DRAFT
(being considered by SUPA 11-16-05)

NOTES FOR FIXED CAPITAL OUTLAY REVENUE SOURCES MATRIX

PECO SHORT TERM

- Current Allocation Formula – Maintain the status quo
- Increase the allocation to universities from the additional PECO estimate - On October 31, 2005 there was a Gross Receipts Tax Estimating Conference followed by a PECO estimating conference the first week of November. The universities under current policy should receive an additional allocation due to the new estimate.
- Appropriate the PECO funds not allocated by the 2005 legislature – The Board of Governors could request additional PECO resources that were not appropriated during the 2005 session. The request could be for the entire balance or a portion of the balance since it was not addressed by the Commissioner in his allocation for the 2006-2007 Fiscal Year among the education entities that constitutionally could use PECO dollars.
- Permit universities to reallocate appropriated funds among approved projects. Provide universities the opportunity to maximize PECO appropriations among the projects addressed by the legislature.

PECO LONG TERM

- Various amendments to Chapter 1013, F.S. – Review, revise and amend the education fixed capital outlay chapter as it applies to the PECO funding and process for the state universities.
- Increase the PECO allocation for Public Postsecondary Education – State universities and Community Colleges fixed capital outlay is primarily funded with PECO resources since neither group has any taxing authority.
- Expand the base for the Gross Receipts Tax – The Gross Receipts Tax is imposed at the rate of 2.5% on the gross receipts of sellers of electricity and natural or manufactured gas, and at a rate of 2.37% on the gross receipts of telecommunications services. Additional items could be added to the base such as internet access.
- Increase the rate of the Gross Receipts Tax – The rate could be raised on some or all utilities currently taxed.

NON –PECO SHORT TERM

- Non recurring General Revenue – The General Revenue Fund consists of all moneys received by the state from every source, except moneys deposited into trust funds, the Working Capital Fund and the Budget Stabilization Fund. Non recurring General Revenue (GR) is moneys that is anticipated only for the short term or collections realized in a fiscal year that were not anticipated. In the case of funds not anticipated the Revenue Estimating Conference participants evaluate the source and amount and determine whether the revenues will continue or whether the revenues will be realized for a short time span. If the funds are determined to collected for the long run they are considered for inclusion as recurring for the following year estimate and there after.

- Non recurring lottery – Lottery receipts are deposited into the Educational Enhancement Trust Fund. The explanation for nonrecurring as it applies to lottery is the same as the explanation for non recurring GR.
- Bonding the margin of growth in recurring lottery – In order to retire bonds only recurring revenues can be used because of the necessary span of time.
- Delegate authority for bonding by DSO's to BOT's – Delegate current proviso and Implementing Bill Language.
- State Bonding Initiative Comparable to North Carolina's – A state initiative to provide funding for fixed capital outlay to the universities from current available sources or newly dedicated sources to retire the bonds issues.
- Permit universities to reallocate appropriated CITF funds among approved projects – Provide universities the opportunity to maximize CITF appropriations among the projects addressed by the legislature.
- Increase the CITF Fees. – The Capital Improvement Trust Fund Fee and the Building Fee are both set in law at $2.44 per credit hour per semester and $2.32 per credit hour per semester respectively. Both fees have been at their current level for a number of years although tuition and other required fees have increased. The CITF and Building fee have not kept pace with the increased cost of construction over the years or the expanded need for facilities.

NON-PECO LONG TERM

- Devote an additional dedicated tax source for university FCO e.g. recurring margin of growth in Documentary Stamp Tax – Recommend the creation of a University Fixed Capital Outlay Trust Fund funded be a dedicated tax.
- Bonding the margin of growth in a recurring new dedicated tax source such as the Documentary Stamp Tax – Bond the annual growth of a dedicated tax source in order to address access and deal with the large inflationary costs of instruction. This would permit the universities to address need in a timely fashion at a lower cost ultimately.
- Restructure CITF – The Capital Improvement Trust Fund Fee and Building Fee are deposited in the Capital Improvement Trust Fund (CITF). Both the fees and the way the trust fund is used should be evaluated and revised.
- License Tag Revenues comparable to Public Schools and Community Colleges – Public Schools and Community Colleges receive funding for FCO from the Motor Vehicle and Mobile Home Licenses fees. Amend Chapter 530 to include university participation.