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## Facing Shortfall, USF Digs Up \$53 Million

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The Tampa Tribune

Published: August 23, 2008

Updated: 08/23/2008 12:21 am

TAMPA - The University of South Florida has begun to "judiciously" draw from its reserves as it tries to dampen the effects of a multimillion-dollar budget shortfall, the university's provost said Friday.

USF plans to spend \$53 million of reserve assets during the next two years to cover expenses as varied as travel and bonuses, equipment for faculty and classroom upgrades, Provost Ralph Wilcox said.

The university already has spent \$6 million of that money mostly to hire adjunct faculty and instructors for the upcoming year, a contingency meant to help allay the loss of 170 vacant faculty positions that USF eliminated.

The reserve cash comes from a \$240 million pool of unrestricted assets - some of which are earmarked, some of which were unspent last fiscal year and were set aside for a rainy day.

"It doesn't take a provost to tell you that today it's raining," Wilcox told faculty members during a Friday assembly. "We just cannot afford to stand still and await an economic recovery."

The university suffered the loss of \$35.6 million in state funds last fiscal year as Florida tax revenue declined. In addition, USF cut an extra \$15 million out of its budget to absorb further state cuts, which happened after Gov. Charlie Crist this summer ordered a 4 percent cut to state agencies.

Wilcox admits his plan to draw down reserves is risky. The \$53 million he plans to spend represents nearly all the reserves available to the university's academic affairs division.

But because he's not spending it all at once, there are still reserves available for an emergency, said Trudie Frecker, USF's interim chief financial officer. Also, if he had to, Wilcox can tap other unrestricted assets in the university, Frecker said.

The reserve money wouldn't go to hiring permanent faculty, whose salaries require annually recurring state funds, and that's what USF had to cut.

It would, however, cover other support that faculty members rely upon, such as lab equipment, technology upgrades and professional travel, Wilcox said.

"We have no choice," he said after the assembly. The economic downturn, and its squeeze on the university, leaves little wonder that universities in other states "have been able to lure our faculty away," he said.

USF's faculty union leaders welcomed the news Friday that the university would make up some of the cuts. When USF President Judy Genshaft announced in May that she was cutting \$50.4 million from the university's budget, the faculty union demanded she consider drawing from reserves to soften the blow.

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Wilcox committed to "what we have been calling for," said Sherman Dorn, the union's president.

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