

Kentucky Department of Education
Division of District Support
District Funding & Reporting Branch

Nickel Facts

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Nickel Facts

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Nickel Summary

In the past decade, the General Assembly has created additional funding sources for facility construction to address specific characteristics or needs of local school districts. Nickels are levied by districts that meet criteria of a growth district based on growth in the number of students, bonded indebtedness, current student enrollment in excess of available classroom space, facility plan requirements, debt service, and renovations. Legislation and budget language created opportunities for districts meeting specific criteria to increase tax rates at the local level. The tax rate increase is referred to as Nickel Tax Levies. Local school building taxes are called nickels because they are five cent equivalent taxes.

The actual tax rate that districts levy to produce the five cents equivalent tax is greater than five cents because the SEEK calculation takes into consideration that the tax is exclusively applied to real estate and personal property. However, it is not applied to motor vehicles and also adjusts in anticipation that districts will collect less than one hundred percent of the actual tax revenue owed. Regardless of the amount of tax collection, districts are required to transfer the exact amount produced by five cents per one hundred dollars of assessed value of property and motor vehicles to their building fund. *Source: Office of Education Accountability, Tax Issue Paper, "Understanding How Tax Provisions Interact with the SEEK Formula"*

The local sources of funding for school facilities construction and renovation are:

- **FSPK (Facilities Support Program of Kentucky)** (Kentucky Revised Statue 157.440 (b))
- **Growth Nickel** (Kentucky Revised Statue 157.621)
- **Second Growth Nickel** (2003/2005 Budget Language)
- **Recallable Nickel** (2003 - 2022 Budget Language)
- **Equalized Facility Funding Nickel** (House Bill 267 (2005))
- **BRAC (Base Realignment and Closure) Nickel** (House Bill 704 (2008))
- **Category 5 Nickel** (Senate Bill 5 (2010 Extraordinary Session))

In some instances the General Assembly has equalized the locally raised revenue. House Bill 704 and 734 placed into statutory language (KRS 157.621) that defines the qualifications for the equalization portion of the nickel which is "subject to provision of funding by the General Assembly" which applied to Original Growth, Second Growth, BRAC, Recallable and EFF Nickels. This amount is equalized at one hundred and fifty percent (150%) of the statewide average per-pupil assessment. Per HB 1 (2022 RS VO in Part), it is the intent of the 2022 General Assembly that any local school district receiving partial equalization under this subsection in the 2022-2024 fiscal biennium shall receive full calculated equalization in the 2024-2026 fiscal biennium and thereafter, until the earlier of 20 years of the effective date of this Act, or the date the bonds for the local school district supported by this equalization are retired, in accordance with KRS 157.621(2).

Nickel Calculations:

Local Nickel Revenue		
	Nickel Equivalent Levy	0.0005*
x	Total Assessment	\$935,939,929*
=	Local Nickel Revenue	\$467,970 *

State Nickel Equalization		
	Total Nickel Revenue	\$1,236,417*
-	Local Nickel Revenue	\$467,970*
=	State Nickel Equalization Match	\$768,447*

Nickel Equivalent Equalization		
	Nickel Equivalent Levy	0.0005*
x	Higher of State Equalization Level or Per Pupil Assessment	\$1,016,000*
=	Total Nickel Per Pupil Revenue	\$508.00*
x	AADA Plus Growth	2,433.892*
=	Total Nickel	\$1,236,417*

**figures used are strictly for example purposes, please verify noted data current for your district prior to calculation of local, state or nickel equivalent equalization.*

Facilities Support Program of Kentucky (FSPK) Nickel Facts:

- FSPK was enacted through Kentucky Revised Statute 157.440 (b) in 1990.
- Revenue is coded to fund 320 (Building FSPK Fund).
- All districts levy FSPK.
- Levy for this nickel must be at least five cents and is required to qualify for the Facilities Support Program of Kentucky and for a district to qualify for offers from the School Facilities Construction Commission (SFCC).
- State FSPK equalization is only for the districts whose per pupil assessment is not above one hundred and fifty percent (150%) of the statewide average.
- Has been fully funded since 1996.
- 167 districts qualified for FSPK equalization as of the FY 2022-23 SEEK Final. Districts listed below have per pupil assessment levels above one hundred and fifty percent (150%) of the statewide average and do not qualify for the equalization:
 - Anchorage Independent
 - Jefferson County
 - Livingston County
 - Lyon County

Original Growth Nickel Facts:

- Original Growth Nickel was enacted through Kentucky Revised Statute 157.621 in 1994.
- Nickel levied to accommodate districts with growing student population. Districts levied met criteria of a growth district according to KRS 157.621, outlined below:
 - a. Growth of at least one hundred fifty students in average daily attendance and three percent overall growth for the five preceding years.
 - b. Bonded debt to the maximum capability of at least eighty percent of capital outlay, and local and state FSPK.
 - c. Current student enrollment in excess of available classroom space.

- d. A local school facility plan that has been approved by the Kentucky Board of Education and certified to the School Facilities Construction Commission.
- Public hearing required prior to levying the nickel.
- The legislation for the growth nickel included a sunset provision once full funding of the FSPK nickel was restored. Although the FSPK has been fully restored since 1996, the General Assembly has continued to allow for the growth nickel through budget language.

Second Growth Nickel/Equalized Growth Nickel Facts:

- Second Growth Nickel was provided in 2003 and 2005 through budget language.
- Districts that continued to meet the growth criteria were given the option to levy a second growth nickel.
- This nickel is referred to as the equalized growth nickel because the General Assembly provided an additional equalization funding for those districts that levied both the original nickel and second growth nickel.
- Prior to April 28, 2008 local school districts that have experienced student population growth during a five year period may levy an additional five cent equivalent rate for debt service and new facilities.
- Levied by districts that meet criteria of a growth district (as outlined in the growth nickel facts section).
- Nickel not subject to recall.
- House Bill 704 (2008/2009) incorporated into KRS 157.621 equalization for the second growth nickel.
- House Bill 1 (2022 Regular Session) shall receive full calculated equalization until the earlier of 20 years of the effective date of this Act, or the date the bonds for the local school districts supported by this equalization are retired, in accordance with KRS 157.621(2) is in place for the Second Growth Nickel at this time.

Recallable Nickel/Retroactive Equalized Facility Funding Facts:

- Recallable Nickel was provided through budget language since 2003 biennial budget bills.
- The General Assembly allowed all districts the opportunity to levy a nickel for building needs that was subject to recall via public petitions.
- House Bill 380 (2006) uses language stating in or prior to 2003-2004 qualifies for equalization.
- House Bill 557 (2006) allows equalization for districts levying prior to January 1, 2006.
- House Bill 406 (2008) allows equalization for districts levying prior to January 1, 2008. For districts who levied a tax rate subject to recall after June 30, 2007, equalization will be at twenty five percent in the 2008-2009 fiscal year and fifty percent in the 2009-2010 fiscal year.
- House Bill 265 (2012) allows equalization for districts levying prior to January 1, 2010. For districts who levied a tax rate subject to recall in 2010-2011, they may receive twenty five percent of the equalization in 2012.
- It was noted that it is the intent of the legislature that any school district receiving partial equalization in the 2010-2012 fiscal biennium shall receive full calculated equalization in the 2012-2014 fiscal biennium and thereafter.
- HB 200 (2018 Regular Session) sunsets equalization upon the earlier of June 30, 2038 or the date the local bonds supported by this equalization are retired.
- HB 352 (2020 Regular Session) allows equalization for districts levying prior to January 1, 2018, shall be equalized at 100 percent of the calculated equalization funding. For districts who levied a tax rate subject to recall after January 1, 2018 and before January 1, 2020, shall be equalized at 25 percent of the calculated equalization funding in fiscal year 2021-22, and shall receive full calculated equalization funding in the 2022-2024 fiscal biennium and thereafter until the earlier of June 30, 2038, or the date the bonds for the local school district is retired.
- HB 1 (2022 Regular Session) allows equalization for districts levying prior to January 1, 2021, shall be equalized at 100 percent of the calculated equalization funding. For districts who levied a tax rate subject to recall after January 1, 2021 and before January 30, 2022, shall be equalized at 25 percent of the calculated equalization funding in fiscal year 2022-24, and shall receive full calculated equalization funding in the 2024-2026 fiscal biennium and thereafter until the earlier of 20 years, or the date the bonds for the local school district is retired.

Equalized Facility Funding Nickel Facts:

- Equalized Facility Funding Nickel was enacted through House Bill 267 in 2005.
- During the 2005 Session eligible districts must meet the following criteria:
 - a. At least ten-cent equivalent rate for buildings or debt service of ten-cent equivalent as of Feb 24, 2005.
 - b. Have not received equalized growth.
 - c. Have not received retroactive facility funding (recallable).
 - d. Has received approval by commissioner.
- During the 2006 Session criteria changed.

‘a’, ‘b’, and ‘d’ are the same. House Bill 380 does not include the ‘c’ requirement, “not received retroactive facility funding (recallable)”. The list of districts that were included as of February 24, 2005 will always be equalized whether they levy nickel or not, unless the language in the budget bill changes.
- In the 2008-2010 Biennium Budget, the same requirements are listed, including ‘c’ from above.
- HB 1 (2022) updated the EFF sunset provision to state, earlier of 20 years of the effective date of this Act, or the date the bonds for the local school district supported by this equalization funding are retired.

Base Realignment and Closure (BRAC) Nickel Facts:

- BRAC Nickel was enacted through House Bill 704 in 2008.
- A local district that meets certain conditions may levy an additional five cents after the effective date of this act if:
 - a. The local school district is located in a county that will have more students as a direct result of the new mission established for Ft. Knox by the Base Realignment and Closure (BRAC) in 2005.
 - b. The Commissioner of Education has determined that the projected increased number of students is sufficient to require new facilities or the major renovation of existing facilities and has approved the imposition of the additional levy.

- If a district that imposes the BRAC nickel has not received equalization on the first or second growth nickel, then the BRAC nickel would be equalized, pending General Assembly funding.

Category 5 Nickel Facts:

- Category 5 Nickel was enacted through Senate Bill 5 (Extraordinary Session) in 2010.
- Category 5 refers to the poorest condition schools upon certification of eligibility by KBE, also referred to as Urgent Need School Trust Funds.
- Designed to replace or renovate Category 5 schools.
- A local district that meets certain conditions may levy the Category 5 nickel for:
 - a. debt service
 - b. new construction
 - c. or major renovation
- As outlined in KRS 160.470 districts have two options in choosing to levy Category 5 Nickel:
 - Option 1: Levy Category 5 without recall provisions
 - Option 2: Levy Category 5 with recall provisions
- School districts that have previously levied a five cents equivalent tax rate for debt service, new construction, and major renovation beyond the rate required by KRS 157.440(1)(b) shall not be required to levy an additional tax to receive the equalization funds.
- Category 5 Nickel sunset provision stated if the school district utilized the appropriated equalization funds, equalization funds shall be provided for twenty years or until the bonds are retired, whichever is less.

Nickel Levy Chart:

District	FSPK	Original Growth	Equalized Growth Nickel	Recallable Nickel	EFF	BRAC	Category 5
001 Adair County	*			1/20/2022			
005 Allen County	*			8/24/2023	8/16/2005		
006 Anchorage Independent	*						
011 Anderson County	*	8/1/1995	8/28/2003				
012 Ashland Independent	*			8/29/2011			
013 Augusta Independent	*			8/16/2018			
015 Ballard County	*			10/31/2003			
016 Barbourville Independent	*			7/20/2017			
017 Bardstown Independent	*	9/18/2001	9/16/2003				
021 Barren County	*	10/12/1995	8/14/2003				
025 Bath County	*			9/14/2013			
026 Beechwood Independent	*			5/13/2019 (double)	9/12/2005		
031 Bell County	*			9/6/2012			
032 Bellevue Independent	*			4/24/2019 6/28/2023			
034 Berea Independent	*			10/27/2003			
035 Boone County	*	9/29/1994	9/11/2003				
041 Bourbon County	*			8/17/2023			
042 Bowling Green Independent	*			6/12/2017	8/13/2007		
045 Boyd County	*			8/24/2009			
051 Boyle County	*			5/21/2015			
055 Bracken County	*				8/29/2005		
061 Breathitt County	*			6/29/2017			
065 Breckinridge County	*			9/11/2014			
071 Bullitt County	*	9/11/2003	9/11/2003				
072 Burgin Independent	*			8/26/2010 (double), 11/30/2017			
075 Butler County	*						
081 Caldwell County	*			4/11/2017			
085 Calloway County	*						
091 Campbell County	*	12/7/1994					
092 Campbellsville Independent	*			8/28/2014			
095 Carlisle County	*			9/9/2010			
101 Carroll County	*						
105 Carter County	*						9/30/2010
111 Casey County	*						
113 Caverna Independent	*						

District	FSPK	Original Growth	Equalized Growth Nickel	Recallable Nickel	EFF	BRAC	Category 5
115 Christian County	*						
121 Clark County	*	9/19/2008					
125 Clay County	*			5/26/2017			
131 Clinton County	*						
132 Cloverport Independent	*						
133 Corbin Independent	*	10/23/2003	11/3/2005				
134 Covington Independent	*			8/30/2023			
135 Crittenden County	*						
141 Cumberland County	*			8/31/2005			
143 Danville Independent	*			8/17/2015			
145 Daviess County	*	10/1/1995		5/16/2017			
146 Dawson Springs Independent	*						
147 Dayton Independent	*			8/23/2021 (double), 8/23/2023			
149 East Bernstadt Independent	*			9/10/2014			8/12/2010
151 Edmonson County	*						
152 Elizabethtown Independent	*			9/8/2003			
155 Elliott County	*						
156 Eminence Independent	*			8/14/2013			
157 Erlanger-Elsmere Independent	*			8/16/2023			
161 Estill County	*			8/17/2017			
162 Fairview Independent	*			11/26/2018			
165 Fayette County	*			9/8/2022			
171 Fleming County	*						10/6/2010
175 Floyd County	*			8/22/2013			
176 Fort Thomas Independent	*	8/1/1995					
177 Frankfort Independent	*			9/19/2016 9/7/2023			
181 Franklin County	*			9/15/2003			
185 Fulton County	*						
186 Fulton Independent	*						
191 Gallatin County	*	8/28/2000		7/22/2005			
195 Garrard County	*	4/27/2000	8/21/2003				
197 Glasgow Independent	*			8/26/2009			
201 Grant County	*	8/1/1995	9/11/2003				
205 Graves County	*						
211 Grayson County	*			5/8/2023			
215 Green County	*			8/27/2007			
221 Greenup County	*			5/22/2023			

District	FSPK	Original Growth	Equalized Growth Nickel	Recallable Nickel	EFF	BRAC	Category 5
225 Hancock County	*			8/22/2019			
231 Hardin County	*	9/5/2006				8/23/2010	
235 Harlan County	*						
236 Harlan Independent	*			9/17/2015			
241 Harrison County	*			5/27/2021			
245 Hart County	*			12/11/2014			
246 Hazard Independent	*			10/6/2011			
251 Henderson County	*			4/20/2015			
255 Henry County	*			9/6/2006			
261 Hickman County	*						
265 Hopkins County	*						
271 Jackson County	*						9/23/2010
272 Jackson Independent	*			5/20/2021			
275 Jefferson County	*						
276 Jenkins Independent	*						
281 Jessamine County	*	8/1/1994	10/13/2003				
285 Johnson County	*			9/9/2019 (double)			
291 Kenton County	*	9/11/1995	8/25/2003				
295 Knott County	*						
301 Knox County	*						
305 LaRue County	*						
311 Laurel County	*	9/12/2005	9/12/2005				
315 Lawrence County	*						
321 Lee County	*						
325 Leslie County	*						10/7/2010
331 Letcher County	*						
335 Lewis County	*			8/4/2015			
341 Lincoln County	*						
345 Livingston County	*						
351 Logan County	*			1/13/2015			
354 Ludlow Independent	*			8/26/2021 9/6/2022			
361 Lyon County	*						
365 Madison County	*	10/11/2001	10/21/2003				
371 Magoffin County	*			8/29/2013			
375 Marion County	*			3/31/2016			
381 Marshall County	*			9/10/2013			
385 Martin County	*			2/27/2014			
391 Mason County	*			12/18/2017			

District	FSPK	Original Growth	Equalized Growth Nickel	Recallable Nickel	EFF	BRAC	Category 5
392 Mayfield Independent	*				8/15/2005		
395 McCracken County	*			8/16/2007			
401 McCreary County	*						
405 McLean County	*						
411 Meade County	*	1/10/1995		9/27/2006			
415 Menifee County	*			7/13/2016 7/5/2022			
421 Mercer County	*	9/1/2005	9/1/2005				
425 Metcalfe County	*						8/26/2010
426 Middlesboro Independent	*						
431 Monroe County	*				9/8/2005		
435 Montgomery County	*	9/26/2001	10/25/2003				
436 Monticello Independent	*						
441 Morgan County	*			8/27/2015			
445 Muhlenberg County	*						
446 Murray Independent	*	9/11/2003	9/11/2003				
451 Nelson County	*	9/4/2001	11/3/2005				
452 Newport Independent	*			1/11/2017			
455 Nicholas County	*			9/5/2007			
461 Ohio County	*						
465 Oldham County	*	10/21/1994	8/28/2003	8/28/2003			
471 Owen County	*			6/17/1999	8/15/2005		
472 Owensboro Independent	*			2/23/2017			
475 Owsley County	*						
476 Paducah Independent	*			8/13/2007	8/13/2007		
477 Paintsville Independent	*			9/12/2011			
478 Paris Independent	*			8/19/2021 (double), 8/31/23			
481 Pendleton County	*	8/28/2003	8/21/2003				
485 Perry County	*						9/9/2010
491 Pike County	*						9/2/2010
492 Pikeville Independent	*						
493 Pineville Independent	*			8/20/2007 9/7/2023			
495 Powell County	*			12/19/2019			
501 Pulaski County	*	9/12/2006					
502 Raceland Independent	*			2/20/2015			
505 Robertson County	*			5/10/2023			9/16/2010
511 Rockcastle County	*			9/2/2021			
515 Rowan County	*			8/14/2007			

District	FSPK	Original Growth	Equalized Growth Nickel	Recallable Nickel	EFF	BRAC	Category 5
521 Russell County	*	11/20/2006		9/15/2003			
522 Russell Independent	*						
523 Russellville Independent	*			9/5/2006			
524 Science Hill Independent	*			9/6/2005			
525 Scott County	*	12/5/1994	8/25/2003	1/10/2017			
531 Shelby County	*	9/28/2000	9/4/2003				
535 Simpson County	*			12/15/2022			
536 Somerset Independent	*			8/13/2012			
537 Southgate Independent	*			9/8/2022			
541 Spencer County	*	2/12/1996	9/25/2003				
545 Taylor County	*			8/20/2013			
551 Todd County	*				9/10/2007		
555 Trigg County	*						
561 Trimble County	*						
565 Union County	*						
567 Walton Verona Independent	*	8/25/2005			8/16/2007		
571 Warren County	*	1/9/1995	9/11/2003				
575 Washington County	*			8/9/2007			
581 Wayne County	*			6/15/2017			
585 Webster County	*						
586 West Point Independent	*						
591 Whitley County	*						
592 Williamsburg Independent	*			12/18/2015			
593 Williamstown Independent	*	8/25/2005		8/31/2006			
595 Wolfe County	*			1/8/2024			
601 Woodford County	*	6/19/1995					