School Board of Pinellas County

FIRST PUBLIC HEARING TO ADOPT
TENTATIVE BUDGET AND MILLAGES
JULY 26, 2022
The School District’s Proposed Millage is Comprised of:

- General Operating
  - Required Local Effort (including Prior Period Funding Adjustment Millage) – State Mandated
  - Discretionary – State Mandated
  - Local Referendum
- Capital Outlay
What is a “Mill”?

- A property tax levy of $1.00 per $1,000 of taxable property value.
  - One mill is equal to one tenth of one cent.
What is the “Rolled-Back” Millage Rate?

• The millage rate that would generate the same amount of revenue as last year if applied to the current tax roll, after adjusting for new construction.
**Proposed Millage vs. “Rolled-back” Rate**

<table>
<thead>
<tr>
<th>2022-2023 Proposed vs. “Rolled-Back” Rate</th>
<th>Rolled-Back Rate</th>
<th>2022-2023 Proposed</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Local Effort</td>
<td>3.0654</td>
<td>3.2150</td>
<td>4.88%</td>
</tr>
<tr>
<td>Discretionary Local Effort</td>
<td>0.6410</td>
<td>0.7480</td>
<td>16.69%</td>
</tr>
<tr>
<td>Local Referendum</td>
<td>0.4285</td>
<td>0.5000</td>
<td>16.69%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1.2855</td>
<td>1.5000</td>
<td>16.69%</td>
</tr>
<tr>
<td><strong>Total Millage</strong></td>
<td><strong>5.4204</strong></td>
<td><strong>5.9630</strong></td>
<td><strong>10.01%</strong></td>
</tr>
</tbody>
</table>
## Millage Comparison

**Proposed 2022-2023 vs. Actual 2021-2022**

<table>
<thead>
<tr>
<th></th>
<th>2021-2022 Actual</th>
<th>2022-2023 Proposed</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Local Effort</td>
<td>3.5770</td>
<td>3.2150</td>
<td>-10.12%</td>
</tr>
<tr>
<td>Discretionary Local Effort</td>
<td>0.7480</td>
<td>0.7480</td>
<td>0.00%</td>
</tr>
<tr>
<td>Local Referendum</td>
<td>0.5000</td>
<td>0.5000</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Operating Subtotal</strong></td>
<td>4.8250</td>
<td>4.4630</td>
<td>-7.50%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1.5000</td>
<td>1.5000</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Millage</strong></td>
<td><strong>6.3250</strong></td>
<td><strong>5.9630</strong></td>
<td><strong>-5.72%</strong></td>
</tr>
</tbody>
</table>
## Property Tax Revenue Comparison

<table>
<thead>
<tr>
<th></th>
<th>Revenue 2021-2022</th>
<th>Revenue 2022-2023</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Local Effort</td>
<td>$364,140,051</td>
<td>$386,174,268</td>
<td>$22,034,217</td>
</tr>
<tr>
<td>Discretionary</td>
<td>76,146,704</td>
<td>89,847,077</td>
<td>13,700,373</td>
</tr>
<tr>
<td>Local Referendum</td>
<td>50,900,203</td>
<td>60,058,207</td>
<td>9,158,004</td>
</tr>
<tr>
<td>Total Operating</td>
<td>$491,186,958</td>
<td>$536,079,552</td>
<td>$44,892,594</td>
</tr>
<tr>
<td>Capital Outlay Millage</td>
<td>152,700,609</td>
<td>180,174,620</td>
<td>27,474,011</td>
</tr>
<tr>
<td>Total Millage</td>
<td><strong>$643,887,567</strong></td>
<td><strong>$716,254,172</strong></td>
<td><strong>$72,366,605</strong></td>
</tr>
</tbody>
</table>
### How Are School Taxes Calculated?

- **Assessed Value**: $200,000
- **Homestead Exemption**: ($25,000)
- **Taxable Value**: $175,000
- **Taxable Value**: $175,000
- **Divided by 1,000**: 175
- **Multiply by Millage Rate**: 5.963
- **Total 2022 School Tax**: $1,043.53
## Example of How Your Taxes May Change

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Change in Assessed Value</td>
<td>7.0%</td>
<td>6.7%</td>
<td>18.0%</td>
<td></td>
</tr>
<tr>
<td>Assessed Value</td>
<td>$200,000</td>
<td>$214,000</td>
<td>$228,338</td>
<td>$269,439</td>
</tr>
<tr>
<td>Homestead Exemption</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Taxable Value</td>
<td>$175,000</td>
<td>$189,000</td>
<td>$203,338</td>
<td>$244,439</td>
</tr>
<tr>
<td>Taxable Value*</td>
<td>$175,000</td>
<td>$189,000</td>
<td>$203,338</td>
<td>$244,439</td>
</tr>
<tr>
<td>Divided by 1,000 (= number of &quot;mills&quot;)</td>
<td>175.000</td>
<td>189.000</td>
<td>203.338</td>
<td>244.439</td>
</tr>
<tr>
<td>Times Millage Rate</td>
<td>6.584</td>
<td>6.427</td>
<td>6.325</td>
<td>5.963</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$1,152.20</td>
<td>$1,214.70</td>
<td>$1,286.11</td>
<td>$1,457.59</td>
</tr>
<tr>
<td>Change as compared to the prior year</td>
<td>$62.50</td>
<td>$71.41</td>
<td>$171.48</td>
<td></td>
</tr>
<tr>
<td>Cumulative 3-Year Change</td>
<td></td>
<td></td>
<td></td>
<td>$305.39</td>
</tr>
</tbody>
</table>

*calculation does not consider the 3% Save Our Homes cap
Reasons for Millage

• Required Local Effort:
  • Proposed tax rate must be levied to receive state funds (no district option)
  • Used for the day to day operations such as school staff and utilities
• Discretionary Millage:
  • To maintain services and meet additional costs due to inflation
• Local Referendum
• Capital Outlay Millage:
  • Levied to build and renovate schools and ancillary buildings as advertised
Motions Necessary to Adopt Millage Rates

• Approval of Tentative Discretionary Millage

• Adoption of Total Millage Rate
School Board of Pinellas County

Tentative Budget
Fiscal Year 2022-2023
Budget Cycle

- **Budget Process Begins**
  - FTE Counts
    - Current Year Estimates
    - New Year Projections
  - Staffing Allocations to Schools
  - Capital Outlay Steering Committee meets
  - Legislative Session & Conference Report

- **Base Budgets/New Requests Received; Discretionary Budget Allocated**

- **School Board Workshop**

- **New Fiscal Year Begins**

- **Public Hearings**

- **State Funding Determined**

- **Budget Approved and Adopted**

- **Budget Updates**

- **June**

- **July**

- **September**

- **January**

- **March**
Budget Parameters

- 63/37 Expenditure Benchmark
- Contingency
- Core Curriculum / Strategic Directions
## Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>$1,016,900,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$8,523,466</td>
</tr>
<tr>
<td>Contracted Programs</td>
<td>$9,351,386</td>
</tr>
<tr>
<td>Elementary &amp; Secondary School Emergency Relief Fund (ESSER)</td>
<td>$1,948,645</td>
</tr>
<tr>
<td>Coronavirus Aid, Relief and Economic Security Act (CARES)</td>
<td>$6,020</td>
</tr>
<tr>
<td>American Rescue Plan (ARP)</td>
<td>$40,184,509</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$356,227,155</td>
</tr>
<tr>
<td>Food and Nutrition</td>
<td>$57,296,092</td>
</tr>
<tr>
<td>Self-Insured Workers Comp &amp; Liability</td>
<td>$2,313,842</td>
</tr>
<tr>
<td>Self-Insured Health</td>
<td>$167,606,331</td>
</tr>
<tr>
<td>Permanent Fund</td>
<td>$151,347</td>
</tr>
<tr>
<td>Miscellaneous Special Revenue Fund (Student Activity)</td>
<td>$19,750,272</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$1,680,259,065</strong></td>
</tr>
</tbody>
</table>
Budget Summary All Sources

- General Operating: 60.52%
- Debt Service: 0.51%
- Contracted Programs (including ARP, ESSER & CARES): 3.07%
- Capital Outlay: 21.20%
- Self-Insured Health: 9.98%
- Food and Nutrition: 3.41%
- Permanent Fund: 0.01%
- Miscellaneous Special Revenue Fund: 1.16%
- Self-Insured Workers Comp: 0.14%
- General Operating: 60.52%
2022-2023 Legislative Issues

• Increase in Base Student Allocation (BSA) to $4,587.40
• Increase in total statewide funding of $1.7 Billion
• Increase in district share of revenue of $35.2 Million
• Increased Florida Retirement System expenditures
## Operating Fund Resources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Direct</td>
<td>$355,000</td>
<td>0.03%</td>
</tr>
<tr>
<td>Federal Through State</td>
<td>3,000,000</td>
<td>0.30%</td>
</tr>
<tr>
<td>State Sources</td>
<td>314,732,919</td>
<td>30.95%</td>
</tr>
<tr>
<td>Local Sources</td>
<td>553,737,081</td>
<td>54.45%</td>
</tr>
<tr>
<td>Transfers</td>
<td>54,000,000</td>
<td>5.31%</td>
</tr>
<tr>
<td>Other</td>
<td>75,000</td>
<td>0.01%</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>91,000,000</td>
<td>8.95%</td>
</tr>
<tr>
<td><strong>Total - Anticipated Resources</strong></td>
<td><strong>$1,016,900,000</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Operating Budget Revenue Sources

- Local: 54.45%
- State: 30.95%
- Federal: 0.33%
- Other: 0.01%
- Transfers: 5.31%
- Fund Balance: 8.95%
Proposed Operating Budget

- Funds the day to day operating expenses of the School District
  - Salaries and Benefits
  - Supplies & Materials
  - Textbooks & Library Books
  - Student Transportation
  - Utilities
  - Maintenance & Repairs
Operating Budget by Object

- Salaries: 59.95%
- Benefits: 22.03%
- Purchased Services: 10.88%
- Supplies: 2.63%
- Energy Services: 2.78%
- Capital Outlay: 0.75%
- Other: 0.98%
- Capital Outlay: 0.75%
- Other: 0.98%
- Supplies: 2.63%
- Energy Services: 2.78%
- Purchased Services: 10.88%
- Benefits: 22.03%
- Salaries: 59.95%
Capital Fund Sources

- **State Sources**
  - Capital Outlay & Debt Service (CO & DS)
    - Flow-through revenue has been bonded (state)

- **Local Sources**
  - Property Taxes – 1.50 mills
  - Interest earnings

- **Other Financing**
  - Certificates of Participation Bonds (COPs)

- **Fund Balance**
Five-Year Capital Outlay Plan & Facilities Work Program

- Review and update Five-Year Capital Outlay Plan and Facilities Work Program
  - School Board will review recommended updates to plan on September 13, 2022
- Major Changes
  - Anticipated revenue through Certificates of Participation bonds
  - Addition of new “Year 5” (2026-2027)
## Proposed Capital Projects

**Major Renovation and Construction of Schools:**

- Lakewood High School: $5,519,189
- Mildred Helms Elementary: $4,024,875
- Tyrone Middle: $4,223,450
- Largo Middle School: $500,000
- Midtown Academy: $9,000,000
- Pinellas Central Elementary: $8,800,000
- Sandy Lane Elementary: $1,000,000
- 74th Street Elementary: $4,100,000
- Coachman Bus Compound: $2,000,000
- YMCA Partner School: $19,625,278

**Relocatables, Site Acquisitions, Minor Projects:** $37,553,960

**Area Superintendents’ fund for special causes:** $4,770,346

**Furniture, Equipment, Technology, Vehicles and Safety:** $29,885,742

**Two Mill Relief, Transfers, Debt Service, Contingency:** $50,658,925

**Total Capital Appropriations for FY 2022-2023:** $181,661,765

**Carryover of prior projects:** $85,102,669

**Ending Fund Balance:** $89,462,721

**Total Capital Outlay appropriations, transfers & fund balance:** $356,227,155
Proposed Special Revenue

- Contracted Programs
  - Total Budget $51,490,560
    - 2021-2022 Continuing Grants
    - New Grants upon receipt
    - Includes CARES, ESSER and ARP grants

- Food & Nutrition
  - Total Budget $57,296,092
  - Self-Supporting
Proposed Debt Service Budget

- **Purpose**
  - To pay the principal and interest on existing long-term debt
- **Outstanding Bond Issues**
  - ($109 Million)
    - 2017 Certificate of Participation Bonds
    - 2021 Certificate of Participation Bonds
- **Total Budget** $8,523,466
Proposed Self-Insured Workers Comp Budget

- Total Budget $2,313,842
  - Workers Compensation
  - Liability Insurance
Proposed Self-Insured Health Budget

• Total Budget $167,606,331
  • Self-Insurance related to employee health benefits
  • Premium revenue and claim expenditures
School Board of Pinellas County

- The Tentative Budget is on file in the Office of Budget and Resource Allocation in the Administration Building
  301 4th St. S.W., Largo, Fl 33770
- For additional information, please call:
  (727) 588-6340
- www.pcsb.org
Motion Necessary to Adopt the Tentative Budget