

Media Release

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FOR IMMEDIATE RELEASE

(The County of Bland, Virginia) – August 23, 2011, the Bland County Board of Supervisors and the Bland County School Board have agreed that new school construction in the County of Bland is not financially in the best interest of the County at the present time.

School construction has been on the table for the County of Bland for a number of years. In the fall of 2010, the opportunity came available from the Commonwealth of Virginia for zero percent interest loans through Qualified School Construction Bonds (QSCB). The Bland County Board of Supervisors authorized the Bland County School Board to submit multiple applications under different scenarios to the State. As a result, Bland County was awarded \$11.6 million in available loan funds for the construction of a new K-12 facility. If the County was to accept this bond, the repayment would be for 15 years with an annual payment of \$773,333.

The cost estimates for the building of a new kindergarten through 12th grade school with all the needed equipment is \$31.5 million. In order to reach that amount, an additional \$19.9 million beyond the \$11.6 million QSCB funds would have to be secured from additional lending sources that most likely charge interest. Financing the \$19.9 million over twenty years would require a payment of over a \$1 million annually. This brings the annual payment for the construction of a new K-12 school to an estimated \$1.8 million or higher.

While it is agreed that renovated or new school facilities in Bland County would present several benefits, the financial hardship that it would place on the citizens is a tremendous concern. In 2010, total real estate value in the County of Bland was recorded at \$532,392,240. The current real estate tax levy is set at \$0.55 per \$100. In the Fiscal Year 2012 (FY12) budget, \$2,928,322 is the anticipated real estate tax amount to be received by the County. For every cent the real estate levy is raised in the County of Bland an additional \$53,539.22 is anticipated in revenue. Also in the (FY12) budget, an additional \$1,596,253 is anticipated to be received by the County through personal property taxation. Therefore, the County of Bland anticipates through the collection of general property taxation \$4,524,575 in FY12.

After review of the financial obligations, programs, and services mandated by the Commonwealth of Virginia that have to be provided by the County of Bland and discussions with auditors who review of our financial status, any debt service for the construction of a new school facility would require an increase in the tax levy. The amount of tax levy would depend on the cost of the project. The debt service associated with the construction of a new K-12 facility estimated at \$1.8 million or higher annually

would require approximately \$0.34 increase to the \$0.55 levy. Thus, a 62% real estate tax increase.

The FY12 Bland County School Board Budget included \$1,700,033 for operations and \$115,667 in debt service with a total of \$1,815,700 of local funds. It is anticipated that the current debt service associated with the School Board will be paid in full in FY13. The FY12 Bland County School Board Budget included \$442,135 in Federal Stimulus Funds, \$232,226 in Jobs Fund Incentive Funds, and \$180,271 in funds drawn from the School Construction / Lottery Escrow Account for a total of \$854,632. Due to the cutbacks made by the State in support of public education and the lack of any new stimulus funds being provided, there is concern regarding available State and Federal funding in future Bland County School Board budgets.

While the Bland County Board of Supervisors and the Bland County School board desire to support the renovation and / or construction of new school facilities, we do not wish to place extreme economic hardships on the citizens. A 62% increase to the real estate levy at any time, especially when our nation and state are experiencing economic difficulties, is not in the best interest of Bland County and its citizens. We are also concerned with the \$854,632 in stimulus and construction savings funds that will not be there in the future for the school division. It would not be in the best interest of Bland County to put ourselves in substantial debt for the construction of new school facilities while currently facing these economic challenges. Therefore, the County of Bland will not be borrowing the \$11.6 million associated with the Qualified School Construction Bonds.

Please note that the Bland County Board of Supervisors and Bland County School Board realize the need for construction / renovation of school facilities. Therefore, we will continue to include a future school construction / renovation project in the County's long range capital improvement plan. We truly believe that the children of Bland County are our most important resource and we desire to provide the best education possible to the best of our abilities.

The Board of Supervisors would like to express our appreciation to the School Board members, Dr. Rhodes, teachers, and all staff of Bland County Public Schools for taking care of our young people and striving to provide them the best education possible.

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