

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
October 30, 2019

SUBJECT: 2020-2021 State University System (SUS) Fixed Capital Outlay (FCO)
Legislative Budget Request (LBR)

PROPOSED COMMITTEE ACTION

Review and approve amendment of the 2020-2021 SUS Fixed Capital Outlay
Legislative Budget Request.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; and as indicated in table below

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. The initial FCO Budget Request was approved by the Board on August 29, 2019, representing a lump sum request for PECO and CITF funds. A workshop was held on October 3, 2019, at the University of Central Florida, where the individual PECO projects were discussed in greater detail.

The initial SUS Year 1 PECO allocation, as provided by the Department of Education, is \$110.2 M, which includes \$51.8 M funding for Maintenance, Repair, Renovation and Remodeling (MRR&R) as per statutory methodology.

Currently, the SUS has over \$1 B in deferred maintenance needs, with an additional \$2 B projected over the next 10 years; \$3B combined, per a recent Sightlines report. The usual PECO funding for MRR&R, used to help address needed maintenance, was not allocated to the SUS in 2019-2020. However, Senate Bill 190 now allows universities to utilize carryforward funds for MRR&R-related needs, among other things, and a review of the universities' carryforward spending plans indicates an aggregate \$227.6 M will be allocated towards these needs.

The \$227.6 M covers 23% of the \$1B in outstanding deferred maintenance, which will go a long way in addressing the most urgent identified needs. Nevertheless, a gap remains. To that extent, a base level of predictable funding is essential in addressing this gap.

Thus, the LBR recommendation for consideration is to include \$51.8M in MRR&R funding over-and-above the proposed \$110.2M in PECO, to be funded from recurring General Revenue. This strategy will provide a sustainable resource to address

ongoing and deferred maintenance, while also maximizing limited PECO monies over the greatest number of projects; nearly all on the 3-year Priority List.

2020-21 Fixed Capital Outlay Appropriation Requests

Description	Funding Source	Florida Statute	Amount Requested
3-year Priority List	PECO	1013.64 (4)	\$ 110,155,073
Maintenance, Repair, Renovation and Remodeling	General Revenue	1013.64 (1) (b)	\$ 51,869,696
Capital Improvement Fee Projects	Capital Improvement Fee	1010.86	\$ 48,000,000
Total			\$ 210,024,769

Supporting Documentation: 1) PECO 3-year Priority List with GR Supplement
 2) Allocation of Capital Improvement Fee
 3) PECO Incomplete Project List

Facilitators/Presenters: Mr. Chris Kinsley