

Business and Financial Affairs
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Thomas McCarron
Vice President and CFO

MEMORANDUM

DATE: April 21, 2014

TO: Elliot Hirshman
President

FROM: Tom McCarron 
Chair, President's Budget Advisory Committee

SUBJECT: President's Budget Advisory Committee
Recommendation of April 17, 2014

Attached is the recommendation from the President's Budget Advisory Committee (PBAC) meeting of April 17, 2014 for approval of 2013/14 one-time funding requests totaling \$230,000. Supporting materials are attached for your information. I recommend your approval.

If you have any questions, please let me know.

Attachments

PRESIDENT'S BUDGET ADVISORY COMMITTEE
April 17, 2014

RECOMMENDATION

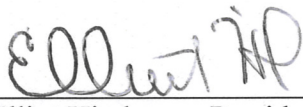
Approve 2013/14 one-time funding requests:

University Relations & Development

Alumni Center – expanded storage area	120,000
Branding & Marketing – Pandora Radio	60,000
Branding & Marketing – Southwest Airlines Spirit Magazine	50,000

2013/14 TOTAL 230,000

Approved by:



Elliot Hirshman, President



Date

President's Budget Advisory Committee
Meeting Agenda
April 17, 2014
3:30p.m. @ MH-3318

I. Call to order

- Call for amendments to agenda

II. Information Item

- 2014/15 B 2014-01 Budget (Attachment 1)

III. Reports

- 2013/14 Revenues (Attachment 2)
- 2013/14 Reserves (Attachment 3)

IV. Watch List

- Master Plan Costs
 - Potential Court Appeal Costs – Est. Cost \$300,000
- SUF Class Action Suit – Est. Cost TBD
- Unfunded Compensation Items

V. Funding Requests

- URD One-Time (Attachment 4)

VI. Voting Items

VII. New Business

VIII. Reminder

- Next Meeting Date – May 8, 2014 at 2:00 p.m. in MH 3318

			B 2014-01
2013/14 Support Budget			
State General Fund Allocation	143,411,096		
AO 13-036 Final Compensation Allocation	2,796,000		
Basic (SUF) Tuition Fee (net of SUG tuition discounts)	123,926,088		
Other Fee Revenue	38,877,351		
Other Revenue and Cost Recovery	22,218,752		
2013/14 Support Budget	331,229,287		
2013/14 Base Reserve			
			9,336,689
2014/15 AA Faculty hires (strategic collaborations, enrollment growth) - PBAC approved 6/14/2013	SDSU		(5,099,760)
2013/14 Unallocated Base Reserve			4,236,929
2014/15 Adjustments:			
2013/14 GF Base Adjustments			
Mandatory Retirement Adjustment	Attach B (2)		1,085,500
Mandatory Retirement Adjustment - benefit pool	Attach B (2)		(1,085,500)
			0
2014/15 GF Base Adjustments			
SDSU share of operating revenue interest assessment	Attach B (7)		92,600
SDSU share of operating revenue interest assessment - investment earnings	Attach B (7)		(92,600)
2013/14 Improving Student Success/Reduction of Bottleneck Courses	Attach B (5)		290,300
2013/14 Improving Student Success/Reduction of Bottleneck Courses - SA/UG	Attach B (5)		(290,300)
2014/15 resident enrollment growth (175 FTES @ 9,737 MC less net tuition fee increase)	Attach C (1)(5)		836,000
GF tuition fee discount adjustment based on campus relative student need	Attach B (8)		(1,106,100)
			(270,100)
2014/15 Estimated Revenue Adjustments			
SDSU tuition estimate (net of SUG tuition fee discounts) [1]	SDSU		3,148,100
Increase base budget for non-resident tuition	SDSU		2,000,000
			5,148,100
2014/15 Mandatory Costs			
CO funding for Health & Space	Attach C (2)(3)		1,163,000
CO Health (\$12.1M systemwide) - benefit pool	Attach C (2)		(891,000)
CO Space - Storm Hall West (\$1.6M systemwide) - utilities/custodial	Attach C (3)		(272,000)
Estimated CO Compensation funding	Estimate		4,400,000
Estimated SDSU prior year unallocated compensation	Estimate		3,400,000
Compensation Pool	Estimate		(7,800,000)
2013/14 Faculty Equity II (1/3 funded systemwide)	Attach B (4)		87,100
2013/14 Faculty Equity II (1/3 funded systemwide) - AA	Attach B (4)		(87,100)
			0
2014/15 Multi-year Commitments			
2014/15 Faculty Promotions (70% of cost) [2]	SDSU		(225,200)
			(225,200)
2014/15 Base Reserve			8,889,729
2014/15 Planned Unallocated Base Reserve			(4,000,000)
2014/15 Base Funding Available for Investment in the University			4,889,729
2014/15 Support Budget			
State General Fund Allocation	145,859,496		
AO 13-036 Final Compensation Allocation	2,796,000		
Basic (SUF) Tuition Fee (net of SUG tuition discounts)	127,074,188		
Other Fee Revenue (estimate)	40,877,351		
Other Revenue and Cost Recovery (estimate)	22,218,752		
2014/15 Support Budget	338,825,787		

[1] Tuition estimated based on enrollment data provided by AA 3/25/2014 and includes BL SUG tuition fee discount adjustments.

[2] Agreed upon formula = funding allocated for 70% of cost; estimated cost, data not available until late May.

SDSU Multi-Year Budget Plan

Institutional Base Reserve					
	2011/12	2012/13	2013/14	2014/15	2015/16
Beginning Balance	209,533	209,533	11,525,283	4,236,929	4,000,000
Trigger	(20,696,750)	20,696,750			
Tuition Rollback/Buyback		(9,381,000)	9,844,000		
GF Base adjustments	3,991,300		6,408,000	1,612,400	
Enrollment Growth funding			1,388,000	836,000	
GF tuition fee discount adjustment based on campus relative student need			(4,100)		
Basic Tuition Revenue (net of SUG tuition discounts)			1,246,100	3,148,100	
Non-Resident Growth:					
Non-Resident Tuition Budget			2,000,000	2,000,000	
PBAC allocations:					
Est. Mandatory Costs/Multi-Year Commitments	(1,830,200)		(10,484,200)	(2,943,700)	(225,000)
Divisional Allocation	12,274,490				
University Non-Divisional Reduction	6,261,160		(6,261,160)		
AA Strategic Initiatives			(880,982)		
AA Critical Support Needs			(1,198,709)		
SA Strategic Initiatives			(1,134,243)		
SA Critical Support Needs			(488,000)		
BFA Strategic Initiatives			(1,500,000)		
BFA Critical Support Needs			(143,000)		
URD Strategic Initiatives			(480,300)		
URD Critical Support Needs			(400,000)		
Instit Strategic Initiatives			(100,000)		
Instit Critical Support Needs			(5,099,760)		
Instit Critical Support Needs			(4,889,729)		
Encumbered for 2014/15 AA Faculty hires				4,000,000	3,775,000
2014/15 Base Funding Available for Investment in the University	209,533	11,525,283	4,236,929	4,000,000	3,775,000
Unallocated Base Reserve					

Institutional One-time Reserve

	2011/12	2012/13	2013/14	2014/15	2015/16
Beginning Balance	4,610,156	7,361,340	8,797,124	10,332,949	25,332,949
Unallocated Institutional Base Reserve	209,533	11,525,283	4,236,929	4,000,000	3,775,000
Encumbered for 2014/15 AA Faculty hires - available for 1-time use in 2013/14			5,099,760		
Est. Fee Revenues over Budget	6,432,194	10,266,172	15,884,877	11,000,000	
PBAC Allocations:					
Divisional Allocation		(3,000,000)			
AA Strategic Initiatives		(1,000,000)	(3,991,810)		
AA Critical Support Needs	(786,841)	(4,931,341)	(10,736,016)		
SA Strategic Initiatives			(492,815)		
SA Critical Support Needs	(151,920)	(249,391)	(60,100)		
BFA Strategic Initiatives				(2,000,000)	
BFA Critical Support Needs	(2,466,782)	(4,413,779)		(791,000)	
URD Strategic Initiatives		(500,000)	(742,000)		
URD Critical Support Needs			(260,000)		
Instit Strategic Initiatives			(1,212,000)		
Instit Critical Support Needs	(485,000)	(6,261,160)	(3,400,000)		
Encumbered for 2014/15 AA faculty start-up					
Pending PBAC allocations					
Unallocated One-Time Reserve	7,361,340	8,797,124	10,332,949	25,332,949	25,107,949

SAN DIEGO STATE UNIVERSITY
2013/14 Revenue Estimates
As of April 8, 2014

	2012/13 Budget	2012/13 Actual	Over/(Under) Budget	% Over/(Under) Budget	2013/14 Budget	Year to Date as of 4/8/2014	Term End Estimate	Over/(Under) Budget	% Over/(Under) Budget
<u>Basic Tuition Fee</u>									
Summer	11,405,000	11,468,965	63,965	0.56%	10,780,000	10,824,795	44,795	0.42%	
Fall	79,390,000	79,774,885	384,885	0.48%	80,054,000	82,554,676	2,500,676	3.12%	
Spring	71,555,000	72,887,429	1,332,429	1.86%	73,166,000	71,368,066	1,873,315	2.56%	
Sub-Total Basic Tuition	162,350,000	164,131,279	1,781,279	1.10%	164,000,000	164,747,536	4,418,785	2.69%	
Tuition Fee Discounts	(40,978,000)	(40,978,000)	0	0.00%	(41,381,900)	(41,381,900)	0	0.00%	
Net Basic Tuition	121,372,000	123,153,279	1,781,279	1.47%	122,618,100	123,365,636	4,418,785	3.60%	
<u>Non-Resident Tuition</u>									
Summer	385,358	508,491	123,133	31.95%	389,333	529,292	139,959	35.95%	
Fall	4,636,763	6,812,927	2,176,164	46.93%	5,216,408	8,056,065	2,839,657	54.44%	
Spring	4,108,891	6,145,352	2,036,461	49.56%	4,705,271	6,810,260	2,340,580	49.74%	
Sub-Total NR Tuition	9,131,012	13,466,770	4,335,758	47.48%	10,311,012	15,395,618	5,320,197	51.60%	
<u>International Tuition</u>									
Summer	300,225	593,712	293,487	97.76%	428,531	685,224	256,693	59.90%	
Fall	2,869,625	4,427,643	1,558,018	54.29%	3,195,795	5,808,045	2,612,250	81.74%	
Spring	2,708,338	4,258,710	1,550,372	57.24%	3,073,862	4,025,380	2,332,563	75.88%	
Sub-Total International Tuition	5,878,188	9,280,064	3,401,876	57.87%	6,698,188	10,518,649	5,201,506	77.66%	
TOTAL TUITION	136,381,200	145,900,114	9,518,914	6.98%	139,627,300	149,279,903	14,940,488	10.70%	
Application Fee	2,294,000	3,041,258	747,258	32.57%	2,294,000	3,238,389	944,389	41.17%	
TOTAL APPLICATION FEE	2,294,000	3,041,258	747,258	32.57%	2,294,000	3,238,389	944,389	41.17%	
TOTAL	138,675,200	148,941,372	10,266,172	7.40%	141,921,300	152,518,292	15,884,877	11.19%	

[1] Campus Basic Tuition Fee Calculation:

B 2013-02	163,254,000
SDSU Adjustments (a)	746,000
	<u>164,000,000</u>

(a) SDSU adjusts the CO fee calculation to account for campus discretionary fee waivers, student mix and enrollment projections.

[2] Includes \$2 million increase in budget; Non-Resident and International Tuition budget is allocated by tuition type and term based on prior year percentage of each tuition type revenue

[3] Term estimates are based on Net Collections/Receivables from Cashier's Enrollment Report as of 3/20/2014 discounted based on prior year waiver/collections experience.

Base Budget Reserve

2013/14 Beginning Base Budget Reserve Balance			209,533
	Prop 30 Passed - B 2012-03 Funding		11,315,750
	B 2013-01 Funding Net of Mandatory Costs		8,397,800
	Increase Non-Resident Tuition Budget		2,000,000
	Univ. Non-Divisional Budget Reduction		(6,261,160)
2013/14 Base Budget Reserve			15,661,923
2013/14 Approved Base Funding Requests			
Academic Affairs			
	University Grant Program	6/13/13 PBAC	(350,000)
	Increase in Study Abroad	6/13/13 PBAC	(233,139)
	Academic Advising Center - Increase the Number of Advisors	6/13/13 PBAC	(154,433)
	On-line Course Development	6/13/13 PBAC	(143,410)
	2012/13 Non-Resident Enrollment Growth (310 FTES) - TAs	6/13/13 PBAC	(130,410)
	2013/14 Resident Enrollment Growth (311 FTES) - TAs	6/13/13 PBAC	(130,410)
	Out-of-State Recruitment	6/13/13 PBAC	(220,999)
	Graduate & Research Affairs IT	6/13/13 PBAC	(439,700)
	SIMS IT	6/13/13 PBAC	(277,190)
Academic Affairs - <u>Encumbered in 2013/14, Base in 2014/15</u>			
	Tenure/Tenure Track Faculty	6/13/13 PBAC	(1,065,320)
	Writing and Math Center - Writing	6/13/13 PBAC	(325,000)
	2012/13 Non-Resident Enrollment Growth (310 FTES) - Tenure/Tenure Track Faculty	6/13/13 PBAC	(1,854,720)
	2013/14 Resident Enrollment Growth (311 FTES) - Tenure/Tenure Track Faculty	6/13/13 PBAC	(1,854,720)
Student Affairs			
	Commuter Center Support Services	6/13/13 PBAC	(100,653)
	LGBT Resource Center	6/13/13 PBAC	(200,000)
	Campus Internship Coordinator	6/13/13 PBAC	(80,240)
	Financial Aid	6/13/13 PBAC	(171,037)
	International Recruitment - ISC	6/13/13 PBAC	(115,813)
	Recruitment & Retention of Underrepresented Students	6/13/13 PBAC	(250,000)
	Aztec Nights	6/13/13 PBAC	(211,500)
	Student Disability Services - Software License	6/13/13 PBAC	(5,000)
Business & Financial Affairs			
	Wireless Refresh	6/13/13 PBAC	(488,000)
	Custodians	6/13/13 PBAC	(1,000,000)
	Steam Technicians	6/13/13 PBAC	(300,000)
	Public Safety Retention/Recruitment	6/13/13 PBAC	(200,000)
University Relations & Development			
	Communications Writers - Digital and Written	6/13/13 PBAC	(143,000)
	TCF Staffing to Handle Increase in Gifts, Endowment Growth & Reporting (2 positions)	6/13/13 PBAC	(157,300)
	Alumni Engagement Call Floor Coordinator	6/13/13 PBAC	(57,200)
	PLF Development & Communications Writer (2 positions)	6/13/13 PBAC	(151,400)
	Director of Donor Relations	6/13/13 PBAC	(114,400)
Institutional			
	Staff Compensation	6/13/13 PBAC	(400,000)
	Institutional Shortfall (\$100k per year for 3 years)	6/13/13 PBAC	(100,000)
SubTotal 2013/14 Approved Base Funding Requests			(11,424,994)
2013/14 Estimated Base Budget Reserve Balance			4,236,929

One-Time Reserve

2013/14 Beginning One-Time Reserve Balance

8,797,124

2013/14 Approved One-Time Funding Requests

Academic Affairs

Tenure/Tenure Track Faculty Start-up	6/13/13 PBAC	(1,900,000)
Recruitment & Retention of Underrepresented Faculty	6/13/13 PBAC	(100,000)
Support for Multi-disciplinary Research Proposals	6/13/13 PBAC	(1,000,000)
China International Student Recruitment	6/13/13 PBAC	(100,700)
Graduate International Student Transcript Evaluation/Recruitment	6/13/13 PBAC	(55,500)
Under-graduate International Student Transcript Evaluation/Recruitment	6/13/13 PBAC	(55,500)
Community Arts Events	6/13/13 PBAC	(50,000)
Expand Student Research Symposium	6/13/13 PBAC	(150,000)
Learning Analytics	6/13/13 PBAC	(70,000)
Zahn Center (SDSU match)	6/13/13 PBAC	(250,000)
SDCC funds to offset instructional costs of SDSU non-resident remedial students	6/13/13 PBAC	(150,000)
Graduate & Research Affairs IT	6/13/13 PBAC	(204,578)
Lottery Funds Restoration (instructional equipment and software)	6/13/13 PBAC	(417,000)
Library Books, Journals and Periodicals	6/13/13 PBAC	(500,000)
Cost of new FERP Faculty	6/13/13 PBAC	(3,100,000)
Enrollment Growth (621 FTES)	9/12/13 PBAC	(1,340,739)
2013/14 Projected Additional Non-Resident (347 FTES)	9/12/13 PBAC	(749,173)
Writing Center	9/12/13 PBAC	(260,110)
Benefits	9/12/13 PBAC	(500,000)
Student Computing Labs (ENG, PSFA, SCI)	9/12/13 PBAC	(860,517)
Renovation of Adams Humanities (faculty/staff offices)	9/12/13 PBAC	(750,000)
Engineering Aerospace Lab Renovation	9/12/13 PBAC	(500,000)
SCI Labs to Meet Enrollment Demand, Equipment	9/12/13 PBAC	(318,509)
Additional International Student Recruitment (stud assist, travel)	9/12/13 PBAC	(95,500)
North Life Sciences HVAC replacement & security enhancement	2/13/14 PBAC	(1,000,000)
Library – faculty requested publications	2/13/14 PBAC	(250,000)

Academic Affairs - Encumbered in 2013/14, One-Time in 2014/15

New Tenure-track faculty start-up - College of Engineering	2/13/14 PBAC	(1,000,000)
New Tenure-track faculty start-up - Enrollment Growth hires	2/13/14 PBAC	(2,400,000)

Student Affairs

Commuter Center Support Services	6/13/13 PBAC	(115,000)
International Recruitment - ISC	6/13/13 PBAC	(217,815)
Student Disability Services - Software	6/13/13 PBAC	(60,000)
Integrative Diversity Experiences for all Students	6/13/13 PBAC	(100,000)
SWAG SAT Preparatory Academy	9/12/13 PBAC	(25,000)
Indigenous Scholars & Leaders Program	9/12/13 PBAC	(35,100)

Business & Financial Affairs

Painting Academic Buildings	6/13/13 PBAC	(500,000)
Accessibility Improvements to EBA (relocation of ARPE)	6/13/13 PBAC	(1,000,000)
Campus Painting	2/13/14 PBAC	(500,000)

University Relations & Development

Alumni Volunteer Coordinator (\$60k per year for 3 years)	6/13/13 PBAC	(180,000)
360 Magazine, Other Media Materials	6/13/13 PBAC	(156,000)
SDSU Website Upgrades	6/13/13 PBAC	(150,000)
Improve and Enhance On-line Giving Capability	6/13/13 PBAC	(100,000)
Technology System Upgrades	6/13/13 PBAC	(250,000)
Increase Planned Giving Communication & Research to Identify Prospects	6/13/13 PBAC	(52,000)
Renovation of SDSURF Offices to Accommodate New Staff	6/13/13 PBAC	(50,000)
Space Planning and Architectural Rendering MH and PPGAC	6/13/13 PBAC	(20,000)
Marcomm Art Center Renovations	9/12/13 PBAC	(50,000)
National Branding & Marketing Program	10/24/13 PBAC	(305,000)
Legacy Leaders Program		(50,000)
Wealth Screening on Parents (\$20k for 3 years)		(60,000)
Direct Mail for Alumni Engagement		(100,000)

Institutional

Staff Professional Development	6/13/13 PBAC	(250,000)
Employee Satisfaction Survey	6/13/13 PBAC	(10,000)
Veteran's House Lease	6/13/13 PBAC	(112,000)
Destination SDSU planning/design	2/13/14 PBAC	(100,000)
ECCC ADA Access Improvements	2/13/14 PBAC	(1,000,000)

SubTotal 2013/14 Approved One-Time Funding Requests

(23,685,741)

2013/14 PENDING One-Time Funding Requests

SubTotal 2013/14 PENDING One-Time Funding Requests

0

2013/14 Funding Sources

AA - Encumbered in 2013/14, Base in 2014/15 - available for one-time use in 2013/14	5,099,760
Estimated Tuition and Fee Revenues over Budget	15,884,877
Estimated One-Time Carry-forward of Base Budget Reserve	4,236,929
SubTotal 2013/14 Funding Sources	25,221,566

2013/14 Estimated One-Time Reserve Balance

10,332,949

April 17, 2014

University Relations and Development
One-time requests

Alumni Center – Expanded Storage Area	\$ 120,000
<u>Branding & Marketing – Strategic Plan Initiative</u>	
Pandora Radio	\$ 60,000
Southwest Airlines Spirit Magazine	\$ 50,000
	<u>\$110,000</u>
 Total Request	 <u>\$ 230,000</u>

Alumni Center – Expanded Storage Area

\$ 120,000

The Parma Payne Goodall Alumni Center will undergo change with the construction of the basketball performance center. A roofed walkway on the West side of the Alumni Center will be enclosed as a result of the construction..

In order to best utilize this soon to be enclosed area, URAD intends to build an expanded storage area for the Alumni Center. This space is much needed by the alumni engagement department in URAD.

Branding & Marketing – Strategic Plan Initiative

Pandora Radio

\$ 60,000

Southwest Airlines Spirit Magazine

\$ 50,000

Total

\$110,000

The ongoing branding and marketing program, which launched in October 2013, has seen early success. The Strategic Plan Branding and Marketing Working Group recommend expanding the program to additional media channels, extending the messages about research, as well as other SDSU initiatives. The working group recommends expanding to Pandora Radio as well as Southwest Airlines Spirit Magazine.

The working group believes that by utilizing Pandora Radio they will be able to reach all target markets due to Pandora's ability of marketing to different demographic groups based on their music channel preferences.

The working group also feels that Southwest Airlines Spirit Magazine is heavily read by both business professionals and vacationing tourists while traveling. The group thinks that if it continues to pursue more print advertising it needs to be a long and consistent effort in order to resonate and show results.

PRESIDENT'S BUDGET ADVISORY COMMITTEE
APRIL 17, 2014
MINUTES

Voting Members Present:	Area Budget Reps Present:	Staff Present:	Guests Present:
Tom McCarron	Linda Lewiston	Crystal Little	
Andrea Rollins	Agnes Wong Nickerson	Nance Lakdawala	
Bill Eadie	Kathy LaMaster		
Cezar Ornatowski	Sarah Slaughter		
Eric Rivera			
Douglas Deutschman			
Josh Morse			
Mary Ruth Carleton			

Voting Members Absent:

Nancy Marlin

I. Call to order - VP McCarron called the meeting to order at 3:35 p.m. VP McCarron inquired if there were any amendments to the agenda but there were none. He welcomed Agnes Wong Nickerson who is replacing Lorretta Leavitt.

II. Information Items

- **2014/15 B 2014-01 Budget (Attachment 1)** – VP McCarron presented the 2014/15 Budget and said we have received the Governor's B Letter. We are committing about 55% of non-resident tuition to the base budget. We have about \$4.9M of base funding to invest in the University.

III. Reports

- **2013/14 Revenues (Attachment 2)** – VP McCarron stated we have exceeded our target. There was some discussion about how recruiting non-resident students helps our local students. President Morse said students want to communication that fact to the community. There was also some discussion about the SUG.
- **2013/14 Reserves (Attachment 3)** – AVP LaMaster requested we add a footnote on Attachment 3 that the figure for Tenure/Tenure Track Faculty includes benefit costs. VP McCarron responded we will include that item in parenthesis or a footnote from now on.

IV. Watch List

- **Master Plan Costs** – Might be on Supreme Court docket in a month.
- **SUF Class Action Suit** – CSU handling.

- **Unfunded Compensation**– Building some funding in for next year.

V. Funding Requests

- **UR&D's One-Time (Attachment 4)** – CFO Slaughter presented this item. The summary is on page 1 and the details are on page 2. There was some discussion on measuring branding and marketing. VP Carleton will ask Greg Block to produce a document that measures the success of our branding and marketing efforts to date.

VI. Voting Items – AVP LaMaster moved to approve the funding requests today, President Morse seconded, and the motion passed unanimously (with the caveat that Greg Block's document will be presented to AR&P and Senate officers).

VII. New Business – None.

VIII. Reminder – Our next meeting is scheduled for Thursday, May 8, 2014 at 2:00 p.m. in MH-3318. Divisions will present their funding requests at our May meetings – May 8 (SA, BFA and PO) and May 22 (AA and URAD). Members will use the template that was presented today by UR&D with the addition of a metrics chart. The meeting was adjourned at 4:10 p.m.