

## **University Budget Advisory Council (UBAC)**

Date: December 19, 2024

### **Members Present:**

Elisabeth Merkel, Michael Harrington, Jeffrey Paris, Shannon Burchard, Sarah Blackburn, David Ferguson, Aaron Hahn Tapper, Tim Redmond, Chibuike Nathan Nkemere, Edgar Ryan Silva, Sonia Caamano, Ellen Ryder

### **Members Absent & Excused:**

Kurt Keilhacker (excused), Angelica Martinez (position vacated), Will Vitagliano (late arrival)

### **Opening and Introductions**

Elisabeth Merkel welcomed members and confirmed attendance. She began the meeting by highlighting the agenda, which included updates on FY26 tuition recommendations, inflation reports, and discretionary budget requests. The minutes from November 14, 2024, were reviewed and approved.

### **Presentation from Eileen Fung, Provost**

Eileen Fung addressed several questions previously sent, including the university's strategy for addressing budgetary challenges and enhancing enrollment and retention. Below are the areas that were discussed:

1. **Strategic Budget Adjustments:** Eileen began by discussing the foundational principles for the FY26 budget approach. She highlighted the importance of distinguishing between essential expenditures and areas where reductions could be made without compromising quality. For example, she pointed out that while faculty recruitment is critical, some positions may remain vacant temporarily to achieve immediate savings. She also emphasized leveraging restricted endowment funds strategically to alleviate operational pressures.
2. **Retirement Incentives:** Eileen discussed retirement incentives' potential benefits and challenges. She explained that while formal retirement packages could expedite cost savings, they also require upfront funding which we currently don't have. However, she encouraged deans or labor relations to engage eligible faculty if they are interested in retirement to address more specific issues or needs.
3. **Program Evaluation:** Eileen elaborated on the rigorous process of evaluating academic programs. This includes data-driven decision-making, where metrics like enrollment trends, degree conferment, market relevance and needs, and contribution margins.. She shared examples of how some programs may create interdisciplinary collaboration which might lead to integration of curriculum, programming and student support to reduce redundancy while enhancing academic outcomes. Eileen also addressed the difficulty of closing programs, noting that such decisions often involve considerations of faculty contracts, CBA, accreditation

requirements, and student impact.

4. Enrollment and Retention Strategies: Eileen provided details on efforts to improve enrollment and retention. She discussed the university's investment in predictive analytics to understand student decision-making processes better. Specific initiatives include launching expediting admissions and financial aid award letters for students and revamping a financial aid calculator tailored to deliver total cost of attendance to families. Additionally, she highlighted pilot programs, like the Horizon Collective and Accelerated Bachelor and Masters program (e.g. 4+1), designed to highlight professional outcomes and integrate faculty and alumni mentorship and initial year cohort experience to boost yield and retention rates.

5. Transfer Student Initiatives: Eileen expanded on transfer students' challenges, such as time to degree estimation and integration into campus life. She outlined the development of new support structures, including dedicated advisors for transfer cohorts, expedited process for time to degree estimation, and streamlined articulation agreements with local community colleges. These measures aim to improve both yield and retention for this group.

6. Sustainability and Alternative Pathways: Eileen explored the potential for incorporating sustainability-focused pathways and trade skill certifications into the curriculum. She shared insights from preliminary conversations with industry leaders about creating apprenticeship (or other non-degree certificate) programs aligned with regional economic needs. Eileen emphasized that while these programs may not align directly with the university's traditional liberal arts identity, they represent an opportunity to attract a broader student demographic. However, will students wish to pay USF tuition for these trade skills?

7. Board Involvement and Oversight: In response to questions about governance, Eileen provided an update on the Board of Trustees' active role in engaging in conversations about enrollment strategies. She highlighted the Board's recent decision to establish a task force focused on enrollment. The Board continues to work with the cabinet on long-term financial health and sustainability of the university.

### **Updates from the Office of Planning and Budget**

Michael Harrington presented an updated analysis of the university's fiscal landscape, highlighting both challenges and opportunities, and responded to questions. These topics included:

1. FY25 Operating Forecast: Michael discussed the nuances of the \$7 million projected shortfall, breaking down the factors contributing to revenue declines, including lower-than-expected enrollment and adjustments in financial aid processing. He described how patterns in prior-year data and real-time financial tracking are used to refine forecasts. Michael also explained the forecast's use of payroll data, including contingency plans for unanticipated expenses.

2. December Inflation Report and Tuition Trends: Michael detailed how current inflationary pressures influence tuition recommendations. He referenced our comparative analyses of peer

institutions' tuition increases and discussed strategies for transparently communicating these changes to students and families. Michael also addressed the potential impact of economic volatility on net tuition revenue, stressing the importance of maintaining affordability.

3. Budget Assist Requests: Michael shared insights into the review process for discretionary budget assist requests, highlighting the prioritization of contractual increases as well as critical maintenance projects like roof repairs in residence halls. He addressed concerns about deferred maintenance by explaining how project delays are managed within the broader financial planning framework.

4. Endowment and Reserve Utilization: Michael discussed strategies for optimizing endowment funds and reserves. He clarified how restrictions on endowment funds are navigated to ensure compliance while maximizing impact. He also addressed questions about operating reserve levels and their role in mitigating fiscal risks.

#### **Budget Assist Requests Discussion**

The council reviewed and discussed the five discretionary budget assistance requests. Members were encouraged to provide input in an associated survey form, and Father Fitzgibbons, the interim president, will be making their final funding decision. Discussions emphasized the importance of addressing deferred maintenance while balancing fiscal constraints.

#### **Good of the Order & Close**

The meeting concluded with well wishes for the holiday season. Members were reminded to prepare for February's meeting when Anneliese Mauch and Katherine Edwards will present marketing activities and enrollment strategies updates.