

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
September 14, 2022**

SUBJECT: Amendment of the Board of Governors Debt Management Guidelines

PROPOSED COMMITTEE ACTION

Approve the revisions to the Board of Governors Debt Management Guidelines, as presented.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution, Sections 1001.706 and 1010.62, Florida Statutes.

BACKGROUND INFORMATION

On March 30, 2022, the Board authorized a request from FSU to issue debt in the amount \$44M, the proceeds of which were to substitute private donations in connection with financing construction of its Interdisciplinary Research and Collaboration Building (IRCB) project. The debt issuance allowed the donated funds to remain in the FSU Research Foundation's endowment pool, thereby taking advantage of potential (interest rate) arbitrage opportunities over the financing term.

Following Board approval of debt issuance and the unique financing structure, Chairman Lamb requested staff to work with the Division of Bond Finance (DBF) in preparing guidelines to govern similar debt requests in the future. Draft guidelines have been incorporated as proposed revisions to the Debt Management Guidelines (see attached exhibit, page 11, "Leveraging Endowment Assets").

Minor unrelated edits are also reflected on pages 5, 9, 20 and 21.

DBF was very instrumental in this process and has satisfactorily reviewed the proposed revisions to the Debt Management Guidelines.

Supporting Documentation Included:

Draft Revised Debt
Management Guidelines

Facilitators/Presenters:

Mr. Kevin Pichard