



## ST. JOHNS COUNTY SCHOOL DISTRICT HALF-CENT SALES TAX REFERENDUM

# Frequently Asked Questions

### **Q. What are the citizens of St. Johns County deciding on November 3, 2015?**

**A.** Whether or not to allow the School Board to levy a half-cent sales tax for purposes of funding new construction, reconstruction and improvement of existing school facilities, including safety and security improvements and technology upgrades.

### **Q. Why does the School District need the half-cent sales tax?**

**A.** The St. Johns County School District has grown by 10,473 students (45%) in the past 10 years and constructed 11 schools and 8 expansions. Over the next 10 years, we project a growth of an additional 15,813 students (47%). To meet this need we will need to build 20 new schools in the next 10 years!

Additionally, the Legislature reduced the Capital Outlay property tax millage by 25% from 2.0 mills to 1.5 mills and at the same time property values plummeted. These two events caused a \$180 million loss in revenue to the school district since 2008.

Couple the district's rapid growth with a reduction in revenue and we find ourselves 2 schools behind and placing more and more students in relocatable classrooms each year. Our county needs new schools, as well as investments in technology upgrades for all of our schools, to afford each and every student of St. Johns County a competitive edge in their future career choices.

### **Q. Why can't the School District cut administrative salaries and other program costs to avoid raising the sales tax?**

**A.** School District funding is comprised of two major categories: Operating and Capital. There is a wall that exists between these two types of funds and they cannot be interchanged. The table below shows what types of items are included under each fund type.

Operating	Capital
<ul style="list-style-type: none"> <li>Teachers' Salaries and Benefits</li> <li>Textbooks/Instructional Materials</li> <li>Electric Bills</li> <li>Support Staff</li> <li>Supplies</li> </ul>	<ul style="list-style-type: none"> <li>New Construction</li> <li>Renovation</li> <li>Maintenance</li> <li>Equipment</li> <li>Technology</li> <li>School Buses</li> </ul>

### **Q. What has the School District done to cut costs and do more with less?**

**A.** The St. Johns County School District is committed to being a good steward of taxpayer dollars. We are one of the lowest in state with percent of budget spent on district-level expenditures. In fact, 97 cents of every dollar goes directly to educating students. Additionally, the district has saved taxpayers \$4.9 million by refinancing current construction loans and has implemented a comprehensive energy management program which has avoided more than \$32 million in costs since 2008. Finally, district staff have taken on more

responsibilities, one of which is to purchase construction equipment directly, instead of through a contractor, saving millions in the cost of building new schools.

**Q. How long will the half-cent sales tax be in effect?**

**A.** The proposed half-cent sales tax would be in effect for 10 years, beginning on January 1, 2016 and ending December 31, 2025.

**Q. Who pays the half-cent sales tax?**

**A.** Everyone who purchases good or services in St. Johns County, with roughly 25%-40% of new revenue generated by the half-cent sales tax being paid for by out-of-county visitors. A half-cent sales tax allows the school district to fund needed capital purchases without placing the entire burden of the cost solely on the property owners in St. Johns County.

**Q. Are there exemptions from the half-cent sales tax?**

**A.** Yes, necessities like food, medicine, long-term rentals, dental and medical care costs are exempt from the current sales tax rate, as they would be with a half-cent sales tax increase. Additionally, the half-cent sales tax increase is limited to \$5,000 on large purchases, such as cars or boats.

**Q. How much will the half-cent sales tax generate?**

**A.** Approximately \$13 million in the first year and \$150 million over the 10 years the tax is in effect.

**Q. How much will the half-cent sales tax cost me?**

**A.** This depends on your income and spending patterns, however for a family of 4 with an average household income of \$65,000 the estimated tax will be \$70 per year or \$5.83 per month. A detailed chart is available on our website.

**Q. How do you pay a half cent?**

**A.** When a transaction culminates in a half cent, it is rounded up. So, if you spend one dollar, the sales tax would be 7 cents. However, if you spend two dollars, the sales tax would be 13 cents.

**Q. What will revenue from the half-cent sales tax used for?**

**A.** The revenue may only be used for fixed capital outlay purchases and cannot be used for general operating expenses such as salaries and books. The proceeds will be used solely for purposes of funding new construction, reconstruction and improvement of existing school facilities, including safety and security improvements and technology upgrades. A tentative project list is available on our website.

**Q. Will revenue generated from the half-cent sales tax stay in St. Johns County?**

**A.** Yes, all revenues raised from an increase in the sales tax will stay in St. Johns County and directly benefit our students. None of the revenue will be sent to Washington DC or Tallahassee.

**Q. Why doesn't the School Board raise the capital property tax millage instead of trying to pass a half-cent sales tax?**

**A.** Capital outlay millage is set and capped by the Legislature at 1.5 mills. The School Board is not permitted to raise the millage beyond the 1.5 mills.

**Q. Will there be any monitoring or oversight of the expenditure of funds generated by the half-cent sales tax?**

**A.** Included in the half-cent sales tax resolution adopted by the School Board is the creation of a Citizens Advisory Committee consisting of citizens of St. Johns County to be appointed by the School Board to monitor and advise the School Board and its staff on the expenditure of the half-cent sales tax funds.