WHERE’S THE MONEY?
Waging Effective Capital Campaigns

Florida Educational Facilities Planners Association
Summer Conference 2013
PUBLIC FACILITIES...

“Schools”

- Public school districts in Florida spent a total of $17.5 billion on capital outlays for school construction and acquisition in fiscal years 2005-2008.

- It is estimated that Florida schools have $8.9 billion in infrastructure funding needs.”
Where’s the Money?

Overview

• State capital outlay funding outlook
• Introduction to local capital outlay funding sources
• Review of 2013 legislation to enable additional local sources
• Three case studies
  • Miami-Dade County – General Obligation Bond Issue
  • Leon County – School Capital Outlay Surtax
  • Pasco County – Local Government Infrastructure Surtax
• Panel Discussion
• Audience Q & A
Where’s the Money?

Capital Outlay Sources

• Federal
  • Bonds (QZAB, QPEF, QSCB)

• State
  • PECO (w/Special Facilities)
  • CO&DS
  • Lottery
  • General Revenue
  • “Race Track” Funds

• Local
  • Discretionary
    • 1.5 mills
  • COPs
  • Impact fees
  • Voter Approval
    • Local bonds
    • Intergovernmental sales surtax
    • School capital outlay surtax
Where’s the Money?

PECO Outlook

Total PECO (in millions)

Prior  Projected

Fiscal Year

Florida Department of Education
Local CO $ Requirements

- General Obligation Bonds
  - Section 12, Article VII, Florida Constitution, and Section 1011.74, F.S.
  - Finance or refinance capital improvement projects
- Local Governmental Infrastructure Surtax (“penny” or “half-penny”)
  - Section 212.055(2), F.S.; requires voter approval
  - Shared among jurisdictions per agreement or statutory formula
  - “Infrastructure” -- construction, land, certain vehicles, security improvements, energy and economic development initiatives, affordable housing, landfill closure, (resolution)
  - Levy up to 15 years and may be bonded
- School Capital Outlay Surtax – “half-penny sales tax”
  - Section 212.055(6), F.S.; requires voter approval
  - Construction, land, technology (no operations) specified by resolution
  - May be bonded
Where’s the Money?

State Policy Initiatives

- 2012 Legislature
  - Communication Services Tax Working Group (s. 12 Ch. 2012-70)
  - K-12 Public School Facility Funding Task Force (s. 20, Ch. 2012-133)

- 2013 Legislature
  - HB 85 Public Private Partnerships (enacted)
  - SB 1594 Guaranteed Energy, Water, and Wastewater Performance Savings Contracting Act (enacted)
  - HB 1081/SB 1052 Discretionary Sales Surtaxes (not enacted)
  - HB 1395/SB 1176 School Surtax (not enacted)
  - SB 1718/HB 1295 Higher Education Surtax (not enacted)
Case Study:
Miami-Dade County Public Schools
General Obligation Bond Issue

Where's the Money?
Why a GOB?

- Long-term capital needs required a long-term and sustainable revenue source
- Analyzed various available capital revenue options
  - 1% sales tax swap
  - 0.5% sales surtax with partial swap
  - Optional millage levy (2 or 4 years)
  - GOB
- Sun-setting debt from a prior GOB in 2017 presented an opportunity for minimal taxpayer impact
- District’s Legislative initiative to extend GOB term to 30 years was successful
- Incorporated lessons-learned from prior bond program
- Opportunity to “continue” the existing GOB with only a small incremental impact to taxpayers
Making the Case for a GOB

• Need for a voter-approved capital funding solution well documented over time
  • Detailed facilities deficiency database
  • Board workshops
  • Community presentations and town hall meetings
  • Consistent narrative
• Established credibility with the public as frugal and cost-efficient
  • Massive administrative overhead reductions
  • No imposition of tax increases
  • Pursued and implemented innovative capital funding solutions such as collaborations and hybrid models
“222” Campaign

- Conducted a tight, highly focused campaign
  - Only 3 months from Board/DOE approval to Election Day
  - Campaigning and fundraising performed through a PAC
- $1.2 billion Bond
  - Focused primarily on existing facility needs rather than new capacity
  - Instructional technology upgrades and parity across the District
Strategies for Engaging the Community

- Established Guiding Principles for GOB Program that included:
  - Correcting inequities between newer and older school buildings
  - Providing all students with access to state-of-the-art technology
  - Minimizing impact to taxpayers over the life of the Bond
  - Promoting local employment and business opportunities
  - Providing transparency through a citizens advisory and oversight committee
- Formulated specific plan to address capital needs at every school
- Posted plans and information on District website, sorted by municipality, region, district, etc.
- Obtained support/endorsements from municipal, civic and faith-based leaders across the county
- Informed community through numerous forums and PTA-sponsored events
- Utilized “no-cost” local media opportunities and social networking to inform the public
Case Study:
Leon County Schools
School Capital Outlay Surtax

Where’s the Money?
The Foundation of Community Support to Leon County Schools

2003-2012

• $17 million per year
• Under the leadership of two superintendents during the previous sixteen years
• Complete harmony between superintendents, school board, and community
• Strong educational community
  • Florida State University
  • Florida A&M University
  • Tallahassee Community College
Leon County Schools’ Game Plan

Finance educational improvements and facilities in the Leon County School System.

• Perform a capital improvement project needs assessment

• Form a Capital Improvements Review Team (CIRT)

• Create timeline for placement on ballot (Primary or General Election)
Needs Assessment Results

- Administrative/Debt Service
- New Construction and Remodeling
- Repairs and Maintenance
- Technology
- Transportation
Capital Improvement Review Team (CIRT) Committees

• Oversight Committee
• Renovation and Maintenance Committee
• New Construction and Remodeling Committee
• Transportation Committee
• Instructional Delivery and Technology Committee
• Finance Committee
• Special Issues Committee
• Communications Committee
• Committee members were assigned based on their levels of expertise

• Each committee conducted an independent assessment of the capital outlay projects proposed by the District
• Developed recommendations
  • District’s 2011-2016 Capital Improvement Plan
  • Data Analysis from the District on student enrollment, school capacity, attendance zones, inventories of equipment and properties, equipment maintenance schedules, operational cost reports, accident reports, personnel, revenue reports, equipment replacement standards and schedules

• A portal site was developed to disseminate relevant information to the CIRT committee members and facilitate the completion of committee reports
Timeline

- **Initial CIRT meeting**
  - January 2012

- **CIRT final meeting**
  - May 4, 2012

- **Superintendent calls a special meeting**
  - May 8, 2012

- **CIRT produced findings & recommendations**
  - May 14, 2012

- **Publicity notices distributed**
  - May 15, 2012

- **Provide draft resolution to Supervisor of Elections**
  - May 15, 2012

- **Issue letter & draft to the County Commission**
  - May 15, 2012

- **Final adopted resolution provided to the County Commission**
  - May 23, 2012

- **Deadline for County Commission agenda items**
  - May 29, 2012

- **Board of County Commissioners consider & adopt the sales tax resolution**
  - June 12, 2012

- **Board of Count Commissionesrs to provide final adopted resolution to the Supervisor of Elections**
  - June 13, 2012

- **Half-Penny Sales Tax is on the ballot**
  - November 6, 2012
School District of Leon County, Florida
Referendum Election- November 6, 2012

REFERENDUM REGARDING  LEVY OF SALES SURTAX  BY SCHOOL BOARD TO FINANCE
EDUCATIONAL FACILITIES

Shall a one-half cent discretionary sales surtax be levied in Leon County for a period of 15
years, beginning January 1, 2013, to finance education facilities, including construction, reconstruction, retrofitting, renovation, remodeling, land acquisition and improvement and the purchase of technology equipment, hardware and software for the Leon County School District, which levy will extend the existing one-half cent discretionary sales surtax that expires December 31, 2012.

Instruction to Voters

Yes = For the 0.5% (0.5 cents) tax

No = Against the 0.5% (0.5 cents) tax
...and the People said

**YES**
Votes: 94,005

**NO**
Votes: 45,191

68%  32%
Case Study: District School Board of Pasco County – Local Government Infrastructure Surtax

Where's the Money?
In 2003/2004 the Penny for Pasco Citizens Committee (PAC) led the charge to facilitate passage of the Penny for Pasco:

- Rolled back the school property tax millage by ½ mill
- Increased the county sales tax 6% to 7%
- County 45%; Schools 45%; Munis (6) 10%
- County (50% transportation, 25% conservation land, 20% public safety, 5% contingency)
• Approved by voters March 9, 2004
  • 52% to 48%
  • 36,449 to 33,690
• About $130 million generated
  • Several new schools built
  • Several campus redevelopments
• City and County improvements
Penny for Pasco

Penny for Pasco by Year

Collections

$0

$2,000,000

$4,000,000

$6,000,000

$8,000,000

$10,000,000

$12,000,000

$14,000,000

$16,000,000

$18,000,000

Year

2005 2006 2007 2008 2009 2010 2011 2012 2013

$15,704,506 $16,578,051 $14,453,906 $12,894,674 $11,794,783 $13,157,718 $14,352,065 $15,549,624 $4,372,682
Promises Made, Promises Kept

• School Oversight Committee
  • To provide general financial, design and construction oversight to the School Board’s capital outlay, maintenance and construction projects involving Penny For Pasco revenues
  • Quarterly meetings
  • Comprised of individuals who have expertise in the fields of education, business, finance, maintenance, construction, planning and design.

Purchased With Penny For Pasco Funds
Renewal
November 6, 2012

- Reactivated Penny for Pasco PAC
- Campaign consultant hired
- County meetings with public HOA’s
- School District meetings with PTA and SAC
- Informational only
Proposed Projects

- School remodels/campus redevelopments 77%
- Technology upgrades 16%
- Remodel Career Training Spaces 4%
- Campus Safety Improvements (traffic) 2%
- Physical Ed Equipment/Other 1%
Success!

Yes: 143,015, 70%
No: 61,536, 30%
Environmental Lands Acquisition & Management Program

- Created in July of 2004
- Responsible for purchasing environmentally sensitive lands throughout the County by either fee title or less-than-fee methods.
- Funding is provided through a portion of the Penny For Pasco surtax.
- Partnerships with state and federal agencies are sought to supplement the Penny funds.
- Since 2005, approximately 2,300 acres have been acquired.
PUBLIC OUTREACH
2015 PENNY FOR PASCO RENEWAL

21st Annual Future of the Region Awards
TAMPA BAY REGIONAL PLANNING COUNCIL

Submitted By: Pasco County Board of County Commissioners and the District School Board of Pasco County
Panel Discussion

WHERE'S THE MONEY?

WAGING EFFECTIVE CAPITAL CAMPAIGNS
### Contacts

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