



# STATE UNIVERSITY SYSTEM *of* FLORIDA

## Board of Governors

### Facilities Task Force

April 30, 2012

[www.flbog.edu](http://www.flbog.edu)

# State University System Facility Facts

- 54% of all State of Florida Gross Square Feet!
- 40 M 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)*



# 2006 Facilities Task Force The Challenge Then

- Students - 56,000 students would be added, for a total of 350,000 by fall 2012.
- Research - Funding would double.
- Facilities - Add a net 14 million gross square feet (GSF).



# 2006 Facilities Task Force

## The Challenge Met ?

- Students - 56,000 students would be added, for a total of 350,000 by fall 2012.
  - Fall 2011 – 329,737 students
- Research - Funding would double.
  - \$300 million more in research for 2010-11 (\$1.35 B to \$1.57 B)
- Facilities - Add a net 14 million gross square feet (GSF).
  - 12 million GSF added



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# UNIVERSITY OF FLORIDA | Research and Academic Center at Lake Nona



## \$6M APPROPRIATION TO COMPLETE THE FACILITY

### ► BACKGROUND

The University of Florida is a major partner in a 600 acre Science and Technology Park located at the 7,000 acre Medical City development at Lake Nona. Other key partners include: Sanford-Burnham Institute for Medical Research, MD Anderson Cancer Research Institute, UCF College of Medicine, Nemours Children's Hospital, and Orlando Veterans Affairs Medical Center. The Medical City is a mixed-use development offering residential, retail, commercial zones in addition to the science, technology and medical zones.

A recent study by the University of Central Florida estimates the economic impact of investments in the

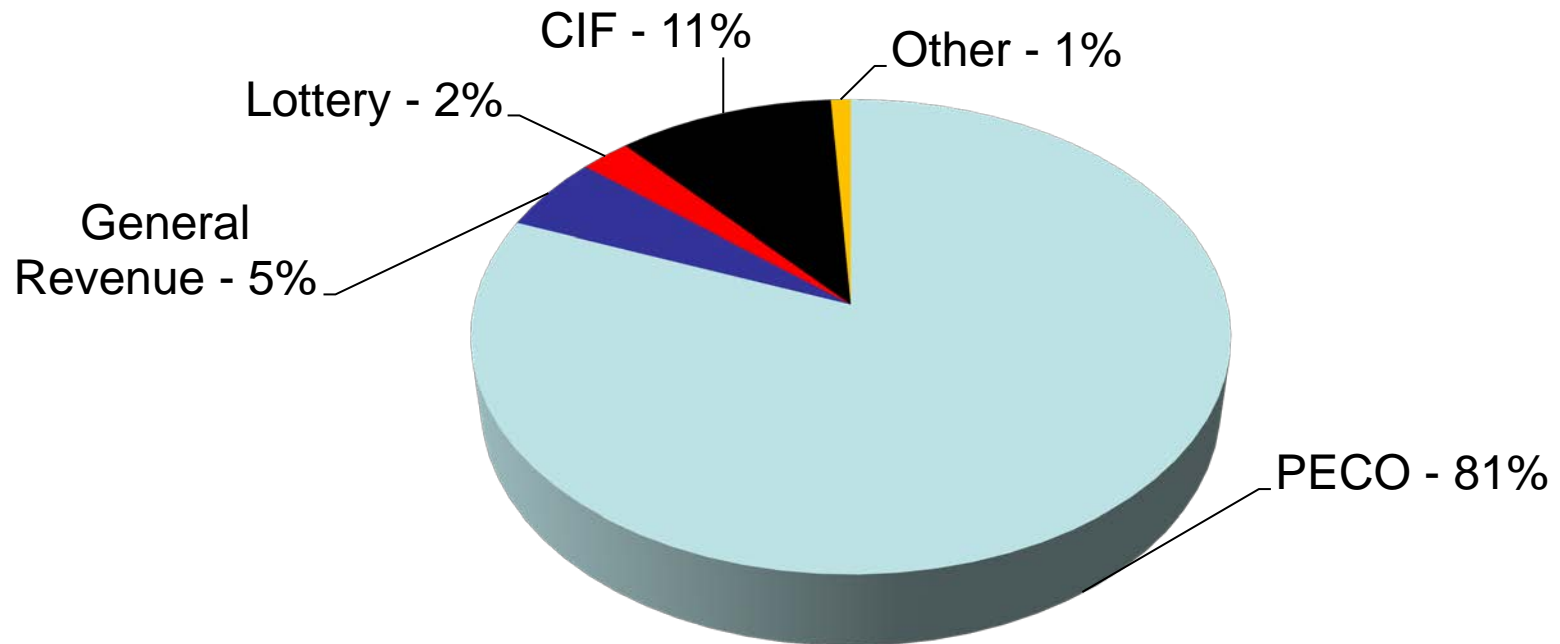
In addition, hundreds of students will be educated at the site which will provide additional economic spending in the area.

After receiving initial planning funds in 2008, the University of Florida is well underway with the construction of a \$55M, 115,000 square feet, state-of-the art, comprehensive, research and academic center that will support collaborative education programs, research and clinical research work. The facility will open for the fall semester in August, 2012. The planned opening of the research labs will be October, 2012.





# Fixed Capital Outlay Appropriations by Funding Source 1983-84 to 2012-13 - \$7.2 Billion



PECO - \$5,842	General Revenue - \$370
Lottery - \$175	CIF - \$758
Other - \$70	



# Public Education Capital Outlay (PECO)

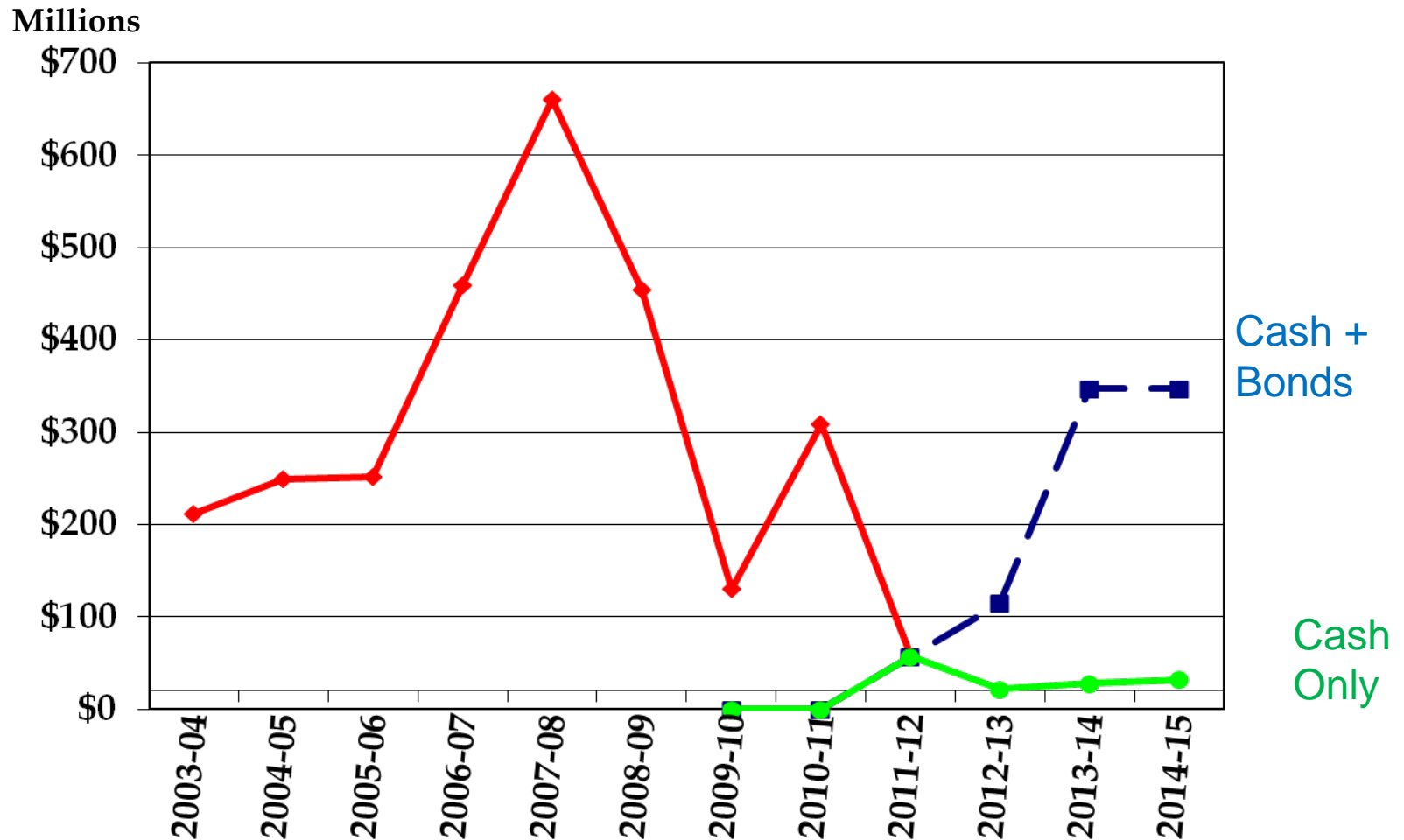
- Established in 1963
- Higher education only
- Constitutional
- Amended in 1974 to include K-12
- Triple AAA Bond Rating
  - S&P                      AAA
  - Fitch                      AAA
  - Moody's                Aa1





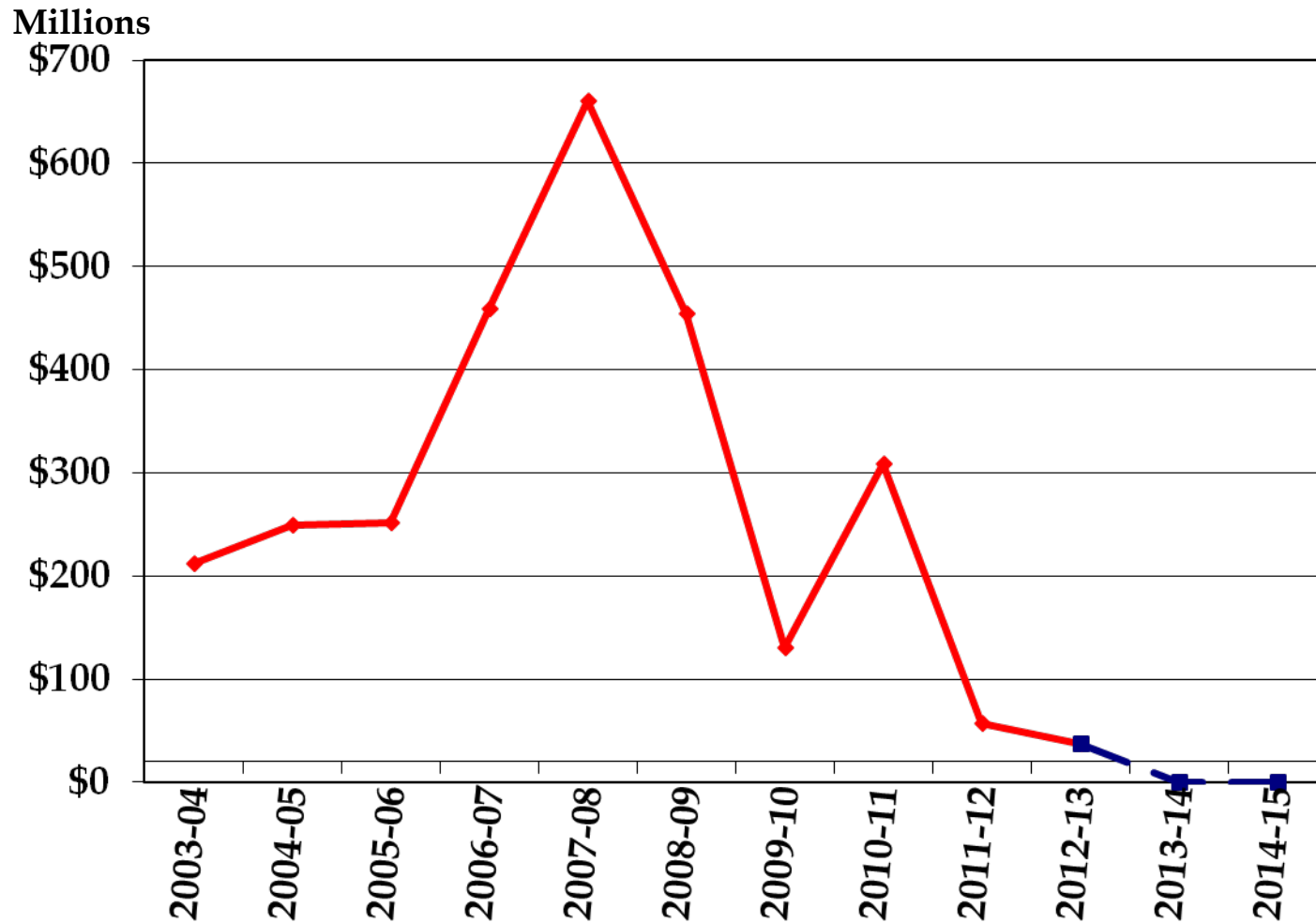
# PECO - Actual & Estimated Revenues

## July 2011 Estimating Conference



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# PECO - State Appropriations - **Actual** & Estimated Revenues - March 2012



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# 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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# 2011 Session Actions

- The Legislature appropriated \$137.2 M.
- Governor approved \$57.3 M – vetoed the balance due to capacity concerns.





# PECO - Still a 4 Letter Word?

- The State Benchmark Debt Ratio peaked at 7.91% in 2009/2010.
- Note: Forecast: Benchmark Debt Ratio will fall to 6% in 2014, declining thereafter.



# 2012 Session Update

- \$30.9 Million for named projects from lottery bonds.
- \$ 7 Million – PECO Renovation/Remodeling.
- Increased Capital Improvement Fee authority by \$2 per credit hour per year to maximum 10% of tuition.
- Replaced \$250 million in prior PECO bonded appropriations with non-recurring revenue. (No cuts)
- One year waiver on concurrency payments.
- Exception to s. 1010.62 F.S. for UF's student union renovation.



# S. 1010.62

- Since the Debt Guidelines and 1010.62 came into effect, the Board has approved 47 deals.
- \$1.5 Billion since 2006.
- At this point, s. 1010.62 financing of university housing, parking, athletic facilities, research, etc. far exceeds state support for higher education.

