

# SUPERINTENDENT'S REPORT

## ANNEXATION

---

STUDENT ENROLLMENT  
AND TAX IMPLICATIONS

MICHAEL L. THURMOND  
SUPERINTENDENT

# ANNEXATION IMPACT INDEX



- **Student Enrollment, School Choice, & Instruction** **Slides 3 - 16**
- **Tax Impacts** **Slides 17 - 25**



December 8, 2014

# ANNEXATION IMPACT ON STUDENT ENROLLMENT, SCHOOL CHOICE, AND INSTRUCTION

The proposed Druid Hills (DH) annexation plan was developed by “Together in Atlanta” (TIA), a group of DeKalb and City of Atlanta residents. According to media reports, TIA spokespersons have argued that the partial annexation of DeKalb County School District (DCSD) property located in the Druid Hills Cluster would also result in the forced transfer of DCSD school property to Atlanta Public Schools (APS).

The proposed Druid Hills annexation plan would result in the disenfranchisement and displacement of 2,922 students and district-wide loss of instructional opportunities, athletic programs, instructional staff, and funding potential.

December 8, 2014

# IMPACT OF ANNEXATION ON SCHOOL CHOICE

School Choice is a key component of the DCSD educational and instructional philosophy. School Choice offers parents the opportunity to select unique schools and programs that enhance the academic needs of DCSD students. The proposed Druid Hills (DH) annexation plan will disenfranchise and displace students who will no longer have access to DeKalb school choice options.

December 8, 2014

# ANNEXATION IMPACT ON SCHOOL CHOICE OPTIONS

1,626 students (currently enrolled at 37 schools) residing in the proposed DH annexation area will be disenfranchised and displaced because they will no longer have access to DeKalb school choice options

1. Fernbank ES - 487
2. Briar Vista ES - 366
3. Druid Hills HS - 311
4. Druid Hills MS - 250
5. DeKalb School of the Arts - 30
6. Laurel Heights - 25
7. Coralwood Center - 22
8. GLOBE Academy Charter School - 22
9. East DeKalb Special Facilities - 20
10. Kittredge Magnet - 15
11. Chamblee Charter HS - 12
12. Chamblee MS - 8
13. Oak Grove ES - 6
14. Sagamore Hills ES - 6
15. Hawthorne ES - 4
16. International Community Charter School - 4
17. Museum School - 4
18. Dresden ES - 3
19. Henderson Mill ES - 3

December 8, 2014

# ANNEXATION IMPACT ON SCHOOL CHOICE OPTIONS

**1,626 students (currently enrolled at 37 schools) residing in the proposed DH annexation area will be disenfranchised and displaced because they will no longer have access to DeKalb school choice options**

**20. Allgood ES - 2**

**21. Arabia Mountain HS - 2**

**22. Briarlake ES - 2**

**23. Dunwoody ES - 2**

**24. Laurel Ridge ES - 2**

**25. Peachtree Charter MS - 2**

**26. Salem MS - 2**

**27. Brockett ES - 1**

**28. Champion Theme MS - 1**

**29. Cross Keys HS - 1**

**30. Elizabeth Andrews HS - 1**

**31. Evansdale ES - 1**

**32. Gateway to College Academy - 1**

**33. Henderson MS - 1**

**34. Lakeside HS - 2**

**35. Margaret Harris - 1**

**36. Tapestry Public Charter School - 1**

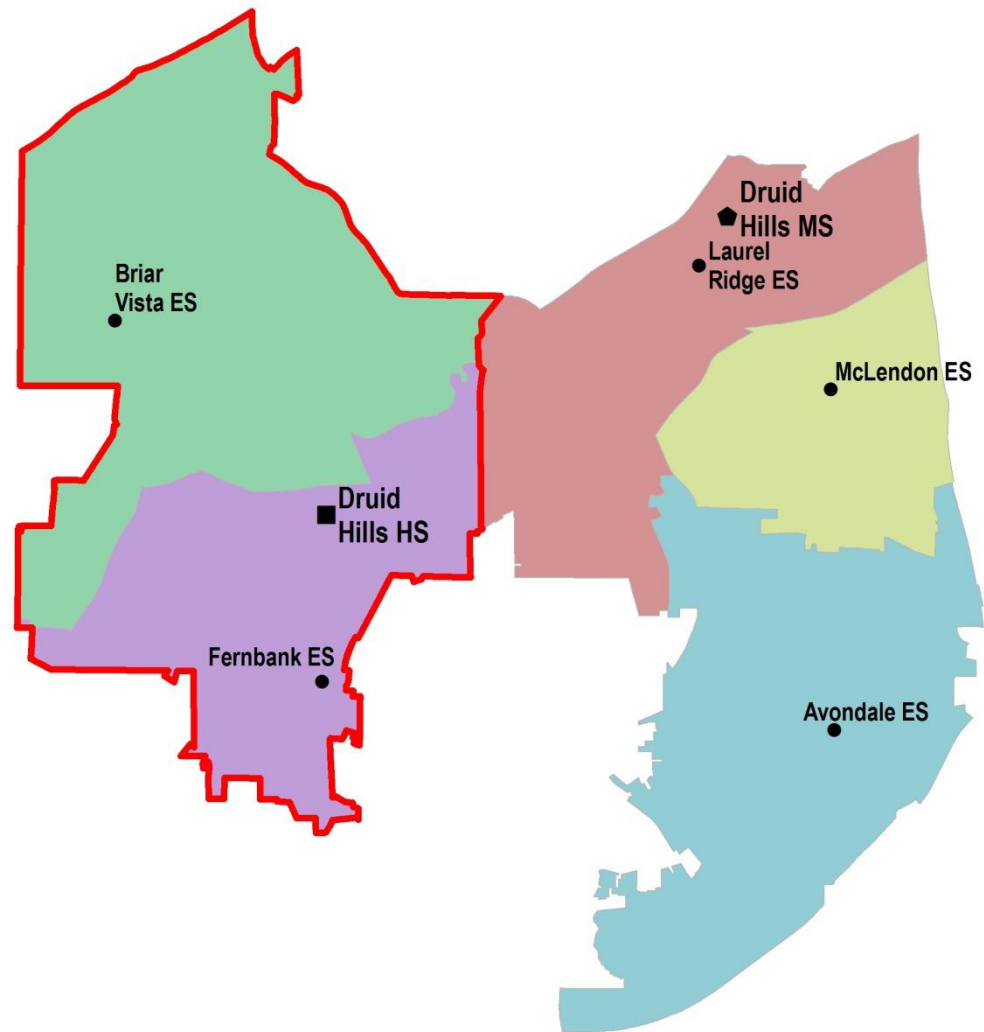
**37. Tucker High School - 1**

*December 8, 2014*

# ANNEXATION IMPACT ON DRUID HILLS CLUSTER

Proposed annexation will sever the Druid Hills Cluster into two parts:

- 1) Fernbank ES and Briar Vista ES; and
- 2) Laurel Ridge ES, McLendon ES, and Avondale ES



December 8, 2014

# ANNEXATION IMPACT ON DRUID HILLS HIGH SCHOOL

Druid Hills High School (Current Enrollment – 1,386 students)

## Student Impact—

1,075 Disenfranchised and Displaced DeKalb students will no longer be able to attend Druid Hills High School

58% Black

16% White

13% Asian

8% Hispanic

5% Other

## Instructional Impact—

Loss of approximately 20 teacher positions

Reassignment of approximately 45 teachers

Increase utilization of portable classrooms at neighboring high schools

Loss of Druid Hills HS International Baccalaureate (IB) Program

## Funding Impact—

Loss of Education SPLOST investment of \$19M in construction renovations

December 8, 2014



# ANNEXATION IMPACT ON FERNBANK ELEMENTARY SCHOOL

Fernbank Elementary School (Current Enrollment – 605 students)

## Student Impact—

125 Disenfranchised and Displaced DeKalb students will no longer be able to attend Fernbank Elementary School

58% Black

28% White

5% Hispanic

5% Asian

4% other



## Instructional Impact—

Loss of approximately 25 teacher positions

Loss of Fernbank ES International Baccalaureate (IB) Program

## Funding Impact—

Loss of Education SPLOST investment of \$21M for construction of the new Fernbank ES

December 8, 2014

# ANNEXATION IMPACT ON BRIAR VISTA ELEMENTARY SCHOOL

Briar Vista Elementary School (Current Enrollment – 458 students)

## **Student Impact—**

96 Disenfranchised and Displaced DeKalb students will no longer be able to attend Briar Vista Elementary School

40% Hispanic

38% Black

15% White

6% Other

1% Asian

## **Instructional Impact—**

Loss of approximately 20 teacher positions with many trained in Montessori

Loss of Briar Vista ES Montessori Program

## **Funding Impact—**

Loss of Education SPLOST investment of \$1.3M for construction renovations

December 8, 2014

# ANNEXATION IMPACT ON DRUID HILLS MIDDLE SCHOOL

Druid Hills Middle School (Current Enrollment – 903 students)

## Student Impact—

250 Disenfranchised and Displaced DeKalb students from Druid Hills Middle School due to being annexed out of DCSD

46% White

25% Hispanic

17% Black

8% Asian

4% Other

## Instructional Impact—

Enrollment would fall to 653 students and make it the smallest middle school in the county with an occupancy of 54%

Loss of approximately 15 teacher positions

## Funding Impact—

Programs and positions will have to be subsidized or eliminated

December 8, 2014

# ANNEXATION IMPACT ON FERNBANK SCIENCE CENTER

Fernbank Science Center (Currently Serving 100,000 DCSD Students)

## **Student Impact—**

100,000 students will be denied access to the Planetarium and the specialized science expertise of current staff

## **Instructional Impact—**

Loss of Science Tools and Technology (STT) and other special programs, training, and specialized professionals

Loss of Science, Technology, Engineering, and Math (STEM) Training Center for 48+ schools working toward STEM Certification in a district that has 4 out of 11 STEM state recognized schools

## **Funding Impact—**

Costs for replacement of facility in the tens of millions

December 8, 2014

# ANNEXATION IMPACT ON LAUREL HEIGHTS

Laurel Heights (Currently Serving – 15 DeKalb special needs students)

## **Student Impact—**

**15 special needs students will be denied access to DeKalb service providers and support from experienced DeKalb staff**

## **Instructional Impact—**

**Loss of access to DeKalb’s high quality special education instruction and service providers**

## **Funding Impact—**

**Undetermined**



*December 8, 2014*

# ANNEXATION IMPACT ON THE INTERNATIONAL CENTER

International Center (Current Enrollment – 600 English Language Learners/ELL students)

## **Student Impact—**

600 ELL students need to be relocated

## **Instructional Impact—**

Relocation of core Intensive English Program and Lab Program for ELL students

## **Funding Impact—**

Costs for relocation of program



December 8, 2014

# ANNEXATION IMPACT ON ATHLETICS & COMMUNITY SPONSORED EVENTS

## *Adams Stadium*

- Loss of 1 of 5 district stadiums that serve 18 high schools and 18 middle schools
- Loss of venue for 135 varsity and junior varsity activities and middle school football
- Loss/reduction of junior varsity soccer program and lacrosse games
- Loss of venue for 30 community sponsored events (e.g., Relay for Life)
- Loss of Education SPLOST investment of \$2M for construction renovations

December 8, 2014

# ANNEXATION IMPACT ON OLD BRIARCLIFF HS



*Together In Atlanta (TIA) claims that annexation would give APS the power to take title to the old Briarcliff HS which would result in the loss of a DCSD long-term fixed asset with received offers in excess of*

***\$50 million.***

December 8, 2014



# IMPACT OF ANNEXATION ON DRUID HILLS TAX PAYERS

- **Loss of the DeKalb senior citizen exemption will result in a significantly larger senior tax burden**
- **The HOST tax credit would not apply to non-DeKalb County operating services**
- **Utility rates for sanitation and water/sewer may be substantially increased**
- **DeKalb bond millage remains on Druid Hills tax bills**
- **City of Atlanta could add additional millage for its bond indebtedness**

December 8, 2014

# FINANCIAL ISSUES TO CONSIDER RELATIVE TO ATLANTA ANNEXING THE DRUID HILLS AREA OF UNINCORPORATED DEKALB COUNTY

## General Property Tax Issues:

- **Ad Valorem property taxes for DeKalb Bonds (presently at 1.68 mills) would remain on the Druid Hills (DH) tax bill until all bonds are paid off.**
- **The City of Atlanta could add additional millage for its current (and future) bonded indebtedness.**
- **The Homestead Option Sales Tax (HOST) credit, presently at 57.7 cents per dollar, would no longer apply to non-DeKalb County provided operating services. The dollar amount lost of this tax credit would increase with the increased value of a home in the annexed area.**

HOST - Homestead Option Sales Tax

December 8, 2014

# SPECIFIC PROPERTY TAX/SERVICE ISSUES

- **The City of Atlanta does not have a HOST credit program.**
- **The present millage charge for DeKalb police services of 6.18 mills (effective rate of 2.61 mills after HOST credit) could be replaced by the full millage charge for Atlanta's Police Department services.**
- **The present millage charge for the DeKalb Fire Department of 2.87 mills (effective rate of 1.21 mills after HOST credit) could be replaced by the full millage charge for the Atlanta Fire Department.**
- **The present millage charge for Public Works/Parks in DeKalb of 1.46 mills (effective rate of .61 mills after HOST credit) could be replaced by the full millage charge for public works/recreational services.**

HOST - Homestead Option Sales Tax

December 8, 2014

# GENERAL SALES TAX ISSUES

- Presently the total Sales Tax paid in unincorporated DeKalb is 7%
  - 4% State
  - 1% MARTA
  - 1% ESPLOST
  - 1% HOST
- Presently the total Sales Tax paid in Atlanta/DeKalb is 8%
  - 4% State
  - 1% MARTA
  - 1% ESPLOST
  - 1% HOST (Atlanta/DeKalb Only)
  - 1% MOST (Atlanta W/S tax)

ESPLOST – Education Special Purpose Local Option Sales Tax

HOST - Homestead Option Sales Tax

MOST – Municipal Option Sales Tax

W/S - Water Sewer

December 8, 2014

# OTHER SERVICE ISSUES

- **Water/Sewer rates in the City of Atlanta are presently among the highest in the United States. Additionally, the City charges the 1% MOST sales tax in its corporate limits to subsidize the W/S system.**
- **Sanitation rates in DeKalb are presently \$265.00 annually for 3–4 pickups a week. Sanitation rates in Atlanta are approximately \$500.00+ annually for once a week service, plus yard waste.**

W/S – Water Sewer

December 8, 2014

# TAX IMPLICATIONS FOR SENIOR CITIZENS

- Seniors (age 70+) living in unincorporated DeKalb County are granted an exemption from educational ad valorem taxes under the H9 Exemption. Seniors with household incomes under \$82,708 are exempt from all school taxes.
- The Atlanta Public Schools A6F exemption is significantly less generous.
- According to 2014 pro forma calculations compiled by the DeKalb Tax Commissioner's Office, a qualifying senior with a home valued at \$500,000 would owe \$1,905.63 in County and BOE taxes.
- If that same home is annexed into Atlanta and the APS A6F exemption is applied, the total tax bill for 2014 would increase to \$5,915.64. This would constitute an increase of \$4,010.01 or 210%.

December 8, 2014

# \$300,000 HOMESTEAD TAX BILLING FOR 2014

**\*\*HOST credit lost due to Annexation results in a 60% tax increase of \$667.07.**

2014 DEKALB COUNTY GOVERNMENT TAXES									
Taxing Authority	Gross Assess	Standard Exemption \$10,000	Net Assess	Millage	Tax	Host Credit @ 80 / 20		Net Tax Due	
						HTRC	HOST Credit		
						\$0.00	0.577		
County Operations	120,000	10,000	110,000	0.00822	904.20	-	521.72	382.48	*
Hospital	120,000	10,000	110,000	0.00080	88.00	-	50.78	37.22	*
Fire	120,000	10,000	110,000	0.00287	315.70	-	182.16	133.54	**
Police	120,000	10,000	110,000	0.00618	679.80	-	392.24	287.56	**
STD-Unincorporated	120,000	10,000	110,000	0.00146	160.60	-	92.67	67.93	**
County Bonds	120,000	-	120,000	0.00001	1.20			1.20	*
Parks Bonds	120,000	-	120,000	0.00167	200.40			200.40	*
<b>Total County</b>				<b>0.02121</b>	<b>2,349.90</b>	<b>-</b>	<b>1,239.57</b>	<b>1,110.33</b>	
School Operations	120,000	12,500	107,500		-	-	-	-	
State Taxes	120,000	2,000	118,000		-	-	-	-	
<b>Total Taxes</b>				<b>0.02121</b>	<b>2,349.90</b>	<b>-</b>	<b>1,239.57</b>	<b>1,110.33</b>	
Home Value Appraisal	\$300,000 40%				2,148.30		County Operations	908.73	

\*Remains with Annexation (Debt service charges for DeKalb County bonds remain until bonds are retired.)



# \$400,000 HOMESTEAD TAX BILLING FOR 2014

**\*\*HOST credit lost due to Annexation results in a 60.32% tax increase of \$909.64.**

2014 DEKALB COUNTY GOVERNMENT TAXES									
Taxing Authority	Gross Assess	Standard Exemption	Net Assess	Millage	Tax	Host Credit @ 80 / 20		Net Tax Due	
						HTRC	HOST Credit		
		\$10,000				\$0.00	0.577		
County Operations	160,000	10,000	150,000	0.00822	1,233.00	-	711.44	521.56	*
Hospital	160,000	10,000	150,000	0.00080	120.00	-	69.24	50.76	*
Fire	160,000	10,000	150,000	0.00287	430.50	-	248.40	182.10	**
Police	160,000	10,000	150,000	0.00618	927.00	-	534.88	392.12	**
STD-Unincorporated	160,000	10,000	150,000	0.00146	219.00	-	126.36	92.64	**
County Bonds	160,000	-	160,000	0.00001	1.60			1.60	*
Parks Bonds	160,000	-	160,000	0.00167	267.20			267.20	*
<b>Total County</b>				<b>0.02121</b>	<b>3,198.30</b>	-	<b>1,690.32</b>	<b>1,507.98</b>	
School Operations	160,000	12,500	147,500		-	-	-	-	
State Taxes	160,000	2,000	158,000		-	-	-	-	
<b>Total Taxes</b>				<b>0.02121</b>	<b>3,198.30</b>	-	<b>1,690.32</b>	<b>1,507.98</b>	
Home Value Appraisal	\$400,000 40%				2,929.50		County Operations	1,239.18	

\*Remains with Annexation (Debt service charges for DeKalb County bonds remain until bonds are retired.)





# \$500,000 HOMESTEAD TAX BILLING FOR 2014

**\*\*HOST credit lost due to Annexation results in a 60.46% tax increase of \$1,152.21.**

2014 DEKALB COUNTY GOVERNMENT TAXES									
Taxing Authority	Gross Assess	Standard Exemption	Net Assess	Millage	Tax	Host Credit @ 80 / 20		Net Tax Due	
						HTRC	HOST Credit		
		\$10,000				\$0.00	0.577		
County Operations	200,000	10,000	190,000	0.00822	1,561.80	-	901.16	660.64	*
Hospital	200,000	10,000	190,000	0.00080	152.00	-	87.70	64.30	*
Fire	200,000	10,000	190,000	0.00287	545.30	-	314.64	230.66	**
Police	200,000	10,000	190,000	0.00618	1,174.20	-	677.51	496.69	**
STD-Unincorporated	200,000	10,000	190,000	0.00146	277.40	-	160.06	117.34	**
County Bonds	200,000	-	200,000	0.00001	2.00			2.00	*
Parks Bonds	200,000	-	200,000	0.00167	334.00			334.00	*
<b>Total County</b>				<b>0.02121</b>	<b>4,046.70</b>	-	<b>2,141.07</b>	<b>1,905.63</b>	
School Operations	200,000	12,500	187,500		-	-	-	-	
State Taxes	200,000	2,000	198,000		-	-	-	-	
<b>Total Taxes</b>				<b>0.02121</b>	<b>4,046.70</b>	-	<b>2,141.07</b>	<b>1,905.63</b>	
Home Value	\$500,000				3,710.70		County Operations	1,569.63	
Appraisal	40%								

\*Remains with Annexation (Debt service charges for DeKalb County bonds remain until bonds are retired.)



# **PREPARED BY:**



**Superintendent's Office**

**Division of Finance**

**Division of Operations**

**Division of Curriculum & Instruction**

**Division of School Leadership & Operational Support**

**Presentation available at [www.dekalb.k12.ga.us](http://www.dekalb.k12.ga.us)**



*December 8, 2014*