Planning for Facilities
Needs in Years 5-15
Part II: The SFCP

Second of two discussions focused on the “out years” of the capital program, leading up to the Board Capital Workshop in May

For 3/27/14

Two Sessions

• Session I: The State CIP (in January)
  – A high-level overview of issues affecting the CIP
  – Goal: A strategy for a long-term plan that justifies and inspires expanded State support for facilities

• Session II: The SFCP (Today)
  – A high-level overview of issues affecting the SFCP
  – Goal: Overcoming the constraints of the economy by utilizing the financial strength of the USM
Intended Purpose of the SFCP

- Meeting demand for housing and more targeted student services
- Attracting and retaining students
- Enhancing convenience and accessibility for students
- Supplementing State investment in academic facilities

Benefits of On-Campus Communities

Campus data indicate that
- Students who live on campus for at least freshman year are more likely to graduate within 4 years
- Students who live on campus for even one year are more likely to graduate in 6 years
- Living on campus for the first two years appears to be most critical to graduating in 4 (or 6) years
Residential Student Populations by Institution

**Percentage of HC Enrollment in On-Campus or PPP housing**

*Does not include off-campus private housing for students

Where are we today?
Board FY2014-18 SFCP (June 2013)

Total Program: $625M  (Bonds Only: $493M)
SFCP Program Funding Gap
$330M in requests for use of USM Bonds remain unfunded

*Construction of 1,287 New Beds; Planning for another 1,200

Note continued strong demand for housing-related projects

Trends in Privatized Development

[Graph showing trends in student beds from 1997 to 2013, with categories for fully private development (estimate only), Public (PPP) development (not since FY08), and Traditional (direct debt and cash).]
Private Development Now Less Affordable

Considerations for the Workshop

**Demand**
- The effect of the completion goal on overall demand for student facilities
- Recognizing significant housing demand in the SFCP
- Focus on financial viability of projects

**Financing**
- Maintaining bond rating
- Use of cash
- Use of direct debt (USM bonds)
- Focus on financial viability
- Extending debt/Assistance to all institutions
Discussion