



**California State University, Stanislaus  
University Budget Advisory Committee**

February 22, 2013  
11:00 am – 12:30 pm  
MSR 130c

NOTES

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**Present:** F. Borrelli, S. Davis, R. Giambelluca, N. Jacklin, K. Jasek-Rysdahl, R. Kamali, C. Lonn-Nichols, J. Reynoso, M. Salameh, B. Temple, S. Wooley

**Absent:** S. Jackson, J. Strong

**Guests:** M. Legg, D. Shimek

**Recording Secretary:** K. McField

**1. Opening Remarks**

*VP Giambelluca distributed the agenda and additional handouts.*

*Mr. Borrelli motioned to approve the minutes from February 8<sup>th</sup>, and Ms. Salameh seconded the motion. Minutes approved.*

**2. Approval of Agenda**

*Dr. Jasek-Rysdahl requested discussion at a future UBAC meeting regarding UEE cost recovery. VP Giambelluca agreed and said that he will invite Dean Kevin Nemeth to discuss UEE.*

*Dr. Wooley asked if the "One-Time Resources" agenda item refers to the committee's previous discussion regarding funding "blocks," and VP Giambelluca replied that this is a different discussion. In the last meeting, we discussed the \$2.2 m permanent allocation for this year. During this meeting, we will review the one-time funds.*

*VP Giambelluca address Dr. Jasek-Rysdahl's question from the last meeting regarding the university contingency reserve. VP Giambelluca spoke with Interim President Sheley, and the president envisions maintaining this reserve on a permanent basis. In the future, any one-time funds not spent during a given year would be added to this reserve.*

*Mr. Borrelli motioned to approve the agenda, and Ms. Lonn-Nichols seconded the motion. Agenda approved.*

### 3. Discussion and Focus Items

#### a. IPEDS Report Distribution

*VP Giambelluca distributed copies of the IPEDS report. He directed committee members to contact Provost Strong with any questions about the report.*

#### b. Discussion of One Time Resources

*Budget Manager Michelle Legg discussed the permanent base budget. She has received inquiries about why we have \$2 m to allocate instead the \$4.6 m increase. After Proposition 30 passed, the campus reversed and refunded the 2012-2013 tuition increase. Although we had a smaller overall cut, the rescinded fees and SUG reduction lowered our revenues, which resulted in the \$2.2 m remaining funds for allocation. Dr. Wooley asked if the financial aid line on this document (Campus Budget Allocation Comparison August & November 2012) reflected \$1.6 m that can be allocated to something else, and Ms. Legg confirmed.*

*Dr. Jasek-Rysdahl said that the cuts we made in previous years were cuts to our base budget, and we cannot go back and undo those cuts. The idea is that we use this to restore the base budget – not necessarily. For example, we would have conducted faculty searches if we had not received these cuts, and we cannot go back and conduct them now. If we treat this \$2.2 m allocation as base budget funding, it could significantly affect decisions next year. We must take care not to allocate the \$2.2 m into our base budget since we will not have this money next year. Ms. Legg agreed and said looking at the base budget is more for July 1 (next year). Right now, we may use some of it as one-time allocations to add some spring courses and backfill part-time costs. VP Giambelluca said that we cannot count on the possibility of restoration funds, and he expects that our current base budget will continue to be our reality. Our current challenge is to identify our priorities and ensure that any available funds are allocated to these priorities.*

*Ms. Legg discussed the second document (One Time Carryforward Budget Allocations 2012/2013 FY). This document includes the contingency reserve funds Dr. Jasek-Rysdahl inquired about at the last UBAC meeting. She discussed the budget allocations line-by-line.*

*Accreditations (\$34,693): These are the buckets of accreditation money.*

*Research Grants (\$332,606): This is the total for the RSCA grants carried forward from the end of last year. The faculty member has two years to spend the funds or they return to the provost's RSCA grant pool.*

*Encumbrances (\$30,760): This is money for items we have purchased but not paid for yet.*

*Financial Aid (\$175,088): This includes any leftover allocations in the university-wide pool for SUG or scholarships. This funding is restricted and will continue to roll forward into available financial aid awards.*

*Work Study (380,236): This allocation includes \$212 k for the previous year's work study match plus the balance of what we did not spend last year (which will be reallocated to this year).*

*Part-Time Faculty End of Year Contract Payments (\$971,035): This is to fund faculty salaries during the June/July months. Business & Finance provides these funds separately from the Academic Affairs budget so the deans do not have to factor these contracts into their budget.*

Cost Recovery Fund to SA and AA (\$149,139): This is a restricted account with UEE reimbursements to the stateside budget for self-support work. The funds have not yet been utilized.

Facilities, Roofing, etc. (\$1,150,000): These funds are set aside to cover the campus maintenance needs. Dr. Jasek-Rysdahl asked where the \$1.1 m originated, as this seems like a very large reserve for Facilities. VP Giambelluca replied that there is an ebb and flow of projects in Facilities. There are many projects that have been postponed until after the completion of Science 1.

Admission Reservation Fees (\$581,519): Last year, the university implemented a system in which students paid a \$200 deposit to confirm their intention to enroll. Those deposits were applied to those students' account (toward fees) at the beginning of the semester. Ms. Salameh asked about the deposits from students who do not enroll, and Ms. Legg replied that there was approximately \$32k left as of fall, and Business & Finance has not yet determined how the money will be spent since it is a fairly small amount. VP Giambelluca explained that the purpose of this deposit was to encourage a firm commitment from new students so we would be able to more accurately predict enrollment. Ms. Salameh asked if the remaining money (deposits from students who did not enroll) could be used in some way to benefit the current university students, and VP Giambelluca said that he could raise that suggestion.

Anticipated One Time Transition Costs – Employee Separation (\$356,229): These were funds set aside in anticipation of Proposition 30 not passing. Since Proposition 30 passed, we will not need to use this money for retirements or attrition. It needs to be restored now. Ms. Lonn-Nichols asked if we used all of this money for employee separations, and Ms. Legg replied that we will know the balance after June 30th, and that money will return to the reserve account.

Advancement One Time Bridge Funds (\$80,000): These are bridge funds to sustain University Advancement until next year.

Athletics One Time Budget Mitigation (\$140,000): This fund is similar to the University Advancement bridge funds, meant to sustain Athletics until next year.

Faculty Affairs and Human Resources One Time Allocation (\$20,000): Similar to the Advancement and Athletics funds. Dr. Wooley asked why these divisions were cut more than they could handle and then we gave them bridge funds. Ms. Legg replied that we cut \$4.9 m, so the original cuts were deeper than we could restore. VP Giambelluca added that timing was the issue; when we made the original cuts, the divisions agreed to the cuts after one year mitigation. Dr. Wooley asked if that meant that the divisions will agree to the cuts next year but then we will provide more one-time funds. Ms. Legg confirmed but said that divisions are also reorganizing and looking at efficiencies. Dr. Wooley asked if this means that we are still in cut mode, and VP Giambelluca said yes.

Enrollment and Student Affairs Advising Contingency Funds (\$25,000): Similar to the previous three lines.

Enrollment and Student Affairs Tutoring Center (\$18,771): This money was provided to the Tutoring Center to continue providing the same level of tutoring as in the past.

Webpage Development (\$80,000): This is an allocation for webpage updates.

Utilities FY 11/12 Cost Savings (\$700,045): This is cumulative savings from all projects faculty have been doing to save money and "go green." The agreement was that any money saved by "going green" could be kept and reinvested. Ms. Lonn-Nichols asked if this means that \$700k will be returned to the Academic Affairs Division, and Ms. Legg replied that no, we are restricting these funds as a university-wide utilities allocation. VP Giambelluca explained that

the biggest uncertainty (other than the state budget) is the future cost of energy. We are conducting projects to find permanent savings. Ms. Reynoso added that utility costs also decreased because we shut down Science 1, but it will reopen soon. Also, many of the “savings” included in this fund are actually rebates, which lower our utility bills. Dr. Wooley asked if this meant that the \$700k would go to Facilities, and VP Giambelluca replied that Facilities proposes university-wide projects and applies for these funds, or they will be accessed as contingency funds if we experience a spike in utility costs.

Grant Administration Unrecovered Salaries and Wages (\$133,165): Each year, we allocate a certain percentage to grants for accountants and other folks who reconcile those accounts. We discovered that we do not have enough F&A for those salaries, so this funding line was a one-time bridge allocation.

Potential Chancellor’s Office Tax Penalty for Over Enrollment (\$2,078,000): This allocation is for a tax penalty from the Chancellor’s Office for prior year overenrollment. This reduced our reserve a bit (from \$5.2m to \$4.7m).

Potential CMS Loan Settlement Reserve (\$2,200,073): We have loans from a 5-6 year period that were required to bring the CMS module up to date. We have this reserve aside in case the state requires immediate payment. We may also have additional unfunded mandates (additional modules) and would need to increase this allocation.

Dr. Jasek-Rysdahl asked about the notation at the bottom of the page (“In addition the campus has \$4,200,219 in campus fees and one time Chancellor’s office allocations in general fund restricted GR106 which is highly restricted in origin and use of funds”). VP Giambelluca explained that this money is a collection of fees and other funds to use for restricted purposes (such as Foundation allocations for expenses, similar to bridge funds for other divisions).

#### General Budget Discussion:

Dr. Jasek-Rysdahl asked if there is a state requirement (percentage) for the contingency reserve fund. VP Giambelluca said that there is no requirement, but the recommendation is between 3-5% of our operating budget. Interim President Sheley believes this is a fund that needs to be carefully stewarded over the long term. We need to identify priorities and required investments before using the reserve funds.

Ms. Lonn-Nichols asked if we know our enrollment targets or future goals for growth. VP Giambelluca replied that the governor has been silent regarding FTE expansion. This is the first time the budget has not been tied to FTES and expansion. VP Giambelluca thinks the decision will be made within the next few weeks.

Dr. Wooley asked if this document meant that we have \$7.813m allocated one-time funds and can still allocate the \$6.973m unallocated reserves. VP Giambelluca replied that we need to remember that \$2.2m needs to be allocated for CMS, so we need to consider the remainder of the reserve.

Ms. Temple asked whether the CSU will look at one year of enrollment targets or at longer-term goals. VP Giambelluca replied that he thinks the governor’s budget encourages the system to determine a long-term enrollment plan without state-mandated enrollment targets.

*Dr. Jasek-Rysdahl asked if we have some mechanism to reward divisions/departments if they become more efficient and save money. For example, the money saved from utilities goes to Facilities. If Academic Affairs saves money through efficiencies, it does not get “banked” anywhere for us. VP Giambelluca replied that this is something UBAC could discuss. MS. Lonn-Nichols agreed that this is an important topic because it could change the way we think of our stewardship of funds and incentivize responsibility and efficiency. VP Giambelluca said that budgets are not reduced if they spend less than planned, but those leftover funds are recovered by the campus for university-wide use. Dr. Jasek-Rysdahl pointed out that Academic Affairs is not able to bank those savings, since they get swept. VP Giambelluca replied that our discussions should focus on funding long-term savings to do long-term good for the university.*

*Dr. Wooley said that if a department loses a faculty position from retirement or resignation, the department has salary savings but does not get to keep them. Dr. Jasek-Rysdahl provided a scenario: His department finds ways to cut their copying costs in half, thereby reducing the department’s operating expenses for the following year. Instead of having an opportunity to use those saved funds elsewhere, they get swept. Therefore, there is not much incentive for the department to find those savings. He asked if there was some way the department could be rewarded for finding efficiencies. VP Giambelluca replied that this is a centralized vs. decentralized funds discussion. If we save money in one area, that money is moved into a university-wide pool, which can be used to benefit the campus (not just one department or division).*

*Ms. Lonn-Nichols asked if the university earns any interest off of its reserved, and Ms. Legg replied no, we do not invest our reserves.*

#### **4. Other Business**

*Dr. Jasek-Rysdahl reminded VP Giambelluca that he would still like to see previous years’ budgets in comparison to the 2012-2013 budget. Ms. Legg said that she can provide this information.*

*Dr. Jasek-Rysdahl asked if the committee could review the UEE budget information, particularly regarding UEE revenue sharing allocations. VP Giambelluca asked Ms. Legg to invite Dean Nemeth to a future meeting. UEE provides two types of allocations to stateside programs: reimbursement for costs for UEE-related activities and revenue sharing (sharing the net proceeds).*

*Dr. Wooley asked whether we will discuss other funding “blocks.” VP Giambelluca replied that we will discuss allocations relative to university priorities. We know we will have far more priorities than available funds, so we need to clearly identify the university’s top priorities.*

*Ms. Temple asked about the university’s carry-forward interest rates or cost of loans, and Ms. Legg replied that the loans have been refinanced each year by the Chancellor’s Office, so we have a pretty good rate.*

*Ms. Salameh asked about the timeline for vice presidents to discuss their priorities with UBAC. VP Giambelluca replied that the vice presidents are currently discussing priorities, so it may be some time before they will be prepared to address UBAC. We also do not want to allocate funds too far ahead of the governor’s May Revise.*

*Ms. Temple asked if we can discuss long-term university goals, such as maintenance or projects, at a future meeting. VP Giambelluca agreed.*

**5. Adjourn**

*Mr. Borrelli motioned to adjourn, and Ms. Temple seconded the motion.*

*Adjourned at 12:28 p.m.*