

# State Charter Schools of Georgia “How To Be An LEA”

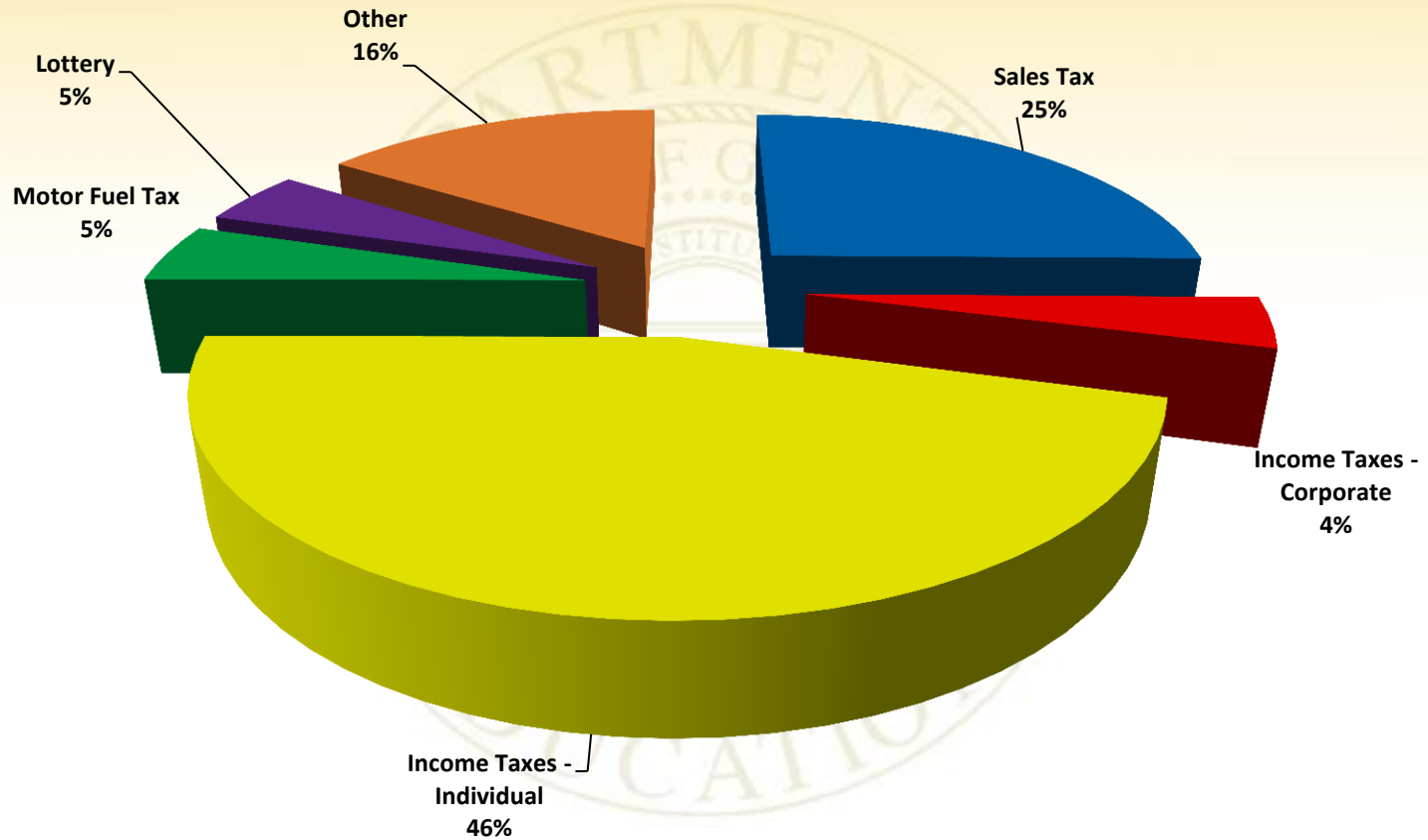
GaDOE Finance and Business Operations  
Denise Peterson  
Assistant Budget Director  
December 2, 2014



# State Budget – Revenue

## \$20,836,744,620

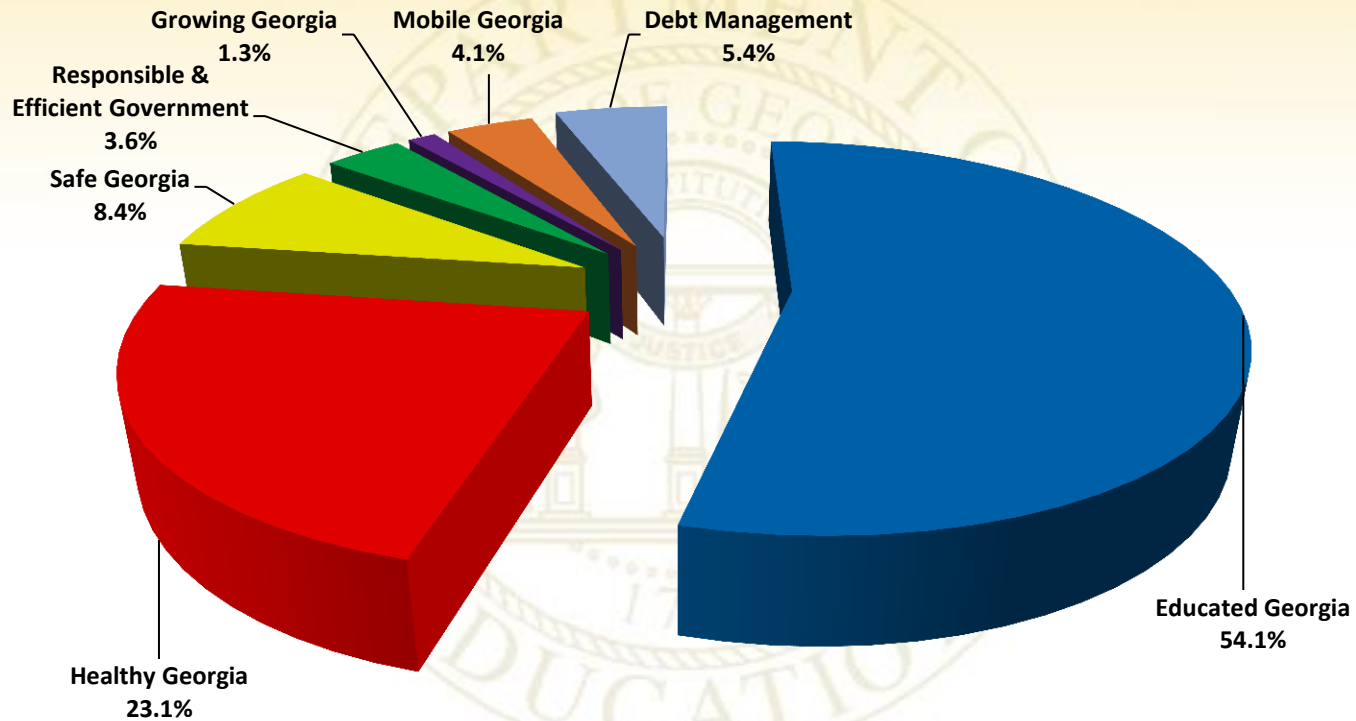
### FY 2015 estimated



# State Budget – Expenditures

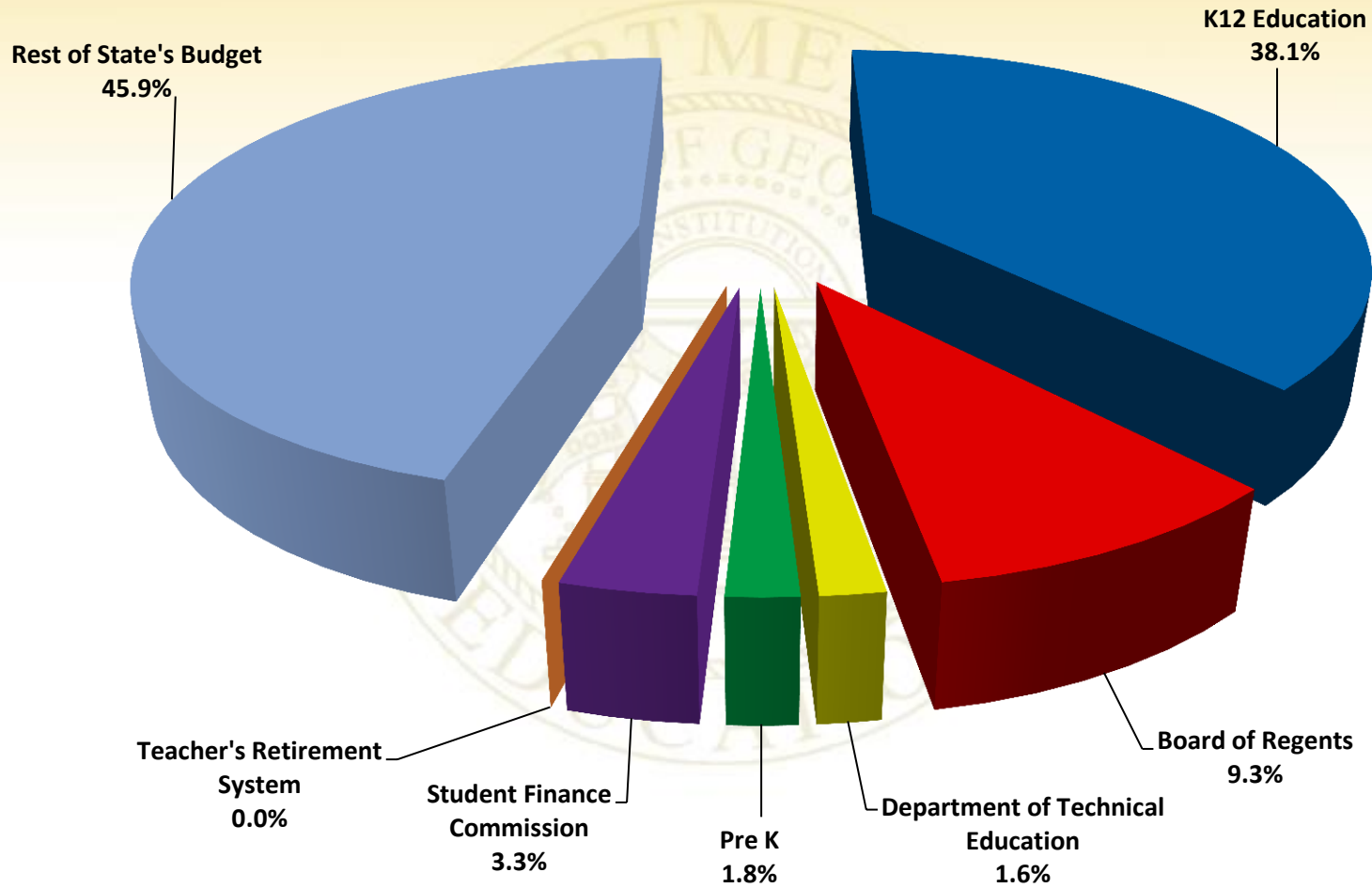
## \$20,836,744,620

### FY 2015



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# Educating Georgia Compared to Rest of the State's Budget



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# Funding for School Systems

- State Funds (FY 2015)
  - QBE (\$6.94 Billion)
  - Categorical Grants
    - Pupil Transportation (\$127.7 Million)
    - Equalization (\$479 Million)
    - School Nurses (\$33.1 Million)
  - Targeted Grants such as School Improvement, Special Education

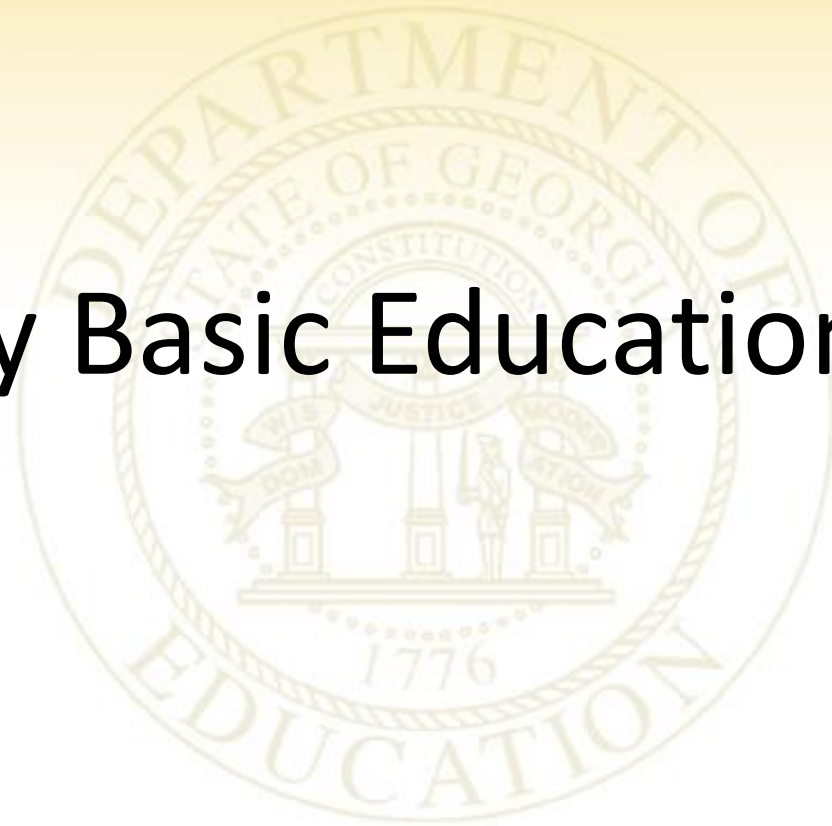


# Funding for School Systems

- Federal Funds
  - Earmarked for certain programs with specific purposes only - very little flexibility



# Quality Basic Education (QBE)



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# Quality Basic Education (QBE)

- The Quality Basic Education Act was enacted into law by the 1985 session of the Georgia General Assembly
- The Act set out the provisions for educational funding for grades Kindergarten through Twelve
- Last major revision was made in the A-Plus Education Reform Act of 2000





# Quality Basic Education (QBE)

- Georgia utilizes a state funding formula that is based on the full-time equivalent (FTE) student counts in nineteen instructional programs
- Cost components are identified for each program
- Programs are weighted to reflect differentiated costs



# Quality Basic Education (QBE)

Local school systems are required to underwrite a portion of the QBE formula amount under a provision of the law entitled “local five mill share”



# Quality Basic Education (QBE)

- The QBE Act (as amended) imposes certain requirements on school systems:
  - Maximum class sizes
  - Minimum expenditure levels
  - Employment requirements for Certificated Staff
- *(Currently the State is providing waivers for Class Size and Expenditure Controls)*



# Components of the Formula

- Students (FTE Counts)
- Class size (Funding Student/Teacher Ratios)
- Teachers (CPI - Training and Experience)



# FTE or Full Time Equivalent Students

- Obtained by the using student counts (FTEs) from March and October (funding is based on a three part average).
- The count records the actual classes the students are attending for six segments of the school day on the day of the count.
- The information is obtained from the FTE (Full Time Equivalent) reports submitted to GaDOE each October and March



# Programs and Program Weights

- There are 19 QBE Programs
- Six of these programs are for Exceptional Education students (Mild Resource, Moderate Resource, Moderate Self-Contained, Severe Self-Contained, Inclusion, Gifted)
- Thirteen other programs: (K, K EIP, Gr 1-3, Gr 1-3 EIP, Gr 4-5, Gr 4-5 EIP, Middle Gr, Middle Sch, Gr 9-12, CTAE labs, Remedial, Alternative Ed, and ESOL)



# Programs and Program Weights

- QBE is a weighted funding formula based upon cost differentials for students in each program. Examples include:
  - Grades 9-12 is the Base Unit Cost and carries a weight of 1.0000
  - Kindergarten carries a weight of 1.6508
  - Middle Grades carries a weight of 1.0277



# Teacher Student Funding Ratios

QBE Program	Funding Ratio	QBE Program	Funding Ratio
K	15:1	K EIP	11:1
Gr 1-3	17:1	Gr 1-3 EIP	11:1
Gr 4-5	23:1	Gr 4-5 EIP	11:1
Mid Gr*	23:1	Mid Schl	20:1
Gr 9-12	23:1	Voc Lab	20:1
Cat I	8:1	Cat II	6.5:1





# Teacher Student Funding Ratios

QBE Program	Funding Ratio	QBE Program	Funding Ratio
Cat III	5:1	Cat IV	3:1
Cat V	8:1	Gifted	12:1
Remedial	15:1	Alt Ed	15:1
ESOL	7:1		



# Training and Experience (T&E)

- The QBE formula provides salary funding for a T-4 teacher with 0 years of experience
- T&E funds are provided to compensate for the difference between beginning and experienced teachers
- The information is obtained from the CPI (Certified Personnel Information) report submitted to GaDOE each October



# Direct Instructional Costs

- **Salaries** and state paid benefits for Teachers, paraprofessionals (Kindergarten only), Subject Specialists (Art, Music, Physical Education, Foreign Language), Counselors, Technology Specialists
- Direct Instructional **Operations Costs** include Consumable Materials, Textbooks, Travel, Technology, and Equipment Replacement
- Direct Instructional costs comprises approximately **84%** of QBE earnings for FY 15



# Indirect and Other (Non-Direct) Instructional Costs

- Funds for Central Administration (NOW IT costs)
- Funds for School Administration
- Facility Maintenance and Operations
- Funds for 20 Additional Days of Instruction
- Professional Development
- Media salaries and operations
- Indirect and Other costs comprises approx. 16% of QBE earnings for FY 15



# Other pieces of the puzzle

- One Superintendent per LEA (\$45,616)
- One Secretary per LEA (\$15,906)
- One Accountant per LEA (\$23,740)
- One Principal per *school* (\$45,616)
  
- Additional Indirect funding calculated on FTE proration (see supplemental slides)



# Health Insurance

- In FY13, Health Insurance was funded as a percentage of budgeted State Salaries
- For FY14, QBE funding formula updated to only include funding for certified staff that actually had State Health Insurance (participated in the employee offered health insurance plan)
- Funded similar to that for Training and Experience



# Midterm Adjustment

- Funding count updated for Amended Budget
- Fall 2014 Student Count will be used to update FY 2015 (Amended) and calculate the FY 2016 Initial
- Systems with FTE gains receive additional funding in Amended
- Systems with declining enrollment **do not** lose State Funds in the Amended Budget (Hold Harmless)



# “Forward Funding”

- Basis in Law: 20-2-2089 (d)
  - Subject to legal revision (stay abreast of Charter laws)
  - **Amounts subject to Appropriation!**
- Only for Current Year Appropriations
  - New schools, first year of operations
  - New Grade, existing school (added prior to count)
- Commission will arrange and report counts





# Amended Formula Adjustment

- Often referred to as “Austerity Adjustment”
- Bottom line adjustment to the amount the state funds for QBE; based on state funding shortfalls
- For FY 2014 amounts to \$1.061 Billion or approx. 14.1% of State QBE funds
- For FY 2015 REDUCED to approx. 9.7% or approx. \$747 million



School System: State		FY15 INITIAL Amendment # 1						THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$2,443.99													
-----Earnings (\$)							-----Earned Positions-----														
-----Grades K-12-----																					
DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	OBE EARNINGS	LESS LOCAL \$ MILLS	STATE FUNDS	Teacher	Subj. Spec.	Couns.	Tech. Spec.											
Kindergarten Pgm	116,466	615,465,921	9,101,564	624,567,485	114,139,629	510,427,856	7,764.32		296.81	105.87											
Kindergarten Early Intr Pgm	14,656	100,635,814	1,145,254	101,781,068	17,580,902	84,400,166	1,332.27		32.57	13.32											
Primary Grade (1-3) Pgm	329,723	1,388,754,077	26,323,238	1,427,077,315	290,500,349	1,157,576,966	19,396.43	956.71	732.72	299.73											
Primary Grd Early Intr (1-3) Pgm	36,745	233,977,480	3,156,439	237,133,918	42,316,093	194,817,825	3,340.46	106.51	81.86	33.40											
Upper Elementary Grd(4-5) Pgm	200,270	648,182,557	14,102,541	662,285,098	119,717,734	542,567,364	8,707.40	580.49	446.06	182.06											
Upper Elem Grd Early Intr(4-5)	19,751	125,686,558	1,390,641	1,27,047,399	22,638,615	104,408,784	1,796.56	57.25	43.89	17.96											
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00											
Middle School(6-8) Pgm	319,806	1,169,681,961	22,521,192	1,192,203,153	211,306,633	980,897,320	15,990.44	926.97	710.69	290.72											
High School Gen Educ(9-12)	340,123	1,032,672,804	38,637,669	1,071,310,473	191,063,092	880,227,371	14,787.96		756.83	309.19											
CTA(9-12) PGM	68,624	239,961,757	22,522,368	262,504,115	46,172,563	217,331,552	3,431.21		162.50	62.38											
Students with Deab Cat I	19,013	154,946,367	4,733,464	159,679,831	30,601,330	129,078,501	2,376.63			17.28											
Students with Deab Cat II	9,167	93,499,005	1,206,700	94,705,705	16,322,548	78,383,157	1,413.39			8.36											
Students with Deab Cat III	54,009	709,381,015	11,028,769	720,409,784	126,947,320	593,462,464	10,801.80			49.10											
Students with Deab Cat IV	10,170	223,390,818	4,295,971	227,686,789	39,836,989	188,849,799	3,390.00			9.24											
Students with Deab Cat V	14,158	117,285,301	5,960,595	123,245,896	20,917,639	102,328,257	1,769.75			12.67											
Gifted Student Category VI	93,246	511,814,536	9,408,517	521,223,053	96,014,200	425,208,853	7,770.49			84.76											
Remedial Education Pgm	18,906	83,840,712	1,085,062	84,925,794	15,824,449	69,102,345	1,260.53			17.19											
Alternate Education Pgm	19,198	87,222,961	1,361,900	88,574,861	15,184,983	73,389,878	1,279.86		42.66	17.46											
Eng Spkrs of Other Lang (ESOL)	16,706	156,713,412	960,542	156,672,864	28,073,583	128,599,281	2,396.57			15.19											
Spec Ed. Invariant				912,813	157,239	755,574															
Spec Ed. Supplemental Speech				5,342,709	901,300	4,441,409															
<b>TOTAL DIRECT INSTRUCT.</b>	<b>1,700,759</b>	<b>7,702,283,056</b>	<b>180,962,975</b>	<b>7,889,491,863</b>	<b>1,412,236,370</b>	<b>6,477,255,493</b>	<b>108,994.</b>	<b>2,626.93</b>	<b>3,256.38</b>	<b>1,546.04</b>	<b>Supr.</b>	<b>Asst Supr.</b>	<b>Prin.</b>	<b>Asst Prin.</b>	<b>Secy.</b>	<b>Acct.</b>	<b>VI/SH</b>	<b>Psych.</b>	<b>Sp Ed Lib.</b>	<b>Media Center</b>	
<b>INDIRECT COST</b>																					
Central Admin		220,262,814	185,005	220,447,819	38,723,203	181,744,616					180.00	566.00			180.00	180.00	687.34	687.34	998.92		
School Admin		407,857,236	11,895,604	419,752,840	75,667,270	344,085,570							2,261.00	2,721.82	3,537.97						
Facility M & O			506,625,510	506,625,510	90,396,592	416,228,918															
Sub Total (INDIRECT COST)		628,140,050	518,906,119	1,147,046,169	204,787,065	942,259,104					180.00	566.00	2,261.00	2,721.82	3,537.97	180.00	180.00	687.34	687.34	998.92	
<b>MEDIA CENTER PGM.</b>		191,220,515	23,796,971	215,017,486	38,619,403	176,398,083														2,936.54	
<b>20 DAYS ADDITIONAL INSTRUCTION</b>		64,306,272		64,306,272	11,516,124	52,790,148															
<b>STAFF &amp; PROFESSIONAL DEV</b>				37,436,791	6,689,393	30,747,398															
<b>PRINCIPAL STAFF &amp; PROF. DEV</b>				796,174	137,229	658,945															
<b>MIDTERM HOLD HARMLESS</b>																					
Amended Formula Adjustment						(746,789,862)															
Charter System Adjustment				11,653,759		11,653,759															
<b>OBE FORMULA EARNINGS</b>		<b>8,585,649,893</b>	<b>723,656,065</b>	<b>9,309,305,958</b>	<b>1,673,965,538</b>	<b>6,945,071,814</b>	<b>108,994.</b>	<b>2,626.93</b>	<b>3,256.38</b>	<b>1,546.04</b>	<b>180.00</b>	<b>566.00</b>	<b>2,261.00</b>	<b>2,721.82</b>	<b>3,537.97</b>	<b>180.00</b>	<b>180.00</b>	<b>687.34</b>	<b>687.34</b>	<b>998.92</b>	<b>2,936.54</b>
<b>CATEGORICAL GRANTS</b>							<b>NOTES</b>														
Pupil Transportation Pgm (Includes 9009 Drivers and bus replacement funds of 0)				126,289,579		126,289,579	1. Expenditure Controls relating to direct instructional costs, media center costs, staff and professional development costs and 20 Days on Additional Instruction have been waived and shall not apply to nor be enforceable against a local system in FY 2015.														
Sparsity - Regular				5,824,424		5,824,424	2. Health Insurance for Certificated Personnel is funded on a per member per month amount of \$945.00, for an annual funding amount of \$11,340 in OBE under appropriation in FY 2015 (HB 744).														
Nursing Services				33,138,573		33,138,573	3. Teacher Retirement is funded at 13.15% in OBE in FY 2015 (HB 744).														
<b>TOTAL EARNINGS FOR QUALITY BASIC EDUCATION</b>				<b>9,531,059,760</b>		<b>7,110,324,390</b>	4. FOR INFORMATION ONLY -Additional number of counselor position(s) based on FTEs in Special Education and ESOL are shown below. These position(s) are not included in the earned positions reflected above, and are subject to appropriation.														
Education Equalization Funding Grant				479,395,099		479,395,099	Total T&E 3,473,899,349 includes T&E 2,387,918,049 and HE 1,085,981,300														
<b>TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET</b>				<b>10,010,444.</b>		<b>7,589,709,489</b>	Counselor Position(s) 273.83														
Charter Commission Admin - State						-2,662,788															
One Time OBE Adjustment				0		0															
DOE Direct Payment				0		0															
State Commission Charter Supplement				56,131,138		56,131,138															
<b>TOTAL FUNDING ON THIS ALLOTMENT SHEET</b>				<b>10,066,576.</b>		<b>7,645,177,859</b>															



# SSCS Supplement

- Georgia State Law: 20-2-2089
- Components:
  - Categorical: Transp. and Nutrition (must offer these services to students to qualify)
  - Total-Fed-State+Equalization (lowest 5 LEAs)
  - Capital Revenue uses SPLOST + Capital Outlay (all 180 LEAs)
  - Adjustment for Virtual Charter Schools



# SSCS Supplement

## CHARTER AMENDMENT CALCULATIONS EXAMPLE

		(A)(ii) Categorical Grants <u>Transportation</u>	(A)(ii) Categorical Grants <u>Nutrition</u>	(B) Total -Federal - State + <u>Equalization</u>	(C) <u>Capital Revenue</u>	GRAND <u>TOTAL</u>
VALUE PER FTE		\$77.77	\$13.61	\$2,402.23	\$1,097.84	
Cherokee Charter Academy	1,104	\$0	\$15,021	\$2,652,062	\$1,212,015	\$3,879,098
Heritage Preparatory Academy	200	\$15,553	\$2,721	\$480,446	\$219,568	\$718,288
Ivy Prep Academy for Girls	342	\$0	\$4,653	\$821,563	\$375,461	\$1,201,677
Ivy Prep Young Mens Academy	330	\$0	\$4,490	\$792,736	\$362,287	\$1,159,513
CCAT	148	\$0	\$0	\$355,530	\$162,480	\$518,010
Pataula Charter Academy	413	\$32,117	\$5,619	\$992,121	\$453,408	\$1,483,265
Fulton Leadership Academy	267	\$0	\$3,633	\$641,395	\$293,123	\$938,151
Atlanta Heights Charter	672	\$0	\$9,143	\$1,614,299	\$737,748	\$2,361,190
Coweta Charter	578	\$44,948	\$0	\$1,388,489	\$634,551	\$2,067,988
Mountain Education Center	1,124	\$0	\$15,293	\$2,700,107	\$1,233,972	\$3,949,371
Scholars Academy	242	\$0	\$3,293	\$581,340	\$265,677	\$850,309
Odyssey - Brick and Mortar	405	\$0	\$0	\$972,903	\$444,625	\$1,417,528
Ivy Prep Academy (Gwinnett)	360	\$0	\$4,898	\$864,803	\$395,222	\$1,264,923
<b>SUB-TOTAL</b>	<b>6,185</b>	<b>\$92,618</b>	<b>\$68,764</b>	<b>\$14,857,793</b>	<b>\$6,790,138</b>	<b>\$21,809,312</b>
VALUE PER FTE		\$0	\$0	\$1,601.49	\$0	
Odyssey*	12,431	\$0	\$0	\$19,908,081	\$0	\$19,908,081
Georgia Connections*	2,948	\$0	\$0	\$4,721,183	\$0	\$4,721,183
Provost Academy*	2,175	\$0	\$0	\$3,483,234	\$0	\$3,483,234
<b>SUB-TOTAL</b>	<b>17,554</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,112,497</b>	<b>\$0</b>	<b>\$28,112,497</b>
<b>GRAND TOTAL</b>	<b>23,739</b>	<b>\$92,618</b>	<b>\$68,764</b>	<b>\$42,970,289</b>	<b>\$6,790,138</b>	<b>\$49,921,809</b>

\* - Virtual Schools (School's "Total-Federal-State+Equalization" is calculated at 2/3)



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# Key Reminders

- Provide initial FTEs (student) counts to State Charter Commission staff no later than May 15<sup>th</sup>
- Proposed FTE counts should be based on documented methods acceptable by the State Charter Commission
- Allotment sheets may be adjusted if initial FTE counts vary significantly from actual FTEs reported in October



# Key Reminders

- Set up bank account of record with GaDOE no later than June 1<sup>st</sup> (provide pertinent banking info)
- Obtain State of Georgia Vendor ID (through GaDOE Grants Accounting no later than June 1<sup>st</sup> (see Vendor Management form)\*\*

*\*\*If receiving other grants from State of Georgia, please provide existing Vendor ID information*



# Key Reminders

- Establish access to the GaDOE Grants Accounting System (GAORS) by June 1<sup>st</sup>  
*(See GAORS Access Form)*  
Need at least two contacts, preferably three:
  - One superintendent (sign off authority)
  - One or two submitters of information/data
- QBE Payments are made at the end of the month (last business day)



# Other Important Reminders

- Attend the GaDOE Data Collections Conference (usually held in late August)
- Review 2014 Data Collections Conference session information - available on the GaDOE website at the following link:

<http://dcconference.gadoe.org/Pages/Data-Collection-Presentations.aspx>





# Questions???



# Thank You!



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