



## IN BRIEF

### ON THE BALLOT

Orleans Parish School Tax Renewals, October 14, 2017

September 2017

#### Overview of the Propositions

Orleans Parish voters will decide whether to renew three property taxes for public schools. The tax renewals are 10-year millages dedicated to:

- Purpose A (1.55 mills): textbooks, instructional equipment and materials, library books and school supplies.
- Purpose B (1.55 mills): programs for improving discipline and decreasing dropouts.
- Purpose C (7.27 mills): salaries, fringe benefits and productivity incentives for employees.

Though the tax renewals will appear as three separate items on the ballot, this report analyzes them together because they have the common purpose of paying for school operations.

#### Key Background and Findings

- Voters originally approved the three millages in 1988 for a 10-year term. They renewed them in 1998 and again in 2008.
- The taxes would be renewed at their current rates and therefore would not result in a tax increase. If voters renew the millages, property owners would continue to pay a total of 10.37 mills. A homeowner with a homestead exempt property valued at \$330,000 would continue to pay \$264.44 per year.
- The three millages, if renewed, will generate approximately \$38 million a year in total. The revenue is \$850 per pupil for both charter and direct-run schools – about 8% to 9% of a typical school's general fund operating budget.
- The School Board distributes approximately 98% of the millage revenue to individual schools on a per-pupil basis. State law permits the School Board to retain approximately 2% of the millage revenue to fund central administrative costs.
- Failure to renew the millages would subtract a significant source of funding from school budgets citywide. The School Board has no other source of revenue to offset that loss, meaning the consequences for Orleans public schools would be severe. For example, a school of 600 students would lose more than \$500,000 in annual operating revenue. This could force increases in the student-to-teacher ratio or cuts to school programs and activities.
- The renewal would stabilize funding for schools and protect against disruption of positive trends in academic gains.
- The School Board, as the resource manager for the decentralized school system, has established a track record for responsible financial management since Hurricane Katrina. It has improved transparency and accountability in its budgeting. In addition, it has committed to increase transparency and oversight of individual schools' spending of the three millages up for renewal. These factors give confidence to voters that the tax renewals would be well spent.

#### BGR Position

**FOR.** Renewing the three millages would preserve significant, reliable funding streams for school books, materials and supplies, discipline and dropout prevention, and employee compensation. These are some of the most basic operational needs for successful schools. The tax renewals would stabilize funding toward execution of the unification plan and protect against disruption of positive trends in academic gains. In addition, the School Board has maintained its solid performance as the financial steward for all public schools and continues to enhance its budget transparency and oversight of public funds.

Read the full report at [www.bgr.org](http://www.bgr.org).