

PRESIDENT’S BUDGET ADVISORY COMMITTEE

November 15, 2018

MINUTES

Voting Members Present:	Area Budget Reps Present:	Staff Present:	Guests Present:
Tom McCarron Adrienne Vargas Steve Welter Eric Rivera Brittany Santos-Derieg Chris Thomas Joe Johnson Donna Conaty Cezar Ornatowski	Radmila Prislin Agnes Wong Nickerson Leslie Levinson Tony Chung	Crystal Little Jessica Rentto Nance Lakdawala	Jim Herrick Christy Samarkos

Voting Members Absent:	Area Budget Reps Absent
Marcie Bober-Michele	Travis Clancy

I. Call to order - VP McCarron called the meeting to order at 2:05 p.m. There were no amendments to the agenda. VP McCarron welcomed VP Vargas. Area Budget Representative Clancy is leaving SDSU at the end of this month. Congratulations to Chris Thomas and Christian Onwuka on the Aztec Rocks Hunger Campaign. Over 590,000 lbs. were collected.

II. Information Items

- **CSU Support Budget Request (Attachment 1)** – A 5% enrollment growth was included in the request to the Board of Trustees. There might a delay before we get a good estimate on the budget due to the gubernatorial change. We will receive the first budget letter in January, and then the May Revise. Governor Brown has built up the rainy day fund to 10% which is the constitutional limit. Lt. Gov. Newsom has said agencies should ask for what they actually need. CSU salaries are based on what has already been bargained. Don Powell Theater is next in the queue for renovation. Mandatory costs are pension, healthcare, utilities. Board of Trustees is asking for \$456M which would be full funding. There was some discussion about managing additional enrollment. Dr. Ornatowski will share the white paper written by professors that addresses enrollment and is being presented to the Chancellor’s Office. AVP Wong Nickerson attended a budget presentation comparing some CSU universities. We should request \$1B in deferred maintenance. Proposals need to be credible and reasonable. Intent is to develop partnerships. CSU will notify CSSA there might be a tuition increase for 2019-20, depending on funding levels.
- **Mission Valley** – We will have discussions with various budget groups. \$300M is the estimated initial investment which includes acquiring the land, demolishing the stadium, site infrastructure, river park and off-site mitigation. It is an investment.

The long term potential is incredible. The first meetings with mayor have been very positive. An additional \$250M is to build the stadium. Agnes will share the article about the Colorado State stadium that is similar to our plan. Open forums will continue. Trustees will only approve a sound financial plan. We have the strength of the CSU behind us. We plan to break ground in 2020 and open in 2022. StratComm will continue to communicate as we go along. Gina was interviewed by KUSI on our timeline.

III. Reports

- **2018/19 Revenues (Attachment 2)** – Line numbers were added to the reports for ease. We are up in revenue by about \$1M from late September. We are past census for fall. We won't project spring funding in advance. AVP Wong Nickerson reviewed the revenue schedule. We have basic tuition – resident and non-resident, out of state and international. We traditionally build in 2/3 of non-resident tuition into the base budget. We increased to 70% for 2017/18. The remainder becomes available for one time funding. Non-residential tuition is about 14% of enrollment but represents 40% of our revenue. For 2018/19, we were able to increase our summer budget by \$2M. Don't anticipate the same increase for 2019/20. It was recommended we keep the target the same but provide incentives. Cross divisional collaboration last year was very successful. SUG allocation is smaller for next year. State University Grant was started by CSU in the 1980's. We set aside 1/3 of basic tuition for students in need. AVP Prislis said it would be good to have a comprehensive view of all revenues.
- **2018/19 Base Revenues (Attachment 3)** – There were no changes from the prior meeting. We are above our target.
- **2018/19 One-Time Reserves (Attachment 4)** – This reflects the allocations that were approved in May 2018. We always want to keep a base reserve of \$8M.
- **2018/19 Multi-Year Budget (Attachment 5)** – This is a multi-year history of base and one time budgets. One challenge is there is not a lot of predictability on base budget with PBAC recommendations. We want to have a cushion for emergencies and downturns. There are so many factors that can affect our final budget.

IV. Watch List

- **Master Plan Costs** – We finalized the master plan. There are no lawsuits pending. We allocated part of the costs last year. We will do some work for the city like add a new traffic signal. The cost of mitigation is about \$7M over 2-3 years. We can provide more detailed figures at a future meeting.
- **Graduation Initiative 2025**– We need to determine the goals.
- **IT Governance** – Some funding has been set aside. Rick Nornholm, the interim CIO is reporting to the president. He is also the Chief Technology Officer.
- **Infrastructure (electrical/steam)** – We have a tremendous amount of deferred maintenance. Electrical and steam are critical systems that impact the entire campus. We are converting steam to hot water which is safer.
- **Mission Valley** – Affordable housing alone will help with faculty, staff and students.

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- V. 2018/19 Funding Requests - none**
- VI. New Business** – We are planning a joint PBAC/AR&P/BRAT meeting on January 31st at 2:00-4:00 p.m. in the Tula conference room. Eric Rivera's last day is December 12th. Brittany said the student fees need to be revisited. A small group needs to do an analysis on all the fees and present to CFAC. Some fees have not been updated for 25 years. Academic Affairs needs to look at course fees separately and also compare to other campuses. BFA can put together categories of fees. We have a new fee report that we can present at the next meeting. Provost Johnson said thanks to VP McCarron and AVP Wong Nickerson for the level of detail presented today.
- VII. Reminder – Meeting adjourned at 3:25 p.m. Next Meeting Date – November 29th at 2:00 p.m. in MH-3318.**