

Faculty Senate Personnel Committee Meeting Minutes – February 9, 2022. 11:30am (EDT), zoom

Members in Attendance: Janet Andreasen, Luca Argenti, Mark Ehrhart, Richard Harrison, Jana Jasinski (ex officio), Jacqueline LaManna, Tamra Legron-Rodriguez, Karol Lucken, Adam Parrish (vice chair), Michael Proctor, Blake Scott, Edwin Torres (chair), Martine Vanryckeghem, Mason Cash,

Absent Members: Yoon Choi, Nicole Dawson, Vladimir Gatchev, Rodrigo Amezcua Correa, Marino Nader, Nadine Dexter,

Guests: Michael Johnson, Provost and Executive Vice President for Academic Affairs; Gerald Hector, Vice President for Finance and Administration; Rebeka Richards, Senior Assistant Vice President for Budget, Planning and Administration

Minutes taken by J. LaManna

Item 1: Administrative business

- The meeting was called to order by Chair, Edwin Torres
 - Minor edits to the 1/19/2022 minutes were requested and with revisions approval of minutes moved, seconded, and approved.
 - Dr. Torres introduced guests and discussed the purpose of the meeting which was to present an overview of financial processes and personnel-related budget issues.
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Item 2: Discussion on financial processes and personnel-related issues.

Gerald Hector, Vice President for Finance and Administration, provided an overview of 3 major sources of budget and addressed the need for university leadership to assess the impacts of growth on the financial health of the university – these conversations are in process with administration and the board.

Michael Proctor introduced concerns related to wage erosion and presented questions on E & G fundings (state and tuition funds which equate to \$600 million). There were questions presented related to carry forward funds.

Gerald Hector clarified that excess funds are moved to carry forward – these funds cannot be recurring (ie: to support permanent salary increases) but can be used as one-time payments. He has told budget directors to transition to 12-month budgeting for fiscal year of 7/1-6/30. A 2020 audit of UCF produced a concern – E & G funds are being used as buffers and the spending is not matching what is presented to the state. Processes vary by college as revenue sources vary.

Michael Proctor provided a summary of concerns related to wage erosions and impacts of the pandemic and eroding resources. He showed graphs demonstrating loss of wages in comparison to the Consumer Price Index. He stated” The value of our efforts are being devalued.”

Provost Johnson discussed issues in last year’s budgeting that were associated with concerns related to potential budget cuts.

Gerald Hector added that there is concern that the existing revenue base is not growing though expenses are. There is a need to consider other sources of revenue, particularly in light of plans to decrease enrollment. There is a concern related to inflation and flat revenue. We have not been granted flexibility with carry forward.

Mason Cash asked a question regarding budget priorities. He stated there are concerns related to how budgets are allocated and cut in other areas. Accountability and transparency is needed in this area in light of new budget process.

Gerald Hector answered that there is a need to review how UCF allocates moneys based upon priorities. As an example, 75% of equipment at the university is at end of life. Consideration to facilities and square footage use is important. Additionally, the University does not have a centralized position control. Currently, the deans have the ability to decide how to keep their enterprises afloat. The revised budget model is a tool to help with better allocating resources.

Provost Johnson added that President Cartwright wanted to shift money from administration to the academic enterprise and saw hiring of additional faculty as a priority over raises. There is no central ability to assess for ways to address lower value expenditures which has previously led to across-the-board cuts. Provost Johnson stressed that there is a need for more granular understanding of expenditures in individual programs. The university does not know how to do this yet with a degree of understanding and transparency. UCF has 9000 cost centers.

Karol Lucken asked the guests to provide clarity on perceptions of a bloated administration. She stated there is a perception growth of administrative leaders which appears redundant. She asked the guest to provide examples of administrative cuts. There was a question as to the source of funding for the President’s bonus.

Gerald Hector stated he would need to confirm the source of the budget. The next board meeting will include a sensitivity discussion regarding mechanisms to diversity the revenue stream.

A committee member asked about funding sources for the world class faculty – are these coming out of E & G funds?

Provost Johnson explained that the Florida legislature created the world class faculty program. The initial funding for this did not come out of the colleges. The university must show the State how this funding is as it is a restrictive purpose. He confirmed these funds do come from E&G funds as recurring budget items.

Gerald Hector emphasized that there is a need to better track positions – he provided examples of current budget redundancies (ie: multiple accounts with same vendors) that are associated with the colleges independently managing their budgets.

Michael Proctor asked the guests to explain the budget sources of seed funding which provide a 600% ROI.

Provost Johnson clarified that these projects are typically funded by E & G funds controlled by the Provost office. Provost Johnson's concern is the sustainability in the new model as this program has been historically funded by carry forward moneys. His future dilemma will be to determine if funding to the colleges will be decreased to support continued seed funding.

Gerald Hector emphasized that revenue sources as they currently exist are not going to change and there is a need to look for other sources.

Mike Proctor introduced a discussion on the Teaching Incentive Program and its funding.

Gerald Hector stated the concerns support the shift to the new budget model as the colleges have been absorbing this. There are ways to provide profitable programs and an important part of this effort is improving administrative business processes including implementation new initiatives such as strategic procurement and Work Day. He stated a long-term goal is to have no singular revenue sources that is greater than 25% of the total university revenue. The following are the strategies to accomplish this goal:

- Increase the foundation goal to \$100 million. Deans are addressing this now.
- Monetizing assets
- Procurement streamlining and strategic sourcing
- Growing the research gravitas

Item 3: Exit and Stay interviews - Report from the sub-committee, led by Blake Scott.

Blake Scott asked the committee to consider several factors as we continue to examine the exit/stay interview process:

- Are stay/exit interviews separate processes?
- Please help clarify resources.

Item 4: Guidelines on Search

Luca Argenti reported that draft guidelines for search processes. He brought a question related to use of non-listed references to the group for discussion at the next meeting.

Item 5: Next Meeting. Committee Chair Torres reminded the group that the next meeting is scheduled for 11:30am on Wednesday, February 23, 2022 by Zoom.

The being no further business, a motion was made, seconded, and approved to adjourn the meeting at 12:37pm.