increase, will not be sufficient to cover all the costs due to the increased sewage costs within the city of Rohnert Park. Under Compensation, a portion of the \$46,692,000 is to be allocated to SSU to provide for funding to reduce the salary lags. These monies would be distributed via bargaining units and are dependent upon the salary lags amongst the varying employee groups. It also does not appear likely that much of the *Above Compact Funding* items requested by the CSU will be fulfilled, aside from \$2M in funding for Math and Science teachers. The two highest priorities requested by the CSU in this category are also the most costly and were denied in the Governor's budget. They include the 1% compensation supplement and the student services initiative.

Schlereth then discussed the projected General Fund 2007/2008 new discretionary funds that would come to the campus from enrollment growth. The projected Marginal Cost Formula has increased to \$9,181 per FTES, which is the highest level it has ever been. With growth of 350 FTES, SSU should be allocated an additional \$3,213,350 in growth funding for 2007-2008. This amount is spread between the Executive Office, Academic Affairs, Student Affairs, and Administration and Finance.

There are then specific prioritized items to be funded from this new base of discretionary funds. \$100,000 will be allocated based on a projected need for an

increased utility budget. Schlereth mentioned that all the self supporting funds are also contributing to this increase. \$400,000 represents the funds to be allocated for implementation of the Contributor Relations module of PeopleSoft for the Development office. \$200,000 is to be allocated to support instructional technology. Ochoa and Sam Scalise are working to determine specific initiatives for the use of these funds. \$200,000 relates to funding additional faculty development initiatives. The President wishes for there to be a measurable outcome to result from the use of these funds. Ochoa mentioned that this item will be discussed in the Academic Council and ABAC. Finally, the remaining \$2,313,350 will be used to support enrollment growth, as this affects all divisions. The portion of this \$2.3M to be provided to Academic Affairs is enough to fund new faculty positions at an SFR of 18.9 and at a salary of \$61,000 per year plus benefits. The remaining funds provided to the other three divisions should be enough to support growth issues in each division, although salary increases will impact the effectiveness of this funding.

## **VI: OPEN ITEMS**

Schlereth briefed the committee of a proposal which will be brought to the April PBAC meeting. There is an application fee charged when students submit an application for admission to SSU. A proposal will be made for some dollar figure above a decided application fee to be given to Financial Aid and Admissions to address the costs of processing the applications. Crabbe added that the number of applications in the last four years has increased by 3,000 – 4,000.

Ochoa adjourned the meeting at 9:35 a.m.

*Minutes prepared by Ian Hannah.*