

Strategic Planning and Budget Advisory Committee

Faculty Center
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Minutes

Wednesday, March 17, 2021
8:15-9:50am *via Zoom*

Present: B. Brummund (**Co-Chair**), S. Helm (**Co-Chair**), M. Abecassis, D. Ayoun, B. Berrellez, E. Cheu, S. Colina, P. Dourlein, J. Duran, J. Florian, L. Folks, G. Heileman, M. Hingle, J. Hunter, J. Jones, D. Liverman, A. Miller, S. Moore, G. Perry, C. Ramirez, L. Rankin, L. Rulney, T. Singleton, R. Stephan, M. Taylor, S. Troutman, B. White

Absent: L. Benson, E. Cantwell, S. Keim, I. Moore, J.P. Rocznik, H. Rodrigues, S. Sen

Guests/Observers: R. Chadha, H. Jensen, J. O'Neil, S. Pawar, A. Romero, M. Venezia

Presenters: Kasey Urquidez, Vice President, Enrollment Management & Dean of Undergraduate Admissions

Lisa Rulney, Senior Vice President for Business Affairs and Chief Financial Officer

Call to Order

Co-Chair Helm called the meeting to order at 8:17am

Approval of the Minutes of March 3, 2021

The minutes of March 3, 2021 were approved.

Presentation and Discussion: Aid, Success and Revenue in a Changing Market

Presenter: Kasey Urquidez, Vice President, Enrollment Management & Dean of Undergraduate Admissions

Urquidez presented to the committee information regarding financial aid, academic success, and tuition in a changing education market. She highlighted the state funding impact on tuition and stated a significant decrease in state funding for public institutions resulted in an increased dependency on tuition revenue. She stated different modalities meant revenue per FTE had decreased. She stated there was a shift from main campus to online enrollment, revenue was down but less than originally projected. Arizona Online offset some of the loss. Undergraduate main campus enrollments decreased by 867 leading to a decrease in NTR of \$42.7m and graduate main campus enrollment decreased by 212 leading to a decrease of NTR of \$3.4m.

Urquidez stated affordability was the main reason a student chose not to attend the University of Arizona. She shared recent aid strategies at the University including lowering the discount rate from 30% to 23% during 2013-14 as part of the Never Settle strategic plan and increasing aid to improve retention and completion for competitive aid packages during 2016-17. Urquidez said an increase in aid

contributed to desired results and shared that Fall 2020 had the most ethnically diverse incoming first-year class in history and had the highest first to second year retention rate ever (85.5%).

Urquidez presented information regarding discounting and stated that discounting was a university response among institutions in response to market pressures. She concluded the presentation with an overview of the demographic cliff and stated tuition revenue and enrollment pressures will continue to increase because of this demographic change.

Presentation and Discussion: Financing the Mission (Update) & Update on Financial Sustainability Taskforce

Presenter: Lisa Rulney, Senior Vice President for Business Affairs and Chief Financial Officer

Stimulus and Relief Funds: Rulney presented to the committee information on stimulus funding and changes to the updated RCM model. According to Rulney's presentation the following funds were received through the CARES Act: \$15.4m for emergency aid for students (\$14m allocated as of 3-16-2020); \$15.4m for institutional support for allowable COVID-related expenses (\$9.1m claimed to date); \$2.3m received as a Hispanic Serving Institution (HSI). The Consolidated Appropriation Act of 2021 included a one-year extension of permissible spending of funds received through the CARES Act. Rulney stated all of the CARES Act funds will be used in 2021.

Rulney said \$115m was allocated by the State of Arizona in Coronavirus Relief Funds as part of the CARES Act to ASU, UArizona, and NAU. The University received a \$46m allocation to cover costs of allowable COVID related expenses incurred between March 27, 2020 and December 30, 2020. Rulney provided an overview of funds anticipated from the Coronavirus Response and Relief Appropriations Act (CRRSA) and the formula used to determine allocations. She added the University had 90 days after receiving an award letter to draw down funds. Kasey Urquidez, Vice President, Enrollment Management & Dean of Undergraduate Admissions will work on allocation of the student portion of funds and Rulney will lead a team to work on the allocation of institution funds.

Rulney also shared information on anticipated funds from the American Rescue Plan Act of 2021. The University received a \$85m HEERF allocation with \$43.2m for emergency aid for students, \$41.8m for institutional support for allowable COVID-related expenses, and \$5.3m received as an HSI.

Financial Sustainability Taskforce: Rulney shared information on the membership of the taskforce and stated it is no longer operating in emergency crisis mode. The taskforce has refocused on long term financial sustainability. Rulney stated a space committee was needed and a new committee would replace the Capital Projects, Debt, and Investments group.

Budget Information: Rulney updated the committee on revised budgets including online, distance, and RCM budgets. She said a 4% decrease for FY21 was anticipated without COVID. Originally NTR losses were anticipated to be \$96m, but that was reduced to \$53m. Online and distance forecasts did not change significantly since fall semester and executive decision adjustments did not change. Rulney added models for FY21 and FY22 were continuously updated, and projections suggested fall to be \$5m worse than the \$43m projection for FY22. There did not appear to be a double negative impact on revenue from a reduction of fees.

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

Andrea Romero, Vice Provost, Faculty Affairs

Romero updated the committee progress related to the career track faculty title changes. She reminded Deans a salary equity study for career track faculty would occur in the near future and stated Provost Folks was working with Deans on salary increases related to promotions. Romero added an email regarding professor emeritus status would be sent out and shared a reminder with committee members about inclusive gender and race/ethnicity categories now available in UAccess.

Melanie Hingle, Vice Chair of the Faculty

Hingle informed the committee about the creation of a shortlist of candidates for the Joint Appointed Advisory Council for UA Global. She said this would be finalized and then submitted to President Robbins. Hingle addressed the proposed changes to the academic calendar starting in 2022-23 and stated the rationale behind the changes was not clear to many faculty. She added any changes to the academic calendar need to be thoroughly discussed and the item would return to Faculty Senate in May. The item will require a faculty vote.

Liesl Folks, Senior Vice President for Academic Affairs and Provost

Folks updated the committee on a smooth transition into stage 2 of instruction. She said results from the rollout of vaccinations were beginning to be seen. Folks said that due to county and state efforts, most people will be vaccinated and in the protected category by the end of May and discussions were underway regarding summer residential camp activities.

Lisa Rulney, Senior Vice President and Chief Financial Officer, Business Affairs

Rulney shared a video with the committee made by students expressing thanks to donors for support of sustainability efforts and improvements at ENR2.

Adjournment

The meeting was adjourned at 9:50 am.