

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Education

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BILL: CS/SB 296

INTRODUCER: Education Committee and Senator Montford

SUBJECT: District Millage Elections

DATE: March 27, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Graf	Sikes	ED	Fav/CS
2.			AED	
3.			AP	

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Technical Changes

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**I. Summary:**

CS/SB 296 increases the number of years for which a district school board may levy, by local referendum or in a general election, additional millage for school operational purposes from a maximum of 4 years to a maximum of 10 years.

The bill takes effect July 1, 2019.

**II. Present Situation:**

School districts receive funds from federal, state, and local sources. During 2015-2016, school districts received approximately 12 percent of their financial support from federal sources, approximately 40 percent from state sources, and 48 percent from local sources<sup>1</sup> including the required local effort portion of the FEFP.<sup>2</sup>

**District school tax**

If the district school tax is not provided in the General Appropriations Act (GAA) or the

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<sup>1</sup> Local revenue for school support is derived almost entirely from property taxes levied by Florida's 67 counties, each of which constitutes a school district. Florida Department of Education, *2017-18 Funding for Florida School Districts*, available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>, at 2.

<sup>2</sup> *Id.* Federal funds are typically used to supplement state and local funds authorized by the Florida Legislature to support various education programs. *Id.*, at 6.

substantive bill implementing the GAA, each district school board desiring to participate in the state allocation of funds for current operation must levy on the taxable value for school purposes of the district, exclusive of millage voted under the state constitution,<sup>3</sup> a millage rate not to exceed the amount certified by the Commissioner of Education (commissioner) as the minimum millage rate necessary to provide the district required local effort<sup>4</sup> for the current year.<sup>5</sup> In addition to the required local effort millage levy, each district school board is authorized to levy a nonvoted current operating discretionary millage.<sup>6</sup> The Legislature is required to prescribe annually in the GAA the maximum amount of millage a district may levy.<sup>7</sup>

Based on the 2017 tax roll provided by the Florida Department of Revenue, the commissioner certified the required millage of each district on July 13, 2017.<sup>8</sup> The state average millage was set at 4.308 and certifications for the 67 school districts varied from 4.501 mills (Osceola) to 1.608 mills (Monroe) due to the assessment ratio adjustment and the 90 percent limitation.<sup>9</sup> The 90 percent limitation reduced the required local effort of six districts.<sup>10</sup> The districts and their adjusted millage rates were: Collier (2.892), Franklin (3.609), Monroe (1.608), Sarasota (3.961), Sumter (3.485) and Walton (2.456).<sup>11</sup> The Florida Legislature set the maximum discretionary current operating millage for 2017-2018 at 0.748 mills.<sup>12</sup>

In addition to the maximum millage levied specified in law, a school district is authorized to levy, by local referendum or in a general election, additional millage for school operational purposes up to an amount that, when combined with nonvoted millage levied under the district school tax law, does not exceed the 10-mill limit established in the state constitution.<sup>13</sup> Any such levy must be for a maximum of 4 years and must be counted as part of the 10-mill limit established in the state constitution.<sup>14</sup> Millage elections must be conducted in accordance with the law.<sup>15</sup> Funds generated by such additional millage do not become a part of the calculation of the Florida Education Finance Program (FEFP)<sup>16</sup> total potential funds and must not be

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<sup>3</sup> Art. VII, ss. 9(b) or 12, Fla. Const.

<sup>4</sup> The Florida Legislature set the amount of \$7,603,850,013 as adjusted required local effort for 2017-2018. Each district's share of the state total required local effort is determined by a statutory procedure that is initiated by certification of the property tax valuations of each district by the Florida Department of Revenue. This certification occurs no later than two working days prior to July 19. No later than July 19, the Florida Commissioner of Education (commissioner) certifies each district's required local effort millage rate. Florida Department of Education, *2017-18 Funding for Florida School Districts*, available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>, at 2-3.

<sup>5</sup> Section 1011.71(1), F.S.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> Florida Department of Education, *2017-18 Funding for Florida School Districts*, available at <http://www.fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>, at 3.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Section 1011.71(9), F.S.

<sup>14</sup> *Id.*

<sup>15</sup> Sections 1011.71(9) and 1011.73, F.S.

<sup>16</sup> The Florida Education Finance Program (FEFP) is the primary mechanism for funding the operating costs of Florida school districts. The Florida Legislature enacted the FEFP in 1973 and established the state policy on equalized funding to guarantee to each student in the Florida public education system the availability of programs and services appropriate to his or her educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To equalize educational opportunities, the FEFP formula recognizes: (1)

incorporated in the calculation of any hold-harmless or other component of the FEFP formula in any year.<sup>17</sup> If an increase in required local effort, when added to existing millage levied under the 10-mill limit, would result in a combined millage in excess of the 10-mill limit, any millage levied for school operational purposes in accordance with the law<sup>18</sup> must be considered to be required local effort to the extent that the district millage would otherwise exceed the 10-mill limit.<sup>19</sup> During fiscal year 2017-2018, 13 school districts levied additional millage for school operational purposes.<sup>20</sup> The additional millage ranged between 0.250 and 1.0, generating \$333,639,221 in revenue.<sup>21</sup>

### **District Millage Elections**

Florida law specifies that a district school board, pursuant to resolution adopted at a regular meeting, must direct the county commissioners to call an election at which the electors within the school district may approve an ad valorem tax millage as authorized under law.<sup>22</sup> Such election may be held at any time, except that not more than one such election must be held during any 12-month period.<sup>23</sup> Any millage so authorized must be levied for a period not in excess of 4 years or until changed by another millage election, whichever is earlier.<sup>24</sup>

### **III. Effect of Proposed Changes:**

CS/SB 296 increases the number of years for which a district school board may levy, by local referendum or in a general election, additional millage for school operational purposes from a maximum of 4 years to a maximum of 10 years.

Additionally, the bill maintains current law that specifies that the funds generated by such additional millage do not become part of the of the calculation of the Florida Education Finance Program (FEFP) total potential funds and must not be incorporated in the calculation of any hold-harmless or other component of the FEFP formula in any year.

Accordingly, the bill provides district school boards more flexibility in raising voted ad valorem revenue for school operational purposes.

The bill takes effect July 1, 2019.

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varying local property tax bases; (2) varying education program costs; (3) varying costs of living; and (4) varying costs for equivalent educational programs due to sparsity and dispersion of the student population. Florida Department of Education, *2017-18 Funding for Florida School Districts*, available at <http://www.fl DOE.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>, at 1.

<sup>17</sup> Section 1011.71(9), F.S.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> Email. Florida Department of Education (March 18, 2019).

<sup>21</sup> *Id.*

<sup>22</sup> Sections 1011.71(9) and 1011.73(2), F.S.

<sup>23</sup> Section 1011.73(2), F.S.

<sup>24</sup> *Id.*

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

## D. State Tax or Fee Increases:

None.

## E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The bill provides district school boards more flexibility in raising voted ad valorem revenue for school operational purposes.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1011.71 and 1011.73.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Education Committee on March 26, 2019:**

The committee substitute revises the title of the bill to align to the substance of the bill. Specifically, the committee substitute changes the title from an act relating to “charter school capital outlay funding” to an act relating to “district millage elections.”

- B. **Amendments:**

None.