

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
JANUARY 31, 2019

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and its Committees are accessible at <http://www.flbog.edu/>.*

Governor H. Wayne Huizenga, Jr., Chairman, convened the meeting of the Board of Governors Facilities Committee meeting at 8:58 a.m., January 31, 2019. The following members were present: Fernando Valverde, Shawn Felton, Darlene Jordan, Sydney Kitson, Edward Morton, and Jay Patel. Other Board members present included: Tim Cerio, Jalisa White, and Z. Zachariah.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Valverde moved that the Committee approve the minutes of the Facilities Committee meeting held January 31, 2019, at Florida International University. Governor Patel seconded the motion, and it passed unanimously.

3. Amended 2019-2020 SUS Fixed Capital Outlay Legislative Budget Request

Chairman Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss further the proposed amendments to the Board's Fixed Capital Outlay Legislative Budget Request. Mr. Kinsley noted that the previously adopted PECO budget was in accordance with the estimates adopted by the PECO Revenue Estimating Conference on August 1, 2018. The December 4, 2018, estimates revise and reduce the amounts significantly for Maintenance, Repair, Renovation, and Remodeling, as well as for SUS Projects. The Board staff recommended that a pro-rata adjustment be made to all projects. Mr. Kinsley noted that the Legislature, for the past few years, has supplemented the PECO funds with non-recurring general revenue so that the SUS system receives funds in excess of the estimates. Since the project list was based around the original estimates to maximize completion of projects as much as possible within the three-year window, the reduced numbers will not allow the same

number of projects to be completed. The unknown is what action the Legislature will take, therefore, Mr. Kinsley suggested the Board adopt the pro-rata reduction and opened the floor for questions.

Chairman Huizenga advised that the three requests related to UCF should be deferred at this time and not included in the final amended Legislative Budget Request. Chairman Huizenga asked if there were any questions. There being none, Mr. Kinsley went on to discuss the Capital Improvement Trust Fund fee allocation of \$44M based on each school's pro-rata contributions. Mr. Kinsley also addressed the Request for Legislative Reauthorizations. In addition to the UCF deferred items, FAMU has requested that its request for Lab School Renovations also be removed from the list for this cycle. Additionally, two items in the Guidelines, but not requested by the universities, are the extraordinary requests for legislative authorization for debt projects, also known as Back of Bill 1 (BOB-1), as well as requests for Plant Operations and Maintenance (PO&M), also known as Back of Bill 2 (BOB-2) requests. With regard to PO&M requests, four schools submitted requests but, after vetting the requests, it was discovered that the requests were either previously authorized or not E&G related facilities. Therefore, there are no BOB-1 or BOB-2 requests.

In regard to Special Requests for University Developmental Research Schools, both FAU and UF each requested \$10,000,000. President Kelly presented on the FAU Lab School, followed by Dr. Charlie Lane who presented on the UF Lab School.

Chairman Huizenga called for a motion to approve the amendments to the Board's Fixed Capital Outlay Budget request as presented today. Governor Kitson moved to approve, Governor Patel seconded, and the motion passed with approval by all members present.

4. 2020-2021 SUS Legislative Budget Request Guidelines

Chairman Huizenga explained that assuming the current state funding policies remain in place, the Board is taking a conservative approach with regard to the Budget Guidelines and highlighted two significant changes. The first being that for all new projects, a funding source outside of additional State Appropriations for Plant Operations & Maintenance be identified. The second is that the category called "Utilities/Infrastructure/Capital Renewal/Roofs" has been eliminated and replaced with a requirement that long-term maintenance items be addressed with greater specificity. Chairman Huizenga then called on Mr. Kinsley to elaborate on the proposed changes.

Mr. Kinsley stated that due to legislative session starting in January, we have to back our calendar up. Mr. Kinsley then highlighted the major changes for discussion as the finalized guidelines will be presented in March. The proposed guidelines replace the

category Utility Infrastructure with the Capital Renewal Requests detailed at the Existing Building or Existing Subsystem level and suggests that multiple line entries be used to identify and break out subsystems. Historically, Utility Infrastructure has been the number one priority, but since this category has not received funding in several years, and since the need for this category has not gone away, the universities would now address the critical needs by identifying individual subsystems as opposed to a lump sum request. If there are no critical needs, the university should certify that it has no critical needs at that time.

The other major change relates to Plant Operations and Maintenance and identifying the funding source if outside of State Appropriation. The operating budget is requesting Plant Operations and Maintenance for E&G facilities and we will advocate for that funding. Mr. Kinsley noted that there have been three years of no funding for PO&M and this is the fourth year. We should ask the universities when building a new facility to consider and identify where PO&M money will be coming from if the state is not going to provide extra money for utilities or janitorial services. Finally, universities may have to get creative in determining how PO&M will be funded, so that new facilities can be built.

Mr. Kinsley then opened the floor for questions. Chairman Huizenga advised the committee members that the changes are proposals for consideration. We have huge deferred maintenance issues and we are trying to address it, but in response to what is heard from the Legislature, when planning new buildings, we have to figure out how we are going to fund the operating costs if they are not funded. So rather than losing older buildings to neglect because we do not have the dollars, our focus needs to be on sustaining and maintaining the buildings we have until we can generate enough funds for the university to be able to finish the projects that we have right now and to build new projects so we can sustain our new students in the future.

5. Adjournment

There being no further business, Chairman Huizenga adjourned the meeting at 9:43 a.m. (ET), on January 31, 2019.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair