**SUPERINTENDENT REPORT**

**AUGUST 28, 2023**

**OLDHAM COUNTY BOARD OF EDUCATION**

**CONCERN**

Consider adopting tax rates for FY24 (July 1, 2023 – June 30, 2024)

**DISCUSSION**

On July 31, 2023, the Oldham County School District received its property tax certification and notification of available tax rates (per $100 of assessed value) from the Kentucky Department of Education. Available tax rates (per $100 of assessed value) are as follows:

|  |  |  |
| --- | --- | --- |
|   | **Real Estate** | **Personal Property** |
| Without Exonerations  | With Exonerations | Without Exonerations  | With Exonerations |
| 1) Compensating  | 78.3 | 78.5 | 78.3 | 78.5 |
| 2) Subsection (1)  | 81.5 | 81.7 | 81.5 | 81.7 |
| 3) 4% | 81.4 | 81.6 | 81.4 | 81.6 |
| 4) Tier I (HB 940)  | 65.6 | 65.8 | 65.6 | 65.8 |

The District’s current Real and Tangible Personal Property tax rates are 81.2. This rate consists of the following allocation:

 General Fund 58.4

 Building Fund 22.8

In addition to the Real and Tangible Personal Property tax rates, the Board must also adopt a tax rate for Motor Vehicles and Utilities, whose revenues are recorded in the General Fund. The District’s current rates for such taxes are as follows:

 Motor Vehicle 64.3 cents per $100 in assessed value

 Utilities 3.0%

After analysis of the available rates and anticipated increases in budgeted expenditures for salaries/benefits and inflation, adopting the same tax rate of 81.2 is recommended for both real and personal property. Additionally, it is recommended that the current tax rate of 64.3 cents for motor vehicles and the 3% for utilities remain unchanged. No increase in tax rates is recommended.

As outlined in the advertisements in the Oldham Era, the proposed tax rate is expected to generate tax of $5,417,684 above 2023 revenue. Adopting this rate is budgeted to result in a FY24 net gain to the General Fund of approximately $206,000. The general areas to which the revenue increase would be allocated are as follows:

1. $79,228 for cost of collections,
2. $1,363,076 to the Building Fund,
3. $2,375,380 for salary increases and related fringe benefit costs,
4. $400,000 to transportation,
5. $600,000 to maintenance of plant, and
6. $600,000 for increased costs to instructional programs which directly impact student learning.

**RECOMMENDATION**

Adopt the following tax rates for FY24:

1. Adopt the tax rate of 81.2 cents per $100 assessed value for both Real Property and Tangible Personal Property with the allocation of such tax rate being:

 General Fund 58.4

 Building Fund 22.8

1. Motor Vehicle Tax Rate of 64.3 cents per $100 of assessed value
2. Utility Tax Rate of 3.0%