

Understanding Our Tax Rates: The Need for Local Effort

As Superintendent of Lee County Schools, it is my responsibility to make recommendations to our local Board of Education and educate our community on district needs. I have compiled the information below in an effort to communicate the necessity for my recommendation to the Lee County Board of Education to adopt HB 940 and the Recallable Nickel as the tax rate for 2013-2014.

During my analysis of the district budget, I contacted the Kentucky Department of Education and asked for their assessment. Following a review of our budget by the Kentucky Department of Education, the School Facilities Construction Commission and financial auditors the following were noted as factors and recommendations for the district:

- Fund balance is in a declining trend
- Tax rates are not being maximized
- Average Daily Membership is in decline
- Consolidation opportunities exist and should be maximized
- Charge indirect costs to federal programs

Description of Tax Rate Options

- Compensating Tax Rate produces an amount of revenue equal to that produced in the previous year. (No Hearing)
- House Bill 940 Tax Rate depending on the mix of taxes levied (No Hearing)
- 4 Percent Tax Rate will produce 4 percent over the amount of revenue produced by the compensating rate. (Hearing only)
- Recallable Nickel 5 cent add on can only be used for facilities (Hearing and Recall with petition)

Current 12-13 Lee County tax rate 29.0 cents per 100 dollars

Proposed 13-14 Lee County tax rate with HB 940 30.0 cents per 100 dollars

Proposed 13-14 Lee County tax rate with the extra Nickel 35.7 cents per 100 dollars

The Recallable Nickel: Why Lee County Schools Need it

Current bonding potential is \$2,980,000

Adding the Nickel Tax would increase bonding by \$2,135,000

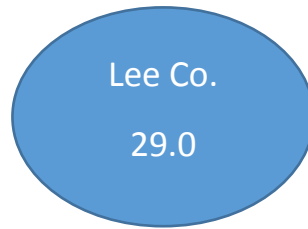
Total \$5,115,000

Equalized at 150% from General Assembly would increase our bonding to \$8,380,000 for facility projects district wide.

2007-08 through 2012-13 Tax Rate Type Levied by Lee County School District as of 01/09/13

District	2012-13 Rate Levied Type	2011-12 Rate Levied Type	2010-11 Rate Levied Type	2009-10 Rate Levied Type	2008-09 Rate Levied Type	2007-08 Rate Levied Type
321 Lee County	House Bill 940	Compensating	Compensating	Compensating	Compensating	Compensating

How does Lee County School District's current tax rate compare to other nearby school districts?



County	Tax Rate
Jackson Co.	58.7
Perry Co.	55.9
Clay Co.	55.5
Clark Co.	53.6
Knott Co.	49.4
Morgan Co.	49.1
Letcher Co.	46.1
Owsley Co.	43.8
Menifee Co.	43.0
Estill Co.	42.9
Jackson Ind.	42.0
Johnson Co.	36.9
Powell Co.	36.1
Wolfe Co.	34.1

As superintendent, it is my responsibility to ensure that our district remains financially sound and able to provide quality services for our students today and in the future. Moving forward with Local Effort helps operate 21st Century Schools and provides our students with the education they need and deserve in order to be competitive.

If you have questions regarding the information provided herein, please feel free to contact me at the Lee County Board of Education Central Office at (606) 464-5000 extension 130.