



Financial Briefing

Presented by

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Campus Forum

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Composition of the SSU Budget 2006-2007

General Fund	\$ 82,730,130	43.7%
Capital Budget	\$ 39,993,449	21.1%
Grants and Contracts	\$ 29,000,000	15.3%
Housing	\$ 15,686,204	8.3%
Extended Education	\$ 3,882,537	2.1%
Parking	\$ 2,061,000	1.1%
Instructionally Related Activities	\$ 2,870,626	1.5%
<u><i>Auxiliary Corporations</i></u>		
Associated Students	\$ 1,638,364	0.9%
Student Union Corporation	\$ 2,204,651	1.2%
Sonoma State Enterprises	\$ 9,029,000	4.8%
Foundation General Fund	\$ 189,775	0.1%
<i>Foundation Total Endowment: \$37.4M</i>		
TOTAL	\$189,285,736	100%

Composition of the SSU Budget 2006-2007

General Fund	\$ 82,730,130	43.7%
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- The General Fund represents the largest source of revenue available to the campus and includes:
 - Resources from Trustees
 - Discretionary dollars from the California Lottery
 - Funds generated from student and other fees

Composition of the SSU Budget 2006-2007

Grants and Contracts **\$ 29,000,000** **15.3%**

- Resources are restricted to the specific grant or contract.
- The campus is reimbursed for overhead costs via Indirect Cost Recovery (IDC).

Composition of the SSU Budget 2006-2007

Extended Education **\$ 3,882,537** **2.1%**

- The campus is reimbursed for overhead costs.
- Annual debt service obligation and related costs of \$463,000 associated with SRB-2 for the Green Music Center.
 - Debt Service equals 12% of revenue

Composition of the SSU Budget 2006-2007

Parking **\$ 2,061,000** **1.1%**

- Resources are restricted to the SSU Parking and Alternate Transportation program.
- The campus is reimbursed for all overhead costs.
- Parking has outstanding debt of \$9 million with annual debt service payments of \$630,000.
 - Debt Service equals 31% of revenue

Composition of the SSU Budget 2006-2007

Instructionally Related Activities \$ 2,870,626 1.5%

- Resources are generated via a mandatory student fee for the Instructionally Related Activities (IRA) program.
- Budget recommendations are developed by the Fee Advisory Committee.

Composition of the SSU Budget 2006-2007

Associated Students Inc. \$ 1,638,364 0.9%

- The Associated Students budget is developed by its Board of Directors.
- The campus is reimbursed for overhead costs.

Composition of the SSU Budget 2006-2007

Student Union Corporation \$ 2,204,651 1.2%

- The Student Union budget is developed by its Board of Directors.
- The campus is reimbursed for overhead costs.
- 06/07 Total Student Union Program Revenues \$3.3M
 - 06/07 Student Union Corporation Operating Budget - \$2.2M
 - 06/07 Debt Service (Rec Center) - \$1.0M
 - 06/07 Non Operating costs and balance to reserve - \$0.1M
 - Debt Service equals 30% of total revenue

Composition of the SSU Budget 2006-2007

Sonoma State Enterprises **\$ 9,029,000** **4.8%**

- SSE's budget is developed by its Board of Directors.
- The campus is fully reimbursed for all overhead costs.
- SSE has debt outstanding to the SSU Academic Foundation totaling \$5.4 million with annual debt service payments of \$525,000.
 - Debt Service equals 6% of revenue
- \$70,000 in rental fees associated with SRB-1 annual debt service obligation for the Green Music Center Hospitality Center.

Composition of the SSU Budget 2006-2007

Sonoma State University Academic Foundation

Foundation General Fund	\$ 189,775
Foundation Total Assets	\$ 87,347,577
Foundation Total Endowment	\$ 37,417,460

- Resources are obtained from private gifts and earned interest.
- Budget recommendations are made in accordance with donor intent.
- Administration and Finance operates the Foundation without reimbursement in recognition of the contributions made by the Foundation to the SSU academic program.

On-going Audit Activity

- University GAAP Audit - *annual*
- SSU Academic Foundation - *annual*
- Associated Students - *annual*
- Sonoma State Enterprises - *annual*
- Sonoma Student Union - *annual*
- A-133 - *annual*
 - (Financial Aid, Grants & Contracts, Federal Funds)
- FISMA - *every 2 years*
- Audits on every Major Construction Activity - *annual*
- SRB Audits - *annual*
- State Controller's Office - *every 3 years*
- Trustee Risk Assessment Audits - *annual*
 - (Housing, I.T., Admissions & Records, Ex. Ed., Emergency Preparedness, Grants & Contracts)

Annual Budget Cycle

August

- Review of CSU priorities by the System-Wide Budget Advisory Committee
- President and Cabinet Review Strategic Plan and Identify Key Priorities

September

- President's Budget Advisory Committee Meeting
 - Prior Year End Financial Report Distributed
 - Review of University-wide Budget vs. Actuals
 - President's Budget Allocations Presented
 - Campus Strategic Plan Reviewed
 - CSU and Campus Priorities Reviewed

October

- CSU Board of Trustees Approves System Budget Request to the Governor

November

- President's Budget Advisory Committee Meeting
 - Budget Primer
 - Board of Trustees Budget Analyzed
 - Campus Five-Year Capital Outlay Plan Analyzed

December

- President's Budget Advisory Committee Meeting
 - Review Campus Reserve

January

- Governor's Budget Released

February

- President's Budget Advisory Committee Meeting
 - Review of Prior Year External and Internal Audits
 - Analysis of Governor's Budget and Campus Implications

April

- President's Budget Advisory Committee Meeting
 - Endowment Earnings Distribution Reviewed
 - Extended Education Earnings Distribution Reviewed

May

- Governor Issues May Revision of the Budget
- President's Budget Advisory Committee Meeting
 - Analysis of the May Revision and Impact to Campus
 - Budget Recommendations Forwarded to the President
 - Review Campus Reserve

July

- Governor Signs Final Budget
- CSU makes allocations to the campus
- President's Budget Advisory Committee Meeting
 - Advice provided to the President regarding final CSU allocations
- President makes allocations to the Divisions

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<i>Foundation Total Endowment: \$37.4M</i>		
TOTAL	\$189,285,736	100%

SSU 2006/2007 General Fund Appropriation Vs. Similar Sized Campus Composite

Campus	FTES Target	General Fund Appropriation	Total Funding per FTES
Humboldt	7,339	\$89,221,997	\$12,157
San Marcos	6,528	77,497,064	\$11,871
Stanislaus	6,847	77,922,134	\$11,380
Bakersfield	6,801	75,058,216	\$11,036
Sonoma	7,297	78,446,854	*\$10,751

*Funding Gap:
\$11,611 - \$10,751 = \$860 per FTES

Average(4): \$11,611

Additional \$ to SSU if funded at four campus composite average:
7,297 (SSU target FTES) x \$860 (Funding Gap per FTES)

= \$6,275,420

General Fund Budget 2002/03 - 2007/08

General Fund Budget

General Fund Base Budget 2002-2003	\$ 70,380,291
General Fund Base Budget 2007-2008	\$ 91,143,620
New Funds to Sonoma State University	<hr/> \$ 20,763,329

Allocation of New General Fund Revenue 2002-2003 through 2007-2008

New Permanent Funds to SSU	\$ 20,763,329
CSU Mandated and Restricted Items	\$ (24,067,040)
Compensation	
Health Center	
Financial Aid	
Maintenance	
Technology	
Utilities	
External Audits	
Deferred Maintenance	
Nursing Program	
Revenue Management Program	
PBAC Allocation Discussions	\$ (1,453,604)
Institutional Memberships	
Campus Reserve	
Development Office Support	
Information Security Officer	
Intercollegiate Athletics Support	
Faculty Development	
Net Available (Campus Budget Gap)	\$ (4,757,315)

Allocation of Campus Budget Gap

	Amount	% of Gap	% of Exp Plan
Executive Office	\$ (4,799)	<1%	3.5%
Academic Affairs	\$ (2,414,219)	50.8%	57.5%
Student Affairs	\$ (86,073)	1.8%	11.8%
Administration and Finance	\$ (2,252,224)	47.3%	27.3%
Total	\$ (4,757,315)	100.0%	100.0%

SFR & ACR 73

- Student to Faculty Ratio (SFR)

Fall 2006

<u>SSU</u>	<u>CSU</u>
21.9	21.9

- ACR 73 (75% Tenure Track Professors)

Fall 2006

<u>SSU</u>	<u>CSU</u>
69%	62%

Audited Financials Data

	<i>SSU</i>	<i>CSU</i>
Student Services Expenditures per Headcount	\$1,921	\$1,382
Academic Support Expenditures per Headcount	\$1,288	\$1,386
Instructional Expenditures per actual FTES	\$5,706	\$5,839
Institutional Support Expenditures as % of total campus expenditures	9.8%	10.4%
Plant Operations Expenses per square foot	\$6.60	\$6.19

Source: June 30, 2007 SSU Audited Financial Statements

Where are the issues?

- Structural Deficit vs. CSU campus composite
= (\$6,275,420)
- General Fund Budget Gap
(2003/04 – 2007/08)
= (\$4,757,315)

**TOTAL IMPACT TO SSU =
(\$11,032,735)**

- Repairing the base initiative...

Self Support Funds 2002/03 - 2007/08

Associated Students Incorporated

Budgeted Revenue:

2002/03

\$1.4 M

2007/08

\$1.8 M

- Enrollment growth and SSU students' expanded involvement in student government initiatives and campus life programs
- AS Revenue generated by a mandatory student body fee

Student Union Program

Budgeted Revenue:

2002/03

\$2.8 M

2007/08

\$3.8 M

- Revenue sources: Student Union Fee, programs & services, leases, and interest on investments
- Enrollment growth and increased SU fees generating increased student fee revenue
- 07/08 Student Union Corp. operating budget of \$2.6M
- Annual debt service (began 05/06) of \$1M
 - Related to Recreation Center voted for and funded by students

Instructionally Related Activities

Budgeted Revenue:

2002/03

\$1.6 M

2007/08

\$3.3 M

- SSU students' decision to raise IRA fee
- Recommendations for the distribution of IRA dollars are made by the campus Fee Advisory Committee

Sonoma State Enterprises

Budgeted Revenue:

<u>2002/03</u>	<u>2007/08</u>
\$11.1 M	\$10.0 M

- Increase in retail and dining activity in relation to the growth in the student residential population
- Total revenue dropped considerably in 2006-2007 due to outsourcing of campus store to Barnes and Noble and re-establishment of Reprographics as a General Fund entity
- SSE continues to make investments in its key growth areas:
 - University Center, Blackboard Transaction System, Faculty/Staff Housing project, One Card program, equipment purchases, & equipment and furnishings for GMC Hospitality Center

Housing

Budgeted Revenue:

<u>2002/03</u>	<u>2007/08</u>
\$9.5 M	\$16.2 M

- Annual increase in student housing rates due to inflation
- Opening of Beaujolais Village in Fall 2003 added 650 additional beds
- Maximum occupancy capacity is currently 2,382 students (Tuscany will add 700 more)
- Increased revenues largely from:
 - Rent paid by students; increased lease revenues from SSU Police Department, Facilities Services, SSE and CEC; increased summer housing program revenue; and interest earnings on the Fund's working capital reserve

Parking

Budgeted Revenue:

2002/03

\$1.6 M

2007/08

\$2.1 M

- Student enrollment growth created larger demand for on-campus parking in addition to greater utilization of the parking program from students, employees, and visitors

Grants and Contracts

Budgeted Revenue:

2002/03

\$25.5 M

2007/08

\$14.6 M

- Campus involvement with federal, state, and private research grant and contract activity was reduced substantially in 2006/07 and 2007/08 as a result of a restructuring of the California Institute on Human Services (CIHS)

Extended Education

Budgeted Revenue:

2002/03

\$3.7 M

2007/08

\$3.5 M

- Decrease due to Year-Round Operations in General Fund instruction beginning in Summer 2007 and a reduction in Summer School offerings

Academic Foundation (SSUAF)

Total Endowment at Market Value:

<u>6/30/03</u>	<u>6/30/07</u>
\$18.0 M	\$37.4 M

- Increase due to new contributions and investment performance
- SSU ranks 7th among all 23 CSU campuses in endowment size and 3rd in endowment dollars per FTES
- SSUAF pooled endowment investment return of 18.5% outperformed all CSU campuses for 2006/07

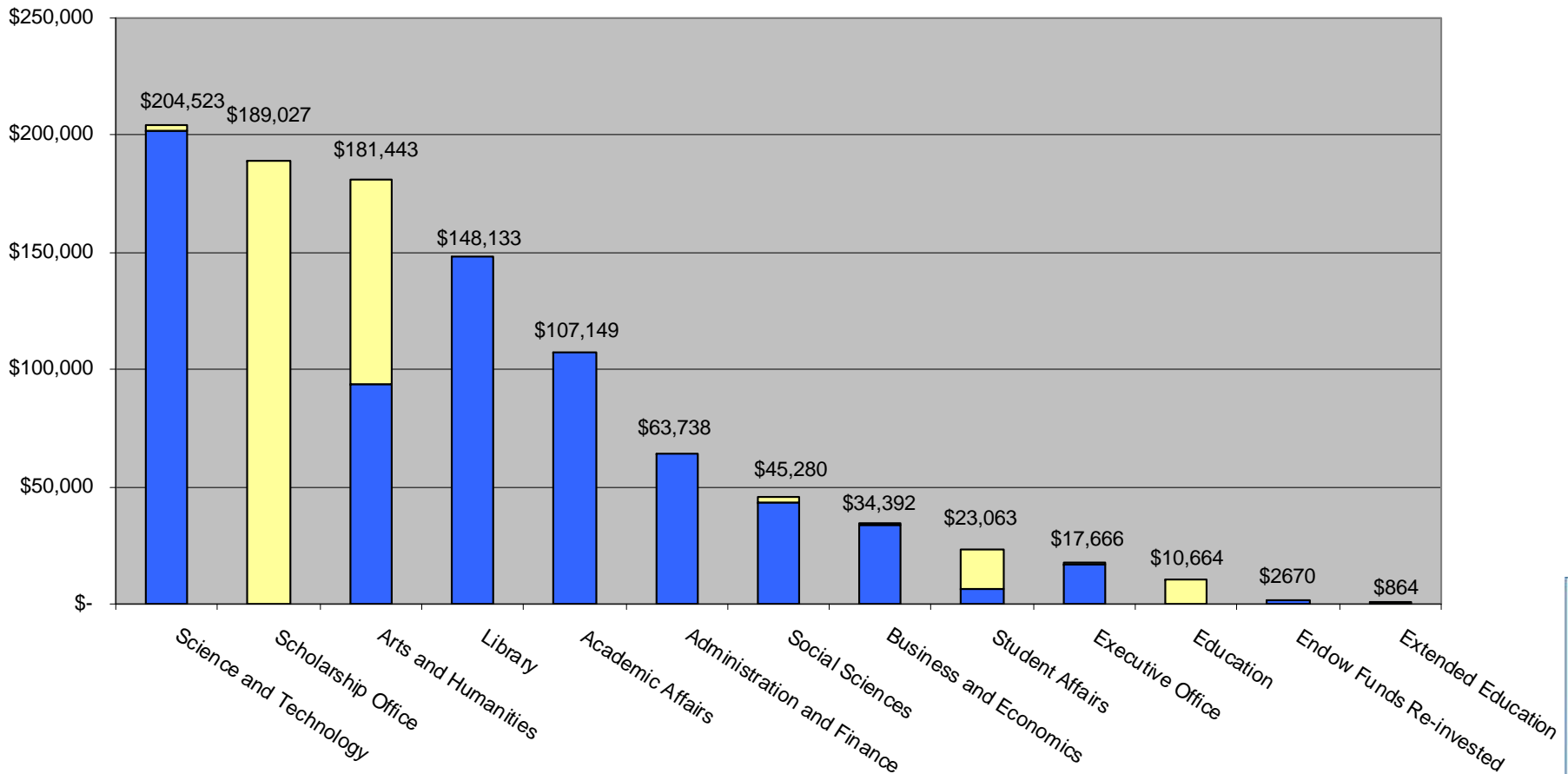
SSUAF Pooled Endowment Earnings Distribution (07/08)

	Scholarships	Campus Programs	TOTAL
Scholarship Office	\$ 189,027	\$ 0	\$ 189,027
Arts and Humanities	\$ 87,309	\$ 94,134	\$ 181,443
Business and Economics	\$ 584	\$ 33,808	\$ 34,392
Education	\$ 10,664	\$ 0	\$ 10,664
Science and Technology	\$ 2,742	\$ 201,781	\$ 204,523
Social Sciences	\$ 2,055	\$ 43,225	\$ 45,280
Extended Education	\$ 696	\$ 168	\$ 864
Library	\$ 0	\$ 148,133	\$ 148,133
Academic Affairs	\$ 0	\$ 107,149	\$ 107,149
Executive Office	\$ 520	\$ 17,146	\$ 17,666
Student Affairs	\$ 16,977	\$ 6,086	\$ 23,063
Administration and Finance	\$ 0	\$ 63,738	\$ 63,738
Re-invested into Endow.	\$ 0	\$ 2,670	\$ 2,670
TOTAL	\$ 310,574 (30.2%)	\$ 718,038 (69.8%)	\$1,028,612

SSUAF Pooled Endowment Earnings Distribution (07/08)

2007-2008 SSUAF Pooled Endowment Earnings Distribution
 Total Distribution = \$1,028,612

■ Campus Programs ■ Scholarships



Capital Projects 2002/03 - 2007/08

Capital Projects

2002/03 – 2007/08

Total Capital Projects = \$218,140,347

Salazar Renovation	\$ 20,882,000	Classroom Renovations	\$ 1,007,000
Telecom Infrastructure	\$ 6,136,000	Deferred Maintenance	\$ 2,063,508
Parking Lots L,M,N,O	\$ 10,575,310	Solar Panels – Rec. Center	\$ 585,111
Beaujolais Village	\$ 35,691,011	Sauvignon Parking Lighting	\$ 131,338
Recreation Center	\$ 15,064,889	Chiller No. 2 Replacement	\$ 1,704,000
Faculty/Staff Housing	\$ 4,236,524	Sustainability Initiative	\$ 1,434,945
Darwin Hall Renovation	\$ 28,733,000	<i>(Lighting, IT Server, Solar)</i>	
Green Music Center	\$ 87,764,219	Stevenson Guardrail/West Entry	\$ 460,992
		ADA Projects	\$ 1,670,500
		<i>(Pathways/Signage etc.)</i>	

May 19th Campus Forum *Preview*: 2008/09 CSU Budget

- *Governor's Budget May Revise ...*
- *Impact to SSU ...*