

MINUTES
STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
FACILITIES COMMITTEE
NEW COLLEGE OF FLORIDA
SARASOTA, FLORIDA
September 22, 2016

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and its Committees are accessible at <http://www.flbog.edu/>.*

Mr. Wayne Huizenga Jr., Chair, convened the meeting of the Board of Governors Facilities Committee meeting at 8:41 a.m., September 22, 2016. The following members were present: Vice Chair Dick Beard, Daniel Doyle, Alan Levine, Wendy Link, Edward Morton, Gary Tyson, and Fernando Valverde. Other members present included Dean Colson, Darlene Jordan, Tom Kuntz, Ned Lautenbach and Norman Tripp.

1. Call to Order

Mr. Wayne Huizenga, Jr. called the meeting to order.

2. Minutes of Committee Meetings: Governor Huizenga

Governor Levine moved that the Committee approve the minutes of the Facilities Committee meetings held May 12 and June 23, 2016. Governor Doyle seconded the motion and it passed unanimously.

3. 2017-2018 SUS Fixed Capital Outlay Legislative Budget Request

Chair Huizenga called on Mr. Chris Kinsley, Assistant Vice Chancellor for Finance and Facilities, to discuss the 2017-18 Legislative Budget Request for Fixed Capital Outlay. Mr. Kinsley presented the request and explained that it matches the official PECO estimates. Governor Beard moved approval, Governor Morton seconded and the members of the committee concurred.

4. UCF Educational Plant Survey Amendment

Chair Huizenga explained the amendment to UCF's Educational Plant Survey, changing the initial recommendation for Colbourn Hall from renovation to demolition, since renovation would cost more than 60% of the building's value. Governor Beard motioned to approve the amendment, Governor Doyle seconded and the motion passed.

5. UNF Housing Bonds - Refunding Authorization

Mr. Kinsley explained that the UNF Board of Trustees were requesting authority to refinance their housing system debt. The Division of Bond Finance and Board staff jointly reviewed the request and supporting documentation and found it to be in compliance with statute and university debt guidelines. Mr. Kinsley explained that this was coming to the Board as a refunding because it was a combination of existing housing debt and a mortgage UNF took out using the mortgage exception. This would save UNF \$1 million per year, which they plan to use to keep housing rates flat for the next five years. The authorization was motioned by Governor Levine and seconded by Governor Doyle; the motion passed unanimously.

6. Debt Management Guidelines Amendment

Governor Huizenga called upon Mr. Kinsley to explain the proposed amendments to the debt management guidelines. Mr. Kinsley described how Board staff had presented the initial amendments to the Board in June, held a workshop with university financial experts and have since incorporated feedback to bring as much clarity and transparency to the process as possible. Additionally, Board staff have also worked closely with the Division of Bond Finance to ensure there are no amendments without consensus between the offices.

The amendments include:

- Student housing projects must now come to the Board for consideration. Universities can still engage in commercial mortgage financing unless it involves housing.
- Joint rating review surveillance by the Division of Bond Finance and the Board Office of Finance and Facilities.
- University Boards of Trustees must approve any debt proposals before Board staff can begin formally review. Currently universities can submit packages that are not complete, however Board staff recommend closing this opportunity.

Mr. Kinsley also noted that Board staff proposed striking the first bullet under the “Exemptions”, relating to equipment financing, however there is not consensus on this point with the Division of Bond Finance, so it has been left in the guidelines for now. Governor Levine motioned adoption of the proposed amendments. Governor Link seconded the motion and the members of the committee concurred.

7. Sightlines Presentation

Mr. Kinsley made a brief overview of the committee’s history with the Sightlines Facilities Benchmarking Service, explaining that a year ago the committee strongly encouraged universities to adopt the service. Board staff negotiated a pricing

arrangement with Sightlines and the contract was authorized in January; all schools implemented the software by July. Mr. Kinsley explained that for the schools not already using the software, this meant that they had to upload 5 years' worth of data across more than 50 data points. This has given the Board staff an abundance of information to examine as well as access to national data.

Mr. Kinsley then presented a sample of the types of information offered by the software and the types of comparisons now possible. However, he emphasized that this is a powerful tool but that there is still much work to be done with this data to determine its uses. He underscored that this is a new tool and that there should be no assumptions about the data it affords.

8. Impact of Online Education on Space Needs Planning

Mr. Kinsley presented proposed changes to the space planning process. In his State of the System address in January, Chair Kuntz asked the Innovation and Online Committee as well as the Facilities Committee several questions regarding how online education is impacting space needs. The Space Needs Generation Formula currently used was developed in the 1960s and updated in the 1990s and does not fully address current issues. In response Board staff have developed a new Dynamic Capital Planning model to address these issues.

- Currently SUS projected space need is an additional 50% of current inventory. The new model reduces this additional need to about 30% of current inventory.
- Currently research space is funded based on student FTE growth. Board staff propose changing this to be based on the amount of grant money potentially generated by requested research space.
- The current model removes online student FTE only from Classroom space needs generation, however the new model proposes expanding this practice to include Teaching Labs, Auditorium and Gymnasium space as well.
- The current model uses weighted space factors by institution, the new model changes this to a single set of standardized space factors.

Mr. Kinsley detailed plans to distribute this new model to the universities for vetting and to collect their feedback. He also noted that this is the survey year for USF, UWF and FPU, and as such the new model will be tested on these universities. When their surveys come before the Board, a comparison with their previous 5 year surveys under the old model will be made so that the Board can properly evaluate the new model and determine any adjustments and whether or not to adopt it.

9. Housing Rates

The committee members briefly discussed housing rates and efforts to limit their increase. A more detailed update on this topic was scheduled for the November board meeting.

10. Concluding Remarks and Adjournment

There being no further business, Chair Huizenga adjourned the meeting at 9:41 a.m., September 22, 2016.

Chris Kinsley, Assistant Vice Chancellor
Facilities

H. Wayne Huizenga, Jr., Chair