



School Board of Pinellas County

Second Public Hearing to Adopt
Proposed Budget and Millages
September 11, 2012

School Board of Pinellas County

Proposed Millages For Fiscal Year 2012-2013



Good evening Dr. Stewart, madam chair and board members. Tonight I am going to present the districts proposed millage and budget for the 2012/13 fiscal year.

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



The districts 2012/13 millage is composed of the general operating millage which includes the RLE or required local effort, discretionary and local referendum.

It is important to remember we must levy the RLE and the discretionary millage as prescribed by the state.

The local referendum of .5 mills was initially approved by the voters in 2005/06 school year and was approved for the second time in the 2009/10 fiscal year. It will expire if not reapproved after this fiscal year.

The proposed millage also includes the capital outlay 1.5 mill

The RLE is determined by the DOE and was calculated by utilizing the 2012 estimated tax roll. For the past three years the RLE has included a prior period funding adjustment. The PPFAM offsets the unrealized Required Local Effort revenue resulting from a tax roll decrease that occurred when the 2011 certified final tax roll was less than the tax roll used in the FEFP calculation from fiscal year 2011/12.

What is the “Rolled-back” Millage Rate?

- The millage rate necessary to generate the same amount of money that was raised the prior school year, but using the new property values after adjusting for new construction.



Rate that would be required to generate the same amount of money that was raised the prior school year.

Proposed Millage vs. "Rolled-back" Rate

<i>2012/13 Proposed vs. "Rolled back" Rate</i>	Rolled Back Rate	2012/2013 Proposed	Percent Change
Required Local Effort	5.7803	5.5540	-3.92%
Discretionary Local Effort	0.7670	0.7480	-2.48%
Local Referendum	0.5127	0.5000	-2.48%
Capital Outlay	1.5382	1.5000	-2.48%
Total Millage	8.5982	8.3020	-3.44%

The Roll back rate tends to be lower than the proposed rate except in case of a declining property tax roll. As in the past few years, Pinellas County has been having a decrease in property value. The 2012/13 proposed millage of 8.302 is less than the roll back rate by 3.44%.

Millage Comparison

<i>Proposed 2012-2013 vs. Actual 2011-2012</i>	2011/2012 Actual	2012/2013 Proposed	Percent Change
Required Local Effort	5.6370	5.5540	-1.47%
Discretionary Local Effort	0.7480	0.7480	0.00%
Local Referendum	0.5000	0.5000	0.00%
Operating Subtotal	6.8850	6.8020	-1.21%
Capital Outlay	1.5000	1.5000	0.00%
Total Millage	8.3850	8.3020	-0.99%

Comparing 2011/12 and 2012/13 millage rates you can see in 2011/12 the total levied millage rate was 8.3850 but for 2012/13 our proposed total levied millage is 8.3020. This is an overall decrease of about 1% Only the RLE has decreased.

Property Tax Revenue Comparison			
	Revenue 2011-2012	Revenue 2012-2013	Difference
Required Local Effort	\$326,471,024	\$313,997,886	(\$12,473,138)
Discretionary	\$43,320,973	\$42,288,516	(\$1,032,457)
Local Referendum	\$28,957,870	\$28,267,725	(\$690,145)
Total Operating	\$398,749,867	\$384,554,127	(\$14,195,740)
Capital Outlay Millage	\$86,873,609	\$84,803,174	(\$2,070,435)
Total Millage	<u>\$485,623,476</u>	<u>\$469,357,301</u>	<u>(\$16,266,175)</u>

Our property tax revenue comparison shows a decrease in revenue of 16.3 million from last years proceeds. This is primarily a result of a decrease in our property tax roll.

Our RLE is decreasing by about 12.5 million due to the decreased tax roll as well as the decrease in millage rate.

The proposed discretionary millage would generate about 1 million less and

the referendum will yield about 700 thousand less than last year. Additionally, our capital outlay millage will generate about 2 million less than last year. Again this is a result of a declining tax value.

Reasons for Millage

- Required Local Effort:
 - Proposed tax rate must be levied to receive state funds (no district option)
- Discretionary Millage:
 - To maintain Services and meet additional costs due to inflation
- Local Referendum
- Capital Outlay Millage:
 - For proposed 2012-2013 projects as advertised

Reasons for millage – we have the required local effort. The district is required to levy our proposed rate in order to receive state funds.

Disc- read

The local referendum dollars are used to recruit and retain quality teachers, preserve reading, art, and music programs and provides up-to-date textbooks and technology.

The capital outlay millage is the districts primary funding source for maintenance, renovations, and new construction as advertised on July 28th.

Millage Proceeds by Type

Type	Millage	Proceeds
Operating		
Required	5.554	\$ 313,997,886
Discretionary	0.748	42,288,516
Referendum	0.500	28,267,725
Total Operating	6.802	384,554,127
Capital Outlay	1.500	84,803,174
Total Millage	8.302	\$ 469,357,301

Millage proceeds by type-

The required local effort will yield about 314 million

Discretionary millage will yield about 42.3 million

Referendum will yield about 28.3 million for a total 384.5 million

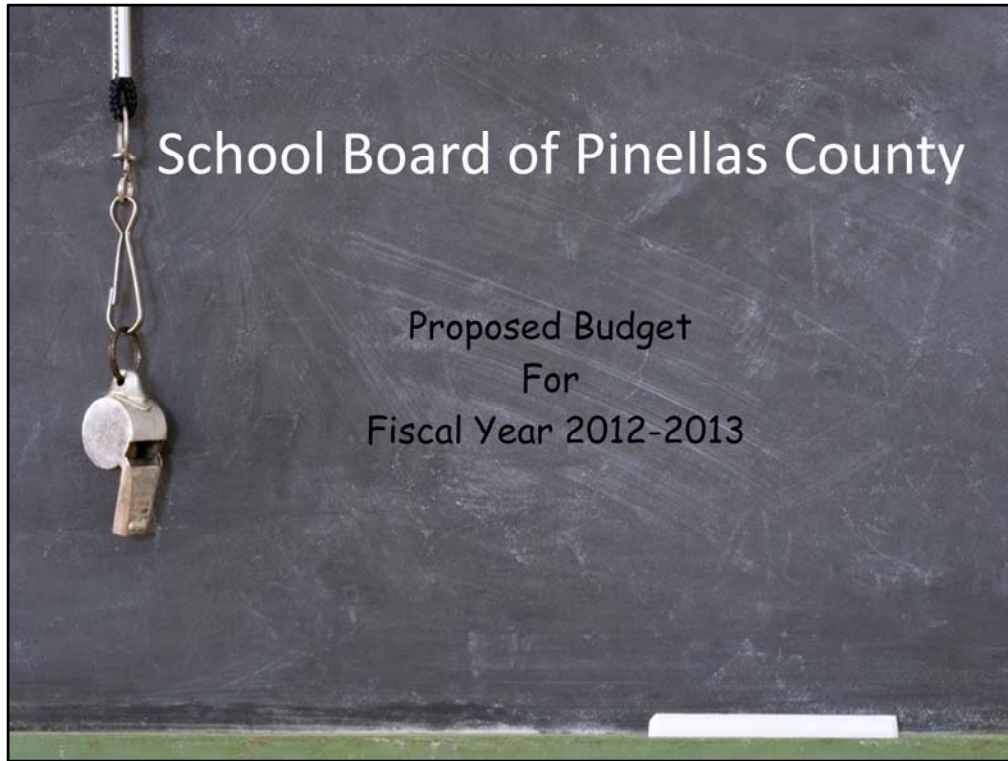
Our capital outlay millage will yield about 84.8 million for a grand total of 469.4 million

Motions Necessary to Adopt Millage Rates

- ✓ Approval of Proposed Discretionary Millage
- ✓ Adoption of Total Millage Rate



At this time I will turn it back over to the board chair for the motions necessary to adopt the millage rate and allow for public input.



Budget Calendar

- **October 2011 - June 2012**
 - Board Workshops
 - Budget Analysis
 - Budget Forecasting
 - Staffing Plan Development
- **March - June 2012**
 - Budget Development
 - Budget Steering Committee
- **July - September**
 - Minor Budget Adjustments
 - Public Hearings
 - Approval of Budget and Millage

The budget calendar is ongoing throughout the year. The process typically begins early October and runs through June. During this time we hold budget workshops in which budget updates are included and perform budget analysis and forecast where expenses are projected to be by the fiscal year end. Staffing allocation for the schools is also performed at this time.

March through June we begin the budget development phase. Typically at this time we have a better idea of what the legislative budget is providing for us; whether we can expect an increase or decrease of state funds.

We also conduct budget steering committee meetings, primarily for capital outlay requests.

July through September we hold two public hearings regarding the budget and Millage. Tonight being the second of those hearings and the first was held July 30.

Budget Parameters

- "Live Within our Means"
- 63/37 Expenditure Benchmark
- Contingency
- Core Curriculum / Strategic Directions

Our budget parameters are we try to live within our means in other words we attempt to keep expenditures at or below our revenues. We are a pays as we go district with very little or no debt. In fact the only debt we have was issued by the state on our behalf back in 2000.

We try to and have been able to maintain a 63/37 ratio. What this means is at least 63% of all our expenses occur in direct instruction or in the class room and only 37% occur in all other areas such as administration, plant operations, and instructional support. This means 2/3 of all our money goes toward expenditures in the class room.

We try and maintain at least a 1.5% contingency ideally we would like 3%. These dollars are sometimes referred to as our rainy day funds.

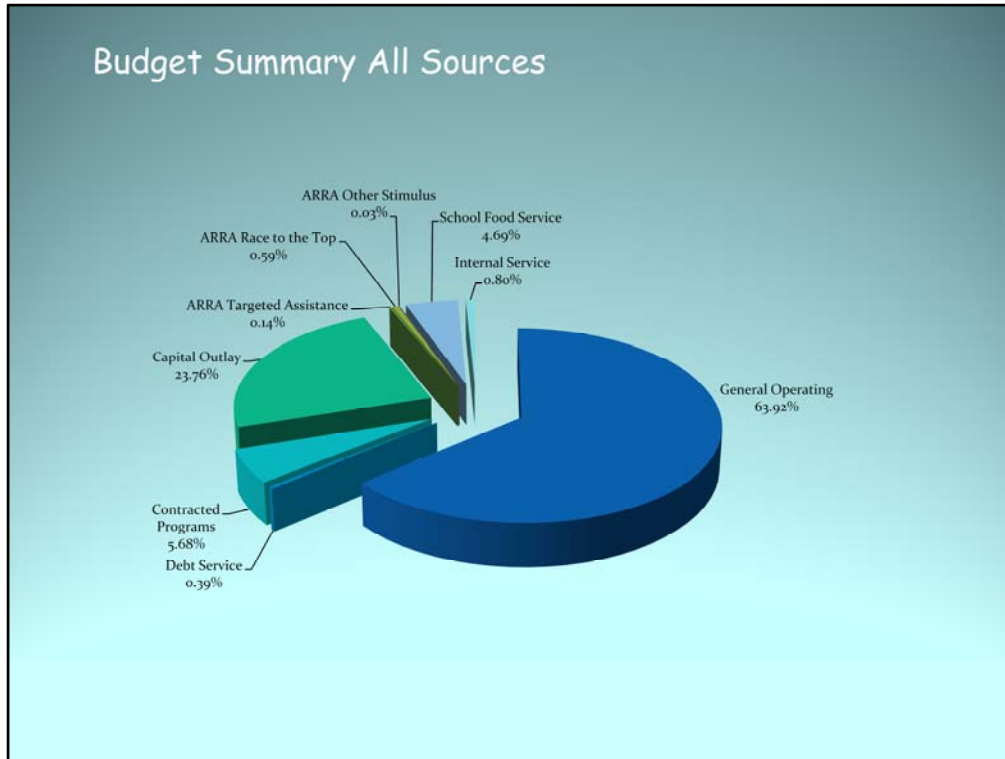
We also support our core curriculum and strategic directions

Budget Summary

General Operating	\$ 812,100,000
Debt Service	4,918,684
Contracted Programs	72,170,163
Capital Outlay	301,950,331
ARRA Targeted Assistance	1,775,025
ARRA Race to the Top	7,528,914
ARRA Other Stimulus	350,190
School Food Service	59,616,958
Internal Service	10,223,682
Grand Total	<u>\$1,270,633,947</u>

The majority of our budget is in our General fund. This year it is proposed to be 812 million

The second largest funding source is capital outlay at 302 million. The total proposed budget for all funds this year is 1.2 billion.



If you look at the budget summary percentages of all revenue sources you can see that 63.92% of all revenue comes from the general fund whereas the capital outlay accounts for 23.76%

Their combined total is 87.68% of our entire budget.

Legislative Issues 2012-2013

- Increase in BSA to \$3,582.98
- Increase in district share of revenue of \$11.3 Million
- In 2011/12 the district received \$295,587 for District Discretionary Lottery funding. However, for fiscal year 2012/13 no District Discretionary Lottery dollars were provided.



The legislative issues we have been faced with this year includes the BSA or base student allocation increased to 3,582.98. This was an increase of \$103 more than last year.

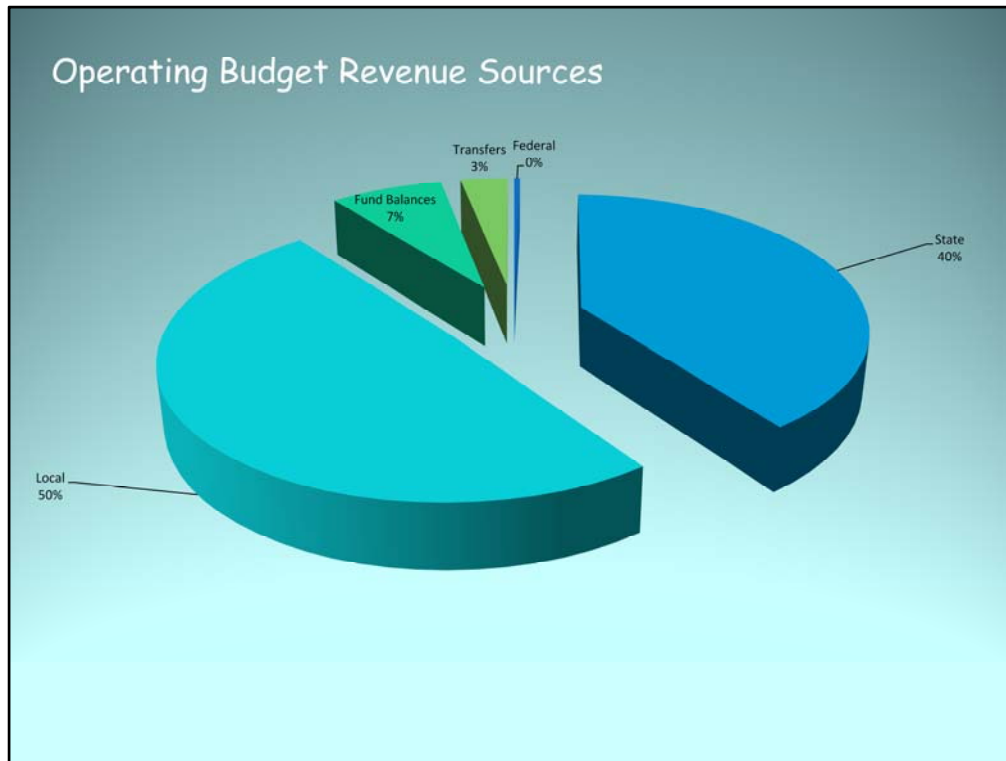
There was an increase in district share of revenue of 11.3 million however the district is not projected to receive any new discretionary lottery funds this year whereas last year we received 296 thousands

Operating Fund Resources

Federal Direct	\$320,000	0.04%
Federal Through State	2,766,870	0.34%
State Sources	322,209,154	39.68%
Local Sources	400,324,349	49.29%
Transfers	25,500,000	3.14%
Other	300,000	0.04%
Fund Balance	60,679,627	7.47%
Total - Anticipated Resources	<u>\$812,100,000</u>	<u>100.00%</u>

Looking at our operating fund resources you can see our total is 812 million. Of that about 400.3 million comes from local sources. Local dollars includes our district school taxes or RLE and referendum dollars

322 million comes from state resources such as FEFP and various state categoricals such as transportation and SAI dollars



Looking at the operating budget revenue graphically you can see the local sources comprises about 50% of the total operating budget and the state accounts for 40%.

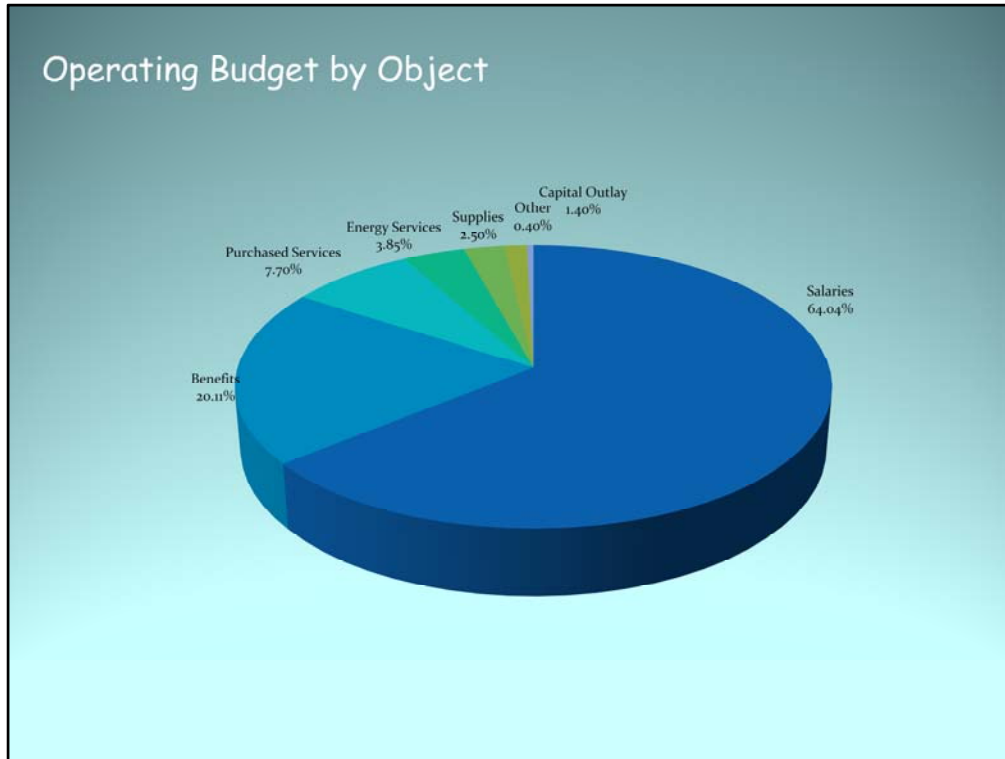
The remaining 10% comes from transfer and fund balance

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



The operating budget is used to fund the day to day operating expenditures of the district. It pays for salaries and benefits, supplies and materials, textbooks, student transportation, utilities and maintenance and repairs.



Looking at our operating budget by object there is little change from previous years. 64% of our budget is spent on Salaries and 20% on benefits. Therefore 84% of our operating budget goes towards staffing

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*
 - *Race Track*
 - *Interest earnings*
- Fund Balance
 - *Past Practice has been to operate under a "Pay - As - You Go" policy*

We have several capital outlay funds.

Our state sources are CO&DS. These funds are the result of a bond the state issues for us a few years ago

Our local capital sources are the property tax of 1.5 mills, race track and interest earnings

A side note, for the second year in a row the district has not received any PECO funds as these state dollars have been given to charters and colleges only.

Proposed Capital Projects

Maintenance and Infrastructure projects	30,555,100
Contingency	5,000,000
Technology, equipment, school buses and vehicles	20,779,064
Other (two-mill relief, transfers, relocatables and land)	21,508,671
Total Capital Appropriations for FY 2012-2013	<u>\$77,842,835</u>
Carryover of prior projects	131,356,683
Ending Fund Balance	92,750,813
Grand total Capital Outlay appropriations, transfers & fund balance	<u>301,950,331</u>

Our proposed capital outlay budget is approximately 302 million. Of that 87.3 million is new revenue and 77.8 are new proposed expenses. We have a 92.7 fund balance projected for the end of this fiscal year

Proposed Special Revenue

- Contracted Programs
 - Total Budget \$72,170,163
 - 11-12 Continuing Grants
 - New Grants upon receipt
- American Recovery and Reinvestment Grants
 - Total Budget \$9,654,129
 - Targeted Assistance
 - Race to the Top
 - Other Stimulus
- Food Service
 - Total Budget \$59,616,958
 - Self-Supporting



We have 3 proposed special revenue budgets

The contracted program budget is the federal revenue we receive such as Title 1 and IDEA. The total budget is 72.1 million. This budget starts the year off low and builds as the year goes on as we do not recognize or book the revenue until it is received.

We also have the American Recovery and Reinvestment Grants also known as ARRA. This revenue totals 9.6 million. Included is Targeted assistance, race to the top, and other stimulus funds

The third is our food service. This is a self sustaining fund as it receives no funds from the operating fund. Their proposed budget is approximately 60 million.

Proposed Debt Service Budget

- Purpose
 - To pay the principal and interest in existing long - term debt
- Outstanding Bond Issues
- (\$24.7 Million)
 - 2005 SBE Bonds
 - 2010 SBE Bonds
- Total Budget \$4,918,684

The proposed debt service budget is the result of a bond issued for 24.7 million on our behalf by the state in feb 2000. This budget is 4.9 million. This debt will be paid off by 2021

Proposed Internal Service Budget

- Total Budget
\$10,223,682
- Worker's Compensation
- Liability Insurance



The proposed internal service budget of 10.2 million is used to support our workers compensation and liability insurance

School Board of Pinellas County

- The Proposed 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) 588-6479
- [HTTPS://www.pcsb.org/budget/](https://www.pcsb.org/budget/)

The proposed budget and all supporting documents are on file in the office of budget and resource allocation, it can also be found online.

At this point I'm going to turn it back over to the board chair to allow for public comment and the motions necessary to adopt the budget. Thank you

