



University Budget Committee Meeting Minutes

Date:	May 5, 2021
Time:	9:30 a.m. – 11:30 a.m.
Location:	via Zoom
In attendance:	Michael Johnson, Gerald Hector, Edwanna Andrews, Theodorea Berry, Sissi Carroll, Reshawna Chapple, Steven Collins, Adrienne Frame, Deborah German, Cissy Glowth, Matt Hall, Joe Harrington, Paul Jarley, Mike Kilbride, Elizabeth Klonoff, Fernando Rivera, Misty Shepherd, and Austin Wilson
Staff (non-voting members):	Rebeca Richards, Kathy Mitchell, Tracy Slavik Kristie Harris (absent)

1. New Committee Member – Michael Johnson

Johnson introduced Austin Wilson, the new Student Government Association Vice President.

2. Approval of the minutes from April 8, 2021, and April 20, 2021 – Michael Johnson

The minutes were approved unanimously as submitted.

3. Florida Legislative Update – Michael Johnson and Gerald Hector

Johnson provided the committee with a summary of the Florida Legislative session. The severe cuts that were initially proposed did not come to fruition. However, the Legislature is not allowing the State University System to use E&G funds to pay for the portion of faculty salaries that are over \$200,000 (except for a collection of approved disciplines that are some STEM and medical disciplines). UCF must secure \$3.8 million in funding from non-E&G sources to cover the excess salaries.

Johnson expressed concern over the proposed “buy-one-get-one-free” tuition waiver (for certain majors not yet defined) and how that could potentially cause loss of revenue for UCF. The financial impact on UCF from the proposed “grandparents” waiver (which would allow grandchildren of Florida residents to pay in-state tuition) could be significant; however the impact of a proposed “free course” waiver (which would allow active military personnel to take one free course each semester) would be insignificant.

The Legislature will return to UCF the six percent of state appropriations (\$22 million) that had been withheld from the current fiscal year. As it will be difficult to spend most of the funds before the end of the fiscal year, they will roll into carryforward on July 1, 2021.

The state also provided funds for the Dual Enrollment program taken in the summer, which until now had been an unfunded mandate.

Hector stated overall, the systemwide cut is roughly \$18 million. UCF did not receive assistance with deferred maintenance or the HVAC repairs for the chemistry or biology buildings.

Hector and Rebeca Richards have been meeting with the college budget directors to learn the various budgeting processes. He thinks having these new state mandates presents an opportunity to understand how we budget as an institution and put forward plans that will lift everyone inside or outside the new budget model. We also must work to have a holistic budget approach with all the base costs within the base budget and also be able to answer how much it costs to run the university.

Discussion continued on:

- the expenses that may be covered and reimbursed under the Dual Enrollment program funding
- whether the \$22 million will be returned to Central or the units from which it was pulled (it will go to Central for strategic reallocation by the President) and if colleges can suggest ways to spend it
- how to budget consistently across the university as a whole.
- the status of swaps for Research overhead
- the effect on UCF of the increased university contributions to employees' retirement plans.
- developing a possible communication strategy for the entire campus for budget-related information

4. Finalize E&G Carryforward Policy Proposal – Michael Johnson and Gerald Hector

Johnson presented to the committee the draft proposed E&G carryforward policy.

A motion was made and seconded to approve the draft policy for presentation to the President.

Following an amendment proposed by Joe Harrington to the original motion and discussion among the committee, the initial three-tiered approach for revenue-generating units in Item 1 was condensed to “At the beginning of each fiscal year, units may retain up to five percent of their E&G expenditure budget for the new fiscal year as a reserve from funds carried forward from the prior year. Funds in excess of the five percent cap will revert to Central for reallocation.”

An amendment to the motion was made to change “new fiscal year” to “prior fiscal year” in that statement, which was unanimously approved by the committee. It now states, “At the beginning of each fiscal year, units may retain up to five percent of their E&G expenditure budget for the prior fiscal year as a reserve from funds carried forward from the prior year. Funds in excess of the five percent cap will revert to Central for reallocation.”

The “following a tiered allocation approach” language also was struck from the opening sentence of Item 1 following an amendment to the original motion and subsequent unanimous approval from the committee.

An amendment to the original motion was made and unanimously approved by the committee to add “will not be counted toward the carryforward reserve and will therefore” to the second sentence in Item 3 and add the phrase “except as explained in number three below” to Item 2.

Item 3 now states: “Any obligated funds (e.g. faculty start-up, faculty awards or incentives, or capital projects) will not be counted towards the carryforward reserve limit and will therefore not be swept for reallocation.”

Item 2 now states: “Non-revenue-generating units are not allowed to retain any of their generated E&G carryforward funds, except as explained in number three below; these funds will revert to the University for targeted reallocation.”

The committee unanimously approved the draft policy as amended for presentation to the President. The Provost informed the committee that this policy will likely go through multiple iterations as it is reviewed by the General Counsel, Office of Compliance, and the Policies and Procedures Committee.

5. University Financial Update – Gerald Hector

Hector informed the committee he had no additional information to provide.

6. COVID funds update

Harrington asked for an update regarding the spending of COVID relief funds. Hector said given the positive news around the state budget, we can move forward with exploring reimbursement of expenses that were incurred because of COVID.

Harrington suggested reaching out to departments and not just colleges for possible COVID expenses incurred that can be reimbursed. Hector and Kathy Mitchell will discuss this offline.

7. Adjournment

The meeting was adjourned at 11:26 a.m.