

Capital Budget 101 102

State Sources

- 310 COBI. State of Florida capital outlay bond issues are used to finance these capital projects. These projects include the construction of new schools, including capital equipment and additions to existing schools.
- 320 Special Act Bonds. Special act bonds (including Racing Commission revenue bonds) are used to finance these capital projects, which vary in purpose depending on the specifications of the bond issue.
- 340 Public Education Capital Outlay (PECO). The gross receipts tax used to finance capital projects. MAINTENANCE AND CONSTRUCTION
- 360 Capital Outlay and Debt Service (CO&DS) Program. The school district's allocation from the state of Florida's CO&DS Program is used to fund projects such as the construction of new schools, including capital equipment and additions to existing schools.

Local Sources

- 370 Nonvoted Capital Improvement Fund District School Tax (Section 1011.71(2), F.S.) A tax levied by the district school board against the taxable value of property is used to finance projects advertised for expenditures pursuant to this authority. Subfunds should be used for each fiscal year levy to account for revenues, expenditures and unexpended amounts.
- 391-398 Other Capital Projects. Capital projects funded by other sources, including
 - half-cent sales tax revenue (district school board referendum approved by the voters pursuant to section 212.055(6), F.S.),
 - one- cent intergovernmental local sales tax revenue (referendum by group of local governments, approved by the voters pursuant to section 212.055(2), F.S.),
 - lease-purchase agreements (COPS)
 - Impact Fees

Local Sources

- 330 Sections 1011.14 and 1011.15, F.S., Loans. Short-term (one year) loans for capital projects may be renewed by the district school board up to four times. Long-term, emergency loans may be secured for capital projects, such as to address a roof that has been destroyed or refrigeration equipment that is no longer functioning.
- 350 District Bonds. Bonds issued as the result of a referendum passed by voters are used to finance these capital projects. Most bonds are issued for the construction of new schools, but any capital project approved by the voters may be financed with these bonds.
- 380 Voted Capital Improvement Fund. A tax of up to one mill may be levied for capital projects for up to two years pursuant to section 1011.73(1), F.S., if voted by the qualified electors of the school district.
- 399 American Recovery and Reinvestment Act Economic Stimulus Capital Projects. Capital projects funded by the ARRA related to construction, renovation and remodeling.

Capital Accounts

- 600 – Capital Outlay
 - 610 Library Books
 - 620 Audiovisual Materials
 - 630 Buildings and Fixed Equipment
 - 640 Furniture, Fixtures and Equipment
 - 650 Motor Vehicles
 - 660 Land
 - 670 Improvements Other Than Buildings
 - 680 Remodeling and Renovations
 - 690 Computer Software
- Others
 - 910 Transfers to General Fund.
 - 920 Transfers to Debt Service Funds
 - 794 Charter School State Capital Outlay
 - 710 Redemption of Principal
 - 720 Interest
 - 730 Dues and Fees

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- Districts are required to prepare a 5-year capital plan. The state format, called the 5-Year District Facility Work Program is completed online. This must be approved by the School Board prior to budget adoption.
- Truth in Millage Advertisement – a list of all projects, grouped in categories and sorted based on priorities. This is a list of the items that you can use that specific year's capital outlay millage levy for. If you need to add something else, you will need to do another public notice with 2 public hearings.

1011.71

- Know your statutes
- http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=1011.71&URL=1000-1099/1011/Sections/1011.71.html
- You can pay for maintenance with capital millage, but not in a capital fund.

Definitions Matter

- http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=1000-1099/1013/Sections/1013.01.html
- (12) “Maintenance and repair” means the upkeep of educational and ancillary plants, including, but not limited to, roof or roofing replacement short of complete replacement of membrane or structure; repainting of interior or exterior surfaces; resurfacing of floors; repair or replacement of glass; repair of hardware, furniture, equipment, electrical fixtures, and plumbing fixtures; and repair or resurfacing of parking lots, roads, and walkways. The term “maintenance and repair” does not include custodial or groundskeeping functions, or renovation except for the replacement of equipment with new equipment of equal systems meeting current code requirements, provided that the replacement item neither places increased demand upon utilities services or structural supports nor adversely affects the function of safety to life systems.



Construction Projects

- Ed Plant Surveys are important.
 - Projects funded with all funds, with the exception of voter approved funds, must be survey recommended.
 - You can't finance a project unless it is survey recommended
- Cost per Student Station



Closing Comments

- Spend time with your facilities team.
- Make sure they are talking with whoever is doing the financing.
- Know your statutes and have them handy. There are gray areas in the capital definitions and rules.
- Call DOE or another district with questions.