

Faculty Senate Budget Update

May 19, 2021

Florida Legislature Budget Actions

Net Negatives

1. Recurring cut to state appropriation for universities

Capped faculty salaries from E&G at \$200K. USF Recurring cut = ~\$2.45M
(neutral effect on E&G budget since expense also comes out, but this has to be covered from some other source of funds)

2. Unfunded mandate

Increase to USF required contribution to retirement for employees under FRS.
Recurring expenses = ~\$6M

3. Tuition waivers

Impact not yet known. BOG will identify 8 disciplines for BOGO waivers (TBD).
Legislature approved \$25M to the entire SUS to offset cost.

Other waivers are small.

Florida Legislature Budget Actions

Net Positives

1. 6% Holdback from this fiscal year released to universities (\$24.7M for USF)
2. Funds approved for completion of Genshaft Honors building (\$8.1M) and Student Wellness building (\$6.5M).
(no impact on E&G budget)
3. USF eligible to receive some deferred maintenance funds (out of \$350M for all state facilities).

CAVEAT – Not official until Governor signs.

Assessment of USF Budget Situation

Fiscal Year 2019-20

Our calculations of actual recurring E&G revenues minus all actual E&G expenditures (recurring and non-recurring) showed \$7.5M deficit.

- COVID-related expenses incurred during March – June 2020 were **INCLUDED** in the calculation.
- COVID relief funds (that should cover all those expenses) were **NOT INCLUDED** in the calculation.
- Taking these into account (and assuming that such COVID expenses > \$7.5M)

OneUSF may have had an E&G budget **SURPLUS** in FY19-20.
At worst, the deficit was \$7.5M.

Assessment of USF Budget Situation Fiscal Year 2020-21

State appropriation increased by \$6.4M, mostly at St. Pete and Sarasota

Governor ordered 6% holdback of state appropriation (\$24.7M) in July

USF cut spending by 6% to compensate for holdback in August

Legislature released holdback in late April

USF received >\$100M in COVID relief funds to cover COVID expenses

- Taking these all into account

OneUSF should have an E&G budget **SURPLUS** in FY20-21.

Assessment of USF Budget Situation Fiscal Year 2021-22

State appropriation effectively decreased by ~\$8.5M (1.8%)

Cuts to recurring expenses have already been made

- \$3.1M for facilities and other (link)

- Early retirements

- Faculty lines swept

- Staff laid off

- Library subscriptions canceled

- etc,

COVID relief funds (>\$100M) to cover COVID expenses

- Taking these into account

OneUSF could possibly have an E&G budget **SURPLUS** in FY21-22.

Overall Assessment – Part 1

USF could possibly have 3 straight years of surpluses in the E&G budget.

State of Florida Revenue Estimating Conference predicts increased economic growth and increased state revenues next year.

Historically, the Florida Legislature has been more generous in election years (next year is an election year).

Conclusion

The state economic situation and USF's E&G budget balances do not indicate the need for any budget cuts at USF for next year.

Overall Assessment – Part 2

USF administration has continued to assert but has failed to document that there is a 'structural budget deficit' of \$30.8M (despite weekly meetings on this issue since January).

The budget plan submitted to the BOT in January set June 30, 2022 as the implementation date for cuts to address the 'structural budget deficit.' So that date was clearly acceptable at that time (when USF's financial situation appeared much more dire).

Conclusion

These points along with the financial situation indicate that there is no need to implement budget cuts at USF to address the 'structural budget deficit' any earlier than June 30, 2022.

Overall Assessment – Part 3

The budget process this year has inflicted significant damage to faculty and staff in the colleges on top of that due to COVID.

job insecurity

real, significant increases in workload

significant decreases in support

Conclusions

First, the released 6% holdback should be restored to the colleges to address these negative impacts.

Second, there should be no new investments made at USF until after this damage has been ameliorated.

Overall Assessment – Part 4

The administration has --

failed to document the existence of the supposed 'structural budget deficit' of \$30.8M.

Failed to satisfactorily explain the distribution of budget cut targets (to the colleges and other units) announced last year

Continued to make budget decisions in a non-transparent, top-down fashion

Conclusions

The budget planning process at USF still needs to be more transparent and inclusive.

Upcoming Timeline

- May 25 – BOT Finance Committee meeting to discuss continuation budget for FY21-22
- May 26 – BOT Strategic Initiatives Committee meeting to discuss strategic plan
- June 8 – Full BOT meeting to vote on continuation budget for FY21-22