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Participating Colleges Bond Rating

Division of Florida Colleges

June 30, 2022



FLORIDA DEPARTMENT OF
EDUCATION
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State Board of Education Update



THE *Florida* COLLEGE SYSTEM

- Florida College System (FCS) Bonds:
 - Joint obligations of participating colleges within the FCS
 - Secured by a pledge of capital improvement fees (CIF)
 - The pledge is cross-collateralized amongst the participating colleges
- Eight Participating Colleges:
 - Broward College, Florida SouthWestern State College, Gulf Coast State College, Palm Beach State College, St. Petersburg College, Santa Fe College, Seminole State College and Tallahassee Community College

State-Level FCS Oversight

- State Board of Education (SBOE)
 - Seven members appointed by the Governor, subject to Senate confirmation, serve staggered four-year terms
 - Oversees the State's education system and establishes education goals and objectives; regulates the FCS
 - Appoints the Commissioner of Education
- Florida Department of Education (FDOE)
 - Commissioner of Education serves as CEO of the FDOE
 - Chancellor of the Division of Florida Colleges oversees the FCS
 - Powers, duties, and functions of the Division of Florida Colleges are assigned by the SBE and the Commissioner of Education

Local-Level FCS Oversight

- Boards of Trustees
 - Every FCS institution is locally governed by a Board of Trustees
 - Each Board of Trustees is a separate corporate entity created for the operation of its respective FCS institution
 - Boards of Trustees are comprised of five to nine members appointed by the Governor, subject to Senate confirmation
 - Trustees are authorized to enter into lease-purchase agreements and to borrow funds and incur debt, including the issuance of revenue bonds for specified purposes
- College Presidents
 - Serve as the CEO and corporate secretary of the FCS institution's Board of Trustees
 - Serve as the chief administrative officer of the FCS institution

Recent Leadership Changes

- Commissioner of Education (2022)
 - Commissioner Corcoran stepped down in April 2022
 - The SBOE appointed Senator Manny Diaz to serve as the Florida Commissioner of Education on April 29, 2022; Commissioner Diaz's term began on June 1, 2022
 - Jacob Oliva was appointed to serve as Interim Commissioner of Education during May 2022
- FCS Chancellor (2019)
 - Kathy Hebda became the Chancellor of the FCS in February, 2019
- Presidents of the Participating Colleges
 - Dr. Paul Broadie, Santa Fe College, 2020

Recent Policy Initiatives – New Programs

- New Baccalaureate Programs for Participating Colleges

Participating College	Program	Approval Date
Florida SouthWestern State College	BAS in Information Systems Technology	January 2021
Seminole State College of Florida	BS in Public Safety Administration	February 2022
Seminole State College of Florida	BS in Elementary Education K-6	February 2022
Seminole State College of Florida	BS in Exceptional Student Education K-12	February 2022
Seminole State College of Florida	BAS in Management and Organizational Leadership	March 2022

Recent Policy Initiatives – Expanded Opportunities

- FCS institutions provide affordable, accessible and high-quality postsecondary education opportunities for all eligible students
- As a result of recent state investments, FCS institutions are expanding opportunities for students in various technologies
 - State investments include job growth grant fund awards and workforce education initiatives
 - Focus on providing education and workforce training in programs such as 3D printing, drones, financial technology, cybersecurity and autonomous vehicles

“Our Florida College System provides incredible opportunities for Floridians who desire workforce training or to pursue a degree, and they are a big reason why Florida is ranked #1 for higher education,” said Governor Ron DeSantis*

*FDOE Press Office, April 1, 2022



FCS Enrollment Update

Historical Enrollment - Headcount

Headcount Enrollment in Pledged Capital Improvement Fee Generating Programs at Participating Colleges										
<u>Year</u>	<u>Broward</u>	<u>FSW</u>	<u>Gulf Coast</u>	<u>Palm Beach</u>	<u>SPC</u>	<u>Santa Fe</u>	<u>Seminole</u>	<u>TCC</u>	<u>PFCS Total</u>	<u>System Total</u>
2016-17	62,719	21,545	8,077	41,707	40,574	19,797	24,332	16,667	235,418	624,908
2017-18	61,866	22,171	7,759	42,315	39,269	19,567	24,210	16,524	233,681	619,967
2018-19	60,833	21,867	7,273	42,589	38,840	19,233	24,682	16,381	231,698	617,980
2019-20	57,964	21,497	6,881	41,395	38,256	19,030	24,593	16,152	225,768	607,326
2020-21	50,407	19,415	6,349	36,673	35,763	17,315	22,435	15,449	203,806	563,039

FSW: Florida SouthWestern State College

SPC: St. Petersburg College

TCC: Tallahassee Community College

Historical Enrollment – Full Time Equivalent (FTE)

FTE Enrollment in Pledged Capital Improvement Fee Generating Programs at Participating Colleges										
<u>Year</u>	<u>Broward</u>	<u>FSW</u>	<u>Gulf Coast</u>	<u>Palm Beach</u>	<u>SPC</u>	<u>Santa Fe</u>	<u>Seminole</u>	<u>TCC</u>	<u>PFCS Total</u>	<u>System Total</u>
2016-17	28,998	10,612	3,538	19,109	18,870	10,612	11,167	8,776	111,682	301,630
2017-18	28,247	11,076	3,455	19,654	18,377	10,386	11,131	8,809	111,135	300,934
2018-19	28,049	11,093	3,154	19,642	18,385	10,242	11,188	8,737	110,490	301,598
2019-20	26,884	10,794	3,065	19,223	18,117	10,107	11,150	8,604	107,943	298,684
2020-21	24,219	9,766	2,855	17,556	16,608	9,173	10,598	8,359	99,133	280,039

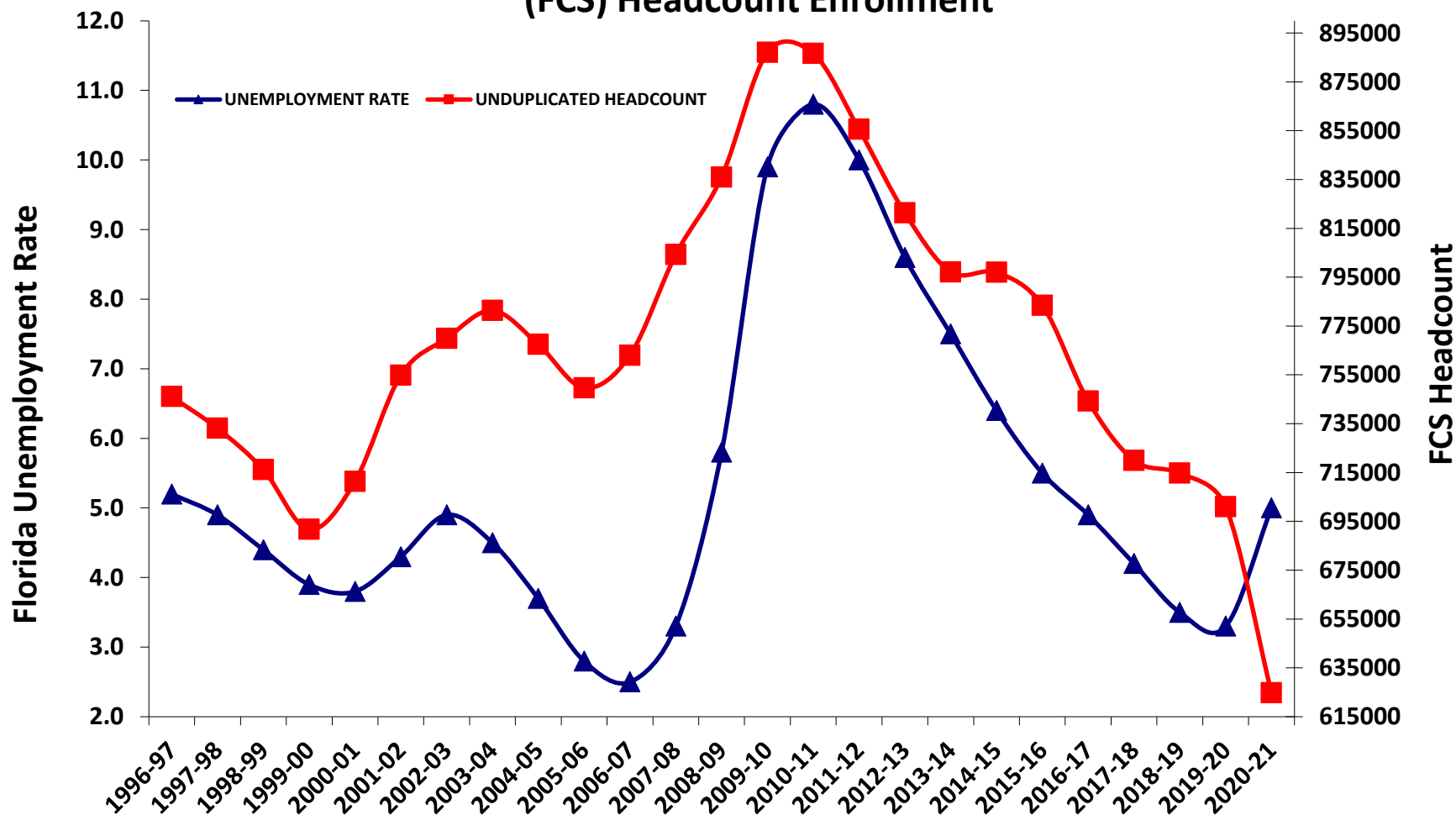
FSW: Florida SouthWestern State College

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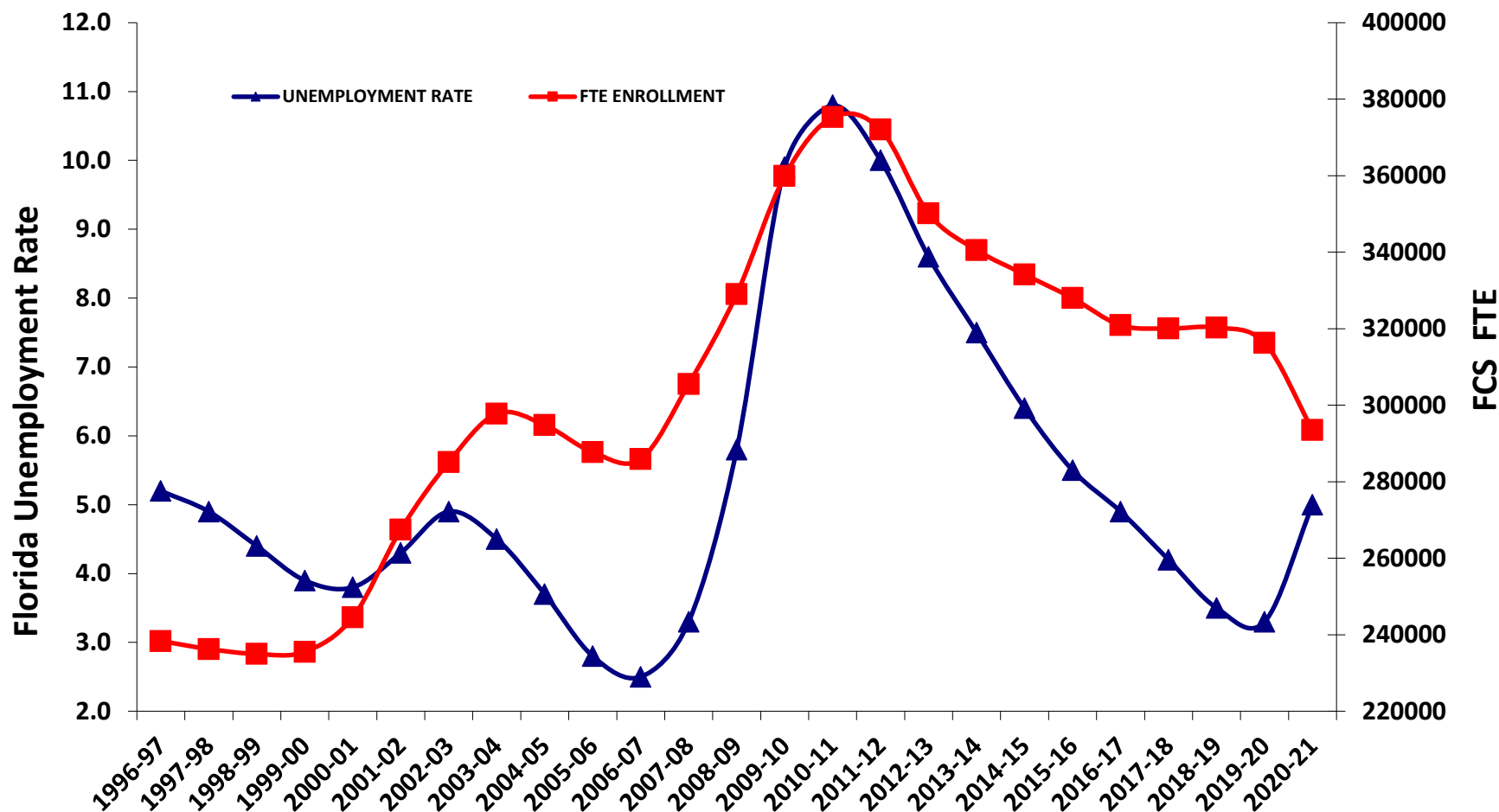
CYCLICAL HEADCOUNT ENROLLMENT PATTERN

Comparison of Florida Unemployment Rate to Florida College System (FCS) Headcount Enrollment



CYCLICAL FTE ENROLLMENT PATTERN

Comparison of Florida Unemployment Rate to FCS FTE Enrollment



Enrollment Projections

FTE Student Enrollment Projections*				
	Fiscal Year			
<u>Participating College</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Broward	22,157	21,524	20,819	20,066
Florida SouthWestern	9,599	9,488	10,300	10,394
Gulf Coast	3,005	3,035	3,065	3,096
Palm Beach	15,717	16,165	16,643	17,142
St. Petersburg	15,383	14,924	14,929	14,998
Santa Fe	9,514	9,027	8,457	7,871
Seminole	11,513	11,419	11,327	11,310
Tallahassee	9,277	8,895	8,839	8,780
PFSC Totals	96,165	94,477	94,379	93,657
System Totals	277,279	278,139	277,354	274,539

*December 2021 estimates from the Florida Office of Economic and Demographic Research

COVID-19 Impacts on Enrollment

- Fiscal Year 2020-21 enrollment levels have been negatively impacted by COVID-19 and the pandemic-induced economic contraction
 - 6.2% decline in year-over-year FTE enrollment
 - Largest declines experienced for FTIC students as some chose to take a gap year due to COVID-19
 - Declines in FTIC enrollments were somewhat offset by increases in returning baccalaureate students
- The eight Participating Colleges experienced a combined decline in year-over-year FTE enrollment of 8,810 (8.2%) for Fiscal Year 2020-21

Enrollment Trends

- College enrollments are increasing in these areas:
 - Short-term workforce certificate programs
 - Baccalaureate degrees
 - Continuing workforce education
- Colleges are focused on partnership opportunities to increase workforce in industries including:
 - Nursing
 - Teaching
 - Space
 - Cyber
- Future trends in enrollment are expected to return to historical trends relative to unemployment



FCS Funding Update

Funding Overview – Florida College System

Historical Summary of Revenue Sources						
(dollars in millions)						
Fund Source	Fiscal Years Ended June 30,					
	2017	2018	2019	2020	2021	Estimated 2022
General Revenue	\$ 955.2	\$ 968.3	\$ 944.8	\$ 1,089.4	\$ 1,094.2	\$ 1,121.5
Lottery Revenue	273.7	231.8	272	150	168	197
Total State & Federal Funds	1,228.9	1,200.1	1,216.9	1,239.6	1,262.4	1,318.4
Student Tuition/Fees	811.9	814.4	799.6	790.8	724.1	715.6
Other Revenue	30.2	37.5	51.1	40.8	28.4	28.4
Total Operating Budget	\$ 2,071.0	\$ 2,052.0	\$ 2,067.6	\$ 2,071.2	\$ 2,014.9	\$ 2,062.4
% State & Federal Funded	59.3%	58.5%	58.9%	59.8%	62.7%	63.9%
Capital Outlay Funding	176.4	107.1	78.5	11.6	10.7	123.6

In Fiscal Years 2020 and 2021, the Florida Legislature did not appropriate funds to the Florida College System, the State University System or public school districts for general maintenance, repair, renovation and remodeling.

FCS Fiscal Year 2021-22 Funding Overview

- State Funding
 - State revenues are appropriated to FCS institutions as part of the annual State budget
 - State revenues comprised of general revenues, augmented by funds generated by the Florida Lottery
 - Appropriations are provided to each FCS institution in a lump sum and distributed monthly
 - Approximately 64% of total FCS funding is from State revenues
- Student Tuition and Fees
 - Approximately 35% of total FCS funding

Funding Overview – Participating Colleges

Fiscal Year 2021-22
Estimated Operating Budget Revenues by Source
(in hundred thousands)

	Participating Colleges								
	Broward	FSW	Gulf Coast	Palm Beach	SPC	Santa Fe	Seminole	TCC	PFCS Total
General Revenue	\$79,811	\$31,974	\$20,971	\$59,382	\$67,145	\$39,513	\$41,569	\$3,151	\$343,516
Lottery Revenue	\$1,494	\$56,500	\$3,791	\$9,949	\$12,105	\$5,934	\$6,458	\$5,577	\$101,808
Federal Stabilization Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total State & Federal Resources	\$94,764	\$37,624	\$24,762	\$69,332	\$79,249	\$45,447	\$48,027	\$35,728	\$434,933
Tuition and Fees	\$62,275	\$22,490	\$6,405	\$44,704	\$42,593	\$25,267	\$28,029	\$21,843	\$253,606
Other Revenues	\$3,342	\$2,361	\$513	\$1,830	\$2,834	\$1,940	\$787	\$1,243	\$14,850
Total	\$160,381	\$62,476	\$31,681	\$115,866	\$124,677	\$72,654	\$76,843	\$58,814	\$703,392
Unallocated Year End Fund Balance	\$52,703	\$4,428	\$1,955	\$10,189	\$25,900	\$9,020	\$4,775	\$6,133	\$115,103

FSW: Florida SouthWestern State College

SPC: St. Petersburg College

TCC: Tallahassee Community College

COVID-Related Federal Stimulus Funding – Participating Colleges

		HEERF I: CARES	HEERF II: CRRSAA	HEERF III: ARP
Participating Colleges	Total HEERF Funding	Total HEERF I	Total HEERF II	Total HEERF III
Broward College	\$193,175,742	\$32,050,486	\$58,986,552	\$102,138,704
Florida Southwestern State College	\$63,764,300	\$10,816,572	\$19,237,570	\$33,710,158
Gulf Coast State College	\$16,462,934	\$2,748,238	\$5,086,482	\$8,628,214
Palm Beach State College	\$134,445,716	\$22,349,164	\$40,897,446	\$71,199,106
St. Petersburg College	\$92,777,306	\$13,446,574	\$29,077,189	\$50,253,543
Santa Fe College	\$51,560,723	\$8,900,982	\$15,471,315	\$27,188,426
Seminole State College Of Florida	\$58,733,593	\$9,665,788	\$17,960,733	\$31,107,072
Tallahassee Community College	\$50,383,508	\$8,147,833	\$15,548,981	\$26,686,694
TOTAL PCs	\$661,303,822	\$108,125,637	\$202,266,268	\$350,911,917
All FCS System Institutions Total	\$1,878,680,000	\$3,119,520,083	\$573,824,236	\$992,903,681

HEERF Expenditures – Participating Colleges

As of March 31, 2022*

Expenditure Category	Amount	% of Total
College Operations	\$120,866,702	60%
College Employees	\$3,642,570	2%
Students	\$77,649,410	38%
Total	\$202,158,682	100%

*From Participating College websites

Legislative Session 2022

- The 2022 General Appropriations Act (GAA)(HB 5001) provides increased funding for the FCS for Fiscal Year 2022-23 (after Governor's action)
 - \$165.3 million (+12.1%) increase over the Fiscal Year 2021-22 operating budget
 - Program funds increased \$101.3 million (+7.8%)
- Specific Appropriations:
 - Performance funding of \$30 million (\$20 million for 2+2 and \$10 million for workforce)
 - Postsecondary Academic Library Network of \$9.1 million.
 - Open Door Grant Program of \$20 million
 - Industry Certification of \$14 million
 - New Nursing Education funds of \$59 million
 - Dual Enrollment Scholarship Program for \$18.05 million
 - Additional \$2 million appropriated for Fiscal Year 2021-22

Legislative Session 2022

The 2022 GAA also funded (after Governor's action):

- Twenty-one Fixed Capital Outlay projects (\$184.3 million)
- Deferred Building Maintenance Program (\$400 million)
- In addition, FCS presidents have been tasked with developing a new equity-based funding model in consult with FDOE
 - Must be completed by September 30, 2022
 - Planning is underway

Tuition and Fees – Participating Colleges

*Tuition and Fees have not increased at FCS institutions since 2011-12.

Participating Colleges	Tuition	CIF	Other Fees
Broward College	\$82.00	\$13.50	\$16.40
Florida Southwestern State College	\$81.21	\$13.88	\$16.27
Gulf Coast State College	\$72.92	\$7.29	\$14.59
Palm Beach State College	\$76.92	\$10.62	\$13.46
St. Petersburg College	\$80.94	\$15.10	\$15.71
Santa Fe College	\$77.98	\$8.66	\$15.13
Seminole State College of Florida	\$79.78	\$9.48	\$14.82
Tallahassee Community College	\$76.80	\$11.00	\$13.03
Maximum Amount Permitted	\$82.78	\$16.56	\$16.56

Pledged CIF Revenues and Debt Service Coverage

Historical Capital Improvement Fee Revenues and Debt Service Coverage

Fiscal Year	Pledged CIF Revenues	Debt Service	Coverage Ratio
2016-17	\$39,905,041	\$9,250,038	4.31x
2017-18	\$39,836,315	\$9,263,838	4.30x
2018-19	\$39,056,876	\$8,717,178	4.48x
2019-20	\$38,274,933	\$8,704,888	4.40x
2020-21	\$34,211,127	\$8,710,150	3.93x

Projected Capital Improvement Fee Revenues and Debt Service Coverage

Fiscal Year	Pledged CIF Revenues	Debt Service	Coverage Ratio
2021-22	\$38,261,783	\$7,923,869	4.83x
2022-23	\$37,832,056	\$8,060,500	4.69x
2023-24	\$37,370,029	\$8,073,000	4.63x
2024-25	\$36,892,678	\$8,070,000	4.57x



FCS Facilities Update

Fixed Capital Outlay Budget

- Funding sources for fixed capital projects
 - Public Education Capital Outlay (PECO)
 - Gross receipts tax
 - Capital Outlay and Debt Service
 - Motor vehicle license tax
 - Student CIF
 - State general revenue
 - Local funds

Fixed Capital Outlay Budget

- Each FCS institution submits an annual Capital Improvement Plan (CIP) to the SBOE
 - Projects are survey-recommended (s. 1013.40, F.S.)
 - CIP and projects are approved by the FCS institution's Board of Trustees (s. 1013.60, F.S.)
- SBOE develops and submits prioritized list of projects to the Governor and Legislature (ss. 1013.60 and 1013.64, F.S.)
 - Projects are prioritized per s. 1001.03 (18), F.S.

Current Capital Projects

- FCS institutions cannot undertake capital projects for which they do not have sufficient funding appropriated and budgeted.
- No plans to incur additional long-term debt at this time
- The Participating Colleges do not have any long-term debt other than the CIF bonds

Broward College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
North, B56 Replacement STEM/Rem B57	PECO request/Local	\$33,313,515
South, B99 Aviation Rem & Addn	PECO request	\$18,461,264
Central, Window Replacement B8	PECO request	\$500,000
Central, B8 Remodel Health Science	PECO request	\$18,890,787

Florida SouthWestern State College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Collier, Rem Bldg E and F STEM	PECO request	\$7,720,382
College-wide, General Ren/Rem, Infrastructure and Site improvements	PECO request	\$11,430,000
Collier, EIFS Repair (Building exteriors)	PECO request	\$3,286,876
Lee, Rem Bldg L Humanities	PECO request	\$15,559,494

Gulf Coast State College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Panama City, Acquire Adjacent Land	PECO request	\$4,300,000
Panama City, Renovate Asbell Business Building	PECO request	\$4,582,659
Panama City, Renovate Rosenwald Classroom Building	PECO request	\$4,553,526
College-wide, Address deficiencies in roofs, building envelopes, sidewalks and ADA access, HVAC, plumbing and electrical	PECO request	\$7,421,915

Palm Beach State College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Loxahatchee Groves-Dental & Medical Services Tech Bldg (Replaces LW Bldg)	PECO request, Local	\$44,961,556
Lake Worth, Rem/Ren Library/Learning Center Bldg	PECO request, Local	\$9,253,787
Lake Worth, Construct Student Services Bldg (Replacement)	PECO request, Local	\$35,594,641
Boca Raton, Rem AD 102 Admin/Enrollment Center Bldg	PECO request	\$3,686,235

St. Petersburg College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Tarpon Springs, Restoration and Ren/Rem Projects site-wide	PECO request	\$3,950,000
St. Pete/Gibbs, Cooling Tower Replacement	PECO request	\$960,000
College-wide, Misc renovation and remodeling projects	PECO request	\$4,000,000

Santa Fe College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Northwest, Ren/Rem Bldgs A,B,C,G,J,K,L,N and P to Repurpose Academic Space and Correct Deferred Maintenance Issues	PECO request	\$42,000,000
Northwest, Ren/Rem/Add Student Services in Bldgs F,R,R Addition and S to Repurpose Space, Add Services and Correct Deferred Maintenance Issues	PECO request	\$25,625,000
Northwest, Central Utilities Equipment Replacement including Boiler and Chillers in Bldgs CUP, D, and W	PECO request	\$3,100,000
Northwest, Ren/Rem/Add STEM/Health Sciences Classrooms and Labs in Bldgs H and HA to Repurpose Space and Correct Deferred Maintenance Issues	PECO request	\$9,850,000

Seminole State College of Florida FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Sanford/Lake Mary (SLM), Workforce & Construction Trades Center D (2001) Renovation	PECO request	\$6,091,111
SLM, Building C (1101) Health & Safety Improvements Renovation	PECO request	\$2,577,169
Altamonte Springs (ALT), Remodel Student Center	PECO request	\$3,914,183
ALT, Construct STEM Building B	PECO request	\$52,239,109

Tallahassee Community College FY 2022-23 Funding Requests

Capital Project	Fund Source	Amount
Remodel Bldg 11 Classrooms into STEM Labs	PECO request	\$17,173,225
Renovate Central Utility Plant and Associated Infrastructure	PECO request	\$9,913,099
Repair/Renovate Electrical in Bldg 11	PECO request	\$375,000
Replace Underground Boiler Plant Piping	PECO request	\$475,000



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