

**STATE UNIVERSITY SYSTEM OF FLORIDA**  
**BOARD OF GOVERNORS**  
**Facilities Committee**  
March 28, 2023

**SUBJECT:** Florida State University – Amendment of Fixed Capital Outlay Budget

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**PROPOSED COMMITTEE ACTION**

Approve the amendment to Florida State University’s FY22-23 Fixed Capital Outlay Budget, specifically the revisions to the Legacy Hall / College of Business project, as described.

**AUTHORITY FOR BOARD OF GOVERNORS ACTION**

Article IX, Section 7, Florida Constitution; Sections 1011.45 and 1013.31, Florida Statutes

**BACKGROUND INFORMATION**

On November 9, 2022, the Board approved Florida State University’s (FSU) Fixed Capital Outlay Budget for FY2022-23, attached for reference. One of the projects reflected therein, *Legacy Hall / College of Business*, has experienced significant construction cost increases due to current market conditions. According to FSU, efforts to reduce the budget through value engineering and minor scope reductions have achieved savings of \$10.5M. Nevertheless, the Project’s estimated total cost has increased from \$134M to approximately \$160M. FSU anticipates funding the overage from several sources, as reflected in the chart below.

<b>Funding Sources</b>	<b>Amounts</b>
State Appropriation, FY17-18, General Revenue	\$ 5,000,000
State Appropriation, FY18-19, General Revenue	8,500,000
State Appropriation, FY21-22, Coronavirus SFRF	30,500,000
E&G Carryforward	57,519,189
DSO (Foundation)	24,930,811
Auxiliary (Market Rate Tuition)	5,750,000
Contracts & Grants (C&G)	1,800,000
Original Budget:	<u>\$ 134,000,000</u>
<b>Auxiliary (Market Rate Tuition)</b>	<b>10,000,000</b>
<b>Private donations/fundraising</b>	<b>10,000,000</b>
<b>HEERF *</b>	<b>6,000,000</b>
<b>Revised Budget:</b>	<b><u>\$ 160,000,000</u></b>

\*HEERF = Higher Education Emergency Relief Fund, federal funding to help offset cost associated with pandemic-related business disruption.

Board Regulation 14.003 governing FCO Budgets requires that, for projects that received State appropriation, increases over \$5 million require Board of Trustees and Board of Governors approval. The FSU Board of Trustees approved the amended FCO Budget on February 24, 2023.

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**Supporting Documentation Included:** Original FSU FCO Budget for FY22-23

**Facilitators/Presenters:** Kevin Pichard