Memorandum

MIAMI-DADE COUNTY

Date: November 13, 2025

APC
Supplement to
Agenda Item No. 1(G)1

To: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor

Daniella Levine Cava

Subject: Fiscal Impact Statement for Ordinance Relating to CBO Trust Fund and CBO Trust Fund Deduction

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Community-based organizations (CBOs) provide important direct human and social services to County residents, particularly the most vulnerable. As the County faces continued fiscal challenges, the Administration supports the exploration of reliable new funding streams to provide continued support to these organizations. Nonprofit organizations are a lifeline for tens of thousands of residents and have worked in partnership with the County for decades, and it is critically important that during a time of federal and state reductions we do our utmost at the local level to ensure continued availability of nonprofit services. We should aggressively pursue all options including this proposed Trust Fund, and other mechanisms such as Commissioner Gilbert's item to work with the Tax Collector to collect voluntary contributions from our community.

At the same time, it is important that such funding streams not create an undue burden on local and small businesses and that we take into account potential impacts on the procurement process and County costs. While the full fiscal impact of the proposed ordinance is difficult to determine, implementation of the ordinance could have a fiscal impact on the County, as this additional fee may be passed on in the form of higher pricing. It may also create difficulties for some small and medium-sized firms to remain competitive, as such firms may need to bid higher prices to accommodate the additional 2% fee and lose out to larger firms that are better equipped to absorb this cost.

The proposed CBO Trust Fund Deduction is modeled upon the 2% User Access Program (UAP) provision, which has an average yearly collection of approximately $16 million. The amount collected via this fee is likely to be significantly less due to probable exemptions for contracts within some departments. Certain types of contracts would be exempt from this fee, unlike under the UAP program, including contracts for the Miami-Dade Aviation Department (MDAD) as it is not permissible according to Federal Aviation Administration (FAA) grant guidelines, and likely also contracts for other proprietary departments including Water and Sewer, Solid Waste, and Regulatory and Economic Resources. The Board may waive the fee on any contract to which it is applicable by a two-thirds vote of members present.

Should the item be adopted, full implementation would take time in order to begin accruing money into the Trust Fund. In order to implement and administer the program, the County would need time and resources to update financial systems and processes, amend solicitations, conduct training for staff and vendors, and provide notifications to the business community. There may also be challenges validating fair and reasonable costs on contracts with prices that are loaded with such fees. Clarification is needed to determine how the deduction would be handled for the 154 joint participation agreements with municipalities for piggybacking on County contracts, as well as whether the deduction would apply to solicitations not yet awarded and existing contracts with remaining options to renew and extensions.

The administration welcomes continued discussion on the critical topic of identifying financial support for our County's CBOs, and continues to explore potential funding streams to support CBOs and their invaluable work on behalf of our residents.

Carladenise Edwards
Chief Administrative Officer