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School Board Budget Workshop
March 24, 2009

Capital Outlay Revenue Projections

Staff came before the School Board with an update from the March 2009 Revenue Estimating Conference, which projected significant reductions in Capital Outlay Millage.

Based on the March 2009 conference report from the State's Office of Economic and Demographic Research, Broward County is projected to decline by 14.9% of school taxable value for the fiscal year 2010 and 8.7% for the year 2011. This is due to plummeting property values.

The 0.25 mill reduction to the capital outlay millage has also reduced revenues and impacted the Districts' ability to issue COPs by reducing its borrowing capacity. COPs funding is used to finance construction projects. As a result of the decline in taxable value and the 0.25 reduction in capital outlay millage, the District will be required to cut or delay projects that were approved in last year's Adopted District Educational Facilities Plan.

Due to the 0.25 mill reduction and lack of borrowing capacity, the School District will not be able to utilize interest free School Construction Bonds that were part of the Federal Stimulus Package. There is also the growing concern regarding the District's ability to pay for fixed capital costs, such as debt service, property insurance, the maintenance transfer, capital overhead, and still maintain a viable construction program.

Broward County, along with a coalition of other districts, has asked lawmakers to provide school boards with the option of increasing the capital outlay millage from 1.75 to 2.0 mill to avoid large scale cutbacks in their capital plans. Since the legislature is unwilling to restore the capital outlay millage to 2.0 mills, the coalition requested that school districts have the flexibility to recover the .25 millage.

The Superintendent recommended, and the Board Members agreed, that Broward County will continue to lobby the State to restore the millage to 2.0. The fallback position is for the Board to have the option to levy an additional 0.25 mills. The Board Members are opposed to raising taxes and would prefer that the State restore the 0.25 mill in capital outlay funding.

Staff provided different scenarios of varying millage rates and debt service ratios to show the Board options that could be considered. Board Members have asked staff to create an easily comprehended synopsis on this financial situation from today's workshop, and post it on the browardschools.com website and air it on BECON TV. These synopses on the budget situation are to be updated regularly in order to keep the public informed.

Projects prioritization will be determined based on benchmarks and this will be done in the coming weeks. Once a list of projects that will be removed from the 5-year plan is determined,

Board Members would like this list posted to the website, including the names and email addresses of the legislators in whose district the projects reside.

Board Members would also like a list of projects that may possibly receive stimulus money, the locations of the projects as well as the names and email addresses of the legislators in whose district the projects reside.

Due to the level of education funding in the State's budget, Broward County and other school districts may not receive state stabilization dollars from the stimulus package unless the Federal Government approves a waiver from the State.

The Superintendent will be holding public forums to educate the public on the current educational budget crisis in Broward County. Parents feel disenfranchised and want to be kept abreast on the issues. They are very frustrated with not having a voice in the legislative process and want the opportunity to have their voices heard and offer suggestions. This will allow them the opportunity to see what is being processed or discussed regarding education and provide a vehicle to contact their legislators with their input. There will be approximately six public forums, which will be held at one location and teleconferenced to schools across the District.

The Board has requested that current legislative bills, that would concern parents and education, be posted on the website along with the links to legislators' emails for public comment.

This workshop, as are all workshops, is for discussion purposes only and no decisions are made. Approval of any issue would have to come before the Board at a Regular School Board meeting to be voted on. Material for this topic is posted on the eAgenda March 24, 2009 workshop.

JFN/jd