

## What Makes Paulding County School District Funding Unique?

FY2023 Budget

		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 17% of the tax digest is non-residential.	<b>Less local funding</b> due to a lower net tax digest per student (NDPS) and a slightly below-average millage rate.	NDPS is \$63,000 or 26% lower than the average large district in Georgia. On average, 38% of the large district tax digest is non-residential. <sup>a</sup>	28 out of 35 large districts or 105 out of 180 total districts in Local Revenue per Student <sup>b</sup>	29 out of 35 large districts or 157 out of 180 total districts in Total Revenue per Student <sup>b</sup>
		PCSD does not compensate for a limited tax base by inflating the millage rate.		18.750 millage rate compared to a large district average of 19.067. <sup>a</sup>		
		Paulding County has a large number of school-age children per household.	<b>Less local funding</b> because funding is based on property tax values not the number of school-age children living in the home.	10.7% more persons-per-household than the state average, specifically school-age children. <sup>c</sup>		
	State/Federal Funding	PCSD is highly dependent on state funding sources.	<b>Highly susceptible to changes in state funding</b> including austerity reductions, Equalization Grant funding and changes in the Quality Basic Education (QBE) formula.	Approximately 60% of PCSD revenue comes from state sources, compared to a statewide average of 47%. <sup>b</sup>	9 out of 35 large districts or 101 out of 180 total districts in State Revenue per Student <sup>b</sup>	
		PCSD is one of the largest recipients of equalization.		8% of total General Fund revenue comes from the Equalization Grant. <sup>b</sup>	4 out of 35 large districts or 180 total districts in Equalization <sup>b</sup>	
		PCSD has relatively low Title I funding.	<b>Less Federal funding.</b> 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 167 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. <sup>d</sup>	30 out of 35 large districts or 167 out of 180 total districts <sup>d</sup>	
		PCSD has relatively low free-and-reduced lunch participation.	<b>Less Federal funding.</b> 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 9.3% in 2020, 173 out of 180 total districts. The FY20 free-and-reduced lunch percentage was 40.8%, compared to a statewide average 24.5%.	29 out of 35 large districts <sup>d</sup>	
	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 FY17-FY21 was 1.3%, compared to a large district rate of -0.5%. FY23 enrollment is projected to grow 865 or 2.8%. <sup>b</sup>	11 out of 35 large districts and 180 total districts <sup>b</sup>	
		PCSD has a high percentage of students in a Exceptional Students Educational Program (ESEP).	FY21, the average additional cost per ESEP student was \$2,348 or 29.1% (including Local, State and Federal sources).	In FY22, 15.1% of PCSD students were ESEP, compared to a large district average of 12.9%. This contributes to PCSD's low weighted NDPS (based on ESEP participation). <sup>b</sup>	5 out of 35 large districts and 28 out of 180 total districts <sup>b</sup>	

**Sources:**

- <sup>a</sup> Georgia Department of Revenue, Consolidated Tax Digest Summaries
- <sup>b</sup> Georgia Department of Education Enrollment (Data & Reporting) on 1.18.22, Revenue/Expenditures Reports and QBE Earnings (Data & Reporting, Financial Review)
- <sup>c</sup> [www.census.gov/quickfacts](http://www.census.gov/quickfacts) on 1.18.22
- <sup>d</sup> 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 net 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.