



## **USF Budget Workshop**

Thursday, April 27, 2023  
2:00 – 5:00 PM

### **MINUTES**

Chair Will Weatherford called the meeting to order, thanked the trustees and campus board members for attending, and thanked Rich Sobieray and his team for their work in putting today's workshop together.

Nithin Palyam was recognized as this was his last board meeting as a Trustee. Chair Weatherford thanked him for his insights and contributions as a representative of the student body. Trustee Palyam was presented a plaque in recognition of his service.

No roll call was taken as there were no action items, however, the following members of the Board of Trustees were in attendance: Trustee Sandra Callahan, Trustee Mike Carrere, Trustee Michael Griffin, Trustee Oscar Horton, Trustee Jasinski Schneider, Trustee Luran Monbarren, Trustee Nithin Palyam, Trustee Shilen Patel, Trustee Fredrick Piccolo, Trustee Melissa Seixas, Trustee Will Weatherford.

### **I. Introduction**

Senior VP and CFO Rich Sobieray welcomed everyone to today's workshop, introduced the topics of the workshop, introduced the members of his team, thanked his team and others for their contributions, explained the purpose and goals of the workshop, and gave an overview of the agenda.

### **II. Message from Board of Trustees**

Chair Weatherford provided remarks emphasizing the importance of looking through the lens of OneUSF, while supporting our other campuses.

He commented that it is critical we ensure our budgeting process is aligned with our strategic plan, goals, and aspirations such as being a top 25 institution, becoming AAU eligible, and being a great place to work.

He encouraged the participants to listen, engage, and ask questions and commented on the opportunity to have a common understanding and clear vision with our roles as trustees and campus board members to help the University.

Vice-Chair and Chair of the Finance Committee, Mike Griffin provided remarks echoing Chair Weatherford and thanking Rich Sobieray and his team for all their work.

He emphasized the importance of this workshop in achieving our goals, being on the same page, and reaching our aspirations. He reiterated that it is the responsibility of our Trustees to ensure sound financial management at USF.

Chair Weatherford echoed Vice Chair Griffin's comments and referred to the legislative investments we plan to see coming out of Tallahassee.

### **III. Message from President**

President Rhea F. Law thanked the Trustees and Campus Board members. She commented that the purpose of today's workshop is to ensure alignment with our strategic plan, performance goals, and budget so that we can be predictable and transparent and be able to understand why we are making certain investments.

She commented that our job here at USF is to provide education, initiatives, and results for our students to allow them to be successful and be lifelong partners with our students, faculty, and community.

President Law expressed that although we have gratifying news from Tallahassee, we need to invest carefully.

President Law asked participants to consider 3 questions:

1. Will the investment support our commitment to students, faculty, staff, industry, and community?
2. Is it aligned with our strategic plan and accountability plan?
3. Is it going to maximize our competitive advantage?

Answers to these questions will allow the decisions on how we move forward to become clear.

### **IV. USF Budget 101 (2:25 – 2:45)**

Rich Sobieray introduced budgeting at USF. One goal of the workshop is to have leadership get behind the themes and priorities and ensure that those themes are aligned with the budget so that we can allocate dollars towards those themes once we receive them.

Rich Sobieray provided a PowerPoint presentation that detailed the following:

- Budget Process
- Color of Money
  - Complexity of discretionary use of funding
  - Need more discretionary funding
- Top 5 budget challenges
  - Strategic Gap
  - Discretionary needs versus discretionary resources
  - Unfunded mandates from State
  - Facility needs

- Modern technology

Chair Weatherford asked a question concerning the strategic gap and a timeline to close the gap. He also asked how carry forward flexibility could help us.

Rich Sobieray answered that carry forward flexibility would provide temporary relief. The timeline for the strategic gap depends on how quickly we can roll out some of the initiatives and how much support we get from the state.

Trustee Seixas asked if the strategic gap is based on the new strategy, or does it include a component of past obligations that need to be closed out. Rich Sobieray answered that this is based on the new strategy.

Trustee Jasinski Schneider asked if the strategic gap includes the stadium, and Rich Sobieray answered that it does not, and that it is focused on academic including faculty recruitment and student success.

Trustee Horton asked how money from a future stadium would impact our budget. Rich Sobieray answered that the money would balance the Athletics budget, which is not currently balanced.

Trustee Carrere asked how much of the gap is tied into AAU eligibility requirements. Rich Sobieray answered that we are closer to AAU than Top 25, but the gap is more reflected upon Top 25. The Provost commented that AAU requirements are completely different than other aspirations that we have, but there is some overlap.

## **V. Review of FY23**

Masha Galchenko presented a PowerPoint concerning the following:

- FY 2023 Funding Sources for OneUSF
- FY 2023 Record State Appropriations
- Investments in FY 2023
  - Investments made vs projected outcome

Trustee Seixas asked for an example of an action taken and outcome. Masha Galchenko gave an example of HCM being implemented.

- Estimated Outcomes vs results with Metrics

Trustee Seixas asked how online classes are considered, and Pritish responded that the metric considers face to face classes only.

## **VI. Budgeting for Strategic Outcomes**

Pritish Mukherjee provided a PowerPoint highlighting the following:

- Objectives
  - Review USF's position in rankings and AAU landscape
  - Explore synergies between institutional excellence, aspirations, and metrics
- USF's Rank Among Public Universities versus Year of USNWR Ranking
- Metric ranks for USF Among Top 100 Ranked Public Universities

Trustee Horton asked a couple questions about faculty salaries.

Chair Weatherford provided a comment to make the distinction between the perception of USF chasing a ranking versus us what we are actually chasing, which is excellence by achieving metrics that will make USF a great University for our students.

Trustee Piccolo made comments concerning the peer assessment score being subjective and the weight it has on the rankings.

Participants engaged in discussion regarding the peer assessment score.

Participants engaged in discussion regarding how we plan to achieve higher rankings and what is needed to get there.

Trustee Jasinski Schneider commented on faculty salaries.

- 2023 USNWR Public Ranking Landscape (Number of Universities versus Rank)
  - As we move through the landscape, the competition changes
- AAU Indicators
  - Phase I and Phase II
- Federal R&D Expenditures
- Federal R&D Expenditures per capita
- Summary of USF's Positioning among Public AAUs

Participants engaged in discussion regarding AAU membership and rankings.

- Ecosystem of Institutional Excellence
- Strategic Metrics for Student Success
- Strategic Metrics for Faculty Success
- Themes for Strategic Levers

Participants engaged in discussion regarding metrics and how they pertain to achieving our goals and aspirations.

- Distilled Strategic Plan Metrics
- Ecosystem of Strategic Measures for Institutional Excellence

## **VII. FY24 Budget Priorities**

Prasant Mohapatra presented and provided a PowerPoint that highlighted the following:

- FY 24 Budget Priorities
  - Goal – align investments with strategic plan and aspirations of USF
  - Focus on objective goals for academic excellence of State and National significance
- Focused list of strategic measures for institutional success
  - Summary of strategic investments
- Investing in Institutional Excellence
- Total R&D Expenditures by Tenured/Tenure-track Faculty for Top 100 Public USNWR Ranked Universities
- Prioritized Investment in Institutional Excellence
  - Faculty & Staff retention
  - Student success outcomes
  - Ensuring infrastructure support
- Examples of Specific Investments
- Conclusion
  - Objective to align the following key components of institutional success: sustainable budget, strategic priorities, and aspirational goals.

Trustee Palyam asked a question concerning challenges recruiting and retaining faculty given the political landscape.

The provost commented that they are doing outreach to current faculty.

Trustee Jasinski Schneider also commented on the issue of faculty recruitment and hiring and how it affects students.

Chair Weatherford commented regarding our role as trustees to be stewards of the University and set a good example with our actions and how we treat each other.

Participants engaged in further discussion on the monitoring of metrics, how we plan to achieve the goals, and achieving our aspirations.

## **VIII. Areas of Opportunity to Close Gaps**

Rich Sobieray presented a PowerPoint highlighting the following:

- Areas of Opportunity to Close Gaps
  - Completed:
    - Budget model process
    - ESCO
    - JP Morgan Chase Banking
  - In Process:
    - Improving net tuition
    - Increasing contracts and grants
    - Philanthropy growth
    - Financing strategies – broadband
    - Financing strategies – parking and housing

- Responsibility Center Management
- College Performance – instructional capacity
- College Performance – academic program assessment
- Administrative efficiency
- Space optimization

Chair Weatherford thanked Rich Sobieray and Masha Galchenko for their work on this and offered support for the direction we are moving towards.

Participants engaged in discussion regarding endowments, revenue streams, technology needs, discretionary funds, preeminence funding.

Trustee Seixas asked a question regarding the delivery dates and commented on the diligence needed to complete the work given the timelines set forth.

Trustee Callahan asked about our next budget cycle. Rich Sobieray answered that we are preparing for that cycle and the new model will be ran parallel to be useful now prior to full implementation.

Vice Chair Griffin commented regarding space and asset optimization.

## **IX. Budget Roundtable Discussion\***

*\*The roundtable discussion was skipped since discussion occurred throughout the meeting*

## **X. Responsibility Center Management Update**

Masha Galchenko presented, joined by members of the Huron Consultant Group. Masha Galchenko shared a PowerPoint covering the following:

- Responsibility Center Management Update
  - Goals and objectives
  - Re-envisioning budgeting at USF: Effective budgeting in higher education
  - USF Budget Redesign
    - Model organization
    - Tuition, fees, and financial aid
    - State appropriations
    - Other revenue distributions
    - Indirect expenses
    - Strategic investment funding
    - Model management
  - Forthcoming campus engagement
    - Socialize, communicate, gather feedback
  - Next Steps
    - Early stages of designing the model. Go live is FY 27.

Participants engaged in discussion regarding the implementation, feedback, and engagement process of the new budget model.

Chair Weatherford commented on our position of strength to change our budget model.

## **XI. Conclusion**

Trustee Jasinski Schneider asked what our greatest challenges would be. Rich Sobieray answered that educating our deans, community, and stakeholders will be a challenge. He stated that another challenge will be assessing the impacts across the other campuses.

Participants engaged in discussion regarding efforts/methods to get additional unrestricted dollars.

Trustee Palyam provided words of encouragement for USF being able to achieve these goals.

President Law provided some closing remarks thanking all for being here.

Having no further business, Chair Weatherford adjourned the meeting.