

**University Budget Advisory Council**  
**December 9, 2019**  
**Summary Notes**

**Members present:** Jesse Antilla-Hughes, Maggie Baker, Michael Beseda, Shannon Burchard, Charlie Cross, Ria DasGupta, Paul Fitzgerald, S.J., Jeff Hamrick, Don Heller, Monika Hudson, Christopher Lyons, Dennis Miller, Brad Morrison, Gladys Perez, Spencer Rangitsch, Theo Retos, Julia Tehaar, Tiana Valerio, Angeline Vuong, KT Waxman, Peter Wilch

**Members not present:** Bob Bathrick, Julie Orio,

Co-chair Hudson called the meeting to order and welcomed ex officio member Paul Fitzgerald to speak about the creation of UBAC and the alignment of this process to the University mission, vision, and values.

President Fitzgerald shared the mission of the university is to provide transformative education to students by hiring and retaining excellent faculty and staff. Faculty not only teach, but are also doing research and reaching out into the communities with their expertise. The quality of education is measured in social mobility of our students both economically and ethically.

USF is not for profit and we want to balance our budget annually. Our resources come from tuition and fees and returns from endowment. There are always more good ideas than there are funds to fund all things. The President goes through a judicial process of evaluation and difficult prioritization. A big part of budgeting is determining what investments are needed to be healthy and finding ways to support students (grants, research projects) to help balance what families can afford to pay. Student success, health and safety is a high priority. This includes evaluating what we no longer do that we can do better, acknowledging failure for improvement and look at what capital planning is vital for long term planning.

Fr. Fitzgerald request that the UBAC members bring their ideas, insights, concerns, expertise back to the table as well as take the knowledge back to the community. The process is about transparency.

## **Q&A**

### **What do you view as UBAC's impact on some of the budget processes, expectations?**

Your wisdom, insights, and experience will be quite helpful. In the end, the President sits down with Cabinet members and each vice president has their list of what's important.

### **Can you walk us through an example if one theme has more weight than another theme?**

There is no algorithm or cookie cutter process. One proposal may have more weight one year than another year.

### **How do you contemplate resource allocations and how does it fit into the themes now and into the future, intergenerational equity?**

This is a bad example of a university spending more than they are taking in. Robbing from the future to pay for today. To be sustainable, we need to meet the needs of current generation without hindering what future students may need. We can work with students individually to provide the support they need. We are in a competitive market. We can lower our discount rate if we change our student

population and that isn't what we want to do. USF is choosing to keep ourselves in the middle. In the eyes of most consumers, price equals quality. We are ranked in the Top 100 Universities.

**UBAC members have committed, in a genuine way, to ensuring the sustainability of the university, putting in a lot of hours getting up to speed, and Jeff has provided a lot of information. The concern among this group is we have not seen a longer term plan, strategic plan, to be able to say where we want to be in five years. We are interested to see how we can move the needle ever so slightly where we are investing and prioritizing. What ways can we contribute to the long term planning and long term priority setting?**

We continue to have the 2028 document that speaks to our values. Universities that have a long term strategic plans and reach it in ten years may find it isn't where they want to be. The Leadership Team reviewed several different planning documents and developed Wildly Important Goals. Each vice president set metrics for performance and add on to it annually.

**Do reserves roll over?**

A small working capital was created. It is imperative to measure annual performance and make certain revenues exceed expenses. If we made sufficient surplus we can move the funds into a quasi-endowment. Endowments are gifts to the university and have restricted funding purposes.

**How does the balancing act work between the capital budget and the operational budget?**

Capital budget has three funding sources: debt, gifts, and operating.

Debt: has very little borrowing capacity and used for unforeseen events or opportunities.

Endowment: 95% of funds is restricted for specific purposes and the university must honor this. This also allows us to maintain funds for future students. If endowment is doubled through new philanthropy, it will help, but will not move it that much. To maintain our student population, we want to look at indirect funding or new revenue sources, i.e., certificate programs.

Operating: have not been allocating any operating budget. Capital projects have been funded through operating surplus. USF made the choice to retain faculty and staff at the cost of reducing operations. We are still able to celebrate student accomplishments. Financial Aid is also growing faster than net revenue.

Given that USF has these challenges, our investments are financially sound. We have been prudent about how much we take out every year, not just being conservative, but taking appropriate risks to grow the endowment. Budget is reflection of how mission is deployed. It's complicated.

Meeting adjourned 4:06 p.m.

Respectfully submitted,

Linda Wong Lee

Staff to the University Budget Advisory Council