

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: FINAL ADOPTION OF MILLAGE LEVY RESOLUTION FOR 2009-10

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 appeared in The Miami Herald on July 25, 2009).
- b. Two to five days thereafter, the district shall hold a public hearing on the tentative budget. (The first public hearing was held on July 28, 2009).
- 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. (The meeting held on July 28, 2009 began shortly after 6:00 p.m.).
- 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. There is a **decrease** in FY2009-10 property tax calculated pursuant to law. The Millage Levy Resolution must be adopted prior to adoption of the Tentative Budget. (Both SP-1 and SP-2 were passed by the Board at the July 28, 2009 meeting).
- 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 FY2009-10, 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 7.698 mills.

The total millage, consisting of both voted and non-voted levies, is 7.995 mills (see page 6). The maximum **non-voted** millage levy, certified by the Commissioner of Education on July 16, 2009, consists of the following: (a) state-required levy of 5.450 mills to participate in the Florida Education Finance Program; (b) a basic discretionary levy of .548 mills for additional operating costs and; (c) a discretionary levy of 1.700 mills for capital purposes. This includes the shift of .200 mills from Discretionary Operating to Discretionary Capital Outlay. The **voted** millage consists of a debt service levy of .297 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 an **increase of .033 mills from FY2008-09.**

The **total recommended non-voted millage levy** for FY2009-10 of 7.698 mills is .165 mills greater than FY2008-09, but represents a 7.86% **decrease** in the current year total proposed rate as a percent change of the rolled-back rate, calculated pursuant to law. The required portion of the tax levy has decreased by 4.5% calculated as a percent change of the rolled-back rate. In an effort to eliminate automatic revenue growth due to increasing property values, the Florida Legislature enacted statutes collectively 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; percentage increases **must** be used in published advertisements. **For FY2009-10 the district did not advertise a tax increase.**

The budget included the proposed non-voted tax levy for FY2009-10 of \$1,808,395,794 compared to a tax levy for FY2008-09 of \$1,941,451,752. A portion of the tax levy is required under state law in order for the school district to receive \$481,551,219 in state education grants. The required portion represents approximately seven tenths of the total proposed non-voted millage.

Page 6 reflects the proposed FY2009-10 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 FY2009-10 is .198 mills higher than FY2008-09 but is actually .110 mills lower than three years ago.** However, due to decreases in the average assessed value, **annual taxes on the average homestead will decrease \$165.81.**

The tax effect on the typical homeowner (i.e., Save Our Homes), however, will actually be \$43.26 more than the prior year if the homeowner resided in the same homestead with no property improvements. The increase for the typical homeowner is due to a **0.1% capped increase (CPI level was 0.1%) in assessed value and an increase in the millage levied by state statute 1011.62(4). The millage levied by the local School Board decreased by .106 which reduces the state increase for a typical homeowner by \$22.18.**

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, adopt the millage resolution for FY2009-10 for a total of 7.995 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 DISTRICT DEBT SERVICE FUNDS FOR THE FISCAL YEAR BEGINNING JULY 1, 2009, AND ENDING JUNE 30, 2010.

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 current operating purposes and for debt service funds and the millage to be levied for each such fund, including the voted millage; and

WHEREAS, Section 1011.71, Florida Statutes, provides for the amounts necessary to be raised for local capital improvement outlay and the millage to be levied; 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 TAX (nonvoted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>234,917,614,208</u>	Required Local Effort	\$ <u>1,190,621,198</u>	<u>5.3350</u> mills
	Required Local Effort - Prior Period Adjustment	\$ <u>25,664,749</u>	<u>0.1150</u> mills

2. DISTRICT SCHOOL TAX DISCRETIONARY MILLAGE (nonvoted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>234,917,614,208</u>	Discretionary Operating	\$ <u>122,298,110</u>	<u>0.5480</u> mills

3. DISTRICT SCHOOL TAX ADDITIONAL MILLAGE (voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ _____	Additional Operating	\$ _____	_____ mills
	Additional Capital Improvement	\$ _____	_____ mills

4. DISTRICT DISCRETIONARY LOCAL CAPITAL IMPROVEMENT TAX (nonvoted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>234,917,614,208</u>	Discretionary Local Capital Improvement	\$ <u>334,757,600</u>	<u>1.5000</u> mills
	Discretionary Capital Outlay	\$ <u>44,634,347</u>	<u>0.2000</u> mills

5. DISTRICT DEBT SERVICE TAX (voted)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>234,917,614,208</u>	_____	\$ <u>66,282,005</u>	<u>0.2970</u> mills
	_____	\$ <u>0</u>	_____ mills
	_____	\$ <u>0</u>	_____ mills
	_____	\$ <u>0</u>	_____ mills
	_____	\$ <u>0</u>	_____ mills

6. THE TOTAL MILLAGE RATE TO BE LEVIED EXCEEDS IS LESS THAN THE ROLL-BACK RATE COMPUTED PURSUANT TO SECTION 200.065(1), F.S., BY 7.86% PERCENT.

STATE OF FLORIDA

COUNTY OF Miami-Dade

I, Alberto M. Carvalho, 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, September 9, 2009.

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

	<u>Actual 2006-07</u>	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Proposed 2009-10</u>
Required Local Effort	5.006	4.915	5.146	5.450
Discretionary Local Millage	0.685	0.655	0.637	0.548
Local Optional Millage (Capital)	2.000	2.000	1.750	1.700
Total Non-Voted Millage	7.691	7.570	7.533	7.698
Debt Service Millage (Voted)	0.414	0.378	0.264	0.297
TOTAL MILLAGE	8.105	7.948	7.797	7.995
Increase (Decrease) from Prior Year	(0.995)	(0.157)	(0.151)	0.198
Increase (Decrease) from 2006-07				(0.110)

TAX EFFECT USING AVERAGE ASSESSED VALUE

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Assessed Value-Typical Homestead *	\$ 200,677	\$ 228,761	\$ 234,053	\$ 208,137
Less: Homestead Exemption	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>
Taxable Value	\$ 175,677	\$ 203,761	\$ 209,053	\$ 183,137
Total Millage Levy	<u>8.105</u>	<u>7.948</u>	<u>7.797</u>	<u>7.995</u>
Total Taxes	<u>\$ 1,423.86</u>	<u>\$ 1,619.49</u>	<u>\$ 1,629.99</u>	<u>\$ 1,464.18</u>
Increase (Decrease) from Prior Year	\$ 385.28	\$ 195.63	\$ 10.50	\$ (165.81)
Average Tax Increase Since 2006-07				\$ 13.44

**TAX EFFECT ON
TYPICAL HOMEOWNER**

	<u>2008-09</u>	<u>2009-10</u>
Assessed Value-Typical Homestead *	\$ 234,053	\$ 234,287
Less: Homestead Exemption	<u>(25,000)</u>	<u>(25,000)</u>
Taxable Value	\$ 209,053	\$ 209,287
Total Millage Levy	<u>7.797</u>	<u>7.995</u>
Total Taxes	<u>\$ 1,629.99</u>	<u>\$ 1,673.25</u>

Increase (Decrease) from Prior Year **\$ 43.26**

* 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 0.1% increase in assessed value for 2009-10. A typical homeowner is one that resides in the same homestead, participating in the Save Our Homes program, and has not improved (i.e. 'added onto') their property.