

FLORIDA BOARD OF GOVERNORS

April 27, 2006

SUBJECT: Debt Management Policy

PROPOSED BOARD ACTION

Consider adoption of a Debt Management Policy for the issuance of debt by universities and direct support organizations.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Constitution of the State of Florida; Board of Governors Policy Regarding Authorization and Approval of University Debt

BACKGROUND INFORMATION

In January 2006, the Board adopted a policy regarding authorization and approval of debt issued by universities and their direct support organizations ("DSOs"). As part of that policy, the Board indicated it may adopt more detailed criteria, policies and procedures to govern the issuance of debt by universities and DSOs. To that end, the Board staff, working in conjunction with representatives from the universities and the Division of Bond Finance, has developed a Debt Management Policy that establishes prudent debt management guidelines that address the purposes for which debt may be issued, the amount of debt that may be issued, the structural features of debt being issued, the types of permissible debt, and compliance with federal tax and securities laws and regulations.

The principles set forth in the Debt Management Policy are designed to facilitate the management, control and oversight of debt issuances, while providing flexibility to the university Boards of Trustees and their DSOs with respect to debt management.

Supporting Documentation Included: Debt Management Policy

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