



Frequently Asked Questions Millage Rate Public Hearings

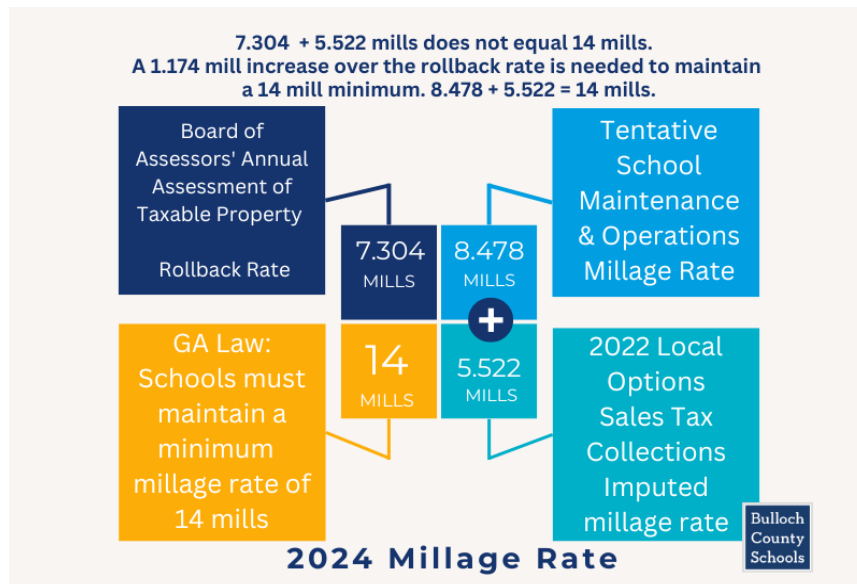
Q: Why can't the school district reduce its spending to prevent a tax increase?

A: This proposed increase is not a tool to increase revenue for the school district, nor is it to make up any budget shortfall. The Bulloch County Schools Fiscal Year 2024 Budget was finalized in June 2023 prior to the school district receiving any information from the Bulloch County Board of Assessors to determine the 2023 millage rate.

Bulloch County Schools strives to be a good steward of its resources. This tentatively approved millage rate increase is necessary to keep the school district in compliance with Georgia law (OCGA 20-2-165) which requires school systems to maintain a minimum equivalent millage rate of 14 mills of maintenance & operations property tax or otherwise lose Equalization Funding which is part of the state funding formula for school systems. If Bulloch County Schools does not maintain the required minimum equivalent millage rate of 14 mills, its future equalization funding of \$7.4 million could be at risk.

It comes down to basic mathematical formulas:

- The Bulloch County Board of Assessors' Annual Assessment of Taxable Property resulted in a rollback millage rate of 7.304 mills.
- Bulloch County Schools receives Bulloch County's Local Option Sales Tax (LOST), which has an imputed millage rate of 5.22 mills.
- Bulloch County Schools' (M&O) Millage Rate plus the imputed Local Option Sales Tax (LOST) millage rate makes up the school district's total millage rate, and it must equal at least 14 mills.
- The school district is unable to do a full rollback of its current 8.263 Maintenance & Operations (M&O) millage rate to the 7.304 mill rollback rate and remain compliant with state law.
- The state's required 14 mills less the imputed LOST millage rate of 5.22 mills as determined from 2022 revenues equals 8.478 mills. The 8.478 mills is higher than the prior year's 8.263 mills and, thus, represents an increased millage rate. **Reducing the school district's Fiscal Year 2024 Budget would not alter this mathematical formula.**



Q: Why does the Board of Education get Bulloch County's Local Option Sales Tax?

A: There are seven counties in Georgia, including Bulloch County where the revenue from the county's original Local Option Sales Tax, goes to the public school systems' operating budgets. This has existed in Bulloch County for more than 40 years and the imputed rate of the Local Option Sales Tax revenues makes up part of the school district's overall millage rate. Because of these tax revenues, which come from non-property owners and non-residents as well, Bulloch County Schools has one of the lowest Maintenance & Operations millage rates in the state. In fact, of the 180 school systems in Georgia, in the current year, Bulloch County has the fifth lowest millage rate.

Q: What's the difference between the Local Option Sales Tax and the Education Special Purpose Local Option Sales Tax (E-SPLOST) and why can't the E-SPLOST IV and V that we voted for prevent the millage rate from going up?

A: The Education Special Purpose Local Option Sales Tax (E-SPLOST) is a one-penny sales tax. A referendum is placed on the ballot for voters. A fifth E-SPLOST was approved by voters on Nov. 8, 2022. E-SPLOSTs fund building and renovation projects for school facilities that would otherwise require financing through increased property taxes. An approved E-SPLOST's revenue may only be used for the purposes set forth in the referendum that voters approved. Having an E-SPLOST in place does not alter Georgia law (OCGA 20-2-165) requiring school systems to maintain a minimum equivalent millage rate of 14 mills of maintenance & operations property tax or otherwise lose Equalization Funding.

A Local Option Sales Tax, while it is also a sales tax, its revenue goes to cities and counties; however, in Bulloch County, more than 40 years ago, leaders in our county decided to pass these revenues to the school district. This helps offset the maintenance and operations millage rate and helps keep property taxes lower.

Q: Why are major industries who locate in Bulloch County allowed to be exempt from school taxes?

A: Bulloch County does not exempt industries from paying school taxes.

Q: Why does Georgia require public schools to maintain a millage rate of at least 14 mills?

A: To ensure each community pays what is calculated as its fair share of funding to support its public schools. In Bulloch County, this property tax funding only provides revenue for the General Fund, which is the district's main operating fund, and one of five funds that make up the overall school district budget. Also, for Bulloch County, 60% of the General Fund's revenues comes from state funding.

Q: How much revenue will Bulloch County Schools collect from the proposed millage rate increase over the Bulloch County Board of Assessor's 2023 roll back rate of 7.304 mills and how will this money be used?

A: The school district estimates that its proposed 2023 M&O millage rate of 8.478 mills will generate approximately \$3 million more dollars in property tax revenue. Since the district's Fiscal Year 2024 Budget has already been approved, these funds would be placed in the district's Reserve Fund for future use for General Fund expenditures. The school district's overall Property tax revenues are only used for General Fund expenditures.

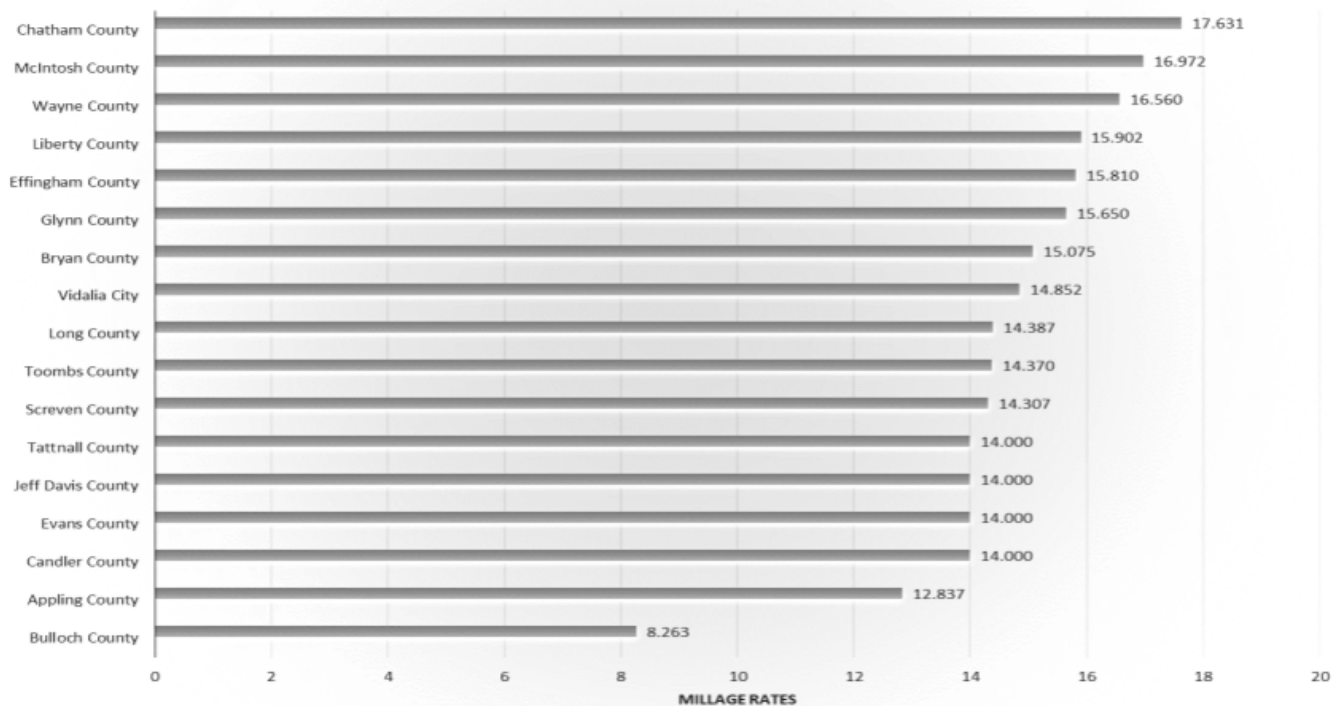
Q: What is Bulloch County Schools' Fiscal Year 2024 Budget?

A: The school district's overall Fiscal Year 2024 Budget is made up of five separate funds: General Fund, Special Revenue Funds, School Nutrition Funds, Capital Projects Funds, and Debt Services Funds. The total projected budget revenue for all of these funds is \$167,958,036 and overall expenditures are budgeted to be \$176,102,729. The excess expenditures over revenues will be covered by the district's reserve fund balance to produce a balanced budget. Property tax and local option sales tax revenues only go to the General Fund. The General Fund's FY 2024 revenue is projected to be \$131,805,319 and its budgeted expenditures are \$139,463,817, with any excess expenditures over revenues being covered by the district's reserve fund.

Q: What is the maintenance & operations millage rate for other school districts in our area?

A: The chart below shows the 2022 maintenance & operations millage rates of the 17 counties in the First District Regional Educational Service Area (First District RESA). Bulloch County School System's is the lowest. The local option sales tax revenue helps keep the M&O rate lower, but even if you factored in this year's imputed millage rate of the local option sales tax which is 5.522, the school district's overall millage rate is still just 14 mills, which is the state requirement, and still one of the lowest rates in the area. In addition, the most recent comparison of the 180 school systems in Georgia shows that Bulloch County Schools has the fifth lowest millage rate.

**2022 MILLAGE RATES OF 17 SURROUNDING COUNTIES
IN THE FIRST DISTRICT AREA**

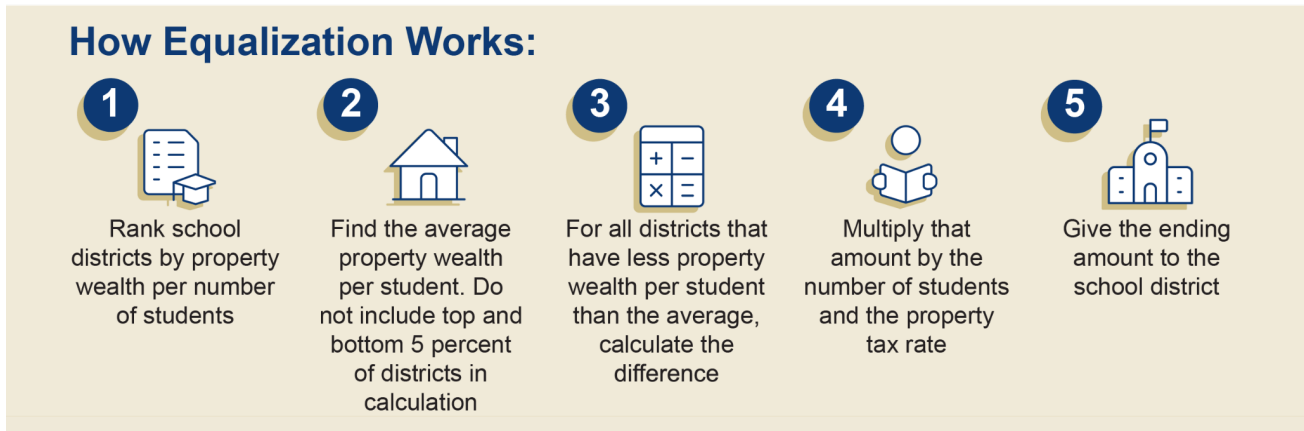


Q: Can the Board of Education vote to provide a homestead exemption for targeted groups of citizens?

A: The Board of Education does have the power to enact a targeted homestead exemption if a majority of the Board believes this is the best course of action for the community and its K-12 public school students.

Q: If Bulloch County Schools would lose \$7.4 million in equalization funding if it does not maintain a millage rate of at least 14 mills, how is equalization funding calculated?

A: Georgia’s equalization grant is intended to close the gap between high and low property wealth school systems. Not only is there a 14-mill minimum requirement to receive these funds, but the state grants more equalization funding to systems with millage rates greater than 14 mills. **Equalization funding is not calculated in relation to, nor is it for, low performing schools.** School systems receive equalization funding based upon three factors: **(1)** The difference between the system’s property wealth per student and the state average property wealth per student; **(2)** The system’s student enrollment; and **(3)** The system’s property tax millage rate.



Q: What is the history of Bulloch County Schools’ Maintenance & Operations Millage Rate?

A: The chart below shows that while this year’s proposed millage rate is slightly higher than last year’s it is lower than each of the previous nine years’ millage rates.

