

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: AUTHORIZATION TO ADVERTISE PROPOSED TENTATIVE BUDGET AND MILLAGE LEVIES FOR FY 2011-12

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, 2011.

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, 2011) or by August 4, 2011.

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

<u>Date</u>	<u>Event</u>
July	13 Board authorizes Superintendent to advertise tentative budget and proposed millage levies.
	23 Advertisement appears in newspaper of general circulation.
	27 First Public Budget Hearing. Board tentatively adopts millage levies and budget (6:00 p.m.)
July	29 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, 2011.

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 State mandated Required Local Effort Millage Rate is increasing from 5.616 to 5.625 mills. 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 .548 mills (a total shift of .20 mills from Operating to Capital). The recommended Capital Outlay Millage Rate is 1.700 mills including .200 mills from Discretionary Millage.

A Debt Service Levy is included which is required to service the district's outstanding bond series. The Debt Service Levy decreased from .385 to .240. As noted below, the total recommended levy is .136 mills lower than the levy for FY 2010-11, while actual property taxes collected will be about 2.3% lower than last year.

The levies recommended for advertising are shown below:

	FY 2010-11 Actual Levy	FY 2011-12 Recommended Levy*
<u>STATE ESTABLISHED AND REQUIRED:</u>		
Required Local Effort (RLE)	5.616	5.625
<u>LOCALLY LEVIED:</u>		
Discretionary Operating	.698	.548
Additional Discretionary Operating (.25)	0.000	0.000
Discretionary Capital	<u>1.550</u>	<u>1.700</u>
Sub-Total Locally Levied	2.248	2.248
Sub-Total Non Voted-Millage**	7.864	7.873
Debt Service (Voted)	<u>0.385</u>	<u>0.240</u>
Total Millage Levy	<u>8.249</u>	<u>8.113</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, 2011. The millage advertisement on July 23, 2011 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 \$609,336,373 in FEFP funding.

** The non-voted millage levy rate is 7.873 mills: **Actual property taxes collected will be about 2.3% 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, 2011.

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 FY 2011-12 will be well below the Rolled-Back Rate.

Since property values are down 2.3% (\$4.7 billion) since July 1, 2010, it is anticipated that a tax increase budget advertisement will NOT be required this year and that no tax increase will be involved.

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 27, 2011.

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, 2011.

Attached are the following schedules: } REVISED

Attachment A - Summary of Revenues & Appropriations by Function – All Funds FY 2011-12 Tentative Budget.

Attachment B - List of Capital Projects to be funded from the FY 2011-12 Capital Millage Levy.

No later than July 8, 2011, Board Members will receive a copy of the FY 2011-12 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 .548 mills and Capital Outlay millage levy of 1.700 mills. There is no increase in the locally levied millage from the prior year.
 - b) state established and Required Local Effort millage levy of 5.625 mills (subject to certification from the Commissioner of Education);
 - c) Debt Service levy of .240 mills
- 2) advertise the Tentative Budget (Attachment A);
- 3) advertise the listing and description of capital projects to be funded from the FY 2011-12 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.

BUDGET SUMMARY
 MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FISCAL YEAR 2011-2012

REVENUES	GENERAL FUND	DEBT SERVICE FUNDS	CAPITAL OUTLAY FUNDS	SPECIAL REVENUE FUNDS	PROPRIETARY FUND	FIDUCIARY FUND	TOTAL ALL FUNDS
Federal	\$ 17,460,454	-	-	\$ 385,319,663	\$ -	\$ -	\$ 402,780,117
State	1,110,291,393	13,794,280	15,196,718	2,063,000	-	-	1,141,345,391
Local	1,289,604,067	47,656,364	332,720,982	36,323,334	358,000,000	3,234,357	2,067,539,104
TOTAL REVENUES	\$ 2,417,355,914	\$ 61,450,644	\$ 347,917,700	\$ 423,705,997	\$ 358,000,000	\$ 3,234,357	\$ 3,611,664,616
Transfers In	138,100,000	192,518,146	-	-	-	-	330,618,146
Non Revenue Sources	-	-	390,000	-	-	-	390,000
Fund Balance/Net Assets	208,773,217	96,167,824	312,049,449	8,546,175	(7,095,836)	22,712,700	641,153,529
TOTALS	\$ 2,764,229,131	\$ 350,136,614	\$ 660,357,149	\$ 432,252,172	\$ 350,904,164	\$ 25,947,057	\$ 4,583,826,287
Less: Transfers							(330,618,146)
Less: Proprietary Funds							(350,904,164)
TOTAL ALL FUNDS							\$ 3,902,303,977
APPROPRIATIONS							
Instruction	\$ 1,802,299,191	\$ -	\$ -	\$ 177,121,854	\$ -	\$ -	\$ 1,979,421,045
Pupil Personnel	94,846,579	-	-	33,601,693	-	-	128,448,272
Instructional Media Services	31,306,552	-	-	3,488,123	-	-	34,794,675
Instructional & Curriculum Dev.	17,568,048	-	-	29,859,202	-	-	47,427,250
Instructional Staff Training	2,699,038	-	-	15,578,772	-	-	18,277,810
Instructional Support	23,841,397	-	-	3,098,061	-	-	26,939,458
Board of Education	6,779,081	-	-	32,364	-	-	6,811,445
General Administration	4,330,066	-	-	5,177,020	-	-	9,507,086
School Administration	172,032,132	-	-	522,412	-	-	172,554,544
Facilities - Other	-	-	310,739,003	151,833	-	-	310,890,836
Fiscal Services	12,970,563	-	-	-	-	4,103,000	17,073,563
Food Services	-	-	-	148,020,165	-	-	148,020,165
Central Services	49,671,119	-	-	1,663,945	351,512,588	25,000	402,872,652
Pupil Transportation Services	70,228,363	-	-	666,858	-	-	70,895,221
Operation of Plant	271,426,372	-	-	260,059	-	-	271,686,431
Maintenance of Plant	81,628,848	-	-	1,818	-	-	81,630,666
General Support	2,090,114	-	-	-	-	-	2,090,114
Community Services	30,282,188	-	-	2,413,390	-	-	32,695,578
Debt Services	620,000	266,954,146	-	-	-	-	267,574,146
TOTAL APPROPRIATIONS	\$ 2,674,619,651	\$ 266,954,146	\$ 310,739,003	\$ 421,657,569	\$ 351,512,588	\$ 4,128,000	\$ 4,029,610,957
Transfers to Other Funds	-	-	330,618,146	-	-	-	330,618,146
Fund Balance/Net Assets	89,609,480	83,182,468	19,000,000	10,594,603	(608,424)	21,819,057	223,597,184
TOTALS	\$ 2,764,229,131	\$ 350,136,614	\$ 660,357,149	\$ 432,252,172	\$ 350,904,164	\$ 25,947,057	\$ 4,583,826,287
Less: Transfers							(330,618,146)
Less: Proprietary Funds							(350,904,164)
TOTAL ALL FUNDS							\$ 3,902,303,977

D U B U D U D A

NOTICE OF TAX FOR SCHOOL CAPITAL OUTLAY

The School Board of Miami-Dade County, Florida will soon consider a measure to impose a 1.700 mill property tax for the capital outlay projects listed herein.

This tax is in addition to the School Board's proposed tax of 6.173 mills for operating expenses and is proposed solely at the discretion of the School Board.

The capital outlay tax will generate approximately **\$325,998,982** 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 and District 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 27, 2011 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.