

PECO
Revenue Estimating Conference
Executive Summary
August 6, 2024

The PECO program provides funding for educational facilities construction and fixed capital outlay needs for school districts, the Florida College System, the State University System, and other public education programs. The Revenue Estimating Conference met to adopt a new forecast on August 6, 2024. The revised forecast incorporates all of the following: actual revenues for Gross Receipts through June 2024; actual expenditures through July 2024; interest earnings through July 2024; the July 2024 Gross Receipts Tax revenue forecast, expected project disbursements; updated interest rates; and a revised debt service schedule which includes the 2024 Series B refunding.

In January 2024, the Conference had set aside a cash reserve of \$110.8 million in FY 2023-24, thereby removing this amount from the total available for appropriation. Since then, staff has conducted a thorough analysis of cumulative budget authority, the sinking fund requirements, and undisbursed appropriations for the trust fund. The analysis determined that the \$110.8 million is available for future appropriation, except for \$1.12 million resulting from a FY 2022-23 expenditure coding error. This error is expected to be corrected in FY 2024-25. Both the ‘No Bonding’ and ‘With Maximum Bonding’ scenarios have been adjusted as they were each developed net of the cash reserve in the prior conference.

As a result of the staff review, the Conference determined that tracking PECO funds at the total trust fund level (including investment balances and cash balances) provides a better—and more complete—picture of the funds available. This approach still allows for cash reservations related to future debt service payments, which should be withheld from the calculation of cash available for appropriations. The overall display of the package has also been modified to more closely resemble the state’s financial outlook statements for the General Revenue Fund and assorted trust funds.

The tables below show the estimated amount available for appropriation within the Public Education Capital Outlay and Debt Service Trust Fund under two different scenarios. The first scenario shows maximum cash appropriations assuming no new bonding. The second scenario shows the maximum bonding capacity.

No Bonding Scenario

	<u>11-Jan-24</u> <u>No Bonding</u>	<u>6-Aug-24</u> <u>No Bonding</u>	<u>Difference</u>
FY 24-25 Actual Appropriation	933.9	963.9	30.0
Bonds			
Cash	933.9	963.9	30.0
FY 25-26 Cash Available	873.7	795.5	(78.2)
FY 26-27 Cash Available	891.8	870.8	(21.0)
FY 27-28 Cash Available	929.6	914.2	(15.4)
FY 28-29 Cash Available	958.1	945.1	(13.0)
FY 29-30 Cash Available	980.8	969.3	(11.5)
FY 30-31 Cash Available	1,003.4	991.6	(11.8)
FY 31-32 Cash Available	1,034.7	1,023.4	(11.3)
FY 32-33 Cash Available	1,083.0	1,070.4	(12.6)

Maximum Bonding Scenario

	11-Jan-24 <u>Maximum Bonding</u>	6-Aug-24 <u>Maximum Bonding</u>	<u>Difference</u>
FY 24-25 Actual Appropriation	11,999.7	963.9	(11,035.8)
Bonds	11,478.4	-	(11,478.4)
Cash	521.3	963.9	442.6
FY 25-26 Maximum Available	600.7	12,059.6	11,458.9
Bonds	213.8	11,714.8	11,501.0
Cash	386.9	344.8	(42.1)
FY 26-27 Maximum Available	725.7	828.5	102.9
Bonds	466.9	455.9	(10.9)
Cash	258.8	372.6	113.8
FY 27-28 Maximum Available	606.5	696.3	89.8
Bonds	416.9	417.0	0.1
Cash	189.6	279.3	89.7
FY 28-29 Maximum Available	676.2	789.5	113.3
Bonds	489.8	596.2	106.4
Cash	186.4	193.3	6.9
FY 29-30 Maximum Available	684.1	717.8	33.7
Bonds	503.0	536.2	33.2
Cash	181.1	181.6	0.5
FY 30-31 Maximum Available	536.7	542.8	6.1
Bonds	357.1	365.1	8.0
Cash	179.6	177.7	(1.9)
FY 31-32 Maximum Available	504.0	515.4	11.4
Bonds	317.7	332.5	14.8
Cash	186.3	182.9	(3.4)
FY 32-33 Maximum Available	905.1	900.0	(5.1)
Bonds	698.7	705.1	6.4
Cash	206.4	194.9	(11.5)