

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Budget and Finance Committee
September 18, 2024**

SUBJECT: Board of Governors Regulation 9.013 Auxiliary Operations

PROPOSED COMMITTEE ACTION

Discussion only.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7(d), Florida Constitution; Board of Governors Regulation Development Procedures

BACKGROUND INFORMATION

During the June 2024 Budget & Finance Committee meeting, Governor Silagy suggested that additional modifications could be made to Regulation 9.013 to provide the universities with additional flexibility on the use of auxiliary revenue for athletics. Governor Silagy stated he would like to work with staff on potential modifications and bring those to the Committee for consideration in September.

The following suggestions will be discussed.

1. If the project will only benefit a subset of students, the university can use unreserved auxiliary cash as a loan to athletics. The loan would be paid back with interest and a minimum of 25 percent for the project would need to come from fundraising.
2. The university would submit the terms and conditions of any loan.
3. The university would report annually on the status of any loan repayment.
4. Clarifies that the Division of Bond Finance should be consulted to ensure there would be no violation of any bond covenants, regardless of which entity issued the bonds.

Supporting Documentation Included:

Regulation 9.013 - Draft

Facilitators/Presenters:

Mr. Eric Silagy