

# FY2023 Budget Planning: Budget Foundation



Engage. Inspire. Prepare.

## Agenda

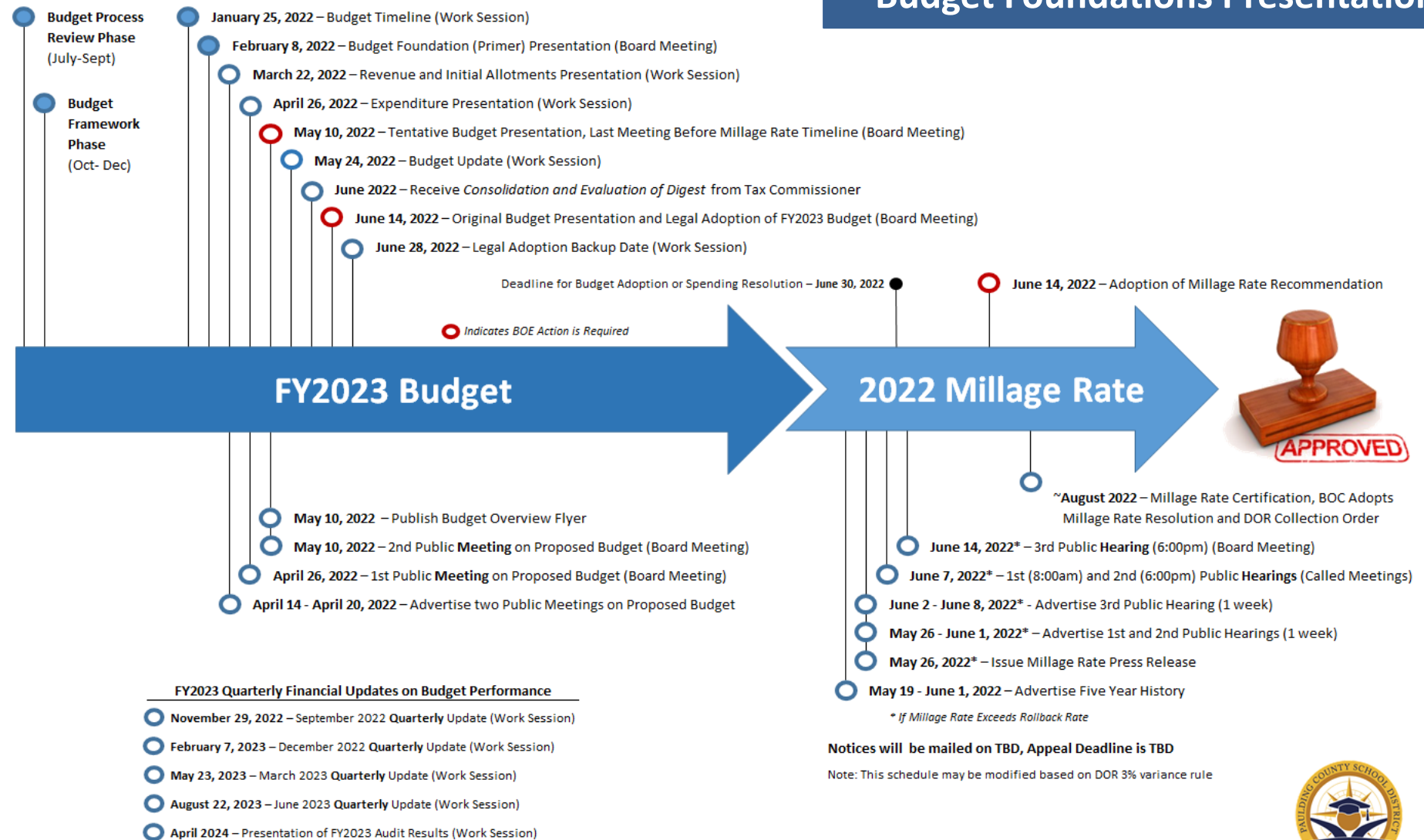
1. 2023 Budget Roadmap
2. Factors Influencing Budget Decisions:
  - Demographic and Economic Factors
  - Enrollment Factors
  - Funding Factors

Appendix



# February 8, 2022 Budget Foundations Presentation

## FY2023 Budget Development - Major Milestones



## FY2023 Public Meetings and Hearings, Press Releases, Advertisements and Notices



Engage. Inspire. Prepare.

# FY2023 Budget Roadmap

# Organizational Factors Influencing Decisions: Demographic and Economic Factors

---

Despite favorable employment and poverty levels, a below average tax digest-per-student and subsequent local funding, which results from higher children-per-household, a limited commercial and industrial tax base, and slightly below-average millage rate.

- Low unemployment rate
- Low poverty percentage
- PCSD is the largest employer and represents the largest industry
- Most workers employed outside the county
- Limited commercial or industrial businesses, by tax base and land use
- Low net tax digest per student
- Slightly below-average millage rate
- One of the fastest growing counties in Georgia
- Large number of school-age children
- Increasing residential home values and low days on the market
- Unfavorable variance with statewide wealth-per-weighted FTE



<b>Top 10 Employers<sup>A</sup></b>	<b>Count</b>	<b>%</b>
1) PCSD	3,617	4%
2) Wellstar	1,600	2%
3) Paulding County	1,052	1%
4) Walmart	750	1%
5) Kroger	500	1%
6) Publix	375	0%
7) Chick-Fil-A	250	0%
8) Metromont	212	0%
9) Learning Bridge	200	0%
10) McDonalds	199	0%
<b>Total</b>	<b>8,755</b>	<b>11%</b>

<b>Unemployment Rate<sup>B</sup></b>	<b>%</b>
Paulding County	5.4%
Douglas County	7.4%
Bartow County	6.2%
Carroll County	6.4%
Cobb County	5.9%

<b>County Where Employed<sup>C</sup></b>	
Paulding	30.0%
Other	70.0%

<b>Top 10 Industries (by Employment)<sup>B</sup></b>	<b>%</b>
1) Government (Education)	20%
2) Retail	19%
3) Accommodations & Food Services	14%
4) Healthcare & Social Services	15%
5) Construction	8%
6) Admin, Support & Waste Services	4%
7) Manufacturing (all)	5%
9) Professional Services	3%
8) Other Services	3%
10) Wholesale Trade	2%
	<b>93%</b>

<b>Commercial/Industrial Land Use<sup>D</sup></b>	<b>%</b>
Paulding County	3%
Douglas County	14%
Bartow County	8%
Coweta County	7%

## Employment.

PCSD is the largest employer and represents the largest industry in Paulding County. The county maintains a relatively low unemployment rate, with most workers employed outside the county.

## Land Use.

Only a small percentage of land in Paulding County is used for Commercial or Industrial Purposes.

A) Source: 2020 Comprehensive Annual Financial Report for Paulding County, Georgia

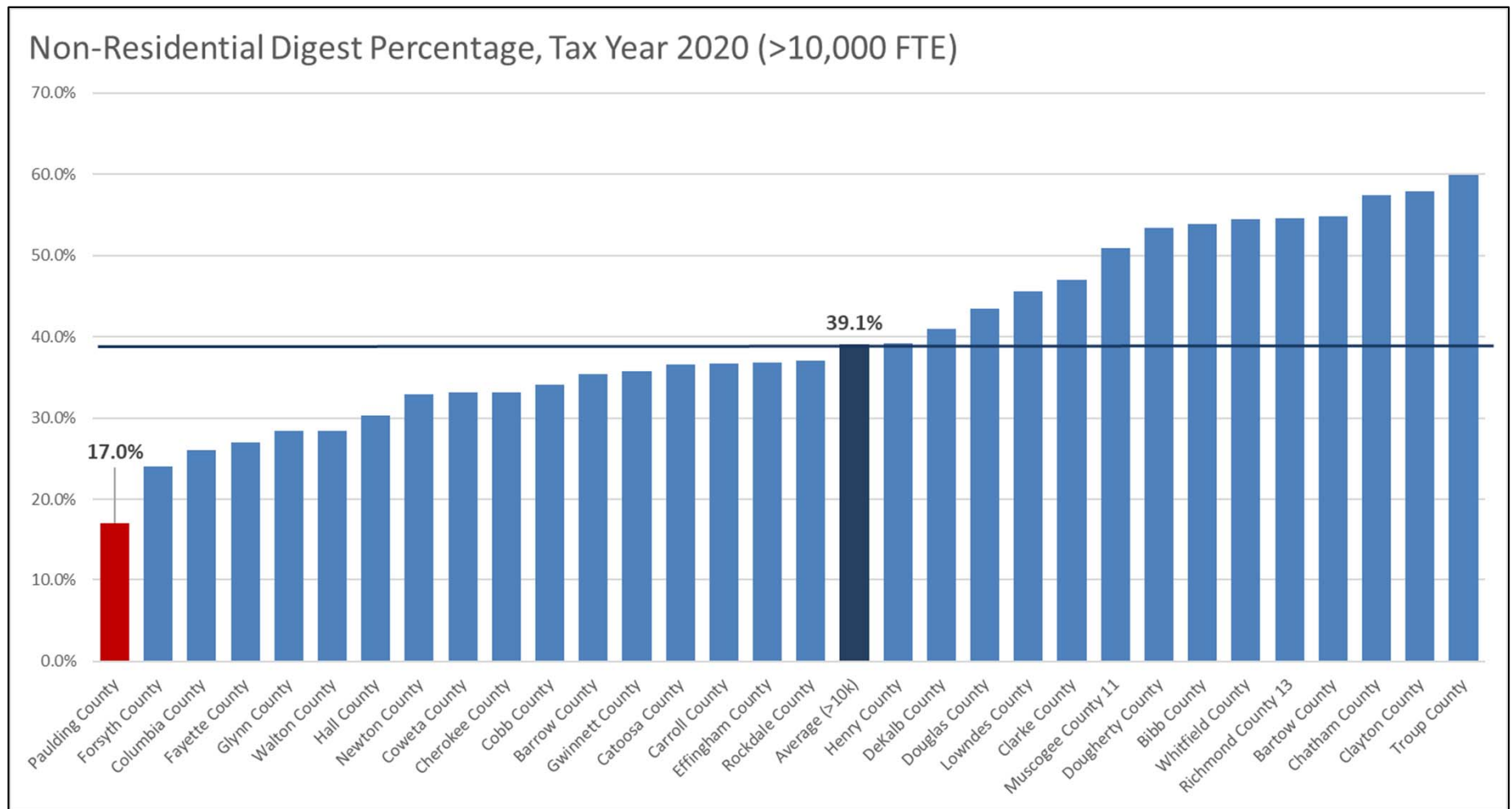
B) Source: Georgia Department of Labor Statistics (Area Labor Profile Updated November 2020) on 1.19.22

C) Source: US Census Residence-to-Workplace County Commuting Flows: 2011-2015 on 1.19.22

D) Source: Georgia Department of Revenue Tax Digest Consolidated Summaries on 1.19.22

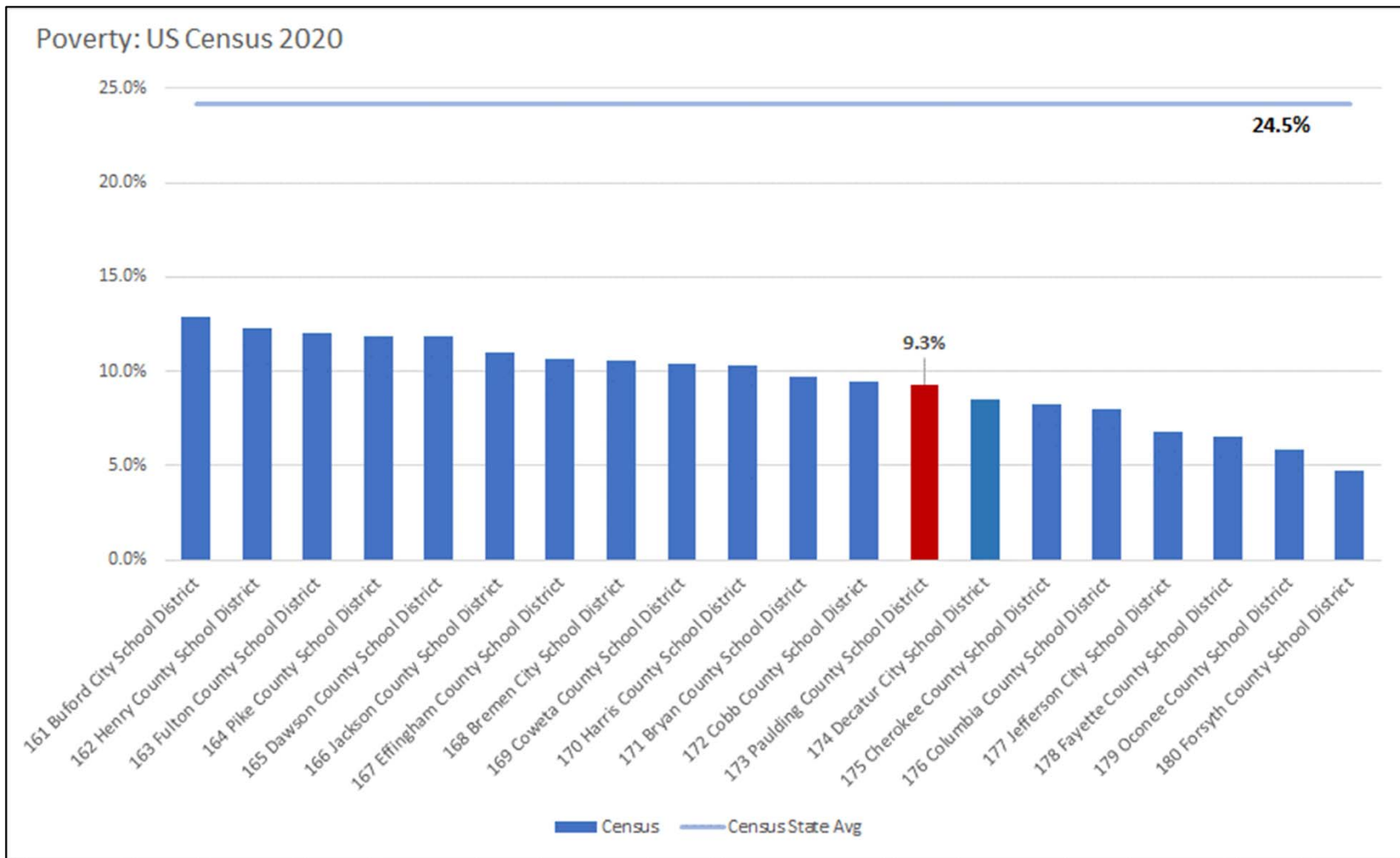
Various

# Employment and Land Use



**Non-Residential Digest Percentage.** As of 2020, Paulding County had the lowest percentage of the digest considered non-residential at 17.0%, compared to a large district average of 39.1%.

2020



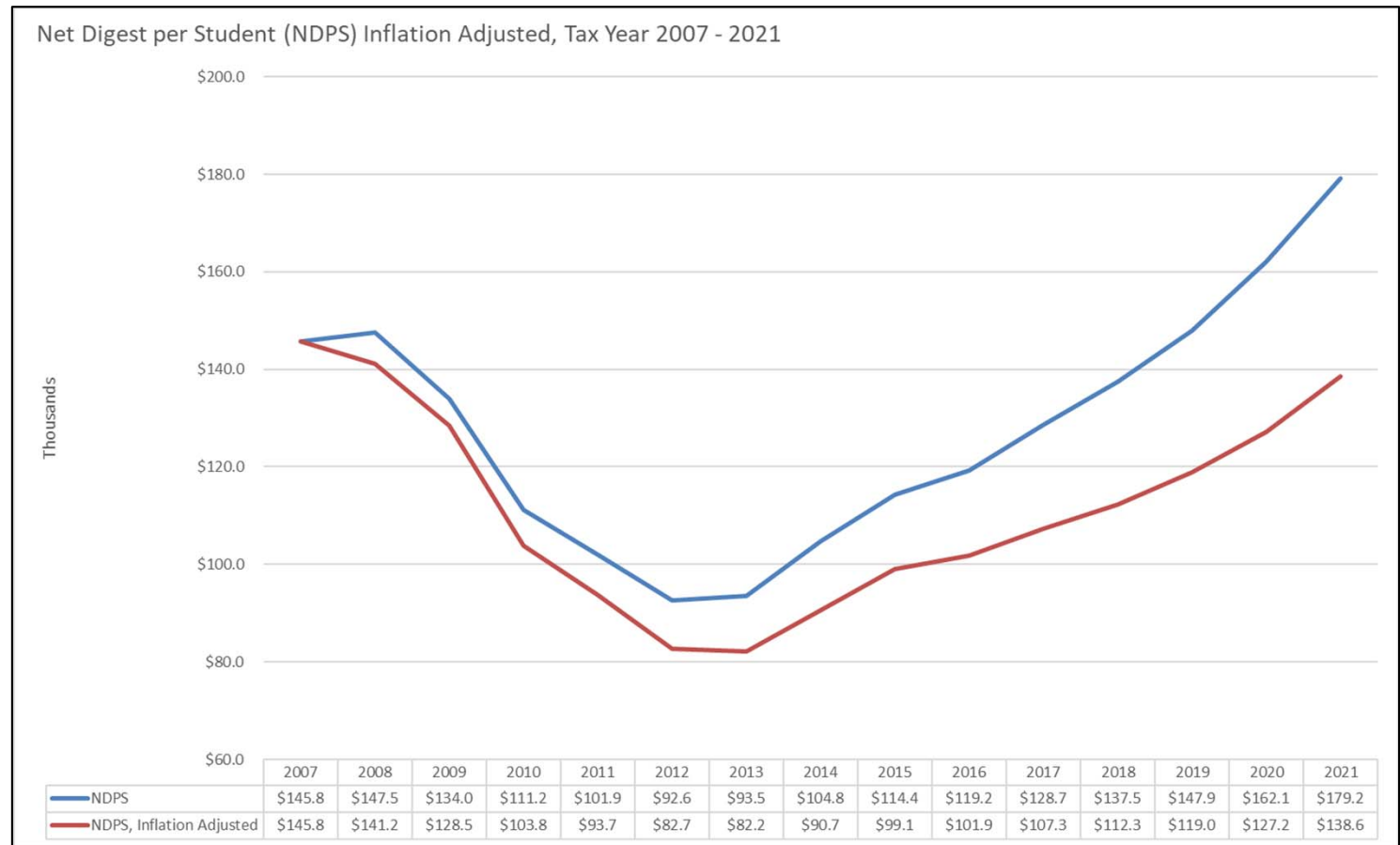
**Poverty Metrics.** As of 2020, with an 9.3% poverty percentage, the US Census ranked PCSD 173 (out of 180).

2020

Poverty Level

**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 net digest per student (NDPS) remains 5% lower than FY2007, inflation adjusted



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

**FY2008 – FY2022**

# Tax Digest and the Great Recession

## Population Growth.

Paulding County is one of the fastest growing counties in Georgia.

## School-age Children.

Tax digest issues are exacerbated by the high number of school-age children per household in Paulding County, as there is not a correlating increase in funding because local funding is based on property tax values not the number of school-age children living in the home.

	Paulding County	State of Georgia	%
Population, 2020 Census	168,661	10,711,908	1.6%
Population, 2010 Census	142,324	9,687,653	1.5%
Change	26,337	1,024,255	
% Change	18.5%	10.6%	
Housing Units, July 1, 2019	59,634	4,378,391	1.4%
Building Permits, 2020	1,893	55,827	3.4%
Persons per Household (2015-2019)	2.99	2.70	10.7%
Population Age 5 - 18	19.6%	17.4%	2.2%



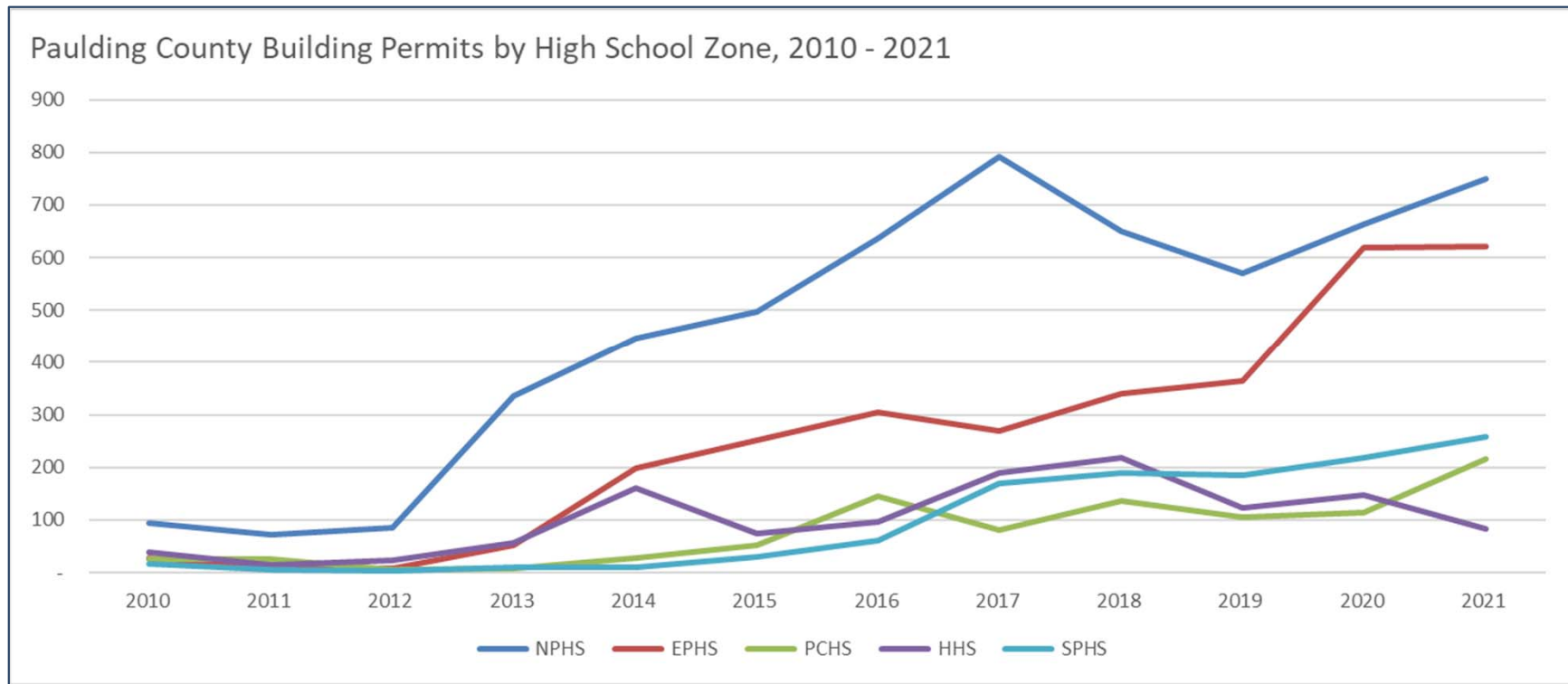
	Population	%	Housing Units	%	Var	Persons per HH	Age 5-18	Persons per HH Age 5-18 %
Paulding County	168,661	1.6%	59,634	1.4%	0.2%	2.99	19.6%	0.59
Bartow County	108,901	1.0%	42,298	1.0%	0.1%	2.76	17.5%	0.48
Douglas County	144,237	1.3%	53,384	1.2%	0.1%	2.89	19.5%	0.56
Carroll County	119,148	1.1%	46,013	1.1%	0.1%	2.71	17.2%	0.47
Coweta County	146,158	1.4%	56,539	1.3%	0.1%	2.74	18.2%	0.50
Cobb County	766,149	7.2%	304,819	7.0%	0.2%	2.64	17.2%	0.45
Cherokee County	266,620	2.5%	97,492	2.2%	0.3%	2.79	18.2%	0.51
Average Comp	258,536	2.4%	100,091	2.3%	0.1%	2.76	18.0%	0.50

Source: <http://www.census.gov/quickfacts> on 1.19.22  
Large Districts are districts with >10,000 FTE

**FY2020**

# Population Growth and School-Age Children

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NPHS	94	71	86	336	446	497	636	792	649	570	664	750
EPHS	27	10	7	53	199	251	304	269	340	365	620	621
PCHS	25	26	6	7	28	53	146	81	137	105	113	217
HHS	38	15	23	56	160	75	96	189	218	124	148	82
SPHS	16	6	3	10	11	29	60	170	190	184	219	258
<b>Total</b>	<b>200</b>	<b>128</b>	<b>125</b>	<b>462</b>	<b>844</b>	<b>905</b>	<b>1,242</b>	<b>1,501</b>	<b>1,534</b>	<b>1,348</b>	<b>1,764</b>	<b>1,928</b>



**Building Permits.** In 2010, Paulding County issued 200 building permits. By 2021, 1,928 were issued, with most of the growth clustering around North and East Paulding County.

Source: Paulding County Economic Development and Paulding County Chief Appraiser

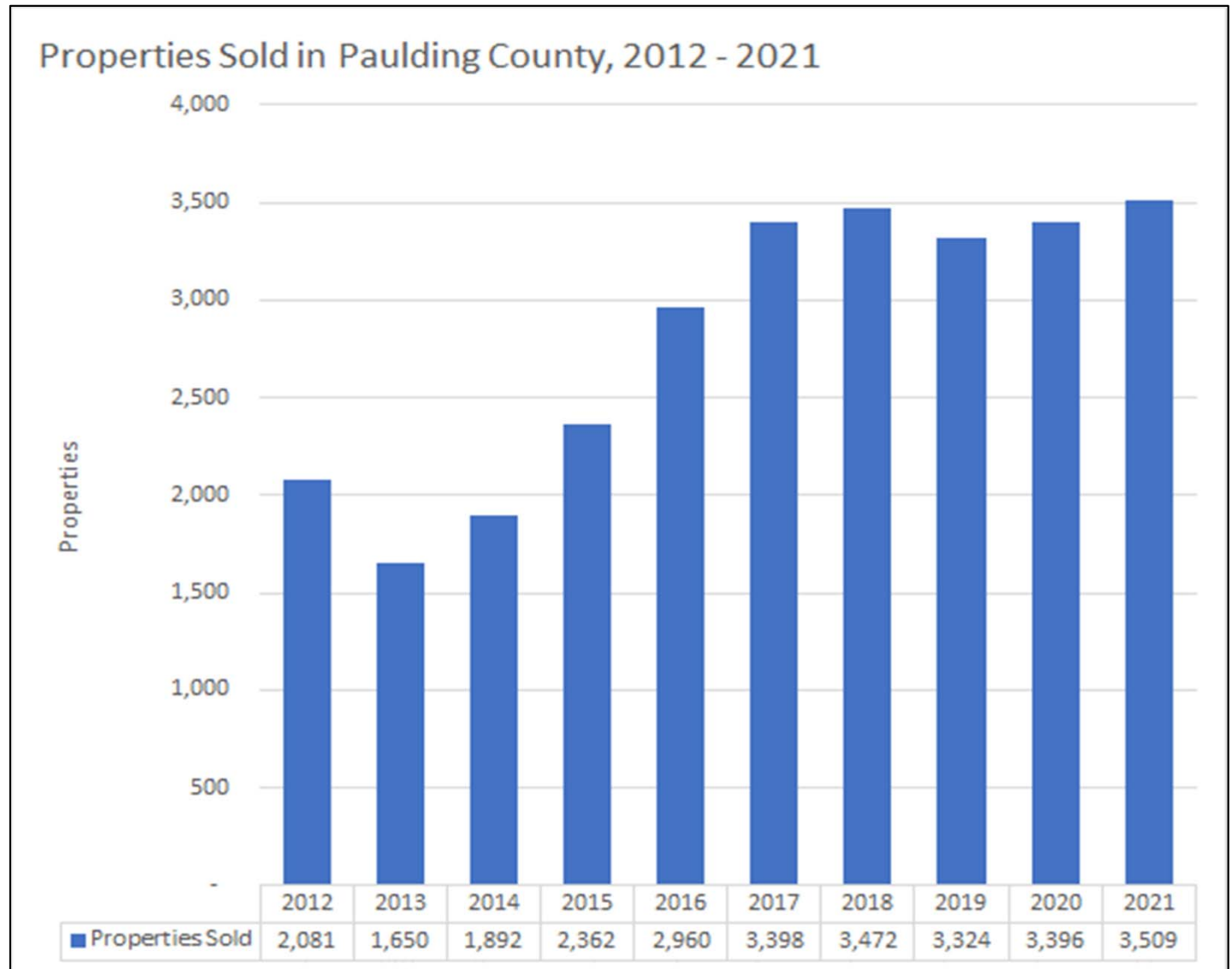
**FY2010 – FY2021**

# Building Permits

## Residential Home Sales.

Over 3,500 properties sold in 2021, an increase of 113 or 3.3% over the prior year.

2021 represents an increase of 1,428 or 68.6% over 2012.



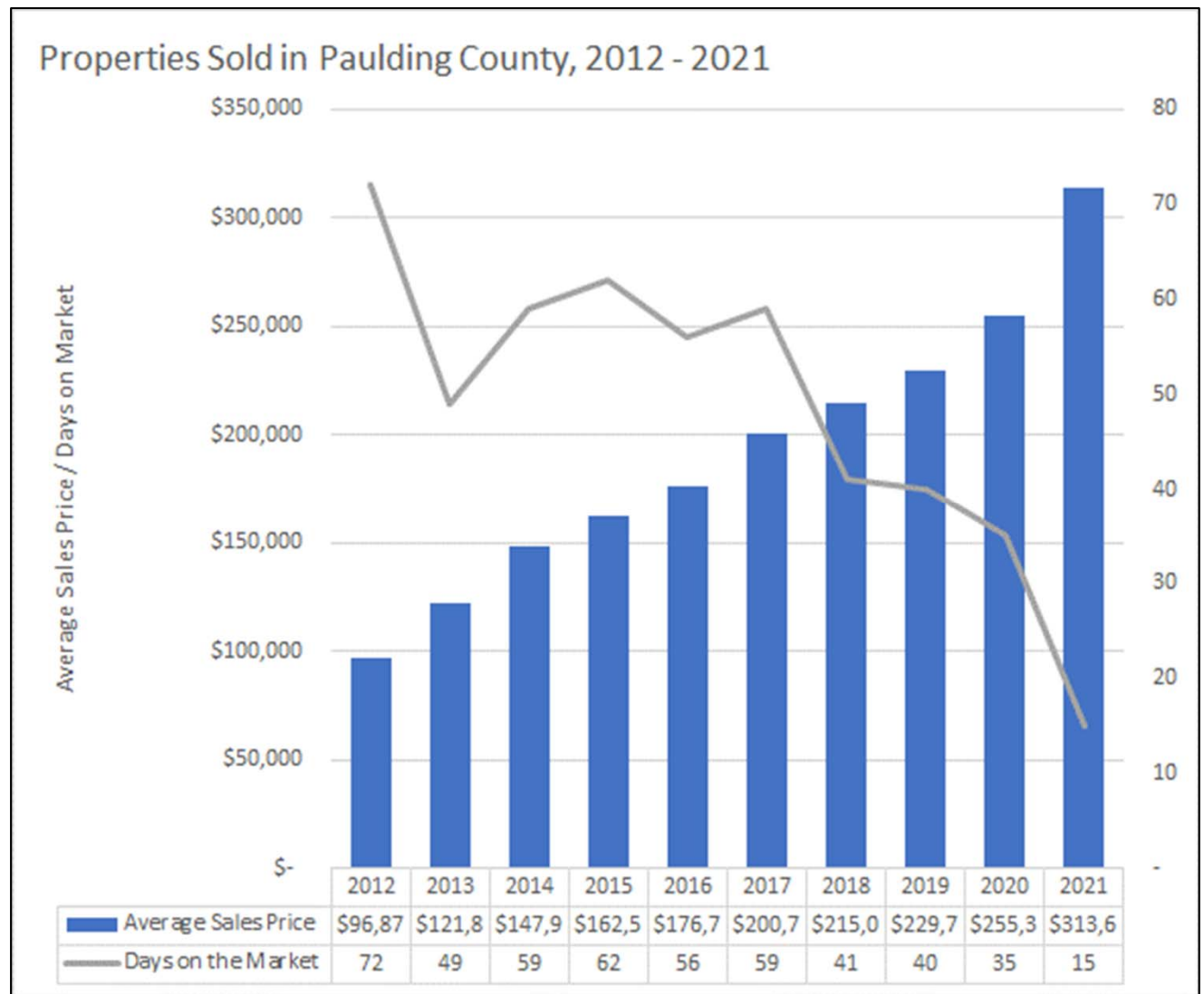
Source: Paulding County Chief Appraiser

**2012 – 2021**

### Average Sales Price.

The average sales price in 2021 was \$313,612 an increase of \$58,214 or 22.8% over the prior year.

Days on the Market. In 2021 the average number of days on the market decreased -20 days or -57.1% to 15 days.



Source: Paulding County Chief Appraiser

2012 – 2021

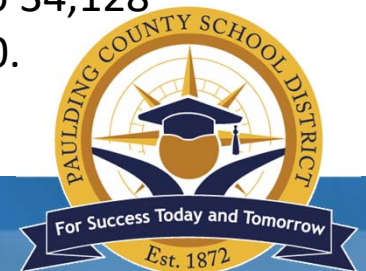
# Residential Home Sales

# Organizational Factors Influencing Decisions: Enrollment Factors

---

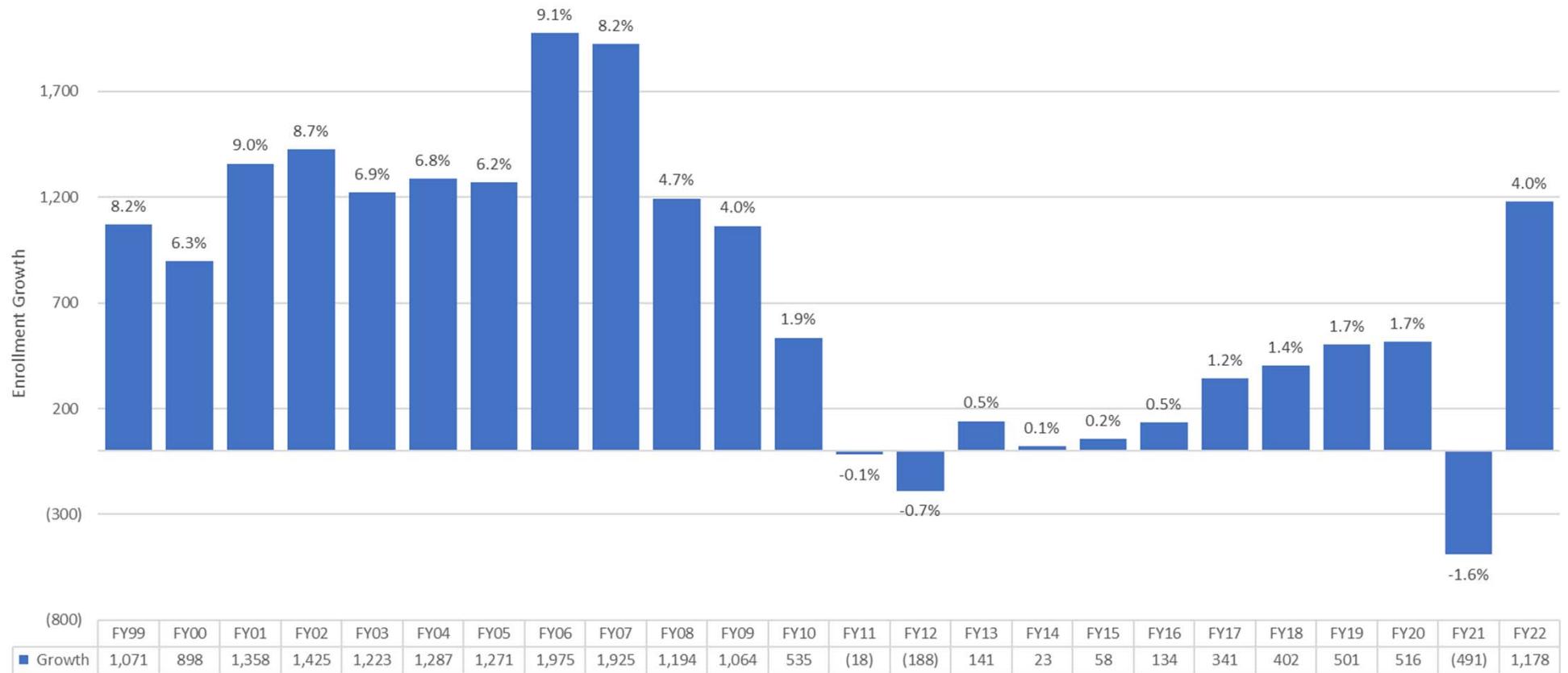
The district has become the 11<sup>th</sup> largest district in the state of Georgia and is poised to continue its growth trajectory. Over the prior three years, PCSD was the 3<sup>rd</sup> fastest growing large district in Georgia. The most current demographic study indicates this growth will continue over the next 5 to 10 years and will continue to exceed comparable districts.

- As of FY2022 PCSD is the 11th largest school district in Georgia, with 30,913 students
- Enrollment rank is 7 out of 15 comparable districts (20k-60k)
- 1,903 are enrolled in the Paulding Virtual Academy, approximately 6%
- 15.1% are enrolled in an ESEP program, compared to a large district average of 12.9%
- Over the prior 6-years the district has grown 2,447 or 8.6%
- 3-year annual growth rate of 1.3%, 3rd highest of the 35 large districts in Georgia
- FY2023 projections reflect an increase of 865 students or 2.8% to 31,778
- Demographics study reflects a 5-year increase of 3,215 or 2.0% annually to 34,128
- Study also indicates a 10-year increase of 4,547 or 1.4% annually to 35,460.



**K-12 Enrollment Historical Growth.** For the 10 years ending FY2022, the district had an annual growth rate of 1.0%. FY2012-FY2022 enrollment increased 2,803 or 10.0%. FY2022 enrollment increased 1,178 or 4.0% to 30,913. Preliminary FY2023 projections reflect an enrollment increase of 865 or 2.8% to 31,778.

K-12 Enrollment Historical Growth, FY1996 - FY2022

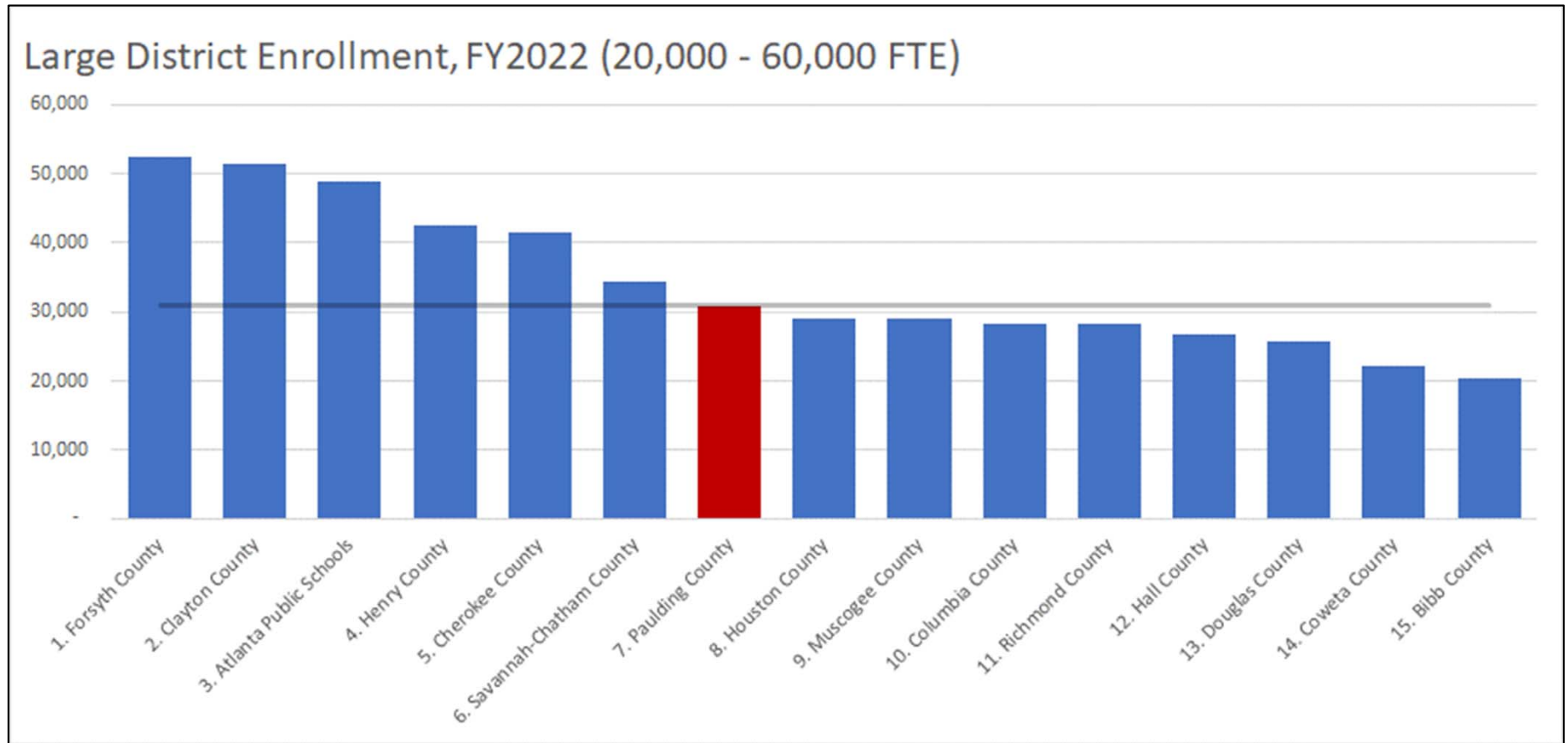


Source: GaDOE (Student Enrollment by Grade)

**FY1999 – FY2022**

# Historical Growth

**20,000 to 60,000 Comp Enrollment** As of October 2021, PCSD was the 7<sup>th</sup> largest school district in Georgia (out of districts with 20,000 to 60,000 enrollment).

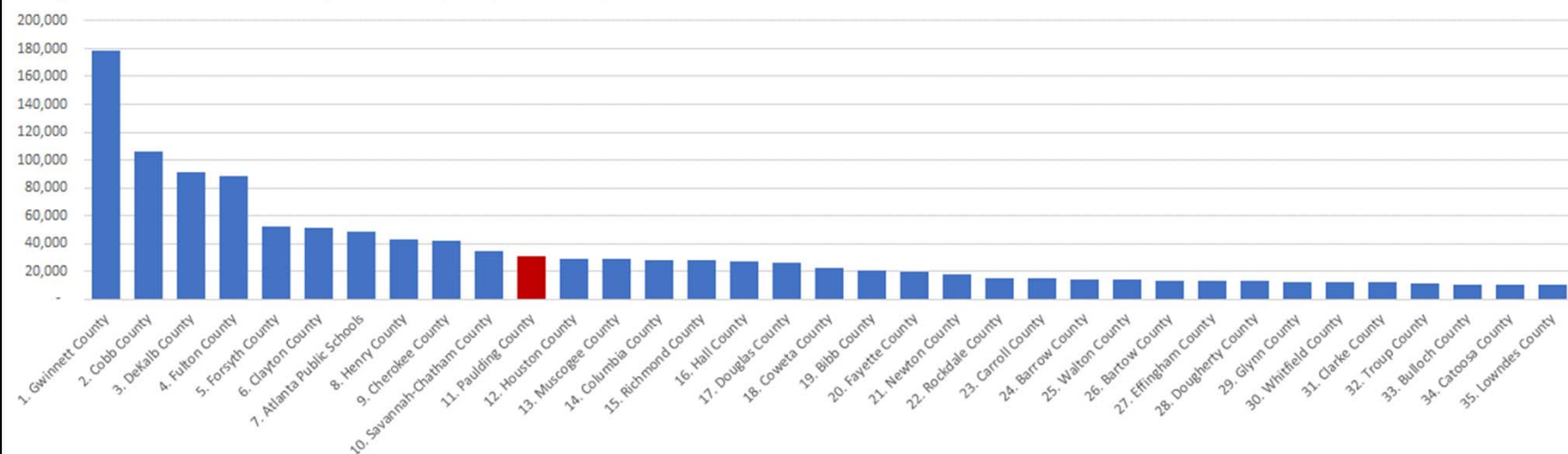


Source: GaDOE (Student Enrollment by Grade)

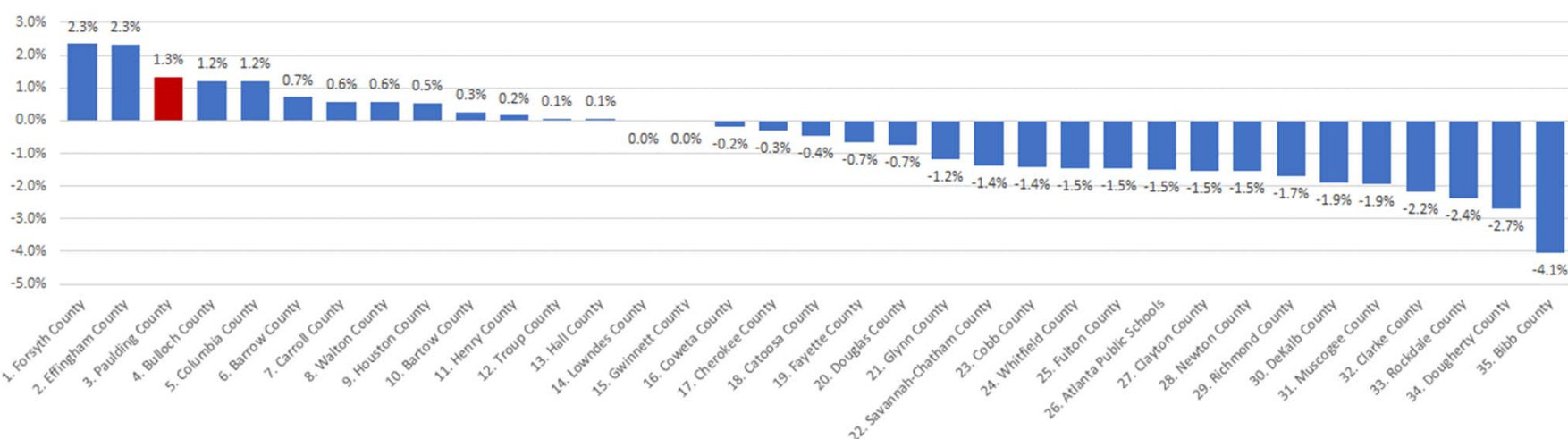
**FY2022**

# Enrollment Growth

Large District Enrollment, FY2022 (>10,000 FTE)



Large District Three-Year CAGR, FY2019-FY2022 (>10,000 FTE)



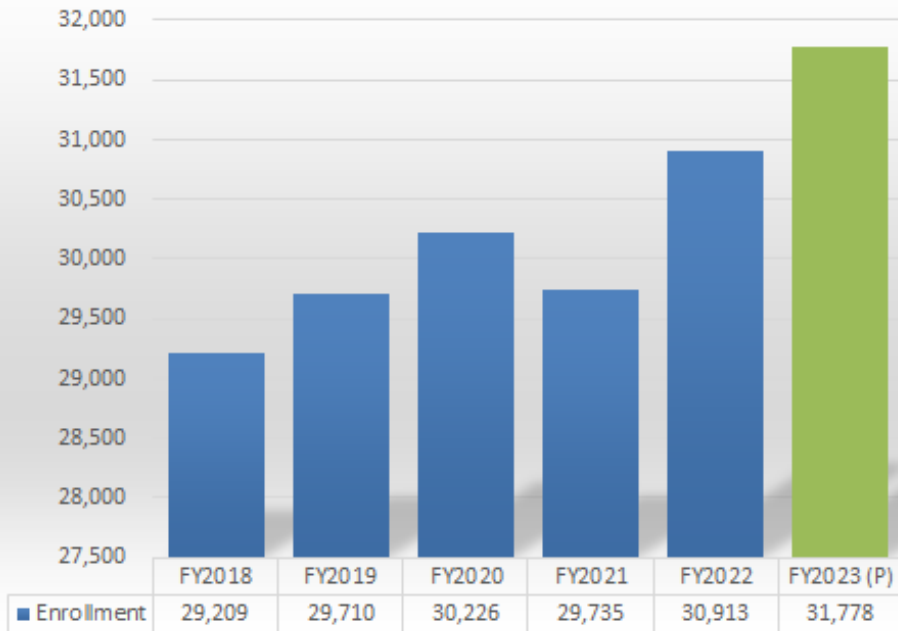
**Large District Enrollment** As of October 2021, PCSD was the 11<sup>th</sup> largest school district in Georgia (out of the 180 districts and 35 large districts).

Source: GaDOE (Student Enrollment by Grade), Large Districts are districts with >10,000 FTE

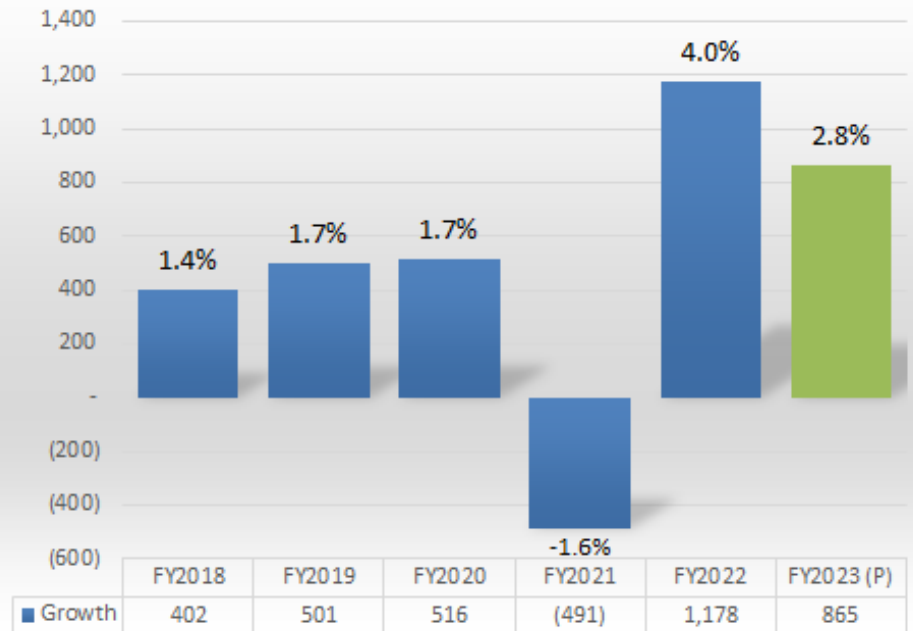
**FY2018- FY2022**

# Enrollment Growth

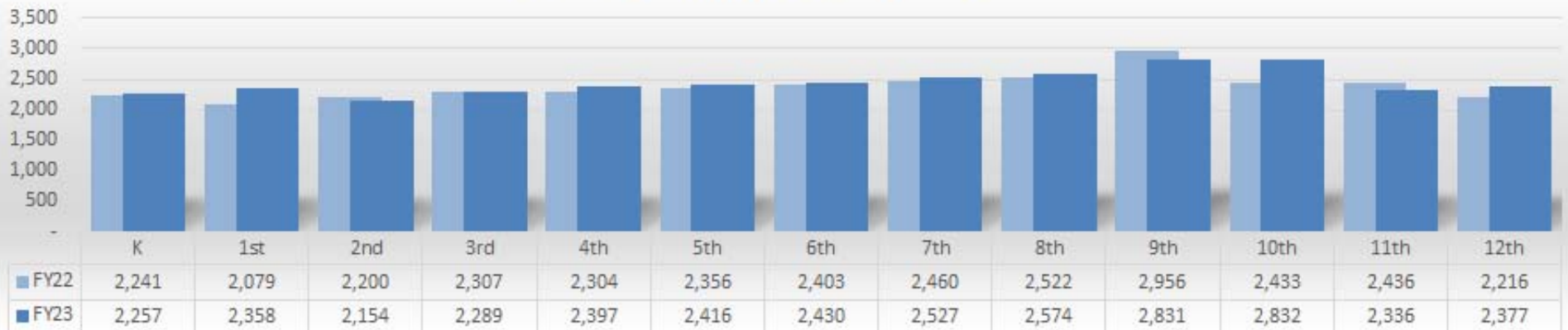
### FY2023 K-12 Enrollment



### FY2022 K-12 Enrollment Growth



### FY2023 Enrollment by Grade



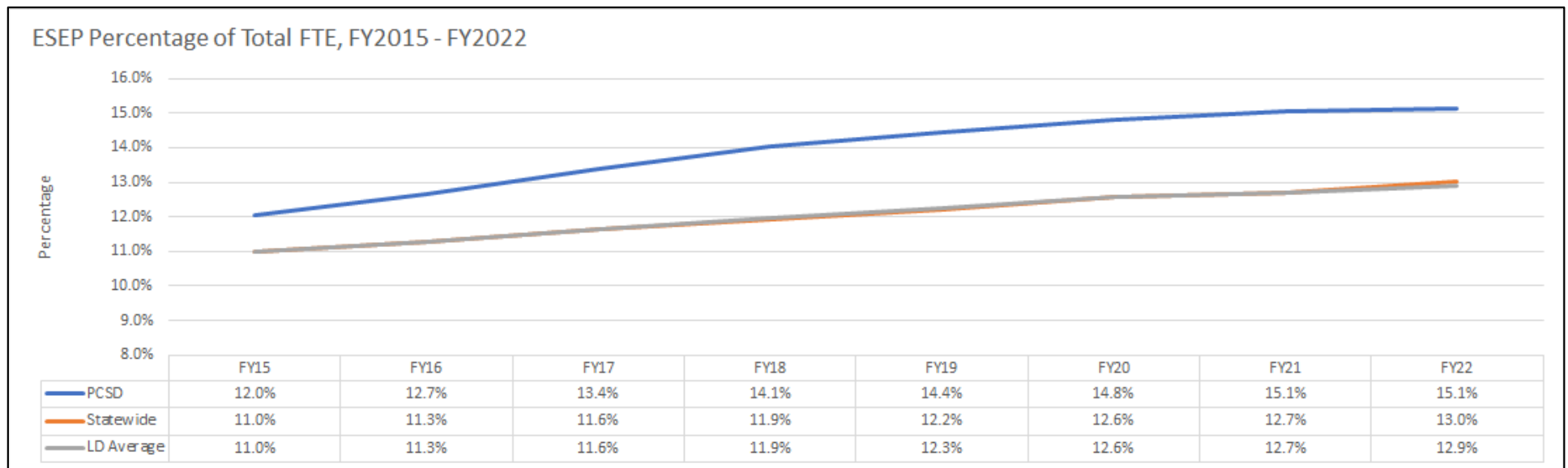
Please Note: These are preliminary numbers and will be influenced by Kindergarten Registration, School Choice, Programs, etc.

**FY2023 (P)**

# Preliminary Enrollment

**ESEP Participation.** Enrollment in Exceptional Students Educational Programs (ESEP) has materially increased over the past several years. In FY2022, 15.1% of the student population was enrolled in an ESEP program, compared to a statewide and large district average of 13.0% and 12.9%, respectively.

From FY2015 to FY2022, the district, statewide and large district participation percentage increased 3.1%, 2.0% and 1.9%, respectively.



Source: GaDOE Enrollment by Disability and Student Enrollment by Grade as of FY2022 (includes PK) and FY2020 Excess Cost Report  
 Large Districts are districts with >10,000 FTE

**FY2015- FY2022**

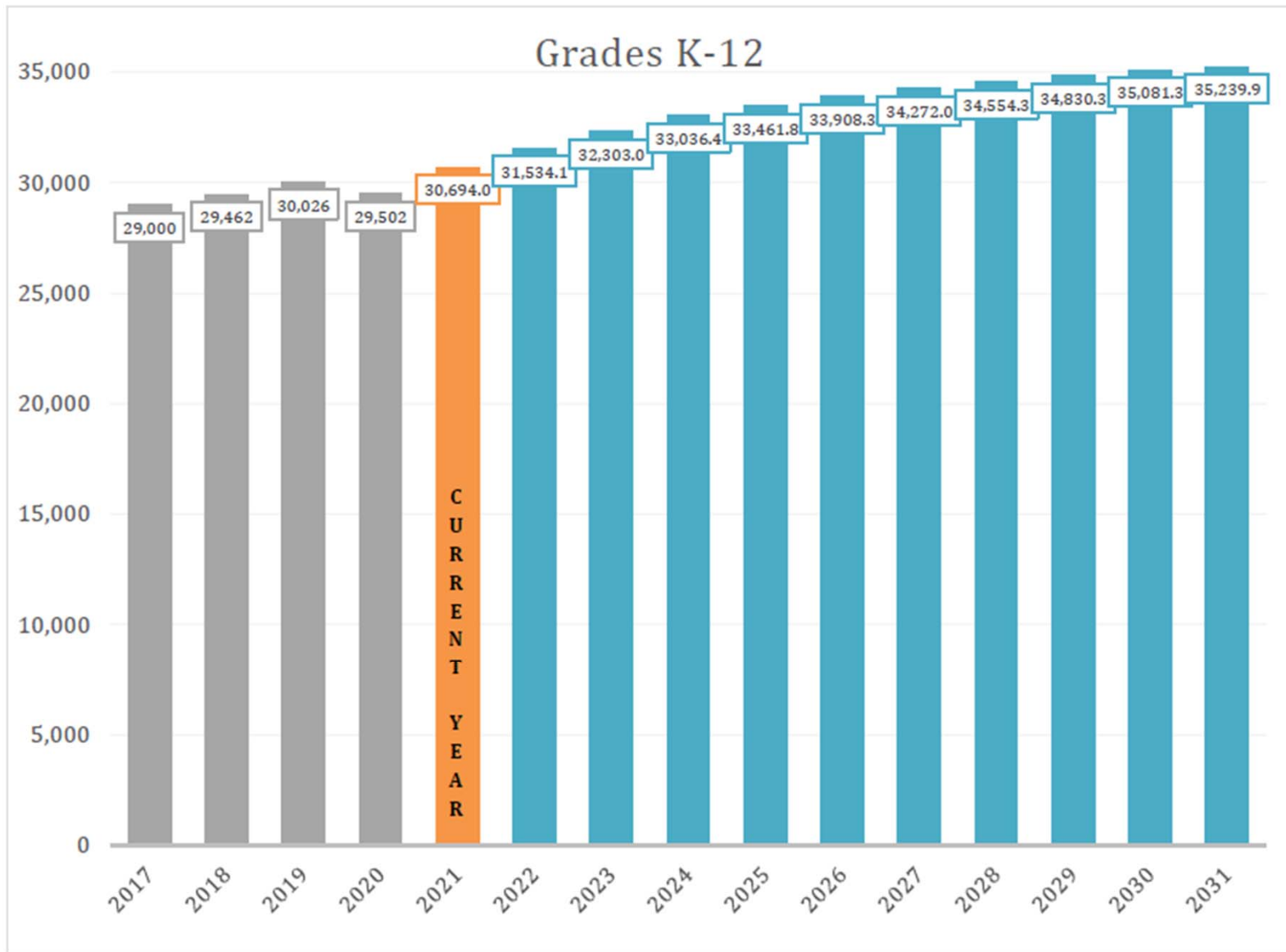
Historic Resident Counts					Current	Forecasted Resident Counts									
Grade	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
K	1,979	2,083	2,104	1,858	2,225	2,240.7	2,410.6	2,356.7	2,396.5	2,403.3	2,400.1	2,409.8	2,413.5	2,412.8	2,414.9
1	2,052	2,094	2,196	2,036	2,055	2,331.9	2,341.7	2,511.6	2,455.1	2,486.5	2,489.3	2,482.8	2,490.9	2,491.3	2,488.1
2	2,167	2,101	2,194	2,135	2,177	2,124.2	2,397.8	2,400.8	2,571.6	2,507.6	2,535.5	2,533.9	2,526.0	2,530.9	2,528.8
3	2,152	2,203	2,181	2,142	2,293	2,268.5	2,208.1	2,479.7	2,479.9	2,647.1	2,578.2	2,602.3	2,599.4	2,588.0	2,590.2
4	2,236	2,234	2,297	2,167	2,288	2,375.7	2,340.9	2,278.1	2,552.8	2,544.2	2,707.9	2,636.9	2,658.9	2,652.5	2,638.7
5	2,309	2,299	2,308	2,289	2,338	2,392.4	2,472.5	2,434.0	2,365.4	2,641.0	2,627.4	2,791.5	2,716.7	2,737.4	2,727.4
6	2,317	2,404	2,371	2,310	2,389	2,416.3	2,468.7	2,537.8	2,496.7	2,423.8	2,697.4	2,681.1	2,846.3	2,767.6	2,783.2
7	2,308	2,360	2,468	2,403	2,443	2,504.8	2,524.1	2,570.0	2,637.0	2,578.2	2,501.1	2,773.6	2,753.5	2,914.8	2,831.4
8	2,293	2,380	2,401	2,521	2,513	2,561.5	2,615.8	2,624.8	2,673.1	2,726.0	2,659.1	2,574.1	2,849.0	2,822.3	2,983.2
9	2,678	2,527	2,667	2,549	2,944	2,827.9	2,872.9	2,921.6	2,932.6	2,978.3	3,038.6	2,955.2	2,860.1	3,164.8	3,133.5
10	2,298	2,487	2,384	2,518	2,411	2,798.8	2,688.6	2,728.0	2,773.8	2,775.5	2,812.4	2,865.9	2,793.6	2,696.8	2,980.8
11	2,197	2,169	2,333	2,309	2,419	2,329.1	2,690.5	2,579.8	2,620.2	2,656.2	2,653.0	2,682.6	2,731.8	2,664.9	2,568.6
12	2,014	2,121	2,122	2,265	2,199	2,362.3	2,270.8	2,613.5	2,507.1	2,540.6	2,572.0	2,564.6	2,590.6	2,637.2	2,571.1
Resident Student Totals by Grade Configuration															
K-5	12,895	13,014	13,280	12,627	13,376	13,733.4	14,171.6	14,460.9	14,821.3	15,229.7	15,338.4	15,457.2	15,405.4	15,412.9	15,388.1
6-8	6,918	7,144	7,240	7,234	7,345	7,482.6	7,608.6	7,732.6	7,806.8	7,728.0	7,857.6	8,028.8	8,448.8	8,504.7	8,597.8
9-12	9,187	9,304	9,506	9,641	9,973	10,318.1	10,522.8	10,842.9	10,833.7	10,950.6	11,076.0	11,068.3	10,976.1	11,163.7	11,254.0
K-12	29,000	29,462	30,026	29,502	30,694	31,534.1	32,303.0	33,036.4	33,461.8	33,908.3	34,272.0	34,554.3	34,830.3	35,081.3	35,239.9

**Growth Projections.** Forecasted Residential Counts (not enrolled student) reflect a 5-year increase of 3,215 or 2.0% annually to 34,128. Forecasts indicate a 10-year increase of 4,547 or 1.4% annually to 35,240.

Source: Davis Demographics FY2022 Report

**FY2018 – FY2032**

# Long-term Growth Projections



*Blue lines are forecasted resident figures for the next ten years.*

Source: Davis Demographics FY2022 Report

**FY2018 – FY2032**

# Long-term Growth Projections



Engage. Inspire. Prepare.

# Organizational Factors Influencing Decisions: Funding Factors

# Organizational Factors Influencing Decisions: Funding Factors

---

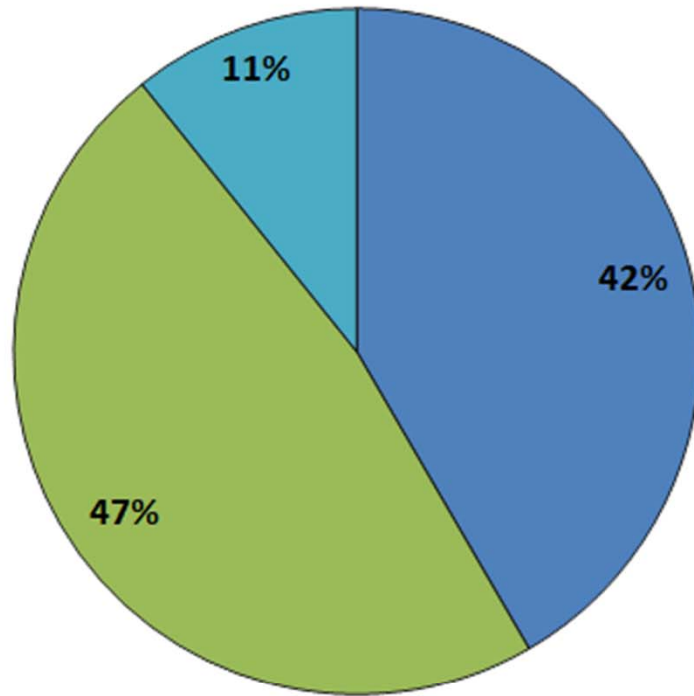
With a significantly lower non-residential digest percentage and slightly below average millage rate, local revenue per-pupil will remain low, materially lower than other large and comparable districts. Fueled by the Equalization Grant, state revenue will offer some relief. However, the district will remain low in total revenue per-pupil, in relation to its size, and in comparison to similar districts.

- Although improving, 60% state sources, statewide average is 47%
- 4<sup>th</sup> largest recipient of the Equalization Grant
- 33% local sources, statewide average is 42%
- Local revenue per-pupil rank is 29 out of 35 large districts
- Property tax levy per-pupil is 28 out of 35 large districts
- Non-residential digest percentage is 17%, large district average is 39%
- Millage rate is 18.750, slightly below 18.940 large district average
- Local revenue per-pupil rank is 12 out of 15 comparable districts (20k-60k)
- State revenue per-pupil rank is 1 out of 15 comparable districts (20k-60k)
- Total revenue per-pupil rank is 11 out of 15 comparable districts (20k-60k)



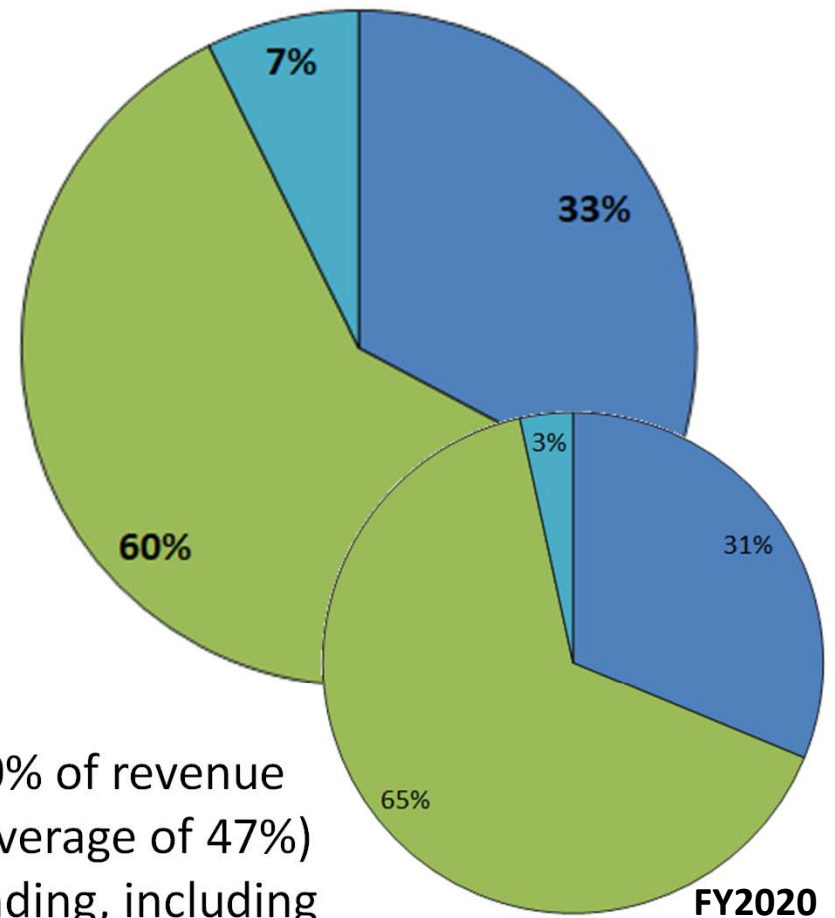
### FY2021 Statewide Revenue Sources

Local Revenue   State Revenue   Federal Revenue



### FY2021 PCSD Revenue Sources

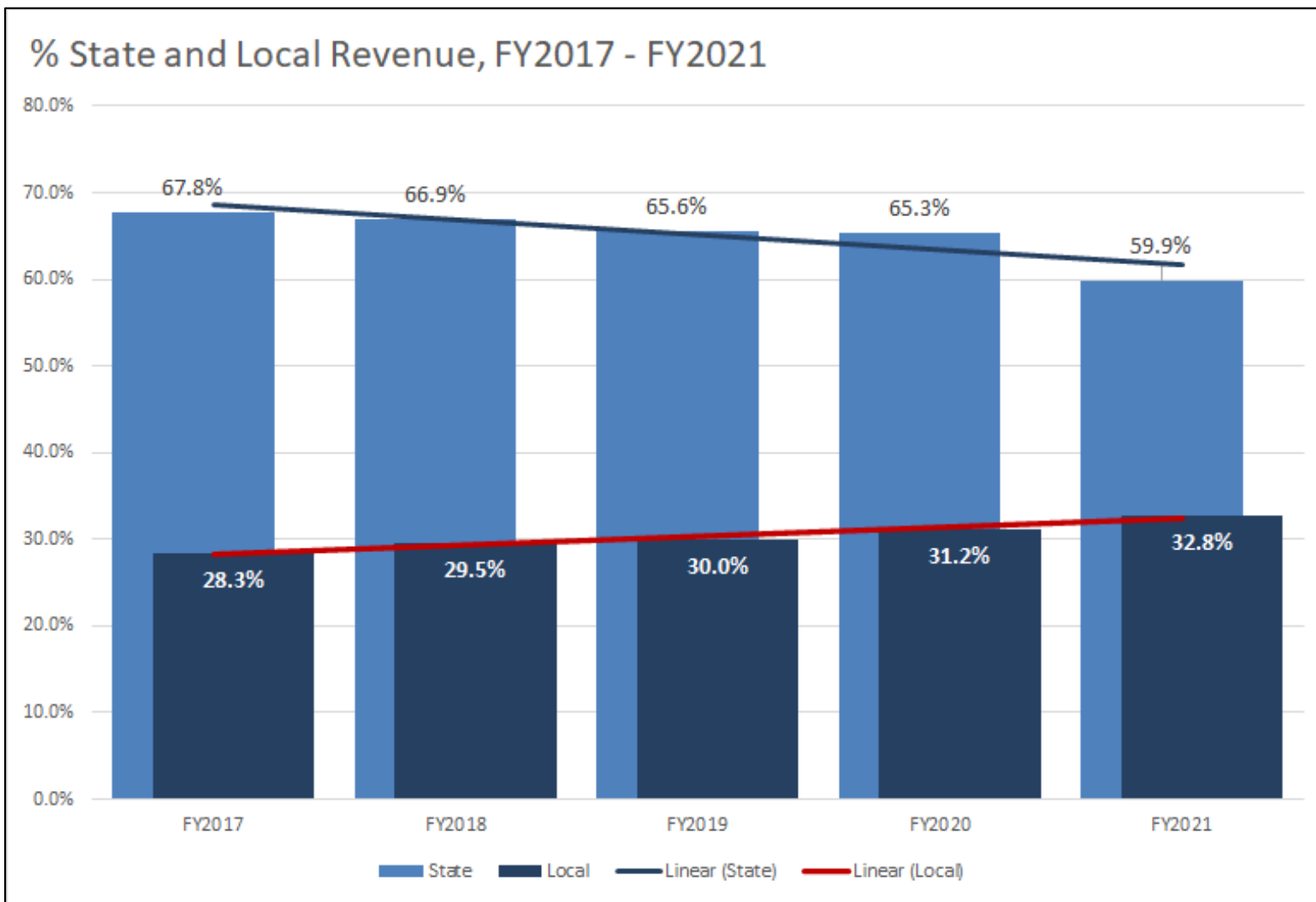
Local Revenue   State Revenue   Federal Revenue



**Dependency on State Sources.** With approximately 60% of revenue coming from state sources (compared to a statewide average of 47%) 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 FY2021

**FY2021**



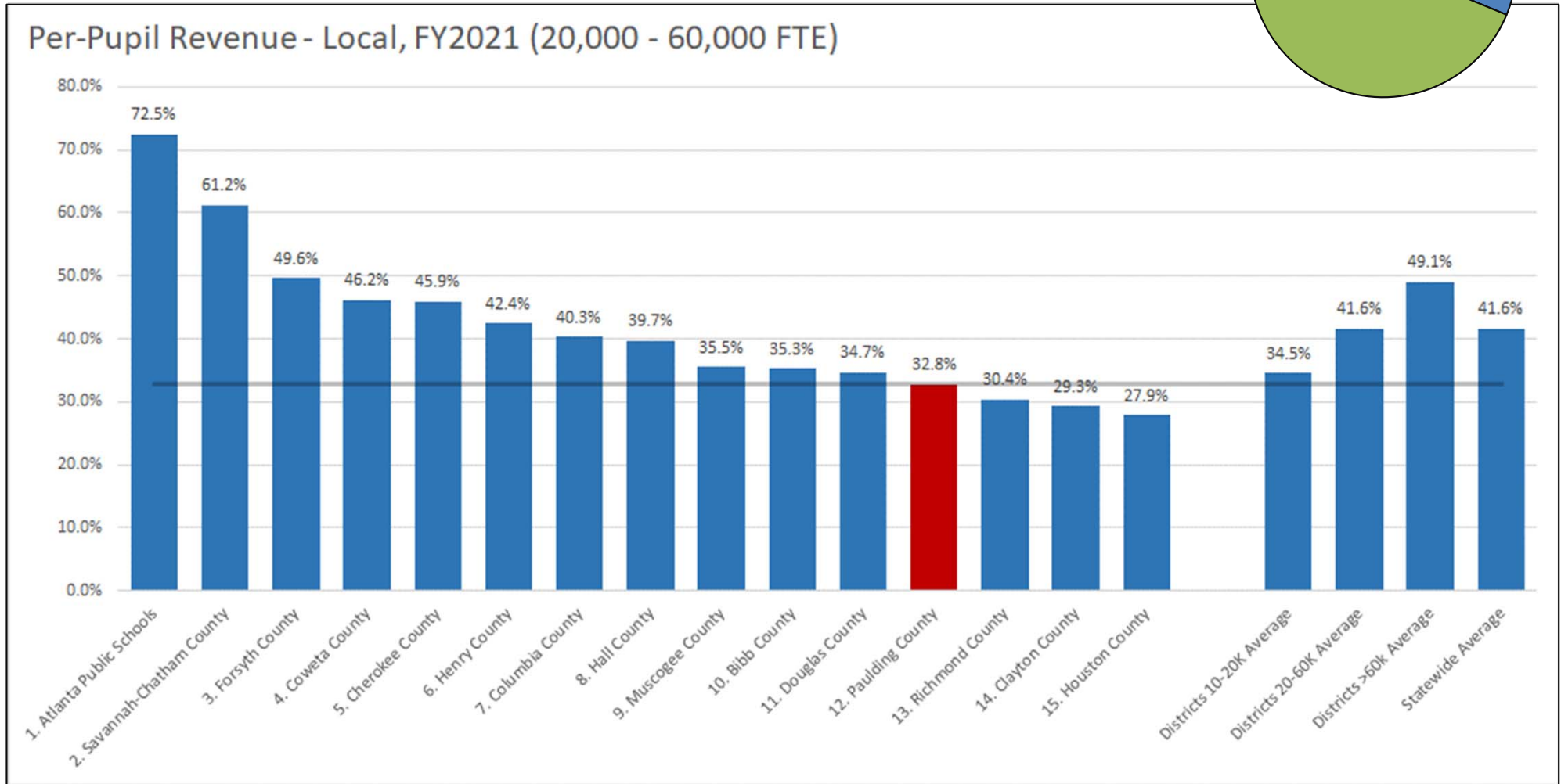
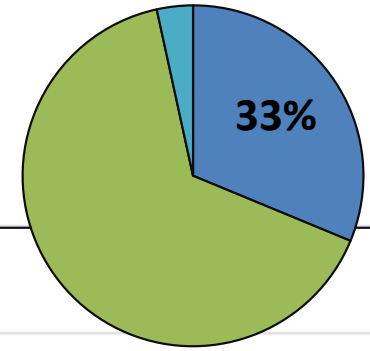
**% State and Local Revenue Trend.** From FY2017 to FY2021, the percentage of revenue from state sources has decline from 67.8% to 59.9%, while the percentage of revenue from local sources has increased from 28.3% to 32.8%.

Source: FY2023 Budget Primer - GaDOE School System Revenue/Expenditures Report as of FY2021

**FY2017 – FY2021**

## Revenue Sources Trend

**Local Per-Pupil Revenue.** As of FY2021, local per-pupil revenue was 32.8% of total revenue. This is lower than any comparable group, including the statewide average of 41.6%.

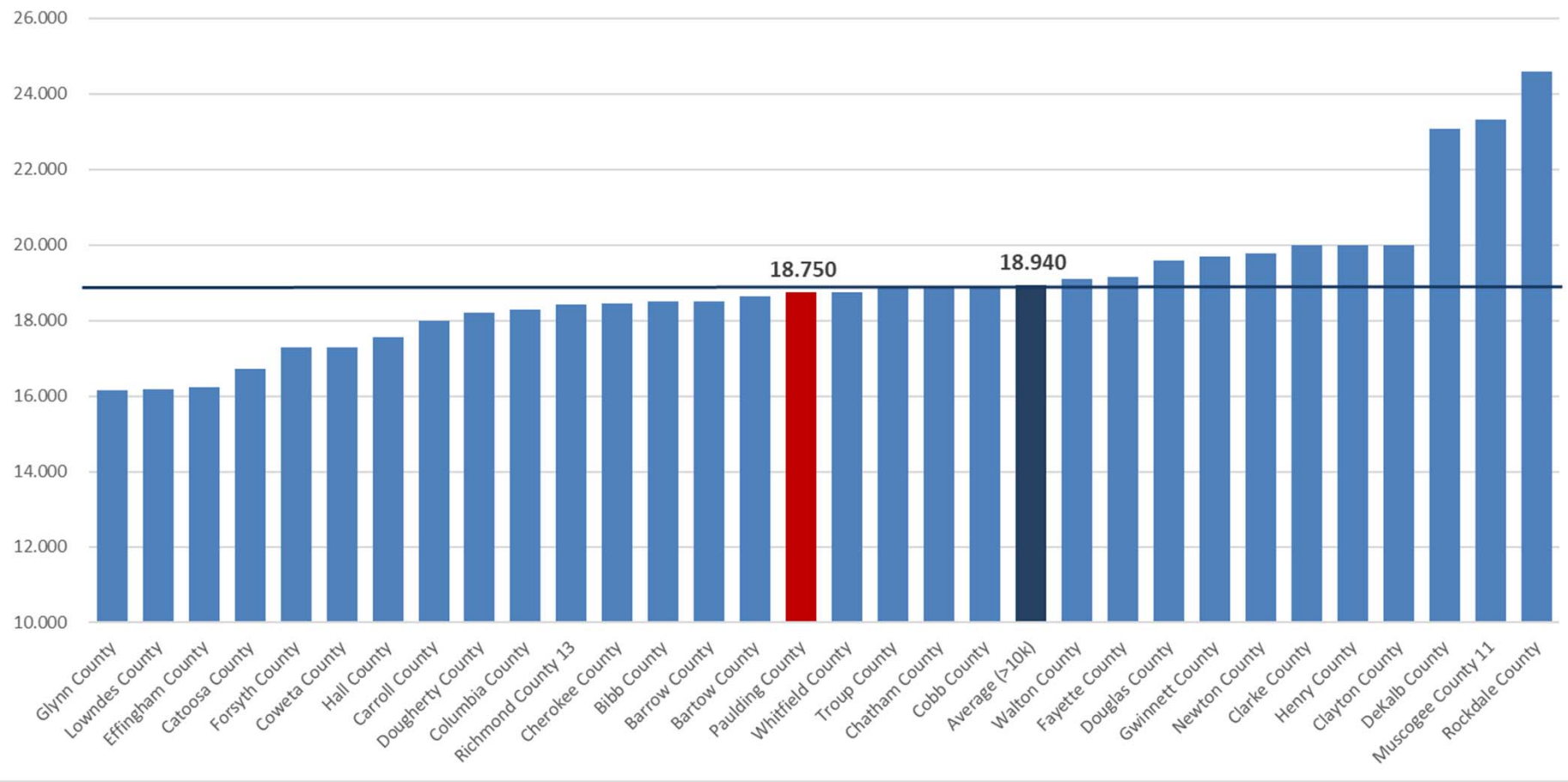


Source: GaDOE School System Revenue/Expenditures Report as of FY2021

**FY2021**

# Per-Pupil Revenue: Local

Millage Rate Comparison (M&O), Tax Year 2020 (>10,000 FTE)



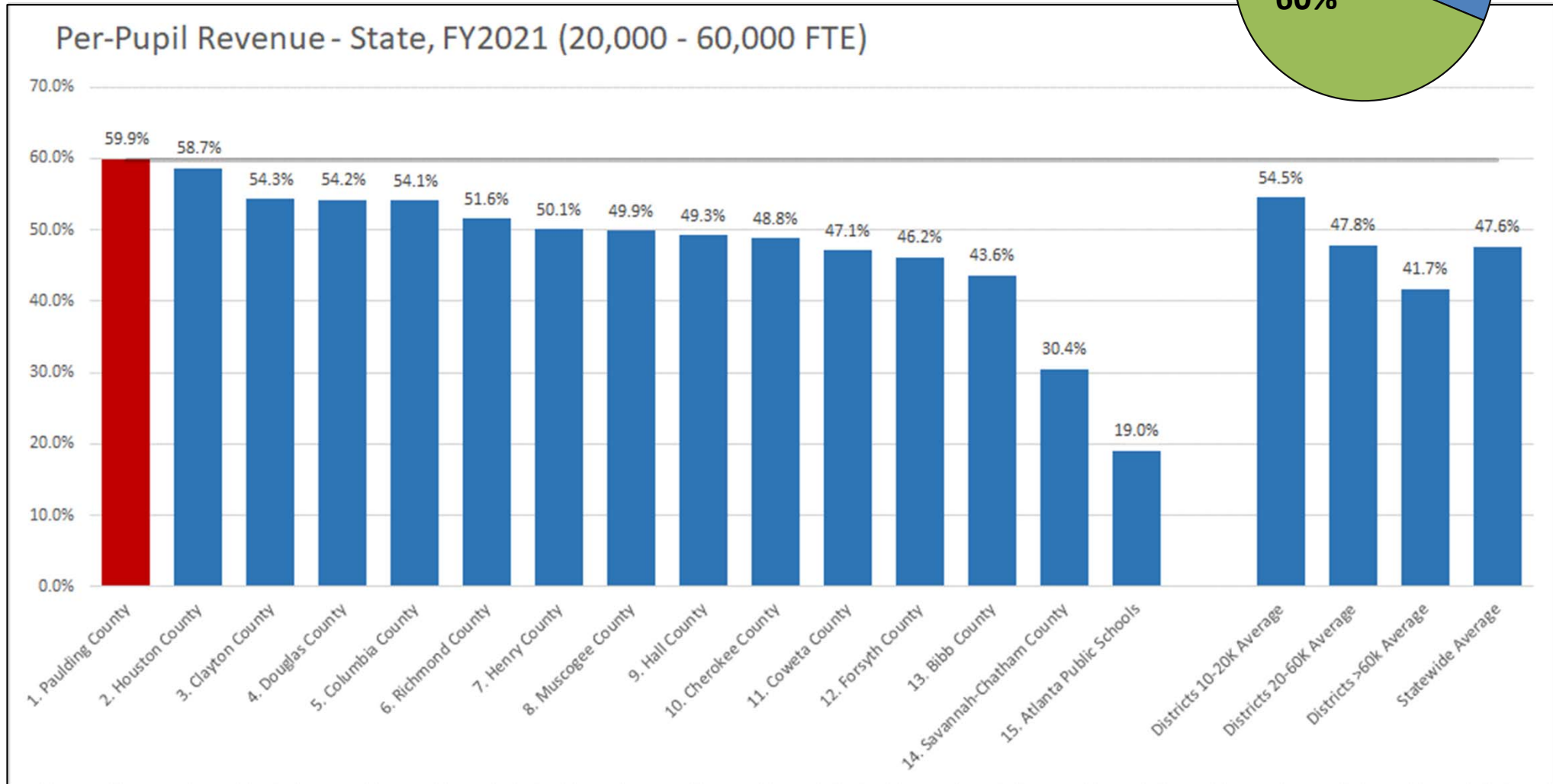
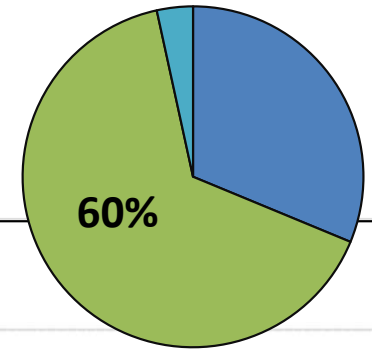
**Local Revenue Metrics.** Among large district, PCSD ranked lowest in non-residential digest percentage, had a lower-than-average millage rate and ranked 7<sup>th</sup> lowest in levy per FTE.

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

2020

# Local Revenue: Property Tax

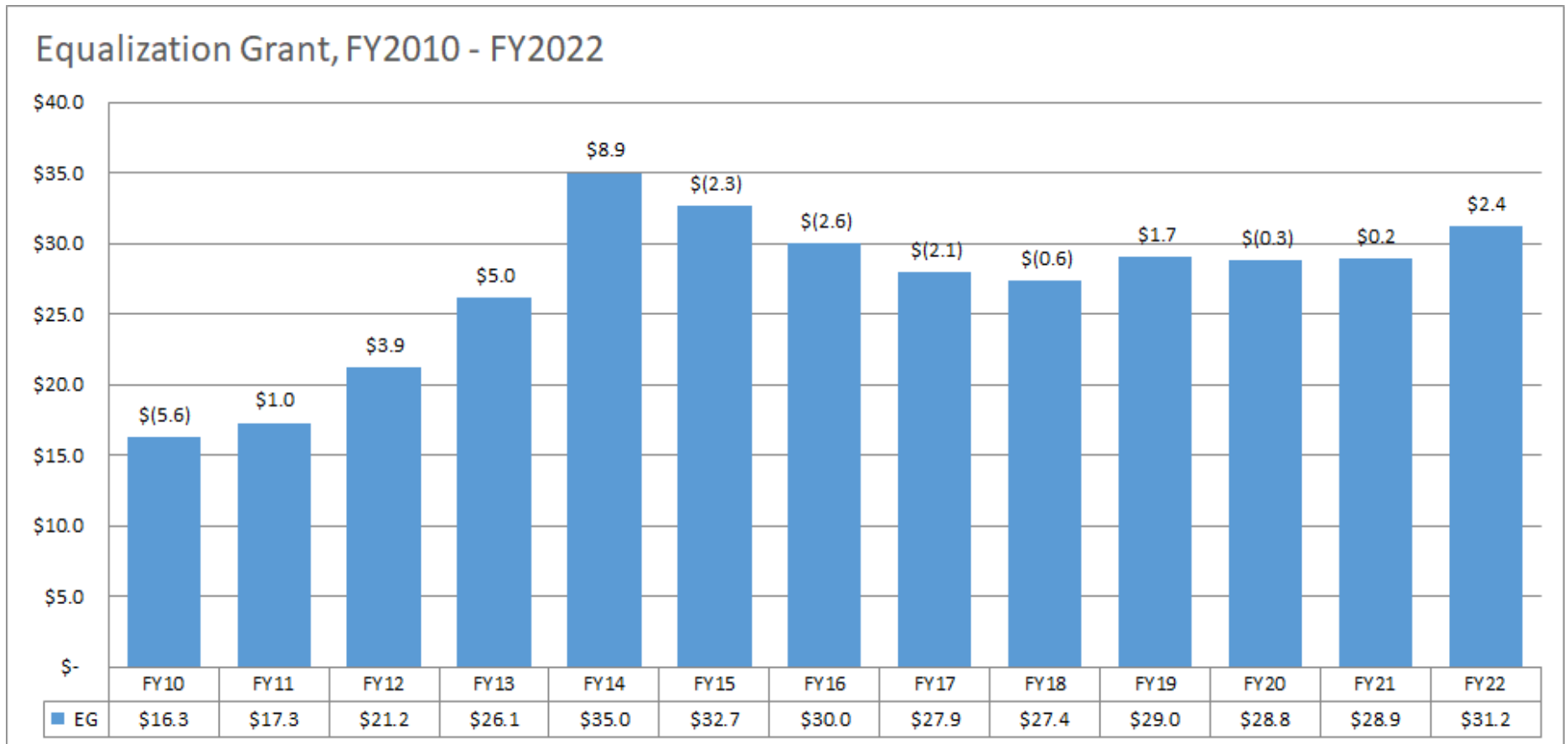
**State Per-Pupil Revenue.** As of FY2021, state per-pupil revenue was 59.9% of total revenue. This is higher than any comparable group, including the statewide average of 47.6%.



Source: GaDOE School System Revenue/Expenditures Report as of FY2021

**FY2021**

# Per-Pupil Revenue: State



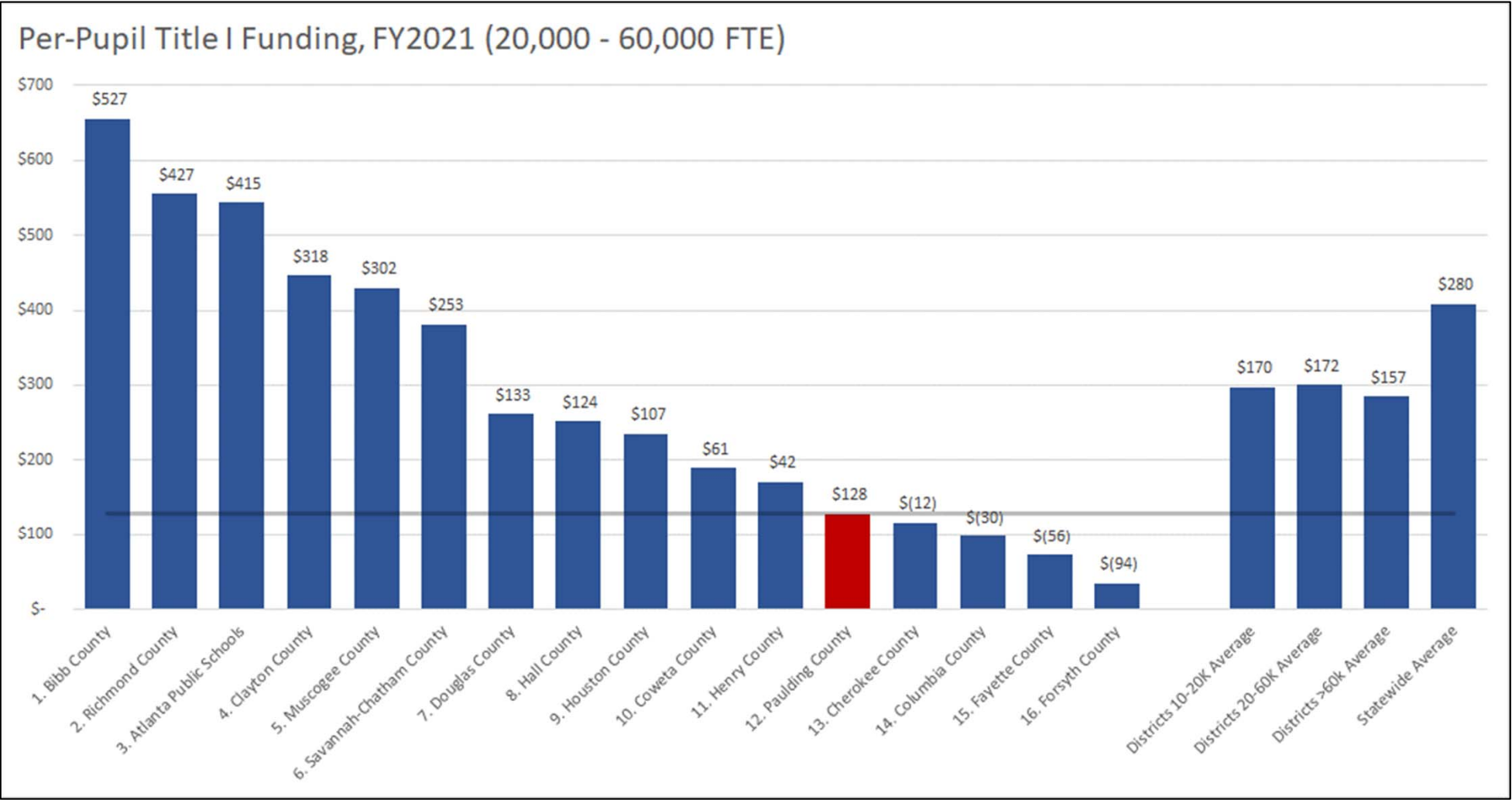
**Equalization Grant.** The Equalization Grant accounts for 10% of total revenue.

(millions)

**FY2010 – FY2022**

# Equalization Grant

**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.

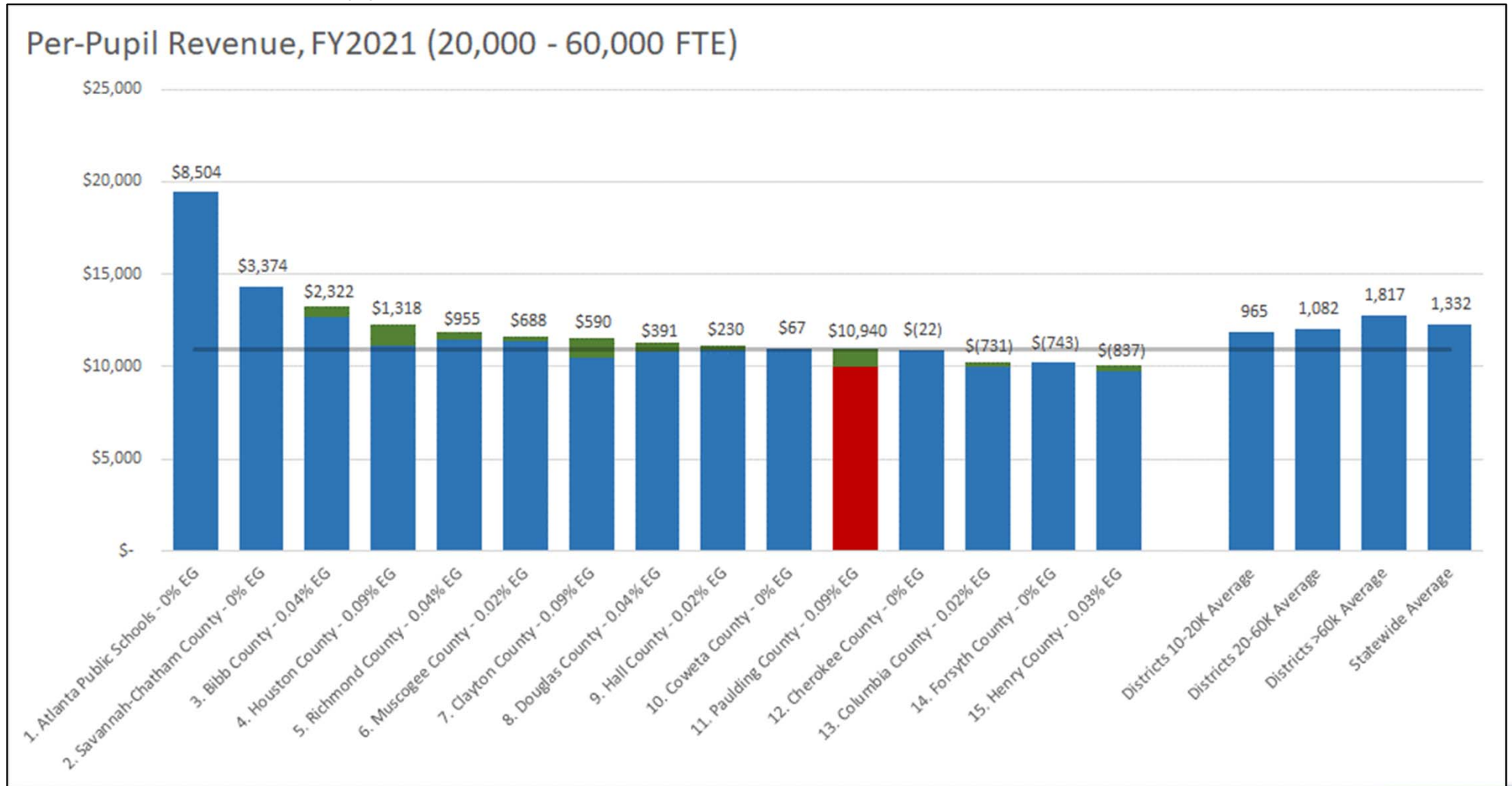


Source: GaDOE, Title I Awards

FY2020

# Per-Pupil Federal Title I Funding

**Total Per-Pupil Revenue.** As of FY2021, total per-pupil revenue was \$10,940. Lower than any comparable group, including the statewide average, which was \$1,332 more per-pupil. Approximately, \$958 or 9.0% was funded through the Equalization Grant (green). Variances to PCSD appear above the columns.



Source: GaDOE School System Revenue/Expenditures Report as of FY2021

**FY2021**

# Per-Pupil Revenue: All Sources

# Organizational Factors Influencing Decisions: Legislative Update

---

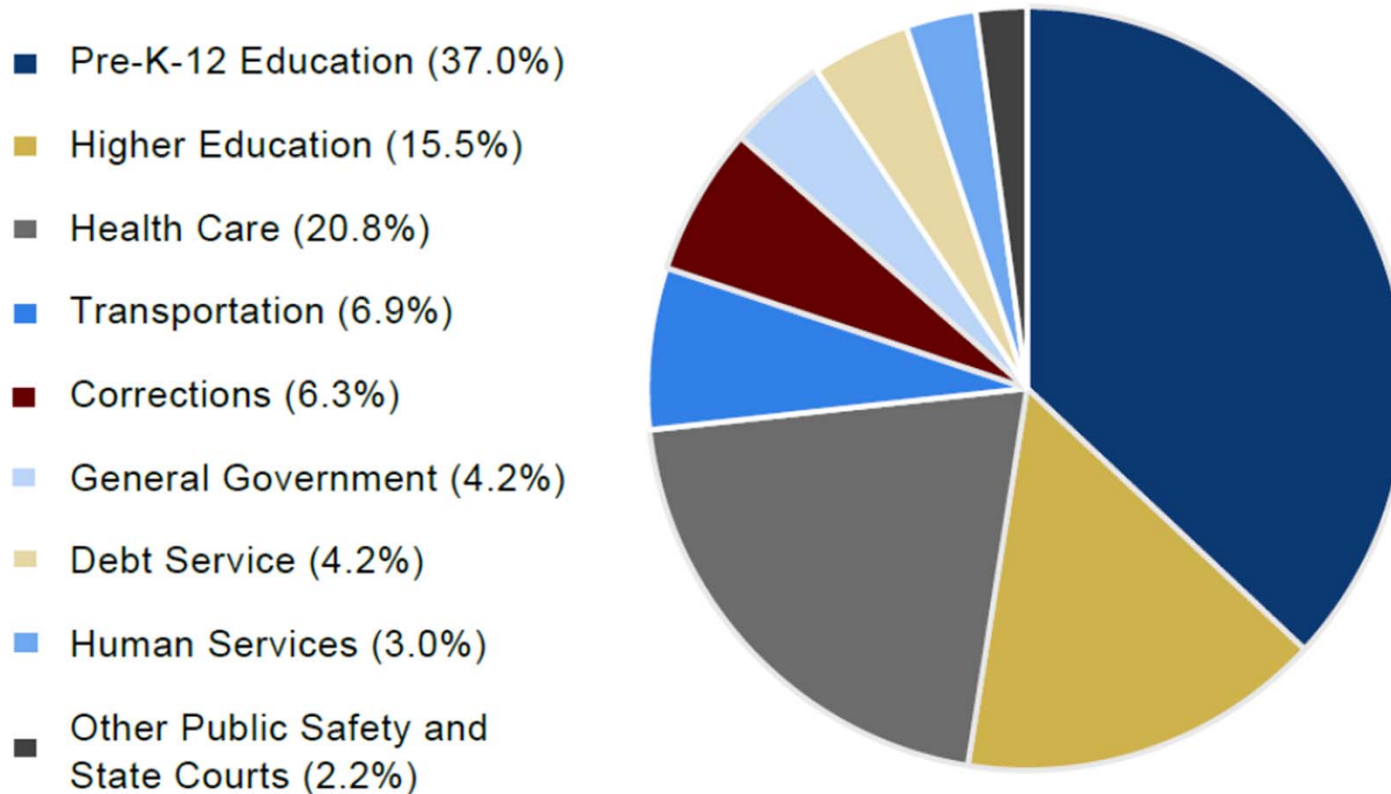
With a low wealth-per-weighted FTE, the district is highly susceptible to changes in state funding, including austerity reductions, Equalization Grant funding, and changes in the Quality Basic Education (QBE) formula. In addition, other legislative initiatives can have a significant impact on district operations.

- Eliminate Austerity Cuts and Fully Funding QBE\*
- Salary Supplement FY22\*
- Complete final portion of Teacher Raises\*
- Return to Work (TRS)
- Suicide Screening and Mental Health
- College Entrance Exams (grade 11)
- “Dexter Mosley” Act
- Divisive Curriculum- Race, Sex and Religion
- Parental Bill of Rights
- Bullying/Cyberbullying



Engage. Inspire. Prepare.

***Education and Health Care Equal 73 Percent of \$30.2 Billion Budget for Fiscal Year 2023***

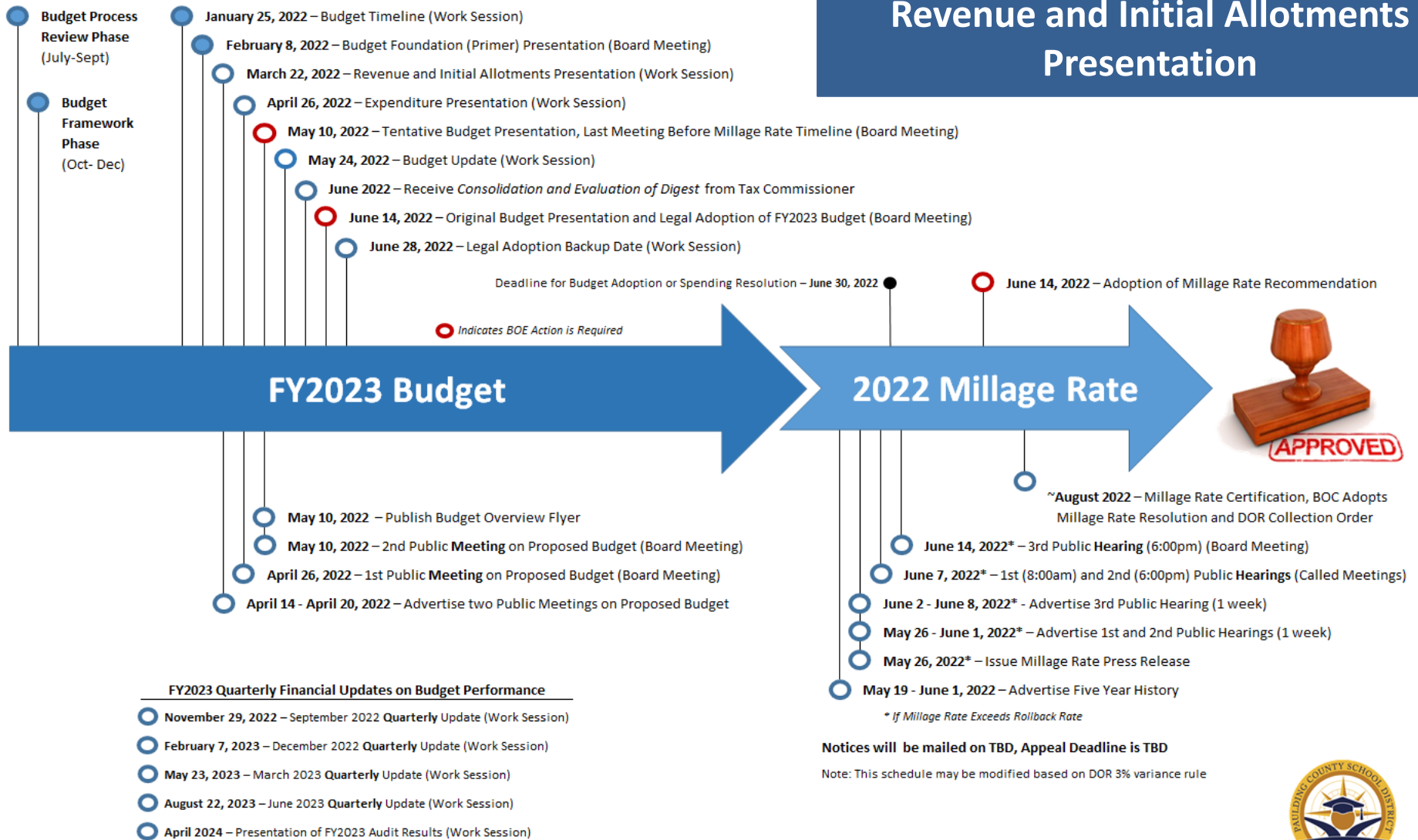


*Source: Governor's Budget Report Amended FY 2022 and FY 2023.*

**FY2023 (P)**

## FY2023 Budget Development - Major Milestones

*March 22, 2022*  
**Revenue and Initial Allotments  
Presentation**



## FY2023 Public Meetings and Hearings, Press Releases, Advertisements and Notices

# FY2023 Budget Roadmap



Engage. Inspire. Prepare.

# Thank You