

**Central Business Operations Council (CBOC) Meeting – Recap Notes**  
Friday, October 13th, at 9:30 am  
Bayou Building, Room 2311

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**Meeting Attendees:** Deja Sero, Mark Denney, Yolanda Edmond, Andrea Sears, Miriam Rouziek, Lea Black, Becky Totty, Robin Shannon, Erika De Leon, Haley Lansford, Abby Varela, Debbie Carpenter, Michelina Johnson, Nicole Lenderman, DeAngel Bonilla, Faron Samford, Rhonda Warner, Luisa Gallegos, Darron Johnson (Teams), Krista Buckminster (Teams), and April Felan-Butler

**Agenda Items:**

a) **Lea Black:** Process for FY24 cleanup areas

Deja plans to send an email out to all the C and DBAs regarding the fringe benefits. Currently, the only division that has a negative balance in those benefits is just Strategic Enrollment Management. Business Administrators who are not at the division level should work with their Chief Business Administrators to get current fringe benefits to cover negatives. This should be done every year until corrections are made in your area.

Rather than only looking at the negatives, we will also consider what decisions came through that might have affected the costs of those benefits. Planning & Budget will conduct a full analysis and provide all C and DBAs with data and adjust, as needed. For the departments that are still positive, there may be some minor adjustments. Since we are currently working with a \$9 million deficit this year, we are asking everyone to be good financial stewards. Deja encourages all C and DBAs to review their benefits and she plans to send out an email with more details.

Also, while Mark was pulling up his PowerPoint slides, Deja announced that Robin Shannon is now officially under the FMC department and no longer located in the Planning & Budget.

b) **Mark Denney:** FY25 Budget Development and financial challenges

Mark began his segment of the meeting by stressing the importance of maintaining confidentiality. We also need to have fair and clear conversations about what we will do, or we won't be able to make sound decisions that will affect the university on a long-term basis. CBAs will need to talk to their Deans, and DBAs that report directly to a VP will need to speak with them to understand things correctly and accurately. We are not deciding quite yet.

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We started FY23 with about \$20 million in Central reserves and \$24 million in local reserves. UHCL used about \$3 million of our reserve, and we have about \$5 million under-revenue generation due to an enrollment decline. Carryforward requests will no longer be an option and the form has been removed from the PBO website. It was found that it did us no good to cut spending in FY23, but then turn around and use it in FY24.

We used about 3 million in FY23. Current Budget suggests that we will use about \$9 million in FY24. Through salary savings and etc., Mark believes we are capable of getting through the year using about \$7 million of the fund balance by being very careful about how we spend dollars and etc.

Since we are the 2<sup>nd</sup> year of the biennial for state funding, we will get no new dollars in FY25 and get the same we got in FY24 for FY25. UHCL is expected to have an enrollment increase in FY25 over FY24 of about 3%. FY25 budget is going to be around \$8 million out of the 10 million that was left. UHS will not approve of the budget because we have too little reserves left. We have to act now to reduce spending in FY24 and reduce the FY25 budget. There were 3 yrs of across the board cuts from 2016-2020 because we lacked sufficient reserves in central dollars. We are now re-entering that situation, once again. Although Mark is unsure about what we will do about this, we have some ideas, but the current path is unsustainable. We will do reductions and reduce loans. If we have to take any dollars or budget from anywhere, we will have detailed conversations to get to that. The impact of this problem is that the structure of how we do business operations on our campus is not the right size. We do not have the right people in the right places that are doing the right tasks and due to that, much of the work boils up to the C and DBA positions. Some of their tasks need to be done at a lower level and Mark is going to do his best to force this correction as we do this. Mark foresees a 5% adjustment in the FY25 budget. We are going to avoid doing across the board cuts. We will review who pays for what, see what universities similar in our size are currently doing, as well as borrowing fund balances and making transfers. Borrow is the keyword. Course fees is the last place where we would borrow money.

Miriam Rouziek told the group that she recently requested a list of all campus phone numbers and her Administrative Assistant called every single line. Some were linked to offices and conference rooms that had disconnected lines, which Miriam referred to as “low-hanging fruit” that could help cut down some of the excess utility costs.

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Deja mentioned that telephone encumbrances were also brought up in a recent meeting with Mark and all the VPAF Division Leaders. Dr. Sherry Hawn plans to look into this system-wide. Deja advised keep it on the list, but hold off for now until Dr. Hawn confirms what's happening at other UH System campuses.

Mark: we are going to do our best to figure out how to resolve our budget challenge, not our own individual department budget challenges. The system will not approve our budget; they don't want to see us go below 10% (\$12 million). All C/DBAs can be anticipated to be asked to help come up with ideas and develop a task forces to explore different ideas to help save.

Deja announced that there would be forthcoming meetings to help address C and DBAs create open dialogue between them and their managers. After these conversations take place, multiple task forces will be created to address these challenges (one for Service Charges and another for Operational Expenses). Mark also stated that there will be a conversation about Designated Differential Tuition (DDT) with all of the CBAs. We need to clearly define what DDT pays for, be impactful, and use it as an opportunity to fix what was created the last time we did across the board cuts and depleted summer and adjunct budgets in the colleges.

- c) **Miriam Rouziek:** *Faculty stipend forms and compensation tracking and*
- d) **Yolanda Edmond:** *Additional Comp/Stipends for Faculty*

HSH has questions about the current faculty stipend, forms and tracking compensation. Chuck Crocker primarily works for UHCL Career Services, but also teaches as an adjunct for HSH. They do not have any insider visibility into his primary department and it's very difficult track any of his additional pay. Another example is Maria Cruz who has stipend and grant work that she does that UHS Main campus, but Miriam cannot see this, either, as she is not at Main Campus. Miriam suggests that if this is the case, it should be the responsibility of the employee to monitor their own compensation and ensure they are not exceeding the 120% rule set by UHS. Mark mentioned that a few years ago, Texas Workforce Development conducted an audit that essentially concluded with a "we'll get back to you" response. TWC sent UHCL a list of employees that were showing up as employees at other state agencies and wanted us to reconcile what's going on and our basic answer was, well, when they work at other state agencies, how would you expect

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us to know that if the employee doesn't voluntarily tell us that even if they do voluntarily tell us, what are we supposed to do with that?

Yolanda Edmond confirmed that as a state agency, we should have the ability to track this through USAS and HR should be doing this. The state is concerned about dual employment and appropriate accrual for retirement benefits. The current 120% rule will be reduced to 10,000 or (20%). There will also be a new form coming for both faculty and staff, just as they do at UH Central. The form that Miriam had projected on the screen was an internal department form and not an HR form. The forthcoming form, which will be used for faculty and staff, will include a clause where the employee will certify they are not going to go above and beyond the 120% limit, but we cannot fully rely on the employees. Yolanda and Abby both contacted UH Main to ask how they handle this and they have yet to receive a response. The plan is to continue working on this and straightening things out, and hopefully implementing this form in the spring semester, rather than a mid-semester change.

e) **Abby Varela:** *Updated ePRF process (effective 10/16)*

Executive leadership is no longer part of the workflow process. It will go to HR, Budget, and then back to HR. It goes through HR twice due to posting purposes, to execute it, and at the end, HR sends the email to the Employment staff to post the position. The other change is the required documentation that needs to be created for to approve reclasses. Before, it just required approval of the hiring manager, but now it will go all the way up to the Vice President. It is up to the responsibility of the requester or whoever is sending the documents to ensure they provide you with the Vice President approval. Abby recently sent the table outlining the ePRF process updates in an email, and can share it with anyone upon request. HR appreciated all the support from the group because they knew this had been worked on for many years and the previous process was very disliked.