

Public Hearing – Final Budget Adoption

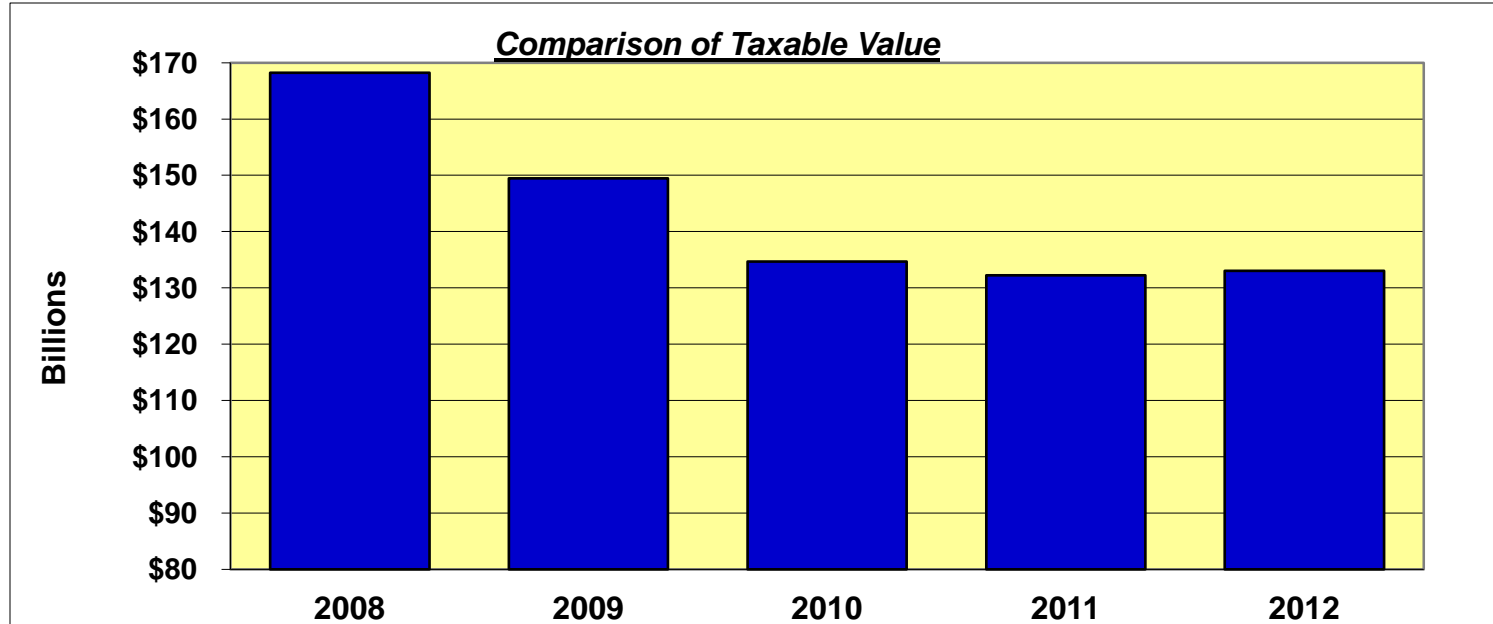
September 5, 2012



School Taxes Overview



Palm Beach Property Values Up .59%



Tax Year	Gross Taxable Value *	Incr/(Decr) As Compared to Prior Year	% Increase/(Decrease) As Compared to Prior Year
2008	\$168,237,902,004	\$(1,991,234,340)	-1.17%
2009	149,448,533,249	(18,789,368,755)	-11.17%
2010	134,698,183,829	(14,750,349,420)	-9.87%
2011	132,258,526,057	(2,439,657,772)	-1.81%
2012	\$133,036,112,620	\$777,586,563	0.59%

* Gross Taxable Value as of budget adoption.

Majority of School Taxes set by Legislature

	2011-12	2012-13	Increase/ (Decrease)	%
Total Palm Beach County Gross Taxable Value	\$132,258,526,057	\$133,036,112,620	\$777,586,563	0.59%
Millage Rates				
By State law:				
Required Local Effort (RLE)	5.682	5.257	(0.425)	
Prior Period RLE Adjustment	0.000	0.023	0.023	
Sub-total State	5.682	5.280	(0.402)	
By Local Board:				
Discretionary Operating	0.688	0.702	0.014	
Local Capital Improvement	1.500	1.500	0.000	
Discretionary Capital Improvement	0.060	0.046	(0.014)	
Sub-total Local	2.248	2.248	0.000	
Voted Millage:				
Additional Operating	0.250	0.250	0.000	
Total Taxes	8.180	7.778	(0.402)	(4.91%)

Estimated Tax Collections Decline 4.55%

	2011-12	2012-13	Increase/ Decrease	%
Total Palm Beach County Gross Taxable Value *	\$ 132,258,526,057	\$ 133,036,112,620	\$ 777,586,563	0.59%
Estimated School Taxes				
By State Law:				
Required Local Effort (RLE)	721,433,227	671,396,010	(50,037,217)	-6.94%
Prior Period RLE Adjustment		2,937,437	2,937,437	
By Local Board:				
Discretionary Operating	87,354,111	89,655,697	2,301,586	
Local Capital Improvement	190,452,278	191,572,002	1,119,724	
Discretionary Capital Improvmt	7,618,091	5,874,875	(1,743,216)	
Sub-total Local	285,424,480	287,102,574	1,678,094	0.58%
Voted Millage:				
Additional Operating	31,742,046	31,928,667	186,621	
Total Taxes	\$ 1,038,599,753	\$ 993,364,688	\$ (45,235,065)	-4.55%

* Gross Taxable Value as of budget adoption.

Total Millage Rates 4.8% Less Than Roll Back Rate

	2011-12 Millage Rate	2012-13		% Incr/(Decr) As Compared To Rolled Back Millage Rate
		Rolled Back Millage Rate	Millage Rate	
Taxable Value	\$132,048,705,669*		\$133,036,112,620**	
<u>Non-Voted Millage:</u>				
Required Local Effort (RLE)	5.6820	5.6753	5.2570	(7.37%)
Prior Period RLE Adjustment	0.0000	0.0000	0.0230	
Discretionary Operating	0.6880	0.6872	0.7020	2.15%
Local Capital Improvement	1.5000	1.4982	1.5000	0.12%
Discretionary Capital Improvement	0.0600	0.0599	0.0460	(23.21%)
Sub-Total Non-Voted	7.9300	7.9206	7.5280	(4.96%)
<u>Voted Millage:</u>				
Additional Operating	0.2500	0.2497	0.2500	0.12%
Total Voted & Non-Voted Millage	8.1800	8.1703	7.7780	(4.80%)

* Final Certification of Taxable Value for 2011.

** Certification of School Taxable Value 7/1/12.

COMPARISON OF HOMEOWNER PROPERTY TAXES TAX YEAR 2011 TO 2012

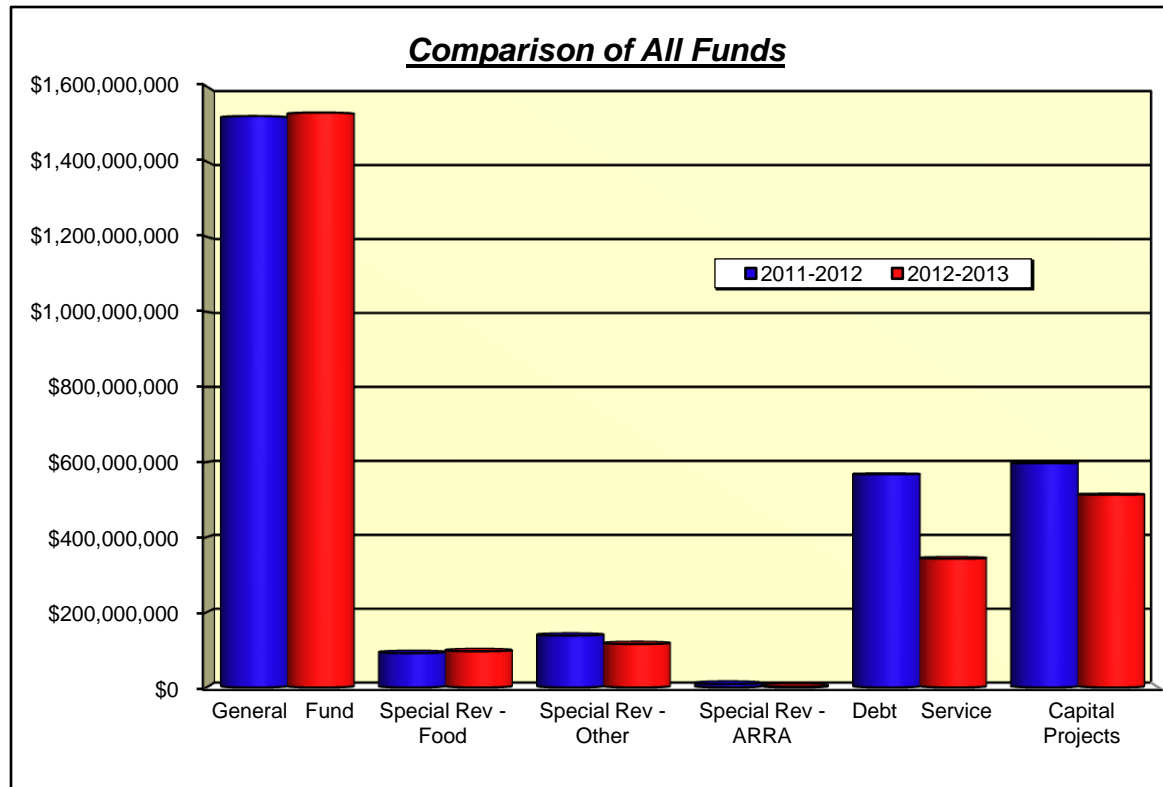


	2011 Tax Year		2012 Tax Year	
	Sample Home		Sample Home (With No Increase in Taxable Value)	
Assessed Value	\$225,000		\$225,000	
Homestead Exemption	25,000		25,000	
Taxable Value	<u>\$200,000</u>		<u>\$200,000</u>	
	<u>Millage</u>	<u>Taxes</u>	<u>Millage</u>	<u>Taxes</u>
Required Local Effort (RLE)	5.6820	\$1,136.40	5.2570	\$1,051.40
Prior Period RLE Adj.	0.0000	0.00	0.0230	4.60
Discretionary Operating	0.6880	137.60	0.7020	140.40
Critical Operating Needs	0.0000	0.00	0.0000	0.00
Local Capital Improvement	1.5000	300.00	1.5000	300.00
Discretionary Capital Improvement	0.0600	12.00	0.0460	9.20
NON-VOTED	<u>7.9300</u>	<u>\$1,586.00</u>	<u>7.5280</u>	<u>\$1,505.60</u>
Additional Operating	0.2500	50.00	0.2500	50.00
NON-VOTED & VOTED	<u>8.1800</u>	<u>\$1,636.00</u>	<u>7.7780</u>	<u>\$1,555.60</u>
<i>Decrease from prior year due to decrease in millage rates:</i>				<u>-\$80.40</u>

Budget Overview



Comparison of Budget - All Funds 2011-2012 to 2012-2013



Fund Titles	Amended 2011-2012 Budgets	Proposed 2012-2013 Budgets	Increase/ (Decrease)
General Fund	\$1,520,707,616	\$1,530,076,976	\$9,369,361
Special Revenue - Food Service	91,405,120	96,418,182	5,013,061
Special Revenue - Other *	138,152,558	115,493,118	(22,659,440)
Special Revenue - ARRA	9,135,142	1,932,059	(7,203,083)
Debt Service	567,448,503	342,910,067	(224,538,437)
Capital Projects	596,752,976	513,091,830	(83,661,146)
Sub-Total	<u>\$2,923,601,914</u>	<u>\$2,599,922,232</u>	<u>(\$323,679,682)</u>
Less Transfers:	<u>(226,092,617)</u>	<u>(230,926,143)</u>	<u>(4,833,526)</u>
TOTAL ALL FUNDS	<u><u>\$2,697,509,298</u></u>	<u><u>\$2,368,996,089</u></u>	<u><u>(\$328,513,209)</u></u>

General Fund Budget Highlights

- Proposed Budget includes the following:
 - Projected enrollment increase of 2,224 students.
 - Health Insurance – Board increasing contribution \$300 per employee (\$5 mil.) due to increased claims.
 - Florida Retirement System changes increased cost totals \$2.6 mil.
 - Addition of 89 middle school teacher positions to meet class size.
 - Additional hour of reading at 16 elementary schools: \$5.8 million.
 - \$6.7 mil. set aside for outcome of FRS lawsuit or FY2014.

General Fund Budget Adjustments

- Proposed Budget includes the following adjustments:
 - Reduction of teacher average salary due to large number of new hires for class size in FY12.
Reduction: \$14.8 mil.
 - Centralization of speech language pathologists, expect to reduce need for contracted services by \$935,000.
 - \$1.7 mil. additional revenue from increased overhead charges to Afterschool Programs using district facilities.

General Fund Budget Adjustments

- Proposed Budget adjustments (Continued):
 - School bus repair costs moved to Capital Maintenance Transfer. \$2.6 mil. savings to General Fund.
 - School support allocation changes: Savings \$1.0 mil.
 - 19 Attendance Clerk positions @ elementary schools with < 500 students.
 - High school Media Clerk allocation reduced from 2 to 1 – Affects 17 schools.
 - Reorganization of administrative positions.

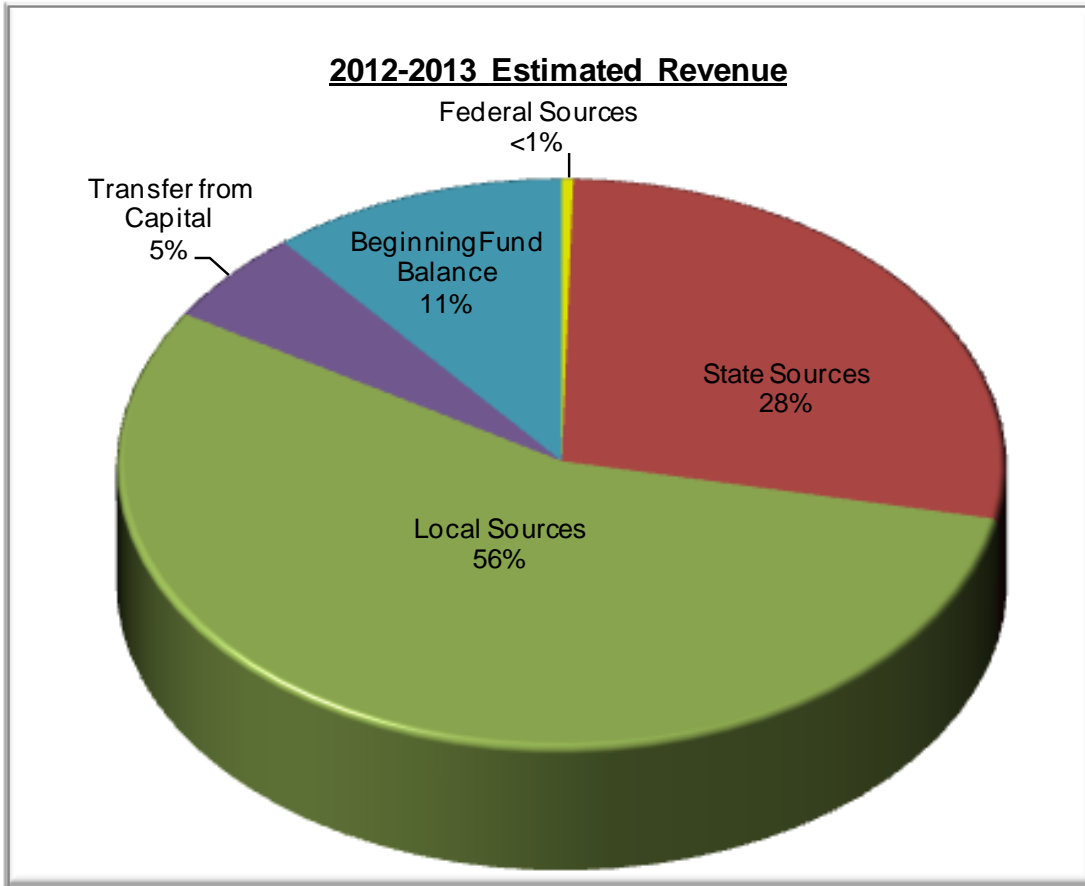
FY 2012 Year end Results

- Year end fund balance \$166.7 million
 - Reduction of \$20.2 million; less than projected
- Recurring expenditures less than budgeted:
 - Workers comp & unemployment: \$11.3 mil.
 - Average salaries: \$14.8 million – used to balance FY13

FY 2013 Budget

- FY 2013 Average teacher salaries:
 - Actual average for all teachers, counselors, media specialists & coaches: \$48,410
 - Budgeted average: \$48,660
 - Net available funds: \$3.7 mil., including benefits
- Net funds available to set aside for FRS outcome and/or wage increase: \$21.7 mil.
 - \$15.0 mil. recurring funds (\$11.3 and \$3.7 mil.)
 - \$ 6.7 mil. one time funds

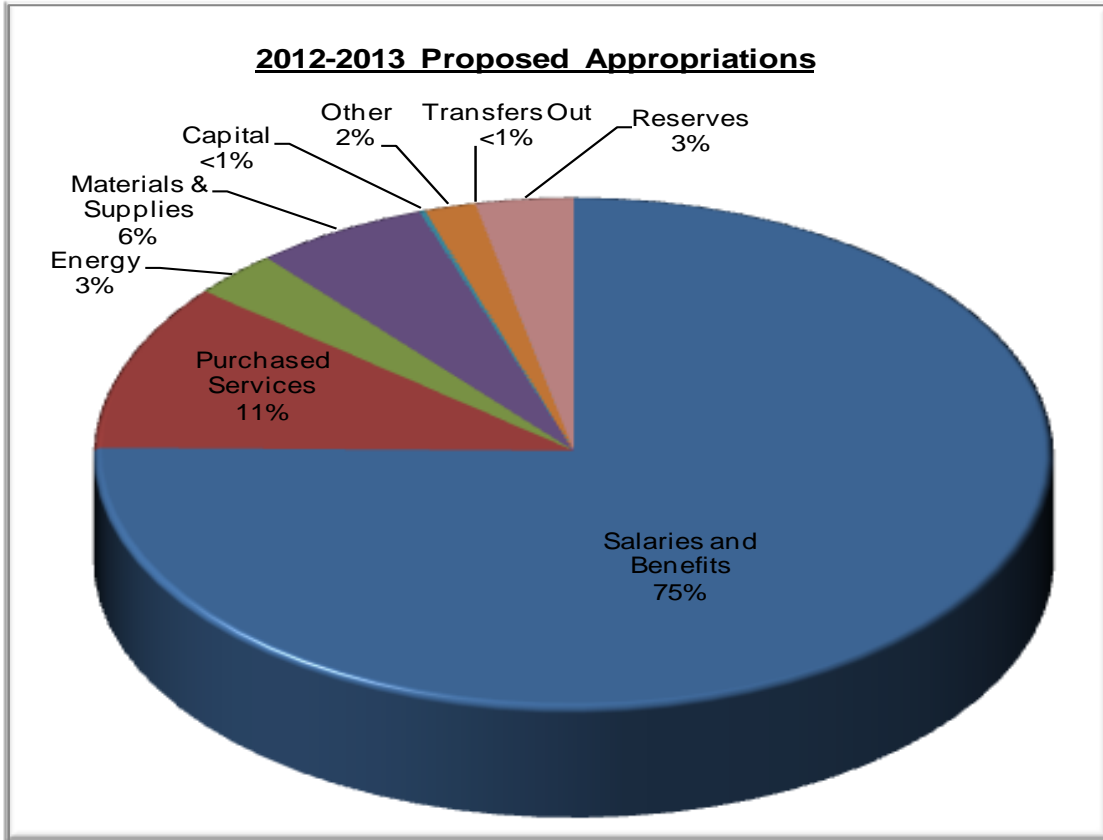
General Fund Revenue



REVENUE (\$ MILLIONS)

Federal Sources	\$	6.4
State Sources		425.9
Local Sources		848.3
Transfer from Capital		82.8
Beginning Fund Balance		<u>166.7</u>
TOTAL REVENUE		<u>\$1,530.1</u>

General Fund Appropriations



APPROPRIATIONS (\$ MILLIONS)

Salaries and Benefits	\$1,150.4
Purchased Services	162.8
Energy Services	45.3
Materials & Supplies	90.7
Capital	3.0
Other Expenses	26.7
Sub-Total	<u>\$1,478.9</u>
Transfers Out	0.1
Reserves	51.1
TOTAL BUDGET	<u>\$1,530.1</u>

Capital Budget Highlights

- 75% of the millage revenues will be used for debt service.
- No new construction projects are planned for FY2013. Funds for Galaxy, Gladeview, Gove, North Palm Beach and Rosenwald are carried forward from FY2012.
- Maintenance of School Buses has been moved to the capital budget transfer.
- Total FY2013 Capital Budget is \$513 mil., down from \$597 mil.
 - \$306 million (or 60%) of the budget is from carryover balances.

Budget Outlook

- Funding linked to enrollment
 - Total enrollment may fall short of 177,306 projection resulting in reduction in total funding.
 - At 11 day count, teacher allocations will be adjusted school by school, to match enrollment.
 - Current speculation: statewide enrollment may be higher than projected; resulting prorated holdback could further reduce funding

Budget Outlook

- Class size compliance
 - Measurement occurs week of October 8-12.
 - Additional resources have been added to middle schools.
 - Teacher allocation formulas replicate resources allocated in FY2012 to achieve compliance.

Budget Outlook

- FRS Lawsuit begins in September
 - Outcome will determine financial impact
 - Reinstatement of 3% employer contribution = \$27 million annual impact
 - Repayment of employee contributions to date – assertion that employers may have to reimburse, even though the funds have been transmitted to the FRS retirement fund

Budget Outlook

- State economy – August 9, 2012 Revenue Estimating Conference
 - FY2012 revenue finished slightly ahead of estimates; primarily from one-time sources
 - FY2013 revenue projection: 4.3% increase
 - FY2014 estimated at 5% higher than FY2013

Budget Outlook

- National economy
 - Congressional budget office recently warned of renewed recession in 2013 if Bush-era tax cuts are repealed and automatic spending cuts are implemented.
- Federal Budget - Prospect of sequestration
 - Affects entitlement grants: Titles I, II, III, IDEA
 - Projected to impact FY 2014 budget
 - Uncertain outcome

Budget Outlook

- Global Economy
 - Continued instability in Eurozone may undermine world credit markets

Budget Documents available on Web

<http://www.palmbeachschools.org/budget/BudgetDevelopment.asp>

Board Agenda Items

B1 – Millage To Be Levied

B2 – District Summary Budget



SCHOOL DISTRICT OF PALM BEACH COUNTY

Board Meeting Date: September 5, 2012

Final Budget Adoption

DIVISION: Budget

Resolution Certifying Millage to Be Levied

Description:

Chapter 200.065(2)(f)3 of the Florida Statutes requires that the school district hold a public hearing to adopt a millage rate within 80 days of certification of value, but not earlier than 65 days after certification.

The total millage rate being levied is 7.7780 which raises \$993,364,692 in local revenues.

Item Type:

Action

Recommendation:

I recommend the School Board adopt the Resolution determining revenues and millage levied for FY2013.

Legal Review Required:

No

Contact:

Michael J. Burke (Mike.Burke@palmbeachschools.org)

Shirley M. Knox (Shirley.Knox@palmbeachschools.org)

Financial Impact:

The financial impact to the district is \$993,364,692 in local tax revenues for FY 2013.

Full Review Required:

Yes



SCHOOL DISTRICT OF PALM BEACH COUNTY

Board Meeting Date: September 5, 2012

Final Budget Adoption

DIVISION: Budget

Approval of 2012-2013 District Summary Budget

Description:

The recapitulation of this budget is scheduled below.

General Fund	\$1,530,076,976
Special Revenue - Food Service	96,418,182
Special Revenue - Other *	115,493,118
Special Revenue - ARRA Stimulus	1,932,059
Debt Service	342,910,067
Capital Projects	513,091,830
Sub-Total	<u>\$2,599,922,232</u>
Less Transfers:	<u>(230,845,643)</u>
Total Funds	\$2,369,076,589

Item Type:

Action

Recommendation:

I recommend the School Board approve the resolution and adopt the final district summary budget in the amount of \$2,369,076,589 for FY 2013; and approve the District's FY 2013 organizational chart included within the budget; and authorize the Chairman and Superintendent to sign all necessary documents.

Legal Review Required:

No

Contact:

Michael J. Burke (Mike.Burke@palmbeachschools.org)

Shirley M. Knox (Shirley.Knox@palmbeachschools.org)

Financial Impact:

The financial impact to the school district is a budget of \$2,369,076,589 in all funds for FY 2013.

Full Review Required:

Yes

Adjourn

Public Hearing
September 5, 2012

