**UFS Minutes**

**Meeting: 11 March 2020**

**BL028, Bogomolny Library**

**12:00-2:00pm (Senators only meeting 1:30-2:00pm)**

Attn Member: Stephanie Gibson(UFS Pres/CAS), David Lingelbach(UFS VP/MSB), Stephen “Mike” Kiel(UFS Sec/Libraries), Frank VanVliet(MSB), Tina DiFranco(CPA), Michael Hayes(Law), Jessica Sowa(CPA), Kris Eyssell(CAS), Sally Farley(CAS), Beth Amyot(CFO), Julie Simon(CUSF), Darlene Smith(Provost)

Attn Guest: Alan Weisman(CPA), Amrita Shenoy(CPA), Barbara Aughenbaugh(A&F), Dave Bobart(OTS), Bill Carter(MSB), Greg Walsh(CAS), Chris Spencer(CAS), Bridget Blogett(CAS), Karen Karmiol(Provost Office), Zach Luhman(SSSS), Murray Dalziel(MSB), Mary Beth Waak(UBO), Wabei Chitambala(UBO), Teresa Callison(UBO), Neb Sertsu(A&F), John Chapin(Libraries), Nicole Marano(SSSS), Roger Hartley(CPA), Seyed Mohammedi(UBO), Bill Boyd(UBO), Elias Nader(CPA), Betsy Nix(CAS), Sally Reed(HR), Marlyn Oblak(MSB), Candace Caraco(Provost Office), Paul Moniodis(Provost Office)

**Consent Agenda**

*Logistical Items*

* Approval of and amendments to March 11, agenda (1 document)

*Information Items*

* None

Action items

* None

**Strategic discussion Items**

* **Budget discussion**
	+ **Data visualization from Greg Walsh [Document 20-M] and Accompanying spreadsheet [Document 20-N]**

During the February meeting it was hard for some faculty to understand how, at the academic level, the university cleared 8 million, but still had a deficit overall. This visualization uses the FRM documents in MyUB from FY19 with no changes. One decision made was that student data came from AIR… What can be seen is that after CM3 there is a margin of 2.4 million. UB goes into the red when we start to factor in most of our student services include things like the administration, veterans affairs, and EMM. An accompanying spreadsheet compares our costs to others in the system. What can we learn from this?

* Our instructional costs might seem high, but compared to other USM school we are very efficient in terms of instruction compared to revenue.
* Our student services are a little high, but overall the reason we’re in a bad situation it seems like the state appropriation is so low. We self fund more than any other school through tuition.

Discussion:

* There are some programs that have been discussed which are labeled as underperforming. Based on this information it seems that viewed in aggregate all the programs are in the black?
	+ At CM1 and CM2, that is correct. Some programs bring in more than others; 20% of the programs bring in 80% of our revenue.
	+ The university has to make decisions based on what we think is important. For example, we clearly must use that revenue to fund services for disability support. We might say the same things about smaller programs.
* What goes into the bucket of “academic affairs”?
	+ For everyone’s background understanding, the category a transaction falls in is mandated by rule. There is a manual, FARM, which specifies things like counting EMM in student services. Using the USM dashboard will co-mingle some categories and labels.
	+ To the questions of the provost being so much it would be EMM and in A&F it would be student services. Student aide will show up in the revenue.
	+ Part of OTS will be in instruction, academic support, and institutional expenses. For example email support and peoplesoft is part of institutional expenses.
* Inspired by this I looked at the budget trends document, what does Central University mean in the expenses by division? It is one of the largest categories and the only one to grow in the most recent available data
	+ One thing this includes is debt. The number in 2018 was greater than in the past in part because there was a one time charge to write off bad debt and accounts. The CFO had to explain this to the legislature. Other than this unusual write off, the large components are 5.7million for debt service, and around 800k for system finances and fees.
* The benchmarking spreadsheet is very valuable. When you benchmarked on the institution level what did you find?
	+ For one, our administrative costs are not out of proportion with other institutions, though they aren’t the lowest
	+ Other universities make a lot of profit from things we don’t have like residence halls or food service
* As you think about this information, one thing to note is that it was said that the FRM showed we had a positive bottom line in a particular year. How do we reconcile this with the structural deficit? Everyone didn’t spend everything they could have, we also did not invest in facilities or fill positions
* What should we take away from this?
	+ There’s not one thing we can cut to save a lot of money.
	+ The number one thing we should do is hit our legislators repeatedly with the message “we need more money”
	+ If you compare the instruction to revenue ratio and add in the social mobility, we’re doing what the legislature wants.
	+ **Structural budget deficit reduction plan with numbers
	[Document 20-O]**

The brief slide deck presents a big picture and progress to date and timeline. As for the big picture, we have a budget gap because the spending planned doesn’t match the revenue. We must do a few things:

1. Stabilize enrollment, we spend a long time talking about managing cuts. If we solve the deficit today we’d have a problem again with an enrollment decline. We’ve had serious declines, they are about ⅓ but we havent cut the costs by a third.
2. We want to identify how to reduce the base cost by 5 million, we need to have a plan not realize all immediately.
3. We can manage a difference of about 3 with annual cash savings

One other thing to keep in mind is that we are required by the system to transfer 2.5 mil annually to increase reserves and plant, thought we **should** transfer a more substantial amount. One way we’ve made some savings is to not do the transfers.

How can we achieve this 5 million in savings?

What is being done already:

* About 900k in retirements and 1 mil from vacant positions
* Thee is 600k target for college consolidation

To be completed:

* The RCM “tax” for the law school
* A review of non-personnel expenses
* Savings from buildings and hours
* Increasing student to faculty ratio where appropriate.

Time line for other work:

* School consolidation, March 31
* Finalize other reductions, Mar31
* Law school RCM contribution, May 1
* Student faculty ratio , Ongoing

Discussion:

* Exactly how does this discussion affect the law school?
	+ Law currently makes a 825k contribution to the general fund, they may be required to contribute more centrally after the complete RCM calculations and it will be up to them to decide how to do so.
* Do the retirements in law go to the general fund?
	+ The school, like any unit, has discretion on the “tax” funding under RCM, so they could not fill a vacant position or fund it in a different way
* How do the taxes get figured out?
	+ In the case of the law school, we’ll have to do it as an RCM committee by the end of April. There are members for this committee already, two from each school, most of whom carry over from previous work. The names came from the Deans.
* Does the 900 in retirements include positions we **know** we have to fill?
* It is an estimated net including some positions we know must be filled.To recap from earlier, our administrative costs aren't out of line with USM. How much is the administrative share of the pain under these actions?
	+ It hasn’t been tallied it up that way as of yet
	+ It would be helpful to do so.
* The change in student mix, would have a beneficial impact that hasn't been completely factored in either, but it would be around 1-1.5 million
* What isn’t in these numbers are the state appropriations designated for certain effort.
	+ So the additional 2.4million in the state budget is restricted?
	+ Yes, we developed broad categories like enhancing student success so there are bulleted items in the appropriations for more GAs, mentoring, etc. We were trying to not be **too** restrictive.
	+ Other categories were expanding programs at Jessup and Baltimore engagement. Complete information is in testimony to the legislature.
	+ Some of these seem a bit in tension with the change in the mix of students
		- Possibly, but community engagement could also cover things like graduate research. Our main hook was being an anchor institution.
	+ Would it be fair to frame this as seed investment money?
		- Essentially yes, we’ve received workforce development money from the governor also
* Greg - one of my big concerns is, what we are going to cut? I think we really need to market **something focused** to get our enrollment up.
	+ Yes, the solution is in revenue. We have the lowest advertising budget. We’re spending what we have effectively.
	+ **3-college model – whence savings?**
* Most faculty feel this will be chaotic, which would seem to increase our costs, on balance how will the savings be realized?
	+ As has been discussed in the SPBC, the majority of the reduction is in the administrative spending, largely in a Dean’s office. The provost’s office developed one set of numbers, while the budget office did so independently. We won’t know the actual savings till we pick a model and game out the implementation, but it isn't a reduction in faculty costs.
* The President said last year that these changes weren't worth the costs.
* This is a question raised initially in the SPBC, the time and costs of the administrative work. The program leadership can deal with the restructuring, but they also need to be the prime recruiters. I’m not sure how far people can be stretched and we need to focus on enrollment
* Obviously what has happened in the last week should have upended a lot of our assumptions. In some ways this is an academic discussion, given current realities. The coronavirus outbreak seems like it would create a larger risk of recession which could change a lot of our thinking.
	+ **Coronavirus**

Many of us are spending 80% of our time on planning related to the pandemic, with situations changing daily. The administration is taking this very seriously and trying to protect everyone’s health and safety. There is a lot of uncertainty ahead of us in terms of short and long term impact on the economy, business and workforce. That includes our enrollments. The WHO declared a pandemic today, and uncertainty and fear are high. We have solid partners at USM and UMB, they are giving us great support. The system Presidents are having daily calls to coordinate policy and protocol. There is a very very high probability that we’ll go to a virtual environment for the rest of the semester. All universities are planning for that, and we’re planning for the possibility of extending the semester. We could close the whole university for two weeks and not impact summer sessions. We’re also talking to MSCHE and the department of education. Things are proceeding methodically, with a lot of conversation to handle the moving parts. We’re likely to move more to teleworking, and are navigating contingency planning for a campus closure and how could we sustain a telework environment. Our goal is to enhance our capacity and online services, but it’s a complex web.

* You can’t over communicate in a situation like this. We as a community should do our best to double down and communicate more.
* Maybe there should be a faculty support/discussion board
	+ In terms of faculty to faculty, CELTT doesn't have that up and running now but there are two trainings a week for the next 4 weeks, there are also student facing sample communications.
	+ Maybe we could use something like microsoft Teams for a discussion board or forum
* There is uncertainty, enrollment needs to think about the proactive things for enrollment
	+ Students will make decisions about schools in a different way, we have serious minded students and a lot online already. We should jump on the opportunity.
	+ We’re unique in that we don't have residence and dining halls or international students, schools that do will be taking a serious financial hit if all this continues.
	+ This is a change in how we do work, and we are doing our best to figure out how to do things… payroll will be run remotely, we’re figuring out all manner of things like how to disburse student aide.
* We need some kind of mailbox, or central place for answers about what is happening given the rapidly changing situation.
	+ The administration is working on frequently asked questions already
* What do we do about our student workers?
	+ Unless and until the campus closes, student workers can come to work. Should the campus close then we’ll work through it.
* We’ll be creating a second schedule for the fall assuming we are 100% online, should there be a second outbreak. Faculty should assume many aspects of our operations will be online for the foreseeable future.
* Since we are in that state now of a pandemic, can we pause the talk of college merger talk? I feel like we don't have the time to do this responsibly.
	+ That’s a point worthy of consideration.
* Students may feel emboldened on grade appeals, and we should plan for this.
* Even though this discussion didn’t have a conclusion, I feel like I know more about how we’ll proceed and I’m grateful for that.

Important Upcoming Dates

* UFS 2019-20 meeting dates (all in Bogomolny Room)
	+ April 1
	+ May 6
	+ May 20, second May meeting if necessary
* May 21, 2020 – commencement (10:30 & 2:00)