Business and Financial Affairs
San Diego State University
5500 Campanile Drive
San Diego CA 92182-1620
Tel: 619 · 594 · 6017
Fax: 619 · 594 · 6022
Email: sally.roush@sdsu.edu

Sally Roush
Vice President

SAN DIEGO STATE UNIVERSITY

MEMORANDUM

DATE: April 25, 2008

TO: Stephen L. Weber
President

FROM: Sally F. Roush
Chair, President's Budget Advisory Committee

SUBJECT: President's Budget Advisory Committee
Recommendation of April 24, 2008

Attached is the Recommendation from the President's Budget Advisory Committee (PBAC) vote of April 24, 2008, for approval of one time funding for an Engineering Feasibility Study. The supporting material is attached for your information.

Please sign and return a copy of the recommendation at your earliest convenience. Please let me know if you have any questions or concerns.

SFR:nl

Attachment

PRESIDENT'S BUDGET ADVISORY COMMITTEE
April 25, 2008

RECOMMENDATION

---

1. Approve one-time funding for Engineering Feasibility Study.

   $250,000

Approved by:

Stephen L. Weber, President — Date: 5/1/08

President's Budget Advisory Committee
Meeting Agenda
April 24, 2008
2:00p.m. in MH 3318

I. **Call to order**
   a. Call for amendments to agenda

II. **Funding Requests**
   a. None

III. **Information Item**
   a. None

IV. **Reports**
   a. 2007/08 Reserves (Attachment 1)

V. **Watch List**
   a. 2008/09 Budget
   b. Benefits, Legal and other one-time costs
   c. CMS
      - Long Term Workload Costs – AA, BFA, SA
      - Student Management System
   d. Master Plan Costs
   e. Freedom of Expression Policy

VI. **Voting Items**
   a. Engineering Feasibility Study ($250,000)

VII. **New Business**
   a.

VIII. **Reminder**

   a. **Next Meeting Date – May 8, 2008 at 2:00 p.m. in MH 3318**

Permanent Reserve

2007/08 Beginning Balance	**$**	**71,767**
07/08 Unallocated Permanent Funding		1,659,611
Sub-Total	**$**	**1,731,378**
New Tenure-Track Funding (Approved 10/25/07)		(173,594)
Unfunded MPP 2007/08 Funding (Approved 10/25/07)		(893,389)
BioScience Utilities and Custodial Support (Approved 3/20/08)		(140,000)
Balance as of 3/20/08	**$**	**524,395**

One-Time Reserve

2007/08 Beginning Balance	**$**	**1,621,948**
06/07 Institutional Carryforward		479,200
2007/08 One-Time Budget Requests		(1,393,000)
Risk Pool Premium Rebate		1,200,000
Balance	**$**	**1,908,148**

***Estimated* 2007/08 Revenue Over Budget**

Fee Revenue Over Budget		**6,042,912**
Interest Revenue Projection		**1,000,000**
Total Estimated 2007/08 One-Time Balance	**$**	**8,951,060**

2007/08 Approved Funding Requests

Academic Affairs		
Fall over enrollment course sections (Approved 10/25/07)		(1,773,600)
Spring over enrollment course sections (Approved 3/20/08)		(2,263,200)
Business Affairs		
Master Plan Litigation (Approved 2/28/08)		(300,000)
Chiller Emergency Repair (Approved 3/20/08)		(753,871)
Feasibility Study for Engineering Renovation (If Approved 4/24/08)		(250,000)
Balance as of 3/20/08	**$**	**3,610,389**

Feasibility Study for Engineering Renovation and Addition - Revised
$250,000

The Capital Allocation Process for the CSU is inherently competitive; every year more universities request more projects than can ever be funded. To help make better allocation decisions the Chancellor's Office strongly recommends that universities provide detailed feasibility studies to support their capital requests. These studies are instrumental in determining which projects are funded, and whether or not funds awarded will be adequate to build high quality academic space. In the case of the Engineering Renovation and Addition, this project could be valued at anywhere from $80 million to $150 million or more. A well done feasibility study will increase the likelihood of the higher amount of funding.

SDSU's best opportunity for a Capital Outlay project is the Engineering Renovation and Addition project. The Chancellor's Office has already told our Facilities Planning staff that our current documentation is inadequate to qualify for funding. Our first real opportunity to fund this project will be in the 2010/11 action year. To submit a 2010/11 request all documentation is due to the Chancellor's Office by November 2008. The level of study needed to complete a well done feasibility study will require 6 months. Given the need to seek proposals for the study, a lengthy process in itself, funding in the next several weeks is instrumental in having any reasonable chance of funding this project in 2010/11.

If funding for the study is deferred until the next fiscal year, this project will be lost for a minimum of one year. Since CSU universities are only allowed to submit for one project per year, this not only delays the requested project, it delays every project in our program. A project delayed 2 or more years due to inadequate justification is effectively a funded project lost forever. Additionally, projects funded without a detailed feasibility study are inevitably funded at the lowest possible budget. In the case of our $80 Million to $150 million Engineering Building, even if the funding does eventually come after we wait years longer, tens of millions of funding will be lost due to the absence of a detailed feasibility study to document the higher budget needed for a complete project.

In the event SDSU does not receive project funding with its initial request, the cost detail to support a budget request can be adjusted to the current construction cost index for the next 2-4 years at no additional cost. Should we need to use the feasibility study five or more years in the future, we need to invest $5,000 to $10,000 to have an estimator update the construction cost estimate.

The current timeline is as follows:

- Initiate Feasibility Study — May 2008
- Submit Capital Outlay Request — November 2008
- Start Design — July 2010
- Start Construction — Summer 2011
- Phase 1 (New Construction) Occupancy — Fall 2013
- Phase 2 (Renovation) Occupancy — Spring 2014

PRESIDENT'S BUDGET ADVISORY COMMITTEE
April 24, 2008
MINUTES

Voting Members Present:	**Area Budget Reps Present:**	**Staff Present:**	**Guests Present:**
Sally Roush	Linda Stewart	Ray Rainer	
Nancy Marlin	Linda Lewiston	Crystal Little	
Kathy LaMaster	Scott Burns		
Cezar Ornatowski	Ethan Singer		
James Poet	Bill Boyd		
Mary Ruth Carleton			
Edith Benkov			

Voting Members Absent:
Lena Rodriguez
James Kitchen

I. Call to order

VP Roush called the meeting to order at 2:05 p.m.

a. **Call for Amendments to Agenda -** VP Roush inquired if there were any changes to the agenda. There were none.

II. Funding Requests

a. None.

III. Information Items

a. None.

IV. Reports

a. 2007/08 Reserves (Attachment 1) – AVP Burns stated the reserves information includes the voting items from March and April, and assumes the voting item today is passed. There were no questions.

V. Watch List

a. 2008/09 Budget – No update.

b. Benefits, Legal and other one-time costs – No update.

c. CMS – No update.

d. **Master Plan Costs** – No update.

e. **Freedom of Expression Policy Costs** – Our new policy may result in higher maintenance costs to keep the campus clean. Physical Plant is tracking the added costs. VP Roush asked that this item be renamed "Freedom of Expression Policy Costs" for clarification.

VI. Voting Items

a. Engineering Feasibility Study

VP Roush referred members to updated information. Provost Marlin commented this is a very important project but are we likely to receive funding for the Capital project. VP Carleton inquired if the plans would be viable for a couple of years. VP Roush responded "yes." Provost Marlin was concerned with the timing due to the budgetary problems. AVP Singer said we still need to invest in the university when times are tough. Dr. Ornatowski moved to approve the feasibility study, Dr. Benkov seconded, and the motion passed unanimously.

VII. New Business

– VP Roush suggested the following schedule revision which was agreed upon.

5/8/08 – Cancel meeting
5/22/08 – Cancel meeting
5/29/08 – Receive information on May budget revise, response from Chancellor's Office and information from the May Board of Trustees' Meeting. Staff will work with the "BRAT" group to develop a reduction proposal. Each VP gives brief presentation (5 minutes) of budget priorities. Discuss recommendation to President.
6/12/08 – Vote on recommendation to President. (If anyone will not be present but will be able to call in, VP Roush will meet with him or her beforehand to discuss the materials). New PBAC members for next year should be invited to attend this meeting as guests to become familiar with the committee's goals.

VP Roush explained there is significant likelihood of mid-year budget reductions and further reductions for 2009-10.

VIII. Reminder

The next meeting is scheduled for Thursday, May 29, 2008, at 2:00 p.m. in MH-3318. The meeting was adjourned at 2:30 p.m.