

Miami-Dade County Public Schools

General Obligation Bond Expanded Summary

INTRODUCTION

The School Board and Florida Department of Education have approved a long-term plan to modernize school facilities and provide educational technology upgrades for all schools. On November 6, 2012, Miami-Dade County Public Schools will empower voters to decide whether the plan should be funded by a \$1.2 Billion General Obligation Bond (GOB) to be issued over nine years.

WHAT?

- Enhancing the safety and security of school buildings is the number one priority and guiding principle of the new 2012 GO Bond Referendum as is providing a high level of classroom technology at every school to ensure instructional parity for all students, and renovations and replacements across the district.
- With an eye on reducing costs, the district plans on consolidating buildings at some campuses and adhering to LEED for Schools design standards that create more sustainable buildings with reduced long-term operating costs.
- To provide transparency a citizen's advisory and oversight committee will be established.
- The committee will ensure the timely and equitable distribution of projects and resulting jobs to the community.
- Being sensitive to the burdens of local taxpayers the School Board has reduced the taxes that it controls. Since 2008 the total taxes levied under the School Board's control have been reduced by \$195 million.
- In the first year the homeowner with a taxable value of \$100,000 is estimated to pay \$5 for the new bonds in addition the 1988 GO bonds that are maturing by 2017.
- The Miami-Dade School Board is committed to its principles of seeking stakeholder input while minimizing taxpayer burden and to providing transparency and confidence in the process. Go to <http://bondsforschools.dadeschools.net>: Web site includes an **Estimated Tax Calculator** has been developed to allow the citizens of Miami-Dade County to make an educated decision as to the effect that the passage of the General Obligation Bond will have on their annual tax rate

WHY?

- Nearly one-half of the District's school buildings are over 40 years old, and more than one-third are at least 50 years old.
- While aging schools are a national problem, that problem is much more severe in Miami-Dade County, due to drastic state funding cut-backs and the requirement to comply with the Class Size Constitutional mandate and solving critical overcrowding at many of our schools.
- Over the last eight years Miami-Dade has added over 105,000 new student stations by building new schools, additions to existing schools and some replacement schools.

Although some older schools have benefitted from recent renovations – Miami High is a prime example – the vast majority is still in need.

- Miami-Dade’s net square footage of schools over 30 years old is larger than the total operational area of school buildings at almost all other districts throughout the state. Therein lies the other half of the problem, the State is not able to provide adequate long-term school capital funding for the current and future generations of Miami-Dade students.
- There are severe challenges with State funding:
 - The Legislature has shifted local capital millage for operating. That resulted in a reduction of the local capital millage by 25%, and has provided zero dollars in state funding for capital during the last two years.
 - State funding, if it ever materializes in the future, may likely be too little, as was the case with Class Size Amendment capital dollars, or come too late. Miami-Dade received 5% of the total state allocation, while comprising 14% of the student population in FY 03-04 when the Class Size Amendment was first implemented.
- Miami-Dade is the fourth largest school district in the nation, and because of our size we can employ economies of scale that drive administrative cost down resulting in more operational dollars invested in the classroom, much more so than small school districts.
- Operationally we benefit from our size; however, having 400 school campuses with 3,100 buildings encompassing 45 million square feet is a big challenge when it comes to state funding and allocations for Miami-Dade’s long-term school capital needs.
- In 2012 the need is more impacting on student performance as educational technology inequities remain unaddressed.

WHY NOW?

- 24 years after approval of the \$980 million bond referendum of 1988, Miami-Dade voters have a unique opportunity to once again provide a local solution which directs 100% of local tax dollars raised towards improving the educational environment for all Miami-Dade County public school students and teachers, while also helping our community with local economic development.
- A recent economic study by the Washington Economic Group has determined that “The modernization of school facilities and improvement to technology capabilities yield a greater Return on Investment to taxpayers than the cost of the service to taxpayer of the GOB over time.”
- The study also indicates that postponing the GOB will carry significant added costs to the taxpayers since construction costs are off their peak and interest rates are at historical lows.
- All communities in Miami-Dade will benefit as the GO Bonds will provide funding upfront from financial market investors outside of Miami-Dade.
- 100% of the proceeds from the GO Bonds will be reinvested in the local economy.
- Washington Economic Group, Inc. has concluded that over 9,000 jobs will be created in the first three years and over 18,000 sustainable jobs during the GO Bond’s course of construction.

- The biggest increase in jobs will occur in the depressed construction industry. Miami-Dade County Labor Market Report indicates that construction jobs are still declining with a nearly 13% decline for the month of July 2012. There has been a total 150,000 jobs loss in the construction industry since 2007.
- Not only will jobs be created from GO Bond construction activity, the study projects there will be recurring benefits from increased student performance that will result in a projected increase in the number of students who will attain higher education levels that will lead to higher average earnings by Miami-Dade County Public Schools alumni.
- Numerous studies have concluded that students in substandard school buildings, without technological capabilities, perform at lower levels than students in newer buildings. The lack of technology equity throughout the school system is a high priority for the GO Bond Referendum and will be addressed beginning in the first year of implementation.
- Deteriorating schools have also been found to have negative impact on students and teacher morale and have been linked to higher levels of teacher turnover. Students in modern facilities using the state of the art educational technology will be better prepared for the 21st Century Global Economy.
- In recent years the district has built or renovated many schools on time and on budget. The district has established itself as credible and capable of implementing a meaningful capital program. Miami High our signature high school is proof of the district's progress. North Dade Middle is another example where the district has delivered the project, and there are many others throughout the district.
- The current School Board and administration have a proven track record of transparency and results with more students graduating and scoring higher on state and national tests.
- The Superintendent and his administration have been in place since September 2008 and many improvements have been institutionalized in Board Policies with increased focus on operational efficiency and professional development. Over this time span, the district has reduced central administrative costs by 49%.
- Continuing the \$1.2 Billion GO Bond program will provide a long-term solution for modernizing school facilities and providing educational technology upgrade for a new generation of Miami-Dade County students.
- As the 1988 GO Bonds are paid off, the new bonds to be authorized on November 6, 2012 will replace them. This is why now is the time to "Continue the GO Bond Program" because as the bonds are replaced, there will be a smooth transition and total annual tax payments after the initial year increase will be almost level.
- It is estimated that in the first year, a homeowner with a taxable value of \$100,000 will pay approximately \$5 for the new bonds and \$23 for the 1988 bonds, for a total projected \$28 for School Debt Service on their 2013 tax bill.
- It is projected that in total over the full term on the \$1.2 Billion GO Bond Referendum the average annual tax payment on \$100,000 of taxable value will be \$27.

The Miami-Herald editorial board calls the plan a no-brainer and notes that timing is crucial.

For more information visit: <http://bondsforschools.dadeschools.net/>