IMPACT OF AMENDMENT 3 TO BROWARD COUNTY FY28 BUDGET

BROWARD COUNTY FLORIDA

FY28 ESTIMATED IMPACT TO BROWARD COUNTY

GENERAL FUND
GENERAL CAPITAL FUND

- Increase to $150,000 Homestead exemption

Amendment 3 approved by the voters



BROWARD COUNTY FLORIDA

FY29 ESTIMATED IMPACT TO BROWARD COUNTY

GENERAL FUND
GENERAL CAPITAL FUND

- Increase to $250,000 Homestead exemption

- Beginning in Year 3 CPI is applied to the $250,000 homestead exemption

Amendment 3

approved by the voters



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Amendment 3 Approved by the Voters

Cap on Non-Homestead Property Reducing growth from 10% to 5% per year

Estimated Impact to Broward County

POTENTIAL FUTURE REVENUE LOSS

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AMENDMENT 3 NEXT STEPS

- Still need the statutory rules to be written and establish the framework for implementation
- Governor has requested a Special Session in late 2026 before the holidays; legislative leaders suggest waiting for the new Governor in January
- Effective January 1, 2027

AMENDMENT 3 NEXT STEPS/SPECIAL SESSION

- **HOMESTEAD EXEMPTIONS** - Write the schedule and rules for raising the homestead exemption from $50k to $150k in FY28 and up to $250k in FY29

- **ASSESSMENT CAPS** – Implement the reduction to non-homestead properties, commercial business, apartments, second homes, from 10% to 5% in FY28

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AMENDMENT 3 NEXT STEPS/SPECIAL SESSION

- **TAXPAYER BILL OF RIGHTS** – A stated provision includes the preemption of local governments from offsetting revenue losses with new fees or higher millage rates

- **STATE GRANTS** – A stated provision includes the establishment of a fund for “fiscally constrained” local governments to request State funding to provide local services

FY28 BUDGET DEVELOPMENT

FY28 BUDGET DEVELOPMENT

- **Capital Budget Development:** mid-December to mid-February/mid-April for county agencies
  - Board direction on new capital projects for Property Tax Supported Funds
  - Board direction related to reevaluate/repurpose some existing capital projects, since there is future impact on the General Fund for operations and maintenance (tails)
- **Operating Budget Development:** January – March for county agencies
  - Agency Direction given on No Supplements, only Reductions, flat core

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FY28 BUDGET REDUCTIONS – COUNTY AGENCIES

- County Agencies are doing 10%, 15% and 20% reduction scenarios focusing on program reductions and program eliminations for FY28, provides options to choose from
- There is currently a countywide full hiring restriction in effect
- Identifying efficiencies for reductions: long-term vacancies for elimination & other ways to provide service
- Exploring reorganizing functions, determine reductions based on mandates/discretionary, level of service requirements, utilization data, location, contract out, partnership opportunities

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FY28 BUDGET REDUCTIONS
CONSTITUTIONAL OFFICES & OTHER OUTSIDE AGENCIES

- Seeking board direction on letters to request the agencies below to participate in budget reductions for FY28
  - Constitutional Offices – Sheriff's Office, Supervisor of Elections, Property Appraiser, Clerk of Courts, Tax Collector
  - Other Outside Agencies - Planning Council, Inspector General, Judicial, etc.

IMPACT OF AMENDMENT 3 TO GENERAL FUND

FY28 SCENARIO EXAMPLE – YEAR 1
10% ACROSS THE BOARD REDUCTION

- General Fund 10%
  - County Agencies & Reserve $63.3 million
  - Constitutional Offices $105.3 million
  - Other Outside Agencies $11.4 million

- General Capital Outlay Fund 10% is $10.5 million

- Reduction Target for FY28 is $195 million, a 10% reduction would net $190.5 million, need to identify an additional $4.5 million

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FY28 BUDGET REVENUE – GF OPTIONS

Revenue Budget Options for General Fund (GF)

- Increase the General Fund millage rate by 0.6474 mills to offset the $150,000 homestead exemption - **$195m**
- Increase employee health benefit contribution per pay period by $57, total of $1,500 a year - **$4.1m**
- Millage Shift General Capital Millage to General Fund, with focus on maintenance capital projects - **$30.5m** (Net zero impact to total millage, with a reduction to capital projects)
- Increases to user fees for additional cost recovery at Parks, Libraries, etc.
- Fire Rescue and Emergency Services Surtax for those operations, with legislative changes
- Infrastructure Surtax for capital projects only (municipal share)

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YEAR 1 BUDGET EXPENSE REDUCTIONS (FY28) – GF OPTIONS

Expense Budget Options for General Fund (GF)
10% Reduction to all County Agencies - **$63.3m**

- Eliminate future 90/10 split of expired CRAs
- Program reductions including service levels
  - Reduction of hours or closing locations: Parks, Libraries, Animal Care;
  - Reduction or elimination of units of services: Transit, Affordable Housing funding, Economic Development funding, Mosquito Control, Human Services (NJCC, Elderly & Veterans, Homeless, BARC) Arts and Culture (grant funding)
- Internal Employee Impacts
  - Eliminate vacant positions **OR** Resume budgeting attrition
  - Furloughs 5 days in General Fund
  - Reduce or Eliminate Health Savings Account contribution

IMPACT OF AMENDMENT 3 TO OTHER FUNDS

ESTIMATED AMENDMENT 3 IMPACT TO BROWARD MUNICIPAL SERVICE FUNDS

- BMSD Operating Fund FY28 estimated impact is $370k and FY29 estimated impact is $586k (9.7% of property tax revenue in FY28)
- BMSD Fire Contract Fund FY28 estimated impact is $414k and FY29 estimated impact is $657k (9.7% of property tax revenue in FY28)
- BMSD Street Lighting Fund FY28 estimated impact is $57k and FY29 estimated impact is $82k (14.2% of property tax revenue in FY28)

FY28 BUDGET REVENUE – BMSD OPTIONS

Revenue Budget Options for BMSD

- Increase the BMSD operating millage rate by 0.2510 mills to offset the $150,000 homestead exemption - **$370k**

- Increase employee contribution per pay period by $57, total of $1,500 a year - **$68k**

- Increase the Fire Rescue BMSD Special Assessment or increase the BMSD Fire Rescue millage rate by 0.2816 to offset the loss of revenue

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FY28 BUDGET EXPENSE REDUCTION BMSD OPTIONS

Expense Budget Options for BMSD Operating Fund

- Same Internal Employee Impacts as in the General Fund
- Program reductions including service levels same as the General Fund
  - Possible reduction of hours, closing locations, service levels: Parks, Zoning and Code Enforcement, School Guards

Expense Budget Options for BMSD Fire Contract Fund

- Start budgeting attrition in the BSO BMSD Fire Rescue Contract

Expense Budget Options for BMSD Street Lighting Fund

- Right size the appropriations in the fund

ESTIMATED AMENDMENT 3 IMPACT TO BROWARD COUNTY WATER CONTROL DISTRICTS (WCD)

- FY28 Estimated Impact for the Water Control Districts
  - Cocomar - $165k (16.3% of property tax revenue)
  - WCD2 - $100k (11.7% of property tax revenue)
  - WCD3 - $30k (4.7% of property tax revenue)
  - WCD4A, WCD4B and WCD4C - $43k (9.3% of property tax revenue)

<u>Expense Budget Options for WCD Funds</u>

- Right size the appropriations in the fund

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