



# Fixed Capital Outlay

# FIXED CAPITAL OUTLAY FINAL APPROPRIATIONS

Issue	Final Appropriations After Vetoes
Maintenance, Repair, Renovation and Remodeling:	
Public Schools	50,000,000
State University System	47,182,459
Florida College System	35,448,853
Charter Schools	145,286,200
Special Facility Construction	
Account Projects	31,392,727
Florida College System Projects	30,936,872
State University System Projects	101,350,800

# FIXED CAPITAL OUTLAY SPECIAL FACILITY CONSTRUCTION ACCOUNT PROJECTS

District	Appropriation
Taylor (3rd and final year)	\$ 6,272,025
Liberty (2nd of 3 years)	\$ 6,060,895
Jackson (2nd of 3 years)	\$ 19,059,807
Total	\$ 31,392,727

# Educational Facilities Funding

- State Sources
  - Public Education Capital Outlay (PECO)
  - Capital Outlay and Debt Service (CO&DS)
  - Racing Commission Funds
  - Special Facility Construction Account Funding
- Local Sources
  - Discretionary Local Capital Improvement and Capital Outlay
  - Voted Debt Service
  - Local Government Infrastructure and School Capital Outlay Surtax
  - Impact Fees

# Public Education Capital Outlay (PECO)

- Established by Section 9(a)(2), Article XII, the Florida Constitution
- The gross receipts tax collected on utilities and communications services
- Education sector distribution is based on the 5 year average of appropriations for school districts, colleges and universities.
- s. 1013.64(1) and (3), F.S.
  - “PECO Maintenance” is based upon districts’ proportionate facilities need
  - “New Construction” is based upon districts’ capital outlay FTE
- PECO funding is a lump-sum, annual legislative appropriation
  - Local board decision on specific projects unless specified by the Legislature

# Public Education Capital Outlay (PECO)

- **PECO Maintenance ~ Section 1013.64(1), F.S.**
  - **Projects prolong the useful life of the facility**
    - Projects must be recommended and approved in a Five-Year Educational Plant Survey
    - Examples include painting and roofing
    - Does not include the funding of a maintenance study, an evaluation of maintenance needs, or a management review of the maintenance needs
  - May include a “remodeling” project
    - Defined in s. 1013.01(17), F.S.
      - Changes the use of an existing facility by rearrangement of spaces and their use
- At least 1/10<sup>th</sup> of the annual PECO Maintenance allocation must be used to correct unsafe, unhealthy, or unsanitary conditions pursuant to s. 1013.64(1)(f), F.S.

# Public Education Capital Outlay (PECO)

- **PECO New Construction ~ Section 1013.64(3), F.S.**
  - **Generally for projects that increase student station capacity or for equipment in a new school that serves an educational purpose**
    - Projects must be survey recommended and approved in a Five-Year Educational Plant Survey
    - May include:
      - New schools and additions
      - Correction of safety-to-life deficiencies identified and reported in the safety-to-life report
      - Equipment necessary to make a ***new school*** operational for its intended purpose (e.g., desks, science and library tables, books for the media center, science lab equipment)

# Public Education Capital Outlay (PECO)

## ➤ PECO New Construction ~ Section 1013.64(3), F.S.

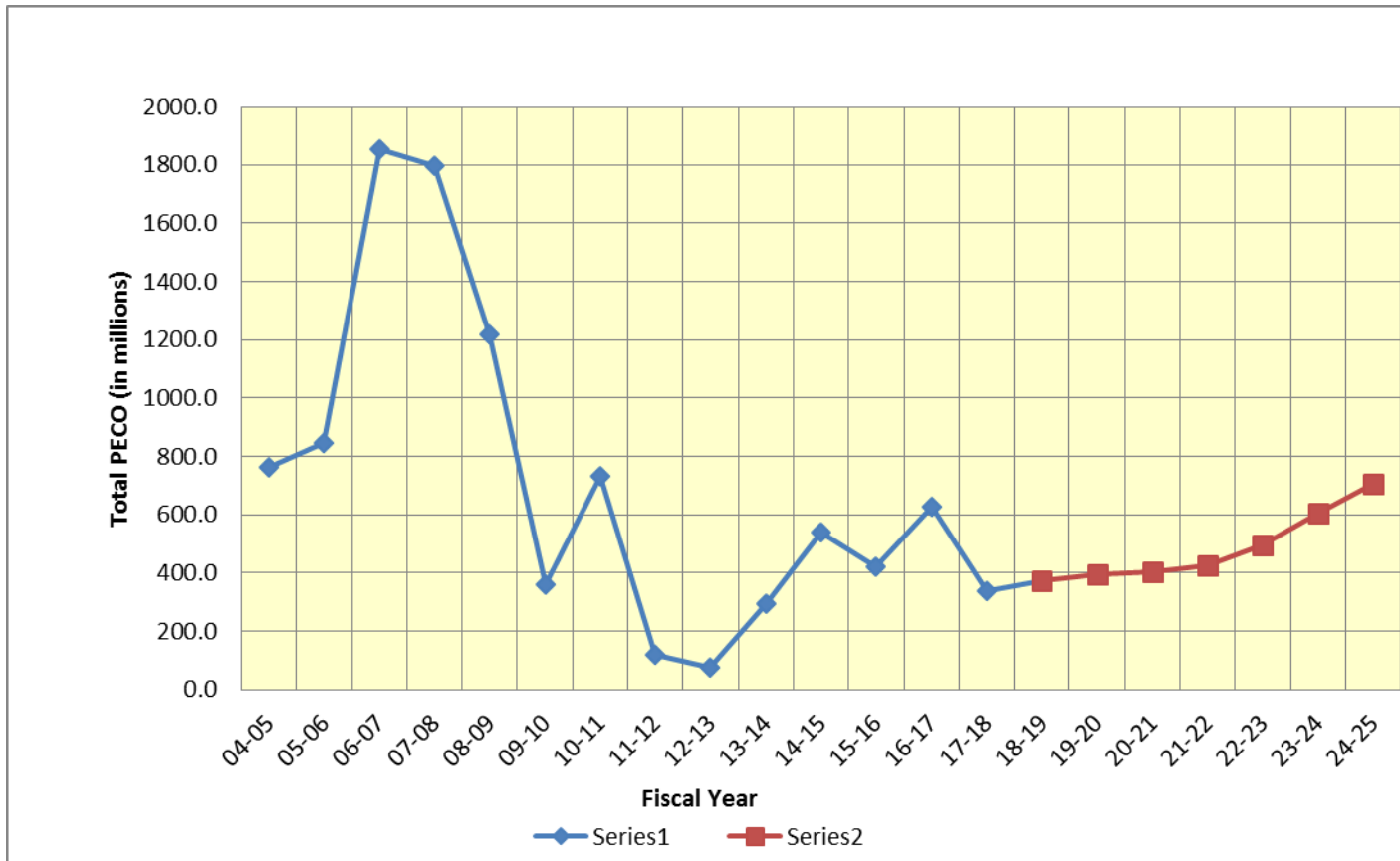
### ➤ May not include:

- Athletic facilities or other competition-type facilities not part of a physical education curriculum
- Equipment used to manage the district
- Textbooks, kindergarten toys, tape recorders
- Computer software in excess of the operation system necessary to make the machine operational (e.g., Photoshop, various instructional materials)
- PECO funds cannot be used to satisfy debt service requirements



# PECO Appropriations PAST, PRESENT & FUTURE

## 2005 - 2025



# Capital Outlay and Debt Service (CO&DS)

- Established in Section 9(d), Article XII, Florida Constitution and in s. 1010.57, F.S.
- Funded by Motor Vehicle License Tax Revenue (MVLR)
- MVLR may be bonded or is automatically sent to district/college as cash on an annual basis
- Projects must be recommended in an approved Five Year Educational Plant Survey
- Projects must be on a Project Priority List (PPL) & the PPL must be approved by the State Board of Education (SBE)

# Capital Outlay & Debt Service (CO&DS)

## Uses:

- For acquiring, building, constructing, altering, remodeling, improving, enlarging, furnishing, equipping, maintaining, renovating, or repairing of capital outlay projects for school purposes.
- The cash allocation of CO&DS funds may be used for lease-purchase agreements or debt service when the proceeds of such loans are used to pay for capital outlay projects that are eligible for the expenditure of CO&DS funds (i.e., local bond issues, loan notes provided in ss. 1011.14 and 1011.15, F.S.).
- Funds can be used to repair a heating/ventilating/air-conditioning (HVAC) system only in the order of priority pursuant to a PPL approved by DOE.
- Funds may not be used to lease portable space when construction renders a portion of the school temporarily unusable.

## Special Facilities Construction Account

- Funded pursuant to s. 1013.64(2), F.S.
- The project must be deemed a “critical need” by the pre-application Special Facility Construction Committee.
- Project must be recommended and approved in a Five-Year Educational Plant Survey.
- District must levy the maximum millage against their nonexempt assessed property value as allowed in s. 1011.71(2) or raise an equivalent amount of revenue from the school capital outlay surtax authorized under 212.055(6).
- Project budget is approved by the Special Facility Construction Committee.

# Educational Facilities Funding

## *Local Sources Available to School Districts*

### **Non-Voted**

- Discretionary up to 1.5 mills

### **Voter-approved**

- Sales Surtaxes
- Voted Debt Service

# Discretionary Local Millage Tax

## *Non-voted local sources*

- This is the capital outlay millage commonly referred to as “1.5 mills.”
- Funded by local property taxes pursuant to s. 1011.71(2), F.S. and Section 9, Article VII, of the Florida Constitution.
- Enacted by vote of the local board after a public hearing
- May be used towards:
  - Remodeling and new construction projects that are recommended and approved in a Five-Year Educational Plant Survey.
- Advertising requirement

# Discretionary Local Millage Tax

## *Non-voted local sources, continued...*

- To rent or lease relocatables;
- Maintenance, renovations, repair, school bus purchases, and the purchase or replacement of equipment;
- The purchase, lease-purchase, or lease of new and replacement equipment hardware devices necessary for gaining access to, or enhancing, the use of electronic content and resources, excluding software other than the operating system necessary to operate the device;
- The payment of premiums for property and casualty insurance necessary to insure school district educational and ancillary plants;
- The purchase, lease-purchase, or lease of driver's education vehicles; motor vehicles used for maintenance or operation of plants and equipment; security vehicles; and/or vehicles used in storing or distributing materials and equipment.

# Discretionary Local Millage Tax

## *Non-voted local sources, continued...*

- May not be used towards:
  - Maintenance or new construction projects not included in the approved Five-Year Educational Plant Survey;
  - Expendable and consumable supplies such as textbooks, kindergarten toys, office/classrooms supplies;
  - Instructional or teaching materials



# School Capital Outlay Surtax

## *Voter-approved local sources*

- Section 212.055(6), F.S.
- Sales tax not to exceed .5 percent
- Initiated by local board
- Must be approved by majority vote of electors in county
- Projects may be construction, improvements, land and/or retrofitting and providing for technology implementation
- Proceeds cannot be used for operations

# Local Government Infrastructure Surtax

## *Voter-approved local sources*

- Section 212.055(2), F.S.
- A sales tax not to exceed 1 percent
- May be shared with all Governmental Agencies
- Initiated by county commissions and municipalities
- Must be approved by majority vote of electors in county
- Projects may be construction, improvements, and land
- Proceeds cannot be used for operations

# Voted Debt Service

## *Voter-approved local sources*

- May be assessed pursuant to s. 1011.74, F.S. and Section 12, Article VII, Florida Constitution
- To finance or refinance capital projects authorized by law
- To refund outstanding bonds and interest and redemption premium thereon at a lower net average interest cost rate

# Charter School Capital Outlay

## ➤ Eligibility

➤ Section 1013.62, F.S.

## ➤ Statutory Requirements

- In operation for at least 2 years, or be an expanded feeder chain of a charter school within the same school district that is currently receiving charter school capital outlay funds, or accredited by a regional accrediting association, or serve students in facilities that are provided by a business partner for a charter school-in-the-workplace
- An annual audit that does not reveal any financial emergency conditions, have satisfactory student achievement, and not serve students in district-owned facilities

## ➤ Capital Outlay Plan

- Required annually
- Approved by both district and school

## Charter School Capital Outlay

- Funding for the 2018-2019 fiscal year consists of state funds appropriated in the General Appropriations Act
- Funding for the 2019-2020 fiscal year may consist of:
  - State funds appropriated in the General Appropriations Act
  - Revenue resulting from discretionary millage authorized in s. 1011.71(2), F.S.

# Charter School Capital Outlay

- Allocation Process for state funds
  - Weighted funding for schools that meet one or both of the following criteria:
    - 75% or more of school's students eligible for FRL
    - 25% or more of school's students are students with disabilities
  - School allocations
    - Schools that meet one of the above criteria receive funding weighted at 1.25
    - Schools that meet both of the above criteria receive funding weighted at 1.50
    - Schools that do not fit into either funding criteria receive funding weighted at 1.0

# Charter School Capital Outlay

- Use of Funds
  - Purchase of real property;
  - Construction of school facilities;
  - Purchase, lease-purchase, or lease of permanent or relocatable school facilities;
  - Purchase of vehicles to transport students to and from the charter school;
  - Renovation, repair, and maintenance of school facilities the charter school owns or is purchasing through a lease-purchase option or long-term lease of 5 years or longer.



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