The meeting of the Finance and Audit Workgroup was called to order by Chair Rhea Law at 10:15am. The following members were present: Rhea Law, John Ramil, Lee Arnold, Sherrill Tomasino, Judy Genshaft, Brian Keenan, Stephanie Bryant, Gary Patterson, Roger Peters.

**Action Items:**

I. **Local Fees**  
   **Action:** Approval

   a. **Activity & Service (A&S), Student Health, and Athletic Fee Increases**  
      1. **Tampa**  
      Dr. Jennifer Meningall presented the student fee (Athletic, Activity & Service, and Student Health Service) for the Tampa Campus. Fees can increase a maximum of 5% per year up to 40% of tuition. The maximum increase is $1.47. The Tampa Fee Committee was made up of half students and half faculty/staff. For the A&S fee, the recommended increase is $0.52; will generate approximately $464K. For the Student Health Fee, the recommended increase is $0.69; will generate approximately $616K. For the Athletic Fee, the recommended increase is $0.26; will generate approximately $232K. The A&S fee increase will fund increased operating costs (utilities and security) for the Marshall Student Center. The student health fee increase will fund additional staff in Student Health and Counseling Center to address mental health issues. The Athletic fee increase will fund additional scholarships for better recruiting. USF is behind what others charge for these fees. We need to increase our fees more, but cannot because of the caps.

      Dr. Peters expressed concern about Student Health. He noted we are still behind in our ratios to students and mental health is a big issue (ie Virginia Tech).

      Trustee Tomasino asked how do we address students with stress/psychological issues given the economy, etc. Dr. Meningall responded that we are increasing psychologists and counselors and monitoring the situation. The Don’t Stop/Don’t Drop program is catching students earlier with counseling. Don’t Stop/Don’t Drop was instituted over the summer as a response to the economic issues to help students facing loss of or decrease in income – trying to get to them before crisis.

      Dr. Peters suggested hiring nurse practitioner instead of psychologist which is the biggest budget line item. Lower cost for nurse practitioner and can still dispense meds - more cost effective.
Trustee Tomasino made a motion to approve increase of A&S fee by $0.52, increase of Student Health Fee by $0.69, and increase of Athletic Fee by $0.26. Trustee Arnold seconded the motion. The motion passed.

2. **St. Petersburg**

Dr. Kent Kelso presented the USF St. Petersburg A&S Fee increase request. USFSP followed the same process as Tampa. The maximum increase for local fees is $0.64. Students wanted the entire amount focused on A&S due to large influx of freshmen and subsequent increase in student organizations. Both the Student Government Association and the A&S Fee Committee voted unanimously in favor of the increase. The USFSP Campus Board unanimously approved the increase at its 09/12/08 meeting.

Trustee Tomasino made a motion for approval to implement a $0.64/credit hour increase to the A&S fee for USF St. Petersburg. Trustee Arnold seconded the motion. The motion passed.

3. **Polytechnic**

Dr. Jan Lloyd presented the USF Polytechnic A&S fee increase request. USF Polytechnic followed the same process as Tampa and USFSP. The maximum increase for local fees is $0.41. Students were surveyed to find out if they would support an increase and how they would like it used. Students who completed the survey were in favor of the increase and would like the funds spent on more student events and programs, a fitness center, tickets for local events for students, and child care services for students.

Trustee Ramil made a motion to approve increase of A&S fee by $0.41 for academic year 2009-2010. Trustee Arnold seconded the motion. The motion passed.

b. **Material & Supply Fees – Tampa**

Kevin Toso presented the material & supply fees effective Fall 2009 for the Tampa Campus including USF Health. Mr. Toso explained that each year the Tampa Campus colleges review existing material and supply fees to ensure that the fee is still appropriate as well as consider fees for additional courses. The deans have completed this process and the Provost’s Office has verified the cost per student and reviewed the detail of expenditures with each dean’s office to ensure expenditures are in compliance with the fee rule and the University fee cap of $75. The Provost’s Office coordinates this process with USF Heath – USF Health has no changes, additions, or deletions to their fees.

Trustee Tomasino made a motion for approval of the proposed additions, changes and/or deletions of material and supplies fees for courses effective Fall 2009 for the Tampa Campus. Trustee Arnold seconded the motion. The motion passed.

c. **Facility & Equipment Fees**

1. **Tampa**

Kevin Toso presented the facility & equipment fees for the Tampa campus, effective Fall 2008. These fees are to recoup maintenance and replacement costs of equipment in teaching labs. Fees are calculated based on the number of students in each course. Trustee Arnold asked do we look to see if we are ahead or behind on what we collect vs actual costs. Mr. Toso responded yes, we do look at these fees annually,
however facility and equipment fees are longer term fees. Mr. Toso also explained that this agenda item is the implementation of this fee – the concept was approved last year and these are the individual fees implemented.

**Trustee Arnold made a motion for approval of Facilities & Equipment fees for courses effective Fall 2008. Trustee Tomasino seconded the motion. The motion passed.**

2. **St. Petersburg**

Julie Jakway presented the USF St. Petersburg (USFSP) facilities and equipment use fee for the 2008/09 academic year, noting this is the first semester for equipment fees. A comprehensive and detailed approach was undertaken to assess the facilities and equipment charge for classes requiring equipment intensive "instructional laboratories." The approach was designed to ensure that the charge recovers only the cost of instructional laboratory equipment in proportion to the time of their usage for the classes.

Ms. Jakway stated St. Pete has no changes or increases to material and supply fees as they are ahead in revenues.

**Trustee Tomasino made a motion for approval of the USFSP facilities and equipment fee recommendation for academic year 2008/09. Trustee Arnold seconded the motion. The motion passed.**

Trustee Arnold asked why Sarasota/Manatee and Polytechnic did not have any fee requests. Ben Ellinor stated Sarasota/Manatee had no local fee increase requests as they do not have a residential student base. Josh Bresler stated, for Polytechnic, not many courses require additional costs (material and supply fees) and not far enough along to implement facilities and equipment fee.

d. **Technology Fee**

Michael Pearce presented the USF technology fee. USF’s Information Technology Department is requesting approval to implement this fee at 5% of tuition per credit hour. The fee would be utilized for USF system technology issues and local campus needs as deemed appropriate by council/steering committee. Will develop a student advisory committee as well. Fee will generate $4-5M. The Information Technology Management Council (ITMC) will help determine priorities and track and monitor expenditures.

Trustee Arnold commented the fee is many years overdue. His concern is representation is too broad and could be an issue. He encourages ICA representation and DSO representation. Need effective input.

President Genshaft stated the system needs to work on initiatives/infrastructure. Fee is not “owned” by any one campus; fee is system-wide. Trying to address infrastructure for entire system.

Trustee Arnold stated the ITMC needs to report to either the Finance & Audit Workgroup or ACE Workgroup. ACE is most appropriate.

**Trustee Arnold made a motion to approve the USF technology fee. Trustee Tomasino seconded the motion. The motion passed.**
e. **ERCCD**

Kevin Toso presented the changes and additions of ERCCD (Preschool for Creative Learning) fees for preschool students effective Fall 2009. Existing fees are reviewed each year to ensure the fees are still appropriate, as well as meet operating costs. This includes analysis of revenues and expenditures and comparison to competitors. For Fall 2009, proposed $20 wait list fee and a 4-7% fee increase per student.

Trustee Tomasino asked if there are many students on a wait list. Robert Lugo responded not right now – want to institute to fill summer classes.

Mr. Toso noted CIT funds are from the state and currently are used to subsidize operations. ERCCD is not breaking even now. Trying to keep fees low as parents are students, not university employees. Cost of staff is high due to level of education of staff. Student clients limit the increase in charges to generate revenue. Supplement revenue with CIT.

Trustee Arnold asked does Moffitt have wait list and could we possibly work something out with Moffitt.

**Trustee Arnold made a motion to approve the changes and additions of ERCCD fees effective Fall 2009. Trustee Tomasino seconded the motion. The motion passed.**

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**Information Items:**

II. **University Audit & Compliance Update**

Debra Gula gave a University Audit & Compliance (UAC) update. The annual report is due out soon. Two reports of fraud and fiscal misconduct: 1) directly reported from staff/faculty member – no findings, no issues; 2) reported through EthicsPoint – referred to regional campus for information gathering. Reports are due out soon on the Tampa Cashier’s Office and PCard – preliminary information looks good. New calendar year workplan will include federal compliance issues (research), research foundation review, and graphics studio review. UAC will also be looking at EBS - OASIS interface with FAST, working with Student Affairs and Controller’s Office. UAC’s work with the Byrd transition team has been completed. Need to determine how we will provide audit services. Have a handle on the financial transactions.

Ms. Gula discussed audit committee effort reporting noting there are still some housekeeping issues – audit charter issues and audit committee responsibilities. Trustee Ramil stated we need to define roles and responsibilities of the audit committee and would like a draft ready for review for the next workgroup meeting.

Trustee Ramil noted next we will be looking at the DSOs.

III. **Financial Status Update**

Chair Law asked Fell Stubbs to give a financial status update for the University – where we are, how secure our finances are. Mr. Stubbs explained every institution is affected by the current economic issues. USF has a large balance sheet ($2.4B) and much of it interacts with the capital markets. The University’s investment portfolio, fortunately, is mostly in short term investments. The University has adequate short term liquidity to support our needs. Over the past year, the University restructured its investment portfolio and earlier this year engaged an investment advisor. We analyze our cash position twice a day, continually test our investment and banking structures, and regularly assess our liquidity position.
Trustee Arnold stated USF is transparent in its process of managing funds/investments and we have been diligent since last summer in monitoring funds and taking appropriate actions. We are always anticipating our next move. We have many challenges ahead – still more stormy times in front of us. Trustee Arnold stated that the University cannot use our rainy-day funds three years in a row, waiting for the state to recover. We will have hard decisions to make. Trustee Arnold thanked Mr. Stubbs for keeping us informed.

Chair Law mentioned the memo that came out today from the Foundation indicating the endowment is secure. She also stated that we need to continue to be diligent, as we have been.

Other

Chair Law and President Genshaft reminded everyone about the exciting homecoming activities this weekend, including the parade tomorrow night and the football games versus Syracuse on Saturday.

Provost Wilcox referenced the chart in the Athletic fee increase materials that shows Athletics level of expenses versus other Big East schools – USF is the lowest. In looking at local fees, our other campuses do not pay as much for Athletic fees as Tampa – this is an issue of access and proximity for the regional campuses. Regional campuses allocated their local fee increase to local needs. We need to help Athletics succeed and need to look at more equitable distribution of fees to Athletics. Bret Huebner reported that Athletics has not requested an increase from the regional campuses the past few years. Dr. Peters and Trustee Arnold agreed that utilization on regional campuses is a good metric.

President Genshaft reported on an initiative of Congress – the new GI Bill or so-called "Post 9/11 GI Bill." This is a $60B bill that goes into effect August 1, 2009. This bill will be almost as large as the Pell Grant. The GI Bill is $12M per year; Pell Grant is $14M per year. Service persons who have served since 9/11 are eligible, includes dependents and spouses. The bill will provide tuition at the highest university tuition rate plus additional funds for books. Will be run by Veterans Affairs – bureaucracy will be challenging. Trustee Arnold asked about enrollment caps and commented this can be tough for us. President Genshaft explained that a task force has been established and there is potential for growth on regional campuses. Provost Wilcox reported the BOG will have a discussion on freshmen enrollment caps at their next meeting and may open the gates a little more. The GI Bill includes graduate too and we have room for growth at graduate level. President Genshaft and Trustee Arnold agreed our relationship with VA will be helpful. Chair Law added distance learning is a possibility.

Having no further business, Chair Law adjourned the meeting at 11:30am.