



Board of Trustees Finance Committee

Tuesday, November 16, 2021

10:00am – 12:00pm

Microsoft Teams Virtual Meeting

Trustees: Michael Griffin, Chair; John Ramil, Vice Chair; Michael Carrere, Shilen Patel, Melissa Seixas, 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 August 10, 2021 Meeting Notes](#) Chair Griffin
 - b. [2022-23 USF Parking System Budget](#) University Treasurer Fell Stubbs
 - c. [Revised St. Petersburg CITF List](#) Regional Vice Chancellor David Everingham
 - d. [Energy Savings Contract and Award to Siemens](#) University Treasurer Fell Stubbs
 - e. [Oracle Cloud HR/Payroll System](#) Vice President/Chief HRO Angela Sklenka
Vice President/CIO Sidney Fernandes
 - f. [Judy Genshaft Honors College Scope Changes](#) Sr. Vice President Jay Stroman
Assoc. Vice President Nick Setteducato
 - g. [MDD Buildout](#) Sr. Vice President & Dean Charles Lockwood
Interim SrVP/COO Rich Sobieray
 - h. [Expenditure Authorization Requests](#) Vice President/CFO Nick Trivunovich
- IV. New Business – Information Items
 - a. [Draft 2021 USF Financial Statements](#) University Controller Jennifer Condon
 - b. [Budget Planning Project](#) Interim SrVP/COO Rich Sobieray
 - c. [Federal Funds Update](#) Vice President/CFO Nick Trivunovich
- V. Adjournment Chair Griffin



**USF Board of Trustees
Finance Committee
NOTES
August 10, 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 11:05am. Chair Griffin asked Kiara Guzzo to call roll. Ms. Guzzo called roll with the following Committee members present: Michael Griffin, Mike Carrere, John Ramil, Will Weatherford, and Chip Newton. A quorum was established.

II. Public Comments Subject to USF Procedure

No requests for public comments were received.

III. New Business – Action Items

a. Approval of May 25, 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 May 25th meeting notes were unanimously approved as submitted by all Committee members present.

b. 2021-22 Operating Budget

Masha Galchenko, Interim Associate Vice President for Resource Management & Analysis, presented the 2021-22 Operating Budget. On June 8, the board approved continuation budget at prior year levels with the understanding that a revised budget would be presented later. The board is now being asked to approve the new 2021-22 Operating Budget for all main sources of funds. Today's presentation will go over the Legislative Session outcomes and impact on our Educational & General (E&G) budget and as well as our preliminary plan for federal funds spending. In reviewing the FY2022 Operating Budget, Ms. Galchenko focused on the major variances from the prior year. Contract & Grants increased 31% in expenditures over the prior year solely due to federal funding associated with unspent CRRSAA (Coronavirus Response and Relief Supplemental Act) and ARPA (American Rescue Plan Act) funds. Technology Fee increased 32.5% in expenditures due to rollover projects that were stalled in the prior year due to COVID. USF's E&G budget had a few wins after this last Legislative session, including the Legislature fully funded our request for \$8.1M for construction of the Judy Genshaft Honors College facility; the Legislature approved the disbursement of \$46M in Capital Improvement Trust Fund (CITF) fee revenue for Florida's public universities, of which USF will receive \$6.5M; and the Legislature set aside \$350M 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 - USF will submit its updated priority list for consideration. Additional impacts included: reduced funding for faculty

positions over \$200K salary amount (\$2.5M); state investment portion of Performance Based Funding (PBF) has been reduced by about \$1.3M; St. Petersburg campus received Citizen Scholar Partnership allocation of \$306K; additional unfunded retirement cost - estimated around \$7M for all campuses; and additional cost associated with waivers for specific programs (uncollected tuition) – amount still to be determined.

Year 1 of the planned recurring reductions (presented to board last winter) have been implemented as of July 1 for Tampa campus University and Academic Support Units (except Library and Police). This does not include the Colleges. These reductions have been reallocated to cover recurring costs without recurring source of funds. USF Health, St. Petersburg and Sarasota-Manatee campuses overall E&G budget was only reduced based on allocation from the state mentioned earlier.

Beyond the original CARES allocation of FY 2020 in the amount of \$34M, USF has received \$58.2M of CRRSAA funds and \$102.3M of ARPA funds. CRRSAA funds are a 70/30 split between institutional portion and student financial aid; ARPA funds are about 50/50. Student financial aid totals about \$69.4M between these two awards and can only be awarded as need-based aid to students. \$16.6M of this was spent in FY 2021 and \$52.8M remains to be spent in FY 2022. The institutional portion of the two awards totals \$91.1M. Allowable expenses include lost revenues due to COVID and expenses directly associated with COVID. Our current plan is 42% for lost revenue recovery, 44% for direct COVID expenses and 14% for overhead charged on the direct expenditures. The biggest pieces of lost revenue recovery will go to Athletics (30%) for lost revenues associated with fees (Athletics fees were waived last summer because we were all remote) and lost revenues associated with their operation; medical faculty practice plan (27%); and housing (19%) – for both Tampa and St. Petersburg. For direct expenses, funds are being set aside for performance bonuses associated with COVID; however, the final plan will need to be approved by the board before proceeding. Also setting aside \$4.7M in contingency to cover new expenses that might come up during the year, since there is a new wave in cases.

President Law thanked Ms. Galchenko for a very good presentation on the operating budget and made the following remarks. On August 5, USF St. Petersburg Campus Advisory Board approved their operating budget with the allocation for the academic affairs budget of \$250K previously allocated to USF Health to support the Pediatrics Residency Program at Johns Hopkins All Children's Hospital in St. Petersburg deleted from the recommendation as it did not have any clear connection or benefit to the St. Petersburg campus. The campus board's recommendation was accepted and President Law committed to finding alternative funds to support the Pediatrics Residency. President Law also committed to the BOT to develop a framework for aligning the costs for shared services across the campuses where it makes operational, programmatic or strategic sense to do so, and will work collaboratively with all USF campuses to develop this proposed framework and will come back to the committee the with a proposal.

Chair Griffin made the following remarks. He thanked Vice President Trivunovich and Ms. Galchenko and their entire team for their good work on the budget. He stated that we were fortunate that the Legislature did release the holdback from the prior year, but we have some needs that we need to address from a structural perspective. There is still some discussion as to the number, but as chair of the Finance Committee, he will continue to work with the relevant stakeholders to address these recurring structural issues. As we will see in the next agenda item, we still need to work to increase the level of support from the state. The use of federal funds is still under discussion to insure we are compliant.

Trustee Carrere noted that federal funds are one-time funds and need to be spent correctly and spent this year. We all need to be comfortable with this. Once these are spent, we will go back to a more standard operating budget. Chair Griffin agreed that we need to get these dollars in use quickly and correctly.

Trustee Boaz asked will there be challenges in getting the federal funds to students. Mr. Trivunovich responded that Financial Aid is working on this but has guidelines to follow. Previous rollout was slow as we had to implement a process to be sure the students had a need, and this took some time; but hope to get ahead of it this fall to the extent that we can. Trustee Boaz asked does the funding for Athletics make them whole or at a level consistent with where they were before the pandemic. Mr. Trivunovich responded that the funding allows us to restore Athletics to where they were last year, where revenues equaled expenses, so this puts them on a better footing.

A motion was made to approve the USF FY 2021-22 Operating Budget as presented and 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; with the understanding (per President Law) that a framework will be developed collaboratively with the branch campuses for sharing costs where it makes sense and is appropriate, and this framework will be brought back to this committee. The motion was seconded and approved by all Committee members present.

c. Legislative Budget Request (LBR)

1. USF LBR

Mark Walsh, Assistant Vice President, presented the 2022-23 USF Legislative Budget Request (LBR). The BOG submits the official LBR for the SUS to the Legislature. The BOG sets guidelines of what they would like the universities to request. These guidelines are based on a 3-pillar system: 1) preeminence and national rankings (for the three institutions designated preeminent, including USF); 2) the universities of distinction program (for the other nine universities); and 3) performance-based funding increase (for all 12 universities). The BOG allows each institution to make its request within those parameters. The USF LBR has been submitted (deadline was July 12), but requires BOT approval. Given the truncated timeline with the Legislature starting early, most if not all of the universities have done this same thing – submitted on time, pending BOT approval as noted on the request. This LBR is very similar to what the board approved last year. What is different is the state of Florida's economy. USF is requesting a \$50M recurring increase in base funding of all of USF across all campuses to be used to achieve our top goals of becoming a top 25-ranked public university, in *U.S. News & World Report's* (USN&WR) annual rankings of national universities, and AAU eligibility. Mr. Walsh reviewed the details and specific investments of the request, which is primarily to retain current high performing faculty and to add and hire a net increase of 175 additional new faculty across all campuses and an additional 25 support staff to assist those new faculty. He also reviewed USN&WR's metrics for their rankings, as this is our path to the Top 25. USN&WR used 18 metrics to calculate their 2021 rankings and each of those 18 metric inputs are documented in the LBR. The documentation outlines USF's current performance on each metric versus the current average performance of all 36

public AAU institutions. For 10 of these 18 metric inputs, USF is already today either at, ahead of, or very complete with the average achievement level of the AAUs that are public. In the other 8 metrics, the common theme is a deficit of financial resources available to USF that are not a deficit at the AAU public institutions. For instance, the average spending per student at a public AAU institution is nearly double USF's current spending. Financial resources are where USF is behind its AAU peer institutions, making this \$50M request an investment so critical to USF's ability to reach the Top 25.

Mr. Walsh again noted that although this LBR is very similar to what the board approved last year, what is markedly different is the state of Florida's economy and the capacity and ability of the Legislature to fulfill a request like this.

A motion was made to: approve the 2022-2023 updated Legislative Budget Request (LBR) for \$50,020,903 per BOG Request; and authorize the President (or their designee), in consultation with the Board Chair, to make necessary adjustments to the LBR. The motion was seconded and approved by all Committee members present.

2. FIO LBR

Monty Graham, FIO Director, presented the Florida Institute of Oceanography (FIO) Academic Infrastructure Support Organization (AISO) 2022-2023 Legislative Budget Request in the amount of \$2.5M recurring. This is a tag on to the FIO AISO renewal process that was presented earlier at the ACE meeting. FIO is an SUS-wide institution hosted by USF. Consistent with the BOG regulation, any legislative requests by the AISO require consideration and approval by the Board of Trustees of the host institution or its designee. The LBR fulfills the mission and goals of FIO. The purpose of this LBR plan is to accommodate an emergent and critical need for FIO research vessels, Keys Marine Laboratory (KML), and scientific equipment use support directed to the SUS (System-wide) marine science community. This is an expensive business. The research vessels have a daily operating cost of about \$13K. FIO consists of four divisional structures: operations, education support, research support, and business engagement. The focus of the LBR is on operations, which ties into education, research and business engagement. In 2017, FIO had a recurring \$1.3M LBR that was vetoed. This is not a replacement of the that LBR. When FIO lost these recurring funds, it then had to take funds that it could from its E&G operating to subsidize and support all the SUS members. The total operating budget for the vessels and KML is \$3.5M. The burden is on FIO to raise that as revenue. FIO subsidizes as much as it can, but this is only about 24% of operating costs of vessels and KML. The other 76% has to come by working outside the FIO envelope; FIO is chasing dollars. The vessels go where the vessels can get work and often the vessels are placed in areas where we cannot meet the mission of FIO and of the SUS membership. This LBR is to try to bring this 24% up to 2/3 or 66%. That's the target to allow FIO to plan years ahead and meet academic schedules. Expected outcomes and return on investment are: 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; and triple the scholarly output (teaching and research) of SUS members.

A motion was made to approve the 2022-2023 Legislative Budget Request (LBR) for FIO. The motion was seconded and approved by all Committee members present.

d. Expenditure Authorization Requests

Nick Trivunovich, Vice President for Business & Finance and CFO, presented three expenditure authorization requests for approval by the Finance Committee, two are related to USF Housing operations and one is an important maintenance contract for the University.

○ **JPH Chiller Replacement Project - \$3,022,198**

Chiller replacement project for Juniper and Popular Residence Halls. These residence halls were put into service in 2009. The life expectancy for these air cool chillers is 10-15 years. Still producing the correct temperatures in these chillers, but Housing is planning for a replacement before failure. In addition, we expect that efficiency will be improved. This project will be done in two phases, with the first expected to be completed in the summer 2022, pending this approval. The first phase is to replace two chillers and to provide mobile chiller connectivity; the second phase will replace a final chiller.

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

○ **Magnolia Forced Air Project - \$2,511,050**

Replace current gravity fed air circulation in Magnolia Residence Halls with a forced air unit. This replacement will primarily impact the common areas in the Magnolia Residence Halls. This is as a result of an assessment by our Environmental Health & Safety area that showed a need to improve the air circulation in these areas.

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

○ **USF Elevator Maintenance Contracts - \$3,105,110**

Renew USF's elevator maintenance contracts on the Tampa and St. Petersburg campuses for a period of three (3) base years with a potential for two (2) one-year renewals. Current contracts expire at the beginning of November. Currently finalizing our competitive procurement process with an assessment of who provides the best combination of price and quality of service. Once finalized, will engage final negotiations with the selected vendor.

Chair Griffin is glad to see this item early and stressed the importance of getting these expenditure items to the Finance Committee as early as possible. Still need to continue to find ways to get some of these larger spends, particularly around critical items, to the committee early and not at the last minute, in the event that there are issues that may cause a delay. He is happy with the progress being made on this issue.

Trustee Carrere asked what is the current cost to provide these elevator services. Interim Vice President Christopher Duffy explained that the cost is about a half million dollars per year and the current estimates that are coming in are about \$10K less than we are currently paying per year.

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

e. USF Health Asset Purchase/Lease Agreement

Rich Sobieray, USF Health CFO, presented the USF Health Asset Purchase/Lease Agreement. USF Health is in the process of integrating the medical groups between Tampa General Hospital (TGH) and USF. Part of this are two assets that USF owns - the ambulatory surgery center (ASC) and the two imaging centers. Currently working to value these assets. ASC loses the Practice Plan about \$3.5M a year. The solution is to integrate the ASC within the TGH ASC structure through asset purchase agreement as well as a lease. Asset purchase price is between \$2.5M-\$3M. Lease will be base rent at fair market value. 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 is November 1, 2021. The Imaging Centers at Morsani and South Tampa Clinic lose the Practice Plan about \$500K-\$700K per year. The solution is the same – integrate the Imaging Centers within the TGH/Tower Imaging structure through asset purchase agreement as well as a lease. Asset purchase price is \$1.277M. Lease is base rent at fair market value. 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 is October 1, 2021. Operating profit of the Practice Plan would go from \$24M to \$28M as a result of these transactions. Impact of \$4M cash to bottom line (independent of federal funds).

A motion was made to authorize the 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 presentation. The motion was seconded and approved by all Committee members present.

f. Indoor Performance Facility Project Approval

Nick Setteducato, Interim Vice President and COO, presented the Indoor Performance Facility Project for approval. Phase I of Athletics Facilities Project includes the Lee Roy Selmon Athletics Center (LRS) renovation (which is complete and is in use) and the Indoor Performance Facility (IPF). The IPF 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, and one that our athletics and coaches deserve. This will be an 88,600 square foot state-of-the-art facility. 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 facility. The expected start date of the project is September 2021 with the intent of opening in the summer of 2022. A Guaranteed Maximum Price (GMP) has been negotiated allowing this project to stay within the \$22.08 million budget established.

Jay Stroman, Senior Vice President of Advancement, gave a fundraising update on Phase I. The total Phase I goal is \$25.38M. This consists of \$3.3M for the LRS Enhancements and \$22.08M for IPF. \$19.8M has been raised to date towards Phase I and \$5.6M remains to be raised. The Foundation stands ready to loan against this project once all commitments are secured. Cash flowing this project will not be a problem.

Michael Kelly, Vice President of Athletics, explained the strategic importance of the IPF project. Facilities are important to program success. This facility will not only benefit football, but will be a strength and asset to our entire athletic program as well as to the University as a multi-use facility. The timing of this project is very important due to a few things that are going on right now: college football playoff (CFP) expansion discussions, conference realignment discussions, and NCAA structure review. This facility will position USF for the future and will provide opportunities. This is important for our evolution and the role Athletics plays at USF.

Chair Weatherford is very grateful to have Mr. Kelly here during these uncertain times in Collegiate Athletics. Mr. Kelly's experience and command of the changes that could happen as well as our ability to position ourselves in those changes is greatly appreciated. He further stated that we need these types of assets on campus in order to compete and recruit with the best; this facility is a great first step and there is more to do.

A motion was made to authorize the expenditure of funds in the amount of \$22,080,000 for construction of an Indoor Performance Center for USF Athletics, at the scope presented, 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. Trustee Ramil stressed that the motion is for the budget and scope that is tied to that budget. He does not want to see a reduction in scope to meet the approved budget. Mr. Setteducato confirmed and stated the GMP will be in our hands later this week and pricing will be good for 30 days. GMP will address scope as previously provided and within the budget. Gerard Solis, General Counsel, confirmed that the price is set, no change in scope. The motion was seconded and approved by all Committee members present.

IV. New Business – Information Items

a. 2021-22-Fixed Capital Outlay Budget

Mr. Trivunovich gave a preview of the USF Fixed Capital Outlay (FCO) Project budgets across all campuses of USF. The actual USF FCO budget will be presented for approval at the August 24, 2021 full Board meeting and is due to the BOG no later than October 1, 2021. This is an annual submission. The proposed project list includes all Campus locations; projected projects contingent on funds availability; and assumptions regarding awarding of state deferred maintenance pool (ARP funding subject to BOG and Governor's Office approval). E&G Carryforward funded projects will be reconciled to the E&G Carryforward Budget which will also be presented for approval on 8/24. The largest source of funds for capital projects is E&G carryforward which is the primary support for academic buildings. The preliminary budget includes 138 projects and totals \$87.4M. Mr. Trivunovich presented detail for the projects \$1M or greater. All projects \$1M and over are still required to go through the USF expenditure policy which requires approval of the President and the BOT Finance Committee Chair for expenditures between \$1M - \$2M and full Finance Committee approval for expenditures over \$2M. Mr. Trivunovich highlighted the ESCO project on this list. This is an energy savings contract which is a financing mechanism used to improve our infrastructure in our central utility plant, for items such as boilers, chillers, etc. The cost listed is the initial cost and we are currently working with our partner to validate the appropriate cost on this project based on additional work that has been done by our partner.

This is a critical issue for the University based on the age and condition of our utility infrastructure and will be brought back to the board for its approval.

b. Annual Finance Policy Reports

The Annual Finance Policy Report is required by the three BOT Finance Policies (Investment, Debt Management, Derivatives). The Policies were adopted in 2006, and apply to the University and the Direct Support Organizations (DSOs). The policies are regularly reviewed and amended. Fell Stubbs, University Treasurer, presented highlights of the results of the management of USF's Investment, Debt, and Derivatives Portfolios.

1) Investment

USF has 10 investment portfolios. All portfolios are governed by an investment committee. All portfolios are in compliance with the BOT Investment Policy. As of March 31, the combined portfolios reached a record total of \$1.6B. Managing the University portfolio during the pandemic was challenging. USF moved swiftly and decisively to protect the portfolio. In March 2020, we made the decision to exit our equity positions and retreat to high-quality, short-duration bonds. Once the markets had clearly stabilized, we returned to equities in a disciplined manner. One of the key objectives for management of the University portfolio is achieving a positive return even when market equities are down. For example, FYs 2020, 2016, 2015, 2012, 2009 and 2008. This objective is achieved through the portfolio structure, keeping exposure to volatile equities low, and through active management of the portfolio.

2) Debt Management

USF's credit ratings were affirmed in April/May 2021 (Moody's affirmed USF's "Aa2/Stable" Rating on 5/12/21 and S&P affirmed USF's "AA/Stable" Rating on 4/29/21).

Within the debt portfolio, there are three bonds rated by Moody's and S&P – Housing, Parking, and Marshall Student Center. The largest is the USF Housing System (\$191M in total outstanding bonds). Mr. Stubbs noted the well managed recovery in occupancy, maintenance of reserves and fulfillment of a \$7M funding commitment by USF to the rating agencies. The USF Parking System is also expecting a recovery in revenues, parking permits, debt service coverage ratios, maintenance of reserves and fulfillment of a \$1.8M funding commitment by USF to the rating agencies. The USF Marshall Student Center remains a well-managed, very strong credit at Aa3/AA.

3) Derivatives

The BOT Derivatives Policy governs all derivatives. We have had no new swaps since 2007 and we are winding down the swap portfolio. We have one swap currently outstanding for \$53M. This swap is performing well and has since inception. Looking to exit the remaining swap; will terminate the swap and convert the hedged bonds to a fixed rate when the swap termination value is positive.

Chair Griffin stated that the recovery in Housing within the last 12 months is very promising. We want to get back into upper 90s occupancy levels. Keeping a close eye on this and watching where it ends up. He wants the Finance Committee to be briefed on occupancy

shortly after the start of Fall classes. Mr. Stubbs noted that occupancy continues to climb and is now at 91% for fall semester. Chair Griffin said he was pleased to hear this.

c. Debt Restructuring

Mr. Stubbs stated that this item is related to the item presented by Rich Sobieray on the USF Health Asset Purchase/Lease Agreement with TGH. Mr. Stubbs explained the automatic conversion of the bonds tax-exempt interest rates to taxable rates in support of the USF/TGH affiliation agreement. The affiliation agreement with USF and TGH creating the Academic Medical Center clinically integrates operations of UMSA and TGH on October 1. The transfer of UMSA employees to TGH and the leasing of the space as described previously creates private use under IRS rules and automatically converts the tax-exempt interest rates to taxable rates on the two series of bonds that we used to finance the construction of the Morsani Center on the Tampa campus and the South Tampa Clinic on the TGH campus and the Medical Office Building on the Tampa campus. The proforma increase in annual interest expense is \$358K. Management is negotiating with the two banks that hold the bonds to modify the increase in interest expense.

V. Adjournment

Having no further business, the Finance Committee meeting was adjourned at 12:35pm.

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

December 7, 2021

Issue: University Auxiliary Facilities with Outstanding Revenue Bonds**Proposed action:** Approve Operating Budget for USF Parking Facilities Revenue Bonds, Series 2016A**Executive Summary:**

Board of Governors Regulation 9.008 "University Auxiliary Facilities with Outstanding Revenue Bonds," amended June 22, 2017, requires universities with outstanding auxiliary revenue bonds, issued by the Florida Division of Bond Finance, to annually submit a detailed operating budget to the Board of Governors at least ninety (90) days before the beginning of the fiscal year. The USF Parking Facilities Revenue Bonds, Series 2016A, are the only USF bonds subject to this requirement.

BOG Regulation 9.008 also states that the operating budget for University Auxiliary Facilities must be approved by the Board of Trustees before submitting to the Board of Governors. The Operating Budget for the USF Parking Facilities Revenue Bonds is due to the Board of Governors in February 2022 for the fiscal period 2022-2023.

Financial Impact:

The FY 2022-2023 Operating Budget for the USF Parking Facilities Revenue Bonds reflects increased revenue in FY 2021-2022, primarily due to the \$1.825 million of federal funds (CRRSAA) provided to cover lost revenues in FY 2020-21 related to the pandemic. FY 2022-2023 operations are still affected by a modest recovery in permits/decals revenue. The estimated FY 2021-2022 unrestricted funds of \$15M provide support for AA credit ratings. A voluntary disclosure was recently provided to bondholders and rating agencies describing current operating conditions.

Strategic Goal(s) Item Supports:**BOT Committee Review Date:****Supporting Documentation Online (please circle):****Goal 4: Sound Financial Management****Finance Committee - November 16, 2021****No**

USF Parking Revenue Bonds, Series 2016A – Income and Expenditure Statement (Operating Budget)

Prepared by:**Fell L. Stubbs, University Treasurer, (813) 974-3298**

INCOME AND EXPENDITURE STATEMENT				
UNIVERSITY : University of South Florida				
BOND TITLE : Parking Revenue Bonds: Series 2016A				
AUXILIARY FACILITY (IES) : Parking Garages 1,2,3, & 4				
	2020-21 Actual	2021-22 Estimated	2022-23 Projected	
1. REVENUE CARRIED FORWARD				
A. Operating Cash Carried Forward:				
Liquid	17,368,952	13,785,727	15,138,609	
Investments	0	0	0	
Subtotal:	17,368,952	13,785,727	15,138,609	
B. Replacement Reserve Forward:				
Debt Service Reserve	26,267	26,133	24,133	
Maintenance & Equipment Reserve	3,342,781	3,342,781	3,474,101	
General Reserve	8,585,757	8,629,111	8,623,661	
Subtotal:	11,954,805	11,998,025	12,121,895	
TOTAL CARRIED FORWARD (A +B):	29,323,757	25,783,752	27,260,504	
2. CURRENT YEAR REVENUE / INFLOWS				
* Revenue Permit/Decal/Other	5,497,205	8,392,149	8,700,000	
* Revenue- Transportation Access Fee	3,247,664	3,248,024	3,200,000	
Interest Income	69,476	55,143	60,554	
Other Income / Inflows	0	1,825,000	0	
TOTAL CURRENT YEAR REVENUE:	8,814,345	13,520,316	11,960,554	
3. SUMMARY OF AVAILABLE REVENUES (1 +2):	38,138,102	39,304,068	39,221,058	
4. CURRENT YEAR EXPENDITURES / OUTFLOWS				
Salaries and Matching	3,879,599	3,691,484	3,765,314	
Other Personal Services	298,368	350,000	350,000	
Operating Expense	3,668,365	3,853,856	3,907,286	
Repairs and Maintenance	0	0	0	
Debt Service	2,937,910	2,929,280	2,934,550	
Repair and Replacement Expense	0	0	0	
Operating Capital Outlay	771,683	327,000	800,000	
Other Outflows & Transfers Out	841,645	884,494	938,517	
TOTAL EXPENDITURES:	12,397,570	12,036,114	12,695,667	
5. TRANSFERS TO REPLACEMENT RESERVES				
Debt Service Reserve	0	0	0	
Maintenance & Equipment Reserve	0	131,320	135,000	
General Reserve	0	0	0	
Subtotal:	0	131,320	135,000	
6. TRANSFERS FROM REPLACEMENT RESERVES				
Debt Service Reserve	134	2,000	2,000	
Maintenance & Equipment Reserve	0	0	0	
General Reserve	9,672	100,307	94,896	
Subtotal:	9,806	102,307	96,896	
7. ENDING REPLACEMENT RESERVES (1B +5 -6)				
Debt Service Reserve	26,133	24,133	22,133	
Maintenance & Equipment Reserve	3,342,781	3,474,101	3,609,101	
General Reserve	8,576,085	8,528,804	8,528,765	
Interest Earned on Reserve Balances	53,026	94,857	89,446	
Subtotal:	11,998,025	12,121,895	12,249,445	
8. ENDING OPERATING CASH (1A +2 -4 -5)	13,785,727	15,138,609	14,268,496	
9. SUMMARY OF ENDING REVENUES (7 +8)	25,783,752	27,260,504	26,517,941	

*** REQUIRED INFORMATION ***

Date budget approved by University Board of Trustees :

December 3, 2019

December 8, 2020

December 7, 2021

Prepared By : Raymond Mensah

Telephone : 813-974-0672

* Revenue as outlined in the Bond Covenants to support the debt servicing of the bonds.

Page 2

**UNIVERSITY AXILIARY FACILITIES
NARRATIVE SUPPLEMENT TO INCOME AND EXPENDITURE STATEMENT
TO BE PROVIDED TO BOARD OF GOVERNORS MEMBERS**

1. Do the pledged revenues reported contain any overhead assessments ? If yes, please explain.

No. The pledge revenues reported do not contain overhead assessments.

2. Do pledged revenues or expenditures change year over year 10% or more ? If yes, please explain.

Yes, total revenues are expected to increase by more than 10% from FY 2020-21 to FY 2021-22.

The estimated increase in Permit/Decal/Other revenues in FY 2021-22 reflects the post-pandemic return of students and employees to campus.

FY 2021-22 Other Income/Inflows includes \$1.825M of CRRSAA funds provided to cover lost revenues from FY 2019-20 and FY 2020-21 due to the pandemic.

Projected revenues for FY 2022-23 reflect a modest recovery in Permit/Decal sales.

3. Please explain amounts categorized as "other".

Expenditures "Other Outflows & Transfers Out" reflect University overhead assessment expense.

FY 2021-22 Other Income/Inflows includes \$1.825M of CRRSAA funds provided to cover lost revenues from FY 2019-20 and FY 2020-21 due to the pandemic.

4. Add lines as needed for additional university comments. This information will be shared with Board of Governors members.

Agenda Item: IIIc

USF Board of Trustees
December 7, 2021

Issue: Revised St. Petersburg campus Capital Improvement Trust Fund projects

Proposed action: Approve CITF projects for the St. Petersburg campus

Executive Summary: At its May 25, 2021 meeting, the USF Board of Trustees Finance Committee approved the preliminary list of USF's CITF-funded projects. The St. Petersburg campus has recently revised its list of projects, one of which is funded through several years of banked CITF funds. The campus student government, campus leadership and its campus advisory board all recommend and support their revised project list.

Therefore, the request is to approve the revised CITF project list for the St. Petersburg campus to amend the university's overall CITF project list.

Strategic Goal(s) Item Supports: Strategic Goal #4 - Sound Financial Management
BOT Committee Review Date: Finance Committee - November 16, 2021
Supporting Documentation Online (please circle): Yes **No**
Prepared by: David Everingham, Regional Vice Chancellor

Capital Improvement Trust Fund Projects

ST. PETERSBURG CAMPUS

David Everingham | November 16, 2021



Capital Improvement Trust Fund (CITF): St. Petersburg Campus

- Co-Curricular & Wellness Facilities
 - \$2,055,429 Total CITF Budget
 - 100% Funded as of FY21
 - Revised Project Selection (Pending BOT Approval)
- Student Center Remodel
 - \$1,500,000 Total CITF Budget
 - 59% Funded as of FY22
 - Remaining Request Included in 5-Year Capital Improvement Plan

Capital Improvement Trust Fund (CITF): St. Petersburg Campus

- Co-Curricular & Wellness Facilities Project Highlights
 - Replace Dilapidated 84-Year-Old Swimming Pool (1937)
 - Prohibitive Repairs and Maintenance Costs
 - Relocate to Pelican Apartments & Student Life Center
 - Improve Accessibility: Proximity to Fitness Center and Housing
 - Enhance Student Wellness, Life and Engagement
 - Advocated by Student Government & Student Success as Top Priority
 - Recommended by St. Petersburg Campus Board
 - Estimated Completion: Spring 2023

Agenda item: IIId

USF Board of Trustees

December 7, 2021

Issue: Energy Savings Contract and Award to Siemens

Proposed action: Award Energy Performance Contract Agreement to Siemens Industry, Inc.

Executive Summary:

The Central Plant on the Tampa campus was built in 1960 and major heating and cooling systems and components have failed or are at the end of their useful life. These systems need to be modernized to provide reliable heating and air conditioning to research and academic buildings, residence halls and other facilities.

Florida Statutes 255.05 and 1013.23 provide the means to contract with a licensed energy performance contractor to acquire, construct and install energy savings equipment to reduce the University's energy costs and to finance the costs of the project.

The University conducted an ITN process to secure the services of an energy service company to provide design, engineering and construction services to improve and modernize the Central Plant. On March 24, 2021, Siemens Industry, Inc. was notified of an intent to award. On June 2, 2021, the Board of Trustees approved energy savings performance contract methodology and an energy services company to provide an investment grade audit of the Central Plant. USF subsequently selected Siemens Industry, Inc. to perform a feasibility assessment of the facilities to determine that there is sufficient scope for the implementation of an energy performance contracting project at the Central Plant. Siemens is now performing an investment grade audit and related design services for the project to determine the costs associated with the energy conservation measures and the amount of the energy cost savings.

Siemens provided a scope of work to renew the Tampa campus heating system, consisting of the installation of 5 boilers and 2 heat exchangers, associated mechanical, electrical, piping and general contracting work, base lighting, northwest plant optimization / demand flow, construction commissioning, design and engineering, to meet 95.5% of the campus base heating load, with a current estimated cost of \$9.4 million and a not-to-exceed cost of \$9.9 million.

Siemens' energy performance contract agreement for the heating system upgrades to the Central Plant will guarantee energy savings to the University of approximately \$15.6 million over 20 years, which is guaranteed to exceed the costs of the heating system project and the costs of the financing. The Siemens contract will also provide a guaranteed maximum price and a 100% public construction bond.

USF conducted a competitive RFP process for lease purchase financing for the Central Plant upgrades and received 7 proposals. The University's financing payments are subject to annual budget appropriations.

The University expects to complete negotiations of the Performance Contract Agreement with Siemens in the next 1-2 months and select and negotiate the financing for the energy savings project in the next month.

Financial Impact:

The energy savings project with Siemens is expected to produce a reduction in University energy costs of \$15.6 million, which will exceed the acquisition, construction, installation and financing costs of the project.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
Committee Review Date:	Finance Committee - November 16, 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

**A RESOLUTION OF THE UNIVERSITY OF SOUTH FLORIDA
BOARD OF TRUSTEES AUTHORIZING THE ACQUISITION
AND INSTALLATION OF CERTAIN ENERGY
CONSERVATION IMPROVEMENTS AND THE LEASE
PURCHASE FINANCING OF SUCH ENERGY
CONSERVATION IMPROVEMENTS; AUTHORIZING THE
EXECUTION AND DELIVERY OF A PERFORMANCE
CONTRACT AGREEMENT FOR MANAGEMENT AND
ENERGY EFFICIENCY SERVICES; A MASTER EQUIPMENT
LEASE/PURCHASE AGREEMENT, ONE OR MORE LEASING
SCHEDULES, AND RELATED INSTRUMENTS;
DETERMINING OTHER MATTERS IN CONNECTION
THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, following a competitive selection process, the University of South Florida Board of Trustees (the "Board of Trustees"), as the governing board of the University of South Florida (the "University"), authorized University staff to negotiate with Siemens Industry, Inc. (the "Energy Performance Contractor"), to enter into an energy performance based contract; and

WHEREAS, the Board of Trustees desires to enter into a performance contract agreement with the Energy Performance Contractor (the "Energy Performance Based Contract"), which includes a scope of work for approximately \$9,400,000 and in any event not to exceed \$9,920,000 in energy conservation measures; and

WHEREAS, the Board of Trustees desires to provide authority to finance the costs of implementing the Energy Performance Based Contract, including the acquisition, construction, and installation of certain water and energy conservation measures (collectively, the "Equipment"), as more fully described in the form of Energy Performance Based Contract; and

WHEREAS, the Equipment is essential for the University to perform its governmental functions; and

WHEREAS, the University has received seven proposals in response to a competitive selection process for the lease purchase financing for the financing of the acquisition, construction, and installation of the Equipment, and such University will select the proposal containing the terms most advantageous to the University; and

WHEREAS, the financing will be provided pursuant to a master equipment lease/purchase agreement by and between the Board of Trustees and the selected financial institution (the "Lease Agreement") the proceeds of which will be deposited with the Escrow Agent named in the Financing Documents and applied to the acquisition, construction, and installation of the Equipment in accordance with the terms thereof; and

WHEREAS, the Board of Trustees has taken the necessary steps to arrange for the energy performance based contracting for the Equipment, including but not limited to: (i) publishing notice of the meeting in which the Board of Trustees is awarding the Energy Performance Based Contract, the names of the parties to the Energy Performance Based Contract, and the purpose of the Energy Performance Based Contract, (ii) obtaining a report signed and sealed by a registered professional engineer disclosing all costs associated with the Equipment and providing an estimate of the amount of energy cost savings (the "Report"), (iii) finding the amount the Board of Trustees will spend on the Equipment recommended in the Report will not exceed the amount to be saved in energy and operation costs over 20 years from the date of installation, based on life-cycle costing calculations, if the recommendation in the Report were followed and if the Energy Performance Contractor provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system, and (iv) receiving a 100-percent public construction bond from the Energy Performance Contractor for its faithful performance as required by Section 255.05, Florida Statutes; and

WHEREAS, all obligations of the Board of Trustees under the Lease Agreement shall be payable solely from legally available revenues of the Board of Trustees lawfully appropriated in each fiscal year, and the obligation of the Board of Trustees to continue such Lease Agreement for each fiscal year shall be subject to appropriation of legally available non-ad valorem revenues for the payment of obligations under the Lease Agreement in such fiscal year; and

WHEREAS, the Board of Trustees now desires to (i) authorize and approve entering into the Energy Performance Based Contract with the Energy Performance Based Contractor (ii) authorize and approve financing the cost of the Equipment, (iii) and delegating to the President, or in the President's absence the President's designee, the authority to finalize negotiations with the Energy Performance Contractor and the Lessor including the form of the Lease Agreement, one or more leasing schedules to the Lease Agreement, any additional exhibits attached to the Lease Agreement, an escrow agreement and any other related documents (collectively, the "Financing Documents"), (ii) authorize the execution and delivery of the Financing Documents, and (iii) provide additional authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE UNIVERSITY OF SOUTH FLORIDA BOARD OF TRUSTEES:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the laws of the State of Florida, Section 1013.23 Florida Statutes, as amended, and other provisions of law.

SECTION 2. FINDINGS. It is hereby found, ascertained, determined and declared that:

A. The WHEREAS clauses recited above are hereby incorporated herein as a part of this Resolution.

B. The University is a duly constituted and validly existing State University institution and its Board of Trustees is a body corporate under the laws of the State of Florida pursuant to Sections 1000.21(6)(d) and 1001.72, Florida Statutes, each as amended.

C. The Board of Trustees is authorized pursuant to the provisions of the Section 1013.23, Florida Statutes, to borrow moneys to finance the acquisition, construction, and installation of the Equipment.

D. The amount the Board of Trustees would spend on the acquisition, construction, and installation of the Equipment to be verified by the Report will not exceed the amount to be saved in energy and operation costs over 20 years from the date of installation, based on life-cycle costing calculations, if the recommendation in the Report were followed.

E. The Energy Performance Contractor is providing a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system.

SECTION 3. AUTHORIZATION OF THE ENERGY PERFORMANCE BASED CONTRACT; AUTHORIZATION OF FINANCING AND FINANCING DOCUMENTS.

A. The acquisition, construction, and installation of the Equipment under the terms and conditions of the Energy Performance Based Contract to be entered into with the Energy Performance Contractor is hereby approved. The President, or in the President's absence the President's designee, is hereby authorized to execute and deliver the Energy Performance Based Contract with an aggregate purchase price of approximately \$9,400,000 and in any event not to exceed \$9,920,000 in substantially in a form acceptable to the Board of Trustees, with such changes, amendments, modifications, deletions, and additions as may be approved by the President, or in the President's absence the President's designee, upon the advice of Bryant Miller Olive, P.A., special counsel to the Board of Trustees and the general counsel to the Board of Trustees delivery thereof to be conclusive evidence of such approval.

B. The financing of the Equipment under the terms and conditions of the Financing Documents to be entered into with the Lessor is hereby approved.

C. The President, or in the President's absence the President's designee, is hereby authorized to execute and deliver the Financing Documents provided the Financing Documents provide for financing of approximately \$9,400,000 and in any event not to exceed \$9,920,000 for a term of not to exceed 20 years, at an interest rate not to exceed 3.00% per annum. The Financing Documents shall provide for payments of not less than one-twentieth of the price to be paid within two years from the date of the complete installation and acceptance by the Board of Trustees of the Equipment, and the remaining costs to be paid quarterly, not to exceed a 20-year term based on life-cycle costing calculations. The Financing Documents shall contain all provisions required by, and otherwise comply with, Section 1013.23, Florida Statutes.

D. The Board of Trustees authorizes the execution and delivery, on behalf of the Board of Trustees, by the President, or in the President's absence the President's designee, under the

seal of the Board of Trustees, attested by the Secretary of the Board of Trustees, the Financing Documents. The Financing Documents shall be in the form acceptable to the President, or in the President's absence the President's designee, upon the advice of Bryant Miller Olive, P.A., special counsel to the Board of Trustees and the general counsel to the Board of Trustees, with such changes, amendments, modifications, deletions, and additions as may be approved by the President, delivery thereof to be conclusive evidence of such approval. Prior to the execution and delivery of the Financing Documents, the Board of Trustees shall receive a Disclosure Letter from the Lessor containing the information required by Section 218.385, Florida Statutes and comply with the provisions of paragraph C. above.

E. Because of the unique characteristics of financing energy performance based contracts, the current volatility of the credit markets, and the fact that the Lease Agreement is not expected to be rated or insured, it is in the best interests of the Board of Trustees to enter into the Financing Documents with the Lessor pursuant to a negotiated placement.

SECTION 4. INSTALLMENT PAYMENTS; LIMITED OBLIGATION. The Board of Trustees promises that it will promptly pay installment payments, consisting of principal and interest components, as described in the Financing Documents, and all other amounts due under the Financing Documents at the place, on the dates, and in the manner provided in the Financing Documents according to the true intent and meaning hereof and thereof. Amounts due under the Financing Documents shall be payable solely from legally available non-ad valorem revenues of the Board of Trustees lawfully appropriated in each fiscal year, and the obligation of the Board of Trustees to continue such Lease Agreement for each fiscal year shall be subject to appropriation of legally available non-ad valorem revenues for the payment of obligations under the Lease Agreement in such fiscal year, all in accordance with the terms hereof and of the Lease Agreement. The Lessor shall never be entitled to payment of the installment payments from any funds of the Board of Trustees except from legally available non-ad valorem revenues of the Board of Trustees lawfully appropriated in each fiscal year, as described herein and in the Lease Agreement. The Lease Agreement does not and will not constitute a debt, liability, or obligation of the State of Florida or the Board of Trustees, or a pledge of the faith and credit of the State or the Board of Trustees.

SECTION 5. USE OF PROCEEDS. The proceeds of the lease purchase financing shall be used to finance the acquisition, construction, installation, and financing of the Equipment.

SECTION 6. GENERAL AUTHORIZATION. The Chair and the Secretary of the Board of Trustees and the President are each designated as agents of the Board of Trustees in connection with the making of the lease purchase and entering into the Financing Documents and the Energy Performance Based Contract and are authorized and empowered, collectively or individually, to take all actions and steps and to execute all instruments, documents, and contracts on behalf of the Board of Trustees that are necessary or desirable in connection with the execution and delivery of the Financing Documents and the Energy Performance Based Contract, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 7. PREREQUISITES PERFORMED. The Board of Trustees has performed all acts, conditions, and things relating to the passage of this Resolution as are required by the laws of the State of Florida.

SECTION 8. SEVERABILITY. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 9. APPLICABLE PROVISIONS OF LAW. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 10. RULES OF INTERPRETATION. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinafter," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word are used.

SECTION 11. CAPTIONS. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

SECTION 12. MEMBERS OF THE BOARD OF TRUSTEES EXEMPT FROM PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement of this Resolution, the Financing Documents, the Energy Performance Based Contract or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the Board of Trustees, as such, past, present or future, either directly or through the University it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the members of the Board of Trustees, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution, the Financing Documents, the Energy Performance Based Contract or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such member of the Board of Trustees, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution, the Financing Documents, the Energy Performance Based Contract, on the part of the Board of Trustees.

SECTION 13. REPEALER. All resolutions or parts thereof in conflict herewith, if any, are hereby repealed.

SECTION 14. NO THIRD PARTY BENEFICIARIES. Except such other persons as may be expressly described in this Resolution, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, other than the Board of Trustees and the Lessor, any right, remedy or claim, legal or equitable, under and by reason of this

Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Board of Trustees and the Lessor.

SECTION 15. EFFECTIVE DATE. The provisions of this Resolution shall take effect immediately upon their adoption.

Agenda Item: IIIe

USF Board of Trustees
December 7, 2021

Issue: Oracle Cloud HR/Payroll System

Proposed action: Board authorizes the University to initiate negotiations with 1) Oracle on an upgrade to our current HCM system and 2) an appropriate third party implementation partner to assist with the upgrade.

Executive Summary: The University has identified a significant need to upgrade its current HR/Payroll system. The University requires a new HR system in order to accomplish our HR strategy of driving sustainable results through a high-performing and engaged workforce; thereby establishing and integrating a culture that USF can leverage as a competitive advantage. In addition, the University urgently needs a Time and Labor system to address system deficiencies in our current outdated Time and Labor system.

Financial Impact: TBD

Strategic Goal(s) Item Supports: Goal 4 Sound Financial Management
BOT Committee Review Date: Finance & Audit - November 16, 2021
Supporting Documentation Online (*please circle*): Yes
Prepared by: Angie Sklenka, Sidney Fernandes

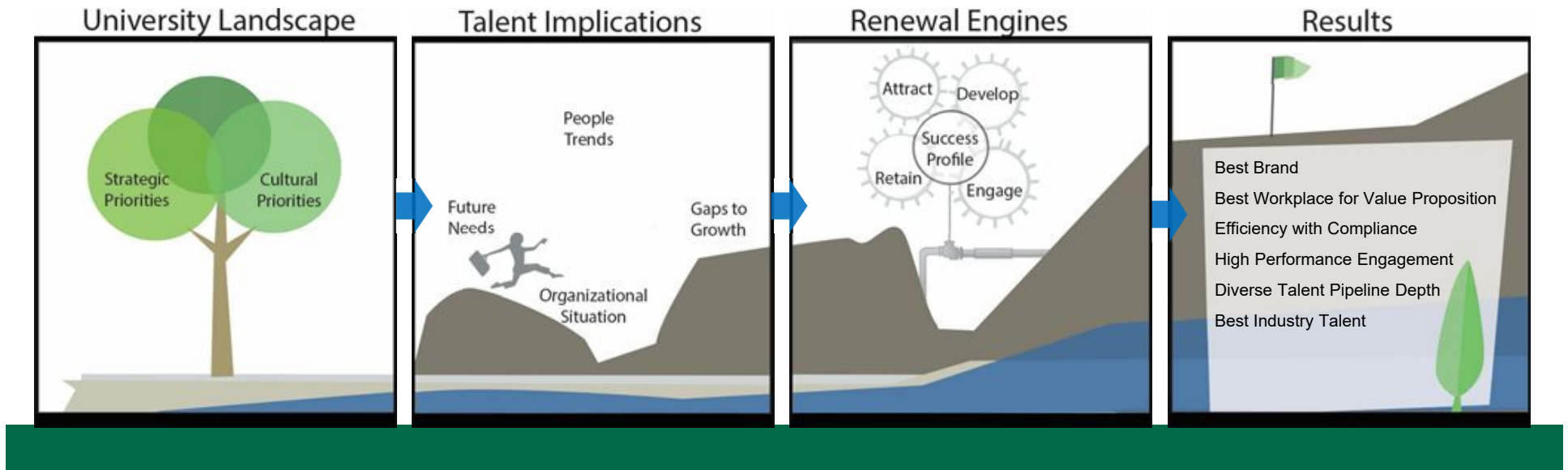
No



are at the heart of everything we do.

HR Framework

Seamless End-to-End Experience



Strategic Priorities:

- Priority placeholder

Cultural Priorities:

- Priority placeholder

Future Needs:

- Build internal “bench strength”
- Leader effectiveness

People Trends:

- Turnover
- Talent Availability
- Changing Demographics

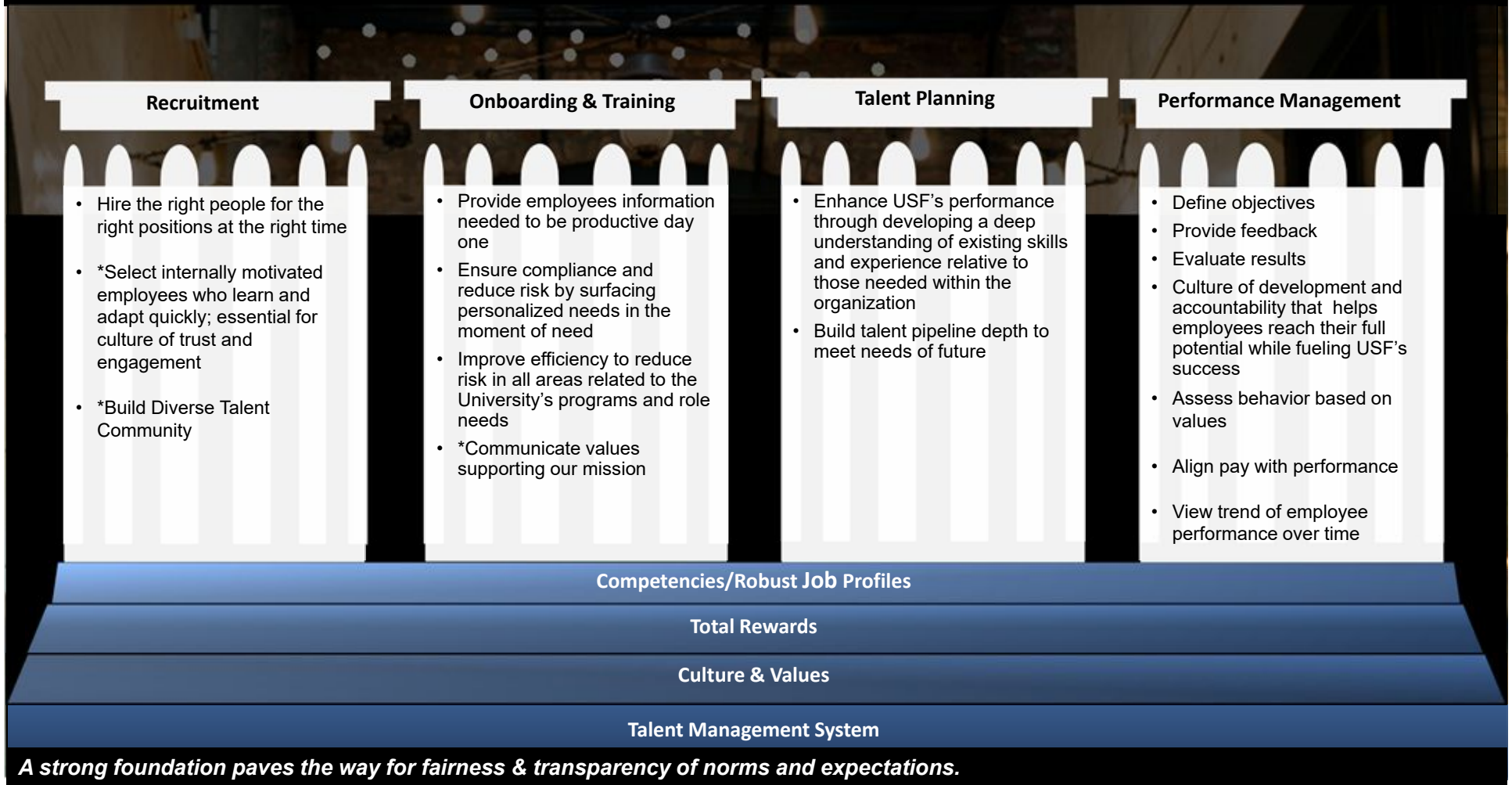
Renewal Engines

- Key strategies within four primary areas
- Designed to address University landscape and talent impacts in order to produce results

Our Strategy:

Driving sustainable results through a high-performing and engaged workforce; establishing and integrating a culture that USF can leverage as a competitive advantage

Transformational HR Architecture



HR Enablers

HR Organization
and Roles

HR Competencies

HR Technology

HR Processes

HR Measurement

Current State

Future State



HR Organization
and Roles

Central and de-centralized HR employees are focused on administrative duties (program and process administration), position approvals

- HR employees focused on identifying and delivering “people” solutions that drive results.
- HR Centers of Expertise support business HR associates established



HR Competencies

Are not designed to support organizational goals

- Defining and aligning with business goals; introduced to search committee
- Used in HR selection and talent assessment; competency based for current and future strategic and cultural excellence



HR Technology

Disparate systems which do not reflect the current needs of the business and workforce
Manual and fails to preserve data integrity
Little to no automation and non-value add work increases
Siloed transactions, fail to keep up with regulation changes

Robust, efficient and user-friendly Talent Management system(s) that supports:

- Attracting top talent
- Development of people for current and future needs
- Performance management/pay for performance
- Engagement



HR Processes

Varied between units, manual, cumbersome; transactional non-value add shadow processes

- Achieve infrastructure to ensure consistency of processes where greatest efficiency obtained
- HR processes will be automated and simplified to ensure compliance

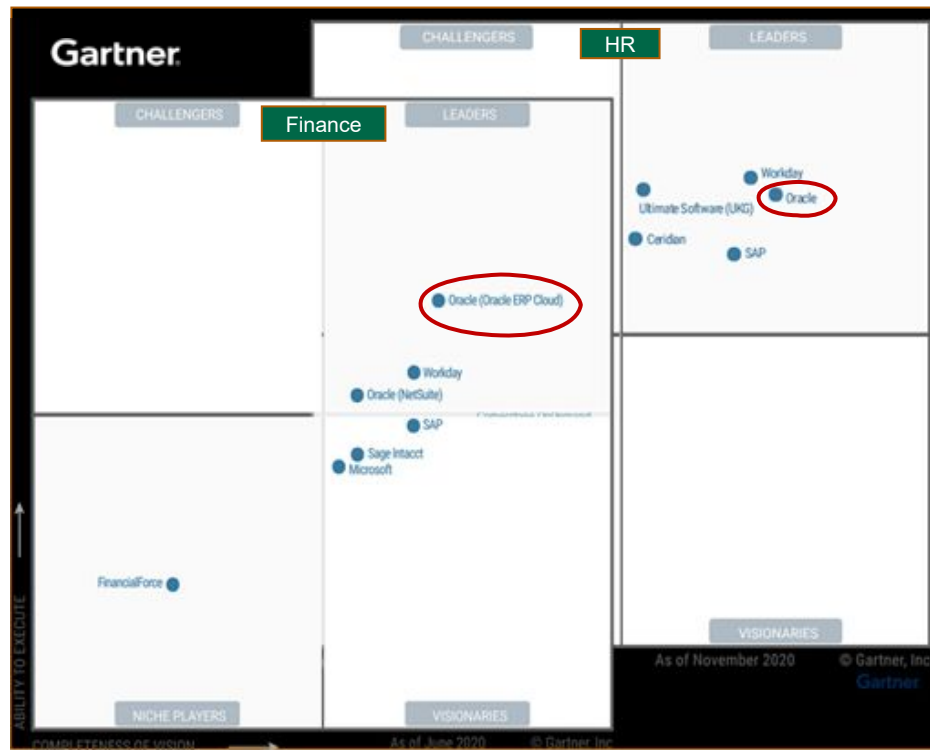


HR Measurements
and Metrics

Limited by data and systems

- Partner with IT and various units to create consistent, automated, relevant data integrations
- As technology is implemented will continue to create and establish metrics for unit and university goals (Standard HR Dashboard)
- Accountability for helping units succeed is well integrated

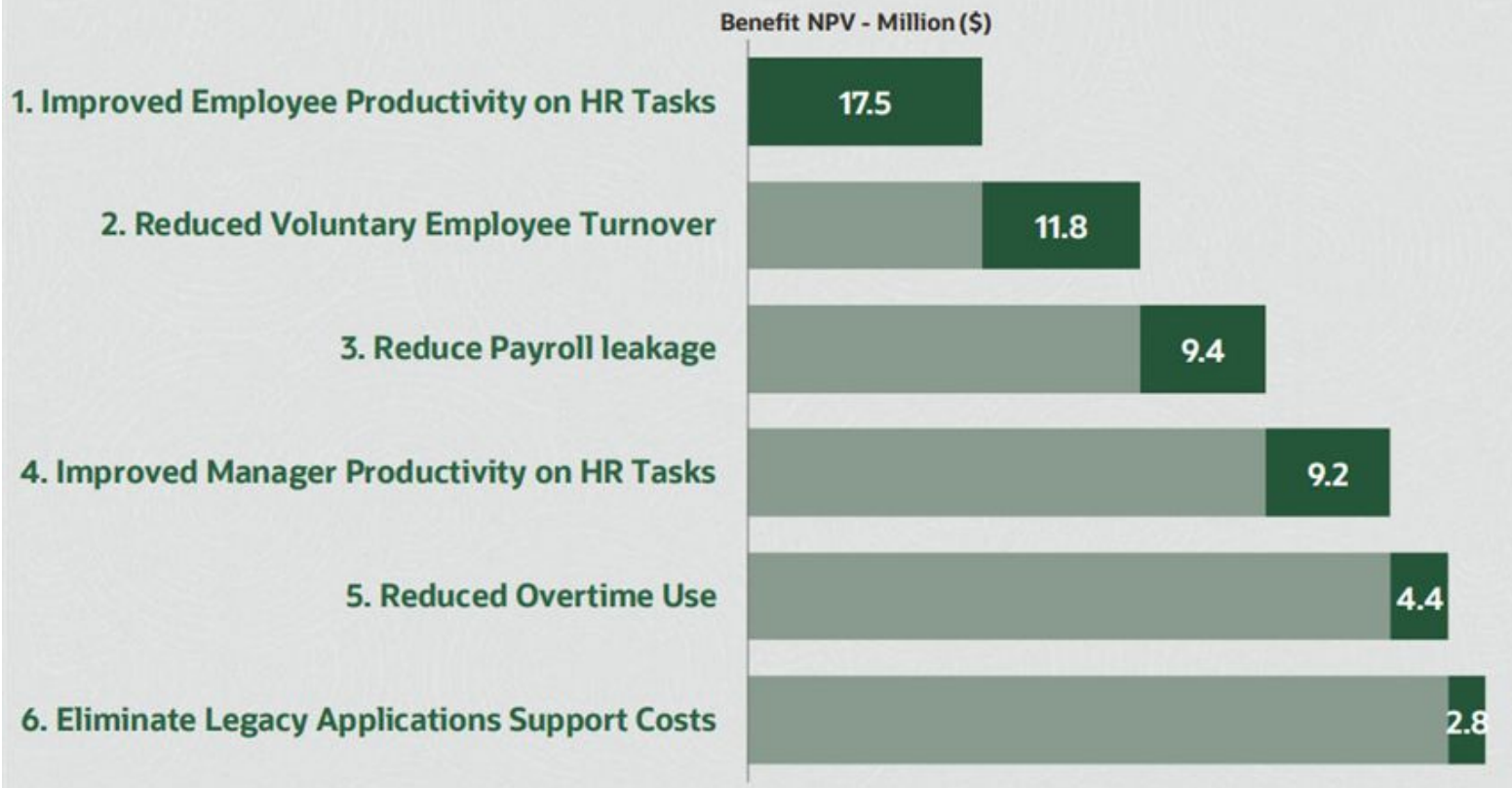
Recommendation: Upgrade to Oracle HCM Solution



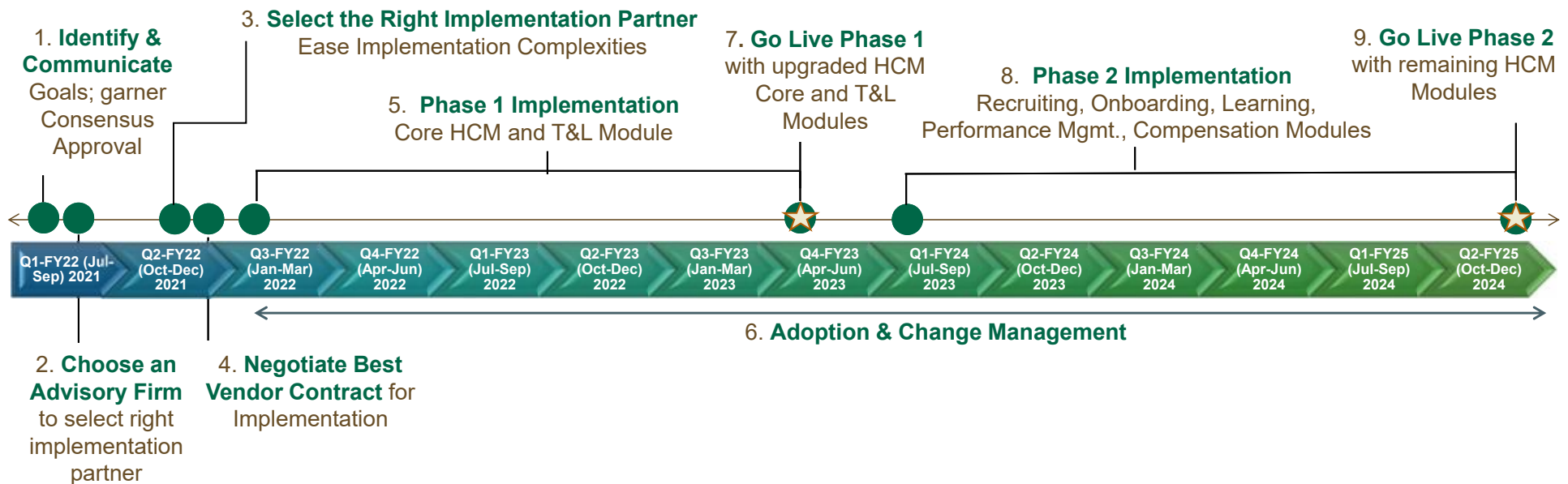
- ▶ Well-established in higher education for ERP systems.
- ▶ Leader in Gartner's magic quadrant for Cloud HR and Finance.
- ▶ Leverages USF's current investments in Oracle products enabling complete business transformation in modern cloud systems.
- ▶ Provides Time & Labor solution urgently needed to address system and is fully integrated with HR offerings.
- ▶ Advances long-term strategy of business transformation underpinned by modern ERP systems, while immediately addressing critical needs.

Recommendation: Upgrade to HCM Solution – Estimated Cost Avoidance

5-Year Discounted NPV – Top Benefit Drivers



POTENTIAL HCM System Upgrade Implementation Timeline *



* All dates are preliminary estimates. Final timeline will be determined when implementation partner is selected.

Agenda Item: IIIf

USF Board of Trustees
December 7, 2021

Issue: Judy Genshaft Honors College - Project Scope Update

Proposed action: Approve increased scope of project and associated budget

Executive Summary:

In the November 24, 2020 meeting of the Board of Trustees' Finance Committee, the Trustees received an update on the Judy Genshaft Honors College building project and approved a total cost of \$54.6 million. In that meeting, it was represented that any changes to the budget, timing, and funding would be shared with the Board at a future meeting.

Several additional requirements have been requested by the principal donors which will increase the scope and cost by \$1,071,000 and the total project cost from \$54.6 million to \$55.6 million. These additional requirements will be funded through additional philanthropic support.

Financial Impact: Increased expenditure authority of \$1,071,000 bringing the total project cost to \$55.6 million.

Strategic Goal(s) Item Supports: Strategic Goal #4

BOT Committee Review Date: Finance Committee - November 16, 2021

Supporting Documentation Online (*please circle*): Yes

No

Prepared by: Nicholas Setteducato/Jay Stroman

USF Honors College



A/E: FleischmanGarcia / Morphosis
CM: HCBeck, Ltd. / Envision

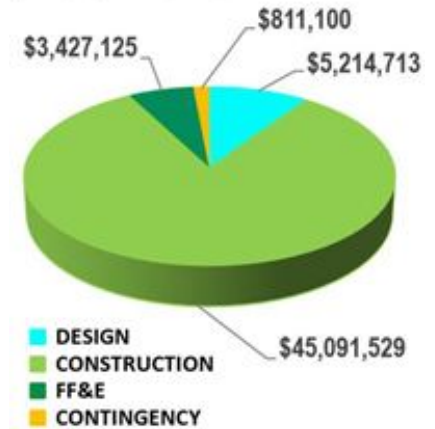
Scope:

Dedicated building for Judy Genshaft Honors College including Lecture Hall, Classrooms, Workshops, Seminar Rooms, and Offices.

Total Program Spaces **86,487 GSF**

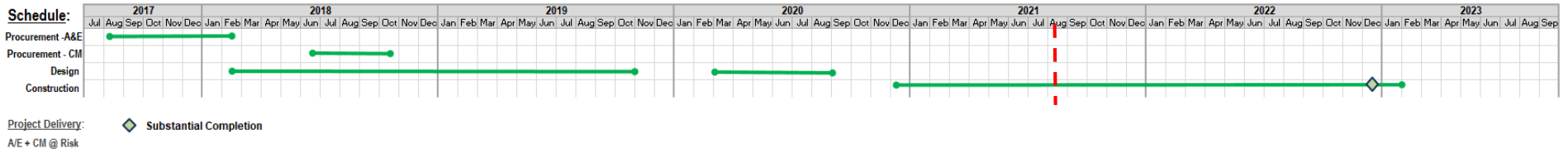
Status: Construction

Budget: \$54,544,467



Funding Sources:

Private Sources (\$43,000,000)
 State Funds (\$8,100,000)
 University Funds (\$3,444,467)



Judy Genshaft Honors College



A/E: FleischmanGarcia / Morphosis
CM: The Beck Group / Envision

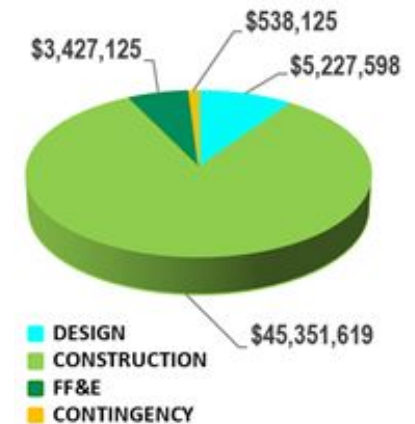
Scope:

Dedicated building for Judy Genshaft Honors College including Lecture Hall, Classrooms, Workshops, Seminar Rooms, Food and Cultural Studio, Café and Offices.

Total Program Spaces **86,487 GSF**

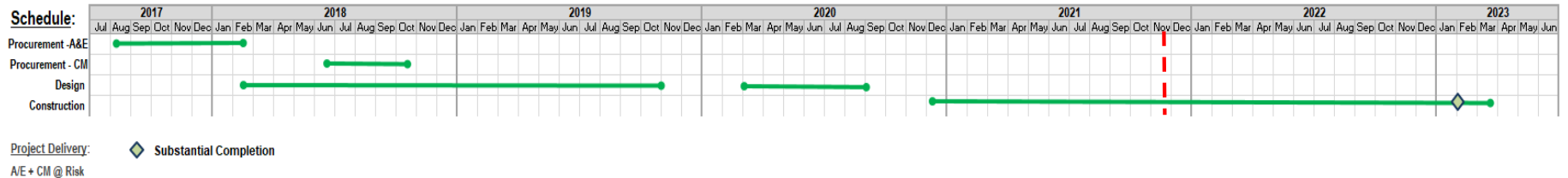
Status: Construction (est. completion 2/3/2023)

Budget: \$55,615,467



Funding Sources:

Private Sources (\$44,071,000)
 State Funds (\$8,100,000)
 University Funds (\$3,444,467)



Judy Genshaft Honors College

- **Broke ground on December 2, 2020**
- **Concrete structure is nearing completion and structural steel erection will commence by mid-November.**
- **Fundraising is continuing in earnest.**

Funding Composition (Revised Total = \$55.6mm):

- \$44.1mm Philanthropy (79%)
- \$8.1mm CIP State funds (15%)
- \$3.4mm Allowable university sources (6%)

Components of Budget Increase (\$1,071k):

- \$983k Construction (92%)
- \$ 88k Design (8%)

USF JUDY GENSHAFT HONORS COLLEGE		11/01/21
DONOR SCOPE CHANGES	ADDITIONAL DONOR FUNDING	
Exterior Signage		
Creative Signs/MG McGrath/APG Elec.	\$268,600	
Subtotal		\$268,600
Food & Cultural Studio Enhancements		
A/E Design Services	\$41,000	
Kitchen Consultant	\$33,700	
Construction Scope (Estimate)	\$175,000	
Subtotal		\$249,700
Finishes		
L1 Flooring - Porcelain Tile	\$228,000	
L2-L5 Flooring - Carpet/LVT	\$38,800	
L1-L5 Bathroom Tile (Option 1)	\$83,300	
Subtotal		\$350,100
Landscape		
A/E Re-Design	\$13,000	
Sidewalks	\$12,000	
Arboretum Walk (Add Alt #1)	\$24,600	
Outdoor Classroom (Add Alt #2)	\$153,000	
Subtotal		\$202,600
TOTAL		\$1,071,000



Agenda Item: IIg

USF Board of Trustees

December 7, 2021

Issue: MDD Buildout (Floors 6, 7 and 8)

Proposed action: Requesting approval to move forward with the buildout of floors 6, 7 and 8 in support of the research mission for USF Health.

Executive Summary:

Limited and inadequate lab space has been a restrictive factor to recruiting highly-funded and reputable researchers in USF Health. Therefore, USF Health is requesting to expand its research footprint within MDD in support of the USF Health Heart Institute. The USF Health Heart Institute has shown that USF can be extremely successful in recruiting world-class investigators when state-of-the-art lab space is available. In fact, the current completed space in the Heart Institute is fully occupied by researchers. This request completes the buildout of the 6 and 7 core and the entire 8th floor, which will allow the Heart Institute to recruit 15 additional researchers. These additional 15 researchers will help to improve USF's research numbers, scholarly activity and reputational status.

Financial Impact:

The cost of building out floors 6, 7, and 8 will cost \$14.63M. Since the buildout will allow for additional research recruits, there will be a positive financial impact to USF's research awards, expenditures, and F&A/indirect earnings. Every research recruit will have NIH funding on average of \$600,000 a year. This leads to a total of \$9M of additional NIH funding for the 15 new recruits that will occupy the additional space. This also represents an additional \$3M more of F&A/indirects earnings for USF.

Strategic Goal(s) Item Supports: This initiative aligns with the strategic goals of the University, enumerated 2 - 5

BOT Committee Review Date: Finance Committee - November 16, 2021

Supporting Documentation Online (*please circle*): Yes

No

Prepared by: Richard J Sobieray

USF Approval of Expenditures Exceeding One Million Dollars

Project/Initiative Name: USF Health Heart Institute Lab space build-out

Total Project/Initiative Cost: \$14,630,000

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

Renovate the existing shell spaces reserved for core labs on the 6th and 7th floors and fully build-out the 8th floor of the USF Health MDD building in Downtown Tampa to support the continuing efforts and growth of the USF Health Heart Institute.

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

This initiative aligns with the strategic goals of the University, enumerated 2 - 5:

2. To conduct high-impact research and innovation to advance frontiers of knowledge, solve global problems and improve lives.
3. To be a major social and economic engine creating robust global, national and regional partnerships to build a prosperous and sustainable future for our regional communities and the State of Florida.
4. To provide a safe, inclusive and vibrant community for learning, discovery, creative activities and transformative experiences enabled through adaptive design of physical, social and digital environments.
5. To practice continuous visionary planning and sound management throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

Funding Source(s):

Dean's Academic Support Funds

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

Budgeted

Prior Approval Process:

List Related Projects/Initiatives: (if any)

USF Health Morsani College of Medicine and Heart Institute original construction.

USF or Campus specific: Tampa campus, Health

Prepared by: Rich Sobieray

Date Requested: October 21, 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.

MDD BUILDOUT – RESEARCH GROWTH

Charles Lockwood, MD / November 16, 2021



November 2021

USF Health – MDD buildout Floors 6&7 (Core Labs) Floor 8 (Full Floor)



Build out 8th floor labs (full floor). And partial 6th and 7th (Core labs).

A/E Team: HOK

Construction Team: TBD

Scope:

Level 6 2,335 GSF
 Level 7 2,335 GSF
 Level 8 26,135 GSF

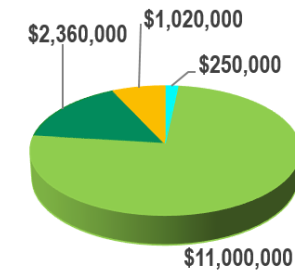
Total Buildout **30,805 GSF**

The project delivery is Design-Bid-Build.

Status: Design

Development/Construction Drawings

Budget: \$14,630,000



DESIGN
 CONSTRUCTION
 FF&E
 CONTINGENCY

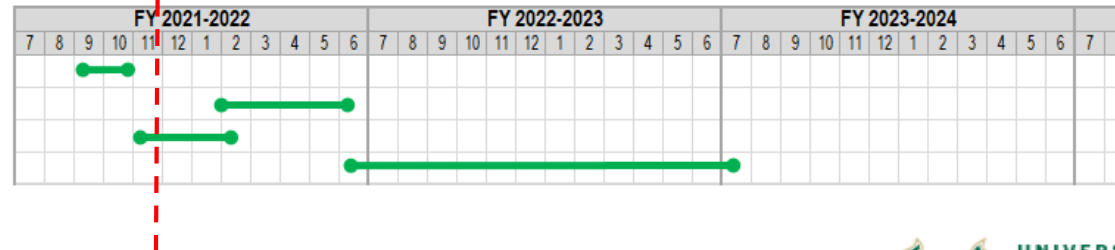
Funding: Dean's Academic Support funds

Schedule:

AE Procurement
 CM Procurement
 Design
 Construction

Project Delivery:

Design-Bid-Build



August 2021

USF Health – MDD buildout Floors 6&7 (Core labs) Floor 8 (Full Floor)

Project will occupy all of Level 8 and partial floors of 6th and 7th of the existing Morsani College of Medicine and Heart Institute building in Downtown Tampa.

The Project has completed Programming, Conceptual Design, Advanced Schematic Design, and 95% Construction Drawings from the original Design Build contract with Skanska.

The project is requesting acknowledgement to move to the next phases in the design process (Completion Construction Documents, Bidding, and CA).



6th Floor Core Lab



Projected budget for 6th Core Lab = \$1,450,000- \$2,450,000*

Construction: \$1.24M (Buildout 2,335 GSF)

Design: \$50K

Contingency: \$110K

FF&E: \$50K

*SPECIALIZED EQUIP: \$ 1M (Including in \$2,450,000)

7th Floor Core Lab



Projected budget for 7th Core Lab = \$1,450,000- \$2,450,000*

Construction: \$1.24M (Buildout 2,335 GSF)

Design: \$50K

Contingency: \$110K

FF&E: \$50K

*SPECIALIZED EQUIP: \$ 1M (Including in \$2,450,000)

8th Floor Buildout (Full Floor Heart Institute Lab Buildout)



FLOOR FINISH

- CARPET
- CERAMIC TILE
- EPoxy POURED FLOOR
- LVT
- SEALED CONCRETE
- SHEET VINYL
- STAINED CONCRETE
- TERRAZZO

Projected budget for Buildout = \$9,730,000

Construction: \$8.54M (buildout 26,135 GSF)

Design: \$140K

Contingency: \$800K

FF&E: \$250K

MDD Summary of Buildout Costs

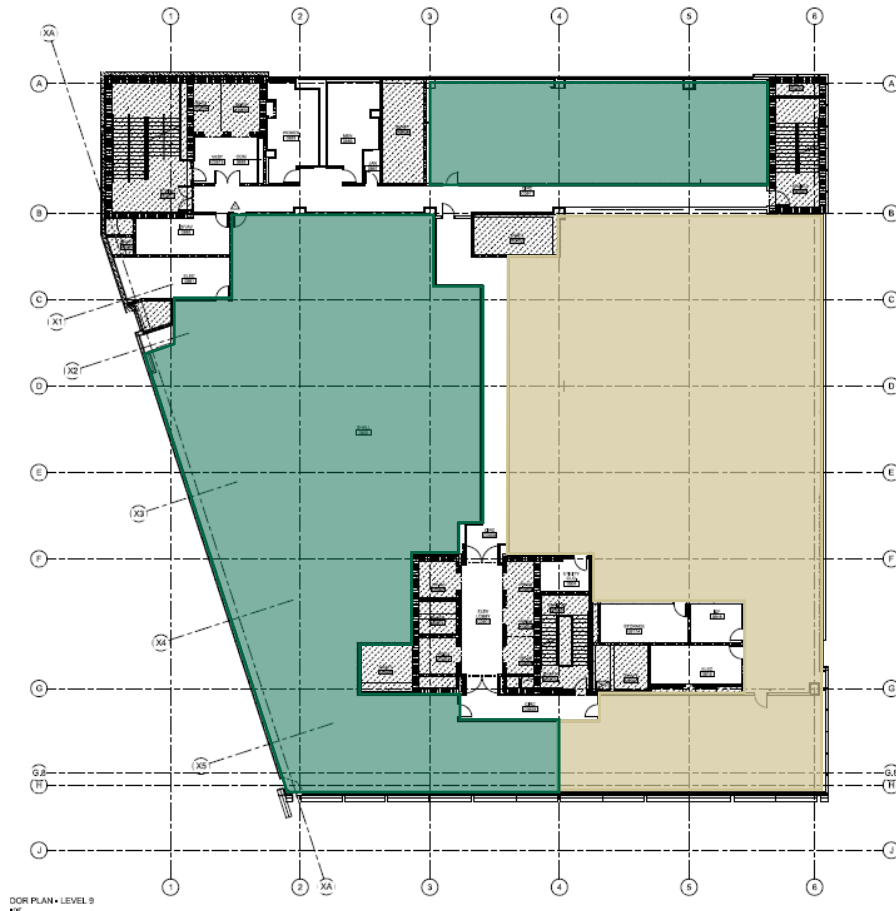
MDD Floors 6-12 Summary of Buildout Costs		Cost
6th floor USF Core Labs		\$2,450,000
7th Floor USF Core Labs		\$2,450,000
8th Floor USF Full Floor Labs		\$9,730,000
9th Floor Partial USF Lab/Non Lab		\$5,700,000
9th Floor Partial Lease Space		\$4,000,000
10th Floor USF Administration		\$8,180,000
11th & 12th USF TCOP		\$16,650,000
12th Floor Partial Lease Space		\$4,355,000
Total		\$53,515,000

APPENDIX – FLOORS 9, 10, 11 AND 12

Charles Lockwood, MD / November 16, 2021



9th Floor Buildout (Partial USF/Partial Leased)



Projected budget for USF Buildout = \$5,700,000

Lab space : \$3.7M (buildout 6,859 GSF)

Non Lab space: \$2.00M (buildout 6,887sf)



Projected budget for Leased space Buildout = \$4,000,000

Clinical space : \$4.0M (buildout 8,933 GSF)

10th Floor Buildout (Administrative space)



Projected budget for Buildout = \$8,180,000

Construction: \$6.84M (buildout 25,560 GSF)

Design: \$140K

Contingency: \$600K

FF&E: \$600K

UNIVERSITY of
SOUTH FLORIDA

11th and 12th Floor Buildout

Tenaja College of Pharmacy/Leased space

Projected budget for Leased space Buildout = **\$4,355,000**

Clinical space : \$4.355M (buildout 9,679 GSF)



Projected budget

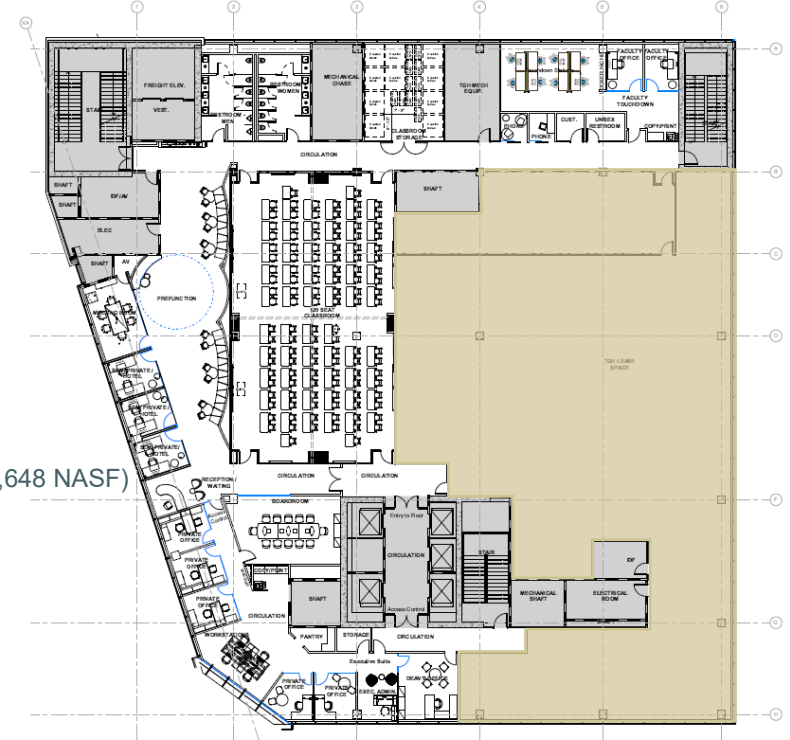
TCOP Buildout = **\$16,650,000**

Construction: \$11.8M (buildout 34,648 NASF)

Design: \$1.31M

Contingency: \$1.18M

FF&E: \$2.36K



Agenda Item: IIIh

USF Board of Trustees
Finance Committee
November 16, 2021

Issue: Expenditure Authorization Requests

Proposed action:

Approval of the following expenditures:

a) Waste Collection Services/Tampa Campus	\$3,830,000
b) Door Access System	\$3,500,000
c) Elsevier ScienceDirect Ejournals Renewal Agreement	\$3,490,815
d) Springer Nature Ejournals Renewal Agreement	\$3,000,000
e) Greek Village HVAC	\$2,650,666

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 \$16,471,481 in transactions.

Strategic Goal(s) Item Supports:	Goal 4: Sound Financial Management
BOT Committee Review Date:	November 16, 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: Waste Collection Services for Tampa Campus

Total Project/Initiative Cost: \$3.83M over 8.67 years

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

Waste collection services (and potentially recycling services), inclusive of rental of various size containers (temporary and fixed), pull charges, and lawful disposal fees for Tampa Campus. Proposal are being sought from Hillsborough County awarded service providers. Hillsborough County awarded a contract effective February 1, 2022 through September 30, 2030. Average annual spend is projected to be \$442K (based on historical spending plus an expected increase). For the period of February 1, 2022 through September 30, 2030 (8.67 years) to coincide with the Hillsborough County contract: \$3.83M total estimated spend.

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

Waste collection services are essential to the goals of the university by helping to create safe and welcoming residential communities that promote student success (Goals 1 & 4). A multi-year contract for university-wide services is a business practice ensuring a strong and sustainable economic foundation for the university (Goal 5). Waste collection services are also essential to maximizing institutional effectiveness (Goal 3).

Funding Source(s):

Services supporting Housing & Residential Education Department will use auxiliary funds.

Services supporting Facilities Management responsible areas will use E&G funds for Non-Auxiliary buildings; Auxiliary Buildings will use auxiliary funds.

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

Budgeted.

Prior Approval Process:

Facilities Management and HRE conducted separate bids in FY 2014.

List Related Projects/Initiatives: (if any)

USF or Campus specific: Tampa Campus

Prepared by: George Cotter

Date Requested: October 25, 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 to select Vendors to provide installation, support, and maintenance of the USF Door Access System

Total Project/Initiative Cost: Estimated spend is \$3.5M over 5 years

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

In 2015 USF awarded the existing ITN 15-006-PPB which will expire in May 2022. It intends to issue an new ITN that will allow us to chose new vendors and update the current pricing structure. The new ITN will be issued for three years with two one year extensions. Based on the historical spend under the existing ITN and current projects we estimate the total spend for the new ITN to be around \$3.5M. There will be no commitment for the University to spend any money with the vendors, this will just provide us with a contract avenue to conduct installations, maintenance, and repairs as needed.

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

The ITN is critical to ensure USF has a select group of vendors identified to install, maintain, and repair the existing door access system. The security of buildings and automations with room scheduling that are tied to central scheduling rely upon the building access work covered by the ITN. Work over this period is expected to remediate existing hardware that represents a security risk due to age as well as net new installs for buildings that are still manual locking systems which have significant operational challenges in times of emergency or when academic schedules change.

Funding Source(s):

Funding sources will be identified for each individual project as they arise.

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

This ITN does not require funding for a specific project at this point. As projects are identified, we anticipate having identified budgeted funds available.

Prior Approval Process:

In 2015 the competitive solicitation ITN 15-006-PPB was issued and awarded.

List Related Projects/Initiatives: (if any)

N/A

USF or Campus specific: USF

Prepared by: Carl Smith

Date Requested:10-1-2021

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: Elsevier ScienceDirect Ejournals & Book Series

Total Project/Initiative Cost: \$3,490,814.87

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

We are requesting the Board's approval for the renewal of the Elsevier ScienceDirect ejournal package and book series. These amendments extend USF's participation under the Elsevier ScienceDirect Master Agreement, negotiated at the state level by the University of Florida for and on behalf of the universities of the State University System of Florida, through 12/31/2024. The amendment for the Tampa Library ejournals package continues current ScienceDirect subscriptions at a 0% increase for 2022, a 3% increase for 2023 and a 3% increase for 2024. The total amendment is for \$3,357,186.63. An estimated \$30,000 had been added as a contingency for possible journal transfers which may require titles be added to the package. The forthcoming Book Series amendment is estimated at \$103,628.24 assuming a 3% per year increase is applied.

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

This journal content supports Goal Two of the USF Strategic Plan 2021-2031 ("to conduct high-impact research and innovation to advance frontiers of knowledge, solve global problems, and improve lives) through support of multi-disciplinary research with access to over 2500 high-impact research journals.

Funding Source(s):

E&G

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

Budgeted

Prior Approval Process:

Dean of the USF Libraries, Todd Chavez

List Related Projects/Initiatives: (if any)

Wiley Online Library 2019-2023; Springer Ejournal Multi-Year Renewal.

USF or Campus specific: USF
Prepared by: Laura Pascual
Date Requested: 11/01/2021

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: Springer Nature Ejournals 2022-2024

Total Project/Initiative Cost: \$3,000,000

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

We are requesting the Board's approval for the upcoming renewal of Springer, Nature, and Palgrave ejournal content. This anticipated 3-year agreement is currently being negotiated at the state level by the University of Florida for and on behalf of the universities of the State University System of Florida for the 2022-2024 period. The total for the three years is estimated not to exceed \$3,000,000 for both the Tampa and Health Sciences libraries, given the 2021 total of \$867,261.56 and applying increasing percentages between 3% and 6%. This agreement may include an increase in content as the statewide title list is adjusted.

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

This journal content supports Goal Two of the USF Strategic Plan 2021-2031 ("to conduct high-impact research and innovation to advance frontiers of knowledge, solve global problems, and improve lives) through support of multi-disciplinary research with access to over 2500 high-impact research journals.

Funding Source(s):

E&G

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

Budgeted

Prior Approval Process:

Dean of the USF Libraries, Todd Chavez

List Related Projects/Initiatives: (if any)

Wiley Online Library 2019-2023; Elsevier ScienceDirect 2022-2024.

USF or Campus specific: USF
Prepared by: Laura Pascual
Date Requested: 11/01/2021

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: Greek Village HVAC

Total Project/Initiative Cost: \$2,650,666

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

The Greek Village was built in 2003 and is located on the northeast quadrant of campus. Greek houses are organized as duplexes, 7 buildings/2 organizations per building for a total of 14 houses and 346 beds. Houses range from 5,936 square feet to 8,480 square feet depending if they are 2 or 3 stories.

Scope – Comprehensive assessment of all areas associated with the HVAC system (attic, duct work, AHU, etc.) in Greek houses 1-14. All areas associated with proper operations of HVAC systems will be evaluated, recommendations submitted and corrective action taken to remediate any deficiencies identified. Review to include but not limited to: attic exhaust/insulation, supply air, ductwork, AHU, mechanical spaces and air quality.

Upon completion of this project, residents will benefit from appropriately conditioned environments and replacement of ventilation equipment that has outlived its useful life.

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

Traditionally, HVAC systems have a 10-15 year life cycle. These systems are past their useful life. In performing our due diligence, we have found additional construction deficiencies that contribute to excess humidity and less than optimal environmental control. Expected deliverables for the project are properly balanced systems that control humidity and maintain a comfortable environment for the residents.

Project is proposed for summer 2022. Houses (1-4, 9, 13, and 14) will be vacant for the summer to complete Phase II of the Greek Bathrooms Renovation Project (approved). The Greek Village HVAC Project, submitted here, requires vacant houses as well. If approved, the additional Greek Village Houses (5-8 and 10-12) will be added to the vacancy plan to complete the proposed project. If the project is delayed until summer 2023, a second year of vacancy for seven house would be required resulting in significant loss of revenue. As informed by other post-COVID projects, expedited approval is requested in order to secure material and equipment that may have 20+ week lead time. We have also noted price volatility due to supply chain and labor expenses. This pricing is valid for 30 days.

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

Funding Source(s):

HRE Auxiliary Reserves

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

Budgeted

Prior Approval Process:

List Related Projects/Initiatives: (if any)

Greek Bathroom Renovation Phase 2 (Approved for summer 2022)

USF or Campus specific: Tampa

Prepared by: Ana Hernandez

Date Requested: 11/8/21

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: IVa

USF Board of Trustees
Finance Committee
November 16, 2021

Issue: Draft University 2021 Annual Financial Reports

Proposed action: Informational

Executive Summary:

Jennifer Condon, Controller will provide highlights of the Fiscal Year 2021 Financial Statements. Presentation will include a discussion of 2021 versus 2020 variances in excess of \$10 million and 10% as well as variances in excess of \$20 million.

Financial Statements provided as supporting documentation include:

- A. 3 Year Comparable Statement of Net Position (University only)
- B. 3 Year Comparable Statement of Revenues, Expenses and Changes in Net Position (University only)

Financial Impact:

N/A

Strategic Goal(s) Item Supports: Sound Financial Management

BOT Committee Review Date:

Supporting Documentation Online (*please circle*):

Yes

No

Prepared by: Jennifer Condon (813)974-7696



Fiscal Year 2020-2021 Financial Statement Highlights

*Board of Trustees Finance Committee Meeting
November 16, 2021*



Fiscal Year 2020-2021 Financial Statement Highlights

NET OPERATING RESULTS

Net Operating Results (in millions)	2019	2020	2021*
Unadjusted Net Operating Results	(\$31.9)	(\$129.7)	(\$41.0)
OPEB and Related Deferrals	15.7	26.7	29.5
Pension and Related Deferrals	26.7	55.5	51.8
Adjusted Net Operating Results	\$10.5	(\$47.5)	\$40.3

\$88 million year over year increase primarily caused by:

Increases of:

- \$36 million in noncapital grants & donations (CARES institutional)
- \$32 million in net investment income

Decreases of:

- \$42 million in services & supplies expense

Offset by:

- \$23 million decrease in auxiliary sales & services revenue

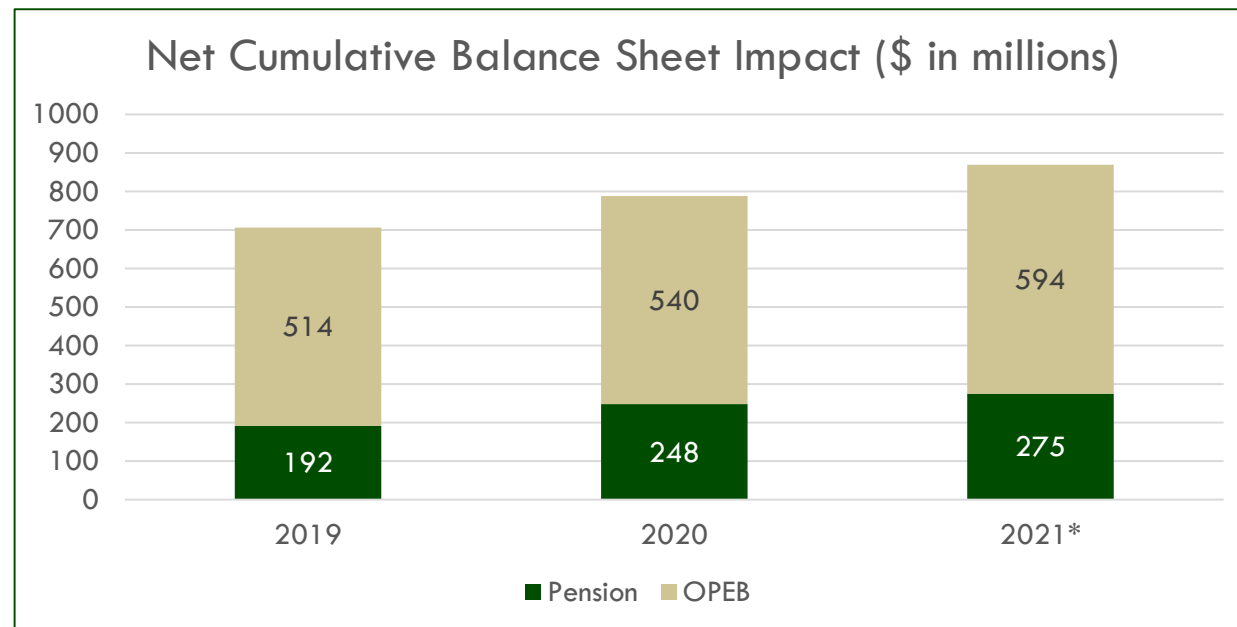
* Fiscal year 2021 figures are unaudited.



Fiscal Year 2020-2021 Financial Statement Highlights

UNRESTRICTED NET POSITION

Unrestricted Net Position (in millions)	2019	2020	2021*
Unadjusted Unrestricted Net Position	(\$211.7)	(\$348.0)	(\$381.4)
OPEB and Related Deferrals	513.7	540.4	594.3
Pension and Related Deferrals	192.0	247.5	274.8
Adjusted Unrestricted Net Position	\$494.0	\$439.8	\$487.7



* Fiscal year 2021 figures are unaudited.



Fiscal Year 2020-2021 Financial Statement Highlights

SCOPE OF REMAINING REPRESENTED VARIANCES

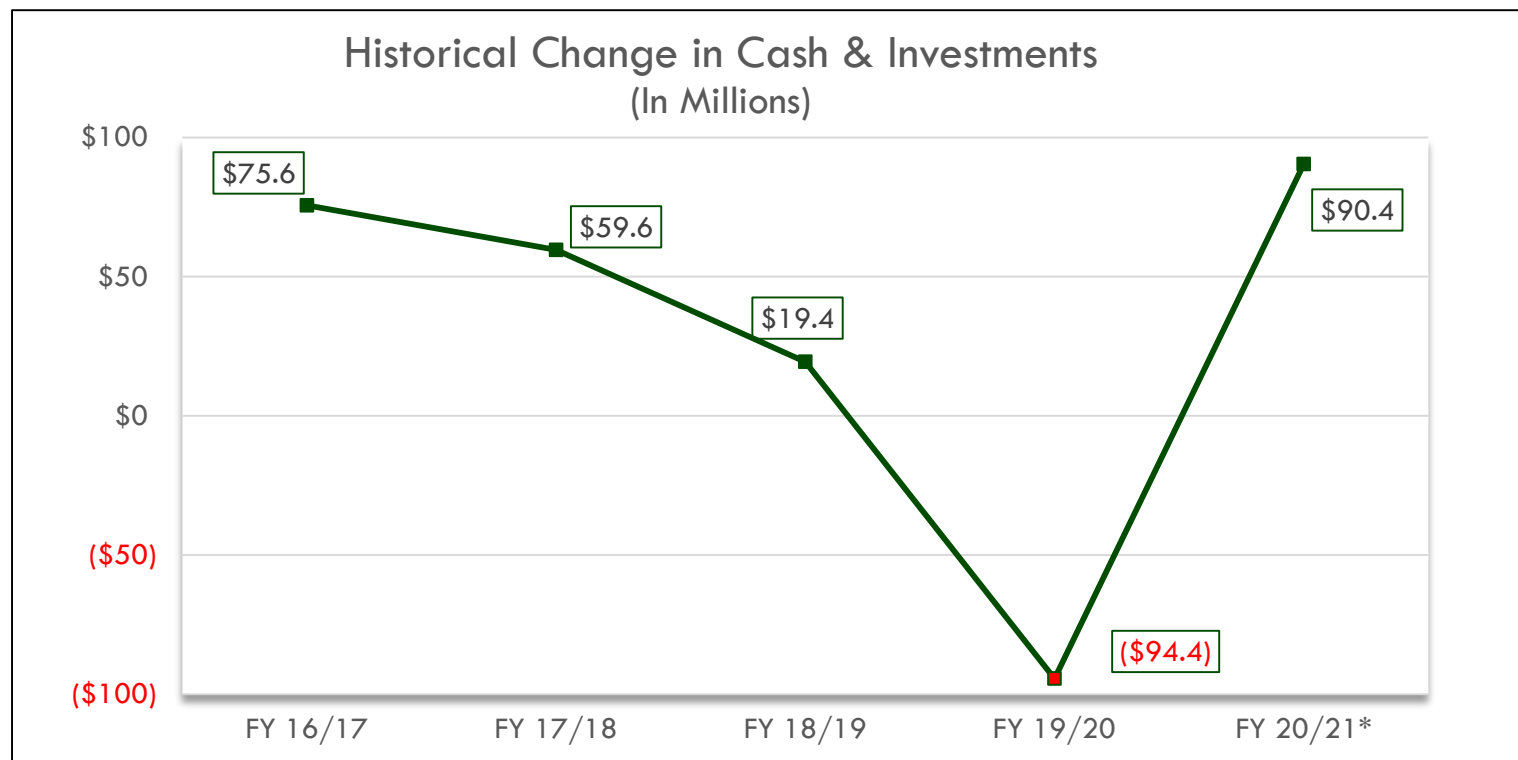
- **Changes from fiscal year 2020 to 2021 in excess of 10% and \$10 million, and**
- **Changes from fiscal year 2020 to 2021 in excess of \$20 million regardless of percentage**



Fiscal Year 2020-2021 Financial Statement Highlights

BALANCE SHEET (IN MILLIONS)

Account	2019	2020	2021*	\$	%	KPI	Notes
Cash & Investments	\$828	\$733	\$824	\$91	12%	●	COVID-19



Change in cash/investments naturally adjusts annual operating results for GASB future commitments.

* Fiscal year 2021 figures are unaudited.



Fiscal Year 2020-2021 Financial Statement Highlights

BALANCE SHEET (IN MILLIONS)

Account	2019	2020	2021*	\$	%	KPI	Notes
Receivable, Net	\$67	\$88	\$110	\$22	25%	●	COVID-19; Contracts & Grants CARES \$8.1, other federal \$8.9, house staff \$5.2
Due From Component Units	\$17	\$48	\$26	(\$22)	(46%)	●	COVID-19; UMSA/MSSC funded FY'20 convenience funds in FY'21
Net Position Restricted for Other Expendable	\$173	\$182	\$208	\$26	14%	●	Self-insurance \$8.4, USFRF IP Licensing Agreements \$7.4, Research Initiative Accounts \$5.6

* Fiscal year 2021 figures are unaudited.



Fiscal Year 2020-2021 Financial Statement Highlights

INCOME STATEMENT (IN MILLIONS)

Account	2019	2020	2021*	\$	%	KPI	Notes
Auxiliary Sales Services	\$149	\$126	\$103	(\$23)	(18%)	●	COVID-19; primarily dining, housing & parking.
Services & Supplies Expense	\$312	\$286	\$243	(\$43)	(15%)	●	COVID-19; primarily travel and consulting.
Other Non-Operating Expenses	\$30	\$40	\$27	(\$13)	(32%)	●	COVID-19; primarily housing transfers to USFFC & game guarantee.
Federal & State Financial Aid	\$147	\$164	\$182	\$18	11%	●	COVID-19; CARES Student Support through Financial Aid
Scholarships, Fellowships & Waivers	\$97	\$109	\$139	\$30	28%	●	
Capital Appropriations	\$20	\$19	\$7	(\$12)	(62%)	●	USF Health Morsani COM & Heart Institute; FY'20 final installment

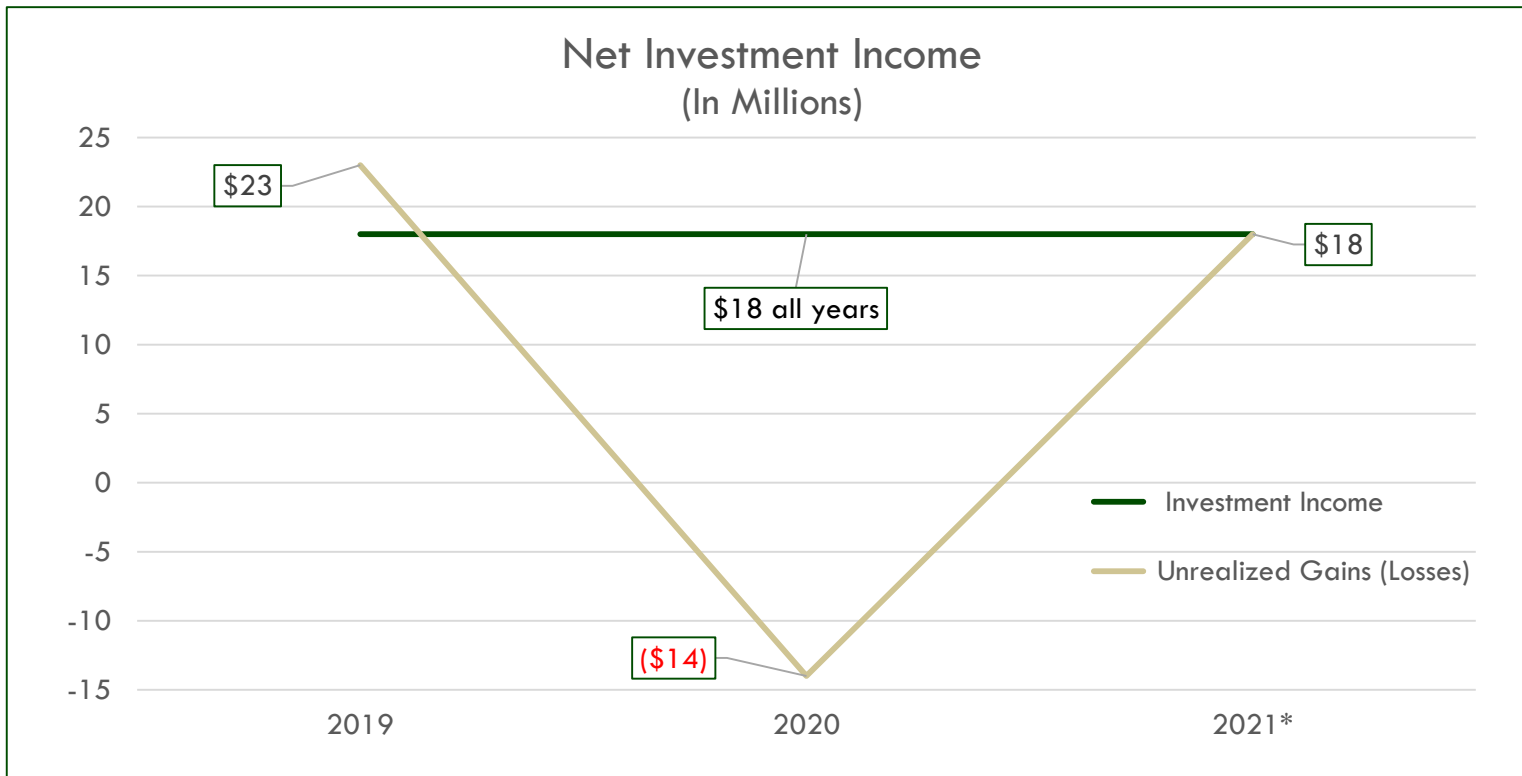
* Fiscal year 2021 figures are unaudited.



Fiscal Year 2020-2021 Financial Statement Highlights

INCOME STATEMENT (IN MILLIONS)

Account	2019	2020	2021*	\$	%	KPI	Notes
Net Investment Income	\$41	\$4	\$36	\$32	770%	●	Unrealized Gains & Losses



* Fiscal year 2021 figures are unaudited.

UNIVERSITY OF SOUTH FLORIDA
A COMPONENT UNIT OF THE STATE OF FLORIDA
STATEMENT OF NET POSITION
in thousands
2021 UNAUDITED

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2021 Increase (Decrease)	Percent
ASSETS					
CURRENT ASSETS:					
Cash and Cash Equivalents	\$50,651	\$66,622	\$70,218	\$3,596	5%
Investments	703,311	589,564	675,809	86,245	15%
Receivable, Net	67,282	87,950	109,807	21,858	25%
Loans and Notes Receivable, Net	2,057	2,393	1,937	(456)	-19%
Due From State	29,347	32,143	31,841	(301)	-1%
Due From Component Units	16,572	48,412	26,254	(22,158)	-46%
Inventories	269	267	245	(23)	-8%
Other Assets	903	739	646	(93)	-13%
Total Current Assets	870,392	828,089	916,757	88,668	10%
NON-CURRENT ASSETS:					
Restricted Cash and Cash Equivalents	978	1,086	145	(941)	-87%
Restricted Investments	72,919	76,150	77,651	1,501	2%
Loans and Notes Receivable, Net	2,461	1,627	1,396	(231)	-14%
Other Non Current Assets	8,013	8,022	8,803	781	10%
Depreciable Capital Assets, Net	1,091,113	1,245,628	1,237,079	(8,550)	-1%
Nondepreciable Capital Assets	190,620	39,799	49,326	9,526	24%
Total Noncurrent Assets	1,366,104	1,372,312	1,374,399	2,087	0%
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Pension Resources	165,246	151,851	182,739	30,888	20%
Deferred Outflows of Other Post Employment Benefits	9,867	109,581	158,339	48,758	44%
Total Deferred Outflows of Resources	175,113	261,432	341,078	79,646	45%
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$2,411,609	\$2,461,833	\$2,632,235	\$170,401	7%
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$22,546	\$22,595	\$21,010	(1,585)	-7%
Construction Contracts Payable	13,939	215	1,438	1,223	569%
Accrued Salaries and Wages	38,408	36,625	46,184	9,559	26%
Deposits Payable	4,532	7,280	5,930	(1,350)	-19%
Due to Component Units	4,027	4,285	0	(4,285)	-100%
Unearned Revenues	31,425	29,280	38,147	8,867	30%
CIP Debt Payable	2,598	2,653	2,703	50	2%
Revenue Received in Advance	0	733	800	67	9%
Installment Purchase Notes Payable	114	100	171	71	72%
Capital Leases	10,060	10,641	11,573	932	9%
Accrued Self-Insurance Claims	1,400	1,361	1,203	(159)	-12%
Compensated Absences Liability	6,630	7,792	9,068	1,276	16%
Post Employment Health Care Benefits Payable	6,279	7,194	8,492	1,298	18%
Pension Liability	2,058	1,626	999	(627)	-39%
Other Current Liabilities	22	23	25	1	6%
Total Current Liabilities	144,037	132,404	147,743	15,339	12%
Noncurrent Liabilities					
Capital Improvement Debt Payable	12,336	9,682	6,979	(2,703)	-28%
Installment Purchase Notes Payable	75	241	351	109	45%
Capital Leases	214,308	203,592	221,634	18,042	9%
Accrued Self-Insurance Claims	27,957	29,211	30,992	1,780	6%
Compensated Absences Liability	81,807	86,741	91,650	4,909	6%
Federal Advance Payable	7,533	6,663	1,478	(5,186)	-78%
Revenue Received in Advance	20,000	19,267	18,467	(800)	-4%
Post Employment Health Care Benefits Payable	429,500	549,078	514,887	(34,191)	-6%
Pension Liability	326,585	374,323	443,634	69,311	19%
Total Noncurrent Liabilities	1,120,102	1,278,799	1,330,070	51,271	4%
DEFERRED INFLOWS OF RESOURCES					
Deferred Service Concession Arrangement Receipts	116,511	113,943	111,377	(2,566)	-2%
Deferred Inflows of Pension Resources	28,581	23,362	12,927	(10,435)	-45%
Deferred Inflows of Other Post Employment Benefits	87,752	93,719	229,257	135,538	145%
Total Deferred Inflows of Resources	232,844	231,024	353,561	122,537	53%
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	\$1,496,983	\$1,642,227	\$1,831,375	\$189,147	12%
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	922,846	941,721	929,676	(12,045)	-1%
Restricted for Expendable:					
Debt Service	1,751	1,802	1,810	8	0%
Loans	5,118	5,218	6,171	954	18%
Capital Projects	23,539	36,869	32,133	(4,736)	-13%
Other	173,089	182,021	207,841	25,820	14%
Unrestricted	(211,717)	(348,025)	(381,406)	(33,381)	10%
Total Net Position	914,626	819,605	796,225	(23,380)	-3%
Total Liabilities and Net Position	\$2,411,609	\$2,461,833	\$2,627,600	\$165,767	7%

University of South Florida
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position
in thousands
2021 UNAUDITED

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2021 Increase (Decrease)	Percent
Operating Revenues					
Student Tuition & Fees	410,945	411,174	416,277	\$5,103	1%
Less: Tuition Scholarship Allowances	(142,051)	(149,923)	(155,687)	(5,764)	4%
Net Student Tuition & Fees	268,893	261,251	260,590	(661)	0%
Federal Grants & Contracts	210,239	188,767	193,787	5,020	3%
State & Local Grants & Contracts	30,116	36,397	28,166	(8,231)	-23%
Nongovernmental Grants & Contract	179,009	197,275	201,596	4,321	2%
Sales & Services of Auxiliary Enterprises	149,506	126,243	102,990	(23,253)	-18%
Interest on Loans Receivable	214	198	121	(77)	-39%
Other Operating Revenue	11,234	11,693	8,114	(3,579)	-31%
TOTAL OPERATING REVENUES	849,212	821,824	795,363	(26,461)	-3%
Operating Expenses					
Compensation & Employee Benefits	971,769	1,038,140	1,036,470	(1,670)	0%
Services & Supplies	311,802	285,595	243,232	(42,363)	-15%
Utilities and Communications	24,790	24,898	23,347	(1,550)	-6%
Scholarships, Fellowships and Waivers	97,141	108,782	139,024	30,242	28%
Depreciation Expense	71,169	75,357	78,285	2,929	4%
Self Insurance Claims & Expenses	4,137	2,849	3,714	865	30%
TOTAL OPERATING EXPENSES	1,480,807	1,535,620	1,524,073	(11,548)	-1%
Total Operating Income (Loss)	(631,595)	(713,797)	(728,710)	(14,913)	2%
NonOperating Revenues (Expenses)					
State Appropriations	426,591	428,947	437,246	8,300	2%
Federal and State Student Financial Aid	147,474	164,433	182,340	17,907	11%
Noncapital Grants and Donations	25,561	32,287	68,565	36,279	112%
Investment Income	17,951	18,108	18,066	(42)	0%
Unrealized Gains & Losses	23,437	(13,933)	18,249	32,182	-231%
Net Investment Income	41,388	4,174	36,314	32,140	770%
Other Non-Operating Revenues	2,621	5,518	2,602	(2,917)	-53%
Gain/Loss on Disposal of Capital Assets	(392)	(482)	(794)	(312)	65%
Interest on Asset-Related Debt	(13,445)	(10,969)	(11,569)	(601)	5%
Other Non-Operating Expenses	(30,121)	(39,812)	(26,949)	12,863	-32%
TOTAL NON-OPERATING REVENUES (EXPENSES)	599,677	584,095	687,755	103,659	18%
Income (Loss) Before Contributions and Transfers	(31,918)	(129,701)	(40,955)	88,746	-68%
Contributions and Transfers					
Capital Appropriations	19,880	19,130	7,330	(11,800)	-62%
Capital Grants, Contracts, Donations and Fees	16,460	15,551	10,245	(5,307)	-34%
Change in Net Position	4,422	(95,020)	(23,380)	71,640	-75%
Total Net Position - Beginning	902,398	914,626	819,606	(95,020)	-10%
Adjustments to Beginning Net Position	7,806	0	0	-	
Total Net Position - Ending	914,626	819,606	796,226	(23,380)	-3%

Agenda Item: IVb

USF Board of Trustees
Finance Committee
November 16, 2021

Issue: University Budget Update

Proposed action: Informational on proposed process for addressing resource challenges and a new budget process.

Executive Summary: The USF BOT has asked the President as part of her goals to:

- Design a new value driven university-wide budget allocation model that builds on the diverse, equitable and inclusive culture at USF, including shared costs for shared services among campuses, F&A distribution, and a transparent reporting system; and
- Developing strategies to maximize the University's financial resources and opportunities, including identification of revenue sources and partnerships, debt management, cost savings and accountability.

This presentation outlines the challenges and the proposed steps to achieving the above goals.

Financial Impact: TBD

Strategic Goal(s) Item Supports: 5 - To practice continuous visionary planning and sound management throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

BOT Committee Review Date: November 16, 2021

Supporting Documentation Online (*please circle*): Yes No

Prepared by: Richard J Sobieray

University Budget Update

DEFINING OUR FUTURE

Richard J Sobieray / November 16, 2021



Introduction – Initial Thoughts

- From multiple interviews, the impressions are consistent:
 - All want a transparent and predictable budget model;
 - All campuses want to ensure they're respected, and needs are addressed;
 - The Deans want back some local control of their respective Colleges;
 - All believe that the Colleges and some support areas are severely under-resourced;
 - All want to ensure we don't lose sight of quality, cross-college investments, and performance-based expectations;
 - All agree that any changes in budget process and resource allocation should be tied to the developing strategic plan; and
 - All agree that a strong linkage needs to exist between authority and accountability.

Introduction – Initial Thoughts

- The facts are clear:
 - The budget process is viewed as top down and transactional without transparency;
 - The Tampa campus has fronted the investment in its growth with the hope the State of Florida would provide more resources for operations and capital; and
 - The branch campuses (Sarasota/Manatee, St. Petersburg) and Health Sciences have managed their resources independently but effectively.
- The result:
 - We have frustrated Deans and faculty;
 - E&G (Tuition, Lottery and General Funds) resources have been overcommitted; and
 - Deferred Maintenance has not been funded across USF.

**RESOURCES HAVE NOT KEPT UP WITH THE PACE OF GROWTH AND
SUCCESS OF USF.**

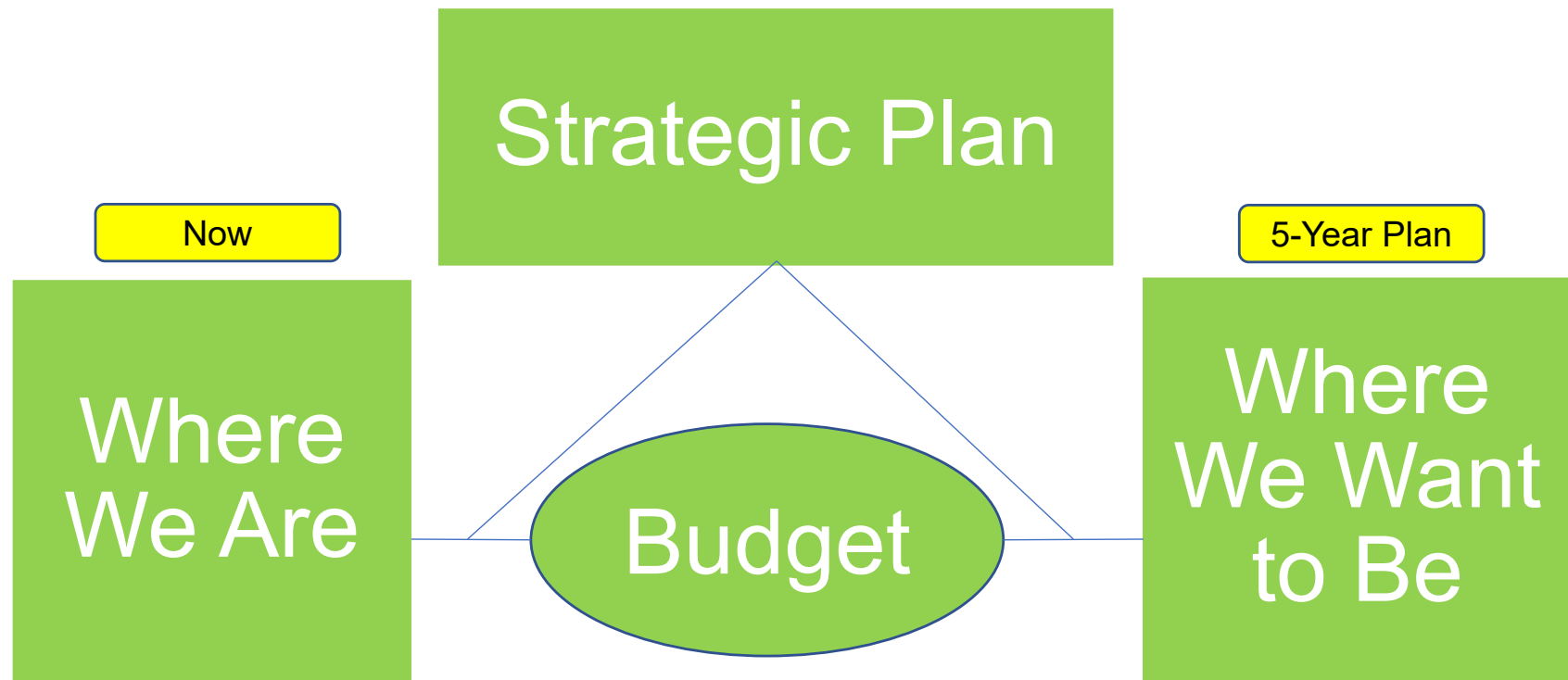
So, What Are We Going To Do About This?

1. We are going to implement a University Budget Committee made up of:
 - a) Senior University Leadership
 - b) Branch Campus and Health Leadership (SM, St. Pete, Health)
 - c) Deans
 - d) Faculty Senate President or their Delegate

The Charge:

Design a new value driven university-wide budget process and resource allocation model that builds on the diverse, equitable and inclusive culture at USF.

So, What Are We Going To Do About This?



So, What Are We Going to Do About This? Next Steps and Timeline – Budget Process

Today – December

- Convene the Budget Committee
- Finalize Budget Committee Charter
- Present the Current All-Source Budget
- Outline All-Source Budget Process Expectations and Timing
- Begin Discussions on Resource and Cost Allocation Methodology

January – March

- Support Function All-Source Budget Presentations
- Prepare and Communicate Expectations for Tampa, SM, St. Pete and Health All-Source Budget Presentations
- Finalize Resource and Cost Allocation Methodology

April - June

- Tampa, SM, St. Pete and Health All-Source Budget Presentations
- Finalize FY23 Operating and Capital Budget Decisions for Presentation to President, Finance Committee and Board
- Communicate Final Decisions to Support, Campuses, and Colleges

So, What Are We Going To Do About This?

2. We must address our resource challenges through:

New Resource Generation



- State
- Tuition
- Philanthropy
- Grants
- Public Private Partnerships
- Monetizing Revenue Streams

Operational Excellence



- Operational Efficiencies
- Strategic Outsourcing
- Strategic Procurement

Innovative Initiatives



- Digital Flagship University
- Patents into Resources
- Financing

So, What Are We Going to Do About This?

Next Steps and Timeline – Resource Challenge

Today – December

- Develop an All-Source View of the University Budget by Campus and Health
- Develop a 5-Year Financial Plan for E&G Resources and Commitments
- Begin to Review Current Commitments
- Begin to Develop Scenarios for Addressing the Stress on E&G Resources

January – March

- Full Court Press in Tallahassee Addressing Financial Needs
- Begin to Identify Strategies Across:
 1. New Resource Generation
 2. Operational Excellence
 3. Innovative Initiatives
- Begin to Draft a 5-Year Financial Recovery Plan Integrated with Strategic Plan and Budget

April - June

- Finalize 5-Year Financial Plan
- Present Plan to President, Finance Committee and Board

What Defines Success?

1. A balanced budget within 3 years by establishing a sustainable funds flow model with incentives that advance USF's mission of excellence.
2. A new budget model that:
 - a) Balances local autonomy with a strong sense of unity in vision and values.
 - b) Provides decision-makers with increased transparency into USF finances and foster an information-rich disclosure on college priorities and budget matters.
 - c) Advances and encourages Campus and Health strengths and priorities.
 - d) Aligns authority and accountability.
 - e) Provides for reasonable transitions and bridging strategies.

QUESTIONS?



Agenda Item: IVc

USF Board of Trustees
Finance Committee
November 16, 2021

Issue: Federal Funds Update

Proposed action: Informational

Executive Summary: This discussion is meant to provide an updated status of the USF Federal Funds received as a result of the pandemic. This includes CARES/CRRSAA/ARPA funding. The summary includes funds expended to date as well as commitments to be funded in the future.

Financial Impact: \$195.3 million

Strategic Goal(s) Item Supports: Supports all USF Goals

BOT Committee Review Date: November 16, 2021

Supporting Documentation Online (*please circle*): Yes

No

Prepared by: Nick J. Trivunovich

Federal Funds Update

Nick Trivunovich | Nov. 16, 2021



Summary of Funding Provided to USF

CARES

Total	\$ 34,839,748
Less student Fin Aid	<u>(17,419,874)</u>
Net	17,419,874
Expended to date	<u>(17,419,874)</u>
Net available	<u><u>-</u></u>

CRRSAA/ARPA

Total	\$ 160,474,470
Less student Fin Aid	<u>(69,425,869)</u>
Net Available	<u><u>91,048,601</u></u>

Summary - All Programs

Total	\$ 195,314,218
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➤ *\$195.3mm in total including Institutional portion and Student Financial Aid*

➤ *Student Financial Aid is being distributed via Financial Aid office*

➤ *\$108.5mm for eligible Institutional portion for university costs or lost revenue:*

- ❖ *All of CARES funds (\$17.4mm) were expended*
- ❖ *Remainder (\$91.1mm) must be spent before May 25, 2022*

Update of CRRSAA/ARPA Expenditure Plan



INSTITUTIONAL PORTION:

Funds Available	\$ 91,048,601
Less:	
Lost Revenue Claimed	\$ 42,763,585
Direct COVID Expenses	\$ 30,413,265
Contingency	\$ 2,000,000
Allowable Overhead on Direct Expenses	\$ 11,478,310
Sub-Total	\$ 86,655,161
Net Remaining Funds	4,393,440

STUDENT FINANCIAL AID PORTION:

Funds Available	\$ 69,425,869
Less:	
CRRSAA Awards distributed	\$ 17,419,874
ARP Awards distributed	\$ 20,818,706
Sub-Total	\$ 38,238,580
Net Remaining Funds	31,187,289

Appendix

Details of the Uses of Federal Funds

Description of Expense	Amount
We Got U-sf Scholarships and Waivers	8,966,091
Faculty Early Retirement Program	4,906,617
HVAC repairs and replacements	4,379,000
Student Health Services	1,941,512
Classroom instructional technology enhancements	1,800,000
Touchless digital access technology for USF facilities	1,800,000
Ongoing COVID-19 costs	1,753,950
Student Learning Assistants - Spring	1,230,000
Instructional Tech Support	1,067,000
Enhanced Cleaning	754,000
Laptops to support remote work	500,000
GAU Bonuses	477,095
Remote learning software licenses	468,000
Increased Service Desk Hours	245,000
Enhanced cybersecurity for remote work	125,000
Total	\$ 30,413,265

Lost Revenues	Amount
Faculty Practice Plan	14,704,015
Athletics	11,588,441
Housing	6,996,044
Student Fees	6,346,189
Parking & Transportation Services	1,878,897
Dining	750,000
FIO	500,000
Total	\$ 42,763,585

