



Office of
**INDIAN RIVER COUNTY
ATTORNEY**

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MEMORANDUM

TO: Board of County Commissioners

FROM: Dylan Reingold, County Attorney
Jason E. Brown, County Administrator

DATE: February 19, 2020

SUBJECT: Children's Services Millage

BACKGROUND.

On January 14, 2020, the Indian River County Board of County Commissioners ("Board") voted to schedule a workshop concerning a referendum to establish a set millage for children's services. After the January 14th Board meeting, County staff had three lengthy meetings with representatives of the group supporting the referendum. One of the overarching issues raised by County staff was the issue as to whether the County is the appropriate entity to fund all of these types of services. It is important to note that Indian River County does fund a variety of programs, separate and apart from the children's services millage, that support children, such as recreational programs, literacy programs and swimming safety programs. For example, last fiscal year the County library system offered 741 programs for children and teens serving over 20,000 children. This fiscal year, the County has added two full time employees for a total of 6.5 full time employees dedicated to children's library services.

More specifically, we discussed with representatives of the group supporting the referendum the millage amount, a phase in period, the sunset date, the make-up of the children's services advisory committee and the duties of the committee and committee staff. Below County staff presents various options for the different issues for the Board to consider. Please understand that this memorandum is not an analysis of each issue, but is focused on some of the key issues identified by the Board at the January 14th Board meeting and by County staff during the process.

Millage Rate

Currently, pursuant to section 103.26 of the Indian River County Code of Ordinances (the "Code"), the Board shall provide an assigned millage of up to 0.1250 to the children's services advisory committee. Over the past five years, the Board has increased the amount allocated to children's services from \$851,965 in 2015/2016 to \$2,062,611 in 2019/2020. See attached spreadsheet. The funding in 2019/2020 was 0.1250 mills of the prior year's taxable value. The amount allocated in 2019/2020 was able to pay for just over 80% of the funding requested. At the January 14th Board meeting, the Board was presented with a proposal to increase the funding for children's services with Indian River County being required to levy

each year an ad valorem tax of one-quarter of a mill in 2021, one-third of a mill in 2023 and one-half of a mill in 2025 and thereafter. The change in millage would represent an increase from \$2,062,611 in 2019/2020 to an estimated \$10,229,028 in 2025/2026.

Based upon the rapid increase in funding for children's services in the past five years and the amount of funding that has been requested in 2019/2020, County staff does not support an increase of \$8,166,417 in just six years. The Board may wish to consider either setting a required millage allocation at 0.1250 as opposed to the current permissive language. The Board may also consider less dramatic increases to 0.2500 mills or 0.3300 mills. Another millage option could be the rate which would have provided full funding for all CSAC agency requests for FY 2019/20, which totaled \$2,550,234. A millage rate of 0.1403 would generate sufficient dollars to fully fund all such requests. The Board may want to consider a millage rate of 0.1500, which is a 20% increase from the current 0.1250 limit. The Board may also wish to consider 1/6th of a mill, which is 0.1667 mills, an increase of 33% from the current amount. See attached spreadsheet. It should be noted that a mandatory millage will not allow the Board flexibility during economic downturns. County staff recommends that the Board approve a millage rate of 1/6th of a mill (0.1667 mills).

It is also important for the Board to consider other potential ballot initiatives for 2020 when making a decision on the proposed children's services millage. Currently, a group is working to place a referendum on the ballot in 2020 to consider a new millage rate to support the issuance of another environmental land acquisition bond issue. Additionally, the Indian River County School District is planning to place a referendum for voters to consider extending a ½ mill levy for essential operating needs that was originally approved by the voters in August 2016, and which is set to expire in fiscal year 2020/2021.

Sunset

At the January 14th Board meeting, the Board discussed the option of having a term limit on the use of the millage for children's services, thus requiring approval of the voters to continue the millage. It was discussed at the meeting that a 15 year sunset date would be appropriate. After the Board meeting, County staff discussed the different options for a sunset date. Since the matter would be brought back to the voters for re-authorization, County staff and the representatives of the group supporting the referendum discussed the concept of having a term that ran in conjunction with another presidential elections, such as 2028, 2032, or 2036. County staff recommends a 12 year term.

Millage Phase In

Depending on the millage rate and the sunset term, the Board should also consider the appropriate phase in for any millage rate. A mandatory 0.1250 millage would not require a phase in, however, time would be needed to phase in a 0.5000 millage set aside. Considering the recent five year increase, the Board may wish to maintain the 0.1250 millage for at least two or three years. The Board may also wish to consider a more gradual increase from 0.1250 to 0.1667 to 0.2000 to 0.2250 and 0.2500 with each step lasting two to three years. A gradual increase will allow non-for-profit entities to better plan for future programming and to scale services accordingly. Additionally, it may make sense to have a longer, more gradual phase-in period for larger proposed millage rates. For instance, it might be appropriate to have fewer steps than would be appropriate for a phase-in to 0.5000 mills. Based upon the recommended 1/6th of a mill rate, County staff would recommend a 3-step phase in over 5 years.

Committee Membership

Pursuant to section 103.22 of the Code, the children's services advisory committee consists of thirteen voting members who must be residents of Indian River County as follows:

- 1) County Commissioner
- 2) Judge living in Indian River designated by Chief Judge
- 3) Superintendent of Schools
- 4) Department of Children and Families, Assistant District Administrator for IRC
- 5) Department of Health County Health Department Administrator
- 6) Law Enforcement officer
- 7) Five voting members from the community appointed by the board of county commissioners, reflecting the geographical and social diversity of the community. Each commissioner shall appoint one member to represent his/her district.
- 8) Two at-large members shall be appointed by the board of county commissioners.

Of the 13 members, seven members are appointed by the Board.

The proposal presented to the Board on January 14th also included a children's services advisory committee consisting of thirteen members. Although there is some overlap between the current and proposed make-up of the committee, there are some differences. I have underlined those positions that closely resemble current positions. The proposed committee is as follows:

- 1) A physician, preferably a pediatrician
- 2) A licensed mental health professional
- 3) An expert in education, preferably from Indian River State College
- 4) A representative of NAACP
- 5) Three child advocates who are not affiliated with any agency receiving Children's Trust funds
- 6) Criminal justice representative
- 7) The superintendent of School District of Indian River County
- 8) Representative from the Department of Health
- 9) Representative from United Way of Indian River County
- 10) Representative from the Department of Children and Families
- 11) Judge of the family law division

It is important to note that a majority of the proposed committee are ex-officio members not appointed by the Board.

Based upon discussions with the representatives of the group supporting the referendum, County staff wanted to present an alternative, which would allow the Board to still appoint a majority of the members, but have the membership reflect those who are more involved in children's services issues. Thus, the Board may wish to consider maintaining the current membership, but define the individual Board appointees as individuals who have some form of expertise in the arena of children's services, such as a physician, licensed mental health professional, or child advocate. As children's services may also involve issues pertaining to children's physical and mental health, the Board may also wish to include adding a position for a representative from the Indian River County Hospital District. Staff recommends that the

Board have it within their discretion the ability to appoint, at a minimum, a majority of the committee members, therefore County staff recommends the Board adjust the current committee as detailed above.

Executive Director and Committee Staff

Currently, pursuant to section 103.22(6) of the Code, the County Administrator appoints the executive office director to the children's services advisory committee. Per section 103.30 of the Code, the office of the executive office director consists of a director and adequate staff to perform all duties assigned by the children's services advisory committee. Under this Code provision, the executive office director provides "all services needed to complete reports and activities required to meet the objectives of the children's services advisory committee. These activities will include, but are not limited to, secretarial support for the children's services advisory committee meetings and be the official record repository for said records, keeping other records, monitoring agencies receiving funds, writing appropriate grants, producing written materials, reviewing applications for funding, reporting to the children's services advisory committee, preparing annual budgets, writing and presenting annual reports."

It is unclear in the proposed ordinance, how the Executive Director is chosen or the Executive Director's duties. The proposal states that the Director grants approval for Board members to incur expenditures chargeable to the County and reports the amount of revenue to be generated by the dedicated millage to the committee. In further discussions with the representatives supporting the referendum, it appears that the advocates wish to have the Executive Director have a more active role in children's services other than monitoring grants. The Board needs to make a policy decision on whether the director position should be expanded to include an advocacy role and coordination role between agencies. County staff is concerned about an overlap with expertise in the children's health arena, a role more appropriate for the Indian River County Hospital District, and school children's programs, a role more appropriate for the Indian River County School Board.

If the funding level for children's services increases, more money will be needed for staffing even if the director position is predominately a grant monitoring position. Staffing needs and responsibility levels may vary depending on the millage established. Currently, the director spends 60% of her time on children's services advisory committee matters, which increases to 80% during the grant review and award process. If there is an increase in funding, more staff time will be dedicated to reviewing grant applications and reimbursement requests. See attached spreadsheet, which is provided for illustrative purposes only. In order to limit the inefficient use of taxpayer funds, more oversight and day to day monitoring will be needed as the millage rate increases. County staff recommends that the administration of the program be funded from the millage.

Use of Funds

In the current ordinance there is not a clear list of the types of programs and services that can be funded with the children's services money. The proposed ordinance sets forth the following list of the different uses of the funds.

- (1) To allocate and provide funds for agencies in Indian River County which are operated for the benefit of children, provided they are not under the exclusive jurisdiction of the public school system.

- (2) To support programs and services which will enhance academic achievement and assist all children to perform at grade level in core areas such as reading, math and science.
- (3) To provide and maintain in Indian River County such guidance, psychological, or psychiatric programs and services as the county determines are needed for the general welfare of the children and families of Indian River County.
- (4) To support programs and services which promote & improve the physical health and well-being of all children.
- (5) To support programs and services designed to stop child abuse before it starts.
- (6) To provide funds to programs and services that keep our children off the streets and away from drugs, alcohol and other risky behaviors.
- (7) To provide prenatal care programs where such programs will improve birth outcomes for all children.
- (8) To provide for such other services for all children as the county determines are needed for the general welfare of Indian River County.
- (9) To collect information and statistical data which will be helpful to the county in deciding the needs of children and to develop techniques for monitoring the efficacy of funded programs and services including but not limited to the gathering of data, measuring outcomes, goal effectiveness, research.
- (10) To provide or coordinate training, professional development and other support to Children's Trust funded agencies which will ultimately improve service delivery and desired outcomes for children.
- (11) To consult, coordinate and collaborate with local, state and national entities which promote best practices, professional standards and advocacy focusing on the health, well-being and education of children and families.
- (12) To lease such real estate and lease or purchase such equipment and personal property as are needed to execute the foregoing programs and services.
- (13) To employ and pay, on a part-time or full-time basis, personnel needed to execute the foregoing programs and services.
- (14) To provide for administrative expenses limited to Children's Trust of Indian River County staff and operating supplies, directly related to tasks necessary to fulfill the scope and purposes of this article, in an amount not to exceed ten percent (10%) of the annual dedicated millage for that fiscal year, to be determined at the time of budget adoption.

County staff would recommend to delete the use of funds for leasing and purchasing real and personal property. Additionally, County staff would recommend that funds be limited to only that amount needed to fund the County staff necessary to administer the program and not for administrative expenses of the agencies awarded funds. County staff supports an eight percent (8%) cap on the use of the millage for administrative expenses.

County staff also believes that it is important to establish a policy that the funds are not to be expended for those programs that fall within the jurisdiction of other funding entities such as the Indian River County School District and the Indian River County Hospital District. County staff does not recommend the funds to be used for the duplication of services that should otherwise be provided by the Indian River County School District, such as K through 12 programs, and the Indian River County Health Department, such as health initiatives. One example is the funding for the Learning Alliance – Moonshot Reading

Rocket. Although this may be a worthwhile program, County funds go to the Learning Alliance, which then pays the Indian River County School District, which then pays teachers who work for the program. Thus, County funds are used by the Indian River County School District to pay teachers.

In response to the discussions, the representatives have presented different options which are attached.

SUMMARY.

The following is a summary of the staff recommendations on the key issues.

- County staff recommends that the Board approve a millage rate of 1/6th of a mill (0.1667 mills)
- County staff recommends a 12 year term
- Based upon the recommended 1/6th of a mill rate, County staff recommends a 3-step phase in over 5 years
- County staff recommends that the County adjust the current committee as detailed above
- County staff recommends that the administration of the program be funded from the millage with an eight percent (8%) cap
- County staff recommends deleting the use of funds for leasing and purchasing property
- County staff recommends establishing a policy that the funds are not to be expended for those programs that fall within the jurisdiction of other funding entities