

University Budget Advisory Council (UBAC)

Date: February 20, 2025

Members Present:

Elisabeth Merkel, Michael Harrington, Jeffrey Paris, Shannon Burchard, Sarah Blackburn, Patrick Donahue, Aaron Hahn Tapper, Tim Redmond, Chibuike Nathan Nkemere, Edgar Ryan Silva, Sonia Caamano, Ellen Ryder, Kurt Keilhacker, Will Vitagliano, Brian Young

Members Absent & Excused:

David Ferguson (excused), Angelica Martinez (position vacated), Pearci Bastiany (excused)

Opening and Introductions

Elisabeth Merkel welcomed members and confirmed attendance. The minutes from December 19, 2024 were approved.

Presentation from Offices of Marketing & Communications and Strategic Enrollment Management

Michael initiated a presentation by marketing communications, with the aim of deepening the university's understanding of its current marketing efforts. The presentation made by Anneliese Mauch and Katherine Edwards covered the role of marketing in enrollment, the importance of brand marketing, and how the operations of the Office of Marketing Communications (OMC) and the Enrollment Communications Group aligned. The discussion included the allocation of marketing funds to the schools and colleges, the impact of budget cuts on marketing efforts, and the possibility of increasing investment in marketing. The speakers also shared comparative data on marketing budgets at other universities and the potential impact of increased marketing spending on the university's enrollment. The conversation ended with a brief discussion on recent Cabinet actions regarding marketing investments.

The presentation covered the cyclical nature of admissions and how Katherine's team adjusts their strategy based on student responses and external factors. They conduct surveys to understand what draws students to USF and what appeals about competitors. Recently, they adjusted messaging around San Francisco due to safety concerns, focusing more on student outcomes and connections rather than the city itself. However, San Francisco remains a key attraction for many enrolled students. The team is working to balance messaging for different audiences, highlighting job opportunities across various industries in the city while addressing safety concerns. They are also creating tailored materials for specific majors, showcasing internship and career opportunities relevant to each program.

Office of Planning & Budget: Updates and Reports

Michael presented updates from the Budget Office, covering the Council's questions and the budget balancing schedule. He covered the written responses from university administrators to three questions posed in Chat from the open discussion forum on January 16, 2025. In response to the December meeting request for the breakdown of restricted and unrestricted scholarship activity, he reviewed a schedule providing an eight-year history of undergraduate, graduate, and combined scholarship activity by Athletic/Non-Athletic student as well as unrestricted/restricted source (both designated and endowed) amounts. He then discussed a summary of the net tuition impact of the spring shortfall of new undergraduate student enrollment as reported in USFConnect Announcement in the Spring 2025 Census Update.

Michael then reviewed the FY2026 budget balancing schedule of February 19, 2025. The current fiscal year 2026 budget gap is at \$36.3 million. He outlined the one-time savings identified for the fiscal year 2025 budget, the non-Law net tuition decrease (budget to budget), an increase in Law's university contribution as part of its responsibility-centered management arrangement, a decrease for housing net revenue due to bed reductions, and an increase entry in bad debt allowances for student payment plans. He then reviewed the schedule's approved Budget Assist expense requests by category. Including the conversion of the majority of the FY25 division one-time savings to FY26 base budget savings, the FY26 budget balancing gap currently stands at \$36.3 million. The Council expressed interest in the compensation pools for faculty and staff and the fringe rate percentages.

FY26 Budget Creation Process and Communication Plan

Ellen, representing the Cabinet, provided an update on recent activities and future steps, including a previous day and a half retreat to discuss budget gap and potential responses as well as a very recent 3-hour Cabinet meeting to put dollar figures to projected expenses, revenue, and investments. Associated recommendations will be presented to the Executive Committee of the Board next week. A comprehensive communication plan around budget matters was also discussed, including a town hall meeting scheduled for March 31st. The town hall will take place after the previous week's Board meetings so as to share related decisions.

Good of the Order & Close

Michael mentioned that the Council would receive and discuss materials from the Board's March 27-28 meetings at the Council's April 3 meeting and that Development would be invited to present to the Council at the May 22 meeting. Elisabeth provided an overview of UBAC's membership, including terms and open spaces, highlighting that she would be termed off Council membership at the end of this fiscal year. Shannon raised a question about the

availability of the second quarter operating forecast, which Michael confirmed was available on the OPB website.

Michael discussed the upcoming third quarter operating forecast, which will be reviewed at the April 3rd meeting and posted on the OPB website after the Board's March 27-28 meetings. William suggested focusing meetings' time on more impactful discussions, such as budget deficits and cost-saving strategies, rather than marketing plans. Michael noted these comments and added that the university faces ongoing enrollment challenges, hence the past meetings focus on areas of university operations that affect it directly, e.g. presentations by leadership of Strategic Enrollment Management, marketing, as well as the Provost. Elisabeth thanked everyone for their participation and appreciated the perspectives shared.