### JOHNS HOPKINS UNIVERSITY

### Faculty Budget Advisory Committee

**Summary of March 24, 2025 Meeting**

PROVOST UPDATES

* + The University remains committed to responding to developments related to the federal transition with a thoughtful and measured team-driven approach and is calling on the expertise of many colleagues across the university. Given a large and diverse set of constituents across JHU, leadership is employing various communication strategies to inform, provide guidance, and engage community members in the midst of an ever-evolving environment.
  + The University has not been spared from taking some difficult personnel actions due to the federal government’s foreign assistance program changes. Termination of a majority of USAID grant & contracts, primarily at Jhpiego, BSPH, and SOM, led to a loss of approximately 2,200 positions across 44 countries. The University is committed to continuing the important work and impactful service to communities around the world, albeit at a reduced scale and in a new landscape.

FINANCE UPDATE AND DISCUSSION

Ms. Sasha Hudson, associate vice president of budget & planning, provided highlights of FY25 Q2 results:

* The University ended Q2 with a GAAP operating surplus of $126M or 2.8%, closely aligned with the budgeted margin of $123M or 2.8%. Through Q2, both revenues and expenses were trending higher versus budget. The impacts differ by division, with some divisions exceeding budget while other divisions are more challenged to meet their budget. Some Q2 variances are timing-related and are expected to be resolved by year-end.
* The bottom-up full-year projection developed by the divisions in January reflected a 3.6% margin versus a budgeted margin of 3.9%. Given federal government developments that have transpired since the Q2 projection was completed and a current high degree of uncertainty, the projections are out-of-date.

FEDERAL TRANSITION

* Ms. Cybele Bjorklund, VP of Federal Strategy and Executive Director of the Bloomberg Center, provided general guidance for faculty/staff responding to notices from federal government agencies, which includes the sharing of information and taking action in consultation with Office of General Counsel, deans, HR, and others.
* Ms. Osasu Dorsey, Chief Compliance Officer and Sr. Associate General Counsel, discussed with the Committee how recent federal government actions, agency documents and guidance might impact the operations of the university, in particular with regard to federal grant funding.

FEDERAL GRANT TERMINATIONS

* The number of federal grant funding terminations outside of USAID is limited at the present. However, the university wants to be prepared and have scalable, standardized processes in place to help Principal Investigators (PI’s) process terminations. Leadership also asked the Committee to help think through and provide input on some targeted and limited ways that Central could help support colleagues who are directly affected by grant terminations.
* Dr. Jon Links, Chief Risk Officer, shared an overview of the grant portfolio across the whole institution with a focus on quantifying the risk exposure across the portfolio by school. The analysis is intended to be a scenario/contingency model to help prompt schools’ thinking and future planning.

FY26 FINANCIAL PLANNING

* Mr. Adile Quennarouch, chief financial officer and treasurer, briefed the Committee on the budget process, which includes a baseline plan that focuses on further strengthening of liquidity and financial position in a strategic way that preserves academic excellence.