



## University Budget Committee Meeting Minutes

<b>Date:</b>	January 19, 2021
<b>Time:</b>	9:30 – 11:00 a.m.
<b>Location:</b>	via Zoom
<b>In attendance:</b>	Michael Johnson, Gerald Hector, Misty Shepherd, Maribeth Ehasz, Deborah German, Elizabeth Klonoff, Mike Kilbride, Mike Sink, Sissi Carroll, Paul Jarley, Joe Harrington, Cissy Glowth, Edwanna Andrews, Stephanie Blanco, Theodora Berry, Steven Collins
<b>Absent:</b>	Fernando Rivera, Reshawna Chapple
<b>Staff (non-voting members):</b>	Kristie Harris, Rebeca Richards, Kathy Mitchell, Tracy Slavik

### ----- Agenda Topics -----

1. **Introductions** – Michael Johnson

Committee members, staff, and guests introduced themselves to Gerald Hector, the new Senior Vice President for Administration and Finance.

2. **Approval of the minutes from December 9, 2020** – Michael Johnson

Joe Harrington moved to delete the section of the draft minutes that reported decisions about CARES Act spending that were approved by the President after the UBC meeting, moving the decisions to the beginning of today's agenda instead. Paul Jarley seconded the motion and the committee unanimously approved the minutes as amended.

3. **Approved CARES Act funding requests** – Michael Johnson and Rebeca Richards

Although not finalized during the prior committee meeting, the following requests were later recommended for approval by interim Provost Michael Johnson and then-interim CFO Joe Trubacz. President Cartwright approved all requests presented by Johnson and Trubacz:

- COVID Health Information call center (increase to existing request for OPS support): \$58,569
- Armor Up Ambassadors: \$131,134
- SDES outsourcing phone calls to support student inquiries about financial aid, undergraduate admissions, registration, and student accounts because the volume of calls has increased dramatically due to COVID and the depopulation of campus: \$750,000
- COVID Testing Spring 2021 - Students returning to campus housing: \$270,000

- ACT residual testing on campus for students who have applied to UCF: \$107,680
- Student Care Services - Case Management visiting position: \$28,224

Answering a question from Harrington, Maribeth Ehasz responded that outsourcing phone calls to support student inquiries may be a long-term solution that provides technology not available at the university. Mike Sink said the university was investigating call-handling capabilities that could make call handling more efficient going forward. Sink said he'd follow-up with Ehasz about the capabilities and cost of the new system and whether it would meet SDES' needs. Johnson added that prior to COVID, the university has had an in-person culture of responding to student inquiries and hasn't invested in technology that could handle the increased volume of calls.

After these requests are paid, there will be \$125,704 remaining in CARES Act Institutional Funds plus \$2,144,776 in CARES Act Minority Serving Institution Funds available for allocation.

#### 4. **Update on Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)** – Gerald Hector

A second tranche of funding has been signed into law. Preliminary estimates indicate that UCF will receive at least \$86 million. As with the first tranche of funding, the funds must be divided for student support and institutional support. The permitted uses appear to be more relaxed than the initial tranche and include replacement of lost revenues; Hector and Kristie Harris will be monitoring federal guidance as it becomes available.

It will be important that both tranches of funding are spent within federal timelines.

Deborah German inquired whether the funds may be used to replace lost revenue for UCF Health due to COVID restrictions. Hector said he would look into whether this was a permitted use of the funds.

Jarley inquired whether the funds could be used to off-set any reductions in state appropriations due to reductions in state general revenue. He also inquired as to whether the funds could be used to support athletics. Hector noted that Finance had recently responded to a BOG request about how the university had spent its initial tranche of CARES funds. ~~He also inquired as to whether the funds might be spent to support Athletics.~~ Hector said he'd look into these potential uses, as well the deadlines for spending each tranche of funding.

Liz Klonoff asked whether there would be a second call for units to submit funding requests. Hector said he would work with UBC staff about the pending requests for the use of the CARES funds and stressed that the funds must be spent prior to their sunset. Johnson agreed that they would develop a process for additional CARES funding requests.

Harrington suggested using the funds for shovel-ready projects (e.g., Athletics and Convocation Corporation) and asked whether there was a maintenance of effort requirement prohibiting the state from reducing state appropriations due to the university's receipt of CARES funding. Hector will look into this.

Steven Collins asked what the process would be for submitting requests for funding and how the UBC committee could make timely decisions to allow units to spend the funds within federal timelines. Hector responded that funded projects would be primarily on a reimbursement basis for projects that can be completed timely. He also said that USDOE would be releasing guidance for auditors to review the appropriateness of CARES Act spending.

Kristie Harris commented that staff would be meeting Thursday this week to develop a process for calling for requests for CRRSAA funding.

Hector noted that he had received a synopsis of CRRSAA funding from a USDOE webinar and would share that document with the committee.

5. **Discussion of remaining CARES Act funding requests** – Rebeca Richards

As mentioned above, there is \$125,704 remaining in CARES Act Institutional Funds plus \$2,144,776 remaining to be allocated in CARES Act Minority Serving Institution Funds after the most recent approvals by President Cartwright.

Richards reviewed the remaining requests for CARES Act funding, which fell into four groupings:

- a. Remote instruction/environment support
- b. COVID-19 response and campus preparedness
- c. Student experience and support
- d. Loss of revenues

These requests totaled \$3.2 million, or approximately \$965,000 more than the available CARES Act funding.

Johnson suggested that it was not necessary for UBC to make decisions about these requests today, given that a second tranche of funding would be available soon. Harrington added that, as with the first tranche of CARES Act funding, there should be a process for calling for requests for funding from the second tranche of funding.

Ehasz requested that there be additional review of areas that have lost revenues so that the units don't have to go into deficit to be able to receive funding. Johnson said prior to publication of a second tranche of funding, knowing whether or not units were in a cash deficit was just a way for the committee to prioritize the use of limited CARES Act funds.

Johnson said staff would bring back a proposal for the process of calling for additional funding requests at the next meeting.

6. **Discretionary carryforward in contingency** – Michael Johnson, Rebeca Richards, Kristie Harris

Johnson stated that after contractually obligated and encumbered carryforward funds were returned to units, fifty percent of the remaining "old" carryforward funds were held back centrally to offset the state's holdback of six percent of General Revenues. Richards noted that this amounted to only \$24 million of \$258 million total carryforward funds being held back centrally.

Although there is no final decision yet from the state as to the percentage of General Revenue that will be cut from universities, Johnson said that some of the centrally held carryforward should be used for central purposes, but the remaining funds should be returned to the units.

Jarley said that units needed to know how to plan for next year.

Klonoff suggested using \$2 million in carryforward funds instead of research overhead funds to pay for equipment required for NIST compliance. This would leave the more flexible research overhead funds available for other purposes.

Harrington reminded the group that the university has too much carryforward and that it is not spending carryforward funds down timely.

Hector said he would be working on the university's budgeting processes and cash flow to improve the use of all available sources of funding.

This agenda item will be continued at the next meeting.

## **7. Adjourn**

Meeting adjourned at 10:05 a.m.