PRESIDENT’S BUDGET ADVISORY COMMITTEE
August 27, 2015

MEMBERS PRESENT:
Larry Furukawa-Schlereth  CFO, Vice-President for Administration and Finance, Co-Chair
Andrew Rogerson  Provost, CAO, Vice-President for Academic Affairs, Co-Chair
Richard Senghas  Faculty Chair, Anthropology Department
Carmen Works  Vice-Chair of the Faculty; Chemistry Department
Bonnie Cormier  Proxy for Dan Condron; Vice-President, University Affairs
Matthew Lopez-Phillips  Vice President for Student Affairs
Laura Lupei  Senior Director for University Budget, Administration and Finance
Ian Hannah  University Treasurer, Administration and Finance
Carlos Ayala  Dean, School of Education
Elaine Newman  CFA Representative, Mathematics Department
Brandon Mercer  President, Associated Students
Kevin McMahon  Vice-President, Finance, Associated Students

STAFF PRESENT:
Shawn Kilat  Director of Budget, Academic Affairs and Student Academic Services
Katie Robinson  Budget Manager, Administration and Finance

GUESTS PRESENT:
Mike Ogg  Senior Associate Athletics Director, Athletics Department
Shawn Percell  Business Office Manager, Athletics Department
Hayley Ross  Assistant Budget Analyst, Administration and Finance
Natalie Sanchez  Budget Manager, Administration and Finance

MEMBERS ABSENT:
Ruben Armimáñana  President, SSU, Chair
Erik Greeny  Vice-President, University Development
Jason Wenrick  Chief Information Officer, Administration and Finance
AGENDA

I. APPROVAL OF THE MINUTES

Larry Furukawa-Schlereth called the meeting to order at 8:30 am. He introduced the agenda and asked for any changes. Hearing no additions to the agenda, Schlereth asked for a motion to approve the minutes of the May 14th, 2015 meeting. Minutes were approved unanimously.

II. 2014-2015 UNIVERSITY-WIDE EXPENSES AND DIVISION YEAR-END BALANCES

(Please see the August 27th, 2015 agenda packet for related documents)

In reviewing the University-wide budget vs. actual expenditures, Schlereth noted there were some areas carrying high balances, particularly in the areas of employee benefits and utilities. There is hesitation to make a permanent reduction in these areas, as they tend to fluctuate from year to year and are budgeted conservatively. The utilities balance is typically used for utility infrastructure projects, with the intention of creating further efficiencies. The Student Fee Revenue was also over budget, which is due primarily to over-enrollment, most of which is reinvested back into Academic Affairs. The total year-end University-wide balance for 2014-2015 amounted to just over $7.5M. Schlereth reviewed the proposed uses of the roll-forward balance, most of which will go to the recurring Academic Affairs needs for the next three years. Some other uses include deferred maintenance, out of state recruitment, website redesign, technology upgrades, and DSS accommodations. The deferred maintenance line will actually be reduced, as approximately $600k will be allocated to replacing the bleachers in the Wolves’ Den, and $200k will be allocated to Faculty Development and $300k for two years of WASC accreditation. The committee approved all uses of the University-Wide balance, pending the change to the Deferred Maintenance line. Schlereth will forward the recommendation to President Armiñana.

The year-end balances for the divisions were also shared. The roll-forward amounts are at the discretion of the Vice-President for that division. Traditionally, the balance from the Executive Office is allocated to Academic Affairs in some capacity.

III. 2014-2015 RESERVE STATUS

(Please see the August 27th, 2015 agenda packet for related documents)

Schlereth reviewed with the committee the 2014-2015 Reserve status. The year started with a $625k allocation as well as $105k rolled from the previous year, for a total reserve funding of $730k. Approximately $527k was distributed to various items throughout the year leaving a balance of $202k to be rolled into the 2015-2016 year. There was brief discussion of risk pool deductibles and faculty sick
leave which should be factored into the base budget since they occur every year; however, the amounts incurred are difficult to predict in order to permanently build into the budget.

IV. ENROLLMENT GROWTH ALLOCATION
(Please see the August 27th, 2015 agenda packet for related documents)

The committee revisited the 2015/16 enrollment growth distribution based on 3.2% funded growth. When the committee previously reviewed preliminary budget allocation in May it was predicted that the campus would only receive a 1% funded enrollment growth. While the enrollment allocation amount increased, the marginal cost formula and distribution percentage to the divisions has remained the same. The President has decided to give his growth allocation to University Affairs.

V. GREEN MUSIC CENTER FINANCES

Schlereth shared with the committee the financial status of the Green Music Center. Currently in the 4th season, the music center made a profit in its first season and lost money over the next two more heavily programmed seasons. Generally, performing arts venues take 3-5 years to become financially solvent as they must build a patron and donor base. In the 2014-15 year Schlereth alerted the GMC Board of Advisors that the season would be in deficit. The recommendation was to increase the marketing staff to sell more tickets and the development staff to raise additional funds; consequently this also increased the salary expense. It was momentarily suggested that Schlereth use the division’s growth funding; however, that idea was quickly rejected by members of the campus community. The following actions have since been taken in order to balance the Green music Center budget:

- Funds provided by the CSU for new space on campus including Schroeder Hall that off-set facilities and operational expenses previously paid on a reimbursed basis
- A small facility fee has been included in the price of a ticket
- Development revenue expectations have increased
- Reductions to the production budget
- The marketing budget was reduced due to efficiencies in expenses
- Staffing reductions

The Green Music Center will continue to look for efficiencies and fundraising opportunities.

Schlereth adjourned the meeting at 10:00 am.
Minutes prepared by Katie Robinson.