

**Indian River County  
Interoffice Memorandum  
Office of Management and Budget**

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**To:** Members of the Board of County Commissioners

**Date:** March 1, 2023

**From:** Kristin Daniels  
Director, Office of Management & Budget

**Subject:** Children's Services  
Funding Allocation for Fiscal Year 2023/24

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**Description and Conditions**

Each year, the Board of County Commissioners approves a funding allocation for Children's Services. This amount is then allocated to the applicants based upon recommendations of the Children's Services Advisory Committee (CSAC). The County has historically changed the funding allocation based upon the previous fiscal year's taxroll change with exceptions during the economic downturn.

On May 17, 2022 the Board approved changes to the Children's Services Advisory Committee Ordinance which increased the maximum millage cap to 0.2500 mills, up from the previous cap of 0.1250 mills, which doubled the maximum amount of funding allocated towards the program. The ordinance did not contain any specific recommendation as to whether the additional millage would be phased-in over a period of time, or implemented fully in the first year. At the Budget Workshop on July 13, 2022, Commissioner O'Bryan recommended phasing into the 0.2500 millage cap over a three-year period, however no formal vote on the matter was taken. This recommended phased-in approach was the same methodology the Board approved back on March 14, 2017 when phasing into the 0.1250 millage cap that was ultimately reached three years later.

The tables below illustrate the funding and millage impact of implementing the new millage cap over a one, two, or three-year period, assuming 3% taxroll growth.

Max 0.2500 Mills in Year 1					
Fiscal Year	Prior Year's Taxable Value	Millage Rate	Gross Revenue	Net Revenue @ 95%	Incremental Revenue
FY 2022/2023	\$20,577,735,527	0.1250	\$2,572,217	\$2,443,606	
FY 2023/2024	\$23,354,805,784	0.2500	\$5,838,701	\$5,546,766	\$3,103,160

2 - Year Phase-In to 0.2500 Mills					
Fiscal Year	Prior Year's Taxable Value	Millage Rate	Gross Revenue	Net Revenue @ 95%	Incremental Revenue
FY 2022/2023	\$20,577,735,527	0.1250	\$2,572,217	\$2,443,606	
FY 2023/2024	\$23,354,805,784	0.1875	\$4,379,026	\$4,160,075	\$1,716,469
FY 2024/2025	\$24,055,449,958	0.2500	\$6,013,862	\$5,713,169	\$1,553,095

3 - Year Phase-In to 0.2500 Mills					
Fiscal Year	Prior Year's Taxable Value	Millage Rate	Gross Revenue	Net Revenue @ 95%	Incremental Revenue
FY 2022/2023	\$20,577,735,527	0.1250	\$2,572,217	\$2,443,606	
FY 2023/2024	\$23,354,805,784	0.1670	\$3,900,253	\$3,705,240	\$1,261,634
FY 2024/2025	\$24,055,449,958	0.2090	\$5,027,589	\$4,776,210	\$1,070,970
FY 2025/2026	\$24,777,113,456	0.2500	\$6,194,278	\$5,884,564	\$1,108,355

If the Board wants to consider funding Children's Services at the millage cap, staff would recommend that this be phased in over a targeted three-year period. In the event that the County faces an economic downturn over the next two years, the Board has the ability to pause this targeted phase-in and implement the final millage increases at a later date.

This approach lessens the financial pressure on the General Fund, and in turn Indian River County taxpayers. Phasing in the additional funding over a targeted three-year period also gives the Children's Services agencies time to plan for the implementation of expanded or additional services.

### **Recommendation**

Staff recommends that the Board of County Commissioners approve funding for Children's Services agencies in the amount of \$3,705,240 for FY 2023/2024, which is an increase of 51.6% or \$1,261,634 from the current year's funding level.

### **Attachment**

Children's Services Funding History