

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
September 21, 2006**

SUBJECT: 2007-2008 State University System Fixed Capital Outlay Legislative Budget Request

PROPOSED BOARD ACTION

Review and approve the 2007-2008 SUS Fixed Capital Outlay Legislative Budget Request.

Authorize the Chancellor, State University System of Florida, to make revisions to the 2007-2008 SUS Fixed Capital Outlay Legislative Budget Request to fund up to 100 percent of each university's infrastructure/capital renewal/roofs project based on updated revenue allocations and to make technical adjustments.*

Approval is recommended by the Chancellor.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Subsection (d) of Section 7 of Article IX, Education, of the Constitution of Florida as amended.

BACKGROUND INFORMATION

The requested budget provides the State University System of Florida continued capital outlay support and has been prepared in accordance with statutory requirements and guidelines adopted by the Board of Governors on March 23, 2006. All university fixed capital outlay budget requests were approved by the institutional boards of trustees prior to submission to the Chancellor.

The Board of Governors Office staff has evaluated the projects proposed by the universities for consistency with the campus master plan and educational plant survey recommendations. Also, reasonableness of cost estimates and project schedules have been examined. All projects and amounts requested for funding are thus recommend by the Chancellor. The list reflects a statewide plan for program growth and quality improvement.

*Full funding, as requested by the universities, will require an additional \$39 million in year 2007-2008 and \$45 million in 2008-2009.

Specific Fixed Capital Outlay Appropriation Requests

- ◆ **The 2007/2008-2009/2010 SUS Three-Year Public Education Capital Outlay (PECO) Project List** is a non-prioritized statement of academic and academic support facilities needs based upon the revenue allocation constraints required by law. **(Attachment I)**
- ◆ **The 2007/2008-2009/2010 SUS Three-Year Public Education Capital Outlay (PECO) Project Priority List** represents a prioritized statement of academic and academic support facilities needs based upon the revenue allocation constraints required by law. **(Attachment II)**

It should be noted that both PECO lists are subject to the same budgetary constraints and thus the total requested amount is the same on both lists. Pursuant to s. 1013.60, Florida Statutes, the list cannot exceed the PECO allocation amount provided the Commissioner of Education for the State University System. As required by Florida statute, PECO projects must be for educational and general purposes.

This proposed PECO budget request addresses in priority order:

- a. Continuation of funded projects included on the Board of Governors adopted three year list.
 - b. Utilities infrastructure/Capital Renewal/Roofs needs.*
 - c. Requests to increase the amount of initial construction funding for an existing project on the three year PECO list.
 - d. Land acquisition in accordance with University Board of Trustees adopted master plans.
- ◆ **BOG Request for PECO Remodeling/Renovation/Repair/Maintenance Formula Funds Appropriation** represents a system-wide request for funds used to expand or upgrade educational facilities to prolong the useful life of the plant, pursuant to statute. **(Attachment III)**
 - ◆ **The 2007/2008-2011/2012 SUS Five-Year Capital Improvement Plan Project List** represents a prioritized statement of academic and academic support facilities needs, unconstrained by revenue limitations. **(Attachment IV)**
 - ◆ **The 2007/2008 Alec P. Courtelis Facility Enhancement Challenge Grant Program Project List** represents projects for which private donations have been received or are anticipated to be received by December 31, 2006. The projects support instruction and research and are included in the Five-Year Capital Improvement Plan. This list will be updated for the January 2007 Board meeting. **(Attachment V)**

*Full funding, as requested by the universities, will require an additional \$39 million in year 2007-2008 and \$45 million in 2008-2009.

- ◆ **A Request for Legislative Approval for the State University System to construct facilities from non-appropriated sources. (Attachment VI)**

- ◆ **A Request for Capital Improvement Trust Fund Debt Service Appropriation** provides the spending authority necessary to satisfy the debt service requirements of previously issued long term debt. **(Attachment VII)**

Note - Section 1010.62, Florida Statutes, has been revised so that effective for the 2006-2007 fiscal year, previously required specific Legislative approval is now generally granted to the Board of Governors and the State University System and Direct Support Organizations to construct most facilities which are to be funded through the issuance of revenue bonds or other debt instruments. Board of Governors staff is working with each institution to determine if any projects which have been requested do not meet the criteria set forth in Section 1010.62, Florida Statutes. Those projects determined to require specific Legislative approval, will be provided for approval to the Board of Governors at the January 2007 meeting for inclusion in the legislative budget request.

Supporting Documentation Included:

- **Exhibit A** Projected Annual PECO Allocations for 2007-08, 2008-09, 2009-10
- **Exhibit B** 2006-2007 PECO Appropriations by University
- **Exhibit C** Percentage of PECO Allocation by University
- **Attachments I-VII** (As described above)

Facilitators/Presenters: Dr. Nancy McKee, Vice Chancellor
 Mr. Chris Kinsley, Director, Finance and Facilities