

MINUTES OF THE UNIVERSITY BUDGET COMMITTEE
CALIFORNIA STATE UNIVERSITY, FRESNO
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Fresno, California 93740-8027
Office of the Academic Senate
Ext. 8-2743

Oct 15, 2014

Present: R. Sanchez, R. Maldonado (Chair), D. Nef, P. Newell, J. Parks,

Excused: B. Berrett, A. Levi, J. Schmidtke

Absent: A. Quinteros

Guests: D. Astone, K. Kompsi

Called to order 3:31 pm Thomas Administration Room 117

1. Agenda

MSC the approval of the agenda of 15 Oct 2014.

2. Minutes

MSC the minutes for 01 Oct, 2014

3. Communications and Announcements

None

4. New Business

5. D. Astone and K. Kompsi from Foundation report

There are six auxiliary services at CSUF. Fresno State Foundation is one. The others are Ag Foundation, Association, Programs for Children, and Associated Students.

The Fresno State Foundation has its own board and various committees. Its mission is to support the university. Its main areas of attention are to manage the endowment (currently approximately \$146 million), philanthropic gifts, and grants and contracts. For sponsored programs, the Foundation handles post-award admin (pre-award is handled within Academic Affairs). There are also some 800 campus trust accounts, e.g., a scholarship fund or endowment. In 2011, some 80 accounts moved stateside as a result of an executive order and review of all of the accounts.

Prior to 2011-12, there were 3 cost centers. Post 2012, a lump sum distribution model changed that. The new distribution model has created a challenge with respect to how to help provide framework about indirect that should be returned to academic affairs. The average indirect return

has been \$700-900,000. Increased needs elsewhere (e.g., Advancement, University Fund, AA) are also considered.. Currently, the consultation process is going forward on how to fairly distribute costs back. Post 11-12 a percentage interim methodology (approx. 7.8%) has been in effect pending the results of consultation.

D. Astone and K. Kompsi review the income and expenses from the 2014-15 Foundation budget. On the income side are indirect cost recovery, mostly related to overhead on grants and contracts (the 7.8%), trust account handling charges (non-donation income—8%) and earnings on non-endowed cash. There was a significant change in the last in 2012-13 when a board decision changed its management to the same as that of the endowment (i.e., less conservative). This resulted in significant increases in 2012 and 2013 (roughly four and seven times the income of 2011-12). It was noted, however, that these numbers will now fluctuate more than previously and can go lower, depending on the market.

The expenses include the usual and expected personnel, operating, legal and university indirect costs. The last are now tied to 1% of federal and state awards.

In the 2013-14 actual, the income totaled \$8,335,629, and the expenses totaled \$2,401,211, with a surplus of \$5,607,389. In the 2014-15 budget, the income totals \$5,293,500 and expenses \$2,388,556, with a surplus of \$2,904,944. In 2013-14, \$2,150,000 was distributed to the University. In 2014-15, \$2,150,000 is projected to be distributed. These distributions are changeable and “charged” to different past years.

The post-award indirect rates for the past ten years were reported, ranging from a low of 6% in 2003-4 to 8.1% in 2007-8, with the ten year average being 7.8%.

R. Maldonado asked about the marketing plan for the Farm Market, especially in light of the seasonal fluctuation of produce and the retail spaces present in Campus Pointe. D. Astone reported that there is some good news from the Ag Foundation auxiliary, with support from Jordan. The food processing lab is being augmented to year round operation. While D. Astone admitted that more could be done, there are explorations of cross-promotional opportunities with restaurants. Currently, they cannot keep produce on the shelves and that is exacerbated by the need to use the old facility as the funds were insufficient to bring the new market to full capacity. Still, the year round operations should greatly reduce the seasonal slumps.

R. Maldonado asked about the relationship of Save Mart to the Auxiliaries. D. Astone pointed out that that was under the Association and not the Foundation. She did speak of the problems of managing it, which are significant, but claimed that they are managing it. Some hopeful elements include re-negotiating the remaining principal (which was not able to be done previously) and the non-university events are going very well. Upon further questions about what was under the Association, she offered to come back to the committee to discuss that further.

This concluded her and K. Kompsi’s report.

After they left, the committee briefly discussed and indicated interest in asking someone from the Ag Foundation and from Athletics, as well as D. Astone to return regarding the Association. R. Maldonado to pursue those invitations.

Agenda 29 Oct 2014

1. Approval of agenda.
2. Approval of minutes of 15 Oct 2014.
3. Communications and Announcements.
4. New Business
5. Review the budget model figures, comparing 2013-14 with 2014-15 and assessing the model. Discuss the premium and C1 FTE ratios and WTUs.