

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
March 23, 2021**

SUBJECT: Recommendations for Amendment of the Board of Governors Debt Management Guidelines

PROPOSED COMMITTEE ACTION

Approve the amendment to the Board of Governors Debt Management Guidelines.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution

BACKGROUND INFORMATION

At the last Board meeting, via memorandum, the Chancellor provided information to the Board in connection with a university's proposal to issue debt that included two exceptions to the Debt Management Guidelines; specifically, Debt Service Coverage and Non-Level Debt Service. Furthermore, the memo requested staff, in consultation with the Division of Bond Finance (DBF), to develop recommendations for amending the Guidelines to delineate the circumstances under which these and/or other exceptions may be made.

Staff consulted with DBF and requested comments from the universities, resulting in a general consensus that the circumstances necessitating exceptions are typically unique to each case, and listing the scenarios under which exceptions are permissible would be challenging. As such, a practical solution may be to simply memorialize the Board's authority to approve exceptions to the Guidelines.

Supporting Documentation Included:

Draft Debt Management Guidelines

Facilitators/Presenters:

Mr. Kevin Pichard