



UCF Budget Model Redesign Steering Committee MINUTES

Date:	11/19/2019
Time:	11:00 a.m. – 01:00 p.m.
Location:	Teaching Academy – Room 102
Executive Sponsors:	Elizabeth Dooley and Dennis Crudele
Facilitators:	Kristie Harris and Paul Jarley
Attendees:	Sejal Barden, Rhonda Bishop; Hina Behal, Danny Cavallo, Donna DuBuc, Maribeth Ehasz, Lynn Gonzalez, Kyler Gray, Sheila Amin Guitiérrez de Piñeres, Elizabeth Hamilton, Kristie Harris, Chris Ingersoll, Paul Jarley, Jeff Jones, Michael Johnson, Elizabeth Klonoff, Shawn Putnam
Invitees:	Derek Horton, Assistant Vice President for Budget Planning and Analysis Huron Consulting Group: Greg Bedell, Michael Lee, Adam Meyer, and Jaime Ontiveros
Minutes:	Melinda Martin

Meeting Agenda:

Announcements:

1. New Microsoft team: UCFTeam-FA-Budget Initiatives Channel: 2020 Budget Model Redesign Steering Committee

Old Business:

2. Approval of 10/31/19 Meeting Minutes (Attachment A)
3. Input on Draft Steering Committee Charter (Attachment B)

New Business:

4. Overview of UCF Current Budgeting Practices and Budgeting in Higher Education
 - Current Budgeting Practices at UCF (Lynn Gonzalez)
 - Budgeting Across Higher Education (Huron Consulting Group)
5. Next Steps

Meeting Minutes:

Welcome and Introductions:

Kristie Harris opened and welcomed participants to the meeting. She introduced Derek Horton who has recently assumed the position of Assistant Vice President of Budget Planning and Analysis. All meeting participants introduced themselves in turn. Derek will be responsible for developing an enrollment strategic revenue model to determine analytics like cost per unit of instruction. Currently, we have the expenditure analysis of the direct and indirect costs by instructor per discipline. We are looking at this moving forward to review and enhance this model.

Old Business:

Consideration of 10/31/2019 Meeting Minutes

Kristie asked participants if they had an opportunity to review the minutes from the meeting on 10/31/2019. It was determined that additional time was required to review the meeting meetings from 10/31/2019 and they would be brought up again at the meeting on 12/5/2019 for approval.

Input of Draft Steering Committee Charter

Kristie asked if participants had feedback on the proposed charter. Discussion ensued regarding the use of the term “governance” within the charter and if it should be replaced with the term “recommendations.” It was confirmed that this committee’s work is slated for a time frame of six to nine months. Based on this discussion, Kristie provided committee members additional time to review the charter and make recommendations. It was requested that all feedback for the charter be sent no later than November 29, 2019.

Review of Committee Charge:

Kristie reminded committee participants of the three tasks the Provost and the VP have assigned to the committee. These are:

1. Review the current model and determine the pros/cons of the current model.
2. Review the alternatives to allocating our resources.
3. Make a recommendation based on the information received in the next nine months.

Announcements:

Microsoft Teams Committee:

Lynn Gonzalez shared that the committee has established a site on Microsoft Teams where presentations, meeting minutes and other relevant documentation will be communicated. It was requested that all committee members confirm their ability to access the Microsoft Teams site for this committee.

New Business:

UCF Current Budgeting Practices Presentation – Lynn Gonzalez:

Lynn Gonzalez gave a presentation on the current budgeting practices at UCF. She noted that her presentation is available on the Microsoft Teams site for review after the meeting. She also shared that her presentation includes an appendix for specific definitions. In her presentation, Lynn reviewed where UCF’s Operating

New Business (Continued):

UCF Current Budgeting Practices Presentation (Continued):

Budget Funds originate and UCF's past practice in allocating and budgeting these funds. She also shared that the University Budget Committee would review and make recommendations regarding UCF's budget.

Lynn also shared a breakdown of the Operating Budget Distribution for 2020. It was asked if the malpractice insurance for the medical school is included and it was confirmed that it is included.

It was shared that the current College Budget Model was first introduced in 2016, and fully implemented in July 2017. The workload allocation is spread over two fiscal years, which is a common approach to smooth the impact of a new model.

It was noted that performance funding has been put on hold due to lack of funds. It was also noted that UCF had a period of seven years with over 100 million dollars of budget reductions. University Budget Committee's work was greatly impacted by these reductions. It was noted that it was challenging to allocate reductions and that the previous University Budget Committee was allocating both recurring and non-recurring funding.

Governor Releases Budget:

Kristie shared the Governor released his proposed budget yesterday. He is recommending no additional funding other than 50 million in performance funding. He is not recommending any preeminence funding. We are not certain if this is new funds or an adjustment to current funds. We will be continuing to track the budget process through the state because changes can occur through the legislative process.

Budgeting Across Higher Education Presentation - Huron:

Huron shared four common budget alternatives used in higher education. They are Incremental, Formula, Performance and Incentive-Based Models. They shared that they are seeing a shift towards models that are incentive-based. It is important to review about pros and cons of each of the different model types.

Key questions to consider when selecting a budget mode include: Who decides what processes need to be in place? You must determine what is the focus of control and what are the expectations that surround budget decisions? What is the time frame you must implement the model? He shared it is typical to have a three to five-year window to plan and be strategic with the dollars. A shorter window does not allow for the strategic review of the budget. In the incentive-based models, you see a more direct alignment between college revenues and expenses. Other key questions to consider:

- Which parts of each model do you like and why?
- How do we determine and translate transparency and accountability?

Budgeting Across Higher Education Presentation - Huron: (continued)

- Do different models result in different outcomes?

It is recommended that an organization hold everyone harmless for the first-year of a new budget model implementation to smooth the transition. After year one, this is when real change is implemented. A full implementation normally takes two to three years to see results.

Huron reviewed the current project timeline and committee feedback will be required to select a model that will provide a balance of transparency and accountability.

Next Steps:

The next meeting will be held on December 4, 2019 at the Burnett Honor's College.