

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA**

Facilities Committee
November 15, 2006

SUBJECT: Approval of University Debt Management Policies

PROPOSED BOARD ACTION

Approve the adopted Debt Management Policies of the University of Florida and Florida Gulf Coast University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines dated April 27, 2006; Chapter 2006-27, Section 5, Laws of Florida; and Article IX, Section 7(d), Florida Constitution

BACKGROUND INFORMATION

The state universities of Florida and their direct support organizations have funded significant investments in infrastructure, such as buildings, equipment, land, and technology, to meet the needs of a growing student population and to upgrade and maintain existing capital assets. A significant amount of the funding for this investment in infrastructure has been provided through the issuance of debt by the State for the benefit of the state universities and by the state universities' direct support organizations.

The Board of Governors at its April 27, 2006 meeting, approved debt management guidelines for the 11 institutions of the State University System of Florida and their direct-support organizations to use in managing debt and assuming new debt to meet growth needs of the future. The Debt Management Guidelines were needed for the State University System to continue to ensure consistency and prudent fiscal management in the financing of capital outlay projects by the institutions and their foundations and other direct-support organizations.

The Florida Board of Governors Debt Management Guidelines require that each state university adopt a debt management policy which is consistent with these guidelines and which shall be approved by the Board of Governors.

The University of Florida, Board of Trustees, at its June 15-16, 2006 meeting and Florida Gulf Coast University Board of Trustees, at its September 12, 2006 meeting, adopted debt management policies consistent with the Debt Management Guidelines of the Board of Governors.

Supporting Documentation Included: N/A

Facilitators/Presenters: Mr. Chris Kinsley, Director of Finance
and Facilities