

Approved in Open Board Meeting, November 1, 2011

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT

September 15, 2011
Thursday, 5:30 p.m.

MINUTES OF SPECIAL MEETING

The School Board of Broward County, Florida, met in special session at 5:37 p.m., Thursday, September 15, 2011, in the Board Room of the Kathleen C. Wright Administrative Center, 600 Southeast Third Avenue, Fort Lauderdale, Florida. Present were: Chair Benjamin J. Williams; Vice Chair Ann Murray; Members, Robin Bartleman, Maureen S. Dinnen, Patricia Good, Donna P. Korn, Katie P. Leach, Laurie Rich Levinson, Nora Rupert, David Thomas; Interim Superintendent Donnie Carter, and J. Paul Carland, II., Esq.

Call to Order The call to order was followed by the Pledge of Allegiance to the Flag of the United States of America.

Close Agenda Upon motion by Mrs. Good, seconded by Ms. Murray and carried, the Agenda was approved and declared closed. (9-0 vote)

Purpose of Meeting Public Hearing for Proposed Millage Levy and Final Budget for Fiscal Year 2011-2012.

Introduction by Chair

Welcoming the audience to the second public hearing on the Broward County School District's 2011-12 budget, Mr. Williams stated that the purpose of this hearing is to receive public input regarding the Interim Superintendent's proposed budget and millage rates. Mr. Williams stated that this is not the first meeting that the Board has had relative to this budget; numerous workshops have been held to review background information, study the budget, ask questions, and receive responses.

Explaining the procedure to be followed for this hearing, Mr. Williams stated that individuals wishing to speak about the proposed budget are required to sign in as a speaker. At the end of the presentation speakers will be called to the floor and will be given three minutes to address the Board. Speakers are asked to address the issue at hand and refrain from obscenity, vulgarity, or other breach of respect and refrain from words or statements, which from their usual construction and common acceptance are construed as insults and tend to incite violence or breach of the peace. The public is asked to model the district's eight character traits: cooperation, responsibility, citizenship, kindness, respect, honesty, self-control, and tolerance.

Mr. Williams thanked the audience for their support of Broward County Public Schools and for attending this meeting.

Statement by Interim Superintendent

Mr. Carter informed that the budget process in the district is a year-round process. Although there continues to be many unmet needs in the district, the Interim Superintendent said he feels the budget as presented makes effective and efficient use of the limited resources available to the school system.

Mr. Carter shared with the public some information regarding the budget and initiatives that the Board and the district have taken to address the funding shortfall of over \$141 million. Over \$22 million was carried over from the Education Jobs Fund; recommending furloughs ranging from two to five days, for a savings of \$11.2 million; reduction of Central Office budgets by \$36.1 million and school budgets by \$25 million. Mr. Carter noted that Broward ranks sixth lowest in administrative costs out of the 67 counties in the state of Florida.

Mr. Carter announced that the Broward School District has once again received the Distinguished Budget Presentation award from the Government Finance Officers Association and the Association of School Business Officials International. It was noted that these awards are the highest form of recognition for governmental budgeting.

The Superintendent stated that Mrs. Rebecca McMahan, Interim Director, Budget, will present the highlights of the 2011-2012 district budget.

Presentation – 2011-2012 District Budget Highlights

Mrs. McMahan presented highlights of the proposed budget, through slide presentation, as shown in the proposed District Budget:

Millage and Taxes:

- Comparison of Millage and Rolled Back Rate (Chart)
- Comparison of Millage Rates (Chart)
- Comparison of Gross Taxable Value (Chart)
- Comparison of Budget (All Funds) (Chart)
- Comparison of Homeowner's Property Taxes
- Comparison of Condominium Owner's Property Taxes
- Taxable Value

General Fund:

- 2011-2012 Projected Appropriations (Chart)
- 2011-2012 Projected Appropriation Per Unweighted FTE (Chart)
- 2011-2012 General Fund School Staff (Chart)
- 2011-2012 General Fund Department Staff (Chart)
- 2011-2012 Administrative Staff Compared to Total Staff (Chart)
- 2011-2012 Unfunded Mandates
- 2011-2012 Special Program Items
- 2011-2012 Lottery Allocations – Sales vs. Educational Enhancement Trust Fund (EETF) (Chart)
- 2011-2012 Lottery Revenue Trend - 5 Years (Chart)

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Capital Outlay Budget:

2011-2012 Capital Budget Calendar
2011-2012 Estimated Revenue and Appropriations – New Sources (\$000) (Chart)
2011-2012 Estimated Revenue and Financing Sources (\$000)
2011-2012 Estimated Appropriations (\$000)

Board Discussion

Ms. Dinnen requested that staff explain the Required Local Effort for the public; that the district does not set the millage. She stated that the majority of the district's millage is the Required Local Effort which is a state determination.

Mr. I. Benjamin Leong, Chief Financial Officer, Office of the Chief Financial Officer, responded that Florida Legislature gives cities and counties the freedom to levy up to the 10 mills cap. School districts participate in the Florida Education Finance Program (FEFP), whereby the state sets the Required Local Effort of 5.1 percent and the Board has no discretionary. Following that there is one discretionary, operating and one discretionary millage in Capital at 1.5; the other discretionary is 1.7 or 1.8. Mr. Leong further stated that the Board's hands are tied even though the collection of property taxes went down \$54 million as compared to last year.

Mrs. Bartleman stated that last year the district had an opportunity to place additional millage on the ballot but chose not to.

Concurring, Mr. Leong stated that because of economic conditions the state took 1.25 mills from the capital side and moved it to the operating side a year ago. When the Board objected, they allowed the district to lend the additional millage for one year if there was a super majority by the Board. If the Board wanted to continue for another two years the Board would have had to place it as a referendum by November 2010 for the voters to approve.

Concurring, Mrs. Bartleman stated that the district's discretionary millage is 1.5 and 1.74, and a lot of counties do not levy up to the 1.5 so the district levied to the maximum. She reiterated that at that time the Board chose not to do that.

Ms. Dinnen noted that the Board had the option to have a vote.

Mrs. Bartleman stated that the Board did it but did not place it on the ballot.

Mrs. Rupert requested an explanation regarding strategies to help reduce health care costs on page 22.

Mr. Leong responded that the health costs were projected to be about \$10 million and following negotiations with staff and the insurance company, the costs were reduced to \$6 million, approximately 7 percent increase.

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Referring to page 23, Mrs. Rupert stated that the Florida Department of Law Enforcement (FDLE) mandates the district to maintain the fingerprint records of each employee. Mrs. Rupert requested information as to whether the fingerprint department was transferred to the Department of Agriculture in Tallahassee. Also, whether the amount the district has to pay to maintain the program is the same amount or whether it will be more.

Mr. Leong responded that Food Service was transferred to the FDLE but not the fingerprint department. He stated he would double-check and provide information to the Board.

Mrs. Bartleman inquired how much one-time money was used for the budget.

Mr. Leong responded that one-time money is approximately \$42 million or \$43 million.

Mrs. Bartleman stated that she looks forward to a long-term budget plan, multiple years, so that the Board does not find itself in a hole every year. She requested that staff look into strategic planning on the financial side to save money.

Informing her colleagues that she sat on the Budget Committee, Mrs. Korn stated that internally the district can plan where to make efficiencies in order to save money which can then go to the classroom.

SUPERINTENDENT'S RECOMMENDATIONS:

1. Resolution Adopting Millage To Be Levied (Adopted)

Motion was made by Ms. Dinnen, seconded by Ms. Murray and carried, to adopt resolution number 12-21, approving the millage to be levied for fiscal year 2011-2012. (9-0 vote)

It is recommended that the School Board adopt Resolution #12-21 approving the millage rates to be levied for the 2011-12 fiscal year. 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 annual budget for all funds is \$2,936,429,726.

WHEREAS, Section 1011.04, Florida Statutes requires that upon receipt of the certificate of the property appraiser giving the assessed valuation of the county and of each of the special tax school districts, the School Board shall determine, by resolution, the amounts necessary to be raised for current operating purposes and for debt service funds and the millage to be levied for each such fund, including the voted millage; and

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WHEREAS, Section 1011.71 (3) (b), Florida Statutes, provides for the amounts necessary to be raised for either critical capital outlay needs or critical operating needs and the 0.25 to be levied; and

WHEREAS, the certificate of the property appraiser has been received;

THEREFORE, BE IT RESOLVED by the District School Board that the amounts necessary to be raised as shown by the officially adopted budget and the millages necessary to be levied for each school fund of the district for the fiscal year are as follows:

DISTRICT SCHOOL TAX (Non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
<u>\$135,621,662,076</u>	Required Local Effort	<u>\$673,117,433</u>	<u>5.1700 mills</u>
	Total Required Millage	<u>\$673,117,433</u>	<u>5.1700 mills</u>

DISTRICT SCHOOL TAX DISCRETIONARY MILLAGE (Non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
<u>\$135,621,662,076</u>	Discretionary Operating	<u>\$97,387,203</u>	<u>0.7480 mills</u>

DISTRICT LOCAL CAPITAL IMPROVEMENT TAX (Non-voted levy)

a) Certified taxable value	b) Description of levy	c) Amount to be raised	d) Millage levy
<u>\$135,621,662,076</u>	Local Capital Improvement	<u>\$195,295,193</u>	<u>1.5000 mills</u>

THE TOTAL MILLAGE RATE TO BE LEVIED IS LESS THAN THE ROLL-BACK RATE COMPUTED PURSUANT TO SECTION 200.065(1), F.S., BY 4.73 PERCENT.

This item was discussed under Board Discussion.

2. Resolution Adopting Final Budget (Adopted)

Motion was made by Ms. Dinnen, seconded by Ms. Murray and carried, to adopt resolution number 12-22, adopting the Final Budget for Fiscal Year 2011-2012. A roll-call vote was taken. Mrs. Rich Levinson voted "no." (8-1 vote)

It is recommended that the School Board adopt resolution 12-22 approving the final budget for the 2011-12 fiscal year. Chapter 200.065(2)(f)3 of the Florida

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Statutes requires that the school district hold a public hearing within 80 days of certification of value, but not earlier than 65 days after certification.

The recapitulation of this budget is scheduled below:

General Fund - \$1,911,760,862
Special Revenue - Food Service - \$117,411,527
Special Revenue - Other \$174,043,051
Special Revenue - Stabilization - \$0
Special Revenue - Stimulus - \$0
Special Revenue - Miscellaneous - \$3,576,840
Debt Service - \$195,043,438
Capital Projects - \$648,090,109
Internal Services - \$128,907,523
Subtotal - \$3,178,833,350
Less Transfers - \$(242,403,624)
Total - \$2,936,429,726

The total annual budget for all funds is \$2,936,429,726.

This item was discussed under Board Discussion.

Adjournment: This meeting was adjourned at 6:15 p.m., by way of motion by Mrs. Good and seconded by Ms. Murray

RT