

UPFB Weekly Meeting

Fri, Mar 15, 2024 9 AM • 36:43

**SUMMARY KEYWORDS**

appropriations, forecasted, number, questions, budget, amount, student, move, fiscal year, year, deficit, vote, based, chandler, discussion, projects, enrollment, reserves, university, ultimately

Meeting called to order at 9:07 am.

00:38

**Chair Rodriguez:**

And is there anyone’s name that has not being called? Seeing everyone’s name has been called, we’ll now move into line item two, the adoption of the meeting minutes from our March 1st meeting. Is there a motion to adopt the meeting minutes?

01:07

\*Moved and seconded\*

01:07

**Chair Rodriguez:**

Seeing that the meeting minutes have been adopted, we will now move into line item three of the adoption of the agenda. Is there a motion to adopt this meeting agenda?

\*Moved and seconded\*

And we will now move into line item four of public comment. Are there any students here for public comment? Seeing no students here for public comment will now move into line item five, old business, fiscal year 2024-2025 final preparation discussion. In this, what we'll be going through is the finalized forecasted official projected fiscal year 24-25 numbers. I need to sign into the document.

02:36

So essentially, what this will consist of is us reviewing the overarching budget that exists for fiscal year 2024-2025. So you all are able to see what the total appropriation will be, but also the variation that you can see divvied up by percentage, and then also amount so you can get that.

03:02

Okay. And Vice Chair Chandler, would you please send this to the Teams so that everyone could eventually access that. And we can go through each of the areas just very briefly. So, you all are able to see how we ultimately rectified and reconciled what this budget would be based on the student initiated fee amount that we knew we would have and are locked into, which is $289 per semester. So that will be fiscal year 24-25. Meaning that that is the money that we will have to work with forecasted baseline revenue on that number. And using the official university number of 45,000 students, that has not been updated, we are going to have $26 million. But with the forecasted increase of student enrollment, and just the overarching population, alongside with the true up which we don't weigh into this, the forecast revenue with 48,000 students would be $28 million. So that is the distinction that you'll see between what the forecasted amount is from our side, but then us comparing it to the official university documents that exists now just so you all are able to get that difference in mind. You can also see that the main points that I would probably point you to are the variations between the total standing funding appropriations between fiscal year 23-24 and fiscal year 24-25. So this table is ultimately meant to demonstrate and show you the exact amounts that we have been able to modify the budget for and take into account so I'll let Vice Chair Chandler send that just so everyone has the ability to look this over. Ultimately, this is what we voted on as we went through each unit in budget modification proposal, and then the fiscal year 2024 and 2025 proposals were rectified based on the new information. So we will ultimately be reviewing this Chief Budget and Planning Executive Kurtz can also provide more detail, answer questions and general information. I'm hoping we can do that and then move into discussion if everyone's okay with that.

05:48

**Representative O’Toole:**

Point of procedure, is the Zoom working? Oh, it is thanks.

06:07

**Chief Budget and Planning Executive Kurtz:**

So in making this spreadsheet, I think that one of the overarching goals that we had was to really be diligent in our reporting process. I think the problem that we as I guess, in a working executive committee had was that we it took us a while to make decisions based on the last report that we had internally. So this is obviously going to serve as a huge benchmark for all other all future boards who are referencing budget fiscal year 24-25. Because this right here is everything spent this year or are going to appropriate this year, I should say. So as you can see, we're also comparing our spending to last fiscal year 23-24 just to see obviously comparisons there and see how we are improving/disproving but right now we're doing all right. So this year, we only spent not even $100,000 more than last year in a budgetary environment and climate where we expect it to have a lot more appropriation. And that is due in part to our new student needs-based budget model that is really highlighting that holistic overview of student need. And we were able to make some pretty tough decision between our units and newly funded entities, and how to appropriate those properly to not only provide the most efficient funds towards these units. So if you look below, I have percentages in the numbers. Those are all your percentages and dollar amounts per unit/entity that we are appropriated to each of these units. Right now our fee is at $289 for 24-25. And I'd like to draw your attention to the top right orange section of that little table up there. You'll see forecasted and university calculated right there. What we discussed probably back in maybe September or October was that to calculate our base revenue each year, we use a fixed enrollment number provided by the University by using Spring/fall credit hours and summer credits. And those are obviously calculated using that $289 fee. And that gives us our base budget. So the university fixed enrollment numbers as of right now are on the right side. And that is bringing us to about a $26.1 million base revenue amount. Now, that definitely is outdated, that number should be updated. I'm not sure exactly when. And that is obviously a decision that's out of our hands or probably anyone's hand right now. But using the forecasted amount, which we have been using and calculation for the majority of year, that would bring our forecasted base revenue to $28.057 millions, giving us a little bit of a cushion and our overall deficit. However, as much as this may sound like rigid spending. We are moving forward in good shape. The decisions we've made this year as a board at large have really followed what we wanted the budget model to follow, but also has been moving us in the direction of closing that deficit year by year and minimizing our amount for reserves year over year. So right now we are in a position where the money flows this in a little sooner than expected, which is obviously two thumbs up, great situation.

09:50

Chair Rodriguez:

I’ll pause right there before we move into more specific deficit discussions. But I think this presents really excellent opportunities for you all to begin asking questions related to this. This is what you'll see in fiscal year 26. This is going to be what you are assessing it is visually simplistic for that exact reason. So for those that maybe want to develop professional budgetary skills or future success, did you have any questions that you're confused about based on these numbers? No question is a bad question. Everyone understands the complexity? Representative D'Elena.

10:32

**Representative D’Elena:**

Hayden D’Elena, UPUA Appointee. How do we kind of remedy the big difference between a forecasted amount and the university amount? I apologize if he kind of went over that before, like, you know, what, how do we pick which one is going to be the right one?

10:45

**Chair Rodriguez:**

We are basing it off of and I think Barry or Administrative Liaison Bram or Administrative Liaison Saunders can provide more context as to what the university has stated that they are going to increase enrollment to. I don't know if that number has been officially released yet. I just know that it's a projected amount of admissions, but I'll defer.

11:09

**AL Bram:**

Yeah, I mean, I think it's been pretty publicly released. Got that? Right. Yeah, I think they're anticipating in there, they're moving toward a number of 10,000 first-year students at some point. Which will be an additional 4000 students here, if they can get there. But one of the important things is Jennifer and I were just chatting about the fee has a base budget. Okay. And that number was increased last year. So even though the projected enrollment figures haven't gone up, the base budget has gone up. So I think they're starting to make some movement in a direction to reflect the fact that they anticipate.

11:58

**AL Saunders:**

I think the other thing I'll add, is kind of, like more directly to your question. Even if we're only using the 45,000. To budget, if the enrollment turned out to be 48,000, you still get all that money, right? And so we'll budget on the 26, you will receive likely the whole 28 million. Really, I think where we are is like Barry said the number is forecasted at 48,000. We just need to get to a point and maybe figure out how do we change the standing number of 45,000. That's the piece that I think we need to start looking at is what's the process to get that number updated, but we don't want to update it every single year, right? Like we need to, because it can have these wild fluctuations, possibly. So there is a purpose to keeping a certain number for a period of time, but it is probably time to figure out how to get that number increased because it hasn’t been 45,000 I'm sure.

13:00

**AL Bram:**

I'll just to remind you that the rate is $289. Not every student will pay $289. It's based on how many credits you take. Summer fee is only 75% the $289. So you can't just say we have 48,000 students multiplied by $289 per semester and to come up with a $56 million.

13:31

**Chair Rodriguez:**

But yeah, okay, so I guess Does that answer your question?

**Representative D’Elena:**

Yes, appreciate it.

13:58

**AL Bram:**

I was just going to echo what CPBE Kurtz said, you're in really good shape. Even if you have a slight operational deficit next year, the gap has closed.

14:18

**AL Saunders:**

I want to add on because I said to Danil and Najee, but the other work was the bulk of work that you did for your FY 25 appropriations, right there was very thoughtful work involved in making those decisions. So like that cannot be overlooked either. And all the work you guys put into the thought you put into making those appropriations those were really strong decisions.

14:50

**Chair Rodriguez:**

These are once again, this has never happened before. So they've been with us since the very beginning as we've been adapting and evolving to this process. One thing I would say before we segue into the you all have to be aware of the deficit. So we've only been into that a little more context of discussion. But once everything that you see here is something that you'll be able to reference and contextualize once we started receiving the fiscal year 26 materials. So that will hopefully offer you a lot of background contextual information that you all can get some thoughts about specially if you have areas of interest in which you'd like more questions, or you would prefer more clarity. So we will have this available to you obviously, Vice Chair Chandler did post it. So whenever you do have questions, as you are reviewing materials related to fiscal year 26, this will be a helpful starting point. And it also demonstrates not only the dollar amount pertinent to each student's, but again, the percentage. So I think that's a really helpful asset of this too. Any questions on this overarching budget itself?

16:20

**CPBE Kurtz:**

You know, so, on this same topic, using the same numbers, we have began the process of sending our 24-25 total modified expenditures to senior administration and what I like to refer to as the higher ups. Originally, we sent a few models in that were a little flawed. And the reason for this was, we found a few discrepancies in our past reporting, which had a major impact on the basis of our future or expected expenditure this year. The largest part I would like to notify everybody about was the facility whose contribution I've been discussing with Jennifer and Najee and Cierra etc. The facilities are contribution, for the most part cannot be cut, or at least decreased by a notable amount. Last year, we contributed about 8.4 million to that facility contribution. And as we all know, we have that one large scale infrastructure project coming in within the next few years, whether that'd be the hub expansion or the wellness, the wellbeing building. So we do need to adequately plan for that meaning we are going to contribute about 8.65 million to the facilities reserve as kind of that 3% buffer. And that's kind of been pretty steady in the sense of increases in those gaps made over the years. But regardless, I will leave you guys. I'm going to refrain from saying anything else until we have a little bit of a display up so.

18:46

Perfect, so using those fixed enrollment numbers the forecast in the university numbers on the left, you're going to see the data used for revenues in the forecast and data. And on the right you're going to see the data used for our calculation using the fixed University data using those numbers and those spring fall summer enrollments. Our total revenues using the forecasted data would be right at about 28 million, and for the university data it would be 26 million. Using those numbers, our total appropriation for the 24-25 year is $30,518,684 leaving our variance as in how much we overspent using the forecasted data to $2,461,053 overspent and then using the university data we overspent $4,329,999. Therefore that number would be carried forward from the reserves we recover and stuff like that. Like Barry and Jennifer were saying though, all these numbers as definite as they may look are like we said just predicted forecasted numbers. Right? Say the enrollment number is actually at 48,000, that 4 million number is going to be coming back to us, or at least a good chunk of it. At the end of the year when you know, final expenditures are calculated, and we get back our lump sum of what we did get in the beginning. As we try to plan, as best as we can for the future starting in fall, there's always going to be the fees that we don't have control over. And we just have to prepare for the best and hope that we don't get the worst. So I know this number seemed a little big, and they made it seem a little bit larger than we would have anticipated. But after going through the deliberation round, and looking at the overall votes and appropriations that we decided to approve, we are on track, based on what we all believe, at least, at least myself believe that we were going to spend, and by the red flags aren't really being drawn right now. That's a really good sign.

20:59

**Chair Rodriguez:**

And also just thanks for that. Just as a further context it would be really important to consider in this context too, because you can easily quantify that, okay, maybe we can‘t get an exact amount, it will be between that variance regardless. So that is between what you can potentially anticipate or expect, so you have a better idea. So $3 million would be a balance or halfway balance is just maybe an average. Ultimately what our objective is, though, is that we would have to take into account how much money we would want to leverage from our appropriations reserves to potentially supplement or make up that amount in the same way that we did this year. So that will be a discussion that we will have to have, mostly because, as you see from this variance, potentially, if we were, for example, to explore decisions as maybe a $3 million carry forward from the reserves to forecasts, I'm just throwing that out there to begin thoughts and discussion. But that's kind of the direction in which you will need to think we can't specifically know how much money to derive from our reserves. All this is is a forecast. Ultimately, we don't know what will happen until the expenses are rectified. But you can see the variance between 2 million, 4 million hopefully I think that offers enough context for you all to give thoughts as to if it should be an incremental reduction, or if we should pull that simultaneously from our reserves, that cannot be a decision that's made individually by Vice Chair Chandler or myself or Chief Budget and Planning Executive Kurtz. So your engagement in this aspect would be very encouraged. So that being said, I'll open that up for general discussion based on your understanding of the deficit. I mean, there's different ways to tackle it, and you can reduce it incrementally each year and a forecasted way we could pull the 3 million as a balance or pull a higher... Representative O’Toole.

23:28

**Representative O’Toole:**

Nora O’Toole, UPUA President. I have a question on the last spreadsheet graph. So the equity fund is just currently being cut. Okay. Where will those projects be placed then? Or are they also just being cut entirely?

23:48

**Chair Rodriguez:**

No. So luckily, two of those are one time projects. The community and belonging educators are moving down to annual expense over the next four to five years to $39,000. So that's what we're contributing. And then everything else that you see up there actually was a one time single project, besides the community...

24:09

**Representative O’Toole:**

Okay, the pollock laundry pilot program did not like was not successful?

**Chair Rodriguez:**

It hasn't been launched yet.

**Representative O’Toole:**

If it is, where would that funding come from?

24:23

**Chair Rodriguez:**

Probably a budget modification proposal? If the recommendations are approved.

**Representative O’Toole:**

Do you know when it will be out?

**Chair Rodriguez:**

So our initial idea for the program itself or just the process for them to add in potentially if it's successful...

**Representative O’Toole:**

The program itself.

24:42

**Chair Rodriguez:**

I believe that by fall latest I think it will be up and running.

**Representative O’Toole:**

Do you know what's that housed under?

24:49

**Chair Rodriguez:**

Student Care and Advocacy. So they would then technically put that under their standing appropriation proposal, there was significant demand based on that, but also that adds really good context for you all to know that sometimes projects don't get finished within the time limits that they set for themselves. That's great when, um, but yeah, so the ESF has been redirected, essentially to infrastructure and facility. So we just moved it to special projects and then equity fund, we are dissolving the fund and bringing these monies back to our central account. Interesting thoughts to be shared here. Essentially, the objective was to finalize these numbers, this amount in their totality, as a point of privilege, the vote likely cannot happen until Thorndyke and Dowhower officiate the brief or updated amounts that we have. Right. So compared to me explaining a surplus, this would instead be the significant... Yeah, before we can proceed to authorize the final spending/amount/appropriation.

26:26

**AL Bram:**

Yeah, once if you vote to approve this today, it could be much in the memo that you share. Yeah. And then once they've been...

26:38

**Chair Rodriguez:**

That means that I’ll keep the voting item on the agenda, the complication to this that we did not have enough time to account for again, though, was what contribution we'll have to make to subsidize that revenue deficit for this upcoming year. That has to be done. Can you confirm that? Or is this deferred?

27:13

**AL Bram:**

I think they understand that there might be more likely to be in deficit. We just don't know how much there is. But they also know that there's a carry forward for sure. So I think that I think there's the ability to just simply indicate that whatever is necessary will be taking two make these budgets whole and then the reserve will be replenished once the final numbers are...

27:47

**Chair Rodriguez:**

Yes, Administrative Liaison Saunders.

27:50

**AL Saunders:**

Yeah, my thought was that, because I love how you have the two options there. And so that you can vote on the appropriation. And then you can present to Dowhower and Thorndyke. These are two options, because then they can say, which is the right, which number should you use? Which enrollment number should you use? Do you see them saying it's like, you've got the appropriation? Now, the answer from them is which of these scenarios, right? The one that they will recommend to us in terms of like, do you need to end up taking the 2.4 million will the 4.3. So that so they will be affirming the enrollment is what I am saying.

28:30

**Chair Rodriguez:**

Okay. But in terms of the authorization and legitimacy, again, the handbook does not have precedents for this. So ultimately, I think when we vote on this, there needs to be a solid amount that we at least provide initially for carry forward. I will recommend if there is no other recommendation of the preference that we set that amount at around 3 million, because again, but notice that it can vary between the 4 million to the 2 million and we know that it likely won't be the 4 million, but that will allow us to at least equate that amount into our overall calculation to present to them because theoretically, it could be modifying this.

29:18

**AL Saunders:**

So you actually do have to have a confirmed carry forward number because you need to present them a balanced budget. Right. And so your total, essentially what you need to say that the total amount that you're bringing in, and the total amount that you're spending are the same. So you actually do need to say like, exactly what you're... So it does have to be balanced.

29:50

**Chair Rodriguez:**

Yes, that makes sense. So I don't feel comfortable bringing this about them until we have that solid number, because we can't vote on something that isn't balanced and also knew that it's potentially an issue. So I think what we can say here in regards to this discussion is that I will make a motion to postpone consideration to this vote until I have that number. I'm what I'm hoping to gather, though is if this in your opinions or considerations be appropriate to virtually vote on before our Friday meeting next week, because we do need to begin to fiscal year 26. And this is... speak your mind on what that looks like for you or your thought process. Representative Kelley.

31:01

**Representative Kelley:**
Conor Kelley, At-large Representative. Could I just get a brief understanding of where the forecasted enrollment is coming from again, just.

31:14

**Chair Rodriguez:**

Yeah, no, that's a good thing to like, also, just explain that it's for to, specifically, the Bendapudi administration has sought to increase enrollment by forecasted amounts of student population. So somewhere in a Penn State Today article, or somewhere on her agenda, or something that's been released, there is that indication of what the increase would be by year of student population for UP. So the historical university amount that we've been using since 2017, is 45,000 students. And that's been the case for years, they are increasing that amount at UP, so then we'll get more revenue as a result. Then if there's no outstanding concerns, then that's what I will officially motion to postpone line item six of new business about fiscal year 2024 25 final appropriations.

32:20

\*Motion is seconded\*

32:24

**Chair Rodriguez:**

And Seeing no opposition that will be striped from the agenda, and we will not be having that final vote. To continue that Chief Budget and Planning Executive Kurtz, Vice Chair Chandler and I will review what exact amount is needed to subsidize that full amount of what we are paying for. Once we have that then, logically then yes, that is the amount that we'll likely have to return to them and commit to, and that could probably be reconciled. Are there any questions based on this initial discussion? That being said, I will now close the floor for discussion on line item five of old business. And we will now move into line item seven, the chair report. The chair report is detailed within my email. And if you have any questions related to that, please reach out to me. One thing that I will update you on as it just happened today is that President O'Toole, Vice President Concepcion, and myself, and CFB and CCSG representatives met with the University of auditing today to discuss our governance patterns, our process for how we go about the appropriations and soliciting those funding requests. So we were able to answer those questions. And upon the conclusion of this report they’ll provide a set of recommendations to our relevant Student Affairs context as to what needs to happen, what needs to change in relation to the UPFB and things that they observe. So they're actually doing a thorough audit with the union leads their budgets in reference to what they use in terms of our money, and anything else that might relate to an audit that is critical information and that will be available to the next board next year. So that is what we were discussing this morning. And it was very informative. I will now stand for questions on my report. Seeing no questions, we will now move into line item gates the Vice Chair report.

34:40

**Vice Chair Chandler:**

We are moving forward with focus groups for the Wellness building and Hub expansion... \*indistinguishable\*

34:57

**Chair Rodriguez:**

Any questions for Vice Chair Chandler? Seeing no questions for Vice Chair Chandler, we will now move to line item nine of the executive committee reports. Are there any reports. Seeing no reports we will now move into line item 10 comments within the order. Are there any comments? See no comments for the good of the order. We'll now move into line item 11 of closing roll call Vice Chair Chandler.

\*Roll call and quorum is kept.\*

35:59

**Chair Rodriguez:**
Has anyone's name who has not been called? Seeing that everyone's name has been called I now adjourn this Friday, March 15. Meeting at 9:42am.