



Board of Trustees Finance Committee

Tuesday, August 10, 2021
1:00 – 3:00pm
Microsoft Teams Virtual Meeting

Trustees: Michael Griffin, Chair; John Ramil, Vice Chair; Michael Carrere, Charlie Tokarz, Will Weatherford
Foundation Board Liaison: Chip Newton

A G E N D A

- I. Call to Order and Comments Chair Michael Griffin
- II. Public Comments Subject to USF Procedure Chair Griffin
- III. New Business – Action Items
 - a. [Approval of May 25, 2021 Meeting Notes](#) Chair Griffin
 - b. [2021-22 Operating Budget](#) Interim Assoc. Vice President Masha Galchenko
 - c. Legislative Budget Requests (LBR)
 - 1. [USF LBR](#) Asst. Vice President Mark Walsh
 - 2. [FIO LBR](#) FIO Director Monty Graham
 - d. [Expenditure Authorization Requests](#) Vice President/CFO Nick Trivunovich
 - e. [USF Health Asset Purchase/Lease Agreement](#) USF Health CFO Rich Sobieray
 - f. [Indoor Performance Facility Project Approval](#) Interim VP/COO Nick Setteducato
- IV. New Business – Information Items
 - a. [2021-22 Fixed Capital Outlay Budget](#) Vice President/CFO Nick Trivunovich
 - b. [Annual Finance Policy Reports](#) University Treasurer Fell Stubbs
 - 1. Investment
 - 2. Debt Management
 - 3. Derivatives
 - c. [Debt Restructuring](#) University Treasurer Fell Stubbs
- V. Adjournment Chair Griffin



**USF Board of Trustees
Finance Committee
NOTES
May 25, 2021
Microsoft Teams Virtual Meeting**

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 11:30am. Chair Griffin asked Dr. Cindy Visot to call roll. Dr. Visot called roll with the following committee members present: Michael Griffin, Mike Carrere, John Ramil, Charlie Tokarz, Will Weatherford, Jordan Zimmerman and Chip Newton. A quorum was established.

II. Public Comments Subject to USF Procedure

There were two requests for public comment:

Byron Shinn, former USF Trustee, gave an update on what is going on at USF Sarasota-Manatee Campus. They are working diligently with Sarasota County to get the land transferred that the County is gifting to the campus. There has been a delay due to a change in county commissioners and a new county administrator. Working to finalize this process. The land is along Sarasota Bay and contiguous with campus property. The goal is to have housing on this property as well as student services, in order to create an on-campus culture. The campus is experiencing enrollment growth and tremendous community support for this effort for which there is dire need. Mr. Shinn would like to continue to see Sarasota-Manatee Campus on the PECO list and the CITF list at opportune times.

Veronica Jimenez, new Campus Governor (SG) for St. Petersburg Campus, made a statement on support of the new Health and Wellness Initiative on the St. Petersburg Campus and encouraged the Board of Trustees to move forward with this project. This initiative will be helpful to our current and future students, opening another space for them to de-stress during the semester. Student funds are meant to be used to help with the success of the students - so what better way than introducing a health and wellness facility. This has been a project that student government has worked to implement since her freshman year and it would be a goal of this administration to break ground on this initiative during our term. The current facility is in poor condition and is having a huge impact on our A&S fee allocations. Students should not be directing fees into costly maintenance. We could use the CITF funds that have already been secured to support this initiative. This health and wellness facility can also serve as an incentive to attract students to live on campus. As a current student who lives on campus, this will definitely serve as an incentive for her to return to the residence halls. This administration would like to do our part to help fill our resident hall spaces. This facility will have a positive impact on the mental and physical health of students as it will provide a positive outlet for them, creating a place to enjoy the day or to gather with friends to chat and study. With the added benefit of being located near the residence halls, the Health and Wellness Facility location will also be safer for students as it is in close proximity to central student services on campus. Ms. Jimenez also noted some studies show that recreational facilities on campus impact a student's decision to attend a university. Moving this wellness initiative forward will be very valuable to the student recruitment and enrollment efforts. This new facility will create more

on campus jobs for students who are looking for employment, which can lead to higher student engagement and retention. This project will widely benefit the student body now and in the following years. This has been an ongoing project that student government has tried to implement for a while and being the administration that breaks through and moves forward with this would be an achievement.

Chair Griffin thanked Ms. Jimenez and committed to working closely with St. Petersburg Student Government on this project.

III. New Business – Action Items

a. Approval of February 23, 2021 Meeting Notes

Upon request and receiving no changes to the draft meeting notes, Chair Griffin requested a motion for approval, it was seconded and the February 23rd meeting notes were unanimously approved as submitted by all committee members present.

b. 2021-22 Continuation Operating Budget

Masha Galchenko, University Budgets and Analytics Director, presented the 2021-22 Continuation Operating Budget. The USF Board of Trustees (the BOT) is required to adopt an annual budget for the operation of the University. The BOT must approve the budget prior to June 22, 2021 for the State Comptroller to process cash releases for state funds. The universities are still required to submit a detailed operating budget to the BOG by August 20, 2021.

We are requesting approval of a Continuation Operating Budget at the same level as the 2020-21 Operating Budget. We are requesting approval of a continuation budget due to pending performance-based funding and state appropriation allocation decisions. Once those decisions have been finalized, USF will prepare an operating budget according to our guidelines and the laws and regulations of the BOG and submit to the BOT for approval at a later meeting.

A motion was made to approve the 2021-22 Continuation Operating Budget at last year's Operating Budget level. A subsequent approval will be needed once the legislative budget process has concluded with the Governor's approval and the USF annual budget has been established. The motion was seconded and approved by all Committee members present.

c. 2021-22 Preliminary Fixed Capital Outlay Budget

Nick Trivunovich, Vice President for Business & Finance and CFO, presented the 2020-21 Preliminary Fixed Capital Outlay Budget. This is an annual request for authority to expend the funding appropriated by the State for FY2021-22 as of July 1st for which we need the Board's approval. As a reminder, we will be bringing back an all sources fixed capital outlay budget to the Board in August but are currently looking for the authority to spend the funds the state has already authorized. The new funding that was approved by the State includes approximately \$8M in PECO funding for the new Judy Genshaft Honors College. We are also requesting approval to expend the remaining CITF and WUSF funding that the University has received.

A motion was made to approve the 2021-22 Preliminary Fixed Capital Outlay Budget and authorize the President to make necessary non-material adjustments to the 2021-22 Fixed Capital Outlay Budget, with the requirement that any material changes be approved by the University Board of Trustees Executive Committee. The motion was seconded and approved by all Committee members present.

d. USF Five-Year Capital Improvement Plan (2022-23/2026-27)

Christopher Duffy, Interim Vice President for Administrative Services, presented the USF System Five Year Capital Improvement Plan. This is an update to our current Capital Improvement Plan (CIP). The CIP consists of PECO projects, CITF (student funded) projects, as well as other projects funded by other sources such as philanthropy. The transmittal letter highlights all the changes from last year's approved plan. In the current budget, USF received \$8M funding for the Judy Genshaft Honors College – so this will come off the top of the PECO list. Last year's #5 project, the St. Petersburg Environmental & Oceanographic Sciences Research & Teaching Facility, has moved into the #1 slot on the PECO list and the other projects have kept their remaining priorities. On the CITF list, we have received the last funding from the students for the Student Wellness Center. Looking forward to breaking ground next week and proceeding with the project. We have had a minor name change for one of the St. Petersburg projects, just for tracking purposes. Additionally, the Student Center for Sarasota-Manatee Campus was added to the bottom of the list in the amount of \$22M (full cost). On the third part of the plan that addresses philanthropy, we have received the funding for the Genshaft College so that has come off this list and the St. Petersburg Environmental & Oceanographic Sciences Research & Teaching Facility has a requirement for one-fourth of the project cost and that will allow us to score the best in the BOG scoring process for projects. Adjusted the price on the Football Center from last year's June meeting from \$28M down to \$22M.

Trustee Tokarz made several comments regarding Sarasota-Manatee. The Chancellor and people in Sarasota-Manatee are happy and grateful to have made the list with the Student Center. This is a good achievement and a step in the right direction. Looking at facilities subsequent to academic consolidation and SACS accreditation, it anticipates that equitable student services should be available to all USF students regardless of the campus they are attending. One measure of this is square footage of buildings per student. Sarasota-Manatee Campus is 79 square feet per student, Tampa Campus is 231 square feet per student and St. Petersburg Campus is 273 square feet per student. This means there are fewer buildings on the Sarasota-Manatee Campus and this can be tied to services. Sarasota-Manatee Campus has seen significant growth and there is a need for a Student Center. They have about \$10M to put towards this project. Would like to know what to do next to get this project moving faster.

Chancellor Karen Holbrook thanked Trustee Tokarz for his comments and further added that they want to keep students on campus to build a campus culture and the student center is critical. Mr. Lechner pledged to work with Sarasota-Manatee Campus to find money of the right stripe to make this happen.

A motion was made to approve the USF Five-Year Capital Improvement Plan Summary and Project Detail and transmittal letter and authorize the President to make necessary nonmaterial adjustments to the Five-Year Capital Improvement Plan, with the requirement that any material changes be approved by the University Board of Trustees

Executive Committee. The motion was seconded and approved by all Committee members present.

e. Expenditure Authorization Requests

Mr. Trivunovich presented three expenditure authorization requests for approval by the Finance Committee. The University's expenditure policy requires all expenditures over \$2M to come to this committee for approval. In addition, any change over 10% from a previously approved expenditure authorization needs to be brought back to this committee as well.

New Expenditure Authorization Requests

- Microsoft Azure - \$2,000,000

Microsoft Azure is our cloud-based computing infrastructure. We continue to move our infrastructure to the cloud, which provides us with much more flexibility in our operations. In addition, this contract is structured so that we do not necessarily have to specify upfront which services we are acquiring, but it allows us to use credits as necessary throughout the term of the contract, with unused credits being able to be carried over to the next year.

Trustee Weatherford asked what percent of our infrastructure is in the cloud. Sidney Fernandes, Chief Information Officer, explained that over this last year during the pandemic, we moved all of our major IT systems into the cloud including PeopleSoft Financials, PeopleSoft HR, and the student information system. 80% of our major systems are already in the cloud and the goal is to have as much as possible in the cloud.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

- Pharmaceutical Supplies/Cardinal Health - \$2,700,000

Pharmaceutical Supplies for USF Health Pharmacy Plus (Blanket Purchase Order) with Cardinal Health. Supplies about 90% of our need. This is the cost of goods involved with what the pharmacy supplies. We do charge for these and make a very slight margin. The primary purpose of operating the pharmacy is to provide our College of Pharmacy students with the opportunity to participate in the pharmacy operations. The important piece of this is the instruction that our pharmacy students get. We have been doing this for six years. The volume and cost have gone up every year since year one. This has been a great opportunity for our students.

Chair Griffin asked if we buy everything up front or is it depending on patient demand and physician order. Mr. Trivunovich explained that we purchase as necessary and do not stock a huge inventory. Dean Kevin Sneed further explained that medication is ordered to match the orders written by the physicians. Do not keep an enormous amount of inventory on hand. Do keep a small inventory of the most popular medications. It almost becomes a pass-thru. Trustee Carrere asked if there is any opportunity to generate

profit. Dean Sneed explained that they do make a slight margin and typically they take those margins and put them right back into the operation.

A motion was made to approve the expenditures as presented. The motion was seconded and approved by all Committee members present.

- FM and Health Contracted Labor for General and Enhanced Cleaning - \$3,218,925

This is for outside custodial services, consisting of three distinct components. The first is to provide gap coverage to our campus custodial services as needed when staffing is not sufficient to meet our basic needs. The second is to provide additional cleaning as needed to mitigate any concerns related to the Covid virus. And the third is to be the primary custodial service provider for USF Health Morsani College of Medicine building downtown, as well as other USF Health facilities. This proposed contract is set up as a pricing contract for services with a quarterly commitment as to what level of engagement will be needed from the service provider. The \$3.2M approval being requested is a maximum amount. As a point of comparison, we expended \$2.3M last year for similar services.

Trustee Weatherford asked are we working with our in-house health experts in determining how to spend these dollars in a useful and effective way. Mr. Duffy explained that we are in constant contact with the Covid Task Force and are ready to adjust our procedures at any time. As we change our posture, that will determine how much we spend on enhanced cleaning versus using it to fill our gaps in personnel. This authorization is giving us the potential to spend, and we will not spend if it is not necessary.

A motion was made to approve the expenditures as presented. The motion was seconded and approved by all Committee members present.

- Property Management and Maintenance Services/USF Health Buildings - \$4,328,107

Property management and maintenance services for four USF Health facilities, including 3 off-campus USF Health buildings (MDD, CAMLS, STC) and 1 on-campus building (ALZ) that is not connected to the USF Tampa Campus infrastructure, for \$4.3M over 4 years. The ITN has not been released yet. We are requesting Finance Committee approval before we begin a competitive procurement process. After much discussion at USF Health, this is the most efficient method to provide these services for their 3 off-campus buildings (MCOM, CAMLS, South Tampa Clinic) plus the Alzheimer Institute. Trustee Carrere asked how long have we contracted out these services as compared to providing them ourselves. Mr. Trivunovich responded that the normal mode of operations for those buildings is to engage outside vendors because of their remote locations. Trustee Carrere asked if this is the best way. Rich Sobieray responded yes, due to the nature of the cleaning and the location (geographic issue) but we are always looking for efficiencies. This is the most efficient way at this time. Mr. Trivunovich explained that economic analysis shows that our existing campus services cannot get the economies of scale.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

Updated Expenditure Authorization Request

	<u>New Total</u>	<u>Increase</u>
○ Springer/Nature Journals License Agreement	\$4,073,562	\$867,262

This request is to add a second one-year extension to the original 3-year agreement. This is negotiated at the SUS level by the University of Florida for the entire state university system. We take advantage of that and are able to get better pricing because of the volume across all the universities. The Springer/Nature journals are critical journals for our researchers. This is an increase of \$867K, which is very slight cost increase over the previous year. This is for all our libraries, including the Shimberg Health Library.

A motion was made to approve the expenditure request as presented. The motion was seconded and approved by all Committee members present.

f. DSO 2020-21 Annual Financial Plans

Fell Stubbs, University Treasurer, introduced the DSO FY2022 Annual Financial Plans. The DSOs are governed by independent boards of directors who have previously approved these FY2022 Financial Plans. The DSO Financial Plans are presented to the BOT for review and approval, pursuant to Florida Statutes and DSO bylaws. Due to time constraints, the chief executive officer or principle officer of the DSO will speak briefly to the three primary goals for FY2022.

1. University Medical Services Assoc., Inc., USF Medical Services Support Corp. & USF Health Services Support Organization, Inc.

Rich Sobieray explained that the projected numbers for this year and next fiscal year show that they have had success in achieving financial stability and that success has allowed them to weather many storms, including the Covid pandemic. Dr. Mark Mosely addressed the top three priorities for FY2022: 1) our response to the Covid pandemic remains the top priority - telehealth, vaccine efforts, education/guidance to the University and to the rest of the community; 2) integration efforts with Tampa General Hospital around the formation of the academic medical group, which remains on track; and 3) focus on Practice Plan optimization – efficiency and effectiveness in our clinical operations, our access to care, and many of the systems that support the care that our doctors, nurses and staff members provide.

2. USF Foundation, Inc.

Jay Stroman presented for USF Foundation, Inc. The Foundation continues to do good work on behalf of the University and looks forward to achieving its three primary goals for FY2022. Today, the Foundation provides between \$50-60M of support to the University. Goal number one will be for the Foundation to maximize investments and continue to keep our endowment in the top quartile of returns based on the NACUBO rankings. The second goal is increasing

fundraising. We would like our baseline to be \$100M and that is the goal for FY2022. And the third primary goal is to evolve into the future and do better for the University.

3. USF Research Foundation, Inc.

Keith Anderson presented for USF Research Foundation, Inc. The three primary goals of the Research Foundation for FY2022 are: 1) to successfully bring the new research building online at the end of calendar year 2021 (the new building is on budget and on schedule); 2) to continue to support the university's research infrastructure, specifically supporting intellectual property created by our faculty through the USF Technology Transfer Office; and 3) to help facilitate and expand corporate relationships with industry partners interested in working with the University, both as tenants in the new building and also as we continue to support our business incubator programs.

4. Sun Dome, Inc.

Michael Kelly presented for Sun Dome, Inc. (SDI). The primary goal for SDI is more events. Acts are ready to tour at a rate unprecedented in recent memory – Yuengling Center will be a part of this. There is also opportunity for more robust crowds for Men's and Women's basketball. We remain ever confident on our relationship with Vinik Sports Group. They have already confirmed several events for the new fiscal year and have ensured Yuengling Center is open for booking and in the minds of the tour structure decision makers. This partnership with Vinik Sports Group sets us up for success. We are very encouraged and optimistic about the upcoming fiscal year related to revenue visibility for SDI and the Yuengling Center.

Trustee Weatherford asked what this next fiscal year will look like relative to pre-Covid times. Mr. Kelly explained that the first two quarters will be a ramp up and the second two quarters will be more towards normalcy, and we hope to surpass normalcy. The real unknown is the fans, in terms of the comfort level and coming back and engaging in the atmosphere. That is why we think the first two quarters will be a little slower than the last two. We are very optimistic that it will only take a little bit of time to get back up to pre-covid levels. Our plan is based on a slow ramp up in the first half of the year and then back to hopefully normalcy in the second half.

5. USF Health Professions Conferencing Corporation

Dr. Haru Okuda presented for USF Health Professions Conferencing Corp. (HPCC). CAMLS was impacted by the pandemic as a lot of its programs are supporting health care professionals external to our organization. We are optimistic for the upcoming year and focusing on our three strategic goals. The first goal is to further integrate USF and USF Health to better leverage economies of scale, shared operational capabilities, reducing expenses and expanding simulation expertise to support our students, residents, faculty and staff. The second goal is diversifying our business portfolio. In the past we focused on medical device companies, professional societies, hospital health care systems. We are working on government contracts and expanding our international outreach programs. The third goal is a focus on research, innovation and impact. Related to

research, we have been approved to establish a small research department (simulation-based research grants, human performance grants in health care, etc.). The second part around innovation is partnership with local technology companies in areas such as virtual reality, augmented reality, in order to pursue grants and do research. The third part is measuring the impact of CAMLS programs, focusing on our mission, which is to create and provide experiential learning that improves clinical skills and patient care in our community and around the globe. We will look at clinical outcomes and contributing to the science of simulation.

6. USF Institute of Applied Engineering

Eric Forsyth presented the three strategic goals for the upcoming year for USF Institute of Applied Engineering (USF IAE). The first goal is to continue to expand our applied research and advanced technology development activities under our five-year, \$85M task order contract with Special Operations Command (SOCOM). That contract has been in place just over a year and during that time we have been awarded 16 task orders worth \$13M. Off to a great start, but certainly opportunity in the coming year as Covid restrictions are relaxing to accelerate development opportunities with SOCOM. The second goal, even though SOCOM is our most important partner, is making a concerted effort to diversify our national security sponsor base. These are competitive solicitations and we are spending quite a bit of time being selective in what we go after. The third goal is to continue to execute our startup funding under the Hillsborough County grant. Covid has slowed us down in executing those funds and so they have been rolling over into the upcoming year. This funding has been critical in getting our facility open and providing critical infrastructure within the facility like our IT capabilities. It has also been important in getting our research equipment and supporting activities online. We have a great plan for the coming year. We have also been in discussions with the County about extending the period of performance of the grant and those have been well received. Again, this will allow us to continue to buy our critical research equipment and associated facilities. We need to take the institute to the next level.

7. USF Alumni Association, Inc.

Bill McCausland presented the three primary goals for USF Alumni Association, Inc. The focus of the Alumni Association is to strengthen the relationships we have with our now 370,000 alumni through our activities, hopefully leading to their long-term involvement with the university. And this has not changed during the Covid period. The first goal is transitioning to a general membership program. We are eliminating the annual membership program so all graduates of the University will be considered members of the Association. The life member program will continue to be in place and we will focus on life memberships, on growing that program and supporting our life members, as well as the Associated Circle of Excellence annual giving program that is part of the life membership program. By doing this, we will be able to focus our resources on higher engagement and cultivation activities. The second goal is increasing our focus at the regional level (regional alumni engagement). We will do this by identifying, engaging, supporting and cultivating alumni within our chapters and societies. The third goal is creating and instilling a culture of philanthropy, of giving back, with our students to build a lifelong connection.

8. USF Financing Corporation & USF Property Corporation

Fell Stubbs presented the three strategic goals for USF Financing Corp. & USF Property Corp. These corporations are the University's financing arm, providing long term financing for the University's major capital projects. The first goal is to protect the University's AA credit ratings on University and Financing Corporation bonds. The second goal is ongoing compliance with debt covenants, including IRS rules on tax exempt bonds and required reporting on the SEC's reporting system. The third goal is completing contracts with three of the University's strategic partners, two of which are Fortune 500 companies. FY2022 payments from these partners will be at guaranteed minimum amounts, despite reductions in revenues impacted by the pandemic. These contract revenues are importantly pledged to various debt service payments.

A motion was made to approve all the FY2022 DSO Financial Plans. The motion was seconded and approved by all Committee members present.

IV. New Business – Information Items

a. Deferred Maintenance

David Lechner provided a brief look at the status of deferred maintenance at USF. Deferred maintenance is a pressing issue across all of higher education. This presentation is particularly timely as the Legislature (subject to the Governor's approval) has designated \$350M of the state's federal stimulus funds specifically for deferred maintenance to be allocated among state agencies and public higher education institutions in FY2022. In addition, the institutional portion of funds from federal coronavirus Higher Education Emergency Relief Funds (CRRSAA and ARPA) can be used for projects meeting the federal guidelines for those initiatives. Information in this presentation comes from a 2019 Sightlines report. Sightlines is an organization specializing in benchmarking of facilities data. The Sightlines study includes only buildings which are funded by E&G and/or PECO Funding from the State, and does not include auxiliaries, utilities, and infrastructure. The study looks mostly at the Tampa Campus and includes Marine Science at St. Petersburg, and this totals about 5.9M square feet. Auxiliaries (which are not included as they are largely self-sustaining) are another 4.9M square feet. There are a number of ways to "score" a building. Sightlines takes the square footage, the complexity of the building and the age, then combines all of this and gives a benchmark for each building. The higher education industry is all on the same curve. Our buildings are on the same cycle and are wearing out at the same time. This is an industry-wide challenge. According to the Sightlines report, 62% of our buildings are greater than 25 years old and 33% of our buildings are 25 years old or less (construction age). This report was done before MCOM came online, so there is a lot of square footage that is going to bump up the lower age category. The report also addresses renovation age. Renovations bring down the construction age of buildings. In our case, with renovations, only 40% of our buildings are 25 years old or greater. We have done a good job with the resources we have been given. Our total deferred maintenance is \$520M. \$222M is the backlog – things that need to be replaced now. \$136M of our inventory will age out in the next 10 years (from the study). \$162M is the rest of our inventory, which will be aging out as we go forward. Of the \$222M backlog, the most critical need is HVAC, then electrical and plumbing. These are high-risk areas. If these break, we would have to suspend operations in the buildings. Per Sightlines, we should be replacing envelope at about \$19.5M per year and space and programmatic space at \$13.8M. Total investment on deferred maintenance should be about \$33M per year, to protect and keep up to date the State's

investment in E&G assets. Mr. Lechner reported the following benchmarks: USF has \$1.6B of buildings (all funds); building depreciation alone last year was approximately \$40M; USF has \$219M of furniture and equipment; and FF&E depreciation last year was \$15M. We are wearing out at \$55M per year (Sightlines gave us a \$33M target in their report). In summary, our challenges are not unique in the industry or Florida; we must seek additional resources to maintain the State's investments in buildings and equipment; and our Facilities team has managed well given constraints.

V. Adjournment

Chair Griffin thanked all who prepared for this meeting. He requested to spend more time/discussion on the budget at June's full board meeting. He suggested a general budget discussion (where we are and where we are going) for consideration at the meeting. Chair Zimmerman agreed that this is a good idea. President Currall explained that we will know the state budget and strategic deliberations to move forward with the budget. Chair Zimmerman stated that we need to be at a zero-sum basis going forward and have to fund our recurring commitments with recurring funding.

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 1:15pm.

Agenda Item: IIIb

USF Board of Trustees

August 10, 2021

Issue: Approval of USF's FY 2021-22 Operating Budget and related materials

Proposed action:

1. Approve the University of South Florida FY 2021-22 Operating Budget and;
2. Authorize the President (or the Designee) to implement budget amendments issued by the state during the fiscal year or other changes approved by the Board Chair.

Executive Summary:

The USF Board of Trustees (BOT) is required to adopt and approve an annual budget for the operation of the University to submit to the Board of Governors.

On June 8, 2021, the BOT approved a FY2021-22 continuation operating budget at last year's level with the understanding that USF would prepare a 2021-22 budget for its approval and subsequent submission to the Board of Governors (BOG) by August 20, 2021. The FY2021-22 Operating Budget (OB) will be presented in summary for receiving such approval from the board.

Financial Impact: See attached.

Strategic Goal(s) Item Supports: Goal 4 – Sound Financial Management

BOT Committee Review Date: Finance Committee - August 10, 2021

Supporting Documentation Online (please circle): Yes

No

Prepared by: Business & Finance-Resource Management & Analysis

Fiscal Year 2021-2022

Operating Budget

USF Board of Trustees
August 10, 2021



Objectives

- 2021-2022 Operating Budget
- 2021-2022 Legislative Session impact on Educational & General Funding
- Federal Funds Overview

FY22 Operating Budget Calendar for USF

Date	Activity
October 1	E&G Carryforward Spending Plan, Fixed Capital Outlay Budget, and Related Certification due to Board of Governors
August 24	BOT Meeting
August 20	Operating Budget due to Board of Governors
August 10	BOT Meeting for Budget Approval
August 10	BOT Finance Committee Meeting
August 5	St. Petersburg Campus Board meeting
July 21	Sarasota-Manatee Campus Board meeting
July 1	Budget Decisions Communication from University Leadership
May through budget submission	Budget preparation and system inputs

2021-2022 Operating Budget



FY 2022 Major Differences Explained

- Contract & Grants – 31.0% increase
 - Federal Funds are included (FY2021 only had CARES, FY2022 includes unspent CRRSAA and ARPA funds)
- Technology Fee – 32.5% increase
 - Due to COVID allocation of the tech fee for various projects throughout University was delayed in FY 2021; therefore, FY 2022 budgeted expenses are higher due to availability of funds

Funding Trends for University of South Florida

Funding Source	2019	2020	2021	2022
Activities & Services	22,350	21,588	22,807	25,986
Athletics	44,152	42,803	45,448	51,994
Auxiliaries	222,120	226,187	224,740	230,031
Contracts & Grants	418,184	424,881	426,201	558,168
Concessions	701	700	629	648
Educational & General	714,028	717,863	718,326	722,463
Financial Aid	399,977	399,778	398,376	398,436
Green Fee	3,230	1,884	2,061	2,056
Technology Fee	12,294	20,117	18,515	24,531
	\$ 1,837,037	\$ 1,855,802	\$ 1,857,104	\$ 2,014,311
Practice Plan	261,313	281,630	271,775	289,955
Self Insurance	7,998	8,037	5,069	5,069
TOTAL USF BUDGET	\$ 2,106,348	\$ 2,145,469	\$ 2,133,948	\$ 2,309,335
E&G Beginning Carry Forward Fund Balance	180,837	216,841	238,748	256,149
		BOG 7% Required Reserve		50,848

NOTE: Amounts are in thousands

2021-2022 Education & General Budget



State Funding for USF after the Legislative Session

- The Legislature fully funded our request for \$8.1 million for construction of the Judy Genshaft Honors College facility. Along with the substantial philanthropic and other local funds already applied to the total cost, this funding by the state, if signed into law by the governor, will complete the full construction cost of the facility.
- The Legislature approved the disbursement of \$46 million in Capital Improvement Trust Fund (CITF) fee revenue for Florida's public universities. These funds accrue from student fees over time at each campus and are used to fund student-approved campus life projects. If signed into law, USF will receive permission to use \$6.5 million of this year's disbursement to fund student life projects on each of our campuses, such as the new Student Wellness Center on the Tampa campus.
- The Legislature set aside \$350 million from the state's federal stimulus funds to be used on deferred maintenance projects at state-owned facilities, and specifically made state university facilities eligible to receive funds from this source. Over the summer we will refresh our priority list of these projects and submit them to the Board of Governors, which will send a statewide list for the governor's consideration.

State Funding for USF after the Legislative Session

- Reduced funding for faculty positions over \$200K salary amount - \$2.5 million
 - Tampa campus impact - \$2.4 million
 - St. Petersburg campus impact - \$25K
- State Investment portion of Performance Based Funding has been reduced - \$1.3 million
 - Tampa campus - \$1.1 million (242K is the impact for USF Health)
 - St. Petersburg campus - \$160K
 - Sarasota-Manatee campus - \$84K
- St. Petersburg campus Citizen Scholar Partnership allocation - \$306K
- Additional unfunded retirement cost ~ estimated around \$7 for all campuses
- Additional cost associated with waivers for specific programs (uncollected tuition) - \$TBD

What happened to planned recurring reductions in FY 2022?

- USF Health, St. Petersburg and Sarasota-Manatee campuses overall E&G budget was only reduced based on allocation from the state mentioned before
- Planned targets for Tampa campus University and Academic Support Units (except Library and Police) have been implemented
 - These reductions have been re-allocated to cover costs associated with original recurring budget misalignment

2021-2022 Educational & General Budget

	Tampa campus	St. Petersburg campus	Sarasota- Manatee campus	USF Health	ONE USF
General Revenue	232,921	34,554	20,331	70,350	358,157
Educational Enhancement TF	63,526	2,814	2,428	12,741	81,508
Student Fees TF*	187,739	21,010	12,020	65,542	286,312
FY22 Beginning Budget	\$ 484,187	\$ 58,378	\$ 34,780	\$ 148,633	\$ 725,978
<u>Additional Revenues/(Reductions)</u>					
Base Appropriation	-	306	-	-	306
Base Reduction	(2,422)	(25)	-	-	(2,447)
Performance Based Funding**	(1,131)	(160)	(83)	-	(1,374)
FY22 E&G Budget	\$ 480,634	\$ 58,500	\$ 34,696	\$ 148,633	\$ 722,463
<u>Expense Budget</u>					
Salaries & Benefits	322,229	42,476	24,563	114,522	503,789
Other Expenses	100,282	11,493	5,727	28,248	145,751
Other Personnel Services - OPS	29,205	2,753	3,476	2,500	37,934
Student Financial Aid	11,249	1,102	650	1,000	14,000
Library Resources	5,647	633	210	1,586	8,075
Risk Management	3,506	38	49	550	4,142
Operating Capital Outlay	600	6	21	227	854
Held Tuition Authority	7,917	-	-	-	7,917
	\$ 480,634	\$ 58,500	\$ 34,696	\$ 148,633	\$ 722,463

*Total Tuition Authority

** Tampa's reduction amount includes \$242K reduction for USF Health

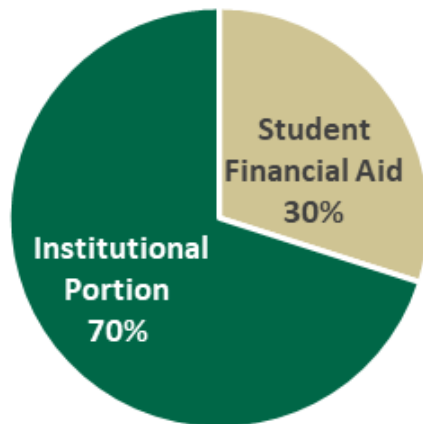
NOTE: Amounts are in thousands

Federal Funds Overview

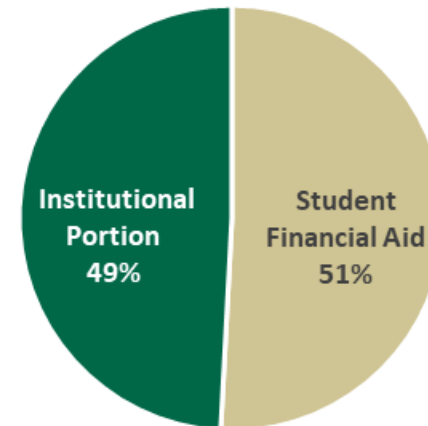


Federal Funds Beyond CARES

Coronavirus Response and Relief Supplemental
Appropriations Act, 2021 (CRRSAA)
\$58.2 million



American Rescue Plan Act of 2021 (ARPA)
\$102.3 million

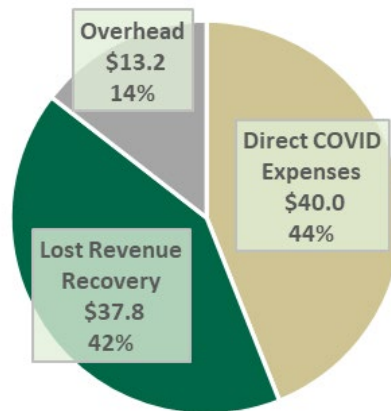


Student Financial Aid - \$69.4 million

- Only Need-Based Aid
- \$16.6 million spent in 2020-2021
- \$52.8 million remains to be spent in FY 2022

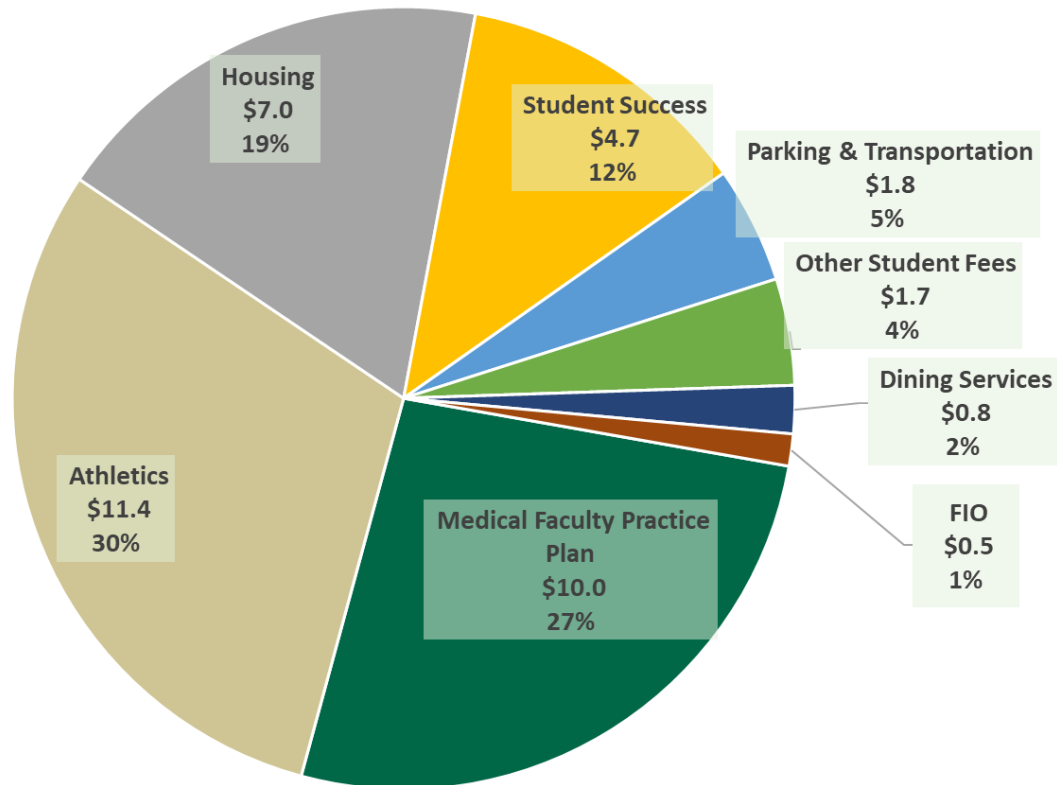
Institutional Portion - \$91.1 million

- Allowable Expenses:
 - Lost Revenues
 - Expenses directly associated with COVID (i.e. technology improvements for online instruction, testing costs, HVAC improvement projects, etc.)
- Current Plan:



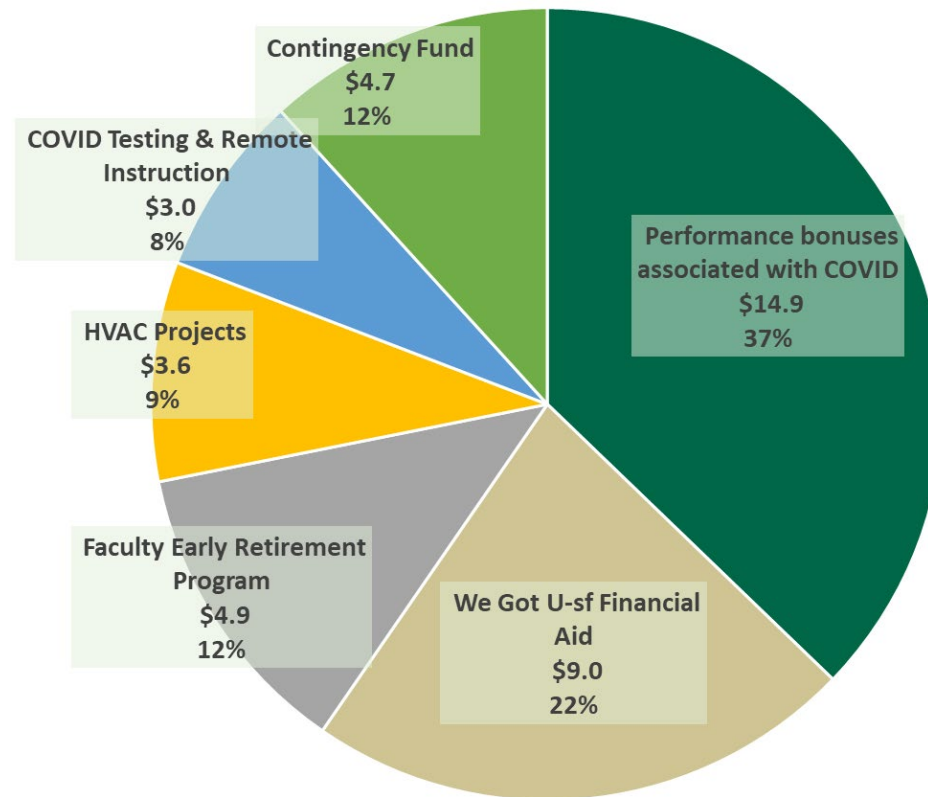
NOTE: Amounts
are in millions

Institutional Portion – Lost Revenue Recovery



NOTE: Amounts are in millions

Institutional Portion – Direct COVID Expenses



NOTE: Amounts are in millions

Questions

Board of Trustees Finance Committee - New Business - Action Items

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UNIVERSITY OF SOUTH FLORIDA
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 256,149,388	\$ 114,447,744	\$ 190,671,851	\$ 13,965,835	\$ 8,278,009	\$ 1,684,907	\$ 4,688,600	\$ 17,135,739	\$ -	\$ 3,975,660	\$ 52,862,536	\$ 663,860,270
2												
3 <u>Receipts/Revenues</u>												
4 General Revenue	\$ 354,642,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,642,250
5 Lottery	\$ 81,508,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,508,364
6 Student Tuition	\$ 286,312,217	\$ -	\$ 4,129,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,441,703
7 Phosphate Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Other U.S. Grants	\$ -	\$ 455,854,868	\$ -	\$ -	\$ 285,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741,804,868
10 City or County Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 State Grants	\$ -	\$ -	\$ -	\$ -	\$ 91,586,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,586,800
12 Other Grants and Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Donations / Contrib. Given to the State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Sales of Goods / Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Sales of Data Processing Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16 Fees	\$ -	\$ 7,600	\$ 66,381,875	\$ 18,947,766	\$ 12,340,000	\$ -	\$ 16,800,000	\$ 10,216,093	\$ 5,069,042	\$ 1,261,556	\$ 187,941,274	\$ 318,965,206
17 Miscellaneous Receipts	\$ -	\$ 820,000	\$ 127,145,705	\$ -	\$ 75,000	\$ 575,834	\$ 18,647,500	\$ -	\$ -	\$ -	\$ 170,062,327	\$ 317,326,366
18 Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Concessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Assessments / Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Other Receipts / Revenues ⁶	\$ 1,084,584	\$ 2,168,060	\$ 37,386,665	\$ 44,152	\$ 8,500	\$ 11,252	\$ 3,000	\$ 63,510	\$ -	\$ 62,100	\$ -	\$ 40,831,823
22 Subtotal:	\$ 723,547,415	\$ 458,850,528	\$ 235,043,731	\$ 18,991,918	\$ 389,960,300	\$ 587,086	\$ 35,450,500	\$ 10,279,603	\$ 5,069,042	\$ 1,323,656	\$ 358,003,601	\$ 2,237,107,380
23 Transfers In	\$ -	\$ 176,061,000	\$ 45,043,391	\$ 11,842,367	\$ 22,950,101	\$ 89,100	\$ 21,049,500	\$ -	\$ -	\$ 145,431	\$ -	\$ 277,180,890
24 Total - Receipts / Revenues:	\$ 723,547,415	\$ 634,911,528	\$ 280,087,123	\$ 30,834,285	\$ 412,910,401	\$ 676,186	\$ 56,500,000	\$ 10,279,603	\$ 5,069,042	\$ 1,469,087	\$ 358,003,601	\$ 2,514,288,271
25												
26 <u>Operating Expenditures</u>												
27 Salaries and Benefits	\$ 503,789,181	\$ 215,575,847	\$ 82,719,105	\$ 7,166,922	\$ 764,292	\$ 150,000	\$ 23,945,426	\$ 92,433	\$ 600,000	\$ 13,073	\$ 226,255,482	\$ 1,061,071,760
28 Other Personal Services	\$ 37,934,243	\$ 81,149,500	\$ 12,898,567	\$ 4,994,059	\$ 15,000	\$ -	\$ 1,159,000	\$ 98,000	\$ -	\$ 393	\$ 336,225	\$ 138,584,988
29 Expenses	\$ 153,667,674	\$ 253,387,556	\$ 126,512,227	\$ 13,532,136	\$ 397,656,737	\$ 497,662	\$ 26,413,574	\$ 23,225,263	\$ 4,469,042	\$ 1,998,279	\$ 63,363,288	\$ 1,064,723,438
30 Operating Capital Outlay	\$ 853,933	\$ 2,541,000	\$ 2,830,375	\$ 248,218	\$ -	\$ -	\$ -	\$ 1,115,037	\$ -	\$ 44,093	\$ -	\$ 7,632,656
31 Risk Management	\$ 4,142,413	\$ 514,000	\$ 1,535,488	\$ 44,186	\$ -	\$ -	\$ 476,000	\$ -	\$ -	\$ -	\$ -	\$ 6,712,087
32 Financial Aid	\$ 14,000,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000,255
33 Scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34 Waivers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35 Finance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Debt Service	\$ -	\$ -	\$ 3,003,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,003,522
37 Salary Incentive Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38 Law Enforcement Incentive Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 Library Resources	\$ 8,075,132	\$ -	\$ 531,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,606,460
40 Institute of Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41 Regional Data Centers - SUS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 Black Male Explorers Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43 Phosphate Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44 Other Operating Category (Provide Details)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45 Total Operating Expenditures :	\$ 722,462,831	\$ 553,167,904	\$ 230,030,612	\$ 25,985,521	\$ 398,436,029	\$ 647,662	\$ 51,994,000	\$ 24,530,733	\$ 5,069,042	\$ 2,055,838	\$ 289,954,995	\$ 2,304,335,165

46 State University System of Florida

Board of Governors

DRAFT

UNIVERSITY OF SOUTH FLORIDA
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 128,067,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	128,067,873
49 * Fixed Capital Outlay	\$ 26,218,264	\$ 5,000,000	\$ 10,219,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	41,438,091
50 Transfers Out ⁶	\$ -	\$ 80,492,400	\$ 57,030,941	\$ 12,299,601	\$ 14,443,500	\$ 139,552	\$ 4,506,000	\$ -	\$ -	\$ -	\$ 59,906,974	228,818,968
51 Other ⁷	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
52 Total Non-Operating Expenditures :	\$ 154,286,137	\$ 85,492,400	\$ 67,250,768	\$ 12,299,601	\$ 14,443,500	\$ 139,552	\$ 4,506,000	\$ -	\$ -	\$ -	\$ 59,906,974	398,324,932
53												
54 Ending Fund Balance :	\$ 102,947,836	\$ 110,698,968	\$ 173,477,593	\$ 6,514,999	\$ 8,308,881	\$ 1,573,879	\$ 4,688,600	\$ 2,884,610	\$ -	\$ 3,388,909	\$ 61,004,168	475,488,443
55												
56 Fund Balance Increase / Decrease :	\$ (153,201,552)	\$ (3,748,776)	\$ (17,194,258)	\$ (7,450,837)	\$ 30,872	\$ (111,028)	\$ -	\$ (14,251,130)	\$ -	\$ (586,751)	\$ 8,141,632	(188,371,826)
57 Fund Balance Percentage Change :	-59.81%	-3.28%	-9.02%	-53.35%	0.37%	-6.59%	0.00%	-83.17%	#DIV/0!	-14.76%	15.40%	-28.38%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.

2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.

3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.

4. Local funds include the following university activities:

a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural / club sports.

b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.

c. Concessions - These resources are generated from various vending machines located on the university campuses.

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.

e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.

f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).

g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.

5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.

6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.

7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Board of Trustees Finance Committee - New Business - Action Items

UNIVERSITY OF SOUTH FLORIDA (excl Health)
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

DRAFT

1 Beginning Fund Balance :

2

3 Receipts/Revenues

4 General Revenue

5 Lottery

6 Student Tuition

7 Phosphate Research

9 Other U.S. Grants

10 City or County Grants

11 State Grants

12 Other Grants and Donations

13 Donations / Contrib. Given to the State

14 Sales of Goods / Services

15 Sales of Data Processing Services

16 Fees

17 Miscellaneous Receipts

18 Rent

19 Concessions

20 Assessments / Services

21 Other Receipts / Revenues⁶

22 Subtotal:

23 Transfers In

24 Total - Receipts / Revenues:

25

26 Operating Expenditures

27 Salaries and Benefits

28 Other Personal Services

29 Expenses

30 Operating Capital Outlay

31 Risk Management

32 Financial Aid

33 Scholarships

34 Waivers

35 Finance Expense

36 Debt Service

37 Salary Incentive Payments

38 Law Enforcement Incentive Payments

39 Library Resources

40 Institute of Government

41 Regional Data Centers - SUS

42 Black Male Explorers Program

43 Phosphate Research

44 Other Operating Category (Provide Details)

45 Total Operating Expenditures :

46

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 202,036,975	\$ 114,447,744	\$ 190,671,851	\$ 13,965,835	\$ 8,278,009	\$ 1,684,907	\$ 4,688,600	\$ 17,135,739	\$ -	\$ 3,975,660	\$ -	\$ 556,885,321
2												
3 Receipts/Revenues												
4 General Revenue	\$ 284,292,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,292,107
5 Lottery	\$ 68,767,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,767,822
6 Student Tuition	\$ 220,769,912	\$ -	\$ 4,129,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,899,398
7 Phosphate Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9 Other U.S. Grants	\$ -	\$ 455,854,868	\$ -	\$ -	\$ 285,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741,804,868
10 City or County Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 State Grants	\$ -	\$ -	\$ -	\$ -	\$ 91,586,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,586,800
12 Other Grants and Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 Donations / Contrib. Given to the State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Sales of Goods / Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Sales of Data Processing Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16 Fees	\$ -	\$ 7,600	\$ 66,381,875	\$ 18,947,766	\$ 12,340,000	\$ -	\$ 16,800,000	\$ 10,216,093	\$ -	\$ 1,261,556	\$ -	\$ 125,954,890
17 Miscellaneous Receipts	\$ -	\$ 820,000	\$ 127,145,705	\$ -	\$ 75,000	\$ 575,834	\$ 18,647,500	\$ -	\$ -	\$ -	\$ -	\$ 147,264,039
18 Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Concessions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Assessments / Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Other Receipts / Revenues ⁶	\$ 836,091	\$ 2,168,060	\$ 37,386,665	\$ 44,152	\$ 8,500	\$ 11,252	\$ 3,000	\$ 63,510	\$ -	\$ 62,100	\$ -	\$ 40,583,330
22 Subtotal:	\$ 574,665,932	\$ 458,850,528	\$ 235,043,731	\$ 18,991,918	\$ 389,960,300	\$ 587,086	\$ 35,450,500	\$ 10,279,603	\$ -	\$ 1,323,656	\$ -	\$ 1,725,153,254
23 Transfers In	\$ -	\$ 176,061,000	\$ 45,043,391	\$ 11,842,367	\$ 22,950,101	\$ 89,100	\$ 21,049,500	\$ -	\$ -	\$ 145,431	\$ -	\$ 277,180,890
24 Total - Receipts / Revenues:	\$ 574,665,932	\$ 634,911,528	\$ 280,087,123	\$ 30,834,285	\$ 412,910,401	\$ 676,186	\$ 56,500,000	\$ 10,279,603	\$ -	\$ 1,469,087	\$ -	\$ 2,002,334,145
25												
26 Operating Expenditures												
27 Salaries and Benefits	\$ 389,267,217	\$ 215,575,847	\$ 82,719,105	\$ 7,166,922	\$ 764,292	\$ 150,000	\$ 23,945,426	\$ 92,433	\$ -	\$ 13,073	\$ -	\$ 719,694,314
28 Other Personal Services	\$ 35,434,110	\$ 81,149,500	\$ 12,898,567	\$ 4,994,059	\$ 15,000	\$ -	\$ 1,159,000	\$ 98,000	\$ -	\$ 393	\$ -	\$ 135,748,630
29 Expenses	\$ 125,419,483	\$ 253,387,556	\$ 126,512,227	\$ 13,532,136	\$ 397,656,737	\$ 497,662	\$ 26,413,574	\$ 23,225,263	\$ -	\$ 1,998,279	\$ -	\$ 968,642,916
30 Operating Capital Outlay	\$ 626,556	\$ 2,541,000	\$ 2,830,375	\$ 248,218	\$ -	\$ -	\$ -	\$ 1,115,037	\$ -	\$ 44,093	\$ -	\$ 7,405,279
31 Risk Management	\$ 3,592,588	\$ 514,000	\$ 1,535,488	\$ 44,186	\$ -	\$ -	\$ 476,000	\$ -	\$ -	\$ -	\$ -	\$ 6,162,262
32 Financial Aid	\$ 13,000,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,000,255
33 Scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34 Waivers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35 Finance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Debt Service	\$ -	\$ -	\$ 3,003,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,003,522
37 Salary Incentive Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38 Law Enforcement Incentive Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 Library Resources	\$ 6,489,632	\$ -	\$ 531,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,020,960
40 Institute of Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41 Regional Data Centers - SUS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 Black Male Explorers Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43 Phosphate Research	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44 Other Operating Category (Provide Details)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45 Total Operating Expenditures :	\$ 573,829,841	\$ 553,167,904	\$ 230,030,612	\$ 25,985,521	\$ 398,436,029	\$ 647,662	\$ 51,994,000	\$ 24,530,733	\$ -	\$ 2,055,838	\$ -	\$ 1,860,678,138

State University System of Florida

Board of Governors

Board of Trustees Finance Committee - New Business - Action Items

UNIVERSITY OF SOUTH FLORIDA (excl Health)
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

DRAFT

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 101,013,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	101,013,107
49 * Fixed Capital Outlay	\$ 23,593,264	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	28,593,264
50 Transfers Out ⁶	\$ -	\$ 80,492,400	\$ 57,030,941	\$ 12,299,601	\$ 14,443,500	\$ 139,552	\$ 4,506,000	\$ -	\$ -	\$ -	\$ -	168,911,994
51 Other ⁷	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
52 Total Non-Operating Expenditures :	\$ 124,606,371	\$ 85,492,400	\$ 57,030,941	\$ 12,299,601	\$ 14,443,500	\$ 139,552	\$ 4,506,000	\$ -	\$ -	\$ -	\$ -	298,518,366
53												
54 Ending Fund Balance :	\$ 78,266,695	\$ 110,698,968	\$ 183,697,420	\$ 6,514,999	\$ 8,308,881	\$ 1,573,879	\$ 4,688,600	\$ 2,884,610	\$ -	\$ 3,388,909	\$ -	400,022,962
55												
56 Fund Balance Increase / Decrease :	\$ (123,770,280)	\$ (3,748,776)	\$ (6,974,431)	\$ (7,450,837)	\$ 30,872	\$ (111,028)	\$ -	\$ (14,251,130)	\$ -	\$ (586,751)	\$ -	(156,862,359)
57 Fund Balance Percentage Change :	-61.26%	-3.28%	-3.66%	-53.35%	0.37%	-6.59%	0.00%	-83.17%	#DIV/0!	-14.76%	#DIV/0!	-28.17%

- The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.
- The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.
- Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.
- Local funds include the following university activities:
 - Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural / club sports.
 - Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.
 - Concessions - These resources are generated from various vending machines located on the university campuses.
 - Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.
 - Technology fee - Collections are used to enhance instructional technology resources for students and faculty.
 - Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).
 - Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.
- Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.
- Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.
- Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Board of Trustees Finance Committee - New Business - Action Items

UNIVERSITY OF SOUTH FLORIDA - TAMPA campus (excluding Health)
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

DRAFT

1 Beginning Fund Balance :

2

3 Receipts/Revenues

4 General Revenue

5 Lottery

6 Student Tuition

7 Phosphate Research

9 Other U.S. Grants

10 City or County Grants

11 State Grants

12 Other Grants and Donations

13 Donations / Contrib. Given to the State

14 Sales of Goods / Services

15 Sales of Data Processing Services

16 Fees

17 Miscellaneous Receipts

18 Rent

19 Concessions

20 Assessments / Services

21 Other Receipts / Revenues⁵

22 Subtotal:

23 Transfers In

24 Total - Receipts / Revenues:

25

26 Operating Expenditures

27 Salaries and Benefits

28 Other Personal Services

29 Expenses

30 Operating Capital Outlay

31 Risk Management

32 Financial Aid

33 Scholarships

34 Waivers

35 Finance Expense

36 Debt Service

37 Salary Incentive Payments

38 Law Enforcement Incentive Payments

39 Library Resources

40 Institute of Government

41 Regional Data Centers - SUS

42 Black Male Explorers Program

43 Phosphate Research

44 Other Operating Category (Provide Details)

45 Total Operating Expenditures :

46

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 161,594,190	\$ 113,593,978	\$ 169,958,691	\$ 7,631,363	\$ 8,264,150	\$ 1,616,347	\$ 4,688,600	\$ 16,542,167		\$ 3,693,324		\$ 487,582,810
2												
3 <u>Receipts/Revenues</u>												
4 General Revenue	\$ 229,368,173											\$ 229,368,173
5 Lottery	\$ 63,525,937											\$ 63,525,937
6 Student Tuition	\$ 187,739,487		\$ 4,129,486									\$ 191,868,973
7 Phosphate Research												\$ -
9 Other U.S. Grants		\$ 443,015,868			\$ 285,950,000							\$ 728,965,868
10 City or County Grants												\$ -
11 State Grants					\$ 91,585,000							\$ 91,585,000
12 Other Grants and Donations												\$ -
13 Donations / Contrib. Given to the State												\$ -
14 Sales of Goods / Services												\$ -
15 Sales of Data Processing Services												\$ -
16 Fees	\$ 7,600	\$ 61,200,403	\$ 14,284,183	\$ 12,340,000		\$ 16,800,000	\$ 9,422,427		\$ 1,082,675			\$ 115,137,288
17 Miscellaneous Receipts	\$ 820,000	\$ 117,395,373		\$ 75,000	\$ 575,834	\$ 18,647,500						\$ 137,513,707
18 Rent												\$ -
19 Concessions												\$ -
20 Assessments / Services												\$ -
21 Other Receipts / Revenues ⁵	\$ 682,848	\$ 2,168,060	\$ 36,104,730	\$ 30,652	\$ 8,500	\$ 11,252	\$ 3,000	\$ 52,010		\$ 60,000		\$ 39,121,052
22 Subtotal:	\$ 481,316,445	\$ 446,011,528	\$ 218,829,992	\$ 14,314,835	\$ 389,958,500	\$ 587,086	\$ 35,450,500	\$ 9,474,437	\$ -	\$ 1,142,675	\$ -	\$ 1,597,085,998
23 Transfers In		\$ 174,305,000	\$ 42,950,321	\$ 11,842,367	\$ 22,950,101	\$ 86,100	\$ 21,049,500			\$ 145,431		\$ 273,328,820
24 Total - Receipts / Revenues:	\$ 481,316,445	\$ 620,316,528	\$ 261,780,314	\$ 26,157,202	\$ 412,908,601	\$ 673,186	\$ 56,500,000	\$ 9,474,437	\$ -	\$ 1,288,106	\$ -	\$ 1,870,414,819
25												
26 <u>Operating Expenditures</u>												
27 Salaries and Benefits	\$ 322,228,551	\$ 211,833,847	\$ 78,684,912	\$ 6,049,626	\$ 764,292	\$ 150,000	\$ 23,945,426	\$ 92,433		\$ 13,073		\$ 643,762,159
28 Other Personal Services	\$ 29,205,332	\$ 80,511,500	\$ 12,123,596	\$ 3,772,931	\$ 15,000		\$ 1,159,000	\$ 98,000		\$ 393		\$ 126,885,753
29 Expenses	\$ 108,198,819	\$ 243,347,275	\$ 119,236,787	\$ 8,212,116	\$ 397,654,937	\$ 431,662	\$ 26,413,574	\$ 22,508,458		\$ 1,771,872		\$ 927,775,499
30 Operating Capital Outlay	\$ 599,620	\$ 2,541,000	\$ 2,529,330	\$ 248,218				\$ 1,042,537				\$ 6,960,705
31 Risk Management	\$ 3,505,638	\$ 514,000	\$ 1,514,751	\$ 35,186			\$ 476,000					\$ 6,045,575
32 Financial Aid	\$ 11,248,505											\$ 11,248,505
33 Scholarships												\$ -
34 Waivers												\$ -
35 Finance Expense												\$ -
36 Debt Service			\$ 2,929,280									\$ 2,929,280
37 Salary Incentive Payments												\$ -
38 Law Enforcement Incentive Payments												\$ -
39 Library Resources	\$ 5,647,132		\$ 531,128									\$ 6,178,260
40 Institute of Government												\$ -
41 Regional Data Centers - SUS												\$ -
42 Black Male Explorers Program												\$ -
43 Phosphate Research												\$ -
44 Other Operating Category (Provide Details)												\$ -
45 Total Operating Expenditures :	\$ 480,633,597	\$ 538,747,623	\$ 217,549,783	\$ 18,318,077	\$ 398,434,229	\$ 581,662	\$ 51,994,000	\$ 23,741,428	\$ -	\$ 1,785,338	\$ -	\$ 1,731,785,736

State University System of Florida

Board of Governors

DRAFT

UNIVERSITY OF SOUTH FLORIDA - TAMPA campus (excluding Health)
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 80,792,792											\$ 80,792,792
49 * Fixed Capital Outlay	\$ 6,846,748	\$ 5,000,000										\$ 11,846,748
50 Transfers Out ⁸		\$ 80,487,400	\$ 52,174,507	\$ 11,813,496	\$ 14,443,500	\$ 139,552	\$ 4,506,000					\$ 163,564,455
51 Other ⁷												\$ -
52 Total Non-Operating Expenditures :	\$ 87,639,540	\$ 85,487,400	\$ 52,174,507	\$ 11,813,496	\$ 14,443,500	\$ 139,552	\$ 4,506,000	\$ -	\$ -	\$ -	\$ -	\$ 256,203,995
53												
54 Ending Fund Balance :	\$ 74,637,499	\$ 109,675,483	\$ 162,014,714	\$ 3,656,992	\$ 8,295,022	\$ 1,568,319	\$ 4,688,600	\$ 2,275,176	\$ -	\$ 3,196,092	\$ -	\$ 370,007,898
55												
56 Fund Balance Increase / Decrease :	\$ (86,956,691)	\$ (3,918,495)	\$ (7,943,977)	\$ (3,974,371)	\$ 30,872	\$ (48,028)	\$ -	\$ (14,266,991)	\$ -	\$ (497,232)	\$ -	\$ (117,574,912)
57 Fund Balance Percentage Change :	-53.81%	-3.45%	-4.67%	-52.08%	0.37%	-2.97%	0.00%	-86.25%	-	-13.46%	-	-24.11%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.

2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.

3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.

4. Local funds include the following university activities:

a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural / club sports.

b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.

c. Concessions - These resources are generated from various vending machines located on the university campuses.

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.

e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.

f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).

g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.

5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.

6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.

7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Board of Trustees Finance Committee - New Business - Action Items

UNIVERSITY OF SOUTH FLORIDA - ST. PETERSBURG campus
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

DRAFT

1 Beginning Fund Balance :

2

3 Receipts/Revenues

4 General Revenue

5 Lottery

6 Student Tuition

7 Phosphate Research

9 Other U.S. Grants

10 City or County Grants

11 State Grants

12 Other Grants and Donations

13 Donations / Contrib. Given to the State

14 Sales of Goods / Services

15 Sales of Data Processing Services

16 Fees

17 Miscellaneous Receipts

18 Rent

19 Concessions

20 Assessments / Services

21 Other Receipts / Revenues⁵

22 Subtotal:

23 Transfers In

24 Total - Receipts / Revenues:

25

26 Operating Expenditures

27 Salaries and Benefits

28 Other Personal Services

29 Expenses

30 Operating Capital Outlay

31 Risk Management

32 Financial Aid

33 Scholarships

34 Waivers

35 Finance Expense

36 Debt Service

37 Salary Incentive Payments

38 Law Enforcement Incentive Payments

39 Library Resources

40 Institute of Government

41 Regional Data Centers - SUS

42 Black Male Explorers Program

43 Phosphate Research

44 Other Operating Category (Provide Details)

45 Total Operating Expenditures :

46

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 20,648,174	\$ 730,050	\$ 17,089,602	\$ 1,838,629	\$ 13,859	\$ 57,699		\$ 291,563		\$ 256,034		\$ 40,925,609
2												
3 <u>Receipts/Revenues</u>												
4 General Revenue	\$ 34,676,059											\$ 34,676,059
5 Lottery	\$ 2,813,991											\$ 2,813,991
6 Student Tuition	\$ 21,010,000											\$ 21,010,000
7 Phosphate Research												\$ -
9 Other U.S. Grants		\$ 12,725,000										\$ 12,725,000
10 City or County Grants												\$ -
11 State Grants					\$ 1,800							\$ 1,800
12 Other Grants and Donations												\$ -
13 Donations / Contrib. Given to the State												\$ -
14 Sales of Goods / Services												\$ -
15 Sales of Data Processing Services												\$ -
16 Fees			\$ 3,037,040	\$ 2,868,800				\$ 496,268		\$ 110,000		\$ 6,512,108
17 Miscellaneous Receipts			\$ 8,861,995									\$ 8,861,995
18 Rent												\$ -
19 Concessions												\$ -
20 Assessments / Services												\$ -
21 Other Receipts / Revenues ⁵	\$ 77,692		\$ 1,094,246	\$ 13,500				\$ 10,000		\$ 2,000		\$ 1,197,438
22 Subtotal:	\$ 58,577,742	\$ 12,725,000	\$ 12,993,281	\$ 2,882,300	\$ 1,800	\$ -	\$ -	\$ 506,268	\$ -	\$ 112,000	\$ -	\$ 87,798,391
23 Transfers In		\$ 1,445,000	\$ 1,831,270									\$ 3,276,270
24 Total - Receipts / Revenues:	\$ 58,577,742	\$ 14,170,000	\$ 14,824,551	\$ 2,882,300	\$ 1,800	\$ -	\$ -	\$ 506,268	\$ -	\$ 112,000	\$ -	\$ 91,074,661
25												
26 <u>Operating Expenditures</u>												
27 Salaries and Benefits	\$ 42,475,607	\$ 3,478,000	\$ 2,843,909	\$ 972,236								\$ 49,769,752
28 Other Personal Services	\$ 2,753,031	\$ 521,000	\$ 627,145	\$ 607,989								\$ 4,509,165
29 Expenses	\$ 11,493,460	\$ 9,997,281	\$ 6,060,834	\$ 931,408	\$ 1,800	\$ 63,000		\$ 423,805		\$ 192,500		\$ 29,164,088
30 Operating Capital Outlay	\$ 5,500		\$ 293,445					\$ 67,500		\$ 10,000		\$ 376,445
31 Risk Management	\$ 38,202		\$ 20,630	\$ 9,000								\$ 67,832
32 Financial Aid	\$ 1,101,750											\$ 1,101,750
33 Scholarships												\$ -
34 Waivers												\$ -
35 Finance Expense												\$ -
36 Debt Service			\$ 74,242									\$ 74,242
37 Salary Incentive Payments												\$ -
38 Law Enforcement Incentive Payments												\$ -
39 Library Resources	\$ 632,500		\$ 200									\$ 632,700
40 Institute of Government												\$ -
41 Regional Data Centers - SUS												\$ -
42 Black Male Explorers Program												\$ -
43 Phosphate Research												\$ -
44 Other Operating Category (Provide Details)												\$ -
45 Total Operating Expenditures :	\$ 58,500,050	\$ 13,996,281	\$ 9,920,405	\$ 2,520,633	\$ 1,800	\$ 63,000	\$ -	\$ 491,305	\$ -	\$ 202,500	\$ -	\$ 85,695,974

State University System of Florida

Board of Governors

DRAFT

UNIVERSITY OF SOUTH FLORIDA - ST. PETERSBURG campus
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 10,323,537											\$ 10,323,537
49 * Fixed Capital Outlay	\$ 7,924,876											\$ 7,924,876
50 Transfers Out ⁸		\$ 4,000	\$ 4,814,534	\$ 486,105								\$ 5,304,639
51 Other ⁷												\$ -
52 Total Non-Operating Expenditures :	\$ 18,248,413	\$ 4,000	\$ 4,814,534	\$ 486,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,553,052
53												
54 Ending Fund Balance :	\$ 2,477,453	\$ 899,769	\$ 17,179,214	\$ 1,714,190	\$ 13,859	\$ (5,301)	\$ -	\$ 306,526	\$ -	\$ 165,534	\$ -	\$ 22,751,244
55												
56 Fund Balance Increase / Decrease :	\$ (18,170,721)	\$ 169,719	\$ 89,612	\$ (124,438)	\$ -	\$ (63,000)	\$ -	\$ 14,963	\$ -	\$ (90,500)	\$ -	\$ (18,174,365)
57 Fund Balance Percentage Change :	-88.00%	23.25%	0.52%	-6.77%	0.00%	-109.19%	-	5.13%	-	-35.35%	-	-44.41%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.

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c. Concessions - These resources are generated from various vending machines located on the university campuses.

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.

e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.

f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).

g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.

5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.

6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.

7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Board of Trustees Finance Committee - New Business - Action Items

DRAFT

UNIVERSITY OF SOUTH FLORIDA - SARASOTA-MANATEE campus
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

1 Beginning Fund Balance :

2

3 Receipts/Revenues

4 General Revenue

5 Lottery

6 Student Tuition

7 Phosphate Research

9 Other U.S. Grants

10 City or County Grants

11 State Grants

12 Other Grants and Donations

13 Donations / Contrib. Given to the State

14 Sales of Goods / Services

15 Sales of Data Processing Services

16 Fees

17 Miscellaneous Receipts

18 Rent

19 Concessions

20 Assessments / Services

21 Other Receipts / Revenues⁶

22 Subtotal:

23 Transfers In

24 Total - Receipts / Revenues:

25

26 Operating Expenditures

27 Salaries and Benefits

28 Other Personal Services

29 Expenses

30 Operating Capital Outlay

31 Risk Management

32 Financial Aid

33 Scholarships

34 Waivers

35 Finance Expense

36 Debt Service

37 Salary Incentive Payments

38 Law Enforcement Incentive Payments

39 Library Resources

40 Institute of Government

41 Regional Data Centers - SUS

42 Black Male Explorers Program

43 Phosphate Research

44 Other Operating Category (Provide Details)

45 Total Operating Expenditures :

46

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 19,794,611	\$ 123,716	\$ 3,623,558	\$ 4,495,843	\$ -	\$ 10,861		\$ 302,010		\$ 26,302		\$ 28,376,902
2												
3 <u>Receipts/Revenues</u>												
4 General Revenue	\$ 20,247,875											\$ 20,247,875
5 Lottery	\$ 2,427,894											\$ 2,427,894
6 Student Tuition	\$ 12,020,425											\$ 12,020,425
7 Phosphate Research												\$ -
9 Other U.S. Grants		\$ 114,000										\$ 114,000
10 City or County Grants												\$ -
11 State Grants												\$ -
12 Other Grants and Donations												\$ -
13 Donations / Contrib. Given to the State												\$ -
14 Sales of Goods / Services												\$ -
15 Sales of Data Processing Services												\$ -
16 Fees			\$ 2,144,432	\$ 1,794,783				\$ 297,398		\$ 68,881		\$ 4,305,494
17 Miscellaneous Receipts			\$ 888,337									\$ 888,337
18 Rent												\$ -
19 Concessions												\$ -
20 Assessments / Services												\$ -
21 Other Receipts / Revenues ⁶	\$ 75,551		\$ 187,689					\$ 1,500		\$ 100		\$ 264,840
22 Subtotal:	\$ 34,771,745	\$ 114,000	\$ 3,220,458	\$ 1,794,783	\$ -	\$ -	\$ -	\$ 298,898	\$ -	\$ 68,981	\$ -	\$ 40,268,865
23 Transfers In		\$ 311,000	\$ 261,800			\$ 3,000						\$ 575,800
24 Total - Receipts / Revenues:	\$ 34,771,745	\$ 425,000	\$ 3,482,258	\$ 1,794,783	\$ -	\$ 3,000	\$ -	\$ 298,898	\$ -	\$ 68,981	\$ -	\$ 40,844,665
25												
26 <u>Operating Expenditures</u>												
27 Salaries and Benefits	\$ 24,563,059	\$ 264,000	\$ 1,190,285	\$ 145,059								\$ 26,162,403
28 Other Personal Services	\$ 3,475,747	\$ 117,000	\$ 147,826	\$ 613,139								\$ 4,353,712
29 Expenses	\$ 5,727,204	\$ 43,000	\$ 1,214,606	\$ 4,388,612	\$ 3,000	\$ 3,000		\$ 293,000	\$ 33,907			\$ 11,703,329
30 Operating Capital Outlay	\$ 21,436		\$ 7,600					\$ 5,000		\$ 34,093		\$ 68,129
31 Risk Management	\$ 48,748		\$ 107									\$ 48,855
32 Financial Aid	\$ 650,000											\$ 650,000
33 Scholarships												\$ -
34 Waivers												\$ -
35 Finance Expense												\$ -
36 Debt Service												\$ -
37 Salary Incentive Payments												\$ -
38 Law Enforcement Incentive Payments												\$ -
39 Library Resources	\$ 210,000											\$ 210,000
40 Institute of Government												\$ -
41 Regional Data Centers - SUS												\$ -
42 Black Male Explorers Program												\$ -
43 Phosphate Research												\$ -
44 Other Operating Category (Provide Details)												\$ -
45 Total Operating Expenditures :	\$ 34,696,194	\$ 424,000	\$ 2,560,424	\$ 5,146,810	\$ -	\$ 3,000	\$ -	\$ 298,000	\$ -	\$ 68,000	\$ -	\$ 43,196,428

State University System of Florida

Board of Governors

DRAFT

UNIVERSITY OF SOUTH FLORIDA - SARASOTA-MANATEE campus
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 9,896,778											\$ 9,896,778
49 * Fixed Capital Outlay	\$ 8,821,640											\$ 8,821,640
50 Transfers Out ⁸		\$ 1,000	\$ 41,900									\$ 42,900
51 Other ⁷												\$ -
52 Total Non-Operating Expenditures :	\$ 18,718,418	\$ 1,000	\$ 41,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,761,318
53												
54 Ending Fund Balance :	\$ 1,151,744	\$ 123,716	\$ 4,503,493	\$ 1,143,816	\$ -	\$ 10,861	\$ -	\$ 302,908	\$ -	\$ 27,283	\$ -	\$ 7,263,820
55												
56 Fund Balance Increase / Decrease :	\$ (18,642,867)	\$ -	\$ 879,934	\$ (3,352,027)	\$ -	\$ -	\$ -	\$ 898	\$ -	\$ 981	\$ -	\$ (21,113,081)
57 Fund Balance Percentage Change :	-94.18%	0.00%	24.28%	-74.56%	-	0.00%	-	0.30%	-	3.73%	-	-74.40%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.

2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.

3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.

4. Local funds include the following university activities:

a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural / club sports.

b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.

c. Concessions - These resources are generated from various vending machines located on the university campuses.

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.

e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.

f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).

g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.

5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.

6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.

7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Board of Trustees Finance Committee - New Business - Action Items

DRAFT

UNIVERSITY OF SOUTH FLORIDA - HEALTH
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
1 Beginning Fund Balance :	\$ 54,112,413										\$ 52,862,536	\$ 106,974,949
2												
3 <u>Receipts/Revenues</u>												
4 General Revenue	\$ 70,350,143											\$ 70,350,143
5 Lottery	\$ 12,740,542											\$ 12,740,542
6 Student Tuition	\$ 65,542,305											\$ 65,542,305
7 Phosphate Research												\$ -
9 Other U.S. Grants												\$ -
10 City or County Grants												\$ -
11 State Grants												\$ -
12 Other Grants and Donations												\$ -
13 Donations / Contrib. Given to the State												\$ -
14 Sales of Goods / Services												\$ -
15 Sales of Data Processing Services												\$ -
16 Fees									\$ 5,069,042		\$ 187,941,274	\$ 193,010,316
17 Miscellaneous Receipts											\$ 170,062,327	\$ 170,062,327
18 Rent												\$ -
19 Concessions												\$ -
20 Assessments / Services												\$ -
21 Other Receipts / Revenues ⁶	\$ 248,493											\$ 248,493
22 Subtotal:	\$ 148,881,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,069,042	\$ -	\$ 358,003,601	\$ 511,954,126
23 Transfers In												\$ -
24 Total - Receipts / Revenues:	\$ 148,881,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,069,042	\$ -	\$ 358,003,601	\$ 511,954,126
25												
26 <u>Operating Expenditures</u>												
27 Salaries and Benefits	\$ 114,521,964								\$ 600,000		\$ 226,255,482	\$ 341,377,446
28 Other Personal Services	\$ 2,500,133										\$ 336,225	\$ 2,836,358
29 Expenses	\$ 28,248,191								\$ 4,469,042		\$ 63,363,288	\$ 96,080,521
30 Operating Capital Outlay	\$ 227,377											\$ 227,377
31 Risk Management	\$ 549,825											\$ 549,825
32 Financial Aid	\$ 1,000,000											\$ 1,000,000
33 Scholarships												\$ -
34 Waivers												\$ -
35 Finance Expense												\$ -
36 Debt Service												\$ -
37 Salary Incentive Payments												\$ -
38 Law Enforcement Incentive Payments												\$ -
39 Library Resources	\$ 1,585,500											\$ 1,585,500
40 Institute of Government												\$ -
41 Regional Data Centers - SUS												\$ -
42 Black Male Explorers Program												\$ -
43 Phosphate Research												\$ -
44 Other Operating Category (Provide Details)												\$ -
45 Total Operating Expenditures :	\$ 148,632,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,069,042	\$ -	\$ 289,954,995	\$ 443,657,027
46												

State University System of Florida

Board of Governors

DRAFT

UNIVERSITY OF SOUTH FLORIDA - HEALTH
STATE UNIVERSITY SYSTEM OF FLORIDA
2021-2022 OPERATING BUDGET
SUMMARY SCHEDULE I

As of 8/3/2021

	Education & General ¹	Contracts & Grants ²	Auxiliaries ³	Student Activities	Student Financial Aid	Concessions	Local Funds ⁴ Intercollegiate Athletics	Technology Fee	Self-Insurance	Board - Approved Fees	Faculty Practice Plan ⁵	Summary Totals
47 Non-Operating Expenditures (*Amounts provided as provisional estimates pending final approval and certification of Carryforward Spending Plan and Fixed Capital Outlay Budget at a later date)												
48 * Carryforward (From Prior Period Funds)	\$ 27,054,765											\$ 27,054,765
49 * Fixed Capital Outlay	\$ 2,625,000											\$ 2,625,000
50 Transfers Out ⁶											\$ 59,906,974	\$ 59,906,974
51 Other ⁷												\$ -
52 Total Non-Operating Expenditures :	\$ 29,679,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,906,974	\$ 89,586,739
53												
54 Ending Fund Balance :	\$ 24,681,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,004,168	\$ 85,685,308
55												
56 Fund Balance Increase / Decrease :	\$ (29,431,273)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,141,632	\$ (21,289,641)
57 Fund Balance Percentage Change :	-54.39%	-	-	-	-	-	-	-	-	-	15.40%	-19.90%

1. The Education and General budget funds the general instruction, research, and public service operations of the universities. Universities have accumulated ending fund balances for activities such as the implementation and maintenance of Enterprise Resource Program systems, contingency for unfunded enrollment growth, potential budget reductions, anticipated increases in utilities, and prior year encumbrances (recorded, estimated liability at year-end for ordered or received goods or services), and compliance with Section 1011.45 F.S. on maintaining a 7% reserve.

2. The Contracts and Grants budget contains activities in support of research, public service, and training. Large fund balances are due to the timing of receipt of Federal contracts or grants.

3. Auxiliaries are ancillary support units on each university campus. Some of the major activities include housing, food services, book stores, student health centers, facilities management, and computer support. Ending fund balances includes financial activities such as debt service payments, reserve, repair and replacement reserves for future maintenance costs, construction/renovation of auxiliary facilities, and prior year encumbrances.

4. Local funds include the following university activities:

a. Student Activities - Supported primarily by the student activity and service fee and funds operations of the student government, cultural events, organizations, and intramural / club sports.

b. Financial Aid - This activity represents the financial aid amounts for which the university is fiscally responsible. Examples include: student financial aid fee, bright futures, federal grants, college work study, and scholarships. The ending fund balance represents a timing difference between the receipts of funds and disbursement to the students.

c. Concessions - These resources are generated from various vending machines located on the university campuses.

d. Athletics - Revenues are primarily derived from the student athletic fee, ticket sales, and sales of goods. Sufficient fund balances are maintained to provide the necessary support for ongoing athletic activities.

e. Technology fee - Collections are used to enhance instructional technology resources for students and faculty.

f. Self-Insurance Program - These programs are directed by the respective self-insurance councils and the captive insurance companies (These companies underwrite the risks of its owner and the owner's affiliates.). These activities are supported by premiums charged to the insured individuals and entities (primarily medical faculty and institutions).

g. Board-Approved Fees - Student fees proposed by each university and authorized by the Board of Governors to address specific student-based needs not addressed through another service or fee.

5. Faculty Practice - The Faculty Practice Plan collects and distributes income from faculty billings for patient services provided in conjunction with state university medical school programs.

6. Other Receipts/Revenues includes categories such as interest, penalties, refunds, admissions, fines, taxes, etc.

7. Other Non-Operating Expenditures includes categories such as refunds, payment of sales taxes, or indirect costs.

Agenda Item: IIIc1

USF Board of Trustees
August 24, 2021

Issue: 2022-23 USF Legislative Budget Request

Proposed action:

1. To approve the 2022-2023 Updated Legislative Budget Request (LBR) for \$50,020,903 per BOG Request
 2. Authorize the President (or their designee), in consultation with the Board Chair, to make necessary adjustments to the Legislative Budget Request.
-

Executive Summary:

Pursuant to section 7, Article 9 of the Florida Constitution, the Board of Governors (BOG) "...shall operate, regulate, control, and be fully responsible for the management of the whole university system." Included within this responsibility is the development of a Legislative Budget Request (LBR). In addition, Section 216.023(1), Florida Statutes, requires the submission of an LBR to the Legislature and Governor based on an independent judgment of needs.

This updated LBR remains specific to advancing the academic excellence and national stature of USF, the SUS and the State of Florida. USF is requesting a recurring investment of new state dollars beginning in FY 2022-23. By accelerating USF's trajectory, this investment will create economic advantages for the State of Florida by providing numerous positive benefits for current and future USF students and faculty, for the SUS and for the State of Florida as a whole. With USF's momentum, the impact of additional state resources of \$50 million recurring represents an opportunity for the state to further support one of the most promising institutions, and the fastest-rising public university, in the nation.

Financial Impact: \$50,020,903

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	Finance Committee - August 10, 2021
Supporting Documentation Online (please circle):	Yes No
Prepared by:	Nick Trivunovich, Vice President & CFO

**State University System
Education and General
2022-2023 Legislative Budget Request
Form I**

University(s):	University of South Florida
Request Title:	Preeminence / National Ranking
Date Request Approved by University Board of Trustees:	Pending Approval at the USF Board of Trustees Meeting on 24 August 2021
Recurring Funds Requested:	\$50,020,903
Non-Recurring Funds Requested:	
Total Funds Requested:	\$50,020,903
Please check the request type below:	
Shared Services/System-Wide Request	<input type="checkbox"/>
Unique Request	<input checked="" type="checkbox"/>

I. Purpose

The University of South Florida (USF) is requesting a recurring investment of new state dollars beginning in FY 2022-23. By accelerating USF's trajectory, this investment will create economic advantages for the state of Florida by providing numerous positive benefits for current and future USF students and faculty, for the State University System (SUS) and for the state of Florida as a whole.

With USF's momentum, the impact of additional state resources of \$50 million represents an opportunity for the state to further support one of the most promising universities in the nation.

For example, in the past ten years, USF has risen faster than any public or private university in *U.S. News & World Report's* (USN&WR) annual rankings of national universities. Furthermore, leaders in higher education are recognizing the increasing impact of USF. For instance, as Holden Thorp, the former Chancellor of the University of North Carolina at Chapel Hill noted, it is the "...University of South Floridas of the world that are the real game-changers for students and their communities..."¹

To fully leverage its positive impact on the state of Florida, USF strives to become a Top 25-ranked public university in USN&WR's annual rankings. Additionally, USF's aspirations are to maximize the state's opportunity to be home to another member of the prestigious Association of American Universities (AAU). AAU evaluates new members based upon their academic reputation, as well as their

¹ <https://www.chronicle.com/article/How-Well-Do-Elite-Colleges/246100>.

national leadership in its research and development enterprise. USF is well on its way – already positioned as a highly-ranked public institution in research expenditures and annually in the Top 10 for intellectual property (e.g., patent) creation.

Our request is the first phase of a multi-year investment plan – in concert with other external and philanthropic funds contributed by the university. It is particularly timely because the new investment will be made soon after the newly consolidated USF began operating as one Preeminent State Research University, geographically distributed, in July 2020. The investment will benefit all communities, all campuses, all students and all faculty of the consolidated USF.

The justification for this request is divided into the following sections:

1. Why invest in USF? A University with a Trajectory of Increasing Academic Excellence;
2. Florida's Benefits from Additional Prestigious Universities;
3. Broad Benefits from Additional State Funds Invested in the Future of USF;
4. Building an "Architecture of Academic Excellence" for USF; and
5. Strategic Deployment of Investments to Further Enhance Academic Excellence.

Why Invest in USF? A University with a Trajectory of Increasing Academic Excellence

Evidence shows that a dollar invested in USF has stretched farther and delivered greater returns to students and the economy during the last decade than at any public university in Florida or the United States.

Consider USF's² remarkable ascent in national rankings over the past decade. Indeed, since the first year of our last BOG-approved institutional strategic plan in 2013, USF has:

- Achieved the largest gain in *USN&WR*'s rankings of any public or private university in the United States, rising all the way up to #46 among public institutions in the 2021 rankings.
- Achieved and maintained a Top 50 ranking among all public universities in the United States in six of the 10 official rankings approved by the Board of Governors (BOG) to measure national preeminence.

² At times throughout this document, the term "USF" may refer to the historical data, ranking, etc. of the USF Tampa campus. Prior to July 2020, the three separately accredited institutions of the former "USF System" were classified differently and reported separate federal data and therefore received separate national rankings. Consolidation has eliminated the need for this separate reporting and ranking going forward.

Furthermore, USF's rise in the national rankings during the past several years has – not coincidentally – corresponded with record-breaking gains in student success metrics.

- USF was ranked as the #1 public research university in the nation for gains in the six-year graduation rate of its students between 2008 and 2018. USF raised its six-year graduation rate by 25 percentage points during that decade, a gain of six percentage points greater than the #2 ranked institution during that same period³.
- USF raised its four-year graduation rate from 37% in 2012 to 61% in 2020, which was among the largest percentage point gains (+24%) in the country during that period.
- USF was ranked #1 in America among all public universities for Latino student success⁴.
- USF was ranked #6 in America and #1 in Florida among all public universities for black student success⁴.
- USF was ranked #9 in America and #1 in Florida among all public universities for Pell Grant recipient student success⁵.
- USF is ranked #12 in America and #1 in Florida among all public universities in *USN&WR's* 2021 "Top Performers on Social Mobility" rankings, demonstrating success enrolling large numbers of – and successfully graduating – Pell Grant recipient students⁶.

Florida's Benefits from Additional Prestigious Universities

The Association of American Universities (AAU) is considered the most prestigious of all university associations. It is an invitation-only association that consists of 36 American public universities, 27 American private universities and two Canadian public universities. Currently, the University of Florida is Florida's only member institution, public or private.

Why should taxpayers and policymakers in Florida seek more AAU member institutions? The answer is simple: The most talented faculty, students and entrepreneurs gravitate to the most prestigious institutions, particularly when those institutions are located in large, metropolitan areas such as the AAU member institutions in the cities of New York, Boston, Los Angeles, the San Francisco Bay Area, San Diego, Houston, Seattle, Atlanta, Chicago, Philadelphia and others. Moreover, membership in the AAU, in its most basic sense, is a recognition that Florida universities are nationally prestigious, and thereby so is Florida's entire State University System.

³ [Graduation Rate Trends: Public Research Institutions](#), The University of Utah.

⁴ The Education Trust, 2017.

⁵ Third Way, May 2018.

⁶ <https://www.usnews.com/best-colleges/rankings/national-universities/social-mobility>.

Additionally, the AAU institutions – despite representing fewer than two percent of American universities – are awarded 60 percent of the nation’s approximately \$40 billion in federally funded research each year. Upwards of 70 percent of America’s Nobel Prize winners, National Academy of Sciences members and National Medal of Science winners are faculty members at AAU institutions. The AAU institutions represent America’s greatest economic development assets by being awarded almost 5,000 new U.S. patents per year, executing over 4,000 licensing agreements and creating over 3,600 operational startup companies annually⁷.

Consequently, Florida – with only one AAU institution – may be lagging in the battle for intellectual capital and research funding, which are primary factors in the recognition and ranking of elite universities and university systems. Florida is now America’s third most populous state and fourth in the amount of tax dollars sent to the federal government but is just the #12 ranked state in terms of the receipt of federal research funding.

California boasts ten AAU member institutions (seven public) and New York is home to six others (two public). Texas has three AAU members, two of which are public. Florida is the only one of America’s top ten most populous states that is home to fewer than two AAU member institutions and the only one of America’s top five most populous states with fewer than two *public* AAU institutions. Focused state investments, coupled with increased institutional fundraising and responsible university stewardship of existing resources, could allow other Florida institutions – and especially USF – to cross the thresholds necessary to be considered for eligibility by outpacing existing AAU members’ performance.

Given the historical track record of AAU institutions to date, the state and taxpayers will be more than repaid for these additional investments. As more of its top research institutions join the ranks of the elite national universities, the state as a whole will be elevated to new economic and reputational heights. Although AAU does not guarantee membership to any institution based on a level of achievement, the association is quite transparent in revealing the “indicators” it looks for in its prospective members⁸. The AAU’s most important membership indicators (“Phase I Indicators”) relate to research competitiveness and the quality and impact of the institution’s faculty. They include competitively funded federal research expenditures, National Academy memberships and faculty awards, and faculty research citation volume and impact. Secondary, or “Phase II,” indicators that are considered include non-competitively awarded research funding, doctoral education quality, postdoctoral appointments and undergraduate education. The full listing of AAU Membership Indicators is available on the AAU’s website, www.aau.edu.

⁷ <https://www.aau.edu/who-we-are/aau-numbers>.

⁸ <https://www.aau.edu/who-we-are/membership-policy>.

Broad Benefits from Additional State Funds Invested in the Future of USF

The 2018 Florida Legislature mandated that by July 2020, the former “USF System” must consolidate into one university, geographically distributed. This goal was accomplished when on 12 June 2020 the SACSCOC Board of Trustees approved the consolidation of USF with USF St. Petersburg and USF Sarasota-Manatee effective July 2020⁹. One USF affords the state of Florida the opportunity to maximize the impact of a major, highly ranked research university located across a large metropolitan area. In fact, USF (at #46 in *USN&WR*) is already Florida’s highest-ranked public university in any of its major metropolitan areas and is poised to continue its upward trajectory.

Until June 2020, the Tampa Bay region was served by the three separately accredited institutions of the former “USF System,” each with a different mission. The newly consolidated, Preeminent USF already has campuses in Tampa, a city of nearly 400,000 located in a county (Hillsborough) with a population of nearly 1.5 million residents; St. Petersburg, a city of over 250,000 residents located in a county (Pinellas) with a population of nearly 1 million residents; and Sarasota-Manatee, representing two counties with a combined population exceeding 800,000 residents. Overall, more than 3.25 million Floridians reside in these four Tampa Bay counties alone, a population larger than 21 U.S. States can claim.

The decision by the Legislature to consolidate the former “USF System” into one university, geographically distributed provides the first opportunity in the Tampa Bay region’s history to be fully served by one preeminent, nationally ranked research university. The USF Board of Trustees’ (BOT) newly adopted institutional Strategic Plan for 2021-2031 (pending BOG approval) reaffirms the aspiration of a united USF to both reach the *USN&WR* public Top 25 but also to advance that single institution, geographically distributed, towards AAU eligibility.

The new 2021-2031 USF Strategic Plan calls for investment in all three campuses to raise the national profile of the united USF and to provide students and faculty with new academic and research opportunities never before available. It sets out the goals, strategic initiatives, and institutional core commitments necessary to advance towards those lofty aspirations. This LBR contemplates the initial phases of that investment in all three campuses, as well as the resources necessary to develop and strengthen specialized, nationally renowned academic and research centers of excellence on each of the three campuses.

One USF allows the institution to maximize new investments for even greater returns, which will be realized in every corner of the Tampa Bay region. Instead of three USF System institutions competing for limited state resources and philanthropic gifts, One USF allows new investments to pay dividends for all three campuses. This multiplier effect of new financial investments in a single USF will greatly benefit Florida, as one of its largest and fastest-growing regions

⁹ <https://sacscoc.org/app/uploads/2020/06/June-2020-Actions.pdf>.

is recognized internationally as a destination for exceptionally talented students and faculty. It sends a message to corporations looking to avail themselves of that talent in a large and growing population center.

For the first time ever, no municipality or county in Tampa Bay will be the exclusive “home” to the region’s top public research university, nor will any single campus be the primary destination for its talent and commensurate corporate investment. Rather, each of Hillsborough, Manatee, Pinellas and Sarasota counties will be home to a campus of a top-ranked research university with access to the world-class talent, research programs and economic development initiatives available through a united USF.

USF’s geographical location and unique vision for alignment across Tampa, St. Petersburg and Sarasota-Manatee make it a strong candidate for new investment, which can stretch each dollar for tripartite benefit. This provides the best return on investment to the state, and importantly, across the entirety of the eight-county Tampa Bay region.

Building an “Architecture of Academic Excellence” for USF

USF, which is a relatively young university compared with other national peers, has traditionally fared well in national rankings that compute only objective data and where institutional reputation is not a dominant factor in the rankings.

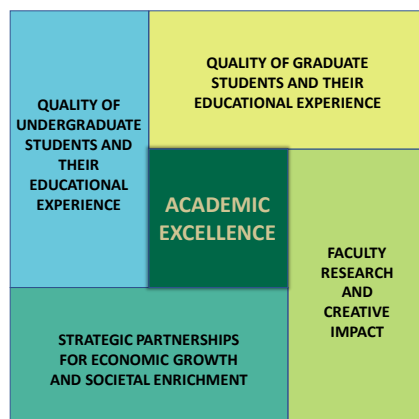
Although *USN&WR* and *AAU* consider certain objective data elements to evaluate institutional performance, a large component of their rankings and membership decisions are also based on an institution’s national academic reputation for excellence. USF has more work to do in this regard. Indeed, much of this LBR is tailored to requesting and deploying strategic investments in specific, targeted areas that will build upon USF’s already growing national academic reputation.

Leadership of USF refers to these key components and the plan to address them as the “*architecture of academic excellence*”¹⁰. The “architecture” is built upon four components:

- 1) Quality of undergraduate students and their educational experience;
- 2) Quality of graduate students and their educational experience;
- 3) Faculty, research and creative impact; and
- 4) Strategic partnerships for economic growth and societal enrichment.

Collectively, these four components form and drive the overall academic reputation of any public research institution.

¹⁰ Adapted from: <https://www.smu.edu/-/media/Site/Provost/Provost/PDF/Continuing-the-Ascent.pdf?la=en>.



An institution's academic reputation and its effect on *USN&WR* rankings and AAU membership cannot be overstated, and in fact the two are closely intertwined. Consider that:

- 21 of the current *USN&WR* Top 25 public universities are members of the AAU¹¹;
- 31 of the 36 public AAU members are ranked in *USN&WR*'s Top 40; and
- Only three of the 36 public AAU members are ranked outside the *USN&WR* Top 50, the lowest two of which are tied at #60 (USF, at #46, currently ranks ahead of three public AAU member institutions and is tied with two others)¹².

A sustained investment in USF over a period of time, targeted in the four components of the "architecture" described above, will position USF to raise our national academic reputation. This, in turn, will continue to raise our national rankings and the likelihood of becoming eligible for AAU membership in the future. This trajectory also builds on the BOG's stated vision for the SUS that by 2025, the State University System of Florida "will be internationally recognized as a premier public university system, noted for the distinctive and collective strengths of its member institutions." A key strategy for fulfilling this vision will be to promote the successes and achievements of USF and the SUS to the leadership of other universities as well as to other opinion leaders nationwide to raise the overall reputation of USF and the entire SUS.

Strategic Deployment of Investments to Further Enhance Academic Excellence

Based on the architecture outlined above and USF's extraordinary track record of success over the past decade, any new recurring investments provided by the

¹¹ The only non-AAU members ranked in *USN&WR*'s Top 25 Public National Universities for 2021 are the College of William & Mary (#11), the University of Georgia (#15), Florida State University (#19) and the University of Connecticut (#23).

¹² USF is currently tied at #46 with AAU members the University of Colorado-Boulder and the University of Oregon, and ranks ahead of Iowa State University (#54), the University of Kansas (#60) and the University of Missouri (#60).

Legislature and Governor for this initiative will be deployed specifically to achieve the following goals, all of which will advance USF's national prestige:

- Increased student success outcomes, including improved FTIC retention rates and four-year and six-year graduation rates.
- Increased individualized attention for student success by lowering the student-to-faculty ratio and the proportion of classes with fewer than 20 students and with fewer than 50 students.
- Increased faculty resources and productivity, including more competitive faculty salaries; the ability to hire more National Academy-member faculty and other world-class scholars; increasing external grant funding and research citations; and citation impact. Additional faculty will be focused primarily in areas of strategic emphasis as identified by the BOG, including science and mathematics, engineering, business and medicine.
- Enhancements to the quality of and access for incoming students, including attracting students with high SAT and ACT scores, students who graduated in the top 10% of their high school classes, as well as continuing to provide access for Pell Grant recipient students and others.
- Enhancement of institutional reputation among academic peer institutions and rankings publications across the country.
- Increased community support through philanthropy and alumni giving.

Specific investments in this first phase will be made in the following areas to enhance USF's overall national and international academic reputation via the "architecture" plan:

Quality of Undergraduate Students and their Educational Experience

\$2.0 million to enhance undergraduate student recruitment and support services.

Quality of Graduate Students and their Educational Experience

\$3.5 million to enhance graduate student recruitment and support.

Faculty, Research and Creative Impact

\$8.0 million to retain current high-performing USF faculty.

\$8.8 million to hire 20 additional National Academy members and other world-class scholars.

\$5.8 million to hire 25 additional full professors.

\$4.0 million to hire 25 additional full-time associate professors.

\$6.8 million to hire 50 additional full-time assistant professors.

\$5.8 million to hire 55 additional full-time instructors.

\$2.8 million to hire 25 additional technical personnel to support the above faculty hires.

Strategic Partnerships for Economic Growth and Societal Engagement

\$2.5 million to support innovative new national and global research partnerships and R&D initiatives.

This first phase investment will result in a net gain of 175 additional faculty members, contributing to USF's overall five-year plan to add 375 net new faculty. During both the first year and the five-year plan, (if new state funding is provided) faculty will be hired at each of the three campuses consistent with the USF BOT's strategic priorities for each campus.

II. Return on Investment

The combined effect of the return on investment will:

- Strengthen Florida's position as the top state in the nation for higher education, thereby enhancing the global prominence of Florida;
- Propel USF on a trajectory toward a *USN&WR* Top 25 public ranking;
- Advance USF towards AAU eligibility;
- Improve student success outcomes and students' educational experiences; and
- Increase institutional impact as an engine for innovation and economic growth.

Given that 21 of *USN&WR*'s Top 25 public universities are members of the AAU – and the fact that positioning USF for membership in the AAU has been the goal of the USF BOT in the institution's Strategic Plan since 2007 and remains the institution's highest aspiration in the newly adopted USF Strategic Plan for 2021-2031 – USF will continue to benchmark the success of the investments against that aspirational peer group's performance. **Our goal is to meet or exceed the average of the 36 public AAU institutions' latest performance on each metric.**

USN&WR's 2021 rankings were derived from 18 specific metrics that serve as the publication's formula inputs. In ten of those 18 metrics, USF already achieves above or very near the current average of the 36 public AAU members' achievement level. The ten metrics in which USF's current performance exceeds, or is already competitive with, the average performance of all public AAU members are:

<i>USN&WR</i> Metric	Average Performance of Public AAUs	Current USF Performance
First-year Student Retention Rate	92%	91%
Over/Under Predicted Performance in the Six-year Graduation Rate	+5%	+13%

Six-year Graduation Rate of Pell Grant Recipient Students	76%	72%
Six-year Graduation Rate Performance of Pell Grant Recipient Students vs. Non-Pell Grant Students (closest to 0% or a +% is better)	-8%	-5%
Percent of Classes with Fewer than 20 Students	41%	44%
Percent of Classes with 50 or More Students (lower % is better)	20%	13%
Average Federal Loan Debt of Graduates (lower \$ value is better)	\$20,235	\$20,165
Percentage of Graduates who took out a Federal Loan (lower % is better)	44%	49%
Average SAT Scores of Incoming Students	1311	1250
Annual Alumni Giving Rate	10%	12%

Despite already being ahead of, or near, the average achievement level of public AAU institutions in the above metrics, USF's aim is to continue to improve in each of those areas. Areas of particular focus for further improvement will be retention and graduation rates and reducing student borrowing and debt. This proposed investment will allow us to improve our performance in each of these areas.

USF will strategically invest a majority of the resources provided under this request to rapidly improve performance in the remaining eight *USN&WR* 2021 ranking metrics, striving to match the current average achievement level of the 36 public AAU members. Higher achievement in many of these metrics will also contribute to increased achievement levels in the metrics above as well (e.g. student retention and graduation, class sizes, etc.). The eight *USN&WR* 2021 ranking metrics in which USF requires significant improvement to match the average performance of current public AAU institutions are:

<i>USN&WR Metric</i>	Average Performance of Public AAUs	Current USF Performance
Rolling Average Six-year Graduation Rate	81%	72%
Academic Peer Assessment Score	4.0 out of 5.0	2.8 out of 5.0
First-year Students Who Graduated in Top 10% of their High School Class	61%	34%
Average Spending Per Student	\$49,614	\$26,367
Average Faculty Compensation	\$132,052	\$109,470
Proportion of Faculty with the Highest Degree in their Field	92%	82%
Proportion of Fulltime Faculty	92%	86%
Student-to-faculty Ratio (lower ratio is better)	17:1	23:1

It is worth emphasizing that a majority of the above metrics (in which USF lags the current public AAU average performance) are directly related to available financial resources. They include: the average institutional spending per student; the average faculty member's compensation; the proportion of all the institution's faculty who hold the highest degree in their field; the institution's proportion of fulltime to part-time faculty; and the institution's overall student-to-faculty ratio.

All these metrics will be positively impacted almost immediately by this proposed investment in USF and the strategic deployment of the funds as outlined above through the "architecture" plan. More than three-fourths of the proposed first-year investment is aimed directly at hiring additional faculty in areas of strategic emphasis as outlined by the BOG and improving the salaries of current high-performing faculty. This investment will allow USF to move closer to its national peers in these financial resources metrics in which we currently lag the most.

Similarly, the "architecture" plan contemplates spending additional resources to recruit and retain more high-achieving high school students in order to improve USF's performance in two of the remaining *USN&WR* metrics (percentage of students from the Top 10% of their high school class and the six-year graduation rate).

The final metric, the Academic Peer Assessment Score, is strictly a reflection of external perceptions of USF's academic reputation. The "architecture" plan is designed specifically to achieve gains in this outcome through targeted investments and awareness campaigns. This metric is, however, a "perceptual" ranking that tends to lag actual performance. A sustained effort will be necessary through these investments to communicate the strengths and achievements of USF and the SUS as a whole to national peers to see the requisite gains in this critical final metric.

Even with some expected lag time in subjective assessment ratings, improvements made in the financial resource metrics outlined above through this investment – coupled with USF's demonstrated track record of student success and continued unparalleled upward trajectory – will accelerate USF's ascent toward the Top 25.

In summary, USF has demonstrated a track record of using targeted investments to achieve results that well exceed other universities' performance. USF embraces metrics-based accountability; we relish it, and our results speak for themselves. The timing is auspicious now for a major investment of new state funds into USF given its national momentum and trajectory, the opportunities afforded through consolidation, and the economic impact to the state by having a major nationally ranked research university located in one of Florida's fastest-growing metropolitan areas. The "architecture" plan developed and described in this LBR presents the vision and plan to deploy those state assets to maximize the return on investment for USF students, for taxpayers, for the SUS and for the entire state of Florida.

III. Personnel

As outlined in Section I of this request, the following is the expected hiring plan if this LBR is funded in full as requested.

Specific investments in this first phase will be made in the following areas to enhance USF's overall national and international academic reputation via the "architecture" plan:

Quality of Undergraduate Students and their Educational Experience

\$2.0 million to enhance undergraduate student recruitment and support services.

Quality of Graduate Students and their Educational Experience

\$3.5 million to enhance graduate student recruitment and support.

Faculty, Research and Creative Impact

\$8.0 million to retain current high-performing USF faculty.

\$8.8 million to hire 20 additional National Academy members and other world-class scholars.

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 \$6.8 million to hire 50 additional full-time assistant professors.
 \$5.8 million to hire 55 additional full-time instructors.
 \$2.8 million to hire 25 additional technical personnel to support the above faculty hires.

Strategic Partnerships for Economic Growth and Societal Engagement

\$2.5 million to support innovative new national and global research partnerships and R&D initiatives.

This first phase investment will result in a net gain of 175 additional faculty members, contributing to USF's overall five-year plan to add 375 net new faculty. During both the first year and the five-year plan, (if new state funding is provided) faculty will be hired at each of the three campuses consistent with the USF BOT's strategic priorities for each campus. Additional faculty will be focused primarily in areas of strategic emphasis as identified by the BOG, including science and mathematics, engineering, business and medicine.

IV. Facilities:

	Facility Project Title	Fiscal Year	Amount Requested	Priority Number
1.	N/A			

2022-2023 Legislative Budget Request
Education and General
Position and Fiscal Summary
Operating Budget Form II
(to be completed for each issue)

University: University of South Florida
Issue Title: Preeminence / National Ranking

	RECURRING	NON- RECURRING	TOTAL
<hr/>			
<u>Positions</u>			
Faculty	175.00	0.00	175.00
Other (A&P/USPS)	25.00	0.00	25.00
	-----	-----	-----
Total	200.00	0.00	200.00
	=====	=====	=====
Salaries and Benefits	\$29,123,394	\$0	\$29,123,394
Other Personal Services	\$5,500,000	\$0	\$5,500,000
Expenses	\$7,397,509	\$0	\$7,397,509
Operating Capital Outlay	\$0	\$0	\$0
Electronic Data Processing	\$0	\$0	\$0
Financial Aid	\$0	\$0	\$0
Special Category (Specific)	\$0	\$0	\$0
Faculty Retention	\$8,000,000	\$0	\$8,000,000
	\$0	\$0	\$0
	\$0	\$0	\$0
	-----	-----	-----
Total All Categories	\$50,020,903	\$0	\$50,020,903
	=====	=====	=====

Agenda Item: IIIc2

USF Board of Trustees
August 24, 2021

Issue: Florida Institute of Oceanography (FIO) Academic Infrastructure Support Organization (AISO) 2022-2023 Legislative Budget Request.

Proposed action: Consider approval of 2022-2023 Legislative Budget Request for the Florida Institute of Oceanography.

Executive Summary:

Consistent with the Florida Board of Governors regulation 10.014 Academic Infrastructure and Support Organizations requires consideration and approval by the Board of Trustees of the host institution or its designee.

The purpose of this Legislative Budget Request plan is to accommodate an emergent and critical need for Florida Institute of Oceanography (FIO) research vessel, Keys Marine Laboratory and scientific equipment use support directed to the SUS (System-wide) marine science community.

Financial Impact:

Strategic Goal(s) Item Supports:

BOT Committee Review Date: Finance Committee- August 10, 2021

Supporting Documentation Online (please circle): Yes

No

Prepared by: William (Monty) Graham, Director, 727-553-3542

Florida Institute of Oceanography

Academic Infrastructure Support Organization

FIO AISO Renewal

William (Monty) Graham, PhD
Director
USF BOT Finance Committee
August 10, 2021

Need for Continuation of FIO as an AISO

In accordance with the SUS Board of Governors Regulation 10.014, Academic Infrastructure Support Organizations (AISO) must be approved for an additional five years by the BOG.

The following documents accompanying this process are before you today for approval and submittal to the host institution's Provost, host BOT, CAVP and BOG.

- Five Year Programmatic Evaluation Summary
- Memorandum of Understanding (MOU)
- 2021-2025 FIO Strategic Plan
- 2022-23 Legislative Budget Request Plan



Enabling Excellence in Marine Science, Technology and Education

www.fio.usf.edu

Florida Institute of Oceanography

Academic Infrastructure Support Organization

Vision and Mission Refinement 2021-2025

Vision — The Florida Institute of Oceanography will enable excellence in coastal and ocean science and education. To do so requires advancing science, technology and education through state-of-the-art infrastructure, multi-institutional and cross-disciplinary activities, information sharing, public private partnerships, diversity and inclusivity, and socially relevant programming.

Mission — The Florida Institute of Oceanography ensures sustained excellence in marine research and education through the advancement and availability of infrastructure, development of partnerships, and the enabling of outcomes that benefit the people of Florida. FIO serves as an enabler, facilitator and coordinator across academia, state and federal agencies, ocean science organizations and the private sector.

Core Values

- **Cooperation, Coordination and Participation** – of members to solve problems related to the coast and oceans and to facilitate education and training of marine scientists who reflect the diversity of Florida.
- **Collaboration and Communication** – among members to leverage the collective vast and deep expertise to benefit Florida in the context of a national and international conversation on critical issue and to communicate outcomes for the advancement of science-based decisions.
- **Transparency and Accountability** – in all interactions that support the members, member institutions and the State University System of Florida.

Enabling Excellence in Marine Science, Technology and Education

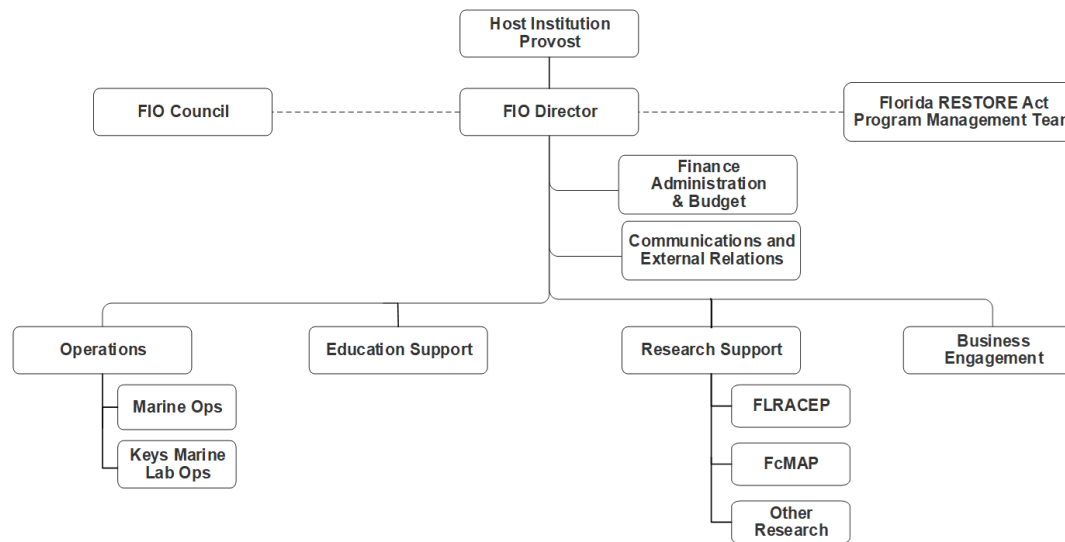
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Florida Institute of Oceanography

Academic Infrastructure Support Organization

Strategic Goals and Guiding Principles

*The 2021-2025 Strategic Plan is organized into four Goal Areas that align to a revised structure for organizational responsibility: **Operations, Education Support, Research Support and Business Engagement***



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Florida Institute of Oceanography

Academic Infrastructure Support Organization

Goal 1: Operations

- 1) Increase utilization rates of research vessels and KML
- 2) Develop and implement facilities modernization plans
- 3) Stabilize operations budgets through use of longer-term needs outlooks
- 4) Establish service centers within the auxiliary units to clarify and strengthen annual operating budgets

Goal 3: Supporting Research

- 8) Increase research collaborations and scholarly output among FIO Member institutions
- 9) Utilize convening power of FIO to host, virtually or in-person, development workshops
- 10) Implement 3 to 4 long-term, state-wide, research programs that FIO can support

Goal 2: Supporting Education

- 5) Develop leadership and networking opportunities
- 6) Develop and coordinate specialized courses and training programs among member institutions
- 7) Work with non-SUS consortium members (e.g., aquaria, agencies) with educational and work programs

Goal 4: Supporting Business Engagement

- 11) Broaden and incentivize participation of private sector
- 12) Work across the FIO Membership and other relevant organizations to identify and promote the development of maritime industry clusters.
- 13) Create a virtual or in-person Annual Industry Forum

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Florida Institute of Oceanography Academic Infrastructure Support Organization

2022-23 Legislative Budget Request Plan

Request

\$2.5 million recurring LBR to create SUS support for use of vessels and KML (100% directed to SUS member utilization)

Critical Needs

- FIO currently supports only 24% of operating costs of vessels and Keys Marine Laboratory (KML).
- Requires emphasis on third-party contract work.
- Ability to position vessels to support SUS needs is greatly impacted

Expected Outcomes and Return on Investment

- Stabilize vessel and KML budget to allow long-term planning and positioning to meet SUS member needs
- Reduce emphasis on third-party (non-FIO member) contracting that conflicts with FIO Mission to meet SUS needs
- Triple the access of SUS members to FIO vessels and KML
- Triple the scholarly output (teaching and research) of SUS members

**State University System
Education and General
2022-2023 Legislative Budget Request
Form I**

University(s):	Florida Institute of Oceanography (FIO), an SUS AISO. USF-Host Institution FAMU FAU FGCU FIU Florida Poly FSU NCF UF UCF UNF UWF
Request Title:	Enabling Excellence in Marine Science Research, Technology and Education
Date Request Approved by University Board of Trustees:	Pending Final Approval by the Host Institution for the Florida Institute of Oceanography
Recurring Funds Requested:	2,500,000
Non-Recurring Funds Requested:	
Total Funds Requested:	2,500,000
Please check the request type below:	
Shared Services/System-Wide Request	<input checked="checked" type="checkbox"/>
Unique Request	<input type="checkbox"/>

I. Purpose

The purpose of this Legislative Budget Request plan is to accommodate an emergent and critical need for Florida Institute of Oceanography (FIO) research vessel, Keys Marine Laboratory and scientific equipment use support directed to the SUS (System-wide) marine science community. *This LBR will nearly triple the access to FIO research vessels and the Keys Marine Laboratory (KML) and, importantly, will allow FIO to plan for regional positioning of ships and equipment to cover all SUS institutional demand. Increasing access to FIO vessels and KML will yield a proportional increase in education and research performance for Florida's premier marine*

2022-2023 LBR

science programs. This LBR Plan is supported by all 12 SUS members as a critical need for marine education and research in the state of Florida.

FIO serves as an enabler, facilitator and coordinator representing the breadth and depth of Florida's coastal and ocean-focused community, which recognizes the importance around Florida's ~\$40 Billion maritime 'blue' economy. FIO will establish a SUS members' allocation fund with 100% of the LBR funding being used to provide enhanced access to FIO research vessels, Keys Marine Laboratory, and scientific equipment. Funds to SUS members will be allocated annually based on merit, need and equity to support academic programs, high skilled, high need, high paid workforce development, early career faculty development and diversity initiatives, specifically to:

- Nearly triple the access of SUS members to FIO major facilities.
 - Metric for success: Tripling the performance indicators (e.g., number of research grants, STEM student engagement, career placement)
- Improve early-career faculty and graduate student research support and opportunities with usage of the newly expanded temperature-controlled sea water system at the Keys Marine Laboratory. Access to state-of-the-art equipment such as, multi-beam sonars, remote operating vehicles, moving vessel profiler, etc., for advanced workforce education and training.
 - Metric for success: Improved grant success, collaborative proposals, higher faculty performance, improved recruitment and retention.
- Increase multi-institutional field-based courses and hands-on student research experiences at both the undergraduate and graduate levels.
 - Metric for success: Increased number of multi-institutional courses offered, improved student evaluations, increased STEM student participation.
- Create and enable an incredibly talented and diverse pool of SUS students and faculty to socially relevant programs to meet the needs of a diverse Florida populace connected to the sea.
 - Metric for success: Improved faculty and student recruitment.

FIO, established in 1967, was designated as an Academic Infrastructure Support Organization (AISO) in 2009 by the Board of Governors of the State University System. FIO is hosted by the University of South Florida on the St. Petersburg campus within the USF College of Marine Science. As an AISO, FIO has a mission of supporting and facilitating collaborative research and education related to Florida's coastal and ocean environment. Importantly, this AISO function is intended to reduce facilities redundancy and to emphasize shared access to oceanographic and marine laboratory assets of the state.

The major facilities operated by FIO and available to support the SUS membership include two research vessels *Weatherbird II* and *W.T. Hogarth*, and the Keys Marine Laboratory (KML) on Long Key (Layton, FL). The research vessels support coastal and deep-water oceanographic academic and research activities while KML is a full-service teaching and research facility with extensive marine seawater systems, on site laboratories, housing for students and researchers, small boats and direct access to the unique Florida Keys environment. FIO also enables collaborations across state, federal, private and non-profit entities and leverages this responsibility to meet the \$3.8 million annual operating costs of these three facilities.

This LBR Plan is an expansion of activities to support increased SUS member access to FIO research vessels and Keys Marine Laboratory, which will indirectly benefit all 32 FIO members through operational efficiencies. Current support from the Florida legislature in the form of E&G funds provides \$900,000, or approximately 24% of the operating costs for FIO major facilities (about \$500,000 of this is recovered from 5 unfilled FIO staff lines in order to accommodate minimal subsidies of ship and lab time to SUS members). The unmet budget, 76% of operating costs, must be met through third-party contracts in the private sector, federal agencies, non-SUS institutions and other non-FIO user groups. This imbalance of funding to support non-SUS activities creates a mission-conflict when vessels and KML are not available to support a SUS need. In short, FIO cannot budget or schedule for longer-term needs (maintenance, courses, regional positioning of assets, etc.) under a current business model requiring 76% of revenue from outside sources.

An example of this would be the R/V *Weatherbird II* working on a 30-day contract to the US Navy to support environmental mitigation of marine protected species (whales, dolphins, turtles) off the coast of Jacksonville, FL, during recent ship 'shock trial' explosions. While this contract is much-needed to fill out the annual operations budget for FIO vessels, those 30 days are not available to our SUS members for advancing marine education and research. Reducing the need to seek outside work by bolstering funds for our SUS members will 1) provide increased access to FIO facilities, and 2) stabilize the annual auxiliary budgets and scheduling demands for the SUS members.

This LBR plan is a result of FIO's 2021-25 Strategic Plan which supports the Board of Governors' nine strategic priorities in the areas of Teaching & Learning, Scholarship, Research & Innovations, and Community & Business Engagement. Further, our plan directly enhances our host institution's, the University of South Florida, 2021 Accountability Plan to "Grow student success, graduation and career initiatives while strengthening our research profile to advance USF's eligibility to the AAU and pursuit of top 25 in USNWR." In fact, the success of FIO's delivery of critical ocean and coastal science infrastructure to the entire SUS membership has elevated Florida's profile to rank second in the nation (behind only California) in number of universities ranked in global top 50 marine science institutions (2021 Global Ranking of Academic Subjects, Shanghai Rankings). This LBR will advance education, workforce and research opportunities to Florida's premier marine science programs across the SUS with a goal of being national and international leaders in ocean science, research and education.

II. Return on Investment

Goal 1: Stabilize the annual operating budgets to will result in improved efficiency of access for SUS members, long-range planning of activities and vessel movements, and overall safety through crew/staff personnel retention and experience.

Goal 2: Triple the support for SUS institutions to use FIO facilities will also triple the key performance indicators these institutions require of their ocean science programs. More research and educational opportunities at sea or at the Keys Marine Laboratory will yield higher four-year graduation rates, higher recruitment of top students, and greater career placement of graduates.

- At current vessel and crew capacity, FIO can operate up to 320 ship-days per year. FIO currently has funds to support about 50-70 days of subsidized ship time to the SUS membership. *The utilization rate of vessels by SUS members through direct support will*

increase to at least 200 days per year, nearly tripling the access of SUS members to FIO vessels.

- Improved access by SUS faculty, researchers and students will improve upon existing state and federal investments on issues critical to Florida. This includes coral reef restoration, harmful red tide blooms, storm and flood resiliency, coastal and ocean mapping, living marine resources, fisheries stock assessment and impact of a changing climate on people and infrastructure. *More utilization by the SUS faculty and researchers to address critical needs faced by Florida and the nation.*
- FIO's platforms have enabled over \$110 million in federal, state, and private research grants since 2015 that elevated the SUS' status as a global hub of oceanographic education and research. *Research proposal submissions utilizing FIO support for preliminary data sets will improve funding success.*
- FIO plays a crucial role in the training of roughly 558 undergraduate and 116 graduate students every year (on average, non-COVID affected years) and plays a supporting role for dozens of university courses within the Florida SUS every year, through its vessels and laboratories. With additional funding for ship time and outreach efforts, FIO can better serve SUS institutions' research and education activities. *Educational experiences through courses and research visits by undergraduate and graduate students is expected to annually triple.*
- Keys Marine Lab coral restoration efforts. The Keys Marine Lab visited by over 103 different user groups around Florida, nationally and internationally per year (on average, non COVID-affected years). KML affords the SUS members an opportunity to teach undergraduate and graduate students in one of the most unique marine ecosystems (coral reefs, mangroves, seagrasses etc....) to the state of Florida. *Collaborative opportunities by SUS faculty, researchers and graduate students is expected to triple, enhancing the intellectual capacity for coral reef restoration efforts in the Keys.*
- Expanded access to share/use shore-based facility (Keys Marine Lab) with peer researchers throughout the SUS will enhance the recruitment and retention of talented professors; more than 30 faculty members and researchers are currently working at a SUS institution where they graduated and have utilized FIO's resources. *The utilization rate of FIO facilities by faculty at SUS institutions is expected to increase by at least 15 new users per year over the next three years.*
- The cooperation and collaboration fostered by FIO have produced over 475 journal publications by the SUS's faculty along with awards and recognition for the SUS as a national leader in coastal oceanographic education and research. *The annual rate of publications related to FIO support is expected to triple.*

III. Personnel

This LBR Plan does not include funds to hire new personnel. Rather, the entire allocation requested will increase the SUS member institutions access to FIO facilities. In doing so, however, FIO's need to seek external contracts by non-FIO consortium members will decrease by 67%. The long-term benefit to FIO staff and vessel crew is stability in scheduling, operational deployment around the state, and increased interactions between FIO personnel and SUS faculty, students and researchers. All will benefit recruitment and retention of high-quality employees both within FIO and the SUS institutions.

IV. Facilities

Not applicable

2022-2023 LBR

2022-2023 Legislative Budget Request
Education and General
Position and Fiscal Summary
Operating Budget Form II
(to be completed for each issue)

University: University of South Florida
(USF) on behalf of the Florida
Institute of Oceanography
(FIO)

Issue Title: Enabling Excellence in Marine
Science Research, Technology
and Education

	NON- RECURRING	RECURRING	TOTAL
<u>Positions</u>			
Faculty	0.00	0.00	0.00
Other (A&P/USPS)	0.00	0.00	0.00
	-----	-----	-----
Total	0.00	0.00	0.00
	=====	=====	=====
Salaries and Benefits	\$0	\$0	\$0
Other Personal Services	\$0	\$0	\$0
Expenses	\$0	\$0	\$0
Operating Capital Outlay	\$0	\$0	\$0
Electronic Data Processing	\$0	\$0	\$0
Financial Aid	\$0	\$0	\$0
Special Category (Specific)	\$0	\$0	\$0
Shiptime and Keys Marine Lab time/ scientific equipment	\$2,500,000	\$0	\$2,500,000
	\$0	\$0	\$0
	\$0	\$0	\$0
	-----	-----	-----
Total All Categories	\$2,500,000	\$0	\$2,500,000
	=====	=====	=====

Agenda Item: IIId

USF Board of Trustees
Finance Committee
August 10, 2021

Issue: Expenditure Authorization Requests

Proposed action:

Approval of the following expenditures:

a) JPH Chiller Replacement Project	\$3,022,198
b) Magnolia Forced Air Project	\$2,511,050
c) USF Elevator Maintenance Contracts	\$3,105,110

Executive Summary: The USF Policy for Delegations of General Authority and Signatory Authority requires the approval of the Finance Committee Chair for the procurement of goods and services above \$1 million and the approval of the Finance Committee for the procurement of goods and services above \$2 million. Approval is being requested for the items listed above.

Financial Impact: Authorization is being requested for \$8,638,358 in transactions.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	August 10, 2021
Supporting Documentation Online (please circle):	Yes No
Prepared by:	Nick Trivunovich, Vice President/CFO (813) 974-3297

USF Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: JPH Chiller Replacement Project

Total Project/Initiative Cost: \$3,022,198 (Estimated)

Description: (description and rationale for the project/initiative)

In-kind replacement at JPH of three 400 Ton Air-Cooled Chillers, Pumps and VFDs, add mobile chiller connectivity. Chillers are nearing end of life. Phase I to be completed Summer 2022 (two chillers and mobile chiller connectivity). Phase II to be completed at a later date as needed (final chiller replacement).

This project is aligned with the key planning considerations for the Ten Year USF Housing Deferred Maintenance Plan: critical safety needs, fiscal responsibility, timing, enhancements to residential experience to support student success and maintain competitive advantage, and replacement cycles.

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

This project supports Strategic Plan goal #1 related to student success.

Funding Source(s):

HRE Auxiliary Funds

No E/G funding will be used

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

Prior Approval Process:

Purchasing Department, Ana Hernandez (AVP)

List Related Projects/Initiatives: (if any)

USF or Campus specific: Tampa

Prepared by: Ana Hernandez

Date Requested: 7/9/2021

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

USF Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: Magnolia Forced Air Project

Total Project/Initiative Cost: \$2,511,050 (GMP)

Description: (description and rationale for the project/initiative)

Replace gravity fed air circulation in common areas with a forced air unit. During A/C replacement, testing showed a deficiency in outside air circulation needed in common areas.

This project is aligned with the key planning considerations for the Ten Year USF Housing Deferred Maintenance Plan: critical safety needs, fiscal responsibility, timing, enhancements to residential experience to support student success and maintain competitive advantage, and replacement cycles. Originally planned for Summer 2020. Delayed due to pandemic.

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

This project supports Strategic Plan goal #1 related to student success.

Funding Source(s):

HRE Auxiliary Funds

No E/G funding will be used

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

Prior Approval Process:

Purchasing Department, Ana Hernandez (AVP)

List Related Projects/Initiatives: (if any)

Magnolia A/C Replacement

USF or Campus specific: Tampa

Prepared by: Ana Hernandez

Date Requested: 7/9/2021

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

USF Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: ITN USF Elevator Contracts

Total Project/Initiative Cost: \$3,105,110

Description: (description and rationale for the project/initiative)

The Invitation To Negotiate (ITN) USF Elevator contracts will provide continued services, repairs, and preventative maintenance across Tampa/Health, St. Petersburg, and Housing locations for a period of three (3) base years and two (2) one-year renewals.

Objective: (strategic priority or needs the project/initiative addresses; include strategic goal this project/initiative supports)

This initiative aligns with providing a first-class physical infrastructure and a safe campus environment, as well as Goal 4 to:

- Align budget and fiscal resources with academic priorities that support the recruitment and retention of intellectual talent at USF
 - Refine business practices to ensure a strong and sustainable economic foundation for the university
 - Promote and sustain a positive working environment, high service quality, and strong staff support through competitive salary structures and professional development opportunities
-

Funding Source(s): E&G/Auxiliary

Are the funds supporting the project budgeted or non-budgeted?

Budgeted

TPA: \$ 2,405,900

Housing: \$ 395,010

St Petersburg: \$ 304,200

TOTAL: \$ 3,105,110

Prior Approval Process:

List Related Projects/Initiatives: (if any)

USF or Campus specific: TPA/Health, STP, Housing

Prepared by: Gabriel Montalvo

Date Requested: 7/30/21

USF Policy 0-100 requires approval of this expenditure by the USF Board of Trustees Finance Committee Chair. Approval must be granted in writing and may be granted by electronic communication.

Agenda Item: IIIe

USF Board of Trustees

August 24, 2021

Issue: USF Health Asset Purchase/Lease Agreement

Proposed action: Board authorizes the University of South Florida (USF) Faculty Practice Plan (USFPP) to enter into agreements with Tampa General Hospital (TGH) to sell certain USFPP assets and to lease certain USFPP space as identified in the attached presentation.

Executive Summary:

USF Health desires to integrate the USF Ambulatory Surgery Center (ASC) operation into the TGH Ambulatory Surgery Center operations. This includes a proposed sale of assets with a fair market value in the \$2.5 million to \$3.0 million range. This also includes a lease for 44,905 sf of rentable space located on the second floor of the Morsani Center for Advanced Health Care (CAHC). The USF Ambulatory Surgery Center currently has a projected operating deficit of \$3.5 million. It is expected that this integration will yield efficiencies and benefit both USF and TGH.

USF Health also desires to integrate the USF Imaging Centers at the Morsani CAHC and the USF South Tampa Center into the TGH/Towers Radiology operations. This includes a proposed sale of assets with a fair market value of \$1.3 million. This also includes a lease for 7,067 sf of rentable space located on the first floor of Morsani and at the USF South Tampa Center. The USF Imaging Center operation currently has an expected annual deficit of \$500,000 to \$700,000. This transaction has the same expectation as the ASC integration in that it is felt that moving forward would yield efficiencies and benefit both USF and TGH.

In both cases, it is expected that the leased space and the related operations would continue to be used for their intended purpose.

Financial Impact: Asset Sale \$4.3 million/Increase in Annual Net Income of \$4.4 million.

Strategic Goal(s) Item Supports:

Goal 4: Sound Financial Management

BOT Committee Review Date:

Finance Committee - August 10, 2021

Supporting Documentation Online (please circle): Yes

No

Prepared by:

Nick Trivunovich, Vice President & CFO

ASC and Imaging Asset Purchase and Lease

Richard Sobieray | August 10, 2021



Ambulatory Surgery Center

- The Problem:
 - The ASC loses \$3.5M per year.
 - Many changes have been made to improve its financial stability without much success. Challenges include: 1) Poor payer rates; 2) Inadequate volume to support the size of the facility; and 3) Lack of an ownership model with the physicians.
- The Solution:
 - Integrate the ASC within the TGH ASC structure through two (2) mechanisms:
 1. Asset Purchase Agreement; and
 2. Lease.

Ambulatory Surgery Center (continued)

- What's included?
 - The assets of the ASC and Sterile Processing Unit
 - 44,905 of rentable square feet/39,048 of useable square feet located at Morsani Second Floor - 13220 USF Laurel Dr, Tampa, FL 33613
- Terms
 - Asset Purchase Price = \$2.5M - \$3.0M (VMG performed valuation)
 - Lease
 - ✓ Base rent = FMV (includes utilities, parking, routine janitorial services, security and waste disposal)(Collier currently working on the market rate)
 - ✓ Term = 10-year initial term with 10-year renewal option
 - ✓ TGH responsible for any and all improvements or future build-out of space
 - The ASC is required to continue to operate for the intended purpose.
 - Transfer Date: November 1, 2021

Imaging Centers

- The Problem:

- The Imaging Centers at Morsani and STC lose \$500K - \$700K per year.
- Many changes have been made to improve its financial stability without much success. Challenges include: 1) Poor payer rates; 2) Competition in market; and 3) Lack of an ownership model with the physicians.
- \$500K of upgrades due on equipment.

- The Solution:

- Integrate the Imaging Centers within the TGH/Tower Imaging structure through two (2) mechanisms:
 1. Asset Purchase Agreement; and
 2. Lease.

Imaging Centers (continued)

- What's included?
 - The assets of the Imaging Centers at Morsani and STC first floors
 - 7,067 of rentable square feet/6,145 of useable square feet located at Morsani First Floor - 13220 USF Laurel Dr, Tampa, FL 33613 and 5,698 of rentable square feet/4,955 of useable square feet located at South Tampa Center 1st Floor – 2 Tampa General Circle, Tampa, FL 33606
- Terms
 - Asset Purchase Price = \$1.277M (VMG performed valuation)
 - Lease
 - ✓ Base rent = FMV (includes utilities, parking, routine janitorial services, security and waste disposal)(Collier currently working on the market rate)
 - ✓ Term = 5-year initial term with 5-year renewal option
 - ✓ TGH/Tower responsible for any and all improvements/upgrades or future build-out of space
 - ✓ The Imaging Centers are required to continue to operate for the intended purpose.
 - Transfer Date: October 1, 2021



UMSA/MSSC Combined						
FY 21 Projection & FY21 without ASC & Imaging						
INCOME STATEMENT						
(In thousands)	FY 2021 WITHOUT ASC & IMAGING	FY 2021 Add Rent	FY 2021 Add Back Overheads Retained by UMSA	FY 2021 Remove ASC	FY 2021 Remove Imaging	FY 2021 PROJECTION DRAFT FYE
REVENUES						
Net Patient Service	\$179,555			\$(5,970)	\$(6,797)	\$192,322
Grants, Contracts & Awards	94,170			0	0	\$94,170
UPL/PCIP	40,292		555	(174)	(381)	\$40,292
Other Revenue	40,585	2,095		0	0	\$38,491
Total Revenues	\$354,602	\$2,095	\$555	\$(6,143)	\$(7,178)	\$365,274
EXPENSES						
Faculty Support	130,960			(27)	(1,321)	132,309
Housestaff Support	12,497			0	0	12,497
Other Staff Support	72,706			(3,513)	(2,350)	78,569
Depreciation/Amortization	4,511			0	0	4,511
Other Expenses	46,454		2,315	(6,052)	(4,082)	54,272
Transfer to USF Conv Accts	62,121			0	0	62,121
Transfer to DSO HPCC Salary Support	0			0	0	0
Total Expenses	\$329,250	\$0	\$2,315	\$(9,593)	\$(7,753)	\$344,280
OPERATING PROFIT BEFORE NON-CASH CHANGES	\$25,353	\$2,095	\$(1,761)	\$3,449	\$575	\$20,995
Unrealized Investment Gains (Losses)	3,041			0	0	3,041
Contribution to MCOM	0			0	0	0
Non-Cash Impact of Epic Conversion	0			0	0	0
Total Non-Cash Changes	\$3,041	\$0	\$0	\$0	\$0	\$3,041
NET OPERATING PROFIT	\$28,393	\$2,095	\$(1,761)	\$3,449	\$575	\$24,035
Operating Profit Margin	7%					6%

Other Considerations

- Current outstanding debt for Morsani and STC = \$29.945M (Final maturity 2036)
 - UMSA will continue to make bond payments to University
 - ASC and imaging equipment not encumbered by the bonds
 - A private use analysis has been performed and no issues identified
- With the sale of assets there will be a balance sheet and income statement impact
 - Balance sheet – Equipment and Accumulated Depreciation
 - Income Statement – Gain on Sale of Assets

Agenda Item: IIIf**USF Board of Trustees**

August 24, 2021

Issue: Indoor Performance Center – USF Athletics

Proposed action: Authorize the expenditure of funds in the amount of \$22,080,000 for construction of an Indoor Performance Center for USF Athletics contingent upon the university securing the remaining \$5,566,264 in funding required to complete the construction of the project through philanthropy, including pledges, and other non-state funds. University management will satisfy the contingency by providing documentation confirming sources for the required funds to the Interim President, Finance Committee Chair, and the Board Chair, and obtaining written approval from same.

Executive Summary: The planned investment in a USF Athletics Indoor Performance Facility will provide student athletes, coaches and staff with year-round access for team practices, workouts and other activities. An indoor facility is a mainstay of premier collegiate athletics across the US. Given the volatility of weather in Florida, these activities are often cancelled or suspended. Additionally, the intense heat and humidity while conducting these activities outdoors puts unnecessary strain on our student athletes and coaches and is not conducive to productive use of their respective time.

USF Athletics, with philanthropic support from the USF Foundation, will secure funding and pledges to cover all direct costs of designing, constructing and outfitting this 88,600 square foot facility. In addition, the University will invest funds to make the required connections to the campus' water-chilled air conditioning systems assuring that the most energy-efficient method for keeping the new facility temperature controlled is employed.

Financial Impact: USF has partnered with RR Simmons and HOK to design, oversee and construct this facility with an expected start date of September 2021 with the intent of opening in the summer of 2022. A Guaranteed Maximum Price has been negotiated allowing this project to stay within the \$22.08 million budget established.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	Finance Committee - August 10, 2021
Supporting Documentation Online (please circle):	Yes No
Prepared by:	Nicholas Setteducato, Interim Vice President & COO

USF Athletics

Project Updates and Recommended Approvals

Presented to USF Board of Trustees Finance Committee - August 10, 2021



Update

- Project and financial update
 - Project components
 - Timeline/Costs
 - GMP status related to the IPF
- Support and funding update
- Strategic importance for USF Athletics
- Action item

USF Lee Roy Selmon Athletics Center Enhancements



Scope:

Renovate the Lee Roy Selmon Athletics Center building to provide a comprehensive, cohesive experiential branding for USF football operations. The scope of work includes new flooring and furniture in the football office area; new graphics, flooring and seating in the team meeting room; and a total renovation of locker room (to include shower and restroom areas) with a new nutrition space for athletes.

GRAPHICS: Jack Porter

A/E: Rowe Architects/Engineering Matrix

CM: Creative

Status: In Construction

Budget: \$3,300,000

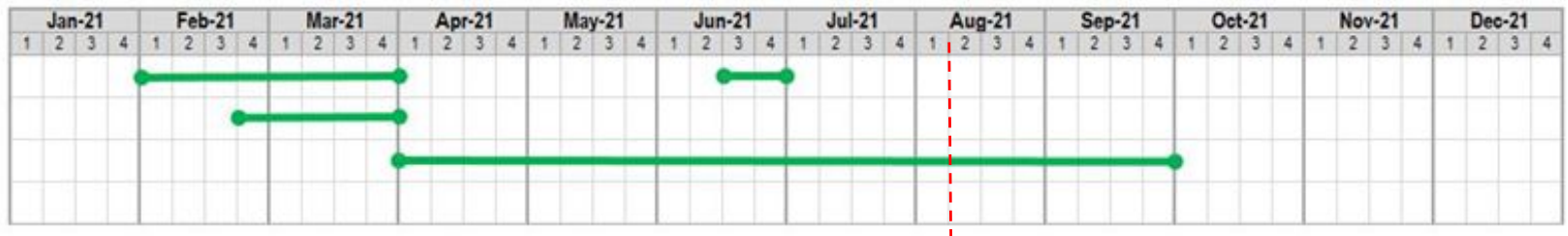


■ DESIGN
■ CONSTRUCTION
■ FF&E
■ CONTINGENCY

Funding Source: Philanthropy

Schedule:

Design
CM Procurement
Construction



Project Delivery:
CM @ Risk

Substantial Completion for the Locker Rooms was achieved on 8/2/2021 and Substantial Completion for the renovations for upstairs offices and team rooms is later in August.



USF Athletics Indoor Performance Facility



A/E:
HOK Kansas City

CM:
RR Simmons

Scope:

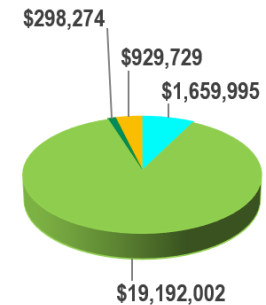
Athletic Indoor Performance Facility

Total Programmed Spaces **88,600 GSF**

The project will be located west of USF Sycamore Drive.

Status: 100% Construction Documents / GMP
GMP received within expected budget.

Budget: \$22,080,000

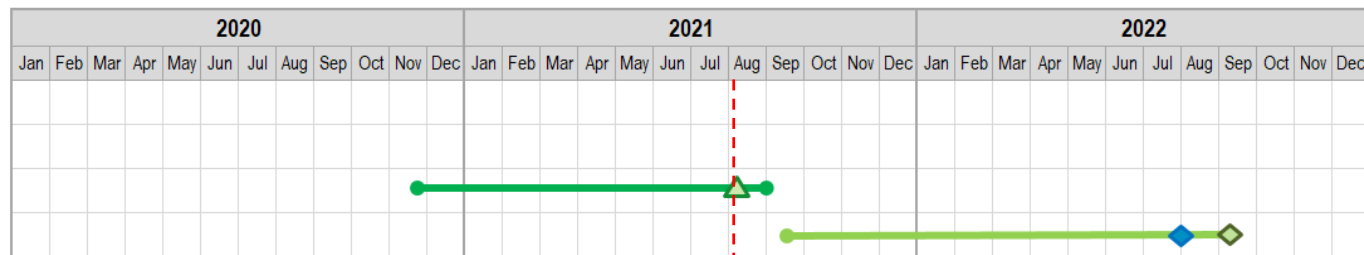


DESIGN
CONSTRUCTION
FF&E
CONTINGENCY

Funding Source: Philanthropy
(\$1.2M by other University sources)

Schedule:

AE Procurement
CM Procurement
Design
Construction



Project Delivery:
CM @ Risk

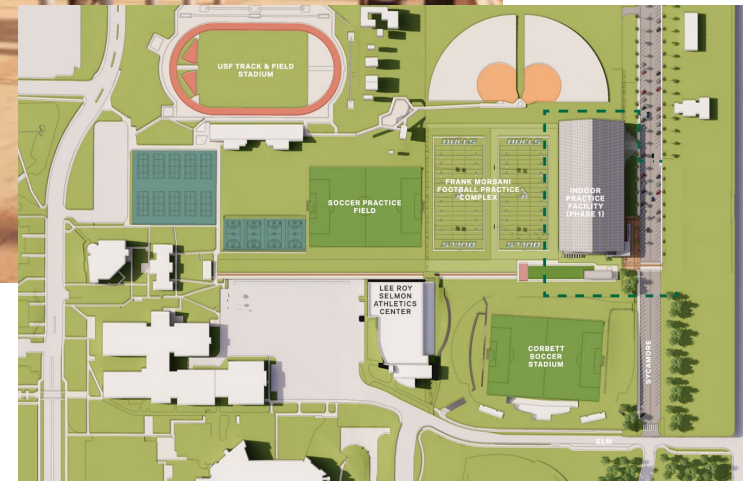
△ GMP @ 50% CD

◆ Target Occupancy

◇ Estimated Occupancy



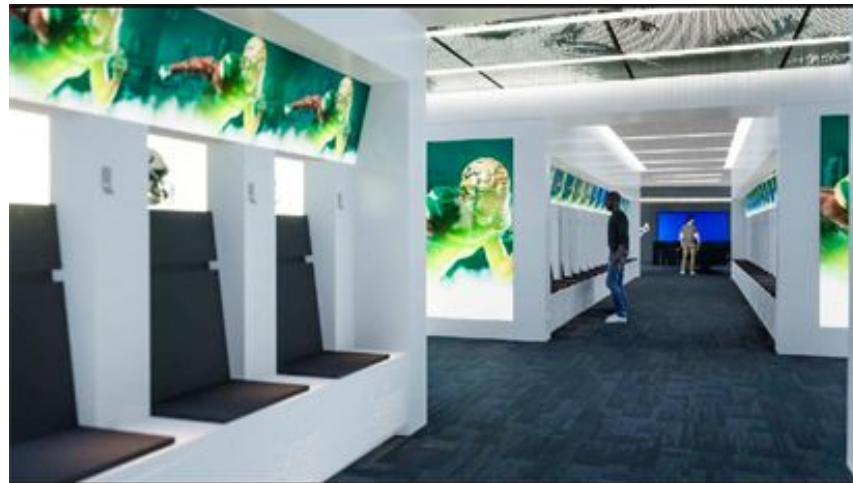
Indoor Performance Facility – External view



Indoor Performance Facility – Interior view



Lee Roy Selmon – Center Enhancements



Phase I Athletics Fundraising Update

Lee Roy Selmon Center Enhancements	\$ 3,300,000
Indoor Performance Facility	<u>\$22,080,000</u>

Total Phase I Goal	\$25,380,000
---------------------------	---------------------

Funding Commitments to date:

➤ USF Support for connecting to chiller system	\$ 1,200,000
➤ Received funds	\$ 5,119,880
➤ Pledged funds	<u>\$13,493,856</u>
Total Commitments to date	\$19,813,736

Remaining Funds To Be Raised	\$ 5,566,264
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Agenda Item: IVa

**USF Board of Trustees
Finance Committee
August 10, 2021**

Issue: 2021-22 Fixed Capital Outlay Budget

Proposed action: Informational

Executive Summary:

This is to provide the Finance Committee a preview of the USF Fixed Capital Outlay (FCO) Project budgets across all campuses of the University of South Florida. The actual USF FCO budget will be presented for approval at the August 24, 2021 Full Board meeting and is due to the Florida Board of Governors no later than October 1, 2021.

Financial Impact: \$87,399,415

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	August 10, 2021
Supporting Documentation Online (please circle):	Yes No
Prepared by:	Nick Trivunovich, Vice President & CFO

Fixed Capital Outlay

FY2021/2022 Proposed Project Approval

Aug 2021



Fixed Capital Outlay

- Annual submission which is due to the Board of Governors 10/1/2021
- Final approval will be requested at the August 24 full UBOT meeting
- Proposed Project List includes:
 - All Campus locations
 - Projected projects contingent on funds availability
 - Assumptions regarding awarding of State Deferred Maintenance pool
- Note: E&G Carryforward funded projects will be reconciled to the E&G Carryforward Budget which will also be presented for approval on 8/24

Summary by Fund Type (preliminary total)

Funding Source	# of Projects	Estimated Cost
Carry Forward	89	\$ 24,380,504
Auxiliary	18	16,013,151
ARP – State Deferred Building Maintenance Program	4	15,280,000
Commitment to Debt Financing potentially	1	9,700,000
Federal Funds	5	9,440,000
Foundation/Aux	10	5,180,000
EDA Grant 80%, Other funds 20%	1	2,000,000
UMSA	3	1,900,000
Foundation	1	1,500,000
E&G/Carry Forward	2	1,320,000
E&G	3	517,760
PECO	1	168,000
Grand Total	138	\$ 87,399,415

Projects \$1M or Greater

Campus	Project Title	Description	Estimated Cost	Fund Type(s)
USF Health	5th floor Center for Men's Health	Create similar Center as Women's Health	\$ 1,500,000	Foundation
USF Health	2nd Floor small vivarium	Create expanded vivarium space (outgrown ALZ)	\$ 1,000,000	Auxiliary
USF Health	2nd Floor Medical Engineering	2nd floor lab buildout	\$ 1,000,000	Carry Forward
Research Park	Incubator expansion into 3814/New Research Park building	Incubator expansion into 3814/New Research Park building – seek EDA funding of up to 80% (not seeking full amount from R&I)	\$ 2,000,000	EDA Grant 80%, Other funds 20%
Across USF	Various	AHU/HVAC	\$ 5,000,000	Federal Funds
Sarasota-Manatee	Hospitality/Tourism expansion	Expansion of building SMC to accommodate CHTL growth	\$ 1,968,571	Carry Forward
Sarasota-Manatee	Expansion of chiller plant capacity	Buildout of CEP Expansion	\$ 1,900,000	Carry Forward
St. Petersburg	Environmental & Oceanographic Sciences Research/Teaching Facility	Renovations of existing space in Marine Sciences- Part of the Environ & Oceanographic Sciences Research & Teaching Facility	\$ 6,380,000	ARP – State Deferred Building Maintenance Program
St. Petersburg	Research & Teaching Lab renovations	Renovations of classroom space into research labs and teaching labs	\$ 3,000,000	Carry Forward
Tampa	ESCO	Energy Efficiency Program	\$ 9,700,000	Commitment to Debt Financing
Tampa	CPT - Replace Critical Steam Boilers	Replace Critical Steam Boilers	\$ 6,000,000	ARP – State Deferred Building Maintenance Program
Tampa	JPH Chiller replacement	Replace HVAC System (Phase 1 of 3)	\$ 3,022,198	Auxiliary
Tampa	Magnolia Make Up Air	Magnolia Common Areas "A"B"E"G" - Phase 1 (\$1.5 million)	\$ 2,511,050	Auxiliary
Tampa	Phase 1 Tennis Renovation	Court reconfiguration & adding lights	\$ 1,800,000	Foundation/Aux
Tampa	Electrical Feeder	Electrical Feed into building Flooding Switchgear	\$ 1,800,000	ARP – State Deferred Building Maintenance Program
Tampa	AHU-C5, C6, C7, C8 & Controls	Full controls replacement, 25Live Integration & Filter Upgrade	\$ 1,670,000	Federal Funds
Tampa	AHU-C9, C10, C12, C13 & Controls	Full controls replacement, 25Live Integration & Filter Upgrade	\$ 1,660,000	Federal Funds
Tampa	Housing - Site Lighting Master Plan	HRE Housing Campus Site Lighting Master Plan	\$ 1,380,000	Auxiliary
Tampa	ALN Roof Replacement	Roof replacement	\$ 1,300,000	Carry Forward
Tampa	Greek Village Bathroom Renovation/Upgrades (Phase 2)	Greek Village Bathroom asbestos abatement and Renovation/Upgrades (Phase 2)	\$ 1,231,765	Auxiliary
Tampa	Greek HVAC	Greek Houses 1st Floor HVAC Mechanical Rooms	\$ 1,200,000	Auxiliary
Tampa	Water Tower Repair	USF Potable Water Tower Interior Repair and Reline	\$ 1,100,000	ARP – State Deferred Building Maintenance Program
Tampa	New Track Surface	Replace existing track with new surface	\$ 1,000,000	Foundation/Aux

Questions



Agenda Item: IVb

USF Board of Trustees
Finance Committee
August 10, 2021

Issue: Annual Finance Policy Reports to the USF Board of Trustees

Proposed action: Informational

Executive Summary:

The USF Board of Trustees adopted three Finance Policies in 2006:

- USF Investment Policy
- USF Debt Management Policy
- USF Derivatives Policy

The USF Finance Policies apply to the University and Direct Support Organizations (DSOs).

An Annual Report to the USF Board of Trustees is required pursuant to each Policy.

Financial Impact:

The USF Board of Trustees Financial Policies govern investment and debt management practices of the University and all Direct Support Organizations (DSOs).

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	August 10, 2021
Supporting Documentation Online (<i>please circle</i>):	Yes No
Prepared by:	Fell L. Stubbs, University Treasurer, (813) 974-3298



Annual Finance Policy Reports

*Board of Trustees Finance Committee
August 10, 2021*

Presented by: Fell L. Stubbs, University Treasurer



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Annual Investment Report



Annual Investment Report

COMBINED 10 INVESTMENT PORTFOLIOS

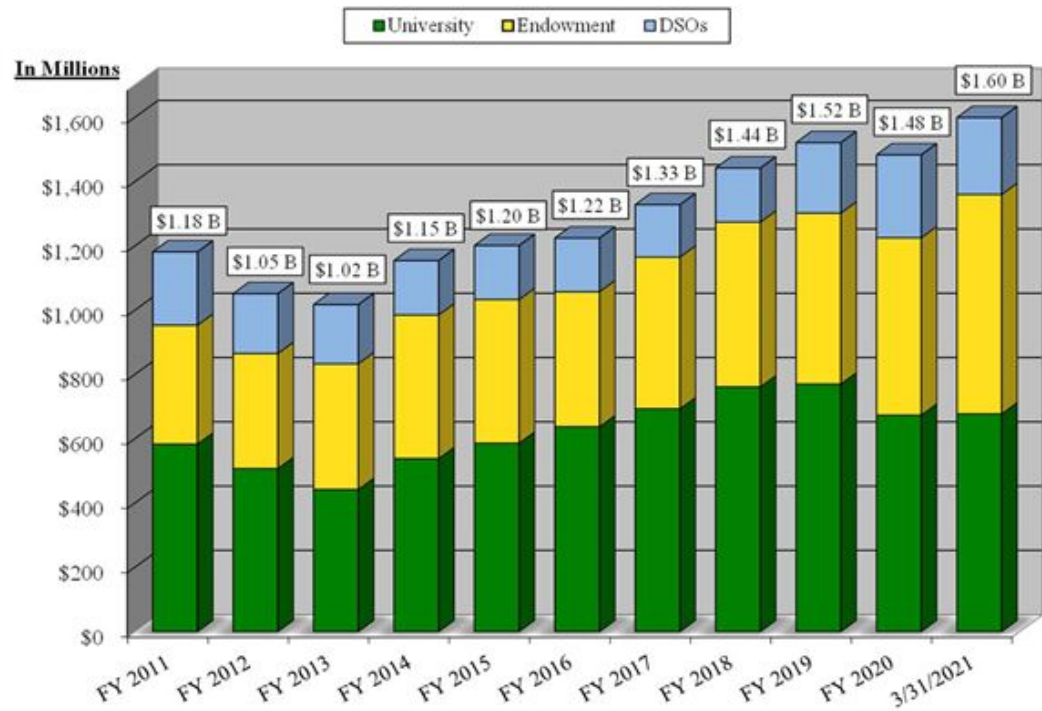
All USF Investment Portfolios Governed by the BOT Investment Policy

All USF Investment Portfolios Governed by Investment Committees

Central Oversight of All Investment Portfolios

**Record USF Wealth –
\$1.6 Billion – Steadily Growing**

- **University at \$751 Million (6/30/21),
Endowment at \$683 Million (3/31/21)
are largest of 10 portfolios**





All Portfolios in Compliance with BOT Investment Policy

Annual Investment Report

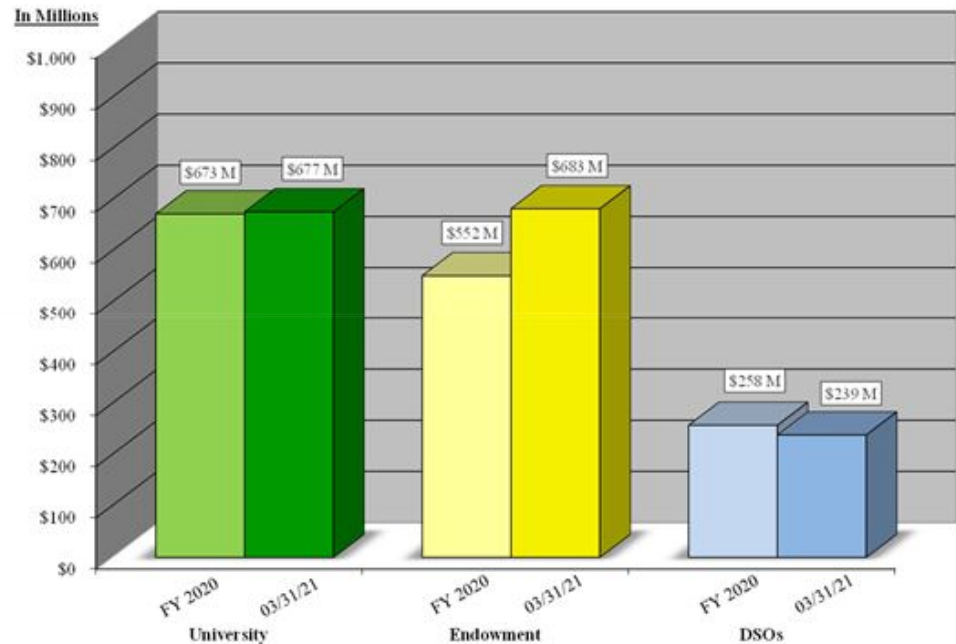
COMBINED 10 INVESTMENT PORTFOLIOS

Different Types of USF Portfolios:

- Endowment
 - Long-term investment horizon
 - Restricted
- Operating
 - Short-term investment horizon
 - Liquid
 - University and all DSOs

Barometer of Financial Health:

- Growth in portfolios reflects investment performance and net cash flows



Combined Portfolio (In Millions)	University	Endowment	8 Other DSO Portfolios	USF's 10 Investment Portfolios
System Portfolio, 3/31/21	\$677	\$683	\$239	\$1,599
System Portfolio, 6/30/20	\$673	\$552	\$258	\$1,483
Change in System Portfolio	\$4	\$131	(\$19)	\$116



Annual Investment Report

UNIVERSITY INVESTMENT PORTFOLIO

**University Portfolio Provides
Liquidity, Preserves Capital**

University Portfolio Objectives

- Provide Essential Liquidity to Fund Operations – \$2 billion in annual payroll and expenditures
- Preserve Capital – Investing State Funds and Reserves
- Achieve Positive Annual Return in All Market Conditions

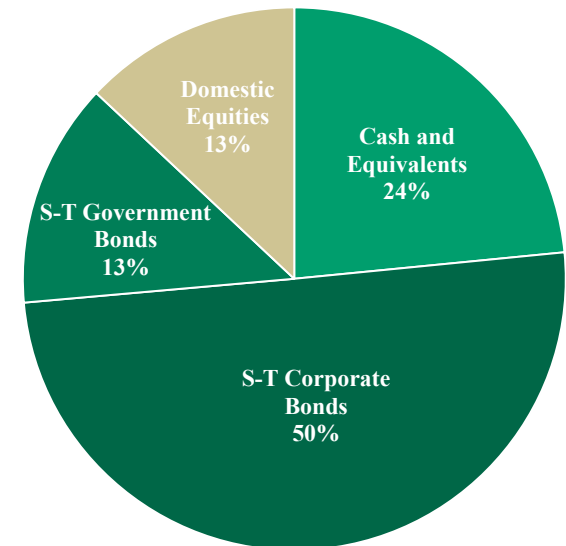
USF Liquidity Measure: Days Cash on Hand = 191 Days / Moody's AA Peers = 163 Days

University Portfolio Structure – Balance Risk and Return

- Target Balance: 75% – Short-Term, High Quality Bonds and Cash
- Target Balance: 25% – Diversified, Domestic and Foreign Equities
- Core Fund Managers – Bond and Equity Index Funds

University Portfolio Balance – 12 Month Change

- 6/30/21 – \$751 M
- 6/30/20 – \$673 M
- Change – \$ 78 M



As of June 30, 2021

[5]



Annual Investment Report

UNIVERSITY PORTFOLIO

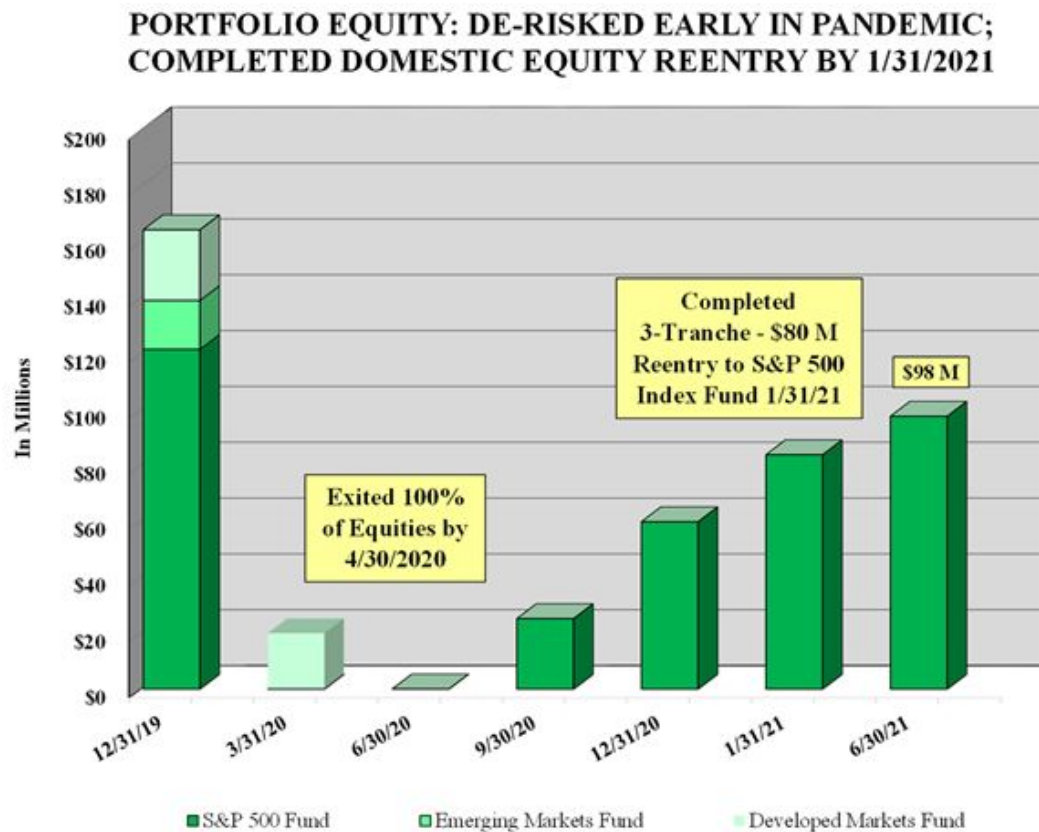
**Decisions Reduce
Investment Risk**

Decision to Exit All Equities – March 2020

- Facing Unprecedented Economic and Market Risk
- Placed Equity Sale Proceeds in Bonds and Cash (Safe Haven)

Decision to Return to Equities

- Return to Stable Markets
- Reestablished Equity Positions in 3 Tranches:
 - \$25 M – September 2020
 - \$30 M – November 2020
 - \$25 M – January 2021





Annual Investment Report

UNIVERSITY PORTFOLIO – 10-YEAR PERFORMANCE

**Investment Returns – Stable
and Positive in Every Year,
Despite Market Downturns**

**Actively Manage Portfolio to Achieve
Stated Objectives**

**USF 10-Year Risk-Adjusted Returns
Exceed S&P 500 and Barclays Agg**

	<u>Return</u>	<u>Std Dev</u>	<u>Sharpe</u>
▪ USF Portfolio –	4.2%	3.2%	1.10%
▪ S&P 500 Index –	14.8%	13.6%	1.00%
▪ Barclay's Agg –	3.4%	3.0%	0.90%

UNIVERSITY PORTFOLIO

12-Month Performance	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Annual Investment Income (Loss)	\$10 M	\$14 M	\$27 M	\$6 M	\$10 M	\$25 M	\$18 M	\$41 M	\$4 M	\$27 M
Annualized Return - Equities	(4.7%)	13.1%	18.3%	(0.1%)	(2.6%)	14.5%	9.0%	6.7%	(8.9%)	17.1%
Annualized Return - Fixed Income	2.3%	0.8%	1.1%	0.9%	2.4%	0.9%	0.0%	5.8%	5.3%	1.4%
Total Annualized Return	1.6%	2.7%	2.1%	0.7%	1.1%	3.5%	2.4%	5.5%	0.2%	4.0%



Annual Debt Management Report



Annual Debt Management Report

USF DEBT PORTFOLIO

Governance, Compliance, Ratings and Cost

Prudent Governance: Board of Trustees and USF Financing Corporation

Maintain “AA” Moody’s and Standard & Poor’s Credit Ratings

**Compliance with BOT Debt Management Policy, BOG Regulations, State Statutes,
Federal SEC / IRS Laws, Bond Covenant Requirements, Continuing Disclosure
Requirements – Avoid Default**

Effective Use of USF Debt Capacity

Manage Long-Term Cost of Capital, Covenant and Credit Risks

USF Finance Systems

As of June 30, 2021

Outstanding Debt (In Millions)	Housing	Parking	Marshall Center	Health	Athletics	Research	Foundation	Total / Weighted
Total Outstanding Debt per System	\$191.1	\$9.7	\$28.3	\$61.1	\$32.2	\$43.9	\$3.9	\$370.2
Weighted Average Interest Rate	3.92%	2.20%	3.43%	3.06%	4.11%	3.29%	2.63%	3.62%
Moody's / S&P Rating	A1 / A+	Aa3 / AA	Aa3 / AA	NR	NR	NR	NR	Aa2 / AA (University)

NR = Not Rated



Annual Debt Management Report

MOODY'S / S&P – RATINGS REPORTS ON USF

**Credit Ratings Affirmed in
April / May 2021**

Moody's Affirmed USF "Aa2/Stable" Rating (5/12/21)

- Market Profile: Excellent strategic positioning
- Operating Performance: USF will continue to demonstrate solid fiscal oversight. However, performance has weakened over the past several years.
- USF's excellent credit profile incorporates its strong market demand and ongoing prospects for modest enrollment growth as a well-run comprehensive urban university.
- Growth of USF Health and strengthening of Tampa General Hospital's (Baa1/Stable) role as USF's academic medical center through a revamped operational structure present upside opportunities over the medium term.
- Monthly days cash on hand of 190 days in fiscal 2020 is strong and above similarly rated peers.
- Effective treasury management includes oversight of direct placement bonds with gradual reduction of demand debt exposure over the last decade.

S&P Affirmed USF "AA/Stable" Rating (4/29/21)

- USF's enterprise profile and financial profile are very strong.
- Management is quite capable, has a great deal of experience, and has satisfactory policies and practices relative to peers.
- USF has debt and derivative policies and continues to manage its complex debt and derivatives portfolios successfully.



Annual Debt Management Report

USF DEBT PORTFOLIO

FY 2021 Transactions

Project Financing – Completed / Current

- **\$36 Million, 375-bed USF St. Petersburg Housing & Dining Project**

- Funded with \$30.5 M public bonds and \$5.5 M equity
- Design-Construction Team: HC Beck
- Housing completed July 2020; On time and on budget
- Dining completed January 2021; Over budget by \$1.2 M



- **\$42 Million, 120,000 square-foot USF Research Laboratory and Office Building Project**

- Funded with \$27 M private bank loan and \$15 M equity
- Construction Manager / Architect-Engineer Team: Skanska / Gensler
- Project under construction; On time and slightly below budget
- Expected completion date of January 2022



Debt Restructuring – Completed

- **\$30 Million Loan Refundings – Series 2018A&B Athletics and Series 2018 CAMLS**

- Refunded outstanding loans to take advantage of low market interest rates – August 2020
- \$1.6 M NPV savings over the term of the note – 6% NPV, exceeds BOG 5% requirement
- No new covenants; No change to final maturity dates of 2031



Annual Debt Management Report

USF DEBT PORTFOLIO

FY 2022 Transactions

Project Financing – Anticipated

- **Central Plant Guaranteed Energy Performance Savings Contract**
 - \$11 - \$12 M Project Cost
 - Replace hot water system, chiller, and upgrade operation and control system
 - BOT approved obtaining an Investment Grade Audit (6/2/20)
 - Siemens guarantees savings to amortize financing within 20 years

Debt Restructuring – Current

- **\$45 Million Bond Conversions – Series 2013A&B Health – Tax-Exempt to Taxable Rate**
 - Bonds originally financed Morsani Clinic, South Tampa Clinic, Medical Office Building
 - USF and TGH Affiliation Agreement, effective 10/1/21, clinically integrates operations
 - Transaction results in private business use under IRS rules
 - Tax-exempt bonds automatically convert to taxable debt, pursuant to bond agreements
 - \$358k proforma increase in debt service (FY 2022)
 - Management is negotiating with banks holding the bonds to limit rate increase



Annual Debt Management Report

DEBT MANAGEMENT

**Debt Structured Conservatively /
Capitalize on Market Opportunities**

Debt Structure Managed to Reduce Risk, Cost and Capitalize on Market Opportunities

Active Debt Management - \$1.8 Billion in Closed Transactions Since 2005 (49 Total)

- Low cost of capital – 3.62%, down from peak of 4.28% in 2014
- NPV savings on refundings – \$30 Million

Rating Agency Recognition of USF Management

- 13 ratings upgrades in 10 years
- Moody's and S&P affirmed University's "Aa2/Stable" and "AA/Stable" ratings in spring 2021

P3s Operating as Expected

- \$137 M Village Housing P3 (2015) – 2,170 beds, dining, recreation
- Publix Grocery P3 (2016) – only on-campus grocery



Annual Debt Management Report

Deleveraging Over Time / Restructuring to Lower Rates

DEBT MANAGEMENT

(In Millions)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Moody's Aa2 Medians FY 2020
NEW DEBT			\$20					\$36	\$27		
TOTAL DEBT	\$445	\$431	\$435	\$421	\$413	\$377	\$359	\$383	\$389	\$370	\$1,204
LONG-TERM RATE	4.00%	4.13%	4.28%	3.99%	3.91%	3.64%	3.68%	3.63%	3.60%	3.62%	

POLICY MEASURES

(In Millions)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Moody's Aa2 Medians FY 2020
OPERATIONS											
Operating Cash Flow Margin (↑)	1.1%	3.9%	10.2%	7.4%	7.3%	9.1%	7.0%	5.4%	-0.6%		11.0%
Operating Margin (↑)	-6.9%	-4.7%	2.4%	0.1%	0.0%	2.0%	-0.2%	-2.3%	-9.6%		3.0%
LIQUIDITY											
Cash & Investments / Operating Exp (↑)	0.62x	0.58x	0.65x	0.64x	0.64x	0.68x	0.67x	0.71x	0.65x		0.75x
Monthly Days Cash on Hand (↑)	173 days	167 days	202 days	197 days	200 days	213 days	216 days	210 days	180 days	191 days	163 days
LEVERAGE											
Cash & Investments / Debt (↑)	1.5x	1.4x	1.6x	1.8x	1.9x	2.3x	2.5x	2.6x	2.5x		1.4x
Debt Service Coverage (↑)	-0.1x	1.1x	4.0x	2.7x	4.1x	4.8x	4.0x	2.9x	-0.3x		3.5x
Debt Service / Operating Exp (↓)	2.0%	2.2%	2.2%	2.2%	1.5%	1.7%	1.4%	1.8%	1.6%		4.3%



Annual Debt Management Report

Rated Bond System Updates – USF Housing System

\$191M USF Housing System (A1/A+)

- Annual debt service payments = \$15.5 M (FY 2022)

**Credit Ratings Affirmed in
April / May 2021**

Recovery from Pandemic; Maintenance of Reserves

- During call with Rating Agencies, USF committed to support the Housing System
 - \$9.2 M in FY 2020, \$5.9 M in FY 2021, additional \$7 M expected in FY 2022
- Expenses managed downward in FY 2020 and FY 2021; Continued expense management in FY 2022
- Tampa Occupancy: 84% Fall 2021 54% Fall 2020
- St. Pete Occupancy: 82% Fall 2021 34% Fall 2020
- \$5 M increase in reserves: \$51 M FY 2021 \$46 M FY 2020

Housing System *	FY 2018	FY 2019	FY 2020 **	FY 2021 ** (estimated)	FY 2022 ** (budget)
Occupancy (Fall)	101%	94%	98%	51%	84%
Revenues	\$46,792,061	\$45,165,802	\$45,167,526	\$34,189,762	\$49,626,912
Expenses	<u>\$27,014,570</u>	<u>\$24,615,242</u>	<u>\$23,136,072</u>	<u>\$15,310,678</u>	<u>\$22,233,169</u>
Net Revenues	\$19,777,491	\$20,550,560	\$22,031,454	\$18,879,084	\$27,393,743
Debt Service	\$13,793,953	\$13,738,224	\$13,712,753	\$15,616,882	\$15,588,401
Debt Service Coverage Ratio (net)	1.43x	1.50x	1.61x	1.21x	1.76x

* Gross Housing System Revenues are pledged; net debt service coverage is shown for informational purposes.

** Federal funding (CARES Act, CRRSA Act, grants) provided the Housing System with revenues of \$9.2 M in FY 2020 and \$5.9 M in FY 2021, included in the figures above.

Federal funding (CARES Act, CRRSA Act) is expected to provide the Housing System with additional revenues of \$7 million in FY 2022, included in the figures above.



Annual Debt Management Report

Rated Bond System Updates – USF Parking System

\$10 M USF Parking System (Aa3/AA/AA-)

- Annual debt service payments = \$2.9 M (FY 2022)

**Credit Ratings Affirmed in
April / May 2021**

Recovery from Pandemic; Maintenance of Reserves

- During call with Rating Agencies, USF committed to support the Parking System
 - \$1.8 M in Federal funding from CARES/CRRSA Act expected in FY 2022
- Revenues declined in FY 2020 and FY 2021 due to pandemic; expected return to pre-pandemic levels in FY 2022
- Expenses managed downward in FY 2021; Increased expenses in FY 2022 for special projects
- Reserves remain strong despite use of \$3 M to support operations in FY 2021
 - \$26 M in reserves (FY 2021) / \$29 M (FY 2020)
- Parking permit sales 42,670 (FY19-20); 21,429 (FY 20-21); 38,000 (FY 21-22)

Parking System	FY 2018	FY 2019	FY 2020	FY 2021 (estimated)	FY 2022 * (budget)
Revenues	\$14,701,120	\$15,111,494	\$13,065,735	\$9,029,899	\$14,240,524
Expenses	<u>\$8,525,803</u>	<u>\$8,327,075</u>	<u>\$8,571,495</u>	<u>\$7,916,704</u>	<u>\$8,961,543</u>
Net Revenues	\$6,175,317	\$6,784,419	\$4,494,240	\$1,113,195	\$5,278,981
Debt Service	\$2,936,320	\$2,936,430	\$2,940,330	\$2,937,910	\$2,929,280
Debt Service Coverage Ratio (net)	2.10x	2.31x	1.53x	0.38x	1.80x

* Federal funding (CARES Act, CRRSA Act) is expected to provide the Parking System with additional revenues of \$1.8 million in FY 2022, included in the figures above.



Annual Debt Management Report

Rated Bond System Updates – USF Marshall Student Center

\$28 M USF Marshall Student Center (Aa3/AA)

- Annual debt service payments = \$2.4 M (FY 2022)

**Credit Ratings Affirmed in
April / May 2021**

Recovery from Pandemic; Maintenance of Reserves

- Revenues declined in FY 2020 and FY 2021 due to pandemic; expected return to pre-pandemic levels in FY 2022
- Expenses managed downward in FY 2020 and FY 2021; continued expense management in FY 2022
- Reserves remain strong despite use of \$3 M to support operations in FY 2021
 - \$15 M in reserves (FY 2021) / \$12 M (FY 2020)

Marshall Center	FY 2018	FY 2019	FY 2020	FY 2021 (estimated)	FY 2022 (budget)
Revenues	\$8,468,829	\$8,408,071	\$7,372,480	\$7,277,616	\$8,550,987
Expenses	<u>\$4,848,866</u>	<u>\$4,716,249</u>	<u>\$4,524,180</u>	<u>\$3,634,617</u>	<u>\$4,834,224</u>
Net Revenues	\$3,619,963	\$3,691,822	\$2,848,300	\$3,642,999	\$3,716,763
Debt Service	\$2,370,445	\$2,355,845	\$2,420,245	\$2,399,895	\$2,399,645
Debt Service Coverage Ratio (net)	1.53x	1.57x	1.18x	1.52x	1.55x



Annual Derivatives Report



Annual Derivatives Report

DERIVATIVES PORTFOLIO

Winding Down Swaps

Prudent Governance – Board of Trustees and Financing Corporation

- Effective BOT Derivatives Policy and Management Practices

Manage Long-Term Cost of Capital

- Hedged Variable Rate Bonds – Provided a Lower Cost of Capital – Requires Active Management
- Matched Maturities of Bonds to Coincide with Maturing Pay-Fixed Interest Rate Swaps
- \$225 M Reduction in Swaps over 13 Years – Capitalized on Maturing Swaps to Refund Bonds
- Winding Down Swap Portfolio – No New Swaps Since 2007
 - 1 Swap Currently Outstanding – \$53 M
 - Will terminate swap and convert bonds to fixed rate when termination value is positive

As of June 30, 2021

Program	Swap Counterparty	Expiration Date	USF Optional Termination Rights	Collateral Posted	Fixed Swap Rate	Total Outstanding
Housing	Royal Bank of Canada	7/1/2037	Yes	\$3.96 M	3.94%	\$53 M
TOTAL USF DSO SWAPS				\$3.96 M	3.94%	\$53 M

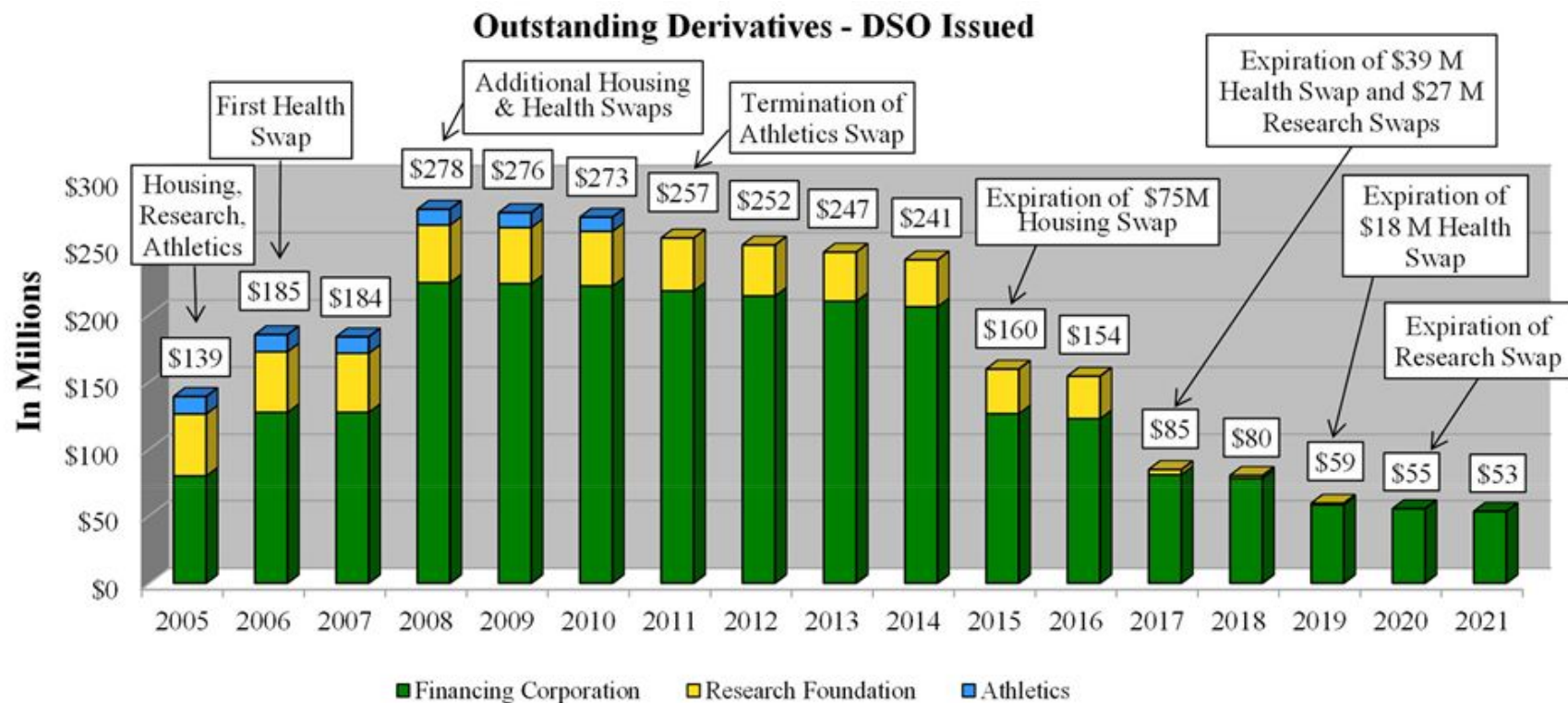


Annual Derivatives Report

DERIVATIVES PORTFOLIO

16-Year Managed Trend

USF Derivatives – \$53 Million (6/30/21)



Agenda Item: IVc

USF Board of Trustees
Finance Committee
August 10, 2021

Issue: Debt Restructuring

Proposed action: Informational

Executive Summary:

The USF Board of Trustees in resolutions adopted in March 2006 and November 2007 authorizing the issuance of debt secured the Series 2013A and 2013B bonds by placing senior liens on all gross patient revenues, rentals and other charges received by the University Medical Services Association (UMSA).

The USF Financing Corporation has outstanding \$29.9 M of tax-exempt Series 2013A bonds issued to finance the construction of the Morsani Center on the Tampa campus and the South Tampa Clinic located on the Tampa General Hospital campus. The USF Financing Corporation also has outstanding \$15.8 M of tax-exempt Series 2013B bonds issued to finance the construction of the Medical Faculty Office Building on the Tampa campus. UMSA master leases and occupies the three facilities.

The Affiliation Agreement between the University and Tampa General Hospital, dated October 1, 2020, clinically integrates operations of UMSA and forms an Academic Medical Center, effective October 1, 2021.

The use of the medical clinics and medical office building will become private business use under IRS rules once operations are transferred to the Academic Medical Center on October 1, 2021. The tax-exempt bonds automatically convert to taxable debt, pursuant to the bond agreements. The proforma FY 2022 increase in debt service due to the conversion to taxable interest rates equals \$358 thousand.

The Series 2013A bonds have an optional prepayment date on July 1, 2026 and the Series 2013B bonds have an optional prepayment date on July 1, 2028 when the bonds can be prepaid or repriced without premium.

Management is negotiating with the two banks holding the Series 2013A and 2013B bonds to modify the increase in interest expense.

Financial Impact:

Interest expense will increase due to the conversion from tax-exempt to taxable rates.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	August 10, 2021
Supporting Documentation Online (<i>please circle</i>):	<input checked="" type="radio"/> Yes <input type="radio"/> No
Prepared by:	Fell L. Stubbs, University Treasurer, (813) 974-3298

USF Financing Corporation**Debt Restructuring**

As of 6/30/2021

CURRENT DEBT STRUCTURE						PROFORMA RESTRUCTURING			CHANGE IN DEBT SERVICE	
Issuer	Debt Series	Facility	Outstanding Balance	Tax-Exempt Interest Rate	Current Annual Debt Service	Federal Corporate Tax Rate	Taxable Interest Rate	Proforma Annual Debt Service	Increase in Debt Service (\$)	Increase in Debt Service (%)
USF Financing Corporation	Refunding Certificates of Participation, Series 2013A (Health)	Morsani and South TGH Clinics	\$29,945,000	2.710%	\$2,516,510	21%	3.430%	\$2,732,227	\$215,717	8.6%
USF Financing Corporation	Refunding Certificates of Participation, Series 2013B (Health)	Medical Faculty Office Building	\$15,795,000	3.390%	\$1,295,451	21%	4.291%	\$1,437,785	\$142,334	11.0%
TOTAL OUTSTANDING DEBT			\$45,740,000	2.945%	\$3,811,961	3.728%		\$4,170,012	\$358,051	9.4%