

BUDGET BINDER

2016-17



University Student Union

California State University, Northridge

Capital Outlay • Major Purchases and Major Repairs & Replacements
• Designated Reserves • Operating Budget

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
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One of our major responsibilities as the Executive Director and Associate Director, Finance & Business Services of the University Student Union (USU) is to submit the annual budget proposals to the Finance Committee and Board of Directors. On behalf of the USU management team and staff, it is our pleasure to present to you the following for the 2016-17 fiscal year:

- Major Purchases and Major Repairs & Replacements Allocation Proposal
- Capital Outlay Allocation Proposal
- Designated Reserves Allocation Proposal
- Operating Budget Proposal

Major Purchases and Major Repair & Replacement Allocation Proposal¹

The 2016-17 major purchases/major repair and replacement allocation proposal in the amount of \$2,105,552 is summarized in the following table:

Item	Item Description	Base Cost	Contingency	Total Cost	In 30-Year Plan?
1	Student Recreation Center (SRC) Pool Heater	\$135,000	\$13,500	\$148,500	No
2	Student Recreation Center (SRC) Strength Equipment Replacement	\$100,655	\$10,066	\$110,721	No
3	Grand Salon Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$120,000	\$12,000	\$132,000	Yes
4	Southwest Building Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$450,000	\$45,000	\$495,000	Yes
5	East Conference Center Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$450,000	\$45,000	\$495,000	Yes
6	Plaza del Sol Performance Hall - Dimmer & Control System Replacement	\$109,992	\$10,008	\$120,000	Yes
7	Maintenance Shop Renovation Feasibility Study	\$45,000	\$4,500	\$49,500	No
8	Banquet Chairs	\$222,574	\$22,257	\$244,831	No
9	NRC Improvements - carpet replacement, painting, new fabric on panels	\$180,000	\$20,000	\$200,000	Yes
10	USU Floor Covering Replacement	\$100,000	\$10,000	\$110,000	Yes
TOTAL		\$1,913,221	\$192,331	\$2,105,552	

The funding source for major purchases and repairs is the Repair & Replacement Fund. **Exhibit 1** provides detailed justifications for the allocations. All items include an *average* 10% contingency to allow for changes in pricing or scope of the project purchase.

The USU hired a consultant, Sightlines, in 2015, to create a 30-year repair and replacement plan for major building facility systems such as HVAC, electrical, and plumbing². The plan provides a strategy to set aside resources so funding is available when a major building system needs replacement. Items not included in the 30-year plan are financed by transferring funds from the Revenue Fund to the Repair & Replacement Fund.

Capital Outlay Allocation Proposal³

The 2016-17 capital outlay allocation proposal in the amount of \$289,306 is summarized in the table below. **Exhibit 2** provides detailed justifications for the allocations. All items include an *average* 10% contingency to allow for changes in pricing or scope of the purchase or project.

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Item	Item Description	Asset Category	Base Cost	Contingency	Total Cost
1	SRC Pool Deck Tension Shade	Leasehold Improvement	\$29,896	\$2,990	\$32,886
2	Virtual Desktop Infrastructure (VDI) Servers	Computers/ Peripherals	\$54,423	\$5,442	\$59,865
3	Virtual Desktop Infrastructure (VDI) Storage Server	Computers/ Peripherals	\$30,519	\$3,052	\$33,571
4	Plaza del Sol Performance Hall - Power Distribution Upgrades & Enhancements	Equipment	\$21,082	\$1,918	\$23,000
5	ADA Stage Lift	Equipment	\$22,580	\$2,258	\$24,838
6	Student Recreation Center (SRC) Turf Field Access Booth	Leasehold Improvement	\$64,164	\$6,416	\$70,580
7	USU Shop Dust Collector	Equipment	\$13,375	\$1,338	\$14,713
8	Plaza del Sol Performance Hall - Front of House & Monitor Console	Equipment	\$27,363	\$2,490	\$29,853
	TOTAL		\$263,402	\$25,904	\$289,306

Designated Reserves Allocation Proposal

Designated reserves are set aside by the Board of Directors for a specific purpose according to the Reserves Policy.

The USU is requesting a reserve allocation in the amount of \$473,065. The breakdown of the allocation is summarized in the following table:

Reserve Category	Amount	Reserve Purpose
Staff Wages	\$ 353,065	General Staff Salary Reserve
Staff Wages	\$ 70,000	Vacation Advance Reserve
Student Wages	\$ 50,000	Student Wages Reserve
Total Reserves	\$ 473,065	

1. The General Staff Salary Reserve is designated for potential increases in staff salaries due to one or more of the following scenarios:
 - a. A general salary increase (GSI)
 - b. Bonuses
 - c. Increases in salaries implemented in response to recommendations from the organizational compensation analysis⁴ conducted by the Employers Group.
 - d. Any other potential increases in staff salaries
2. The Vacation Advance Reserve is for staff employees who choose to cash in accrued vacation per the Human Resources Management System (HRMS) policy.
3. The Student Wages Reserve is to provide USU departments with additional funding if their student wages budget is insufficient as a result of the increase in the minimum wage from \$10.00 per hour to \$10.50 per hour effective July 01, 2016⁵.

Unallocated Reserves and Administrative Contingencies

Total proposed unallocated reserves for 2016-17 is \$256,800 which is significantly less than the amount of unallocated reserves approved in 2015-16 and significantly less than the amount of unallocated reserves

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projected in fiscal years 2017-18 through 2020-21. The 2016-17 unallocated reserve amount was reduced in order to stay within the total expenditure budget projected in the long-term financial plan for 2016-17. Please reference the “Unallocated Reserves” line in the “USU Operating Budget” section of the long-term plan in Exhibit 4.

Beginning in 2016-17, there is a change in the process for the approval of unallocated reserves. Previously, the approval of unallocated reserves⁶ was included in the same motion to approve designated reserves. However, it was realized that the Board was actually approving unallocated reserves twice: once in the motion to approve designated and unallocated reserves and once again in the motion to approve the operating budget. Since unallocated reserves are part of the operating budget, it is no longer necessary to include the approval of unallocated reserves in the same motion to approve designated reserves.

Total proposed administrative contingencies⁷ are \$452,355.

Beginning in 2016-17, there is a change in the budget process for administrative contingencies. Previously, administrative contingencies were included in the budgets of individual departments. Now, these contingencies will be centralized in one department under the oversight of the management team. The change was made to provide the organization the opportunity to repurpose the funds for other priorities if the contingency is not utilized. **Exhibit 3** provides detailed justifications for administrative contingencies.

Long-Term Financial Plan

Student union fee income⁸ is based on the most recent student headcount forecast⁹ made available by the campus. Mandated decreases in student headcount¹⁰ would have an adverse impact on student fee revenue. If there were a mandated reduction in student headcount after the operating budget was approved, any resulting changes to revenue or expense would be made in the first or second quarter budget report in 2016-17.

The USU is proposing an operating budget that is in alignment with the long-term financial plan. One of the key components of the financial plan is to maintain a Debt Service Coverage Ratio (DSCR) that is greater than 1.25¹¹. The long-term financial plan is included in **Exhibit 4**.

The long-term financial plan takes into account the monetary impact of the following proposed fiscal challenges or changes:

1. An increase in the minimum wage and the increase in the amount of hours student assistant are scheduled to work
 - a. The passage of the minimum wage law in the City of Los Angeles increases the minimum wage to \$15.00 per hour by July 2020¹². The projected 2016-17 financial impact of the minimum wage increase to \$10.50 per hour is approximately \$394,698. The *estimated* monetary impact (from 2017-18 through 2020-21) ranges from \$197,000 to \$331,000 per year.
 - b. The 2016-17 student assistant hours budget is 267,377 hours which is a 16,210 hour increase over the 2015-16 actual projected student assistant hours of 251,168 (reference the table in the “Student Wages” section in endnote 20).

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2. Employers Group organizational compensation analysis
 - a. The estimated monetary impact of the organization compensation analysis is 1.5% of the annual budget for staff salaries¹³.
3. The addition of an Executive Administrative Analyst¹⁴ for the Administration department. The estimated *net* monetary impact of adding the additional staff member is \$21,500¹⁵.
4. The potential addition of a second Retirement Health Benefits Plan (RHBP)
 - a. The current RHBP allows retirees and eligible partners to be reimbursed a fixed amount each month for allowable medical expenses. The additional plan¹⁶ would allow retirees and eligible partners to stay on the same medical and dental plans as active employees until they are Medicare eligible. The estimated monetary impact (from 2017-18 through 2020-21) of adding the second RHBP ranges from \$189,000 to \$249,000 per year.
 - b. The addition of a second plan would make the USU's RHBP comparable with the RHBP of Associated Students. Associated Students has paid 100% of the medical and dental premiums for eligible retirees and partners for many years.

Even with the fiscal challenges just described, estimated Net Assets after Working Capital Reserves as of June 30, 2021 are a robust \$10,162,108.

Operating Budget Proposal

The USU is proposing a break-even budget¹⁷. Consolidated revenues and expenses are projected to be \$15,291,088. Student fees comprises 84.8% of total revenue. **Exhibit 5** provides a detailed breakdown of all revenue and expense categories¹⁸.

Operating Fund Revenues

Revenues¹⁹ are projected to increase by \$1,129,101 or 8.0%. The detailed breakdown of the significant changes in revenue categories are highlighted in the following table:

REVENUE CATEGORY	2015-16 6 & 6 Budget	2016-17 Proposed Budget	\$ Variance	% Variance
Student Fees	\$ 12,020,363	\$ 12,972,045	\$ 951,682	7.92%
Food Service Commissions	\$ 78,242	\$ 82,155	\$ 3,913	5.0%
Rental Income	\$ 781,814	\$ 785,892	\$ 4,078	0.5%
Program Income	\$ 497,801	\$ 499,917	\$ 2,116	0.4%
SRC Income	\$ 725,986	\$ 774,760	\$ 48,774	6.7%
Interest Income	\$ 7,500	\$ 11,717	\$ 4,217	56.2%
Miscellaneous Income	\$ 50,281	\$ 164,604	\$ 114,323	227.4%
Total Revenues	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%

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Operating Fund Expenditures²⁰

Expenditures are projected to increase by \$1,129,101 or 8.0%. Salaries and benefits comprise 61.5% of the total expenditure budget and operating expenses comprise 38.5% of the total expenditure budget. The detailed breakdown of the significant changes in expenditure categories are highlighted in the following table:

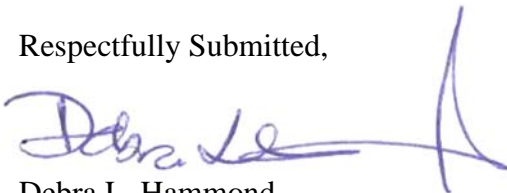
EXPENDITURE CATEGORY	2015-16 6 & 6 Budget	2016-17 Proposed Budget	\$ Variance	% Variance
Staff Salaries	\$ 3,915,177	\$ 4,181,496	\$ 266,319	6.8%
Hourly Wages	\$ 159,943	\$ 165,634	\$ 5,691	3.6%
Student Wages	\$ 2,835,960	\$ 3,029,860	\$ 193,900	6.8%
Benefits	\$ 1,798,555	\$ 1,885,288	\$ 86,733	4.8%
Cost of Goods Sold	\$ 28,260	\$ 28,600	\$ 340	1.2%
General Operating Expenses	\$ 388,922	\$ 399,048	\$ 10,126	2.6%
Supplies & Services	\$ 1,831,004	\$ 1,815,442	\$ (15,561)	-0.8%
Travel	\$ 234,732	\$ 199,117	\$ (35,616)	-15.2%
Utilities	\$ 792,271	\$ 845,102	\$ 52,831	6.7%
Repairs & Maintenance	\$ 1,294,422	\$ 1,532,474	\$ 238,052	18.4%
Fees & Charges	\$ 51,408	\$ 54,717	\$ 3,308	6.4%
Reserves	\$ 393,541	\$ 709,155	\$ 315,614	80.2%
Grants & Scholarships	\$ 58,148	\$ 58,242	\$ 94	0.2%
Expendable Equipment	\$ 83,825	\$ 182,745	\$ 98,920	118.0%
Amortization & Depreciation	\$ 295,818	\$ 204,169	\$ (91,649)	-31.0%
Total Expenditures	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%

Recommended Action

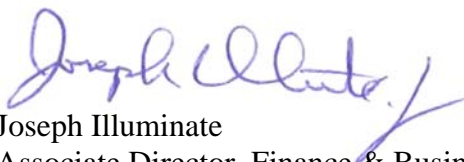
The budget proposal was prepared in accordance with the organization’s long-term financial plan which provides adequate reserves for various contingencies per the USU’s Reserves Policy. The proposals provide for the continued fiscal viability of the organization while providing students with quality programs, facilities, and services.

We urge the Finance Committee to recommend the approval of all proposals to the Board of Directors as presented.

Respectfully Submitted,



Debra L. Hammond
Executive Director



Joseph Illuminate
Associate Director, Finance & Business Services

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EXHIBIT 1: MAJOR PURCHASE & MAJOR REPAIR & REPLACEMENT JUSTIFICATIONS	
1	The Facilities Maintenance department is requesting the purchase and installation of a backup pool heater for the SRC pool. Currently the SRC relies on main campus for the hot water that supplies the pool with no back up. Main campus has been experiencing issues with the hot water supply and have undertaken an extensive line replacement project. During the winter months the SRC pool has had to close due to cool water temperatures as a result of the issues with the main campus' water supply. The back up water heater will enable the SRC to heat the water when it comes in from the main campus. This will allow the SRC to continue to serve patrons.
2	The SRC is requesting the replacement of the following strength equipment: benches, rack and plate loaded equipment that is older than 5 years. The warranty has expired and maintenance is more expensive and time consuming. The replacement is in line with industry standards for best practices for equipment replacement.
3	The Facilities Maintenance department is requesting the replacement of the HVAC system in the Grand Salon. The unit is over 20 years old and the technology is outdated. Previous mechanical failures have indicated that there is little left the maintenance staff can do to keep the unit running. Replacement is the only option to fix the situation.
4	The Facilities Maintenance department is requesting the replacement of the HVAC system in the Southwest building. The unit is 40+ years old and the technology is outdated. This is resulting in tenants of the offices in the building working in challenging conditions due to the inability to control the temperature appropriately. Reheat coils need to be installed in each area for better temperature control, the duct work needs to be cleaned, the new unit will need to be air balanced, and existing vents will need to be redesigned to accommodate the current office layout.
5	The Facilities Maintenance department is requesting the replacement of the HVAC system in the East Conference Center. The unit is over 42 years old and the technology is outdated. The staff is limited on what can be controlled in the building for air flow and temperature. The compressors and the control panels within the unit that control the main operations need to be replaced and updated with new technology to better control the temperature and air quality in the building.
6	The Facilities Maintenance department is requesting the replacement of the dimmer and control system in the Performance Hall. The current system is at the end of its useful life. Many replacement parts needed to repair or update the system are no longer manufactured making control of the system for events very difficult. The new system will allow for additional basic control points, improve system operation, and add new network connectivity for better control.
7	The Facilities Maintenance department is requesting a feasibility study to look at the expansion of the maintenance shop. The USU services and facilities have grown and expanded, but the size of the shop has remained the same. The shop is too small to continue addressing the increased demand of services for the current USU facilities. The study will look at current work load, updating safety features, and address space issues.
8	The USU Reservations & Events department is requesting the purchase of 1,100 banquet chairs (with a unit cost of \$184.34 per chair) to replace the chairs used in the Grand Salon and the Northridge Center (NRC). The chairs in the Grand Salon were purchased in 2009 and are showing a lot of wear and tear. The current inventory of chairs has two different colors. One style chair with the same color would be selected and used between both facilities making it easier to accommodate event needs.
9	The Facilities Maintenance department is requesting funds to replace the carpet and fabric on the sounds panels as well as paint the NRC. The project will be dependent on the outcome of the facilities needs assessment which will be presented in the fall of 2016. Carpet removal, purchase and install will run \$140,000, painting will run \$45,000, and purchase and installation of new fabric on the sound panels will run \$15,000. The improvements will enhance the look of the space until the recommended changes can be addressed from the assessment.
10	The Facilities Maintenance department is requesting funds to demo, purchase, and replace carpet in the Southwest Building, AS Recycling & Support Services, and the International and Exchange Student Center. The estimate includes the phased moving of furniture and fixtures, demo of existing carpet, installation of new carpet, and the moving back of furniture and fixtures. The replacement was identified as backlogged in the Sightlines Report.

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EXHIBIT 2: CAPITAL OUTLAY ALLOCATION PROPOSAL JUSTIFICATIONS	
1	The SRC Aquatics department is requesting the purchase of one (1) tension shade. The Pool Deck Tension Shade will provide additional shade for the pool deck and be constructed using 3 metal poles secured to the concrete supporting one sail shade.
2	The Technology Support Services (TSS) department is requesting to purchase three virtual desktop infrastructure (VDI) servers. The proposal is to implement new technology which will streamline operating processes and reduce equipment replacement costs. Two servers will support 130 computer workstations in the Computer Lab. The third server will provide backup and redundancy if either of the other two servers fail.
3	The TSS department is requesting to purchase one (1) VDI Storage Area Network (SAN) device which will host the computer lab software applications and store the user's desktop profiles. This device is needed to complete the system for request #2.
4	The Facilities Maintenance department is requesting to upgrade the power equipment in the amp rack to enhance the audio power to the stage in the Performance Hall. Improvements will clean up power connections in the racks, remove the need to use power cables that are run through the walls, and provide access to power for sound needed for performances.
5	The USU Reservations & Events department is requesting the purchase of a mobile wheelchair lift. The USU is required to provide ADA access to the stage for guests using the facility. This is currently accomplished by using an ADA approved ramp that is connected to the stage. The downside to the ramp is that it takes up a lot of floor space, it limits the stage size and configuration, and reduces the quality of the projection value for videos screens. The lift takes up a smaller footprint, offers guests the full access to the stage, and is easily transported between venues.
6	The SRC is requesting the purchase and installation of a fully operational access booth to the east of the entrance on the south end of the SRC Turf Field. The booth will be identical in design to the parking booth adjacent to the turf field and will be used to monitor activity on the field, verify memberships via a biometric hand scanner, and shelter employees and equipment from the weather.
7	The Facilities Maintenance department is requesting the purchase and installation of a new dust collection system for the maintenance shop. Over the years, the current duct work for the collection system has been extended to incorporate additional equipment. Due to the extension of the duct system, the dust collector unit is now undersized. An updated and properly sized unit will greatly reduce the amount of dust and particulates escaping into the shop air.
8	The Facilities Maintenance department is requesting the replacement of the main audio console at the front of the house in the Performance Hall with a new up-to-date system. The upgrade will enhance the main mixing desk, allow for more inputs and add an in-house monitor console eliminating the need to rent a console for events.

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EXHIBIT 3: ADMINISTRATIVE CONTINGENCIES		
Description	Amount	Justification
Sol Center Office Furniture	\$ 86,761	Furniture for the 1st & 2nd floor of the Sol Center to match the existing furniture in the updated offices (includes tax & shipping).
Brailsford & Dunlavy Consulting Services	\$ 64,650	Funds to pay the balance of the Facilities Master Plan Study which began in the 2015-16 fiscal year.
PeopleSoft Upgrade Fee	\$ 38,829	PeopleSoft financials to version of 9.1. The most recent upgrade occurred three years ago.
Employers Group Contract	\$ 30,000	These funds will be used to complete the contract for the Employee Opinion Survey and Job Analysis and Compensation project.
Meeting Room Banquet Tables	\$ 29,067	This is to replace the current stock of meeting room banquet tables. The current tables are mismatched in height and color.
Northridge Center (NRC) Stage Replacement	\$ 26,750	The new stage will be a more modular system with much more flexibility and ease of use.
Technology Support Services (TSS) Furniture	\$ 19,800	Furniture to meet the needs of the department and maximize the use of the space (includes tax & shipping).
Tile Work in the SRC	\$ 15,750	Tile work behind seven SRC drinking fountains: \$35/sq. ft. x 450 sq. ft. = \$15,750.
Trash Can Replacement inside the SRC	\$ 15,315	\$650 per can x 18 cans = \$11,700 plus tax, shipping, and a 10% contingency.
Walk Off Mat Replacement	\$ 15,000	Replace the walk off mats by the SRC and Red Ring Court entrances
Table Carts for Meeting Room Banquet Tables	\$ 11,900	Replacement of the current stock of table carts used to transport the meeting room banquet tables.
Bouldering Mat Replacement	\$ 11,500	Replacements for all the bouldering mats in the rock wall area.
Homecoming Event	\$ 10,000	These funds will cover expenses related to our new Homecoming event in collaboration with campus partners.
Contract Management Solution	\$ 10,000	Placeholder to provide a software solution to automate the contract workflow process.
Taleo Onboard Software Implementation	\$ 10,000	Taleo Onboard Software Implementation to be provided by Newbury Consulting Group.
Relocation Funds	\$ 10,000	Funds to defer some of the relocation costs for individuals from out of state who accept a USU offer of professional staff employment.
Interpretive Services	\$ 8,250	Translators are needed in the case a deaf or hard-of-hearing student is elected to the BOD (13 meetings).
Smartphone/Tablet Charging Stations	\$ 8,000	Smartphones/tablets charging stations for 25 locations plus one year support.
Inclusive Language Campaign	\$ 5,000	For the Inclusive Language Campaign collaboration events. The campaign will now be a year round program and not a weeklong event.
Sol Center Mailboxes	\$ 5,000	Reorganize the space in the second floor copy room in order to provide a greater number of mailboxes.
Board Chair Scholarship	\$ 2,832	This accounts for the difference between the undergraduate and graduate tuition fees if the Chair is a graduate student.
Board Vice-Chair Scholarship	\$ 2,832	This accounts for the difference between the undergraduate and graduate tuition fees if the Vice Chair is a graduate student.
Scoreboard Protective Screen Replacements	\$ 2,130	Replacements for the three Red Ring Courts scoreboard protective screens in the SRC.
Financial Support - Billiards Nationals	\$ 2,000	Financial support to send two students to participate in the National Billiard Tournament.
Master in Social Work (MSW) Supervisor	\$ 2,000	The Pride Center pays \$1000 each semester to a MSW faculty member to provide clinical supervision to the Pride Center MSW intern.
Brailsford & Dunlavy Survey Incentives	\$ 2,000	Survey incentives for the fall survey to CSUN students for the Facilities Master Plan.
Brailsford & Dunlavy Consulting Meetings	\$ 2,000	Food for Brailsford and Dunlavy Consulting meetings with the Facilities Master Plan Committee, Board of Directors, and focus groups.
Water Safety Instructor (WSI) Certification	\$ 1,787	WSI Trainer Certification 1 (includes travel).
CSU LGBTQ Resources Meeting	\$ 1,000	Funding to host the second annual CSU LGBTQ Resources Meeting.
Brailsford & Dunlavy Focus Group Incentives	\$ 1,000	Focus group incentives for student participants for the Facilities Master Plan.
LGBTQ Regional Meeting	\$ 650	Funding to either host or attend the bi-annual LGBTQ Resource Center Regional Meeting in December 2016.
Interpreting Services - Sign Language	\$ 552	Interpreting services for two four (4) hour events.
Total	\$ 452,355	

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EXHIBIT 4: LONG-TERM FINANCIAL PLAN	PROJECTED 2016-17	PROJECTED 2017-18	PROJECTED 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
REVENUE FUND					
Prior Year Net Assets	9,877,409	11,936,836	12,617,304	13,441,312	13,973,407
Transfers in from the USU Operating Fund	0	0	0	0	0
Transfers in from Repair & Replacement or Construction Funds	0	0	0	0	0
Student Fee Revenue - Fall/Spring	20,436,780	20,930,470	21,304,130	21,900,663	22,280,883
Student Fee Revenue - Summer	1,073,079	1,093,099	1,113,119	1,133,139	1,153,159
Interest Income	98,774	119,368	126,173	134,413	139,734
Build America Bonds (BAB's) Interest Subsidy	610,513	573,790	540,802	511,155	484,507
Subtotal	32,096,555	34,653,564	35,701,527	37,120,682	38,031,690
	0				
Less:					
Net Transfer of Student Fees to the Operating Budget	12,972,045	13,980,919	14,842,435	15,657,457	16,467,204
Net Transfer to the Interest & Redemption Fund (IRF)	5,239,008	5,240,208	5,241,583	5,232,208	5,242,708
Net Transfer to Major Repairs & Replacements - Facility Systems	1,761,029	2,000,000	2,000,000	2,000,000	2,000,000
Net Transfer to Major Repairs & Replacements - Major Purchases	99,612	722,706	79,150	155,710	722,706
Chancellor's Office General & Administrative Expenses	88,025	92,426	97,047	101,900	106,995
Net Transfer to the Construction Fund	0	0	0	0	0
Subtotal	20,159,719	22,036,260	22,260,216	23,147,275	24,539,613
Ending Net Assets	11,936,836	12,617,304	13,441,312	13,973,407	13,492,077
DEBT SERVICE COVERAGE RATIO (DSCR)	1.65	1.56	1.47	1.44	1.36
USU OPERATING BUDGET					
Student Fees Transferred In from the Revenue Fund	12,972,045	13,980,919	14,842,435	15,657,457	16,467,204
Income from Operations	2,307,327	2,307,327	2,307,327	2,307,327	2,307,327
Interest Income	11,716	11,716	11,716	11,716	11,716
Subtotal - Total Revenue	15,291,088	16,299,962	17,161,478	17,976,500	18,786,247
LESS:					
Operating Expense & Equipment	5,772,011	5,701,200	5,872,236	6,048,403	6,229,856
Unallocated Reserves	256,800	565,000	604,550	634,778	666,516
Staff Salaries	4,181,496	4,371,545	4,502,691	4,637,772	4,776,906
Hourly Wages	165,634	167,290	168,963	170,653	172,359
Student Assistant Wages	2,979,860	3,257,115	3,588,258	3,855,706	4,053,142
Student Assistant Wages Designated Reserve	50,000	0	0	0	0
Staff & Student Benefits	1,721,153	1,884,663	2,063,705	2,259,757	2,474,434
Retirement Health Benefits Plan	164,134	353,149	361,074	369,431	413,034
Subtotal - Total Expenditures	15,291,088	16,299,962	17,161,478	17,976,500	18,786,247
Net From Operations :	0	0	0	0	0
Ending Net Assets	1,119,395	1,119,395	1,119,396	1,119,396	1,119,396
COMBINED REVENUE FUND & USU OPERATING BUDGET					
Ending Net Assets before Working Capital Reserves	13,056,231	13,736,700	14,560,707	15,092,803	14,611,473
Working Capital Reserves	652,812	686,835	728,035	754,640	730,574
Prior Working Capital Reserve	896,469	1,549,281	2,236,116	2,964,151	3,718,791
Ending Working Capital Reserve	1,549,281	2,236,116	2,964,151	3,718,791	4,449,365
Ending Net Assets after Working Capital Reserves	11,506,950	11,500,584	11,596,556	11,374,011	10,162,108

UNIVERSITY STUDENT UNION
 CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
 2016-17 BUDGET MESSAGE

EXHIBIT 5: OPERATING BUDGET PROPOSAL

REVENUE/EXPENSE CATEGORY	2015-16 6 & 6 Budget	2016-17 Proposed Budget	\$ Variance	% Variance
Student Fees	\$ 12,020,363	\$ 12,972,045	\$ 951,682	7.92%
Food Service Commissions	\$ 78,242	\$ 82,155	\$ 3,913	5.0%
Rental Income	\$ 781,814	\$ 785,892	\$ 4,078	0.5%
Program Income	\$ 497,801	\$ 499,917	\$ 2,116	0.4%
SRC Income	\$ 725,986	\$ 774,760	\$ 48,774	6.7%
Interest Income	\$ 7,500	\$ 11,717	\$ 4,217	56.2%
Miscellaneous Income	\$ 50,281	\$ 164,604	\$ 114,323	227.4%
Total Revenues	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%

Staff Salaries	\$ 3,915,177	\$ 4,181,496	\$ 266,319	6.8%
Hourly Wages	\$ 159,943	\$ 165,634	\$ 5,691	3.6%
Student Wages	\$ 2,835,960	\$ 3,029,860	\$ 193,900	6.8%
Total Salaries & Wages	\$ 6,911,080	\$ 7,376,990	\$ 465,910	6.7%
Benefits	\$ 1,798,555	\$ 1,885,288	\$ 86,733	4.8%
Total Salaries, Wages & Benefits	\$ 8,709,635	\$ 9,262,278	\$ 552,643	6.3%

Cost of Goods Sold	\$ 28,260	\$ 28,600	\$ 340	1.2%
General Operating Expenses	\$ 388,922	\$ 399,048	\$ 10,126	2.6%
Supplies & Services	\$ 1,831,004	\$ 1,815,442	\$ (15,561)	-0.8%
Travel	\$ 234,732	\$ 199,117	\$ (35,616)	-15.2%
Utilities	\$ 792,271	\$ 845,102	\$ 52,831	6.7%
Repairs & Maintenance	\$ 1,294,422	\$ 1,532,474	\$ 238,052	18.4%
Fees & Charges	\$ 51,408	\$ 54,717	\$ 3,308	6.4%
Reserves	\$ 393,541	\$ 709,155	\$ 315,614	80.2%
Grants & Scholarships	\$ 58,148	\$ 58,242	\$ 94	0.2%
Expendable Equipment	\$ 83,825	\$ 182,745	\$ 98,920	118.0%
Amortization & Depreciation	\$ 295,818	\$ 204,169	\$ (91,649)	-31.0%
Total Operating Expenses	\$ 5,452,352	\$ 6,028,810	\$ 576,458	10.6%

Total Expenditures	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%
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Net Surplus (Deficit)	\$ 0	\$ 0	\$ 0	0.0%
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**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
2016-17 BUDGET MESSAGE**

ENDNOTES

¹ The Repair & Replacement fund is utilized to fund major purchases, major repairs and replacements, and renovations which are not included in the operating budget. Monies are transferred from the Revenue Fund to the Repair & Replacement Fund to finance these items. The Revenue Fund is the depository for student union fee revenue. The Repair & Replacement and Revenue Funds are administered by the campus on behalf of the USU.

² With limited exceptions, general equipment is not included in the 30-year repair and replacement plan. Equipment is included as part of the capital allocation proposal (\$5,000 or greater) and the operating budget proposal (less than \$5,000).

³ Capital outlay is the expenditure of funds for capital or fixed asset purchases. Capital or fixed assets are defined as tangible property with a single unit value greater than \$5,000 to be used in a productive capacity which will benefit the USU for a period of more than one year.

⁴ The purpose of the organization compensation analysis is to analyze current practices, policies and total rewards in order to develop a program for enhanced employee engagement, productivity and efficiency. The analysis includes focus groups, an exempt/non-exempt analysis, a compensation, classification, and capacity review.

⁵ The \$50,000 student wage reserve equates to approximately 4,529 hours of student assistant labor (\$50,000 reserve/\$11.04 average hourly rate)

⁶ Unallocated reserves are set aside to provide resources to manage uncertain costs such as price increases and emergency repairs and maintenance.

⁷ Administrative contingencies are one-time expenditures that would not be included as part of the subsequent fiscal year's operating budget. For example, the purchase of replacement meeting room banquet tables is a one-time purchase since this type of purchase is made only once every several years.

⁸ Student union fee income for purposes of the operating budget is computed as follows: [Total Expenditure Budget + Total USU Revenue Budget] – Projected Net Surplus = Student Fee Income Budget.

⁹ The 2016-17 fall/spring headcount is projected to be 38,000 and the summer headcount is projected to be 6,500. Headcount for the fall/spring semester is projected to be equal to or greater than 38,000 through fiscal year 2020-21. Headcount for the summer term is projected to be equal to 6,500 through fiscal year 2020-21.

¹⁰ The 2016-17 student union fee is \$273 per semester for each enrolled student. The fall/spring semester fee increases by a \$5.00 inflation factor each fiscal year. The summer 2017 student union fee is \$161 for each enrolled student and is 60% of the prior fiscal year's spring semester student union fee.

¹¹ The DSCR is a ratio which indicates if an auxiliary has the capacity to repay annual debt service on outstanding bonds. A 1.25 DSCR indicates that there is a minimum of \$1.25 of student fee revenue for each \$1.00 of annual debt service. A 1.25 ratio is the minimum DSCR the Chancellor's Office will accept for student unions.

¹² The minimum wage increases to \$10.50 per hour in July 2016; to \$12; in July 2017; to \$13.25 in July 2018; to \$14.25 in July 2019; and to \$15.00 in July 2020.

¹³ The estimated financial impact of the organization compensation analysis was determined in consultation with Employers Group.

¹⁴ The Executive Administrative Analyst, under the supervision of the Manager, Administration & Communications, will coordinate short-term and long-term projects, research, calendaring, and the drafting of letters of recommendation and commendation. Funds from the unfilled Special Assistant-Administration will be used to offset the cost of this position.

¹⁵ The \$21,500 net monetary impact of the Executive Administrative Analyst position is computed as follows: [(\$55,000 annual salary + \$16,500 benefits) – (\$27,000 reduction in travel + \$23,000 Special Assistant – Administration position)] = \$21,500. The Special Assistant – Administration position will not be refilled.

¹⁶ The additional RHBP must still be approved by the Retirement Plan Committee and the Board of Directors. The additional RHBP assumes that the USU pays 100% of the medical and dental premiums on behalf of retirees and eligible partners.

¹⁷ A breakeven budget signifies that there are sufficient revenues to cover all the anticipated costs e.g. total revenue is equal to total expenses.

¹⁸ Any one to two dollar differences in the totals of the revenue and expenditure tables in the "Operating Budget Proposal" section of this message are due to rounding.

¹⁹ The following are the explanations for the variances in revenue categories when comparing the 2016-17 proposed operating budget to the 2015-16, 6&6 budget:

- **Student Fees** – these are the fees every matriculating student is required to pay each academic term. Student union fees are projected to increase by 8.0% in order to offset corresponding increases in total expenditures.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
2016-17 BUDGET MESSAGE**

- **Food Service Commissions** – the total commission is equivalent to 1.5% of all food sales on campus of which Housing receives 68% and the USU receives 32% per an agreement with the University Corporation (TUC). Food sales commissions are projected to increase by \$3,913 or 5.0% based on TUC’s campus-wide food sales forecast of \$16,590,500 for 2016-17.
- **Rental Income** – this category includes revenue from subleases with campus departments and with private entities (e.g. Wells Fargo) located in the USU. It also includes income generated from the rental of meeting rooms and equipment for student organizations, campus departments, and off-campus entities. Total revenue is projected to increase by \$4,078 or 0.5%. Total rental revenue would have been approximately \$114,323 higher if it were not for a change in the method for recording utilities and personnel billed to meeting room clients that will commence with the 2016-17 fiscal year. Please reference the discussion in the Miscellaneous Income category for a detailed explanation.
- **Program Income** – this category consists of revenue generated from Sunny Days Camp. Total revenue is projected to increase by \$2,116 or 0.4%.
- **SRC Income** – includes income generated from memberships, fitness classes, personal training, guest passes, intramurals, and aquatics programs. Revenue is projected to increase by \$48,774 or 6.7% due to the following:
 - Faculty/staff membership fee increase: \$3.00 fall/spring and \$1.00 summer
 - Projected increases in income for guest passes; personal training; intramurals; and Pro Shop sales
- **Interest Income** – funds earned on investments of USU cash in the State Wide Investment Fund Trust (SWIFT) and money market funds. Income is expected increase by \$4,217 or 56.2% now that the majority of USU cash is invested in SWIFT whereas previously the majority of USU funds were invested in U.S. Treasury Bill money market funds. Funds invested in SWIFT earn a higher rate of return than U.S. Treasury Bill money market funds.
- **Miscellaneous Income** – this category includes insurance premium dividends returned to the USU as a result of positive claims history. It also includes recovery of costs billed to meeting room clients (security, janitorial, and linen service). Miscellaneous income is projected to increase by \$114,323 or 227.2%.

The increase is a result of a change in the revenue category used to record the cost recovery of utilities and personnel (e.g. building managers and audio visual technicians) that are also billed to meeting room clients. In 2015-16, cost recovery of utilities and personnel was recorded in the Rental Income revenue category. In 2016-17, utilities and personnel will be recorded in the Miscellaneous Income category in order to be consistent with the recording of cost recovery for security, janitorial, and linen service.

²⁰ The following are the explanations for the variances in the expenditure categories when comparing the 2016-17 proposed budget to the 2015-16, 6&6 operating budget:

- **Staff Salaries** – staff salaries are wages paid to full-time employees who work more than 30 hours per week. Salaries are projected to increase by \$266,319 or 6.8% due to the following:
 - The addition of an Executive Administrative Analyst with an estimated \$55,000 annual salary. Workload in the Administration department has been challenging and this position is needed to normalize operations.
 - Designated reserves for increases in salaries as a result of general staff increases, bonuses, and the organizational compensation analysis described in the Designated Reserves Proposal section of this message. Designated reserves also includes vacation advances for those employees who choose to cash out accrued vacation according the Human Resources Management System (HRMS) policy.
- **Hourly wages** are paid to those employees categorized as hourly. Hourly wages are projected to increase by \$5,691 or 3.6%.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
2016-17 BUDGET MESSAGE**

- **Student Wages** are paid to employees categorized as student assistants. The budget is projected to increase by \$193,900 or 6.8%. The average hourly rate is projected to increase by \$0.83 to \$11.14 per hour. The table below compares the 2016-17 student assistant hours and wages to the 2015-16 projected actual student hours and wages.

Dept Name	2015-16 Actual Hours (Projected)	2015-16 Actual Wages (Projected)	2015-16 Actual Hourly Rate (Projected)	2016-17 Budget Hours	2016-17 Projected Wages	2016-17 Projected Wages	Budget Hours Variance	Projected Wages Variance	Hourly Rate Variance
Games Room	2,324	\$ 21,981	\$ 9.46	2,210	\$ 23,205	\$ 10.50	(114)	\$ 1,224	\$ 1.04
Pride Center	6,175	\$ 61,000	\$ 9.88	7,583	\$ 81,741	\$ 10.78	1,408	\$ 20,741	\$ 0.90
Veterans Resource Center	7,487	\$ 73,157	\$ 9.77	6,922	\$ 74,412	\$ 10.75	(565)	\$ 1,255	\$ 0.98
SRC Administration	746	\$ 7,095	\$ 9.52	720	\$ 7,668	\$ 10.65	(26)	\$ 573	\$ 1.13
SRC Facilities	17,663	\$ 180,736	\$ 10.23	17,520	\$ 193,862	\$ 11.07	(143)	\$ 13,126	\$ 0.83
SRC Intramurals	13,830	\$ 138,441	\$ 10.01	13,925	\$ 152,684	\$ 10.96	95	\$ 14,243	\$ 0.95
SRC Fitness & Wellness	27,892	\$ 301,137	\$ 10.80	30,229	\$ 341,169	\$ 11.29	2,337	\$ 40,032	\$ 0.49
SRC Membership Services	21,513	\$ 215,534	\$ 10.02	19,988	\$ 220,447	\$ 11.03	(1,525)	\$ 4,913	\$ 1.01
SRC Aquatics	20,121	\$ 230,543	\$ 11.46	21,430	\$ 269,792	\$ 12.59	1,309	\$ 39,249	\$ 1.13
SRC Wellness Center	7,527	\$ 75,018	\$ 9.97	9,267	\$ 100,801	\$ 10.88	1,740	\$ 25,783	\$ 0.91
SRC Fitness Programs	5,345	\$ 56,681	\$ 10.60	3,027	\$ 34,500	\$ 11.40	(2,318)	\$ (22,181)	\$ 0.79
USU Events	9,353	\$ 91,447	\$ 9.78	9,810	\$ 105,458	\$ 10.75	457	\$ 14,011	\$ 0.97
Summer Camp	15,783	\$ 181,359	\$ 11.49	15,128	\$ 187,680	\$ 12.41	(655)	\$ 6,321	\$ 0.91
Computer Labs	12,153	\$ 122,652	\$ 10.09	12,693	\$ 138,034	\$ 10.87	540	\$ 15,382	\$ 0.78
Technology Support System	2,556	\$ 26,366	\$ 10.32	2,556	\$ 28,755	\$ 11.25	0	\$ 2,389	\$ 0.93
Marketing	24,517	\$ 238,174	\$ 9.71	25,733	\$ 275,724	\$ 10.71	1,216	\$ 37,550	\$ 1.00
Business Services	3,381	\$ 33,573	\$ 9.93	3,978	\$ 43,119	\$ 10.84	597	\$ 9,546	\$ 0.91
Administration	3,011	\$ 31,483	\$ 10.46	4,176	\$ 46,406	\$ 11.11	1,165	\$ 14,923	\$ 0.66
Human Resources	5,812	\$ 61,244	\$ 10.54	6,066	\$ 66,408	\$ 10.95	254	\$ 5,164	\$ 0.41
Operations	9,130	\$ 93,882	\$ 10.28	15,988	\$ 178,395	\$ 11.16	6,859	\$ 84,513	\$ 0.87
Board of Directors	1,741	\$ 19,521	\$ 11.22	1,244	\$ 13,373	\$ 10.75	(497)	\$ (6,148)	\$ (0.47)
Commercial Leased	806	\$ 8,056	\$ 9.99	1,398	\$ 15,029	\$ 10.75	592	\$ 6,973	\$ 0.76
Maintenance	1,080	\$ 10,450	\$ 9.67	4,582	\$ 48,255	\$ 10.53	3,502	\$ 37,805	\$ 0.86
USU RES	31,224	\$ 305,636	\$ 9.79	31,205	\$ 332,947	\$ 10.67	(19)	\$ 27,311	\$ 0.88
Total Budgeted Hours	251,168	\$ 2,585,166	\$ 10.29	267,378	\$ 2,979,864	\$ 11.14	16,210	\$ 394,698	\$ 0.83

- **Benefits** are projected to increase by \$86,733 or 4.8%. Most of the increase is attributable to medical and retirement benefits offset by a small decrease in workers compensation and unemployment insurance.
- **Cost of Goods Sold** – this category consists of products purchased for resale in the SRC Pro Shop. Expense is projected to increase by only \$340 or 1.2%.
- **General Operating Expenses** are projected to increase by \$10,126 or 2.6%.
- **Supplies & Services** are projected to decrease by \$15,561 or 0.8%.
- The **Travel budget** is projected to decrease by \$35,616 or 15.2%. The budget was reduced in order to offset increases in the budget as a result of increases in salaries and wages. The travel budget is based on estimated costs for trips to attend various professional conferences and seminars. The estimated travel budget is reviewed by the management team prior to inclusion in the budget. The \$199,117 travel budget is only 1.3% of the total expenditure budget of \$15,291,088.
- **Utilities** are projected to increase by an estimated \$52,831 or 6.7%. The budget is computed by taking an average of the latest twelve months of actual data and then applying an inflation factor (6.0%) provided by Physical Plant Management (PPM).

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
2016-17 BUDGET MESSAGE**

- **Repairs & Maintenance** is projected to increase by \$238,052 or 18.4%. The following is the explanation for the increases:
 - Maintenance projects identified in the 30-year repair and replacement plan prepared by Sightlines are being funded from the operating budget instead of the repair and replacement fund.
 - Anticipated increase in the janitorial services contract as a result of the contract going out to bid
 - Increase in the budget for sports equipment maintenance and outdoor pool maintenance
- **Fees & Charges** are expected to increase by \$3,308 or 6.4% due to an increase in merchant charges. Merchant fees are expected to increase because credit card sales are projected to increase.
- **Reserves** are projected to increase by \$315,614 or 80.2%. The Administrative Contingency account variance is \$202,745 and the Operating Reserves (unallocated reserves) variance is \$112,869.
 - Administrative contingencies include funds to complete the Brailsford & Dunlavey consulting contract; furniture for the Sol Center and Technology Services department; PeopleSoft accounting system upgrade; and funding to complete the Employers Group organization compensation analysis.
 - The budget for Operating Reserves is typically higher when compared to the 6&6 budget because once the need for unallocated reserves has been identified, the budget is transferred to another expenditure category. For example, unallocated reserves utilized for the Brailsford & Dunlavey consulting contract were transferred from the Reserves expense category to the Supplies & Services category.
- **Grants & Scholarships** – the budget has increased by only \$94.
- **Expendable Equipment** is projected to increase by \$98,920 or 118.0% in each expendable equipment category: computers & peripherals by \$72,642; furniture and fixtures by \$9,320; and general equipment by \$16,242.
- **Depreciation & Amortization** is expected to decrease by \$91,649 or 31.0%. In 2015-16, there was an unexpected fixed asset write off of \$114,773 as a result of the annual fixed asset inventory. Since it is not feasible to budget for write offs, no budget was included for write offs in the 2016-17 budget. If the write off is not taken into account, the budget for depreciation and amortization has actually increased by approximately \$23,214.

University Student Union
Major Purchase and Major Repair & Replacement Budget Allocation
2016-17

Item	Item Description	Base Cost	Contingency	Total Cost	In 30-Year Plan?
1	Student Recreation Center (SRC) Pool Heater	\$135,000	\$13,500	\$148,500	No
2	Student Recreation Center (SRC) Strength Equipment Replacement	\$100,655	\$10,066	\$110,721	No
3	Grand Salon Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$120,000	\$12,000	\$132,000	Yes
4	Southwest Building Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$450,000	\$45,000	\$495,000	Yes
5	East Conference Center Heating, Ventilation, and Air Conditioning (HVAC) Replacement	\$450,000	\$45,000	\$495,000	Yes
6	Plaza del Sol Performance Hall - Dimmer & Control System Replacement	\$109,992	\$10,008	\$120,000	Yes
7	Maintenance Shop Renovation Feasibility Study	\$45,000	\$4,500	\$49,500	No
8	Banquet Chairs	\$222,574	\$22,257	\$244,831	No
9	NRC Improvements - carpet replacement, painting, new fabric on panels	\$180,000	\$20,000	\$200,000	Yes
10	USU Floor Covering Replacement	\$100,000	\$10,000	\$110,000	Yes
TOTAL		\$1,913,221	\$192,331	\$2,105,552	
MAJOR PURCHASE & MAJOR REPAIR & REPLACEMENT JUSTIFICATIONS					
1	The Facilities Maintenance department is requesting the purchase and installation of a backup pool heater for the SRC pool. Currently the SRC relies on main campus for the hot water that supplies the pool with no back up. Main campus has been experiencing issues with the hot water supply and have undertaken an extensive line replacement project. During the winter months the SRC pool has had to close due to cool water temperatures as a result of the issues with the main campus' water supply. The back up water heater will enable the SRC to heat the water when it comes in from the main campus. This will allow the SRC to continue to serve patrons.				
2	The SRC is requesting the replacement of the following strength equipment: benches, rack and plate loaded equipment that is older than 5 years. The warranty has expired and maintenance is more expensive and time consuming. The replacement is in line with industry standards for best practices for equipment replacement.				
3	The Facilities Maintenance department is requesting the replacement of the HVAC system in the Grand Salon. The unit is over 20 years old and the technology is outdated. Previous mechanical failures have indicated that there is little left the maintenance staff can do to keep the unit running. Replacement is the only option to fix the situation.				
4	The Facilities Maintenance department is requesting the replacement of the HVAC system in the Southwest building. The unit is 40+ years old and the technology is outdated. This is resulting in tenants of the offices in the building working in challenging conditions due to the inability to control the temperature appropriately. Reheat coils need to be installed in each area for better temperature control, the duct work needs to be cleaned, the new unit will need to be air balanced, and existing vents will need to be redesigned to accommodate the current office layout.				
5	The Facilities Maintenance department is requesting the replacement of the HVAC system in the East Conference Center. The unit is over 42 years old and the technology is outdated. The staff is limited on what can be controlled in the building for air flow and temperature. The compressors and the control panels within the unit that control the main operations need to be replaced and updated with new technology to better control the temperature and air quality in the building.				
6	The Facilities Maintenance department is requesting the replacement of the dimmer and control system in the Performance Hall. The current system is at the end of its useful life. Many replacement parts needed to repair or update the system are no longer manufactured making control of the system for events very difficult. The new system will allow for additional basic control points, improve system operation, and add new network connectivity for better control.				
7	The Facilities Maintenance department is requesting a feasibility study to look at the expansion of the maintenance shop. The USU services and facilities have grown and expanded, but the size of the shop has remained the same. The shop is too small to continue addressing the increased demand of services for the current USU facilities. The study will look at current work load, updating safety features, and address space issues.				
8	The USU Reservations & Events department is requesting the purchase of 1,100 banquet chairs (with a unit cost of \$184.34 per chair) to replace the chairs used in the Grand Salon and the Northridge Center (NRC). The chairs in the Grand Salon were purchased in 2009 and are showing a lot of wear and tear. The current inventory of chairs has two different colors. One style chair with the same color would be selected and used between both facilities making it easier to accommodate event needs.				
9	The Facilities Maintenance department is requesting funds to replace the carpet and fabric on the sounds panels as well as paint the NRC. The project will be dependent on the outcome of the facilities needs assessment which will be presented in the fall of 2016. Carpet removal, purchase and install will run \$140,000, painting will run \$45,000, and purchase and installation of new fabric on the sound panels will run \$15,000. The improvements will enhance the look of the space until the recommended changes can be addressed from the assessment.				
10	The Facilities Maintenance department is requesting funds to demo, purchase, and replace carpet in the Southwest Building, AS Recycling & Support Services, and the International and Exchange Student Center. The estimate includes the phased moving of furniture and fixtures, demo of existing carpet, installation of new carpet, and the moving back of furniture and fixtures. The replacement was identified as backlogged in the Sightlines Report.				

**University Student Union
Capital Outlay Allocation Proposal
2016-17**

Item	Item Description	Asset Category	Base Cost	Contingency	Total Cost
1	SRC Pool Deck Tension Shade	Leasehold Improvement	\$29,896	\$2,990	\$32,886
2	Virtual Desktop Infrastructure (VDI) Servers	Computers/Peripherals	\$54,423	\$5,442	\$59,865
3	Virtual Desktop Infrastructure (VDI) Storage Server	Computers/Peripherals	\$30,519	\$3,052	\$33,571
4	Plaza del Sol Performance Hall - Power Distribution Upgrades & Enhancements	Equipment	\$21,082	\$1,918	\$23,000
5	ADA Stage Lift	Equipment	\$22,580	\$2,258	\$24,838
6	Student Recreation Center (SRC) Turf Field Access Booth	Leasehold Improvement	\$64,164	\$6,416	\$70,580
7	USU Shop Dust Collector	Equipment	\$13,375	\$1,338	\$14,713
8	Plaza del Sol Performance Hall - Front of House & Monitor Consoles	Equipment	\$27,363	\$2,490	\$29,853
TOTAL			\$263,402	\$25,904	\$289,306

CAPITAL OUTLAY ALLOCATION PROPOSAL JUSTIFICATIONS

1	The SRC Aquatics department is requesting the purchase of one (1) tension shade. The Pool Deck Tension Shade will provide additional shade for the pool deck and be constructed using 3 metal poles secured to the concrete supporting one sail shade.
2	The Technology Support Services (TSS) department is requesting to purchase three virtual desktop infrastructure (VDI) servers. The proposal is to implement new technology which will streamline operating processes and reduce equipment replacement costs. Two servers will support 130 computer workstations in the Computer Lab. The third server will provide backup and redundancy if either of the other two servers fail.
3	The TSS department is requesting to purchase one (1) VDI Storage Area Network (SAN) device which will host the computer lab software applications and store the user's desktop profiles. This device is needed to complete the system for request #2.
4	The Facilities Maintenance department is requesting to upgrade the power equipment in the amp rack to enhance the audio power to the stage in the Performance Hall. Improvements will clean up power connections in the racks, remove the need to use power cables that are run through the walls, and provide access to power for sound needed for performances.
5	The USU Reservations & Events department is requesting the purchase of a mobile wheelchair lift. The USU is required to provide ADA access to the stage for guests using the facility. This is currently accomplished by using an ADA approved ramp that is connected to the stage. The downside to the ramp is that it takes up a lot of floor space, it limits the stage size and configuration, and reduces the quality of the projection value for videos screens. The lift takes up a smaller footprint, offers guests the full access to the stage, and is easily transported between venues.
6	The SRC is requesting the purchase and installation of a fully operational access booth to the east of the entrance on the south end of the SRC Turf Field. The booth will be identical in design to the parking booth adjacent to the turf field and will be used to monitor activity on the field, verify memberships via a biometric hand scanner, and shelter employees and equipment from the weather.
7	The Facilities Maintenance department is requesting the purchase and installation of a new dust collection system for the maintenance shop. Over the years, the current duct work for the collection system has been extended to incorporate additional equipment. Due to the extension of the duct system, the dust collector unit is now undersized. An updated and properly sized unit will greatly reduce the amount of dust and particulates escaping into the shop air.
8	The Facilities Maintenance department is requesting the replacement of the main audio console at the front of the house in the Performance Hall with a new up-to-date system. The upgrade will enhance the main mixing desk, allow for more inputs and add an in-house monitor console eliminating the need to rent a console for events.

**University Student Union
California State University, Northridge
Designated Reserves Allocation Proposal
2016-17**

Reserve Category	Amount	Reserve Purpose**
Staff Wages	\$ 353,065	General Staff Salary Reserve
Staff Wages	\$ 70,000	Vacation Advance Reserve
Student Wages	\$ 50,000	Student Wages Reserve
Total Reserves	\$ 473,065	

***Reserves designated for general salary increases (GSI); bonuses; increases as the result of the organizational compensation analysis; and employer-paid payroll taxes.*

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
OPERATING BUDGET PROPOSAL
2016-17**

REVENUE/EXPENSE CATEGORY	2015-16 6 & 6 Budget	2016-17 Proposed Budget	\$ Variance	% Variance
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Staff Salaries	\$ 3,915,177	\$ 4,181,496	\$ 266,319	6.8%
Hourly Wages	\$ 159,943	\$ 165,634	\$ 5,691	3.6%
Student Wages	\$ 2,835,960	\$ 3,029,860	\$ 193,900	6.8%
Total Salaries & Wages	\$ 6,911,080	\$ 7,376,990	\$ 465,910	6.7%
Benefits	\$ 1,798,555	\$ 1,885,288	\$ 86,733	4.8%
Total Salaries, Wages & Benefits	\$ 8,709,635	\$ 9,262,278	\$ 552,643	6.3%

Cost of Goods Sold	\$ 28,260	\$ 28,600	\$ 340	1.2%
General Operating Expenses	\$ 388,922	\$ 399,048	\$ 10,126	2.6%
Supplies & Services	\$ 1,831,004	\$ 1,815,442	\$ (15,561)	-0.8%
Travel	\$ 234,732	\$ 199,117	\$ (35,616)	-15.2%
Utilities	\$ 792,271	\$ 845,102	\$ 52,831	6.7%
Repairs & Maintenance	\$ 1,294,422	\$ 1,532,474	\$ 238,052	18.4%
Fees & Charges	\$ 51,408	\$ 54,717	\$ 3,308	6.4%
Reserves	\$ 393,541	\$ 709,155	\$ 315,614	80.2%
Grants & Scholarships	\$ 58,148	\$ 58,242	\$ 94	0.2%
Expendable Equipment	\$ 83,825	\$ 182,745	\$ 98,920	118.0%
Amortization & Depreciation	\$ 295,818	\$ 204,169	\$ (91,649)	-31.0%
Total Operating Expenses	\$ 5,452,352	\$ 6,028,810	\$ 576,458	10.6%

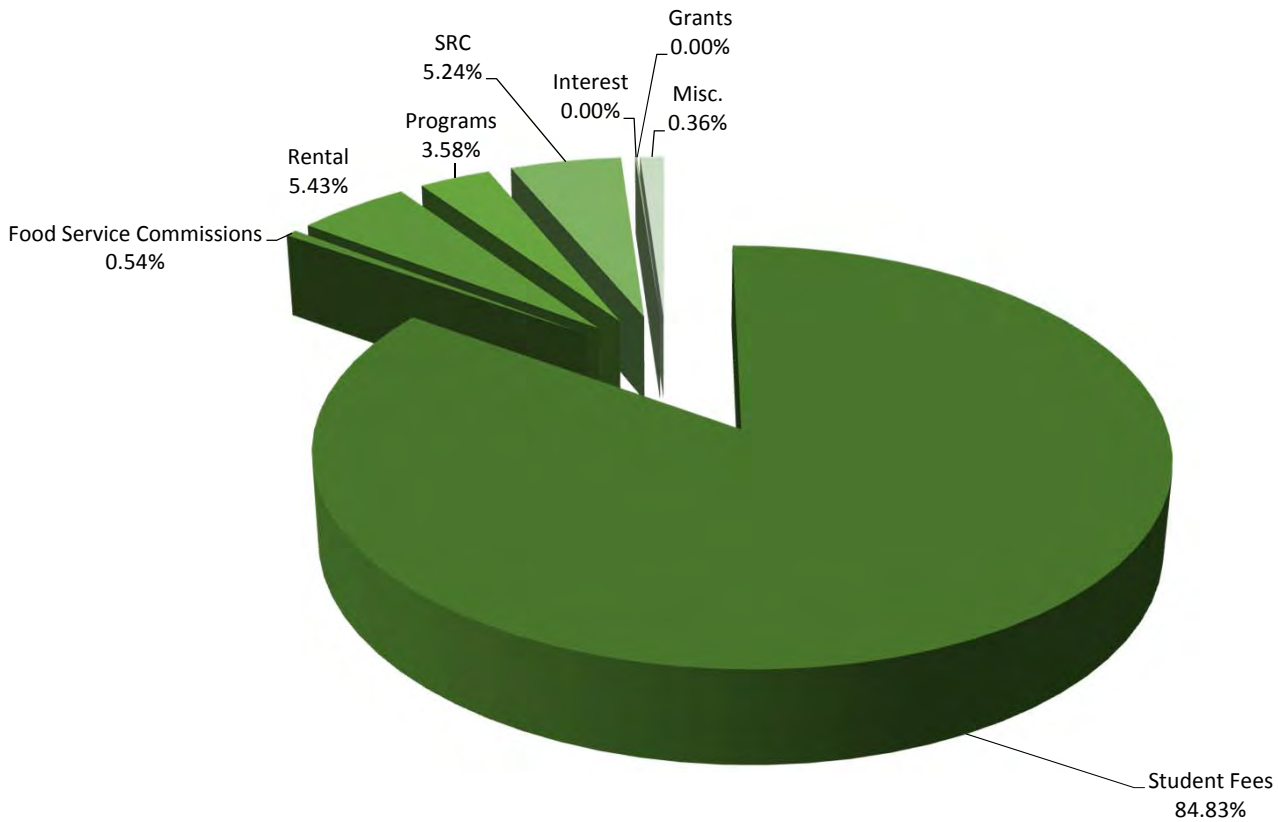
Total Expenditures	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%
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Net Surplus (Deficit)	\$ (0)	\$ 0	\$ 0	
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**University Student Union
Operating Budget Proposal by Revenue Category
2016-17**

Revenue Category	2015-16 6&6 Budget	2016-17 Proposed Budget	Variance \$	Variance %
Student Fees	\$ 12,020,363	\$ 12,972,045	\$ 951,682	7.9%
Food Service Commissions	\$ 78,242	\$ 82,154	\$ 3,912	5.0%
Rental Income	\$ 781,814	\$ 785,892	\$ 4,078	0.5%
Program Income	\$ 497,801	\$ 499,917	\$ 2,116	0.4%
SRC Income	\$ 725,986	\$ 774,760	\$ 48,774	6.7%
Interest Income	\$ 7,500	\$ 11,717	\$ 4,217	56.2%
Grant Revenue	\$ -	\$ -	\$ -	-
Miscellaneous Income	\$ 50,281	\$ 164,604	\$ 114,323	227.4%
Total Revenues	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	7.97%

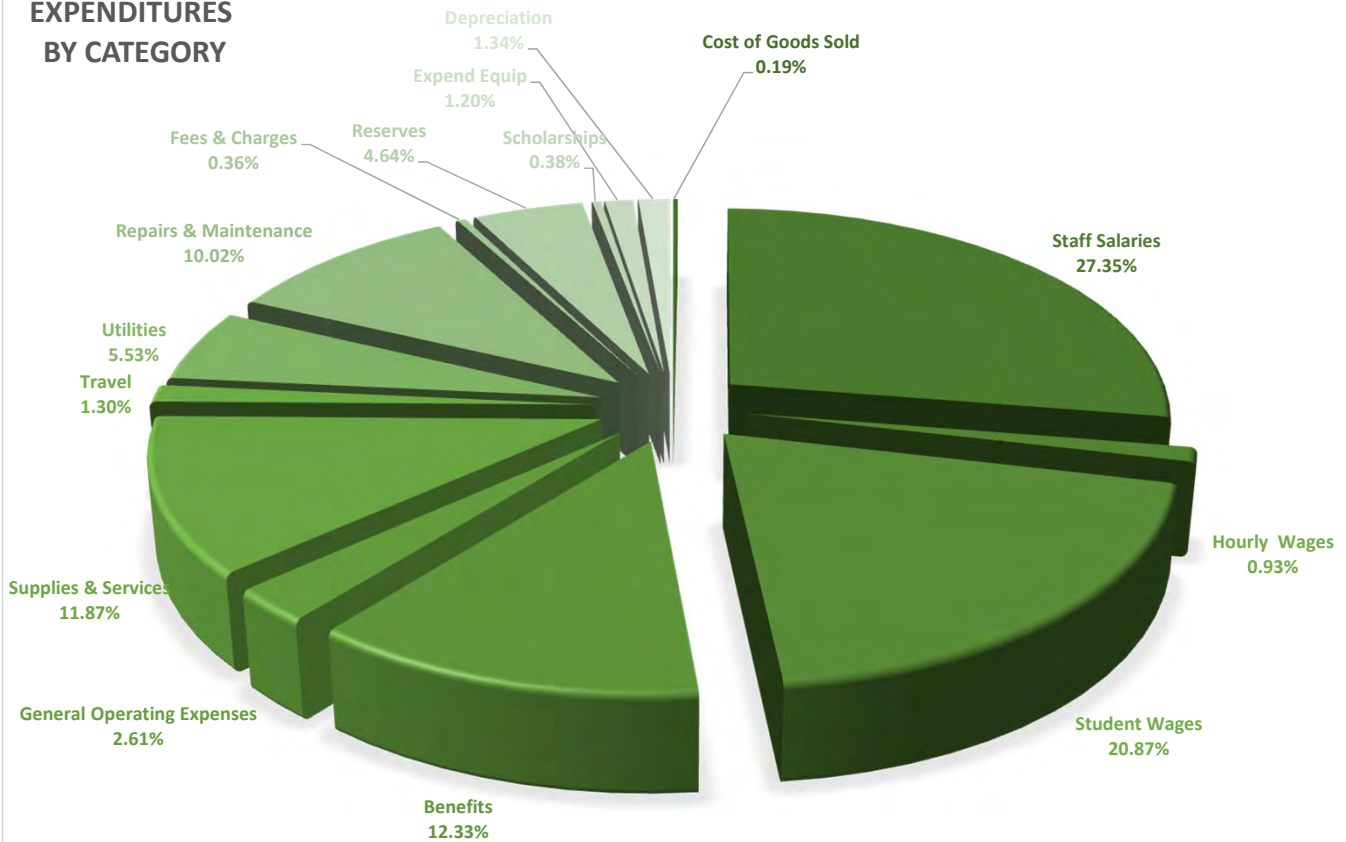
**2016-17
Revenue Budget by Category**



University Student Union
Operating Budget Proposal by Expenditure Category
2016-17

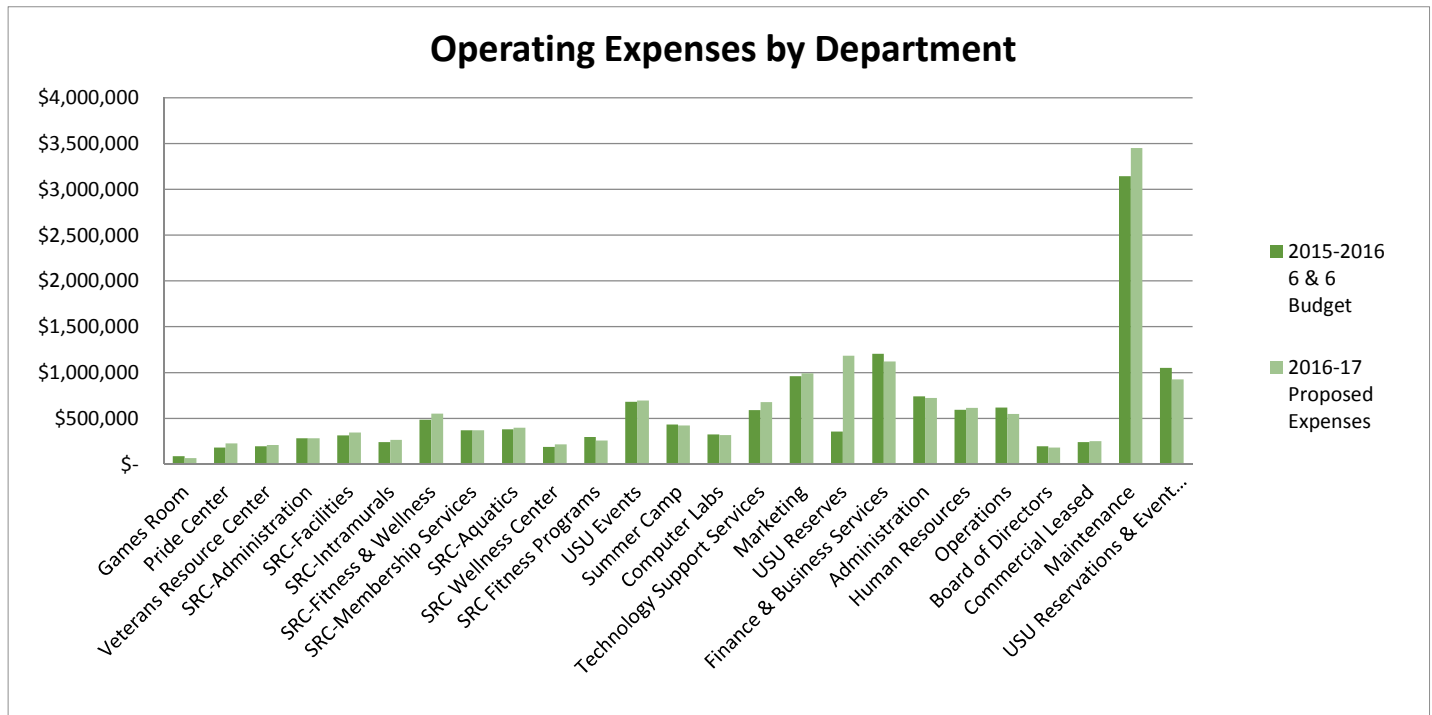
Expenditure Category	2015-16 Budget	6&6 2016-17 Budget	Proposed	Variance \$	Variance %
Cost of Goods Sold	\$ 28,260	\$ 28,600	\$ 340.00	1.2%	
Staff Salaries	\$ 3,915,177	\$ 4,181,496	\$ 266,319	6.8%	
Hourly	\$ 159,943	\$ 165,634	\$ 5,691	3.6%	
Student	\$ 2,835,960	\$ 3,029,860	\$ 193,900	6.8%	
Benefits	\$ 1,798,555	\$ 1,885,288	\$ 86,733	4.8%	
General Operating Expenses	\$ 388,922	\$ 399,048	\$ 10,126	2.6%	
Supplies & Services	\$ 1,831,004	\$ 1,815,442	\$ (15,561)	-0.8%	
Travel	\$ 234,732	\$ 199,117	\$ (35,616)	-15.2%	
Utilities	\$ 792,271	\$ 845,102	\$ 52,831	6.7%	
Repairs & Maintenance	\$ 1,294,422	\$ 1,532,474	\$ 238,052	18.4%	
Fees & Charges	\$ 51,408	\$ 54,717	\$ 3,308	6.4%	
Reserves	\$ 393,541	\$ 709,155	\$ 315,614	80.2%	
Grants & Scholarships	\$ 58,148	\$ 58,242	\$ 94	0.2%	
Expendable Equipment	\$ 83,825	\$ 182,745	\$ 98,920	118.0%	
Amortization & Depreciation	\$ 295,818	\$ 204,169	\$ (91,649)	-31.0%	
Total Expenses	\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%	

2016-17 EXPENDITURES BY CATEGORY



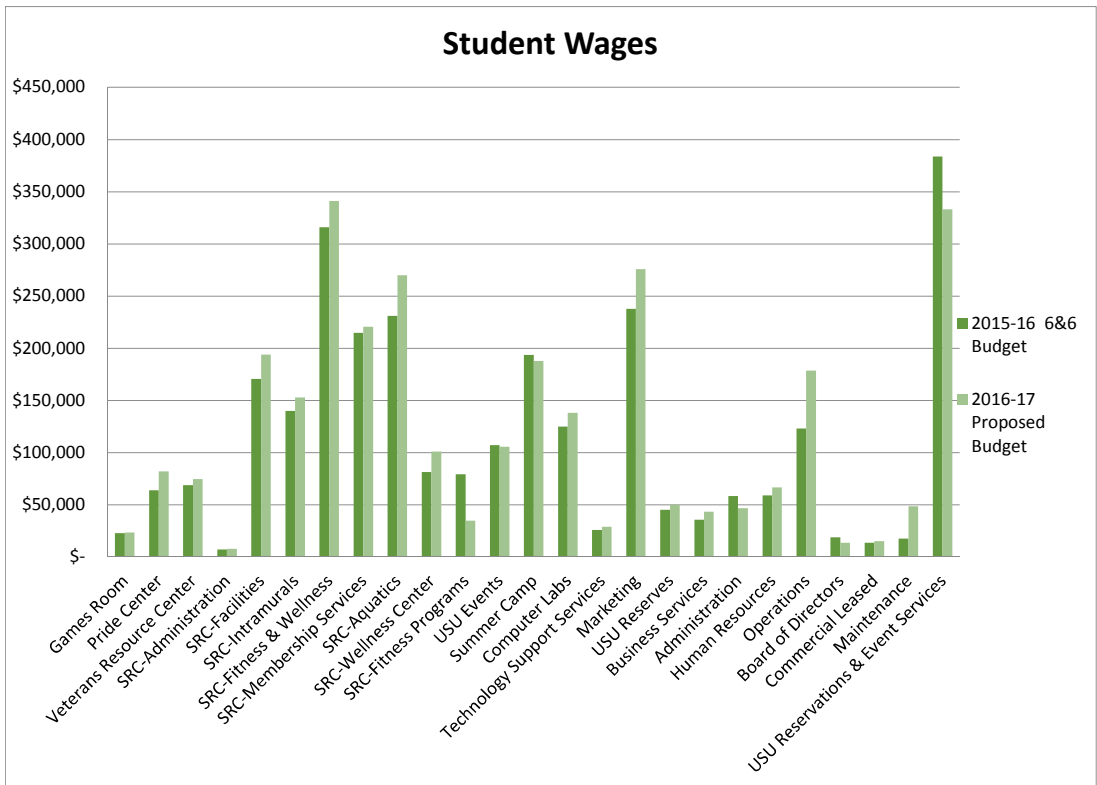
**University Student Union
Operating Budget Proposal
Expenditures by Department
2016-17**

Department	Description	2015-2016 & 6 Budget	2016-17 Proposed Expenses	\$ Variance	% Variance
31010	Games Room	\$ 88,895	\$ 67,224	\$ (21,671)	-24.4%
31020	Pride Center	\$ 183,113	\$ 225,983	\$ 42,870	23.4%
31030	Veterans Resource Center	\$ 195,895	\$ 210,866	\$ 14,971	7.6%
31070	SRC-Administration	\$ 283,053	\$ 282,274	\$ (779)	-0.3%
31071	SRC-Facilities	\$ 314,908	\$ 345,580	\$ 30,672	9.7%
31072	SRC-Intramurals	\$ 240,018	\$ 266,077	\$ 26,059	10.9%
31073	SRC-Fitness & Wellness	\$ 486,789	\$ 552,464	\$ 65,675	13.5%
31074	SRC-Membership Services	\$ 368,431	\$ 369,286	\$ 855	0.2%
31075	SRC-Aquatics	\$ 379,840	\$ 398,325	\$ 18,485	4.9%
31076	SRC Wellness Center	\$ 188,555	\$ 215,105	\$ 26,550	14.1%
31077	SRC Fitness Programs	\$ 297,010	\$ 259,463	\$ (37,547)	-12.6%
31090	USU Events	\$ 680,389	\$ 695,981	\$ 15,592	2.3%
31250	Summer Camp	\$ 432,529	\$ 422,223	\$ (10,306)	-2.4%
31300	Computer Labs	\$ 325,406	\$ 316,114	\$ (9,292)	-2.9%
31350	Technology Support Services	\$ 588,612	\$ 677,066	\$ 88,454	15.0%
31600	Marketing	\$ 960,594	\$ 991,216	\$ 30,622	3.2%
32080	USU Reserves	\$ 357,146	\$ 1,182,220	\$ 825,075	231.0%
33010	Finance & Business Services	\$ 1,204,210	\$ 1,120,968	\$ (83,242)	-6.9%
33020	Administration	\$ 741,438	\$ 722,256	\$ (19,182)	-2.6%
33030	Human Resources	\$ 594,837	\$ 615,406	\$ 20,569	3.5%
33040	Operations	\$ 618,372	\$ 547,181	\$ (71,191)	-11.5%
33080	Board of Directors	\$ 196,056	\$ 180,925	\$ (15,131)	-7.7%
33200	Commercial Leased	\$ 242,633	\$ 253,052	\$ 10,419	4.3%
35030	Maintenance	\$ 3,142,474	\$ 3,449,296	\$ 306,823	9.8%
35050	USU Reservations & Event Services	\$ 1,050,785	\$ 924,534	\$ (126,251)	-12.0%
Total Expenses		\$ 14,161,987	\$ 15,291,088	\$ 1,129,101	8.0%



**University Student Union
Operating Budget Proposal
Student Wages
2016-17**

Dept	Dept Name	2016-17		\$ Variance	% Variance
		2015-16 6&6 Budget	Proposed Budget		
31010	Games Room	\$ 22,658	\$ 23,205	\$ 547	2.4%
31020	Pride Center	\$ 63,696	\$ 81,741	\$ 18,045	28.3%
31030	Veterans Resource Center	\$ 68,469	\$ 74,412	\$ 5,943	8.7%
31070	SRC-Administration	\$ 6,962	\$ 7,668	\$ 706	10.1%
31071	SRC-Facilities	\$ 170,478	\$ 193,862	\$ 23,384	13.7%
31072	SRC-Intramurals	\$ 139,817	\$ 152,684	\$ 12,867	9.2%
31073	SRC-Fitness & Wellness	\$ 315,950	\$ 341,169	\$ 25,219	8.0%
31074	SRC-Membership Services	\$ 214,506	\$ 220,447	\$ 5,941	2.8%
31075	SRC-Aquatics	\$ 230,880	\$ 269,792	\$ 38,912	16.9%
31076	SRC-Wellness Center	\$ 81,244	\$ 100,801	\$ 19,557	24.1%
31077	SRC-Fitness Programs	\$ 79,123	\$ 34,500	\$ (44,623)	-56.4%
31090	USU Events	\$ 106,824	\$ 105,458	\$ (1,367)	-1.3%
31250	Summer Camp	\$ 193,595	\$ 187,680	\$ (5,915)	-3.1%
31300	Computer Labs	\$ 124,877	\$ 138,034	\$ 13,157	10.5%
31350	Technology Support Services	\$ 25,760	\$ 28,755	\$ 2,995	11.6%
31600	Marketing	\$ 237,609	\$ 275,724	\$ 38,115	16.0%
32080	USU Reserves	\$ 45,000	\$ 50,000	\$ 5,000	11.1%
33010	Business Services	\$ 35,502	\$ 43,119	\$ 7,617	21.5%
33020	Administration	\$ 58,188	\$ 46,406	\$ (11,782)	-20.2%
33030	Human Resources	\$ 58,893	\$ 66,408	\$ 7,515	12.8%
33040	Operations	\$ 122,940	\$ 178,395	\$ 55,455	45.1%
33080	Board of Directors	\$ 18,684	\$ 13,373	\$ (5,311)	-28.4%
33200	Commercial Leased	\$ 13,308	\$ 15,029	\$ 1,721	12.9%
35030	Maintenance	\$ 17,440	\$ 48,255	\$ 30,815	176.7%
35050	USU Reservations & Event Services	\$ 383,557	\$ 332,947	\$ (50,610)	-13.2%
Total Student Wages		\$ 2,835,960	\$ 3,029,860	\$ 193,900	6.8%



**University Student Union
Operating Budget Proposal
Student Hours & Wages**

2016-17

Department	Dept Description	Proposed Student Hours	Proposed Student Wages	Avg. Hourly/Rate
31010	Games Room	2,210	\$ 23,205	\$ 10.50
31020	Pride Center	7,583	\$ 81,741	\$ 10.78
31030	Veterans Resource Center	6,922	\$ 74,412	\$ 10.75
31070	SRC-Administration	720	\$ 7,668	\$ 10.65
31071	SRC-Facilities	17,520	\$ 193,862	\$ 11.07
31072	SRC-Intramurals	13,925	\$ 152,684	\$ 10.96
31073	SRC-Fitness & Wellness	30,229	\$ 341,169	\$ 11.29
31074	SRC-Membership Services	19,988	\$ 220,447	\$ 11.03
31075	SRC-Aquatics	21,430	\$ 269,792	\$ 12.59
31076	SRC-Wellness Center	9,267	\$ 100,801	\$ 10.88
31077	SRC-Fitness Programs	3,027	\$ 34,500	\$ 11.40
31090	USU Events	9,810	\$ 105,458	\$ 10.75
31250	Summer Camp	15,128	\$ 187,680	\$ 12.41
31300	Computer Labs	12,693	\$ 138,034	\$ 10.87
31350	Technology Support Services	2,556	\$ 28,755	\$ 11.25
31600	Marketing	25,733	\$ 275,724	\$ 10.71
33010	Business Services	3,978	\$ 43,119	\$ 10.84
33020	Administration	4,176	\$ 46,406	\$ 11.11
33030	Human Resources	6,066	\$ 66,408	\$ 10.95
33040	Operations	15,988	\$ 178,395	\$ 11.16
33080	Board of Directors	1,244	\$ 13,373	\$ 10.75
33200	Commercial Leased	1,398	\$ 15,029	\$ 10.75
35030	Maintenance	4,582	\$ 48,255	\$ 10.53
35050	USU Reservations & Event Service	31,205	\$ 332,947	\$ 10.67
Total Student Hours & Wages		267,377	\$ 2,979,860	\$ 11.14