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Oldham school board hikes property tax rate

By Sara Cunningham • scunningham@courier-journal.com • September 8, 2010

For the first time in three years, Oldham County Schools is raising the property tax rate.

The school board voted Aug. 26 to raise the tax rate 2 cents to 68.9 cents per \$100 of assessed value for real estate and personal property, up from 66.9 cents which has been the rate since 2007.

The new rate will raise the taxes for the owner of a home assessed at \$100,000 by \$20 and is estimated to generate an additional \$2.2 million in revenue for the school district.

But the district likely will get about \$800,000 less than the revenue estimate based on the number of tax bill exonerations and delinquencies last year, said Chuck Litrell, the district's finance director and treasurer.

"It's usually not a big deal, but it's becoming something we have to account for," Litrell said.

The district will use the additional tax revenue to restore the student-teacher ratio to 22-to-1 and look at increasing teacher salaries, said Superintendent Paul Upchurch.

But several people who spoke at the meeting said the district should not raise taxes.

The decision to increase the tax rate at all was difficult, several board members said before and after their 4-1 vote. All board members except Walt Schumm voted for the increase.

Schumm said he "wrestled mightily" before deciding to vote to "hold the line on taxes."

"My belief is that we are already paying our fair share," he said.

Board chairwoman Joyce Fletcher said raising the rate was in the best interest of the district's students.

"We voted in support of our constituents (the past two years) but we are a board of education and we are charged with doing what's best for kids in this county," she said.

The district actually could have asked for a rate of 70.9 cents per \$100 without being subject to a recall, but Litrell said that rate would have raised taxes higher than the

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board members were comfortable with.

"That would have been an increase of \$37 on a \$100,000 home and, in a single year, that's a pretty good pop," Litrell said. "We just felt like while we haven't raised taxes in three years, it was just too much."

If the district had asked for more than 70.9 cents, the rate would have been subject to a voter recall, according to state law, Litrell said.

At the beginning of the Aug. 26 public hearing, Upchurch listed more than \$4 million in cuts that the district has made during the past year or so because of decreases in state and federal **funding**.

One of the particularly painful decisions was cutting about 30 teachers before the start of the 2009-10 school year and raising the district's student-to-teacher ratio to 23-to-1, up from 22-to-1. The cut saved the district about \$2.2 million, Upchurch said.

The district also has had to dip into its contingency funds, he said.

All Kentucky school districts also are required by the state to keep at least 2 percent of their budgets in a contingency **fund** in case of emergencies. At the end of the fiscal year, which ended June 30, the Oldham district had a little less than 8 percent in its contingency fund, Litrell said.

Upchurch said he feels like the district has been "sensitive" about the issue of raising taxes.

"We have managed well and I'm not asking you to feel sorry for us," he said in his public comments. "It's just that we're at a point now where if we don't generate some revenue, we're not going to be able to do that anymore."

As part of the Aug. 26 public hearing, several community members signed up to address the board before its vote, and most of the comments were against raising taxes. Most of the speakers said they either never had children in the district or hadn't for many years.

Several people said they wanted to learn more about how the school district is run.

Pewee Valley resident Gary Gibson said he lives on a fixed income and doesn't agree with raising taxes if the school district isn't running a deficit.

"If we're in a surplus situation and haven't raised taxes since 2007, I don't see why we would raise taxes," Gibson said.

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He also asked the board why it was spending money on land and school buildings when it also was cutting teachers and other services.

Gibson wasn't the only speaker to ask about those decisions, and Superintendent Paul Upchurch interrupted the public comments multiple times to explain that state law requires the district to have separate funds for general operating purposes and for facilities.

Of the new tax rate, about 46.5 cents per \$100 of assessed value will be allocated to the general fund, while about 22.4 cents will be allocated toward the district's facilities fund.

David Balmer also talked about how he thinks school buildings are too nice. He also said he thought the district should consider cutting Upchurch's salary.

"Do we need to have the Cadillac of school buildings when we lay off 30 teachers?" he said. "Do our kids need that?"

Dewey Wotring began his comments by saying that he thinks the district bought "excessive land," and asked whether the district could chose to decrease the portion of tax revenue that goes to the facilities fund if it doesn't really need it. Then he announced that he was "going to get personal" in his comments and single out school board members.

But Upchurch told Wotring to sit down. Comments about specific school district

teachers or staff are prohibited in public comment periods during board meetings.

Pewee Valley resident Michael Logsdon was the last to speak during public comments, and he asked school board members to consider airing meetings on Oldham's public television station, Channel 25, on Insight Cable.

"I would like to see a little more transparency," Logsdon said. "I think it would help."

Reporter Sara Cunningham can be reached at (502) 582-4335.

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