

**160-5-1-.29 MINIMUM DIRECT CLASSROOM EXPENDITURES.**

**(1) DEFINITIONS.**

(a) **Direct classroom expenditures** – all expenditures incurred by a local school system during a fiscal year for activities directly associated with the interaction between teachers and students, including, but not limited to, salaries and benefits for teachers and paraprofessionals; costs for instructional materials and supplies; costs associated with classroom-related activities, such as field trips, physical education, music, and arts; and tuition paid to out-of-state school districts and private institutions for special needs students. This term shall not include costs for administration, plant operations and maintenance, food services, transportation, instructional support including media centers, teacher training, and student support such as nurses and guidance counselors.

(b) **Hardship** – an extreme situation which is solely responsible for a local school system's inability to meet the expenditure requirements. Such situations may include, but are not limited to, acts of God and inordinate unexpected increases in energy and fuel costs.

(c) **Total operating expenditures** – all operating expenditures incurred by a local school system during a fiscal year, including expenditures from federal, state, and local funds and from any other funds received by a local school system, such as student activity fees. This term shall not include capital outlay expenditures, debt or bond payments, interest on debt or bonds, facility leases, or rental payments. This term shall also not include any costs which are incurred by a local school system to comply with any mandate by statute or by the Georgia Department of Education effective on or after January 1, 2006, to add specific non-classroom staff positions.

(d) **Waiver** – a decision by the State Board of Education not to apply a state rule or law to a local school system that is subject to the rule or law.

**(2) REQUIREMENTS.**

(a) Beginning with fiscal year 2008, and for every fiscal year thereafter, local school systems are required to either spend a minimum of 65 percent of their total operating expenditures on direct classroom expenditures, or increase their direct classroom expenditures as a percent of total operating expenditures by two or more percentage points over the previous fiscal year.

(b) Local school systems that are unable to meet the expenditure requirements in paragraph (a) of this subsection may qualify for either an achievement waiver or a hardship waiver.

**160-5-1-.29 (Continued)**

(c) Local school systems that are unable to meet the requirements in paragraphs (a) and (b) of this subsection may be subject to sanctions as imposed by the State Board of Education.

**(3) WAIVERS.**

(a) An achievement waiver is a one year waiver that is renewable. The application for an achievement waiver must include evidence that the local school system exceeded the state's average, for the fiscal year, on one or more of three academic criteria. The criteria are: 1) percent of the local school system's schools that made Adequate Yearly Progress; 2) graduation rate; and 3) most recent average total SAT score.

(b) A hardship waiver is a one year waiver that is renewable. A hardship waiver applies to situations in which the hardship is solely responsible for the local school system's inability to meet the expenditure requirements of this rule. The application for a hardship waiver must include revenue and expense reports, and specific details providing evidence as to the impact that the hardship had on the local school system's ability to comply with this rule.

**(4) SANCTIONS.**

(a) The State Board of Education may impose sanctions against a local school system that fails to comply with the provisions of this rule. The sanctions will be at the discretion of the board and may include, but are not limited to, requiring the local school system to devise and implement a plan to meet the requirements of this rule or withholding state funds in accordance with Rule 160-5-2-.02 Withholding of Funds from Local Units of Administration.

Authority O.C.G.A. §20-2-171.

**Adopted: February 14, 2008**

**Effective: March 5, 2008**