



Barrow County School System

Education Special Purpose Local Option Sales Tax VII

Frequently Asked Questions

1. **What is an ESPLOST?** An Education Special Purpose Location Option Sales Tax (ESPLOST) allows local school districts the option to ask voters for the ability to levy and collect a one percent sales and use tax to help fund school improvements. ESPLOSTs are enacted by local referendum. They can be used to pay for capital projects, buses, technology and retire debt, but cannot be used to pay maintenance and operating expenses, such as teacher salaries, maintenance, supplies, and utilities.
2. **Would the ESPLOST renewal be a tax increase?** No! If approved, the sales tax for education would remain at its current level. A "Yes" vote would simply extend the current 1% sales tax for education for an additional five years or until \$150 million has been collected, whichever comes first. Collection of the ESPLOST renewal would begin after the current ESPLOST ends.
3. **Why do we need to extend our current ESPLOST?** The main purpose for extending the current ESPLOST are to (a) continue to pay prior bond debt service (b) continue facilities progress (c) new and replacement transportation vehicles and equipment and (d) increase and replace technology throughout the district. If debt service is not paid with sales tax, then property taxes would have to be increased by operation of Georgia Law by approximately 2.5 mills to meet the annual bond debt service requirements. BCSS is proud to say that we have maintained or cut the millage rate since 2007 because of good stewardship by our staff and because the citizens of Barrow County have supported the extension of this ESPLOST.
4. **When is the ESPLOST renewal vote?** Tuesday, March 21, 2023. The polls will be open from 7 a.m. to 7 p.m. Prior to March 21st, early voting will be available from February 27th through March 17th, 8 a.m. to 5 p.m. Saturday voting on March 3rd and 10th. The deadline to register to vote is February 20th.
5. **What would happen if the ESPLOST did not pass?** Without ESPLOST collections, the Board would be forced by operation of Georgia Law to institute a bond debt service millage for the currently outstanding bonds in the range of 2 to 3 mills. This would, by operation of Georgia Law, be on top of the M&O millage which funds operational costs such as salaries, maintenance, supplies, and utilities. Additionally, new schools, other facility and equipment improvements would not be accomplished, resulting in lost opportunities for our students. To fund these opportunities without an extension of the ESPLOST, the Board would have to raise M&O property taxes. Both property taxpayers and students would be penalized if the ESPLOST renewal did not pass.
6. **What would the debt service levy impact be if the ESPLOST renewal did not pass?** By operation of Georgia Law, bond debt service millage is separate and in addition to M&O property taxes. The actual bond millage rate that would be necessary if the ESPLOST renewal failed would be dependent upon the size of the overall tax digest and average collection rate. Nevertheless, at an anticipated 2.5 mills, \$300,000 of taxable, fair market value, property would result in an additional \$300 of annual bond debt service levy (\$300,000 FMV @40%= 80,000 AV times 0.0025). Both property owners and those who rent pay ad valorem taxes either directly or indirectly as an imbedded component of rent.



Frequently Asked Questions (continued)

7. **Why an ESPLOST?** The education sales tax is not a property tax. However, it provides property tax relief for this five year period using ESPLOST receipts to make the debt service payments, eliminating a separate debt service millage levy; and provides a method of funding the cost of educational improvements that everyone, not just property owners, contributes to. Additionally, the sales tax is paid by everyone who shops or stays in Barrow County, including our numerous visitors.
8. **What would the District do with the money raised from the ESPLOST extension?** As stated above, the most important project would be the continued payment on previously incurred bond debt. Currently, annual debt service is approximately \$9.4 million. The District wants to pay debt service with sales tax collections - not additional property taxes. Available ESPLOST renewal collections would also be used for the acquisition, construction, and equipping of new schools and facilities as needed for growth, including but not limited to new school buildings, classrooms, lunchrooms, gymnasiums, and auditoriums, renovations and equipment for existing facilities, and the acquisition and purchase of any property necessary and desirable therefore, both real and personal property, including but not limited to technology, safety and security equipment and transportation facilities and equipment creating better and safer learning environments for our students.
9. **How much money would be raised and how long would this ESPLOST be in place?** The ESPLOST extension is for \$150 million of collections or 5 years, whichever comes first.
10. **What have the prior ESPLOSTs accomplished?** Prior ESPLOSTs have enabled new construction of Bethlehem ES, County Line ES, Haymon Morris MS, Bear Creek MS, SIMS Academy, the new Russell MS, Winder ES, BASA and renovations and additions at Winder-Barrow HS, Apalachee HS, Auburn ES, Holsenbeck ES, Statham ES, Yargo ES, Kennedy ES and Bramlett ES, Westside MS addition, resurfaced tennis courts and tracks WBHS and AHS, a portion of the Innovation Amphitheater, enhanced transportation facilities and equipment, purchase of new buses, technology improvements and equipment, elimination of debt service millage for the 5-year period beginning 2021, and numerous other District-wide improvements. Currently, an extension of BASA and completion of a new elementary school is funded with the current ESPLOST.
11. **Why isn't the sales tax being used for teacher salaries and curriculum development?** State laws prohibit using ESPLOST proceeds for teacher salaries or maintenance. However, approving this sales tax renewal will help free up funds to meet existing financial obligations without having to rely on excessive ad valorem taxes.
12. **Is the District currently eligible for any State funding for facilities?** State Funding is available to our system for new schools and additions as growth dictates, as well as renovations and modifications, but these funds only cover a portion of the total cost of eligible improvement projects. Local funds must be combined with State dollars in order to complete capital improvement projects.
13. **Why is the District proposing to sell bonds with the ESPLOST extension?** By selling bonds, the District will be able to immediately start remodeling our existing schools that are over 20 years old, add additional classrooms and schools as growth demands, and to immediately address some of its most dire needs instead of waiting for the proceeds to be collected.



Frequently Asked Questions (continued)

14. ***Is our student enrollment continuing to grow?*** Yes. BCSS has over 14,900 students in 19 schools/programs. BCSS is the 24th largest school district of the 180 in Georgia. In recent years, Barrow County has experienced steady growth. This growth is the result of strong, steadily improving schools and because Barrow County is a great place to live and work. On average, our school system gains approximately two hundred and fifty (250) students each year or approximately 2% growth. This year we have grown by 450 students. Studies show that Barrow County will increase by over 7% in population in the next few years. This growth is putting a tremendous strain on our existing facilities, resulting in the ongoing need for additional classrooms, facilities, and equipment at all levels. Additionally, we need to continue to make other improvements to facilities and equipment, as well as upgrade technology and transportation resources. Our citizens have actively supported education for years and the passage of this ESPLOST extension would be a strong demonstration of continued school support by our community.

15. ***Why should people who don't have kids in school support the ESPLOST extension?*** The ESPLOST helps to keep ad valorem taxes lower. Also, children are not the only ones who benefit from strong schools. The social and economic strength of a community is greatly influenced by the District. Good schools mean well-prepared citizens, a strong labor market, and an inviting atmosphere for living and working. One of the key questions asked by industrial/commercial or residential prospects looking to move into a community is: "What's the quality of the schools?"

16. ***Is this ESPLOST different from the Barrow County Commissioners SPLOST?*** YES! The ESPLOST is a special purpose tax approved by the citizens for improvements of school facilities and equipment. The County SPLOST is a special purpose tax designed to fund county projects identified by the Barrow County Commission.

PROPOSED ESPLOST VII PROJECTS

After payment of previously incurred bond debt in lieu of a 2.5 mill increase in property taxes, other proposed projects include:

- Construction of new classrooms
- Improvements to existing district facilities
- System-wide instructional and administrative technology
- Purchase school buses and equipment
- Purchase safety and security equipment

These are the District's proposed projects; not necessarily in any particular order of priority; and subject to change based upon availability of sales tax collections and State Capital Outlay funding, budget constraints, and future construction, operational and instructional developments.