

**THE SCHOOL DISTRICT OF PALM BEACH COUNTY, FLORIDA
Millage Proposal**

CAPITAL MILLAGE OPTIONS:

2008-09: 1.75 mills authorized (reduction from previous 2.00 millage authority)

2009-10: Legislature authorized **1.50 mills** - estimated to generate approximately **\$212 million**

Legislature moved **25 mills** to operating - estimated to generate approximately **\$35 million**
(Legislature authorized that all or part of this could be moved back to capital)

Recommendation: Move .18 mills back to capital to compensate for funding lost due to 11.67% projected decline in tax roll. The remaining .07 mills will generate a \$9.9 million reserve in operating budget.

Legislature authorized an additional **25 mills** - estimated to generate approximately **\$35 million**
(Must have a super majority vote, can be used for operating or capital, must levy full amount for one or the other)

Recommendation: Levy full amount in capital to replace the .25 mills transferred to operating.

PROPOSED MILLAGE LEVY:

	2008-09 Millage Rate	2009-10		% Incr/(Decr) As Compared To Rolled Back Millage Rate
		Rolled Back Millage Rate	Millage Rate	
Taxable Value	\$168,237,902,004		\$148,609,173,995	(11.67%)
Operating				
Required Local Effort	4.8980	5.5449	5.4680	(1.39%)
Discretionary - Operating*	0.4980	0.5638	0.5680	0.74%
Add'l Discr. - Operating - <i>Eliminated</i>	0.1050	0.1189	0.0000	(100.00%)
Sub-total	5.5010	6.2276	6.0360	(3.08%)
Capital Outlay				
Capital	1.7500	1.9811	1.5000	(24.28%)
Discretionary - Capital*	0.0000	0.0000	0.1800	100.00%
Super Majority Discretionary**	0.0000	0.0000	0.2500	100.00%
Sub-total	1.7500	1.9811	1.9300	(2.58%)
Total Millage	7.2510	8.2087	7.9660	(2.96%)

* Discretionary millage (operating and capital) may not exceed .748 mills in aggregate. Capital designation may not exceed the 0.25 mills originally transferred out of capital by 2009 Legislature.

** Local School Board may levy 0.25 mills for critical capital or operating needs by a super majority vote for up to two years. Approval by the voters in the November 2010 general election is required to extend this levy beyond two years.

LOCAL TAX REVENUE:

	Adopted FY2009		Proposed FY2010	Increase/ (Decrease)
Operating				
Required Local Effort	782,827,782		771,965,215	(10,862,567)
Discretionary - Operating *	79,593,351		80,189,510	596,159
Additional Discretionary - Operating	16,781,731		0	(16,781,731)
Sub-total	879,202,864		852,154,725	(27,048,139)
5 Yr. Plan Forecast For FY10				
Capital Outlay				
Capital	279,695,512	276,898,556,961	211,768,073	(67,927,439)
Discretionary - Capital*	0		25,412,169	25,412,169
Super Majority Discretionary**	0	0	35,294,679	35,294,679
Sub-total	279,695,512	276,898,556,961	272,474,921	(7,220,591)
Total Revenue	1,158,898,376	n/a	1,124,629,646	(34,268,730)

RATIONALE:

- 1) Split discretionary millage to meet critical capital needs and establish general fund operating reserve of \$9.9 million.
- 2) Dedicate new Super Majority Discretionary millage to capital projects. Needed to help meet community referendum commitments.
- 3) Utilization of discretionary millage for capital projects necessitated by declining tax roll and Legislative reductions to original 2 mill levy.
- 4) Super Majority Discretionary millage levy reflects a non-recurring revenue source and is better suited to one time capital projects.
- 5) Total proposed millage levy, including super majority 0.25 mills, does not reflect a tax increase at 3% below the rolled back rate.
- 6) Operating budget benefited from American Reinvestment & Recovery Act (ARRA) funds.
- 7) Operating budget previously balanced based on continuation of 0.498 discretionary millage. Additional 0.07 mills will generate \$9.9 million that may be reserved for potential state mid-year budget reductions.