

# 2018 Millage Rate Hearing

## Agenda



1. Millage Rate Process
2. 2018 Millage Rate
3. Millage Rate Timeline
4. Public Comment

## *Appendix*

*All information presented is based on the most current digest information available*



July 10, 2018 (5:30pm) | July 17, 2018 (6:00pm)\* | July 24, 2018 (8:00am)



# Millage Rate Process

“The Paulding County Board of Education today announces its intention to **maintain the current M&O millage rate (maintenance and operations) at 18.879 for 2018...**

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.”**

*June 25, 2018 PCSD Press Release*

For 2018, the rollback millage rate is 17.518. The current millage rate of 18.879 is 7.8% higher than the rollback rate.

## 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>, June 26, 2018*



# 2018 Millage Rate

## NOTICE

### Paulding County Board of Education CURRENT 2018 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 July 24, 2018 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	2013	2014	2015	2016	2017	2018
Real & Personal Ad Valorem	\$ 2,719,187,258	\$ 3,144,502,642	\$ 3,566,536,251	\$ 3,843,751,629	\$ 4,267,812,331	\$ 4,695,351,018
Motor Vehicle Ad Valorem	331,484,580	270,511,790	197,077,380	147,754,190	109,114,430	84,458,480
Mobile Home Ad Valorem	2,389,120	2,278,520	1,951,153	1,862,849	1,781,714	1,646,786
Timber Ad Valorem (100%)	829,232	962,133	292,950	324,868	1,068,015	501,435
Heavy Duty Equipment	25,564	57,125	58,443	153,533	942,267	133,553
<b>Gross Digest</b>	<b>3,053,915,754</b>	<b>3,418,312,210</b>	<b>3,765,916,177</b>	<b>3,993,847,069</b>	<b>4,380,718,757</b>	<b>4,782,091,272</b>
Less M&O Exemptions	(413,986,896)	(452,043,930)	(511,439,573)	(563,602,175)	(626,135,711)	(697,410,643)
<b>Net Digest</b>	<b>2,639,928,858</b>	<b>2,966,268,280</b>	<b>3,254,476,604</b>	<b>3,430,244,894</b>	<b>3,754,583,046</b>	<b>4,084,680,629</b>
Forest Land Assistance Grant Value	2,786,437	1,830,913	1,182,089	4,196,833	4,247,286	4,352,537
<b>Adjusted Net M&amp;O Digest</b>	<b>2,642,715,295</b>	<b>2,968,099,193</b>	<b>3,255,658,693</b>	<b>3,434,441,727</b>	<b>3,758,830,332</b>	<b>4,089,033,166</b>
Gross M&O Millage Rate	18.879%	18.879%	18.879%	18.879%	18.879%	18.879%
Less Millage Rate Rollbacks						
<b>Net M&amp;O Millage Rate</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.879%</b>	<b>18.879%</b>
<b>Net Taxes Levied</b>	<b>\$ 49,891,822</b>	<b>\$ 56,034,745</b>	<b>\$ 61,463,580</b>	<b>\$ 64,838,825</b>	<b>\$ 70,962,958</b>	<b>\$ 77,196,857</b>
Net Taxes \$ Increase	\$ 428,819	\$ 6,142,923	\$ 5,428,836	\$ 3,375,245	\$ 6,124,132	\$ 6,233,899
Net Taxes % Increase	0.9%	12.3%	9.7%	5.5%	9.4%	8.8%

Note: M&O is Maintenance and Operations

# Current and Five-year History (as advertised)



## Historic Millage Rates

	2017	M&O Change	
	M&O	2009 - 13	2013 - 17
Douglas County	19.750	1.500	(0.100)
Richmond County <sup>12</sup>	19.736	0.640	(0.246)
Cherokee County	18.950	1.000	(0.500)
Bartow County	18.990	-	1.090
Cobb County	18.900	-	-
<b>Paulding County</b>	<b>18.879</b>	<b>(0.030)</b>	<b>-</b>
Hall County <sup>15</sup>	18.500	2.830	(0.750)
Coweta County	18.590	-	-
Carroll County	17.998	1.400	(1.502)
Option B: Variable Variance (average)	19.516 (0.637)	1.121	(0.484)

Option B Variance*	\$2.4	\$8.9	\$12.0
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\*Millions

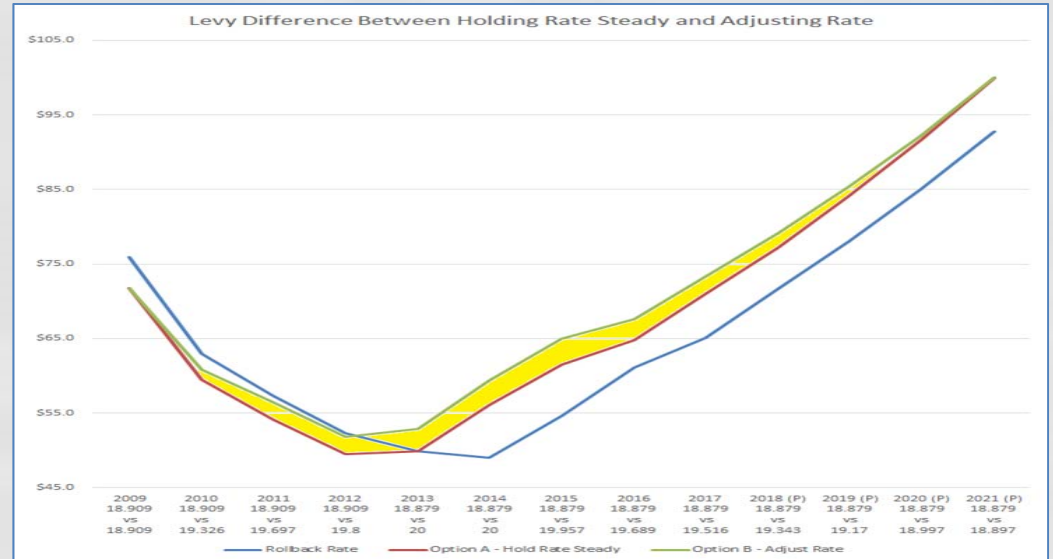
**\$20.9**  
~\$24.8 by 2021

### Value of 1 Mill

**\$3.8m Taxes Levied in 2017**

**\$4.1m Taxes Levied in 2018**

Georgia Department of Revenue: Local Government Services Division  
<https://apps.dor.ga.gov/digestconsolidation/default.aspx>



## Rollback Example

	2017	2018 (Increase)		2018 (Decrease)	
		Same Rate	Rollback	Same Rate	Rollback
FMV	\$ 169,200	\$ 182,000	\$ 182,000	\$ 156,400	\$ 156,400
FMV Change		\$ 12,800	\$ 12,800	\$ (12,800)	\$ (12,800)
<b>40% FMV</b>	<b>\$ 67,680</b>	<b>\$ 72,800</b>	<b>\$ 72,800</b>	<b>\$ 62,560</b>	<b>\$ 62,560</b>
Less; Exemption	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)	\$ (2,000)
Net Value	\$ 65,680	\$ 70,800	\$ 70,800	\$ 60,560	\$ 60,560
<b>Millage Rate</b>	<b>18.879</b>	<b>18.879</b>	<b>17.518</b>	<b>18.879</b>	<b>20.480</b>
Annual Property Tax	\$ 1,240	\$ 1,337	\$ 1,240	\$ 1,143	\$ 1,240
<b>Annual Change</b>		<b>\$ 97</b>	<b>\$ 0</b>	<b>\$ (97)</b>	<b>\$ (0)</b>
<b>Monthly Change</b>		<b>\$ 8</b>	<b>\$ 0</b>	<b>\$ (8)</b>	<b>\$ (0)</b>

- 7.6% **increase** in FMV equals a rollback rate of 17.518, anything higher would be considered a tax increase or "not revenue neutral".
- 7.6% **decrease** in FMV equals a rollback rate of 20.480, anything higher would be considered a tax increase or "not revenue neutral".

# Comparisons and Rollback Example

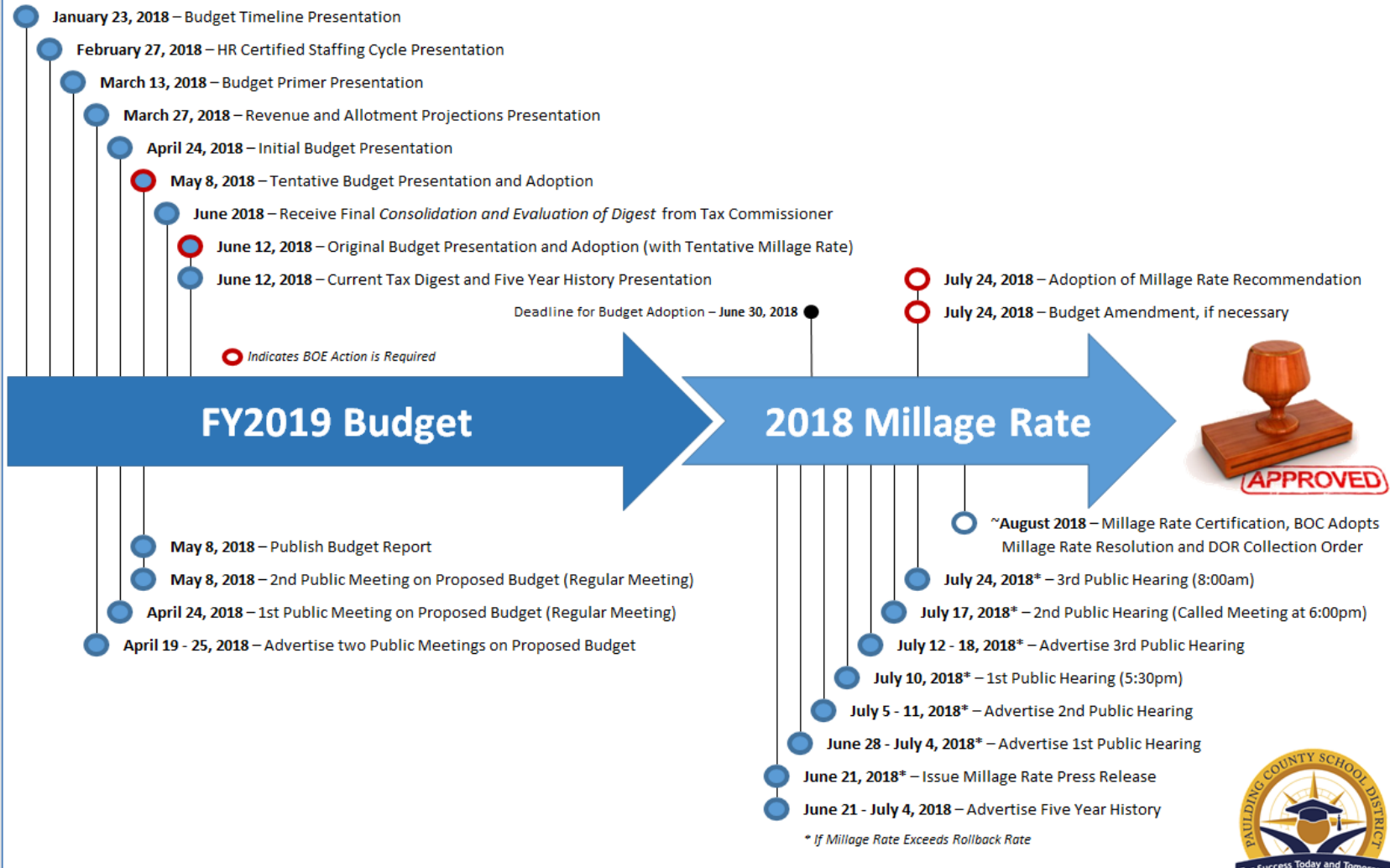


- FY2019 Budget does NOT include a millage rate increase.
- Net M&O Digest is projected to increase \$330m or 8.8% to \$4.1 billion for 2018, compared to \$334m or 9.4% in 2017
- Changes in assessed property values (reassessment) will increase 2018 property taxes by an average 7.8%, compared to 9.0% in 2017
- Other changes to the digest will increase 2018 property taxes by 0.9%, compared to 0.4% in 2017
- M&O millage rate of **18.879** was maintained in the Tentative and Original FY2019 Budgets – but may be amended pending a final millage rate adoption by the Board of Education on July 24, 2018
- Bond millage rate of **0.000** was maintained in the Tentative and Original FY2019 Budgets - bond principal and interest will total \$8.2 million and will be paid through E-SPLOST



# Millage Rate Timeline

## FY2019 Budget Milestones



## FY2019 Public Meetings and Hearings, Press Releases, Advertisements and Notices



# 2018 Millage Rate Timeline FY2019



# Public Comment



Thank You

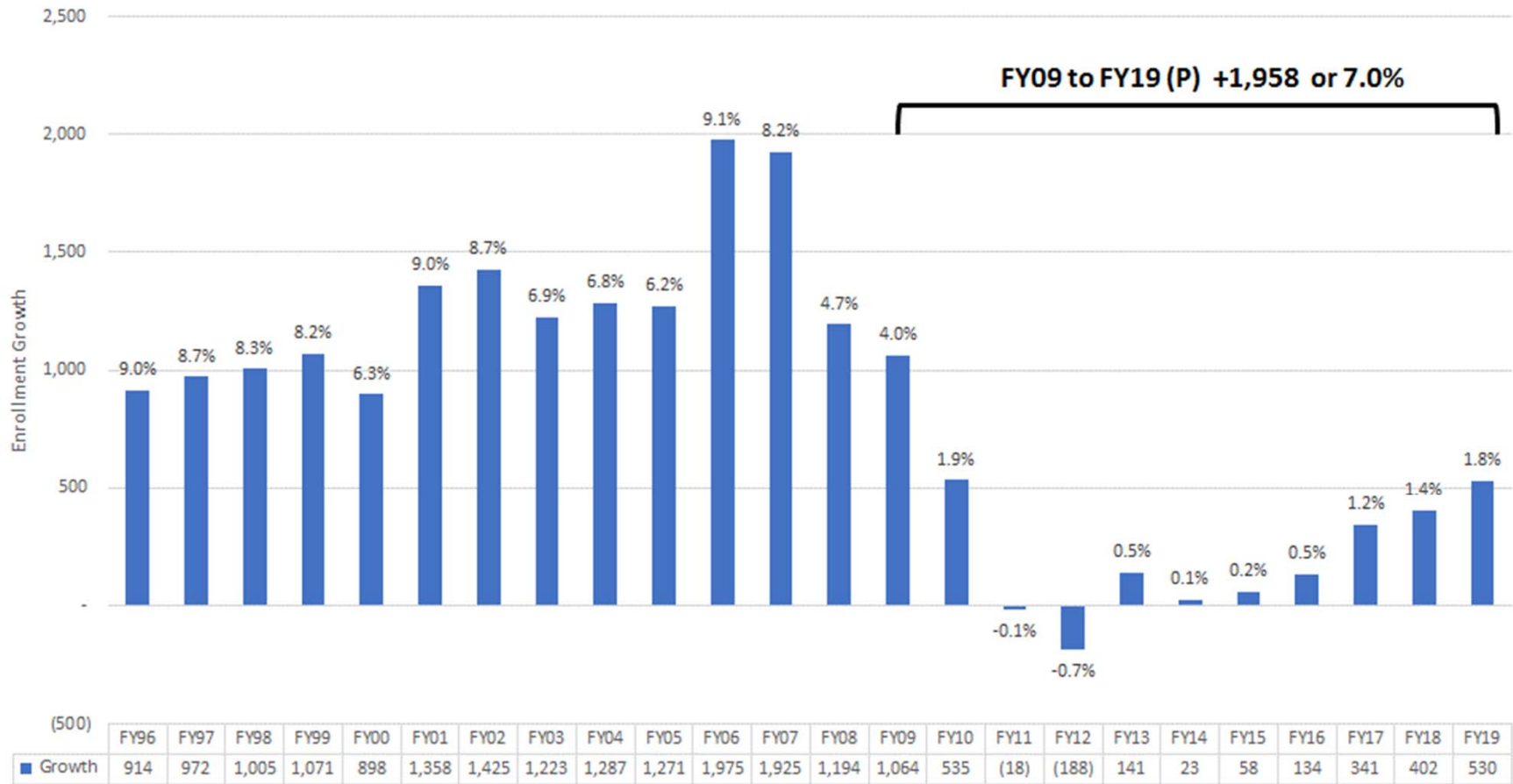


# Appendix



## Enrollment Growth

FY1996 - FY2019 (P)



# Projected Enrollment

Appendix: From Original Budget Presentation on June 12, 2018

Digest			Millage Rate				Levy*	Revenue	Expenditures	FESR
Enrollment	% Non-Residential	Net Digest per Student	2009		2017		Levy per Student	Local Revenue per Student	Expenditures per Student	Financial Efficiency Star Rating
			Millage Rate	%	Option A: Fixed	Millage Rate (Actual) %				
Cobb 111,186	Richmond 53%	Cobb \$223,740	Richmond 19.342	Richmond 2.3%	Douglas 19.750	Douglas 4.6%	Cobb \$4,229	Cobb \$4,277	Richmond \$9,478	Cherokee 4.5
Cherokee 41,736	Bartow 51%	Coweta \$199,685	<b>Paulding</b> <b>18.909</b>	<b>Paulding</b> <b>0.0%</b>	Richmond 19.736	Richmond 4.5%	Coweta \$3,712	Coweta \$3,927	<b>Avg &gt;10k</b> <b>\$9,205</b>	<b>Paulding</b> <b>4.0</b>
<b>Avg Comp</b> <b>35,669</b>	Douglas 44%	Cherokee \$191,449	Cobb 18.900	Cobb 0.0%	<b>Avg &gt;10k</b> <b>19.176</b>	<b>Avg &gt;10k</b> <b>1.6%</b>	Cherokee \$3,628	Cherokee \$3,752	Cobb \$9,110	Carroll 4.0
<b>Avg &gt;10k</b> <b>33,283</b>	Carroll 41%	<b>Avg Comp</b> <b>\$189,697</b>	Coweta 18.590	Coweta -1.7%	Bartow 18.990	Bartow 0.6%	<b>Avg Comp</b> <b>\$3,590</b>	<b>Avg &gt;10k</b> <b>\$3,580</b>	Bartow \$8,955	<b>Avg Comp</b> <b>3.6</b>
Richmond 29,544	<b>Avg &gt;10k</b> <b>40%</b>	<b>Avg &gt;10k</b> <b>\$186,801</b>	Cherokee 18.450	Cherokee -2.4%	Cherokee 18.950	Cherokee 0.4%	<b>Avg &gt;10k</b> <b>\$3,582</b>	Bartow \$3,406	Carroll \$8,908	Hall 3.5
<b>Paulding</b> <b>29,209</b>	<b>Avg Comp</b> <b>38%</b>	Bartow \$170,058	Douglas 18.350	Douglas -3.0%	<b>Avg Comp</b> <b>18.927</b>	<b>Avg Comp</b> <b>0.3%</b>	Bartow \$3,229	<b>Avg Comp</b> <b>\$3,384</b>	<b>Avg Comp</b> <b>\$8,891</b>	Douglas 3.5
Hall 27,064	Coweta 36%	Hall \$169,577	<b>Avg Comp</b> <b>18.257</b>	<b>Avg Comp</b> <b>-3.5%</b>	Cobb 18.900	Cobb 0.1%	Hall \$3,137	Hall \$3,166	Coweta \$8,794	Coweta 3.5
Douglas 26,273	Cherokee 36%	Richmond \$151,014	<b>Avg &gt;10k</b> <b>18.184</b>	<b>Avg &gt;10k</b> <b>-3.8%</b>	<b>Paulding</b> <b>18.879</b>	<b>Paulding</b> <b>0.0%</b>	Richmond \$2,980	Richmond \$3,147	<b>Paulding</b> <b>\$8,770</b>	Bartow 3.5
Coweta 22,178	Cobb 35%	Douglas \$144,175	Carroll 18.100	Carroll -4.3%	Coweta 18.590	Coweta -1.5%	Douglas \$2,847	Douglas \$2,894	Cherokee \$8,704	Cobb 3.5
Carroll 14,282	Hall 34%	<b>Paulding</b> <b>\$128,542</b>	Bartow 17.900	Bartow -5.3%	Hall 18.500	Hall -2.0%	<b>Paulding</b> <b>\$2,427</b>	Carroll \$2,504	Douglas \$8,671	<b>Avg &gt;10k</b> <b>3.3</b>
Bartow 13,087	<b>Paulding</b> <b>21%</b>	Carroll \$123,921	Hall 16.420	Bartow -5.3%	Carroll 17.998	Carroll -4.7%	Carroll \$2,230	<b>Paulding</b> <b>\$2,502</b>	Hall \$8,505	Richmond 2.5

Note: Based on FTE October 2017 Count, 2017 Digest (FY2018), CPI per Bureau of Labor Statistics, FY2017 Revenues and Expenditures and FY2017 FESR

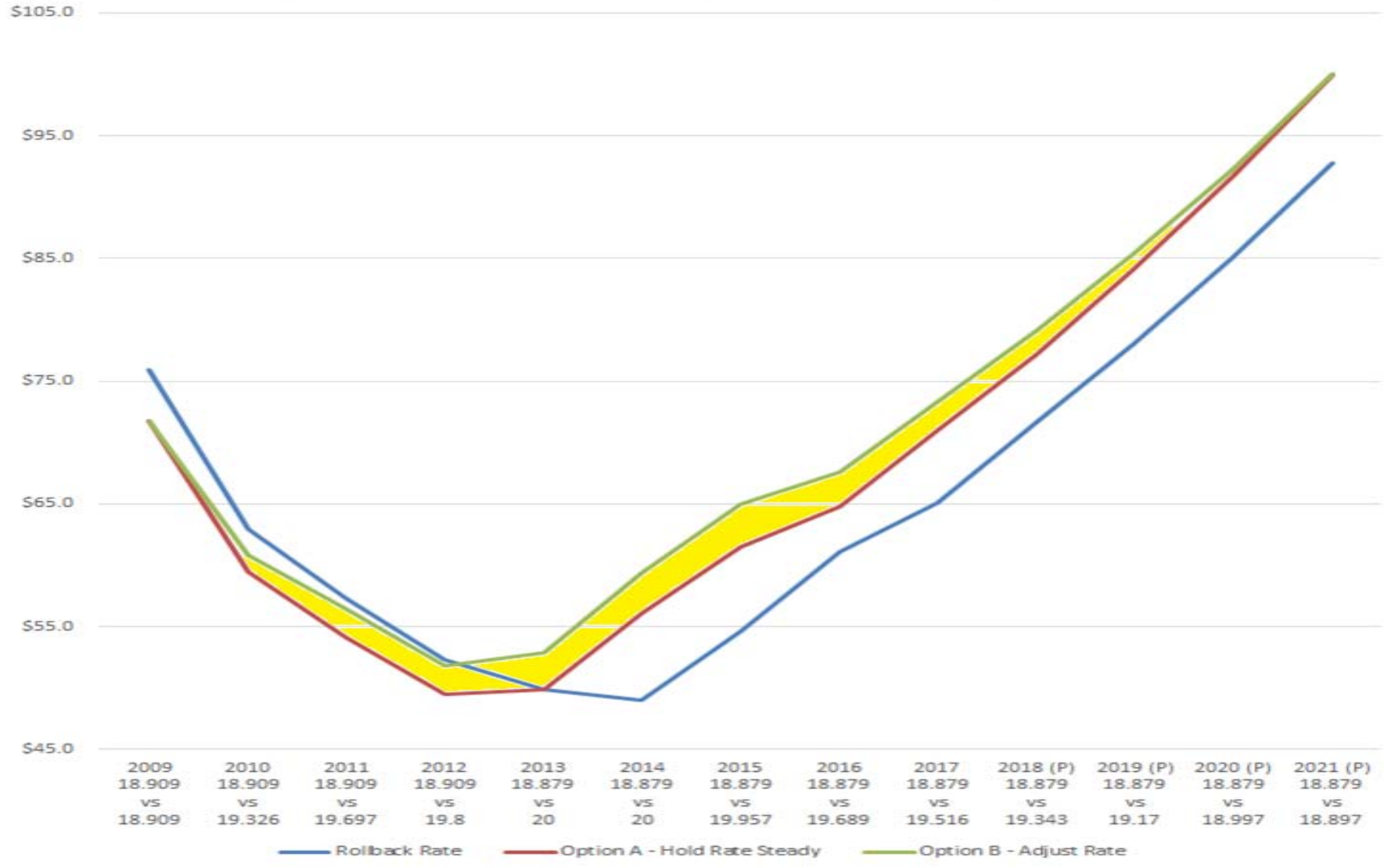
\* 2009 Inflation Adjusted is \$2,991 (\$397 more or \$11.8m total)

Georgia Department of Revenue: Local Government Services Division  
<https://apps.dor.ga.gov/digestconsolidation/default.aspx>

# Millage Rate Comparisons

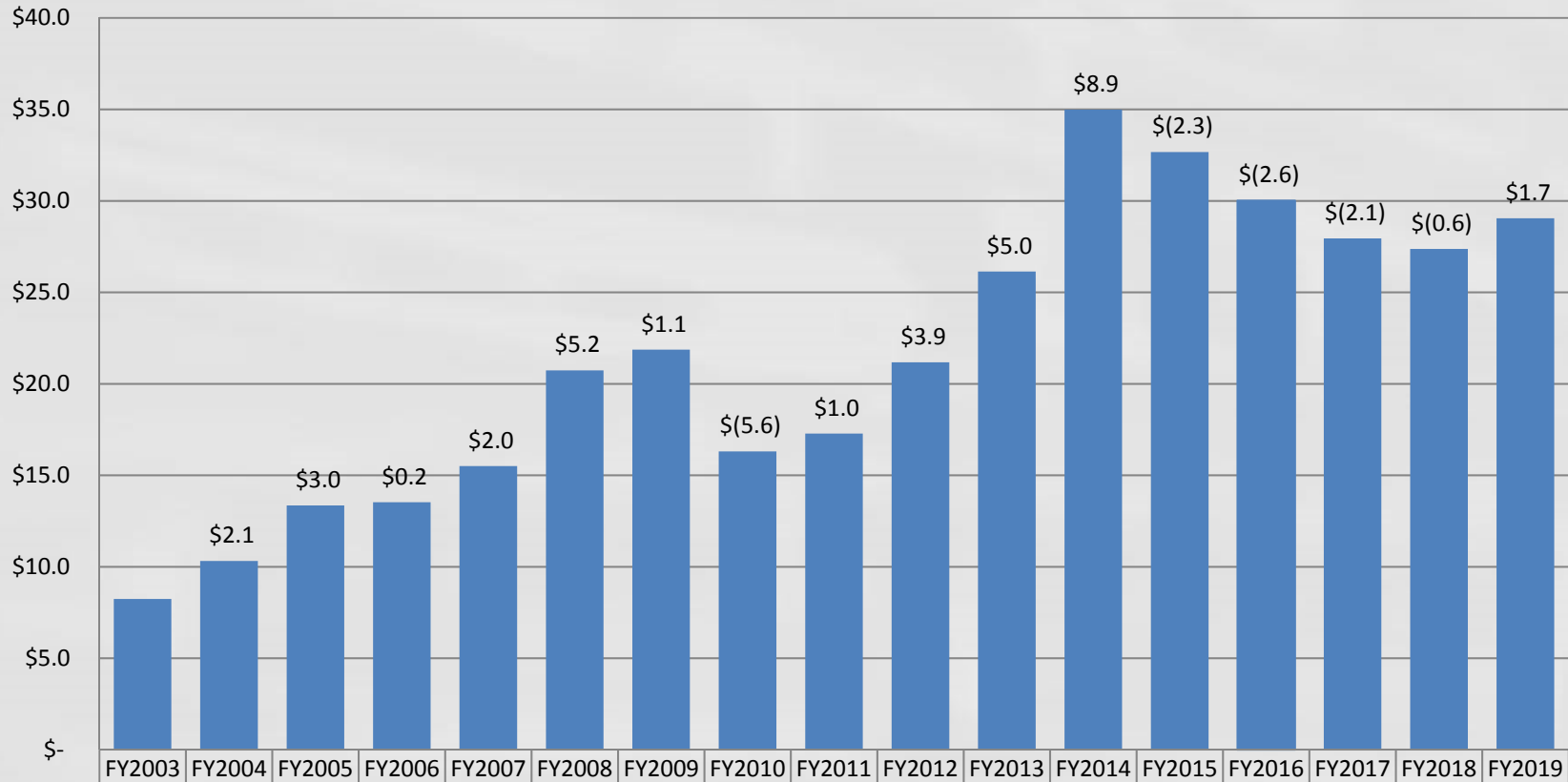
Appendix: Millage Rate Comparisons

Levy Difference Between Holding Rate Steady and Adjusting Rate



# Rollback Options Comparison

## Historical Equalization Grant (millions)



Category	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Equalization	\$8.2	\$10.3	\$13.4	\$13.5	\$15.5	\$20.7	\$21.9	\$16.3	\$17.3	\$21.2	\$26.1	\$35.0	\$32.7	\$30.0	\$27.9	\$27.4	\$29.0

	FY2017	FY2018	Change	%	FY2019
Paulding County Average	\$ 82,978	\$ 89,713	\$ 3,760	4.2%	\$ 93,473
State Average	\$ 135,782	\$ 140,378	\$ 4,443	3.2%	\$ 144,821
<b>Difference</b>	<b>\$ 52,804</b>	<b>\$ 50,665</b>	<b>\$ 683</b>	<b>1.3%</b>	<b>\$ 51,348</b>
<b>Change in Equalization</b>	<b>\$ (2,031,727)</b>	<b>\$ (583,269)</b>			<b>\$ 1,648,665</b>

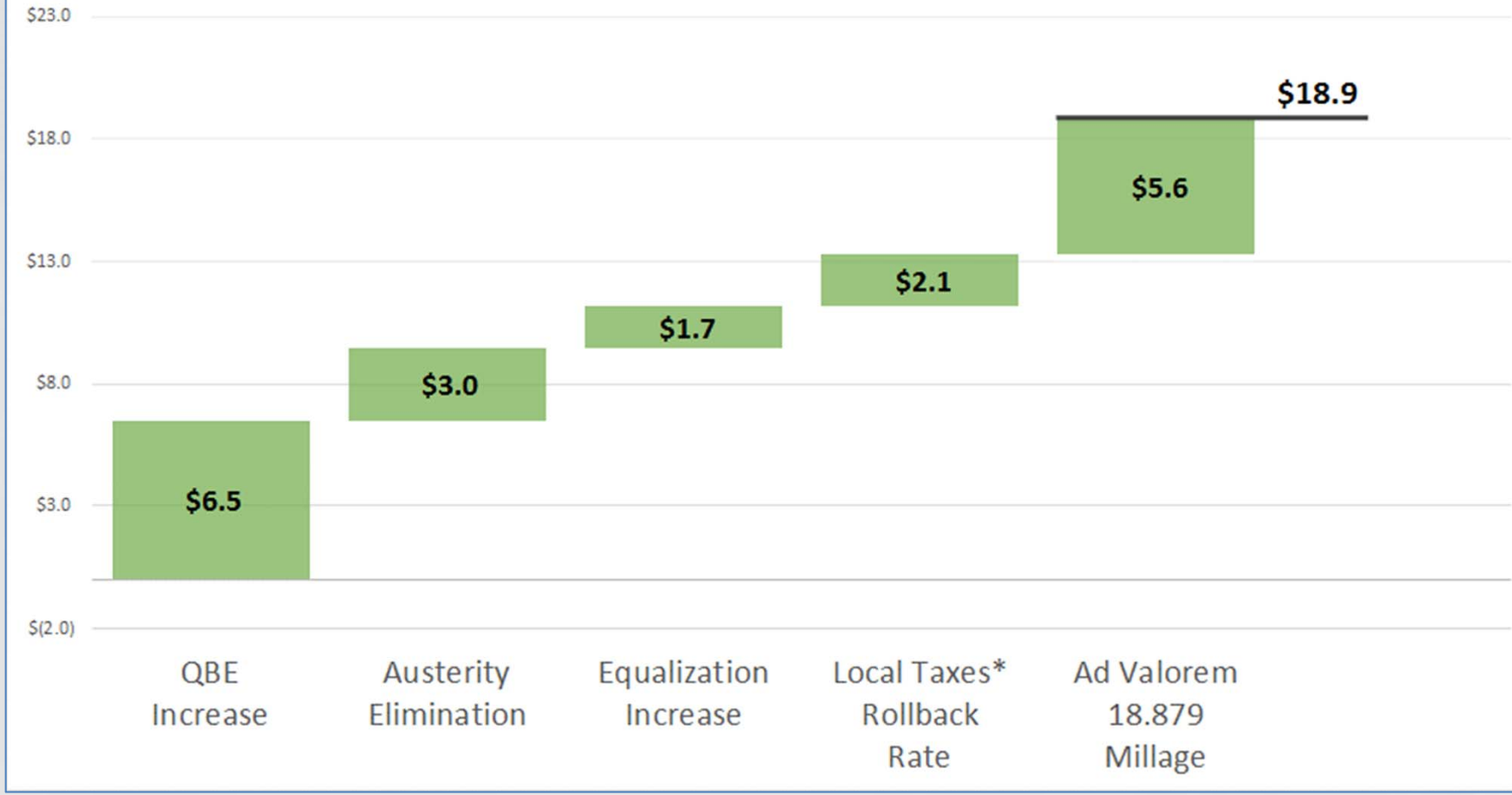
Estimated 2016 Rollback Impact: \$(2.1m)

Estimated 2014-2016 Rollback Impact: \$(10.0m)

# Equalization Grant

Appendix: From Original Budget Presentation on June 12, 2018

### FY2019 PROJECTED MATERIAL CHANGES IN REVENUE (millions)

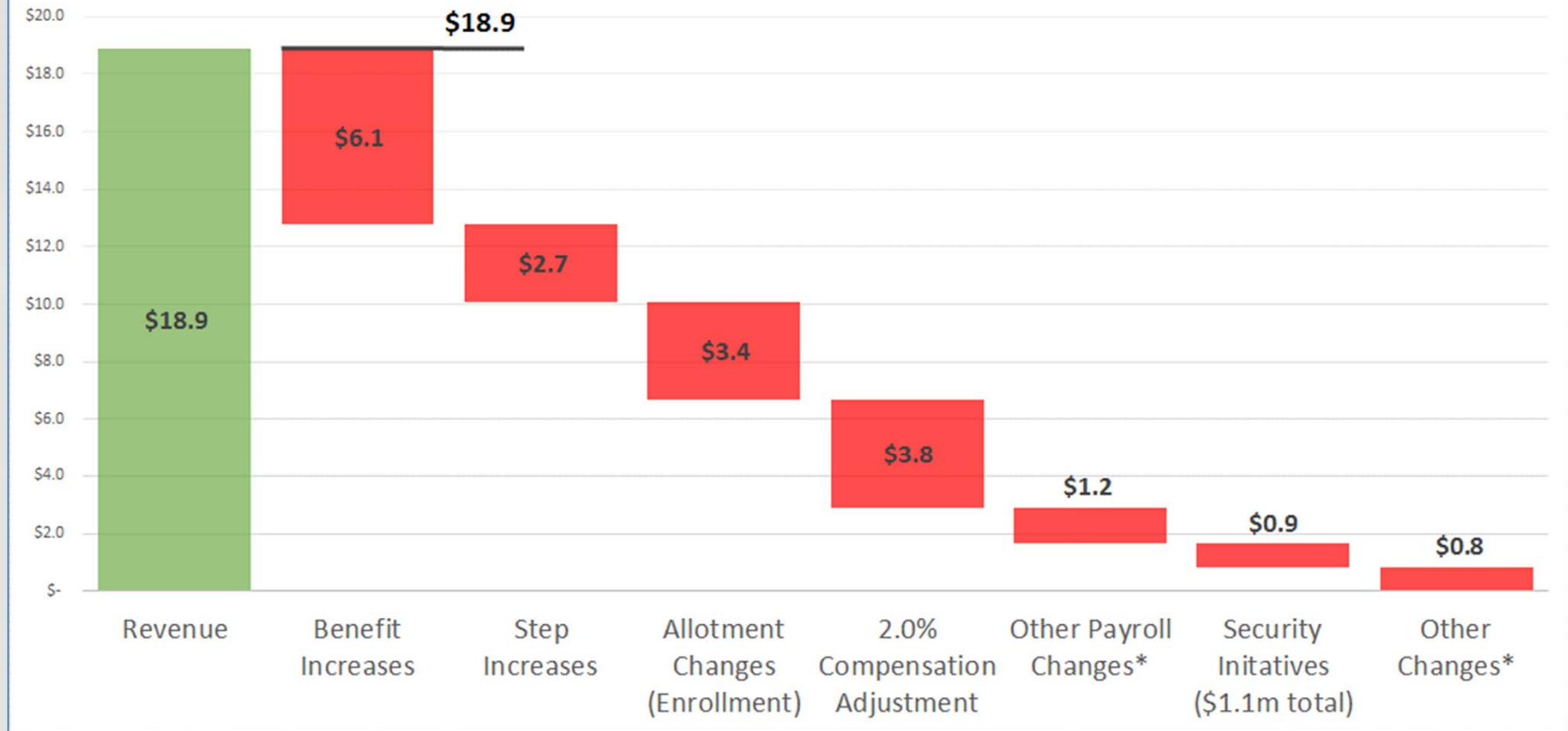


(millions)  
\* Net other changes

# Projected Changes in Revenue

Appendix: From Original Budget  
Presentation on June 12, 2018

### FY2019 PROJECTED MATERIAL CHANGES IN EXPENDITURES (millions)



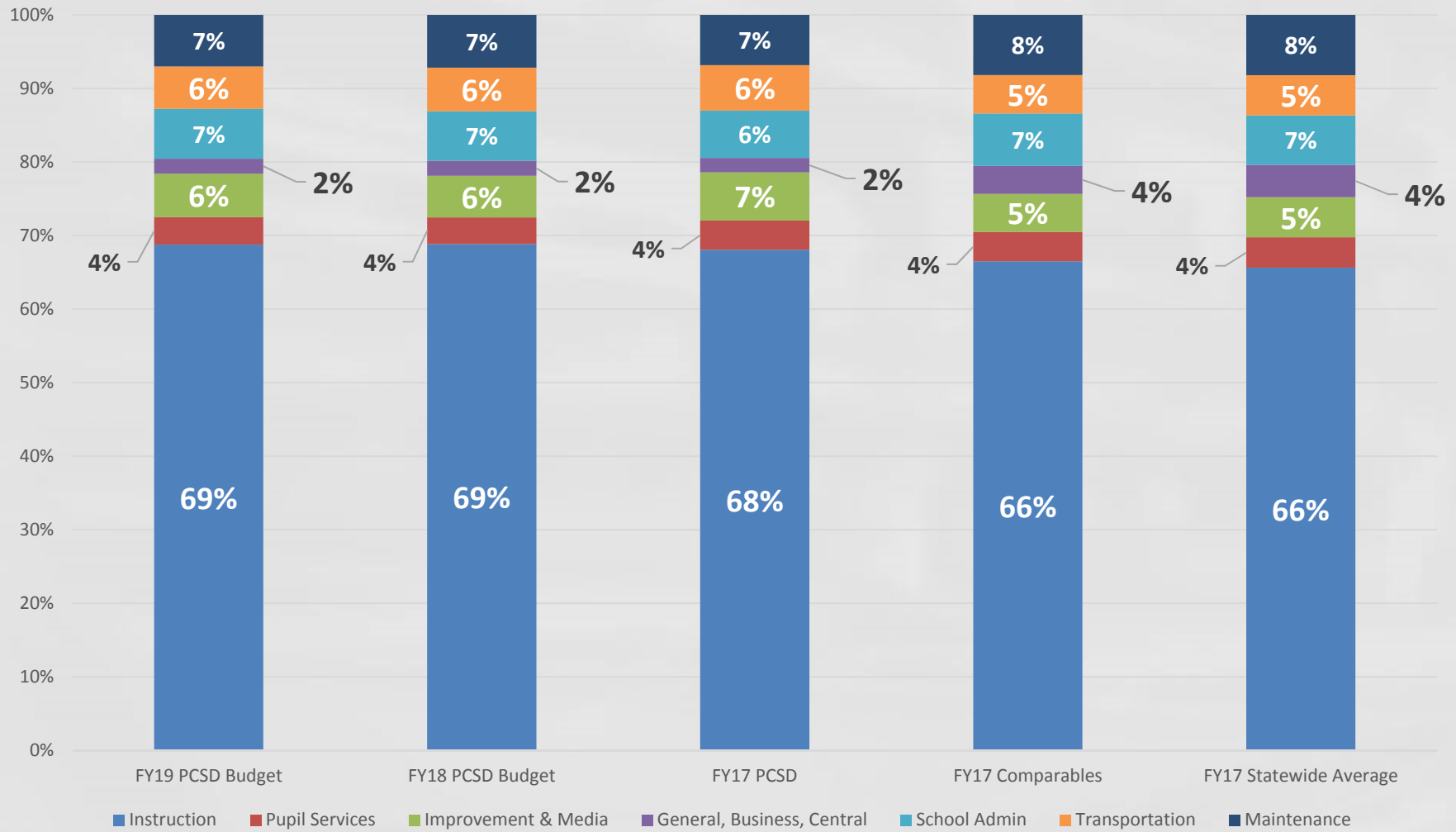
(millions)  
\* Net other changes

# Projected Changes in Expenditures

Appendix: From Original Budget  
Presentation on June 12, 2018



### Comparison of Expenditure Allocation



# Expenditure Comparison

Appendix: From Original Budget Presentation on June 12, 2018

## What is the Financial Efficiency Star Rating?

OCGA § 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.

★★★★★ Percentile of Average PPE	CCRPI Average					
	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 (Large)						180 School Districts					
	FY2015		FY2016		FY2017		FY2015		FY2016		FY2017	
Higher	4	11%	4	12%	5	14%	9	5%	10	6%	12	7%
Lower	23	66%	22	65%	26	74%	150	83%	147	82%	150	83%
Same	7	20%	7	21%	3	9%	21	12%	23	13%	17	9%

**FY2017**

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State Revenue }

Students }

Total Revenue }

Local Revenue }

Ranking

35 of 180 Georgia School Districts have >10,000 Students (FTE)

- 13<sup>th</sup> Largest District
- 32<sup>nd</sup> in Local Revenue per Student
  - ✓ Collect \$1,661 less than *35 Average* (32) per FTE or \$48 million
  - ✓ Collect \$1,417 less than *180 Average* (133) per FTE or \$41 million
  - ✓ *180 Average* rank improved in FY17, from 137 to 133 out of 180
- 4<sup>th</sup> in State Revenue per Student
  - ✓ Collect \$1,123 more than *35 Average* (4) per FTE or \$33 million
  - ✓ Collect \$916 more than *180 Average* (61) per FTE or \$27 million
  - ✓ *180 Average* rank declined in FY17, from 52 to 61 out of 180
  - ✓ 3<sup>rd</sup> Largest Recipient of Equalization (\$29 million in FY19)
- 27<sup>th</sup> in Total Revenue per Student
  - ✓ Collect \$755 less than *35 Average* (27) per FTE or \$22 million
  - ✓ Collect \$784 less than *180 Average* (152) per FTE or \$23 million
  - ✓ *180 Average* rank declined in FY17, from 146 to 152 out of 180

Source: GaDOE School System Revenue/Expenditures Report as of FY2017

# FY2017 Highlights

Appendix: From Revenue and Allotment Projections Presentation on March 27, 2018

## Local Revenue per FTE Including Variance to PCSD



Source: GaDOE School System Revenue/Expenditures Report as of FY2017