



February 27, 2013

The Honorable Rick Scott
Governor of Florida
The Capitol
Tallahassee, Florida 32399

Dear Governor Scott:

Thank you for your letter of February 18, 2013 regarding university bond deals. Such construction projects are critical to the State University System's core mission and thus receive our utmost scrutiny. I share your dedication to vigilance in this matter, as I too must affix my signature to each bond offering. Likewise, the Board of Governors shares your commitment to keeping Florida's universities among the most affordable in the nation.

In the face of the precipitous decline in state support for the fixed capital outlay budget, the pressure on the universities to bond from internal sources has increased tremendously. These factors led to the creation of the State University System Facilities Task Force, with whose work you are familiar. The Board and all stakeholders interested in the welfare of our state universities are keenly aware of the challenge. While we must make the most of the opportunity provided by historically low interest rates and cost of construction – which provides lowest lifecycle costs – we understand that this must not be done at the expense of current students. Of equal weight is our objective to align all bond requests with our strategic plan goals.

The Board of Governors will discuss this matter at its March 27-28, 2013 meeting, with the expectation that the Facilities Committee will direct the Chancellor and his staff – along with representatives from the universities – to begin the process of incorporating the concepts outlined in your letter into the State University System's Debt Guidelines. We certainly will welcome participation from you and your staff, as well as that of the State Board of Administration's Division of Bond Finance in the amendment process.

February 28, 2013

Page 2

In the interim, Chancellor Brogan and his staff will assist those schools that have deals that are mid-way through the approval process to incorporate the additional information you recommended, so that this data will be available to both you and the Board prior to authorization of any further debt issuance.

We appreciate your commitment to our shared goal of creating a more efficient and effective high-quality university system for the people of Florida.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Colson", with a long horizontal flourish extending to the right.

Dean L. Colson
Chair