

Capital Revenue Projections

Presented to the School Board
June 3, 2009





Capital Revenue Projections

- ❖ Since our last meeting, there have been changes at the Federal, State and Local levels that could impact the capital revenues of the School District.
- ❖ The Federal Government, as part of the American Recovery and Reinvestment Act (ARRA) authorized the 100 largest school districts to issue Qualified School Construction Bonds (QSCBs). These are tax credit bonds and are interest free to the school districts. Very few have been issued to date.
- ❖ The allocation for Palm Beach is \$68 million over two years.
- ❖ The bonds would be issued as a COP issue and the principal would be repaid over 12 – 15 years.
- ❖ To provide flexibility regarding these bonds, a Reimbursement Agreement could be approved by the School Board. If the School District were able to issue the bonds, the agreement would allow expenditures incurred prior to the issuance of the bonds to be paid from the bond proceeds.

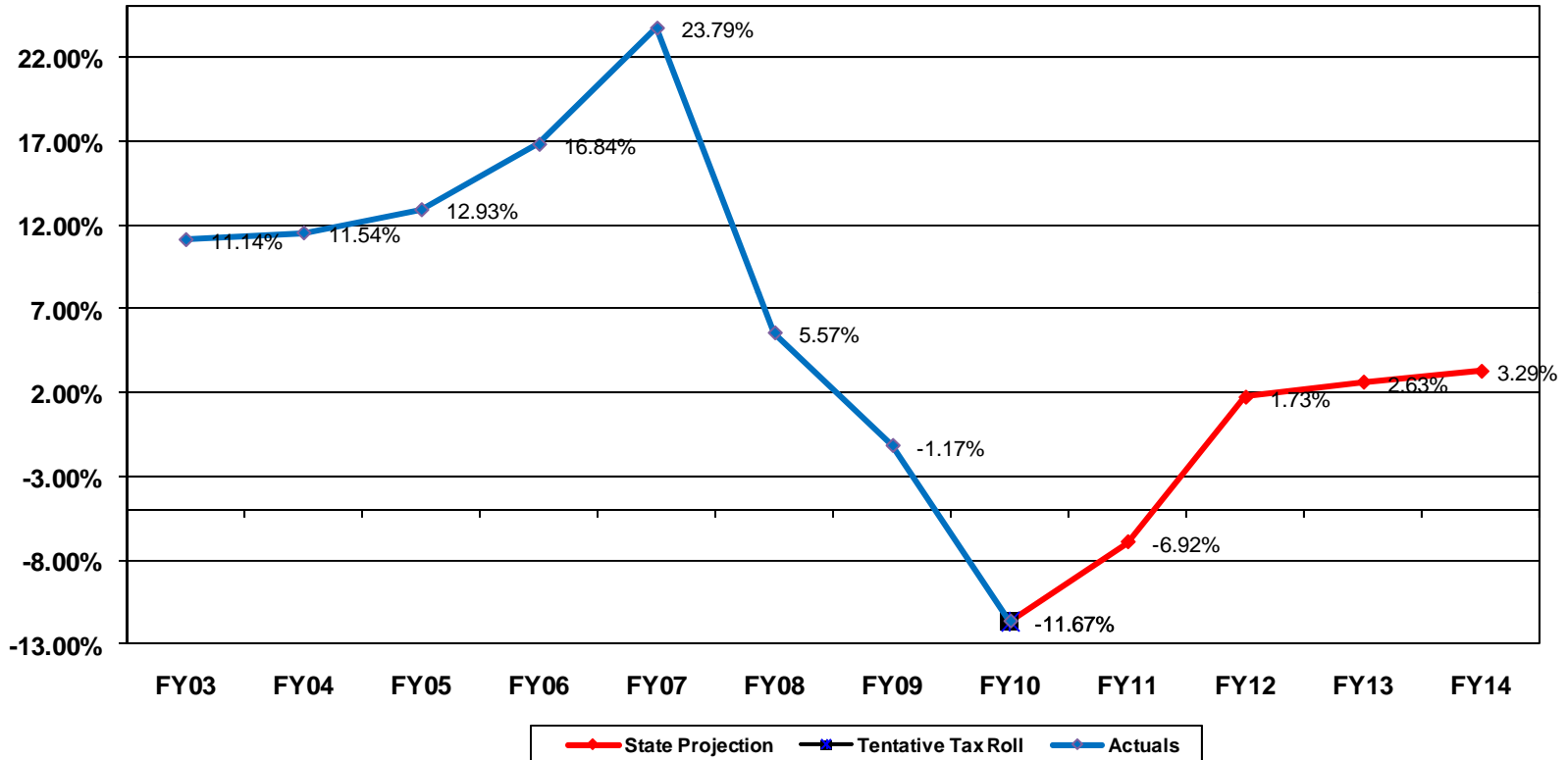


Capital Revenue Projections

- ❖ At the State level, the legislative session has ended and there were substantial changes regarding the capital millage levy.
 - ❖ The Capital Millage levy was reduced from 1.75 mils to 1.5 mil.
 - ❖ Schools Boards can levy .25 mils for the capital or discretionary operating budget.
 - ❖ School Boards can, with a supermajority vote, levy an additional .25 mils for critical operating or capital needs. For this levy to continue, it must go to the voters for approval during the next general election.
- ❖ At the local level, we have received an estimate from the property appraisers office regarding local property taxes.
 - ❖ The School Taxable value is estimated to decrease by 11.67%, slightly better than the 11.84% predicted by the State.



Palm Beach County Tax Roll Growth



	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Gross Taxable Assessed Value	\$161,252,193,452	\$170,229,136,344	\$168,237,902,004	\$148,609,173,995	\$138,322,200,000	\$140,719,100,000	\$144,423,100,000	\$149,167,600,000
Change from prior year	23.79%	5.57%	-1.17%	-11.67%	-6.92%	1.73%	2.63%	3.29%



Capital Millage Estimates for FY 2010

<u>Palm Beach County School Taxable Value</u>	<u>2008-2009</u>	<u>2009-2010</u>
August 2008 Projection	168,237.9	166,641.8
December 2008 Projection	168,237.9	154,605.2
March 2009 Projection	168,237.9	148,324.5
May 2009 Projection	168,237.9	148,609.2

Projection of Capital Revenues	2008-2009	2009-2010	2009-2010	2009-2010
	at 2.00 mils	at 1.75 mils	at 1.5 mils	at 1.5 mils
Projected Capital Millage Levy				
Capital Millage Levy (1.75 mils in FY09, 1.5 mils in FY10)	280	237	237	237
Loss - Tax Roll Estimates as of March 2009	-	(26)	(26)	(26)
Value of .25 mils	-	35	35	-
Value of second .25 mils	-	35	-	-
Capital Millage Levy	280	282	247	212



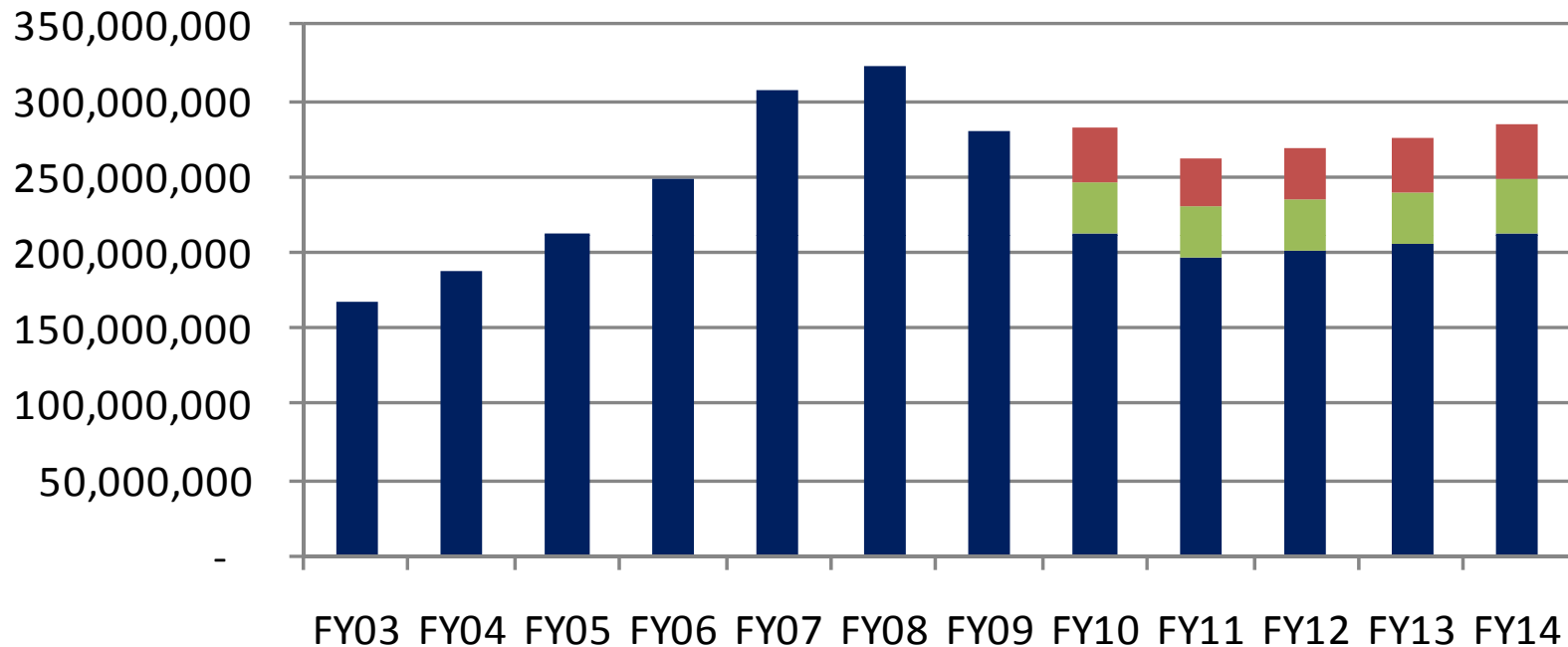
Capital Millage Estimates for FY 2010

Projection of Capital Revenues	2008-2009	2009-2010	2009-2010	2009-2010
		at 2.00 mils	at 1.75 mils	at 1.5 mils
Capital Millage Levy				
Forecast from FY09 Five Year Plan	280	277	277	277
May 2009 Capital Millage Forecast for FY10	-	282	247	212
Variance	-	5	(30)	(65)

The figures above for 2.00 and 1.75 mils assume that one or both of the additional millage levies are levied for capital projects.



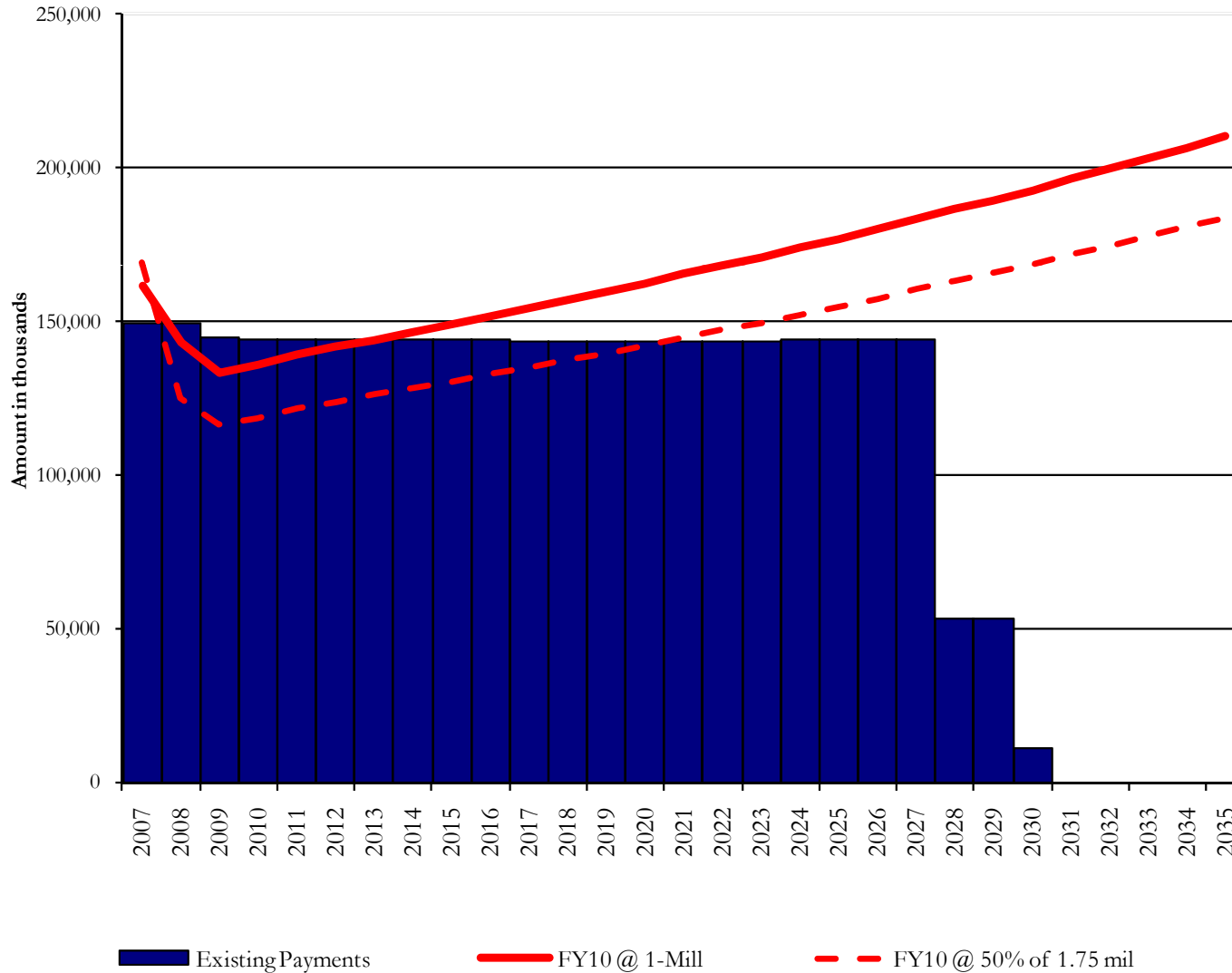
Value of Capital Millage Levy



- Value of Capital Millage Levy
- .25 mils for Capital or Discretionary
- .25 mils for Critical Operating or Capital Needs



COP Debt Service with FY10 Millage





Next Steps

- ❖ Ongoing projects will be reviewed to determine if there are any excess funds that could be used for another project.
- ❖ Revenue sources will be monitored as estimates are finalized.
- ❖ A recommendation regarding the millage levy and the QSCBs will be developed over the next few weeks.
- ❖ An update will be provided to the Committee at the next meeting.



Discussion
