Members Present: Dick Beard  
Rhea Law  
Lee Arnold  
Ann Duncan (via phone)  
Judy Genshaft, Corporate Secretary (ex officio)  
Carl Carlucci, Executive Vice President and CFO (ex officio)

Chairman Beard called the meeting to order at 12:20pm.

Information Items:
I. Finance Issues

Quarterly budget reports and quarterly financial reports were presented to the workgroup for Quarter 1 of the current fiscal year (2004-05).

a. Quarterly Budget Reports – Budget to Actual

Bertha Alexander presented the quarterly budget reports. We use our system to fill the actual data and departments provide the quarterly budget data. Not all data for Contracts & Grants is included in these reports. Also, Foundation and Student Government are not included.

Chairman Beard asked the difference between column 4 (original budget) and column 17 (adjusted budget). Ms. Alexander responded that column 17 includes cumulative budget adjustments.

Trustee Arnold would like to see reserves shown as line items in departments not as university total.

b. Quarterly Financial Reports

DSOs are using the same format as the total university for quarterly financial reports.

1. DSOs  
2. USF – All Sources

Trustee Arnold would like to see original budget and adjusted budget. Trustee Law asked if there would be any value to having last year’s budget numbers on the reports too. Chairman Beard wants to see budget on the balance sheet as well as last year’s balance for comparison or prior quarter. He also stated we need a cash management process we are comfortable with.
Trustee Arnold asked what is our reserve policy. Dr. Carlucci responded that the state requires 5% (5% of E&G budget). This is not reflected as such on our worksheets. Practice Plan and Moffitt have a 60-day reserve. Chairman Beard suggested we need to come up with a recommended reserve. Trustee Arnold recommended looking at expenditures and build reserve. Dr. Carlucci explained that we will have a reserve policy by fund and then an aggregate total.

c. Debt Transfer to New Financing Corporation DSO – Update

Eric Walden gave an update on debt transfer to the new Financing Corp DSO. This includes the current debt for housing.

II. BOG Update – Block Tuition

Dr. Carlucci reviewed the BOG proposed tuition and fee policies as presented at the 10/21/04 BOG meeting.

III. Governor’s Budget

Jeff Muir presented highlights of the Governor’s 2005-06 budget recommendation. In the operating budget, the Governor has recommended a 7.5% tuition increase for resident undergraduate students and universities have unlimited flexibility for all other students; Enrollment Growth - $20.1M for 7,292 FTE students; Salary Increases - the Governor has recommended a 2.5% salary increase ($600 minimum and $1,500 maximum) for state employees (University employees are not included). In the Fixed Capital Outlay Budget, the Governor’s recommendations include: General Maintenance / Repair / Renovation / Remodeling - $25.1M; PECO Projects - $175.9M; Capital Improvement and Building Fee Projects - $103.7M; Concurrency Requirements - $5.4M.

IV. Final USF Priorities Document

Mr. Muir distributed USF’s 2005 Legislative Priorities document. The USF System’s critical legislative priorities are: preserve base funding and fully fund enrollment; adopt the Board of Governors’ new enrollment formula; fund capital construction; advance economic development through university partnerships; address critical statewide workforce development needs; fund matching gifts.

Having no further business, Chairman Beardadjourned the meeting at 2:55pm.