

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: TENTATIVE ADOPTION OF MILLAGE LEVY RESOLUTION
FOR 2007-08**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

Florida Statutes prescribe that no millage shall be levied until a resolution or ordinance has been approved by the governing body of the taxing authority, which resolution must be approved by said taxing authority according to the following procedures:

- a. Each school district shall advertise its intent to adopt a tentative budget in a newspaper of general circulation within 29 days of certification of value which is July 1. (The advertisement will appear in the **Miami Herald** on July 28.)
- b. Two to five days thereafter, the district shall hold a public hearing on the tentative budget.
- c. Said hearing shall not be held earlier than 5:00 p.m. if scheduled on a day other than Saturday. No hearing shall be held on Sunday.
- d. Prior to the conclusion of said hearing, the governing body of the taxing authority shall amend the tentative budget as it sees fit, adopt a tentative budget, and adopt a resolution stating the millage rate to be levied. The resolution shall also state the percentage, if any, by which the recomputed millage rate exceeds the rollback rate. The percentage shall be characterized as the percentage increase in property taxes tentatively adopted by the governing body. **The Millage Levy Resolution must be adopted prior to adoption of the Tentative Budget.**
- e. The millage rate adopted at the final budget hearing shall not exceed the millage rate adopted at this tentative budget hearing unless each taxpayer within Miami-Dade County is sent notice by first-class mail of the tax levy to be proposed at the final budget hearing, except under specific conditions prescribed in 200.065(5), Florida Statutes.
- f. For fiscal year 2007-08, the maximum **non-voted tax millage as advertised** (exclusive of debt service) that may be levied by the Board, if approved by a vote of a majority of the membership of the Board, is calculated to be 7.570 mills.

The total millage, consisting of both voted and non-voted levies, is 7.948 mills (see page 6). The maximum **non-voted** millage levy, certified by the Commissioner of Education on July 17, 2007, consists of the following: (a) state-required levy of 4.915 mills to participate in the Florida Education Finance Program; (b) a basic discretionary levy of .510 mills for additional operating costs; (c) a supplemental discretionary levy of .145 mills for additional operating cost; and (d) a discretionary levy of 2.000 mills for capital purposes. The **voted** millage consists of a debt service levy of .378 mills required to fund the principal and interest payments for the \$980 million of bonds sold as authorized by referendum during March 1988. The debt service millage represents a **reduction of .036 mills from 2006-07.**

The **total recommended non-voted millage levy** for 2007-08 of 7.570 mills is **.121 mills less than 2006-07**, but represents a 13.45% increase in the current year total proposed rate as a percent change of the rolled-back rate, calculated pursuant to law. 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.

The budget advertisement includes the proposed non-voted tax levy for 2007-08 of \$1,915,458,950 compared to a tax levy for 2006-07 of \$1,644,530,877. A portion of the tax levy is required under state law in order for the school district to receive \$742,151,299 in state education grants. The required portion represents approximately seven tenths of the total proposed non-voted millage.

Page 6 reflects the proposed 2007-08 millage levy and actual millage levies for the three prior years and the tax effects using the average assessed value from each year. **The proposed total millage levy for 2007-08 is .157 mills lower than 2006-07 and is actually .739 mills lower than three years ago.** However, due to increases in the average assessed value, **annual taxes on the average homestead will have increased \$195.63; since 2004-05, an average homestead increased an average of \$167.77 per year.**

The tax effect on the **typical homeowner**, however, **will actually be only \$12.30 more than** the prior year if the homeowner resided in the same homestead with no property improvements (i.e. added on to). The increase for the **typical homeowner** is due to a 2.5% capped increase (CPI level) in assessed value offset by a reduction in the millage levy.

NOTE: This item is one of three items which are part of the 6:00 p.m. public hearing, which should be discussed only at that time and should be approved first.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, tentatively adopt the millage resolution for 2007-08 for a total of 7.948 mills.

FLORIDA DEPARTMENT OF EDUCATION

RESOLUTION DETERMINING REVENUES AND MILLAGES LEVIED

RESOLUTION OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, DETERMINING THE AMOUNT OF REVENUES TO BE PRODUCED AND THE MILLAGE TO BE LEVIED FOR THE GENERAL FUND, FOR THE DISTRICT LOCAL CAPITAL IMPROVEMENT FUND, AND FOR EACH DISTRICT BOND INTEREST AND SINKING FUND FOR THE FISCAL YEAR BEGINNING JULY 1, 2007, AND ENDING JUNE 30, 2008.

WHEREAS, Section 1011.04, Florida Statutes, requires that upon receipt of the certificate of the property appraiser giving the assessed valuation of the county and of each of the special tax school districts, the school board shall determine by resolution the amounts necessary to be raised for the District School Fund, for the District Local Capital Improvement Fund, and for each District Bond Interest and Sinking Fund, and the millage to be levied for each such fund including the voted millage; and

WHEREAS, the certificate of the property appraiser has been received;

THEREFORE, BE IT RESOLVED by the District School Board that the amounts necessary to be raised as shown by the officially adopted budget and the millages necessary to be levied for each school fund of the district for the fiscal year are as follows:

1. DISTRICT SCHOOL FUND (nonvoted levy)

| a) Nonexempt assessed valuation | b) Amount to be raised | c) Millage Levy |
|---------------------------------|---|--------------------|
| \$ <u>247,443,347.081</u> | Local Required Effort \$ <u>1,155,374,848</u> | <u>4.915</u> Mills |
| | Basic Discretionary \$ <u>119,886,302</u> | <u>.510</u> Mills |
| | Supplemental Discretionary \$ <u>34,085,321</u> | <u>.145</u> Mills |

2. ADDITIONAL MILLAGE (voted levy)

| a) Nonexempt assessed valuation | b) Amount to be raised | c) Millage Levy |
|---------------------------------|-------------------------------|-----------------|
| \$ _____ | Additional Operating \$ _____ | _____ Mills |

3. DISTRICT LOCAL CAPITAL IMPROVEMENT FUND (nonvoted levy)

| a) Nonexempt assessed valuation | b) Amount to be raised | c) Millage Levy |
|---------------------------------|------------------------|--------------------|
| \$ <u>247,443,347.081</u> | \$ <u>470,142,359</u> | <u>2.000</u> Mills |

4. DISTRICT LOCAL CAPITAL IMPROVEMENT FUND (voted levy)

a) Nonexempt assessed
valuation

\$ 247,443,347,081

b) Amount to be raised

\$ 88,856,906

c) Millage Levy

.378 Mills

5. DISTRICT INTEREST AND SINKING FUND(S) (voted)

a) Nonexempt assessed
valuation

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

b) Amount to be raised

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

c) Millage Levy

_____ Mills

_____ Mills

_____ Mills

_____ Mills

_____ Mills

6. THE TOTAL MILLAGE RATE TO BE LEVIED EXCEEDS THE ROLL-BACK RATE
(Exceeds or is Less Than)
COMPUTED PURSUANT TO SECTION 200.065(1), F.S., BY 13.45 PERCENT.

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

I, Rudolph Crew, Superintendent of Schools and ex officio Secretary of the District School Board of Miami-Dade County, Florida, do hereby certify that the above is a true and complete copy of a resolution passed and adopted by the District School Board of Miami-Dade County, Florida, August 1, 2007.

Signature of Superintendent of Schools

Date of Signature

Note: Copies of this resolution shall be sent to the Florida Department of Education, School Business Services, Office of Funding and Financial Reporting, 325 W. Gaines Street, Room 824, Tallahassee, Florida 32399-0400; county tax collector; and county property appraiser.

HISTORICAL MILLAGE ANALYSIS

Miami-Dade County Public Schools

| | MILLAGE | | | |
|--|--------------------------|--------------------------|--------------------------|----------------------------|
| | Actual <u>2004-05</u> | Actual <u>2005-06</u> | Actual <u>2006-07</u> | Proposed <u>2007-08</u> |
| Required Local Effort | 5.452 | 5.220 | 5.006 | 4.915 |
| Discretionary Local Millage | 0.638 | 0.727 | 0.685 | 0.655 |
| Local Optional Millage (Capital) | 2.000 | 2.000 | 2.000 | 2.000 |
| Total Non-Voted Millage | 8.090 | 7.947 | 7.691 | 7.570 |
| Debt Service Millage (Voted) | 0.597 | 0.491 | 0.414 | 0.378 |
| TOTAL MILLAGE | 8.687 | 8.438 | 8.105 | 7.948 |
| Increase (Decrease) from Prior Year | (0.413) | (0.249) | (0.333) | (0.157) |
| Increase (Decrease) from 2004-05 | | | | (0.739) |

| | TAX EFFECT USING AVERAGE ASSESSED VALUE | | | |
|--|---|------------------|------------------|------------------|
| | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> |
| Assessed Value-Typical Homestead * | \$ 153,490 | \$ 173,220 | \$ 200,677 | \$ 228,761 |
| Less: Homestead Exemption | (25,000) | (25,000) | (25,000) | (25,000) |
| Taxable Value | \$ 128,490 | \$ 148,220 | \$ 175,677 | \$ 203,761 |
| Total Millage Levy | 8.687 | 8.438 | 8.105 | 7.948 |
| Total Taxes | \$ 1,116.19 | \$ 1,250.68 | \$ 1,423.86 | \$ 1,619.49 |
| Increase (Decrease) from Prior Year | \$ 77.61 | \$ 134.49 | \$ 173.18 | \$ 195.63 |
| Average Tax Increase Since 2004-05 | | | | \$ 167.77 |

| | TAX EFFECT ON TYPICAL HOMEOWNER | |
|--|------------------------------------|----------------|
| | <u>2006-07</u> | <u>2007-08</u> |
| Assessed Value-Typical Homestead * | \$ 200,677 | \$ 205,694 |
| Less: Homestead Exemption | (25,000) | (25,000) |
| Taxable Value | \$ 175,677 | \$ 180,694 |
| Total Millage Levy | 8.105 | 7.948 |
| Total Taxes | \$ 1,423.86 | \$ 1,436.16 |
| Increase (Decrease) from Prior Year | \$ 12.30 | |

* Source: Miami-Dade County Property Appraiser - These two charts contrast the change of ad valorem tax levies which would be determined by using the 'average assessed value' of property to that which would be paid by the typical homeowner. A typical homeowner is capped at a 2.5% increase in assessed value for 2007-08. A typical homeowner is one that resides in the same homestead and has not improved (i.e. 'added onto') their property.