

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 01-48; REQUESTING ISSUANCE BY THE STATE - BOARD OF EDUCATION OF FLORIDA OF \$1,950,000 OF CAPITAL OUTLAY BONDS FOR AND ON BEHALF OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

The legislature passed House Bill 17A during the special legislative session in November of 1997, requiring districts which receive Classrooms First funds to participate in State Board of Education (SBE) bond sales issued by the State Board of Education of Florida on behalf of Florida school districts. The proceeds from such bonds may be used to fund PECO-eligible capital projects or projects approved by the State. The bonding capacity of a district is calculated by the Department of Education and is based upon the district's share of estimated future collections of motor vehicle license taxes and the amount of outstanding bonds previously issued on behalf of the district.

If a district chooses not to have the State issue bonds on its behalf, then it will receive its share of motor vehicle license (MVL) tax collections on an annual basis and is not eligible to participate in the Classrooms First Program. If a district does elect to have bonds issued, then the State will withhold each year from MVL tax collections an amount required to make debt service payments on the issued bonds. The excess of a district's share of MVL tax collections over the required debt service payment, referred to as Capital Outlay and Debt Service (CO & DS) revenue, is distributed to the district each year. No local funds or a tax increase is involved.

The School Board of Miami-Dade County, Florida has been notified that it has an additional bonding capacity of \$1,950,000 as calculated by the Florida Department of Education. Bonding these funds was anticipated in the multi-year capital outlay plan and permits the acceleration of projects identified in the resolution. The list of approved projects in the resolution contains more projects than can be funded from the bond proceeds in order to maximize the district's flexibility.

The attached resolution, requesting that the State Board of Education issue bonds on behalf of the district, is submitted for approval.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 01-48 requesting the State Board of Education of Florida to issue capital outlay bonds on behalf of The School Board of Miami-Dade County for the purpose of financing the cost of capital outlay projects described in section 1(b) therein.