

Budget Council

Annual Report 2020-2021

Council Members (Senators): Ashley Ghiaseddin (chair), Dennis Kramer, Mei-Fang Lan, Ariel Pomputius, Keith Schneider, Lauren Solberg

Administrative Liaisons: Joseph Glover, Curtis Reynolds

Liaisons: George Kolb

Student: Kevin Trejos

This annual report summarized major discussions and issues addressed by the Budget Council for 2020-2021. Details are available in the [Budget Council minutes](#).

Council discussed its role in connecting faculty to an increased understanding of budgetary issues on a wholistic level, including sharing and reviewing questions from individual faculty and helping to relay answers to Faculty Senate.

Council discussed how any possible future furloughs would help the financial health of UF. It also discussed in which situations it would be necessary to consider it. No furloughs have currently been requested by any unit. While the point of a furlough is for the university to reduce its spending, how it does so was discussed, notably that flexibility is needed in the policy because funding sources are so widely-varied between units (i.e. the number of and parameters for using dollars from state money, grants, donations, clinicals, auxiliaries, etc.). Benefits, such as health insurance and retirement, are retained when an employee is in a furlough.

How does UF fund furloughs and strike a balance with areas of growth within UF? The Artificial Intelligence Initiative, for example, was the result of a donation with state-matched funds, and, due to the involvement of so many units, is expected to contribute to growth in practically all academic areas of UF. Carry-forward funds helped to provide funding for the Data Center power expansion. Creation of the Data Center was key to the ability for UF to move forward with this project.

A large expense needing to be addressed is deferred maintenance, especially for many of UF's older buildings. A recurring funding source is typically used to help gradually reduce and resolve such ongoing projects, whereas carryforward money is used for non-recurring items. An example of a recent carryforward is the faculty 500 initiative. Campus master plan. New buildings are typically financed from a different pot of money than deferred maintenance. Funding for new buildings typically come from donors and the state-allocated capital budget.

COVID impacts. Expenses related to COVID are generally now being diverted from existing budgets.

Andrew Winden, UF Associate Professor of Law attended the 12/18/2020 Budget Council meeting and spoke to council regarding company environmental disclosures, sustainable issues, and how to apply this information to investments. He discussed Environmental Social Governance (ESG) investing and its primary components: environmental - applying to climate impact and the carbon footprint

of a company; social - applying to HR and supply chain; and governance - related to management and shareholder control. Investing sustainably is possible while still generating a respectable return. In fact, the returns are no longer a sacrifice.

Dr. Win Phillips, UF Executive Chief of Staff, attended the 1/15/21 Budget Council meeting and informed the council that UFICO has indeed signed on to the ESG process. Bill Reeser, CEO of UFICO, stated there is an official ESG policy that evaluates ESG metrics prior to investing that UFICO follows. Mr. Reeser stated he can forward this official policy (the statement) to the Faculty Senate. It can be presented at the Faculty Senate Steering Committee to be introduced as an Information Item if the Faculty Senate would like. The [policy statement](#) can also be sent to the Sustainability Committee. Matt Williams, Director of the Office of Sustainability, informed council that the University of Florida is looking at revamping the carbon neutral goals. He was recently asked by the Board of Trustees an RFI (request of information) on solar panels. There is discussion to move forward with solar panels on campus (near 4 Megawatts of power as limited by state regulation of solar net metering).

David Christie, Assistant Vice President & CFO of UF Advancement and UF Foundation Inc., attended the 2/19/21 Budget Council meeting to provide an overview of the Foundation/Advancement, which is currently in the midst of the Go Gator campaign with a fundraising goal of three billion dollars. It is anticipated this goal will be met in March. Foundation donor gifts can be quite specific, and it is uncommon that the Foundation receives unrestricted gifts. Council inquired about the process used when a donor gives money to develop a specific program (i.e. to fund its research or faculty recruitment, etc.) and the money becomes entirely depleted before all intended goals are reached. The University and Foundation are learning every day and working on anticipating these potential issues and addressing them appropriately. Over 25 million dollars from nearly 22,000 gifts was raised yesterday (2/18/21) in the Gator Giving Day.

Shannon Edwards, Director of University Benefits, attended the 3/19/21 Budget Council meeting. Shannon has recently joined UF from a corporate space and shared how UF must navigate its benefits in a higher education space and as an entity of the state. An analysis completed by Sibson reflected that UF has strong health insurance packages and very reasonable premiums, but retirement and leave are weak in cross-comparisons to other peer or similar institutions.

UF has an investment consultant who is reviewing investments to, among other things, reduce any associated fees. The Voluntary 457 Deferred Compensation Plan and its investment providers were reviewed. 403b plans changed January 2021, with Fidelity Investments becoming the sole recordkeeper for UF defined contribution plans. UF's transition to Fidelity and the RFP process was briefly discussed following a council inquiry regarding the physical presence of benefits vendors. Although this vendor brought in a national team to service UF, the university has dedicated benefit representatives in Ocala and Orlando. There is interest in having a 'brick and mortar' Gainesville location to further assist employees with Fidelity-related inquiries. Increased paid family leave was implemented in January 2021.

Council was asked to consider if there are other things which UF should offer that employees want or need. One area which UF could improve upon is to offer strong employer contributions,

which would help with faculty advancement and retention. Leave messaging and communication goals from VP Gentry and the UF HR team were discussed. UF has not moved to PTO, as they had contemplated doing in summer 2021. Director Edwards will stay in touch with Faculty Senate regarding leave updates. UF HR seeks a consistent approach to the leave roll out for both in-unit and out-of-unit employees.

2021-2022 CHAIR. Ashley Ghiaseddin has been elected as the Budget Council Chair for 2021-2022.