



## University Budget Committee Meeting Minutes

<b>Date:</b>	July 16, 2021
<b>Time:</b>	9:00 a.m. – 11:00 a.m.
<b>Location:</b>	via Zoom
<b>In attendance:</b>	Michael Johnson, Gerald Hector, Edwanna Andrews, Theodorea Berry, Sissi Carroll, Reshawna Chapple, Steven Collins, Adrienne Frame, Cissy Glowth, Matt Hall, Joe Harrington, Paul Jarley, Elizabeth Klonoff, and Austin Wilson
<b>Staff (non-voting members):</b>	Kathy Mitchell and Tracy Slavik

### 1. Approval of the minutes from June 29, 2021 – Michael Johnson

The minutes were approved unanimously as submitted.

### 2. Strategic Investment Funding Process Update - Provost Johnson and SVP Gerald Hector

Johnson alerted the committee that program information has been sent to the campus and proposals are being submitted, particularly in the first category, which has a rolling funding approval process rather than a hard deadline.

Joe Harrington recommended a Q & A. Johnson said that is being prepared and will be distributed soon. Discussion occurred around matching, whether resubmissions will be allowed, and whether students will be represented on the allocation committee.

### 3. Zero-Based Budgeting Exercise - SVP Hector

Hector discussed the zero-based budgeting process currently underway, which he calls “zero-based light.” This is not a true zero-based budget, as that would take 12 to 16 months to develop.

While Auxiliaries have been budgeted for expenses against revenue with a net position and cash flow, UCF has not budgeted E&G in that traditional sense. Rather, tuition and fees, and state allocations were distributed to units without a focus on the expenses to be incurred. In the past, the goal for the university was to grow enrollment

by two percent year-over-year. That annual growth in revenue was then distributed to colleges and units based on a set of metrics.

The Board of Trustees also has not been provided with an actual budget for approval, but instead was provided a spending authority request as was required by the Board of Governors. For FY22, the university is preparing a budget that allows the BOT to see how UCF plans to spend all funds at the start of the fiscal year.

Hector has asked all university divisions to submit what they would spend for 12 months (not including carryforward) and what it takes to run their enterprise. The carryforward aspect is still part of the unit's funding sources for the course of the fiscal year, but it will be shown as a reserve and then a spend-down on that reserve.

Previously, the operating budget and carryforward balances were combined and provided to units as their available resources to spend. However, this loses sight of what is cash-flow based and what falls into liquidity and the timing of cash payments. The Treasurer's Office was formed to manage that aspect of the university's operations specifically.

Hector is trying to bring discipline to spending, and before moving to the new RCM budget model, leadership needs an understanding of how money is spent across the university.

Discussion occurred on:

- whether this budgeting approach will increase favoritism or politics among the trustees,
- whether zero-based budgeting will allow for flexibility if colleges or departments need to adjust their needs during the fiscal year,
- whether UCF will have a true RCM budget model if subvention from the Provost will be necessary,
- whether there is a need for UCF to develop a true budget strategy,
- whether zero-based budgeting will allow units to be proactive and strategically grow revenue,
- whether benchmarks exist for the university and how they might differ for administrative units versus the colleges,
- how to ensure infrastructure needs accommodate the student population,
- that guidelines from the President, CFO, and Provost are needed for this budgeting approach, and
- how best to use metrics to achieve strategic and operational goals.

#### **4. Introduction to SET (Service Enhancement Transformation) – SVP Hector**

Hector first informed the group the process as begun might need to be revisited. The discussions going forward will be iterative in nature and will require collaboration across the campus.

The Service Enhancement Transformation (SET) project is tied into aligning business processes to be more efficient and compliant and reduce administration burden to faculty and researchers. SET is an integral part of the larger Knight Vision project.

They are having conversations across campus with deans and others to determine the needs of the colleges, any concerns they have about the SET process, and to develop a strategy to meet those concerns and needs. The structure of the proposed service centers and which services might be provided by the service centers (versus stay in the departments) has not yet been determined.

This committee will hear more as details are finalized.

## **5. Adjournment**

The meeting was adjourned at 10:23 a.m.