

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
September 14, 2011**

SUBJECT: PECO - Discussion of Funding Challenges

PROPOSED COMMITTEE ACTION

Information and discussion.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution

BACKGROUND INFORMATION

The final 2011-12 Fixed Capital Outlay appropriations for the State University System of Florida totaled \$56 million, (\$13 million for Maintenance/Repair/Renovation/Remodeling, \$8 million for Utility Infrastructure/Capital Renewal and \$35 million for USF Polytechnic). This is far below PECO funding levels of the past decade, and has raised concerns as to the sustainability of the SUS's fixed capital outlay programs. Specifically, Board and university staffs were asked to address the following questions:

- How will the PECO shortfall impact university operations during fiscal 2011-12?
- What is the specific impact on projects currently under construction?
- What is the impact on the deferred maintenance?
- How could continued PECO reductions impact the long-term strategic plans for institutional growth in student population, research and economic development?

The SUS physical plant directors and CAFA, (Council of Administrative and Financial Affairs), along with Board staff, have met several times over the summer to discuss these questions and the potential impact to the SUS. Dr. Ken Jessell, FIU Senior Vice President for Finance and Administration and Chief Financial Officer will address these questions and present the CAFA findings and recommendations.

Supporting Documentation To Be Provided: 1. PECO Background Presentation
2. CAFA Report and Recommendations
3. Senate PECO Report

Facilitators/Presenters: Chris Kinsley, Dr. Ken Jessell