

University Budget Advisory Council
January 14, 2021
Action Minutes
Zoom recording on Canvas

Members present: Maggie Baker, Opinder Bawa, Michael Beseda, Sarah Blackburn, Shannon Burchard, Tyrone Cannon, Jeff Hamrick, Michael Harrington, Monika Hudson, Berkelee Jimenez, Dennis Miller, Brad Morrison, Gladys Perez, Spencer Rangitsch, Theo Retos, Julia Schulte, Angie Vuong, KT Waxman, Peter Wilch, John Zarobell

Members not present: Charlie Cross, Rochelle Fernandes, Father Paul Fitzgerald, Julie Orio

Recorder: Linda Wong

Call to order: 12:00 pm

Approval of December 10, 2020 minutes: Baker corrected the statement regarding the feedback from the deans to read “Baker indicated that the consensus of the deans she represents was in favor of employee salary restoration with a \$130,000 cap.”

ACTION: Approve December 10th minutes. **Motion/Second:** Baker/Morrison. **VOTE: Approve:** 18. **Abstain:** 1; Bawa not present at meeting.

Agenda modification: Retos amended the agenda to comment upon President Fitzgerald’s email regarding his planned allocation of federal stimulus monies. Retos noted that not all employee represented groups received the email and indicated it is a challenge when all UBAC members do not get the same official communications or information and instead have to rely upon the grapevine.

Response: Hamrick indicated President Fitzgerald decided that this communication should only be directed to the three unions who participated in the salary reduction program to avoid confusion with groups that did not. Retos noted **all** employees contributed to closing the university’s budget gap either through direct salary reductions or indirectly through furloughs and layoffs. Hamrick said Fitzgerald’s email would be forwarded to all UBAC members.

2021/22 Budget Assist Requests (non-discretionary and discretionary): Hamrick asked UBAC members to stipulate the process they want to use to review 2021/22 budget assist requests. He noted UBAC members had previously provided feedback that formal presentations on all budget assist items were not a good use of the group’s time. Hamrick suggested UBAC only receive presentations about several discretionary requests including the proposed IT augmentation, increasing 2021/22 operating reserves and a new staff position in the Provost’s Office.

Response: Miller and Baker agreed with Hamrick's recommendation and suggested UBAC members review the proposals and develop a set of advance questions, avoiding the need for presentations. Yang suggested a subset of UBAC members review all budget assist requests and develop formal UBAC recommendations. Burchard said she felt the second process would be more cumbersome. Blackburn indicated she too felt Yang's approach would be more time consuming and she preferred Miller's suggestion.

Hamrick indicated the budget office would create a folder for directed questions by a date certain to allow requesting departments to respond, taking into account the concurrent Provost search process. He then suggested time be set aside at the February UBAC meeting for any formal responses that were needed.

ACTION: Create UBAC budget folder with a date of January 28th as the last day to add questions; notify any affected departments about requested UBAC presentations by February 4th. **Motion/Second:** Retos/Wilch. **Vote:** unanimous .

AY22 General Budget Recommendations

Hudson asked UBAC members to reaffirm/affirm its December budget recommendations since all items are inter-related and some discussions were deferred to this meeting. Members affirmed the final employee salary-related recommendations should include:

Item 1

- The current employee salary reduction program be continued for fiscal year 2022, with two modifications: change the reduction for the \$70,000 to \$100,000 compensation tier to 0% and change the reduction for the \$100,000 to \$130,000 compensation tier to 0%.
- The overall cap in reduction for USFFA members would continue to be 10% and for non-represented employees would continue to be 15%.

ACTION: Approve Item 1. **Motion/Second:** Baker/Retos. **Vote:** Motion tabled until discussion concluded on Items 1 and 2.

Hamrick indicated some Leadership Team members were uncomfortable with the current salary restoration proposal, assuming deficit information from the latest budget calculator of \$17.5 million. He stated some Team members were very concerned about how they would manage the necessary budget reductions.

Retos asked how the cut pool was determined and what impact the new federal stimulus program might have on the same. Hamrick indicated there are ongoing conversations with the university's Continuity of Operations group regarding how the approved stimulus will be deployed as well as the possibility of a third round of federal stimulus.

Miller stated he felt all university employees should receive salary restoration in the same manner and inquired as to whether that was the intent of Item 2, to wit.

Item 2

- Effective fiscal year 2022, move members of the university's Leadership Team to the same salary reduction program as non-represented employees.

Morrison suggested that the phrase "unless they are at or above the \$130,000 threshold" be added after the 15% marker. This modification was accepted by all.

ACTION: Affirm Items 1 & 2. **Motion/Second:** Baker/Retos. **Vote:** Unanimous

Item 3

- For 2021/22, the President, his Cabinet, and the Board of Trustees provide the university's operating budget with support from liquidation of the quasi-endowment of at least \$2 million.

Hamrick recommended removing "the President, his Cabinet, and the Board of Trustees" from the motion, revising it to read: "*For the FY22 fiscal year, the university's operating budget should be provided with support from the liquidation of the quasi-endowment of at least \$2 million*".

ACTION: Approve revisions to the language of Item 3. **Motion/Second:** Rangitsch/Burchard. **Vote:** Unanimous

Item 4

- The university continue with a hiring freeze except for any position deemed essential to continuity of USF's critical services.

Morrison asked Cannon whether the proposed new position in the Provost Office conforms with this item. Cannon confirmed that it did.

ACTION: Approve Item 4 with the stipulation that the definition of "essential" be determined at the VP/Dean level. **Motion/Second:** Blackburn/Morrison. **Vote:** Unanimous.

Item 5

- Postponement of all new, non-donor-funded, non-essential capital projects.

Members noted that “non-essential” might be interpreted differently based upon expert recommendations; e.g. facilities. Hamrick indicated that, moving forward, all capital project requests will be reviewed by UBAC. He pointed out that the repair of Lone Mountain ramp is a health and safety issue and projects such as the Innovation Hive and Men’s basketball facility were funded by donor gifts. Wilch added that sometimes university funds are used to “advance fund” projects that are merely awaiting the receipt of a specified donor gift. Bawa offered that ITS would be willing to share the details associated with its internal review process to deem projects as “essential”.

Schulte and Hamrick suggested revised language to include: *“Postponement of all new non-donor funded projects not deemed essential to continuity of USF’s critical services”*.

ACTION: Approve revised Item 5. **Motion/Second:** Morrison/Baker. **Vote:** Unanimous

Introduction to Zero Base Budgeting (ZBB)

In response to a request from the tri-chairs, Hamrick provided a presentation of USF’s budget model, which is based upon a centralized incremental approach. He indicated, contrary to the rest of the university, the law school uses a Responsibility-Centered Management (RCM) budget process, common for law and medical schools. Hamrick went through different university budget models, noting advantages and disadvantages associated with each model. Copies of the presentation will be placed on the UBAC website.

Cannon and Rangitsch commented on the presentation regarding the history of chargebacks and a general process for informing the community about USF’s budget process. Rangitsch also asked to learn more about OMC’s experience with ZBB as mentioned in the presentation. Hamrick asked Wilch and Blackburn to share their ZBB feedback. Blackburn noted ZBB is not used for the whole division; rather a hybrid model that regularly restructures for efficiency is used. The latter mirrors the budget assist model.

Harrington added that Goldstein (201X) writes “agreeing on priorities often proves difficult” when ZBB is used. He suggested that selective ZBB be used rather than apply the ZBB process university-wide. Hamrick noted ZBB is part of the university’s approach to graduate programs but a similar approach is not taken with respect to undergraduate programs.

Retos asked how ITS’s ZBB exercise works, where the budget is and who sees it.

Response: Bawa indicated that ITTS’s ZBB exercise is something he requested to assure funding is optimized across the seven units. Bawa changing budgeting models across organizations is expensive and the end results are not always positive. He suggested that each organization (VP) look at their funding, identify where dollars are spent and determine the right budgeting model as more of a leadership exercise.

Update: Undergraduate and graduate student recruitment strategies

Beseda provided an update regarding spring 2021 enrollments.

- Undergraduate students are on track to meet new student enrollment goals in the aggregate.
- USF is experiencing higher levels of attrition than anticipated for returning undergrads in some programs.
- USF should end the current academic year 100-150 undergraduate students below reduced targets due to remote instruction.
- Overall USF is 700 undergraduate students smaller than in Spring 2020.
- Graduate student numbers will be modestly higher than in Spring 2020.

Fall 2021 numbers will depend upon the planned mode of instruction. For undergraduate students, domestic and international, USF should have a strong indication of where things stand shortly. As it relates to graduate students, graduate applications are strong. Applications for the law school are up and the October 2020 bar pass rate was stronger than in recent years.

Yang asked what the impact of 150 fewer undergraduate students might be on the 2020/21 budget.

Response: Hamrick noted the incremental variance will be minimal as lower enrollment was already factored into the 2020/21 budget.

Morrison asked if there will also be a reduction of unfunded financial aid in relation to the shortfall.

Response: Beseda responded financial aid reductions would be proportional to the number of students lost.

Meeting adjourned: 1:35 PM