

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: TENTATIVE ADOPTION OF MILLAGE LEVY RESOLUTION
FOR FY2010-11**

**COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL
RELATIONS**

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

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 24.)
- 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. There is a **decrease** in FY2010-11 property tax calculated pursuant to law. **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 FY2010-11, 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 7.864 mills.

The total millage, consisting of both voted and non-voted levies, is 8.249 mills (see page 6). The maximum **non-voted** millage levy, certified by the Commissioner of Education on July 16, 2010, consists of the following: (a) state-required levy of 5.616 mills to participate in the Florida Education Finance Program; (b) a basic discretionary levy of .698 mills for additional operating costs; (c) a discretionary levy of 1.550 mills for capital purposes. This includes the shift of .15 mills from Discretionary Capital Outlay to Discretionary Operating. The **voted** millage consists of a debt service levy of .385 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 .088 mills from FY2009-10.**

The **total recommended non-voted millage levy** for FY2010-11 of 7.864 mills is **.166 mills greater than FY2009-10**, but represents a 12.25% **decrease** 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. Percentage increases **must** be used in published advertisements. **For FY2010-11 the district is not required to publish a Notice of Tax Increase.**

Page 6 reflects the proposed FY2010-11 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 FY2010-11 is .254 mills higher than FY2009-10.** However, due to decreases in the average assessed value, **annual taxes on the average homestead will decrease \$188,67; since FY2007-08, an average homestead decreased an average of \$114.66 per year.**

The tax effect on the **typical homeowner participating in the Save Our Homes program, however, will actually be \$92.88 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 2.7% capped increase (CPI level was 2.7%) in assessed value and a small uptick in the millage levy rate.

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

- 1) tentatively adopt the millage rates below:
 - 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 5.616 mills; and
 - c) Debt Service levy of .385 mills.

2. tentatively adopt the millage resolution for FY2010-11 for a total of 8.249 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, 2010, AND ENDING JUNE 30, 2011.

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>204,460,619,460</u>	Required Local Effort	\$ <u>1,063,260,649</u>	<u>5.4170</u> mills s. 1011.62(4), FS.
	Prior Period Funding Adjustment Millage	\$ <u>39,060,157</u>	<u>0.1990</u> mills s. 1011.62(4)(e), FS.
	Total Required Millage	\$ <u>1,102,320,806</u>	<u>5.6160</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>204,460,619,460</u>	Discretionary Operating	\$ <u>137,004,972</u>	<u>0.6980</u> mills s. 1011.71(1), FS.

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 ss. 1011.73(1) and (2), FS.
	Additional Capital Improvement	\$ _____	_____ mills s. 1011.73(1), FS.

4. DISTRICT LOCAL CAPITAL IMPROVEMENT TAX (nonvoted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>204,460,619,460</u>	Local Capital Improvement	\$ <u>294,423,292</u>	<u>1.5000</u> mills s. 1011.71(2), F.S.
	Discretionary Capital Improvement	\$ <u>9,814,110</u>	<u>0.0500</u> mills s. 1011.71(3)(a), F.S.

5. DISTRICT DEBT SERVICE TAX (voted)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
\$ <u>204,460,619,460</u>		\$ <u>75,568,645</u>	<u>0.3850</u> mills s. 1010.40, F.S.
		\$ <u>0</u>	<u>0</u> mills s. 1011.74, F.S.
		\$ <u>0</u>	<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 8.52 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, July 28, 2010.

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.

Miami-Dade County Public Schools

MILLAGE

	<u>Actual FY2007-08</u>	<u>Actual FY2008-09</u>	<u>Actual FY2009-10</u>	<u>Proposed FY2010-11</u>
<u>STATE ESTABLISHED AND REQUIRED:</u>				
Required Local Effort (RLE)	4.915	5.146	5.450	5.616
<u>LOCALLY LEVIED:</u>				
Discretionary Operating	0.655	0.637	0.548	0.698
Additional Discretionary Operating (.25)	0.000	0.000	0.000	0.000
Discretionary Capital	<u>2.000</u>	<u>1.750</u>	<u>1.700</u>	<u>1.550</u>
Sub-Total Locally Levied	2.655	2.387	2.248	2.248
Sub Total Non Voted-Millage	7.570	7.533	7.698	7.864
Debt Service (Voted)	<u>0.378</u>	<u>0.264</u>	<u>0.297</u>	<u>0.385</u>
Total Millage Levy	<u>7.948</u>	<u>7.797</u>	<u>7.995</u>	<u>8.249</u>
Increase (Decrease) from Prior Year	(0.157)	(0.151)	0.198	0.254

TAX EFFECT USING AVERAGE ASSESSED VALUE

	<u>FY2007-08</u>	<u>FY2008-09</u>	<u>FY2009-10</u>	<u>FY2010-11</u>
Assessed Value-Typical Homestead *	\$ 228,761	\$ 234,053	\$ 208,137	\$ 179,626
Less: Homestead Exemption	(25,000)	(25,000)	(25,000)	(25,000)
Taxable Value	\$ 203,761	\$ 209,053	\$ 183,137	\$ 154,626
Total Millage Levy	<u>7.948</u>	<u>7.797</u>	<u>7.995</u>	<u>8.249</u>
Total Taxes	<u>\$ 1,619.49</u>	<u>\$ 1,629.99</u>	<u>\$ 1,464.18</u>	<u>\$ 1,275.51</u>
Increase (Decrease) from Prior Year	\$ 195.63	\$ 10.50	\$ (165.81)	\$ (188.67)
Average Tax Decrease Since 2007-08				\$ (114.66)

TAX EFFECT ON
TYPICAL HOMEOWNER

	<u>FY2009-10</u>	<u>FY2010-11</u>
Assessed Value-Typical Homestead *	\$ 208,137	\$ 213,757
Less: Homestead Exemption	(25,000)	(25,000)
Taxable Value	\$ 183,137	\$ 188,757
Total Millage Levy	<u>7.995</u>	<u>8.249</u>
Total Taxes	<u>\$ 1,464.18</u>	<u>\$ 1,557.06</u>

Increase from Prior Year **\$ 92.88**

* 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 participating in the "Save Our Home" program. A typical homeowner is capped at a 2.7% increase in assessed value for FY2010-11, one that resides in the same homestead and has not improved (i.e. 'added onto') their property.