

State Education Finance Study Commission (HB 192)

Subcommittee One
Foundational Funding Formula
July 25, 2011



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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



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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 estimated costs associated with each program



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Quality Basic Education (QBE)

- As the States primary, education funding formula, QBE was the mechanism for distributing several large Federal Grants:
 - State Fiscal Stabilization (nearly \$1 Billion)
 - Paid out over 3 Fiscal Years, on Allotment Sheets
 - Education Jobs Funding (approx. \$320 million)
 - Paid out in Fiscal Year 2011



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Brad Bryant, State Superintendent of
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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”



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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
- *The State has provided various waivers for Class Size and Expenditure Controls*



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Quality Basic Education (QBE)

➤ Summary

- Provides funding for education based on the number of students enrolled (FTEs) in approved programs
- Requires each local board of education to provide funds equal to five effective mills based on the system's equalized adjusted property tax digest



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Quality Basic Education (QBE)

Components of the formula



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FTE or Full Time Equivalent Students

- Obtained by using the student counts from March and October (December count is used for Special Education Federal Funds)
- The count records the actual classes the students are attending for six segments of the school day



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Direct Instructional Costs

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



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Direct Instructional Costs

Direct Instructional Operations Costs include Consumable Materials, Textbooks, Travel, and Equipment Replacement



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Indirect Instructional Costs

- Funds for Central Administration (Psychologist, Social Worker, Spec Ed. Leadership, Operations)
- Funds for School Administration (Assistant Principals, Secretary, and Operations)
- Facility Maintenance and Operations
- Funds for 20 Additional Days of Instruction



Media

- Media Specialists salary and benefits
- Operations costs



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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, Gifted)



Programs and Program Weights

Thirteen of the programs for students in regular education (K, K EIP, Gr 1-3, Gr 1-3 EIP, Gr 4-5, Gr 4-5 EIP, Middle Gr, Middle Sch, Gr 9-12, Voc labs, Remedial, Alternative Ed, and ESOL)



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Programs and Program Weights

- QBE is a weighted funded 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 1.6601
 - Middle School carries a weight of 1.1218



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 the difference between beginning and experienced teachers
- The information is obtained from the CPI (Certified Personnel Information) report submitted to GaDOE each October



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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



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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		



Other pieces of the puzzle

- The funding formula is based on the following:
- Base System Size 3,300 FTEs
- Base Elementary School Size 450 FTEs
- Base Mid Gr, Mid Sch, Spec Ed,
- Gifted, Remed, ESOL, Alt Ed 624 FTEs
- Base High School 970 FTEs



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Foundation of the formula

(BASE SALARY)		\$33,424.00
Retirement	10.28%	\$3,435.99
Health Insurance	18.534%	\$6,194.80
Medicare	1.45%	\$484.65
Sick Leave for 8 Days		\$150.00
Total Instructional Sal(10MO.)		\$43,689.44
Teacher Aides		\$14,563.15
ADMIN SALARY (10MO.) excl Sick Leave		\$43,539.44
ADMIN SALARY (12MO.) excl Sick Leave		\$52,247.00



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Elementary School Earnings

BASE SCHOOL SIZE = 450

	Amount	Per FTE
1/2 Assistant Principal (10MO.)	\$21,770	\$48.38
Secretary @	\$14,166 (12MO.)	\$34.72
TOTAL SALARIES	\$37,392	\$83.09
Operations		
Supplies	\$1,319	
Travel	750	
Equipment (Replacement)	880	
Miscellaneous	580	
TOTAL OPERATIONS	\$3,529	\$7.84



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Middle, Alternative, Spec Ed, Remed, and ESOL School Earnings

BASE SCHOOL SIZE = 624

	Amount	Per FTE
1 Asst. Principal	\$43,539	\$69.77
Secretary @ Operations	\$14,166 (12MO.) \$15,622	\$25.04
Supplies	\$1,319	
Travel	\$1,000	
Equipment (Replacement)	880	
Miscellaneous	580	
TOTAL OPERATIONS	\$3,779	\$6.06



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High School Earnings

BASE SCHOOL SIZE = 970

	Amount	Per FTE
2 Asst. Principal (10 MO.)	\$87,079	\$44.89
Secretary @	\$14,166 (12MO.)	\$15,622
Secretary @	\$11,805 (10MO.)	\$13,019
Operations		
Supplies	\$2,198	
Travel	\$1,500	
Equipment (Replacement)	\$1,759	
Miscellaneous	\$1,162	
TOTAL OPERATIONS	\$6,619	\$6.82



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Central Administration Earnings

SYSTEM SIZE = 3300

	Amount	FTES
1 Superintendent	\$52,247	
1 Secretary @	\$14,166 (12MO.)	
1 Accountant @	\$21,144 (10MO.)	
2 Asst. Superintendents	\$104,495	0-5,000
4 Asst. Superintendents	\$208,989	5,001-9,999
6 Asst. Superintendents	\$313,484	10,000+
Operations		Per FTE
Supplies	\$7,818	
Travel	\$6,075	
Equipment (Replacement)	\$2,221	
Miscellaneous	\$2,111	
Unemployment Ins & Workers Comp.	\$32,571	
TOTAL OPERATIONS	\$50,796	\$15.39



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Local Fair Share

- **Districts are required to levy the equivalent of at least five mills in property taxes as a basic local commitment**
- **“Local Five Mill Share” (LFMS) is deducted from total QBE earnings, and the state pays the balance of the earnings**



Local Fair Share

Simple calculation: use digest from two years previous, calculate five mills, and deduct from the QBE earnings



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Local Fair Share

Actual calculation: most recent 100% equalized school property tax digest, reduce by the number of constitutional Homestead and Age Exemptions, calculate five mills, and deduct from the QBE earnings



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Midterm Adjustment

- Funding count updated for Amended Budget
- Fall 2010 Student Count used to update FY 2012
- Fall 2011 count will update FY 2012 (Amended)
- Systems with FTE gains receive additional funding
- Systems with declining enrollment DO NOT lose State Funds in the Amended Budget (Hold Harmless)



Equalization Earnings

- Georgia attempts to equalize the disparities in property wealth per student that exist in the state.
- All 180 systems are ranked according to **property wealth per student**.
- Intent is to provide additional funding for school districts, bringing all up to 75th percentile district
- Uses the weighted FTE of each district
- Uses the wealth of each district when compared to the district at the 75th percentile



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Equalization Earnings

- Recalculated on an annual basis
- Must calculate entire state at one time since each district's position is relative to all other districts
- The state will equalize up to 15 mills.



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Categorical Grants

- Pupil Transportation
 - Regular Operating \$2.5 million
 - Driver Benefits
 - School Bus Liability Insurance
 - Drug and Alcohol Testing
 - Operation
 - Capital Expenditures
 - Bus Replacement (bonds): \$25 million for FY 12



Categorical Grants

- Sparsity – Regular
 - Regular Sparsity grants are allocated to qualified school systems who do not earn sufficient funds through the QBE formula to provide a full educational program because their FTE counts are less than the base sizes at any of the grade levels: elementary (450), middle (624), high school (970)



Lottery for Education Program

- Lottery for Education Program began in FY 1994
- Net proceeds are designated for educational purposes
- Currently, lottery funds are appropriated exclusively for Pre K and Hope Scholarship programs



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