

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: AUTHORIZATION TO ADVERTISE PROPOSED TENTATIVE BUDGET AND MILLAGE LEVIES FOR 2007-08

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

Florida Statutes require that the Superintendent submit a tentative budget and millage levy recommendation to the Board no later than 24 days after certification of the tax roll or by July 24, 2007.

Statutes also prescribe that each school board shall advertise its intent to adopt a tentative budget and millage levy within 29 days of certification of the tax roll or by July 29, 2007. No less than 2 days or more than 5 days thereafter, the district shall hold a public hearing on the tentative budget and millage levy. The School Board must advise the property appraiser of its proposed millage rates within 35 days of certification of the roll or by August 4, 2007.

Due to these requirements, as well as the sequence of Board meeting dates, the following schedule has been developed:

<u>Date</u>	<u>Event</u>
July 23	Board authorizes Superintendent to advertise tentative budget and proposed millage levies.
28	Advertisement appears in newspaper of general circulation.
August 1	First Public Hearing. Board tentatively adopts millage levies and budget.
3	Proposed millage levies sent to property appraiser.

The budget cycle culminates with a second public hearing and final adoption on September 5, 2007.

SP-1

The millage levies for Required Local Effort is mandated by the Florida Department of Education and the levies for Discretionary Operating, Supplemental Discretionary and Discretionary Capital are the maximum permitted under current State law. A Debt Service levy is included which is required to service the district's outstanding bond series. We are recommending that the Board levy the full amount permissible. As noted below, the total recommended levy is .157 lower than the levy for fiscal year 2006-07.

The levies recommended for advertising are shown below:

	2006-07 Adopted Levy	2007-08 Recommended Levy *	Increase (Decrease)
State Required Local Effort	5.006	4.915	(.091)
Discretionary Operating	0.510	0.510	-
Supplemental Discretionary	<u>0.175</u>	<u>0.145</u>	<u>(.030)</u>
Sub-Total Operating Millage	5.691	5.570	(.121)
Discretionary Capital	<u>2.000</u>	<u>2.000</u>	<u>0.000</u>
Sub-Total Non Voted-Millage**	7.691	7.570	(.121)
Debt Service (Voted)	<u>0.414</u>	<u>.378</u>	<u>(.036)</u>
Total Millage Levy	<u>8.105</u>	<u>7.948</u>	<u>(.157)</u>

* The State Required Local Effort (RLE) Levy and the Supplemental Discretionary Levy are subject to modification by the Commissioner of Education based upon an analysis of actual county tax rolls in the state. The actual levies were certified by the Commissioner on July 17. The millage advertisement on July 28 will contain the actual RLE certified by the State. Changes in the tax roll and in the certified millage rates affect revenues in the Executive Summary. Revenue generated by Required Local Effort revises both local and state sources with no net change in revenue. Both Supplemental Discretionary and Discretionary Operating Millages changed proportionately to the change in the tax roll. Furthermore, the Debt Service Millage generated the same level of funding.

** The recommended non-voted millage levy is .121 mills or 1.6% lower than 2006-07. However, the percentage increase to be advertised pursuant to Florida Statutes is 13.45%. In an effort to eliminate automatic revenue growth due to increasing property values, the Florida Legislature enacted statutes known as Truth-in-Millage (TRIM). TRIM requires a calculation of the change in millage rates from one year to the next called the "Rolled-Back Rate". The "rolled-back rate" is the millage that would be necessary to generate the **same amount of dollars** as the previous fiscal year, excluding new construction. The proposed millage rate is compared to the "rolled-back rate" and translated into a percentage of increase that **must be** used in the published advertisements of the proposed School Board budget.

Board authorization to advertise the tentative budget does not represent tentative adoption by the Board. This requested Board authorization only determines the information as to millage levy, tentative budget and list of capital projects funded by the Capital Millage Levy which will be included in the advertisement. The official millage levies and the tentative budget will not be voted on by the Board **until** August 1, 2007.

The Board, **by law**, may not authorize a millage levy higher than that which is advertised and/or tentatively adopted, unless it later informs every taxpayer by mailed notice of the higher rate. The only exception is that the Board may administratively adjust the millage without notifying each taxpayer only if the non-exempt property tax roll changes by 1% or more from the roll certified by the Property Appraiser on July 1, 2007.

The following schedules are attached.

Attachment A - Summary of Revenues & Appropriations by Function – All Funds 2007-08 Tentative Budget.

Attachment B - List of Capital Projects to be funded from the 2007-08 Capital Millage Levy.

Board Members received a copy of the 2007-08 Tentative Budget – Executive Summary and a copy of the detailed General Fund budget workpapers under separate cover. Copies of each will be placed on file in the Citizen Information Center and in the Office of the Recording Secretary to the Board.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to:

- 1) advertise a proposed operating millage levy of 5.570 mills, a proposed capital outlay millage levy of 2.000 mills, and a proposed debt service levy of 0.378 mills, subject to certification of the State Required Local Effort Millage Levy.
- 2) advertise the Tentative Budget (Attachment A);
- 3) advertise the listing and description of capital projects to be funded from the 2007-08 Capital Millage Levy (Attachment B); and
- 4) advertise State Required Local Effort Millage Levy pursuant to official notification by the Commissioner of Education.

SUMMARY OF REVENUES & APPROPRIATIONS - ALL FUNDS
2007-08 TENTATIVE BUDGET

	GENERAL FUND	DEBT SERVICE FUNDS	CAPITAL OUTLAY FUNDS	SPECIAL REVENUE FUNDS	FIDUCIARY FUND	TOTAL ALL FUNDS
REVENUES						
Federal	\$ 17,643,391	\$ -	\$ -	\$ 362,518,253	\$ -	\$ 380,161,644
State	1,351,928,614	12,856,515	106,058,854	2,774,000	-	1,473,617,983
Local	1,390,240,172	90,272,906	528,907,314	43,689,249	7,043,888	1,828,597,306
TOTAL REVENUES	2,759,812,177	103,129,421	634,966,168	408,981,502	7,043,888	3,913,933,156
Transfers In	148,905,643	157,133,176	241,446,000	-	-	547,484,819
Non Revenue Sources			802,930,061	-	-	802,930,061
Beginning Fund Balance	195,023,440	83,304,763	1,266,494,338	692,036	35,582,312	1,581,096,889
TOTAL REVENUES & OTHER SOURCES	\$ 3,103,741,260	\$ 343,567,360	\$ 2,945,836,567	\$ 409,673,538	\$ 42,626,200	\$ 6,845,444,925
Less: Transfers						\$ 547,484,819
TOTAL ALL FUNDS						\$ 6,297,960,106
APPROPRIATIONS						
Instruction	\$ 2,014,137,981	\$ -	\$ -	\$ 186,996,470	\$ -	\$ 2,201,134,451
Pupil Personnel	133,107,000	-	-	21,774,796	-	154,881,796
Instructional Media Services	42,080,151	-	-	1,997,316	-	44,077,467
Instructional & Curriculum Dev.	33,167,373	-	-	29,989,826	-	63,157,199
Instructional Staff Training	52,639,574	-	-	22,009,804	-	74,649,378
Instructional Related Technology	-	-	-	729,333	-	729,333
Board of Education	7,459,512	-	-	-	-	7,459,512
General Administration	11,562,248	-	-	4,152,043	-	15,714,291
School Administration	173,088,261	-	-	179,721	-	173,267,982
Facilities - Other	-	-	2,351,906,768	176,201	-	2,352,082,969
Fiscal Services	22,223,473	-	-	325,859	-	22,549,332
Food Services	-	-	-	137,193,634	-	137,193,634
Central Services	32,923,231	-	-	937,572	-	33,860,803
Pupil Transportation Services	85,955,674	-	-	209,873	-	86,165,547
Operation of Plant	271,521,496	-	-	620,647	-	272,142,143
Maintenance of Plant	118,858,699	-	-	-	-	118,858,699
Community Services	35,880,368	-	-	1,920,527	3,484,053	41,284,948
Debt Services	-	250,551,324	-	-	-	250,551,324
TOTAL APPROPRIATIONS	\$ 3,034,605,041	\$ 250,551,324	\$ 2,351,906,768	\$ 409,213,622	\$ 3,484,053	\$ 6,049,760,808
Transfers to Other Funds	-	-	\$ 547,484,819	-	-	\$ 547,484,819
ENDING FUND BALANCE						
Undesignated Reserves	\$ 69,136,219	\$ -	\$ 39,214,081	\$ 459,916	\$ -	\$ 108,810,216
Designated Reserves	-	93,016,036	7,230,899	-	39,142,147	139,389,082
TOTAL FUND BALANCE	\$ 69,136,219	\$ 93,016,036	\$ 46,444,980	\$ 459,916	\$ 39,142,147	\$ 248,199,298
SUB-TOTAL ALL FUNDS	\$ 3,103,741,260	\$ 343,567,360	\$ 2,945,836,567	\$ 409,673,538	\$ 42,626,200	\$ 6,845,444,925
Less Transfers						\$ 547,484,819
TOTAL ALL FUNDS						\$ 6,297,960,106

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The School Board of Miami-Dade County, Florida will soon consider a measure to continue to impose a 2.0 mill property tax for the capital outlay projects listed herein.

This tax is in addition to the school board's proposed tax of 5.570 mills for operating expenses and is proposed solely at the discretion of the school board.

The proposed combined School Board tax increase for both operating expenses and capital outlay is shown in the adjacent notice.

The capital outlay tax will generate approximately **\$470,142,359** to be used for the following projects:

CONSTRUCTION & REMODELING:

Capital Outlay Administration
New Instructional Facilities
Additions/Remodeling of Instructional Facilities
Sites/Site Improvements

MAINTENANCE, RENOVATION & REPAIR:

Maintenance Services
Instructional Facilities Renovations
Roof Repair & Replacement
Support Services Renovations
Portable/Relocatable Moves
Safety to Life Repairs
Renovations for Handicapped

PAYMENT FOR EDUCATIONAL FACILITIES & SITES DUE UNDER A LEASE PURCHASE AGREEMENT:

Annual Lease/Purchase Payment for Braddock Senior High
Annual Master Lease Payments for Various Facilities/Renovations
Annual Lease Payment for Qualified Zone Academy Bonds for Various Facilities Renovations and Technology
Annual Master Lease Payments for Site Purchases

MOTOR VEHICLE PURCHASES:

Lease Purchase Payments for 1,332 School Buses
Equipment Lease Payments for 696 School Buses
Annual Master Lease Payments for Drivers' Education Vehicles

MOTOR VEHICLE PURCHASES (cont)

Annual Master Lease payments for security vehicles
Annual Master Lease Payments for Motor Vehicles Used for the Maintenance or Operations of Plant & Equipment
Annual Master Lease Payments for Vehicles Used in Storing/Distributing Materials and Equipment

NEW AND REPLACEMENT EQUIPMENT:

Annual Master Lease Payments for New/Replacement Equipment
Equipment/Technology Lease Payments for New/Replacement Equipment
Instructional Program Equipment
Support Services Equipment

PAYMENTS OF COSTS IN COMPLIANCE WITH ENVIRONMENTAL STATUTES AND REGULATIONS:

Environmental Hazards/Asbestos Abatement
Sewer Connections as Required by Miami-Dade County Environmental Resources Management (DERM)

PAYMENTS OF LOANS APPROVED PURSUANT TO SS. 1011.14 AND 1011.15

Capital Projects from the District's Five Year Facilities Work Program receiving interim financing and any related financing costs

PAYMENT OF PREMIUMS FOR PROPERTY AND CASUALTY INSURANCE NECESSARY TO INSURE THE EDUCATIONAL AND ANCILLARY PLANTS OF THE SCHOOL DISTRICT:

Property Insurance

All concerned citizens are invited to a public hearing to be held on August 1, 2007 at 6:00 p.m. at the Board Auditorium, Miami-Dade County School Board Administration Building, 1450 N. E. Second Avenue, Miami, Florida.

A DECISION on the proposed CAPITAL OUTLAY TAXES will be made at this hearing.