

2008 LEGISLATIVE ISSUE FORM

BOG ISSUE: State University System Concurrency Trust Fund



PROPOSED STATUTORY LANGUAGE: Statutory Language To Be Drafted

1. Need for Change: Chapter 1013, Florida Statutes

State universities must pay the host local government for the impact of university development on identified public facilities and services, and any deficiencies likely to occur as a result of proposed campus development. These impacts, along with the University Board of Trustees' fair share of the costs necessary to make the improvements must be included in the Campus Development Agreement. The agreement must be consistent with the campus master plan and the host local government's comprehensive plan. Funding is obtained by state universities from the State University System Concurrency Trust Fund to pay for its share of the improvements.

The State University System Concurrency Trust Fund was scheduled to sunset (be discontinued) on July 1, 2007 but was continued when SB 1326 was passed during the 2007 Legislative session and signed into law by Governor Charlie Crist. However, in 2005-2006, the service charge rate to provide money for the trust fund was reduced from 7% to 3.5%, with half of the funds (\$5.4 million) distributed to the State Transportation Trust Fund and half to the University Concurrency Trust Fund. In fiscal year 2006-2007, all of the funds went to the State Transportation Trust Fund. It is estimated that the remaining Concurrency Trust Fund balance (approximately \$50 million) will only last through the 2007-2008 fiscal year. Therefore, a permanent funding stream for the trust fund must be obtained during the 2008 Legislative session.

Additionally, the trust fund can be used only for improvements in the host community even if the university project causes improvements to be needed in physically adjacent communities. Therefore, the statutes need to be amended to allow funds from the trust fund to be used to make improvements in adjacent communities when improvements in those communities are required as a result of university projects.

2. Current Condition:

Although the State University System Concurrency Trust Fund has been continued, the funding stream no longer exists and the current balance in the trust fund will be depleted during the 2007-2008 fiscal year. Also, the funds can be used only for development impacts to the host community.

3. Effect of the Change:

Identification of a permanent, reliable funding mechanism for the State University System Concurrency Trust Fund is essential to ensuring that the state's public universities

can meet their financial obligation to local government hosts when projects require improvements to local infrastructure.

4. Fiscal Impact:

Undetermined at this time

5. Justification for BOARD OF GOVERNOR'S Priority (if applicable):

The ability of state universities to fund the cost of impacts from their development is critical to their ability to put into place the infrastructure necessary to educate students, conduct research, and provide space for faculty and staff.

6. Link to BOG Strategic Plan:

This issue increases the ability of the Board of Governors in addressing the goals of its strategic plan by increasing the ability to provide adequate facilities for students, faculty, and staff.