Chairman Beard called the Workgroup on Fiscal Affairs and Governmental Advocacy meeting to order at 2:10pm.

I. Legislative Priorities

The first item discussed was the preliminary 2003 Legislative Priorities presented by Executive Vice President Carlucci. Chairman Beard indicated that for the capital projects, each campus submitted its own list independently but the chancellor’s office wanted USF to prioritize all projects. USF submitted three 5-year capital requests – Tampa (including Lakeland), St. Petersburg, and Sarasota/Manatee. The Chairman indicated that USF’s priorities are as follows:

1. projects already underway
2. projects where we have planning money
3. new projects

Dr. Carlucci indicated that we are in the process of putting together USF’s legislative priorities brochure for 2003-2004.

II. Transition from State Accounting System (FLAIR) to University Accounting
(For Information)

Eric Walden gave a brief overview of USF’s transition from the State Accounting System (FLAIR) to university accounting. Universities have the option to convert from the existing system on either 07/01/2003 or 07/01/2004. The state accounting system will go away on 07/01/2004. USF will convert on 07/01/2003. All universities must submit conversion
plans to the Florida Board of Education which have been developed in cooperation with the State Comptroller. Mr. Walden discussed the three SUS conversion teams that are currently meeting. USF must submit its conversion plan to the comptroller in Jan 2003; to UBOT in February 2003; to DCU in March 2003; then to FBOE. In addition, there are many reporting challenges as the reporting requests are more specific than we had initially thought. USF has purchased software, is working with consultants, and has assembled staff team to work on the conversion. USF has been working on the conversion for a year already. Reports from the new system will be more user friendly to faculty. It was also noted that USF will have to make its own payroll in 2004 and our state distributions will change from quarterly to semi-monthly.

Trustee Arnold asked if in the new system state funds will commingle with Foundation funds. Dr. Carlucci said no, Foundation is separate. The new accounting system will cover state units, not all DSOs.

Dr. Carlucci also indicated that we will be going to GASB 34 and 35 as to how we account for state revenues. State appropriations will be “below the line.” This will affect a number of universities across the country.

III. Adopt Waiver Policy

Tuition waiver policies were presented for undergraduate, graduate, medicine and nursing. Dr. Greg Paveza expressed his concern with respect to the graduate waiver policy, that the first and second priorities (First Priority -- E & G appointments / In-State and Out-of-State tuition; Second Priority -- C & G appointments: Out-of-State tuition [not included in the contract or grant]) should be a single first priority since USF is a Research I institution. Provost Stamps indicated that this is a financial priority not a student priority. Last year USF was $1M in debt due to waivers. E&G are teaching assistants that teach classes and this is our priority. Provost Stamps also noted that the Graduate Council established the priorities.

It is a legislative priority for USF to have fee flexibility to have out-of-state students given assistantships to be considered in-state for tuition purposes. Grants will cover in-state for tuition only, not out-of-state.

ACTION: Chairman Beard made a motion to adopt the waiver policies. The motion was seconded. The waiver policies will go forward to the full board on November 21.

IV. Approval of 2003-2004 Fixed Capital Outlay Projects that Require legislative approval:
   a. Approval to sell bonds
   b. Approval of Projects to be financed and constructed by DSOs of the University
   c. Requiring authorization and general revenue funds to operate and maintain

Approval is required for the legislature. This process will be done with the operating budget in future years. This is the first step of approval to sell bonds (there are four steps). This first approval gets us on the bill.

ACTION: Approved.
V. Approval of 2002-2003 Fixed Capital Outlay Budget Amendment

Seeking approval of this year’s capital projects. Jeff Muir indicated that this is the first year we have had to do this. This was done in prior years by BOR. We get funds from the controller so our capital outlay budget must be constantly updated. We should not have to do this after January.

On the budget amendment worksheet, Certified Forward funds are previous appropriations not yet expended in full. This is the on-going process of keeping the money alive while spending down.

Chairman Beard asked why the project cost of the Student Health Center was so high ($8M for 14,000 GSF). Steve Gift indicated that these worksheets are just placeholders. The cost is for renovations as well as medical equipment.

Trustee Duncan indicated that the St. Petersburg board already ratified the Residential Facilities item.

Trustee Arnold moved for approval of all 3 requests.

**ACTION:** Approval to go to full board.

VI. Delegation of authority to President to make amendments to the 2002-2003 Fixed Capital Budget and to make amendments to the 2003-2004 Fixed Capital Outlay Projects that require legislative approval (above) and Capital Improvement Plan

This is not for the authority to make changes to the list or plan, but for the ability to manage funds. The President’s actions will be reported to the board. The President can make day to day changes, not change priorities. This authority is defined as cash management.

Current language in the resolution does not reflect intent. Asked to change language to better reflect intent.

**ACTION:** Conceptual approval. Final approval subject to acceptable language for the full board.

That concluded the agenda items for the Fiscal Workgroup. Chairman Beard asked if there were any other issues.

Trustee Arnold asked if there was anything this workgroup could do to assist with the SACS accreditation. Provost Stamps indicated not at this time.

Chairman Beard closed the workgroup meeting and called the Executive Committee meeting to order.
VII. New/Revised Rules

a. Approval of Rule Change - Final Approval Rule 6C4-4.0102 Tuition and Fees

The rule on tuition and fees was submitted and rejected as the language gave us “unbridled” authority to raise tuition. We were asked us to remove the flexible language.

ACTION: Committee approved to go to full board for approval.

b. Approve revised and adopt newly created personnel rules (Chapter 6C4-10) – Initial Approval

Need to have personnel rules in place for when we become the public employer. General Counsel took the existing SUS rules and the USF rules and put together. These will be interim rules until we decide what we want to do. These take us beyond January 7, 2003, until we want to change them. These will be in effect January 7 for 90 days. These will be emergency rules.

Trustee Law asked if there were any major changes. Trudie Frecker indicated that the new rules give us the ability to file written reprimands which was not in the collective bargaining agreement.

Dr. Carlucci stated that a list of any changes of substance will be provided to the Executive Committee prior to the full board meeting.

Trudie Frecker also indicated that the University of Florida has eliminated the current structure and collapsed USPS and A&P and benefits structure. The new classification will be optional for current employees and mandatory for new employees.

Chairman Beard asked if our rules were like other universities. Ms. Frecker said that most are taking our approach.

R.B. Friedlander asked Chairman Beard to appoint a liaison to work with this effort. Ms. Friedlander suggested Trustee Law.

Chairman Beard indicated we should wait until after the election to do so much work.

Dr. Carlucci indicated that this should be addressed at the November board meeting because if the existing rules don’t stay in effect, we need to have rules in place.

ACTION: No action, wait until after election.

c. Adopt new rules or repeal former rules related to purchasing and leasing matters - Initial Approval

Tom DiBella stated that USF is working with the ten other universities to adopt similar rules so that we can share bids, etc. One difference will be that our rules will be tailored to meet our mission. The intent is to comply with federal standards but maintain flexibility. Mr. DiBella also indicated that the new financial system will eliminate many of the state audits on our current purchases.

ACTION: No action, wait until after election
Gina Deulio indicated there should be one exception. Rule 6C4-4.01209 Leases of 5,000 or More Square Feet should be accepted as soon as possible.

**ACTION:** Approved to go to full board.

This concluded the agenda items for the Executive Committee.

Trustee Arnold asked to have Steve Gift appointed to the Workgroup on Campus Environment.

**ACTION:** Recommend to full board.

Chairman Beard adjourned the meeting at 3:15pm.