What Makes Paulding County School District Funding Unique?

FY2025 Budget

<table>
<tr><th colspan="2"></th><th>Unique Feature</th><th>How does that impact funding?</th><th>Measurement</th><th colspan="2">Rankings</th></tr>
<tr><td rowspan="7">Demographic and Economic Factors</td><td rowspan="3">Local Funding
Low Wealth</td><td>Paulding County has a limited commercial and industrial tax base. In fact, only 14% of the tax digest is non-residential.</td><td rowspan="2">Less local funding due to a lower net tax digest per student (NDPS) and a slightly below-average millage rate.</td><td>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]</td><td rowspan="3">26 out of 36 large districts or 95 out of 180 total districts in Local Revenue per Student [b]</td><td rowspan="4">23 out of 36 large districts or 145 out of 180 total districts in Total Revenue per Student [b]</td></tr>
<tr><td>PCSD does not compensate for a limited tax base by inflating the millage rate.</td><td>17.675 millage rate compared to a large district average of 17.534. [a]</td></tr>
<tr><td>Paulding County has a large number of school-age children per household.</td><td>Less local funding because funding is based on property tax values not the number of school-age children living in the home.</td><td>12.5% more persons-per-household than the state average, specifically school-age children. [c]</td></tr>
<tr><td rowspan="4">State/Federal Funding</td><td>PCSD is highly dependent on state funding sources.</td><td rowspan="2">Highly susceptible to changes in state funding, including austerity reductions, Equalization Grant funding and changes in the Quality Basic Education (QBE) formula.</td><td>Approximately 59% of PCSD revenue comes from state sources, compared to a statewide average of 46%. [b]</td><td>10 out of 36 large districts or 98 out of 180 total districts in State Revenue per Student [b]</td></tr>
<tr><td>PCSD is one of the largest recipients of equalization.</td><td>8% of total General Fund revenue comes from the Equalization Grant. [b]</td><td colspan="2">4 out of 36 large districts or 180 total districts in Equalization [b]</td></tr>
<tr><td>PCSD has relatively low Title I funding.</td><td>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.</td><td rowspan="2">While PCSD ranks 4th in equalization funding (an indication of low wealth), it ranks 164 out of 180 in Tile I funding per pupil. No other school district in Georgia has a greater disparity between equalization and Title I funding. [d]
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%.</td><td colspan="2">31 out of 36 large districts or 164 out of 180 total districts [d]</td></tr>
<tr><td>PCSD has relatively low free-and-reduced lunch participation.</td><td>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).</td><td colspan="2">28 out of 36 large districts [d]</td></tr>
<tr><td colspan="2" rowspan="2">Enrollment Factors</td><td>PCSD is one of the fastest growing school districts in the state.</td><td>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.</td><td>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]</td><td colspan="2">11 out of 36 large districts and 180 total districts [b]</td></tr>
<tr><td>PCSD has a high percentage of students in a Exceptional Students Educational Program (ESEP).</td><td>FY23, the average additional cost per ESEP student was $3,019 or 30.5% (including Local, State and Federal sources).</td><td>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]</td><td colspan="2">9 out of 36 large districts and 41 out of 180 total districts [b]</td></tr>
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Sources:

[a] Georgia Department of Revenue, Consolidated Tax Digest Summaries

[b] Georgia Department of Education Enrollment (Data & Reporting) on 2/27/24, Revenue/Expenditures Reports and QBE Earnings (Data & Reporting, Financial Review)

[c] www.census.gov/quickfacts on 5/6/24

[d] Georgia Department of Education Title I (Offices & Divisions, Title Programs) and Free-and-Reduced Lunch (Data & Reporting),

Terms:

Large Districts are school districts with enrollment equal to or greater than 10,000
Net Tax Digest is the Paulding County Tax Assessor's summary of the projected taxable value of all commercial, industrial and residential property in the school district, net applicable exemptions.
Net Digest per Student (Weighted NDPS) is the NDPS weighted by participation in ESEP programs, lowering wealth-per-student.
Weighted Net Digest per Student (NDPS) is the next tax digest divided by the enrollment.
ESEP stands for Exceptional Students Educational Programs or special education.
Persons per household, or average household size, is obtained by dividing the number of persons in households by the number of households. A household includes all the persons who occupy a housing unit as their usual place of residence.
Millage Rate is the ad valorem tax rate expressed in terms of the levy per thousand dollars of taxable assessed value established by the governing authority each fiscal year.
QBE or Quality Basic Education reflects funding allotted by the State on the basis of "Weighted" FTE (Full-time Equivalent students) to the local school system.