

## **FLORIDA BOARD OF EDUCATION**

March 19, 2002

**SUBJECT:** 2002-2003 Operating Budgets and Building Repair and Renovation Reserve Reports for Auxiliary Facilities that have Bond Covenants Requiring Florida Board of Education Approval

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### **PROPOSED BOARD ACTION**

Approve the operating budgets and building repair and renovation reserve reports for auxiliary facilities that have bond covenants requiring Florida Board of Education (FBOE) approval.

### **BACKGROUND INFORMATION**

Section 240.2093, Florida Statutes, authorizes the FBOE to request the issuance of bonds or other forms of indebtedness pursuant to the State Bond Act to finance or refinance capital projects authorized by the Legislature. Specific bond covenants, set forth in the authorizing resolutions of FBOE bond issues, require the FBOE to approve operating budgets and certify that funds will be deposited into a Facility Maintenance and Equipment Reserve Fund. The operating budgets and projected reserve deposits must be approved by the FBOE ninety days prior to the beginning of each fiscal year.

Chancellor's Memorandum CM-D31.00-02/97 relating to Auxiliary Facilities requires that a minimum of 3% of anticipated operating revenues be deposited into the Facility Maintenance and Equipment Reserve Fund. The CM also establishes the required procedures for the universities to follow in meeting the bond covenant requirements.

A review of the university budgets for facilities affected by the specific bond covenants indicates there are sufficient revenues to meet the estimated expenditures and the minimum annual 3% reserve deposit for 2002-2003, in the event sufficient reserves are not currently on deposit.

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**Supporting Documentation Included:** Reserve Summary Detail by University

**Facilitators/Presenters:** Carl W. Blackwell