

MINUTES  
STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
FACILITIES COMMITTEE  
UNIVERSITY OF CENTRAL FLORIDA  
ORLANDO, FLORIDA  
June 23, 2016

*Video or audio archives of the meetings of the Board of Governors  
and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Dick Beard, Vice Chair, convened the meeting of the Board of Governors Facilities Committee meeting at 10:13 a.m., June 23, 2016. The following members were present: Daniel Doyle, Wendy Link, Edward Morton, Katherine Robinson, and Fernando Valverde. Other members present included Dean Colson, Jacob Hebert, Darlene Jordan, Tom Kuntz, and Ned Lautenbach. Norman Tripp was present via teleconferencing.

1. Call to Order

Mr. Beard called the meeting to order.

2. Approval of Facilities Committee Meeting Minutes

Governor Doyle moved that the Committee approve the minutes of the Facilities Committee meeting held January 20, 2016. Governor Morton seconded the motion and it passed unanimously.

3. Approval of 2017-18 SUS FCO LBR Guidelines

Vice Chair Beard explained that the LBR Guidelines are consistent with those from last year, with the one exception being that session will start in March rather than January. Governor Doyle moved that the Committee approve the 2017-18 SUS FCO LBR Guidelines, Governor Morton seconded and the motion passed unanimously.

4. 2016-17 Capital Improvement Fee Project Authorization

Vice Chair Beard called on Mr. Chris Kinsley, Assistant Vice Chancellor for Facilities and Finance, to explain the Capital Improvement Fee Projects and the authorization of fund allocations to the Committee.

Mr. Kinsley explained that as a part of last year's LBR the Board requested \$35 million from the Capital Improvement Trust Fund and approved the allocation of these funds. Their allocation is a pro rata distribution based on the remittances from the universities. The Legislature approved the request and allocation approved by the Board with the proviso that the Board authorize the specific projects selected by the universities. With the exception of UF Online, which requested a small amount for equipment, the selected projects were listed for the Committee and mostly consisted of requests for funds to finish existing CITF projects. Governor Link moved approval of the 2016-17 CITF allocations and Governor Doyle Seconded. The motion passed unanimously.

5. University of Central Florida Educational Plant Survey Validation

Mr. Kinsley reported that the Educational Plant Survey process for the University of Central Florida has been completed for some time and that the Board Office had been waiting for the Board's authorization of UCF's downtown campus. Now that the downtown campus site has been approved, the survey was ready for validation. There were no questions, Governor Link moved validation of the Educational Plant Survey, which Governor Doyle seconded and the motion passed unanimously.

6. Florida Atlantic University Educational Plant Survey Validation

Mr. Kinsley reported that the Educational Plant Survey for Florida Atlantic University was complete and in good order. There were no questions and Governor Doyle moved validation of the Educational Plant Survey. Governor Link seconded the motion and it passed unanimously.

7. Proposed Amendment to SUS Board of Governors Debt Management Guidelines

Mr. Kinsley explained that universities and their direct support organizations have been coordinating rating reviews between credit rating agencies and the Division of Bond Finance, which until now had occurred on an informal, "as-needed" basis. In April of this year the Chancellor released a memo formalizing this process, requiring the Board Office and Division of Bond Finance to be engaged in all surveillance and any type of interface with the universities, their direct support organizations and the credit rating agencies.

This is the result of changes in methodology made by the credit rating agencies, which have been in a process of reforming their criteria so that entities using the same rating scale have the same criteria, such as universities and corporations. This has resulted in increased surveillance and a change in the metrics considered.

Since the publication of the Chancellor's memo, the Board Office, Division of Bond Finance, and the universities are working together to ensure that the best information is given to the bond rating agencies. This has been happening since the release of the Chancellor's memo, but now the Board Office is proposing to officially add these changes to the Debt Management Guidelines. The proposed draft language will be posted on the Board's website, and will be open to public comment through the end of July. Additionally, a workshop is planned on this topic, and will be held on July 13 at USF, with attendance anticipated by all 12 universities, the Division of Bond Finance and the Governor's Office. Following these steps, Mr. Kinsley stated that he believes that the Committee should have final amendments to consider in September.

Governor Kuntz requested feedback from the Committee, advising that the members and especially the university presidents ask staff scrutinize this amendment more than normal since it would affect the Board's standard operating procedures. Mr. Beard mentioned that the language was still be developed and welcomed this feedback.

Governor Morton asked Mr. Kinsley if he thought this change would put more pressure on the SUS's credit rating. Mr. Kinsley responded by saying that he thought that it could potentially improve our rating, due to the improved consistency resulting from the collective collaboration between the Board Office, Division of Bond Finance and the universities.

Governor Morton clarified by asking if Mr. Kinsley thought that, due to the change in the way the credit rating agencies evaluate the SUS, the SUS's credit rating would be affected negatively. Mr. Kinsley responded by saying that as long as our student enrollment is steady and we continue to receive support from the State, our credit rating should remain strong. This concluded discussion on the matter.

## 8. Sightlines Update

Mr. Kinsley reported that the Sightlines facilities benchmarking software was discussed at the September board meeting, and the Board was encouraged by Chair Huizenga and then-Chair Hosseni to urge the universities to adopt the software. At the time, four schools had it, however they all now have it, with the exception of New College and Florida Polytechnic.

The software has been implemented by the universities and the results will be presented to the schools next month (July). Board staff could possibly be ready by the September meeting to present benchmarking information about our system, both comparing school to school and our system as a whole to other state university systems. Mr. Kinsley praised the software and the universities for such quick adoption and implementation.

9. Concluding Remarks and Adjournment

Vice Chair Beard gave a brief overview of the joint workshop between the Facilities and Online and Innovation Committees in May and noted that the Committee will be reviewing their findings over the coming months. There being no further business, the meeting adjourned at 10:32 a.m., June 23, 2016.

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Chris Kinsley, Assistant Vice Chancellor  
Facilities

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Dick Beard, Vice-Chair