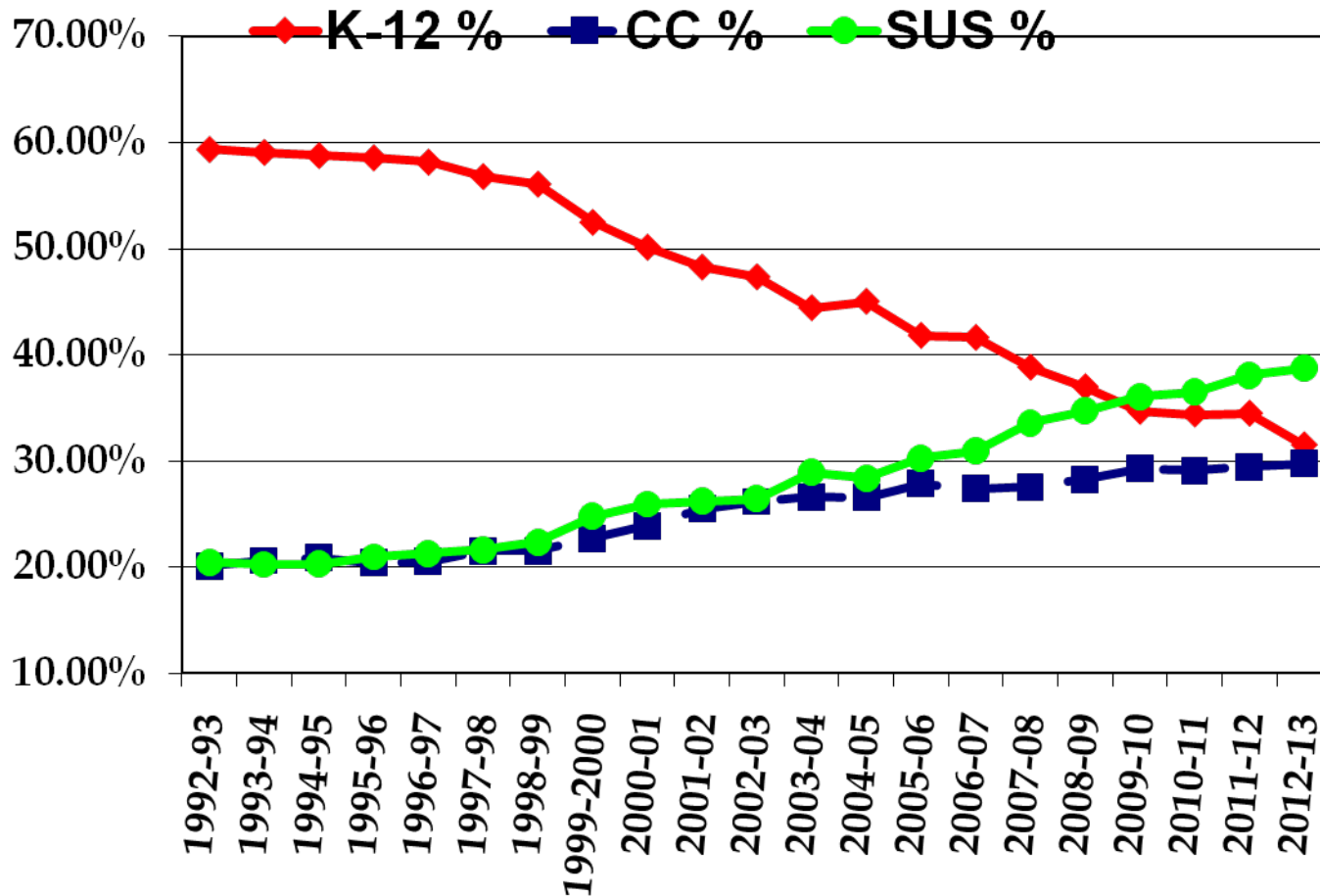


State University System Facility Facts

- 54% of all State of Florida Gross Square Feet!
- 40 million feet of Instructional Space
- Only 2.2 M Net Square Feet of Classroom Space (6%)
- 28 Years - Average Age
- \$14 Billion – Replacement Cost
- \$150 Million - Annual Utility Bill (09-10)
- \$14 Million – PECO Renovation/Remodeling (.1%)
(2011-12 Appropriation)



Summary of PECO 5 Year Averages by Education Division



Public Education Capital Outlay (PECO)

- Established in 1963 for Higher Ed. Only
- Constitutional
- Amended in 1974 to include K-12
- Triple AAA Bond Rating (as of 08/09/11)
 - S&P AAA
 - Fitch AAA
 - Moody's Aa1



Increased Space Efficiency Standards

- Classroom Space Need Factor

- Old 12.0 nsf
- New 11.5 nsf
- Actual 10.6 nsf

Overall Space Need Factor

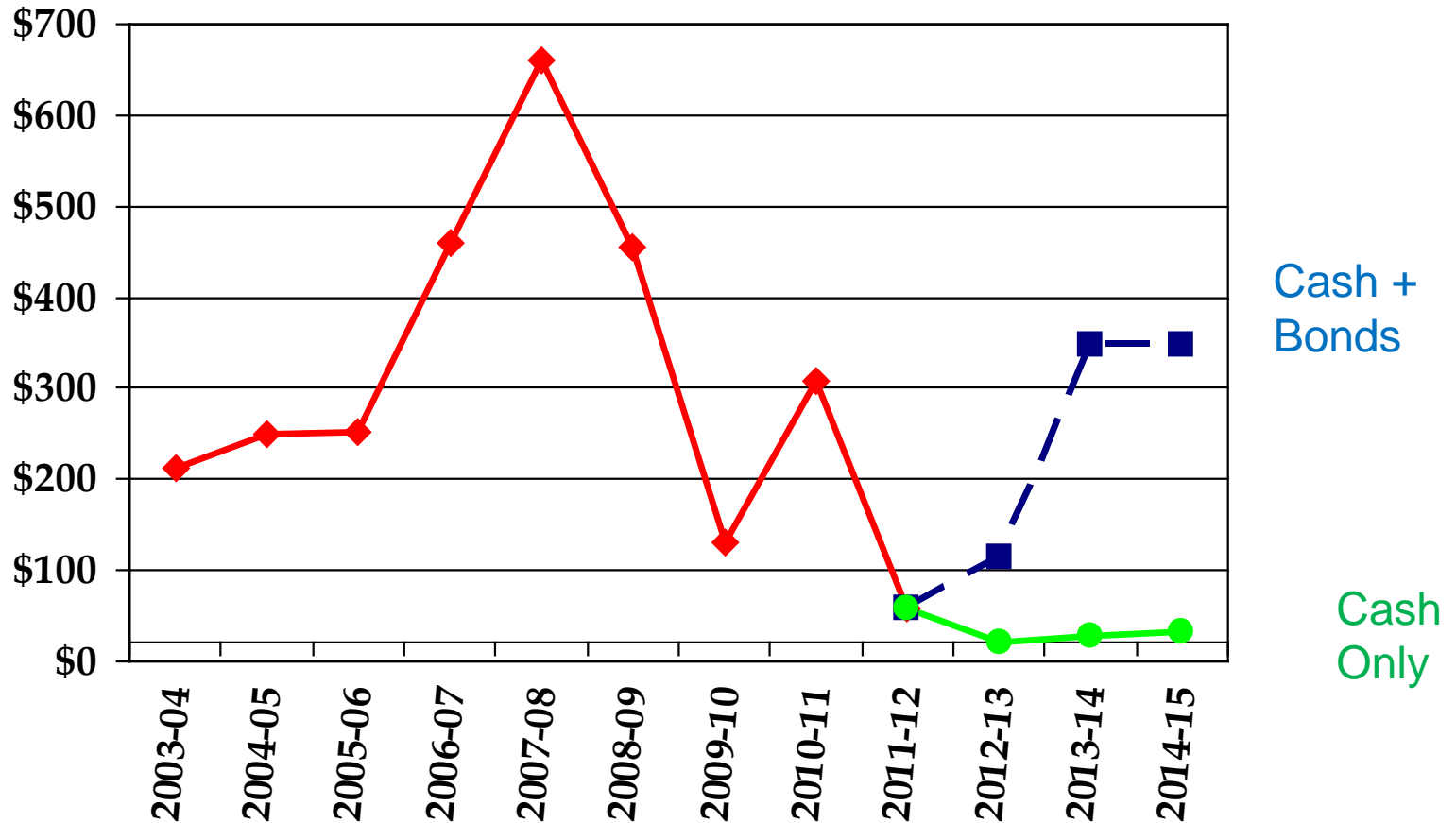
- Old 131.1 nsf
- New 121.7 nsf



PECO - Actual & Estimated Revenues

July 2011 Estimating Conference

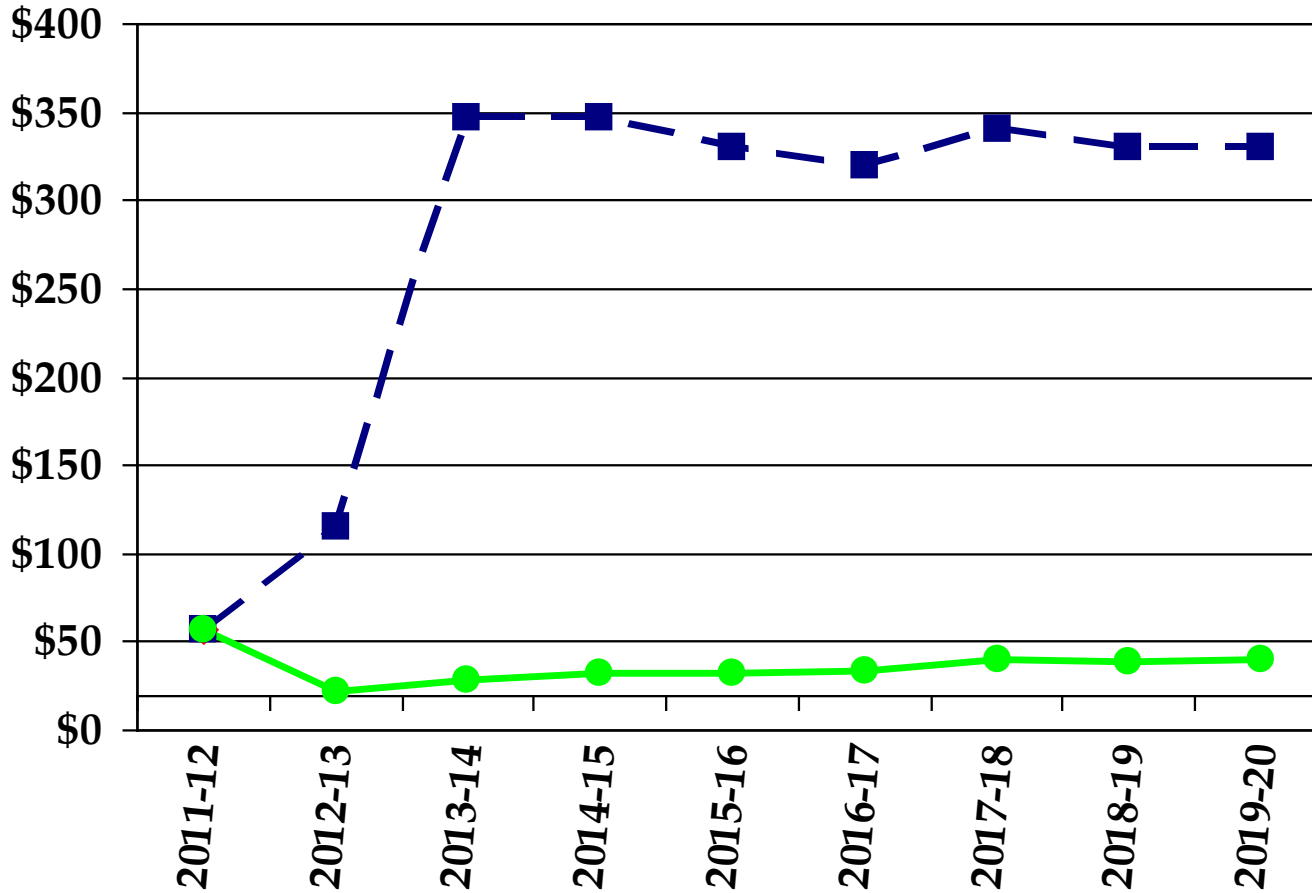
Millions



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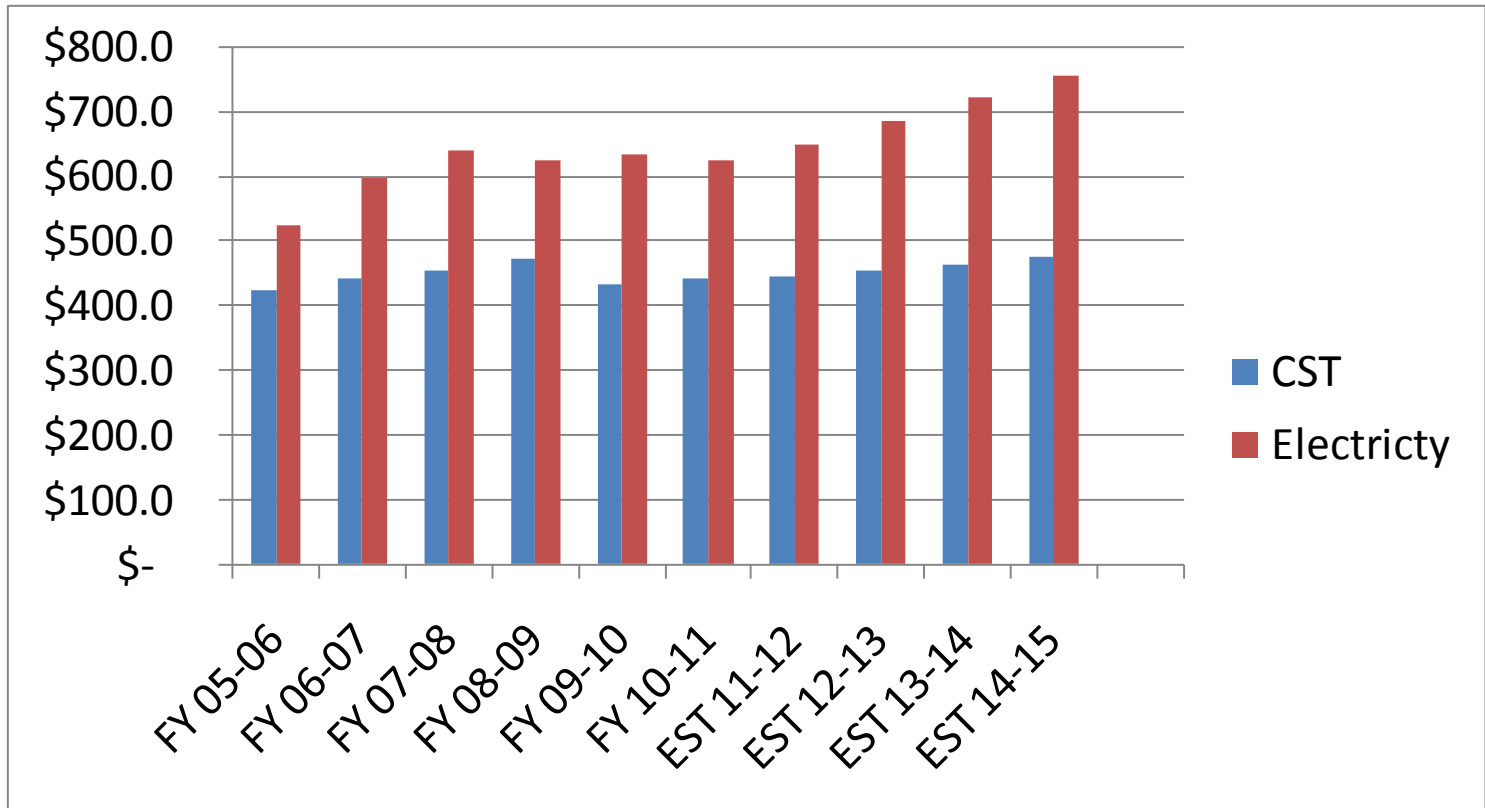
PECO - Estimated Revenues Only July 2011 Estimating Conference

Millions



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PECO Primary Funding Sources (Tax Base) (in Millions)



* CST:Communication Services Tax



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2011 Session Actions

- The Legislature appropriated \$137.2 M
- Governor approved \$57.3 M – vetoed the balance due to capacity concerns.
- However: The State Benchmark Debt Ratio peaked at 7.91% in 2009/2010
- Forecast: Benchmark Debt Ratio will fall below 7% in 2012/13.



Florida TaxWatch 2011 PECO Report

“Like other Florida public institutions, educational facilities require capital funding. The facilities housing our educational systems not only use money to repair and renovate existing structures, but also to build new facilities as our state grows, and the needs of the taxpayers with it.”

- PECO is **the** capital fund for the State University System.



Florida TaxWatch 2011 PECO Report

*“For at least the next couple years, the PECO revenue stream has been fully leveraged. Additionally, this means that a sharp enough drop off in revenue from the gross receipts tax, **however unlikely**, could leave the PECO fund insolvent and reliant on other state revenue to meet their debt obligations. The use of debt, rather than a PAYGO system, for public education creates a cycle of uncertainty in fulfilling the expectations of growth and competitive educational facilities.”*

Emphasis added



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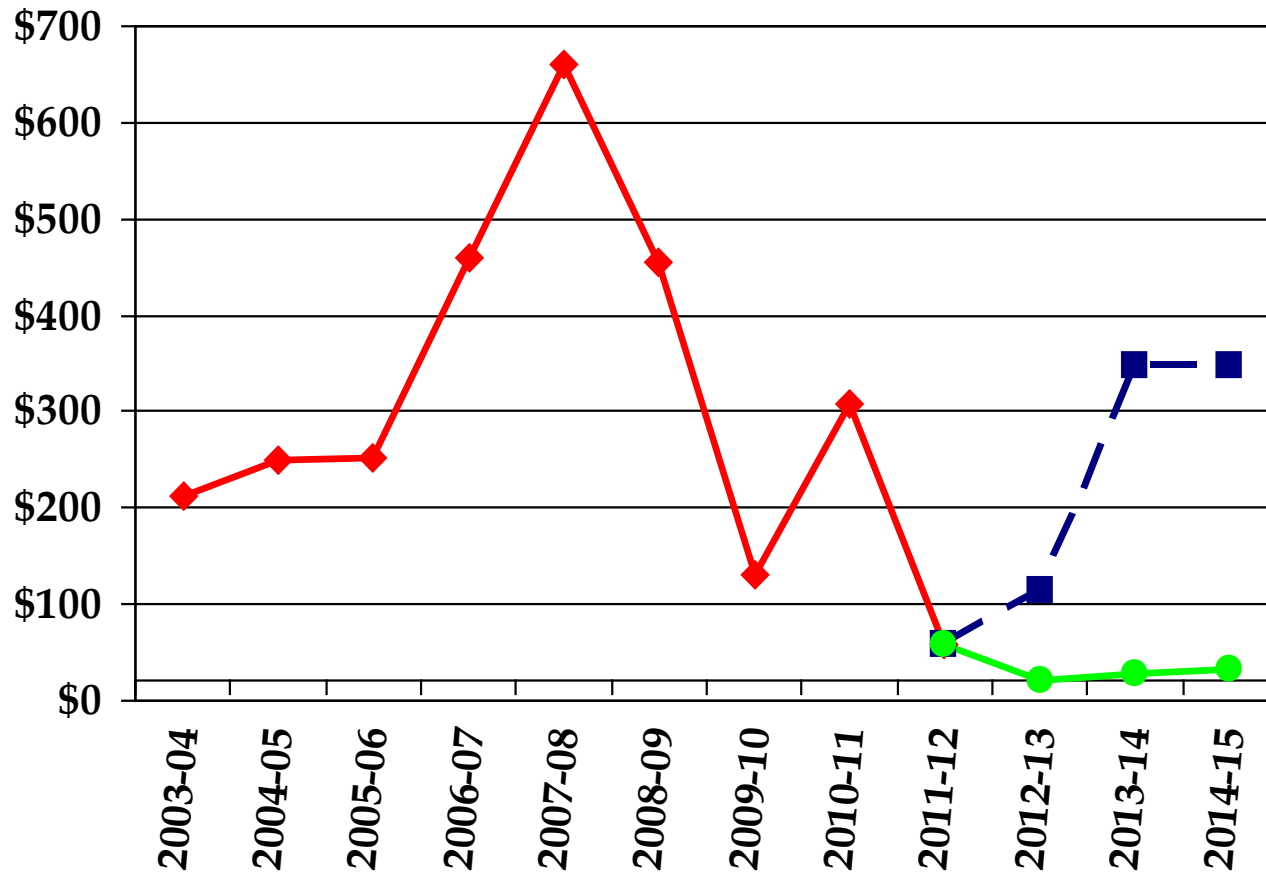
Critical Maintenance Strategy

- Refine Data Collection Reporting
- For FY 2012-13, fund PECO Utility Infrastructure as Requested
- For FY 2013-14, allocate PECO Utility Infrastructure via a revised methodology
- 3rd Party Verification of PECO needs for Existing Campus (Buildings, Utilities and Infrastructure).



PECO - Actual & Estimated Revenues July 2011 Estimating Conference

Millions



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