

Memorandum



Date: September 21, 2012
To: Honorable Rebecca Sosa
County Commissioner District 6
From: Carlos A. Gimenez 
Mayor
Subject: Percentage of Documentary Stamp Surtax (Surtax) Funding Used for Administration
by Source

At the July 11, 2012 Economic Development and Social Services (EDSS) Committee meeting, you requested a report reflecting the percentage of Documentary Stamp Surtax (Surtax) funding used for administration as well as a breakdown of percentages for each category.

As you are aware, Chapter 2009-131, Laws of Florida, directed the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) to review the Discretionary Documentary Surtax program operated under s.125.0167, Florida Statutes, and report to the Legislature by June 30, 2012, and every five years thereafter. The release of the OPPAGA report in early July generated discussion around the Surtax program and the administrative cap.

Prior to the 2009 state legislation, administrative costs for the Surtax program were not restricted by the Statute. This applied to both new Surtax revenues and other Surtax program income (i.e., loan repayments, interest, fees, etc.). With the 2009 amendment of the Statute, administrative expenses were capped at 10 percent of new Surtax funding. However, the legislation did not speak to how other Surtax program income should be treated. As a result, Miami-Dade County segregated the 10 percent allowance on new Surtax dollars and the remaining administrative expenses were supplemented through other Surtax program income. The attached table from page 15 of the report gives a more detailed five-year breakdown of the County revenue and expenses from 2007-2011.

Subsequent to a spike in the revenue-to-expense ratio in 2009 when new Surtax funding was 43 percent (2010) to 72 percent (2007), lower than any other year covered by the report, total administrative costs decreased from 15 percent in 2010 to 13 percent in 2011. However, at no time after the 2009 legislation has the County exceeded the 10 percent cap of administrative costs on new funding.

The administration continues to be committed to improve and reform government spending and to provide the best service delivery possible for the citizens of Miami-Dade County. This commitment includes using the OPPAGA report as one of the tools, along with feedback from the Board of County Commissioners, to implement further programmatic efficiencies and reduce the administrative costs of the County's Discretionary Documentary Surtax program.

Should you have any questions or require additional information/clarification regarding this response, please contact Gregg Fortner at 786-469-4106.

c: Joe A. Martinez, Chairman
and Members, Board of County Commissioners
Robert A. Cuevas, Jr., County Attorney
Russell Benford, Deputy Mayor
Gregg Fortner, Executive Director, PHCD
Jennifer Moon, Director, OMB
Charles Anderson, Commission Auditor

**Discretionary Documentary Stamp Surtax
5 Year Administrative Breakdown**

REVENUE SOURCE	2007		2008		2009		2010		2011	
	Amount	%								
New Surtax	30,383,067		20,982,178		8,613,911		15,037,315		19,332,132	
Repayments	13,907,975		9,993,276		12,379,228		8,986,315		11,644,892	
Interest on Investment	4,134,976		2,918,436		885,651		231,457		223,445	
Fees	677,815		815,738		626,428		522,618		483,229	
TOTAL	49,103,833		34,709,628		22,505,218		24,777,705		31,683,698	

EXPENSE	2007		2008		2009		2010		2011	
	Amount	%								
ADMIN from New Surtax	4,557,460	15%	3,147,327	15%	861,391	10%	1,503,732	10%	1,933,213	10%
ADMIN from Repayments	1,947,117	14%	1,698,857	17%	4,704,107	38%	1,707,400	19%	1,682,802	14%
ADMIN from Interest on Investment	574,371	14%	530,309	18%	345,929	39%	49,471	21%	31,282	14%
ADMIN from Fees	677,815	100%	815,738	100%	626,428	100%	522,618	100%	483,229	100%
TOTAL	7,756,763	16%	6,192,231	18%	6,537,855	29%	3,783,220	15%	4,130,527	13%

1. The percentage represents the amount expended compared to the amount received for each source (ie: New Surtax, Repayments, etc.)