



## University Budget Committee Meeting Minutes

<b>Date:</b>	March 26, 2021
<b>Time:</b>	8:30 a.m. – 10:00 a.m.
<b>Location:</b>	via Zoom
<b>In attendance:</b>	Michael Johnson, Gerald Hector, Edwanna Andrews, Theodorea Berry, Stephanie Blanco, Sissi Carroll, Reshawna Chapple, Steven Collins, Adrienne Frame, Deborah German, Cissy Glowth, Joe Harrington, Paul Jarley, Mike Kilbride, Elizabeth Klonoff, Fernando Rivera, Misty Shepherd, Mike Sink, Matt Hall
<b>Staff (non-voting members):</b>	Kristie Harris, Rebeca Richards, Kathy Mitchell, Tracy Slavik

### **1. Approval of the minutes from March 10, 2021 – Michael Johnson**

The minutes were approved unanimously as submitted.

### **2. Update on the 2021 legislative session – Janet Owen, Vice President for Government Relations**

Owen informed the committee the Senate and House have released their initial higher education budgets. The Senate cut the State University System 4.6 percent (\$241 million), and the House cut the system 11 percent (\$570 million). The proposed budgets from both chambers have no stated connection to federal stimulus money.

The General Revenue Estimating Conference is usually held in March but is now planned for April. Revenue collections continue to be above projections as COVID vaccines are administered to more people and the economy picks up.

Discussion occurred on how the state determined “high-demand disciplines,” the proposed reduction in state appropriations based on distance learning fee revenues, potential reductions in tuition revenue from pending legislation, the possibility of current fiscal year budget adjustments, and the need for UCF and other state universities to reduce carryforward balances (especially given the large amount of CARES funds received).

### **3. Update on spending HEERF I CARES Act Institutional and MSI funds (1<sup>st</sup> tranche) – Rebeca Richards & Kathy Mitchell**

Mitchell informed the committee she reviewed the expenditures recorded in the COVID departments while Richards prepared the lost revenue estimates.

Mitchell said \$6.7 million in unreimbursed expenditures is currently in COVID departments and likely will be reimbursable from HEERF funds. She is proposing that

units submit the reimbursement request form for expenses in those departments that have not yet been reimbursed.

Richards said new USDOE guidance was received last week, and the rules for what can and cannot be reimbursed are now broader. They had originally identified the units that requested reimbursement for loss of revenue, but now that UCF can request reimbursement for loss of revenue attributable to the pandemic for all federal stimulus funding dating back to March 13, 2020, the HEERF funding available to replace lost revenues has increased.

They looked centrally at the loss of revenue for all units and identified approximately \$20 million (not including Parking or Housing), but that still needs thorough review by the Controller to determine eligibility for reimbursement.

Discussion occurred around whether to code expenses as COVID in order to receive reimbursement, or to first use carryforward funds. Interim Provost Mike Johnson said all COVID expenses should be coded as such and recommended he and Gerald Hector notify the deans and VPs accordingly.

It was clarified that the federal government does not restrict the use of CARES funds based on the types of budget entities (e.g., E&G, auxiliaries). The only restriction where CARES funds may not be used is to support DSO operations, because they are a separate legal entity from UCF.

#### **4. Update on requests for funding from HEERF II Institutional funds (2<sup>nd</sup> tranche) – Gerald Hector & Kristie Harris**

Harris said they have received 110 requests that total approximately \$103 million, which is more than the \$65 million in funds available. However, HEERF III funds could potentially cover the excess needs. She alerted the group the \$41.9 million initially for HVAC replacement is being revised, with the final figure expected to be between \$8 and \$10 million. Proposals are still being reviewed, but if HEERF II funds may be used to off-set lost revenue from cuts to state appropriations, they will be used for that purpose.

She said the deadline to submit proposals has been extended and encouraged departments to do so if they have eligible expenses.

#### **5. Report on historical E&G Carryforward balances – Rebeca Richards**

Richards discussed trends in E&G reserves balances over the last five years. Starting in 2019-20, Senate Bill 190 requires universities to hold seven percent of reserves in escrow, which was pulled from the units and held centrally.

She reviewed faculty designated line items and the units' E&G reserves (broken into STEM colleges, non-STEM colleges, clinical colleges, and central support units).

#### **6. Discuss potential E&G Carryforward policy options – Michael Johnson & Gerald Hector**

This topic was tabled because of time. Johnson asked the committee to review the slides and be prepared to discuss at the next meeting.

## **7. Adjournment**

The meeting was adjourned at 10 a.m.