

STATE CHARTER SCHOOL FUNDING

State charter schools, like all public schools, receive Quality Basic Education (QBE) 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. For example, if you multiply the Kindergarten weight (1.6715) by the current year's base funding amount (\$2,783.67), you get \$4,652.99 in QBE funding.

Like local schools, state charter schools also incur any *reductions* made to the Georgia K-12 funding formula. This is typically referred to as "austerity".

No local tax money flows to state charter schools. Instead, the 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**:

- **Component 1:** QBE formula earnings based on the school's enrollment, school profile and student characteristics;
- **Component 2:** A proportional share of the earned state categorical grants (transportation and school nutrition);
- **Component 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:

(i) 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

(ii) 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.

- **Component 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

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 2020 (FY2020) 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) is authorized to deduct up to 3% of the overall budgets of state charter schools to cover SCSC operating expenses.
- For the Fiscal Year 2020 (FY2020), the SCSC voluntarily reduced the administrative withholding amount to 2% for existing schools and 1% for new schools in their first year of operation.

AVERAGE PER PUPIL (FTE) STATE FUNDING (FY2020)

Average State Charter Funding (All Schools) = \$8,740

- *Total Funds (\$292,069,314) / Total FTE (33,416)*
- *31 B&M + 2 Virtual = 33 Schools*

Average State Charter Funding (Brick & Mortar Schools) = \$10,017

- *Total Funds (\$179,978,317) / Total FTE (17,967)*
- *31 schools*

Average State Charter Funding (Virtual Schools) = \$7,256

- *Total Funds (\$112,090,997) / Total FTE (15,449)*
- *2 schools*

The amounts listed above reflect an SCSC withholding amount equal to 2% for existing schools and 1% for schools in their first year of operation.

The amounts listed above reflect State funding only. Federal funding is not reflected in these per FTE averages.