

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

2009-2010 BUDGET REVIEW

COLUMN MILL LEVY	(1) 2008-2009 ROLLED-BACK MILL LEVY*	(2) 2008-2009 MILL LEVY	(3) 2009-2010 MILL LEVY	(4) INCREASE IN MILLAGE (COLUMN 3 MINUS COLUMN 1) 2009-2010 MILL LEVY IN EXCESS OF 2008-2009 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	5.4954	5.161	5.235	(0.2604)	\$ (4.74)
DISCRETIONARY	0.5303	0.498	0.748	0.2177	41.05
SUPPLEMENTAL (CRITICAL OPERATING NEEDS)	0.2662	0.250	0.250	(0.0162)	(6.09)
LOCAL CAPITAL IMPROVEMENT	1.8634	1.750	1.500	(0.3634)	(19.50)
TOTAL MILLAGE LEVY	8.1553	7.659	7.733	(0.4223)	\$ (5.18)

TOTAL DECREASE IN MILLAGE (COLUMN 4) DIVIDED BY ROLLED-BACK MILL LEVY (COLUMN 1) EQUALS ROLLED-BACK RATE (COLUMN 5) (0.4223) DIVIDED BY 8.1553 EQUALS (5.18%)

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

SCHOOL DISTRICT OF CLAY COUNTY 2009-2010 ANNUAL BUDGET RECAP OF MILLAGE LEVIES AND DISTRICT AD VALOREM TAX REVENUE

TAXABLE VALUE
INCREASE/ (DECREASE)

(\$491,079,951)

2008-2009
\$11,011,328,791

2009-2010
\$10,520,248,840

TAXABLE VALUES

	2008-2009		2009-2010		MILLAGE ADJUSTMENT	AD VALOREM INC./ (DEC.)
	MILLAGE	AMOUNT	MILLAGE	AMOUNT		
REQUIRED LOCAL EFFORT DISCRETIONARY	5.161 .498	\$ 53,987,994 5,209,459	5.235 .748	\$ 52,319,828 7,475,688	.074 .250 (.250)	\$ (1,668,166) 2,266,229 (2,615,191)
CRITICAL OPERATING NEEDS ADDITIONAL DISCRETIONARY	.250 0	2,615,191 0	0 .250	2,498,559 62,294,075	.250 .324	2,498,559 481,431
TOTAL GENERAL FUND	<u>5.909</u>	<u>\$ 61,812,644</u>	<u>6.233</u>	<u>\$ 62,294,075</u>	<u>(.250)</u>	<u>(3,314,980)</u>
CAPITAL IMPROVEMENT	<u>1.750</u>	<u>18,306,334</u>	<u>1.500</u>	<u>14,991,354</u>		
TOTAL	7.659	\$ 80,118,978	7.733	\$ 77,285,429	.074	\$ (2,833,549)

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

Value Assessed	\$125,000	
Homestead Exemption	(\$ 25,000)	
Taxable Value: 2008-2009	\$100,000 @ 7.659 mills =	\$765.90
Taxable Value: 2009-2010	\$100,000 @ 7.733 mills =	773.30
Increase in School Tax Levy		<u>\$ 7.40</u>

.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 \$149.35/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	\$69.60	(\$149.35-69.60=\$79.75)	\$2,862,877

Use of Revenue From .250 Additional Discretionary Levy:

09-10	Revenue (.250 Mill):		
	Local	\$2,498,559	
	State	<u>2,862,877</u>	\$5,361,436

Appropriation:

Technology – Odyssey Project (Replacing Dell (PC-LABS)	\$ 650,000
Enhanced Classrooms	<u>350,000</u>
Balance to Reserve – Fund Balance	<u>\$4,361,436</u>

The \$4,361,436 will be a Reserve to Fund Balance for:

Declining Enrollment, Elimination of Lottery funds,
Class size requirement for 2010-11, and to avoid future layoffs due to program cuts.