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MEMORANDUM

TO: State Board of Education

FROM: Kathryn S. Hebda 

DATE: October 21, 2021

SUBJECT: Florida College System Spending Plans

In 2019, Senate bill 190 passed, adding section 1013.841 to Florida Statutes (F.S.), requiring colleges to submit spending plans for unexpended, end of year, state operating budget fund balances over five percent for colleges less than 15,000 FTE, and over seven percent for colleges with 15,000 or more FTE. These spending plans are to be approved by the college boards of trustees by September 30 each year.

Sections 1013.841(2)(b) and (3)(b), F.S., states "...The State Board of Education shall review and publish each Florida College System institution's carry forward spending plan by November 15, 2020, and each November 15 thereafter." This is the first year colleges have submitted spending plans, as the requirement for submission was suspended for the 2019-2020 fiscal year in the department's emergency order number 2020-EO-02, dated May 13, 2020.

Section 1013.841(4), F.S., authorizes expenditures in a carry forward spending plan may include:

- (a) Commitment of funds to a public education capital outlay project for which an appropriation was previously provided, which requires additional funds for completion, and which is included in the list required by s. 1001.03(18)(d) (the partially funded projects list);
- (b) Completion of a renovation, repair, or maintenance project that is consistent with the provisions of s. 1013.64(1), up to \$5 million per project;
- (c) Completion of a remodeling or infrastructure project, up to \$10 million per project, if such project is survey recommended pursuant to s. 1013.31;
- (d) Completion of a repair or replacement project necessary due to damage caused by a natural disaster for buildings included in the inventory required pursuant to s. 1013.31;
- (e) Operating expenditures that support the Florida College System institutions mission which are nonrecurring;

KATHRYN S. HEBDA
FLORIDA COLLEGE SYSTEM CHANCELLOR

Florida College System Spending Plans

Page Two

October 21, 2021

(f) Any purpose approved by the state board or specified in the General Appropriations Act; and

(g) A commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor pursuant to s. 252.36.

For colleges with a final FTE of 15,000 or greater in the prior year, a fund balance of seven percent must be maintained, and their spending plans must include the estimated cost per planned expenditure and a timeline for completion of the expenditure. Twenty-one colleges currently meet the requirement to maintain a five percent fund balance and seven colleges must maintain a seven percent fund balance.

Twenty-seven of the 28 colleges were required to submit a spending plan based on their fund balance exceeding the required percentage. A breakdown of the categories used most by colleges based on a percentage of the total amount submitted follows:

- Category (e), nonrecurring expenditures for operations, at 51.05%;
- Category (g), commitment to contingency reserve related to state declared emergency, at 24.14%;
- Category (b), completion of renovation, repair or maintenance project, up to \$5 million, at 14.55%; and
- Category (c), completion of a remodeling or infrastructure project up to \$10 million, at 4.11%.

Enclosed for your review are the reports that have been submitted by each of the twenty-seven Florida College System institutions required to submit a spending plan. The reports reflect the excess carryforward amount as of July 1, 2021.

I am available if you have any questions.

KH/h

Enclosures

Cc: Dr. Eric Hall, Senior Chancellor
Suzanne Pridgeon, Deputy Commissioner for Finance and Operations