



**UCF University Budget Committee Meeting  
MINUTES**

<b>Date:</b>	October 28, 2020
<b>Time:</b>	1:00 p.m.
<b>Location:</b>	via Microsoft Teams
<b>In attendance:</b>	Interim Provost Michael Johnson and Interim VP & CFO Joe Trubacz Michael Johnson, Joe Trubacz, Misty Shepherd, Maribeth Ehasz, Deborah German, Elizabeth Klonoff, Theodorea Berry, Stephanie Blanco, Mike Kilbride, Mike Sink, Sissi Carroll, Paul Jarley, Joe Harrington, Steven Collins, Fernando Rivera, Reshawna Chapple, Cissy Glowth, Edwana Andrews
<b>Guests:</b>	President Alex Cartwright, Robert Taft, Donna DuBuc, Duane Siemen, Mike Kilbride, Sharon Ekern
<b>Staff (non-voting members):</b>	Kristie Harris, Rebeca Richards, Derek Horton, Kathy Mitchell, Tracy Slavik

**UBC Budget Philosophy:** *An effective budgeting process transforms strategic goals into achievable operating plans, and:*

- *Properly and continuously aligns resources with universitywide strategic priorities*
- *Employs an “all-funds” approach*
- *Maintains fiscal responsibility with those closest to operational decisions*
- *Provides a degree of predictability to promote multi-year planning on a universitywide basis*
- *Increases communication, transparency, and accountability*
- *Provides timely funding recommendations to the President*

**- - - - Agenda Topics - - - -**

**1. Approval of the minutes from October 6, 2020 – Interim CFO Joe Trubacz**

Approved as submitted.

**2. Explanation of the strategic reallocation process – Interim Provost Michael Johnson**

Johnson explained the intent and rationale of the reallocation process and the parallel process of holding back 3% for academic units and 6% for non-academic/administrative units.

The committee will review these planned reductions and make recommendations to the president about whether to accept these plans. The committee will not micromanage by suggesting alternate reductions to the units but will leave those decisions to the division’s leadership.

### **3. Presentation of division budget plans – President Cartwright and Vice Presidents**

#### **a. 1:10 pm to 1:40 pm – Academic Affairs – Michael Johnson**

- i. The Academic Affairs division, excluding the colleges, includes Provost operations, UCFIT, Office of Research, Digital Learning, Library, SLAS, SDES, Graduate Studies, and Honors College. The percentages of the operating budget for major categories include salaries & benefits (52%), student financial aid (24%), OPS salary & benefits (4%), IT expenses (3%), Professional Services (4%), and other expenditures.
- ii. The initial 3% equals \$4,684,410 across these units.
- iii. The initial 3% reductions taken from UCFIT (\$758,155) and the Library (\$462,654) were believed to impact services to students, faculty, staff. Therefore, these units, as well as the Research Centers and Institutes, were protected from the second 3% cut.
- iv. The second 3% reductions were taken from the remaining units, with the biggest portion taken from the Office of the Provost (\$3.06M) and SDES (\$796,815). This will be achieved via
  1. Office of the Provost \$3.1 million by: (a) eliminating certain unfilled faculty positions from Round III of Provost hires and Inclusive Excellence initiative, organization restructuring following the retirement of former senior employees, support positions across various units, and the reserve for UCF Downtown unanticipated repairs and replacements, (b) reducing UCF Downtown's campus security operations, support for summer faculty workshops, and IT budget for OEAS. Additional universitywide support costs will be moved to non-E&G funding sources.
  2. SDES \$0.8 million by eliminating 5 administrative positions, reducing Undergraduate Admissions' recruitment efforts, and moving support costs to non-E&G sources.
  3. SLAS \$0.4 million by eliminating four critical positions via organizational restructure.
  4. College of Graduate Studies \$0.2 million by eliminating various OPS positions and reducing recruitment efforts, graduate scholarships, doctoral fellowships, faculty buyouts, and support to colleges who hold doctoral level seminars and bring speakers to campus.
  5. Office of Research \$0.2 million by eliminating program sponsorships and reducing support for doctoral candidates and legal support related to patent filings for faculty.
  6. Burnett Honors College \$0.1 million by eliminating investment towards InSpire Scholars program (financial aid).

#### **b. 1:40 pm to 2:10 pm – Administration – Misty Shepherd**

- i. The Administration Division includes Facilities & Safety, Public Safety, Human Resources, Business Services, and Parking & Transportation. The \$77 million annual recurring operating budget for 2019-20 includes salaries & benefits (56%), utilities & rent (30%), and other expenses (14%). For FY20, several units ran deficits in budget to

actuals, including Facilities (\$1.5 million), Public Safety (\$1.4 million), HR (\$200,000). These deficits were covered by non-recurring funds.

1. The largest unit, Facilities, strives to employ appropriate staffing levels suggested by APPA, but continuously fall short of the recommended staffing levels due to lack of funding.
  2. Shepherd requested that the \$19 million spent for utilities for the main campus be excluded from the budget reduction exercise as the benefit accrues to the main campus and not the Facilities department.
- ii. The first 3% reduction will be taken from the division budget reserve (\$1 million) and by restructuring Facilities positions (\$1.3 million). Other units were held harmless by the division from this reduction because they have contractual requirements must be paid (Convocation Rent, CAM paid to Foundation, Civic Theater & Dr. Phillips Performing Arts Center) or are already underfunded (HR and Public Safety).
  - iii. The additional 3% reduction will be funded by moving Housekeeping employees to a contracted vendor (\$1 million) and reducing services, including bringing the Lake Nona and Rosen campus services in-line with the main campus (\$1.3 million).
  - iv. Other strategies considered include electrical grid purchase from Duke Energy (currently leased, saving a net \$500,000 annually), further temperature increases/reductions in buildings to save energy costs, and closing certain buildings during off hours and weekends.
  - v. Questions were asked about custodians – 65 of 107 custodians will be employed by contractors, but there is no guarantee they will be at their current salary or benefits. They are unionized, so Shepherd will have to negotiate with the union. This impacts E&G custodians, but not the Housing custodians (they're auxiliary funded). Housekeepers require specific training when they're working in and around research equipment; Facilities and the Foundation's property manager provide appropriate training to these employees. Service levels will be maintained at current levels (many areas are already maintained by contract workers); some units perceive an increase in service.
  - vi. Did we look at reducing the leased spaces occupied by the university? Yes, but those spaces are primarily owned by the Foundation. They are looking at the space needs using the information gained from remote working during COVID. This will take more time to fully understand and realize. Additional space is leased by Office of Research.
  - vii. Any utility savings realized during the COVID period? Yes, savings were allocated toward other COVID expenses (increased housekeeping, touchless features, etc.). There could be additional savings if the university reduced the number of employees working on campus and the square footage necessary to provide workspace for them.
  - viii. Athletics game day expenses are reduced this year due to COVID; however, the budget is being shifted out of this division.

**c. 2:10 pm to 2:35 pm – Finance – Joe Trubacz**

- i. The Finance Division includes the units within Financial Affairs (Budget Planning & Analysis, Financial Reporting & General Accounting, Student Accounts, Procurement/Travel/Vendors Payable/Tax, and Direct Support Organizations) and the CFO's Office. The total FY20 operating budget was \$10.2 million. The beginning FY21 E&G operating budget was \$8.1 million.
- ii. Significant FY20 Operating Expenses included salaries & benefits (\$8.9 million, 87%), OPS (\$243,594), Title IX Athletic Expenses (\$598,559), Computer & Telecom (\$254,896).
- iii. The initial 3% reduction (\$136,662) will come from transitioning two employees at least partially to the ERP project, which will save \$209,952.
- iv. The second 3% reduction (\$136,662) will come from the remaining \$73,290 savings from moving the two employees to the ERP project, \$23,372 by reducing professional development/travel, and \$40,000 by reducing consulting services.

**d. 2:35 pm to 3:00 pm – President's Division – Mike Kilbride**

- i. The President's Division includes the Office of the President (Administration, Budget & HR, University Events & Engagement), Enterprise Advancement (Government & Community Relations, Board Office, Communications & Marketing, WUCF-TV, UCF Advancement and UCF Foundation), Enterprise Compliance and Legal (University Compliance Ethics & Risk, Office of Institutional Equity, Environmental Health & Safety, General Counsel, Audit), and other departments (Diversity Initiatives, OMBUDS, Partnerships & Innovation, and Florida High Tech Corridor).
- ii. The \$40 million FY21 E&G operating budget includes \$2.4 million for Office of the President, \$21.3 million for Enterprise Advancement, \$11.3 million for Enterprise Compliance & Legal, \$4.6 million for other departments, and \$0.6 million in the division reserve.
- iii. The target contribution is \$1.9 million, with planned reductions including:
  1. 17% reduction of the \$2.4 million budget in the Office of the President by restructuring the office and reducing budgets for events & engagements, operational expenses (OPS assistants and travel)
  2. 4% reduction of the \$21.3 million budget in Enterprise Advancement by restructuring through attrition, renegotiating contracts, reduced advertising, and reducing the strategic investment fund.
  3. 9% increase in the \$11.2 million budget in Enterprise Compliance and Legal by reducing operating expenses in Compliance and Legal and funding new positions in Compliance, Audit, Search Compliance Manager, and specialists in OIE from central and division funds. Legal fees will continue to be paid from carryforward funds.
  4. Additional reductions that could be taken include \$225,000 to Communications & Marketing, \$235,000 to UCF Foundation, and \$52,186 from division reserves.

- iv. The division is still seeking ways to reallocate the final \$352,186 towards their total \$1.9 million requested contribution.

**4. Threshold for approval of CARES Expenditures**

This topic was deferred to the next meeting as we were out of time.

**5. The meeting adjourned at 3:02 p.m.**