



**SPLOST Renewal
Referendum 2019**



Introduction

- **Ratified as part of the state constitution in 1996, SPLOST became available to school districts as a means for raising money for the following year.**
- **Since then it has become one of the most innovative, effective, and ultimately inexpensive ways for schools to acquire funding.**
- **By the end of 1997 over 40% of counties had implemented a SPLOST.**
- **By 2007, nearly all counties had a SPLOST in place.**
- **As of 2019, 158 of 159 counties in Georgia currently have an active SPLOST.**

Capital need programs, if not careful, will lose the true focus – students. Successful, well planned SPLOST programs not only provide safe and better facilities, but ultimately improve academic success.



The Georgia Supreme Court



- **In 2006, the Georgia Supreme Court provided further guidance on what school districts could and could not use SPLOST revenue for.**
- **Districts can not use SPLOST revenue for any projects that are determined completely different from those described in the original referendum approved by voters without another referendum.**
- **Further stated, reasonable discretion must be allowed because exact budgeting of SPLOST funds would be impossible to implement.**





Key Elements For Developing a SUCCESSFUL SPLOST Program

- **Clearly Define Leadership**
- **Accountability**
- **Communication**
- **Justification**
- **Accurate information**
- **Stick to the Facts**
- **Focus on Students' Welfare and Academic Success**





PROJECTS GET AN EARLY START

- **The demands of getting a timely start on projects identified in SPLOST VI provide the opportunity to have a \$30 million bond attached to the resolution.**
- **The \$30 million bond attached to the resolution provides for a quick start to priority projects.**
- **The repayment of this \$30 million bond would be within the 2022-2026 SPLOST VI program.**
- **The repayment funds would come from the SPLOST VI program.**

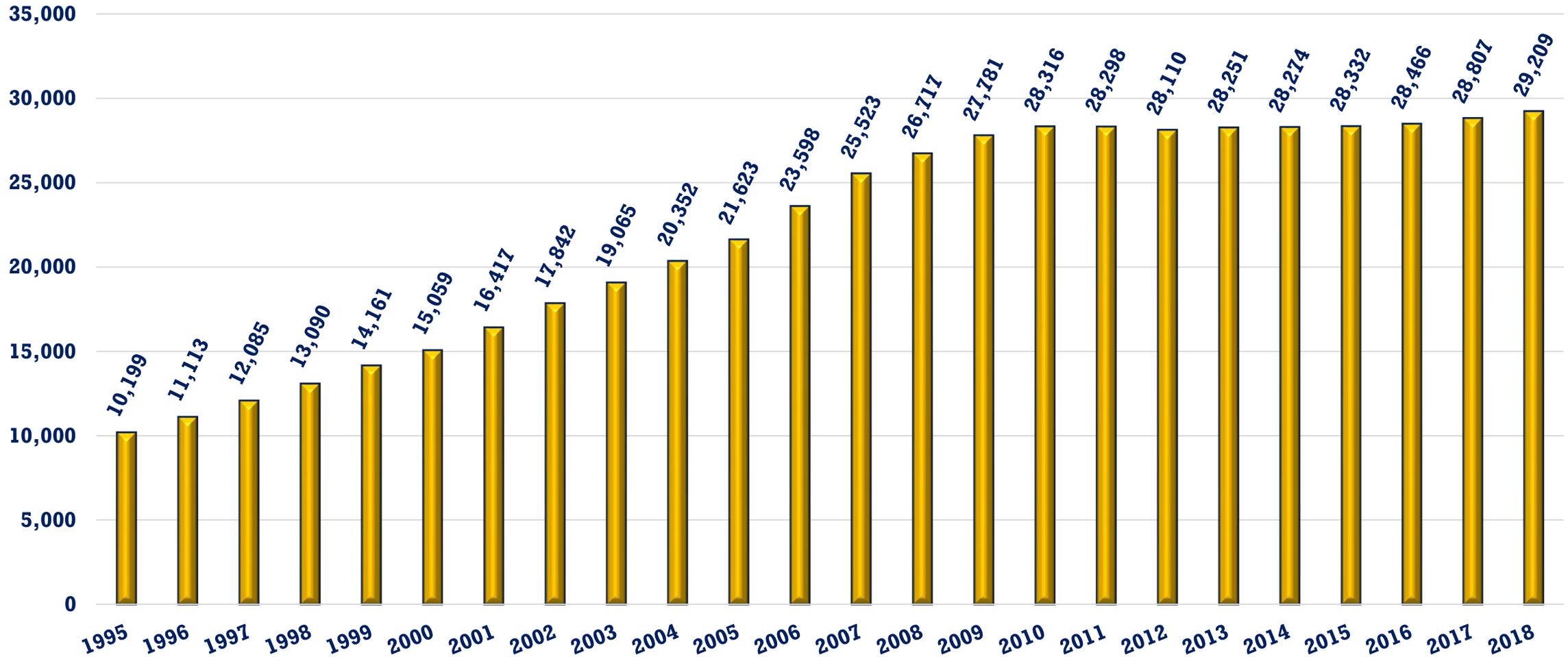


CAPITAL PROJECTS WILL ALWAYS DOMINATE THE NEED FOR A SPLOST

- **School facilities in some regards are no different than your home.**
- **Things wear out; have to be replaced it is by renovation, expansion, modernization or rebuild.**
- **It is important to spread good ideas, direction and correctness as a potential useful tool to get it right and to do it right.**



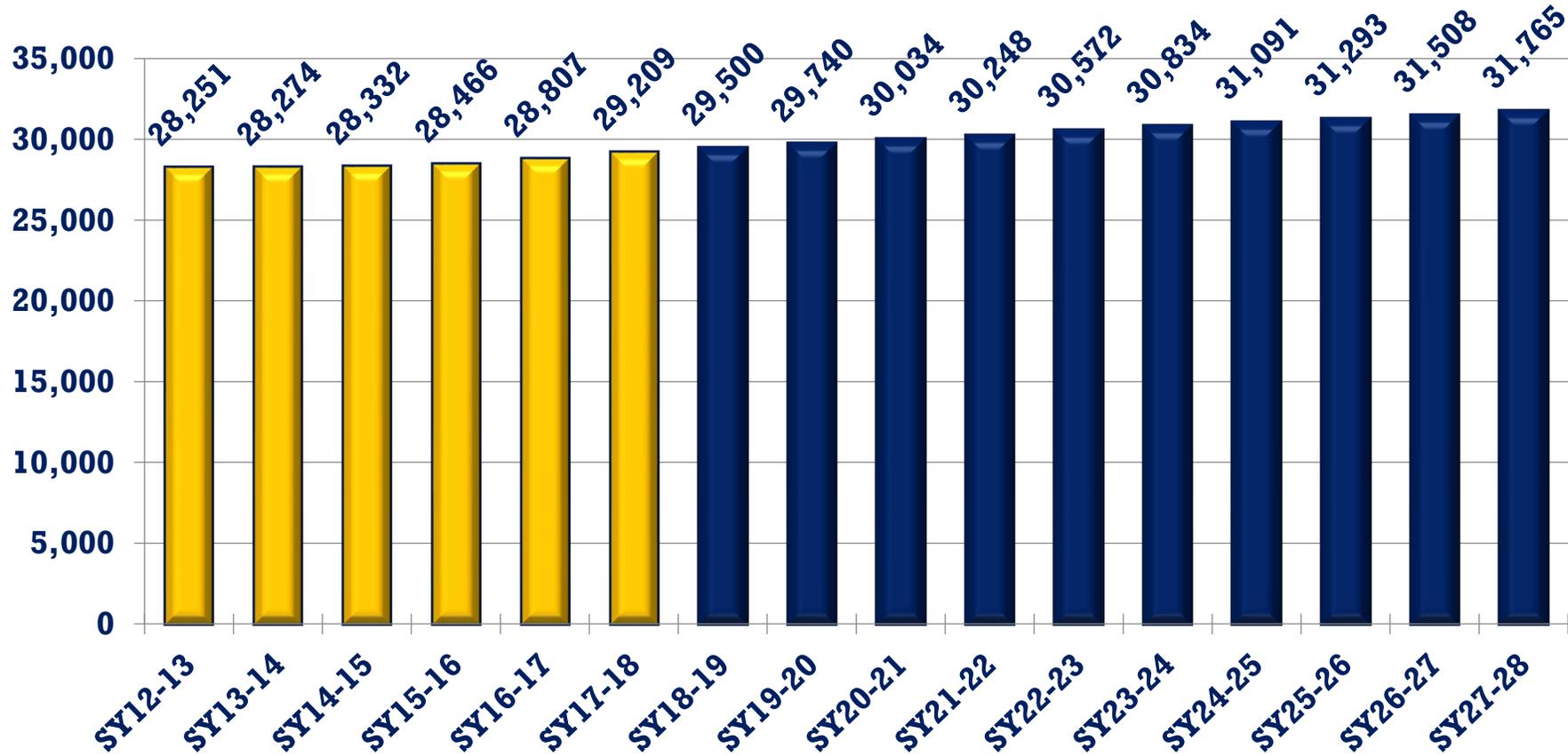
K-12 Enrollment Since 1995



Source: GA Department of Education



K-12 Historical & Projected Enrollment Trends

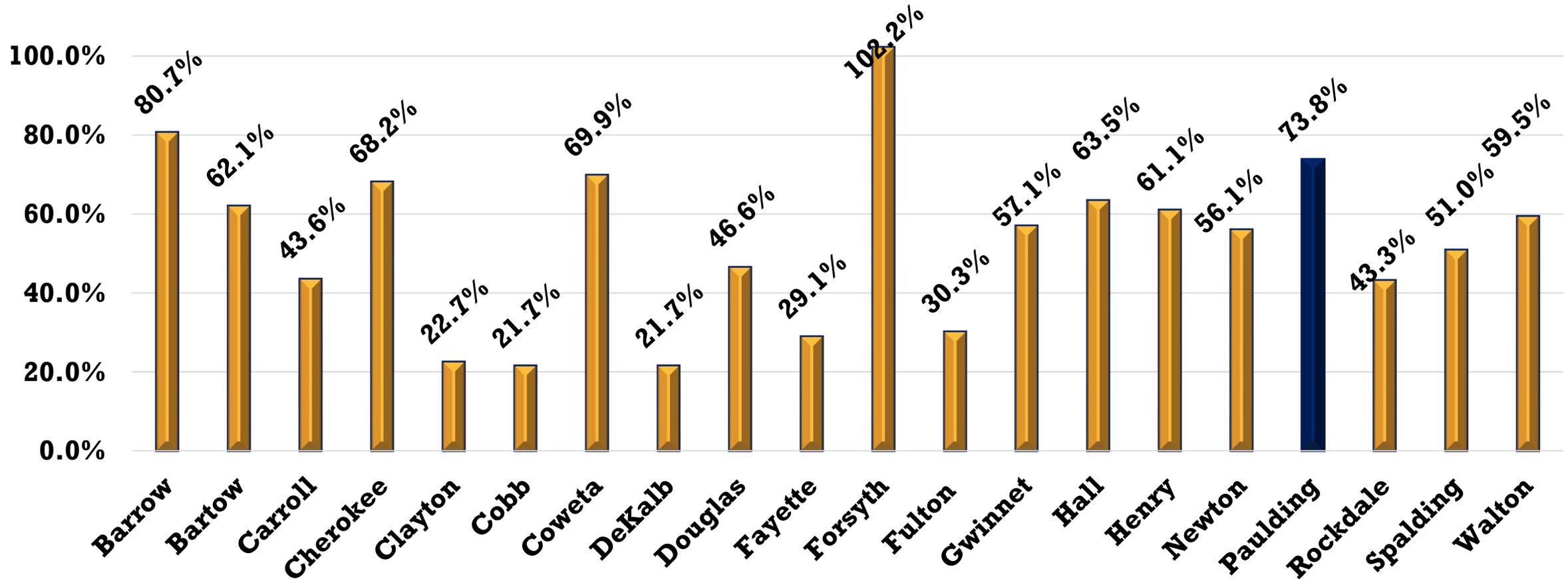




Increase in Paulding Population 2015-2040

2015 **149,382**

2040 **259,578**



Source: Atlanta Regional Commission



Revenue Summary

- **Objective – Develop monthly revenue estimate for SPLOST tax collections using total SPLOST tax revenue for Paulding County.**
- **Historical SPLOST data used – January 2009 through December 2018. The forecast period is from April 2021 through March 2026.**
- **Forecast was estimated using quarterly values of monthly data.**
- **Adjustment were included to control for the effect of the 2008 recession.**
- **The forecast scenario was developed using forecasted county population growth provided by the Georgia Office Planning and Budget and forecasted values of state personal income obtained from Moody’s Analytics.**
- **Several Model Specifications were estimated. Those producing estimates which most closely followed the historical values were used to produce the final forecasts.**

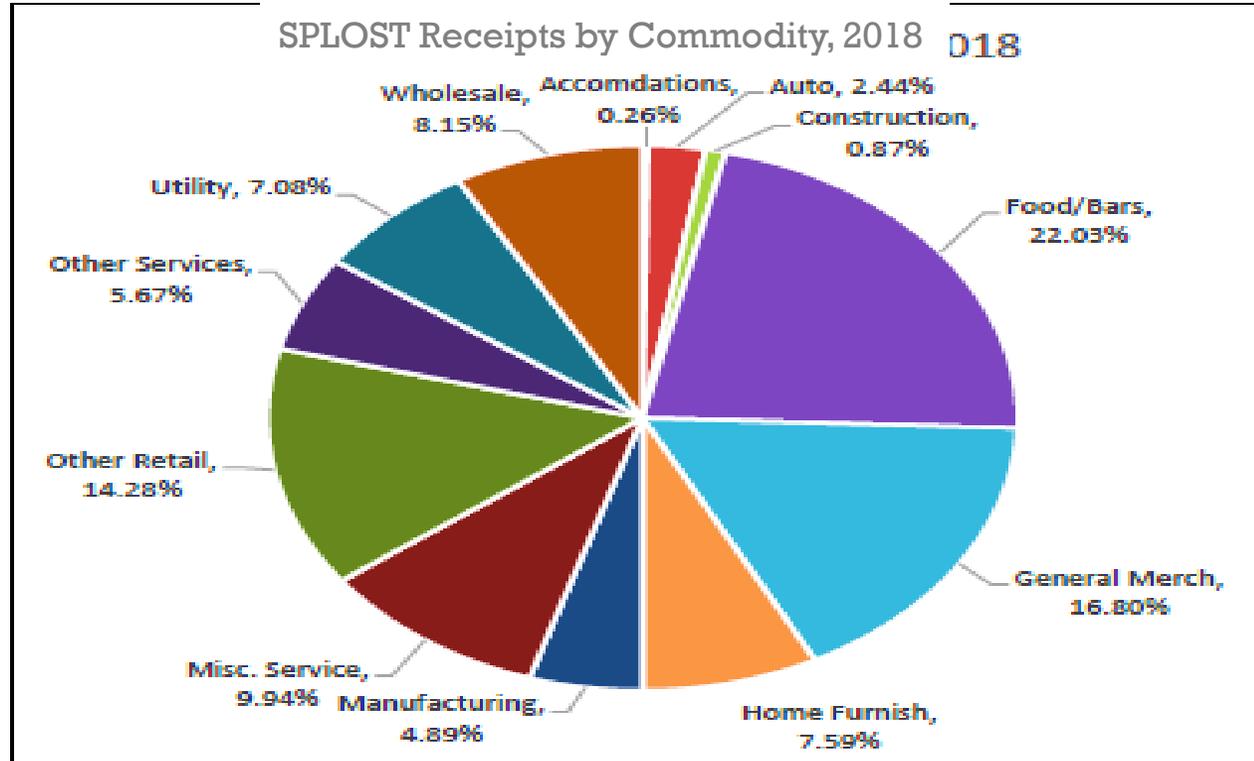


Revenue Cautions

- **This forecast is for anticipated revenue collections that will begin two years from the time the forecast was made and extend for an additional five years. This time lag and the long duration of the forecast adds a great deal of uncertainty to the forecast.**
- **Paulding County experienced high population and personal income growth during the 2000-2007 period. This period was followed by the Great Recession which resulted in minimal growth for several years. The forecast recognizes that population and personal income growth have stabilized at a lower growth rate than occurred during the early years of the 2000s.**
- **Growth rates of sales tax collections in 2017 and 2018 have been stronger than the years of 2015 and 2016. At this point in time, it is difficult to determine if these stronger collections represent a new trend that will be sustained into the future.**



Revenue Trends





SPLOST Forecast

	Calendar Years					
	2021	2022	2023	2024	2025	2026
January		2,107,364	2,203,348	2,303,707	2,408,637	2,518,346
February		1,605,531	1,678,659	1,755,119	1,835,061	1,918,645
March		1,565,349	1,636,646	1,711,193	1,789,135	1,870,626
April	1,739,297	1,818,519	1,901,350	1,987,953	2,078,500	
May	1,659,425	1,735,009	1,814,036	1,896,662	1,983,051	
June	1,726,322	1,804,953	1,887,165	1,973,122	2,062,995	
July	1,711,149	1,789,089	1,870,579	1,955,780	2,044,862	
August	1,768,610	1,849,167	1,933,393	2,021,456	2,113,529	
September	1,676,102	1,752,446	1,832,266	1,915,723	2,002,981	
October	1,623,556	1,697,506	1,774,825	1,855,665	1,940,187	
November	1,741,512	1,820,835	1,903,771	1,990,484	2,081,147	
December	1,754,310	1,834,216	1,917,761	2,005,112	2,096,441	
Total	15,400,283	21,379,984	22,353,798	23,371,975	24,436,525	6,307,617
Annual Growth		4.55%	4.55%	4.55%	4.55%	

Forecasted values generated from a Holt-Winters exponential smoothing model in additive form



MAJOR PROJECTS IN THE PROGRAM

Construction Bond Payments 2022-2027

- Continues debt service of the construction bond

New Middle School

- Address growth at McClure Middle and North Paulding High School

Future Facility Construction

- Evaluate existing facilities and growth patterns over time

Additions at Moses MS, Roberts ES, and Russom ES

- Addresses overcrowding at the middle and elementary school level

Safety and Security Upgrades

- Provides secure connecting corridors at elementary and middle schools
- Provides upgrades of fire alarm and intercom systems at elementary, middle and high schools

Fine Arts Improvements

- Provides upgrades to the high school performing arts program and funds equipment for band, choral, and visual arts programs at elementary, middle and high schools

Physical Education and Athletic Facility Improvements

- Funds replacement of tracks and tennis courts at high schools, and gymnasium floor refinishing at elementary and middle schools
- Fund athletic facility improvements at all high schools

Renovation Projects

- Funds ongoing renovation needs at elementary, middle, and high schools

Technology

- Funds Technology upgrades throughout the district



Paulding County School District

Projected SPLOST Funds

Projected SPLOST Receipts 60 months	\$113,250,182
Projected State Funding	\$ 9,949,992
Local Funds	\$ 8,200,000
Total Funding	\$131,400,174

Projected Expenditures

Debt Service

Series 2014 Debt Service	\$ 40,982,000
Construction Bond Debt Service	\$ 2,613,377

Priority 1 Projects

New Middle School	\$ 32,500,000
Additions at Moses MS, Roberts ES, Russom ES	\$ 12,300,000
Renovations	\$ 15,782,797

Priority 2 Projects

Safety and Security Upgrades	\$ 6,010,000
Tech Enhancements	\$ 2,500,000
Fine Arts Initiatives	\$ 1,560,000
Physical Education Improvements	\$ 1,420,000
Athletic Facility Improvements	\$ 1,900,000

Priority 3 Projects

Future Facility Needs/Improvements	\$ 13,832,000
Total Expenditures:	\$131,400,174



Highlights

- **Successful, well planned SPLOST programs not only provide safe and better facilities, but ultimately improve academic success.**
- **It is important to spread good ideas, direction and correctness as a potential useful tool to get it right and to do it right.**
- **Community Conversations were scheduled as a means of sharing and gathering public input in planning for future facility and capacity needs.**
- **As of 2019, 158 of 159 counties in Georgia have an active Education SPLOST.**
- **The \$30 million bond attached to the resolution provides for a quick start to priority projects. The repayment of the bonds would occur during the SPLOST VI program.**
- **Enrollment forecasts show substantial growth over the next ten years.**
- **The Atlanta Regional Commission (ARC) forecasts over 110,000 new residents between 2015 to 2040. The third fastest growing county in the 20-county metro area.**
- **The revenue scenario was developed using forecasted county population growth provided by the Georgia Office of Planning and Budget and forecasted values of state personal income obtained from Moody's Analytics. The revenue forecast provided by the Andrew Young School Fiscal Research Center of Georgia State University.**
- **Collection begins April 2021, ends March 2026.**
- **Funding is provided for school construction, classroom additions, safety and security upgrades, Fine Arts Program improvements, Physical Education and Athletic facility improvements and modifications needs.**
- **Projected SPLOST funds includes application for entitlement state funding.**



Proposed Timeline

January, 2019	Community Conversations
February, 2019	Undertake facility needs assessment/facility planning
March, 2019	Develop project costs/cash flow projections/bond requirements
April, 2019	Finalize project prioritization, Capital Outlay funding planning
May, 2019	
June, 2019	Finalize project needs list Distribute first drafts of SPLOST Referendum
July, 2019	School Board to adopt Referendum Resolution Finalize and implement community awareness efforts
August, 2019	Notice to Board of Elections
October, 2019	Publish Notice of Election in local newspaper
November, 2019	VOTE – Education SPLOST Referendum



SPLOST Renewal

Referendum November 2019