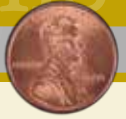


FREQUENTLY ASKED QUESTIONS

Capital Plan 2022



What is SPLOST?

Since 1996, school systems in Georgia have been allowed to place a referendum before taxpayers for a special purpose local option sales tax (SPLOST). This one-penny sales tax must be used for capital improvements and long-term debt reduction from previous bonds. This funding source has enabled school districts across the state to build and renovate schools, upgrade technology, buy school buses and reduce long-term debt. The sales tax is a pay-as-you-go plan that uses tourism and purchasing dollars to fund major capital improvements without raising the tax rate for property owners. SPLOST expires after five years unless citizens vote to renew.

Is this a new tax?

The current SPLOST will expire on June 30, 2017. To continue the sales tax for five more years, voters must once again give their approval. If voters reauthorize the SPLOST referendum on May 24, 2016, the sales tax will remain at the same rate that it has been since 1997.

Does the school system need more schools?

While Fulton County growth has become slower during the past two years, the system is still growing in areas throughout the district. In fact, it is one of the few Georgia school systems that continues to experience growth. Due to previous SPLOST programs, we have been successful in reducing the number of portable classrooms used for education. To continue providing a high quality education for all our students, the need for more classrooms, technology, and other capital improvements still exists.

How is this SPLOST different from previous ones?

This SPLOST program is about continued investment in our current facilities and technology. Due to the extreme growth in new students, previous SPLOST programs have been primarily used to build new classrooms. The proposed SPLOST beginning in 2017 will focus on the renovation and renewal of existing community schools. Over the past two decades a significant amount of money has been spent to build new schools to house our students, and now many of these schools have building components and systems reaching the end of their useful lives. This SPLOST will also continue the investment needed to upgrade technology equipment and the supporting infrastructure necessary for the student to compete in the 21st Century. These investments will allow the district to continue its focus on personalized learning and continuous achievement.

VOTING DAY

Tuesday, May 24, 2016
7:00 a.m. to 7:00 p.m.

Early voting starts:

Monday, May 2, 2016

To find a specific location visit:

www.fultoncountygga.gov/registration-elections



Capital programs provide the resources our students and staff use every day including the school buses our students ride, the construction and renovations

of our school learning environments, the technology and equipment used for learning and teaching, safety enhancements that protect our students, the fields our students play on, and even the furniture students and staff sit on each day.

There are three options for funding school system capital plans.

- **Maintenance and Operations Millage** – Increase millage rate by 5.9 mills over 5 years (property tax increase of \$599 per year on a \$250,000 home)
- **General Obligation Bond** – Smaller increase in millage rate for 20 years and requires \$311 M in interest and other fees
- **SPLOST / Penny Sales Tax** – Pay as we go with no impact on millage rates. Funded by residents and visitors to Fulton County and City of Atlanta

The Board of Education is calling for a vote on reauthorizing the current SPLOST (penny sales tax).

How will this vote impact citizens without children?

The one-penny sales tax keeps property taxes down and avoids creating long-term debt that would incur if the system were to issue bonds for capital improvements. Because of the community's support of the sales tax, the Fulton County School Board has been able to build new schools and renovate existing schools. At the same time, property taxes have been lowered and the previously incurred long-term debt has been reduced.

Who decided the priorities for this renovation and construction work?

A Facility Condition Assessment (FCA) was conducted at all facilities occupied by Fulton County Schools to identify deficiencies and systems' replacement needs anticipated in the near future. When evaluating existing facilities, each school was given a consolidated score and ranking based on the five-year Facility Condition Index (FCI) score and Educational Adequacy score. These scores are based on a 0-100 scale, from worst to best. This consolidated score was created by weighting 60 percent of the five-year FCI score and 40 percent of the Educational Adequacy score, and adding the two numbers together. This scale allows the facilities to be ranked from 1 through 86 in terms of their physical condition and ability to effectively deliver their educational program. It is also an effective, data-driven way to prioritize and determine the actions that need to be taken at a given facility.

Why does the school system need SPLOST funds for capital projects?

School system funds and expenses generally fall into two categories:

- 1. Operational Expenses** - Such expenses include teacher salaries, instructional materials, bus fuel and utility bills. Funding is provided through state allocations and local property taxes.
- 2. Capital Expenses** - Such expenses include the construction and renovation of school facilities as well as the purchase of costly items such as land, buses and technology. Funding primarily is provided through a voter-approved SPLOST or bond referendum, with some supplemental funds provided by the state.

Funds for operational expenses are not sufficient to cover the cost of capital project needs. By law, SPLOST funds cannot be used to pay teacher salaries and other operational expenses.

What happens if voters do not approve continuation of the SPLOST for schools?

SPLOST has been a primary source of funding for the school system to build school facilities for students. Without this source of funds, the school system will be limited in its ability to provide new school facilities and purchase capital items for students. Some of the other options have more long-term costs to taxpayers.

What are the differences between a sales tax and other options, such as a bond referendum, for example?

School districts previously relied on bond referendums to fund needed school improvements because there was no other alternative. There are a number of limitations to bond referendums. They typically result in property tax increases to retire or pay them off. The debt from bonds is long-term, as much as 20 years, so the interest payment adds substantially to the long-term debt. In addition, the amount of money that a bond referendum would generate is much less than what the sales tax produces. The school improvements funded with the sales tax are paid for as soon they open (pay-as-you-go). Schools funded with bonds take many years to pay off and are much costlier. SPLOST is not a new tax and does not affect only those who live within Fulton County. Rather, everyone who lives, works, visit, or shops in Fulton County will help pay for school construction and renovation.

Has the construction debt (debt service) which incurred prior to 1997 been refinanced to a lower interest rate, or could it be refinanced to minimize the total amount due?

A refinancing of the 1987 bonds occurred in 1991, and a refinancing of the 1993 bonds occurred in 1998. All outstanding bonds now issued cannot be refinanced again. If the voters approve a continuation of the SPLOST, Fulton County Schools will be debt-free by 2022.

Could the Fulton County School Board use the penny sales tax for other things, like hiring more teachers or giving them raises?

The penny sales tax cannot be used for teaching personnel or any other operational costs. Only capital projects, such as new schools, renovations, new classrooms, technology, debt retirement, and other capital expenses, are acceptable uses of the sales tax revenue.

Why does SPLOST have a substantial investment in Technology?

Technology in the classroom and mobile devices enhance the learning experience, increase student engagement, and support learning beyond the school day. As a result, students are better able to master concepts and content – building a strong foundation in the early years and then producing graduates who are career and college ready. Our students expect technology to enable every part of their lives and future employers demand technical literacy.

Every aspect of the district is increasingly dependent on Information Technology, not only operations and student information systems, but now teaching and learning too. Lessons, assessments, assignments and progress feedback are all becoming digital. The infrastructure and network are the lifeline to information, communication, and our daily tasks. We must continually, monitor, maintain, and enhance our digital capabilities to keep pace with the demand and ensure the safety and security of sensitive information.

How can others get answers to specific SPLOST-related questions?

Anyone with questions about SPLOST can call **470-254-3200** or email **SPLOSTinfo@fultonschools.org**.

Fulton County School System has called for a referendum for citizens to consider the continuation of a Special Purpose Local Option Sales Tax (SPLOST). SPLOST has funded capital needs in the Fulton County School System since 1997. Previous SPLOST programs have funded 37 new schools, 28 school additions and multiple projects such as roof replacement, HVAC renovations, floor covering replacements, surveillance camera installations and playfield enhancements.

Past programs have focused primarily on new school construction due to overcrowding and to reduce the use of portables as classroom space. The upcoming capital program is a little different as it will focus on renewal of existing classrooms - that includes renovations, renewal, and replacement, which comprises approximately 71% of the proposed construction budget. This program is about continued investment in our current buildings to maintain optimal conditions for learning.

In addition, SPLOST reduces debt from previous bonds, purchases furniture and equipment and replaces school buses.