

**University Budget Advisory Council**  
**Action Minutes**  
**May 9, 2023**

**Members present:** Opinder Bawa, Shannon Burchard, Sarah Blackburn, Jonathan Cromwell, Otgo Erhemjamts, Michael Goldman, Laura Hanneman, Michael Harrington, Thao Khuong, Ethan Lee-Bellows, Jeff Lefkoff, Lindsey McClenahan, Elizabeth Merkel, Julie Orio, Spencer Rangitsch, Julia Schulte, John Zarobell

**Members absent and excused:** Liz Merkel

**Announcements**

- June meeting added due to delay of Board budget approval

**Approval of Action Minutes:** April 11, 2023

Action to approve with following amendments: a) last UBAC meet will be held in June, b) clarification quote on retirements not being backfilled is a general comment, not specifically related to Development

**Motion/2<sup>nd</sup>:** Goldman/Lefkoff      **Vote:** 11      **Abstain:** 1

**FY24 Savings Narratives**

Lefkoff reiterated there has been no decision on Phase 2 gap, preliminary figure is \$13M based on January estimate enrollments. Critical time for undergraduate admissions deadline. President wants to see how the numbers look before coming up with amount.

Cabinet representatives' shared perspective regarding base and one-time cuts.

Orio shared in the past there were years with a percentage. This past conversation was trying to get through this difficult year for many units. Less risk with having it be a one-time to see how it would play out. Majority of the reallocations for Student Life is one-time savings, unsure how it will impact the whole student experience and will reassess if other decisions need to be made. This cut might impact something that we're not fully aware of so having the one-time cut allows reallocation.

Bawa added prior to 2019, it was more predictable, enrollments, contracts, therefore more comfortable with base vs one-time cuts. During Covid, we felt it was a temporary situation. Currently, we don't know what the norm is, making it hard to make base cuts. Conversations at Cabinet is leaning towards a base cut going forward if this is the new normal.

Is there a current mandate next year for base cuts? The guidelines for FY24 have been set without a requirement for base cuts. There has not been further discussion at cabinet for base vs. one-time cuts in the future (i.e. FY25 and beyond).

There is concern that us not requiring base cuts across divisions at this time, extends and possibly deepens the problem for ourselves for closing the similar and expected gap in the next fiscal year. For several large divisions that submitted cuts, people seemed ready to make base cuts. How do we incentivize a discussion around base cuts and right-sizing, especially if USF will need to have this discussion sooner rather than later? Orio responded that we need to see how these cuts impact our

services. What is our student population going to be? Being in line with enrollment, all happening at the same time making it difficult. We have not had consistent enrollments for many years. Are we serving our students so we are retaining them?

How can UBAC be most helpful and engaged in these discussions and deliberations? Would a recommendation from UBAC be helpful for Cabinet?

Bawa added vp's made the decisions on how cuts will be made. The starting point for any budget is enrollment. It is important for us to understand what the total enrollment picture is. Fr. Paul wants to go back to 11000 students. This will drive the conversation going forward. We need to ask what is the 3-5 year enrollment target?

We seem to be settling with 9,000 enrollment. In January, enrollments were revised. The administration seems to be putting out different signals, while some wonder if we will ever get to 11,000 in the foreseeable environment, for both undergrad and grad. While it's a challenge to plan with enrollments being uncertain, the trend doesn't seem to be going up, instead it's going down. So when do we have to start making prudent and responsible decisions to right-size accordingly? Would be interesting to poll UBAC on the question of whether we need base cuts at this time. There are different perspectives around the university.

Orio shared that higher education is in uncharted territory. We usually see graduate enrollment increases when the economy is not going well, but that's not happening. For undergrad populations, how much debt does the family want to take on? We are currently entering into more relationships with consultants at a higher level. Given the current uncertainty, there is a preference for another year of only one-time cuts.

In this uncertain space, if 11,000 is unlikely, would it not be prudent now to plan and budget for 9,500, then we can build from a place of strength?

Without a clear mandate that is either uniform or an equitable mix of one-time and base cuts, there is no incentive to turn in base cuts. If UBAC can be helpful in making this recommendation, it might be a way forward.

Motion to make a recommendation:

The University Budget Advisory Council urges the University of San Francisco's Cabinet revise plans for balancing the fiscal year 2024 operating budget so that:

- All vice presidential divisions identify the same proportions of base and one-time cuts to achieve a balanced one-time budget for fiscal year 2024; and that
- The largest possible proportion of the budget cuts (e.g. more than two-thirds) used to build a balanced fiscal year 2024 operating budget be base, rather than one-time, in nature.

Otgo commented on the ISEP report. At the vice provost and deans meeting early fall, the forecasting wasn't a very robust model; it was simplistic and did not take into account what was discussed in the report. We should have better way of looking at enrollment forecasts, optimal size, optimal budget.

Student support expenses need to be done more comprehensively. The Provost started a small working group to look at public data, IPEDS data. This work needs to be done first to have a better answer.

In recent years, we got accustomed to one-time cuts. More principle to get across equitable, significant proportion for base cut, great discrepancy.

Lefkoff agrees and would like to see greater concern about addressing our ongoing structural deficit cycle. The recommendation is about helping the university get on a path to reducing the structural deficit.

Orio support UBAC's decision to bring forward a recommendation to Cabinet. What will be difficult is making the change for FY24. Currently getting questions regarding smaller class size and the need for current staff. In prior years, when we saw more base cuts, we had greater ability to make base cuts. Worry if we would have to go back to re-work the savings at this time. Still focused on enrollment numbers, attached to retention, and what is budgeted. There are still ongoing conversations about Phase 2, not sure what will happen there.

Would it help if UBAC's motion focused on FY25 and planning further ahead? Orio shared her pilot example of 24hr residence hall. We are thinking about base cuts, but sometimes we also have to pilot something.

Zarobell added that we always have risks and so planning in this sense will always be a challenge. Being more fiscally responsible, it may be good and prudent to support a motion to plan for base cuts in upcoming years so that one-time cuts don't need to be made every year.

Updated recommendation to read:

Revision: The University Budget Advisory Council urges the University of San Francisco's Cabinet to meaningfully address USF's continuing structural deficit by planning to base-balance the fiscal year 2025 operating budget, whereby:

- All vice presidential divisions identify the same proportions of base and one-time cuts to achieve a balanced one-time budget for fiscal year 2025; and that
- The largest possible proportion of the budget cuts used to build a balanced fiscal year 2025 operating budget be base, rather than one-time, in nature.

Motion to approve Zarobell, 2<sup>nd</sup> Goldman

Action: Send out via email with proper vote. Provide comments.

### **Strategic Plan Working Group #6 Shared Governance (Guest Mike Webber, Co-chair)**

Where is shared governance going and how it might impact UBAC in our work. UBAC representatives Rangitsch and Burchard are also members of the working group. The work of the shared governance committee focused largely at what shared governance actually is, and how we can collectively define it. One of the continuing themes that has emerged over many years is that USF tends to make decisions first rather than have stakeholders involved in discussion, formulation. This is something that needs to be corrected. In the process of looking at other models, particularly in an unionized environment,

movement forward on shared governance needs to be cognizant of existing CBAs, but also connect with what has already been done and implemented, and what is already working well. We don't have a good picture of what is already working. The work of the committee has been helpful in generating healthy discussion of shared governance. Many issues related to shared governance necessarily involve collective bargaining. Concerned that as new structures are developed, the elements of shared governance and faculty input in curricular design remain primary and are maintained. Interested in promoting ways to include SOL faculty and part-time faculty, and also being aware that with the current times and recent history, that people are skeptical. We need if there is a willingness from leadership to engage more meaningfully with shared governance structures that get created or those that already exist

Zarobell reminded the committee that the WSCUC report, published in March 2018, gave us ten years to demonstrate that USF has worked on issues identified in need of correction, one was shared governance. Recognizing that we are halfway there and what progress has been made? Shared governance at USF had a promising beginning, UBAC as a start, but there is a question about whether shared governance bodies have an actual input into university governance and decision-making. Yes, UBAC is an advisory council. But will there ever be a shared governance body that will make some decisions collaboratively together with cabinet? UBAC has matured somewhat since its inception, but are we fulfilling our ambitions towards genuine shared governance?

Webber added USF will have to write an interim report this year for WASC and shared governance may feature significantly in this report. UBAC may consider where improvements can be made.

One particular challenge has been that, there isn't a standard protocol for when and how UBAC would receive significant pieces of budgetary information. Wide range in process, what UBAC sees and when, making it challenging to do our work. Our charge is from president, then we were relegated somewhat to the provost, but now the budget is being moved back to Business and Finance. What role does UBAC actually play? What should we expect, and what voice can we expect to have?

UBAC has helped the USF community have more informed conversations; UBAC models an inclusive structure, and representation is a clear strength of this body. Challenging because it sometimes feels difficult to fulfill an advisory role, when decision-making is happening elsewhere and UBAC is not inserted in deliberations at the right and appropriate times. The Tri-chairs made a deliberate effort to better align meetings with the budget calendar this year, but we still come up with challenge of how to articulate and engage UBAC in the appropriate and significant conversations in order to be helpful.

The Bylaws focus on transparency, advice and information sharing, not so much governance. We want to ensure accountability, equity, but the committee itself may not be explicitly designed to provide a clear role in budgetary process, outside of the exercises we have traditionally weighed in on, e.g., Budget Assist and tuition increases. In the last budgetary cycles there was not a means for UBAC to fulfill its advisory function when it came to savings allocation.

Orio commented that as UBAC is an advisory council, the three cabinet members on UBAC bring the lens of administrators. Have we truly defined what shared governance is? Some will define it as making decisions together, but some spaces might just be staff and faculty, and may justifiably not include students. What does shared governance look like with students? Agree that a lot of processes should be tightened up, but UBAC is still ultimately an advisory group.

Bawa added UBAC has done a great job on being aware of the budget, what budgetary impacts are to the university, and its enrollment challenges. The synchronization of UBAC's activities with the budget decision cycle is much better than before, still a few tweaks to be made, and should be done on a regular basis. We can provide advice to the President on any topics as an advisory group, but at the end of the day, Fr. Paul and Cabinet is responsible for decisions and does take advice seriously.

McClenahan added that this committee is a great mechanism for the administration to check in with representative constituencies, even though we never know what next year will bring. On the fundraising side, our message is on innovation and growth conversations with donors, externally we don't project a deficit mindset for fundraising.

Webber added we have had eight years of budget cutting, and that this is by now part of the collective mindset of USF. We can't solve these problems only by cutting year after year.. At some point we have to make decisions around where we are going to invest in order to get out of this situation.

McClenahan shared Development is going from \$40M to \$55M next year and added that this is not a solution that will fix the problem in a year.

Otgo commented that her experience on UBAC has been the best, most professional, collaborative, and consultative committee as far as shared governance is concerned. Having the same understanding of budgetary issues across the board, faculty, staff, administrators is important. Shared governance isn't always shared decision making. If we share decision making, who is accountable? We also have to do a better job at educating who is going to be held accountable for budgetary decisions.

Webber added that UBAC is seen across campus as one of the beacons of shared governance. There is great importance in the university making progress towards the WASC recommendations. But in order to have some real element of shared governance, stakeholders need to be involved from the beginning in deliberations long before a decision is made. At USF the tendency is to confuse better communication with inclusive decision making.

### **Future of UBAC**

Agreed to discuss transitions and open space for what comes next at our next and final meeting before summer.

### **Good of the order**

**Adjourned** 1:33 pm

