

**State University System
Fixed Capital Outlay
Legislative Budget
Request**

Board of Governors

October 21, 2004

Fixed Capital Outlay (FCO) Budget Request

- Required annually:
 - 3-yr PECO Priority List
 - 5-yr Capital Improvement Plan List
- Required, if needed:
 - Challenge Grant
 - Capital Improvement TF
 - Special Items
 - Legislative Authorizations
 - PECO Remodeling/Renovation/Repair/Maintenance
 - Concurrency Trust Fund

FCO Budget Request Process

(See hand-out: FCO Legislative Budget
Request Calendar)

Exhibit A

PECO Allocation

- University system has a \$128.9 million allocation for 2005-06, compared to the \$215.8 million received for 2004-05.
- University system has a 3-year PECO allocation of \$247.7 million.
- Universities submitted projects totaling \$2 billion for the first 3 years of the Capital Improvement Plan.

Exhibits B, C, D

3-Year PECO Project Priority List

- Within the three-year revenue limitations, we were able to:
 - Complete the funding for all university projects that received previous appropriations and were recommended by the BOG
 - Substantially fund all university utilities/infrastructure/capital renewal/roofs
 - Complete the funding of Scripps

Exhibits B, C, D

3-Year PECO Project Priority List

- We were not able to:
 - Complete the funding for any university projects that received previous appropriations and were not recommended by the BOG
 - Fund any new projects
- Over the 3-year period, 78% of the funds are for projects that do not create new space for the universities; instead, they are for renovation & remodeling projects, and infrastructure needs, such as utilities, roofs, and roads.

Exhibits B, C, D 3-Year PECO Project Priority List

- Each university's priorities were followed with two exceptions: FSU and UNF, as reflected in Exhibit B.
- The only four projects that will create new space are reflected in Exhibit D.

Exhibit E

5-Year Capital Improvement Plan

- Statutorily required, but not constrained by revenue
- First projects listed reflect those in the 3-year PECO Project Priority List in Exhibit B.
- Other projects identified in the university plans are included, provided they are consistent with university missions and are supportive of academics.

Exhibit F

Facilities Enhancement Challenge Grant Program List

- Projects must support instruction or research, be included in the institutions' 5-year Capital Improvement Plan, and the private cash matching must be on deposit.
- Initially, all potentially eligible projects are included on the project list.
- In January, project list is adjusted based on actual cash collections reported by universities

Exhibit G

Capital Improvement Trust Fund Project List

- Two student fees go into this trust fund:
 - capital improvement fees and building fees.
- In accordance with the BOG's guidelines, only student-related projects are funded, such as student unions and recreational facilities or improvements.

Exhibit H

Supplemental Special Request

- Traditionally used for projects that may not easily be funded from traditional sources
- Request is for \$11 million for the Florida Institute of Oceanography (FIO) Coastal Research Vessel
- FIO provides the capital facilities for the state's ocean training and research.
- FIO is using a 40-year-old drug boat that is obsolete with high maintenance and repair costs.

Exhibit I

Projects Which Require General Revenue for Operation

- Statutes require legislative approval for construction of projects from non-appropriated sources if GR will be requested for operations
- These projects include academic and student support facilities as proposed by the universities

Exhibit J

Authorization to Sell Revenue Bonds

- Constitution requires legislative approval of projects financed by revenue bonds.
- Projects include dormitories, parking garages, bookstores, etc. for which operating revenues are pledged to pay debt service.

Exhibit K

Facilities Financed or Acquired by Direct Support Organizations

- Statutes require legislative approval of facilities constructed or financed by DSOs.
- Recommended projects include dormitories, athletic and research facilities, and facilities for programs in others countries.

Exhibit L

PECO

Remodeling/Renovation/Repair/ Maintenance Formula Funds

- Funds are allocated to each delivery system according to a statutory formula that considers the size, age, and replacement value of current facilities.
- Allocation for SUS is \$20.7 million
- Funds used for minor projects

Exhibit M

Concurrency Trust Fund

- Trust Fund receives funds from the local option gas tax.
- Funds used to reimburse local governments for off-campus impacts resulting from on-campus development
- Request is for \$5.4 million.

Fixed Capital Outlay Budget Request

Committee Action