

# 2023 Millage Rate Hearing



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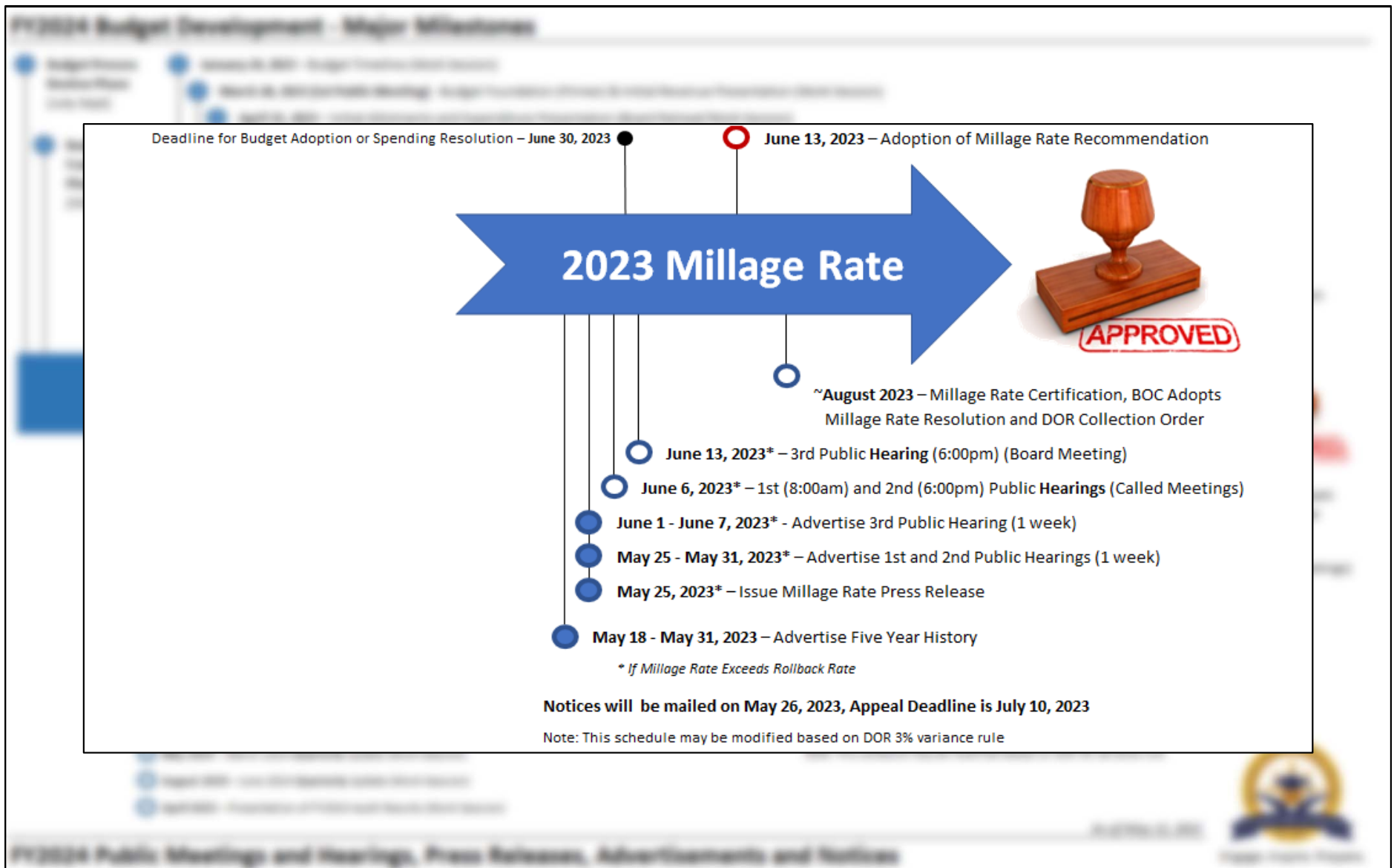
## Agenda

1. Timeline
2. Millage Rate Overview
3. History and Comparable Districts

Reference Slides  
Appendix



June 6, 2023 (8:00am) | June 6, 2023 (6:00pm) | June 13, 2023 (6:00pm)



# 2023 (FY24) Millage Rate Timeline



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# Millage Rate Overview

- Property values are determined by market trends and are set by the Paulding County Board of Tax Assessors.
- Paulding County Board of Education millage rate hearings occur in early to mid-June, when possible and necessary.
- If you have questions or concerns about the assessed value of your property, please contact the Board of Tax Assessors. There is an appeals process, but the deadline is July 10, 2023.
- The Board of Education does determine the millage rate for Ad Valorem Property Tax, which is a percentage applied to the assessed property value. Ad Valorem Property Tax or “according to value” is the primary source of local funding, accounting for approximately one-third of total revenue.
- Paulding County Tax Commissioner produces the official digest in late July or early August. Board of Commissioners approved millage rates in early August. All information presented is based on the most current digest available.
- Board of Education Original FY2024 Budget must be approved by June 30<sup>th</sup> but can be amended by the Board of Education.

- Maintenance & Operations (M&O) millage rate of **17.750** was utilized for advertisements and the Tentative FY2024 Budget (tax year 2023). Estimated Rollback Rate is 14.692, which would result in a net decrease of approximately \$750k.
- Tax Assessment Notices reflect the 2022 property ad valorem millage rate. This does not include the one-time Property Tax Relief Grant. Meaning, the fall tax bill will likely be less than the tax assessment.
- The Tentative FY2024 Budget reflects a [Bond millage rate](#) of **0.000**, with bond principal and interest paid through E-SPLOST. A bond millage of approximately 1.700 would be required to meet FY2024 debt service.
- [Net M&O Digest](#) is projected to increase \$1.4 billion or 20.1% to \$8.1 billion.
- Average Residential Sales Price increased \$13,000 or 3.8% from October-December 2021 to October-December 2022 to \$356,000.
- Property Taxpayer's [Bill of Rights](#) governs much of the process, including an estimated “revenue neutral” Rollback Millage Rate of 14.692.

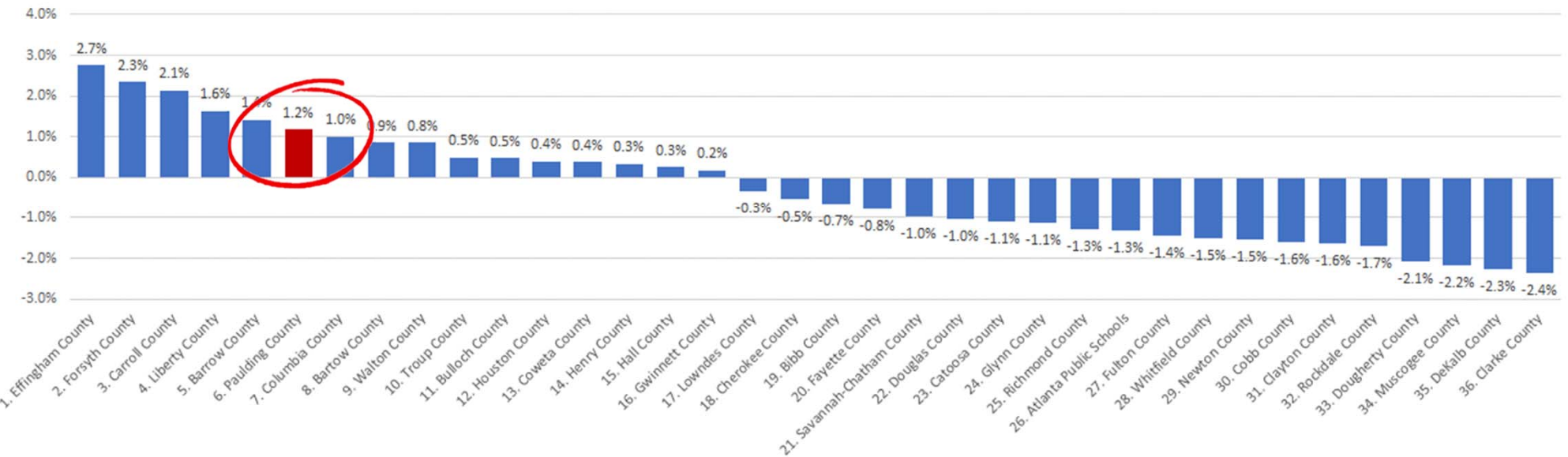


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# Enrollment Growth, Millage Rate History and Comparable Districts



Large District Three-Year CAGR, FY2020-FY2023 (>10,000 FTE)



#### School District

#### Growth

1. Effingham County	2.7%
2. Forsyth County	2.3%
3. Carroll County	2.1%
4. Liberty County	1.6%
5. Barrow County	1.4%
6. Paulding County	1.2%
7. Columbia County	1.0%
8. Bartow County	0.9%
9. Walton County	0.8%
10. Troup County	0.5%

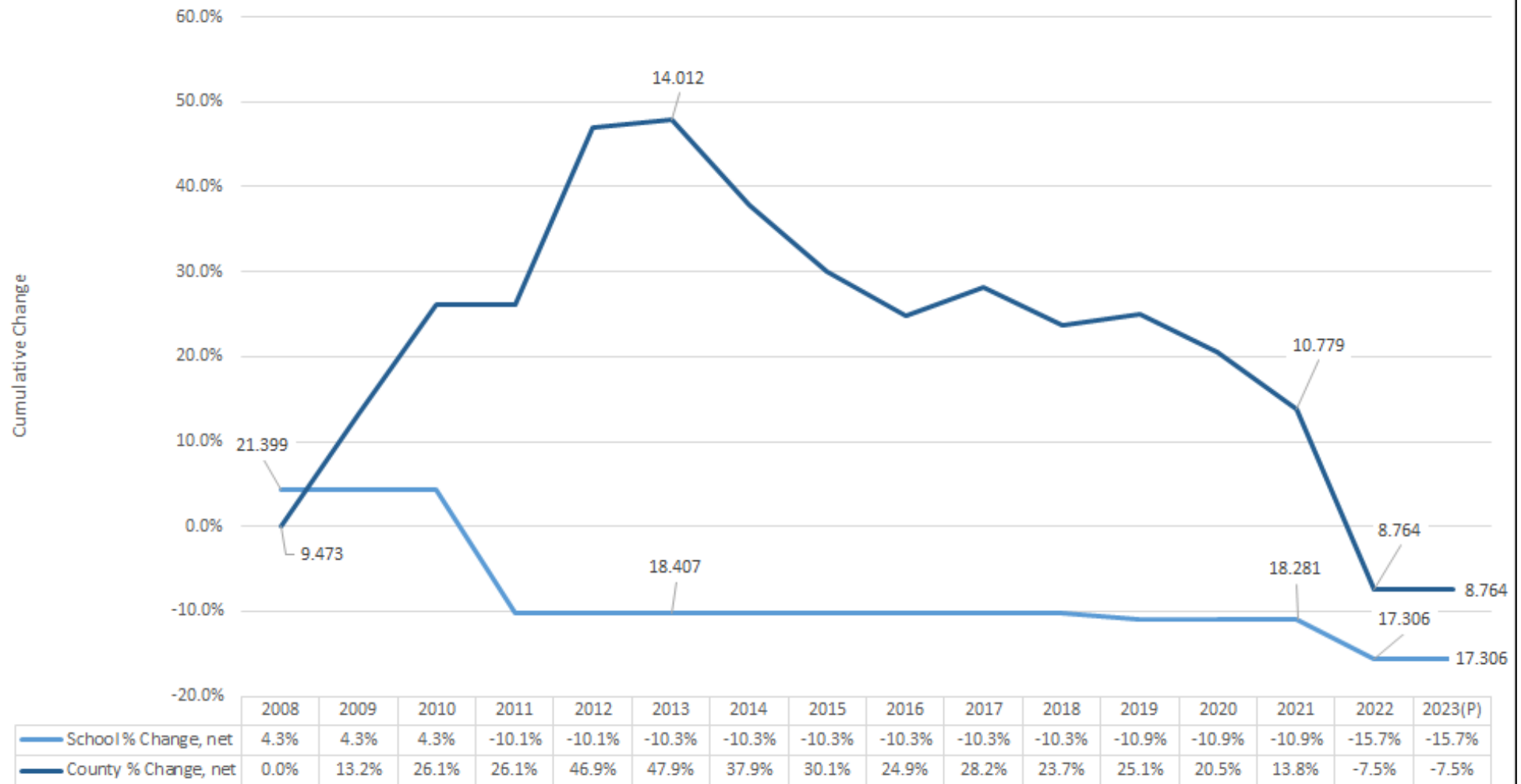
**Growing School Districts.** With a 3-year annual growth rate of 1.2%, PCSD is the sixth fastest growing large school district in Georgia.

The Georgia Constitution (Article VIII) and Federal Law mandate an adequate public education for its citizens, provided for by general taxation rather than tuition.

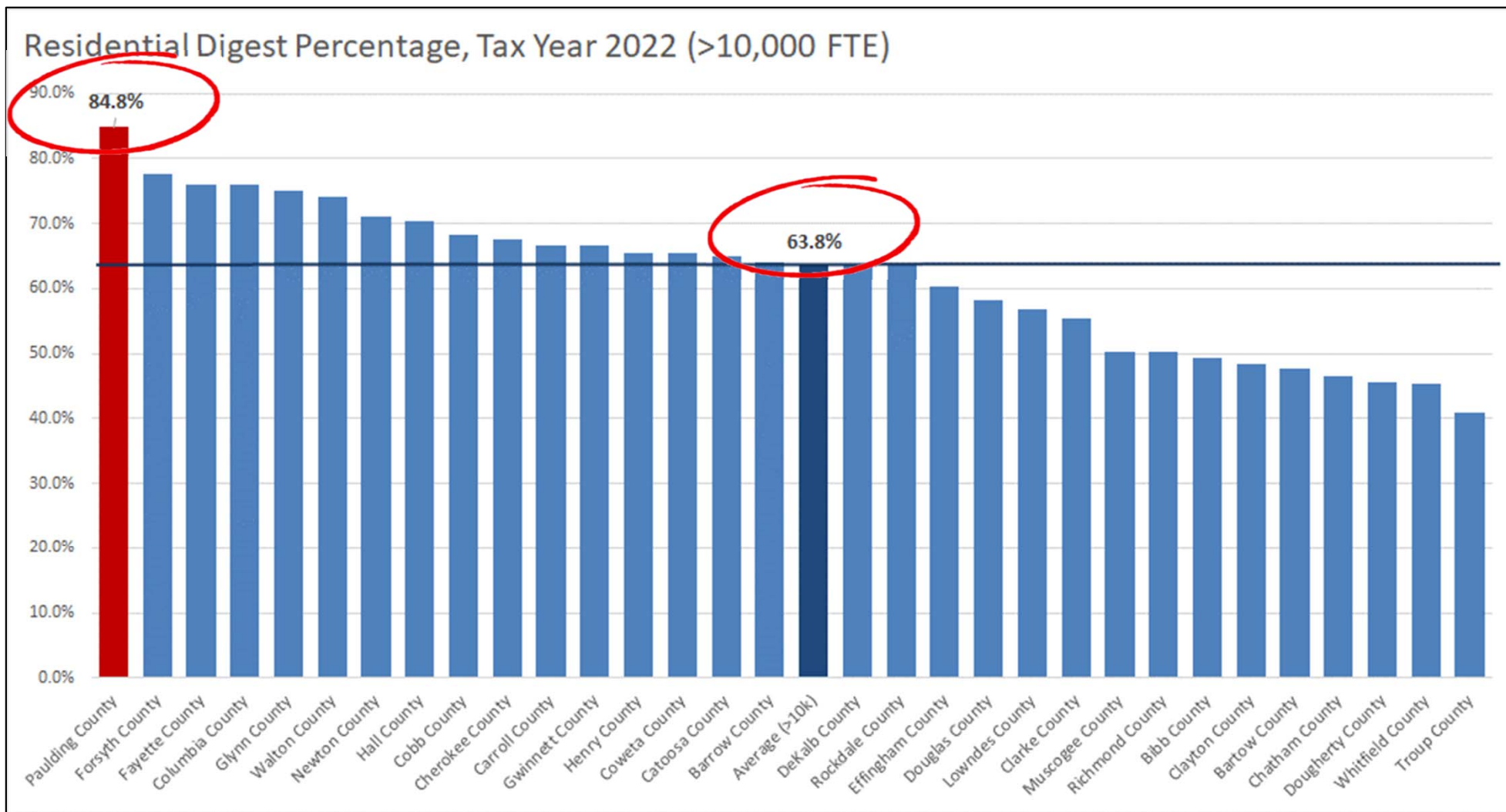
**FY2020-2023**

# Enrollment Growth & Breakeven

Cumulative Change in Total Millage Rate, net 2008 - 2023 (P)





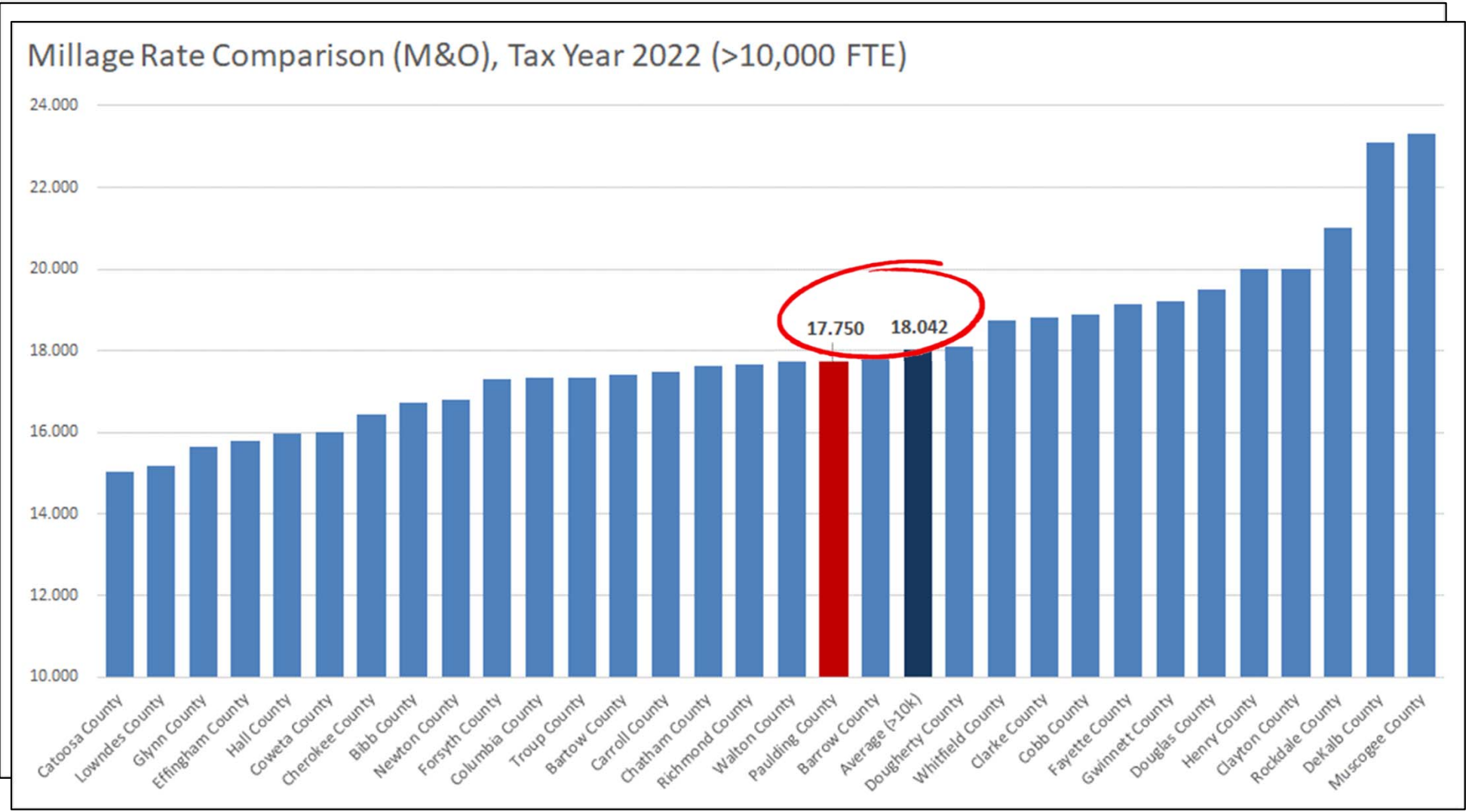


**Local Revenue Metrics.** Ranked highest in residential digest percentage, had a comparable millage rate to the average, and ranked 7<sup>th</sup> lowest in levy per FTE, among large districts.

Source: GaDOR (Consolidated Tax Digest Summaries)  
Large Districts are districts with >10,000 FTE

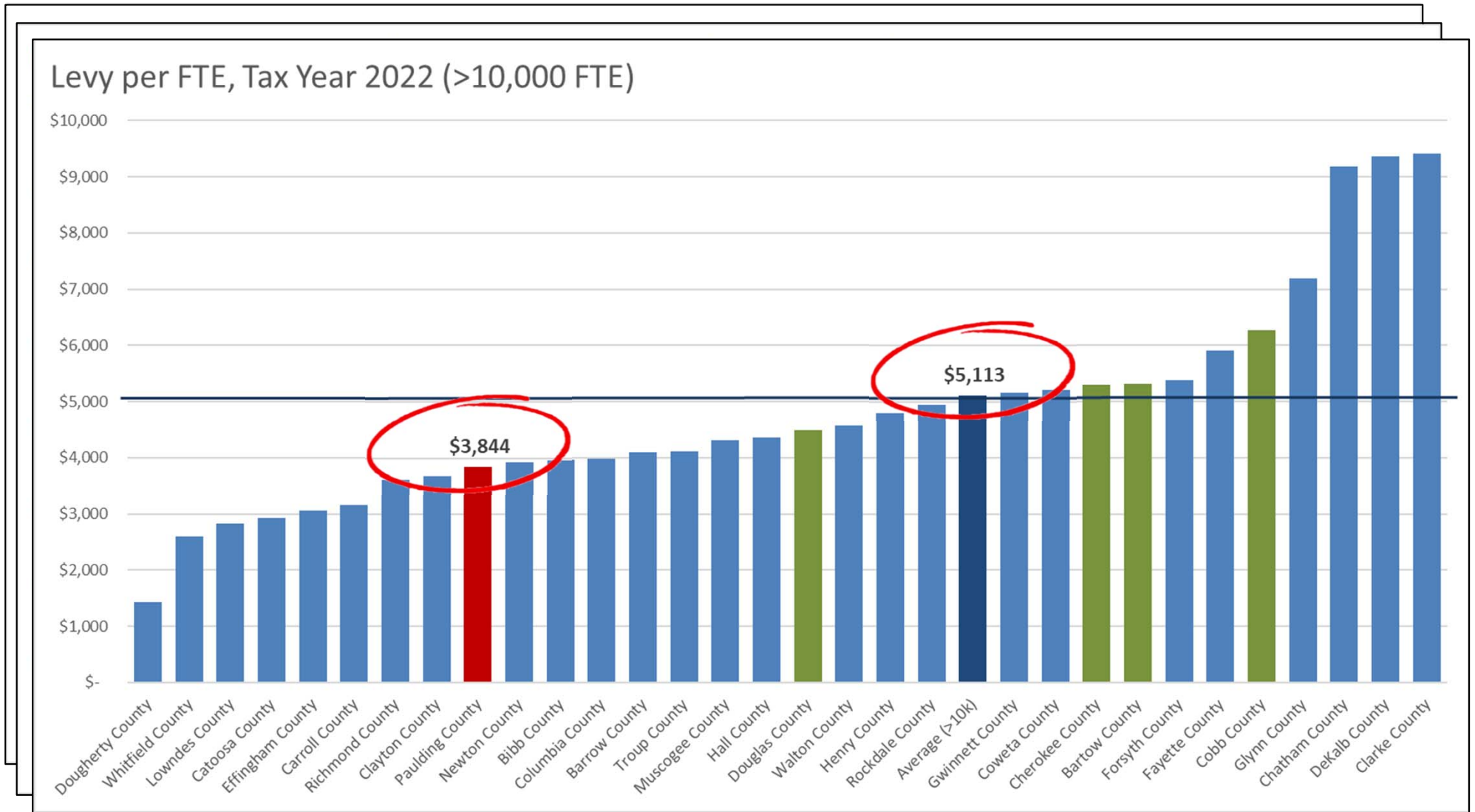
2022

# Comparable Districts



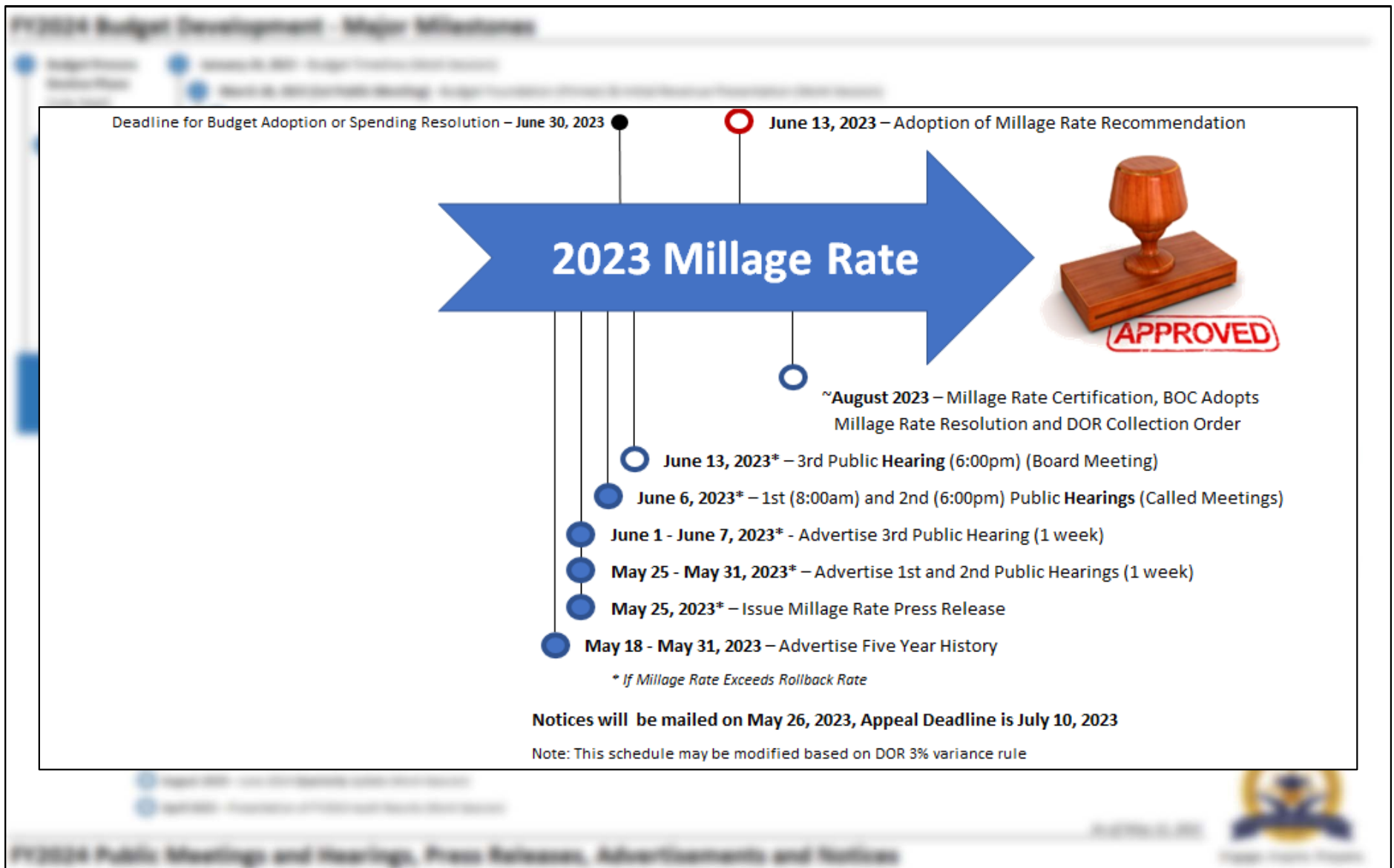
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# 2023 (FY24) Millage Rate Timeline



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# Thank You

For Budget Ideas and Feedback Please Visit our Website



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# Appendix



## **Inflation**

- Rising costs are impacting the school district in much the same way they are our community at large, something seriously considered while crafting the budget.

## **Labor Market**

- Like other government entities and businesses, we operate in a highly competitive job market, challenging our ability to retain and attract employees.

## **Enrollment Growth**

- The budget anticipates the addition of approximately 464 students or 1.5%.

## **Equalization Grant**

- Our allocation of the Equalization Grant will increase \$0.2 million or 0.6% in FY2024, from approximately 10% of total revenue to less than 7%. We are the 4<sup>th</sup> largest recipient in Georgia.

## **Value of Mill**

- The value of 1.000 mill for the school district is \$8.1 million.

## **Property Taxpayer's Bill of Rights**

Senate Bill 177, Act 431 was signed April 30, 1999 and became effective January 1, 2000 (O.C.G.A. 48-5-32.1). The bill has two main thrusts:

- Prevention of indirect tax increases resulting from increases to existing property values due to inflation,
- Enhancement of an individual property owner's rights when objecting to and appealing an increase made by a county board of tax assessors to the value of the owner's property.

### **Rollback of Millage Rate When Digest Value Increased by Reassessments**

The Revenue Commissioner developed rules and regulations to implement the terms and provisions of O.C.G.A. 48-5-32.1.

**Prevention of Indirect Tax Increases:** Each year there are two types of value increases made to a county tax digest;

- increases due to inflation, and
- increases due to new or improved properties.

There are no additional requirements if the levying (or recommending) authority rolls back the millage rate each year to offset any inflationary increases in the digest.

[Back to  
Overview](#)

**Rollback of Millage Rate to Offset Inflationary Increases:** When the total digest of taxable property is prepared, Georgia Law requires that a rollback millage rate must be computed that will produce the same total revenue on the current year's new digest that last year's millage rate would have produced had no reassessments occurred.

If the county (school district) elects to set their millage rate higher than the rollback rate, they will be required:

- 1. Notification of Tax Increase With Three Public Hearings:** The levying (or recommending) authority must hold three public hearings allowing the public input into the proposed increase in taxes.
- 2. Publish Notice in Paper One Week Before Each Hearing:** The levying (or recommending) authority must publish a notice in the paper one week in advance of each of these three public hearings.
- 3. Press Release to Explain Tax Increase:** The levying (or recommending) authority must issue a release to the press explaining its intent to increase the taxes.

*Georgia Department of Revenue: Local Government Services Division  
<https://dor.georgia.gov/property-taxpayers-bill-rights#rollback>, May 28, 2019*

[Back to  
Overview](#)

“Each year, the Paulding County Board of Tax Assessors is required to review the assessed value for property tax purposes of taxable property in the county. When the trend of prices on properties that have recently sold in the county indicate there has been an increase in the fair market value of any specific property, **the Board of Tax Assessors is required by Georgia law to re-determine the value of such property and increase the assessment. This is called a reassessment. If you have questions or concerns regarding your assessed value, please contact the Board of Tax Assessors. The deadline to appeal your 2023 assessed value is July 10, 2023.**

### Rollback Example

When the total digest of taxable property is prepared, Georgia Law requires that **a rollback millage rate must be computed that will produce the same total revenue on the current year’s new digest that last year’s millage rate would have produced had no reassessments occurred.”**

*May 25, 2023 PCSD Press Release*

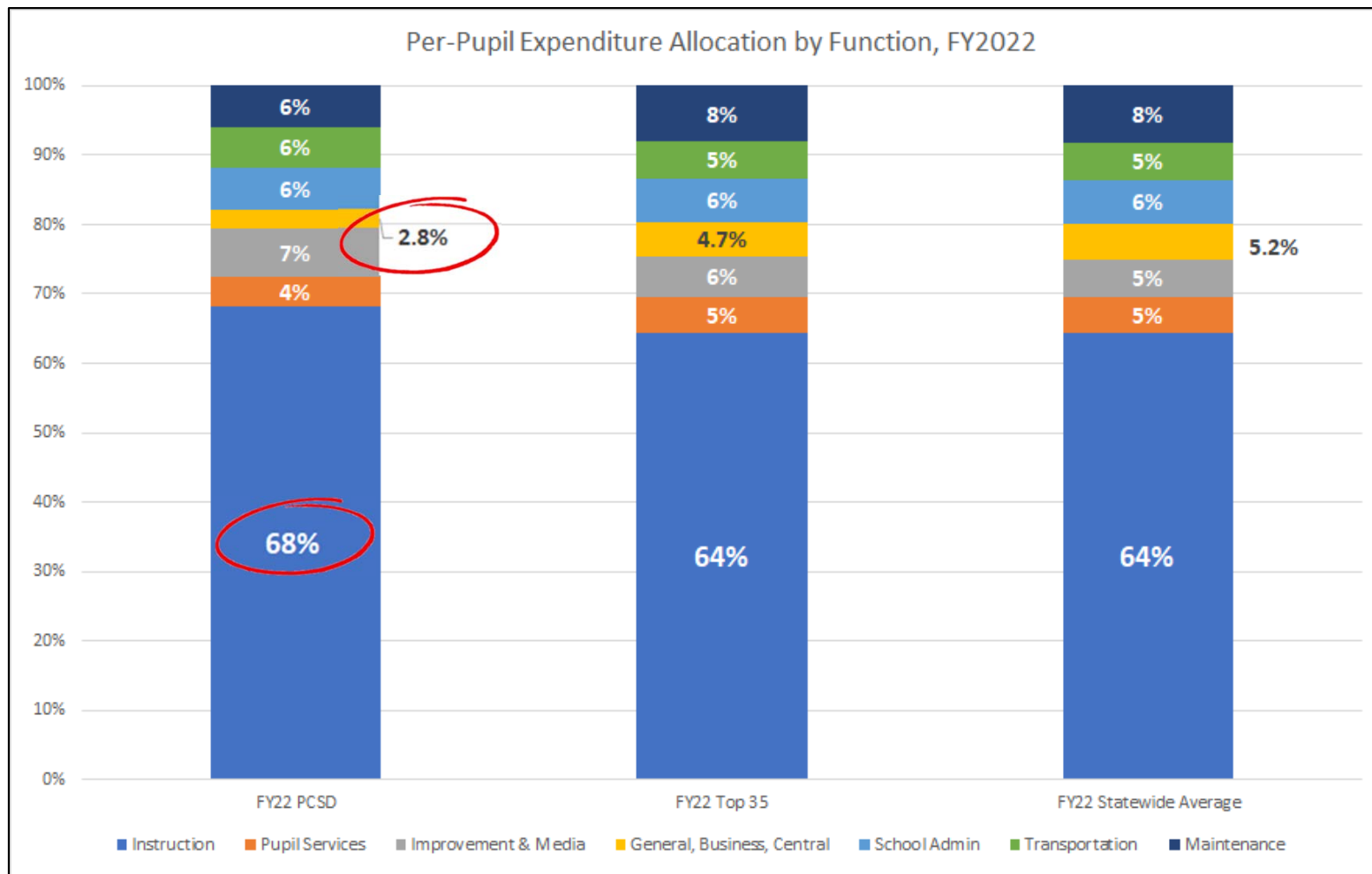
	2022	2023 (Increase)		2023 (Decrease)	
		Same Rate	Rollback	Same Rate	Rollback
FMV	\$ 305,500	\$ 368,000	\$ 368,000	\$ 243,000	\$ 243,000
FMV Change		\$ 62,500	\$ 62,500	\$ (62,500)	\$ (62,500)
<b>40% FMV</b>	<b>\$ 122,200</b>	<b>\$ 147,200</b>	<b>\$ 147,200</b>	<b>\$ 97,200</b>	<b>\$ 97,200</b>
Less; Exemption	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Net Value	\$ 120,200	\$ 145,200	\$ 145,200	\$ 95,200	\$ 95,200
<b>Millage Rate</b>	<b>17.750</b>	<b>17.750</b>	<b>14.692</b>	<b>17.750</b>	<b>22.410</b>
Annual Property Tax	\$ 2,134	\$ 2,577	\$ 2,133	\$ 1,690	\$ 2,133
<b>Annual Change</b>		<b>\$ 444</b>	<b>\$ (0)</b>	<b>\$ 503</b>	<b>\$ 0</b>
<b>Monthly Change</b>		<b>\$ 37</b>	<b>\$ (0)</b>	<b>\$ 42</b>	<b>\$ 0</b>

- 20.5% **increase** in FMV equals a rollback rate of 14.692, anything higher would be considered a tax increase or "not revenue neutral".
- 20.5% **decrease** in FMV equals a rollback rate of 22.410, anything higher would be considered a tax increase or "not revenue neutral".

		Unique Feature	How does that impact funding?	Measurement	Rankings	
Demographic and Economic Factors	Local Funding Low Wealth	Paulding County has a limited commercial and industrial tax base. In fact, only 15% of the tax digest is non-residential.	<b>Less local funding</b> due to a lower net tax digest per student (NDPS) and a slightly below-average millage rate.	NDPS is \$66,000 or 23% lower than the average large district in Georgia. On average, 36% of the large district tax digest is non-residential. <sup>a</sup>	27 out of 36 large districts or 105 out of 180 total districts in Local Revenue per Student <sup>b</sup>	30 out of 36 large districts or 162 out of 180 total districts in Total Revenue per Student <sup>b</sup>
		PCSD does not compensate for a limited tax base by inflating the millage rate.		17.750 millage rate compared to a large district average of 18.042. <sup>a</sup>		
		Paulding County has a large number of school-age children per household.	<b>Less local funding</b> because funding is based on property tax values not the number of school-age children living in the home.	12.4% more persons-per-household than the state average, specifically school-age children. <sup>c</sup>		
	State/Federal Funding	PCSD is highly dependent on state funding sources.	<b>Highly susceptible to changes in state funding</b> , including austerity reductions, Equalization Grant funding and changes in the Quality Basic Education (QBE) formula.	Approximately 59% of PCSD revenue comes from state sources, compared to a statewide average of 46%. <sup>b</sup>	13 out of 36 large districts or 108 out of 180 total districts in State Revenue per Student <sup>b</sup>	
		PCSD is one of the largest recipients of equalization.		8% of total General Fund revenue comes from the Equalization Grant. <sup>b</sup>	4 out of 36 large districts or 180 total districts in Equalization <sup>b</sup>	
		PCSD has relatively low Title I funding.	<b>Less Federal funding.</b> Low wealth school districts typically have a higher percentage of Title I schools. This also impacts other funding allocations like the CARES Act, which was allocated based on Title I funding.	While PCSD ranks 4th in equalization funding (an indication of low wealth), it ranks 167 out of 180 in Title I funding per pupil. No other school district in Georgia has a greater disparity between equalization and Title I funding. <sup>d</sup>	30 out of 36 large districts or 167 out of 180 total districts <sup>d</sup>	
		PCSD has relatively low free-and-reduced lunch participation.	<b>Less Federal funding.</b> Low wealth school districts typically have a higher percentage of free-and-reduced lunch. This also impacts other funding allocations like the IDEA grants (ESEP).	According to the US Census, Paulding County had a poverty percentage of 10.6% in 2021, 170 out of 180 total districts. The FY23 free-and-reduced lunch percentage was 42.6%, compared to a statewide average 59.3%.	26 out of 36 large districts <sup>d</sup>	
Enrollment Factors		PCSD is one of the fastest growing school districts in the state.	With a limited non-residential tax base, the value of new residential construction is critical. Typically, property taxes from new residential construction does not support the additional enrollment.	3-year average annual growth rate for FY20-FY23 was 1.2%, compared to a large district rate of -0.5%. FY24 enrollment is projected to grow 476 or 1.5%. <sup>b</sup>	11 out of 36 large districts and 180 total districts <sup>b</sup>	
		PCSD has a high percentage of students in a Exceptional Students Educational Program (ESEP).	FY22, the average additional cost per ESEP student was \$2,666 or 30.1% (including Local, State and Federal sources).	In FY23, 15.3% of PCSD students were ESEP, compared to a large district average of 13.2%. This contributes to PCSD's low weighted NDPS (based on ESEP participation). <sup>b</sup>	9 out of 36 large districts and 49 out of 180 total districts <sup>b</sup>	

Version 1.1

# What Makes PCSD Funding Unique?



**Stewardship.** PCSD directs more funding to “Instruction” than large district and statewide averages. “Central office” type expenditures remain a fraction of large district and statewide averages and have remained 2.0% – 2.8% for the past five years. In a recent independent study, Gibson Education Consulting & Research Group found PCSD to be a *“highly efficient school system, and one of the most efficient school systems we have reviewed over the past 25 years.”*

Gibson Education Consulting & Research Group, 2020 Educational and Operational Efficiency Study

2022



**Paulding County Board of Education**  
**CURRENT 2023 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY**

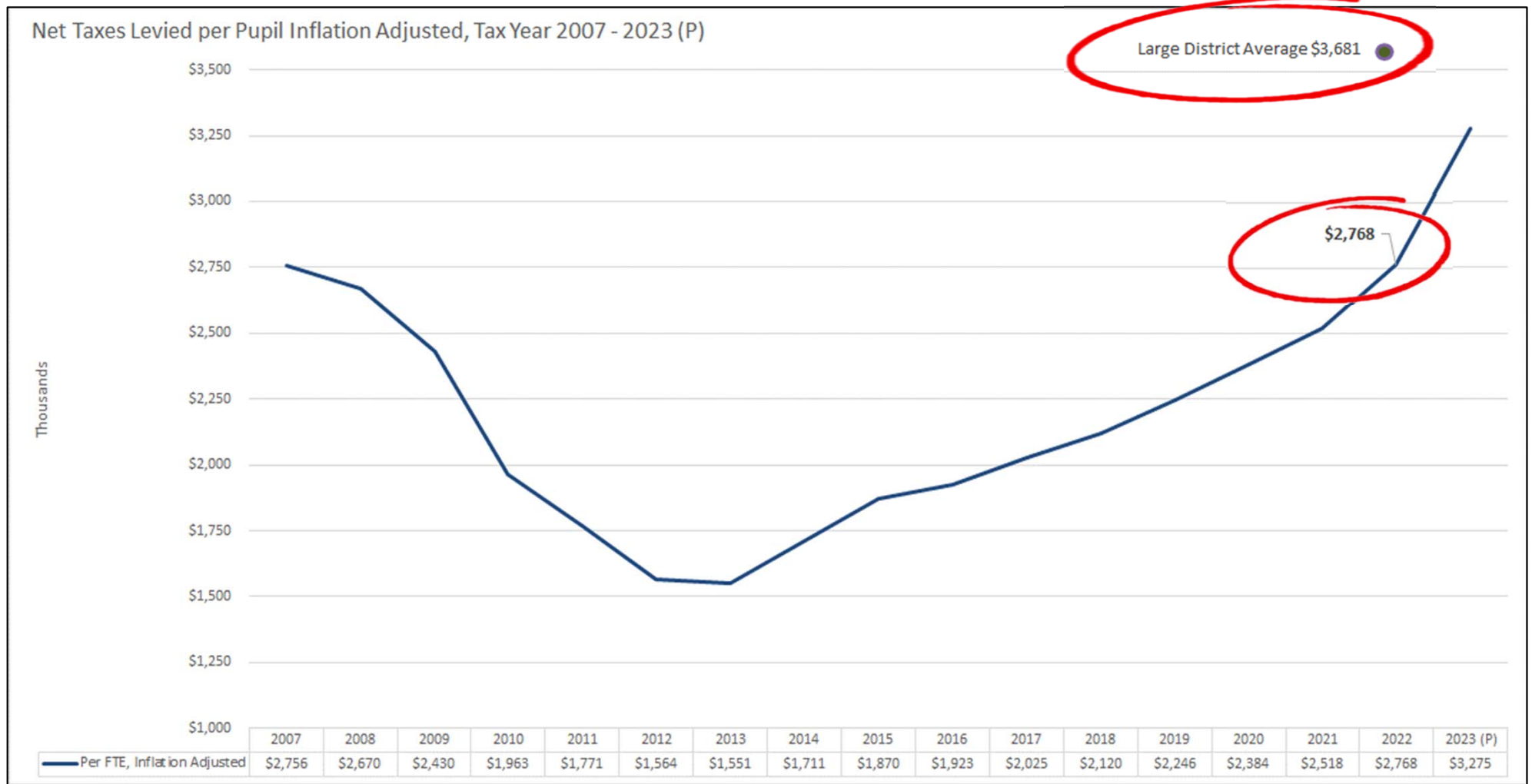
The Paulding County Board of Education does hereby announce that the millage rate will be established at a meeting to be held at the Paulding County Board of Education Board Room on June 13, 2023 at 5:30 PM EST and pursuant to the requirements of O.C.G.A 48.5.32, do hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

County School	2018	2019	2020	2021	2022	2023
Real & Personal Ad Valorem	\$ 4,695,351,018	\$ 5,197,039,026	\$ 5,676,816,294	\$ 6,308,413,844	\$ 8,016,129,739	\$ 9,699,143,323
Motor Vehicle Ad Valorem	84,458,480	69,422,580	31,621,130	50,251,310	47,147,590	45,834,700
Mobile Home Ad Valorem	1,646,786	1,644,067	1,632,921	1,534,173	1,591,706	1,729,204
Timber Ad Valorem (100%)	501,435	208,158	5,360	225,181	574,328	824,622
Heavy Duty Equipment	133,553	49,891	163,857	86,134	144,573	177,449
<b>Gross Digest</b>	<b>4,782,091,272</b>	<b>5,268,363,722</b>	<b>5,710,239,562</b>	<b>6,360,510,642</b>	<b>8,065,587,936</b>	<b>9,747,709,298</b>
Less M&O Exemptions	(698,086,901)	(797,100,194)	(891,271,119)	(995,663,606)	(1,286,131,802)	(1,608,822,620)
<b>Net Digest</b>	<b>4,084,004,371</b>	<b>4,471,263,528</b>	<b>4,818,968,443</b>	<b>5,364,847,036</b>	<b>6,779,456,134</b>	<b>8,138,886,678</b>
Gross M&O Millage Rate	18.879%	18.750%	18.750%	18.750%	17.750%	17.750%
Less Millage Rate Rollbacks						
<b>Net M&amp;O Millage Rate</b>	<b>18.879%</b>	<b>18.750%</b>	<b>18.750%</b>	<b>18.750%</b>	<b>17.750%</b>	<b>17.750%</b>
<b>Net Taxes Levied</b>	<b>\$ 77,101,919</b>	<b>\$ 83,836,191</b>	<b>\$ 90,355,658</b>	<b>\$ 100,590,882</b>	<b>\$ 120,335,346</b>	<b>\$ 144,465,239</b>
Net Taxes \$ Increase	\$ 6,219,145	\$ 6,734,273	\$ 6,519,467	\$ 10,235,224	\$ 19,744,464	\$ 24,129,892
Net Taxes % Increase	8.8%	8.7%	7.8%	11.3%	19.6%	20.1%

Note: M&O is Maintenance and Operations. 2023 Net Taxes Levied reflects 17.750, pending Paulding County Board of Education adoption of 2023 Millage Rate. Does not reflect 2023 Property Tax Relief Grant from House Bill 18, signed into law on March 13, 2023.

Reflects the Consolidation & Evaluation of Digest 2023, dated May 15, 2023

[Back to Overview](#)



**Net Taxes Levied per Pupil and Inflation.** 2022 Levy per Pupil, a measurement of wealth, was \$2,768 which was significantly lower than the large district average of \$3,681 (-\$913 or -25%) and had not returned to pre-Great Recession levels, inflation adjusted.

## Millage Rate Types.

- Maintenance & Operations (M&O)
- Bond

## Bond Millage Rate.

In FY2011 the district eliminated the bond millage rate, which was 2.963 (2010). Debt Service (principal and interest) shifted from a property tax millage to a sales tax – essentially removing the tax burden from property owners and shifting the cost to purchasers of certain goods and services in Paulding County (resident or not). **A bond millage of approximately 1.700 would be required to meet FY2024 debt service.**

J.W. (Bill) Watson, III  
Paulding County Tax Commissioner  
240 Constitution Blvd, Room 3008  
Dallas, GA 30132-4814  
(770) 443-7581

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition to the regular homestead exemption authorized for all homeowners, certain elderly persons are entitled to additional exemptions. The full law relating to each exemption must be referred to in order to determine eligibility for the exemption. If you are eligible for one of these exemptions and are not now receiving the benefit of the exemption, you must apply for the exemption not later than April 1, 2019 in order to receive the exemption in future years. For more information on eligibility for exemptions or on the proper method of applying for an exemption, you may contact:

**Paulding County Board of Tax Assessors**  
240 Constitution Blvd, Room #3082  
Dallas, GA 30132  
(770) 443-7606

Scan this code with your mobile phone to view or pay this bill

**Sample Bill**

INTERNET TAX BILL

State, County & School Ad Valorem Tax Notice

Bill No.	Account Number	Fair Market Value	Assessed Value	Tax District	Acres	Homestead Code
Sample	Sample	228900	\$1580	01	0.25	01

Map Number / Property Description / Street Address	Tax Entity	Exemptions	Net Taxable	Tax Rate	Tax Amount
Sample Bill	SCHOOL M&O			17.750	\$ 2,577
	SCHOOL BND			1.700	\$ 247

Official Option Sales Tax Information

Item	Rate	Amount
COUNTY M&O		
State required to produce county budget		
State reduction due to sales tax rollback		
Actual net rate set by county officials		
Tax savings due to sales tax rollback		

This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.

To pay online go to pauldingcountytax.com. If you have any questions concerning this bill, please call our office at (770) 443-7581. Check Verification and Returned Check processing provided by: Envision Payment Solutions.

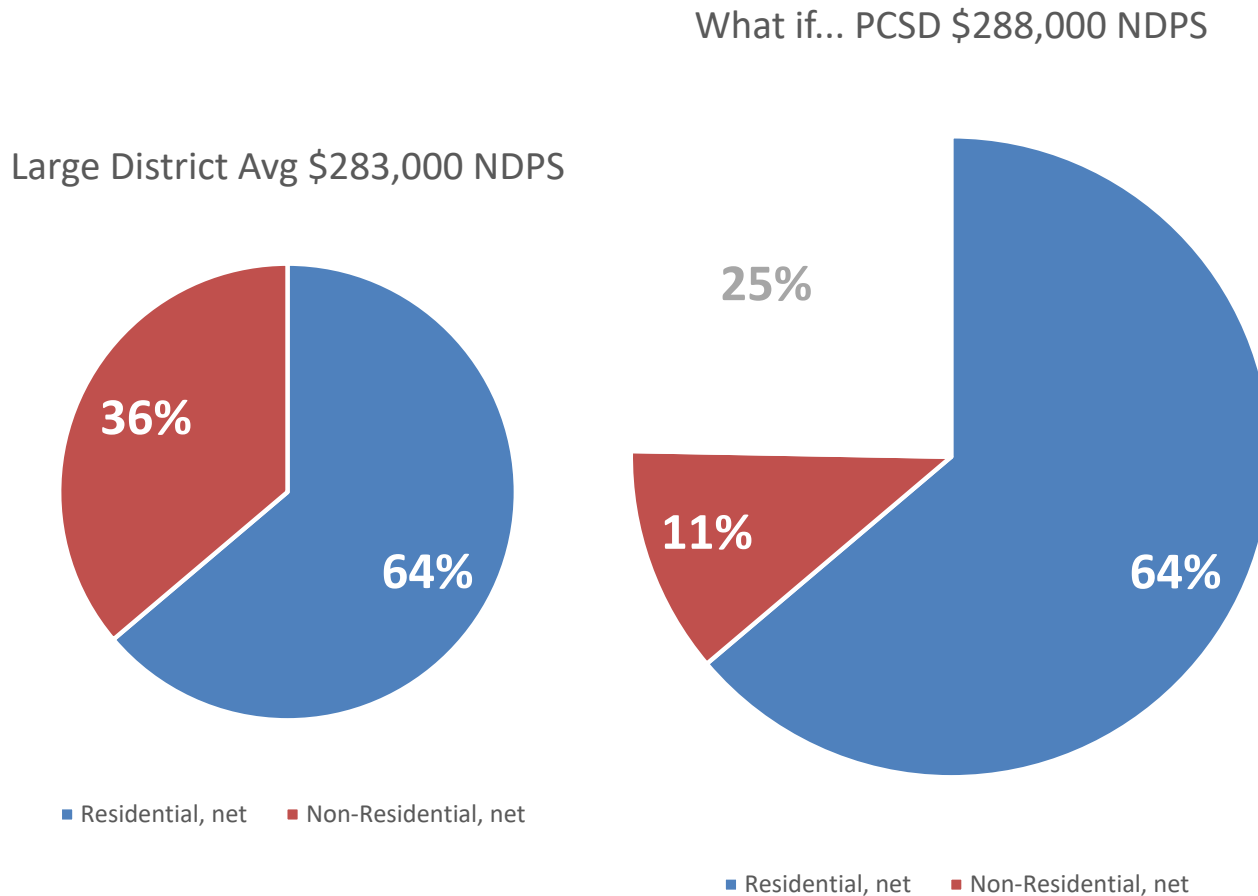
**TOTAL DUE**

**DATE DUE**

[Back to Overview](#)

## Net Digest Allocation: Residential versus Non-Residential

*What if the Non-Residential Percentage was Similar to the Average Large District in Georgia?*



- **Residential** would be 64% of NDPS
- **Non-Residential** would be 36% of NDPS but is currently only 11%.
  - ✓ The 25% “missing” NDPS represents a digest value of **\$2.6 billion**, an increase of 215%.
  - ✓ The 25% “missing” NDPS represents **\$39.5 million** in lost revenue or **\$1,243 per pupil**.

Source: Georgia Department of Revenue, Consolidated Tax Digest Summary - Large School Districts Average (enrollment >10,000)

FY2022

## 2022 Millage Rates

### School District:

M&O 17.750

Bond 0.000

Collection Fee -0.444

Total 17.306

2.0x

### Paulding County:

M&O 4.220

Bond 1.600

Fire 2.500

Collection Fee 0.444

Total 8.764

## 2022 Employees

School District 4,078

3.7x

Paulding County 1,093

## 2023 Millage Rates (P)

### School District:

M&O 17.750

Bond 0.000

Collection Fee -0.444

Total 17.306

2.0x

Change 0.000

### Paulding County:

M&O 4.220

Bond 1.600

Fire 2.500

Collection Fee 0.444

Total 8.764

Change 0.000