

AN EXPLANATION OF ROLLED-BACK MILLAGE RATE

“Rolled-Back Rate: -- The millage rate for the new year which would produce the same level of ad valorem tax revenue as was levied in the prior year, after adjusting the new year’s taxable property value by backing out “net new construction” and certain deletions.

In other words, the Rolled-Back Rate is the new millage rate that it would take to produce the same amount of property tax revenue using the new-year property tax roll, as was produced the year before by the prior-year actual millage rate and the prior-year tax roll.

The theory behind the “Rolled-Back Rate” is to maintain a constant revenue stream from local property tax sources. Presumably, as the tax roll increases in value, the millage rate would drop proportionately. Unfortunately, this theory does not provide for funding student enrollment growth nor does it allow for basic inflationary cost increases. A third limitation is the historical trend toward rapidly declining state revenues expressed as a percentage of the School Board’s operating and capital outlay budgets.

SCHOOL DISTRICT OF CLAY COUNTY ROLLED-BACK RATE CALCULATION 2010-2011 BUDGET REVIEW

COLUMN	(1) 2009-2010 ROLLED-BACK MILL LEVY*	(2) 2009-2010 MILL LEVY	(3) 2010-2011 MILL LEVY	(4) INCREASE/(DECREASE) IN MILLAGE (COLUMN 3 MINUS COLUMN 1) 2010-2011 MILL LEVY IN EXCESS OR LESS THAN 2009-2010 ROLLED-BACK MILL LEVY	(5) ROLLED-BACK RATE (COLUMN 4 % OF COLUMN 1) PERCENT INCREASE (DECREASE) BASED ON MILLAGE INCREASE (DECREASE) (4) DIVIDED BY ROLLED-BACK MILL LEVY (1)
REQUIRED LOCAL EFFORT	5.6896	5.2350	5.3690	(0.3206)	(5.63)
DISCRETIONARY	0.8129	0.7480	0.7480	(0.0649)	(7.98)
SUPPLEMENTAL	-	-	-	-	-
CRITICAL OPERATING NEEDS	0.2717	0.2500	0.2500	(0.0217)	(7.99)
LOCAL CAPITAL IMPROVEMENT	1.6303	1.5000	1.5000	(0.1303)	(7.99)
TOTAL MILLAGE LEVY	8.4045	7.733	7.867	(0.5375)	(6.40)

TOTAL DECREASE IN MILLAGE (COLUMN 4) DIVIDED BY ROLLED-BACK MILL LEVY (COLUMN 1) EQUALS ROLLED-BACK RATE (COLUMN 5) (0.5375) DIVIDED BY 8.4045 EQUALS (6.40%)

*NOTE: THE CALCULATIONS OF THE 2009-2010 ROLLED-BACK MILL LEVY IS BASED ON DATA FROM THE 2010 CERTIFICATION OF SCHOOL TAXABLE VALUE FORM DR-420S.

SCHOOL DISTRICT OF CLAY COUNTY 2010-2011 ANNUAL BUDGET RECAP OF MILLAGE LEVIES

AND DISTRICT AD VALOREM TAX REVENUE

	<u>2009-2010</u>	<u>2010-2011</u>		<u>TAXABLE VALUE INCREASE / (DECREASE)</u>
TAXABLE VALUES	\$10,486,291,298	\$ 9,763,332,245		(\$722,959,053)
	<u>MILLAGE</u>	<u>MILLAGE</u>	<u>AMOUNT</u>	<u>MILLAGE</u>
			<u>AMOUNT</u>	<u>ADJUSTMENT</u>
				<u>INC. / (DEC.)</u>
REQUIRED LOCAL EFFORT	5.235	5.369	\$ 50,322,558	.134
DISCRETIONARY	0.748	0.748	7,010,854	0
CRITICAL OPERATING NEEDS	0.250	0.250	<u>2,343,200</u>	0
TOTAL GENERAL FUND	6.233	6.367	\$ 59,676,612	.134
CAPITAL IMPROVEMENT	<u>1.500</u>	<u>1.500</u>	<u>14,059,198</u>	0
TOTAL	7.733	7.867	\$ 73,735,810	.134

Impact on a \$125,000 home with a \$25,000 homestead exemption:

Value Assessed	\$125,000
Homestead Exemption	<u>(\$ 25,000)</u>
Taxable Value: 2009-2010	\$100,000 @ 7.733 mills = \$773.30
Taxable Value: 2010-2011	\$100,000 @ 7.867 mills = <u>\$786.70</u>
Increase in School Tax Levy	\$ 13.40

NOTE: In Fiscal Year 2010-11, the budgeted collection rate is 96%. In 2009-10 95% was the budgeted collection rate.

.250 CRITICAL OPERATING NEEDS LEVY

This levy requires super majority (4) votes based on a 5 member board. A school board may levy this millage by super majority for fiscal years 2009-10 and 2010-11. A school district that generates less than the state average (estimated at \$132.59/UFTE) will receive in the third calculation a discretionary millage compression supplement. This supplement when added to the funds generated by the district's 0.250 mill levy, shall be equal to the state average.

	<u>.250 Levy</u>	<u>Amount/UFTE</u>	<u>Difference Per St. Guarantee/CCSD</u>	<u>Millage Compression</u>
2009-10	\$2,498,559	\$69.56	(\$147.93-69.60=\$78.37)	\$2,815,151
2010-11	\$2,343,200	\$65.12	(\$132.59-65.12=\$67.47)	\$2,427,770

Use of Revenue From .250 Additional Discretionary Levy:

10-11	Revenue (.250 Mill):		
	Local	\$2,343,200	
	State	<u>2,427,770</u>	\$4,770,970
	Appropriation: Technology		<u>650,000</u>
	Unappropriated – Fund Balance		<u>\$4,120,970</u>