

Funding and Budget Review

State Charter Schools
Commission of Georgia

Terence
Washington
Financial and
Operational
Accountability
Manager



ITEMS TO BE COVERED

- SCSC School Funding Overview
- Fiscal Feasibility

FUNDING OVERVIEW

3 TYPES OF FUNDING

1. State
2. SCSC Supplemental Funding
3. Federal

STATE/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.
- Pre-K is not funded through QBE.

QBE

- QBE is divided up into two parts
 - Amounts based on the number and types of students (Grade specific, Special Education, ...)
 - Training and Experience (T&E) of Staff

STATE/QBE (CONT'D)

- 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 estimated costs associated with each program.

QBE

- Student Counts are submitted by each school district twice a year
 - October
 - March
- Based on the collected FTE counts, a formula is used to calculate the amount of funding(3 Count)
- The FTE count records the actual classes the students are attending for six segments of the school day.
- FTEs are then multiplied by the QBE funding amount for each QBE program
- This will yield the amount of QBE funds earned for students
- Training and Experience is calculated separately and added to the student portion

Components of the QBE Formula

DIRECT INSTRUCTIONAL COSTS

Include salaries and benefits for Teachers, paraprofessionals (Kindergarten only), Subject Specialists (Art, Music, Physical Education, Foreign Language), Counselors, Technology Specialists.

Consumable Materials, Textbooks, Travel, and Equipment Replacement.

INDIRECT INSTRUCTIONAL COSTS

Funds for Central Administration.

Funds for School Administration.

Facility Maintenance and Operations.

Funds for 20 Additional Days of Instruction.

Media

- Media Specialist salary and benefits
- Operations costs

PROGRAMS AND PROGRAM WEIGHTS

- There are 19 different QBE programs.
- Six of these programs are for Exceptional Education students (Mild Resource, Moderate Resource, Moderate Self-Contained, Severe Self-Contained, Inclusion, and Gifted).
- QBE is a weighted funded formula based upon cost differentials for students in each program.

PROGRAMS AND PROGRAM WEIGHTS

■ Examples include:

- Grades 9-12 is the Base Unit Cost and carries a weight of 1.0000 and a fully funded rate of \$2,443.99.
- Kindergarten carries a weight of 1.6508.
- Middle School carries a weight of 1.1310.

TRAINING AND EXPERIENCE (T&E)

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

SCSC Supplemental Funding

SCSC SUPPLEMENTAL FUNDING

- Calculated by the Georgia Department of Education, Finance and Budget Office.
- 2 components:
 - State funds equal to the average amount of local revenue and state equalization grant funding for the five school districts with the lowest assessed valuation per student, and
 - The statewide average of total capital revenue per full-time equivalent student.
- Calculation= (Average Total Revenue of the 5 school districts with the lowest assessed valuation – state funding of those districts – federal funding of those districts + state equalization grants of those districts) + the statewide average of capital revenue per FTE

LOCAL FIVE MILL SHARE(LFMS)

- Since FY 2013 the legislature has proposed budgets that deducts the equivalent of a LFMS deduction from State Charter Schools' funding.
- The LFMS deduction is taken only from the state charter supplement that is allocated to offset the lack of local dollars. The deduction amount is calculated from the average LFMS per FTE of the lowest five systems ranked by assessed valuation (tax digest) per weighted FTE count.

COMMISSION FEE

- A fee of 2% is withheld from all amounts on the allotment sheet
- Used only for funding of the Commission

AUSTERITY CUT

- Due to the current economic conditions in Georgia an austerity reduction is included in the calculation of state funds earned by a school system.
- The deduction is approximately 9.7% of state funds earned by a school system.
- This deduction is identified on the allotment sheets as an amended formula adjustment.

What does this all look like?

FINANCIAL REVIEW WEB SITE

- http://app3.doe.k12.ga.us/ows-bin/owa/qbe_reports.public_menu?p_fy=2000
- Web site used to access allotment sheets, monthly QBE Payment Advice, QBE funding formula information

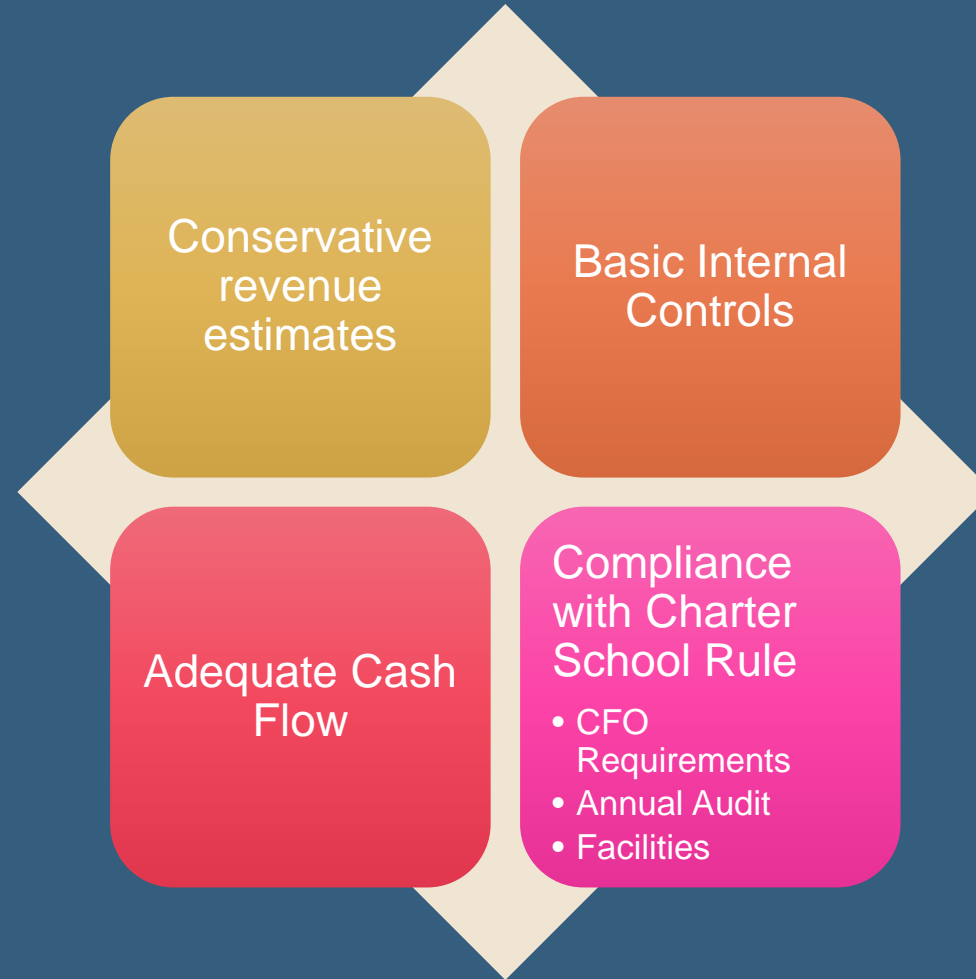
Fiscal Feasibility

Operational/ Financial Plan

What is a reasonable budget/financial plan?
How do we make accurate, conservative
revenue estimates?



REASONABLE FINANCIAL PLAN



BASIC INTERNAL CONTROLS

Performance
Reviews

Information
Processing
Controls

Physical
Controls

Segregation of
Duties

Authorization
and Document
Based Controls

CFO REQUIREMENT

At the time you submit your petition you should have a highly qualified CFO in mind

Name the person OR provide details of job qualifications and rigorous hiring process

List how their qualifications match state requirements

CFO REQUIREMENT

State Requirements

A baccalaureate or higher degree in business, accounting, or finance from an accredited college or university and a minimum of four years experience in a field related to business or finance; or

Documented experience of ten or more years in the field of business and financial management

FACILITIES

Make reasonable rent or mortgage estimates when a facility hasn't been secured

- Provide documentation to support your estimate

Provide all information requested on the application

- Geographic region
- Facility descriptions
- Permits, Certificate of Occupancy and documents of ownership/lease
- Etc.

COMMON BUDGET MISTAKES

Overestimating
Funding

Underestimating
Expenses

Including
Competitive Grants
as a Guaranteed
Source of Revenue

Budget Deficits
w/o Deficit
Reduction Plan

Negative Ending
Cash Amounts

Fuzzy Assumptions

USEFUL LINKS

School System Revenues/Expenditures

- http://app3.doe.k12.ga.us/ows-bin/owa/fin_pack_revenue.entry_form

QBE Reports

- http://app3.doe.k12.ga.us/ows-bin/owa/qbe_reports.public_menu?p_fy=2000

Questions

