

University Budget Advisory Council (UBAC)

Date: October 23, 2025

Members Present: Michael Harrington, Elisabeth Merkel, Kurt Keilhacker, Shannon Burchard, Shirley McGuire, Sarah Blackburn, David Ferguson, Brian Young, Jeff Paris, Sonia Caamano, Tim Redmond, Jenny Lee, Anneliese Mauch, Julian Williams-Goldberg, Bethia Hormoz, William Vitagliano

Members Absent & Excused: Morgan Maich, Noemi Swierski

Welcome & Announcements

The meeting opened with introductions, including a welcome to Julian Williams-Goldberg, a new undergraduate student member. President Aceves joined the session to share campus updates and meet with UBAC members. Michael Harrington announced that a survey link for approving prior meeting notes was available and reminded members to complete it by the end of the day.

Introduction and Updates from President Salvador Aceves, Ed.D.

President Aceves expressed his enthusiasm for reconnecting with the campus community and highlighted his recent engagement with students. He previewed topics for the upcoming campus town hall, including financial planning, enrollment challenges, and transparency around the university's fiscal health.

Accelerated Tuition and Financial Aid Review Process

President Aceves outlined plans to accelerate the tuition and fee review process, with a goal of communicating acceptance and financial aid packages to families earlier, potentially before Thanksgiving. Michael Harrington confirmed that the university can accommodate the new schedule in advance of the first quarter Board of Trustees meeting. UBAC members discussed beginning tuition planning earlier in the spring to allow more time for decision-making. President Aceves emphasized the importance of multi-year planning and balancing financial aid growth with long-term sustainability, noting ongoing modeling efforts to stabilize financial aid strategies.

University Financial and Operational Planning

President Aceves described the university's efforts to balance financial aid, enrollment goals, and class size through intentional planning. He highlighted a university-wide vendor review process aimed at achieving both cost efficiency and service quality, with plans to institutionalize this as an ongoing practice. In response to a UBAC member's question about reassuring community members concerned about the university's financial outlook, President Aceves acknowledged the importance of transparent communication and cited the upcoming town hall as an opportunity to share a more comprehensive message.

Demographic and Marketing Challenges

President Aceves discussed national demographic shifts, including a projected approximate 10% decline in college-aged students by 2041, and underscored the need to align operational efficiency with the university's mission. He noted that cost and value conversations will be

central to sustaining enrollment. In response to UBAC member inquiries about the vendor review, he shared that while the process is ongoing, some early negotiations have already resulted in meaningful cost savings. Another UBAC member raised the topic of marketing, suggesting that renewed emphasis on USF's value proposition, particularly its diversity and mission, could enhance recruitment efforts.

USF Marketing and Leadership Strategy

President Aceves emphasized the need to market USF's distinctive strengths and authentic student experiences while maintaining investment in strategic marketing. He reaffirmed the university's commitment to academic excellence, social justice, and career readiness and shared that outreach efforts such as high school visits are continuing. The group also discussed the ongoing CFO search, with President Aceves emphasizing the importance of finding a strategic, transparent, and collaborative financial leader who aligns budget planning with institutional values.

Updates & Reports from the Office of Planning & Budget

Budget Assist: Process Overview and Submission Timeline

Michael Harrington provided an overview of the Budget Assist process, noting that it is the primary way for non-administrators to influence the budget. The process covers three key categories:

1. Existing Contract Increase (ECI) requests
2. Non-Discretionary Increase (NDI) requests
3. Discretionary Initiatives, evaluated by the President's Cabinet based on the following criteria:
 - Health and safety
 - Campus and cyber security
 - Enrollment and revenue generation
 - Essential student need

Michael Harrington encouraged members to review the submission form and confirmed that FY27 Budget Assist proposals are now being accepted.

Budget Deficit and Fiscal Outlook

Michael Harrington reported that the university is currently managing a budgeted \$36.5 million deficit, with improvement projected actual to \$34 million in the first quarter. He noted that additional cost-saving measures may be introduced and highlighted UBAC's role in helping communicate financial realities and tradeoffs to the campus community.

Capital Projects Funded by Internal Bank (through 08/27/25)

Michael Harrington reviewed the current status of capital projects funded through the university's internal bank, explaining that the bank relies on operating surpluses to support large projects not suitable for philanthropy, with those exceeding \$10 million requiring Board of Trustees approval. Due to ongoing budget deficits, the internal bank program is currently

paused, and no new project loans are being issued. He clarified that the \$15.5 million ending balance shortfall reported for August 2025 is not part of the operating budget and has no fixed repayment schedule, offering flexibility for the institution.

UBAC members asked questions about the internal bank's relationship to deferred maintenance and long-term planning. Michael Harrington confirmed that deferred maintenance projects will be reassessed and that projects dependent on internal bank funding will remain on hold until further notice.