BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

ACTION ITEM
REVENUE FUND MASTER RESOLUTION AMENDMENT

BACKGROUND

Capital assets within the Minnesota State Colleges and Universities system can be identified as either academic or auxiliary. Auxiliary operations typically include residence halls, dining facilities, student unions, bookstores, parking facilities and similar operations. Unlike academic facilities, Revenue Fund facilities must generate their own construction, maintenance, operations and repair funding through room, board, and other related facility fees or gifts. Occasionally, other sources of funds may be used for capital construction and renovation, as well as operations. Authority for participation in the Revenue Fund is currently restricted by statute to the seven state universities.

The Revenue Fund Master Resolution is an important tool in the management structure of the Fund, and provides the framework for financial and facilities management of the Revenue Fund for the duration of current debt or any subsequent debt issued under this Resolution. The Master Resolution acts as a "contract" between the Board and bondholders. The current Master Resolution was adopted by the Board in September 2001.

The proposed amendment, Attachment A, clarifies the use of facilities that have a mixed use or were constructed with funding from several different sources. This has become an issue as some of these projects have come on-line and need to be recorded as assets in one fund or another. The current Master Resolution did not anticipate mixed funded facilities either in funding or operation. Since is has been found useful to finance and operate projects in this manner, an amendment to the Master Resolution is required.

RECOMMENDED COMMITTEE ACTION:

The Facilities/Finance Committee recommends that Board of Trustees adopt the following motion:

RECOMMENDED MOTION:

The Board of Trustees approves the Amendment to the Revenue Fund Master Resolution contained in Attachment A.

Date Presented to the Board: September 21, 2005