

# FY2022 Budget Planning: Revenue Presentation



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## Agenda

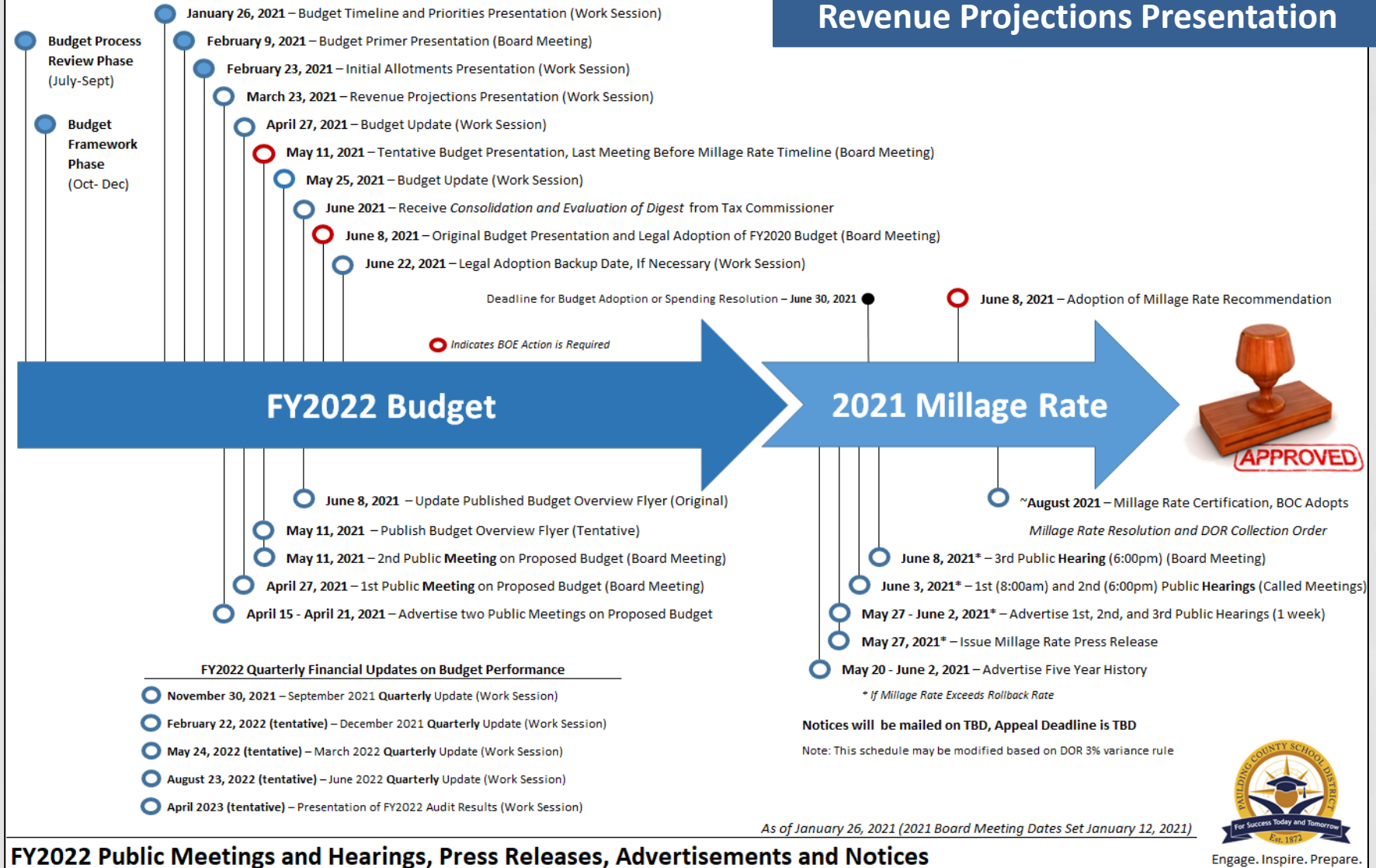
1. Budget Timeline
2. Organizational Factors Influencing Decisions:
  - Demographic and Economic Factors
  - Enrollment Factors
3. What Makes Paulding Unique (Ratios)
4. General Fund Revenue (Preliminary)

Appendix



## FY2022 Budget Development - Major Milestones

March 23, 2021  
Revenue Projections Presentation



# FY2022 Budget Timeline (Major Milestones)

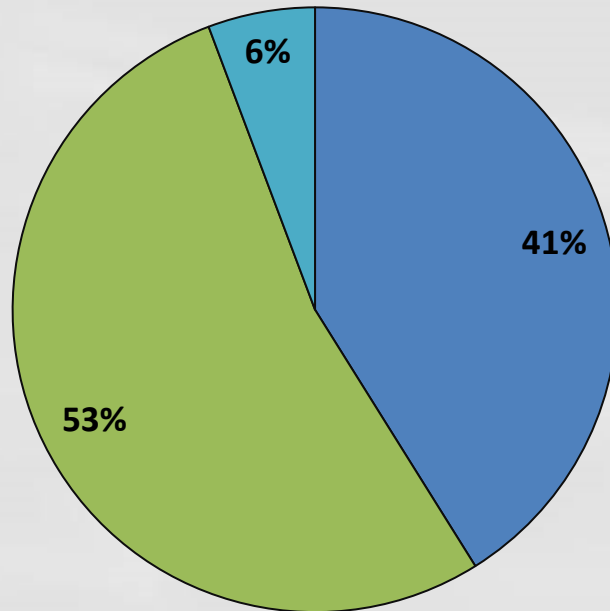


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# Organizational Factors Influencing Decisions: Demographic, Economic and Funding Factors

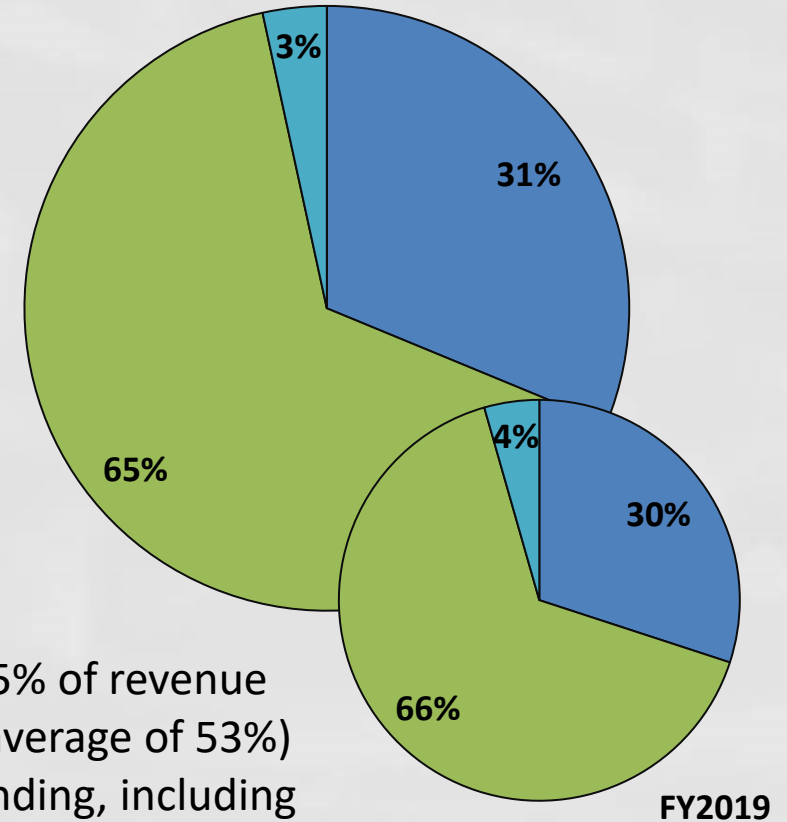
## FY2020 Statewide Revenue Sources

Local Revenue State Revenue Federal Revenue



## FY2020 PCSD Revenue Sources

Local Revenue State Revenue Federal Revenue

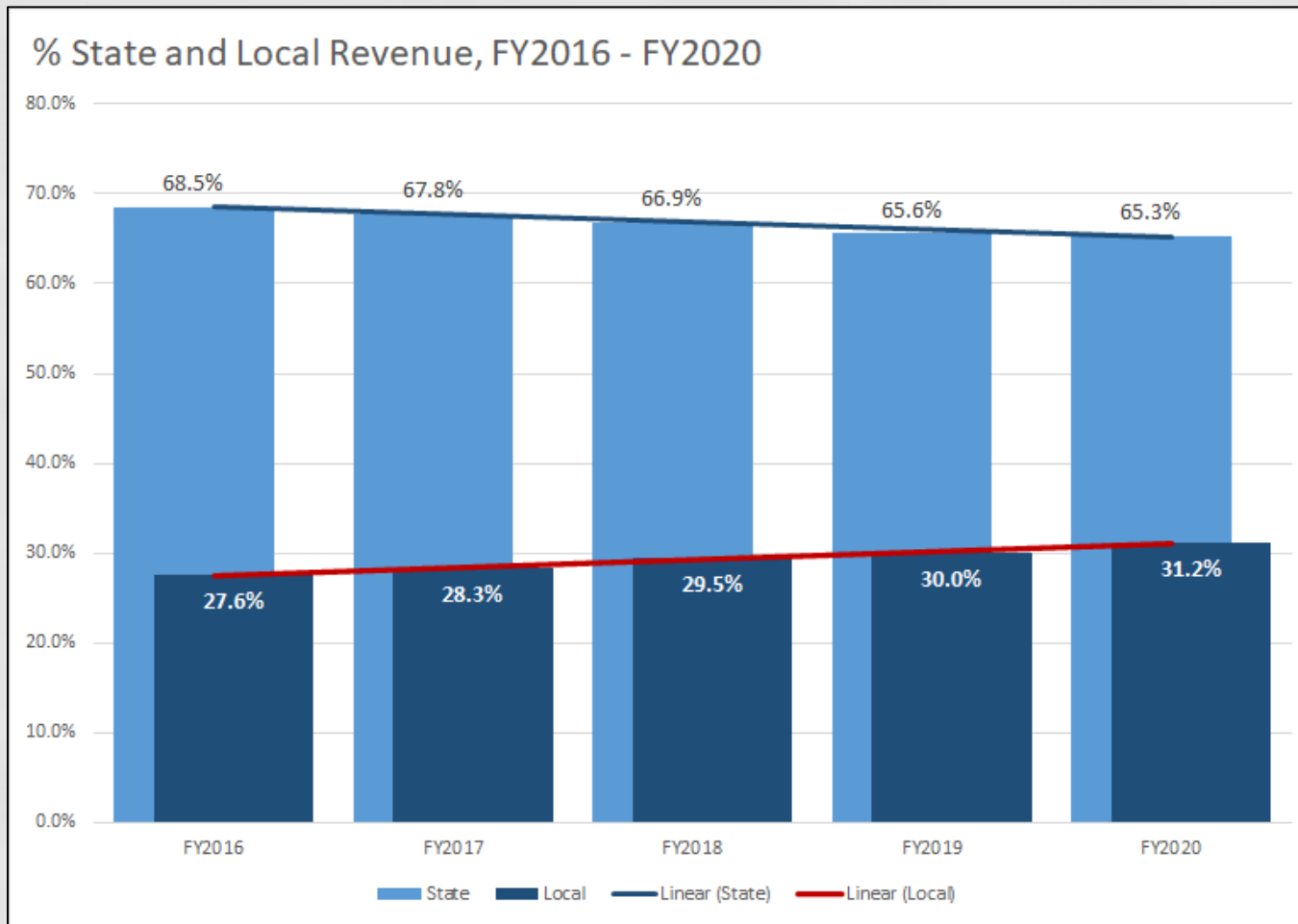


**Dependency on State Sources.** With approximately 65% of revenue coming from state sources (compared to a statewide average of 53%) the District is highly susceptible to changes in state funding, including austerity reductions, Equalization Grant funding and changes in the Quality Basic Education (QBE) formula.

Source: GaDOE School System Revenue/Expenditures Report as of FY2020

FY2020

# Revenue Sources



**% State and Local Revenue Trend.** From FY2016 to FY2020, the percentage of revenue from state sources has decline from 68.5% to 65.3%, while the percentage of revenue from local sources has increased from 27.6% to 31.2%.

Source: FY2022 Budget Primer - GaDOE School System Revenue/Expenditures Report as of FY2020

**FY2016 – FY2020**

## Revenue Trend: Revenue Per Pupil

**Tax Digest.** The limited commercial and industrial tax base in Paulding County results in a lower net digest per student (NDPS), which reduces local funding. In FY2021, PCSD's NDPS was approximately \$162,000, which was \$66,000 or 29% lower than the average large district in Georgia (enrollment >10,000).

**NDPS Formula:**  
Property subject to a tax levy, after applicable exemptions (net digest) divided by the number of students

**PCSD Example:**  
\$4.82 Billion divided by 29,735 equals \$162k per Student

Rank	Digest			Millage Rate		Levy	Revenue	Expenditures	FESR
	FY2019 Enrollment	2020 (FY21) % Non-Residential	2020 (FY21) Net Digest per Student	2020 M&O Millage Rate	% Variance to PCSD	FY2020 Levy per Student	FY2020 Local Revenue per Student	FY2020 Expenditures per Student	FY2019 FESR
1	Cobb 106,621	Bartow 55%	Cobb \$279,125	Muscogee 23.321	Muscogee 4.571	Cobb \$5,275	Bartow \$11,090	Cobb \$10,570	Cherokee 4.5
2	Cherokee 40,807	Richmond 55%	Coweta \$263,190	Douglas 19.600	Douglas 0.850	Coweta \$4,553	Cobb \$10,974	Muscogee \$10,500	<b>Avg &gt;10k 4.1</b>
3	<b>Avg Comp 35,025</b>	Muscogee 51%	Cherokee \$239,682	<b>Avg Comp 19.080</b>	<b>Avg Comp 0.330</b>	Bartow \$4,454	<b>Avg &gt;10k \$10,885</b>	<b>Avg &gt;10k \$10,450</b>	<b>Paulding 4.0</b>
4	<b>Avg &gt;10k 32,939</b>	Douglas 43%	Bartow \$238,807	<b>Avg &gt;10k 18.940</b>	<b>Avg &gt;10k 0.190</b>	<b>Avg Comp \$4,423</b>	Richmond \$10,574	Bartow \$10,448	Coweta 4.0
5	Muscogee 29,806	<b>Avg &gt;10k 39%</b>	<b>Avg Comp \$231,809</b>	Cobb 18.900	Cobb 0.150	Cherokee \$4,422	<b>Avg Comp \$10,538</b>	Richmond \$10,336	<b>Avg Comp 3.6</b>
6	<b>Paulding 29,735</b>	<b>Avg Comp 38%</b>	<b>Avg &gt;10k \$228,058</b>	<b>Paulding 18.750</b>	Paulding 0.000	<b>Avg &gt;10k \$4,319</b>	Carroll \$10,422	<b>Avg Comp \$10,228</b>	Carroll 3.5
7	Richmond 28,295	Carroll 37%	Douglas \$180,248	Bartow 18.650	Bartow -0.100	Muscogee \$3,781	Douglas \$10,409	Carroll \$10,144	Douglas 3.5
8	Douglas 25,716	Cobb 34%	Richmond \$175,581	Cherokee 18.450	Cherokee -0.300	Douglas \$3,533	Muscogee \$10,358	Coweta \$9,999	Bartow 3.5
9	Coweta 21,693	Cherokee 33%	Muscogee \$162,140	Richmond 18.419	Richmond -0.331	Richmond \$3,234	Coweta \$10,332	Cherokee \$9,932	Cobb 3.5
10	Carroll 14,416	Coweta 33%	<b>Paulding \$162,064</b>	Carroll 17.998	Carroll -0.752	<b>Paulding \$3,039</b>	Cherokee \$10,149	<b>Paulding \$9,897</b>	Muscogee 3.0
11	Bartow 12,849	<b>Paulding 17%</b>	Carroll \$152,495	Coweta 17.300	Coweta -1.450	Carroll \$2,745	<b>Paulding \$10,142</b>	Douglas \$9,892	Richmond 3.0

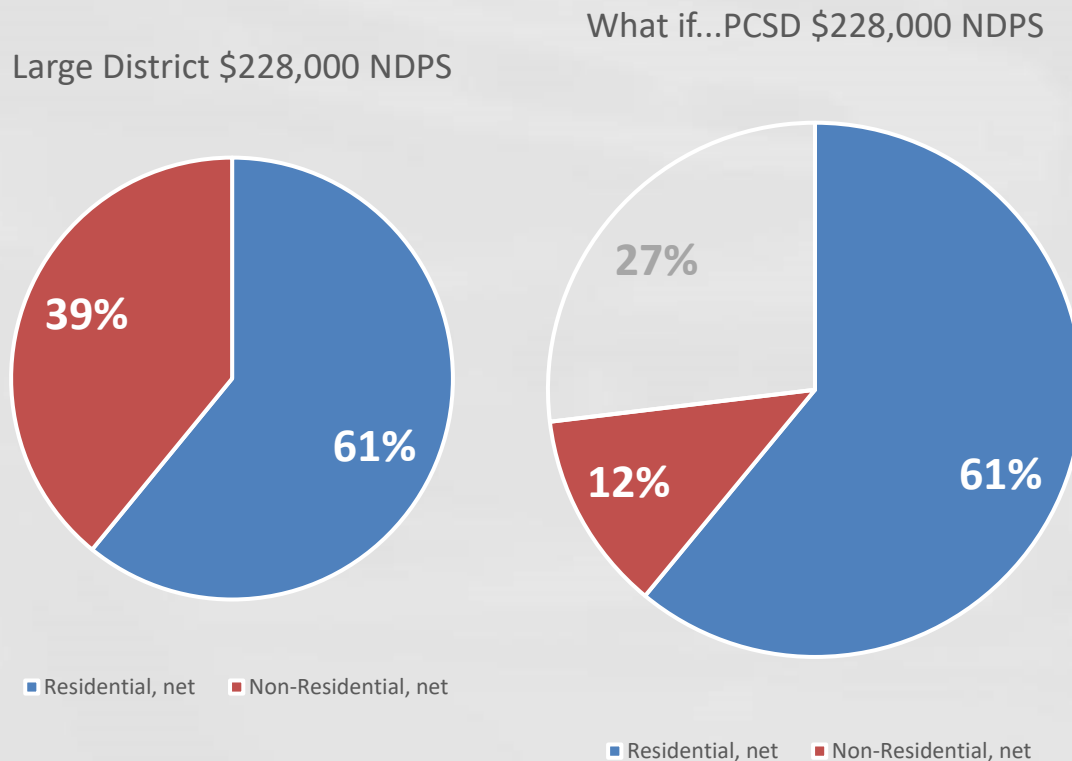
Source: GaDOR (Consolidated Tax Digest Summary), GaDOE Enrollment and Revenue/Expenditures Reports, Large Districts are districts with >10,000 FTE

**FY2021**

# Local Revenue: Tax Digest Overview

## Net Digest Allocation: Residential versus Non-Residential

*What if Paulding County's Digest was Similar to the Average Large District in Georgia?*



- **Residential** would need to increase 3% or **\$149 million**
- 61% represents \$138,712 Residential NDPS, compared to \$134,483 in FY2021
- **Non-Residential** would need to increase 222% or **\$2.2 billion**
- 39% represents \$88,885 Non-Residential NDPS, compared to \$27,581 in FY2021 - an additional \$61,304 per student

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

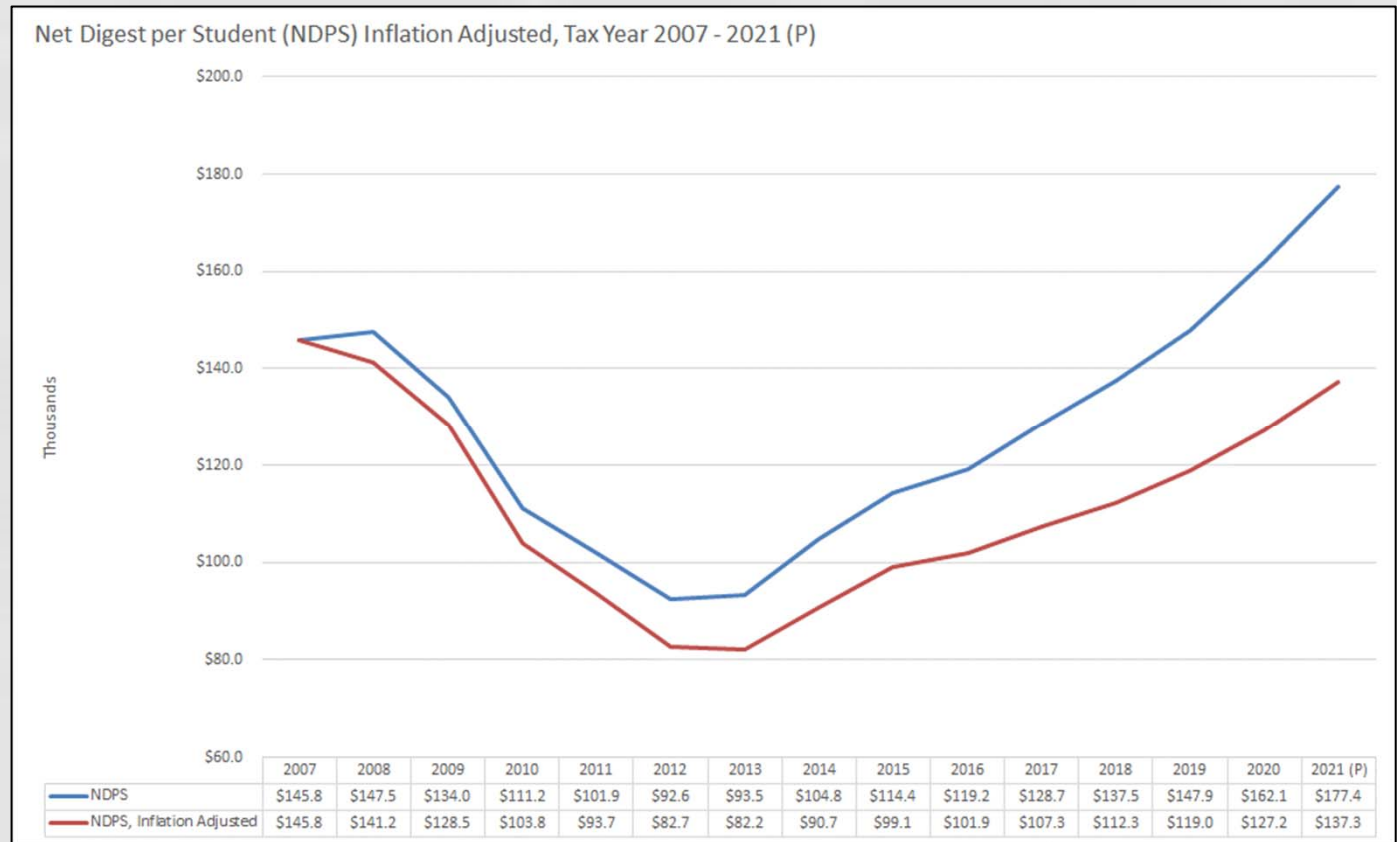
**FY2021**

# Local Revenue: Net Digest per Student



**Great Recession.** While Paulding County's housing-centric economy is recovering from the recession, the residual inflation-adjusted effect on the tax digest remains material. This is significant to note because approximately one-third of the District's revenues comes from local sources.

- Between fiscal years 2009 and 2014, the net digest decreased by 36% or \$1.5 billion
- FY2022(P) net digest per student (NDPS) remains 3% lower than FY2009, inflation adjusted



Source: Bureau of Labor Statistics, CPI Calculator (measured in January, annually) and Georgia Department of Revenue, Consolidated Tax Digest Summary

**FY2022 (P)**

## Local Revenue: Net Digest per Student Trend



Per Pupil Local Revenue Comparison, FY1999 - FY2020

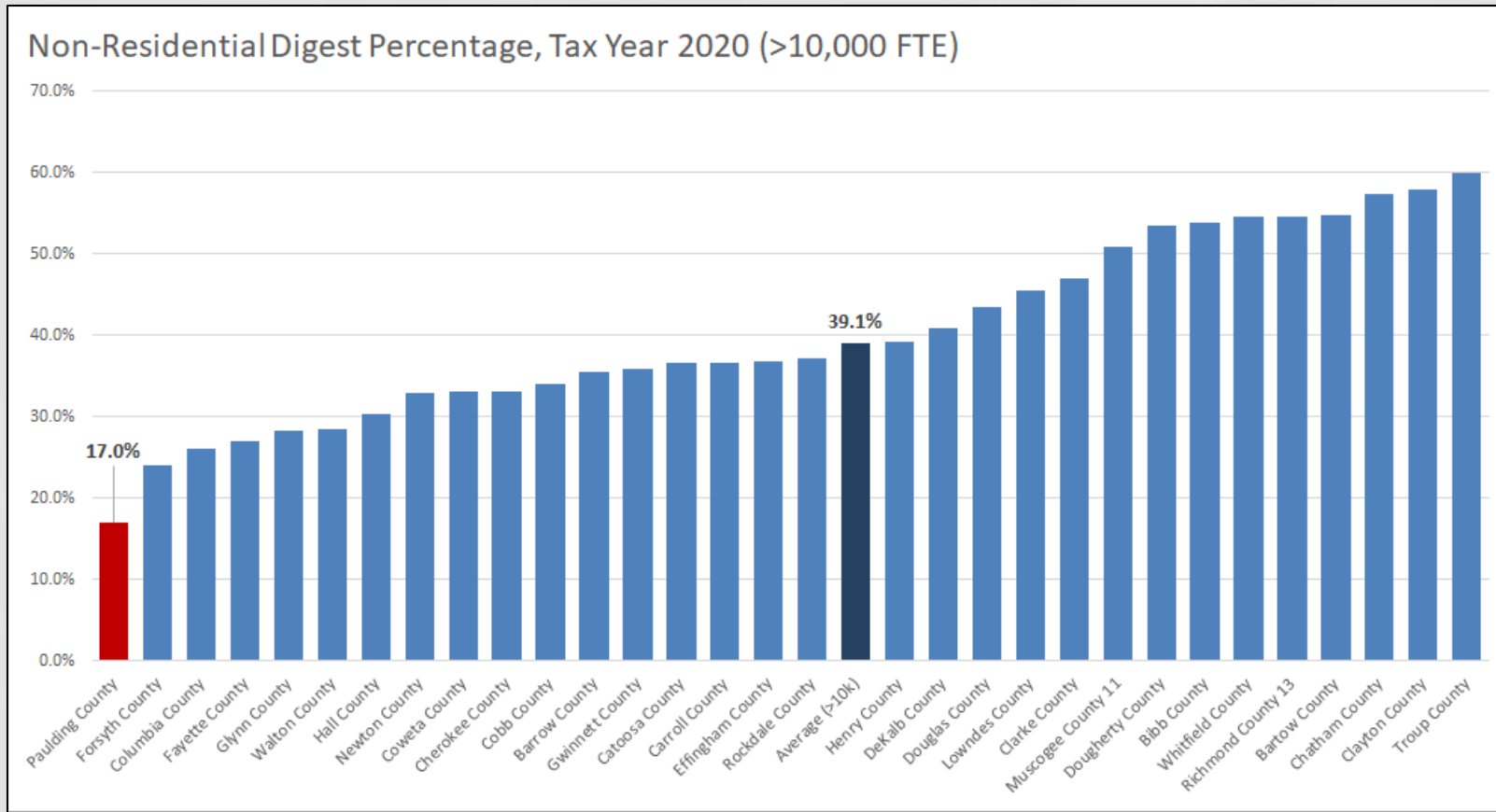


**Per-Pupil Local Revenue.** As of FY2020, PCSD remained \$979 lower in per-pupil local revenue than comparable districts or \$1,482 lower than the statewide average.

Source: FY2022 Budget Primer - GaDOE School System Revenue/Expenditures Report as of FY2020

**FY1999 – FY2020**

## Local Revenue: Per-Pupil Revenue

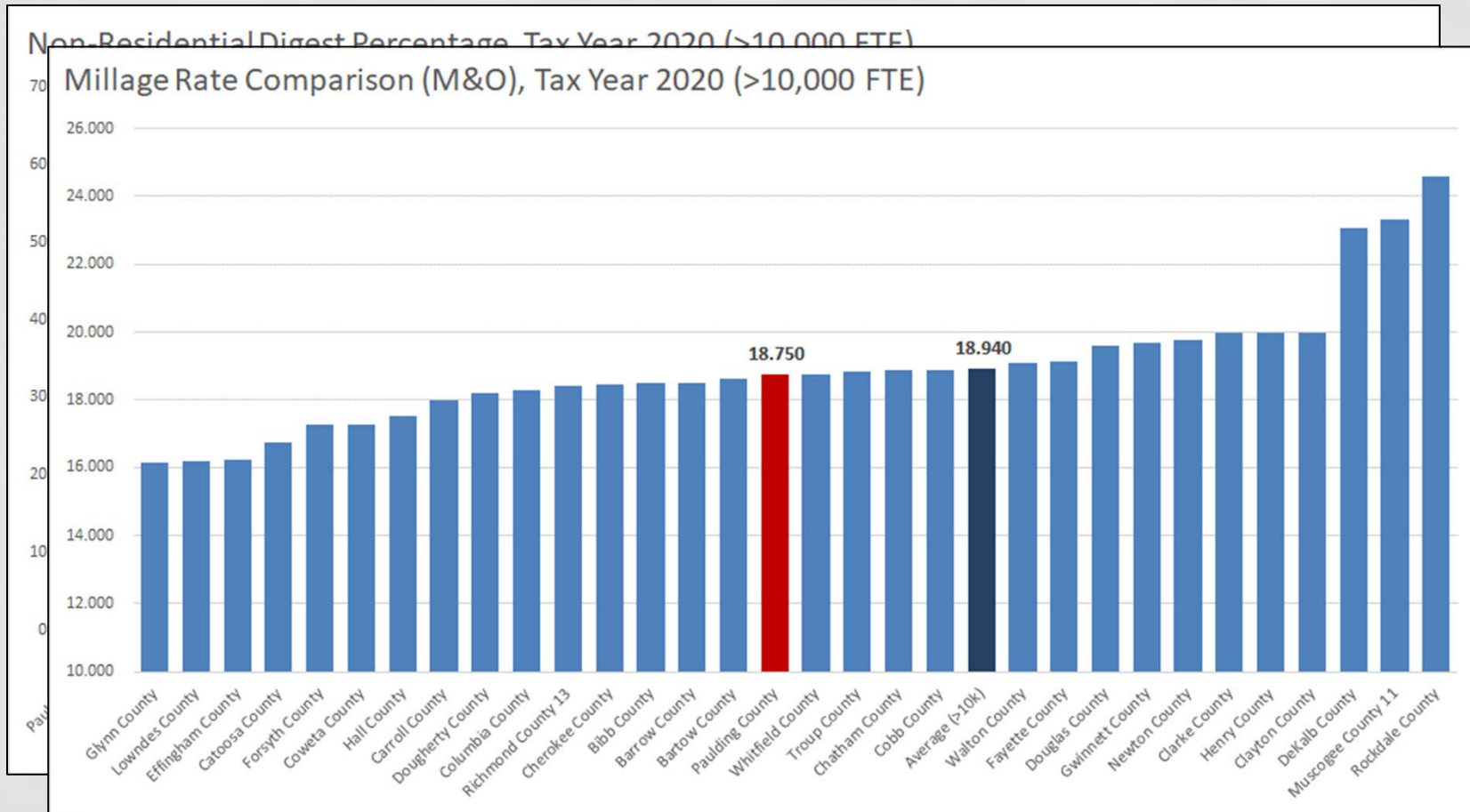


**Local Revenue Metrics.** Among large districts, PCSD ranked lowest in non-residential digest percentage, had a lower-than-average millage rate and ranked 8<sup>th</sup> lowest in levy per FTE.

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

2020

# Local Revenue: Property Tax

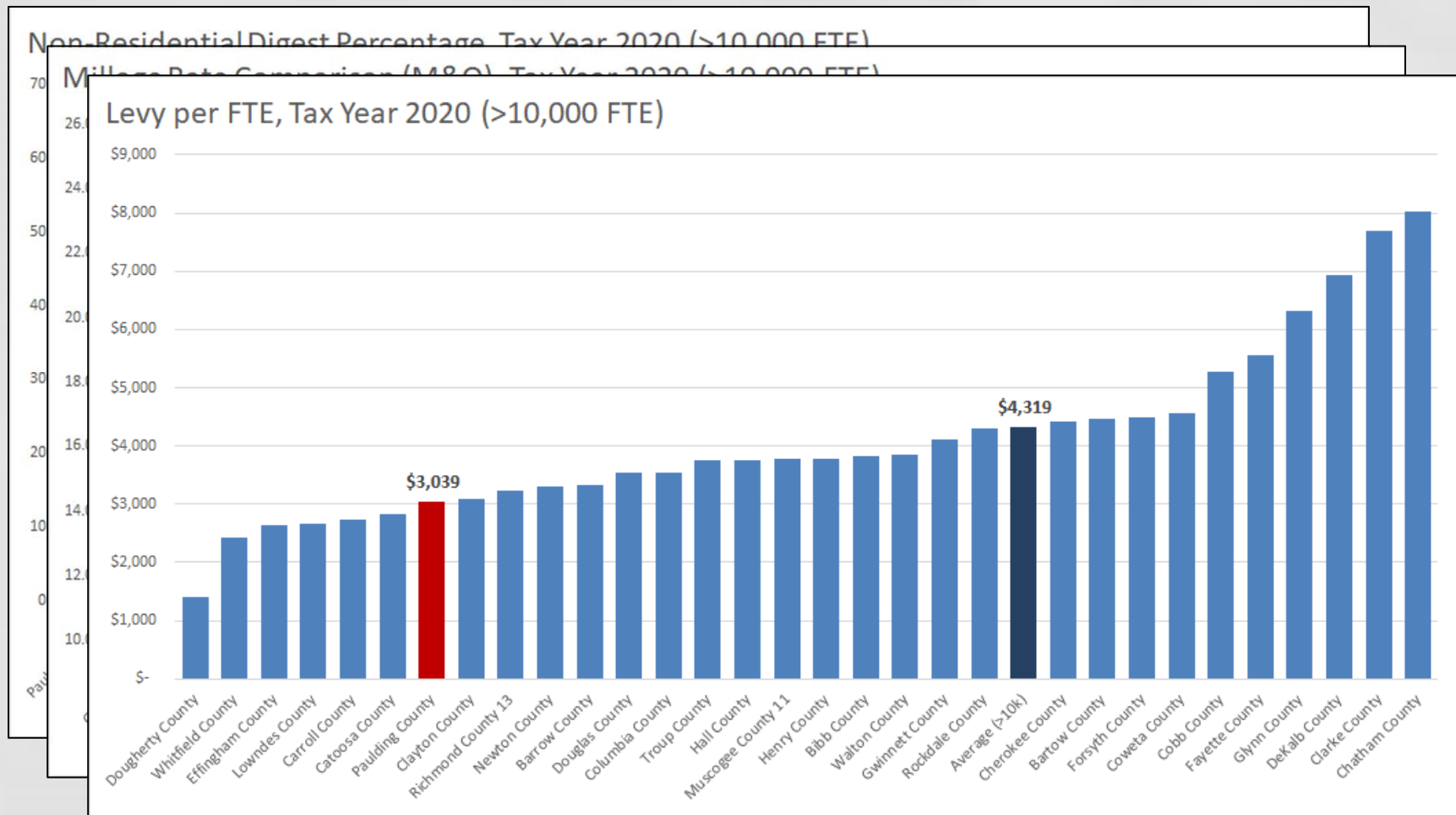


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Source: GaDOR (Consolidated Tax Digest Summaries)  
Large Districts are districts with >10,000 FTE

2020

# Local Revenue: Property Tax



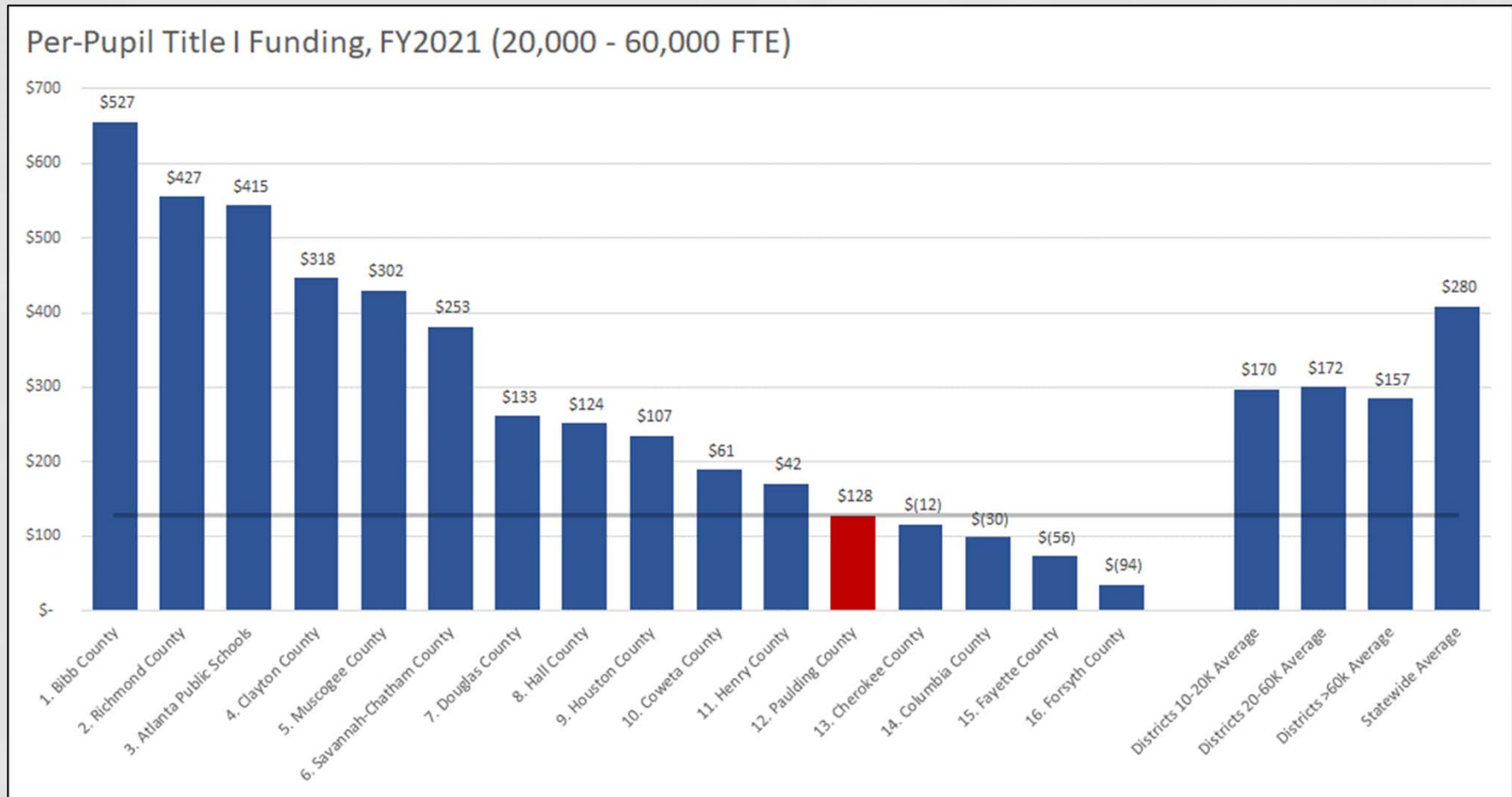
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Source: GaDOR (Consolidated Tax Digest Summaries)  
Large Districts are districts with >10,000 FTE

2020

# Local Revenue: Property Tax

**Per-Pupil Title I.** As of FY2020 and based on overall enrollment, per-pupil Title I funding was \$128. This is lower than any comparable group, including the statewide average, which was \$280 more per-pupil. Variances to PCSD appear above the columns.



Source: GaDOE, Title I Awards

**FY2020**

# Federal Funding: Per-Pupil Title I Funding

**Enrollment.** 12 out of 35 large districts in total enrollment.

**ESEP Participation.** 6 out of 35 large districts in ESEP participation.

**Local Revenue.** 29 out of 35 large districts in local revenue per student.

**State Revenue.** 9 out of 35 large districts in state revenue per student.

**Equalization.** 4 out of 35 large districts in equalization.

**Federal Revenue.** 30 out of 35 large districts in Title I funding.

**Total Revenue.** 30 out of 35 large districts in total revenue per student, but 12 out of 35 large districts in total enrollment.



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# Preliminary FY2022 General Fund Revenue



	<b>FY21 Budget</b>	<b>FY22 Budget</b>	<b>Change</b>	<b>%</b>
(1) QBE Funding, net	\$ 162.7	\$ 166.0	\$ 3.2	2.0%
(2) Equalization Grant	28.9	31.2	2.3	7.8%
(3) Local Taxes	101.0	113.4	12.4	12.2%
Other Local Revenue	2.2	1.4	(0.8)	-36.3%
<b>Total GF Revenue</b>	<b>\$ 294.9</b>	<b>\$ 311.9</b>	<b>\$ 17.0</b>	<b>5.8%</b>

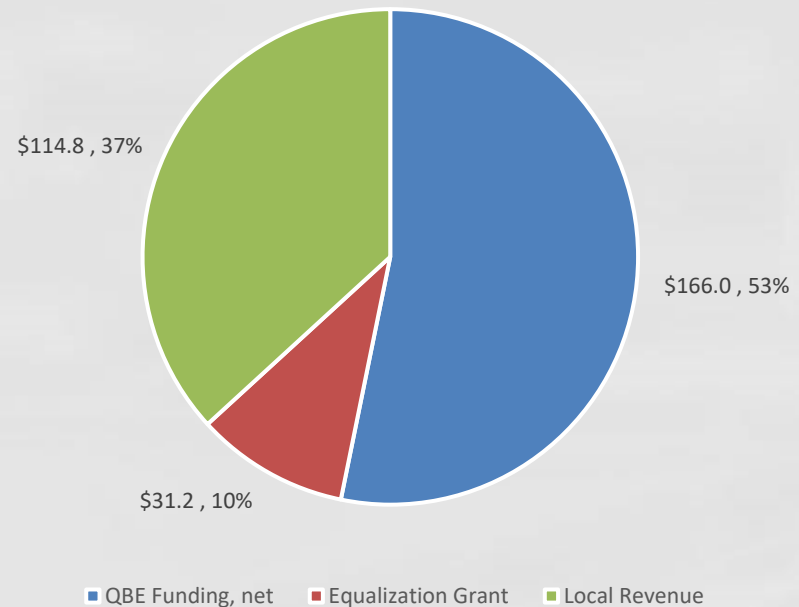
*\*Excludes Grants and Transfers to Other Funds (Includes Anticipated FY21 Mid-Term Adjustments)*

### Highlights

- \$311.9m Budget
- \$17.0 Increase
- \$569 Per-Pupil Increase
- 4.2% Austerity (-\$7.1m)
- \$31.2m Equalization Grant
- \$12.4m Local Taxes, including
- \$9.9m Ad Valorem

Note: Revenue projection includes an unmodified millage rate of 18.750

Note: Pending GaDOE Earnings/Allotment Report



(millions)

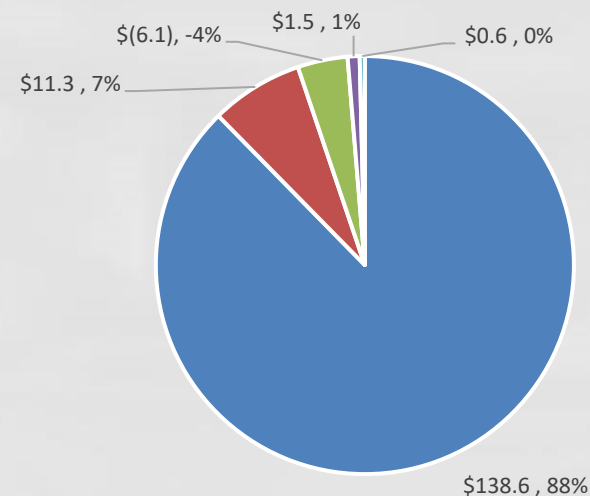
# Preliminary General Fund Revenue

	FY2021	FY2022	Change	%
Salaries (FTE/T&E)	\$ 156.44	\$ 160.0	\$ 3.5	2.3%
Operations	\$ 13.3	\$ 13.1	\$ (0.3)	-1.9%
LFS	\$ (22.2)	\$ (22.2)	\$ (0.0)	0.0%
Transportation	\$ 1.5	\$ 1.5	\$ -	0.0%
Nursing	\$ 0.6	\$ 0.6	\$ -	0.0%
Health Insurance	\$ 20.1	\$ 20.1	\$ (0.0)	-0.1%
Austerity Reduction	\$ (7.0)	\$ (7.1)	\$ (0.0)	0.4%
<b>Total</b>	<b>\$ 162.7</b>	<b>\$ 166.0</b>	<b>\$ 3.2</b>	<b>2.0%</b>

### Highlights

- \$166.0m QBE and Categorical Grants, net
- \$3.2m Increase
- -\$22.2m LFS
- -\$7.1m Austerity

Note: Revenue projection includes an unmodified millage rate of 18.750



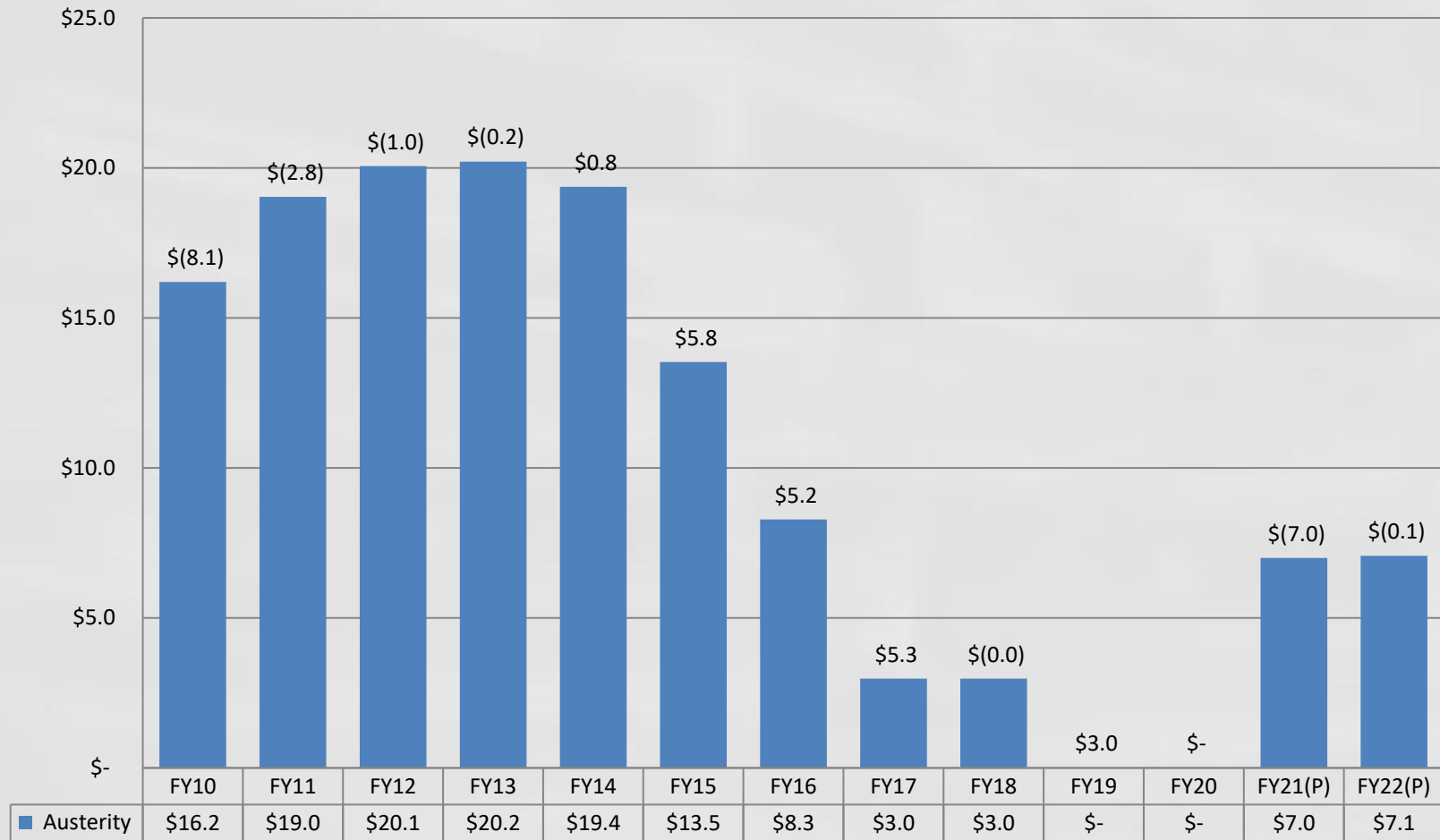
■ Salaries ■ Operations ■ Health Insurance ■ Transportation ■ Nursing

(millions)

Note: Pending GaDOE Earnings/Allotment Report

## Preliminary GF Revenue: (1) QBE Funding

Austerity Reductions, FY2010 - FY2022 (P) (millions)



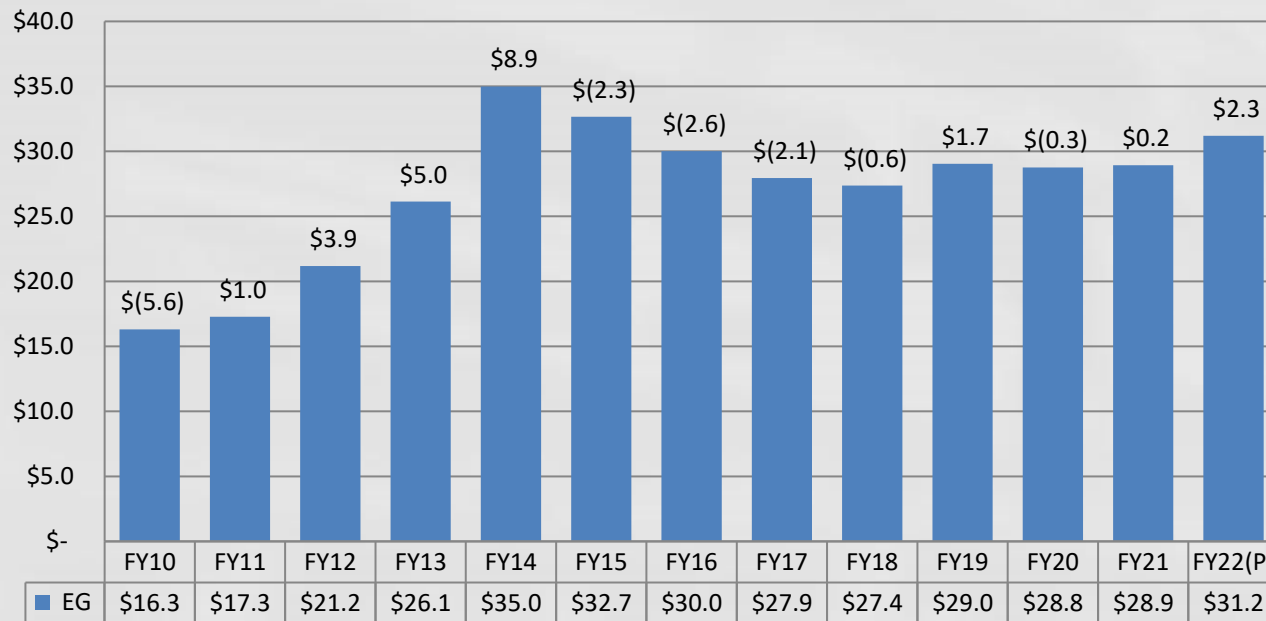
**Austerity Reductions.** FY2022 austerity reduction is projected to be 4.2% or \$7.1m.

(millions)

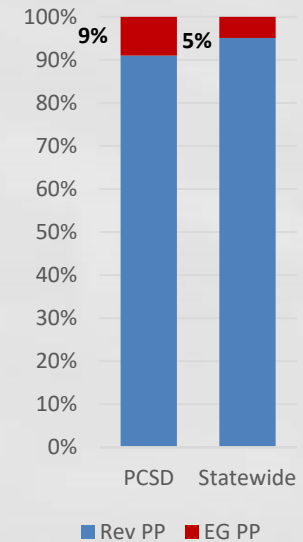
**FY2010 – FY2022 (P)**

# (1) QBE Funding: Austerity Reduction

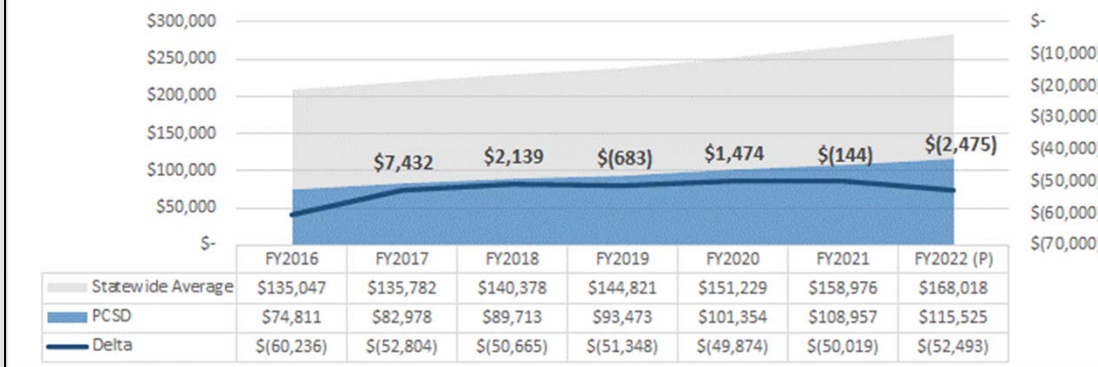
## Equalization Grant, FY2010 - FY2022 (P)



## FY2020 Per-Pupil EG Percentage



## Historical Wealth per Weighted FTE, FY2016 - FY2022 (P)



(millions)

An increasing and unfavorable variance between PCSD and Statewide Wealth-per-Weighted FTE could result in a grant increase (assuming no changes in state funding)

**FY2010 – FY2022 (P)**

# (2) Equalization Grant

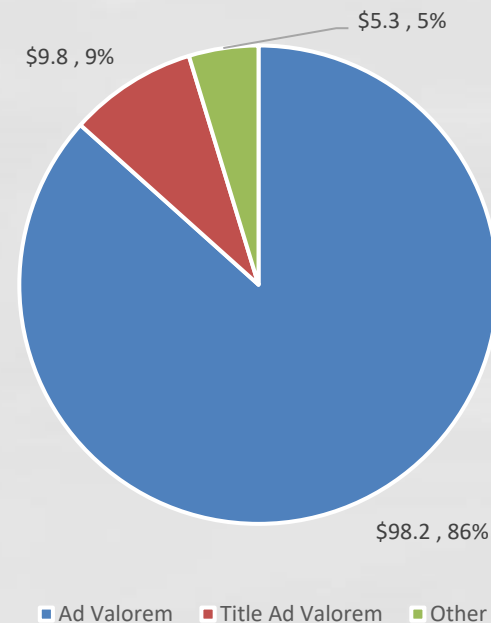
	<b>FY21 Budget</b>	<b>FY22 Budget</b>	<b>Change</b>	<b>%</b>
Ad Valorem	\$ 88.3	\$ 98.2	\$ 9.9	11.2%
Title Ad Valorem	\$ 8.5	\$ 9.8	\$ 1.3	15.0%
Other Sales Taxes	\$ 4.2	\$ 5.3	\$ 1.2	28.1%
Other Taxes	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 101.0</b>	<b>\$ 113.4</b>	<b>\$ 12.4</b>	<b>12.2%</b>

### Highlights

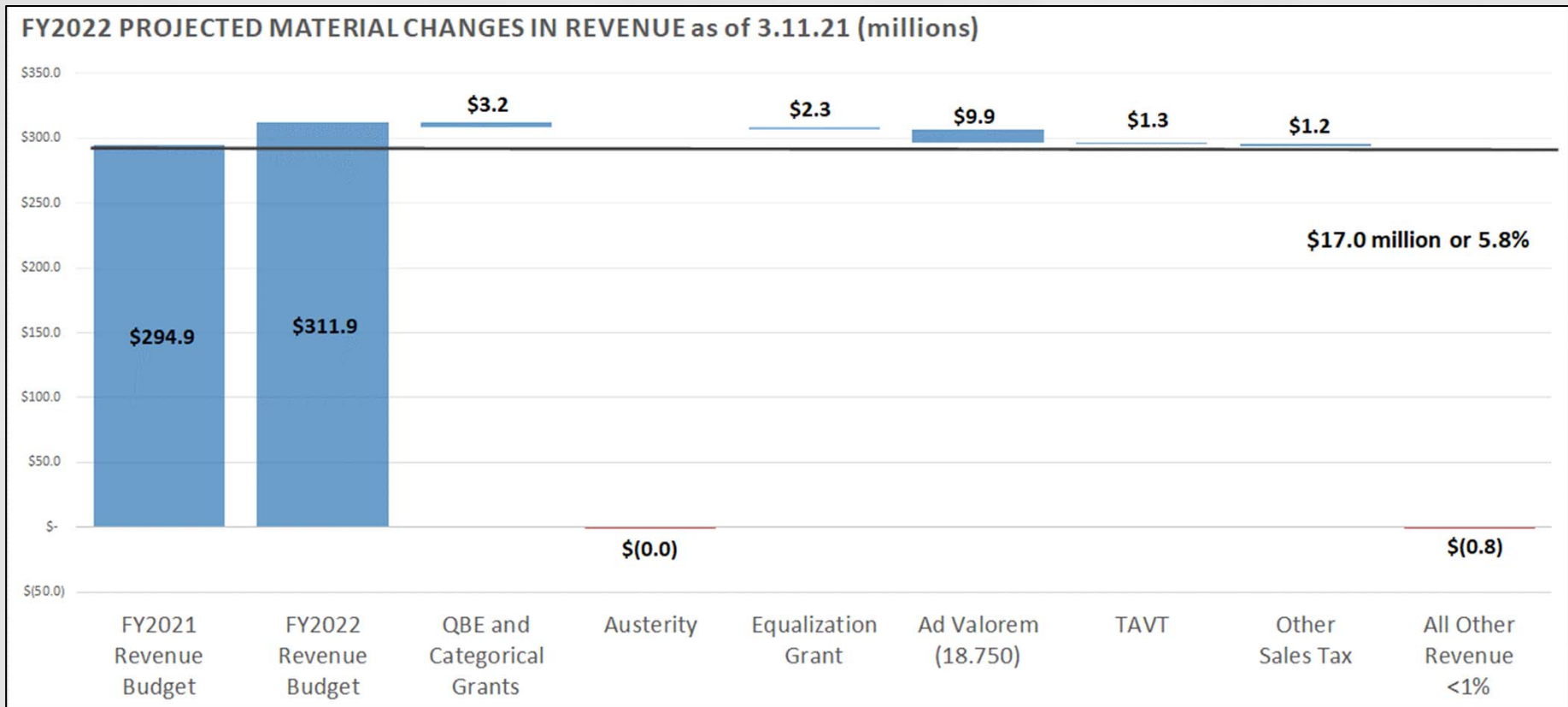
- \$113.4m Budget
- \$9.9m Ad Valorem Increase
- \$1.3m TAVT Increase
- \$1.2m Other Sales Tax or Recording/Intangible Tax Increase

Note: Revenue projection includes an unmodified millage rate of 18.750

(millions)



## Preliminary GF Revenue: (3) Local Taxes



### Highlights

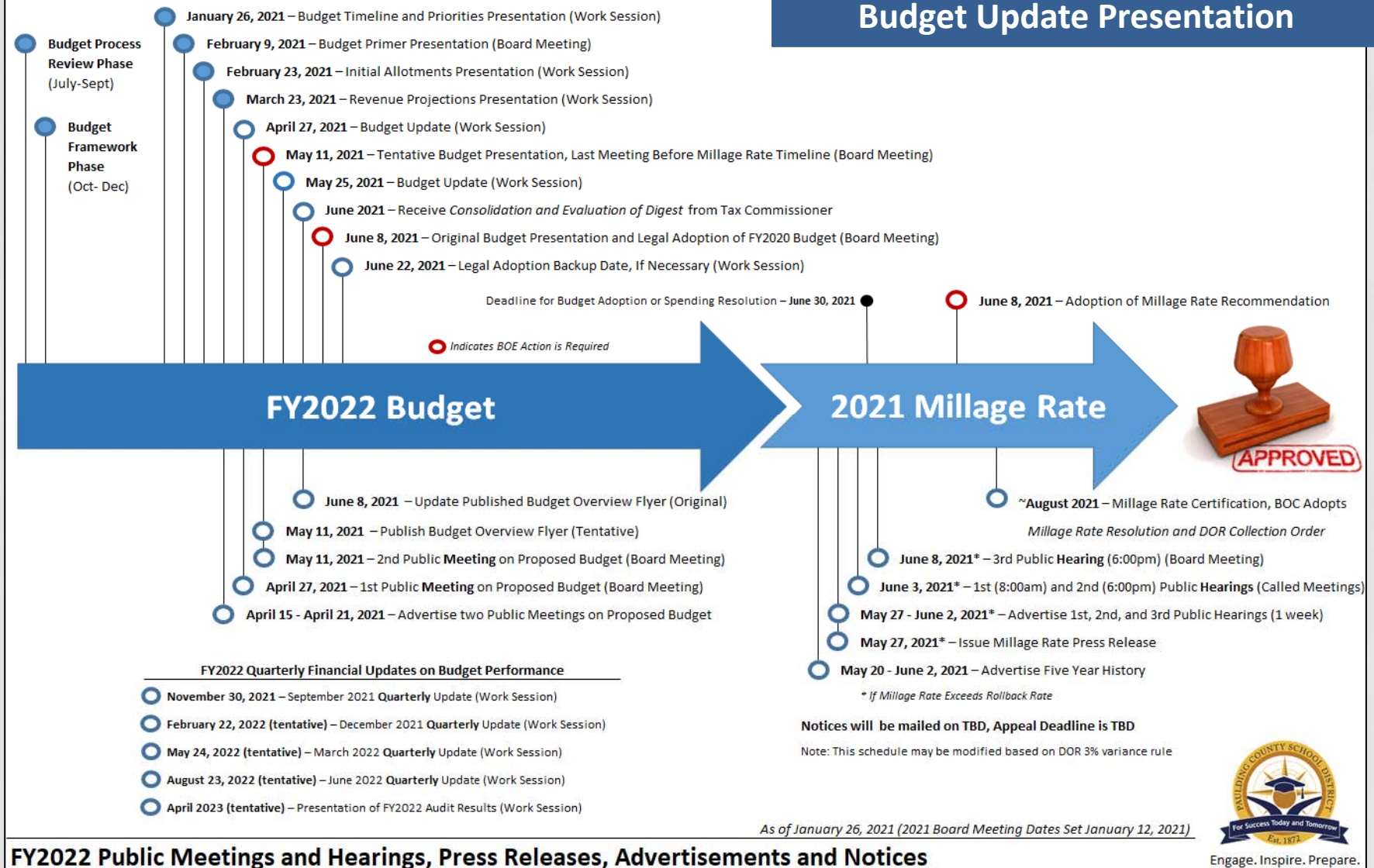
- \$17.0 million or 5.8% General Fund Revenue Increase
- Projected as of March 11<sup>th</sup>, pending QBE and Final Digest

Note: Excludes Grants and Transfers to Other Funds (Includes Anticipated FY21 Mid-Term Adjustments)

## Projected Changes in Revenue

## FY2022 Budget Development - Major Milestones

*April 27, 2021*  
**Budget Update Presentation**



# FY2022 Budget Timeline (Major Milestones)





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# Thank You

For Budget Ideas and Feedback Please Visit our Website



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# Appendix