

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: AUTHORIZATION TO ADVERTISE PROPOSED TENTATIVE BUDGET AND MILLAGE LEVIES FOR 2010-11

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

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, 2010.

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, 2010. 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 (July 1, 2010) or by August 4, 2010.

Further, as a result of the 2010 legislative session, school boards must hold two public hearings to share strategies to meet class size with the public. Both public hearings must take place prior to the adoption of the District's budget.

Due to these requirements, as well as the Board meeting dates, the following schedule was developed:

<u>Date</u>	<u>Event</u>
July	14 Board authorizes Superintendent to advertise tentative budget and proposed millage levies.
	21 First Class Size Public Hearing (5:00 p.m.)
	24 Advertisement appears in newspaper of general circulation.
	28 Second Class Size Public Hearing (5:00 p.m.)
	28 First Public Budget Hearing. Board tentatively adopts millage levies and budget (6:00 p.m.)
July	30 Proposed millage levies sent to property appraiser.

**REVISED
E-14**

The budget cycle culminates with a second public budget hearing and final adoption on September 7, 2010.

The millage levy for Required Local Effort is determined by the Florida Department of Education and the levies for Discretionary Operating and Discretionary Capital are the maximum permitted under current State law. The maximum for both Discretionary Operating and Discretionary Capital Millage were modified during the 2009 Legislative Session. The maximum Discretionary Millage Rate is .748 mills. The **recommended** Discretionary Operating Millage Rate is .698 mills (a shift of .15 mills from Capital to Operating to build General Fund reserves to acceptable levels in light of increased uncertainties.)

During the 2009 Legislative Session an Additional Discretionary Millage of .25 was authorized for critical capital outlay needs or critical operating needs. This Additional Discretionary Millage requires a **super majority vote of the Board**. In order to be continued, this Additional Discretionary Millage Levy must be approved by the voters of the district at the next general election. The next general election is November 2010.

The Additional Discretionary Millage is NOT included in this agenda item for advertising purposes or in the 2010-11 Recommended Budget. On July 14, 2010, the Board may direct that the budget advertisement reflect this Additional Discretionary Millage with offsetting appropriations. The higher millage rate must be advertised prior to the Public Hearing or the Board would have to inform every taxpayer by mail of an increase over the advertised rate.

A Debt Service Levy is included which is required to service the district's outstanding bond series. The Debt Service Levy increased due to the lower tax roll. As noted below, the total recommended Levy is .165 mills higher than the levy for FY 2009-10, while actual property taxes collected will be about 13% lower than last year.

The levies recommended for advertising are shown below:

	FY 2009-10 Actual Levy	FY 2010-11 Recommended Levy*
<u>STATE ESTABLISHED AND REQUIRED:</u>		
Required Local Effort (RLE)	5.450	5.527
<u>LOCALLY LEVIED:</u>		
Discretionary Operating	.548	.698
Additional Discretionary Operating (.25)	0.000	0.000
Discretionary Capital	<u>1.700</u>	<u>1.550</u>
Sub-Total Locally Levied	2.248	2.248
Sub-Total Non Voted-Millage**	7.698	7.775
Debt Service (Voted)	<u>0.297</u>	<u>0.385</u>
Total Millage Levy	<u>7.995</u>	<u>8.160</u>

- * The State Required Local Effort (RLE) Levy is subject to modification by the Commissioner of Education based upon an analysis of actual county tax rolls in the state and revisions in determining RLE under Truth-in-Millage statutes. The actual levies will be certified by the Commissioner no later than July 19, 2010. The millage advertisement on July 24, 2010 will contain the actual RLE certified by the State and revised calculated revenues with offsetting appropriations. Changes in the tax roll and in the certified millage rates affect revenues in the Executive Summary.

The RLE is required under State law in order for the School Board to receive \$782,467,311 in FEFP funding.

REVISED

- ** The required state non-voted millage levy rate is 5.527 mills: **Actual property taxes collected will be about 13% less than last year.** The actual millage rate to be advertised, pursuant to Florida Statutes, cannot be calculated prior to receipt of the Required Local Effort to be received from the Department of Education no later than July 19, 2010.

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. Due to the drop in the assessed value of property, the recommended property tax levy for 2010-11 will be well below the Rolled-Back Rate.

Since property values are down 13% (\$30 billion) since July 1, 2009, it is anticipated that a tax increase budget advertisement will NOT be required this year and that no tax increase will be involved when applying the statutory definition of a tax increase.

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 July 28, 2010.**

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, 2010.

Attached are the following schedules:

Attachment A - Summary of Revenues & Appropriations by Function – All Funds
FY 2010-11 Tentative Budget.

Attachment B - List of Capital Projects to be funded from the FY 2010-11 Capital
Millage Levy.

On July 9, 2010, Board Members will receive a copy of the FY 2010-11 Tentative
Budget – Executive Summary and a copy of the detailed General Fund budget
workpapers. 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:
 - a) locally levied Discretionary Operating millage levy of .698 mills and Capital Outlay millage levy of 1.55 mills. There is no increase in the locally levied millage from the prior year.
 - b) state established and Required Local Effort millage levy of 5.527 mills (subject to certification from the Commissioner of Education);
 - c) Debt Service levy of .385 mills
- 2) advertise the Tentative Budget (Attachment A);
- 3) advertise the listing and description of capital projects to be funded from the FY 2010-11 Capital Millage Levy (Attachment B); and
- 4) advertise State Required Local Effort Millage Levy pursuant to official notification by the Commissioner of Education with appropriation revisions as required to balance.

REVISED

**BUDGET SUMMARY
MIAMI-DADE COUNTY PUBLIC SCHOOLS
FISCAL YEAR 2010-2011**

PROPOSED MILLAGE LEVY:

Operating:		
Required Local Effort	5.527	
Basic Discretionary	0.698	
Debt Service	0.385	
Capital Outlay	1.550	
Total	<u>8.160</u>	

	GENERAL FUND	DEBT SERVICE FUNDS	CAPITAL OUTLAY FUNDS	SPECIAL REVENUE FUNDS	FIDUCIARY FUND	TOTAL ALL FUNDS
REVENUES						
Federal	\$ 17,457,087	\$ -	\$ -	\$ 570,472,575	\$ -	\$ 587,929,662
State	1,170,912,674	13,762,999	27,406,441	2,259,000	-	1,214,341,114
Local	1,305,443,870	77,190,623	313,335,402	33,597,391	3,624,520	1,733,191,806
TOTAL REVENUES	\$ 2,493,813,631	\$ 90,953,622	\$ 340,741,843	\$ 606,328,966	\$ 3,624,520	\$ 3,535,462,582
Transfers In	140,139,692	245,299,874	-	-	-	385,439,566
Non Revenue Sources	-	-	24,640,000	-	-	24,640,000
Beginning Fund Balance	97,207,425	82,923,005	506,322,384	5,720,702	23,798,137	715,971,653
TOTALS	\$ 2,731,160,748	\$ 419,176,501	\$ 871,704,227	\$ 612,049,668	\$ 27,422,657	\$ 4,661,513,801
Less: Transfers						\$ 385,439,566
TOTAL ALL FUNDS						<u>\$ 4,276,074,235</u>

APPROPRIATIONS						
Instruction	\$ 1,829,173,567	\$ -	\$ -	\$ 260,322,692	\$ -	\$ 2,089,496,259
Pupil Personnel	37,628,525	-	-	78,385,352	-	116,013,877
Instructional Media Services	4,445,854	-	-	28,247,599	-	32,693,453
Instructional & Curriculum Dev.	17,370,955	-	-	34,333,526	-	51,704,481
Instructional Staff Training	3,820,701	-	-	33,343,600	-	37,164,301
Instructional Support	26,666,282	-	-	1,506	-	26,667,788
Board of Education	6,747,408	-	-	-	-	6,747,408
General Administration	5,576,994	-	-	19,155,755	-	24,732,749
School Administration	166,274,112	-	-	2,198,521	-	168,472,633
Facilities - Other	-	-	474,264,661	258,170	-	474,522,831
Fiscal Services	13,509,417	-	-	93,303	-	13,602,720
Food Services	-	-	-	145,349,942	-	145,349,942
Central Services	49,015,721	-	-	1,047,422	-	50,063,143
Pupil Transportation Services	72,032,459	-	-	1,937,880	-	73,970,339
Operation of Plant	279,743,442	-	-	659,964	-	280,403,406
Maintenance of Plant	69,812,962	-	-	-	-	69,812,962
General Support	961,017	-	-	-	-	961,017
Community Services	32,441,388	-	-	2,207,105	-	38,560,336
Debt Services	1,370,000	320,268,655	-	-	3,911,843	321,638,655
TOTAL APPROPRIATIONS	\$ 2,616,590,804	\$ 320,268,655	\$ 474,264,661	\$ 607,542,337	\$ 3,911,843	\$ 4,022,578,300
Transfers to Other Funds	\$ -	\$ -	\$ 385,439,566	\$ -	\$ -	\$ 385,439,566

ENDING FUND BALANCE						
Undesignated Reserves	\$ 59,120,425	\$ -	\$ 12,000,000	\$ 4,507,331	\$ -	\$ 75,627,756
Designated Reserves	55,449,519	98,907,846	-	-	23,510,814	177,868,179
TOTALS	\$ 114,569,944	\$ 98,907,846	\$ 12,000,000	\$ 4,507,331	\$ 23,510,814	\$ 253,495,935
TOTAL ALL FUNDS	\$ 2,731,160,748	\$ 419,176,501	\$ 871,704,227	\$ 612,049,668	\$ 27,422,657	\$ 4,661,513,801
Less: Transfers						385,439,566
TOTAL ALL FUNDS						<u>\$ 4,276,074,235</u>

The tentative, adopted, and/or final budgets are on file in the office of the above mentioned taxing authority as a public record.

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The School Board of Miami-Dade County, Florida will soon consider a measure to impose a 1.55 mill property tax for the capital outlay projects listed herein.

This tax is in addition to the School Board's proposed tax of 6.225 mills for operating expenses and is proposed solely at the discretion of the School Board.

The capital outlay tax will generate approximately **\$304,237,402**, 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

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
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
District-wide FF&E

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

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

PAYMENTS FOR RENTING AND LEASING EDUCATIONAL FACILITIES AND SITES

Leases for School Facilities

PAYMENT OF COSTS OF COMPLIANCE WITH ENVIRONMENTAL STATUTES AND REGULATIONS:

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

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

Property and Casualty Insurance up to statutory limit per unweighted full-time equivalent student

PAYMENTS TO PRIVATE ENTITIES TO OFFSET THE COST OF SCHOOL BUSES

Contracted Bus Routes and Services

All concerned citizens are invited to a public hearing to be held on July 28, 2010 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.