



Catoosa County

A GEORGIA CHARTER SYSTEM

Public Schools

**ACE TEAM MEETING
EDUCATION FINANCE**

April 20th, 2023

Big Picture

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- Where does our funding come from?
 - Local – property taxes
 - State – QBE formula
- How do Local and State funding interact?

Funding

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□ 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/County/Ringgold/Fort O
- For example
 - Market Value = \$100,000
 - Assessed Value = \$40,000 (40% of market value)
 - Current Millage Rate = 15.040
 - Property Tax = \$601.60

Funding

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□ Local

□ How does CCPS receive local funding?

- The County determines the value of the property in our area, known as the tax digest, taking into account things like inflation and organic growth
- CCPS sets the millage rate, if there is organic property growth in the tax digest we receive more funding
- If there is an inflationary increase in the tax digest, the County sets a “rollback” millage rate

Funding

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- Local
 - The Rollback - Options
 - If CCPS “takes the rollback” it will produce the same total revenue as the previous year while not increasing the property taxes paid by individuals and businesses
 - If we keep the same millage rate as the previous year or increase the millage rate then that increases the amount we collect but also increases the amount of property taxes paid by individuals and businesses
 - Our current millage rate is 15.040
 - Lowest since 2001
 - Taken the rollback every year since 2016

Local Funding – Tax History

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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%

Funding

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□ Local

□ What happens if we increase the millage rate?

■ Current millage rate = 15.040

■ 1 mill increase = \$2 million

■ 2 mill increase = \$4 million

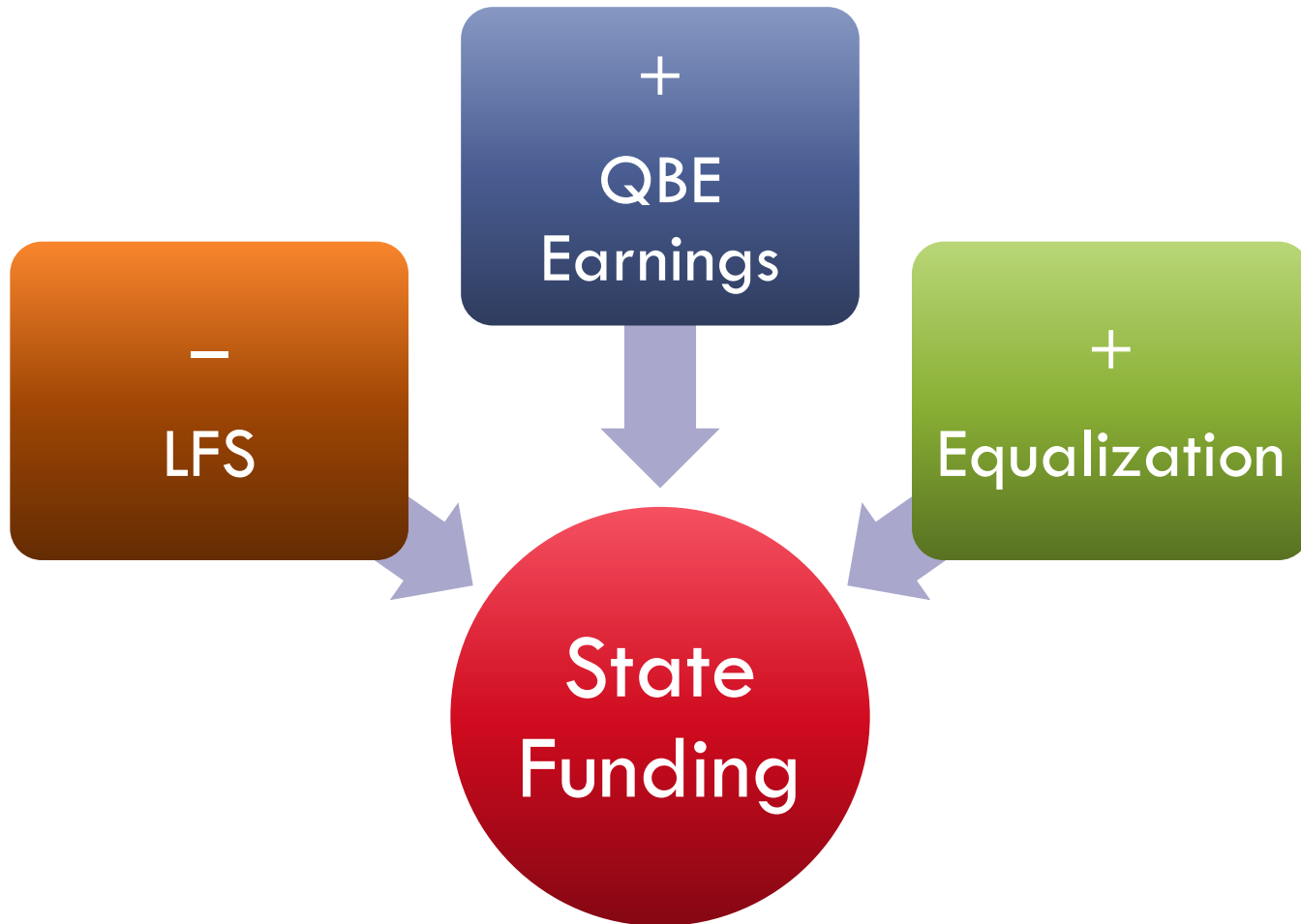
Market Value	\$ 100,000		\$ 200,000		\$ 300,000		\$ 400,000		\$ 500,000	
Assessed Value	\$ 40,000		\$ 80,000		\$ 120,000		\$ 160,000		\$ 200,000	
Millage Rate	+1	+2	+1	+2	+1	+2	+1	+2	+1	+2
Property Taxes	\$ 641.60	\$ 681.60	\$ 1,283.20	\$ 1,363.20	\$ 1,924.80	\$ 2,044.80	\$ 2,566.40	\$ 2,726.40	\$ 3,208.00	\$ 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

State Funding

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- GBPI – How does Georgia fund schools?
 - <https://youtu.be/x4bMliqSiVg>
- “A fear that some local county districts would stop paying for schools” – during the creation of the QBE formula
- The QBE formula is designed to lower State funding when the ability to raise funds locally increases

State Funding



Funding

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□ State

□ QBE Funding Formula

■ Per FTE Amount

- K - \$4,859.56
- Primary - \$3,757.78
- Elementary - \$3,012.42
- Middle - \$2,991.54
- High - \$2,897.28
- CTAE - \$3,422.07
- SPED - \$7,009.71 to \$17,092.24
- Gifted - \$4,879.85
- ESOL - \$7,535.07

State Revenue

	FY 22 Initial	FY 22 Midterm	FY 23 Initial
FTE's	10,278	10,356	10,356
QBE Earnings	75,643,311	\$75,651,547	76,434,284
Local Fair Share	(8,783,221)	\$(9,205,899)	(9,710,175)
Equalization	9,891,369	\$9,891,369	7,016,086
Austerity	(2,780,429)	-	-
Transportation	890,641	\$1,112,400	964,694
Nurses	210,885	\$210,885	230,224
Total Earnings	\$75,072,556	\$77,660,302	\$74,935,113

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

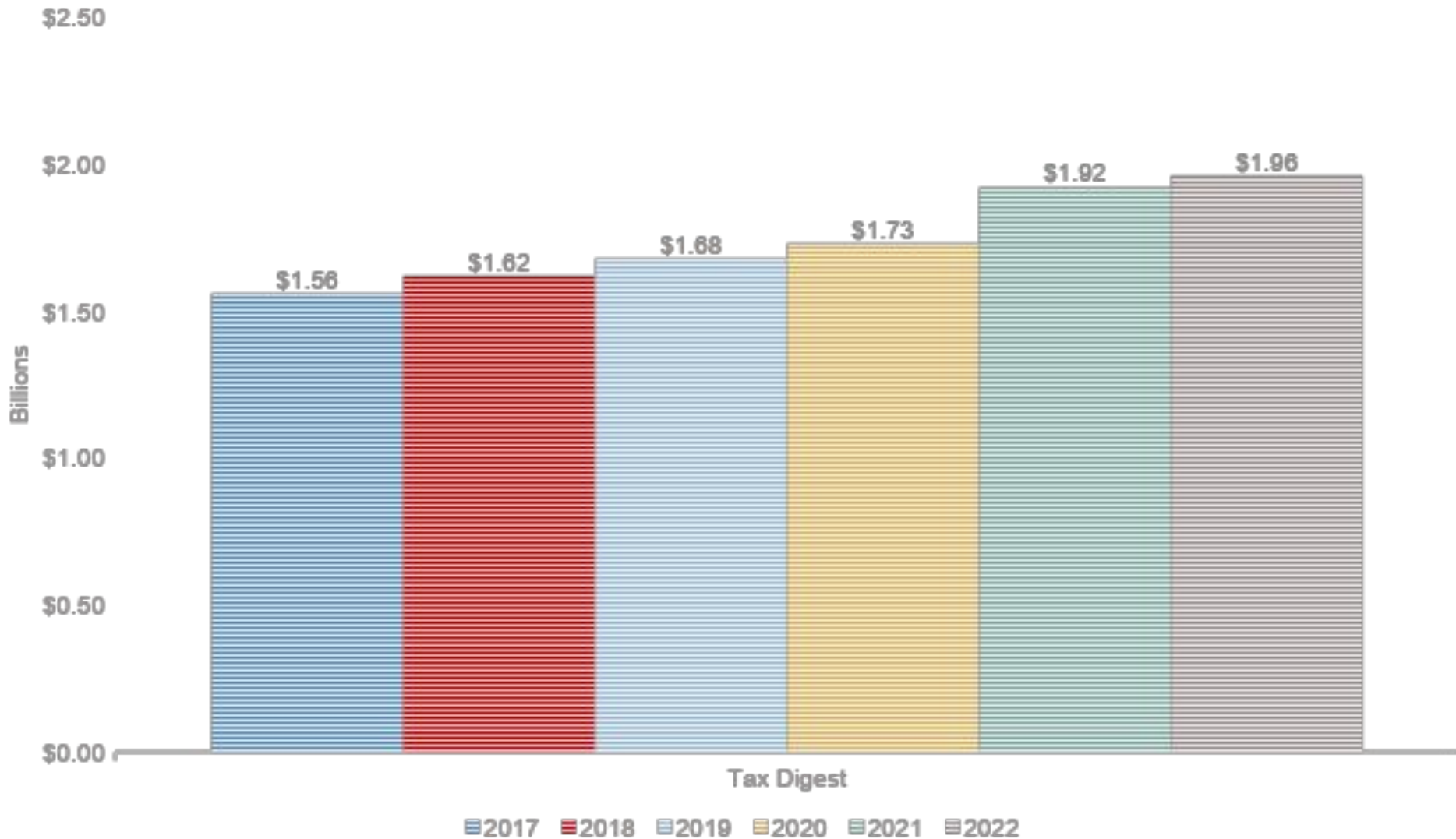
State Revenue

	FY 23 Initial	FY 23 Midterm	Est. FY 24 Initial
FTE's	10,356	10,143	10,143
QBE Earnings	76,434,284	\$76,410,926	\$78,157,794
Local Fair Share	(9,710,175)	\$(9,710,176)	\$(11,906,559)
Equalization	7,016,086	\$7,016,086	\$4,153,606
Health Ins Increase	N/A	\$2,928,630	\$5,857,260
Transportation	964,694	\$966,596	\$966,596
Nurses	230,224	\$230,224	\$230,992
Total Earnings	\$74,935,113	\$77,842,286	\$78,706,714

Excluding the additional funding for the Certified
healthcare costs increases
FY 23 Midterm to FY 24 Initial
- \$4,992,832

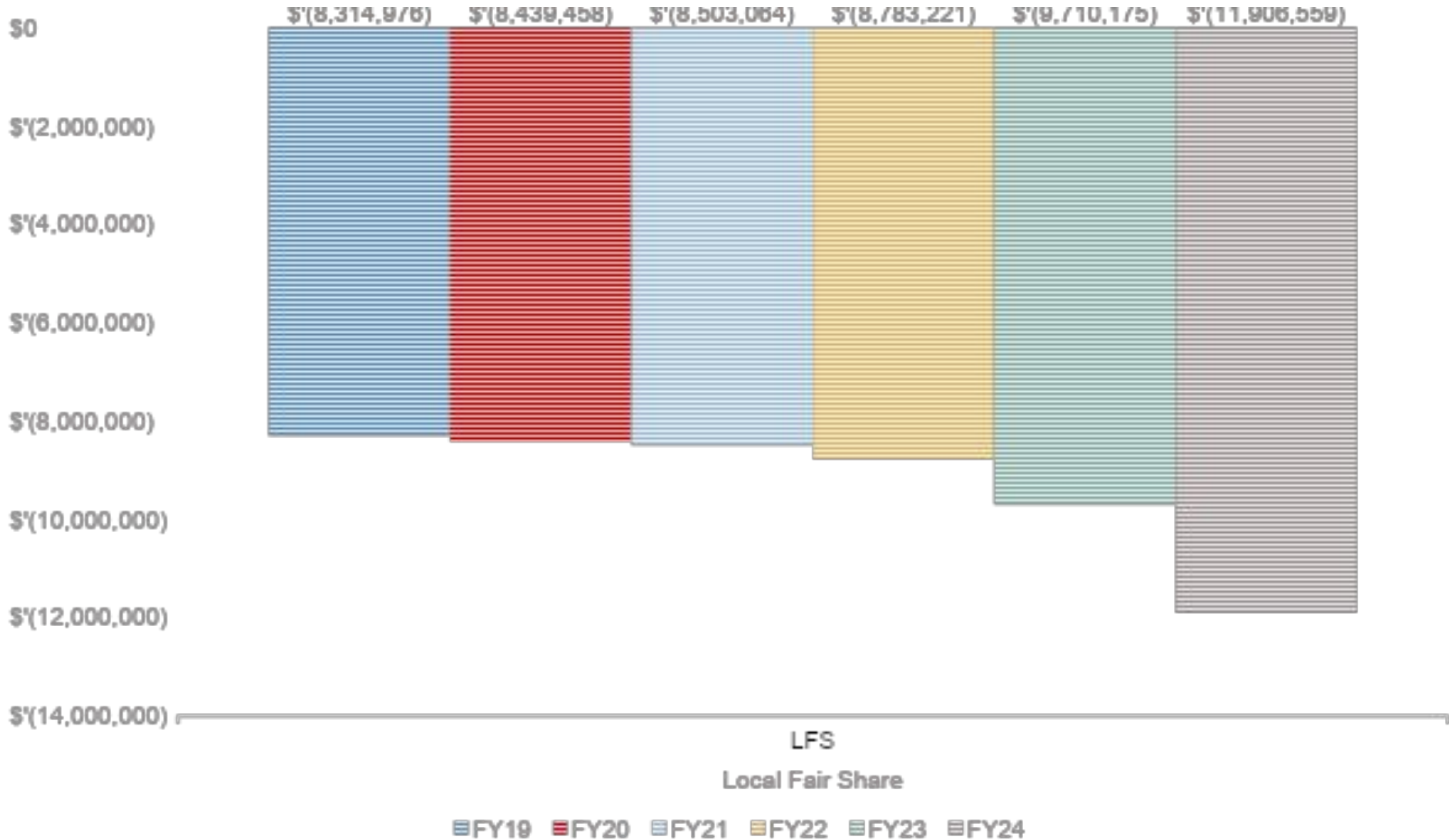
Tax Digest Trend

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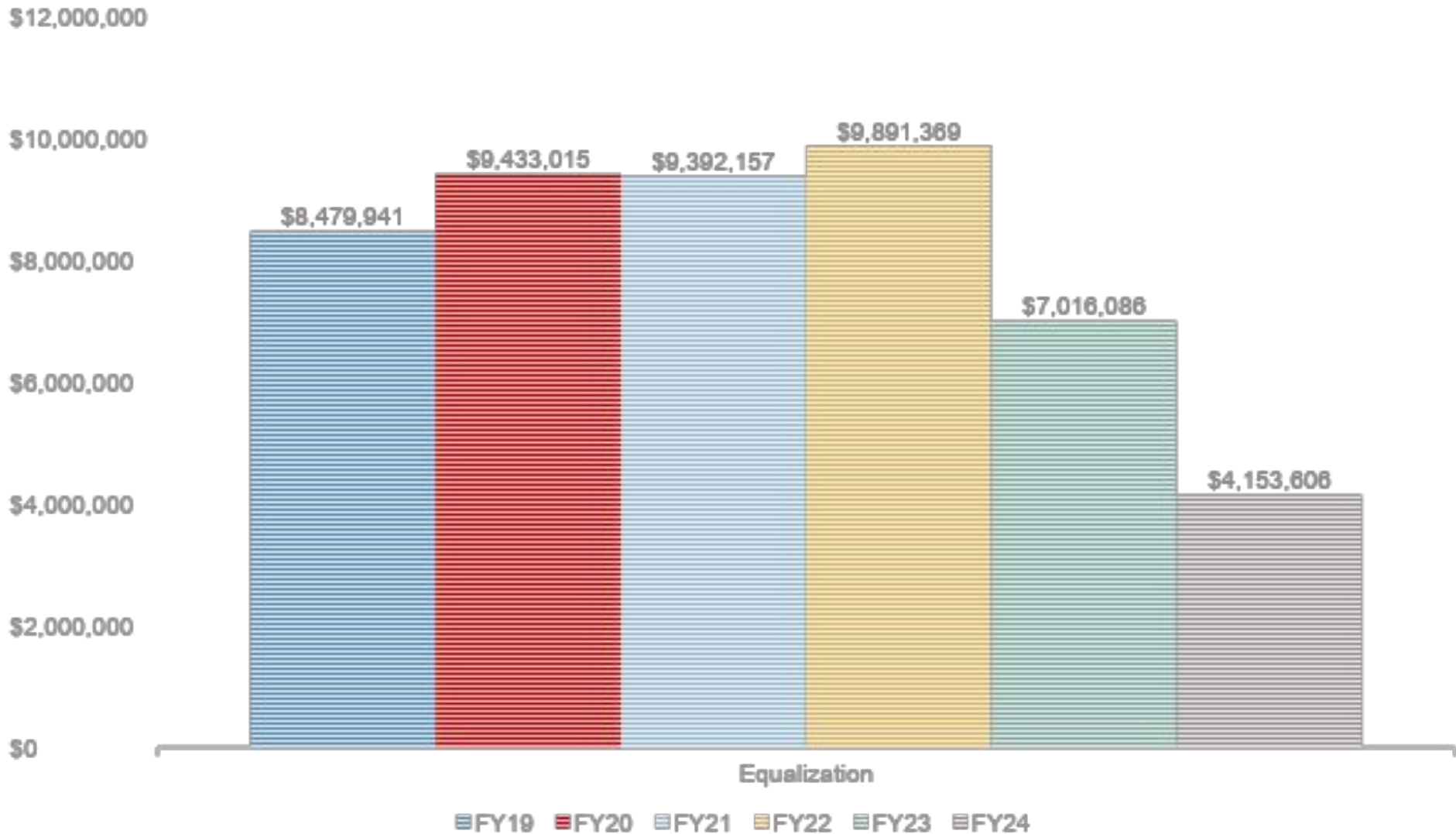
Local Fair Share Trend

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Equalization Funding Trend

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Funding Impacts

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- Local and State impacts on funding
 - When property values go up, Equalization funding goes down
 - Our tax digest has gone up 29% since 2016 and our equalization funding has gone down 51% during that same period
 - When property values go up, our Local Fair Share increases reducing our QBE funding
 - Our tax digest has gone up 29% since 2016 and our LFS has increased 43%
 - Total impact = **(\$7,917,918)**

Funding Impacts

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- Cost Challenges
 - 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%
 - TRS – 19.81% to 19.98%
 - \$13.5 million in FY22
 - Between \$14.5 & \$15 million in FY23
 - Will go up in FY24

Funding Impacts

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- Cost Challenges
 - SHBP employer contribution increase - \$945 to \$1,580
 - Certified – effective January 2023
 - Classified – incremental increase starting 01/01/24
 - \$250/\$250/\$135
 - Impact
 - Projected \$300,000 impact in FY23
 - Projected \$1.7 million additional impact in FY24
 - Projected \$1.5 million additional impact in FY25
 - Projected \$1 million additional impact in FY26
 - Total impact projected to be \$4.5 million

Funding Impacts

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- 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

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□ 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 Impact = \$101,919.50

Impact

- “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	+1	+2
Property Taxes	\$1,892.72	\$2,010.72
Tax Increase	\$118.00	\$236.00
Daily Impact	\$0.32	\$0.65

It's not...

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- 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 record

- ..., it's just MATH.