

2024 Millage Rate Hearing



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Agenda

1. Timeline
2. Millage Rate Overview
3. Enrollment, History and Comparable Districts
4. Press Release and Rollback Rate Example

Appendix



June 4, 2024 (8:30am) | June 4, 2024 (6:00pm) | June 11, 2024 (8:00am)

Deadline for Budget Adoption or Spending Resolution – June 30, 2024

June 11, 2024 – Adoption of Millage Rate Recommendation

2024 Millage Rate



~August 2024 – Millage Rate Certification, BOC Adopts
Millage Rate Resolution and DOR Collection Order

June 11, 2024* – 3rd Public Hearing (8:00am) (Board Meeting)

June 4, 2024* – 1st (8:30am) and 2nd (6:00pm) Public Hearings (Called Meetings)

May 30 - June 5, 2024* - Advertise 3rd Public Hearing (1 week)

May 23 - May 29, 2024* – Advertise 1st and 2nd Public Hearings (1 week)

May 23, 2024* – Issue Millage Rate Press Release

May 16 - May 29, 2024 – Advertise Five Year History

** If Millage Rate Exceeds Rollback Rate*

Notices will be mailed on May 24, 2024, Appeal Deadline is July 8, 2024

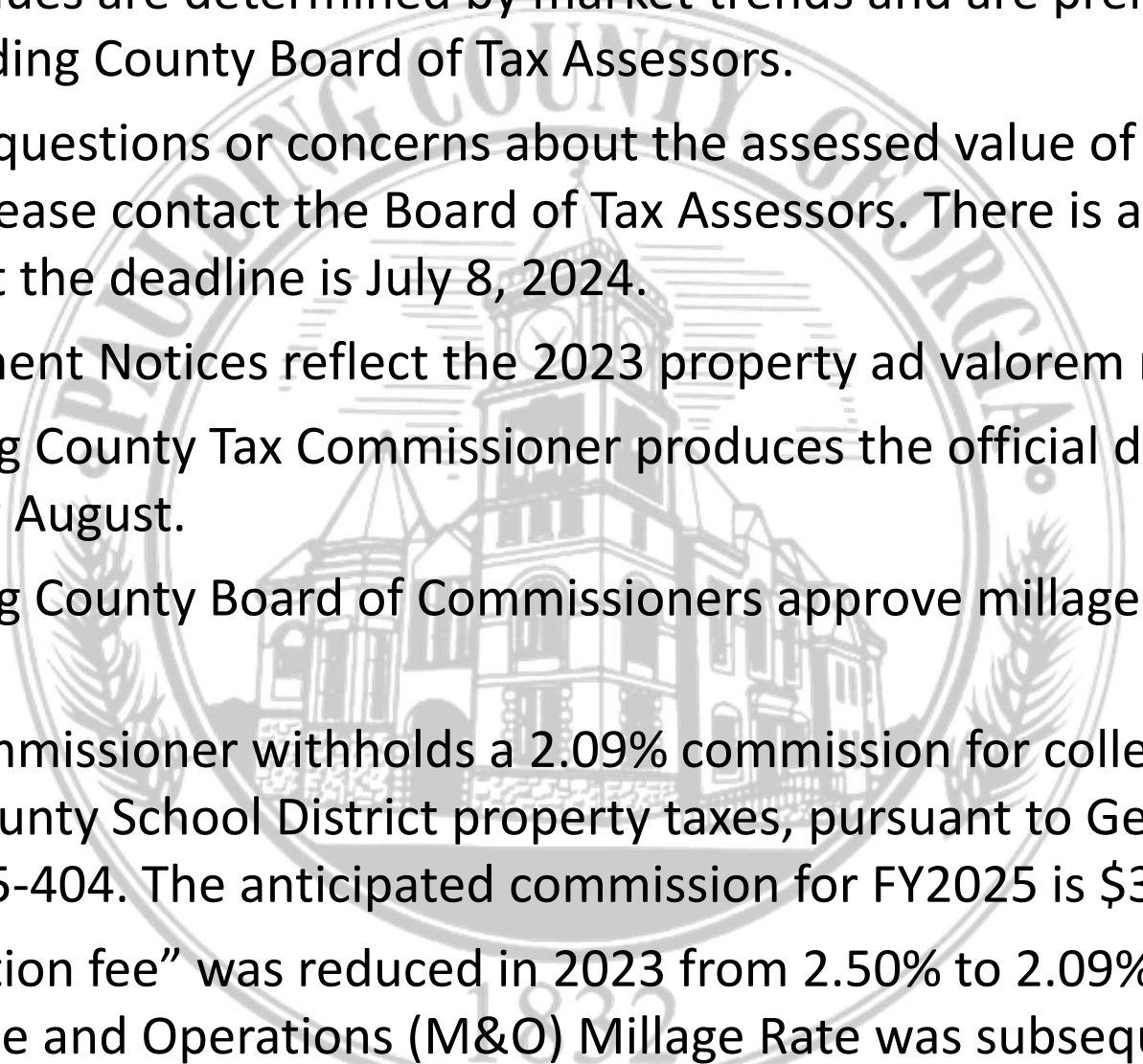
Note: This schedule may be modified based on DOR 3% variance rule

2024 (FY25) Millage Rate Timeline



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Millage Rate Overview

- 
- The seal of Paulding County, Georgia, is a circular emblem. It features a central illustration of a multi-story building, likely a courthouse or government building, with a clock tower. The building is surrounded by a wreath. The words "PAULDING COUNTY" are arched over the top of the seal, and "GEORGIA" is arched over the bottom. The year "1832" is inscribed at the very bottom of the seal.
- Property values are determined by market trends and are preliminarily set by the Paulding County Board of Tax Assessors.
 - 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 8, 2024.
 - Tax Assessment Notices reflect the 2023 property ad valorem millage rate.
 - The Paulding County Tax Commissioner produces the official digest in late July or early August.
 - The Paulding County Board of Commissioners approve millage rates in early August.
 - The Tax Commissioner withholds a 2.09% commission for collecting Paulding County School District property taxes, pursuant to Georgia Code Section 48-5-404. The anticipated commission for FY2025 is \$3.1 million.
 - This “collection fee” was reduced in 2023 from 2.50% to 2.09%. The Maintenance and Operations (M&O) Millage Rate was subsequently reduced by a comparable amount, from 17.750 to 17.675.

2024 Millage Rate Overview

- The [Net M&O Digest](#) is projected to increase \$279.4 million or 3.4% to \$8.4 billion. Changes to the digest include the following:
 - ✓ 2.8% Increase in Real Property Reassessments
 - The average home value in Paulding County rose 3.8% or \$13,000, from \$343,000 to \$356,000 in 2023.
 - The average sales price of a home in Paulding County rose 0.8% or \$3,000, from \$368,000 to \$371,000 in 2023.
 - ✓ 2.4% Increase in Other Real Property Changes (additions)
 - Residential building permits continued to decline in 2023, and totaled 1,928, 1,462, and 1,361 in 2021, 2022, and 2023, respectively.
 - ✓ 1.4% Increase in other property categories (personal, motor vehicle, mobile home, timber, and heavy-duty equipment)
 - ✓ In total, the Gross Digest increased 5.1% to \$10.2 billion
 - ✓ Exemptions grew 13.5% to \$1.8 billion of the Gross Digest or 18% The Net Digest increased 3.4% to \$8.4 billion
 - The digest now fully reflects a 100% exemption on school taxes at age 68.
- All information presented is based on the most current digest available.

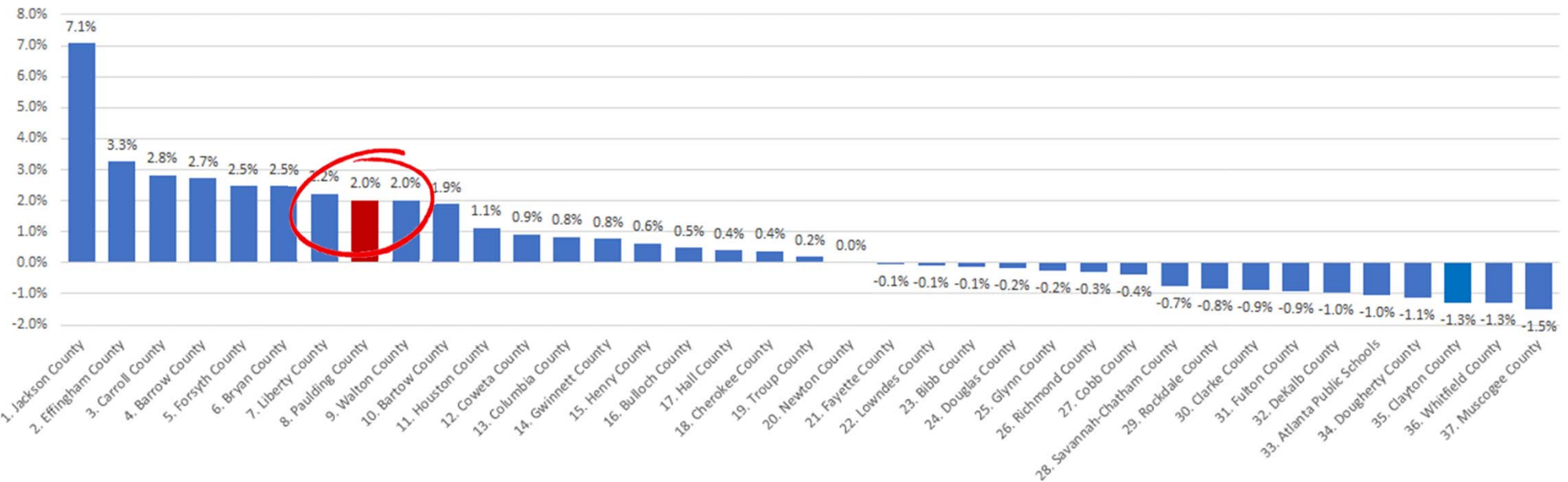
- Board of Education millage rate hearings occur in early to mid-June, prior to the appeal deadline, when possible and necessary.
- The Board of Education sets the millage rate for Ad Valorem property tax, which is a percentage applied to the assessed property value and the Board of Commissioners approves the millage rate.
- Ad Valorem property tax or “according to value” is the primary source of local funding for the school district, accounting for approximately one-third of total revenue.
- A Maintenance & Operations (M&O) millage rate of **17.675** was utilized for advertisements and the Tentative FY2025 Budget (tax year 2024).
- The Tentative FY2025 Budget reflects a [Bond millage rate](#) of **0.000**, with bond principal and interest or debt service paid through [E-SPLOST](#). A Bond millage rate of approximately 1.640 would be required to meet FY2025 debt service requirements.
- The Paulding County Board of Education Original FY2025 Budget must be approved by June 30th but can be amended by the Board of Education.



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Enrollment Growth, Millage Rate History and Comparable Districts

Large District Three-Year CAGR, FY2021-FY2024 (>10,000 FTE)



School District	Growth
1. Jackson County	7.1%
2. Effingham County	3.3%
3. Carroll County	2.8%
4. Barrow County	2.7%
5. Forsyth County	2.5%
6. Bryan County	2.5%
7. Liberty County	2.2%
8. Paulding County	2.0%
9. Walton County	2.0%
10. Bartow County	1.9%

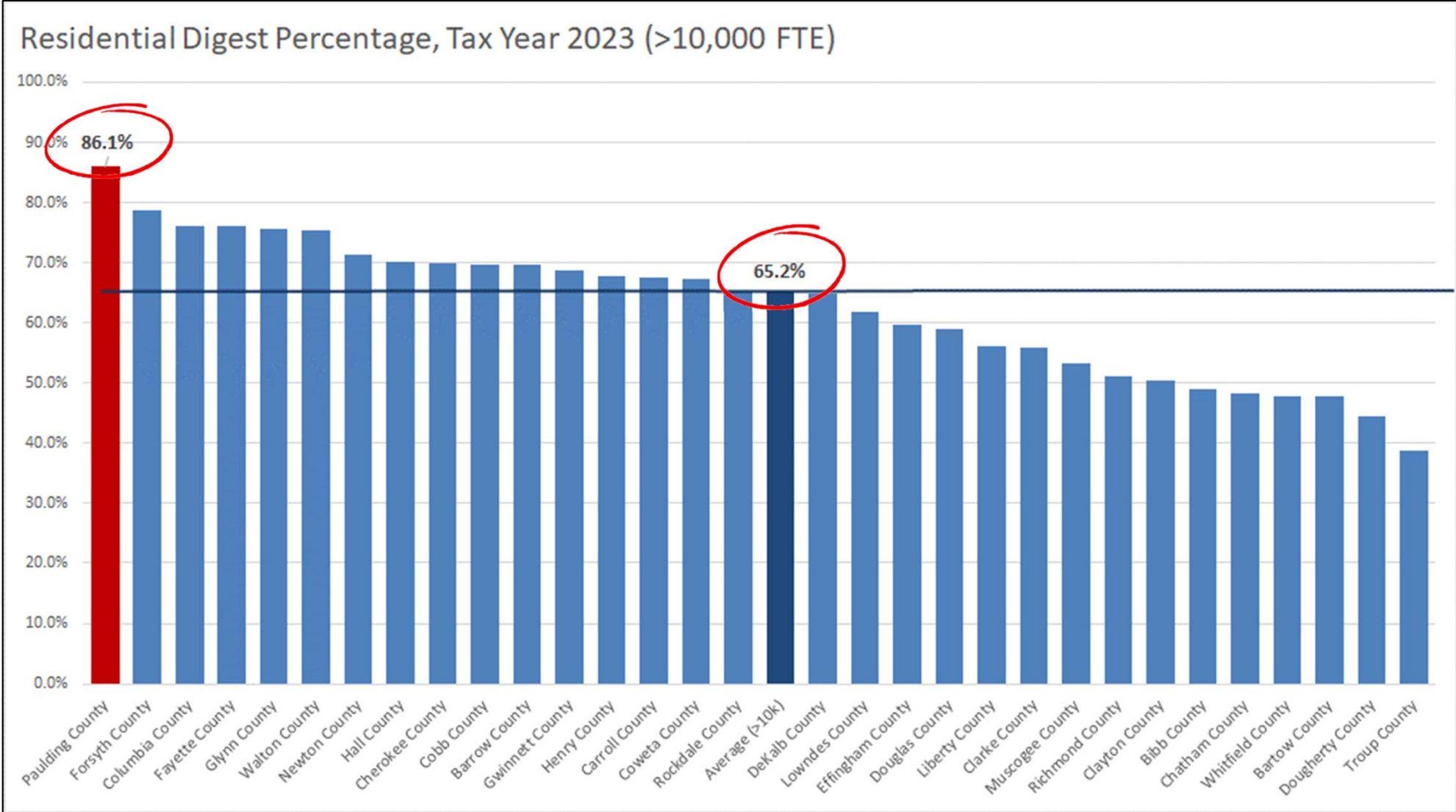
Growing School Districts. Paulding County School District (PCSD) is the eleventh largest of the 180 school districts in Georgia.

With a 3-year annual growth rate of 2.0%, PCSD is the eighth 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.

[Back to Overview](#)

FY2021-2024



Local Revenue Metrics. PCSD ranked highest in residential digest percentage among large districts, while maintaining a comparable millage rate to the average.

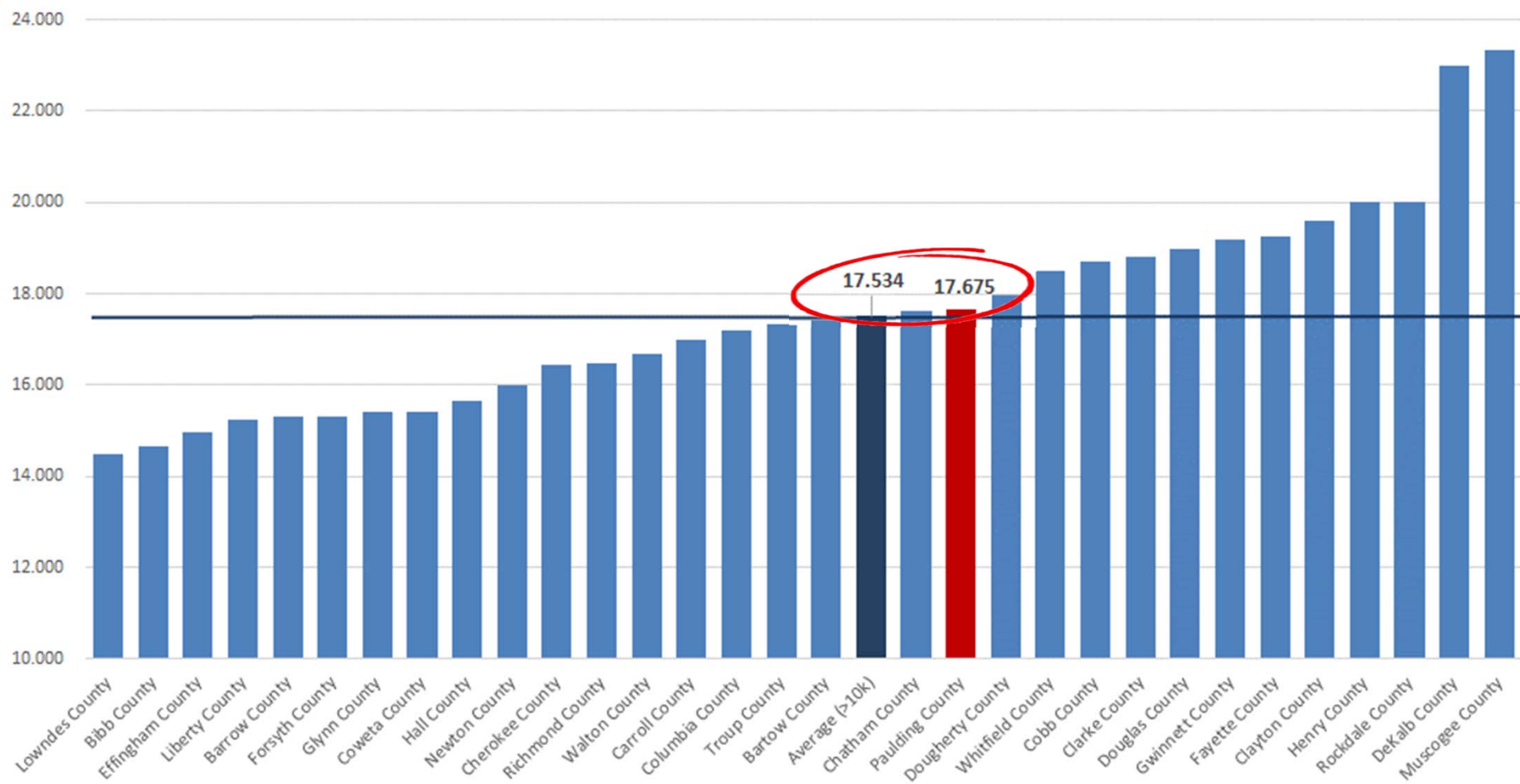
Source: GaDOR (Consolidated Tax Digest Summaries)
Large Districts are districts with >10,000 FTE

[Back to Overview](#)

2023

Comparable Districts

Millage Rate Comparison (M&O), Tax Year 2023 (>10,000 FTE)



Local Revenue Metrics. PCSD ranked highest in residential digest percentage among large districts, while maintaining a comparable millage rate to the average.

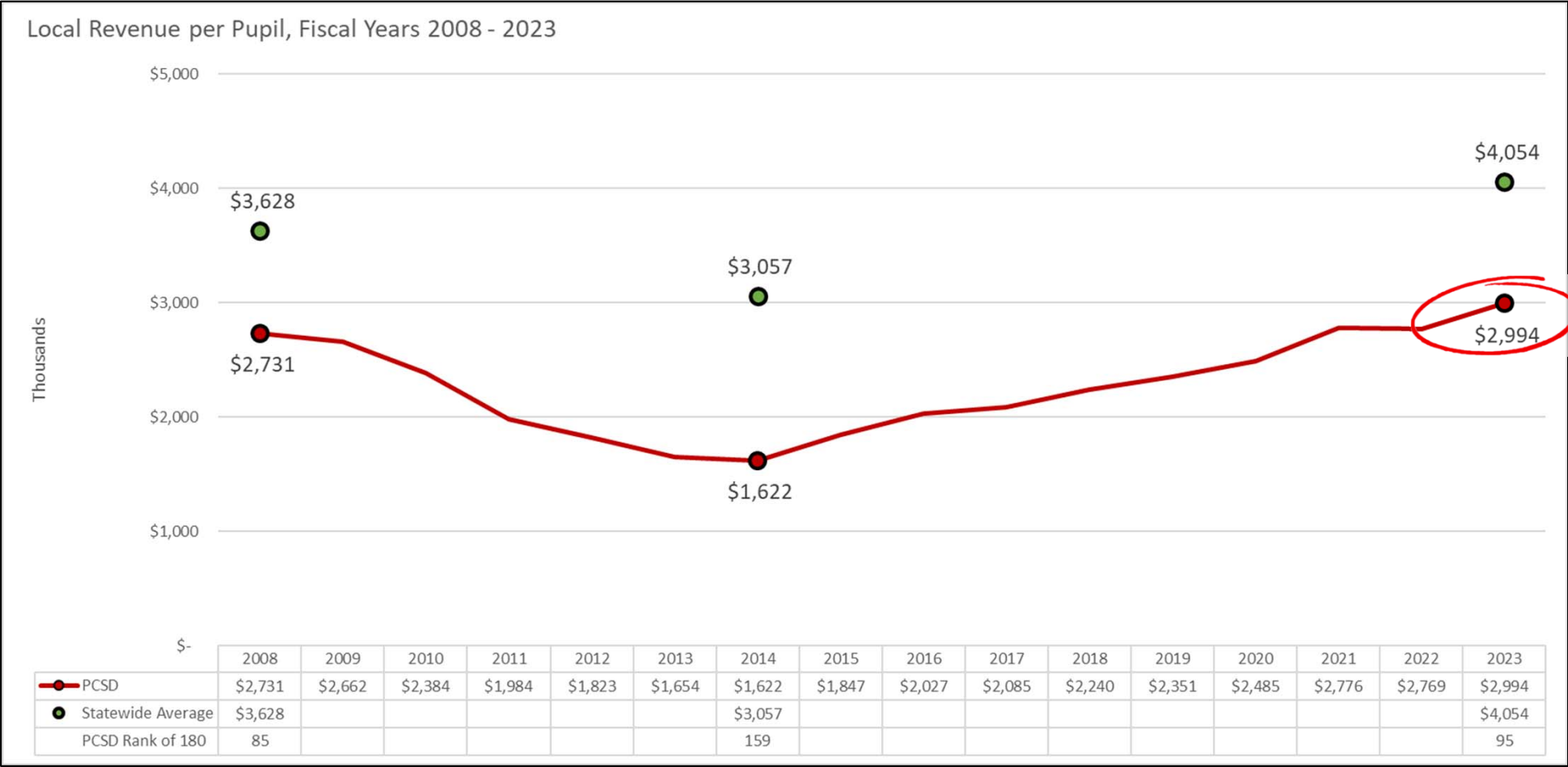
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[Back to Overview](#)

2023

Comparable Districts

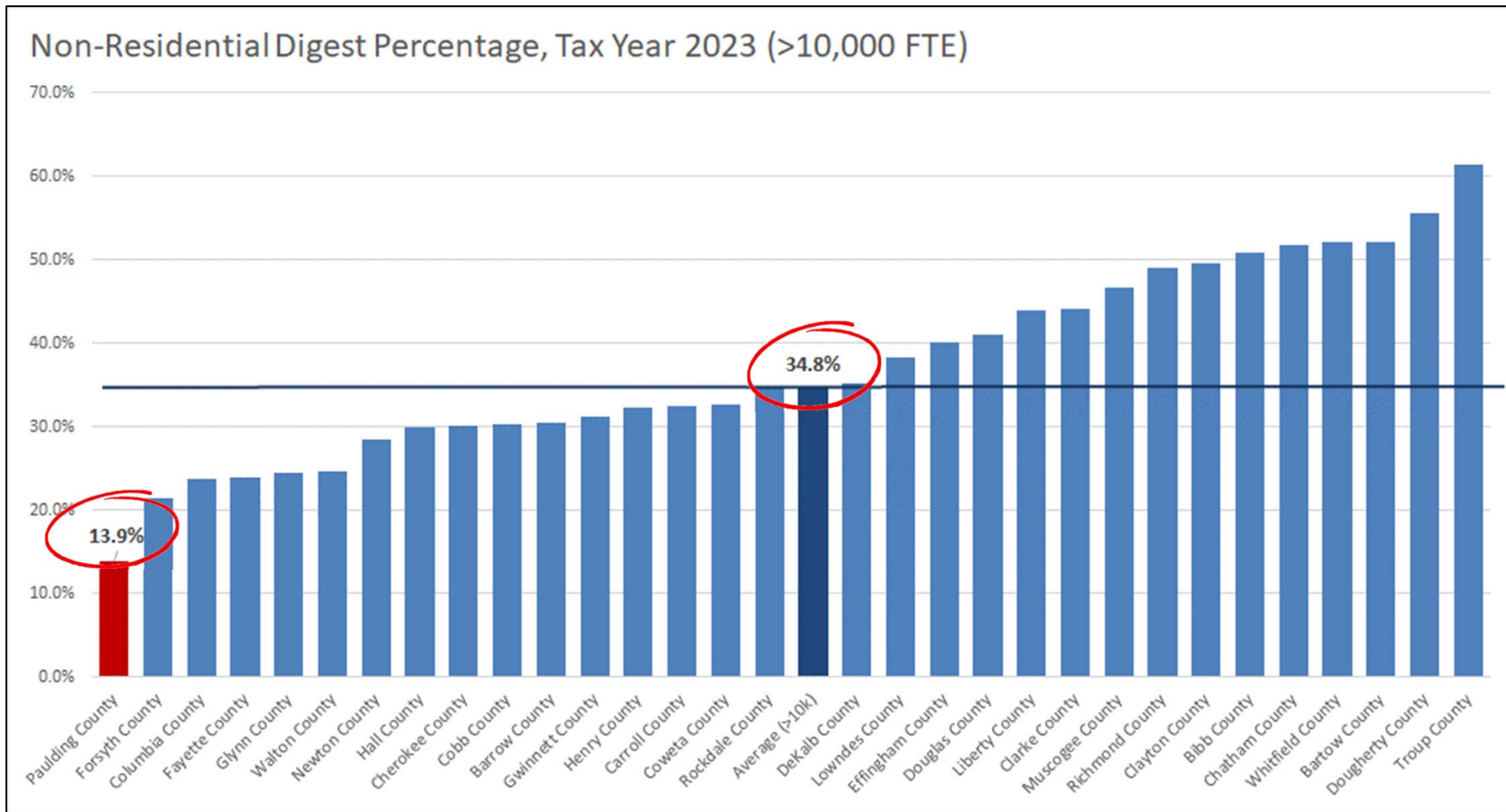
Local Revenue per Pupil. As of FY2023, Local Revenue per Pupil had increased 9.6% from FY2008 compared to a Statewide average of 11.7%, inflation adjusted. As of FY2023, the District was \$1,060 or 26.2% lower than the Statewide average, a \$33.5 million deficit. This is significant given approximately one-third of the District's revenues comes from local sources.



Source: GaDOE School System Revenue/Expenditures Report as of FY2023

FY2008 – FY2023

[Back to Overview](#)



Local Revenue Metrics. PCSD ranks lowest in non-residential digest percentage among large districts.

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

[Back to Overview](#)

2023



Local and Total Revenue. PCSD collects \$0.74 for every \$1.00 in local revenue collected per student statewide (average).

Considering all sources, PCSD collects \$0.90 for every \$1.00 in total revenue collected per student statewide (average)



SPLOST Collections. PCSD collects only \$0.55 for every \$1.00 collected on average by our neighboring school districts, including Cherokee, Cobb, Bartow, and Douglas Counties.

Considering debt service, PCSD only has \$0.41 available for every \$1.00 of our neighboring school districts, a 26% reduction to maintain a Bond millage rate of 0.000

Source: GaDOE School System Revenue/Expenditures Report as of FY2023 and Georgia Department of Revenue Sales Tax Collections June 2022 – July 2023,

[Back to Overview](#)

- Paulding County School District (PCSD) is one of the [largest, fastest-growing](#), and low-wealth school districts in Georgia. Despite these challenges, it maximizes its limited resources to provide the best possible education for our students.
- PCSD ranks highest in [residential digest percentage](#) among large districts, while maintaining a [comparable millage rate](#) to the average.
- As of FY2023, PCSD was \$1,060 or 26.2% lower in [local revenue per pupil](#) than the Statewide average, a \$33.5 million deficit.
- PCSD only collects [\\$0.74 for every \\$1.00](#) in local revenue collected per student statewide (average).
- The Property Taxpayer's [Bill of Rights](#) governs much of the process, including the calculation of an estimated 17.124 [Rollback Millage Rate](#) which would offset any inflationary increases in the digest, but would result in a net decrease of approximately \$4.6 million in revenue.



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Press Release and Rollback Rate Example

“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 2024 assessed value is July 8, 2024.**

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 23, 2024 PCSD Press Release

Rollback Example

	2023	2024 (Increase)		2024 (Decrease)	
		Same Rate	Rollback	Same Rate	Rollback
FMV	\$ 345,000	\$ 356,000	\$ 356,000	\$ 334,000	\$ 334,000
FMV Change		\$ 11,000	\$ 11,000	\$ (11,000)	\$ (11,000)
40% FMV	\$ 138,000	\$ 142,400	\$ 142,400	\$ 133,600	\$ 133,600
Less: Exemption	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Net Value	\$ 136,000	\$ 140,400	\$ 140,400	\$ 131,600	\$ 131,600
Millage Rate	17.675	17.675	17.124	17.675	18.270
Annual Property Tax	\$ 2,404	\$ 2,482	\$ 2,404	\$ 2,326	\$ 2,404
Annual Change		\$ 78	\$ 0	\$ (78)	\$ 0
Monthly Change		\$ 6	\$ 0	\$ (7)	\$ 0

- 3.2% *increase* in FMV equals a rollback rate of 17.124, anything higher would be considered a tax increase or "not revenue neutral".
- 3.2% *decrease* in FMV equals a rollback rate of 18.270, anything higher would be considered a tax increase or "not revenue neutral".

[Back to Overview](#)

Deadline for Budget Adoption or Spending Resolution – **June 30, 2024**

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2024 (FY25) Millage Rate Timeline



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Thank You

Remember, 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 8, 2024.



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Appendix

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](#)

Paulding County Board of Education CURRENT 2024 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 11, 2024 at 8:30 AM 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	2019	2020	2021	2022	2023	2024
Real & Personal Ad Valorem	\$ 5,197,039,026	\$ 5,676,816,294	\$ 6,308,413,844	\$ 8,016,129,739	\$ 9,699,155,792	\$ 10,195,022,974
Motor Vehicle Ad Valorem	69,422,580	31,621,130	50,251,310	47,147,590	45,834,700	43,543,380
Mobile Home Ad Valorem	1,644,067	1,632,921	1,534,173	1,591,706	1,729,204	2,185,042
Timber Ad Valorem (100%)	208,158	5,360	225,181	574,328	824,622	165,874
Heavy Duty Equipment	49,891	163,857	86,134	144,573	177,148	217,817
Gross Digest	5,268,363,722	5,710,239,562	6,360,510,642	8,065,587,936	9,747,721,466	10,241,135,087
Less M&O Exemptions	(797,100,194)	(891,271,119)	(995,663,606)	(1,286,131,802)	(1,608,831,149)	(1,822,857,503)
Net Digest	4,471,263,528	4,818,968,443	5,364,847,036	6,779,456,134	8,138,890,317	8,418,277,584
Gross M&O Millage Rate	18.750%	18.750%	18.750%	17.750%	17.675%	17.675%
Less Millage Rate Rollbacks						
Net M&O Millage Rate	18.750%	18.750%	18.750%	17.750%	17.675%	17.675%
Net Taxes Levied	\$ 83,836,191	\$ 90,355,658	\$ 100,590,882	\$ 120,335,346	\$ 143,854,886	\$ 148,793,056
Net Taxes \$ Increase	\$ 6,734,273	\$ 6,519,467	\$ 10,235,224	\$ 19,744,464	\$ 23,519,540	\$ 4,938,170
Net Taxes % Increase	8.7%	7.8%	11.3%	19.6%	19.5%	3.4%

Note: M&O is Maintenance and Operations. 2024 Net Taxes Levied reflects 17.675, pending Paulding County Board of Education adoption of 2024 Millage Rate.

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

[Back to Overview](#)

- Maintenance & Operations (M&O)
- Bond

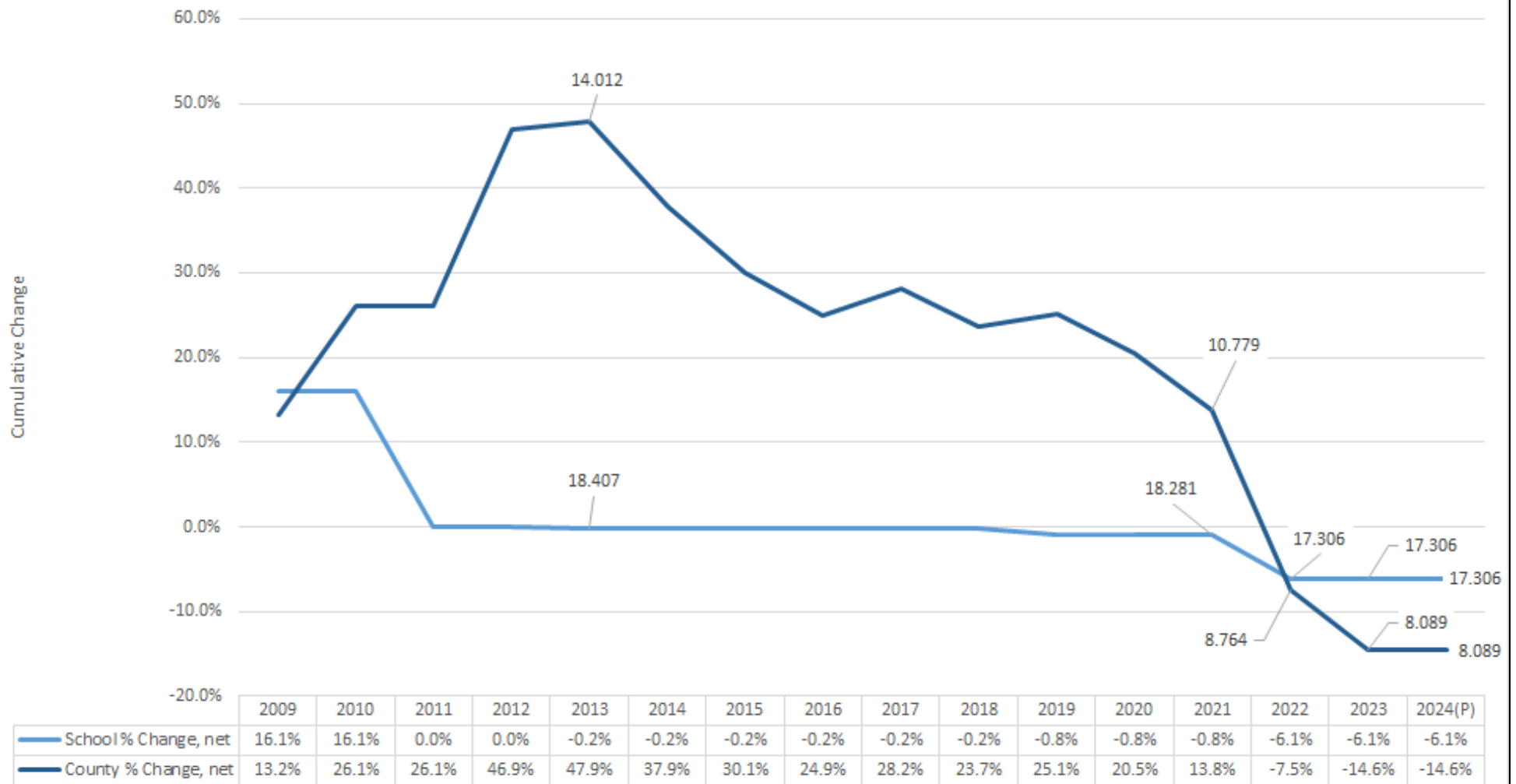
In FY2011 the district eliminated the bond millage rate, which was 2.963 (2010). Debt Service (principal and interest) shifted from a property tax millage to a sales tax – essentially removing the tax burden from property owners and shifting the cost to purchasers of certain goods and services in Paulding County (resident or not). **A bond millage of approximately 1.640 would be required to meet FY2025 debt service.**

[Back to Overview](#)

		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 14% of the tax digest is non-residential.	Less local funding due to a lower net tax digest per student (NDPS) and a slightly below-average millage rate.	NDPS is \$75,000 or 23% lower than the average large district in Georgia. On average, 35% of the large district tax digest is non-residential. ^a	26 out of 36 large districts or 95 out of 180 total districts in Local Revenue per Student ^b	23 out of 36 large districts or 145 out of 180 total districts in Total Revenue per Student ^b
		PCSD does not compensate for a limited tax base by inflating the millage rate.		17.675 millage rate compared to a large district average of 17.534. ^a		
		Paulding County has a large number of school-age children per household.	Less local funding because funding is based on property tax values not the number of school-age children living in the home.	12.5% more persons-per-household than the state average, specifically school-age children. ^c		
	State/Federal Funding	PCSD is highly dependent on state funding sources.	Highly susceptible to changes in state funding , 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%. ^b	10 out of 36 large districts or 98 out of 180 total districts in State Revenue per Student ^b	
		PCSD is one of the largest recipients of equalization.		8% of total General Fund revenue comes from the Equalization Grant. ^b	4 out of 36 large districts or 180 total districts in Equalization ^b	
		PCSD has relatively low Title I funding.	Less Federal funding. 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 164 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. ^d	31 out of 36 large districts or 164 out of 180 total districts ^d	
		PCSD has relatively low free-and-reduced lunch participation.	Less Federal funding. 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 8.4% in 2022, 172 out of 180 total districts. The FY24 free-and-reduced lunch percentage was 53.9%, compared to a statewide average 63.7%.	28 out of 36 large districts ^d	
	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 FY21-FY24 was 2.0%, compared to a large district rate of 0.2%. FY25 enrollment is projected to grow 344 or 1.1%. ^b	11 out of 36 large districts and 180 total districts ^b	
PCSD has a high percentage of students in a Exceptional Students Educational Program (ESEP).		FY23, the average additional cost per ESEP student was \$3,019 or 30.5% (including Local, State and Federal sources).	In FY24, 15.6% of PCSD students were ESEP, compared to a large district average of 13.3%. This contributes to PCSD's low weighted NDPS (based on ESEP participation). ^b	9 out of 36 large districts and 41 out of 180 total districts ^b		
Version 1.1						

What Makes PCSD Funding Unique?

Cumulative Change in Total Millage Rate, net 2009 - 2024 (P)



2023 Millage Rates

School District:			Paulding County:		
M&O	17.675		M&O	4.220	
Bond	0.000		Bond	1.200	
			Fire	2.300	
Collection Fee	-0.369		Collection Fee	0.369	
Total	17.306	2.1x	Total	8.089	

2023 Employees

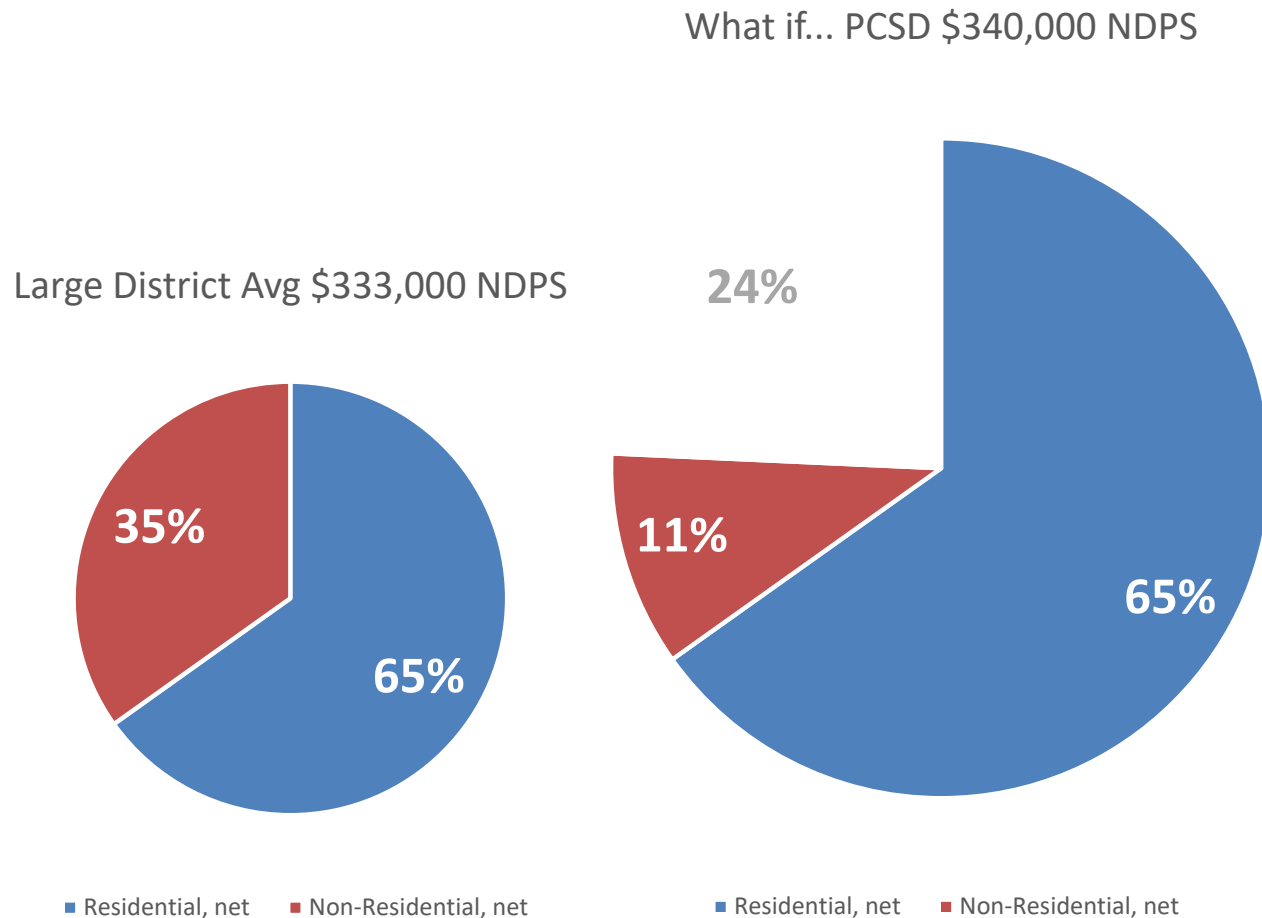
School District	4,132	3.9x	Paulding County	1,066
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2024 Millage Rates (P)

School District:			Paulding County:		
M&O	17.675		M&O	4.220	
Bond	0.000		Bond	1.200	
			Fire	2.300	
Collection Fee	-0.369		Collection Fee	0.369	
Total	17.306	2.1x	Total	8.089	
Change	0.000		Change	0.000	
Employees	4,132	3.9x	Employees	1,066	

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 65% of NDPS
- **Non-Residential** would be 35% of NDPS but is currently only 11%.
 - ✓ The 24% “missing” NDPS represents a digest value of **\$3.1 billion**, an increase of 230%.
 - ✓ The 24% “missing” NDPS represents **\$46.1 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)

FY2023