

# The Nickel Tax

ESTILL COUNTY SCHOOL DISTRICT

# WHAT IS THE NICKEL?



- In the 1990s, the Kentucky State legislature passed a law to establish how school districts can fund their facilities.
- All school districts had to add a 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.
- As with all things, costs of maintaining school buildings have increased since the 1990's.
- However, the funds to spend on buildings has not increased.
- The "Recallable Nickel" gives school districts an opportunity to raise addition revenue for facility needs determined by the local planning committee and school board.
- After approval of the Nickel by the board, the state determines an amount that they provide to the school district to match or equalize this added nickel to taxpayers
- The match at this time would be ~\$2.10 for every dollar collected.
- Total amount of collected tax = \$271,223. Total amount of state match = \$568,413.

# WHY DO WE NEED THE NICKEL?

- This will increase the amount of funds that are available for the future to maintain current and future building needs. These projects would include:
  - New Preschool Wing and Renovation of Estill Springs
  - New Area Technology Center
  - Final Renovation of Estill County High School and Athletic Facilities
  - New Traffic Design and roof for Estill County Middle School.
  - Parking and Playground at West Irvine Elementary
- The Nickel tax increase is restricted for construction, renovation and the related debt service.
  - NOT salaries, instruction or any other purposes



# Restricted Funds Currently Available for Future Bonding

## Estimated Bonding Capacities WITHOUT the Nickel

| Fiscal Year | SFCC Bonding Capacity <sup>(1)</sup> | Local Bonding Capacity | Total Bonding Capacity <sup>(2)</sup> |
|-------------|--------------------------------------|------------------------|---------------------------------------|
| 2018        | \$742,014                            | \$2,997,986            | \$3,740,000                           |
| 2020        | \$742,014                            | \$3,137,986            | \$3,880,000                           |
| 2022        | \$742,014                            | \$3,192,986            | \$3,935,000                           |
| 2024        | \$742,014                            | \$3,297,986            | \$4,040,000                           |
| 2026        | -                                    | \$3,395,000            | \$3,395,000                           |
| 2028        | -                                    | \$3,825,000            | \$3,825,000                           |
| 2030        | -                                    | \$4,225,000            | \$4,225,000                           |
| 2032        | -                                    | \$13,810,000           | \$13,810,000                          |

Notes:

(1) No new SFCC Offers of Assistance are assumed. The 2014 Offer expires in 2024.

(2) Bonding Capacity assumes no additional bonds are issued until that fiscal year. All Bonds are dated February 1 of the respective Fiscal Year.

# Current Bonding Capacity and Projected Totals With Nickel

| Scenario <sup>(1)</sup>  | SFCC      | District     | Total        |
|--|-----------|--------------|--------------|
| Current Bonding (2018)   | \$742,014 | \$2,997,986  | \$3,740,000  |
| Current Bonding Plus Recallable Nickel <sup>(2)</sup>                  | \$746,000 | \$8,229,000  | \$8,975,000  |
| Current Bonding Plus Recallable Nickel and Equalization <sup>(3)</sup> | \$736,000 | \$15,399,000 | \$16,135,000 |

Note:

(1) Bonding analysis assumes current bank qualified market rates as of March 2, 2017 and 20 year amortization of principal.

All calculations herein are based on KDE's 2016-17 Final Seek Calculation

(2) Analysis assumes an additional 25 basis points

(3) Analysis assumes an additional 40 basis points; bond issue will be non-bank qualified

# Current Tax Rates of Surrounding Districts

| County  | Tax Rate | County                                 | Tax Rate    |
|---------|----------|--|-------------|
| Leslie  | 66.1     | Menifee                                | 54.4        |
| Letcher | 63.4     | Breathitt                              | 51.3        |
| Clark   | 62.2     | <b>Estill (With Nickel Equivalent)</b> | <b>51.3</b> |
| Madison | 61.8     | Montgomery                             | 50.8        |
| Clay    | 61.4     | Owsley                                 | 46          |
| Jackson | 60.6     | <b>Estill (Current Tax Rate)</b>       | <b>45.4</b> |
| Morgan  | 59.4     | Jackson Independent                    | 44.6        |
| Knott   | 58.5     | Powell                                 | 41.1        |
| Hazard  | 57.2     | Lee                                    | 33.7        |
| Perry   | 54.8     | Wolfe                                  | 33.6        |

Currently ranked 145<sup>th</sup>. 28<sup>th</sup> lowest out of 173 Districts in State.

After proposed increase, new rank would be 118<sup>th</sup>.

# The Effect of the Recallable Nickel on Your Taxes

- The Nickel only increases property taxes (Real and Tangible). It does not affect any other taxes, such as motor vehicle, payroll, or utility.
- Why is the “Nickel” not exactly a nickel?
  - Since districts never collect 100% of the taxes they are due, the calculation must be adjusted to make sure the full amount is collected. This is called the “Equivalent Nickel.”
  - For Estill County, the “Equivalent Nickel” equals 5.9 cents. (Estimated)
- The table to the right reflects a tax rate of 51.3 cents.

| Property Value  | Current Rate    | Rate With Nickel | Difference     |
|-----------------|-----------------|------------------|----------------|
| \$25,000        | \$113.50        | \$128.25         | \$14.75        |
| \$50,000        | \$227.00        | \$256.50         | \$29.50        |
| <b>\$65,000</b> | <b>\$295.10</b> | <b>\$333.45</b>  | <b>\$38.35</b> |
| \$70,000        | \$317.80        | \$359.10         | \$41.30        |
| \$100,000       | \$454.00        | \$513.00         | \$59.00        |
| \$150,000       | \$681.00        | \$769.50         | \$88.50        |
| \$180,000       | \$817.20        | \$923.40         | \$106.20       |
| \$200,000       | \$908.00        | \$1,026.00       | \$118.00       |
| \$500,000       | \$2,270.00      | \$2,565.00       | \$295.00       |
| \$1,000,000     | \$4,540.00      | \$5,130.00       | \$590.00       |

# What are the benefits of The Nickel to the School District?

- New and renovated facilities at Estill Spring and ECHS
- New Career and Technical Facility
- Enhanced technology
- Up to date safety enhancements to our facilities
- Opportunities for more energy efficient facilities
- Adequate parking and athletic fields
- Reduced energy and maintenance costs
- Pride for our students, staff, and community
- A brighter future for our students



# Estill Springs Elementary

**\$8M**

## 1. New Construction would include:

- a) Eight new classrooms
- b) New Gymnasium
- c) New bus loading/unloading zone and parent drop off.

## 2. Major building renovations would include:

- a) Repurpose old gymnasium to include:
  - 1. Two resource classrooms
  - 2. Expand media center
  - 3. Additional lunchroom/kitchen space
- b) New front entrance design to

provide secure entry to building

- c) Exterior/interior walls, windows, doors, floors ceilings and restrooms
- d) Systems renovation: HVAC (Geothermal), plumbing, electrical, lighting, technology and security
- e) Renovation and redesign of some classrooms
- f) ADA Compliance update

## 3. Outdoor Facilities

- a) Permanent Redesign and fix for Driveway entrance parking lot repavement/Drainage Issues

# Estill Springs Elementary School

## Estill County Schools

### BUILDING

- Move Preschool and Kindergarten to Estill Springs.
- Close South Irvine and reduce District operating costs

#### ADDITION:

- ① New Gymnasium
- ② New Classroom Wing
  - 8 Early Childhood Classrooms
  - 2 Resource Classrooms

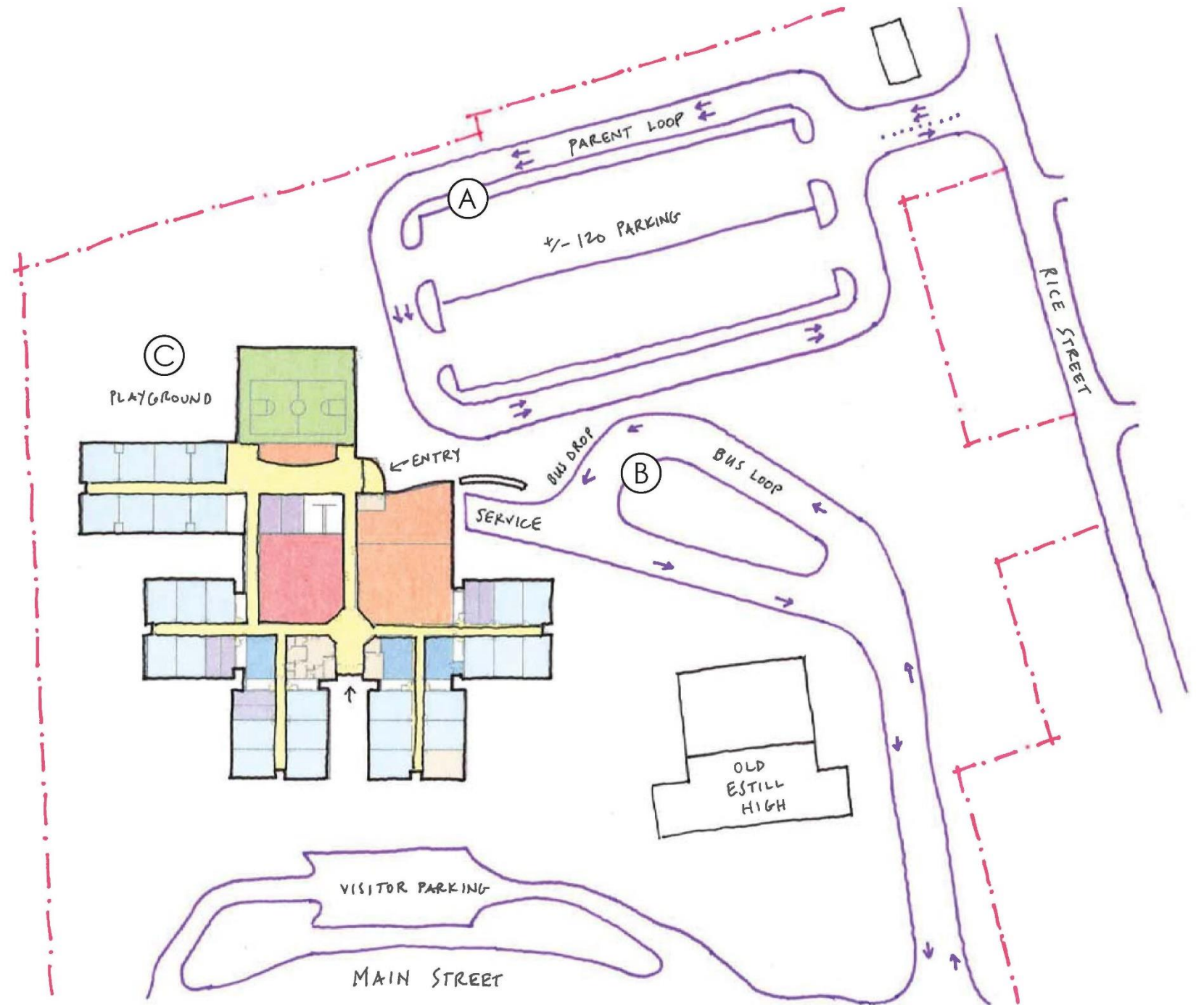
#### RENOVATION:

- HVAC replacement, Plumbing repair, Electrical repair
- Replace Ceilings
- Renovate Restrooms
- ADA Accessibility
- Fire Alarm



# SITE PLAN

- (A) New Parent Loop/Parking Lot
- (B) New Bus Loop
- (C) New Playground

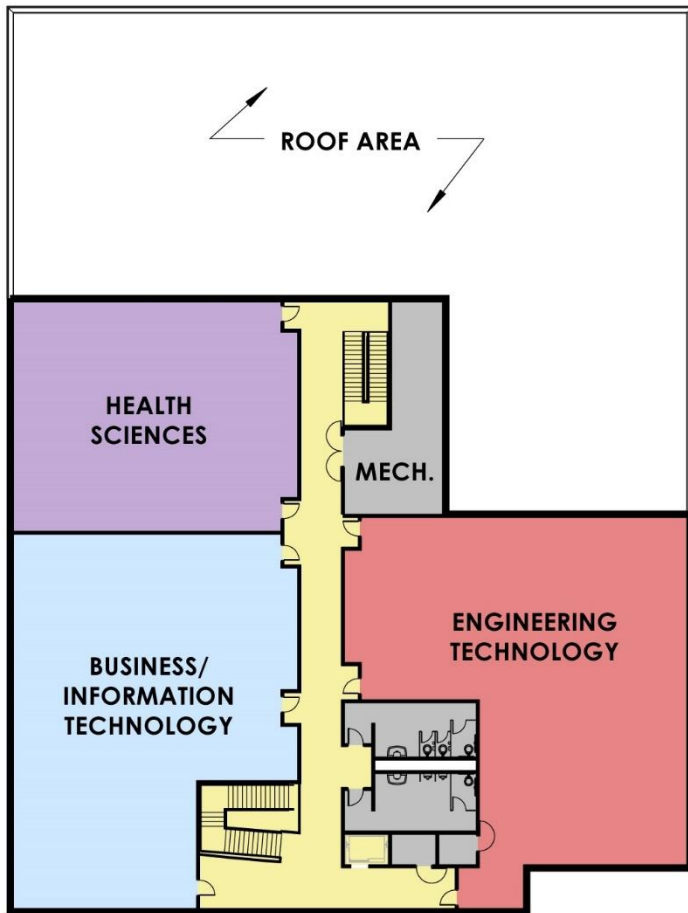


# Estill County Career and Technical Facility

**\$10M**

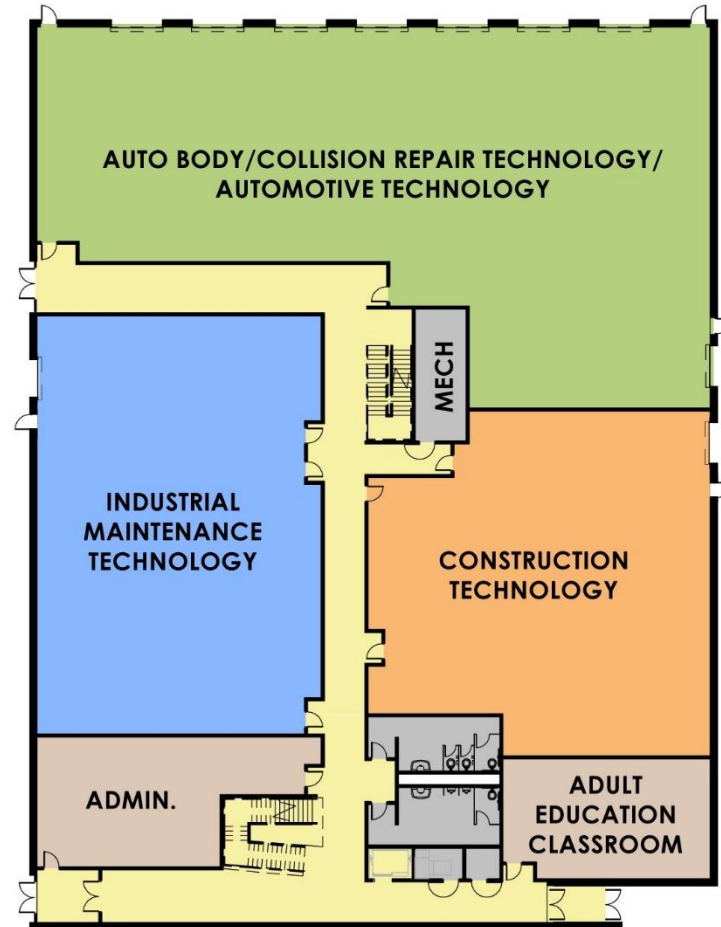
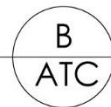
## New Construction to Include

1. New Office Adm. Area
2. Program areas to include:
  - a) Adv. Manufacturing Lab
  - b) Construction & Trades Lab
  - c) Transportation/Logistics Lab
  - d) Business and Informational Technology
  - e) Nursing and Health Services
  - f) STEM – Technology and Engineering
3. Space for Relocation of Adult Education Program
4. Additional Classroom space for Higher Education use.



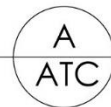
SECOND FLOOR PLAN

1" = 40'-0"



FIRST FLOOR PLAN

1" = 40'-0"



ATC

SHEET NUMBER

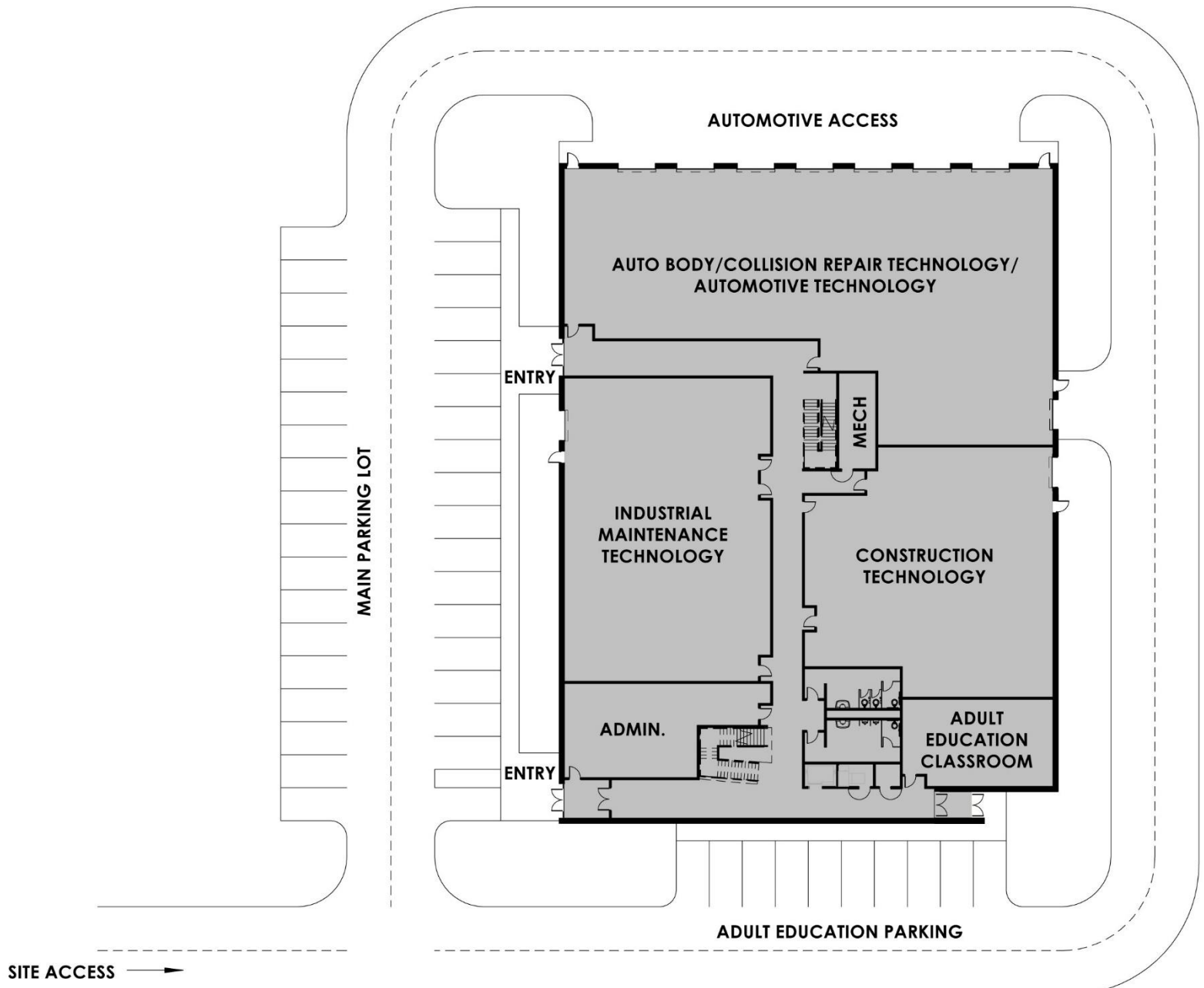
|           |          |             |
|-----------|----------|-------------|
| Date      | 03/13/17 |             |
| Project   | 1407     |             |
| Drawn     | BB/PF    |             |
| Checked   | RPM      |             |
| Revisions |          |             |
| #         | DATE     | DESCRIPTION |
|           |          |             |
|           |          |             |
|           |          |             |

COPYRIGHT © 2017

NEW ESTILL COUNTY AREA TECHNOLOGY CENTER

NEW AREA TECHNOLOGY CENTER  
FOR THE:  
ESTILL COUNTY BOARD OF EDUCATION  
IRVINE, KENTUCKY





# Estill County High School/Middle School

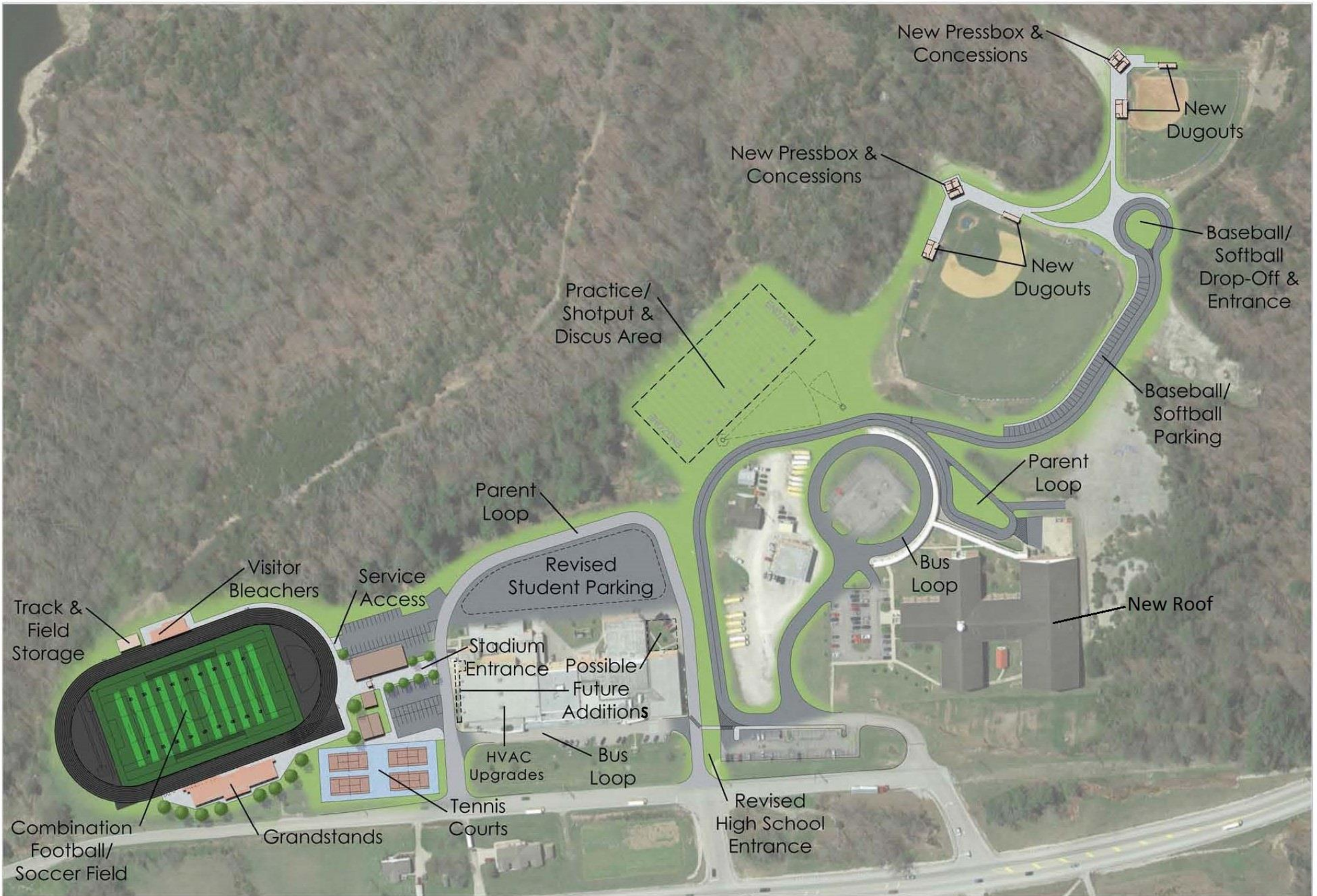
3M - 5M

## 1. Major building renovations remaining

- a) HVAC – High School/Alternative School/Gymnasium Area of Building
- b) New secure entries for high school and middle school/additional security upgrades
- c) New hallways/entrance areas – Agriculture, Band, and ROTC
- d) New Youth Service Center
- e) New Middle School Roof
- f) Renovation and redesign of some classroom space.
- g) ADA Compliance updates

## 2. Outdoor Facilities

- a) Redesign of Parking & Traffic flow patterns for both schools
- b) Renovate football/soccer/track stadium: press box, fencing/gates, restroom/dressing facilities, etc....
- c) Complete baseball/softball/tennis complex: press box, grandstands, fencing/gates, restrooms facilities, additional lighting, etc....
- d) Pavement/re-pavement and construction of additional parking areas





## Other Projects to Consider

- West Irvine Parking Lot/Intermediate Playground
- Middle School Maintenance Needs due to unstable foundation
- Renovate and/or Construct New Bus Garage/Maintenance Facility (Repurpose South Irvine Elementary Site)
- Renovation, relocation or Construction of Central Office Building: Major systems (Wiring, Technology Security), ADA Compliance