



STATE CHARTER SCHOOL FUNDING

State charter school students earn Quality Basic Education (QBE) formula funding, like all Georgia public school students, and "State Charter School Supplement" funding. The total amount of QBE dollars a state charter school receives is calculated using the QBE formula. The formula provides for a base per-pupil amount to each student. Schools may receive additional funding for students based on specific characteristics, which is calculated by multiplying the base per-pupil amount by a specified weight.

Like local schools, state charter schools also incur any *reductions* made to the Georgia K-12 funding formula, including Local Five Mill Share and Austerity.

No local tax money flows to state charter schools. Instead, the Georgia General Assembly appropriates additional state dollars commonly referred to as the "State Charter Supplement." Similar to QBE, the State Charter Supplement is calculated using the state charter funding formula. The State Charter Supplement formula consists of three broad categories: a proxy for local funding (i.e. the approximate amount of local funding a state charter school would have received based on its location), a proxy for capital outlay funding which school districts typically receive (i.e. a capital allocation to help offset common facilities expenses) and, like local districts, monies for categorical grants which help schools provide critical school services (e.g. transportation, nutrition, etc.).

Explanation of Funding Calculation

All funding for state charter schools comes from the state. The allocation for each student in a state charter school is determined by adding four components:

1. QBE formula earnings based on the school's enrollment, school profile and student characteristics;
2. A proportional share of the earned state categorical grants (transportation and school nutrition);
3. The state-wide average amount of the total revenues less federal revenues less state revenues other than equalization grants per full-time equivalent for all school systems; provided, however, that, **IF** the average amount of the total revenues less federal revenues less state revenues other than equalization grants per full-time equivalent for the local school systems that comprise the attendance zone of the state charter school is **LESS THAN** the state-wide average amount of the total revenues less federal revenues less state revenues other than equalization grants per full-time equivalent for all school systems, the state charter school shall receive **THE GREATER OF**:
 - The average amount of the total revenues less federal revenues less state revenues other than equalization grants per full-time equivalent for the local school systems that comprise the attendance zone of the state charter school; **OR**
 - The average amount of the total revenues less federal revenues less state revenues other than equalization grants per full-time equivalent for the lowest five school systems ranked by assessed valuation per weighted full-time equivalent count, as determined by the department.
4. For **brick-and-mortar** state charter schools, the state-wide average total capital revenue (*determined by a formula that looks at the total collection from E-SPLOST statewide plus the total state allocation for capital outlay to local school districts divided by the total number of students statewide*), excluding local revenue bonds, per full-time equivalent, as determined by the department **OR** the capital revenue per full-time equivalent for the local school system where the brick-and-mortar state charter school is located, whichever is greater; **AND** for state charter schools that offer **virtual instruction**, an amount equal to 25 percent of the state-wide average total capital revenue per full-time equivalent if such school provides computer hardware, software, associated technical equipment, and ongoing maintenance required and necessary for its students to participate in such virtual instruction.

Explanation of Deductions FY2026

Local Five Mill Share (LFMS)

- Since Fiscal Year 2013, the legislature has proposed budgets that deduct the equivalent of an LFMS deduction from State Charter Schools' funding.
- The LFMS deduction is taken only from QBE earnings. The deduction amount is tied to the average LFMS per FTE of the districts used to determine the base supplemental funding figure.

Austerity

- State Charters receive the same austerity deduction that all public schools receive.
- Austerity in the Fiscal Year 2026 (FY2026) budget equaled approximately 0% of the Statewide "State Funds" (State Funds = Total QBE Earnings less the LFMS). Therefore, each district's/state charter school's "State Funds" were multiplied by 0% to get a respective austerity value.

Commission Withhold

The State Charter Schools Commission (SCSC) operates through an administrative withhold of state education funds allocated to state charter schools. By statute, the SCSC can withhold up to 3% of a school's earnings to cover agency operations. However, since its establishment, the SCSC has reduced this amount to 2% or less.

For FY2026, the SCSC voluntarily reduced the administrative withholding amount to 1.7% for existing schools and 0.7% for new schools in their first year of operation.

Giveback Grant

At the end of each fiscal year, any unused agency funds are returned to schools through the SCSC Giveback Grant program, supporting our commitment to reinvest in the schools we serve.

Updated September 09, 2025