The Chairman, Dick Beard, convened the Budget Workshop at 2:10 pm.

**Members:**
- Dick Beard
- Lee Arnold
- Steve Burton (via telephone)
- Ann Duncan
- Judy Genshaft, Corporate Secretary (ex officio)
- Carl Carlucci, Executive Vice President and CFO (ex officio)
- David Stamps, Provost (ex officio)

**Faculty Liaisons:**
- Professor Bob Keith
- Professor Greg Paveza

Chairman Beard began by indicating that the focus is on two areas in USF being the best institution it can be: (1) get the best students we can get; and (2) get superstar faculty members.

Executive Vice President Carlucci indicated that we are in a transition year this year due to the school code re-write. We are facing new issues and we have new pots of money. We have an allocation plan, it is not cost based. All spending plans (for all campuses) must be approved by executive committee by June 19. Detailed operating budgets must be approved by local boards by August.

Dr. Carlucci presented the preliminary operating budget for FY 2002-03, to include state and non-state funds. The budget clearly shows that more and more revenue is earned by the campus. Further, 80% of the new dollars are generated by the campus.

Provost Stamps presented the FY 2002/03 New Sources Spending Plan for USF Tampa (Tampa and HSC). The spending plan ties to the five legislative priorities established by the President. The priorities were a result of much campus-wide deliberation. Faculty promotions are addressed in the area of access. There was agreement that increasing faculty salaries should be in the 5-year strategic plan – needs to be a priority. This fits in with the fact that we are funded low per student by the state. 36 faculty received promotions in 2001/2002. USF plans to invest these new funds back into the faculty salary base. Trustee Arnold would like to see a graphic on faculty salaries by rank and type of institution. An article from the Chronicle of Higher Education on Faculty Salaries in 2001-02 was distributed showing that USF ranks low compared to the other SUS institutions. Trustee Arnold suggested we put $3M or $5M into faculty salaries.

Also addressed under the issue of access is an allocation to HSC for the nursing shortage. Currently in Florida, there is a 17% vacancy rate and approximately 9,000 nurses are needed. Chairman Beard indicated we need to develop a plan to increase nursing program to fill nursing shortage in Florida. Joann Strobbe stated that Nursing took a big reduction this year and it does not share in the revenue from the College of Medicine. Dean Burns indicated that limits were just removed from nursing enrollment. Chairman Beard and Trustee Griffin stated USF should be first to submit a nursing plan.

Trustee Arnold asked which colleges/programs are in low-demand and suggested we reallocate resources from programs in low demand to programs in high demand. Funding is based on enrollment and resources are reallocated within colleges. Provost Stamps stated that we have no excess capacity. Chairman Beard asked if we were at full capacity on Fridays and if not, suggested we need to have classes on Fridays to maximize use of facilities.
Also presented was the spending plan for the USF Tampa Campus share of the mandated tuition increase. The funds will be used to support student recruitment, retention and scholarship. It was also noted that the Board of Trustees has authority to grant tuition waivers. This led to a discussion on Research Assistants – want to waive their out-of-state tuition (usually funded by grants). All graduate assistants and teaching assistants get tuition waivers.

Dr. Carlucci stated that while we did well with the new funding we received, we still have many unfunded budget commitments for 2002-2003. A list of these commitments was presented.

Executive Committee liked how the proposed spending plans were developed based on the strategic plan.

Hern Brames presented the USF St. Petersburg FY 2002/2003 New Sources Spending Plan. This spending plan also ties to the strategic plan and goals of the St. Petersburg campus. St. Petersburg Campus plans to expand full degree programs and partial degree programs as well as offer more classes. Brames indicated that St. Pete wants to increase 100 FTE this year - they do not have the facilities to handle many more. Brames also stated that the St. Pete plan had not yet been presented to the St. Pete Board of Trustees.

Dr. Laurey Stryker presented the USF Sarasota/Manatee FY 2002/2003 New Sources Spending Plan. The Sarasota/Manatee spending plan ties to their strategic plan and goals. The spending plan included funding for launching the new Hotel and Restaurant program which is in high demand in the area. Funds will also be used to increase awareness of USF Sarasota/Manatee programs and for facilities planning and expansion. The Sarasota/Manatee spending plan was adopted by the Campus Board on May 29, 2002.

Josh Breslin presented the USF Lakeland FY 2002/2003 New Sources Spending Plan. The Lakeland spending plan also ties to their strategic plan and goals. USF Lakeland plans to expand full and partial programs, enhance academic and student support services and provide for appropriate space and university support services.

Dr. Carlucci presented the capital budget. - $48.6M for the Tampa Campus. It was noted that $1M of the $5M allocation for the Lakeland/Polk Community College Joint Use Facility would be used for planning the new Lakeland building. Also presented were the items for St. Petersburg and Sarasota/Manatee.

The FY 2003-08 Five Year Capital Plans were presented for USF Tampa and Lakeland campuses, USF Sarasota/Manatee, and USF St. Petersburg.

Dr. Carlucci next presented the 2002-03 tuition rates (based on the legislative mandated tuition increase of 5% for in-state students and a 10% increase for out-of-state students). In addition, each University Board of Trustees was given authorization to increase tuition up to 5% for in-state graduate students and up to 10% for out-of-state students – all levels. Dr. Carlucci presented a chart which illustrated the mandated tuition increase per credit hour and total cost using various options should the UBOT exercise its authority to raise tuition to the maximum. Dr. Carlucci noted that increasing cost is generally a barrier to access to higher education but many institutions have used increased revenues to generate scholarship funds that are made available to attract students. USF recommends an out-of-state tuition increase for 2002-2003, above the 10% already assigned by the legislature, at a level that is comparable to our peer SUS institutions.

Based on an assessment of need, revenue collected above the mandated 10% would be added to scholarship funds for eligible undergraduate and graduate students enrolling in 2003-2004. These scholarships would support our efforts to recruit outstanding students as well as to aid those students most impacted by the tuition increase. Eight of the state universities are applying fully the discretionary increase. UF medical school is recommending full optional increase.

The full option increase was endorsed by the Executive Committee. Trustee Mike Griffin was also present at the workshop.

The workshop concluded at 5:00pm.