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

Faculty Liaisons: Professor Robert Keith

Also present was Trustee Omar Khan.

Chairman Beard called the meeting to order at 3:15pm. Chairman Beard and President Genshaft thanked Trustee Khan for his good work this year and noted that this is his last official meeting.

Trustee Khan addressed the issue of the SEVIS fee from the student perspective. He indicated animosity among the international student population. This past Fall the fee was imposed four weeks into the semester and students were told they must pay it or be dropped. He understands the financial perspective, $50 fee every semester, but opposes the fee as it is a burden to students and will hurt the university and push us in the wrong direction.

The SEVIS fee is required by the federal government. It was mandated after 9/11 to track foreign students.

Dr. Austell indicated the fee would generate $200,000 per year which will enable the university to meet the requirements of SEVIS system required by the federal government – software, hardware, personnel.

Trustee Khan stated that he supports SEVIS but would like to see the fee dispersed among all students as it is a matter of national security. Also, domestic students don’t want to pay the fee. He indicated FSU won’t charge a student fee and the other universities will.

Dr. Austell noted no fee is ever popular with international students but students understand the need for the funds. He noted UCF is considering the fee and UF and FAMU will charge a fee.
Fiscal Workgroup items:

I. 2004-2005 Housing Rental Fee – Tampa Campus

The first item presented was the 2004-2005 Housing Rental Fee for the Tampa Campus by Vice President Nixon. A 6% increasing in housing rates for 2004-2005 was proposed. There will be 600 new beds on Maple this fall for a total of about 4,400. Beta Hall will reopen (renovation) in the Fall also. Housing has a policy of building and renovating. 1,100 bed spaces away from complete renovation. Have to have resources for continued renovations. 750 students in Fontana this year who will be moving back to campus. Housing has $125M debt – some fixed (some short term fixed) and some variable. They are looking to fix variable rates.

The proposed residence hall fee structure covers:
(1) Anticipated increase in cost of living;
(2) Increase in natural gas, electricity and sewer charges;
(3) Adjustment to the Magnolia Housing Contract so that freshmen will be on the same academic year contract as other residences vs. the current 9 month contract;
(4) Financial pro-forma requirements which keep building and renovation plan achievable;
(5) Anticipated increase in University’s Administrative Overhead paid on all expenditures from the current 6% to 7%.

Dr. Nixon indicated (4) is the most important for increasing rates as a 1.2 debt service ratio must be maintained. He also addressed (3), indicating that freshmen are currently paying for a month when they do not live there. A nine-month contract goes mid-August to mid-May. Changing to semester contract for freshmen will result in a 1% increase to all residents in Magnolia to recover the costs of not charging freshmen for the one month. Dr. Nixon noted camps occupy Magnolia in the summer and almost all housing is used in July.

Trustee Arnold made a motion to approve the housing rental fee increase. Trustee Duncan seconded. Increase passed unanimously.

II. New Fees

Steve Prevaux presented the following amendments to Rule No. 6C4-4.0107, F.A.C., “Special Fees, Fines and Penalties,” pursuant to Section 120.54 F.S.:

<table>
<thead>
<tr>
<th>PROPOSED ACTION</th>
<th>RULE SECTION</th>
<th>DESCRIPTION</th>
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</thead>
<tbody>
<tr>
<td>Addition</td>
<td>Section (1)(a)</td>
<td>Graduate Certificate Application Fee...........$30.00 [Ref. 1009.24(12)(a), F.S.]</td>
</tr>
<tr>
<td>Addition</td>
<td>Section (1)(b)</td>
<td>Admissions Deposit Fee........................$.200.00 Authorized by State Legislature, July 2003 [Ref. 1009.24(13), F.S.]</td>
</tr>
<tr>
<td>Addition</td>
<td>Section (1)(d)</td>
<td>International Student Administrative Charge.....$50.00 [Ref. 1009.24 (g) (m) (n), F.S.]</td>
</tr>
<tr>
<td>Addition</td>
<td>Section (1)(w)</td>
<td>Optional Late Graduation Application Fee.......$50.00 [Ref. 1009.24 (3), F.S.]</td>
</tr>
<tr>
<td>Amendment</td>
<td>Section (1)(y)</td>
<td>Change section title from “Off-Campus Educational Activities” to “Off-Campus Educational Course”</td>
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</tbody>
</table>
Trustee Arnold made a motion to approve all amendments to the special fees rule. Trustee Duncan seconded. Passed unanimously.

III. Parking Rules

Steve Prevaux presented a summary of proposed changes to USF parking rules and campus parking brochures. Mr. Prevaux noted the following: the addition of definition of the term “affiliate” which includes Moffitt; student were consulted on fee increase for resident students; and replacement fees are reduced. Chairman Beard pointed out that we are currently converting surface parking to garage parking which is more expensive.

Trustee Arnold made a motion for approval. Trustee Duncan seconded. Passed unanimously.

Executive Vice President Carlucci noted that there is no increase to regular student and staff parking. Next year (2005-2006), however, parking fees will increase to cover costs of parking.

Also, sales tax will be collected on top of parking. Previously, Parking Services covered sales tax costs.

Trustee Arnold stated that affiliates need to contribute to covering their costs.

Jeff Mack noted that RHA (Residence Hall Association) initiated the request for gold parking for students and Parking Services came up with this plan.

Chairman Beard asked if parking is provided when new housing is built. Dr. Nixon replied that 50% of residence students have cars and thus parking is provided at 50%.

IV. Financial Update/Review

a. 2nd & 3rd Quarter Financial Reports

Nick Trivunovich presented actual to budget Income Statements for 2nd and 3rd quarters as well as balance sheets, but no cash flow statements.

Mr. Trivunovich identified the following challenges:
- accrual account basis which recognizes activity as it occurs, not when it is received
- Income statements are accrual basis
- Balance sheets are cash basis
- Peoplesoft is an accrual system
- USF does not do a quarterly budget, but our revenues are quarterly
- USF does an annual budget
- State requires us to do a budget based on cash
- GASB asks for an accrual basis.
Trustee Arnold asked how much of an additional task are the trustees asking for with the information they have requested.

Mr. Trivunovich indicated we do accrual accounting at the end of the year and the trustees are asking for it quarterly. Such things as compensated absences and inventory we do annually, hard to do quarterly.

Chairman Beard asked if we could go to semester accounting. Mr. Trivunovich indicated this is hard to do because semesters do not end at the end of the month.

Trustee Arnold wanted to know if trustees are asking for stuff that is unreasonable in terms of extra unnecessary work.

Dr. Carlucci noted that we will have a year report soon. We will work on quarterly budgets which he indicated are easy for administrative units but harder for academic units.

Chairman Beard pointed out that we are ahead of other SUS universities.

Trustee Arnold asked if we had enough cash. Mr. Trivunovich responded that our investments are very liquid. We only keep enough cash on hand to cover next day’s obligations.

Dr. Carlucci stated that we will have to do a new banking RFP soon. We spend $60M per month. Our goal is to have a 30 day reserve.

Trustee Arnold asked what are the ground rules for cash requirements, what is our back up position if we get low on cash, and how do we build reserves. Dr. Carlucci stated that we are working on a plan.

b. DSO Report Format

Eric Walden presented the DSO Report format which was developed by the Finance Committee to provide summarized, uniform information on a quarterly basis. Details for any DSO can also be provided. An objective in developing the format was to mirror university reports.

Chairman Beard noted that the statement of cash flows does not have budget. Mr. Walden stated that cash flow does not have budget, budget is on income statement. Trustee Arnold wants to next see ratios. Dr. Carlucci noted that the DSOs all operate with different systems. Chairman Beard wants the DSO reports to be the same as the university reports. Mr. Walden noted that the timing of the reports is a problem. Hard to have timely quarterly information at our Fiscal Workgroup meetings the way they are currently scheduled. Chairman Beard inquired about the possibility of monthly statements for DSOs. Mr. Trivunovich indicated that some do monthly statements but not in this format. Dr. Carlucci stated that other universities are not doing this level of financial reporting for DSOs.

V. Legislative Update and Discussion of Legislative Mandates

Dr. Carlucci gave an overview of several USF items in the appropriations bill including: enrollment funding, tuition, capital items, Moffitt flow-thru still included (155A), bonus payment of $1,000 non-recurring for employees (section 8B).
VI. Continuation Budget

Bertha Alexander presented the 2004-05 preliminary operating budget which is our request for spending authority. She noted that it does not include appropriations bill information. Motion was made to approve 2004-2005 preliminary operating budget. Motion was seconded and approved.

VII. Draft Agenda for June Meeting

For information, Dr. Carlucci distributed a draft agenda for the next Fiscal Workgroup meeting which is scheduled for June 9. No questions.

Chairman Beard closed the Fiscal Workgroup portion of the meeting and opened the Executive Committee portion of the meeting.

Executive Committee action items:

VIII. SUN DOME Bylaws and Articles of Incorporation

Steve Prevaux presented the revised Sun Dome Bylaws and Articles of Incorporation pointing out the following: substitution of BOT for BOR; no longer encouraging VP participation but external participation; reports to VP for Advancement; BOT chairman can still appoint board rep. Motion was made to approve changes. Motion was seconded and approved.

IX. USF Sarasota/Manatee Amended Master Plan

The Executive Committee was provided a copy of the amended master plan, the final order of the Administration Commission dated 03/12/04 (AC Case no. CMP-03-007), and a 2-page executive summary highlighting the changes.

Steve Prevaux presented the agenda item and introduced Campus Chief Executive Officer Dr. Laurey Stryker and Ben Ellinor from Sarasota/Manatee campus. Mr. Prevaux read Article III-A of the operating procedures of the USF Board of Trustees authorizing the Executive Committee to act. Mr. Prevaux presented a summary of the changes in the USF Sarasota/Manatee Amended Master Plan. The Executive Committee with a quorum and properly convened, upon consideration voted unanimously to approve the changes to the amended master plan in compliance with the final order of the Administration Commission. The vote recorded was 3 to 0.

With no further business, Chairman Beard adjourned the meeting at 5:10pm.