

2019 Millage Rate Hearing



Engage. Inspire. Prepare.

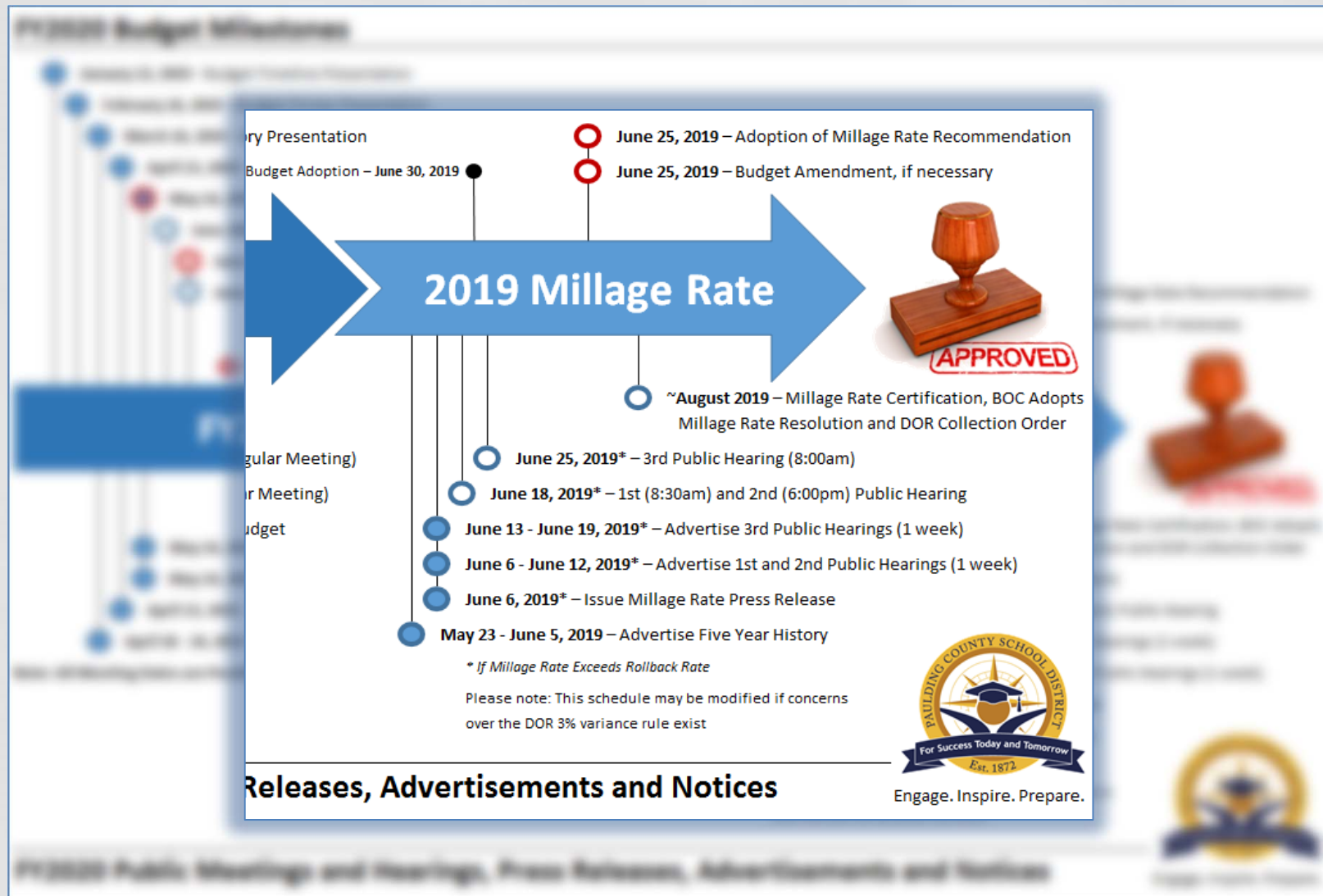
Agenda

1. Timeline
2. Overview
3. Process
4. History

Appendix



June 18, 2019 (8:30am) | June 18, 2019 (6:00pm) | June 25, 2019 (8:00am)



2019 Millage Rate Timeline^{FY2020}



Engage. Inspire. Prepare.

Millage Rate Overview

- Maintenance & Operations (M&O) millage rate of **18.879** was utilized for advertisements and Tentative FY2020 Budget. An M&O millage rate of **18.750** was included in the Original FY2020 Budget – but may be amended.
- Bond millage rate of **0.000** will be maintained in the FY2020 Budget, with bond principal and interest paid through E-SPLOST. A bond millage of approximately 1.840 would be required to meet FY2020 debt service.
- All information presented is based on the most current digest available.
- Net M&O Digest is projected to increase \$387m or 9.5% to \$4.5 billion.
- Changes in assessed property values (reassessment) will increase 2019 property taxes by an average 7.9% (with a millage rate of 18.750).
- Other changes to the digest will increase 2019 property taxes by 0.9%.
- Net Taxes or levy will increase 8.7% (with a millage rate of 18.750).
- Potential M&O millage rate change scenarios (right).

M&O Millage Rate	Millage Rate Change	2019 Tax Levy Increase	Tax Levy Change
18.879	na	\$7.3	na
18.750	-0.129	\$6.7	-\$0.6

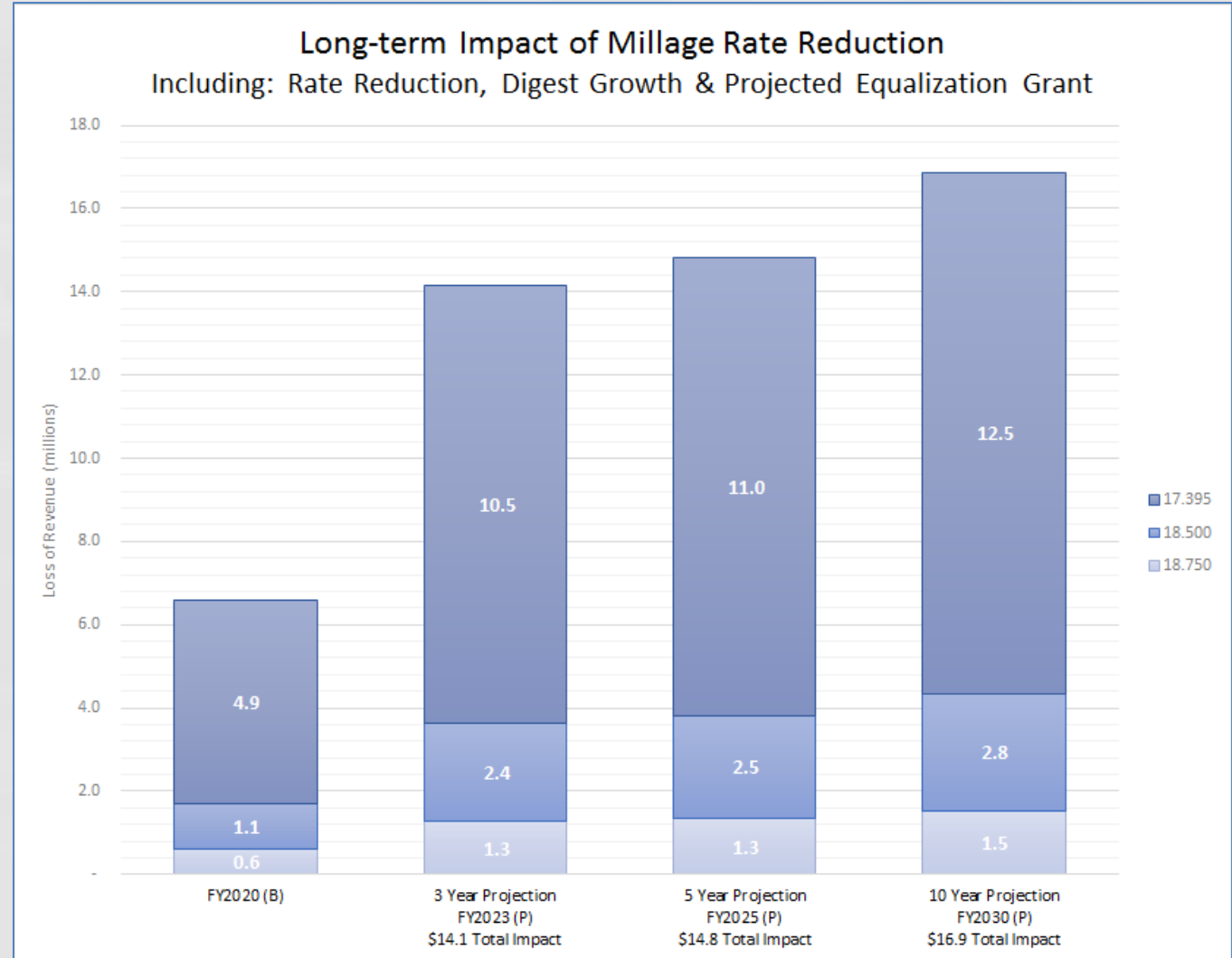
2019 Millage Rate Overview

Millage Rate History:

- ✓ Last Material Change to M&O Millage Rate Occurred in 2007, an Increase of 2.500 mills
- ✓ Lowered Three Times in Last 20 Years:
 - 2013 -0.030
 - 2003 -0.881
 - 2002 -1.610
- ✓ Raised Twice in Last 20 Years:
 - 2007 +2.500
 - 2001 +2.500
- ✓ Eliminated Bond Millage (2.963) in FY2011

Millage Rate Reduction Considerations:

- ✓ Perpetual Loss of Revenue
- ✓ Loss will Compound as Digest Grows
- ✓ Impact on Equalization Grant
- ✓ Low Wealth School District
- ✓ Net Digest per Pupil Not Back to Pre-Recession Levels (Inflation Adjusted)





Engage. Inspire. Prepare.

Millage Rate Process

Millage Rate Types.

- Maintenance and Operations (M&O)
- Bond

Bond Millage Rate.



In FY2011 the district eliminated the bond millage rate, which was 2.963 (2010). Debt Service (principle 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 1.840 would be required to meet FY2020 debt service.**

Bond Millage Rate Example

With a bond millage rate of 1.840 (2019), this person's tax bill would increase \$165 annually without SPLOST.

J.W. (Bill) Watson, III
Paulding County Tax Commissioner
240 Constitution Blvd. Room# 3006
Dallas, GA 30132-4614
(770) 443-7581

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

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

If you believe that the fair market value placed upon your property by the Board of Tax Assessors is higher than it should be and if you can provide supporting evidence (mortgage appraisal, sales of comparable properties, etc.), then it may be in your best interest to file a property tax return with the Board of Tax Assessors requesting a review of your property appraisal. This must be done not later than April 1, 2019. Information on how to file a property tax return can be obtained from the address above.

Sample Bill

INTERNET TAX BILL

2018 State, County & School Ad Valorem Tax Notice

Bill No.	Account Number	Fair Market Value	Assessed Value	Tax District	Acreage	Homestead Code
Sample	Sample	228900	91560	01	0.25	S1

Map Number / Property Description / Street Address	Tax Entity	Exemptions	Net Taxable	Tax Rate	Tax Amount	
Sample Bill	SCHOOL M&O			18.879	1,690.80	
	SCHOOL BND			0.000	0.00	
	COUNTY BND			2.978	169.89	
	FIRE DIST			3.100	277.64	
Local Option Sales Tax Information		COUNTY M&O		6.079	544.44	
Mills required to produce county budget	9.079					
Mills reduction due to sales tax rollback	3.000					
Actual mill rate set by county officials	6.079					
Tax savings due to sales tax rollback	268.68					
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	0.00
					DATE DUE	11/15/2018

Millage Rate Types

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.

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*

“Each year, the 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.**

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 30, 2019 PCSD Press Release

Rollback Example

	2018		2019 (Increase)		2019 (Decrease)	
			Same Rate	Rollback	Same Rate	Rollback
FMV	\$	166,200	\$	180,000	\$	152,400
FMV Change			\$	13,800	\$	(13,800)
40% FMV	\$	66,480	\$	72,000	\$	60,960
Less; Exemption	\$	(2,000)	\$	(2,000)	\$	(2,000)
Net Value	\$	64,480	\$	70,000	\$	58,960
Millage Rate		18.879		17.395		20.650
Annual Property Tax	\$	1,217	\$	1,322	\$	1,113
Annual Change			\$	104	\$	(104)
Monthly Change			\$	9	\$	(9)

- 8% **increase** in FMV equals a rollback rate of 17.395, anything higher would be considered a tax increase or "not revenue neutral".
- 8% **decrease** in FMV equals a rollback rate of 20.650, anything higher would be considered a tax increase or "not revenue neutral".



Engage. Inspire. Prepare.

Millage Rate History

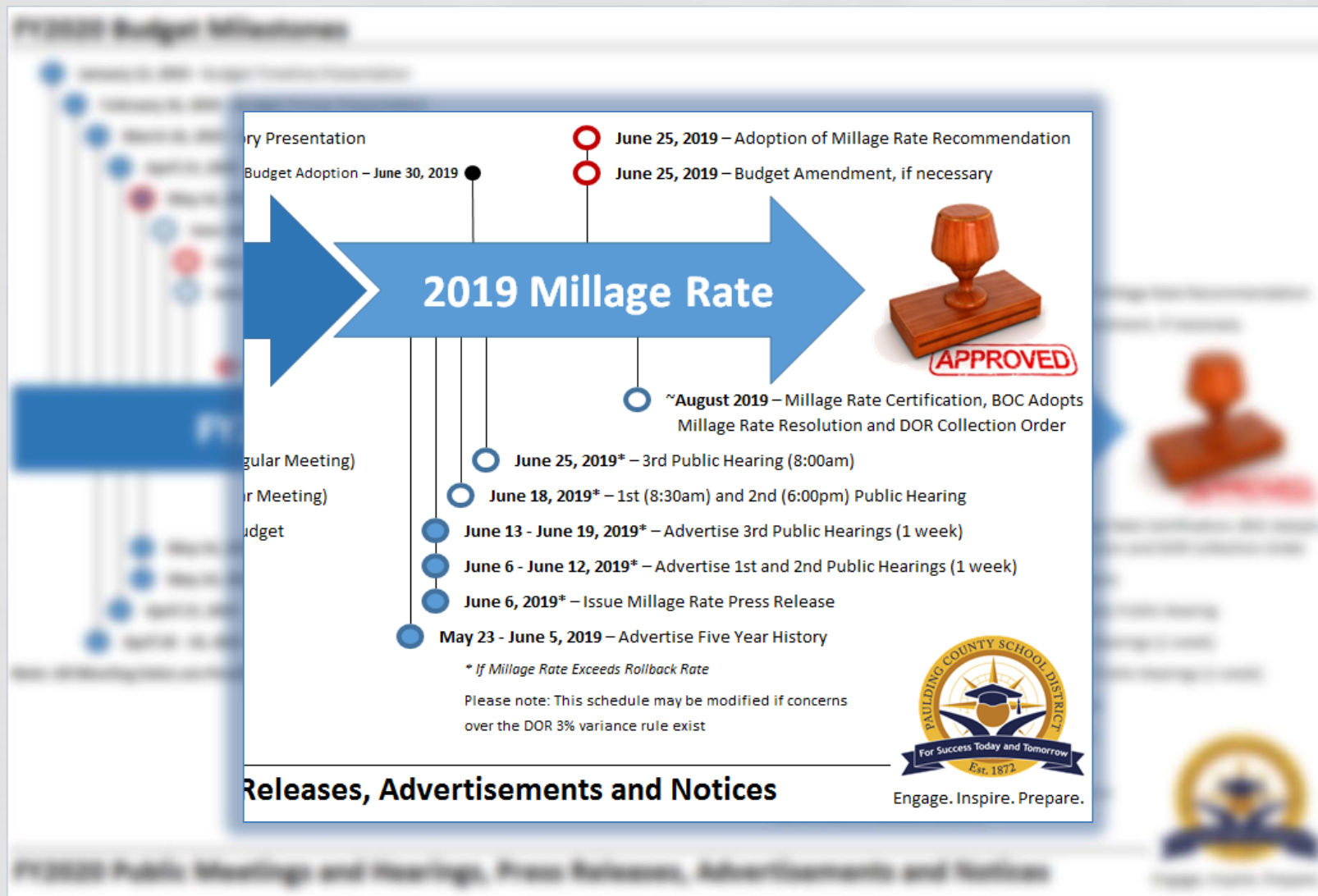
Paulding County Board of Education
UPDATED CURRENT 2019 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY

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 25, 2019 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	2014	2015	2016	2017	2018	2019
Real & Personal Ad Valorem	\$ 3,144,502,642	\$ 3,566,536,251	\$ 3,843,751,629	\$ 4,267,812,331	\$ 4,695,351,018	\$ 5,197,039,026
Motor Vehicle Ad Valorem	270,511,790	197,077,380	147,754,190	109,114,430	84,458,480	69,422,580
Mobile Home Ad Valorem	2,278,520	1,951,153	1,862,849	1,781,714	1,646,786	1,644,067
Timber Ad Valorem (100%)	962,133	292,950	324,868	1,068,015	501,435	208,158
Heavy Duty Equipment	57,125	58,443	153,533	942,267	133,553	49,891
Gross Digest	3,418,312,210	3,765,916,177	3,993,847,069	4,380,718,757	4,782,091,272	5,268,363,722
Less M&O Exemptions	(452,043,930)	(511,439,573)	(563,602,175)	(626,135,711)	(698,086,901)	(797,100,194)
Net Digest	2,966,268,280	3,254,476,604	3,430,244,894	3,754,583,046	4,084,004,371	4,471,263,528
Gross M&O Millage Rate	18.879%	18.879%	18.879%	18.879%	18.879%	18.750%
Less Millage Rate Rollbacks						
Net M&O Millage Rate	18.879%	18.879%	18.879%	18.879%	18.879%	18.750%
Net Taxes Levied	\$ 56,000,179	\$ 61,441,264	\$ 64,759,593	\$ 70,882,773	\$ 77,101,919	\$ 83,836,191
Net Taxes \$ Increase	\$ 6,160,962	\$ 5,441,085	\$ 3,318,330	\$ 6,123,180	\$ 6,219,145	\$ 6,734,273
Net Taxes % Increase	12.4%	9.7%	5.4%	9.5%	8.8%	8.7%

Note: M&O is Maintenance and Operations. In 2019, Forest Land Protection Act (FLPA) was removed from the Current 2019 Tax Digest and Five Year History of the Levy. 2019 Net Taxes Levied reflects 18.750, pending Paulding County Board of Education adoption of 2019 Millage Rate. Updated June 10, 2019 (TCv4).

Reflects the Consolidation & Evaluation of Digest 2019, dated June 10,2019



2019 Millage Rate Timeline^{FY2020}



Engage. Inspire. Prepare.

Thank You

For Budget Ideas and Feedback:
Visit our Website or
Email Budget@Paulding.k12.ga.us



Engage. Inspire. Prepare.

Appendix

Rank	Digest			Millage Rate		Levy*	Revenue	Expenditures	FESR
	Enrollment	% Non-Residential	Net Digest per Student	2018		Levy per Student	Local Revenue per Student	Expenditures per Student	Financial Efficiency Star Rating
				Option A: Fixed	%				
1	Cobb 110,878	Muscogee 53%	Cobb \$242,774	Muscogee 23.321	Muscogee 23.5%	Cobb \$4,588	Cobb \$4,597	Avg >10k \$9,528	Cherokee 4.5
2	Cherokee 41,831	Richmond 52%	Coweta \$210,900	Richmond 19.965	Richmond 5.8%	Coweta \$3,921	Coweta \$4,127	Muscogee \$9,507	Avg >10k 4.1
3	Avg Comp 36,135	Bartow 51%	Cherokee \$202,686	Douglas 19.700	Douglas 4.3%	Avg Comp \$3,914	Cherokee \$3,911	Richmond \$9,467	Paulding 4.0
4	Avg >10k 33,334	Douglas 49%	Avg Comp \$200,373	Avg Comp 19.534	Avg Comp 3.5%	Cherokee \$3,841	Muscogee \$3,748	Cobb \$9,447	Carroll 4.0
5	Muscogee 30,756	Avg >10k 42%	Avg >10k \$199,189	Avg >10k 19.191	Avg >10k 1.7%	Avg >10k \$3,823	Avg >10k \$3,743	Carroll \$9,283	Avg Comp 3.6
6	Paulding 29,710	Carroll 40%	Bartow \$185,925	Cherokee 18.950	Cherokee 0.4%	Muscogee \$3,791	Bartow \$3,664	Avg Comp \$9,265	Muscogee 3.5
7	Richmond 29,662	Avg Comp 40%	Muscogee \$162,549	Cobb 18.900	Cobb 0.1%	Bartow \$3,505	Avg Comp \$3,619	Douglas \$9,181	Douglas 3.5
8	Douglas 26,331	Cobb 35%	Douglas \$156,241	Paulding 18.879		Douglas \$3,078	Richmond \$3,190	Coweta \$9,156	Coweta 3.5
9	Coweta 22,160	Cherokee 35%	Richmond \$152,155	Bartow 18.850	Bartow -0.2%	Richmond \$3,038	Douglas \$3,097	Paulding \$9,092	Bartow 3.5
10	Carroll 14,490	Coweta 35%	Paulding \$137,462	Coweta 18.590	Coweta -1.5%	Paulding \$2,595	Paulding \$2,743	Bartow \$9,072	Cobb 3.5
11	Bartow 12,973	Paulding 20%	Carroll \$125,263	Carroll 17.998	Carroll -4.7%	Carroll \$2,254	Carroll \$2,615	Cherokee \$9,008	Richmond 2.5

Note: Based on FTE October 2018 Count, 2018 Digest (FY2019), CPI per Bureau of Labor Statistics, FY2018 Revenues and Expenditures and FY2018 FESR

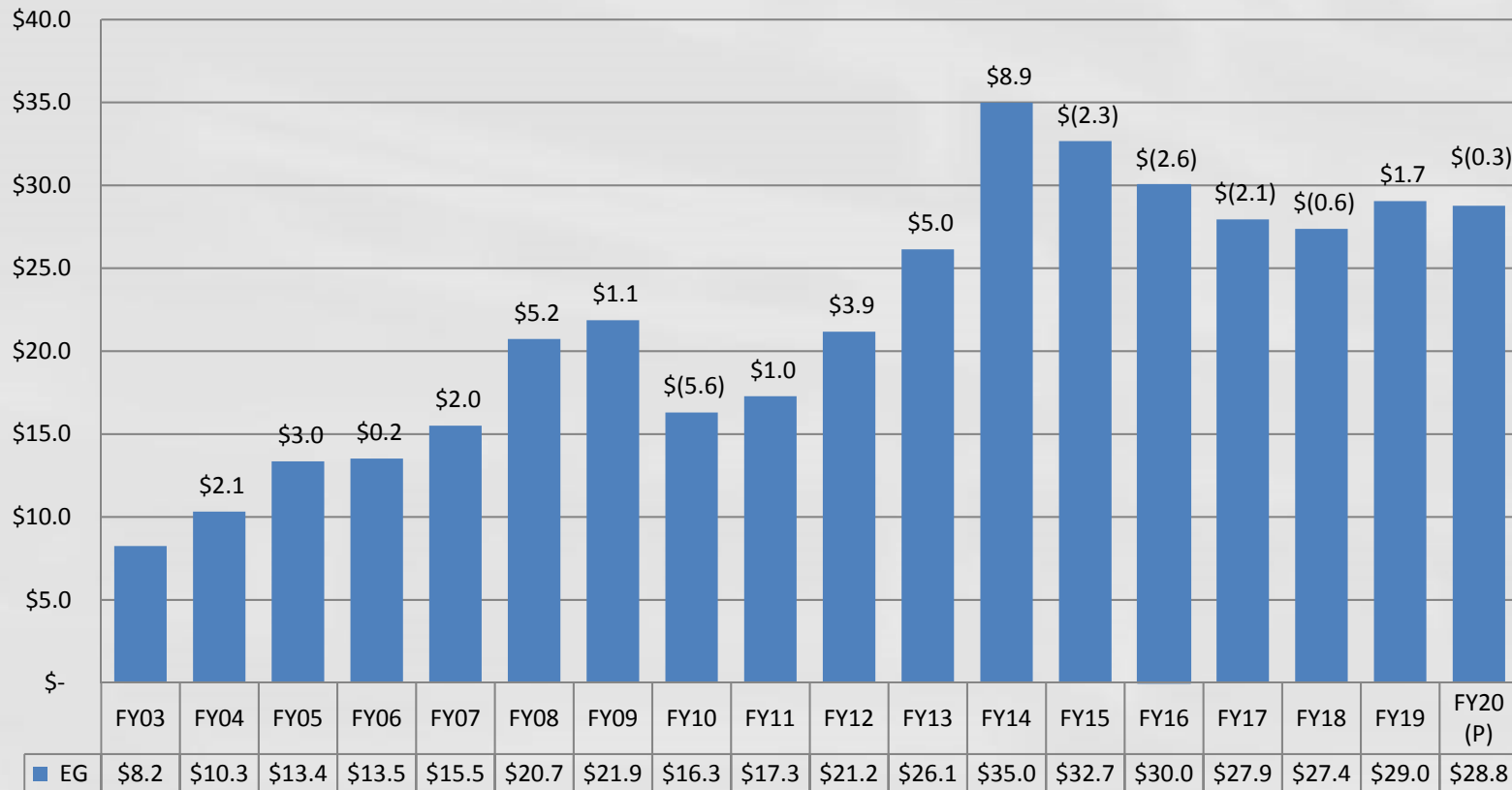
* 2009 Inflation Adjusted is \$3,016 (\$421 more or \$12.5m total)

Value of Mill. For FY2018, 1 mill produced \$4.1 million in revenue (\$137 per pupil). Meaning, every ¼ mill produced approximately \$1 million in revenue. To raise the Levy per Student to the Average Comparable would require 9.621 additional mills.

Digest, Millage and Per Pupil Comparisons

Historical Equalization Grant

(millions)



EG Impact from FY2018 Rollback: \$(3.0m)
 EG Impact from FY2018 0.125 Reduction: \$(0.5m)

Cumulative EG Impact from FY2016 Rollback: \$(11.2m)

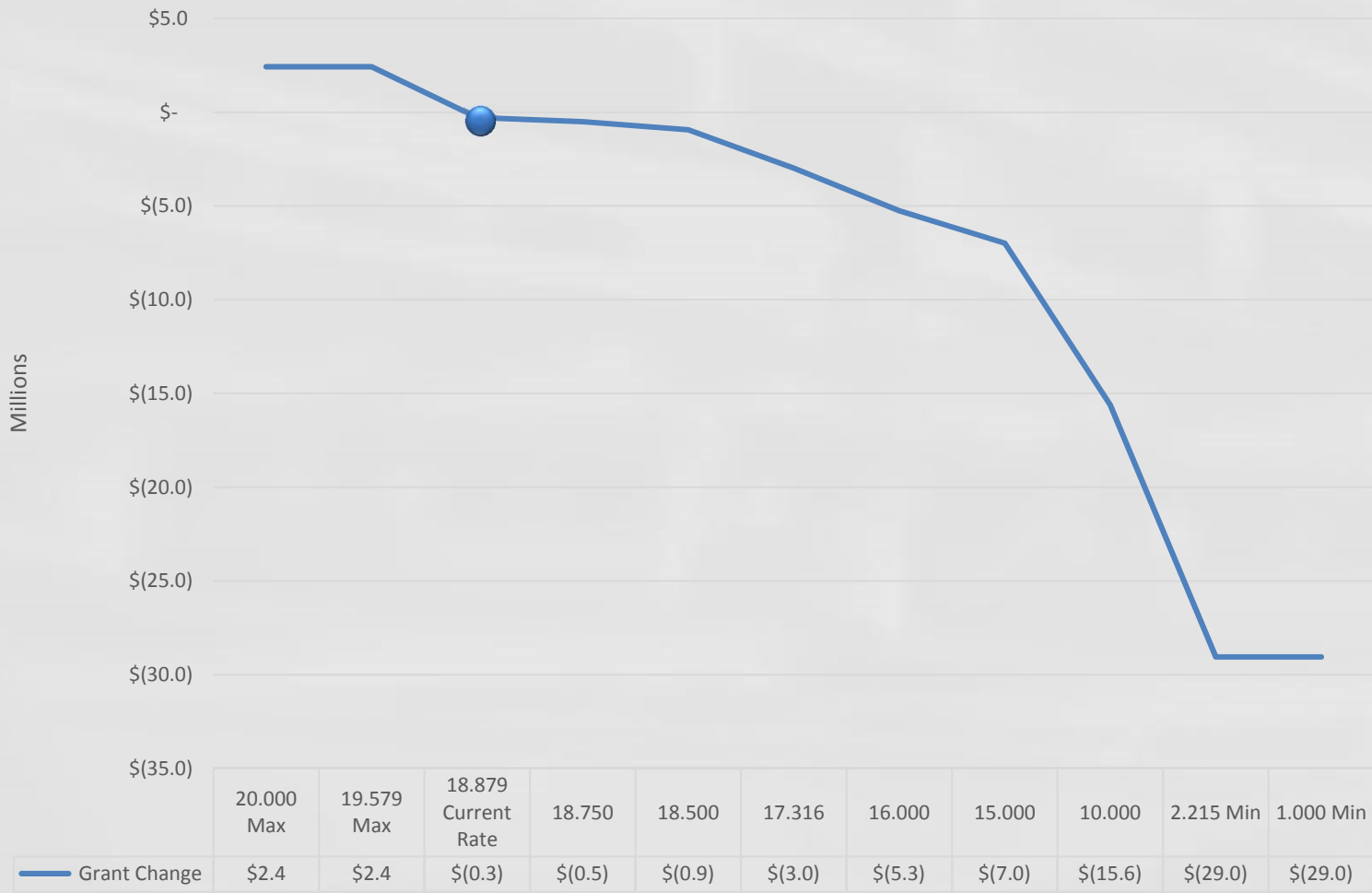
Equalization Grant Dependency FY2018



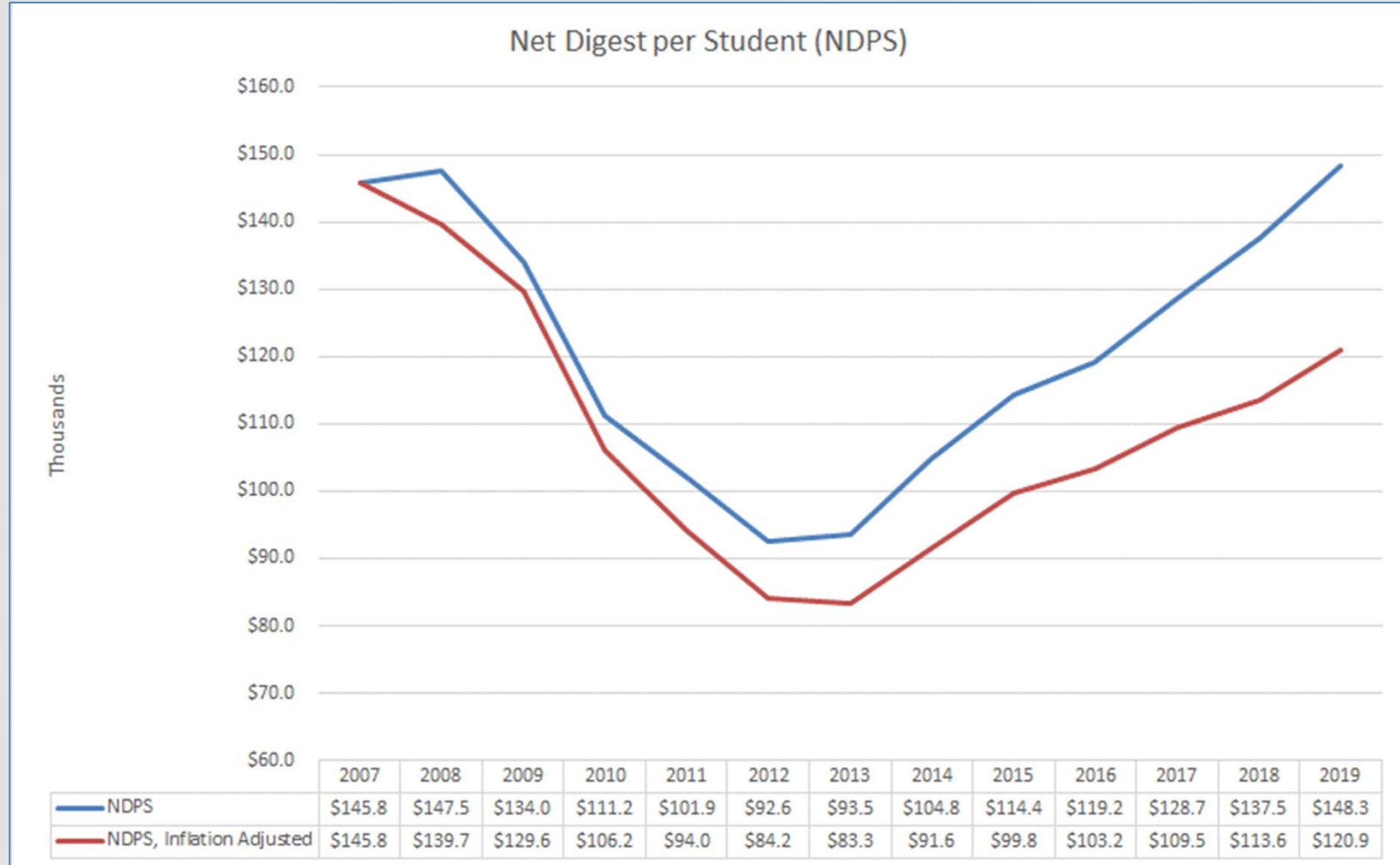
(millions)

Equalization Grant and Millage

Examples of Correlation Between Millage Rate and Equalization Grant

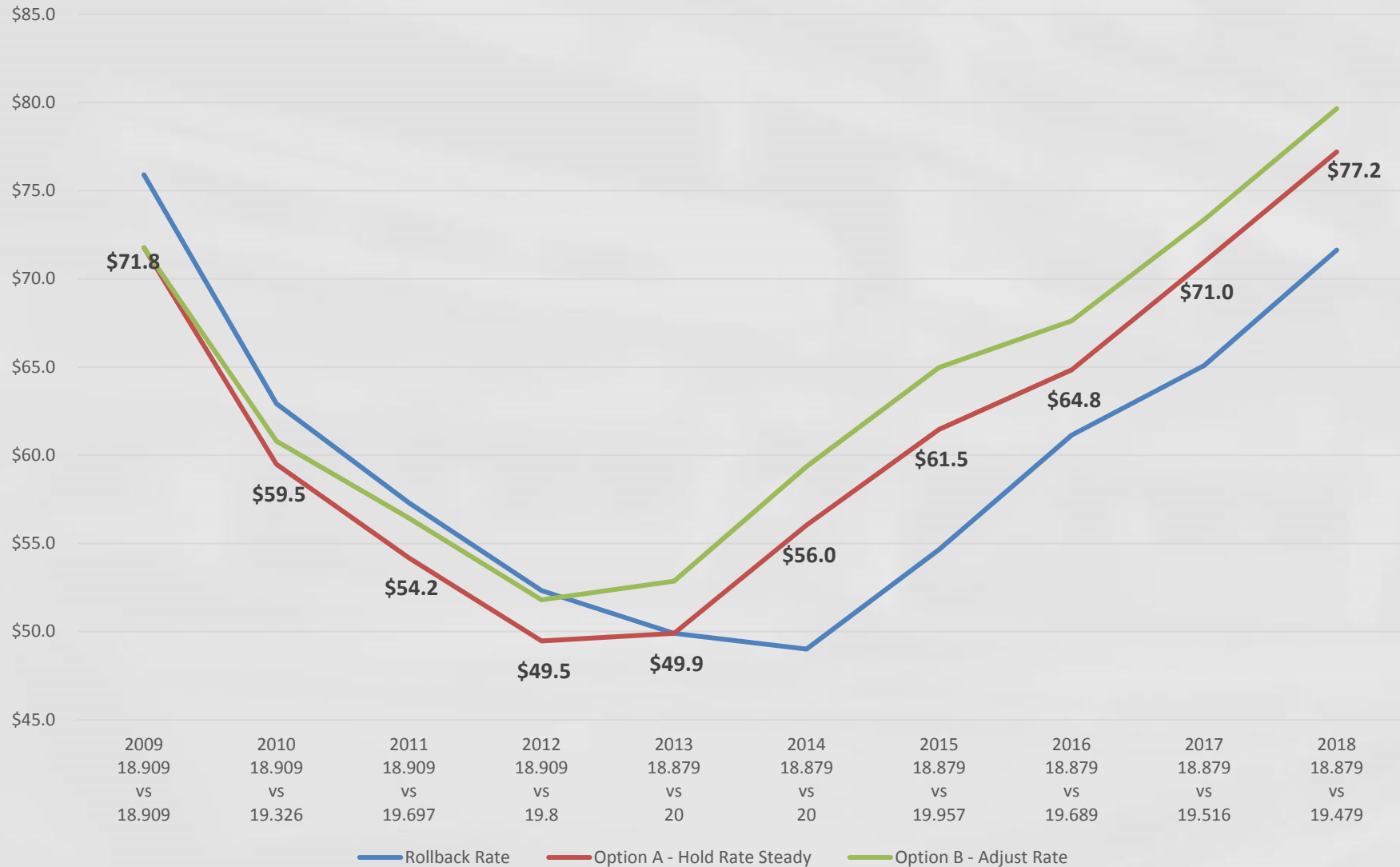


Equalization Grant and Millage

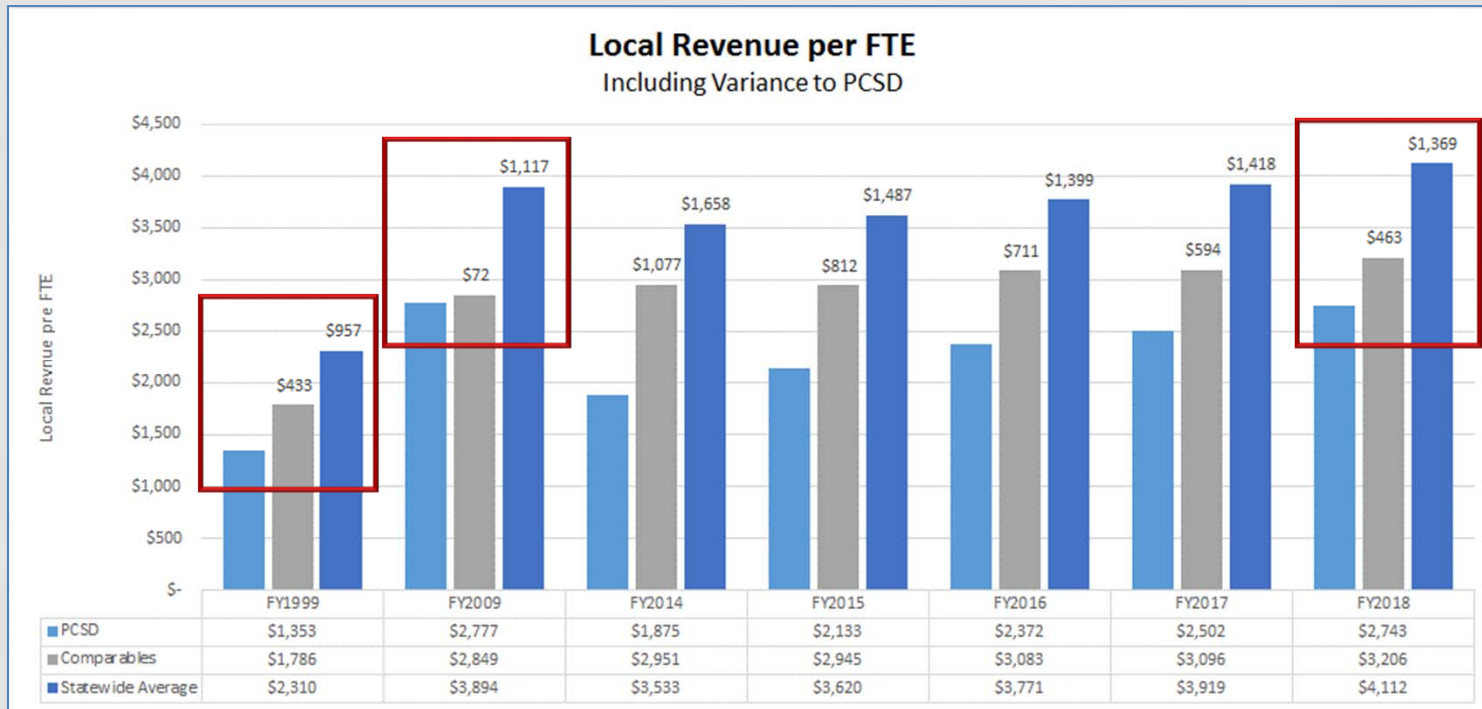


Historical Net Digest per Student

Levy Difference Between Holding Rate Steady and Adjusting Rate



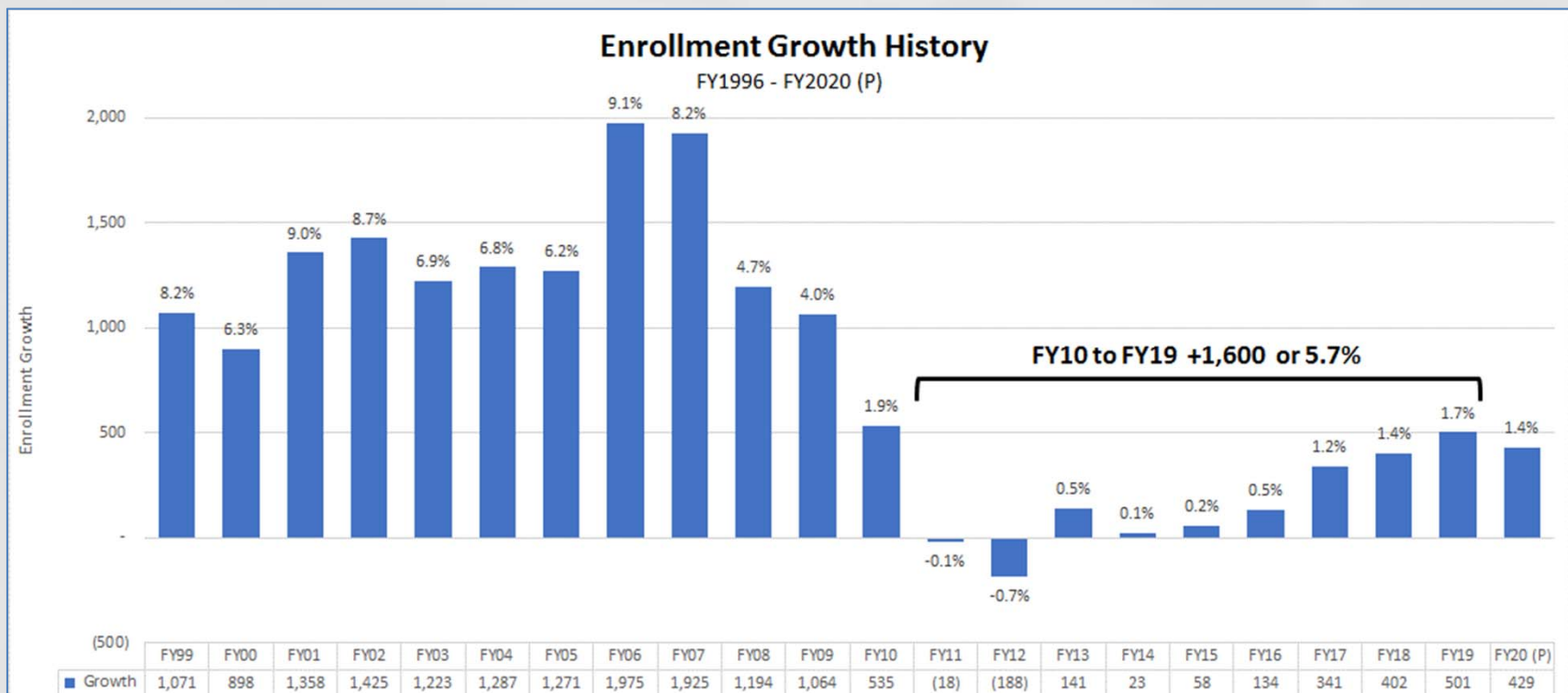
Historical Rate & Levy: Great Recession



Source: GaDOE School System Revenue/Expenditures Report as of FY2018
Average per Student: 35 Large Georgia School Districts with >10,000 FTE (180 total)

Historical Local Revenue per FTE

Enrollment Growth. In the 8 years preceding the collapse of the housing market, the district experienced tremendous enrollment growth, increasing over 80% from fiscal years 2000 to 2007. From 2008 to 2011 enrollment growth declined by two-thirds. By 2012, enrollment was declining, compared to modest increases statewide. From 2013 to 2019 enrollment grew 1,600 or 5.7%. 2019 enrollment grew 1.7%, the largest growth rate in a decade and much more than the large district average of 0.2%. 2020 is projected to grow 429 or 1.4%.



District Enrollment Growth

Low Wealth. Despite favorable employment, income and free-and-reduced lunch statistics, PCSD is considered low wealth due to a limited commercial and industrial tax base and the large number of school-age children per household.

- 13th Largest District as of FY2018
- 31st in Local Revenue per Student (128 vs 180)
 - ✓ Collect \$1,235 less than Average per Student or \$36 million*
- 8th in State Revenue per Student (85 vs 180)
 - ✓ Collect \$775 more than Average per Student
 - ✓ 3rd Largest Recipient of Equalization (\$27 million)
 - ✓ Equalization is declining, influenced by wealth per weighted FTE* and local revenue (millage rate)
- 29th in Total Revenue per Student (154 vs 180)
 - ✓ Collect \$710 or 7% less than Average per Student or \$21 million

*See Appendix form more information

Source: GaDOE School System Revenue/Expenditures Report as of FY2018
Average per Student: 35 Large Georgia School Districts with >10,000 FTE (180 total)

FY2018	
	1
	2
	3
	4
	5
	6
	7
State Revenue }	8
	9
	10
	11
Students }	12
	13
	14
	15
	16
	17
	18
	19
	20
	21
	22
	23
	24
	25
	26
	27
	28
Total Revenue }	29
	30
Local Revenue }	31
	32
	33
	34
	35
Ranking	

Low Wealth: Total per Pupil Funding

What is the Financial Efficiency Rating?

O.C.G.A. § 20-14-33 requires that the Governor's Office of Student Achievement, in coordination with the Georgia Department of Education, create a financial efficiency rating. The Financial Efficiency Star Rating measures an individual school district's per-pupil spending in relation to the academic achievements of its students.

How is the rating calculated?

The Financial Efficiency Star Rating utilizes a three-year average of per-pupil expenditures and College and Career Ready Performance Index (CCRPI) scores to determine a district's rating.

★★★★★		CCRPI Average					
Percentile of Average PPE		Less than 50	51-59.9	60-69.9	70-79.9	80-89.9	90 and Above
80-100 (High Spending)		0.5	1	1.5	2	2.5	3
60-79		1	1.5	2	2.5	3	3.5
40-59		1.5	2	2.5	3	3.5	4
20-39		2	2.5	3	3.5	4	4.5
0-19 (Low Spending)		2.5	3	3.5	4	4.5	5

		>10,000 School Districts								School Districts (Compliant)							
		4 Stars FY2015		4 Stars FY2016		4 Stars FY2017		4 Stars FY2018		4 Stars FY2015		4 Stars FY2016		4 Stars FY2017		4 Stars FY2018	
Higher		4	12%	4	12%	5	15%	5	15%	9	5%	10	6%	12	7%	12	7%
Lower		23	68%	22	67%	26	76%	26	76%	150	83%	147	82%	150	84%	150	84%
Same		7	21%	7	21%	3	9%	3	9%	21	12%	23	13%	17	9%	16	9%
% Same or Lower		88%		88%		85%		85%		95%		94%		93%		93%	

Financial Efficiency Star Rating