

Budget 101:

The School Budgeting Process Made Simple

It's that time of year again – the Fulton County School System's budget season.

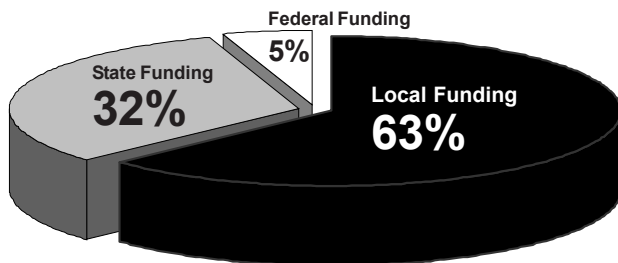
In June, the Fulton County Board of Education will adopt the 2008-09 budget to determine employee salaries, funded programs, supported services, textbook orders – and more.

Until the June vote, Fulton County citizens are encouraged to keep up with the budget development process. How? Attend monthly board meetings and work sessions (which can also be viewed from the web site – www.fultonschools.org) – or drop in on your district board member's monthly community meeting (dates, times and locations are also listed on the web site).

To Help Follow the Budgeting Process, Here's a Quick Primer – “Budget 101”

Where Does the Fulton County School System's Funding Come From?

Public schools in Georgia receive a combination of federal, state and local funds to pay for student education. In Fulton County, the majority of funding comes from local property taxes (the taxes county residents pay on their home). The state funds the next largest amount, followed by a small portion from the federal government.



Fulton County School System's annual budget – to cover 93 schools and 86,000 students – is close to \$1 billion. Most of the budget is used for teacher/staff salaries and benefits. It costs, on average, about \$9,000 a year to educate a student.

The state pays school systems an amount of money for each student based on Georgia's Quality Basic Education Act (QBE). The amount of money paid per student can vary depending on the student and his or her educational program 'weighting' – *i.e.* it costs more to educate a kindergarten student or a special needs child than it does an 11th grader.

The federal funds that school districts receive can only be used for specific programs, often involving at-risk children (*i.e.* students with limited English proficiency or those who require special education, etc.).

Other School Funding Sources in Fulton County

- 1) Voter-approved Special Purpose Local Option Sales Tax (SPLOST) helps pay for new construction, renovations, building improvements, land purchases and technology
- 2) Some state revenue for public education is allocated through categorical grants – for example, that's how school bus transportation is funded

School-Funding Challenges to Keep in Mind

- State does not pay all teacher benefits or entire salary
- State does not pay full cost of textbooks, equipment, supplies and substitute teachers
- Reductions in state funding (Fulton's austerity cuts equal more than \$70 million since 2003)
- Increasing student enrollment
- Rising Local Fair Share amount* (Fulton County School System paid more than \$137 million in 2007)
- Recruitment and retention of quality teachers
- Increasing diverse student populations
- Competition for funding at the state level
- Limited sources of revenue and little flexibility in spending funds
- Potential tax reforms

* Due to QBE, school systems with large tax bases – such as Fulton County – are required to leave a portion of its tax collection with the state as a "Local Fair Share" contribution. That money is used to help support districts, typically rural, that have much smaller tax bases.

The Actual 2008-09 Budget Process...Take Note

- Proposed budget submitted to the school board (April 15)
- Board holds workshops on budget (April – May)
- Board holds public hearings for input (April 29, April 30)
- Board tentatively adopts budget by formal vote (May 15)
- Budget/millage rates advertised in newspaper (May – June)
- Board revises tentative budget/formally adopts it (June 12)
- Board tentatively adopts millage levy (June)
- Proposed millage rates presented to the Fulton County Government and Georgia Department of Revenue (June)
- Board sets final levy for the fiscal year (June 26)

How to interpret your county tax bill:

see reverse

How to Interpret Your County Tax Bill



2007 TAX BILL

EXAMPLE

Arthur E. Ferdinand
Tax Commissioner, Fulton County

Owner Name
JOHN AND JANE DOE

Parcel Identification
12-3456-7890-123-4

Account Number
4567890

Property Location
1234 FULTON COUNTY LANE

Tax District
57

Fair Market Value
258,100

2 Assessed Value
103,240

Temporary Assessment

1 City Exemption: 0

County Exemption: Fulton Homestead Reg

Levies	3	Assessment	Exemptions	Net Assessment	4	X	5 Net Rate	State Credit	6 TAX
FULTON OPER		103,240	25,390	77,850		X	.010281	\$-82.25	\$718.13
FULTON SCHOOL GEN		103,240	2,000	101,240		X	.016903	\$-135.22	\$1,576.04
FULTON SCHOOL BOND		103,240	0	103,240		X	.001188	\$0.00	\$122.65
STATE		103,240	2,000	101,240		X	.000250	\$-2.00	\$23.31
JOHNS CREEK		103,240	15,000	88,240		X	.004614	\$-36.91	\$370.23
				Total Amount Billed					\$2,810.36
				Less Amount Paid					
				Total Due					\$2,810.36

1 FAIR MARKET VALUE
Actual value of your property, as determined by the Board of Tax Assessors

2 ASSESSED VALUE
Amount of your property (assessed at 40 percent) that is taxable

3 LEVIES
Fulton Operational Budget: Finances the county's general operating expenses.
Fulton School General Fund: Finances the school system's general operating expenses.
Fulton School Bond: Pays down debt owed on school-related bonds.
State: Finances the state's general operating expenses.
City: Finances the city's general operating expenses.

4 NET ASSESSMENT
Amount of property that is taxable after local and state tax exemptions. This amount is multiplied by each levy's millage rate to determine the tax.

5 NET RATE (MILLAGE RATE)
Since property taxes are the primary source of revenue for local school systems, school districts are required to levy – or tax – the equivalent of at least five mills in property taxes. A 'mill' is a tax rate of \$1 per \$1,000 of assessed property value. Sometimes, the taxable value of a property increases and, even if the millage rate remains the same, the property owner pays more money in taxes to the school board. Board members may choose to "roll back" the millage, or reduce the property tax rate, so homeowners do not pay more in taxes because of the increase in their property's value.

6 TAX
Actual taxes owed after exemptions, application of millage rates and state credits.