

University Budget Advisory Council (UBAC)

Meeting Minutes

Date: December 18, 2025

Time: 11:45 AM

Location: Zoom Meeting

Co-chairs: Elisabeth Merkel Baghai, Michael Harrington, Kurt Keilhacker

Absent & Excused: Morgan Maich, Tim Redmond, Noemi Swerski

I. Opening and Administrative Updates

Elisabeth opened the meeting with agenda review and attendance. Michael shared administrative updates, including recent changes to the UBAC Google Shared Drive and a new process for capturing meeting follow-up questions. Members were reminded to submit follow-up questions by the following Tuesday via the shared document.

II. Approval of Prior Meeting Minutes

Following a brief informal conversation at the start of the meeting, the Council reviewed the prior meeting's minutes. A motion to approve the minutes was made and seconded. The minutes were approved with one abstention.

III. Cost Reduction Survey Status and Next Round

The Council reviewed the first round of cost reduction survey results, which received more than 121 responses from faculty, staff, and administrators. Michael noted that three questions were removed at the request of USFFA leadership with additional time given for UBAC members to complete the survey. The final survey results were shared with Salvador and the Provost, who serve as ex-officio members of UBAC.

Anneliese explained that the university survey was initially distributed in October following a budget town hall and remains open through February. Weekly updates continue to be collected through Qualtrics. The Council discussed whether to wait until the end of February to incorporate late submissions or to proceed now with a second round survey focused on the additional responses received since the first synthesis. Michael framed this as an open sequencing question, balancing completeness against the need to move quickly on actionable items.

Several members emphasized the importance of moving forward with analysis rather than waiting for the university survey to close, given the volume already collected and the limited incremental value expected from late responses.

IV. Contract Review, Vendor Analysis, and Food Vendor Concerns

The Council discussed timing and approach for reviewing budget-saving ideas that depend on vendor and contract renegotiation. Michael committed to requesting that Cabinet prepare a list of major university contracts, including expiration dates, to support targeted review and feedback.

Stacy and Annalisa agreed to consult with Cabinet about extracting the contracts component from the existing vendor analysis work so the Council can review expiring agreements as a consolidated set.

Bethia raised concerns regarding the food vendor contract, citing price increases and distribution issues. Michael and Annalisa agreed to relay the concerns to Cabinet, notify Julie Orio, and support a listening session so feedback can be gathered in a structured way.

V. Operating Forecast Update and Key Variances

Michael provided an update on the operating forecast and reviewed key variances. He explained drivers of the projected \$5.1 million net tuition shortfall and noted that the net tuition forecast will be updated after the spring census.

He also reported that gifts and contributions were ahead of budget and that investment returns were tracking to revised expectations. On the expense side, Michael highlighted compensation savings of \$8.9 million with a projected surplus in all categories excluding other staff. In response to a question about contingency reserves, he clarified that approximately half of the budgeted reserves were being applied in the current second quarter forecast.

VI. Enrollment Projections, Tuition Recommendations, and Financial Aid

Joseph reviewed enrollment projections and tuition recommendations being presented to the Board. Undergraduate enrollment is projected to decline modestly in FY27 and then grow in FY28 and FY29. Graduate programs are projected to grow, with particular emphasis on new offerings, including writing for young readers and management partnerships.

Joseph noted that the Hilltop undergraduate discount rate remains elevated this year but is expected to improve next year. Transfer discount rates are projected to increase to 50 percent.

He also noted that USF's endowment remains low relative to peers when viewed as total enrollment per FTE.

The Council also reviewed discount-rate and aid-package dynamics for Horizon and non-Horizon students. Joseph reported that Horizon students have a higher discount rate, 69.6 percent, compared to 60 percent for non-Horizon students. Members discussed the relationship between aid strategy and net tuition revenue, including a material year-over-year change in net tuition projected for next year and expectations for enrollment growth in subsequent fiscal years.

In response to a question regarding athletics, Joseph clarified that athletic participation is not being reduced, while noting that the incoming class included a higher-than-expected number of athletes.

VII. Budget Assist Requests, Headcount Definitions, and Student Life Trend Review

Joseph confirmed that the university will continue using the standard IPEDS fall definition for enrollment reporting and will provide both headcount and FTE figures for historical and forward-looking projections.

Michael reviewed the budget assist review process and survey for new academic program and discretionary requests (seven in total). He noted that responses provided by sponsors to questions on their requests had been posted in the related questions document in advance of the meeting.

VIII. Horizon Collective Funding Request

The Council discussed a new funding request for the Horizon Collective initiative. Michael confirmed that this request was not included in last year's budget assist survey as it is new.

A committee member raised concerns about making commitments to students before funding approval is secured. Anneliese reported strong demand, citing approximately 1,900 interested applicants for 120 available spaces. Jeffrey clarified that the request is compensatory and operational rather than facilities-based, and noted that the initial program goal was 60 scholars but expanded to 120 due to high yield and strong retention.

IX. \$25 Million Savings Initiative and Allocation Model

Michael presented a detailed review of the \$25 million savings initiative and the associated allocation tool. He described how excluded organizations, accounts, and full-time faculty are treated in the model and how those exclusions affect unit-level savings targets.

The Council reviewed participation assumptions across units, departments and accounts, including examples of budgets that are fully excluded, such as student disability services, and others that have partial exemptions. Members discussed the challenge of meeting savings targets amid the rising share of non-discretionary spending.

A committee member suggested pushing out the timeline for final decisions to allow more time for analysis and refinement. Michael emphasized the need to finalize savings allocations soon and noted that ongoing work is improving labeling for communication within the tool to make assumptions and exclusions clearer to users.

Michael asked members to submit their participation factor recommendations via the provided Excel file by Tuesday's close of business. He will consolidate the recommendations and share them with Salvador and the Provost. He concluded by sharing that a February 11 student town hall will feature a listening session with the President.

X. Assignments and Next Steps

Stacy and Annalisa will work with the Cabinet to extract the contracts component from vendor analysis and create a consolidated list of expiring agreements.

Michael will meet with Desmond and Joe to complete an initial categorization of the second set of cost reduction survey responses.

Michael will meet with Elisabeth and Kurt to complete a secondary review and prepare the second survey instrument.

Michael will share a summary of the initial cost-reduction survey with the USFFA executive board before distribution.

Michael will make the second cost-reduction survey available for UBAC review at the January or February meeting.

Michael and Annalisa will notify Julie Orio about the food vendor concerns raised and will support a listening session.

UBAC members will complete the budget assist recommendations survey by close of business on Friday.

UBAC members will download, complete, and email the participation factor Excel file to Michael by the close of business on Tuesday.

Michael will consolidate participation factor recommendations and share them with Salvador and the Provost.

Michael will share budget assist survey results at the January or February meeting.

Michael and Joe will continue improving labeling and communication elements of the savings allocation tool.

The meeting concluded with confirmation of the above deadlines and preparation items for the January meeting.

Adjournment

The meeting adjourned at 1:18 PM.