

HOW IS CCPS FUNDED?



Big Picture

2

- Where does our funding come from?
 - ▣ Local – mostly property taxes
 - ▣ State – Quality Basic Education formula

- How does Local and State funding interact?

Funding

3

□ Local

▣ What is the millage rate?

- The millage rate is the amount of tax dollars CCPS can levy for every \$1,000 of property's assessed value (1 mill = \$1 tax per \$1,000 of assessed value)
 - ▣ CCPS/Catoosa County/Ringgold/Fort O all set a millage rate yearly
- For example
 - ▣ Market Value = \$100,000
 - ▣ Assessed Value = \$40,000 (40% of market value)
 - ▣ Current Millage Rate = 15.040
 - ▣ Property Tax = \$601.60

Funding

4

□ Local

▣ How does CCPS receive local funding?

- The Catoosa County Board of Assessors determines the value of all property in our County, known as the tax digest, taking into account things like inflation and organic growth
- CCPS sets the school district's millage rate, if there is organic property growth in the tax digest we receive more local funding
 - For example, new homes being constructed or new commercial businesses building facilities
- If there is an inflationary increase in the tax digest, Catoosa County sets a “rollback” millage rate
 - If adopted, the school system does not receive additional revenue on the inflationary increase in property value

Funding

5

□ Local

- ▣ The “rollback” millage rate is defined as “the previous year’s millage rate plus or minus the millage equivalent of the total net assessed value added to or deducted by reassessments of existing real property”
- ▣ Options:
 - **Decrease the Millage Rate:** If CCPS decreases the millage rate (“takes the rollback”) it will produce roughly the same total revenue as the previous year while not increasing the school’s portion of property taxes paid by individuals and businesses
 - **Keep the Millage Rate the Same:** If CCPS keeps the same millage rate as the previous year, the school system would receive the additional revenue collected due to organic and inflationary property growth but at the same rate
 - **Increase the Millage Rate:** If CCPS increases the millage rate, the school system would receive the additional revenue collected due to the millage rate increase and the additional revenue collected due to organic and inflationary property growth

Funding

6

□ Local

- ▣ How much does a millage increase produce and cost?
 - 1 mill increase = roughly \$2 million increase in local funding
 - 2 mill increase = roughly \$4 million increase in local funding

Market Value	\$ 100,000		\$ 200,000		\$ 300,000		\$ 400,000		\$ 500,000	
Assessed Value	\$ 40,000		\$ 80,000		\$ 120,000		\$ 160,000		\$ 200,000	
Millage Rate	+1	+2	+1	+2	+1	+2	+1	+2	+1	+2
Property Taxes	\$ 641.60	\$ 681.60	\$ 1,283.20	\$ 1,363.20	\$ 1,924.80	\$ 2,044.80	\$ 2,566.40	\$ 2,726.40	\$ 3,208.00	\$ 3,408.00
Tax Increase	\$ 40.00	\$ 80.00	\$ 80.00	\$ 160.00	\$ 120.00	\$ 240.00	\$ 160.00	\$ 320.00	\$ 200.00	\$ 400.00

Funding

7

- Local
 - ▣ CCPS's current millage rate is 15.040
 - Lowest since 2001
 - Taken the rollback every year since 2016
 - ▣ For comparison:
 - Walker County Schools – 16.404
 - Whitfield County Schools – 18.756

Local Funding – Tax History

CURRENT 2022 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY

COUNTY SCHOOL	2017	2018	2019	2020	2021	ADOPTED 2022
Real and Personal	1,773,821,884	1,859,946,939	1,933,288,856	1,995,745,868	2,229,421,132	2,299,678,705
Motor Vehicles	47,411,590	36,160,340	30,071,900	26,394,380	22,123,490	20,680,970
Mobile Homes	8,937,874	9,253,927	9,997,409	10,200,405	10,567,174	11,715,892
Timber - 100%	138,022	35,826	113,811	182,166	0	281,728
Heavy Duty Equipment	5,937,010	5,868,430	4,977,416	4,006,084	5,131,626	3,569,643
Gross Digest	1,836,246,380	1,911,265,462	1,978,449,392	2,036,528,903	2,267,243,422	2,335,926,938
Less M & O Exemptions	272,801,967	291,966,049	302,172,842	310,037,404	348,305,034	373,740,251
Net M & O Digest	1,563,444,413	1,619,299,413	1,676,276,550	1,726,491,499	1,918,938,388	1,962,186,687
State of Georgia						
Forest Land Assistance Grant Value	0	0	0	0	0	0
Adjusted Net M & O Digest	1,563,444,413	1,619,299,413	1,676,276,550	1,726,491,499	1,918,938,388	1,962,186,687
Gross M & O Millage Rate	18.692	17.756	17.171	16.905	16.722	15.089
Less Millage Rate Rollbacks	0.936	0.585	0.266	0.183	1.633	0.049
Rollback Millage Rate	17.756	17.171	16.905	16.722	15.089	15.040
Proposed Millage Rate	17.756	17.171	16.905	16.722	15.089	15.040
Net M & O Millage Rate	17.756	17.171	16.905	16.722	15.089	15.040
Net Taxes Levied	27,760,519	27,804,990	28,337,455	28,870,391	28,954,861	29,511,288
Net Taxes \$ Increase	-106,893	44,471	532,465	532,936	84,470	556,426
Net Taxes % Increase	-0.38%	0.16%	1.91%	1.88%	0.29%	1.92%

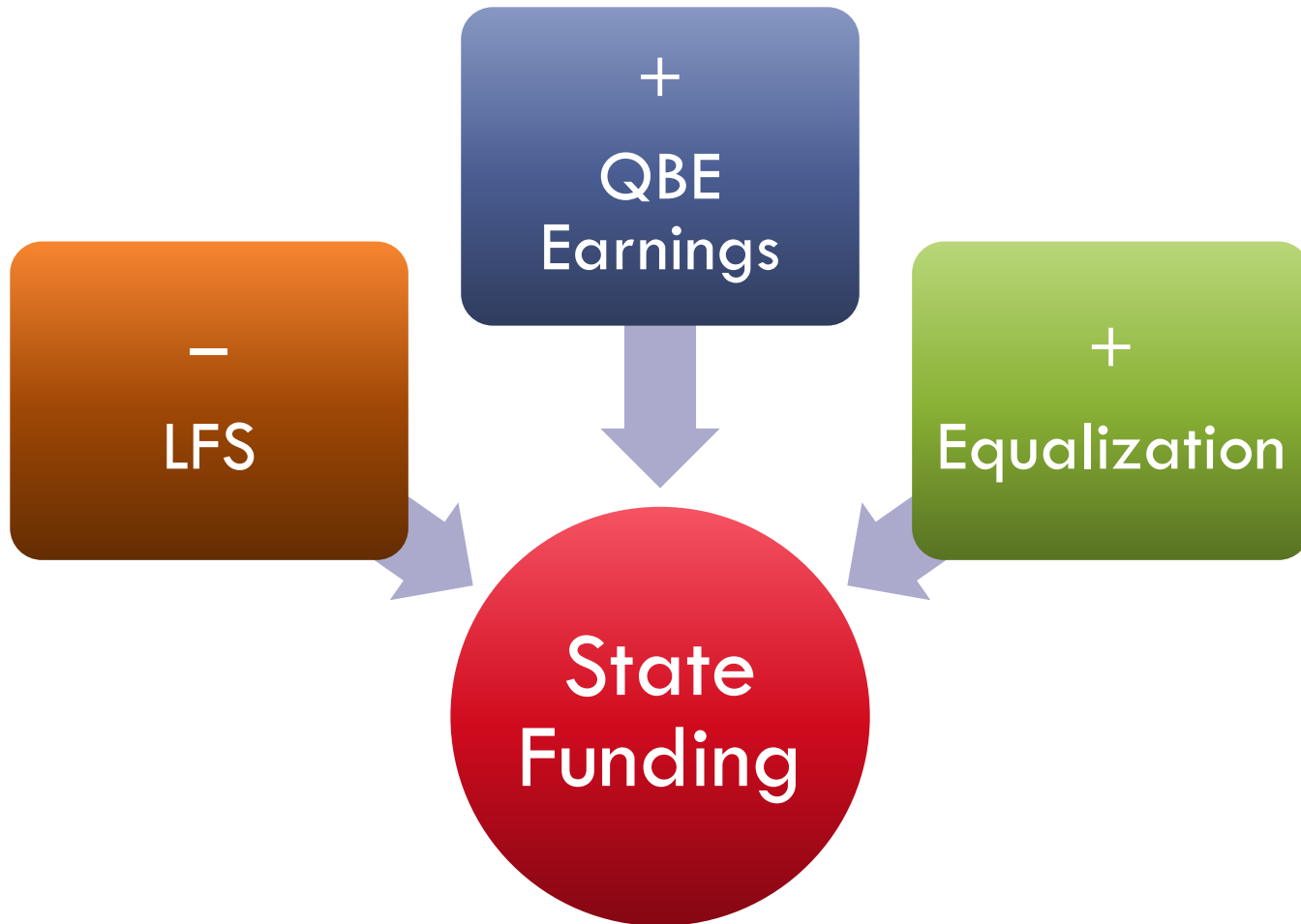
State Funding

9

- GBPI – How does Georgia fund schools?
 - ▣ <https://youtu.be/x4bMligSiVg>

- Key takeaway:
 - ▣ The QBE formula is designed to lower State funding when school districts have an increased ability to raise funds locally

State Funding



Funding

- State
 - The Local Fair Share (LFS) is a reduction in funding from the State equal to five mills of the local tax digest
 - Equalization funding is intended to equalize Georgia school systems by ranking systems according to wealth and providing additional funding to those less-wealthy systems
 - Full-Time Equivalent (FTE) refers to data collected for Quality Basic Education funding and is based on student enrollment and the education services provided by local school systems to students

State Revenue

	FY 22	FY 23 Initial
FTE's	10,356	10,356
QBE Earnings	\$75,651,547	76,434,284
Local Fair Share	\$(9,205,899)	(9,710,175)
Equalization	\$9,891,369	7,016,086
Transportation	\$1,112,400	964,694
Nurses	\$210,885	230,224
Total Earnings	\$77,660,302	\$74,935,113

FY 22 to FY 23 Initial
- \$2,725,189

State Revenue

	FY 23 Updated	Estimated FY 24 Initial
FTE's	10,143	10,143
QBE Earnings	\$76,410,926	\$78,157,794
Local Fair Share	\$(9,710,176)	\$(11,906,559)
Equalization	\$7,016,086	\$4,153,606
Health Ins Increase	\$2,928,630	\$5,857,260
Transportation	\$966,596	\$966,596
Nurses	\$230,224	\$230,992
Total Earnings	\$77,842,286	\$78,706,714

Excluding additional funding for Certified employee
healthcare cost increases

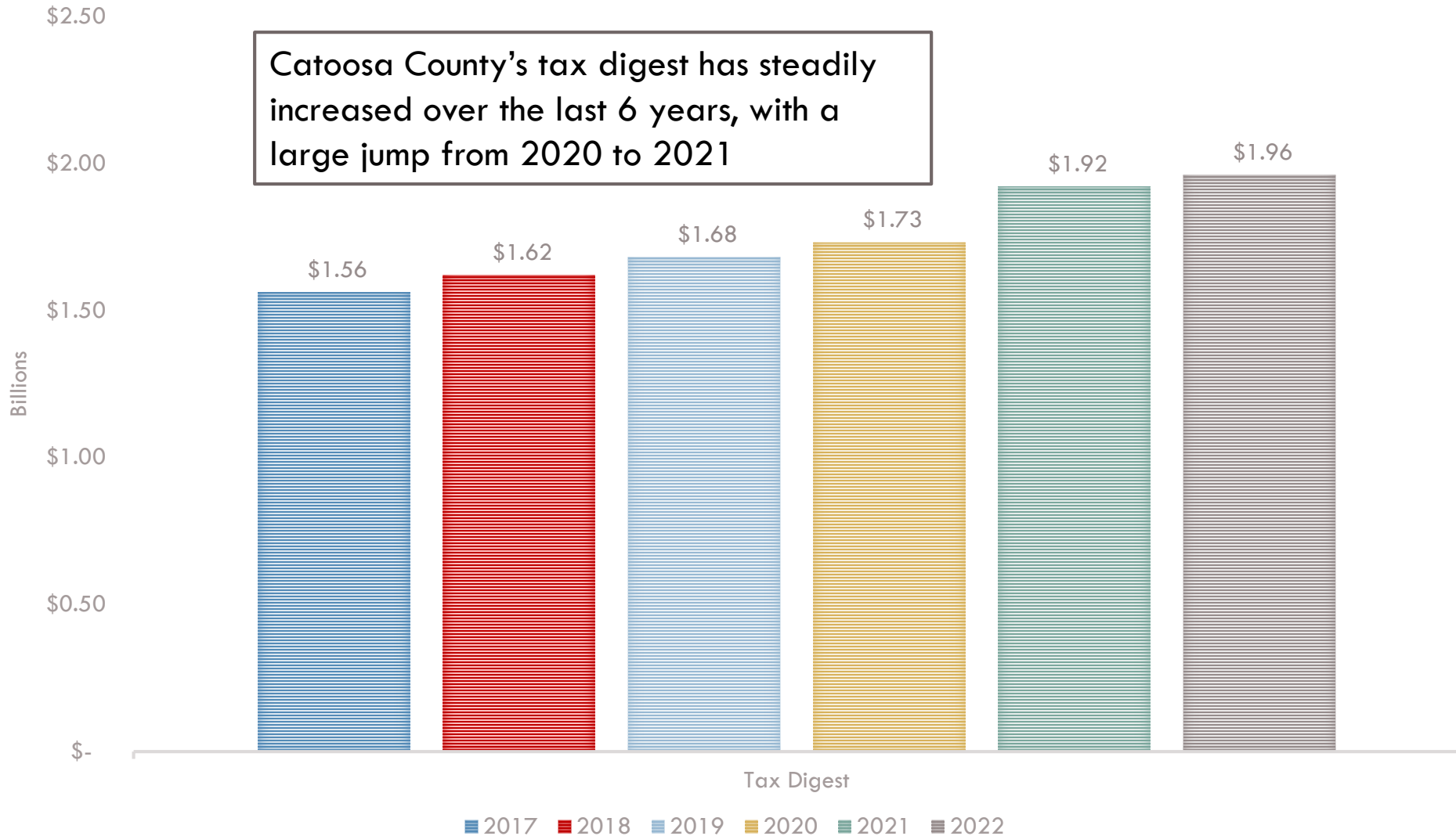
FY 23 Updated to FY 24 Initial

- \$4,992,832

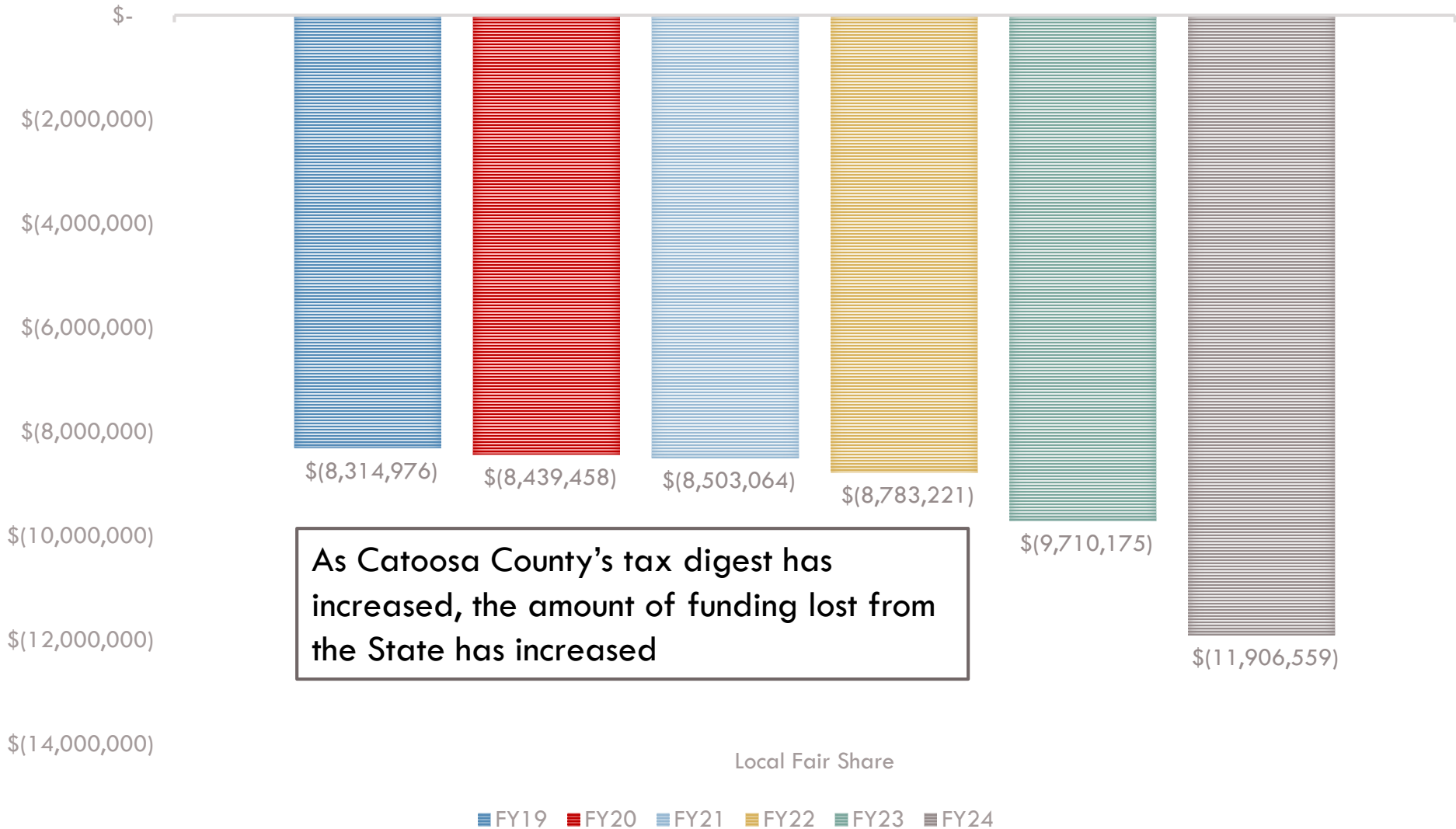
Tax Digest Trend

14

Catoosa County's tax digest has steadily increased over the last 6 years, with a large jump from 2020 to 2021



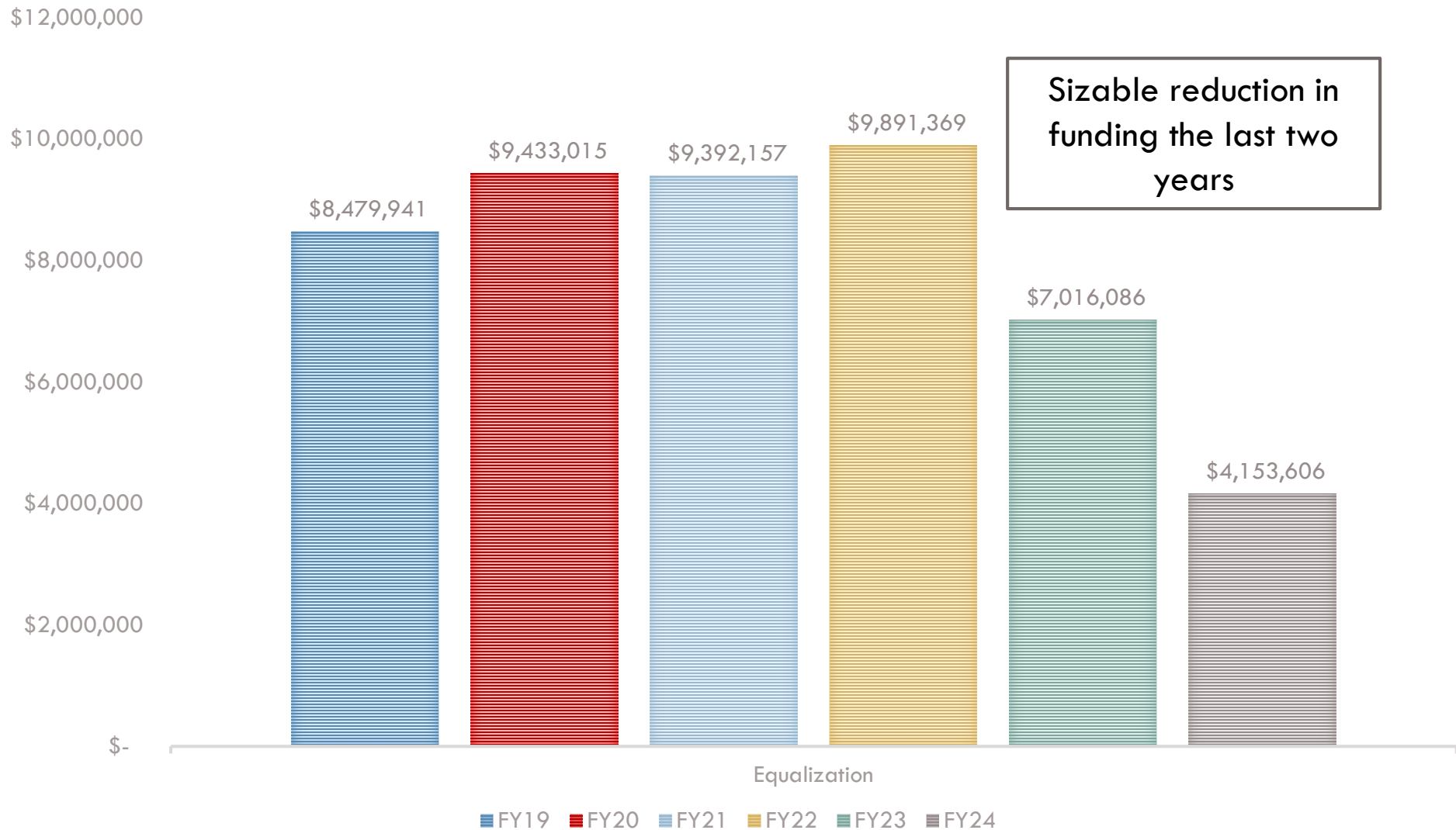
Local Fair Share Trend



As Catoosa County's tax digest has increased, the amount of funding lost from the State has increased

Equalization Funding Trend

16



Funding Impacts

17

- Local and State impacts on funding
 - ▣ When property values go up, Equalization funding goes down because CCPS has the ability to increase local funding
 - Catoosa County's tax digest has gone up 29% since 2016, while CCPS's equalization funding has gone down 51% during that same period
 - ▣ When property values go up, our Local Fair Share also increases reducing our State funding
 - Catoosa County's tax digest has gone up 29% since 2016 and while CCPS's LFS amount has increased 43%
 - ▣ Total impact = **(\$7,917,918)**

Funding Impacts

18

- Cost Challenges
 - ▣ Inflation, State Health Insurance Increase, and Needed Support Staff Wage Increases

 - ▣ Inflation – Fuel, utilities, supplies, etc.
 - Diesel – through Feb YTY increase of 43%
 - Electricity – through Feb YTY increase of 10%
 - Custodial Supplies – through Feb YTY increase of 22%

Funding Impacts

19

□ Cost Challenges

▣ State health insurance cost increase - \$945 to \$1,580

- Certified – effective January 2023

- Classified – incremental increase starting 01/01/24

 - \$250/\$250/\$135 per year

▣ Impact

- Projected \$4.5 million yearly increase in expenses once fully implemented

Funding Impacts

20

□ Cost Challenges

▣ Needed Employee Salary Increases

■ % Change Since FY11

▣ Admins

- State – 15.4%
- CCPS – 8.0%

▣ Teachers

- State – 17.6%
- CCPS – 9.2 %

Funding Impacts

21

□ Cost Challenges

▣ Needed Employee Salary Increases

■ Living Wage Calculation

- 2 adults working 2 child = \$22.34 per hr

■ CCPS Classified jobs currently

- Custodian with 17+ years of experience = \$15.15 per hr
- Paraprofessional with 17+ years of experience = \$15.43 per hr
- Child Nutrition staff with 17+ years experience = \$12.73 per hr

Funding Impacts

22

□ Cost Challenges

▣ Needed Employee Salary Increases

■ CCPS Cost Example:

- A Teacher making \$65,000
- Health Insurance at \$1,580 per month = \$18,960
- TRS at 19.98% = \$12,987
- FICA at 6.2% = \$4,030
- Medicare at 1.45% = \$942.50
 - Total budget impact = \$101,919.50

Impact

23

- “An educated citizenry is indispensable for the proper functioning of a republic.” – Thomas Jefferson
- Average market value of homes in Catoosa County = \$295,000

Market Value	\$295,000			
Assessed Value	\$118,000			
Millage Rate	Rollback Est.	No Increase	+1	+2
Property Taxes	\$1,652.00	\$1,774.72	\$1,892.72	\$2,010.72
Tax Increase	\$(122.72)	-	\$118.00	\$236.00
Daily Impact	\$(0.34)	-	\$0.32	\$0.65

It's not...

24

- As a public school system we are under more scrutiny than the majority of organizations in Catoosa County
 - ▣ Audited Yearly
 - ▣ Monitored by DOE
 - ▣ Public board meetings
 - ▣ Financial information is public

- ... _____, it's just MATH.