

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
FLORIDA GULF COAST UNIVERSITY
TALLAHASSEE, FLORIDA
AUGUST 28, 2019

*Video or audio archives of the meetings of the Board of Governors
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 2:03 p.m., August 28, 2019. The following members were present: Shawn Felton, Darlene Jordan, Sydney Kitson, Ned Lautenbach, Edward Morton, and Eric Silagy. Other Board members present included: Tim Cerio, Zenani Johnson, Alan Levine, Steven Scott, Kent Stermon, and Norman Tripp.

1. Call to Order and Opening Remarks

Chairman Huizenga called the meeting to order.

2. Minutes of Committee Meeting: Governor Huizenga

Governor Morton moved that the Committee approve the minutes of the Facilities Committee meeting held June 12, 2019, at Florida Gulf Coast University. Governor Jordan seconded the motion, and it passed unanimously.

3. Funding Allocation; 2019-2020 Capital Improvement Fee

Chairman Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the 2019-2020 Capital Improvement Fee Trust Fund (CITF) Allocation.

Mr. Kinsley explained that there were at one point two university fees dedicated to capital projects - the building fee and a capital improvement fee; these were combined several years ago into the Capital Improvement Fee. For most of the universities it is a per credit hour charge of \$6.76, with New College and FSU being the exception with a slightly lower fee. The fee has remained constant for several years. The fee is used to fund student facilities projects since PECO cannot be used for student facilities. The students then have a voice in how the CITF funds are allocated. The trustees make the

decisions ultimately where the funds will be allocated. The funds are collected at the university level and then sent to Tallahassee where the Board staff ensures that debt service is paid. Once the debt service is paid, the remainder ultimately goes back to the schools. As a result of the fee being remitted back to Tallahassee, the legislature has to appropriate the funds so they can be released. The legislature has appropriated those funds and the allocation was set by the Board in January 2019. The legislative proviso requires the Board to approve the final allocation to specific projects.

The floor was opened for questions. There being none, Chairman Huizenga called for a motion to approve the CITF Project List. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed with approval by all members present.

4. Review of the Space Needs Calculation Methodology

Chairman Huizenga invited Dr. Jon Rogers to provide an update on the report that must be provided to the legislature by October 31, 2019.

Dr. Rogers discussed the study assigned to the Board of Governors this past session in Senate Bill 190. Senate Bill 190 states that the Board shall review its space need calculation methodology and incorporate improvements, efficiencies or changes. Dr. Rogers reported that staff is working on this study and issued a survey that was sent to all 12 universities inquiring about the space needs methodologies, how space is calculated on the campuses, and how academic space is assigned. All 12 universities have responded to the survey and we are reviewing the findings and compiling the report. Additionally, Dr. Rogers explained that five campuses have been visited. The visit involved meeting with academic and facilities employees as well as touring select facilities. Dr. Rogers advised that the formula and the space factors are also being reviewed. The report will be done with a first draft being presented on October 3, 2019, at the workshop at UCF, with the final report is due October 31, 2019.

5. Approve the 2020-2021 FCO LBR; Update on PECO Points

Chairman Huizenga noted that the Agenda item has been revised to reflect the current PECO estimate of \$110,155,073 to the university system. Chairman Huizenga called on Mr. Kinsley to explain that the Committee will be voting on the revised PECO estimate.

Mr. Kinsley explained that due to early session, the budget is due on September 15, and advised that a budget must be adopted. What is proposed is adoption of the PECO estimate that came from the latest estimating conference provided by the DOE as well as the best estimate for the cash available from CITF which is \$44M. Mr. Kinsley explained that later several components, including the projects, points, CITF allocation, along with other minor aspects will be considered and done via amendment.

Committee discussion and changes will take place at the workshop and then the Board will take it up at the end of October.

Chairman Huizenga opened the floor for questions. There being none, Chairman Huizenga called for a motion to approve the 2020-2021 State University System Fixed Capital Outlay Legislative Budget Request. Governor Lautenbach moved to approve, Governor Jordan seconded, and the motion passed with approval by all members present.

Chairman Huizenga then asked Mr. Kinsley to provide an update on the PECO Points. Mr. Kinsley advised that the legislature provided the criteria we are to use when evaluating projects and assigning points and the Board staff has had to develop the metrics and a points scale. The current list now captures somethings that were missed initially. This applies to projects that are new and have not received funding from the legislature. The requirements of Senate Bill 190 state that there has to be a 1% escrow plan in place. We did not tell the institutions to provide that 1% plan to us for the new projects. We have now done that and those are due back to us in the next few weeks. Additionally, due to the submission of projects being submitted that did not have an EPS, we have advised the schools to consider submitting a new project. Also, after going through the valuation process, it is also appropriate that we allow the universities to select a different project if in the event the number two project pointed out ahead of the number one project as this will allow the university to switch and put its best project first. There is also an aspect for a university to achieve additional points if there is an institutional contribution, so the universities may want to consider this as well. Lastly, if a school brings the cost or the scope of the project down, that can also give it greater points. Mr. Kinsley then stated with the permission and the consent of the committee, we are giving the universities an opportunity to revise their lists and take it back to their trustees.

After comments from Vice Chairman Kitson concerning support and appropriateness of allowing the revisions, Chairman Huizenga opened the floor for questions, there being none, Chairman Huizenga, commented that he looks forward to the October 3, 2019 project presentations to the Committee, and that he concurs with Vice Chair Kitson.

6. Proposed Amendment to Board Regulation 14.0025 Action Required Prior to Fixed Capital Outlay Budget Request

Chairman Huizenga advised that the proposed amendment to the Board regulation relating to FCO Budgets is up for notice and that the amendments will make changes to the approval process going forward.

Governor Levine asked about authorization of the Chancellor to approve amendments to the fixed capital outlay budget as approved by the university board of trustees in a

cumulative amount not to exceed \$5,000,000. Mr. Kinsley responded that it is cumulative over the project lifecycle and/or until we could get to the next regular time the board would take this up. Chairman Huizenga asked if it refers to variations in constructions costs and what not and Mr. Kinsley responded that it has to do with existing facilities where there has to be emergency repairs, unforeseen conditions when going into construction, or if there is a new facility and there is something unforeseen and something has to be done in between BOG meetings. Mr. Kinsley further explained that this is an issue that universities have commented with regard to putting the process into practice and making amendments. On the operating side of the budget, historically, the Board will approve the budget once during the year. However, with the Fixed Capital Outlay Budget, it seems like it would have to be done differently as it is not on a yearly cycle, it is throughout the project life cycle with a big project taking 3 or 4 or 5 years.

Governor Levine and Chairman Huizenga commented on the use of percentages and a cap. Mr. Kinsley advised that we are regulating something that we do not yet have a lot of detail on but a percentage with a cap has been discussed. Chairman Huizenga asked when do we need to take a vote. Mr. Kinsley then advised on the timeline as well as the regulation amendment process. Vikki Shirley answered a question from that Chancellor and advised that that the quickest way to implement change would be to Notice it now. Governor Cerio agreed and advised that it is good rulemaking procedure.

Chairman Huizenga called for a motion to approve the public notice of intent to amend Board Regulation 14.0025, Fixed Capital Outlay Budget. Governor Jordan moved to approve, Governor Morton seconded, and the motion passed with approval by all members present.

7. Concluding Remarks and Adjournment

Chairman Huizenga advised that the next meeting is October 3rd at UCF and it is an opportunity to interact more directly with the universities on the specific requests. There being no further business, Chairman Huizenga adjourned the meeting at 2:32 p.m. (ET), on August 28, 2019.

Chris Kinsley, Assistant Vice Chancellor
Finance and Facilities

H. Wayne Huizenga, Jr., Chair