



What is the current situation and how did we get here? In June, the Fulton County Board of Commissioners voted to roll back property levels to 2016 values, which led to a delay in sending tax bills to homeowners. Usually, tax bills are mailed in early fall, with the school district receiving funds approximately 60 days later to begin paying its annual and monthly obligations.

Why does this matter? In order to send tax bills, the 2017 Fulton County tax digest must be approved. The Georgia Department of Revenue rejected the tax digest October 25, 2017, citing concerns about whether the Fulton County Board of Assessors (who complied with the Fulton County Board of Commissioners) had the legal authority to roll back residential values.

How does this affect Fulton County Schools? This rejection of the tax digest means Fulton County tax bills will continue to be delayed. Without the tax bills being mailed, property tax owners can't pay them, and the school district can't get the funds it needs. The district calculates its budget based on 63% of the revenue coming from property taxes. This is a severe blow to the ability of Fulton County Schools to pay its bills in the coming weeks.

What is the school system doing about this? We are seeking legal relief to this situation. Fulton County Schools is joining Fulton County Government and Atlanta Public Schools in pursuing a Tax Collection Order (TCO) to request a judge's intervention. A judge will review the matter on November 3, and if a temporary collection order is approved, tax bills will likely be sent in the coming weeks.

What is being currently done to improve cash flow? The Superintendent, along with district leaders and Finance staff, have made several immediate decisions as cost-saving measures. Effective immediately, Fulton County Schools is halting new hires and new spending, except items related to safety and security, federal/state compliance, fuel, and utilities. The district has placed a moratorium on out-of-system travel, and student field trips are on hold while a process is developed to review them to limit district costs. The district has been fortunate to use cash reserves through November. We are planning to issue a Tax Anticipation Note (TAN), which is a short-term loan.

Will this impact my paychecks? This is the most difficult question to answer. The November pay checks should not be affected. During December, payrolls are scheduled for December 15 and just before the holiday (December 20). We are moving the December 20 payroll to December 29 to allow for sufficient cash (property taxes and/or short-term loan) to accumulate.

Can other fund sources be used to generate revenue, like SPLOST? Unfortunately, state law does not allow us to use SPLOST, the one-penny sales tax, to pay for anything other than what is specified in the tax referendum that voters approved in 2016. By law, this sales tax cannot be used for teaching personnel or any other general fund operational costs. Only capital projects, which include new schools, classrooms, technology, and debt retirement, are acceptable uses of the sales tax revenue.

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