PRESIDENT’S BUDGET ADVISORY COMMITTEE
October 22, 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
Erik Greeny Vice-President, University Development
Matthew Lopez-Phillips Vice President for Student Affairs
Jason Wenrick AVP & Chief Information Officer, Administration and Finance
Ian Hannah University Treasurer, Administration and Finance
Laura Lupei Senior Director for University Budget, Administration and Finance
Brandon Mercer President, Associated Students
Kevin McMahon Vice-President, Finance, Associated Students
Elaine Newman CFA Representative, Mathematics Department

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
Hayley Ross Assistant Budget Analyst, Administration and Finance
Natalie Sanchez Budget Manager, Administration and Finance

MEMBERS ABSENT:
Ruben Armiñana President, SSU, Chair
Henry Amaral Staff Representative, Facilities Services
Carlos Ayala Dean, School of Education
Dan Condron Vice-President, University Affairs
Carmen Works Vice-Chair of the Faculty; Chemistry Department
AGENDA

I. APPROVAL OF THE AGENDA

Larry Furukawa-Schlereth called the meeting to order at 8:32 am. He introduced the agenda and added a sixth item: “Net Unrestricted Assets”.

II. APPROVAL OF THE MINUTES

Hearing no other additions to the agenda, Schlereth asked for a motion to approve the minutes of the September 24th, 2015 meeting. Minutes were approved unanimously.

III. DEVELOPMENT REPORT
(Please see the October 22nd, 2015 agenda packet for related documents)

Erik Greeny presented a Philanthropic Gift Summary for the 2014-2015 year. Of the $10.4M gift commitments, approximately $7.7M were new cash and pledges and the remaining $2.7M are testamentary commitments. The large majority of these were committed by corporations/foundations or individuals outside of the campus community; only $187,500 was from alumni. Of the 2014-2015 gift receipts reported ($8.7M), $3.8M was designated for restricted current operations, $2.6M were designated to the endowment, and $2M were designated for capital, primarily the Wine Spectator Learning Center.

Greeny shared with the committee that as of June 30, 2015 the endowment market value was $44.6M, resulting in an endowment distribution of $1.2M in Fall 2015. Approximately 35% of the distribution was allocated to scholarships, and the remainder was allocated to various campus programs. Over the past year the Development Office has focused on comprehensive legacy giving, as well as broadening communication channels through social media. They have also increased their efforts to work with Student Affairs in attracting parent donors. The Development Office has also worked to further support the schools by assigning Development Officers and investing in collateral for the schools and programs.

IV. BUDGET PRIMER
(Please see the October 22nd, 2015 agenda packet for related documents)
Schlereth reviewed the Budget Primer presentation for the committee. The most recent year’s budget was $188M, an increase over the previous year due in large part to enrollment growth and a compensation pool increase in the operating fund allocation. The presentation provided an overview of the composition of the 14/15 SSU Budget including the Operating Fund, the Capital Budget and the Self-Support and Auxiliary Funds. The Operating Fund budget for 14/15 was $100.8M and is composed primarily of State appropriations and student fees. The Capital Budget was $3.3M in 14/15 and included the completion of the Student Center and Schroeder Hall, as well as portions of the Wine Business Institute and Commons.

Schlereth then reviewed the budgets for each of the Self-Support funds. The Grants and Contracts program was budgeted at $8.5M, comprised of $1.7M for the Anthropological Studies Center, $3.8M in the Schools (primarily Science & Technology and Social Sciences) and $3M related to student outreach and retention, and public and graduation services. The Housing program had a budget of $31.4M in 14/15. Housing carries a level of debt associated with the construction of the various Housing properties. The 14/15 budget for the School of Extended Education was $7.0M. The Parking program had a budget of $2.4M. The Instructionally Related Activities (IRA) budget was $3.8M which is generated from a student fee that supports a variety of co-curricular activities primarily Athletics, Performing Arts, the Children’s School and the Library. Additionally, in 14/15 the Health Center and CAPS had a budget for $3.2M. The Campus Life Operation’s budget was $9M, a large increase due to the first full year of operation of the Student Center.

Schlereth then provided an overview of each of the campus Auxiliaries. The Associated Students (AS) had budgeted revenue of $2.3M in 14/15. Sonoma State Enterprises (SSE) had a budget of $14.1M. The Foundation has a modest general fund budget of $186,000 to support operations and the total assets of the Foundation equaled $47.2M.

Schlereth reviewed the annual audit activity as well as the Debt Service Coverage Ratio (DSCR) and Campus Reserve policy requirements.

V. CAPITAL BUDGET PLANNING

(Please see the October 22nd, 2015 agenda packet for related documents)

Schlereth reviewed a list of capital projects that may be a priority for the campus over the next five years, including a Professional Schools Building, Stevenson Hall renovation, Ives Hall renovation, and the Chilled Water Lines Upgrade. Under new Chancellor’s Office guidelines the campus will need to provide resources to support the construction of new buildings- probably around 10% of the construction costs. If the campus determines it would like to pursue one of the capital projects, it will need to start accumulating funds to support the project.

VI. NET UNRESTRICTED ASSETS
(Please see the October 22nd, 2015 agenda packet for related documents)

In light of a recent presentation on campus, Schlereth reviewed the Net Unrestricted Assets for the prior year which had originally been presented to the committee on April 9, 2015. While there was $46M in “Unrestricted” Assets, $33.3M of it was designated to be used for the self-support funds on campus, which cannot be used for Operating Fund purposes. This left $12.7M available for uses that the committee had reviewed at the April meeting, as well as subsequent meetings since. The bulk of the balance was held for Academic Affairs use. In the upcoming year due to a change in accounting for retirement benefits the Net Unrestricted Position will change from a $46M balance to a $120M deficit.

Schlereth adjourned the meeting at 10:21 am.
Minutes prepared by Katie Robinson.