

Financial Services
Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: ADOPTION OF MILLAGE LEVY RESOLUTION FOR FY 2017-18

COMMITTEE: FISCAL ACCOUNTABILITY

**LINK TO STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

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 was July 1. (The advertisement appeared in the **Miami Herald** on July 22.)
- 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 the tentative budget hearing unless each taxpayer within Miami-Dade County was 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.

E-14

- f. For FY 2017-18, 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 6.774 mills.

The total millage, consisting of both voted and non-voted levies, is 6.994 mills (see page 6). The total millage levy represents a decrease of .328 mills from FY 2016-17. The non-voted millage levy, certified by the Commissioner of Education on July 17, 2017, consists of the following: (a) state-required levy of 4.526 mills to participate in the Florida Education Finance Program; (b) a basic discretionary levy of .748 mills for additional operating costs; and (c) a discretionary levy of 1.50 mills for capital purposes. The voted millage consists of a debt service levy of .220 mills required to fund the principal and interest payments of issued General Obligation Bonds.

On July 12, 2017, the Board approved Agenda Item E-14, Authorization to Advertise Proposed Tentative Budget and Millage Levies for FY 2017-18. Subsequent to that, the Required Local Effort Millage was reduced due to statewide School Taxable Value increasing from \$1.900 billion used during the 2017 Legislative Session to \$1.903 billion certified on July 17, 2017. Following the budget public hearing on July 26, 2017, the Board approved Agenda Item SP-1, Tentative Adoption of Millage Levy Resolution for FY 2017-18. This item reflects no change in the millage rate from that approved on July 26, 2017.

Page 6 reflects the proposed FY 2017-18 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 FY 2017-18 is .328 mills lower than FY 2016-17.** However, due to an increase in proceeds, per State Statute a notice of tax increase was required to be advertised along with the millage rates.

The tax effect on the typical homeowner participating in the Save Our Homes program, however, will actually be \$27.84 lower than the prior year if the homeowner resided in the same homestead with no property improvement. The decrease for the typical homeowner is due to a 2.1% capped increase (CPI level was 2.1%) in assessed value offset by the decrease in the millage levy rate.

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, authorize the Superintendent to:

1. adopt the millage rates below:
 - a) locally levied Discretionary Operating millage levy of .748 mills and Capital Outlay millage levy of 1.500 mills;
 - b) state established Required Local Effort millage levy of 4.526 mills; and
 - c) Debt Service levy of .220 mills.
2. adopt the millage rates for FY 2017-18 for a total of 6.994 mills which represents a decrease of .328 mills compared to FY 2016-17.

Please return completed form to:
 Florida Department of Education
 Office of Funding & Financial Reporting
 325 West Gaines Street, Room 814
 Tallahassee, Florida 32399-0400

**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, 2017, AND ENDING JUNE 30, 2018.

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>305,125,757,799</u>	Required Local Effort	\$ <u>1,281,821,103</u>	<u>4.3760</u> mills <small>s. 1011.62(4), F.S.</small>
	Prior-Period Funding Adjustment Millage	\$ <u>43,938,110</u>	<u>0.1500</u> mills <small>s. 1011.62(4)(e), F.S.</small>
	Total Required Millage	\$ <u>1,325,759,213</u>	<u>4.5260</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>305,125,757,799</u>	Discretionary Operating	\$ <u>219,104,704</u>	<u>0.7480</u> mills <small>s. 1011.71(1), F.S.</small>

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 <small>ss. 1011.71(9) and 1011.73(2), F.S.</small>
	Additional Capital Improvement	\$ _____	_____ mills <small>s. 1011.73(1), F.S.</small>

MIAMI-DADE COUNTY PUBLIC SCHOOLS
Millage History and Tax Effect to Homeowners

	<u>Actual</u> <u>FY2014-15</u>	<u>Actual</u> <u>FY2015-16</u>	<u>Actual</u> <u>FY2016-17</u>	<u>Proposed</u> <u>FY2017-18</u>
<u>STATE ESTABLISHED AND REQUIRED:</u>				
Required Local Effort (RLE)	5.527	5.165	4.890	4.526
<u>LOCALLY LEVIED:</u>				
Discretionary Operating	0.687	0.687	0.748	0.748
Additional Discretionary Operating (.25)	0.000	0.000	0.000	0.000
Discretionary Capital	1.561	1.561	1.500	1.500
Sub-Total Locally Levied	2.248	2.248	2.248	2.248
Sub Total Non Voted-Millage	7.775	7.413	7.138	6.774
Debt Service (Voted)	0.199	0.199	0.184	0.220
Total Millage Levy	7.974	7.612	7.322	6.994
Increase (Decrease) from Prior Year	(0.003)	(0.362)	(0.290)	(0.328)

	<u>FY2014-15</u>	<u>FY2015-16</u>	<u>FY2016-17</u>	<u>FY2017-18</u>
Assessed Value-Average Homestead *	\$ 182,497	\$ 190,301	\$ 198,990	\$ 209,792
Less: Homestead Exemption	(25,000)	(25,000)	(25,000)	(25,000)
Taxable Value	\$ 157,497	\$ 165,301	\$ 173,990	\$ 184,792
Total Millage Levy	7.974	7.612	7.322	6.994
Total Taxes	\$ 1,255.88	\$ 1,258.27	\$ 1,273.95	\$ 1,292.44
Increase (Decrease) from Prior Year	\$ 63.82	\$ 2.39	\$ 15.68	\$ 18.49
Average Tax Increase Since 2014-15				\$ 12.19

	TAX EFFECT ON TYPICAL HOMEOWNER	
	<u>FY2016-17</u>	<u>FY2017-18</u>
Assessed Value-Typical Homestead *	\$ 198,990	\$ 203,169
Less: Homestead Exemption	(25,000)	(25,000)
Taxable Value	\$ 173,990	\$ 178,169
Total Millage Levy	7.322	6.994
Total Taxes	\$ 1,273.95	\$ 1,246.11
Decrease over Prior Year	\$ (27.84)	

* 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 2.1% increase in assessed value for FY2017-18, one that resides in the same homestead and has not improved (i.e. 'added onto') their property.