



Date:	12/4/2019
Time:	11:00 a.m. – 01:00 p.m.
Location:	Burnett Honors College, Room 130
Executive Sponsors:	Elizabeth Dooley and Dennis Crudele
Facilitators:	Committee Chair Kristie Harris, Paul Jarley and Huron Consulting
Attendees:	Sejal Barden, Hina Behal, Rhonda Bishop, Paige Borden, Danny Cavallo, Dennis Crudele, Donna DuBuc, Maribeth Ehasz, Lynn Gonzalez, Sheila Amin Guitiérrez de Piñeres, Elizabeth Hamilton, Derek Horton, Chris Ingersoll, Jeff Jones, Elizabeth Klonoff, Shawn Putnam, Rebeca Richards
Invitees:	Huron Consulting Group: Greg Bedell, Michael Lee, Adam Meyer, and Jaime Ontiveros
Minutes:	Melinda Martin

Meeting Agenda:

Old Business:

1. Approval of 10/31/19 and 11/19/2019 Meeting Minutes

New Business

1. Clarification of project deliverables and review of revised draft Steering Committee Charter (Attachment B)
2. Discuss preliminary themes and observations from budget conversations with stakeholders and tentative alignment of comments with new model options
3. Discuss guiding principles for the new model

Old Business

It was noted that a voting quorum of committee members were present as the meeting commenced.

Consideration of Minutes from 10/31/2019

It was moved and seconded that the submitted meeting minutes be approved. The minutes were approved by a unanimous vote of the members present.

Consideration of 11/19/2019 Meeting Minutes

It was moved and seconded that the submitted meeting minutes be approved. The minutes were approved by a unanimous vote of the members present.

Input of Draft Steering Committee Charter

The updated version of the charter was presented based on feedback from the previous meeting. There was discussion regarding the changes, particularly when voting would be required. The committee made several real-time updates to the charter based on the ensuing discussion, including to narrow the scope of required voting to the final proposed budget model for recommendation to the executive sponsors.

During this discussion it was noted that the committee is responsible for a comprehensive understanding of the budget, and for ensuring/promoting transparency throughout the budget model development process. The Huron consultants shared that the implementation of a new model will vary based on each individual university's circumstances and needs.

After the updates to the charter were completed, it moved and seconded that the charter be approved. The charter was approved by a unanimous vote of the members present. The approved charter will be available on the Microsoft Teams site for the group.

New Business

Clarification of project deliverables (with Interim Chief Financial Officer Dennis Crudele)

The committee had specific questions:

- What is the role of the committee in this process?
- Is the committee voting on items for final approval by the executive sponsors?
- What are the deliverables?

CFO Crudele indicated that the goal of the Steering Committee is to gather relevant information, review the various options for a university budget model, and vote on a budget model(s) for recommendation to the executive sponsors. The committee is currently in a fact-finding stage of the process, and the expected output is ultimately a list of recommendations and guidelines that can be taken forward. He also indicated that the committee must make sure this a redesign, not necessarily a reallocation, and he is anticipating that the new budget model will be critical in assisting the university to make decisions regarding the operating budget, including carry forward. Additionally, he stated that this committee may continue to be a part of the subsequent communication and/or implementation efforts following the budget model recommendation(s) to the executive sponsors.

CFO Crudele stated that the model will be reviewed by the executive sponsors and then taken to the President's cabinet. The model will also be shared with the appropriate Board of Trustees liaison to ensure all parties are kept in the loop.

CFO Crudele described the recent Board of Trustees retreat to review the university's current financial status. Discussions centered around the importance of spending the university's operating funds appropriately and the likelihood that there will be mandates from the Governor, Legislature and Board of Governors (BOG) in the coming months. He also noted that the Florida Legislative Session will convene in January 2020 with the expectation of ending in March 2020, which allows the university to receive final budget information from the BOG earlier in the year.

Members questioned if the short-term liabilities might impact the model. CFO Crudele acknowledged that they may have some impact on the model, although it is critical to hold the academic enterprise at the institution harmless. He stated that the retention rate of the university has helped offset some challenges.

Members were curious as to whether a single budget model (non-hybrid) would be best for the institution. CFO Crudele responded that this would be up to the committee to determine which is most appropriate.

CFO Crudele was asked about the current budget model and the transition process. He stated that the current model will not be continuing into FY 2021, and an interim model will be used when the current model is discontinued this year.

Committee Charter Additional Revision

The committee revisited the charter and added additional language in the following areas:

- Communicating recommendations to the Provost and Vice President of Academic Affairs, and Chief Financial Officer.
- In-person participation is strongly preferred, but attendance via telephone is permitted when strictly necessary.
- A quorum to equal 2/3 of members present, to be confirmed at the start of each meeting.

The membership list will also be adjusted to include committee members' names.

A motion was made and seconded that the charter be approved with these changes, and was approved by a unanimous vote of the members present.

Overview of Stakeholder Feedback

The Huron Consulting Group provided preliminary feedback on the information-gathering sessions with vice presidents, deans, and directors throughout the campus community. It was stated that although these meetings are still in process, the information received has been consistent amongst all interviewed participants thus far.

The consultants reviewed the continuum of budget models presented in the previous meeting and shared that the university primarily uses an incremental budget model, with a strong likelihood of moving towards a more incentive-based model. The model UCF will adopt will most likely be more of a hybrid-based model (a combination of two budget model approaches).

The consultants also reiterated that their best practice recommendation is to plan for a three to five-year implementation period. Specifically, their recommendation is to hold units harmless during the first year to allow for a smooth transition. After year one, this is when real change is implemented. The consultants also stated that it is advisable to review the model to ensure it is functioning as anticipated and make related adjustments no later than the fifth year.

Finally, the consultants shared that one concern that has consistently surfaced in the meetings is lack of transparency, communication, and predictability of funding. Additionally, there is concern regarding the uncertainty of filling permanent key leadership roles, the effectiveness of current technological resources, and the current climate surrounding higher education issues at the state level.

Huron presented the four key themes identified from the interviews they have completed thus far. They are:

- **Lack of Transparency and Predictability**
Concerns regarding upcoming leadership and organizational changes and lack of trust.
- **Recognition of Revenue Growth**
There is a recognition of growth in certain areas, but at times not a corresponding budgetary increase.
- **Alignment of Strategy and Operations with Budgeting**
It was noted that the current model promotes scarcity and there is a desire to shift to a more proactive, less reactionary model.
- **Investment in Strategic Priorities**
It will be important to identify the organization's strategic priorities to ensure the model reflects the university's priorities.

The committee discussed some of the communication challenges the university has experienced over recent years and concerns regarding the retirement of the current model and move to an interim model. The committee asserted the importance of ensuring purposeful communications with the constituencies throughout the development of the new model.

Based on this discussion, the following recommendations are under consideration:

- Assigning a new representative to the committee with expertise in communication to develop a communication strategy and implement communication initiatives for the committee. This individual will also develop key talking points for committee members to share in their respective areas.
- Utilizing multiple communication modalities, both of a formal and informal type.
- Including a "Frequently Asked Questions (FAQ)" section on the project's website.
- Huron consultants be present for Dennis's discussion with the Faculty Senate.

It was noted that the committee's final recommendations should also encompass required tools, policies and governance.

Guiding Principles Information Request

Huron requested the committee's assistance to develop a set of Guiding Principles. Members of the Huron team will provide examples of guiding principles to the committee members that other universities developed as part of their budget model development process. These principles will be guideposts to facilitate discussions when there may be conflicting priorities as the committee deliberates the pros and cons of the different models. A thorough discussion of the university's current Mission and Strategic Impact Goals will be included in the discussion.

Huron will be aggregating members' responses to discuss and develop the Guiding Principles for discussion at the meeting scheduled for December 18, 2019. The consultants requested that committee members submit their suggestions by close of business on Friday, December 6, 2019.

Next Steps

It was noted that the meeting location will require additional capacity to allow for telephone attendance.

The next meeting will be held on December 18, 2019 at the Business Administration 1 (BA1), Room 230.

The meeting was adjourned at 1:02 pm.