

2009 LEGISLATIVE ISSUE FORM

BOG ISSUE: Fixed Capital Outlay Project (PECO and Challenge Grant) Flexibility



PROPOSED STATUTORY LANGUAGE: 1013.79 University Facility Enhancement Challenge Grant Program. –

(5) A project may not be initiated unless all private funds for planning, construction, and equipping the facility have been received and deposited in the separate university program account designated for this purpose. Any private sources of funds expended for this purpose are eligible for state matching funds, but do not create a financial obligation of the state. ~~and the state's share for the minimum amount of funds needed to begin the project has been appropriated by the Legislature.~~ The Board of Governors shall establish a method for validating the receipt and deposit of private matching funds. The Legislature may appropriate the state's matching funds in one or more fiscal years for the planning, construction, and equipping of an eligible facility. However, these requirements shall not preclude the university from expending available funds from private sources to develop a prospectus, including preliminary architectural schematics or models, for use in its efforts to raise private funds for a facility. ~~Additionally,~~ any private sources of funds expended for this purpose are eligible for state matching funds should the project materialize as provided for in this section.

1. **Need for Change:** The universities want clear assurance that expenditure of private funds for Courtelis projects will not impair the ability of the SUS to continue to request state matching funds. This change would not create a financial obligation on the part of the state.
2. **Current Condition:** The universities have on hand private donations sufficient to complete half of each Courtelis project. The universities have taken the prudent step of initiating the planning and architectural design process, and may continue towards construction using both private and other non-state sources while hopeful of latter receipt of state matching funds.
3. **Effect of the Change:** The proposed policy change would provide clarification of existing law to encourage university construction.
4. **Fiscal Impact:** Up to \$152 million or more, dependent upon appropriation.
5. **Justification for BOARD OF GOVERNOR'S Priority (if applicable):**
N/A

6. **Link to BOG Strategic Plan:** This issue improves the ability of the Board of Governors in addressing the goals of its strategic plan by increasing the potential to provide adequate facilities for students, faculty, and staff.