



FULTON COUNTY TAXPAYERS FOUNDATION

Non-Profit Advocate Of Lower Property Taxes In Atlanta/Fulton

February 2007

More Taxes For The Atlanta Public Schools?

On Dec. 11, 2006, the Atlanta Board of Education decided to hold a Special Election on March 20, 2007, for voter approval of a third five-year, 1% Special Purpose Local Option Sales Tax (SPLOST). If passed, such a sales tax would – according to Atlanta Public Schools (APS) estimates - increase the revenues of APS by approximately \$572 million over the next five years.

With APS enrollment declining from 60,000 to 49,000 in the last decade (1) – projected to fall to 42,000 by 2015 (2) - and with many of newly built schools half-empty (3), there is no need for a third SPLOST.

Does APS Really Need A Third SPLOST?

"Another five years of a special sales tax will bring all of our schools to an acceptable level," APS Superintendent Dr. Beverly Hall said in an interview with the former Atlanta Journal & Constitution (AJC) columnist Colin Campbell after SPLOST II was passed in 2002.

On March 14, 2002, Valerie Thomas, APS Director of Facilities Services, stated: "We will actually find ourselves five years from now in a position of having

caught up." Finally, on March 20, 2002, Paul Donsky, AJC Staff Writer wrote "Atlanta School officials say that the sales tax extensions that were approved in Fulton and DeKalb counties Tuesday will allow the district to complete a system-wide facilities' overhaul that began five years ago. When finished, every Atlanta public school will have been renovated or rebuilt."

Although there are still a few schools in North Atlanta in need of expansion, Atlanta taxpayers would benefit by rejecting the proposed extension of SPLOST and funding any truly needed expansion with low-interest, tax-free bonds.

What Is The Purpose & History of The SPLOSTS?

The purpose of a SPLOST is to fund the "building of new schools and upgrade existing facilities and infrastructure to meet deferred needs." In 1996, the voters approved of SPLOST I, and in 2002, SPLOST II. According to a senior member of Dr. Hall's staff, a total of \$917 million was raised, but APS is now seeking voter approval for SPLOST III, which is anticipated to raise an additional \$572 million. The difference between the revenue of \$917 million and the actual cost of construction and/or renovation,

1. Georgia Dept. of Education

2. APS Enrollment Study reported by Paul Donsky, Staff Writer, AJC

3. The Atlanta Journal & Constitution, Paul Donsky, Staff Writer, September 16, 2005

Officers:

President: John S. Sherman

Vice President: Wesley E. Cantrell

Secretary: Lynda Wolfe Smith

Treasurer: William E. Lane

Board Chairman:

Joseph L. Kelly, Esquire

Board of Directors

Harold J. (Jay) Bowen, III, President

Bowen Hanes & Company

Wesley E. Cantrell, CEO (Retired)

Lanier Worldwide, Inc.

Larry R. Ellis, General

U. S. Army (Retired)

Marc Kanne, CPA

Habif, Arogeti & Wynne

Joseph L. Kelly, Esquire

Schulten Ward & Turner

William E. Lane, President

Hyde Lane

Seymour S. Lavine, Director

Emory Academy for Retired Professionals

Joseph M. A. Ledlie, President

The Ledlie Group

Glen P. Robinson, Jr., Founder

Scientific Atlanta

John S. Sherman, Former Mayor

Bal Harbour, FL

Lynda Wolfe Smith, President (Retired)

Atlanta Association of Educators

Fulton County

Taxpayers Foundation

309 E Paces Ferry Road, NE, Suite 607

Atlanta, Georgia 30305

Phone: (404) 869-6066

Fax: (404) 869-6101

Email: fcff1@bellsouth.net

Website: www.fcta.us

\$674 million, was, presumably, debt retirement, although this differential is being carefully researched by the Fulton County Taxpayers Foundation.

According to APS, SPLOST I allowed the rebuilding of nine schools and the complete renovation of 33 more. SPLOST II called for rebuilding seven more schools and completely renovating an additional 32. Under its "Build Smart" program and, in recognition of its declining enrollment, APS planned to reduce the number of schools from 97 to 86. Of the 86 schools, APS has already rebuilt and/or renovated 81.

As indicated in the statements by Dr. Hall and Valerie Thomas, the \$917 million raised from SPLOST I and SPLOST II by the end of 2006 should have been enough to allow APS to completely rebuild and/or renovate almost all of its schools.

What Is The Latest APS Budget & School Tax Millage?

In spite of a decline in enrollment from 60,000 to 49,000 over the last decade, the 2007 APS General Fund Budget was increased to \$582,839,767 (4), 10.6% higher than the 2006 budget. The APS already has one of the highest property tax millage rates in Georgia, recently increased to 22.6 mills.(5), while the cost-per-student, \$11,215, is the seventh highest of any inner-city school district in the United States. (6) During the last 10 years, SPLOST I and II provided additional revenue of more than \$2,000 per-student-per-year.

What Were The Results of SPLOST I and SPLOST II?

"The plummeting enrollment has some school officials wondering whether it's time to reconsider the APS master facilities plan that maps out nearly \$1 billion in proposed renovation and construction, funded by a 1% sales tax," according to AJC staff writer Paul Donsky. Here are some examples cited in Paul Donsky's AJC article "Unanticipated Enrollment Shifts Leave Some Schools Half-Empty" published Sept. 16, 2005:

- The new McGill Elementary School, with room for 600 students, currently has only 191 students attending
- Hope Elementary School opened in August 2003 with 300 children, 200 shy of capacity.
- Heritage Academy opened in 2003 with 400 students. This school could lose up to half its enrollment when the nearby Gilbert Gardens public housing development closes.
- Herndon Elementary School has lost 31% of its enrollment in the last two years and now has only 347 students.
- Slater and Campbell Elementary Schools merged in a renovated and expanded Slater, with a capacity of 612. The merged school now has an enrollment of only 269 students.

4. APS website

5. Georgia Dept. of Education

6. U.S. Dept. of Education

Finally, I have been informed by Mr. Donsky that "a professional Enrollment Study commissioned by APS concluded that APS enrollment will continue to decline, falling to 42,000 by 2015."

Is There A Need For Expansion in APS?

In spite of the declining enrollment, North Atlanta neighborhoods are booming with children, pushing the enrollment at a handful of high-performing elementary schools over capacity. These schools include, among others in north Atlanta, Morris Brandon Elementary School, Garden Hills Elementary School, Warren T. Jackson Elementary School, and Sarah Smith Elementary School.

Is a SPLOST Really Needed For Renovation of a Few Schools?

To meet the expansion needs in a few elementary schools, Atlanta taxpayers would be best served by the use of 30-year tax-free bonds, with the debt service paid from the General Fund Budget. With a declining enrollment and an APS General Fund Budget of \$582,839,767, any cost of expanding a few schools should be through low-interest, tax-free bonds, which average 4.6% to 5% interest, plus 1% amortization over 30-years, or a debt service of approximately 5.6% to 6%.

Call To Action

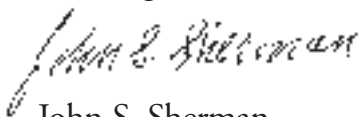
Based on the facts, voters should reject the SPLOST on March 20.

The SPLOST is a county-wide referendum, with APS and Fulton County sharing the proceeds based on a head count formula. The law requires that APS and Fulton County seek the tax together. Either both APS and Fulton County get the 1% sales tax or neither system does. In 2002, a mere 21,000 people voted--less than 3% of the county population. Were the members of the FCTF to vote against the SPLOST, this unnecessary and wasteful tax would be defeated.

It is time for taxpayers to wake up and vote, sending a message that the wasteful spending must end. Not only is the sales tax unnecessary in the light of the declining enrollment in the APS, but wasteful, given the record of half-empty new schools. Moreover, having a higher sales tax (8%) than any surrounding part of the metro area hurts business in Atlanta, since people tend to shop where they can buy for less. Indeed, that helps explain why actual sales tax revenue fell \$100 million short of original projections over the last five years; shoppers are voting with their feet.

Vote "NO" on the SPLOST on March 20!

Kind regards,



John S. Sherman
President

SPLOST Special Election Is Costly To The Taxpayers!

According to John Sullivan, Fulton County Chief, Registration & Elections, "The city/county SPLOST Special Election costs the taxpayers \$1.4 million for each Special Election over the cost of the General Election in November."

By holding a Special Election, those favoring the SPLOST want to discourage voter turnout, i.e., 21,000 in the last SPLOST, less than 3% of the Fulton County population.

Members of the FCTF – friends and neighbors - are urged to contact their state representatives and/or state senators, asking that, in the best interests of the taxpayers, the law be changed to require SPLOST elections to be held in November.

Note:

Members who are not receiving our emails, please send your current email address to fctf1@bellsouth.net

Please detach here

*Join the Fight To Bring Good Government
to Atlanta and Fulton County!*

I enclose my annual membership of:

\$50 Family ___ \$100 Patron ___ \$200 Corporate Member ___ \$500 Corporate Sponsor ___

In addition, I enclose a **tax deductible** contribution of: \$100 ___ \$500 ___ Other ___

If you prefer, you can charge your membership or a donation on-line at www.fcta.us

Name _____

Address _____

Phone _____

E-mail _____