



September 19, 2022

M E M O R A N D U M

TO: Jim Murdaugh, Ph.D.
President

FROM: Barbara Wills, Ph.D.
Vice President for Administrative Services and Chief Business Officer

SUBJECT: FY 2022-2023 Carry Forward Spending Plan

Item Description

This item presents the College's spending plan for state operating funds carried forward from the prior fiscal year.

Overview and Background

Pursuant to Florida Statutes, 1013.841, the College shall submit for Board approval a proposed spending plan for any state operating funds carried forward from the prior fiscal year, which are in excess of the College's 5% minimum operating budget. Upon approval, the spending plan must be submitted to the State Board of Education for review.

The College ended the year fiscally strong, having total expenses of \$61,701,128 against a budget of \$62,250,000. But our fund balance grew even more than that because of two primary forces. First, we had an increase in federal indirect revenue from awards from \$1,672,305 to \$3,855,353. Second, and, the biggest impact is our Other Post-Employment Benefits (OPEB). This year our required year-end adjustments had a major impact on the fund balance. The Governmental Accounting Standards Board (GASB) governs how post-employment benefits are measured and reported. This year our actuarial report increased the amount projected for employee retirements by \$7.8 million – meaning we need more to cover these expenses should we have to do so for all employees at one time. However, on our financial statements this shows as a decrease in expense because they are not counted in current year. This alone had an impact of 10% on the fund balance.

While Statute calls for TCC to have a fund balance of exactly 5%, and we will adjust accordingly, please note the following:

- A 5% fund balance would not make one payroll, which is \$4 million.
- A 5% fund balance is approximately 20 days of our operating budget.
- As we make annual operating budget adjustments, the fund balance helps us to offset annual increases in health insurance, property insurance, and service contracts.

- It provides a safety net for fluctuation in enrollment and other revenue.
- It provides a contingency for natural disaster and other emergencies.

Funding/ Financial Implications

The funds identified as carry forward will be utilized as necessary, without negative implications on the College's operating budget.

Past Actions by the Board

The Board approved the FY 2021-2022 Carry Forward Spending Plan on October 18, 2021.

Recommended Action

Approval of the FY 2022-23 Carry Forward Spending Plan.

Tallahassee Community College

Certified Fund Balance

Fiscal Year 2021-22

Account Title	GL	Fund Balance Unrestricted
Reserve for Performance Based Incentive Funds	30200	\$ -
Reserved for Academic Improvement Trust Funds	30300	\$ -
Reserved for Other Required Purposes	30400	\$ -
Reserved for Staff & Program Development	30500	\$ -
Reserved for Student Activities Funds	30600	\$ -
Reserved for Matching Grants	30700	\$ -
Fund Balance - Board Designated	30900	\$ -
Fund Balance - College	31000	\$ 15,510,965.40
Total Unallocated Fund Balances		\$ 15,510,965.40
Funds Available		\$ 72,275,661.37
College's Reserve Requirement %		5%
Reserve Requirement		\$ 3,613,783.07
Amount Requiring Spending Plan		\$ 11,897,182

Tallahassee Community College
2022-23 Florida College System Carryforward Spending Plan
Pursuant to 1013.841, Florida Statutes
July 1, 2022

Line Item #	Carryforward Spending Plan Category	Specific Expenditure/Project Title	Carryforward Amount Budgeted for Expenditure During FY2022-23	Project Timeline			Comments/Explanations
				Total # Years of Expenditure per Project	Current Expenditure Year #	Estimated Completion Date (Fiscal Year)	
Example	(c) Completion of remodeling project, up to \$10M	Remodeling Student Services B-19 Ph 1	11,897,182	5	2	2023-2024	Currently funded with local and CIF funds.
1.	(g) Commitment to contingency reserve related to state declared emergency	Natural Disaster Contingency	\$1,878,463.44	2	3	2023-24	Based on deductible of 3% of Total Effected Values over a 3-year period.
2.	(b) Completion of renovation, repair or maintenance project, up to \$5M	ADA Compliance Project	\$750,000.00	2	2	2023-24	Necessary project in order to comply with requirements from the most recent ADA Review. Increased for 2022 due to construction costs.
3.	(e) Nonrecurring expenditures for operations	Master Plan Updates	\$425,000.00	2	2	2022-23	Money was reserved for this purpose and is now being expended.
4.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Pat Thomas Boulevard	\$500,000.00	2	5	2025-26	The College is responsible for a public roadway and reserves funds in Fund 7, for repairs and also in preparation for imminent bridge repairs and reconstruction. Increased for 2022 due to construction costs.
5.	(e) Nonrecurring expenditures for operations	Difference to Maintain Two Months in Fund Balance	\$2,638,564.93	1	1	2023-24	GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. This represents the shortfall to that amount.
6.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Emergency Repairs	\$75,000.00	1	1	2021-22	In the last year, emergency repairs included damaged chill water line, lightning damage, asbestos abatement and required labor. From 2020 to 2022 construction costs increased nationally an average of 25%, the new submission accounts for this.
7.	(e) Nonrecurring expenditures for operations	Facility Building Automation & HVAC Server	\$275,199.00	1	1	2023-24	Security standards and continuity of operations require that the server for the College's building automation and heating/cooling be separate from the servers provided for other campus operations.
8.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Buildout of classrooms and facilities to support workforce programming	\$1,000,000.00	3	1	2025-26	At TCC, we are expanding our instructional offerings related to workforce in order to meet a growing need. Vocational requirements for workforce development require a more diverse classroom structure – laboratories, sufficiency of square footage, outdoor learning environments such as construction, etc.

9.	(e) Nonrecurring expenditures for operations	Bachelors of Science in Nursing program support	\$409,954.50	3	1	2026-27	The College has expanded its nursing program in order to meet regional demand, however the competitive market has made hiring nursing faculty cost prohibitive. We are using fund balance to attract quality nursing instructors
10.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Campus roadway	\$3,000,000.00	2	1	2023-24	Design, planning and development of a roadway across campus linking the public transit bus loop to additional buildings and creating a lane for save vehicle traffic and a protected pedestrian throughway.
11.	(e) Nonrecurring expenditures for operations	Security Improvements	\$350,000.00	4	1	2023-24	TCC is in the midst of a complete campus security review which includes additional cameras, server and equipment.
12.	(e) Nonrecurring expenditures for operations	ERP Support	\$100,000.00	4	1	2026-27	Contract for consulting and programming support of Workday Student ongoing implementation and improvements.
13.	(e) Nonrecurring expenditures for operations	Digitization of Services for Students	\$30,000.00	1	1		Online Syllabus system; digital ID card; and scheduling system.
14.	(e) Nonrecurring expenditures for operations	Food services during construction	\$70,000.00	1	1		A one-time reservation of funds to cover the potential costs of providing alternative food options for students on campus during the all 2022 semester.
15.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Irrigation sytem on campus.	\$50,000.00	4	1		Install irrigation to select locations on campus.
16.	(e) Nonrecurring expenditures for operations	Student Scholarships	\$120,000.00	4	1		Post HEERF funding the, College is providing scholarships on an as needed basis to assist students with transitioning back to school for 2022-23.
17.	(e) Nonrecurring expenditures for operations	Student Employe Schoarships	\$125,000.00	5	1		The College provides scholarships to employees who take classes at TCC or other approved institutions. This account is not completely fuded so we are uing fund balance to provide this means of professional development.
18.	(b) Completion of renovation, repair or maintenance project, up to \$5M	Planned expenditure related to building surplus	\$100,000.00	2	1		The College is preparing to surplus older buildings per the Master Plan. This is anticipated expenses related to removal and clean-up.
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*Total as of July 1, 2022: ** \$ 11,897,182

Amount Requiring Spending Plan \$ 11,897,182

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