MEMORANDUM

DATE: March 5, 2008

TO: Stephen L. Weber
    President

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

SUBJECT: President’s Budget Advisory Committee
          Recommendation of February 28, 2008

Attached is the Recommendation from the President’s Budget Advisory Committee (PBAC) vote
of February 28, 2008, for approval of Master Plan Litigation Funding. 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
1. Approve one-time funding for Master Plan Litigation in the 2007/08 Budget.

$300,000

Approved by:

Stephen L. Weber, President

Date

3-12-08
Funding Request for November 29, 2007 PBAC Meeting

Funding for Master Plan Litigation - $300,000 One-Time Funding

One time funding is requested to support upcoming litigation costs to defend the 2007 Campus Master Plan Revision.

The CSU Board of Trustees unanimously approved SDSU’s 2007 Campus Master Plan at their November 14, 2007 meeting in response to unprecedented demand for higher education in the region and state. The 2007 SDSU Master Plan raises SDSU’s enrollment ceiling capacity from 25,000 FTES to 35,000 FTES and provides proposed building site locations and increases for the academic, research and support facilities necessary to accommodate the new students, faculty and staff provided for in the Plan.

While this decision concludes the environmental review process, there remains the potential that litigation against the Plan may be forthcoming. Following the 2005 SDSU Master Plan, the campus was served with three legal suits, subsequently followed by the CSU suit known as the Marina case also affecting SDSU’s Master Plan. In preparation for litigation against the recent decision on the 2007 Master Plan, it is proposed that funding be provided that will enable SDSU to proceed to legally defend the Plan should litigation be filed.
President’s Budget Advisory Committee
Meeting Agenda
February 28, 2008
2:00 p.m. in MH 3318

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

II. Funding Requests
   a. 2008 Spring Over Enrollment Course Section Funding (Attachment 1)
   b. BioScience Utilities and Custodial Support (Attachment 2)
   c. Chiller Emergency Repair (Attachment 3)

III. Information Item
   a. 2007-08 Chancellor’s Budget Actions Memo (Attachment 4)
   b. 2008/09 Governor’s Budget Allocation Memo – B 08-02 (Attachment 5)
   c. 2008/09 Course Section Costs per FTES – (Attachment 6)

IV. Reports
   a. 2007/08 Revenue Estimates (Attachment to be distributed at meeting)
   b. 2007/08 Reserves (Attachment 7)

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. Master Plan Litigation

VII. New Business
   a.

VIII. Reminder
   a. Next Meeting Date – March 20, 2008 at 2:00 p.m. in MH 3318
CY 2007/08 REBENCH CENSUS FTES AND ASSOCIATED COURSE SECTION COSTS

Summer 2007 Census FTES 2,794 / 2 = 1,397
Initial Summer 2007 FTES Target 2,858 / 2 = 1,429
Difference -32

Fall 2007 Census FTES 31,178 / 2 = 15,589
Fall 2007 Initial FTES Target 29,635 / 2 = 14,818
Difference 771
Sub-Total 739

Additional Fall 2007 Course Section Funding 739 x $2,400 = $1,773,600

Spring 2008 Census FTES 29,210 / 2 = 14,605
Initial Spring 2008 FTES Target [1] 27,323 / 2 = 13,662
Difference 943

Projected Additional Spring 2008 Course Section Funding 943 x $2,400 = $2,263,200

TOTAL ADDITIONAL COURSE SECTION FUNDING 1,682 $4,036,800

[1] Excludes 18 annualized resident Nursing BSN FTES.

Attachment 1

Revised 2/21/08
Printed 2/25/08
Custodial and Utilities Support – BioScience Center - $140,000
Change from Annual One-Time Funding to Permanent Funding Request –
Balance of Request to Follow

On-going custodial and utilities support is required for the BioScience Center. Since this building is a non-state funded research building leased to the SDSU Research Foundation it did not receive state funded general support funds.

This request is for permanent funding for the occupied portion of the building. As the unoccupied portion of the building is completed, additional permanent funding will be requested. The underlying cost basis is the CSU budget per-square-foot rate for utilities and custodial costs in new facilities, adjusted for the unique needs of a BSL-3 facility.

At this time, it is estimated that when the building is fully occupied, the 33,000 square feet will generate a total permanent budget need of approximately $300,000 per annum.
Chiller Emergency Repair - $753,871
One-Time Institutional Funding Request

During Summer 2007, one of the primary chillers providing University cooling failed catastrophically rendering it inoperable, and causing a failure of the larger distribution system. An emergency contract was required for rental chillers and to add bypass lines allowing our existing functioning chillers back on line. The failed unit has been rebuilt and should have an effective life of 15 years.
February 20, 2008

MEMORANDUM

TO: CSU Presidents

FROM: Charles B. Reed
Chancellor

SUBJECT: Current Year Budget Actions

After signing a package of bills to address current year budget shortfalls, the Governor announced the issuance of an executive order on February 19, 2008 to achieve additional savings to address the State’s fiscal crisis. The order requires state agencies to take immediate action to reduce current year General Fund spending by at least $100 million. While the executive order does not apply to the California State University, it is prudent that the university act in the spirit of the Governor’s executive order to mitigate budget year costs.

In response to the Governor’s executive order, the following actions are recommended:

1. Continue to make prudent hiring decisions for tenure-track faculty based on planned levels of funded enrollment.

2. While not imposing a hiring freeze, you should make every effort to defer hiring.

3. Minimize or defer travel, although our statewide enterprise makes some travel essential.

4. Personally approve any international travel.

As presidents it is important that you directly monitor these actions. With increasing enrollments and decreasing revenues, we face difficult challenges over the next year. However, based on the conversation we have had at our meeting this week, I am confident that your hard work and leadership will help bring us through these proposed budget reductions and that we will become an even stronger institution than we are today.

CBR/jje

c: Chancellor’s Executive Staff
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Budget Allocation</td>
<td>328,646,250</td>
</tr>
<tr>
<td>Less 2007/08 Budget (including Mid-Year Adjustments)</td>
<td>(337,398,350)</td>
</tr>
<tr>
<td>Total</td>
<td>(8,752,100)</td>
</tr>
</tbody>
</table>

**2008/09 Adjustments and Mandatory Costs**

**Mandatory Costs**
- Health Benefits: $(1,791,000)
- Service-based Salary Increases (SSI): $(342,000)
- Energy: $(334,000)

**Total Mandatory Costs**: $(2,467,000)

**2007/08 Unfunded Bargaining Unit Net Costs**: $(3,388,000)

**2008/09 Faculty Unfunded Compensation**
- 6/30/08 2% GSI: $(2,602,000)
- 7/1/09 Merit/PPI: $(596,000)

**Total 08/09 Faculty Unfunded Comp**: $(3,198,000)

**Multi-Year Initiatives/Commitments**
- City Heights: $(200,696)
- Presidential Grant Awards: $(176,000)

**Total Multi-Year Commitments**: $(1,096,696)

**Funding Commitment for Ed.D. Program (30 FTES)**
- Marginal Cost ($8,173 less $442 New Space per FTES): $(231,930)
- Fee Revenue ($2,399 less $600 SUG per FTES): $(47,970)

**Total Ed.D. Commitment**: $(279,900)

**Course Section Funding ($2,700 per new FTES)**
- Non-Resident (75 FTES): $(202,500)

**Total Adjustments & Mandatory Costs**: $(10,632,096)

**Additional Fee Revenue Above Budget**

**Ongoing Budget Augmentation**
- Funding for Nursing Program: 40
- BSN FTES Growth Funding (per FTES): 10,588
- Incremental BSN Growth Revenue: 3,111

**Total Nursing Program**: 547,960

**SDSU Funding (in addition to CSU Allocation)**
- International/Non-Resident FTES Growth: 75
- Annual Tuition: 8,814
- Fee Revenue: 1,599

**Total International/Non-Resident**: 780,975

**Other Permanent Funding Sources**
- Risk Pool Budget Balance: 600,000

**Total Additional Fee Revenue Above Budget**: 1,928,935

**Total 2007/08 to 2008/09 Funding Change**: (17,455,261)

*(a) The only reimbursements included is lease bond payments reimbursement in SWPs*
## UNIVERSITY
### ACADEMIC YEAR 2007/2008
### AVERAGE LECTURER AND TEACHING ASSOCIATE SALARY COSTS WITH DIRECT WTUs

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Lecturers</td>
<td>$60,849</td>
<td>131.97</td>
<td>4,971.96</td>
<td>$3,230</td>
</tr>
<tr>
<td>Part-Time Lecturers</td>
<td>$50,120</td>
<td>283.79</td>
<td>10,017.04</td>
<td>$2,840</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$53,872</strong></td>
<td><strong>415.77</strong></td>
<td><strong>14,989.00</strong></td>
<td><strong>$2,988</strong></td>
</tr>
<tr>
<td>Teaching Associates [5]</td>
<td>$28,484</td>
<td>123.78</td>
<td>2,798.00</td>
<td>$2,520</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$45,238</strong></td>
<td><strong>539.55</strong></td>
<td><strong>17,787.00</strong></td>
<td><strong>$2,744</strong></td>
</tr>
</tbody>
</table>

**NOTE:** 2007/08 average lecturer/TA cost per FTES is $2,744.

With a 2% General Salary Increase on June 30, 2008 and a 3% General Salary Increase on July 1, 2008 for lecturers (TA contract under negotiation for 2008/2009), the 2008/09 average lecturer/TA cost per FTES would be $2,854.

AVPAA-3
Revised: 1/9/2008

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[1] Annualized salary based on Fall 2007 Faculty Expenditure Report dated 1/2/08.
[2] 1 FTEF = 15 WTU. Direct Weighted Teaching Units (WTUs) taught by lecturers and TAs from Fall 2007 FAD.
[3] FTES taught by lecturers and TAs from Fall 2007 FAD.
[4] Average Salary per FTEF divided by FTES times 2. (Column 1 x Column 2 / Column 3 x 2). \((\text{semester} \times 2)\)
[5] TAs received a 4% GSI effective 10/1/07. Salaries for TAs have been adjusted to reflect the entire semester at the projected higher rate.
## SAN DIEGO STATE UNIVERSITY
### 2007/08 Revenue Estimates
#### As of February 28, 2008

<table>
<thead>
<tr>
<th></th>
<th>2006/07 Budget</th>
<th>2006/07 Actual</th>
<th>Over/(Under) Budget</th>
<th>2007/08 Budget</th>
<th>Year to Date as of 2/28/08</th>
<th>Term End Estimate</th>
<th>Over/(Under) Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State University Fee</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>5,642,420</td>
<td>5,500,330</td>
<td>(142,090)</td>
<td>5,571,375</td>
<td>5,350,426</td>
<td>5,350,426 (1)</td>
<td>(220,949)</td>
</tr>
<tr>
<td>Fall</td>
<td>39,283,534</td>
<td>40,173,996</td>
<td>890,464</td>
<td>44,278,563</td>
<td>47,103,085</td>
<td>47,103,085 (2)</td>
<td>2,824,522</td>
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<tr>
<td>Spring</td>
<td>37,366,628</td>
<td>37,816,639</td>
<td>449,911</td>
<td>41,680,243</td>
<td>42,731,294</td>
<td>43,090,028 (3)</td>
<td>1,409,785</td>
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<tr>
<td><strong>Sub-Total SUF</strong></td>
<td>82,292,582</td>
<td>83,490,967</td>
<td>1,198,385</td>
<td>91,530,181</td>
<td>95,184,805</td>
<td>95,543,539</td>
<td>4,013,358</td>
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<tr>
<td><strong>Non-Resident Tuition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>231,106</td>
<td>197,976</td>
<td>(33,130)</td>
<td>216,263</td>
<td>293,589</td>
<td>293,589 (1)</td>
<td>77,326</td>
</tr>
<tr>
<td>Fall</td>
<td>3,042,775</td>
<td>3,461,996</td>
<td>419,221</td>
<td>3,781,789</td>
<td>4,175,965</td>
<td>4,121,029 (2)</td>
<td>339,240</td>
</tr>
<tr>
<td>Spring</td>
<td>2,658,696</td>
<td>2,872,313</td>
<td>213,817</td>
<td>3,137,636</td>
<td>3,187,293</td>
<td>3,419,053 (3)</td>
<td>281,457</td>
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<tr>
<td><strong>Sub-Total NR Tuition</strong></td>
<td>5,932,577</td>
<td>6,532,285</td>
<td>599,708</td>
<td>7,135,688</td>
<td>7,656,849</td>
<td>7,833,711</td>
<td>698,023</td>
</tr>
<tr>
<td><strong>International Tuition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer</td>
<td>336,565</td>
<td>345,102</td>
<td>8,537</td>
<td>359,989</td>
<td>333,290</td>
<td>328,543 (1)</td>
<td>(31,445)</td>
</tr>
<tr>
<td>Fall</td>
<td>2,576,968</td>
<td>2,740,815</td>
<td>163,847</td>
<td>2,859,046</td>
<td>3,287,622</td>
<td>3,287,622 (2)</td>
<td>428,576</td>
</tr>
<tr>
<td>Spring</td>
<td>2,302,008</td>
<td>2,485,129</td>
<td>183,121</td>
<td>2,592,332</td>
<td>2,946,348</td>
<td>2,980,927 (3)</td>
<td>388,595</td>
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<tr>
<td><strong>Sub-Total International Tuition</strong></td>
<td>5,215,541</td>
<td>5,571,046</td>
<td>355,505</td>
<td>5,811,367</td>
<td>6,567,260</td>
<td>6,597,062</td>
<td>785,725</td>
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<tr>
<td><strong>TOTAL FEE &amp; TUITION</strong></td>
<td>93,440,700</td>
<td>95,594,198</td>
<td>2,153,498</td>
<td>104,477,236</td>
<td>109,408,914</td>
<td>109,974,342</td>
<td>5,497,106</td>
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<tr>
<td><strong>Application Fee</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>2,225,000</td>
<td>2,761,099</td>
<td>536,099</td>
<td>2,234,000</td>
<td>2,779,806</td>
<td>2,779,806 (4)</td>
<td>545,806</td>
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<tr>
<td><strong>TOTAL APPLICATION FEE</strong></td>
<td>2,225,000</td>
<td>2,761,099</td>
<td>536,099</td>
<td>2,234,000</td>
<td>2,779,806</td>
<td>2,779,806</td>
<td>545,806</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>95,665,700</td>
<td>98,355,297</td>
<td>2,689,597</td>
<td>106,711,236</td>
<td>112,188,720</td>
<td>112,754,148</td>
<td>6,042,912</td>
</tr>
</tbody>
</table>

(1) Summer Term End - Actual received to date
(2) Fall Term End - Actuals received to date
(3) and average % of prior two years actual achieved collections
(4) Actual received to date

C:\Documents and Settings\rainer.BA\Desktop\0708Revenue Estimate.xls
as of 2-28-08

February 25, 2008
### One-Time Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>2007/08 Beginning Balance</strong></td>
<td>$1,621,948</td>
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<tr>
<td>06/07 Institutional Carryforward</td>
<td>479,200</td>
</tr>
<tr>
<td>2007/08 One-Time Budget Requests</td>
<td>(1,393,000)</td>
</tr>
<tr>
<td>Risk Pool Premium Rebate</td>
<td>1,200,000</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>$1,908,148</td>
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**Estimated 2007/08 Revenue Over Budget**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Revenue Over Budget</td>
<td>5,952,584</td>
</tr>
<tr>
<td>Interest Revenue Projection</td>
<td>1,000,000</td>
</tr>
<tr>
<td><strong>Total Estimated 2007/08 One-Time Balance</strong></td>
<td>$8,860,732</td>
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**2007/08 Approved Funding Requests**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td></td>
</tr>
<tr>
<td>Fall over enrollment course section</td>
<td>(1,773,600)</td>
</tr>
<tr>
<td>(Approved 10/25/07)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of 11/29/07</strong></td>
<td>$7,087,132</td>
</tr>
</tbody>
</table>

## Permanent Reserve

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08 Beginning Balance</td>
<td>$71,767</td>
</tr>
<tr>
<td>07/08 Unallocated Permanent Funding</td>
<td>1,659,611</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$1,731,378</strong></td>
</tr>
<tr>
<td>New Tenure-Track Funding (Approved 10/25/07)</td>
<td>(173,594)</td>
</tr>
<tr>
<td>Unfunded MPP 2007/08 Funding (Approved 10/25/07)</td>
<td>(893,389)</td>
</tr>
<tr>
<td><strong>Balance as of 11/29/07</strong></td>
<td><strong>$664,395</strong></td>
</tr>
</tbody>
</table>
PRESIDENT'S BUDGET ADVISORY COMMITTEE
February 28, 2008
MINUTES

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

Voting Members Absent:
Lena Rodriguez Cezar Ornatowski

I. Call to order

VP Roush called the meeting to order at 2:08 p.m.

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

II. Funding Requests

a. 2008 Spring Over Enrollment Course Section Funding (Attachment 1) - AVP Singer stated we came in with a higher FTES in spring enrollment than anticipated (943 over target). Next year we will have a small fall admittance and no Spring one due to the budget reduction.

b. BioScience Utilities and Custodial Support (Attachment 2) - AVP Stewart said the request was repeatedly a one-time request to provide custodial support for the portion of the building that was occupied. The current request is for permanent funds for the occupied portion of the building. Future requests will be presented when the remainder of the building is occupied.

c. Chiller Emergency Repair (Attachment 3) - VP Roush reminded everyone about the previous chiller failure. This request is to rebuild one of the older model primary chillers.

III. Information Items

a. 2007/08 Chancellor’s Budget Actions Memo (Attachment 4) - VP Roush said Attachment 4 is a recommendation by the Governor to defer permanent financial obligations including hiring, and minimizing or deferring travel for next year. It is advisory to the CSU; President Weber has sent a memo to the Provost and Vice Presidents urging caution in making ongoing financial commitments.
b. 2008/09 Governor’s Budget Allocation Memo – B08-02 (Attachment 5) - AVP Burns explained the Governor’s allocation memo, along with SDSU’s allocation, multi-year commitments and fee revenues. This is the most current estimate.

c. 2008/09 Course Section Costs per FTES (Attachment 6) - AVP Singer presented Attachment 6 which reflects average lecturer and teaching associate salary costs.

IV. Reports

a. 2007/08 Revenue Estimates (Attachment to be distributed at meeting) - Director Rainer distributed the 2007/08 revenue estimates as well as the attachment. AVP Burns said these figures will change with today’s agenda items.

b. 2007/08 Permanent Reserves (Attachment 7) - VP Roush presented this item.

V. Watch List

a. 2008/09 Budget – VP Roush stated the CSU is trying hard to get the $386.1M that is short from our 2008/09 budget. There will be a rally at SDSU on March 20th at noon at Scripps’ Cottage Patio. By May, we should have a better idea of next year’s budget.

b. Benefits, Legal and other one-time costs - VP Roush said the legal costs pertain primarily to our liability insurance. We have been successful at keeping our premiums and out-of-pocket costs low. We have had one case settle recently for a large sum, and we may have others. Regarding benefits, the Chancellor’s Office has underfunded the costs. The PERS contribution increases and decreases as well.

c. CMS – No update

d. Master Plan Costs – We need to watch as legal challenges to our master plan progress through the courts.

e. Freedom of Expression Policy – Our new policy results in higher maintenance costs to keep the campus clean. Physical Plant is tracking the added costs.

VI. Voting Items

a. Master Plan Litigation – VP Carleton moved to approve $300,000 in Master Plan Litigation Costs, VP Marlin seconded, and the motion passed unanimously. This funding should be sufficient up through a ruling by the trial court.

VII. New Business - None

VIII. Reminder

The next meeting is scheduled for Thursday, March 20, 2008, at 2:00 p.m. in MH-3318. The meeting was adjourned at 2:42 p.m.