

September 15, 2025

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 2025-2026 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 also be submitted to the State Board of Education for their review.

While Statutes call for TSC to have a fund balance of exactly 5% or to provide a spending plan, please note the following:

- A 5% fund balance would not make one payroll, which is more than \$4 million.
- A 5% fund balance is approximately 20 days of our operating budget.
- The fund balance provides a safety net for fluctuation in enrollment and other revenue.
- The fund balance 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 2024-2025 Carry Forward Spending Plan on September 16, 2024.

Recommended Action

Approval of the FY 2025-2026 Carry Forward Spending Plan.

| | | | | Project Timeline | | | |
|--------------------------------|---|---|--|--|----------------------------|---|---|
| Line Item # | Carryforward Spending Plan Category | Specific Expenditure/Project Title | Carryforward Amount Budgeted for Expenditure During FY 2024-25 | Total # Years of Expenditure per Project | Current Expenditure Year # | Estimated Completion Date (Fiscal Year) | Comments/Explanations |
| 1 | (e) Operating expenditures | Employer premiums for state group health insurance. | 2,400,000 | 1 | 1 | 2025-26 | This is the increased amount of the annual premiums since moving to the State Group Health Insurance for TSC. The total increase is \$2.4 million. |
| 2 | (e) Operating expenditures | State group health insurance 9% increase to premium for seven months. | 372,166 | 1 | 1 | 2025-26 | This is for the annual increase to the health insurance premium applied to all participants of the state group health insurance program. TSC's total annual cost is \$638,000, seven months to be paid this fiscal year is included here. |
| 3 | (e) Operating expenditures | Difference to maintain two months in fund balance | 685,796 | 1 | 1 | 2025-26 | 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. That amount is \$13,269,564. The shortfall to that amount is \$2,819,962. A partial amount of the total is included in the spending plan. |
| 4 | (g) Commitment to contingency reserve related to state declared emergency | Natural Disaster Contingency | 19,682 | 1 | 1 | 2025-26 | The natural disaster contingency is based on deductible of 3% of Total Effected Values over a 3-year period, which is \$1,878,463. A partial amount of the total is included in this spending plan. |
| Total as of July 1, 2024: * | | | \$ | 3,477,644 | | | |
| Amount Requiring Spending Plan | | | \$ | 3,477,644 | | | |