



10-Minute Supervisor Trainings

Kentucky Soil and Water Conservation Commission

November 2018

DISTRICT FUNDING

One of the biggest hurdles that Conservation District across Kentucky face is funding. Every county is different and fiscal courts and community views vary. The question is the same all over – how important is conservation in your community? According to KRS 262.200, conservation districts SHALL be funded 2 ways: either by funding from the fiscal court general fund or by the levy of a tax on real estate value. It is initially up to each court to decide which is the most needed and effective. Most districts that are on the tax have been funded that way since the late 1980s. Other districts must visit their court each year and request the needed amount through a budget that shows how funding will be used. It has proved difficult in many communities to go from general fund to the tax but those that have put in the work result in a **SUSTAINABLE** and **SUCCESSFUL** conservation district. Good public relations and perception is key. This months' training will focus on how to be successful no matter which route you take.

Helpful Hints and things to address

Before a district is ready to go through the process of requesting an increase or millage tax – there are a few things to consider and you must have a budget that you are prepared to implement. The budget should be realistic and not just a wish list.

Talking Points

- Why do you need additional funding? (New hires, equipment, additional education or cost share programs, office space etc.)
- Are you ready to follow through and utilize new funding?
- Can you justify your needs with a plan?
- Are you allowing for growth of the district? Keep in mind that once you are on a tax – besides new growth and taking an optional 4% increase each year – the only way to acquire new funds is to go on the ballot and raise your rate.
- How much will your needs increase over the next 5 years and have you taken that into consideration?
- How will you provide services not only to the agricultural community but the urban sector?
- What are some beneficial new things can you provide that your county does not have access to?
- ALWAYS appeal to the urban sector – remember that in most communities agriculture has become the minority. Education, partnerships with county and city, grants, community projects, conservation on the city level and cleaner water = lower water bills, healthy clean affordable food all appeal to the general public.
- You are a subdivision of government and considered a special purpose district – you are not in the business of making money.
- You are the link to USDA programs.

How much do you need?

- Start with your current budget and add the things that you would like to implement within the next 5 years.
- When thinking about your financial needs remember that each new program comes extra expenses, insurance, supplies, etc. Look at things that you have had to remove in prior years because of low funding.
- Take care of your employees! To get a good employee that will stay – you need to be willing to compensate and consider benefits. Also remember that these employees will be the face of the district, and they will have an increased workload.
- Talk to other districts that are funded well and see what they do. Ask your field representative for ideas.

District Millage Tax Info

- According to KRS 65.182 the fiscal court as a whole must vote to seek the tax – the district only initiates the process by presenting a budget and information and networking with both the magistrates and judge.
- Fiscal court must vote as a whole then start the 180 day process following KRS 65.182 #1B (Conservation districts are a special taxing district according to Ky. Department of Local Government).
- After tax is approved and the process is complete a resolution is filed by the County Attorney and the district can receive tax revenue from the next tax cycle (which begins at the end of October). In order to receive revenue the same year – process must be complete by August 1st in order to be included on the tax bills.
- It is best that all involved are aware of what the intent of the district is and to have a desired budget with all needs and intended items before going before fiscal court.
- Rates are set by the conservation district with a budget supporting those needs by working with fiscal court and with their final approval.
- 73 of 121 conservation districts in Kentucky are on a tax
- All rates for a tax are set according to the real property value in the county
- Most conservation districts bring in from \$50,000-\$80,000

Gathering Information for Millage Tax

- A statement of total assessment –real estate only at your local PVA and is public information.
- To get the rate needed divide the total assessment by 100. EX: \$800,000,000 / 100 = \$800,000 x .01 = \$80,000. So if the district received a penny for every \$100 of property, the district would get \$80,000.
- The general public wants to know what you are going to be able to do for them so before you go to fiscal court it is a great idea to have some numbers. A) How many people have you serviced in the last year? B) How many students have you worked with? C) How much money has the district been able to secure in programs? Grants? Etc. D) What has NRCS been able to do because you are here? Practice and payment numbers are always good.
- Most fiscal courts want to see a 3 year cost vs revenue (Last Year, Current Year & Projected).

Gathering Information for Millage Tax, continued

- Fiscal courts also want to know how a tax is going to be good for the economy – it is best to do your homework and be prepared to answer questions.
- ALL board members and district staff must be on the same page, ready to support the cause, be educated and be prepared to face the public.
- The support of other agencies in the county such as extension, Farm Bureau, Cattleman's etc. is very important.
- Misinformation can be the death of your request so think about starting the process 8 months or more ahead.

Requesting a tax increase

- Since majority of the conservation districts in Kentucky are already on the tax we must address the need for a tax increase. According to KRS132.023 taxing districts can take an allowable 4% increase of their initial rate each year by notifying their Fiscal Court and justifying the increase, posting in the local paper, allowing for public comment of the changes.
- Anything above the allowable 4% rate is subject to a recall vote by the entire district and must follow all procedures in KRS 132.027 which require many public hearings, the public vote and then an established ordinance.

Whether you are requesting a tax or an increase you need a strong speaker and all hands on deck to request and present to fiscal court. A prepared and united front, support from other organizations and good communication ensure success. It is also very helpful to provide information and speak to all of your magistrates before you go. Whether or not you get on the tax – they are aware that the need is there and the chances of your district getting additional funding is much better.

Have you ever thought about grants?

There is a whole world of grant funding out there both through private organizations and businesses and state and federal entities. Avenues of funding through NRCS, RCPP, Division of Water and EPA. Grants are a great way to make a difference through the environment, provide employment, promote your district in a positive way, educate the public and most grants contain an administrative allowance. Grants are a lot of work but they can pay off in a big way whether it's installing Best Management Practices for landowners, working with multiple agencies to improve water quality, improving environmental education in local classrooms or providing sound technical folks. Why not provide good programs for your community and at the same time provide employment and make a difference for your district? Grants are sometimes perceived as an overwhelming task but after you get the first one under your belt, you have the basis to apply for many more.

There is funding available if your district is willing to step outside of the box and take chances. Remember even districts that have not been successful at the tax have ended up with an increase in the general fund. Public relations is key - there is nowhere to go but up!