

## 2021-2022 Budget Council Report

Chair: Ashley Ghiaseddin

Members: Jorg Peters; Ariel Pomputius; Lauren Solberg; Shawn Weatherford; Karen Whalen; Nolan A. Brown (Student-Undergraduate-nonvoting); George Kolb (Administrative Liaison); Joseph Glover (Administrative Liaison); and Curtis Reynolds (Administrative Liaison)

The 2021-2022 Budget Council kicked off September 13, 2021 with an overview of the council's mission and past activities. Agenda topics were reviewed with a major focus for the year to be advocating for increasing the employer contribution in the SUSORP since current contribution is at 5.14 percent and peer/aspirational institutions appear at or above ten percent. The administrative liaison reported updated the council that \$20 million dollars was received to assist with UF's AI initiative. This fund was slated for approximately 100 AI positions and is recurring. \$75 million has been received to assist with the UF Lastinger Center's New Worlds Reading Initiative. A majority of the funds, which is a one-time funding project, are dedicated to vendors to provide books to children state-wide. There was an inquiry regarding the recent three percent raise. It was funded without new state money and was funded internally by the Office of the Provost. It was noted that auxiliary positions and grant positions are not funded by state money. The impact of a college's compensation plan and how this is related to raise funding was also discussed as well as Institutional CARES Act funding.

In October 11, 2021, the council had Jodi Gentry, VP for HR and Shannon Edwards, Director of Benefits as guests. VP Gentry reviewed that the OPR and FRS investments were found to be lagging behind peer institutions following an investigation in our benefits plan. This is a benefit provided by the state and HR has previously tried to elevate this issue with the state's retirement division. There was a robust discussion as well as consideration as to whether a finite pool of funds should be split between increase in compensation and increased retirement contributions. It should be noted, that faculty would not be in favor of a split pool model since faculty would generally prefer a compensation increase (as opposed to an increased retirement contribution). VP Gentry stated that a small group of faculty could be chosen to work more closely with HR on this issue.

In November 15, 2021, the council had member Professor Ariel Pomputius, who is Chair of the Sustainability Committee provide updates on a plan by the Sustainability Committee to put forward a recommendation on UFICO's ESG investment strategy to the Infrastructure Council, urging more transparency on their website and in shareholder documents regarding their adherence to ESG investing and asking for the consideration of a higher standard of sustainable investment if a higher standard than ESR rises to the forefront. There was discussion on The Intentional Endowments Network, which both the University of Michigan and Arizona State University are involved in. The Sustainability Committee will submit their draft resolution for review at the 12/1/21 Infrastructure Council's meeting. A link was provided in the minutes regarding the UF Foundation Investments returns for the fiscal years 2016-2020.

In December 13, 2021, the council discussed how they can aid in the conversation to increase employer benefits, including making employee contributions more comparable to our peer institutions. Several ideas were discussed which can be found in the minutes. At the Board of Trustees (BOT) meeting last week there was discussion on how to best retain and hire faculty, with consideration to state funding resources. The council discussed the likelihood of the state directly increasing retirement benefits and the helpfulness of framing this conversation as an opportunity to remain a competitive institution. UF

Benefits Director and Faculty Senate administrative liaison Shannon Edwards has responded to information requests to assist in tracking relevant comparisons.

The UFICO ESG policy overview discussion centered around the desire for the Sustainability committee draft a recommendation to suggest more transparency and forward planning to focus on strong ESG investments while continuing to seek for a commitment to a better standard. The Budget Council expressed an interest in reviewing the Sustainability committee's recommendation and advised how to present a resolution to appear similar to documents generated by the Welfare Council (containing relevant background and points of reference). Our administrative liaison provided an overview of the transparency portal and explained the landing page, which includes a support unit link and college link. The links and guide on how to use the page are provided in the minutes.

The January 2022 meeting was cancelled. In the February 11, 2021 meeting, Dr. Sean Trainor, Chair of the Compensation & Equity Committee, was invited and sought feedback from the Budget Council I regarding the best way to move forward to request UF employee recompense due to COVID-19 hardships and to reward such efforts, and to help re-build faculty morale. Council Chair Ghiaseddin is in favor of advocating that UF move closer to its peer institutions' benchmark of ten percent for employee retirement contributions. It was discussed if two resolutions should be crafted, one with a focus on retirement benefits, and a second addressing COVID-related recompense. Specific recommendations including expanding paid medical leave, addressing costs related to inflation, addressing the burden of childcare, as well as the prices associated with parking. More detailed information can be found in the minutes. The administrative liaison addressed a question regarding the BOT's plans to modify the Responsibility Center Management (RCM). The RCM is a budgeting model used for distributing funds within the university. Enhancement being reviewed are more administrative and its use is not expected to result in any significant financial impacts.

In the March 11, 2022 meeting, Council Chair Ghiaseddin requested feedback on the proposed resolution which will be brought to the April 7 Steering Committee meeting. Chair Bloom confirmed that he will provide a resolution update at the April 21 Board of Trustees meeting. - It was mentioned in last month's meeting that, of the three plans, the ORP plan has more funding flexibility. However, there is now a bill in the legislature to increase the investment plan by three percent and would affect the entire State University System (SUS), and not just UF. The three UF retirement plans and differences were discussed with a link to the plans provided in the minutes.

Although state funding is required to move this resolution forward, it was agreed that advocating for a State University System Optional Retirement Program (SUSORP) Employer Contribution of ten percent would be beneficial to faculty colleagues. UF's current 5.14 percent contribution falls well below the average 10 percent contribution provided by many UF peer institutions. An inquiry was raised regarding clarification of where an increased employer contribution would come from. It was discussed that many faculty, such as those in a lower income bracket, may not want a mandated employer contribution increase at the risk of state money being removed from such contributions as salary or merit increases; having accessible money now, as opposed to being filed away for future retirement monies may not be desirable for all faculty.

Council discussed that its intention is to request that this be new and additional money, as it could help UF compete with peer institutions in the areas of faculty retention and recruitment. However, the benefits of having 'flexible funding' in the form of non-earmarked funds from the state was also

discussed. While some hesitance was expressed in asking for increased employer contributions to retirement, it was agreed that this resolution is a means for the Faculty Senate to register discontent with the current situation and a desire for change, particularly as some colleges have discussed that retirement plans have been a point of contention for its faculty. Council discussed and amended the resolution verbiage. A motion to approve the resolution containing today's amendments was unanimously approved. Link to the resolution provided in the minutes. Due to time constraints, ongoing discussion regarding recommendations for sustainable investing was pushed to future meeting.