

your pennies  
at work

**SPLOST**  
special purpose local option sales tax

On **May 20, 2014** the voters of Paulding County will be asked to extend the penny sales tax that is helping build classrooms, improve current facilities, and provide technology for Paulding County students.

**E-SPLOST is not a new or additional tax.** Since 1997, voters have consistently supported the local school system through resolutions, approving four E-SPLOST programs (1997, 2001, 2006, and 2011). Over the past 17 years these programs have paid debt, purchased land, built and equipped hundreds of classrooms, and helped maintain and renovate existing facilities.

In addition to maintaining existing schools, these programs have helped construct twenty new schools and sixteen school additions.

#### **E-SPLOST V Highlights:**

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- Projected collections are **\$87.6 million\*** from April 2016 to March 2021.
- Projections are **28%** more than the previous program.
- This is a **continuation** of the existing sales or consumption tax. Meaning, the one-cent sales tax currently is paid on **retail sales** in Paulding County.
- Collections **will begin in April 2016**, when E-SPLOST IV expires.
- The referendum will permit up to \$100 million in collections, to allow for flexibility in the projections.

#### **Priority 1: Debt Service**

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- **50%** or \$43.4 million of projected collections will be designated for debt service (principal and interest on existing debt).
- A minimum balance is always maintained to ensure adequate reserves are always available.
- As with previous programs, E-SPLOST V **will provide for short-term borrowing**, allowing for some projects to be expedited, if necessary.

## What it is

A Special Purpose Local Option Sales Tax for education (E-SPLOST) allows local school districts to collect a one-cent sales tax to help fund capital improvements, including debt repayment for capital projects. It cannot be used for operating expenses.

## How it works

E-SPLOST is a one-cent sales tax on all retail sales in Paulding County. With this sales tax, everyone who makes a purchase in Paulding County contributes to the support of local schools. E-SPLOST is a consumption tax, not a property tax.



- The school district has not issued bonds since 2008 and has \$110 million in debt, **\$99 million** by the end of the current E-SPLOST IV.

Provided that projected collections are met over the five-year life of the program, the citizens of Paulding County would continue to enjoy no school bond millage. **Without E-SPLOST V**, the \$43.4 million in debt service would need funding through a school bond millage rate – resulting in an estimated **17% increase** in Ad Valorem Tax (property tax). Here are estimated increases, based on home values:

- \$100,000 – Increase of \$129 per year or \$645 over 5 years
- \$200,000 – Increase of \$257 per year or \$1,285 over 5 years
- \$300,000 – Increase of \$386 per year or \$1,930 over 5 years

**However, this estimated 17% school bond millage rate increase (from 0.000 to 3.213) will not be necessary with E-SPLOST V funding.**

## Priority 2: Capital Projects

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- **50%** or \$44.2 million of projected collections will be designated for capital improvements.
- Capital projects are subject to change based on the needs of the school district, reimbursement through the Georgia Department of Education’s Capital Outlay Program, and fluctuations in the projections – considering that debt service is the first priority of the program.
- The school district, in collaboration with EducationPlanners, LLC, has identified capital needs that could be funded via the program, and ranked their order of focus.

1	Technology Improvements	\$3.2 million
2	Shelton Elementary Addition	\$12.9 million
	North Paulding High School Addition	\$3.3 million
	Field/Track Improvements (all high schools)	\$6.4 million
	Band Instruments (all middle and high schools)	\$1.5 million
3	Fire Alarm, Sprinkler System, and Intercom Replacement (16 schools)	\$2.3 million
	Plumbing Improvements (3 schools)	\$0.3 million
4	Roof and Gutter Repairs (14 schools, 3 offices)	\$13.4 million
5	Flooring (3 schools)	\$1.0 million
	HVAC (16 schools, 3 offices)	\$18.3 million
	Other Maintenance Projects	\$0.6 million

## State Funding of Capital Projects

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- \$18.9 million, or **30%**, of the \$63.2 million in capital needs are projected to be reimbursed through the Georgia Department of Education's Capital Outlay Program.

## Accountability

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Paulding County citizens have consistently partnered with the school district to support critical funding initiatives, such as E-SPLOST. The school district recognizes that the cornerstone of this partnership is excellence in financial stewardship.

External auditors have annually reviewed all previous and current programs. All **seventeen independent audits** have found the school district in full compliance with the Georgia Constitution and Official Code of Georgia. The most recent Independent Account's Report, by Serotta Maddocks Evans & Co., CPAs, is available upon request.

## E-SPLOST History

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### **E-SPLOST I (April 1997 – March 2001) collected \$25 million for:**

- Construction of Hiram HS and Allgood ES
- Additions to Dobbins MS, Shelton ES, and Northside ES
- Land for Moses MS
- Maintenance projects

### **E-SPLOST II (April 2001 – March 2006) collected \$54 million for:**

- Construction of Baggett ES, Russom ES, Poole ES, Dugan ES, Austin MS, and South Paulding HS (partial)
- Additions to Nebo ES, Panter ES, and Roberts ES
- Modular units and Central Office building
- Maintenance and renovation projects, including emergency call back systems

### **E-SPLOST III (April 2006 – March 2011) collected \$71 million for:**

- Construction of Burnt Hickory ES, McClure MS, South Paulding HS (completion), and North Paulding HS
- Construction of gyms and theaters at East Paulding HS, Hiram HS, and Paulding County HS
- Technology upgrades
- Maintenance and renovation projects, including air conditioning gyms, track repairs, and classroom improvements

### **E-SPLOST IV (April 2011 – March 2016) is projected to collect \$67 million for:**

- Debt service, including \$53 million in principal and interest.
- Allowed for the elimination of the 2.963 school bond millage.
- Maintenance and renovation projects

\* Georgia State University's Andrew Young School of Policy Studies (Fiscal Research Center)  
and EducationPlanners, LLC

For addition information please visit [www.paulding.k12.ga.us](http://www.paulding.k12.ga.us) or email [SPLOST@paulding.k12.ga.us](mailto:SPLOST@paulding.k12.ga.us)

