



**Delegate Teleconference Meeting
Wednesday, January 14, 2015, 9:00 a.m. – 11:30 a.m.**

Members			
✕	Doug Wade (Bakersfield)	✕	Brett Holman (San Luis Obispo)
✕	Missy Jarnagin (Channel Islands)	✕	Mary Hinchman (San Marcos)
✕	Stacie Corona (Chico)	✕	David Crozier (Sonoma)
✕	Steve Mastro (Dominguez Hills)	✕	Julie Benevedes (Stanislaus)
✕	Darrell Haydon (East Bay)	✕	George Ashkar (Chancellor's Office)
✕	Clinton Moffitt (Fresno)	✕	Rodney Rideau (Chancellor's Office)
✕	Steve Yim (Fullerton)	✕	Jean Gill (Chancellor's Office)
✕	Carol Lorentzen (Humboldt)	✕	Mike Redmond (Chancellor's Office)
✕	Sharon Taylor (Long Beach)	-	Tom Roberts (Chancellor's Office)
✕	Mae Santos (Los Angeles)	-	Michelle Schlack (Chancellor's Office)
✕	Ken Toet (California Maritime Academy)	✕	Nancy Freeland-Paice (Chancellor's Office)
✕	John Fitzgibbon (Monterey Bay)	✕	Lily Wang (Chancellor's Office)
✕	Deborah Wallace (Northridge)	✕	Sedong John (Chancellor's Office)
✕	Justine Heartt (Sacramento)	✕	Chris Canfield (Chancellor's Office)
-	Monir Ahmed (San Bernardino)	✕	Ryan Storm (Chancellor's Office)
-	Agnes Wong Nickerson (San Diego)		
✕	Maureen Pasag (San Francisco)		
✕	Josee Larochelle (San Jose) Chair		
-	Shawn Bibb (San Jose) CABO Liaison		

Other Attendees: Mark Crase (CO); Vi San Juan (CO); Kelly Cox (CO); Chris Bronsdon for AVP Nickerson (SD).

1. Welcome and Agenda Approval – Josee Larochelle

Chair/AVP Larochelle called meeting to order at 9:00 a.m.

2. CABO Update – Shawn Bibb

Chair Larochelle provided the CABO update. On the conference call on December 16, AVC Mike Redmond provided the priorities for the upcoming months. One of those priorities is to hire the system-wide CIO. At the January 2015 BOT meeting, the support budget will be discussed. AVC Ryan Storm will provide new updates on the budget including the capital budget. AVC Vi San Juan will provide updates on her area. There are on-going meetings in regard to strategic sourcing strategies with the CCC and UC.

AVC Storm talked about support budget. The LAO outlook noted that revenues were up although most revenues were tied up to Prop 98. He discussed four budget plans with different approaches for each of them. The Assembly plan has not been publicized.

In regard to capital financing and next steps, AVC Vi San Juan and Senior Director Robert Eaton discussed about revisions on EO 994. At the January BOT, there are plans to get approval for \$10M debt service financing. AVC Karen Zamarripa provided Sacramento updates about how freshman and sophomore students have impact on the CSU. There were brief conversations on the general salary increases and that bargaining agreements were moving forward. The CABO meeting was pushed back and is not aligned with FOA meeting in December so the updates were a little outdated.

A question was asked if the CSSA proposed fee item will be on the January BOT agenda. The chair will provide more update later. From an IT perspective, CSSA is not ready to share information with FOA but like to schedule conference call with FOA on February 4 or 6. The goal is to see how the fee can be implemented if the BOT approves the item. Chair Larochelle will send Doodle survey to FOA to get a preferred date on the IT preview regarding CSSA fee. In closing, Chair Larochelle noted that Shawn Bibb announced his retirement effective March 31 after 23 years at the University.

3. Treasurer's Financial Report – Mary Hinchman

AVP Hinchman indicated the new fund balance is \$105,037. Sponsored payments online remittance is also beginning.

4. CMS Updates and Project Status – Mark Crase (time certain 9:20 a.m.)

CMS Director George Mansoor provided overview of CHRS and its upcoming risk assessment. CFS will be down on the 21st and 28th. The 21st will be for the planned move to production AR while the 28th downtime will be for three or four 1099 fixes from Oracle. AVP Taylor inquired on ProCard status from CABO. AVP Larochelle stated CABO did not have any concerns and forwarded request to the steering committee.

5. Budget Update – Ryan Storm (time certain 9:30 a.m.)

In regards to the 2015-16 Governor's budget, fiscal outlook for the State of CA was positive. The Governor's budget identified a \$1.5 B surplus for 2015-16. The Governor's plan continues with fiscal conservatism, establishing a rainy day fund and funding for K-14 education. For CSU, there is a \$119.5 M GF support increase over last fiscal year. Consistent with the Governor's multi-year plan there will be a \$25M one time funding for deferred maintenance. There is further funding for the innovation for higher education grant. The CSU can potentially receive up to \$15 million. Debt revenue will increase by \$7.6 million. CSU expected to prepare academic sustainability report as required in current year. Budget plan will include transfer of Lantern Land Development Center to Cal Poly Pomona and the Center for CA Studies for CSU Sacramento into the main appropriation item. Separate appropriation will no longer be identified. Next step, getting the Legislative Analyst's input on the Governor's budget in the January/February time-frame. Senate hearing will occur in March-May. Governor's budget revision final hearing will occur in May and June. At the end of June, the Governor and Legislature leadership will finalize negotiation. AVP Storm will cover budget further in January 16-18 BOT meetings.

6. Capital Accounting task initiative – Vi San Juan, Clint Moffitt, and Nancy Frelander Price.

AVC San Juan expressed appreciation for all of FOA's help. The capital accounting task initiative document is a working document. Chair Larochelle has not forwarded the information to the FOA delegates. AVPs Taylor and Jarnagin expressed concern about some of the details. Chair Larochelle clarified there was a small committee consisting of AVP Taylor, AVP Jarnagin, AVP Moffitt, AVC San Juan, and Kelly Cox to review capital financing accounting.

In regard to capital financing in general, BOT met in November to review revised debt financing policy. The plan is to present to the BOT in January to approve actual financing and bond issuance next year. In the 2014-15 budget, trustees use \$10M of the \$142M to generate \$130M in projects in capital and deferred maintenance projects. We are asking for a not to exceed \$180M - \$200M. Depending on campuses, funds will provide funding for seismic projects at LA and LB. From the capital side, we are fortunate to get \$6-\$7 million for new capital projects when compared to the \$10 million.

According to AVC San Juan, there is a need to identify potential new sub-fund under the Dormitory Construction Fund. The purpose is to separately track expenditures. System-wide revenue bonds are to finance academic financing projects. We need to identify potential new funds under 536 to be used for maintenance and repairs, which will be used to keep separate from improvements, like deferred maintenance and capital renewal. There were concerns that campuses have already used the project field and the need to set up a CSU attribute to track the different fund sources. According to Ms. Cox, the CO is suggesting two CSU fund created in 536 and 948 to

be slightly different because requirement in trailer bill for tracking. We need to develop uniqueness in the CFS attributes where CPDC can move to CFS project attributes. This would allow campus to use local project fields.

In other items, there is a requirement to have maintenance on program codes. Program code 7xxxx separates out major maintenance and improvements even if funding is from same source. AVP Heartt stated that a lot of projects exist for maintenance and repairs, which have components of both. According to Ms. Wang, other than moving expenditures, can campuses use object codes to differentiate expense? AVPs Taylor and Jarnagin indicated that details have not been fully firmed up. According to AVC San Juan, on FIRMS edit, if doing minor renovation, updating bathroom and improvement for instance is less \$100k, then leave that in existing structure and not as a major improvement for reporting. Ms. Cox stated that the CO relies on the system to do SRB so correctly recording information is important. This new procedure will help with the System-wide information reporting. Chair Larochelle agree to leverage the system 100%. We just need to make sure it's feasible. AVC San Juan stated that Ms. Freeland-Paice was contacted to present at April Business Conference.

7. CO Financial Services Updates – George Ashkar

a. SW Guideline – Special Initiative Grants – Kristina Randig / Lily Wang

The Special Initiatives Grant system-wide guidelines were developed as a result of campuses trying to understand different grants and its related accounting treatment. The CO believes it was useful to document this on paper with sources of funding and the related accounting treatment. To Lily's knowledge, the draft went out but not received any feedback. Ms. Randig reiterated her appreciation on guideline development and is receptive to questions. AVP Taylor commented that if this is a guideline, then there is expectation that procedures need to be followed. The support documents provided shows specific options so it conflicts with the guideline as being prescriptive. The guideline identifies this is how it is currently done. CSUPERB at San Diego is supposed to process on campus as abatement, resend it back to various campuses involved. At Long Beach, it will cause administrative work but San Diego receives the Administrative Fee. The campuses at the receiving end don't receive administrative fee but the initial receiving campus does. There were lengthy discussions on the need for streamlining, continuity and standardization with campus flexibility moving forward. Ms. Wang stated that once they have the revised document, it will be sent out to FOA and FSAC for final feedback before finalization.

b. SW Guideline – Faculty Release Time and Cost Match – Kristina Randig / Lily Wang

According to Ms. Wang, this guideline goes back to last year's presentation with Sue De Rosa's break-out session where they heard different models were being used. This is an area that raises different questions. The CO received requests on different campus models, each with pros and cons, so campuses may adopt one of those models. Ms. Randig has spent a lot of time communicating with campuses. This document aims to help campuses with what models are out there now. Ms. Randig received four comments. 1) Clarify model on LCD since this method uses existing Department Ids and does not create new ones. Ms. Randig will modify verbiage. 2) When using LCD with split decisions, SDI and other benefits for split decisions cannot split with two Department Ids. If so, then how to you do it? A separate billing is needed it. Can CHRS team make modification to it? 3) There are possibly six methods instead of 4?

The CO will revise and resend it back to FOA before it is published in the legal chapter.

c. De-brief on "Student Union Financials" survey – Jean Gill

Ms. Gill followed up on this topic which was initiated last month. She asked members to check with USU and Financial Services colleague if they use USU data posted on the CO website. She surveyed each campus. Results are as follow:

Bakersfield:	Don't use it.
Channel Islands:	Don't use it
Chico:	Campus-side go directly to ledger. ASI do use it each year and want it to continue.
Fresno:	
Fullerton:	Haven't heard back from USU representative. Will get back with CO.
East Bay	Not aware of USU or campus using information off of the CO website. Will circle back to you.

Dominguez Hills: Not aware of USU or campus using information off of the CO website. Will circle back to you.
Los Angeles: Not aware of USU or campus using information off of the CO website. Will circle back to you.
Maritime Academy: Don't use it.
Monterey Bay: Don't use it.
Northridge: Circle back.
Pomona: Circle back.
San Diego: Circle back.
San Francisco:
San Jose: Don't use it.
San Luis Obispo:
Sonoma: Don't use it.
Stanislaus: Don't use it.

Sacramento prefers the format to be different than what is presented and the CO may cater to it.

8. CO Updates

a. Procurement – Tom Roberts

No Report.

b. Budget – Chris Canfield

Ms. Canfield that preliminary 2015-16 budget allocation planning is ongoing. The CO Budget Office is waiting for instructions from leadership and the Task Force on Sustainability Model, which is comprised of campus Presidents, Academic Senate, and CO Leadership. There will be some impact on campus allocation, revenue generation, and institutional financial aid policy. The task force will make recommendations to the Chancellor in early April. People interested in the task force updates can visit www.calstate.edu/financial-futures.

In the Governor's budget plan, he will provide \$119 million to fund 1) enrollment growth and 2) compensation pool. After those priorities, there is very little is left to cover other expenditures for 2015-16. Governor's budget reflect \$66M adjustment for change in 2014-15 Cal PERS rate for frozen payroll. State to fund retirement adjustment based on that basis, identified by SCO as part of this law. We should be getting supplemental adjustment for benefits in Spring. Now tied to past payroll, campus allocation will be based on actuals at that date. AVP Hinchman asked if Ms. Canfield has guidelines or methodology based on frozen pensionable policy. Ms. Canfield did presentation on this topic and can share those notes. Ms. Canfield essentially looks at the pensionable payroll tied to SCO amount for 2013-14 and looks at payroll record subject to retirement. In future, looking to take the July 2015 cut-off date to have a change in Cal PERS rate, say 1%. What is the difference between the CSU frozen payroll, using the 1%? AVP Hinchman would like to see this as a separate workshop at the budget conference. Ms. Canfield that the budget includes allocation for new space.

c. US Bank Payment Plus – Mike Redmond

AVC Redman provided update via email. In regard to Payment Plus, the Sacramento team is doing great work as with CMS. Fresno team effort has started. Auxiliary policy project team is being formed to do auxiliary policy, procedures, and governance. Streamline documentation regarding auxiliary organizations. Lots of procurement updates. Calls to discuss the student club policy.

d. Auxiliaries Policies, Procedures and Guides – Mike Redmond

See report update – Item 8c.

e. Audit – Michelle Schlack

Completed 2014 audit and working on system-wide audit report on executive travel. Her office submitted proposed 2015 audit plan to be reviewed by BOT at end of month. Her office will be conducting the Clery Act audit.

9. FOA and PSSOA – Josee Larochelle, Deborah Wallace, and Missy Jarnagin

According to AVP Wallace, based on the delegates' recommendation, there was face to face meeting between FOA executive members and PSSOA executive team at SJSU. This meeting was prefaced with follow up meeting in Aug/Sep last year where FOA made recommendation to PSSOA treasury about their current fund balance and treasury. The focus was not on how the dollars got accumulated over the years but rather on ways to improve communications and relationships. Chair Larochelle will send calendar to PSSOA chair to better align calendars. Calendars are not always aligned and not communicating what is coming out. Missy is reviewing the by-laws with PSSOA, which is an affinity group. The revised by-laws will provide clarity on how affinity group should/must operate.

AVP Taylor asked if they are an affinity group, then why they are allowed to have separate bank accounts and not assign a budget for them. According to AVP Wallace, FOA doesn't want them to have separate bank account. AVP Jarnagin stated that the by-laws revisions are almost complete. We want to give them flexibility, allow them to have separate bank account, they are allowed to receive membership fees, earn interest, reserve balance. We are not taking away their flexibility to pay their own bills. AVP Heartt commented that affinity groups submit budget and allow them to have bank reserve and if they go over the budget amount, FOA sweeps it. AVP Taylor clarified that affinity groups can have a trust fund at a campus and not an off campus bank account. Overall, the FOA executive committee reported that it was a positive meeting and need to keep that moving forward. Once again, AVP Jarnagin will have draft by end of week so the chair can send to group. Once FOA reviews it, PSSOA will be asked to provide feedback and comments.

10. FOA Affinity Guidelines - Missy Jarnagin

No further update. As previously reported, draft revised bylaws will be available by the end of the week.

11. CFS Advisory Committee Enhancement Review – Darrell Haydon

For each campus, break out list with each campus' module. He asked Michelle Martin to update list with items that have or have not been addressed. Meeting scheduled for Friday and campus response to Ms. Martin. Identify quick items that CFS can identify. Assume by next FOA meeting, that we can have prioritize list the organization can react to. Prioritizing details so CFS can have quick hits. AVP Heartt stated that travel modifications have dropped off. He doesn't know what the game plan was. At best, it is on hold with some progress being made. AVP Taylor stated that no data-warehouse item on agenda. Chair Larochelle stated there is all day meeting today at CO. Cheryl agreed to give us update every meeting but couldn't make it today.

12. CSU Business Conference 2015 – Josee Larochelle

Registration is on track as last year. Planning group hope to publish in the next two week an overview for the program guide so that people can make more informed decisions as to who to send. She is still trying to finalize the track with the information. As soon as that's available, it will be posted to FOA website so people can make informed decisions. Members should have received email from Josee information regarding vendor sponsorship. AVP Taylor stated that if someone is going to contact vendor that they should let Bryan (PSSOA) know.

13. Subcommittee Reports

a. Strategic Sourcing – Darwin Labordo

This project is on track. AVP Labordo reported that there are significant efforts in Pomona with regards to ESM platform. There are about 1,044 users right now and about 20,000 work orders. They have talked to Iowa State, they have 3,500 users and spent \$25M on ESM platform. They have 34 catalog and we have 30. Ten CSU campuses are participating. AVP Taylor asked if there be communication to campuses that they are now required/encourage joining. AVP Labordo stated that we are walking a fine line because it is not mandatory and is voluntary effort. Chair Larochelle requested AVP Labordo to provide information on training, etc.

14. Liaison Reports

a. Accounts Payable (AP) – Justine Heartt

Busy with update with new rates mileage and 1099 issues. Quiet on listserv.

b. Student Accounts Receivable (SAR) *including CashNet* – Brett Holman

Mr. Holman has schedule on pricing strategy that he will forward to group today. Perkins loan program has not been renewed and set to expire on September 30 this year. Department of Education issued guidance that if campuses want to make award prior to Oct 1, its ok. AVP Taylor asked if it be problem if we do pricing for one group, will that be fair for other groups. AVP Holman stated that the CO needs to provide some notice that this is only for one particular group. AVP Holman will bring up question with Nicole Louie.

c. Purchasing (PSSOA) – Missy Jarnagin

Meeting on Jan 22 on CI campus. What role of liaison is to affinity group and what is expected?

d. Budget – Missy Jarnagin

e. Sponsored Programs – Sharon Taylor

The group has not met but did finalize draft session agenda for FOA. She will send to Steve today. Session 1 will be on uniform guidance on federal grants and contracts, as presented by Sue De Rosa. Session 2 will be on asset management tracking and processing as it relates to sponsored program. Session 3 will cover reimbursement payroll and cost share. The group is working on determining how to incorporate new guidelines.

f. CFS Advisory Committee – Josee Larochelle

No updates. Chair Larochelle advised the delegates that if they are not able to make in person meeting, on the 8th to send email to Mae and Josee and they will try to work out ways to provide (if possible) audio connection for those people.

AVP Wallace has question on which recruitment search firms are you looking for that are successful? Sharon and Missy will share the vendor they are using.

AVP Mastro stated his campus is struggling with CERF and funds are unable to cross campuses. He referenced EO 1094. Need an hour at FOA to talk about this item in closed session.

15. Future FOA Delegate Meetings

February 8, 2015 – AOA Conference, 11:00 – 5:00, Pasadena, The Langham Huntington

March 18, 2015 - Teleconference 9:00am-11:30am

April 6-8, 2015 - Business Conference, Anaheim, CA (FOA meeting April 6)

May 13, 2015 – Teleconference 9:00am-11:30am

June 17, 2015 – In-Person Crowne Plaza, LAX 9:00am-2:30pm

16. Meeting adjourned at 11:32 a.m.