

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED AMENDED REGULATION**

DATE: June 23, 2023

REGULATION NUMBER AND TITLE: 14.003, Fixed Capital Outlay – University Budget Procedures

SUMMARY:

Regulation 14.003, Fixed Capital Outlay Projects – University Budgeting Procedures, is proposed to be amended for the following reasons:

- The passage of SB 7026 amended various statutes providing for, among other things, the removal of the prior ‘caps’ on Carryforward spending on fixed capital outlay projects, specifically \$5M on Renovation and \$10M on Remodeling. The proposed amendment to Regulation 14.003 reflects this change.
- Additional edits serve to remove redundancies as well as promote conciseness.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO PROPOSE REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS’ OFFICIAL INITIATING THE PROPOSED REGULATION: Kevin Pichard, Director, Finance and Facilities

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 200 W. College Avenue, Suite 216, Tallahassee, Florida 32301, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu.

14.003 Fixed Capital Outlay Projects – University Budgeting Procedures

(1) Each university will prepare an annual Fixed Capital Outlay (FCO) Budget, ~~for all Fixed Capital Outlay (FCO) Projects~~ in accordance with the instructions, guidelines, and standard formats provided by the Chancellor ~~for those FCO Projects as defined in Board Regulation 14.001~~. The FCO Budget must be approved by ~~both~~ the university board of trustees and the Board of Governors. Such approval remains in effect for the life of the FCO Projects. The annual FCO Budget must include all FCO Projects, including previously approved projects that have not yet been completed.

(2) FCO Projects shall be listed by category or categories in the University FCO Budget as follows:

FCO Budget Categories

a. Education & General (E&G) Operating Projects – This category is consolidated, and includes all FCO Projects, ~~as defined in Board Regulation 14.001~~, funded from current year E&G operating funds. No individual project in this category, funded in whole or in part with E&G operating funds, shall exceed \$1 ~~million,000,000~~, pursuant to Board Regulation 9.007(3)(a)1.

Boards of Trustees may adopt policies requiring more detailed line-item budgeting at the local level.

b. Carryforward (CF) - Small Projects – This category is consolidated and includes all FCO Projects with a total per-project cost up to \$2 million, funded in whole or in part from CF funds. ~~No individual FCO project in this category~~

~~expenditure on the project is up to \$5 million consistent with s. 1013.64(1), F.S. and replacement of a Minor Facility.~~

- iii. A remodeling or infrastructure project, including a project for a developmental research school, where the total CF expenditure is up to \$10 million if such project is recommended in the latest educational plant survey.
- iv. Repair or replacement of Education & General fFacilities necessary due to damage caused by a natural disaster.

d. State Appropriated Projects – This category includes all FCO Projects using funds originally appropriated as FCO funds by the State of Florida, notwithstanding the criteria provided in Board Regulation 14.001. These funds should never be included in the university operating budget. Examples include PECO and Capital Improvement Trust Fund (CITF).

e. Non-Appropriated Projects – This category includes all FCO Projects that have not directly or indirectly used funds appropriated by the State. Examples of such funding sources would include housing revenue bonds, parking revenue bonds, private donations, federal grants, insurance proceeds, and athletic revenues.

(3) For the purpose of this regulation, FCO Projects do not apply to those projects acquired, constructed, and owned by a Direct Support Organization or under a Public Private Partnership; the requirements for those projects are addressed in either the Debt Management Guidelines or the Public Private Partnership Guidelines.

(4) The FCO Budget may be amended, subject to use of only the categories authorized in section (2), as follows:

- a. E&G Operating Projects - must be approved by the board of trustees or designee.
- b. CF Small Projects – Individual new projects up to \$2 million, as well as increases up to \$2 million on individual existing projects, must be approved by the board of trustees or designee.

Non-Appropriated Projects – All new pr