Minutes
Wednesday, January 6, 2021
8:15-9:50am via Zoom


Absent: S. Keim, J.P. Rocniak, H. Rodrigues, B. White


Presenters: Lisa Rulney, Senior Vice President and Chief Financial Officer
Nicole Salazar, Vice President, Financial Services

Call to Order
Co-Chair Helm called the meeting to order at 8:16am

Approval of the Minutes of December 9, 2020
The minutes of December 16, 2020 were approved with one abstention.

Presentation and Discussion: Allocation of funds from COVID Relief Bill and State of Arizona’s CARES Act
Lisa Rulney, Senior Vice President and Chief Financial Officer
Rulney presented to the committee details of the Federal Government financial support. Rulney said $15.4m was received for emergency aid for students and $12.7m had been allocated to students as of 12/22/2020. She added $15.4m was available for institutional support for allowable COVID related expenses and $9.1m had been claimed in the federal CARES Reconciliation report. She also informed the committee the University had received $2.3m as a Hispanic Serving Institution. The Consolidated Appropriation Act included a one-year extension to 12/31/2021 for permissible spending of CARES Act funds.

Rulney informed the committee that Governor Ducey allocated $115m in Coronavirus Relief funds to ASU, NAU, and UA. UA received an allocation of $46m to cover the costs of allowable COVID expenses incurred between 3/27/2020 and 12/30/2020.

Rulney presented information on new funds anticipated from the Consolidated Appropriation Act of 2021. She stated $22.7b would be available for higher education emergency relief. She shared details of the formula used for allocations of funding and stated further interpretation of guidelines could come from the new administration’s education guidelines.
Rulney stated these sources of funding were one-time and did not address structural issues within the UA business model. She added fund transfers related to this topic will be a separate line/temporary budget adjustment. Rulney added she would continue to track the spring enrollment census and another reconciliation and/or budget change was likely at the end of the year.

Rulney concluded by informing the committee new faculty contracts would likely be sent at the end of January or early February to reflect changes from the end of the furlough program.

**Presentation and Discussion: Operational Efficiencies Working Group’s recommendations on Facilities Management and the Bookstores**

Lisa Rulney, Senior Vice President and Chief Financial Officer

Rulney presented to the committee information regarding the recommendations from the Operating Efficiencies Working Group regarding Facilities Management (FM) and the UA Bookstores. Rulney added the consulting firm PFM was utilized.

The FM report highlighted the work of the department to outsource where possible and optimize utility contracts for savings compared to peer institutions. Rulney said a hybrid approach was currently used by FM and the costs of operating had decreased in comparison to peer institutions. The recommendations from the consulting firm and working group included consolidating department-run custodial services under FM. The working group also recommended FM move to paperless processes where possible. The consultants recommended monitoring the motor pool and determining if outsourcing was a possibility.

The PFM report regarding UA Bookstores found the unit operated above peer institutions and some for-profit companies. UA Bookstores had a high level of student and part-time labor. Recommendations included considering modifying internal policies related to licensing and branding. No specific recommendation was made to suggest privatizing bookstore operations, but the report recommended using an RFI to test the market for interest in outsourcing, followed by an RFP. The report recommended continuing to roll out the equitable textbook pricing model. Both the working group and PFM recommended UA Bookstores participate in smart design evaluations and the custodial crew could be handled through FM.

Co-Chair Helm suggested a week for review of materials before providing feedback to Rulney.

**Presentation: Review of FY20 CAFR**

Nicole Salazar, Vice President, Financial Services

Salazar presented to the committee details of the FY20 CAFR, published after the completion of the annual audit completed in October. She outlined tasks associated with generating the report, which began in April 2020 and involved UAIT, HITS, HR and other units.

Salazar highlighted key elements of the CAFR including:

- Letter of transmittal including enrollment statistics.
- Management discussion and analysis including 2 years and an overview of each major section. She added deferred outflows and inflows contained items related to pensions and employment benefits. Pensions were not required to be listed on financial statements until 2017.
- Condensed schedule of revenues, expenses, and changes in net position with a year-to-year comparison of changes. Salazar said there was a drop in operating revenues of 4%.
- Basic financial statements including net position, net position for component units, and operating expenses divided by activity.
• Required supplementary information including expanded statements for component units.
• Statistical information covering 10 years of data and financial trends including changes in net position in dollars and percentages, operating expenses, academic year tuition, required fees, principal revenue sources, long-term debt.
• Summary of ratios including principal employers and breakdown of faculty and staff. Salazar stated this information was similar to HLC ratios submitted annually.

Salazar responded to member questions regarding how UAGC will be reflected in financial statements. She stated she did not believe UAGC would be represented in financial statements.

Non-COVID-19 Senior Leadership Updates and Updates on Re-entry

President Robbins
Robbins expressed interest in future opportunities to work with shared governance partners. He stated the need for input on the UA Bookstores and other auxiliary units and shared a supportive view of auxiliary units. Robbins said the COVID-19 vaccine was in Tucson and members of the University had received the vaccine. He expressed the need for an easier way for everyone in the UA community to join the list to receive the vaccine. Robbins said SPBAC and Faculty Senate will be important as changes to the budgeting system and RCM are made. He added Banner continued to be a major issue and faculty input will be needed. He also informed the committee fundraising was better than expected.

Liesl Folks, Senior Vice President for Academic Affairs and Provost
Folks updated the committee on preparations for the spring semester, which will begin in stage 1 – essential in-person classes only. She stated current pandemic conditions required a cautious start and testing was available to everyone. She informed the committee that a memo will be sent announcing additional in classroom support to those who are struggling with caregiving responsibilities. The support will consist of funding to colleges for salaries to students to support faculty with caregiving duties.

Lisa Rulney, Senior Vice President and Chief Financial Officer, Business Affairs
Rulney informed the committee pre-furlough salary and contract information was available in UAccess.

Betsy Cantwell, Senior Vice President, Research and Innovation
Cantwell stated reminders would be sent to researchers encouraging them to reevaluate safety checklists and follow COVID guidance. She informed the committee of new awards and added that any new research required a safety checklist. Cantwell stated F&A was down about 10% but there was roughly a 10% increase in awards. She said it was possible F&A may end up being down 10% for the year. Cantwell said she was building options and opportunities in regard to funding of the research enterprise at UA. She added TRIF will be discussed at an upcoming ABOR meeting.

Jane Hunter, Vice President, Strategic Initiatives
Hunter informed the committee UA will act as a pod for dispensing vaccines to the 1B population including faculty and staff.

Melanie Hingle, Vice Chair of the Faculty
Hingle informed the committee the Shared Governance Review Committee (SGRC) will reconvene to examine the health of shared governance at the University.
Adjournment
The meeting was adjourned at 9:50 am.