



# SPRING 2017 PUBLIC FORUM

*The Nickel Tax*  
Johnson County School District



# What is the Nickel?

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- In the 1990's, the Kentucky State legislature passed a law to establish how school districts can fund their facilities.
- All school districts had to add a Nickel "First Nickel" to their tax rates and this money was put into a **restricted** account and can only be spent on facility needs of the district.
- The state determines an amount that they provide to the school district to match or equalize this added nickel to taxpayers
  - In Johnson County, the state matches almost \$2 for every local \$1.
- As with all things, costs of maintaining school buildings have increased since the 1990's.
- However, the funds to spend on buildings have not increased.



*The only tax  
that is  
restricted*

# Why do we need the additional Nickel?

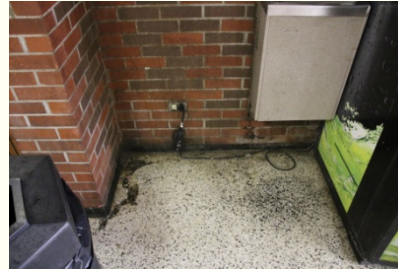
- The Nickel increase is **restricted** for construction, renovation and the related debt service.
  - NOT salaries, instruction or any other purposes
- This will increase the amount of funds that are available for the future to maintain current and future building needs.
  - New high school
  - Major renovations to existing school facilities
- Johnson County School buildings are in need of replacement and repairs.
  - See District Facilities Plan @ <http://www.johnson.kyschools.us/DFP>



# District Needs

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- Johnson Central (JCHS) opened in 1968.
  - JCHS has a capacity of 716, but currently houses nearly 1,100 students.
  - Even with renovation costs estimated at \$22 million JCHS would still not meet program needs of our students.
  - Classroom size is not adequate for current program needs.
  - Electrical service is currently operating at maximum capacity.
  - HVAC and Plumbing are outdated throughout the building.
- Other District Needs
  - Bathrooms are out of date.
  - HVAC equipment needs to be replaced/upgraded.
  - Kitchen equipment needs total upgrades.





# District Needs (Continued)

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As our buildings age, needs will continue to increase as well as the demand for funding to cover these costs.

We need to look into the future and make a goal to see our district as a whole improve and succeed.

**Problem** – JCHS is our most urgent need. Due to the size and design of the facility, it cannot meet the needs of our student programs offered today.

**Renovation** - Upgrading the existing building to meet the needs of the current programs is too expensive.

**Solution** – We envision a new location and facilities that meet all our needs for future growth and expansion of student programs.



# What is the solution?

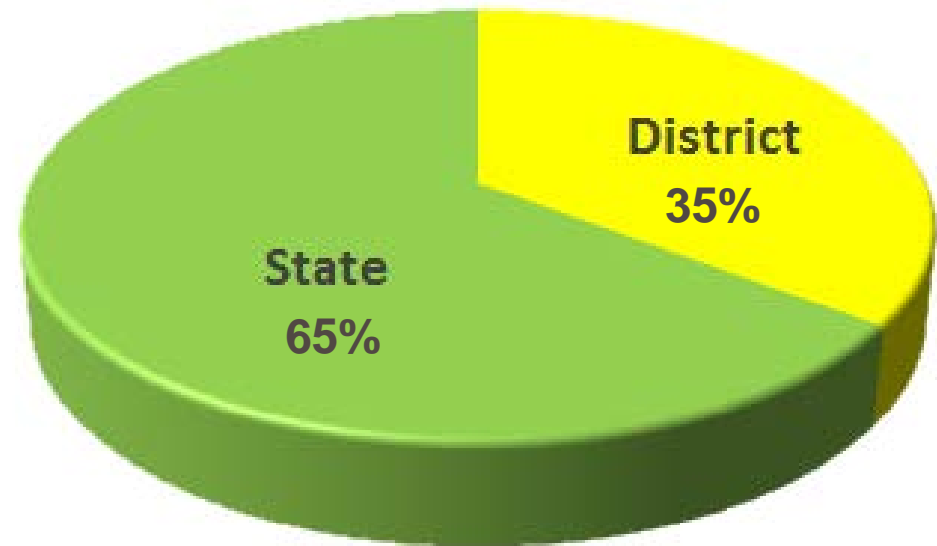
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The property tax rate was adjusted in 2015 by adding the 2nd nickel to increase the amount we can spend on our aging buildings.

Without the adjustment, we only have \$3 million we can spend on buildings.

Leveraging these state funds with the additional nickel will dramatically increase the amount of funds we can use on school buildings because the state will contribute nearly 65 percent match of the nickel revenue.

**Nickel Contribution**

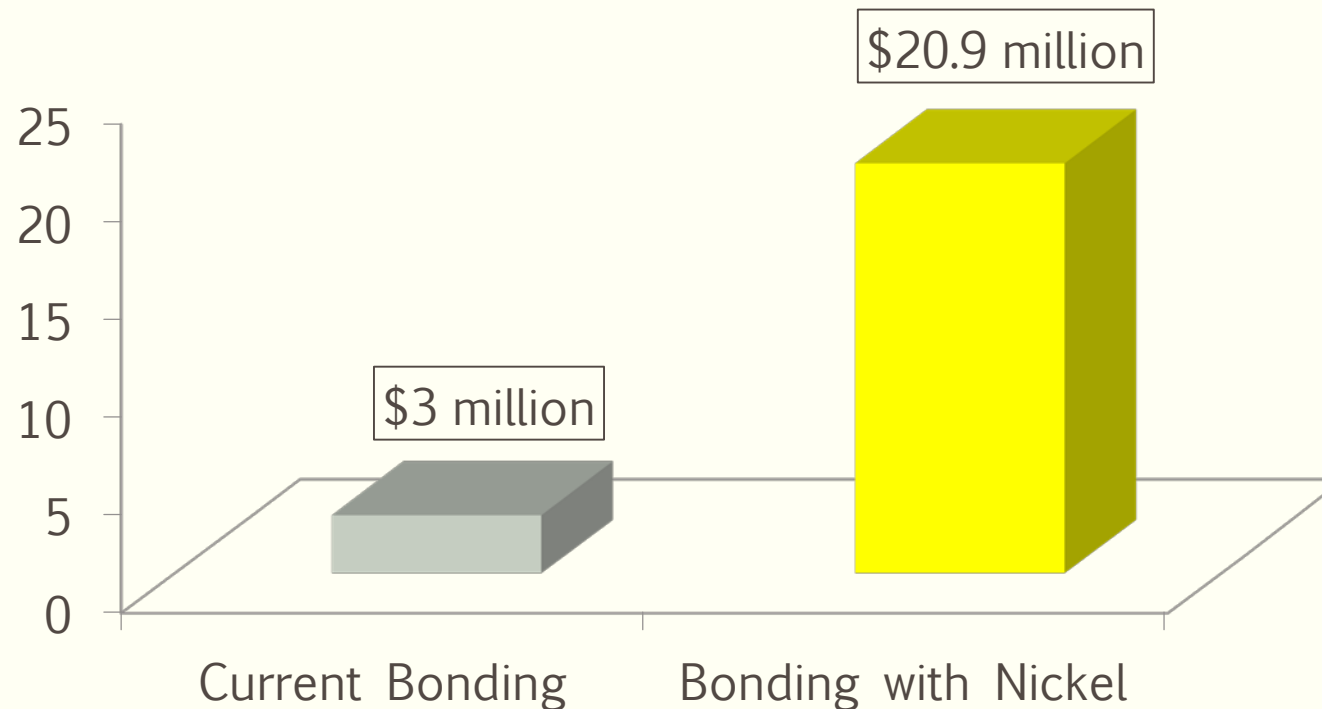


# Bonding Potential

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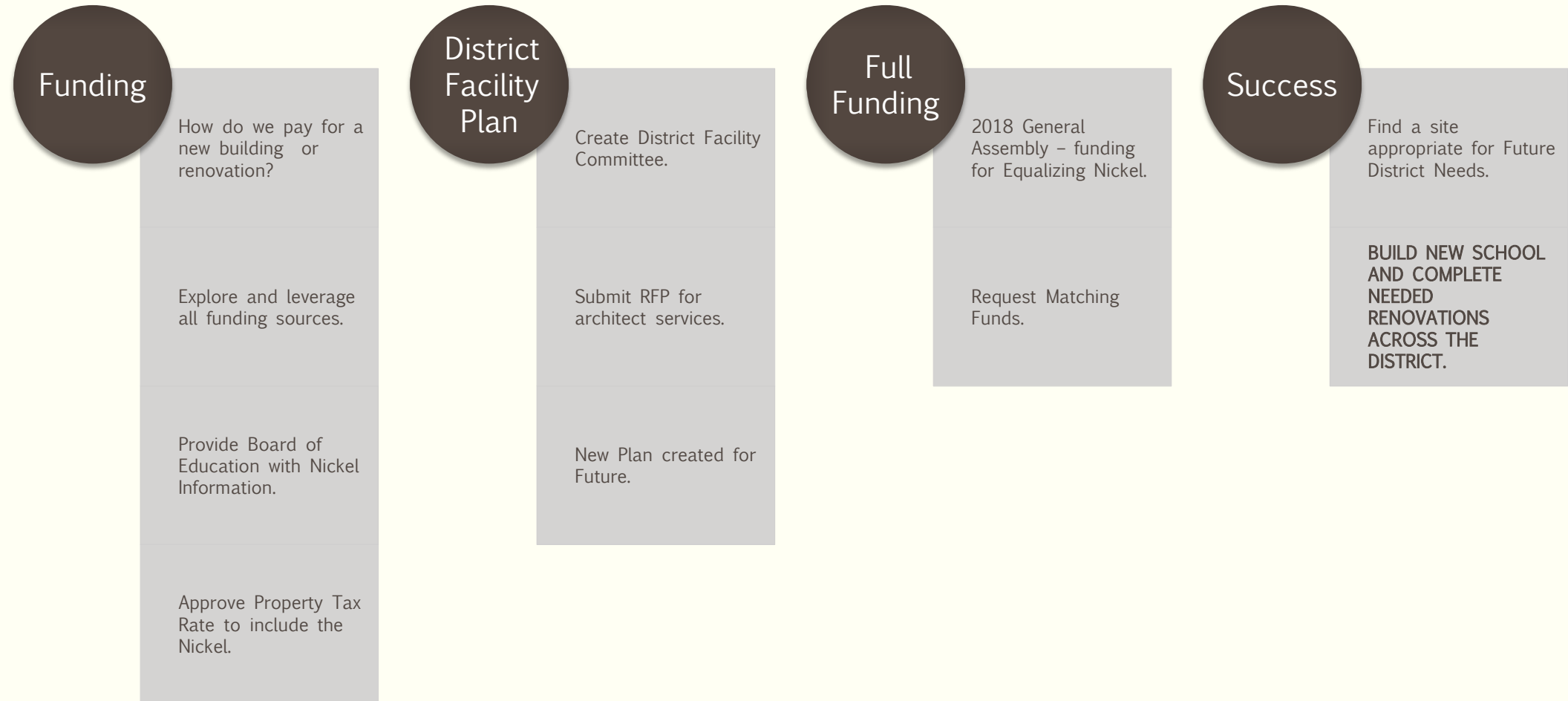
- Current bonding potential without the nickel totals \$3 million
- Voting for this nickel will increase bonding potential to nearly \$21 million

Bonding Money (in millions) as of 6/1/17



# Process for Addressing Future Building Needs

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# The Effect of the Nickel on Your Taxes

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- The Nickel only increases the property taxes. It does not affect any other taxes, including motor vehicle or utility.
- This is the only tax that is restricted.
- When the nickel was passed in 2015, it was challenged, and tied up in court. During this span of time, the nickel was applied to your tax rate and has been assessed for the last two tax cycles in 2015 & 2016.
- Voting **FOR** this nickel will **NOT** increase your current tax burden.

## How are other communities addressing needs?

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The additional nickel was passed in the following bordering communities:

- Paintsville Independent

- Magoffin County

- Floyd County

- Martin County

- Morgan County

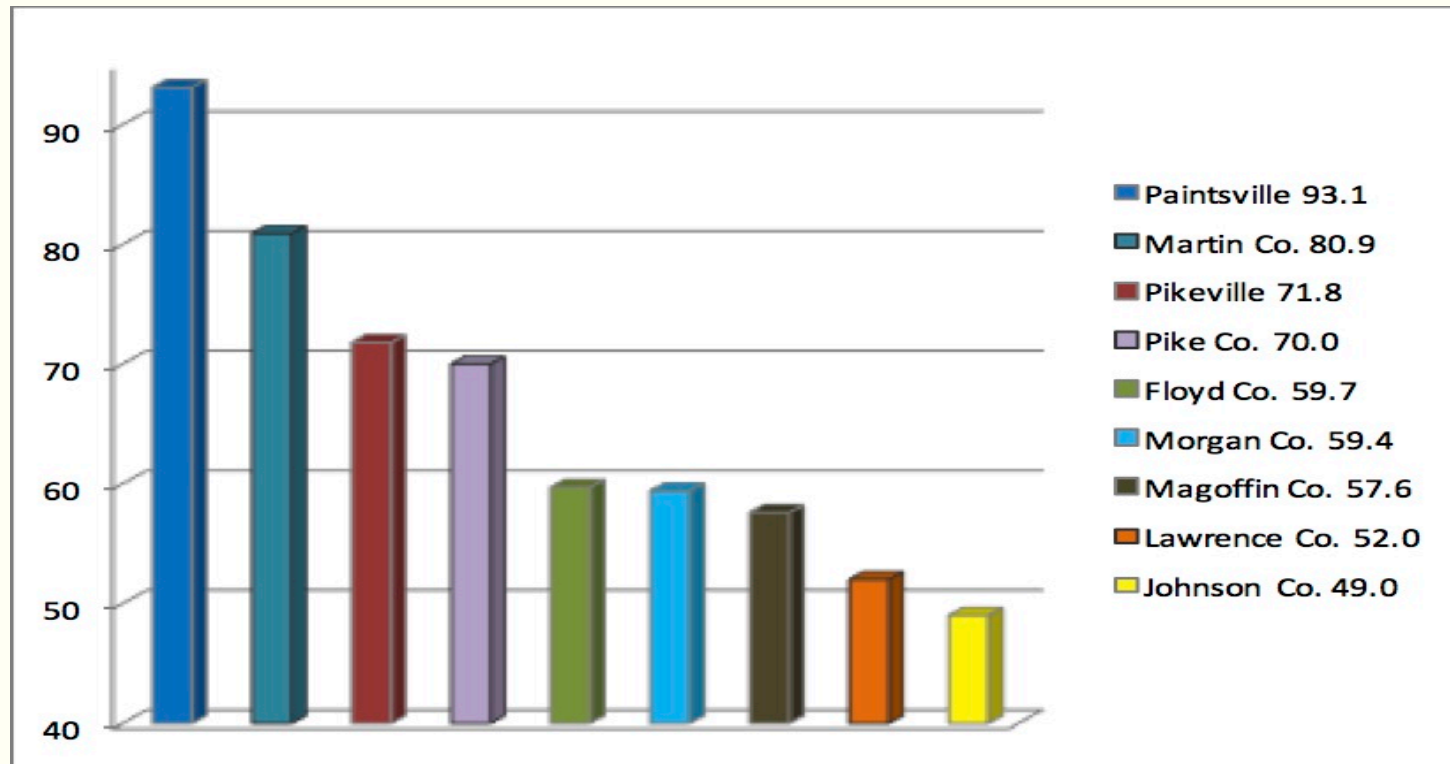
The additional nickel is currently being explored by the only remaining border community:

- Lawrence County

# Property Tax Rates for Area School Districts

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- Even with the nickel rate that our citizens have been paying for the past two years, Johnson County remains as having the LOWEST property tax rate of all surrounding counties.
- Voting FOR this nickel will not only keep your property taxes the same, it will still keep Johnson County as the lowest property tax rate in the region.



## What are the benefits to The Nickel For Our Community?

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- When families move to a community, one of the first things they look at are the schools.
- When businesses move into a community, they look at the schools also to see if their employees' families would want to live in the community.
- Our community's future workforce including professionals completing our high school programs in the areas of engineering, nursing, health science, technology, video production, construction trades, culinary arts, business/entrepreneurship, and agriculture will come from those who are educated in Johnson County Schools.
- As citizens and as business owners, we have to invest in our students' education in order to secure our own success.



The education of our students is the future of our community.



# Support Your School and Community

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Remember to vote on **May 23, 2017** and support our community schools by . . .

