



**SOCIAL CIRCLE CITY SCHOOLS**

Serving Community & Cultivating Success

## **Q&A on Education SPLOST (E-SPLOST)**

### **1. What is an Education SPLOST (E-SPLOST)?**

- The Special Purpose Local Option Sales Tax for education, also known as E-SPLOST, is a 1-cent sales tax on all retail sales in Walton County.
- The E-SPLOST is a sales tax, not a property tax.
- Everyone who makes a purchase in Walton County, including visitors, contributes to the support of local schools.
- By law, an E-SPLOST can be used only for certain projects that support local schools.
- Such funds cannot be used for the day-to-day operational expenses of a school system.
- The E-SPLOST is enacted by referendum. Elections are county-wide. Therefore, a majority of all voters must approve the referendum to receive any sales tax revenue.

### **2. How do Independent City School systems receive sales tax revenue?**

The net proceeds of the sales tax revenues are distributed between the county school district and the city school district according to the ratio of the student enrollment in each school district. The student enrollment is based on the latest FTE (full-time equivalent) count prior to the referendum on imposing the tax.

### **3. What can Educational SPLOST be used for?**

- Specific capital improvement projects for educational purposes
- Retire General Obligation Debt previously incurred with respect only to capital outlay projects
- Issue new General Obligation Bond for specific capital outlay projects to be paid with E-SPLOST

### **4. Why does the school district need E-SPLOST funds for capital projects?**

School district funds and expenses generally fall into two categories:

- *Operational Expenses* – Such expenses include teacher salaries, instructional materials, bus fuel, and utility bills. Funding is provided through state allocations and local property taxes.



## SOCIAL CIRCLE CITY SCHOOLS

Serving Community & Cultivating Success

School district funds and expenses generally fall into two categories (continued):

- *Capital Expenses* – Such expenses include the construction and renovation of school facilities, and the purchase of costly items such as land, buses, and technology. Funding primarily is provided through a voter-approved E-SPLOST or bond referendum, with some supplemental funds provided by the state.
- Funds for operational expenses from property taxes are not sufficient to cover the cost of capital projects so the E-SPLOST helps fund those needs.

### **5. Is the E-SPLOST a property tax increase?**

The E-SPLOST is not a property tax. It provides a method of funding the cost of educational improvements in which everyone, not just property owners, contributes. Additionally, the sales tax is paid by everyone who shops or stays in Walton County.

### **6. Can the E-SPLOST be used for other things, like hiring more teachers or giving raises?**

State law prohibits using E-SPLOST proceeds for salaries or any other operational costs. Only capital projects, such as new schools, renovations, new classrooms, technology, security improvements, debt retirement, and other capital expenses, are acceptable uses of the sales tax revenue.

### **7. How have E-SPLOST funds been spent in SCCS?**

The following projects have been completed as a result of the E-SPLOST:

- Construction of the Middle/High School
- Construction of the Administration Building
- Construction of the Athletic Complex
- Purchase of additional school buses
- Safety and security enhancements
- Technology improvements for schools and administration
- Technology resource upgrades for students
- Purchase of textbooks, instructional, vocational, and physical education equipment
- Improvement of existing educational and athletic facilities

*The E-SPLOST is on the ballot for the November 2, 2021, election. We urge everyone to vote.*