



# Chickamauga City School District

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**Superintendent**  
Stacy McDaniel

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Over the past several weeks there has been an abundance of information publicized regarding the Chickamauga City Council lowering the millage rate from 14.25 mills to 14 mills and how that affects Chickamauga City Schools. I would like to take a few minutes to clear up some misconceptions and share the facts with you. I want everyone to have the most accurate up-to-date information.

## School funding sources

Public school systems are funded through multiple sources. Annually, we receive state funds based on student enrollment, student programs, and teacher experience. Also, we receive local tax revenue. In addition, we charge tuition for students that live outside our school district. These funding sources are combined and approximately 80% of the funds are used to pay all employee salaries and benefits. That only leaves 20% to be used for facilities, maintenance, technology, transportation, professional learning, instructional materials, etc.... We strive to be good stewards of all available resources; however, the school district is not immune to rising costs.

### 1. Tuition for out of district students:

- Each year the school system evaluates the amount of tuition charged for out of district students. Per the Walker County Assessor's office, the average home price in Chickamauga City limits is \$225,000 which results in the homeowner paying \$1,260 in property tax this year. Currently, our tuition for out of district students is \$900 per student with a family cap of \$2,700 for three or more children. We try to keep the tuition in line with the property tax on the average home price of \$225,000.
- Currently, our student population is made up of 33% city resident students and 67% out of district students. Even though \$900 per student is not equivalent to a homeowner paying \$1,260 in property tax it is equivalent when you factor in that we average two children per family. This means an out of district family is paying \$1,800 in tuition which is more than an average city resident family pays in property tax.
- We have gradually raised tuition over the past several years, due to not wanting to put ourselves out of business. With 67% of our student body being out of district students, it would be detrimental if we raise tuition so high that out of district families leave. We need out of district students to continue having a school system.

### 2. State equalization funds:

- Another funding source that we rely on heavily is state equalization funds. Based on FY2024 data, Chickamauga City Schools ranks 169 out of 180 school districts based on system wealth. There are only 11 systems poorer than Chickamauga City Schools. Based on our low wealth ranking we are eligible to receive state equalization funding for the purpose of equalizing the educational opportunities for our students. Equalization funding assists poorer school districts by narrowing the funding gap between high and low property wealth systems.
- Equalization funding is determined at the state level and is calculated using a complex formula based on tax digest, exemptions, weighted student count, local tax revenue, and local fair share. The state passed a law requiring school districts to have an effective millage rate of 14 mills or they would not be eligible to receive equalization funding. In 2015, the millage rate was raised from 12 mills to 14.25 to ensure the effective rate was met. It has

remained at 14.25 mills since 2015. It is the lowest rate it can possibly be in order for us to feel comfortable that the school district is not in jeopardy of losing eligibility for state equalization funding for low wealth systems.

### Effects of lowering millage rate from 14.25 mills to 14 mills

#### 1. Property tax:

- We are aware that the recent reassessment of property in Chickamauga resulted in increased property values which means people will be paying higher property taxes this year. Many of us are experiencing the negative effects of the reassessment of property and the burden of cost-of-living increases across the board. With the millage rate being lowered from 14.25 mills to 14 mills, the school system will lose approximately \$41,661 this year while the homeowner of a \$225,000 house will save \$22.50 this year. We realize because of the reassessment we are still receiving additional property tax revenue; however, this is quickly offset by rising costs to operate.

#### 2. State equalization funds:

- Chickamauga City School System is at a disadvantage due to a low property tax base. Being eligible for equalization funds helps us make up for this. We rely heavily on equalization funds to operate our school system. The state has the philosophy of rewarding school districts that help themselves. While we cannot control the actions of the other 179 systems across the state, we need to be diligent in not hurting ourselves.
- In 2022, 125 systems lowered their millage rate while we held steady and remained at 14.25 mills. Approximately, 71% of school districts still had a millage rate higher than us and some all the way up to over 20 mills. As a point of reference, our millage rate is still lower than our neighboring systems. Catoosa County held their millage rate steady this year at 15.040 mills while Walker County rolled back this year to 14.982 from 16.404. This current school year, we received a substantial increase in state equalization funding. This was a blessing because we are hoping to be able to purchase technology, update facilities, and cover state mandated health insurance increases.
- It is impossible to estimate the impact that lowering the millage rate to 14 mills will have on equalization next year since 179 other school districts are involved in the calculation. The reduction could potentially be up to \$500,000. We will not know the exact amount until around April or May 2024.
- There has been some information circulating that we should be able to lower the millage rate to 8 mills because we have an ESPLOST and still receive equalization funds, but this is NOT true. Based on correspondence from the Georgia Department of Education (GaDOE) Financial Review and Grants Accounting department, there appears to be confusion regarding terminology. ESPLOST is specifically for construction/capital outlay, so it is not considered for local tax purposes and equalization calculation and does not impact the effective mills requirement.

I hope this information has helped you to understand our position in this matter. Even though it is a small amount we are losing in property tax revenue this year, it is a large amount we could potentially be losing in equalization funds. If we were ever to lose all equalization funding, it would be detrimental to our school system and it would also be an undue burden on the citizens of Chickamauga since it would take approximately 24.17 mills to make up for lost equalization funding.

We are very proud of our school system and value the citizens of Chickamauga. We strive to improve and grow daily to provide the best education we can to our students. We want our students to be challenged and engaged in an educational program that meets the needs of all learners. We want our students to graduate with the character, knowledge, and essential skills needed to succeed in a global economy. The teachers,

students, parents, and community members are extremely important, and we must work together as a team to accomplish our goals.

Equalization is an important funding source for the Chickamauga City Schools due to low property wealth. We are frugal with our money. We maximize the funds we do have, but it is difficult to compete with larger school systems with a higher property tax base. We cannot afford to lose funds and still stay competitive with the strides other area schools are making. This is why equalization funds are so important to the growth and continued success of our school system.

If you have any questions, please do not hesitate to reach out to me by phone or email. I can be reached at 706-382-3100 ext. 4001 or [stacy.mcdaniel@clschools.org](mailto:stacy.mcdaniel@clschools.org).

Sincerely,

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