



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

AGENDA
Facilities Committee
Premier Club Level
FAU Stadium
Florida Atlantic University
Boca Raton, Florida
November 9, 2011
1:30 p.m. - 2:00 p.m.

Chair: Dick Beard; Vice-Chair: Dean Colson
Members: Martin, Perez, Stavros, Temple, Yost

1. Call to Order Governor Dick Beard

2. [Meeting Minutes, September 14, 2011](#) Governor Beard

3. [Review and Amend the 2012-13 SUS Fixed Capital Outlay Legislative Budget Request](#) **Mr. Chris Kinsley**
Director, Finance & Facilities

4. [2011 Higher Education Utilization Study](#) Mr. Kinsley

5. [A Resolution Requesting the Division of Bond Finance Of the State Board of Administration of Florida to Issue Revenue Refunding Bonds on Behalf of the Florida State University Research Foundation, Inc.](#) Mr. Kinsley

6. Concluding Remarks and Adjournment Governor Beard

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 10, 2011**

SUBJECT: Minutes of Meeting held September 14, 2011

PROPOSED COMMITTEE ACTION

Approval of minutes of the meeting held on September 14, 2011, at Florida International University.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Not Applicable

BACKGROUND INFORMATION

Board members will review and approve the minutes of the meeting held on September 14, 2011, at Florida International University.

Supporting Documentation Included: Minutes: September 14, 2011

Facilitators/Presenters: Governor Dick Beard

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MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA INTERNATIONAL UNIVERSITY
MIAMI, FLORIDA
September 14, 2011

Chairman Dick Beard convened the Board of Governors Facilities Committee meeting at 1:00 p.m., September 14, 2011, in the FIU Conference Center at Florida International University. The following members were present: Dean Colson, Tico Perez, Gus Stavros and Rick Yost.

1. Call to Order

Governor Beard called the meeting of the Facilities Committee to order.

2. Approval of Minutes of the Meeting of the Facilities Committee held June 20, 2011

Governor Colson moved that the Committee approve the Minutes of the Meeting of the Facilities Committee held June 20, 2011. Mr. Stavros seconded the motion, and members of the Committee concurred.

3. Public Education Capital Outlay (PECO) Discussion & Recommendations from the SUS Council for Administration and Financial Affairs (CAFA)

Governor Beard reminded the Committee that Vice-Chair Colson had requested at the last meeting that they take a look at PECO and where PECO was heading. He stated that there had been lots of discussion around the state about PECO funding and its adequacy for future University System growth.

Mr. Kinsley presented a slide presentation about PECO that included historical information, funding details and comparisons to other education sectors. He also talked about the types of university spaces funded from PECO and efficiencies. He stated that future PECO funding projections are bleak, and may not even provide enough support for basic maintenance needs.

Dr. Ken Jessell, from Florida International University and representing CAFA, presented reasons why PECO should remain a high priority for the SUS and provided the Committee members with details to assist them in discussing the problem with Legislators.

Committee members discussed the problem and what it meant for the SUS strategic plan and growth. Governor Temple expressed concern about the maintenance

of existing facilities and stressed the importance of keeping up current space and finishing projects that have been started. Chairwoman Parker asked if there was something particular that could be done to resolve the funding problem. The Chancellor pointed out that PECO was the sole funding source for university capital maintenance, and that no other source was available. He stated that they were currently awaiting the results of a Senate study on the topic that would hopefully offer some solutions but that currently the system was in triage for repairs and maintenance. Governor Beard stressed that the committee was engaged on the issue and to finding some solutions.

4. Review and Approve the 2012-13 SUS Fixed Capital Outlay Legislative Budget Request

Mr. Kinsley presented the 2012-13 Fixed Capital Outlay Legislative Budget Request for the SUS. Governor Colson moved approval and Mr. Temple seconded. All members voted in favor.

5. Concluding Remarks and Adjournment

There being no further business, the meeting adjourned at 2:00 p.m., September 14, 2011.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 10, 2011**

SUBJECT: 2012-13 State University System Fixed Capital Outlay Legislative Budget Request

PROPOSED COMMITTEE ACTION

Review and approve the 2012-2013 SUS Fixed Capital Outlay Legislative Budget Request as amended and authorize the Chancellor to make technical changes as necessary.

Discuss PECO forecast and university maintenance challenges.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution

BACKGROUND INFORMATION

The requested budget provides the State University System of Florida continued capital outlay support and has been prepared in accordance with statutory requirements and guidelines adopted by the Board of Governors on March 24, 2011. All university fixed capital outlay budget requests have been approved by the institutional boards of trustees.

The Board previously approved the 2012-2013 SUS Fixed Capital Outlay Legislative Budget Request (FCO LBR) on September 15, 2011. The latest PECO Revenue Estimating Conference held on October 3, 2011 eliminated PECO available for construction projects. Accordingly, no action is required by the Board with regards to the 2012/2013-2014/2015 SUS Three-Year Public Education Capital Outlay (PECO) Request.

Board action is required to amend other components of the FCO LBR to reflect changes requested by the universities.

Specific Fixed Capital Outlay Appropriation Requests

(Attachments I through III previously approved as of 09/15/11, no action required)

- ◆ *The 2012/2013-2014/2015 SUS Three-Year Public Education Capital Outlay (PECO) Request provides funding to meet identified academic and academic support facility needs based upon statutory revenue allocation constraints. (Attachment I)*
- ◆ *The 2012/2013 SUS Fully Funded Public Education Capital Outlay (PECO) Project Priority List represents a prioritized statement of academic and academic support facilities needs. (Attachment II)*
- ◆ *Board Request for PECO Remodeling/Renovation/Repair/Maintenance Formula Funds Appropriation represents a system-wide request for funds used to expand or upgrade educational facilities to prolong the useful life of the plant, pursuant to statute. (Attachment III)*

(Attachments VI, VII, and VIII are LBR amendments for Board consideration)

- ◆ **A Request for Legislative Authorization for State University System Fixed Capital Outlay projects requiring General Revenue funds to Operate and Maintain (Attachment VI)** provides the spending authority for plant and maintenance operations.
- ◆ **Fixed Capital Outlay Projects Requiring Legislative Authorization (Attachment VII)**
- ◆ **Fixed Capital Outlay Projects Requiring Legislative Re-Authorization (Attachment VIII)**

Supporting Documentation Included: Attachments I, II, III, VI, VII and VIII (as described above)

Facilitators/Presenters: Chris Kinsley

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2012/2013 - 2014/2015 PECO PROJECT LIST
November 10, 2011

Univ	Project	Prior Funding	Board Proposed 3 Years		
		All Years	2012-2013	2013-2014	2014-2015
UF	Utilities/Infrastructure/Capital Renewal/Roofs		5,902,915	16,000,000	18,000,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		5,297,085		
	Research & Academic Center at Lake Nona	26,000,000		6,000,000	
	Chemistry/Chemical Biology Building	7,608,204		25,000,000	33,291,796
	Newell Hall Remodeling/Restoration			8,000,000	7,000,000
			11,200,000	55,000,000	58,291,796
FSU	Utilities/Infrastructure/Capital Renewal/Roofs		7,200,000	10,000,000	15,000,000
	FAMU-FSU College of Engineering III - Joint Use	985,665		13,035,336	1,999,000
	Applied Sciences Building	12,000,000	6,000,000	4,000,000	
	Eppes Building Remodeling				14,500,000
	Earth Ocean Atmospheric Sciences Building			3,850,000	
TOTAL			13,200,000	30,885,336	31,499,000
FAMU	Utilities/Infrastructure/Capital Renewal/Roofs		5,185,231	8,000,000	8,000,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		2,014,769		
	Pharmacy Phase II	25,000,000		6,049,000	
	FAMU-FSU College of Engineering III - Joint Use	985,665		13,014,335	2,000,000
	Student Affairs Building				6,155,000
TOTAL			7,200,000	27,063,335	16,155,000
USF	Utilities/Infrastructure/Capital Renewal/Roofs		5,450,794	10,000,000	10,000,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		2,549,206		
	Sarasota/Manatee Utilities/Infrastructure/Capital Renewal/Roofs	5,250,000	637,277	1,500,000	1,500,000
	Sarasota/Manatee Utilities/Infrastructure/Capital Renewal/Roofs - VETO		162,723		
	USF St. Pete. Utilities/Infrastructure/Capital Renewal/Roofs	4,425,000	1,026,429	2,500,000	3,000,000
	USF St. Pete Utilities/Infrastructure/Capital Renewal/Roofs - VETO		173,571		
	Interdisciplinary Science Teaching & Research Facility	71,232,583		12,531,204	
	The Learning Center: Undergraduate Classroom & Support Bldg Ph I				4,523,847
	USF Polytechnic New Campus Phase I	63,117,200			
	USF Health School of Pharmacy @ Polytechnic		10,000,000	7,000,000	7,000,000
	USF Polytechnic Interdisciplinary Ctr for Excellence		1,000,000	5,638,720	10,361,280
TOTAL			21,000,000	39,169,924	36,385,127

STATE UNIVERSITY SYSTEM OF FLORIDA
 BOARD OF GOVERNORS
 2012/2013 - 2014/2015 PECO PROJECT LIST
 November 10, 2011

Univ	Project	Prior Funding	Board Proposed 3 Years		
		All Years	2012-2013	2013-2014	2014-2015
FAU	Utilities/Infrastructure/Capital Renewal/Roofs		3,092,537	3,965,000	3,965,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		3,251,463		
	FAU/SCRIPPS Joint Use Facility Expansion - Jupiter	4,000,000		6,000,000	2,000,000
	College of Science & Eng Bldgs 36, 43 & 55 Reno			10,000,000	
	General Classroom South Bldg 2 Reno/ Add				11,885,000
	Jupiter Research Building Renovation & Addition				
	TOTAL		6,344,000	19,965,000	17,850,000
UWF	Utilities/Infrastructure/Capital Renewal/Roofs		3,200,000	4,000,000	4,000,000
	College of Business Education Ctr.Ph.III of III			8,410,500	
	School of Allied Health & Life Sciences, PH 1				
	TOTAL		3,200,000	12,410,500	4,000,000
UCF	Utilities/Infrastructure/Capital Renewal/Roofs		7,317,554	14,000,000	14,000,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		2,277,804		
	Classroom Building II	16,234,156	5,241,445	2,000,000	
	Interdisc. Research and Incubator Fac. (P,C,E)	5,924,183		25,776,653	14,000,000
	Math & Physics Bldg Renovation & Remodeling		3,877,895		
	Engineering Bldg 1 Renovation		3,620,723		
	UCF/VCC Classroom Building			7,500,000	
	Arts Complex Phase II (Performance)				5,000,000
	TOTAL		22,335,421	49,276,653	33,000,000
FIU	Utilities/Infrastructure/Capital Renewal/Roofs		8,400,000	10,500,000	10,500,000
	Student Academic Support Center - MMC	21,833,698		7,853,025	
	Strategic Land Acquisition			10,000,000	
	Satellite Chiller Plant Expansion - MMC		6,000,000	1,000,000	
	Humanities Ctr (Arts & Sciences)-MMC				23,370,000
	TOTAL		14,400,000	29,353,025	33,870,000

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2012/2013 - 2014/2015 PECO PROJECT LIST
November 10, 2011

Univ	Project	Prior Funding	Board Proposed 3 Years		
		All Years	2012-2013	2013-2014	2014-2015
UNF	Utilities/Infrastructure/Capital Renewal/Roofs		2,827,706	6,000,000	6,000,000
	Utilities/Infrastructure/Capital Renewal/Roofs - VETO		1,972,294		
	Land Acquisition			9,000,000	9,000,000
	Renovation of Bio Bldg (Natural Sciences) (Bldg 4)				10,000,000
	TOTAL		4,800,000	15,000,000	25,000,000
FGCU	Utilities/Infrastructure/Capital Renewal/Roofs		3,200,000	4,000,000	5,000,000
	Classrooms/Offices/Labs Academic 8	23,500,016	4,500,000		
	Innovation Hub Research			12,500,000	
	Central Energy Plant Expansion Phase 3				9,000,000
	TOTAL		7,700,000	16,500,000	14,000,000
NEWC	Utilities/Infrastructure/Capital Renewal/Roofs		3,200,000	3,000,000	4,000,000
	Caples Mechanical Renovation, Remodeling		4,650,000		
	College Hall Mechanical Renovation, Remodeling			3,000,000	4,000,000
	Land Purchase (58th Street Properties)				750,000
	TOTAL		7,850,000	6,000,000	8,750,000
SUS	System Priority and Joint Use Projects				
	SUS Critical Deferred Maintenance		3,526,946	17,007,839	19,946,811
	SUS Joint Use Library Storage Facility @ UF	2,017,511			16,899,079
	FAMU/FSU College of Engineering	4,199,136			
	PK Yonge - Developmental Research School at UF	1,600,000		1,900,000	
TOTAL		3,526,946	18,907,839	36,845,890	
	Lump Sum Maintenance/Repair/Renovation/Remodeling		22,078,260	27,848,282	32,197,990
GRAND TOTAL			144,834,627	347,379,894	347,844,803

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
2012-2013 PECO Legislative Budget Request
November 10, 2011
Fully Funded by Project Priority

Board Priority	Univ	Project Title	Prior Appropriations	Future PECO Funding Needed	Project Cost in Total
1	FGCU	Classrooms/Offices/Labs Academic 8	23,500,016	4,500,000	28,000,016
2	UCF	Classroom Building II	16,234,156	7,241,442	23,475,598
3	FSU	Applied Sciences Building	12,000,000	10,000,000	22,000,000
4	FIU	Satellite Chiller Plant Expansion-MMC		7,000,000	7,000,000
5	NEWC	Caples Mechanical Renovation, Remodeling		4,650,000	4,650,000
6	UCF	Engineering Bldg I Renovation		18,500,000	18,500,000
7	UCF	Math & Physics Bldg Renovation & Remodeling		14,000,000	14,000,000
8	USF	School of Pharmacy @ Polytechnic		24,000,000	24,000,000
9	USF	USF Polytechnic Interdisciplinary Center for Excellence and Wellness Research		17,000,000	17,000,000
10	UF	Research & Academic Center @ Lake Nona	26,000,000	6,000,000	32,000,000
11	UCF	Interdisc. Research and Incubator Fac. (P,C,E)	5,924,183	39,776,653	45,700,836
12	FGCU	Innovation Hub Research		12,500,000	12,500,000
13	USF	Interdisciplinary Science Teaching & Research Facility	71,232,583	12,531,204	83,763,787
14	FAMU	Pharmacy Phase II	25,000,000	6,049,000	31,049,000
15	FIU	Student Academic Support Center - UP	21,833,698	7,853,025	29,686,723
16	UWF	College of Business Education Ctr.Ph.III of III	15,818,837	11,200,000	27,018,837
17	UF	Chemistry/Chemical Biology Building	7,608,204	58,291,796	65,900,000
18	SUS	Joint-Use FAMU-FSU College of Engineering III	6,170,466	35,000,000	41,170,466
19	SUS	P.K. Yonge K-5 Developmental Research School	1,600,000	1,900,000	3,500,000
20	NEWC	College Hall Mechanical Renovation, Remodeling		11,700,000	11,700,000
21	FAU	FAU/SCRIPPS Joint Use Facility Expansion - Jupiter		8,000,000	8,000,000
22	UF	Newell Hall Remodeling/Restoration		15,000,000	15,000,000
23	FAU	College of Science & Eng Bldgs 36, 43 & 55 Renovations		10,000,000	10,000,000
24	UCF	UCF/VCC Classroom Building		7,500,000	7,500,000
25	FSU	Earth Ocean Atmospheric Sciences Bldg		68,800,000	68,800,000
26	UNF	Land Acquisition		18,000,000	18,000,000
27	FIU	Strategic Land Acquisition		10,000,000	10,000,000
28	SUS	Joint Use Library Storage Facility @ UF	2,017,511	16,899,079	18,916,590
29	FGCU	Central Energy Plant Expansion Phase 3		9,000,000	9,000,000
30	UNF	Renovation of Bio Bldg (Natural Sciences Bldg 4)		10,000,000	10,000,000
31	FSU	Eppes Building Remodeling		14,500,000	14,500,000
32	FAU	General Classroom South Bldg 2 Reno/Addition		11,885,000	11,885,000
33	FAMU	Student Affairs Building		35,399,879	35,399,879
34	USF	The Learning Center: Undergrad Classroom & Support Bldg Ph I		49,195,000	49,195,000
35	UCF	Arts Complex Phase II (Performance)		50,000,000	50,000,000
36	FIU	Humanities Center (Arts & Sciences) - MMC		29,370,000	29,370,000
37	NEWC	Land Purchase (58th Street Properties)		750,000	750,000
Total Projects			234,939,654	673,992,078 *	908,931,732

2012-13 Utilities/Infrastructure/Capital Renewal/Roofs Request

	UF	14,000,000
	USF	12,500,000
	FIU	10,500,000
	UCF	12,000,000
	FSU	10,000,000
	FAMU	9,000,000
	UNF	6,000,000
	NEWC	4,000,000
	FAU	7,930,000
	FGCU	4,000,000
	UWF	4,000,000
Total Infrastructure		93,930,000
GRAND TOTAL		767,922,078

* Future Funding includes amounts beyond Board 3-year project list

* Not included are Lump Sum Maintenance/Repair/Renovation/Remodeling

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
 2012-2013 PECO Remodeling/Renovation/Repair/Maintenance Formula Funds
 Appropriation Request
 November 10, 2011

	<u>2012-2013</u>
UF	\$ 8,330,127
FSU	\$ 3,492,781
FAMU	\$ 1,170,148
USF	\$ 3,157,191
FAU	\$ 1,276,123
UWF	\$ 631,438
UCF	\$ 1,121,576
FIU	\$ 1,812,625
UNF	\$ 730,790
FGCU	\$ 225,198
NCF	\$ 130,262
State University System	\$22,078,260

*Amount is determined by a statutorily prescribed depreciation formula that considers the size, age, and replacement value of current facilities.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

Proposed Language for 2012-2013 Fixed Capital Outlay Plant, Operation and
Maintenance Appropriation request
November 10, 2011

The following language is proposed to provide legislative authorization
for general revenue for plant, operation and maintenance appropriations:

Section_____. Pursuant to s. 1013.74 and s. 1013.78, Florida Statutes, the
following facilities may be constructed or acquired from non-appropriated
sources, which upon completion will require general revenue funds for
operation.

UF - Hough Hall
UF - Medical Education Simulation Building
UF - College of Business Undergraduate Studies Building
FSU - NHMFL Storage Building
FSU - Lake Bradford Waster Management & Recycling Center
FSU - Talla-Com Building
FSU - Gunter Building
FSU - 3000 Commonwealth
FSU - Johnston Annex
FAU - Hazardous Waste Expansion
FIU - Ambulatory Care Center
NCF - Physical Plant Shop Annex
NCF - Physical Plant Warehouse
UCF - Flexible Residential Test Structures 1 & 2
UCF - Applications Test Facility
UNF - WJCTV Building
UNF - WJCTV Transmitter Buildings
UWF - School of Allied Health & Life Sciences
UWF - School of Allied Health Temporary Building

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**

2012-2013 Projects Requiring Legislative Approval to be Constructed, Acquired and/or
Financed by a University or a University Direct Support Organization
November 10, 2011

Section _____. Pursuant to section 1010.62, Florida Statutes, and section 11(d) and (f), Art. VII of the State Constitution, the following fixed capital outlay projects may be constructed, acquired, and financed by a university or university direct support organization. Financing mechanisms include any form of approved debt or bonds authorized by the Board of Governors.

FSU - Earth, Ocean and Atmospheric Sciences Building (EOAS)

UCF - NE Campus Mixed-Use Development

UCF - Bookstore Expansion

UCF - Research Lab, Lake Nona

UCF - Life Sciences Incubator, Lake Nona

USF - International Student Center

USF - Tennis Complex

UWF - East Campus University, Graduate, Veteran and Greek Student Housing

Attachment VIII

**BOARD OF GOVERNORS
STATE UNIVERSITY SYSTEM OF FLORIDA
Projects Requiring Legislative Re-Authorization
November 10, 2011**

Section _____. The unexpended balance of funds appropriated in Specific Appropriation 20 of Chapter 2010-152, Laws of Florida, for the University of Central Florida for the Interdisciplinary Research and Incubator Facility shall revert immediately and is appropriated for the 2012-13 fiscal year to the University of Central Florida for Classroom Building II.

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 10, 2011**

SUBJECT: Florida Higher Education Classroom Utilization Study

PROPOSED COMMITTEE ACTION

Review and approve the Florida Higher Education Classroom Utilization Study Draft and authorize the Chancellor to make technical changes.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Subsection 7, Florida Constitution

BACKGROUND INFORMATION

Board members will review and approve a draft of the Florida Higher Education Classroom Utilization Study and authorize the Chancellor to make technical changes. The 2011 General Appropriations Act includes proviso language requiring the State Board of Education and the Board of Governors to develop recommendations for a revised funding formula or potential policy changes to increase the evening and weekend utilization of higher education classroom facilities during future school terms no later than January 15, 2012.

Supporting Documentation Included: Florida Higher Education Classroom Utilization Study Draft

Facilitators/Presenters: Chris Kinsley

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Florida Higher Education Classroom Utilization Study - DRAFT

The State Board of Education and the Board of Governors, (the Boards), have made increasing Florida's degree production a goal of their strategic plan. In order to achieve this goal, Florida's colleges and universities will need to enroll more students, as well as increasing the percentage of students who complete their college education, also known as the student retention rate.

One key indicator of Florida's progress in meeting this challenge is the classroom utilization rate. Increases in utilization should be highly correlated with increased degree production. Utilization rates below system averages may indicate unrealized opportunities for the expansion of course offerings; whereas high rates signal that demand for courses may be exceeding available instructional resources such as faculty or classroom space, or the specialized teaching labs required by many disciplines.

This connection has long been recognized. Section 1013.03(2), Florida Statutes, provides that classrooms are to be used a minimum of 40 hours per week and that 60% of student stations are to be occupied. Both the Florida College System (FCS) and the State University System (SUS) are in compliance with these requirements, with the SUS having a system average rate of 115% and the FCS showing a rate of 105% for the fall 2010 term. (See Appendix for more detail)

What is the goal of examining the issue of space utilization? Clearly, the goal is to reduce future costs and increase efficiency. Easy solutions can improve utilization metrics, without achieving genuine cost savings. For instance, one large lecture section with 400 students in an auditorium could be divided into 10 smaller classes of 40 each. Such a division would increase utilization, because an auditorium is not a classroom - but is obviously not more efficient. Likewise, merely shifting classes from morning to evening or from Monday to Friday would do nothing to improve overall efficiency. The focus thus must be on measures that both improve utilization and increase the number of credit hours taught and successfully completed in a given term.

Looked at more broadly, one starting point is to examine how Florida's higher education compares to the K-12 delivery sector. As the fundamental building block of elementary and secondary education, both students and teachers spend the majority of each day in the classroom. Actual classroom occupancy is approximately 6 hours a day, once lunch, recess and various breaks are factored in.

On the basis of a K-12 30 hour week, the SUS rate of utilization would be 153%, and the FCS rate would be 170%. In terms of classroom operations, the most significant change has been the Class Size reduction initiative. While the amount of space per student for higher education remained fairly static over the past 10 years, the amount of classroom space available per student at the K-12 level increased by over 30%. The student station size standard has not increased; rather than making the existing classrooms physically smaller through renovations, and using the excess space to create more, but smaller, classrooms, the policy decision was made to have fewer students in each class.

K-20 COMPARISON
All Owned Net Assignable Square Feet of Classroom Space per FTE

Sector	2001-02	2003-04	2005-06	2007-08	2009-10	2010-11
Florida College System	9.57	9.44	11.07	10.74	9.44	9.08
State University System	10.47	10.63	10.12	10.36	10.82	10.60
K-12 System	27.81	29.89	33.14	35.99	37.30	37.41

The statutory language presumes a 40 hour week, based primarily on faculty schedules of the past. With the addition of distance learning, expansion of adjunct faculty, and other non-traditional approaches, which blend classroom and non-classroom instruction, the 40 hour paradigm may no longer be the most appropriate benchmark. However, before the benchmark is increased, practical questions should be addressed. For example, how much time should be allotted for cleaning, and changing of classes? What are the practical start and end times of the school day and should time be allotted for lunch or dinner? On many campuses, there is a transition between students who generally attend during the day, and the night shift, who begin to arrive around 6:00. Given that parking is a constraint at many campuses, additional time must be granted for these factors, otherwise queuing theory predicts resulting inefficiencies.

Nonetheless, staff has examined a range of possible new benchmarks, ranging from the current 40 hours per week, up to a maximum of 60 hours a week, as suggested by OPPAGA studies. Hypothetical utilization rates are included in the Appendix to this report. Likewise, actual usage data for evenings, Monday through Friday, 6 PM to 8 PM, as well as Saturdays (weekends) are included for reference purposes.

However, there are practical considerations as to whether the schools can afford to operate for more and longer hours. For example, university study space is already intensively used, with many university libraries operating almost around the clock and parking is already at a premium at many schools. Currently, the general rule is that campus support services, such as police, janitorial, academic and dining are scaled back on the weekend and at night. More

increased classroom utilization will increase the coverages and costs of these associated support services.

During the 2011 Session, the Florida Board of Governors adopted increased utilization as part of its Legislative agenda, and two items related to utilization were adopted during the 2011 Session. The first item was a statutory change allowing the University of Florida, on a pilot basis, to admit spring-summer cohorts of students, who will be restricted from attending classes during the Fall term. This will allow the University of Florida to increase utilization during the Spring and Summer semesters, which have historically had additional capacity. Furthermore, as a result of the repeal of FS 1007.27(10), all state universities may now require freshman and sophomore students to attend at least one summer term, regardless of how many credit hours the student earns prior to enrolling.

Recommendations

Chapter 2011-69, Section 2, Laws of Florida requires that the Boards develop recommendations for a revised funding formula or potential policy changes to increase the evening and weekend utilization of higher education classroom facilities during future school terms no later than January 15, 2012.

The Boards should direct the system Chancellors to appoint a joint work group of appropriate college and university system personnel to establish uniform data-based equitable utilization standards and policies designed to encourage overall improvements to utilization leading to increased graduation and retention. Standards should be research-based, and might consider the following questions:

- How has technology changed national utilization norms?
- Is the need for study space increasing?
- What tools are other state's higher education entities using to capture utilization data?
- Is utilization data being reported and used to improve desired policy outcomes by other states?
- Have utilization standards reduced life-cycle costs associated with the operation of higher education classroom facilities?
- How can scheduling software be better utilized to improve classroom utilization, facilitate faculty and staff scheduling, and provide for enhanced statewide reporting of system metrics to better inform funding and potential policy changes?

Each student should be required to take at least one off-peak, night or weekend course and two on-line courses prior to graduation.

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**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
November 10, 2011**

SUBJECT: A Resolution of the Board of Governors Requesting the Division of Bond Finance of the State Board of Administration of Florida to issue revenue refunding bonds on behalf of the Florida State University Research Foundation, Inc. to refund all or a portion of certain outstanding bonds of the Florida State University Research Foundation, Inc.

PROPOSED COMMITTEE ACTION

Adoption of a resolution of the Board of Governors requesting the Division of Bond Finance of the State Board of Administration of Florida (the "Division of Bond Finance") to issue revenue refunding bonds on behalf of the Florida State University Research Foundation, Inc. (the "Foundation") in an amount not to exceed \$21,000,000 (the "Refunding Bonds") for the purpose of refunding all or a portion of the outstanding \$22,590,000 State of Florida, Florida Board of Education, Florida State University Research Foundation, Incorporated, Revenue Bonds, Series 2001.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1010.62, Florida Statutes; and Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

The Division of Bond Finance is proposing the refunding of all or a portion of the outstanding \$22,590,000 State of Florida, Florida Board of Education, Florida State University Research Foundation, Incorporated, Revenue Bonds, Series 2001, (the "Refunded Bonds") of which \$18,595,000 is currently outstanding. The refunding will be effectuated to achieve debt service savings. The level of debt service savings and annual true interest cost rate achieved will be impacted by market conditions in existence at the time of issuance.

The Refunding Bonds are being presented to the Board of Governors for approval because the original authorizing resolution of the Florida Board of Education does not provide for refunding authority. Staff of the Board of Governors recommends adoption of the resolution.

Supporting Documentation Included: Requesting Resolution

Facilitators/Presenters: Chris Kinsley

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE REVENUE REFUNDING BONDS ON BEHALF OF THE FLORIDA STATE UNIVERSITY RESEARCH FOUNDATION, INC. (THE "FOUNDATION") TO REFUND ALL OR A PORTION OF CERTAIN OUTSTANDING BONDS OF THE FOUNDATION IN AN AMOUNT NOT TO EXCEED \$21,000,000; AND PROVIDING AN EFFECTIVE DATE.

The duly acting and appointed Board of Governors of the State of Florida at a meeting duly held pursuant to notice and a quorum being present do hereby make the following resolutions:

BE IT RESOLVED:

1. Findings. The Board of Governors hereby finds as follows:

(A) Pursuant to Article IX, Section 7 of the Florida Constitution, the Board of Governors is vested with the power to operate, regulate, control and manage the State University System of Florida. The Board of Governors is further vested with the authority to approve the issuance of revenue bonds by a state university or its direct support organization pursuant to Section 1010.62(2), Florida Statutes.

(B) The Foundation is a "University Direct Support Organization" as defined in Section 1004.28, Florida Statute and provides direct support to Florida State University (the "University").

(C) Revenue refunding bonds in an amount not exceeding \$21,000,000, (the "Bonds") are proposed to be issued to refund all or a portion of certain outstanding bonds of the Foundation to effectuate debt service savings.

(D) Pursuant to Section 1010.62(4), a requesting resolution from the Board of Trustees of Florida State University to the Board of Governors is not required.

(E) The issuance of the Bonds is for a purpose that is consistent with the mission of the University; is structured in a manner appropriate for the prudent financial management of the University; is secured by revenues adequate to provide for all debt service payments; has been properly analyzed by the staffs of the Board of Governors and the Division of Bond Finance; and is consistent with the Board of Governors' Debt Management Guidelines.

2. Approval of the Bonds. The Board of Governors hereby approves and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue the Bonds for the purpose of refunding all or a portion of certain outstanding bonds of the Foundation. Proceeds of the Bonds may be used to pay the costs of issuance of such Bonds, to provide for a municipal bond insurance policy, if any, and to fund a reserve account or provide debt service reserve insurance, if necessary. The Bonds are to be secured by the Foundation's Pledged Revenues, (as defined by the resolution of the Governing Board of the Division authorizing the issuance of not exceeding \$23,500,000 State of Florida, Board of Regents, The Florida State University Research Foundation, Incorporated, Revenue Bonds, Series 2001 adopted June 12, 2001, and as amended September 11, 2001), and may additionally be secured by other revenues that are determined to be necessary and legally available. The Division shall determine the amount of the Bonds to be issued and the date, terms, maturities, and other features of a fiscal or technical nature necessary for the issuance of the Bonds. Proceeds of the Bonds and other legally available monies shall be used to refund all or a portion of certain outstanding bonds of the Foundation.

3. Refunding Authority. Authority is further granted for the issuance of bonds for the purpose of refunding all or a portion of any bonds secured by the revenues described, if it is deemed by the Division to be in the best financial interest of the State. The limitation on the amount authorized for the Bonds in Section 1 above shall not apply to such refunding bonds. Other terms of this resolution shall apply to any such refunding bonds as appropriate.

4. Compliance. The Board of Governors will comply, and will require the University and the Foundation to comply, with the following:

(A) All federal tax law requirements upon advice of bond counsel or the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board of Governors prior to the issuance of the Bonds.

(B) All other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64 (11), Florida Statutes.

(C) All requirements of federal securities law, state law, or the Division, relating to continuing secondary market disclosure of information regarding the Bonds, the University, and the Foundation, including the collection of the revenues pledged to the Bonds. Such requirements currently provide for the disclosure of information relating to the Bonds, the University, and the Foundation, including the collection of the revenues pledged to the Bonds, on an annual basis and upon the occurrence of certain material events.

(D) All covenants and other legal requirements relating to the Bonds.

5. Fees. As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, if any, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board of Governors agrees and consents that such fees, charges and expenses incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the University from any legally available funds of the University.

6. Authorization. The Division is hereby requested to take all actions required to issue the Bonds.

7. Reserve and Insurance. If determined by the Division to be in the best interest of the State, the Board of Governors may cause to be purchased a debt service reserve credit facility and/or municipal bond insurance, issued by a nationally recognized bond insurer.

8. Repealing Clause. All resolutions of the Board of Governors or parts thereof, in conflict with the provisions herein contained, to the extent they conflict herewith, are, to the extent of such conflict, hereby superseded and repealed.

9. Authorization of Further Actions Consistent Herewith. The members of the Board of Governors, attorneys, or other agents or employees of the Board of Governors are hereby authorized and directed to do all acts and things required of them by this resolution or desirable or consistent with the requirements hereof, to assure the full, punctual and complete performance of all the terms, covenants and agreements contained in the Bonds and this resolution; including execution of such documents, certificates, contracts and legal opinions and other material delivered in connection with the issuance of the Bonds or as necessary to preserve the exemption from the taxation of interest on any of the Bonds which are tax-exempt, in such form and content as the Chair, Vice Chair or authorized officers executing the same deem necessary, desirable or appropriate.

10. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted this 10th day of November, 2011.

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