



## **Capital Outlay & Debt Service (CO&DS) Fund for Public Schools and the Florida College System**

### **What is the Capital Outlay & Debt Service Fund?**

CO&DS is a state source of capital outlay revenue for public school districts and institutions in the Florida College System (FCS). The revenue is derived from proceeds from the first sale of motor vehicle license tags.<sup>1</sup> The amount of motor vehicle and license tag proceeds that is transferred to the CO&DS Fund is determined by the number of instructional units and the growth in instructional units in school districts and FCS institutions.<sup>2</sup> An instructional unit approximates 23 FTE.<sup>3</sup>

CO&DS funds are provided in two ways: (1) as net bond proceeds, and/or (2) as direct cash payments.<sup>4</sup> Bond proceeds for a specific school district or community college are limited to 90% of the amount which the State Board of Education determines can be serviced by the revenue accruing to the school district or community college.<sup>5</sup> However, the participation in the annual bond sale serves to increase debt service obligations and thereby impacts the amount of direct cash payments received by school districts and community colleges.

### **For what purposes can CO&DS monies be used?**

CO&DS funds must be used to acquire, build, construct, alter, remodel, improve, enlarge, furnish, equip, maintain, renovate, or repair school district or FCS capital outlay projects that have been prioritized and approved by the school board or the college board of trustees pursuant to the most recent educational plant survey. The State Board of Education has final approval of all projects funded with CO&DS funds.<sup>6</sup>

### **What is the funding history of CO&DS monies derived from net bond proceeds?**

The table below illustrates funding in millions for the last four fiscal years.<sup>7</sup>

<sup>1</sup> Section 9(d)(1), Art. XII of the State Constitution; s. 320.20(1), F.S.

<sup>2</sup> Section 9(d)(3), Art. XII of the State Constitution; s. 1010.57, F.S.

<sup>3</sup> Section 1010.57(1), F.S.

<sup>4</sup> See s. 9(d)(3), Art. XII of the State Constitution; Florida Department of Education, *State Requirements for Educational Facilities*, 20-21 (Feb. 12, 2008), available at <http://www.fldoe.org/edfacil/pdf/sref-rule.pdf> [hereinafter *Educational Facilities*].

<sup>5</sup> Section 9(d)(7), Art. XII of the State Constitution.

<sup>6</sup> Section 9(d)(5) and (8)d., Art. XII of the State Constitution; see s. 1013.31, F.S.; *Educational Facilities*, *supra* note 4, at 20-21.

<sup>7</sup> Email, Florida Department of Education (June 25, 2010).

	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-2010</i>
School Districts	No Bonds Issued	\$40,970,000	\$10,735,000	No Bonds Issued
FCS Institutions	No Bonds Issued	\$1,475,000	\$2,765,000	No Bonds Issued
Total		\$42,445,000	\$13,500,000	

Fluctuations in total amounts are caused by participation levels of school districts and FCS institutions and bonding capacity.

### ***What is the funding history of CO&DS monies provided as direct cash payments?***

The table below lists direct cash payments to school districts and FCS institutions for the last four fiscal years.<sup>8</sup>

	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-2010</i>
School Districts	\$17,298,039	\$20,718,253	\$19,049,917	\$17,395,418
FCS Institutions	\$3,651,080	\$6,182,722	\$5,470,569	\$6,901,218
Total	\$20,949,119	\$26,900,975	\$24,520,487	\$24,296,637

### ***Where can I get additional information?***

#### ***Florida Department of Education***

Office of Educational Facilities  
(850) 245-0494  
<http://www.fldoe.org/edfacil/>

#### ***Florida House of Representatives***

Appropriations Committee  
(850) 488-6204  
<http://www.myfloridahouse.gov>

#### ***Florida House of Representatives***

Education Committee  
(850) 488-7451  
<http://www.myfloridahouse.gov>

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<sup>8</sup> *Id.*

