

University Budget Advisory Council

May 17, 2022

12:00-1:30 PM

<https://usfca.zoom.us/j/96797422943>

Agenda

- 12:00 pm Call to order/Roll call [Yang]
- 12:05 pm Roll-call [Wong]
- 12:10 pm Minutes [Rangitsch]
- 12:15 pm Update on FY23 Gap Savings [Harrington]
- 12:30 pm UBAC Bylaws [Morrison]
- 1:00 pm USF Campaign [McClenahan]
- 1:15 pm Open Q&A [All]
- 1:25 pm Good of the Order / Announcements [Rangitsch]
- IB/IMP workshop date: June 23, 2022, 10:00 am
  - UBAC summer break
  - Draft of FY23 Budget Timeline
- 1:30 pm ADJOURN

**University Budget Advisory Council**  
**Action Minutes**  
**April 12, 2022**

**Members present:** Sarah Blackburn, Shannon Burchard, Johnathon Cromwell, Moritz Fath, Michael Harrington, Berkelee Jimenez, Lindsey McClenahan, Liz Merkel, Brad Morrison, Julie Orio, Patricia Pearce, Spencer Rangitsch, Elisa Rodrigues, Janet Yang, John Zarobell

**Ex officio member present:** Chinyere Oparah

**Members absent and excused:** Opinder Bawa, Laura Hanneman, Patricia Pearce, Nam Tran, Julia Schulte

**Approval of Action Minutes:** March 22, 2022

**Motion/2<sup>nd</sup>** Rangitsch/Zarobell      **Vote:** 14      **Abstention:** 1

**FY23 Budget Savings**

Harrington provided an overview: FY23 Budget went to the Board with a \$12M gap, identified top of line savings since, but additional expenses currently offset the top of line savings leaving the gap at \$12M. Academic Affairs has been working in house to complete its initial targets. Harrington will send to UBAC the methodology relating to the savings allocation after Chinyere has a chance to approve it.

Chinyere added an additional half a million net tuition revenue was identified based on deposits for First Time First Year (FTFY) being very strong and April Crabtree felt comfortable increasing the targets.

[Questions from UBAC are shown below in italics]

*What were the more recent expenses identified?* Harrington shared labor contract negotiations are moving forward. Actual USFFAPT CBA results and their anticipated effects on other employee groups' ultimate FY23 compensation increases.

*Are there any other expenses to be aware of?* Harrington responded no, not at this time.

Division savings identifications are due May 4<sup>th</sup>. The Board will take a look at the savings at their June meeting. As in previous years, UBAC will request a narrative be provided to go along with the savings identification.

Chinyere shared an overview of the savings process which was to review what expense budgets cannot be cut, then identify the percentage of remaining expense budget by unit and division. It is up to the Cabinet member to divide up the resulting target savings within their areas.

*Smaller divisions can have significantly bigger impact, is this correct?* Chinyere responded that within AA, some schools already had give backs; e.g., program give back of 60% on reduced tuition projection due to lowered enrollment projections. For areas that already had give backs, Chinyere would make an effort to forgive and underwrite expenses to be strategic in growing, e.g. SONHP new undergrad program in Public Health.

*We have been in this cycle for a while — some have referred often to a structural budget deficit and the need to ‘right-size’ in a variety of ways— yet often we only see one-time cuts as the primary means to close our yearly, repeated budget gaps. Are there some mandates that need to be made to identify base vs one-time cuts?* Chinyere shared one challenge Cabinet has is that it is very difficult to identify base cuts to live without into the future. For example, SONHP potentially has retirement lines. They could cut the line for one year while the search is in progress. A base cut would not allow us to grow.

*A communication went out indicating how we cannot cut every year, yet we seem to have to do this annually. Is it not true, given regular, non-discretionary increases, that we will be in a spiral of constantly needing to make such cuts?* Chinyere shared a brief presentation relating to USF’s strategy to enable us to reorient our business model in order to grow.

Strategy 1: Build back enrollments to 11,000 and beyond

- Re-imagining Jesuit education
- Enhance selectivity, yield, reputation and brand
- Increase retention and student success

Strategy 2: Diversify revenue

- Grow endowment, philanthropy
- Extend partnerships that provide pathways
- Increase grants

Strategy 3: Invest in order to grow

- Provost fund for faculty excellence and diversity
- Reorganized staff positions: VPBPSA and AVP Sponsored Projects and Strategic Partnerships (instead of director role). This position will be focused on large federal grants.
- Incubator spaces

*Are there conversations around innovation within our budget model?* Chinyere responded that our budget model uses tuition revenue vs headcount. The problem fundamentally is that our net revenue does not meet our annual operations. Our budgeting can help remove some de-incentivization for growth.

*While optimistic about investments, we still need to acknowledge the structural budget deficit for the short and medium term. Could we do some base adjustments knowing we can make*

*other adjustments later? It seems unsustainable to keep cutting.* Chinyere agrees that allocating half the savings to base budget would be ideal, but after speaking with deans and cabinet members, it was clear this could also hurt our future planning. We don't want to see harm to our students if we cut certain programming and we don't want to eliminate our ability to grow. We will update our multi-year projections for the final Strategic Enrollment Plan.

*There may be ways to improve the budgeting to help alleviate the side effects, e.g., Strategy 1, get to 11,000 students—at some point we projected 11,000 students, but fell short of that goal and are now dealing with the consequences. Can we address this by adopting a multi-year approach, budget conservatively and surpass the target, we would be in a positive growth mode to have opportunity to grow?* Chinyere reminded UBAC that USF was at 11,000 students at one point. In a short period of time, we lost students. The logical thing to do is to cut \$12M base, but the impacts would be devastating if we cannot grow back as a result.

Orio added that in the early years of this effort we were doing base cuts and we are now at the point where Student Life, and probably many others, simply cannot provide base cuts and maintain necessary operations.

*SFAI's anticipated impact on the budget is not built into the \$12M gap, correct?* Chinyere shared the additional expense is expected to be partially offset from philanthropy. There will be a number of cost factors once we complete the due diligence.

*Given the recent inflation announcement, what was built into the estimate for next year given the 8% estimate?* Harrington shared the utility increases came in later in the Budget Assist submission cycle. In December, we were looking at a 6% inflationary environment.

*We have cut many areas down to the bone, but also have other areas that have an abundance due to positions not being filled, so perhaps the time is now to make difficult, but important and necessary adjustments.* Chinyere added an audit of vacant positions took place. The gap needed to close is the salvage plus still a significant sum. In creating the FY23 operating budget, we built in a larger staff compensation salvage expectation and division leaders are using vacant positions to address the gap. In light of these savings and the potential filling of open positions, we don't think we are holding a lot of salvage.

*What can UBAC do?* McClenahan responded that Development works closely with the deans and faculty. Philanthropy won't fix everything, but they can help and alleviate growth costs.

### **UBAC Bylaws**

Morrison thanked everyone for their feedback and most recent Bylaws v6. The principles were drawn in part from those developed by Willamette University. Morrison and Zarobell will clean up the language, clarify charge and expectations, and address some of the more ambiguous items.

Please submit final feedback to version 6 and the bylaws will be voted at the May meeting.

**Good of the Order**

Internal Bank workshop: Harrington asked if a workshop was necessary given that a set of questions had been shared with Desmond Dair and Stacy Lewis. A presentation could then be given which would follow the format of the questions and their replies. Follow up questions would then be identified during the presentation and sent to them.

Harrington has confirmed with Liz Miles her willingness to make a presentation on the Institutional Master Plan. We could possibly schedule a joint presentation for May.

Orio shared a general comment relating to sharing information and ensuring that knowledge is transferred to both new UBAC members and the larger community. It was suggested that perhaps there needs to be a yearly presentation organized by UBAC.

Relatedly, it was shared that the Tri-chairs met with Ellen Ryder to discuss improved communication from UBAC to the broader USF community, e.g. a newsletter. There will be continued conversations with her team to determine a strategy to streamline communications and improve the communication. This may require a subcommittee be formed within UBAC for this purpose.

**Meeting adjourned: 1:31 pm**

## **Fiscal Year 2023 Savings Allocations Methodology**

A placeholder savings amount of \$12 million was built into the fiscal year 2023 operating budget. This amount balanced its expense budget with anticipated revenues. In advance of allocating the placeholder savings out to individual divisions, efforts were first made to reduce the placeholder savings amount through “top of the line” measures. These included one-time expense budget reductions related to academic program enrollment reductions (“givebacks”) in the School of Nursing and Health Professions, the School of Education, and the School of Management. Further one-time budget reductions captured here included a reduction in the university’s full-time fringe benefit rate. At the same time, additional base compensation expenditures were added as a result of the latest collective bargaining agreement negotiations and Cabinet deliberations regarding increases for non represented employees.

The remaining placeholder savings budget was then allocated across units on a percent total basis of their operating expense budgets. Importantly, unit operating expense budgets were first adjusted downwards for identified expense budgets that were excluded. Exceptions were made to exclude budgets in recognition that they directly support the areas of health and safety, security (including cyber security), contracts and non-discretionary expenditures, essential student needs, and tenured faculty. Additional exceptions were granted to budgets supporting undergraduate admissions as well as front-line fundraising efforts.

**UNIVERSITY OF SAN FRANCISCO**  
**Bylaws of the**  
**University Budget Advisory Council (UBAC)**

**DRAFT V.8a**

1. Name

The name of this council shall be the University Budget Advisory Council (UBAC).

2. Purpose

Aligned with the mission of the university, UBAC will advise the President, Provost and Cabinet regarding the university's budget, providing a vital link between the university leadership and the community. In this advisory role, UBAC will make recommendations on the university budget and financial plan, reflecting upon current as well as future needs.

In support of the university's strategic goals of developing inclusive and participatory shared governance as well as mission-driven resource stewardship, UBAC will educate the university community about budget processes and considerations, providing feedback from its representative constituencies to further inform budget discussions and decisions.

To foster transparency, UBAC will serve with the goal of making all of the University's financial decisions and processes more accessible and transparent to the USF community.

3. Principles

We start from the assumption that all members of the USF community, including the board of trustees, faculty, administrators, staff, and students, share a common commitment to advancing USF as an institution, and improving the experience of our students. We respect the variety of personal experiences and professional expertise we bring to our work, and seek to benefit from collaborative engagement with one another in the shared governance of the university.

We share a commitment to these guiding principles:

- Consultative and Transparent Budget Processes. All budget-related processes should be clear. Decision-makers commit to consulting in a timely fashion with relevant stakeholders or representative advisory bodies (faculty, students, administrators, staff, alumni, and community partners as appropriate) throughout budget processes that directly impact the programs or activities in which the

stakeholders are involved. Through its work, UBAC will help realize the principle of consultative and transparent budget processes.

- Responsibility and Accountability. We are committed to clearly specifying the respective authorities, responsibilities, and accountabilities of the trustees, administrators, staff, faculty, and students. We recognize the primary responsibility that each stakeholder has over certain areas and we recognize the need for excellent communication and coordination between stakeholders as part of effective shared governance.
- Equity. We are committed to approaching all decisions with an equity lens. In that regard, we will work jointly to improve services and resources to better support our increasingly diverse population of students, faculty, staff, administrators, and trustees to fully experience and contribute to an inclusive community.
- Voice. UBAC will provide a voice to represent and advance the collective interests of the university including students, staff, alumni, and faculty.

#### 4. Membership

UBAC recognizes that each constituency group shall be in charge of their own method of membership, whether it be an election, appointment or other process.

1. UBAC membership shall consist of 18 voting representatives from the following Constituencies. These are the members and their method of appointment/election:
  - a. Five faculty members (one appointed from the Association of Law Professors (ALP); one appointed from the Part-Time Faculty Association (PTFA); and three appointed from the University of San Francisco Faculty Association (USFFA).
  - b. Five staff members (one appointed from OPEIU, Local 29; four at-large members, through an appointment/election process determined by the Staff Council).
  - c. Five administrative members (one representing the deans; the Vice President for Student Life; the Vice President of Information Technology; the Vice Provost for Budget, Planning and Strategic Analysis; and one other nominated by the President).
  - d. Three student representatives (two undergraduate and one graduate student appointed from the Associated Students of USF Senate (ASUSF)).
2. Council Terms of Office.
  - a. Non-administration UBAC members serve three-year terms; administration UBAC members serve terms at the pleasure of the President and the Provost.
  - b. Replacement of council vacancies or members on leave, sabbatical, or with other scheduling conflicts will be recommended by the member constituency group. Replacements will complete the remaining term of the member leaving the council.
  - c. As university appointed administrative positions change, they will be replaced with representatives from the University's leadership team.
  - d. If a constituency cannot fill their appointed seat, the seat shall still remain open to be filled when qualified applicants arise.



3. All voting members of the council have equal voting rights on all UBAC recommendations.
4. To encourage transparency and communications, the names and roles of current representatives serving on UBAC will be listed on the University's UBAC website, recognizing that these positions may change due to terms of office, position changes and other circumstances.

## 5. Co-Chair Roles

UBAC will be led by three co-chairs. The administration co-chair will be designated by the President and/or the Provost. The faculty chair will be selected by a vote of all UBAC faculty/librarian members. The staff co-chair will be selected by a majority vote of represented and non-represented UBAC staff persons.

1. Each co-chair will serve a term of one year and a maximum of two terms. These elections will be held no later than September 1 of each academic year.
2. The co-chair designee of the President/ Provost may serve more than the maximum of two terms.
3. The three co-chairs will prepare the agendas for each meeting. One of the chairs will be selected to conduct the UBAC meeting.
4. The co-chairs will be required to meet independently to plan meetings and carry out their duties.

## 6. Duties

UBAC members will:

1. Attend UBAC meetings, workshops and campus presentations,
2. Review and provide feedback on financial projections, budget proposals, and budget processes, including augmentation/modification requests and other planning scenarios developed by University administration/leadership,
3. Communicate with members of the USF community, serve as representatives for constituent groups at UBAC functions, balance diverse community needs in UBAC deliberations, and ensure that budgetary issues and procedures are widely communicated within the University community,
4. Be mindful of transparency in all UBAC activities.

## 7. Meetings

UBAC meetings will be held on a monthly basis or more frequently, reflecting upon the Budget Development Timeline. Meeting times will range from 60-90 minutes. Meetings will be held during the week, during normal business hours.

## 8. Meeting Support

1. The university shall provide the following support for UBAC:
  - a. The Provost will designate a non-voting administrative staff member to attend and record the minutes of each meeting, send out agendas, meeting notices and Zoom notices. The staff member will also maintain a list of members, locate meeting rooms when needed and distribute other information as necessary.
  - b. UBAC meeting minutes will be provided at subsequent UBAC meetings for review; final approved minutes will be made available to the USF community on the UBAC website.

## 9. Budget Decision Recommendations

1. In addition to supporting the overall vision and mission and strategic plan, UBAC formally voted on May 2021 (UBAC Minutes) to use the following principles to guide its collective budget recommendations:
  - a. Support students in achieving academic success.
  - b. Enhance revenues or reduce future costs.
  - c. Mitigate risk, broadly defined, but with a priority on human health, safety and operations.
  - d. Obtain needs assessments, action plans, or historical context with measurable outcomes.
  - e. Rely upon return-on-investment analyses.
  - f. Identify alternative funding sources, beyond university operating funds.

## 10. External Communications

In regards to external communications, including those public-facing resources within the USF community, the university will recognize that UBAC decisions are formalized through a voting process. No university budget matters/decisions may be attributed to having received UBAC action or approval, unless such actions/approvals have been voted on by the body and the vote recorded in the UBAC minutes.

## 11. Parliamentary Authority

Robert's Rules of Order, latest revised edition, shall be normative, but not binding unless a council member requests adherence to Robert's Rules.

## 12. Subordination

No part of the UBAC Bylaws shall stand in contradiction to any Collective Bargaining Agreement.

### 13. Amendments

Bylaws of the UBAC may be amended by a majority vote at a UBAC meeting at which a quorum is present.

## **DRAFT FY2024 Budget Creation Timeline (for fiscal year beginning June 1, 2023)**

### **September**

- 9/5 FY23 Q1 meeting of the Operating Forecast Group.
- 9/7 Board eBook deadline: summer and fall enrollment results, FY23 operating forecast.
- 9/9 Fall 2022 census. Continuing student and net tuition models refreshed.
- 9/13 UBAC meeting
- 9/14 Fall 2022 census results are reported by AVP Institutional Research and Analytics.
- 9/22-23 Board of Trustees Q1 meetings.

### **October**

- 10/3 Budget Assist is opened for FY24 proposals; new and continuing student enrollment target spreadsheets are issued by CIPE.
- 10/7 New and continuing student enrollment target spreadsheets are due to AVP Institutional Research and Analytics.
- 10/11 UBAC meeting
- 10/14 Proposals for new course fees or other fee changes are due to the Vice Provost for Budget, Planning, and Strategic Analysis.
- 10/18 Vice Provost for Institutional Budget, Planning, and Strategic Analysis advances proposed new and continuing student enrollment targets to UBAC and Cabinet discussions.
- 10/25 Council of Deans and Provost's Team recommend approval of FY24 tuition and fee levels, as well as FY24 enrollment targets.
- 10/26 Cabinet and President recommend FY24 tuition and fee proposals, as well as FY24 enrollment targets, to the Board of Trustees.
- 10/28 Two Budget Assist proposal types (Existing Contract Increase and Non-Discretionary Increase) are due.

### **November**

- 11/8 UBAC meeting
- 11/11 Budget Assist is closed for FY24.
- 11/21 FY23 Q2 meeting of the Operating Forecast Group.
- 11/30 Board eBook deadline: FY24 tuition and fee recommendations, FY24 enrollment targets, FY23 operating forecast update.

## **December**

- 12/8-9 Board of Trustees meetings: approval of FY24 tuition and fee recommendations, as well as enrollment targets.
- 12/13 UBAC meeting
- 12/14 President's Cabinet reviews discretionary Budget Assist proposals and receives recommendations from UBAC.
- 12/16 NCAP process must be completed for all summer/fall 2023 program launches/cancellations.
- 12/16 Budget Assist decision-making spreadsheet issued to the President.
- 12/20 Due date for Provost to approve all FY24 cohort/program launches/cancellations.
- 12/21 President and Provost confer and President makes final decisions concerning FY23 Budget Assist proposals. Decision-making spreadsheet is returned to the Vice Provost for Institutional Budget, Planning, and Strategic Analysis.
- 12/22 Vice Provost for Institutional Budget, Planning, and Strategic Analysis informs various groups about the results of the President's decisions concerning Budget Assist requests.

## **January 2023**

- 1/10 UBAC meeting
- 1/11 Leadership Team meeting. President comments on his decisions concerning Budget Assist proposals.

## **February**

- 2/10 Spring 2023 Census; continuing student and net tuition models refreshed.
- 2/15 New and continuing student enrollment target spreadsheets reissued for updates by AVP Institutional Research and Analytics.
- 2/14 UBAC meeting
- 2/20 Revised new and continuing student enrollment target spreadsheets due to AVP Institutional Research and Analytics.
- 2/21 Revised new and continuing student enrollment targets are approved by the Provost.
- 2/22 President's Cabinet meeting. Cabinet discusses budget-balancing efforts, if necessary.

## **March**

- 3/13 FY23 Q3 meeting of the Operating Forecast Group.
- 3/14 UBAC meeting
- 3/15 Board eBook deadline: FY24 Board operating budget documents, FY23 operating forecast update.
- 3/29 President's Cabinet meeting. If necessary, Cabinet determines allocation of aggregate savings targets to units.
- 3/30-31 Board of Trustees Q3 meetings: approval of FY24 operating budget.

**April**

- 4/10 FY24 operating budget uploaded to Banner Finance.
- 4/11 UBAC meeting
- 4/26 Cabinet members deliver budget savings initiatives to Office of Planning and Budget, if necessary.

**May**

- 5/9 UBAC meeting
- 5/17 FY23 Q4 meeting of the Operating Forecast Group.
- 5/23 Board eBook deadline: Review of anticipated FY24 enrollment outcomes, FY23 operating forecast update.

**June**

- 6/1 FY24 begins.
- 6/12-13 Board of Trustees summer retreat.