

2020-21 School Tax Hearing

September 9, 2020

5:00 p.m.



2020-21 School Tax Hearing

Kentucky school districts must determine local school tax rates. The BCPS Leadership Team is recommending the Bullitt County Schools' Board of Education adopt the following 2020 tax rates:

- 71.6 cents on real property (no change from 2019)
 - The 4% rate would be 72.2
- 72.2 cents on personal property (compared to 73.2 in 2019)
- 47.7 on motor vehicle (same every year)



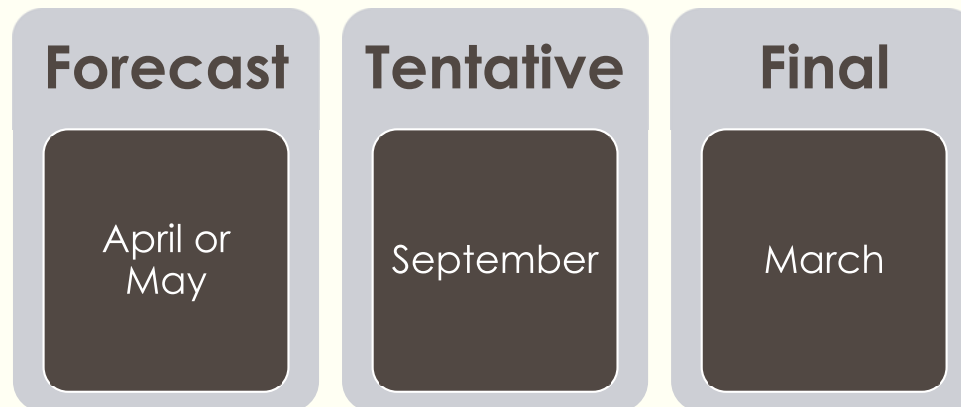
Where does our funding come from?

- SEEK (Support Education Excellence in Kentucky)
- Property Taxes
 - Real Estate and Tangible Property (rates the board sets yearly)
- Permissive Taxes
 - 3% utility tax on Telephone, Electric, Water, Natural Gas, Cable Television
- Other Local Revenues
 - Interest on deposits, Private school transportation reimbursement, Vocational school reimbursement, Indirect cost transfers, etc.
- Grants
 - Federal (Special Education, Title, Perkins, etc), State (ESS, GT, Preschool, etc), Local (Bullitt County Foundation, Lowes Toolbox, etc.)

Revenues

SEEK (Support Education Excellence in Kentucky)

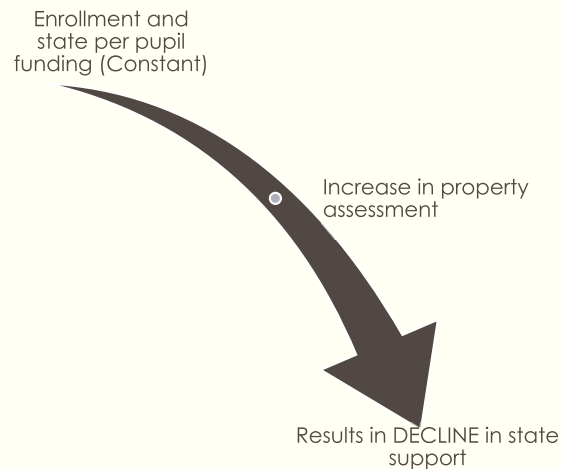
- Formula driven allocation of state provided funds to local school districts which includes funding for transportation costs and special needs students as reported by districts.
- Based on student attendance—Average Daily Attendance (ADA)



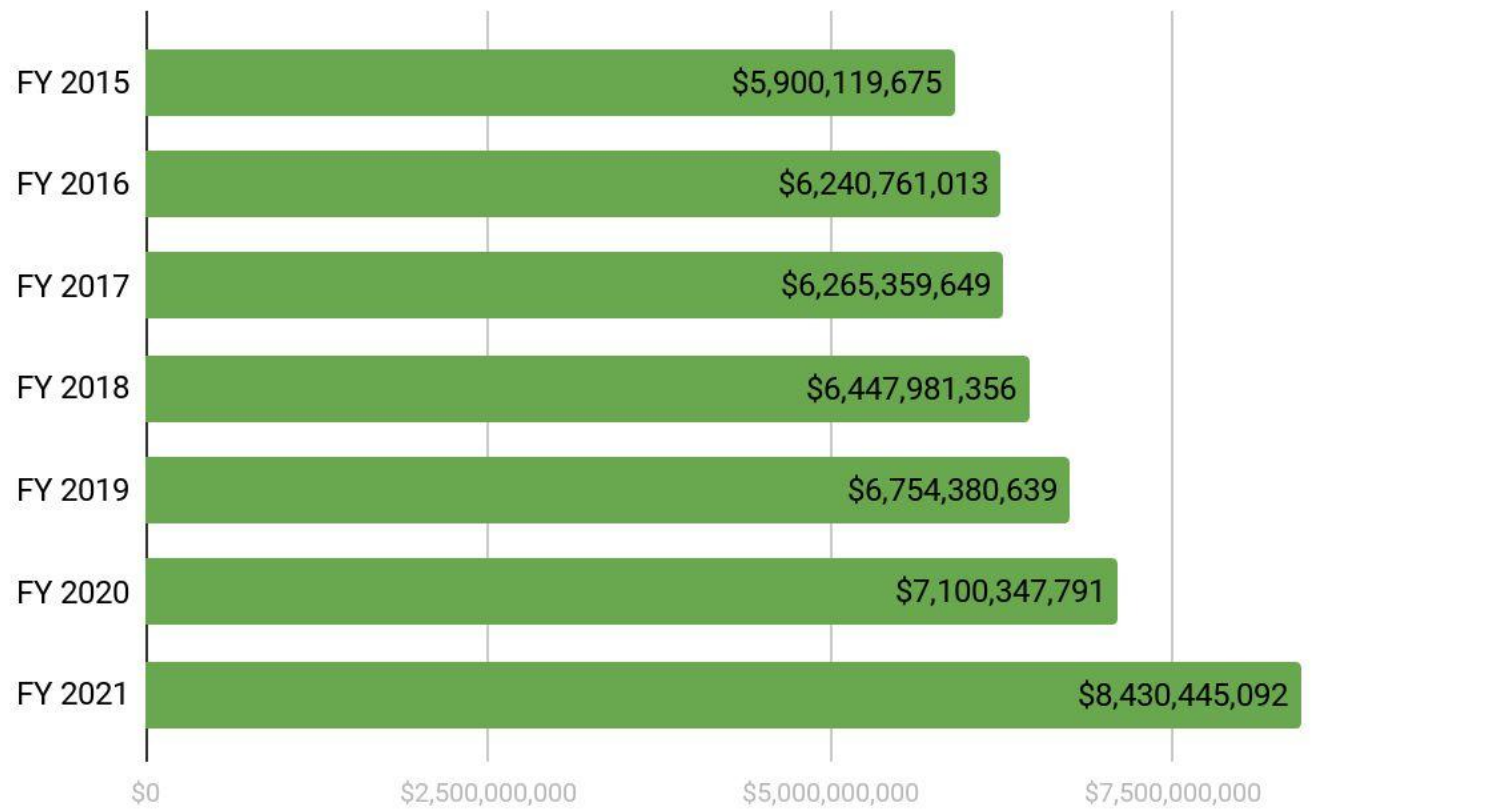
Revenues

SEEK (Support Education Excellence in Kentucky)

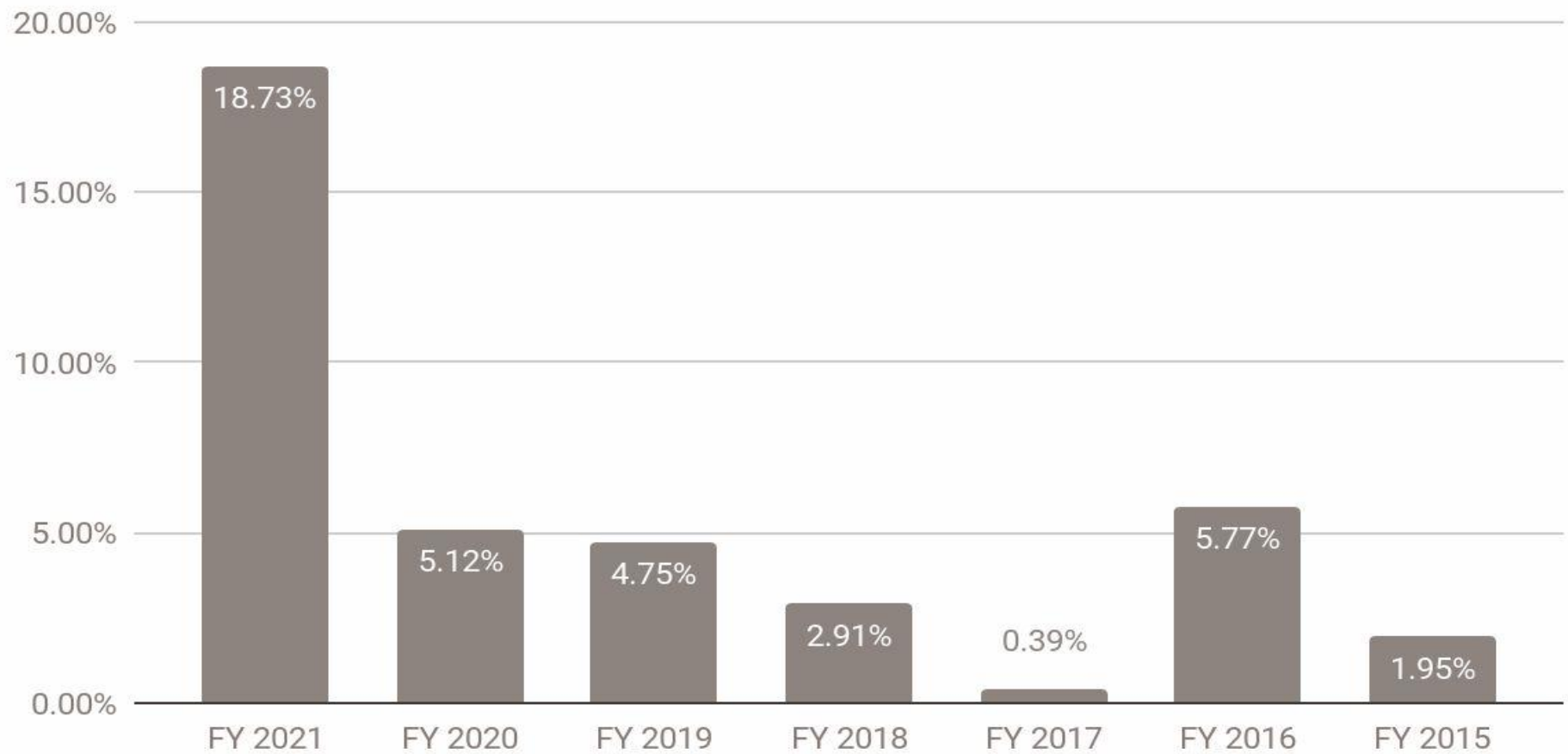
- If enrollment and state per pupil funding are held constant, and an increase in assessment value of existing property results in an actual decline in state support of the school district.
- Every \$1 million increase in assessment means \$3,000 less in SEEK
- Tax Assessments



Tax Assessment



% of Tax Assessment Change from Previous Year



SEEK Funding



Not just losing SEEK - State Grant Trends

Grant Name	FY17 Allocation	FY18 Allocation	FY19 Allocation	FY20 Allocation	FY21 Allocation
Extended School Services	\$ 453,876.00	\$ 452,270.00	\$ 434,487.00	\$ 425,540.00	\$ 430,246.00
Gifted & Talented	\$ 69,649.00	\$ 69,649.00	\$ 68,081.00	\$ 68,081.00	\$ 68,081.00
Preschool	\$ 1,327,160.00	\$ 1,207,530.00	\$ 1,261,143.00	\$ 1,083,571.00	\$ 1,050,739.00
Professional Development	\$ 180,073.00	\$ 95,100.50	\$ -	\$ -	\$ -
Safe Schools	\$ 134,155.00	\$ 135,086.00	\$ 181,306.00	\$ 177,361.00	\$ 178,443.00
Instructional Resources	\$ 315,356.00	\$ 174,202.00	\$ -	\$ -	\$ -
Read to Achieve	\$ 436,500.00	\$ 436,500.00	\$ 424,800.00	\$ 424,800.00	\$ 424,800.00
Math Achievement Fund	\$ 123,000.00	\$ 150,000.00	\$ 145,200.00	\$ 145,200.00	\$ 145,200.00
	\$ 3,039,769.00	\$ 2,720,337.50	\$ 2,515,017.00	\$ 2,324,553.00	\$ 2,297,509.00

District Funding Sources*

Year	Federal Sources	State Sources	Local Sources
2019-20	TBD	TBD	TBD
2018-19	6.7%	56.1%	37.2%
2017-18	6.5%	57.5%	36%

**Data collected for the District School Report Card*

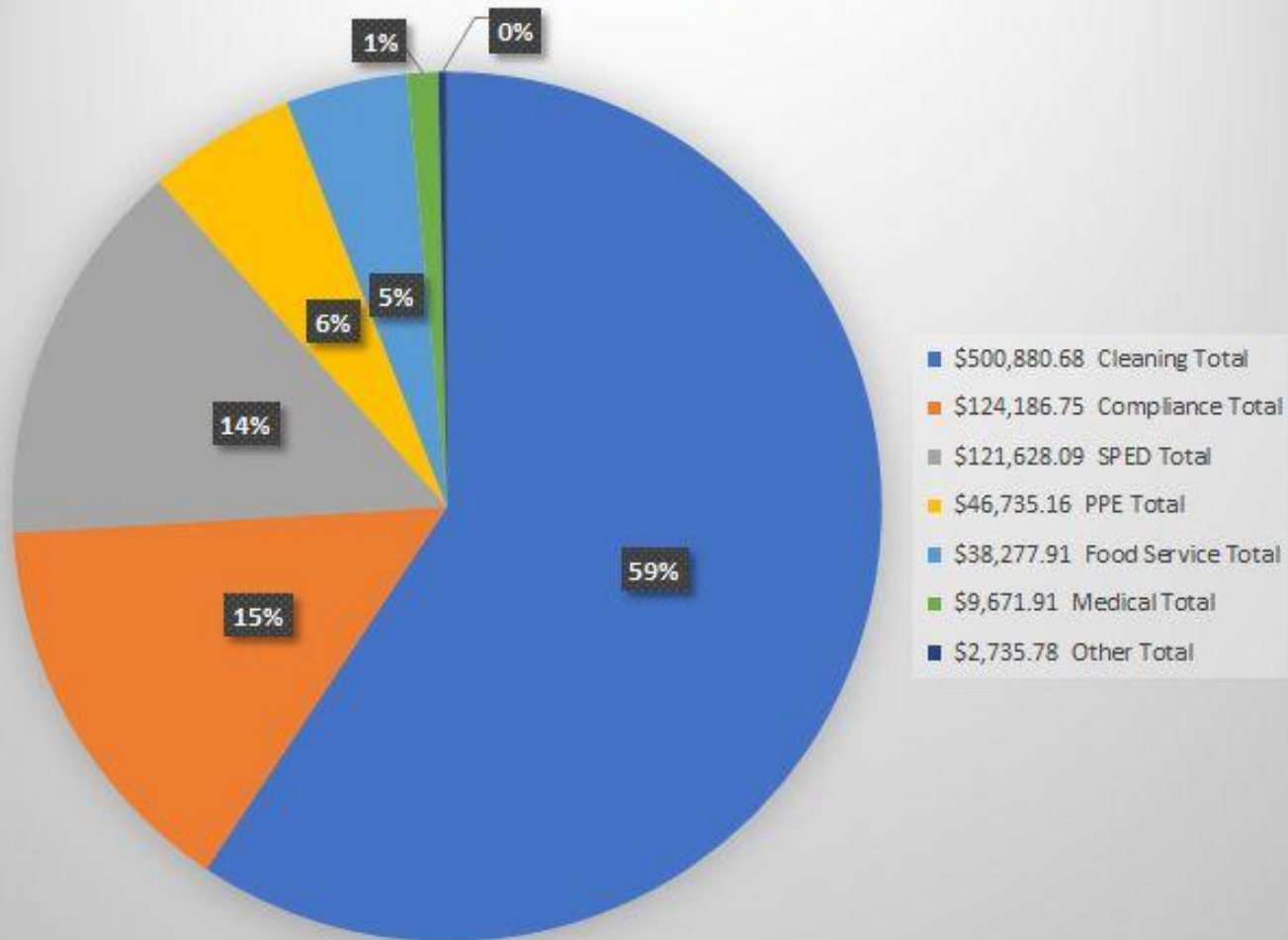


What does this mean?

1. Bullitt County property assessment is going up and as a result SEEK funding is going down
 - Every \$1 million increase in assessment means \$3,000 less in SEEK
 - ✓ FY 2019--Assessment was \$6,754,380,639
 - ✓ FY 2020--Assessment was \$7,100,347,791
 - ✓ FY 2021--Assessment was \$8,430,445,092
 - For FY 2021 we are expected to lose at least \$3 million in SEEK funding
2. State grants are also trending down, which means we will continue to rely on our local tax dollars to support Bullitt County Public Schools.
3. Due to COVID-19, the District expects significant mid-year budget cuts across all funding sources.



COVID Impact



COVID Impact

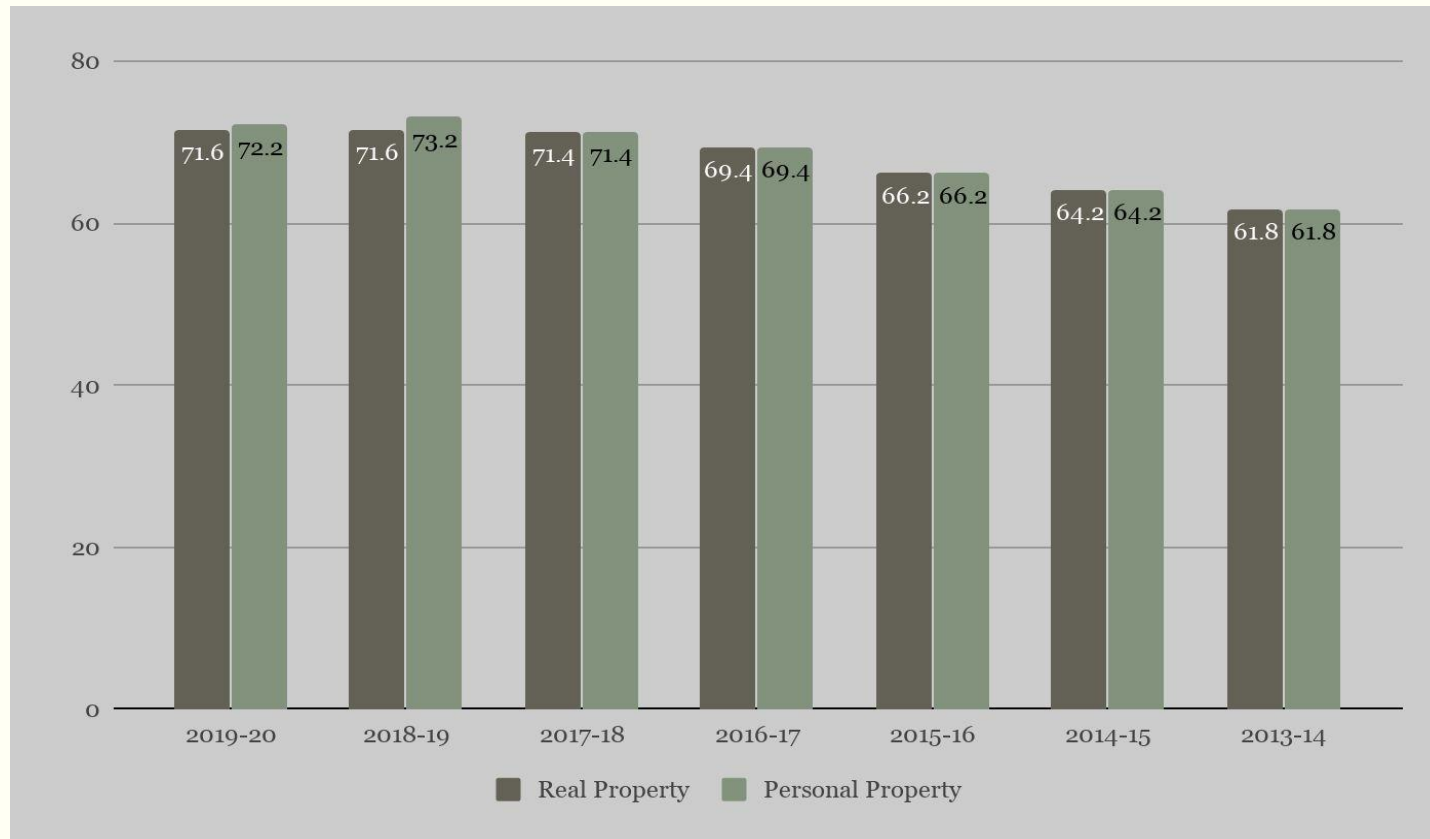
ESSER	\$1,523,096
GEER	\$261,273
FEMA (75%)	\$0.00
Total Expenses To Date	\$2,523,819.84
Net Shortfall	\$739,450.84

What tax rate is proposed for the district?

Due to the continued assessment growth in Bullitt County, the district has proposed the current rate of 71.6 (per \$100 of assessed value) for real property and the 4 percent tax rate of 72.2 for personal property. The real property tax rate remains the same as last year, and the personal property is 1.00 lower than last year.

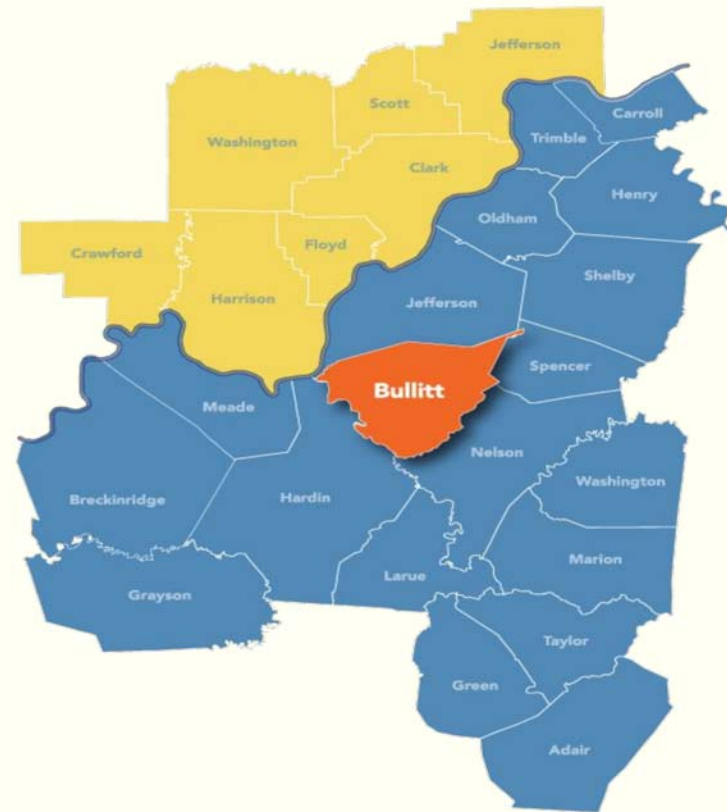


Bullitt County Tax Rate History



2020 Surrounding District's Proposed Real Estate Tax Rate

Bullitt	71.6
Nelson	73.0
Oldham	78.8
Shelby	73.1
Jefferson	80.6



Jefferson

Oldham

What will the current tax rate option mean for Bullitt County property owners?

Tax bills depend, of course, on the value of a particular property.

At the proposed real property tax rate of 71.6 cents, the owner of a \$100,000 home would pay \$716.00, which is the same as last year.



How will the tax rate benefit schools and the community?

The proposed tax rate is expected to produce \$55,460,088.03.

The general fund tax levied in fiscal year 2020 (71.6) produced revenue of \$47,584,467.75.

The proposed is estimated to generate about \$7,875,620.28.



The Reality

Proposed Rates
Real Estate 71.6
Personal Property 72.2 (last yr 73.2)

Potential Revenue	\$ 7,875,620.28
Building Fund	\$ 132,310.42
Projected Uncollectable	\$ 236,268.61
Cost of Collections	\$ 173,263.65
SEEK funding adjustment*	\$ 3,020,000.00
Realistic Estimate Addl Revenue	\$ 4,313,777.60

**Every \$1 million increase in assessment means \$3,000 less in SEEK (Our assessment increased \$1,005,719,795.)*



Benefits

- The 2020 revenue may be allocated as follows:
 - Assist in sustaining the previous 1% district salary increase
 - Innovative instructional programs
 - Unfunded mandate—Preschool
 - Additional staff needed for the Bullitt Cloud Academy
 - Maintenance and roofing projects
 - Compensating for state cuts in professional development, transportation, and instructional resources
 - Help address COVID-19 expenses
 - Compensate for potential mid-year budget reductions



Proposal

Proposed tax rates:

- 71.6 cents for real estate
Same as last year
- 72.2 cents personal property
Lower than last year by 1.00
- 47.7 cents motor vehicle
Same as last year

