

## Budget Council Minutes

December 12, 2022

4:00 p.m.

via Zoom:

<https://ufl.zoom.us/j/95934766061?pwd=dEVydlhhUEwrRHA1YWlrcTNvbGtwZz09>

Meeting ID: 959 3476 6061 Passcode: 853644 Dial: 301-715-8592

Present: Ashley Ghiaseddin, Chair, Ariel Pomputius, Catherine Striley, Nathalie Wall, and Sean Weatherford.

Guests: Timothy Boaz (past president University of South Florida faculty senate), Jennifer Schneider (current president, University of South Florida faculty senate), Christopher Cowen, UF Chief Financial Officer.

Staff Support: Laurie

Administrative Liaison to the Senate and Assistant Vice President: George Kolb

**Call to Order** - Ashley Ghiaseddin, Budget Council Chair

- The meeting was called to order by Budget Council Chair Ashley Ghiaseddin at 4:05 p.m.

**1. Approval of October 31, 2022 Minutes**

The minutes were approved.

**2. Chair's Report / Steering Committee Update** - Ashley Ghiaseddin, Budget Council Chair.  
Ashley decided to drop this update to move to the report of Christopher Cowen.

**3. Office of the CFO Visit / Update** – Chris Cowen, UF CFO. Ashley Ghiaseddin introduced him and asked him to update us on the budget and any other projects in the University. Chris Cowen then reported that last year plus has been spent aligning budget to go live in 2024 and start a 5 year process of removing subsidies and increasing co-investing. This will align with the new president's priorities which should be communicated starting in February. The Dean of the Business school is the Chair of the Budget Committee. We know costs are going up. The University has the same stresses; how do we confront those when our revenue is not growing and at the same time increase transparency? On the ERP process, Charlie Lane, Senior Vice President and Chief Operating Officer, Elias Eldayrie, Vice President and Chief Information Office and Chris Cowen are working with FSU and FIU on implementation. In February, there will be

presentations and in March a selection of providers. It will include all of the campus but Gator Care and UF Health; they are also involved in discussions. Chris Cowen then took questions from the committee. Ashley Ghiaseddin asked whether we would seek additional State support to keep margins at the same level. Chris Cowen said there would be requests to cut costs; utilities will continue to climb. What are the costs we can cut? They will also be looking to the State to co-invest but know we will not just have a blank check from the State. Also taking some from investments will allow some funding. Development will be stressed from all colleges, especially for unrestricted funds to allow new initiatives. President Sasse has already been engaging with the CFO's office to learn about costs and revenue associated with development.

Ashley asked about how ethical, social and corporate governance (ESG) is regarded at the State level. What will the University do? Keep following the spirit of the ESG, or consider being part of one of the larger groups of universities? There are new State requirements not to invest in firms taking a position in regard to issues that may not align with what State supports. The State disinvested in ES & G, but there is no requirement for the University to do so at this time. ES & G is in the eye of the beholder. UFICO believes investment strategy to be multifactorial and does not want to just make decisions, that on the surface feel good; reducing very complex situations into oversimplified solutions. Ashley Ghiaseddin indicated that the Council over the past several years has been supportive that the University continue to consider these issues as an important factor when assessing the overall health of the portfolio. CFO Cowen said if we made a public statement, it might be counterproductive. He is on the board of University of Florida Investment Corporation (UFICO), and they do talk about this on a regular basis. He believes they are moving in a positive direction.

- 4. Administrative Liaison Updates** – George Kolb, Assistant Vice President, Financial Analysis and Budget reports that Support Units have been preparing their budgets; they drive costs. His office is considering these and the funds they have on hand. Nearly 24 million dollars in requests came in; 9 million were for utilities alone. This then goes to Senior Vice Presidents for consideration. Only 25% of requests were approved. Compliance and legal and some other groups are understaffed; they want to deal with these problems before they become larger issues. Units are required to show what they have done to cut costs before new budgets are considered. These may add to the costs to colleges. College budgets will get kicked off in February; they will then be able to see the new overhead and cost models.

Ashley Ghiaseddin asked if costs were going to continue increasing given inflationary pressure. George Kolb said yes, for inflation. Chris Cowen said Duke Energy asked for 18% increase next year and it would likely be a double-digit increase every year for the foreseeable future. We haven't invested in the infrastructure to the extent required

given new growth. We always want to save and invest, but basic infrastructure must be supported.

We won't have much control over the facilities tax, George Kolb said. They are looking at ways to reduce: ask support units to be more efficient; colleges need to support the costs. Now everyone likes Docusign; its cost is up 200%. Things people need and we are already buying are going up. Multiyear contracts, as they are renegotiated, are going up 200 – 300%. Other contracts have built in Consumer Price Index (CPI) escalators, but our State budget doesn't allow that. Cathy Striley asked what buffers we have in place to reduce large changes from the new President. Mrs. Cowen and Kolb have been meeting with the new President. President Sasse has been very engaged during their meetings. Christopher Cowen expects quick changes; he wants to get the information and decide and will want to implement it. We are likely to see him operate more as a CEO; some people will find this refreshing. He thinks we will all like President Sasse. He has the authorization from the Board of Trustees to make changes. Units and colleges will have to make changes. Budgets will have to be justified, looked at closely. He considers that if people agree with a third of the things that come out of his office, they are doing well.

Ashley Ghiaseddin said that if costs are increasing, we need to get more funds from the State and would the University ever consider raising tuition. Chris Cowen said this is under discussion. Since all areas are being hit with rising costs, it's hard not to look at tuition. But most undergraduates are funded by State-funded Bright Futures; so if tuition is increased, the State is paying it out of another pocket. So, raising tuition does not benefit the State budget.

Dr. Boaz noted that he had agreed to stay silent. He said they were facing the same problems.

## **5. Upcoming Budget Council Agendas Review**

Ashley Ghiaseddin said our goal was to have George Kolb and Christopher Cowen come and they had. In January we will talk about meeting with Matthew Williams, Director of the Office of Sustainability and Energy Integration.

## **6. Adjournment**

The meeting adjourned at 5:05 p.m.