

Academic Senate Meeting

October 26, 2006
3:00 - 5:00 Commons

Abstract

Approval of Minutes of 9/28 and 10/12. Update on WASC. Approval of Agenda. Special Report: Copeland Creek Committee. Special Report: Budget 101
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Present: Elaine McDonald, Elizabeth Stanny, Edith Mendez, Robert McNamara, Sam Brannen, Carolyn Epple, Noel Byrne, Birch Moonwomon, Michael Pinkston, Steve Wilson, Kristen Daley, Elizabeth Martinez, Robert Coleman-Senghor, Robert Train, Liz Thach, Thaine Stearns, Steve Cuellar, John Kornfeld, Tia Watts, Murali Pillai, Cora Neal, Rick Luttmann, Wanda Boda, Steve Orlick, Melinda Milligan, John Wingard, Sandra Shand, Larry Furukawa-Schlereth, Rachel Sagapolu, Lane Olson, Art Warmoth, Mary Halavais, Carlos Ayala, Doug Jordan

Absent: Tim Wandling, Catherine Nelson, Virginia Lea, Raye Lynn Thomas, Glenn Brassington, Ruben Armiñana, Eduardo Ochoa, Jarrod Russell, Eric Halstrom

Proxies: Myrna Goodman for Sandra Feldman, Lillian Lee for Scott Miller, Jan Beaulyn for Marguerite St. Germain

Guests: Christopher Dinno, Andrew Roth, Rose Bruce, Craig Dawson, Jim Robertson, Ian Hannah, Kathryn Crabbe, Elaine Sundberg, Elaine Leeder, Carol Blackshire-Belay, Les Brooks, Heidi Lamoreaux

Chair Report – E. McDonald-Newman

The Chair introduced a new student Senator, Rachel Sagapolu and the year replacement for Senator Whitkus, Cora Neal. She reminded the body that the Emeritus Dinner RSVPs were due now.

Approval of Minutes of 9/28 and 10/12 – *Approved.*

Update on WASC – E. Sundberg

E. Sundberg said they continue to work and there was no further update.

Approval of Agenda – *Approved.*

Special Report: Copeland Creek Committee – C. Dinno, H. Lamoreaux and C. Dawson

Following are the contents of the Copeland Creek Committee's power point presentation with additional commentary by C. Dinno, H. Lamoreaux and C. Dawson.

The Copeland Creek policy was approved in 2000 and included the formation of the Copeland Creek committee. The committee is charged with the following responsibilities:

Develop recommendations for, and assist in the implementation, of programs to monitor and survey the quality of the habitat and resources of Copeland Creek within and adjacent to the boundaries of campus.

Review monitoring of the habitat and physical boundaries of Copeland Creek to provide information on the impact and effort of development and restricting activities within the Copeland Creek Zone.

The membership of the committee and Friends of Copeland Creek include: faculty, staff, police services, capital planning, landscaping, the Department of Fish and Game, Water Quality Control, the campus landscape architect and the City of Rohnert Park.

This diverse group pulled together to author and develop the Copeland Creek Master Plan of guiding principles. The Master Plan was approved in 2000.

The Copeland Creek Master Plan can be viewed on the Sonoma State University website (<http://www.sonoma.edu/facilities/copeland.html>).

Goals established during the Master Plan process are:

- Maintain and protect native biodiversity
- Restore native species
- Increase community awareness
- Increase knowledge and understanding through on-campus educational programs
- Improve storm water management

They are working with FEMA and the Department of Fish and Game to clear blocks in the Creek.

A basic understanding of goals was established during the Master Plan process. The Copeland Creek Advisory Committee established these guiding principles:

Copeland Creek:

Is an ecosystem.

Should be treated in the context of the entire creek.

Policies and practices should embrace the challenges presented by a natural/urban interface.

Presents an important opportunity for the University to offer a model of ecosystem management.

Should be valued for the educational, recreational and aesthetic benefits it provides the University.

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This is a creek that has been altered and will always be in an altered state. It is not a pristine creek, but it still has many natural elements.

Urban surroundings are close to the creek. This is a reality we have to work with and presents certain challenges.

There are steelhead, which are a protected species in Copeland Creek, and other wild life in the area.

Copeland Creek is an ecosystem that has tremendous educational value to the University.

The Copeland Creek Master Plan was developed due to some past activities that occurred in the creek, which brought negative publicity to the university.

Past Accomplishments:

Completion and adoption of the Copeland Creek Master Plan.

In partnership with regulating agencies, the implementation of procedures for creek activity per the CCMP.

Creation of an application document for conducting activity within the creek protection and buffer zone.

Non-native plant elimination and restorative planting.

Responded to feral cat impacts upon Copeland Creek.

Creation of policies addressing routine maintenance, management, administration and development.

This includes any classes, restorative work, construction, removal of plants/trees. An application shall be submitted to the Director of Planning for review and approval. There has been a tremendous amount of non-native plant elimination and restorative planting through efforts of Professor David Stokes and the Friends of Copeland Creek activities.

The Copeland Creek Master Plan gives guidance for all activities involved within the creek especially routine maintenance. Personnel are given direction and guidelines for when to contact Fish and Game and the Army Corp of Engineers.

Current Tasks:

Informing and educating University Faculty and Staff.

Classroom and field education of the Student Body.

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Renewing efforts toward raising community awareness and education.

One reason we are presenting to the Senate today is to increase awareness of this important committee. We stress the important aspect of educating people about Copeland Creek and its importance as an outdoor classroom as well as when and how to use the creek. We would also encourage this governing body to assist us in getting the word out and to share this information with your constituents.

Future Objectives:

The determining factor to successful stewardship of Copeland Creek is EDUCATION.

Utilizing the Copeland Creek Master Plan as a directive to increase and facilitate community awareness.

Completion of the following projects and their implementation as educational tools.

The only way we feel we can be successful at this is to use this as an educational experience. The CCAC would like to move forward with education by implementing some of the projects outlined in the Copeland Creek Master Plan.

The CCAC has identified three projects that will really provide great educational opportunities for the community and for Sonoma State University. There are many projects outlined in the Master Plan, but the three chosen projects will increase awareness of the creek and issues surrounding it. Our goal is to protect the creek while allowing people to enjoy it.

The first project is a Small Overlook and Seating Area which would invite people to step off the path to relax and study or convene as a group while minimizing the impact to the Copeland Creek buffer zone. This is proposed to be near the foot path between the back parking lot and the main campus. We envision a small overlook and seating area, which is planned to be intimate and inviting for small groups of people to enjoy the surrounding space. The estimated cost is \$25,000.00.

The second project is a Creek Overlook. This space will serve as a place to observe the creek without adverse impact, is an extension of the event lawn and is a transition to the riparian corridor. This will allow large groups of people to experience the creek environment as a classroom setting in its natural state. The estimated cost is \$75,000.00. DSA, F&G and CPF approvals are required. H. Lamoreaux said many of these overlooks are built in the South where she did her fieldwork. They provide a great way to see the creek without damaging the creek.

The third project is an Outdoor Classroom that would have informal seating areas, boulders and native tree canopies, and hourly delineated and mutually agreed upon points of access for holding classes. This area has been identified as behind the Environmental Technology Building. People are going down in the creek with great intentions but damage happens. The Copeland Creek Advisory Committee wants to encourage these educational opportunities by creating directed access to this low tech

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informal seating area as an outdoor classroom that has Fish and Game's approval. There needs to be a balance between using the creek and protecting the creek. H. Lamoreaux said she had been down to creek taking water samples and looking for crawly things not knowing she was violating Fish and Game directives and that she needed to fill out paperwork. She thought it was important to be able to take a class into the creek and so if a class met there regularly, the form would only need to be done once. The estimated cost is \$25,000.00.

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In summary, we want to get this information out there to create a ground swell to help support our efforts. We are asking for your support with these proposed projects. Use of these proposed outdoor areas will happen immediately and we feel degradation of the area will continue until mitigation occurs. The Copeland Creek Advisory Committee believes the proposed projects are an extension of the university's educational mission.

C. Dinno said they might be able to get some dollars through the minor capital outlay program for accessibility. He asked for questions.

Where were the feral cats relocated? C. Dawson responded that they contracted a trapper and they had a grant to get the cats spayed and neutered by local vets and then arranged for them to go to dairy farmers on the coast to be mousers.

If the three venues are completed, what is the estimated annual maintenance budget?

C. Dinno said from a dollar standpoint, very low.

The creek extends beyond the university. What controls or cooperative arrangements do you have beyond our boundaries?

C. Dinno said the city was part of the Master Planning process and C. Dawson said he is on the City of Rohnert Park's Creek Master Plan committee. They are looking at the creek from the Sonoma Mountain watershed to the Laguna and the CCAC is trying to integrate any practices they come up with. There is also a lot of agency involvement.

Has there been any thought to how the outdoor classroom would be scheduled or coordinated?

C. Dinno said they did not have that detail yet.

Is the presentation on the web? C. Dinno said that he had handouts for the Senate. The Senate thanked and applauded the committee and its presentation.

Special Report: Budget 101 – L. Furukawa-Schlereth

L. Furukawa-Schlereth said he was pleased to present a rather detailed explanation of the campus budget. He passed out hardcopy of the power point presentation and a few copies of the actual campus expenditure plan for 2005-2006.

Slide One:

Composition of the SSU Budget 2005-2006

General Fund	\$ 77,094,620	42.4%
Capital Budget	\$ 36,381,000	20.0%
Grants and Contracts	\$ 30,143,265	16.6%
Housing	\$ 14,572,287	8.0%
Extended Education	\$ 4,153,846	2.3%
Parking	\$ 1,763,731	1.0%
Instructionally Related Activities	\$ 2,778,321	1.5%
Associated Students	\$ 1,575,288	0.9%
Student Union	\$ 1,773,244	1.0%
Sonoma State Enterprises	\$ 11,589,000	6.4%
Foundation General Fund <i>Foundation Asset Management: \$79,049,308</i>	\$ 91,600	0.1%
TOTAL	\$181,916,202	100%

L. Furukawa-Schlereth noted the total amount of the SSU budget and said that it could vary year to year depending on the money in the different funds, particularly the Capital Budget and the Foundation. These figures are from 2005-2006, but he thought the difference between then and now was not significant. He encouraged questions and asked for feedback on how to improve communication about the budget to the campus.

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Slide Two:

General Fund	\$ 77,094,620	42.4%
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The General Fund represents the largest source of revenue available to the campus and includes:

- Resources from Trustees
- Discretionary dollars from the California Lottery
- Funds generated from student and other fees

The General Fund is the largest budget category. He described the three main revenues that make up the General Fund. The breakdown is: 54 million from the taxpayers directly and 22 million comes from student fees. Student fees are in three categories: student tuition, non-resident tuition, and the student health center fee. There is a small amount of lottery money that is discretionary. The student health fee is reflected in the General Fund even though it is a self-support activity. He noted that there has been a remarkable shift in the composition of the General Fund over the years that he has been in the CSU. Twenty years ago, most of the money came from taxpayers and very little from student fees. Now student fees are a more significant source of revenue and it is growing every year. He thought this represented a shift from a public policy perspective about higher education. He said that lottery money goes to the Library to pay it back for the years when the campus experienced serious budget reductions. The General Fund breaks down further into four areas of campus: The Division of Academic Affairs, the Division of Administration and Finance, the Division of Student Affairs, and the Executive Office. Of the 77 million, 64 million is tied up in people, so there is only 12 million for operating expenses 8 of that 12 is devoted to Financial Aid and utilities. There is really only about 4 million to play with. As the campus has developed a cultural value of no lay-off, it can be seen that flexibility with the General Fund is limited. When we talk about strategic planning, especially in Academic Affairs, and redirecting General Fund money, it is difficult because so much of the money is tied up in people.

Questions

Why is the amount from the Trustees \$54 million instead of another number?

L. Furukawa-Schlereth answered that the figure comes from the old "orange book" formulas. A liberal arts curriculum generated the lowest amount of dollars. The dollars provided to us per student is lower than Humboldt's due to these old formulas. In 1994, the CSU threw out those formulas, the rate at which campuses are paid now is the marginal cost formula and does not take into account what kind of curriculum a campus has. He told anecdotes about the orange book formulas. He said he would look

at the period from 1992 until now to track the changes in the General Fund for the WASC accreditation to see if we aligned our resources with our mission or not. He said he picked 1992 because that is when he started at SSU and prior to that there was no expenditure plan information available.

Of the \$55 million dollars portion of the General Fund, what amount of that is directly tied to FTES?

L. Furukawa-Schlereth said the \$55 million is part of the old orange book formulas and growth of student enrollment since '92-'93, plus salary increase dollars generated from bargaining agreements.

What kinds of restrictions are on the spending of General Fund monies?

L. Furukawa-Schlereth said the only restriction is that it has to be used to further the educational mission of SSU. No liquor or tobacco can be bought with it. You can't gamble with it. There are very few restrictions. But an auditor would have to see how the expenditure related to the educational mission somehow.

Was there a \$2 million structural deficit when the campus changed over from the orange book?

L. Furukawa-Schlereth said that as a system the CSU looked at what the orange book said the budget should be and what the budget really was, which was less, and chose to call that an unallocated reduction. When he arrived, SSU chose to not take that unallocated reduction, to see it as a fantasy. When he came there was about \$1 million in unallocated reductions. The year President Armiñana came there was another \$1 million. The campus never chose to recognize them.

| What is the implication that it is unrecognized for the campus budget?

L. Furukawa-Schlereth said it has been recognized and in his own division they reengineered and they cut \$1 million dollars from the budget. He noted the reduction in custodians. In Academic Affairs, some faculty took the golden handshake and many of those positions were never re-filled which made the student/faculty ratio skyrocket.

Is the marginal cost formula above a constant?

L. Furukawa-Schlereth said yes, the amount of the marginal cost formula is around \$7600, so multiplying that by the number of students anticipated as growth will give the approximate growth dollars given that there are no cuts. He also said he wanted to give a sense of the consultation process for each fund. He said that ultimately the President makes all budget decisions, but that he is required to have consultation. For the General Fund, the main consultative body is the President's Budget Advisory Committee.

Slide Three

Capital Budget	\$ 36,381,000	20.0%
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Revenue is obtained via the sale of tax exempt bonds by the State of California.

Bond covenants restrict capital dollars to the specific construction project for which the bond was issued.

The campus is reimbursed for overhead costs.

The 2005-2006 capital projects included the following:

—Darwin Hall Renovation	\$ 28,733,000
—GMC Phase I Building Foundation	\$ 7,648,000

The Capital Budget is comprised primarily of the Darwin Hall renovation. It is restricted to the specific building project for which the funds were allocated. It is not possible to take money from the capital budget and buy library books. The fund is audited for each project to make sure the money was spent the correct way. The money comes from a variety of different places. Some comes from bond issues voted on by the state voters. They are not obligations of the campus, but of the State. There are system-wide revenue bonds that the CSU issues for Extended Education, Housing, Parking, Student Union, etc. They are "revenue bonds" because they need a revenue source connected with them to pay the debt service. The third source of money is gifts, such as grants and donations. He described the meaning of the sentence "The campus is reimbursed for overhead costs." He said the projects must reimburse the campus for any overhead costs associated with the project. Those overhead costs are not reflected in the General Budget. Next year the budget will be large as the full impact of the Green Music Center will be seen. Consultation for this fund is through the Campus Planning Committee and they are attempting to also have consultation in the President's Budget Advisory committee.

Questions

What is the specific language for restrictions on the bonds? Aren't there creative ways to move around the restrictions?

L. Furukawa-Schlereth said that yes, there are always creative ways, but there are conventions in the CSU and every year there are audits. He said everything is very closely scrutinized these days and the money has to be spent on construction, from a construction management point of view.

Please explain further what is meant by "The campus is reimbursed for overhead costs."

L. Furukawa-Schlereth said the fact that we renovated Darwin created costs for due diligence, etc. The taxpayers shouldn't have to pay for that. The project needs to pay for that. We are allowed to charge 7% of the project for construction management. He uses that to reimburse the taxpayers.

How was the Darwin move paid for? Wasn't that an overhead cost? Wasn't that paid out of the General Fund?

L. Furukawa-Schlereth said the Department of Finance does not recognize planning costs or temporary relocations associated with buildings as part of the Capital Budget. They argue that if a State agency wants to be on the building list, they will come forward with their own resources for those kinds of costs. He thought this presented difficulties since the General Fund is so limited. But this is way we do it in the CSU.

What is the GMC site rental in the University wide projected expenses? Why is it not in the Capital Budget?

L. Furukawa-Schlereth said it will be eventually. The building envelope of the Green Music Center, the actual acreage, is owned by the people of California via the Trustees of the CSU. The rest of the land is owned by the Foundation. The University does not wish the Foundation to sell that land because we want to develop the GMC lawn there. They could sell for an enormous profit. The Foundation bought the land out of its endowment. From the Foundation's point of view, it is a non-revenue generating investment. So the university has an option on the land and the rent is what the Foundation would have made on the endowment if they had not bought the land. It is not a significant amount of money. As soon as the donation money comes in for the lawn, then that item will go away, that is, we will be able to buy the land.

It was hoped that this budget presentation would describe the legal restrictions for the separate entities and it was argued that they all existed to support the university. Why would the Foundation do this? It does not seem in their best interest to sell the land. They exist to support the university.

L. Furukawa-Schlereth said that's why they want a return on the money. Because the university asked the Foundation to buy the land, they essentially took money out of the financial market and put it into land, so they still need to get a return. He noted that the only two entities that can buy land are the Foundation and Parking. The General Fund cannot buy land. The Foundation did very well from a financial perspective. At the time they bought the GMC land it was about \$5 million. The land right next door is now worth around \$14 million because it came within the Rohnert Park urban growth boundary.

Did the orange book have a formula for workstations and desks? Now we can hardly afford to buy them at all.

L. Furukawa-Schlereth said yes, every time you got a new FTE you got a desk. The desks were different sizes for different positions and they are all from prison industries. Everything conceivable was included through the formulas. From a budget officer's perspective it was a breeze. They didn't have computers then.

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Why did the State decide the campuses should not get money for furniture?

L. Furukawa-Schlereth said the state did not decide this, we argued for collapsing it down into the marginal cost formula. There is an item in the marginal cost formula for academic support and that should be for furniture. It's in a more discretionary form now for campus management.

Why does the university have to pay the Foundation? Aren't they here to support our mission too? L. Furukawa-Schlereth said that it is important to the Foundation not to lose money because the university had requested they not sell the land. They would have been making a return on that money, some of which actually goes to help support other campus entities like the Library. He thought a whole presentation on the Foundation might prove useful.

It was clarified that \$79 million was the total assets for the Foundation. Why didn't the Foundation take out a loan on this money and build the Green Music Center?

L. Furukawa-Schlereth said no they couldn't, because there are restrictions on the \$79 million. He said about 40 million are dollars donors have raised to build the GMC. As we build Green those dollars will disappear and we will get a building that will show as a fixed asset. That leaves about 39 million. Ten million of that is what is called charitable remainder trusts and the real value of the Foundation is about \$29 million. It was clarified that the historical value of the land was included in the \$29 million. The current value of the land would have to be re-evaluated.

Slide Four

Grants and Contracts	\$ 30,143,265	16.6%
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Resources are restricted to the specific grant or contract.

Since 1992-1993, annual grant volume has increased from \$5.6 million to \$30.1 million.

The campus is reimbursed for overhead costs via Indirect Cost Recovery (IDC).

L. Furukawa-Schlereth said that most faculty would be familiar with grants. They are usually obtained by a faculty member acting as principal investigator. The dollars come from an agency or foundation for particular project or research. They are audited closely to make sure the money spent as it is supposed to be spent. It is a very large fund for a campus our size. It is a plus for our campus. The campus is reimbursed for costs via IDC. We are not getting fully reimbursed for our costs, but we believe that our grant and contract activity is important to our educational program. Most campuses operate at a loss in this area. Consultation for this fund is primarily in the Academic Affairs Budget Advisory Committee, but he was not sure how much consultation had been done. One of the weaknesses of the expenditure plan is that the \$30 million dollars does not show and nor do all the people associated with it.

Questions

It seems incongruent that the IDC does not come back to the department of the faculty member who received grant and what was the indirect rate on personnel?

L. Furukawa-Schlereth said that the federal grants have an IDC rate of 45% and what it costs the campus for the grant is about 20%. Built in to the 45% is depreciation. He said that indirect costs are for accounting expenses, HR expenses, etc. - the indirect costs of the grant. He said some campuses have chosen to pay for those out of the general fund instructional support budget and given the IDC to the departments, but traditionally we have not done that here. We could, but we would have to build up our accounting and HR departments. There is a real cost associated with administrating the grant. That has to be paid somewhere and the IDC is the appropriate way to do that without coming from the taxpayer or student fees.

It was clarified that the \$30 million was the total of the fund, not the total indirect. L. Furukawa-Schlereth said the total Academic Affairs budget was \$30 million, so the Grants and Contracts amount was truly amazing.

Where are the costs associated with grants coming from in Administration and Finance? If Administration and Finance needs more people to do the work, what is an appropriate cost structure for that?

L. Furukawa-Schlereth cited Executive Order 753 (<http://www.calstate.edu/eo/EO-753.pdf>) that requires that the campus be reimbursed by self support organizations to the General Fund for direct and indirect costs. He did not know how other campuses were giving their IDC to the departments. They must be ignoring the Executive Order. The CFOs now have to report to the Chancellor's office explaining the campus cost allocation plan for Executive Order 753. The areas of cost are: Facilities Management, Utilities, and Institutional Support including accounting services, human services and information technology.

It was pointed out that there are different demands on the campus for each grant. EO 753 does not talk about the actual cost of the recovery for the service rendered. What is the actual cost as opposed to the allocation plan?

L. Furukawa-Schlereth said they try to show that. He used to identify specific people that worked on the grants and contracts. Academic Affairs wanted him to use a percent of revenue model as it gives a better sense of predictability. There has to be a reasonable and fair way to determine reimbursement. He offered to share his thinking about how he develops the cost allocation plan. It has to be based on some realistic elements, it is audited by the outside auditors.

How has the disbursement of IDC changed?

L. Furukawa-Schlereth said it has changed under each Provost. Under the current system, EO 753, that portion of IDC that is directly needed to support those services is taken first. Whatever is left is given to the Provost. The Provost gives it out at his

discretion. He has a methodology worked out with the Deans that shows how it goes out based on who got the grant.

Did the Trustee contribution to general fund to campuses come in specific forms for the nature of academic programs, etc?

L. Furukawa-Schlereth said prior to 1993 it did. After that, campus budgets were frozen, so it reflected curriculum up to that time. Now everyone is funded the same, per student.

Could the increase in the amount of grants and contracts be taken to the Trustees to ask them for that increase in our budget?

L. Furukawa-Schlereth said that was not a bad argument. He thought it might be a compelling thing. He said that through analysis from his office, it shows clearly that SSU has been under funded because of the orange book formulas. Compared to other CSU's we are about \$5 million under funded. If we had \$5 million on the table today it would make an enormous difference. That's why we are stressed. We have just been fundamentally hurt. Back in 1995 Dr. Armiñana and Dr. Farish went to the Chancellor to try to fix this and the Chancellor said no. Perhaps now with this new analysis and the activity of our faculty with grants and our issues with retention and graduation, maybe we could be rewarded or it could be slowly rectified. It would be the President's banner to carry. Of course, if we were to go up, some other campus would have to go down. This shows the politics of the situation.

It was noted that the CSU itself is under funded and it would be good to get more money in the system.

L. Furukawa-Schlereth said that was true and it is more difficult for us here due to the high cost of living.

A point was made that when Administration and Finance needs money to function, Academics has to pay, but when Academics needs funding just for maintaining the existing curriculum, Administration and Finance doesn't pay us. Money should go to support the curriculum first.

L. Furukawa-Schlereth said he thought this was the core issue from a financial perspective. We keep meeting our target or going over and other CSU's don't. That has hurt us financially and when we go over it makes it more difficult for us. Now that the new policy is in place about meeting target, you will see some campuses' SFR skyrocket.

Slide Five

Housing	\$ 14,572,287	8.0%
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Resources are restricted to the SSU Housing Program.

The campus is reimbursed for overhead costs.

Housing has outstanding debt of \$138 million with annual debt service payments of \$5.1 million.

\$70,000 in rental fees associated with SRB-1 annual debt service obligation for the Green Music Center Hospitality Center.

L. Furukawa-Schlereth noted that for a campus our size the Housing budget was very significant. Other than Maritime Academy, we have more residential students than any CSU campus. Money for this fund comes from student rents and summer conferences. This program reimburses the university for all its costs. He pointed out that it is highly leveraged, which is expected for a growing campus. It also has an obligation to the system-wide revenue bond, SRB-1, to help fund the Green Music Center Hospitality Center. The money is restricted pretty much for housing. They discuss the fee structure through the Fee Advisory Committee, which is a student body organization. There are certain caveats associated with the debt, so the cost structure can't get sloppy. They are about to go into debt another \$48 million for the next phase of student housing called Tuscany, which will be south of Beaujolais. That is under consultation with the Campus Reengineering Committee, which is the advisory body for Housing, as well as the Fee Advisory committee. 2400 students live on campus.

Questions

How can it be reconciled that in the Expenditure Plan on page 99 it shows \$307,000 for SRB Financing and the slide shows \$70,000?

L. Furukawa-Schlereth said that item is a different SRB financing and is associated with the Faculty/Staff Housing project, which has not happened yet, for utility infrastructure. This is not related to Green, that will show up in '07-'08.

Are the restrictions legal restrictions on the Housing fund?

L. Furukawa-Schlereth said previously there was a specific legal restriction that Housing fund money could only be spent on housing. Now the language is more flexible. It said that the Chief Financial Officer has to expend the resources in a way that does not jeopardize the fund. He said as time goes on this will provide resources to the campus once all the debt is paid off, and be helpful to the university. There is scrutiny now about how Housing money is spent.

What is the actual cost of policing this self-support activity?

L. Furukawa-Schlereth said it goes back to EO 753. Policing was classified from an accounting perspective as institutional support. It has since moved into facilities services and plant operations from an accounting perspective, which he did not totally understand. He asked the chief of police at one time, how many police officers would he let go if there were no housing and used that to determine the cost of policing for housing.

Is there a large payment at the end of the bond?

L. Furukawa-Schlereth said no, it is a fully amortized 30 year loan. He noted that faculty would want to know how much debt we are carrying. If Housing suddenly went under, the campus would still be liable for the debt. Young, growing institutions are usually leveraged. That's why enrollment is so important. Glitches in enrollment really hurt this fund. That's why we have reserves because glitches will happen and they have to be planned for.

L. Furukawa-Schlereth agreed to return to finish at the next meeting.

A Senator passed out a handout showing growth money added to the base budget and number of faculty hired and asked L. Furukawa-Schlereth for a response. He asked where did the \$37 million in growth money since 1997 go?

L. Furukawa-Schlereth said it was his intention to start in 1992 and take it through 2006 to understand the base budget. He said he could account for what was in the budget, but not the managerial decisions to hire or not hire faculty.

The Chair said the speakers list will be kept for the next meeting and thanked L. Furukawa-Schlereth for the presentation.

Applause.

Adjourned.

Respectfully submitted by Laurel Holmström