

Below, please submit questions you have for the Forensic Accountant USFFA will be engaging to investigate USF's finances

Before you submit a question, please check to see whether someone has already submitted a similar question, so that we minimize duplication. Thank you!

Has the Union shared its copy of USF Financials with you? They were discussed at a recent Policy Board meeting. They show 2019 Unrestricted Net Assets of \$460.8 million. They have grown at 11.1% annually since 1968, and doubled in the past decade. They can be used as a "Bridge" across a budget-shortfall year to cover any deficit. [[either as collateral for a loan or being used directly]]

*There is precedent: In 2009 USF took a \$64 million charge to Unrestricted Net Assets - when Unrestricted Net Assets were half what they are today - to cover an accounting-principles change. **Similar action can be taken today.***

Does the university have a \$450 million unencumbered savings account in addition to its endowment? If so, can it explain why those funds cannot be used to backstop any potential revenue losses this year and next?

From the [financial statement of FY 2019](#), The net asset was indeed \$460M, but the same report also shows that the net asset = asset - liabilities, and the asset includes \$491M property, plant, and equipment. It is not likely that the university can easily spend any part of \$460M to cover the revenue losses in FY 2021. In the same report, USF has ~\$79M cash and cash equivalent, and some of this money could help. As Zev from CFT said during 5/27 PB meeting, USF is not expected to use all of this money to cover the losses.

What are the sources of money that USF has but cannot be touched? What are the current legal grounds for not using it? E.g: parts of endowment?, the farm? etc.

Money set in the liabilities and Assets limited to use, such as bonds, cannot be spent. Most endowments are restricted in use, so it is unlikely that USF can use endowments to cover the majority of losses.

What % of USF expenses are for faculty compensation? (We just learned on 5/27 PB meeting that the administration is requesting up to 48% cost-share for revenue shortfalls from faculty; I do not believe that this is at all proportional to the % of total expenses on faculty)

From the [financial statement of FY 2019](#), total expenses are ~\$379M, and in the "Instruction" category, salaries are ~\$98M and benefits are ~\$33M, so about \$131M, about 35% of \$379M. However this benefit figure includes staff benefits, and it is hard to tell how much is the salary and benefits for librarians from this report.

Sabbatical deferral

The university has said that delaying all sabbaticals by a year will save \$4M. How has that number been calculated or that figure been reached?

I have this question as well. How is the cost of sabbaticals calculated, does the University just add up the amount of salary for faculty on sabbatical? Do they take into account that for some on a full year sabbatical at 75% pay there are no term faculty replacements provided to departments? In those cases, part time faculty might be hired, or not; so there is a “cost savings”. Does anyone appreciate the fact that even while on sabbatical faculty are working for the University by increasing scholarship in ways that contribute to USF’s reputation? Are similar “ghost” calculations made for NTUs and for the “cost” of graduate students in traditional master’s programs?

Athletics

What is the breakdown on Athletics spending and revenue?

Are the costs associated with devoting athletic fields in San Francisco taken into account when we add up the costs of athletics? Prime SF real estate is devoted to a baseball field, a soccer field, tennis courts, and a basketball gym. Are these costs counted amongst the costs associated with having athletics?.

University athletics program costs 16 million dollars but they only bring back less than 1% of revenue. What are they saying about this?

New and ongoing projects

How much are the expenses currently planned for new projects?

What is the university’s capital budget (i.e. buildings, etc.)? Can cost-savings be made by cutting or delaying some of these projects?

Other questions

What have been the cuts already made in Spring 2020 due to covid 19?

How much is the annual merit compensation pool for the President's Cabinet and for non-represented exempt employees in the past 5 years? Two bullet points on David Phillpott's May 20th list of cuts touched on this subject. The savings seem big, and the actual amount must be even bigger. How many people in these two groups are collecting the merit compensation? What is the average salary of these people? Do they really need merit compensation? What determines merit?

Relatedly, how many non-represented exempt employees are there? They not only receive merit compensation, but also seemingly pretty handsome paychecks. According to David Phillpott's May 20th list of further savings, a program of salary reduction on these people could save \$4.868 million (?!). If the savings are this big, imagine the actual salary.

How much has the leadership team grown in the past 5 years in number and dollar amount? Is the growth proportional to the growth in enrollment? Again according to a bullet point on David Phillpott's May 20th list of cuts, 15% pay cut saves \$745,000, does that mean a total salary of 4.97 million for the Leadership Team?

What are some suggestions to a progressive cut approach?

How does the law school budget impact USF financials? (this is a similar question to the one about sports - in other words, what non-academic spending is happening and how can savings be made there?)

The leadership announced several years ago to be less tuition driven. Wondering how much progress has been past in the past ~7 years and if the leadership has any incentives.

Why is USF relying so heavily on the discount rate for tuition, especially given that studies show the discount rate is not working to serve the students it was implemented to recruit? Has the Administration run projections on enrollment with a reduced or even no discount rate?

It is hard to see how terminating probationary faculty would save any money in the coming academic year, but I'm curious what salary reduction across all faculty would be required to cover the salary of the probationary faculty.

It was announced this week that USF has settled a lawsuit with the government regarding fraudulent reporting of student hours in the San Francisco Teacher Residency program. I think

we agreed to pay a 2.5 mil fine. Are there other outstanding lawsuits that may be costly? As we cut our budgets, what is being put aside for such legal expenses?

From Tyrone's email on 5/27, it sounds like \$2.5M was already budgeted in FY 2017 as liability, but the [financial report from FY 2017](#) doesn't have an explicit record of it.