Minutes
Wednesday, May 5, 2021
8:15-9:50am via Zoom


Absent: J. Duran, J. Jones, S. Keim, A. Miller, J.P. Rocznia, B. White


Presenters: Barry Brummund and Sabrina Helm, SPBAC Co-Chairs
Lisa Rulney, Senior Vice President for Business Affairs and Chief Financial Officer
Jane Hunter, Vice President for Strategic Initiatives; Garth Perry, Vice President/Chief Budget Officer

Call to Order
Co-Chair Helm called the meeting to order at 8:15am

Approval of the Minutes of April 21, 2021
The minutes of April 21, 2021 were approved.

Presentation and Discussion: FY21 SPBAC Year-in-Review & Feedback
(Presenters: Barry Brummund and Sabrina Helm, SPBAC Co-Chairs)
Brummund recognized and thanked the outgoing members of SPBAC and informed the committee of incoming members for 2021-22. He presented information about the SPBAC affinity exercise conducted in 2020. The exercise identified priorities for SPBAC from a planning and budget perspective. Priorities included focusing on the budget, RCM, hiring and employment for different roles, and recruitment/financial aid. Brummund provided an overview of SPBAC meeting topics from the last year. A poll of SPBAC members regarding aspects of SPBAC meeting topics was conducted.

Presentation and Discussion: Budget Update
(Presenter: Lisa Rulney, Senior Vice President for Business Affairs and Chief Financial Officer)
Rulney presented an overview of budget related items and projections for FY21. She noted there would be further changes to the information presented and that another update would occur in fall 2021. Rulney stated mitigation strategies put in place during the pandemic worked to get activities and
finances back on track. She informed the committee about support from stimulus funds and positive information from enrollment data.

Rulney stated the annual budget was submitted last August and approved by ABOR in September. At the time of submission projections were negative based on the moderate case scenario. In this scenario, revenue losses were projected to be $96m. Rulney informed the committee there was improvement from the original projection and from FY20 to FY21 there was a decreased projected loss of $24m. Rulney stated there was an improvement over budget assumptions regarding private gifts and projections for FY21 indicated a 10% loss.

Rulney also updated the committee regarding auxiliary revenue. Auxiliary revenue came in many different forms and was spread out throughout the statement period. This was the area hardest hit by the pandemic and suffered reduced revenue generation due to low foot traffic on campus. Rulney expected auxiliary units to be down 54% from the original budget projection for FY21. She added units that were partially supported by student fees fared better than those dependent on revenue alone. All auxiliary units worked to offset losses and debt was restructured for FY21, benefiting these units which pay their debt service.

Rulney informed the committee the original projections placed the University with 122 days of cash on hand. This had been increased to a projection of 160 days of cash on hand. Rulney also provided details of stimulus funding. Federal funding included:

- Higher Education Emergency Relief Fund I:
  - Student Portion: $15.5m
  - Institutional Portion: $15.5m
  - Minority Serving & Strengthening Institutions: $2.3m
  - Funds were completely distributed as of March 31, 2021
- Higher Education Emergency Relief Fund II:
  - Student Portion: $15.5m (completely allocated by summer 2021)
  - Institutional Portion: $32.5m
- Higher Education Emergency Relief Fund III:
  - Student Portion (estimated): $42.2m
  - Institutional Portion (estimated): $42.2m
  - Minority Serving & Strengthening Institutions (estimated): $5.3m
- Governor’s Emergency Education Relief Fund: $46m

Rulney stated that as of March 31, 2021, $33.2m in Higher Education Emergency Relief Funds (HEERF) and $45.9m in funds from the Governor’s Emergency Education Relief Fund (GEERF) had been applied as actual reimbursed expenses.

**Presentation and Discussion: Strategic Plan Update**
(Presenter: Jane Hunter, Vice President for Strategic Initiatives; Garth Perry, Vice President/Chief Budget Officer)

Hunter updated the committee regarding significant changes to the strategic plan. She stated the original plan had five pillars and the priorities of the plan have not changed, but adjustments have been made. Spending on the strategic plan was paused in March 2020, leading to $22m in savings. This reduced the amount of total budget by 59%.

Hunter listed the positive impacts of COVID-19 on the strategic plan, including:
- New collaborations and connections
- Pandemic-related opportunities
- Innovative online interactions
- Growth and expansion of online course offerings
- Demonstration of core values
- Refocused attention on operational efficiencies and effectiveness

Hunter also provided an overview of negative impacts on the strategic plan, including:
- Reduction of financial support and late arrival of funding
- Personnel issues (hiring pause, waiver request process, furlough, layoffs)
- Additional personal and family responsibilities for employees
- Pivot to pandemic-related work and online formats
- Inability to convene in-person meetings, informational events

Hunter provided an overview of pillar owners and Perry informed the committee regarding strategic plan funding information. Perry updated the committee on considerations that guided budget recommendations for FY22-24, including: preserving jobs when possible; minimizing financial shock to units; prioritizing initiatives that offer high return on investment, high probability of success, align with the institution’s competitive advantages; and transitioning units off of SIF for ongoing operational needs.

Hunter presented recommendations for the Living Strategic Plan. A total of 35 initiatives were funded with funding totals set at $42.5m for FY22. The total for FY19-24 was $124.2m. Highlights of proposed changes for the Living Strategic Plan included:
- New investments in competitive seed grants (CGAPS – Pillar 2; Experiential Learning through Community Engagement – Pillar 3; Seed Grant for Operational Efficiencies – Pillar 5)
- Invest in Physician’s Assistant degree program
- Expand investment in data sciences
- Invest in Healthy Aging initiative
- Reinstate funding for DC Center and Arizona Arts
- Expand to support 21st Century Masters Project
- Complete Global Center
- Support completion of Castro House renovation

Hunter outlined initiatives not recommended for SIF funding. These included:
- Transfer student programs
- UAHS Teach data literacy
- UAHS Personalized learning journey
- Access to precision health
- Precision aging network pilot study
- Signature annual event
- Phoenix and Bay Area centers
- Cross-border collaborations
- Our Best Work Environment
- Living Our Core Values

The presentation concluded with next steps. These included:
- Present FY22-24 funding recommendations to executive leadership
- Review recommendations for FY22-24 with SPBAC
- Executive Leadership Team approval for FY22 funding
- Communicate approved funding plans to Initiative Owners
- Reevaluate and update University metrics related to initiatives
- Support initiative teams to update goals, KPIs, milestones, etc.
- Reintroduce the plan to the campus community
- Identify challenges and opportunities to support initiative owners

**Update: University Planning Office Establishment**
*(Presenter: Barry Brummund, Chief Information Officer and SPBAC Co-Chair)*

Brummund provided information regarding the establishment of the University Integrated Planning Office. The mission of this office would be to support the President and University Senior Leadership with data-informed research, analysis, and modeling covering: ABOR and Tri-University initiatives; University strategic goals and metrics; and external multi-year and future opportunity strategy and planning. Brummund presented responsibilities for the new office. These responsibilities included:

- University strategy and plans
- University goals and metrics
- Models/recommendations to support the University and President
- ABOR, ASU, NAU planning

According to Brummund, the University Planning Office would not be responsible for:

- SVP, college, VP strategy and plans
- SVP, college, VP goals and metrics
- Budget allocations to units
- Deans, VPs, Deans Council
- Current year, AFMY opportunity strategy and planning
- Internal opportunity strategy and planning
- Coordinating college, VP planning

Brummund shared an organization chart for the new office and highlighted the new hire responsible for finance, Katie van Renterghem.

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

**Shilpita Sen, GPSC President**
Sen informed the committee that GPSC was transitioning to new officers and she would return to SPBAC next year as GPSC President.

**Lisa Rulney, Senior Vice President and Chief Financial Officer, Business Affairs**
Rulney updated the committee on the sale of bonds. She said there was broad interest and the largest sale was $226m in bonds with a 2.25% interest rate all-in, maturity set for 2048. Construction projects will move forward including renovation of the Old Chemistry building.

**Elizabeth Cantwell, Senior Vice President, Research and Innovation**
Cantwell updated the committee regarding possible items for SPBAC to consider. These included: added complexity with TRIF; ABOR’s involvement with TRIF allocations; rethinking F&A allocations at the University with the goal of seeing if RII can be grown to become a source for supporting hiring packages.

**Melanie Hingle, Vice Chair of the Faculty**
Hingle updated the committee on work to include faculty on conversations regarding planning and strategy. She stated there may be engagement opportunity workshops in the fall. She added Jessica Summers will return to the Chair of the Faculty role in fall 2021.

**Adjournment**
The meeting was adjourned at 9:50 am.