

G.A.I.N.S.

Financial Review

May 8, 2014



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Items to be Covered

- FY 2014 Mid Term Budget
- FY 2015 Budget
- Flexibility
- Austerity
- Health Insurance
- 2014 Legislation

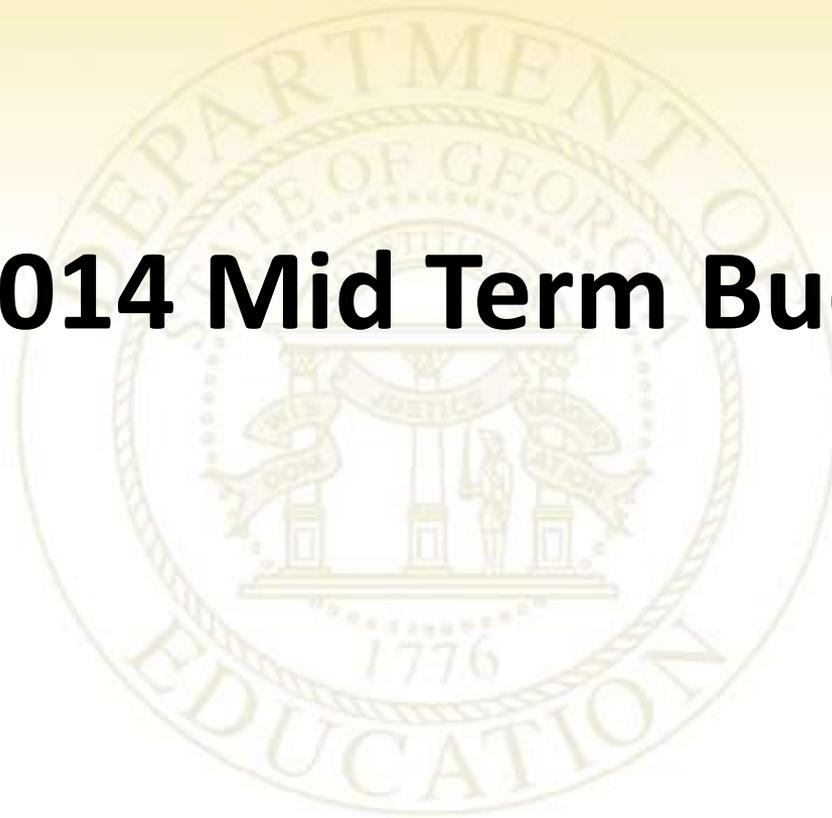


Items to be Covered

- Relationships
- Allotment Sheets
- Federal Draw Downs
- Indirect Cost
- ARRA Reporting
- Regional Meetings



FY 2014 Mid Term Budget



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QBE- 2014 MT

- Fully Funded Enrollment Growth of 1.3% (approximately \$130 million)
- Systems without Growth were held harmless (approximately \$9.0 million)



QBE- 2014 MT

- Added New Charter Systems Funded (Banks, Coffee and Haralson)
- Adjusted Current Systems Funding based on Mid-Term FTEs (Those that had declining enrollment were held harmless)



QBE- 2014 MT

- No adjustments to any of the Categorical Grants
 - Transportation
 - Updated distribution but no additional state funding
 - Sparsity
 - Nursing
 - Equalization
 - Except for one adjustment



QBE- 2014 MT

- Local Five Mill Share (Local Fair Share)
 - State Virtual Charter Schools
 - One Adjustment



QBE- 2014 MT

- One-Time Adjustments
 - Corrections to FTE counts
 - Corrections to Health Insurance counts
 - District
 - Site
 - Program Code 1462



QBE- 2014 MT

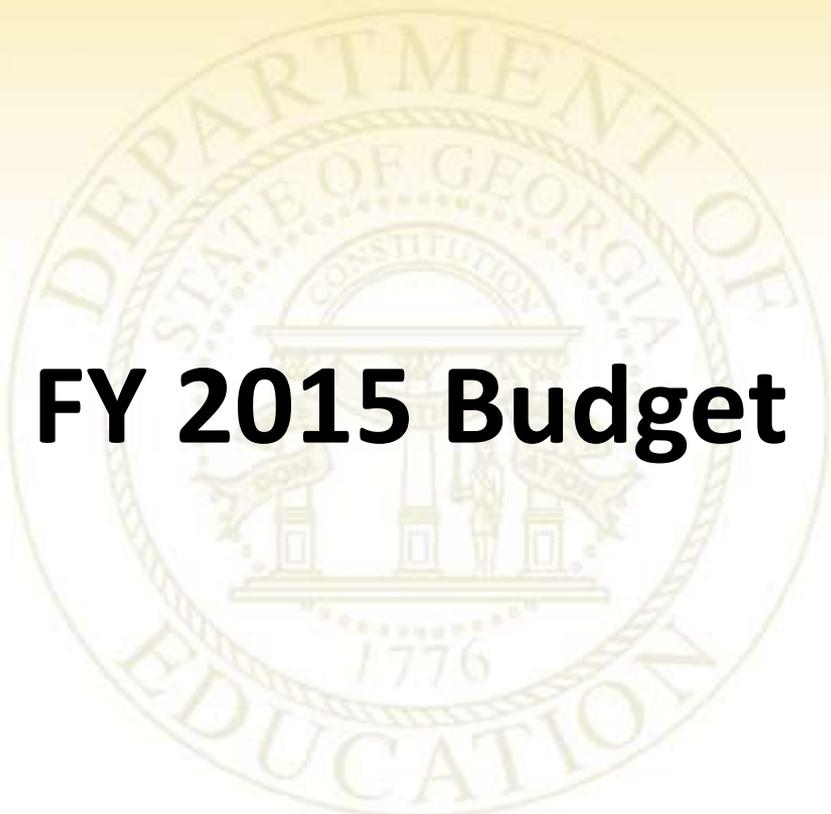
- RESAs
 - No changes in state funding



QBE- 2014 MT

- State Health
 - Did NOT adjust at Mid-Term based on updated CPI Information
 - Treat similar to T&E funding
 - Did make some one-time adjustments for district errors





FY 2015 Budget



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QBE- 2015

- **Math & Science Supplement**
 - Funded for those teachers reported as eligible on the October 2013 report (CPI 2014 – 1) report. Program was only funded to pay teachers that were eligible up to Step 4 (Year 6). If they attained that level, they were no longer eligible. Also funded those K – 5 teachers that were eligible and REPORTED CORRECTLY for the Stipend
 - Only fringes will be TRS (13.15%) and Medicare (1.45%)
 - Hope to provide funding early in FY2015
- **NOTE:** Districts were not and are not to move these teachers up on the salary schedule based on this bill.



Math & Science Supplement

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-  [Funding Reports Menu](#)



Math & Science Supplement

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CPI Funding Reports Menu



[CP090 Certified State and Other Health Plan](#)



[CP038A HB280 Math/Science Eligibility - Grades 06-12](#)



[CP003 Certified Staff/FTE Experience](#)



[CP038B HB280 Math/Science Eligibility - Grades KK-05](#)



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QBE- 2015

- RESAs
 - Redirected funds from ETC to RESA
 - Received some increase in funding for specific programs
 - PBIS trainers
 - Technology Support
 - Blended Learning Trainers



QBE - 2015

- Changes from mid term allotment sheet
 - Updated T&E based on Oct 2013 CPI (CPI 2014-1)
 - Updated Health Insurance based on Oct 2013 CPI
 - Hold Harmless from mid term will be removed for initial allotment
 - TRS rate updated
 - Austerity updated
 - Equalization and Local Fair Share were updated



TRS - 2015

- In July 2014 rates will be changing as follows:
 - Employer rates will go from 12.28% to 13.15%.
 - Employee rates will remain at 6.00%.



Transportation Funds - 2015

- Categorical Grant
 - Funding remains the same
 - Recalculated based on formula



Transportation Funds - 2015

- Bonds for Buses

- Remember you still have to submit copies of invoices to get reimbursed (Invoice Application in the Portal)
- There will be \$20 million in Bus Bonds in FY15
- Funding \$77,220.00 per bus.
- Funding for 259 buses (11% of need)
- Announcement for FY15 allocation expected in Mid-July 2014 (after bonds are sold)



Sparsity Funds - 2015

- Formula Updated
 - 21 Districts Currently Receiving Funding in FY14
 - All will continue to receive funding in FY15
 - Those with increased funding will receive total amount
 - Those that calculated to have a reduction were held harmless for 1 year
 - 8 of the 21 had an additional school qualify
 - 22 Additional Districts Qualified for funding
 - All were funded based on formula
 - Total Additional Funding of \$3,193,150



Nursing Funds - 2015

- Funding for FY2015 increased by \$414,585
- Removed Health Insurance
- Raised pay for RN in formula from \$42,000 to \$45,000
(Note: Does not mean you have to pay at that rate)
- Increased state funding from 45% to 50% of formula as outlined in State Law OCGA 20-2-186



Equalization – 2015

- Equalization Formula was revised prior to FY2013
 - No longer using the 75th percentile district's digest dollars per weighted FTE (wealth calculation) as the base for determining the equalization funds
 - The base for determining the equalization funding is now calculated by first removing the top 5% (9 districts) and bottom 5% (9 districts) as ranked on the wealth calculation and calculating the average wealth for the remaining 162 districts.



Equalization – 2015

- Results of Changing Formula
 - Districts Qualifying for Equalization
 - FY2012 (Old Formula) – 134 Districts
 - FY2013 – 125 Districts
 - FY2014 – 117 Districts
 - FY2015 – 119 Districts
 - Guaranteed Valuation has declined
 - FY2012 (Old Formula) - \$176,248
 - FY2013 - \$153,535
 - FY2014 - \$142,124
 - FY2015 - \$137,680



Equalization – 2015

- Statewide Guaranteed Valuation declined by over 3%
- If District's digest per weighted FTE did not decline at the same rate then their Equalization funding would have declined.



Equalization – 2015

- Fully Funded again for FY2015
 - Formula Calculated a total amount of \$479,385,097
 - Increase in funding of \$4,951,363 (1.0% increase)



Local Five Mill Share - 2015

- Reminder that it is no longer capped
- Utilizes 2012 Sales Ratio Study for FY15
- Statewide property digest dropped by 1.3%
- Total Local Five Mill Share for State went down by \$28,852,920



LFMS and Equalization - 2015

- Sales Ratio Study published by the Department of Audits – Sales Ratio Division provides Digest values used for both LFMS and Equalization.
- Generally there is an initial report issued in July and a final report in November
- Review these reports



Charter System Funds – 2015

- Continued to be funded in FY2015
 - Funding updated based on formula changes and revised FTEs
 - Funding capped at \$4.5 million per fiscal year before austerity



Flexibility– 2015

- By June 30, 2015 each district must notify the Department of Education of its intention to request increased flexibility
 - IE2, Charter or Status Quo
- Items to Consider
 - Expenditure Controls
 - Waivers



Austerity– 2015

- State-wide Austerity for FY2014MT was \$1,061,127,407 for an average of 14.1%
- Austerity Reduced by \$314,295,574 in FY2015 to \$746,831,833 (9.7%)
- All Districts rebalanced to 9.7%



Austerity– 2015

- HB 744 stated that the increase in funds (reduction of austerity) was to provide local educational authorities the flexibility to
 - eliminate teacher furlough days,
 - increase instructional days, and
 - increase teacher salaries



Austerity– 2015

- What did you do with the increased funds due to a reduction in Austerity?
- Be prepared to answer that question!
- What if you did not see a TOTAL increase in funds?



Austerity– 2015

- Example:

	<u>FY2014MT</u>	<u>FY2015</u>	<u>Difference</u>
QBE	8,700,000	8,700,000	0
LFMS	(250,000)	(250,000)	0
Austerity	(1,150,000)	(820,000)	330,000
Equalization	3,250,000	2,890,000	(360,000)
Nursing	30,000	45,000	15,000
Transportation	30,000	30,000	0
TOTAL	10,610,000	10,595,000	(15,000)



Austerity– 2015

- What did you do with the increased funds due to a reduction in Austerity?
 - Although you did not have any “additional” funds you should determine what you “WOULD HAVE HAD TO HAVE DONE” if you did not receive the additional funds through reduced austerity (furlough days, etc.)



Health Insurance – 2015

- Certified per member per month (PMPM) rates to remain at \$945.00
- Non-Certified PMPM rate will not increase for FY2015. Below are the rates that have been published by DCH:
 - FY2013 - \$446.20 PMPM
 - FY2014 - \$596.20 PMPM
 - FY2015 - ~~\$746.20 PMPM~~ Remained at \$596.20



Health Insurance – 2015

- DCH Prepayments WILL CONTINUE through May and June 2014
- Currently **DO NOT** Anticipate State Health Prepayments to continue for FY2015



Health Insurance - CPI

Transmission Period

[CPI Menu for March, 2014 \(CPI 2014-2\)](#)

[CPI Menu for October, 2013 \(CPI 2014-1\)](#)

[CPI Menu for July, 2013 \(CPI 2013-3\)](#)

[CPI Menu for March, 2013 \(CPI 2013-2\)](#)

[CPI Menu for October, 2012 \(CPI 2013-1\)](#)

[CPI Menu for July, 2012 \(CPI 2012-3\)](#)



Health Insurance - CPI

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Health Insurance - CPI

Deck 10 FINANCIAL REPORTS MENU

Certified Staff																				
School		All Fund Code			Fund Code = 74			Fund Code = 72			Fund Code = 00			Other						
		All Certified Staff			GNET			RESA			Pre School			Other (Not Pre School)			Fund Code			
ID	Name	RTC	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O	Total	SHP=Y	HP=O									
0100	Summit Hill Elementary	N	54	41	0	0	0	0	0	0	0	1	1	0	51	39	0	2	1	0
0101	Abbotts Hill Elementary School	N	58	43	0	0	0	0	0	0	0	0	0	0	58	43	0	0	0	0
0102	Creek View Elementary School	N	68	45	0	0	0	0	0	0	0	0	0	0	68	45	0	0	0	0
0103	Hembree Springs Elementary School	N	72	53	0	0	0	0	0	0	0	4	2	0	63	47	0	5	4	0
0104	Spalding Drive Elementary	N	44	37	0	0	0	0	0	0	0	0	0	0	41	36	0	3	2	0
0105	Hopewell Middle School	N	103	78	0	0	0	0	0	0	0	0	0	0	102	77	0	1	1	0
0106	Milton High School	N	136	102	0	0	0	0	0	0	0	0	0	0	139	101	0	1	1	0
0107	Renaissance Middle School	N	97	75	0	0	0	0	0	0	0	0	0	0	91	70	0	6	5	0
0109	Renaissance ES	N	58	50	0	0	0	0	0	0	0	2	1	0	54	48	0	2	1	0
0114	Feldwood Elementary School	N	62	48	0	0	0	0	0	0	0	2	2	0	57	45	0	3	1	0
0115	Fulton Sunshine Charter Elementary	N	42	0	31	0	0	0	0	0	0	0	0	0	42	0	31	0	0	0
0116	Main Street Charter Academy Elementary	N	41	0	41	0	0	0	0	0	0	0	0	0	41	0	41	0	0	0
0117	Main Street Charter Academy Middle	N	16	0	13	0	0	0	0	0	0	0	0	0	14	0	11	2	0	2
0118	Hapeville Charter Career Academy	N	40	28	0	0	0	0	0	0	0	0	0	0	37	25	0	3	3	0
0119	Cambridge High School	N	101	78	0	0	0	0	0	0	0	0	0	0	101	78	0	0	0	0



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2014 Legislation

- HB 897 - Title 20 Clean Up Bill – DID NOT PASS
 - Eliminate Middle Grades Program (6-8)
 - Teacher Contracts and Tenure
- HB 729 - Title Ad Valorem Tax (TAVT) – VETOED
- SR 875 - Establish Joint Study Committee on the Property Tax Digest Impact on Education Funding (PILOTs)



Relationships

- Know Legislators (HB 856 and HB 871)
- Internally
 - CPI, FTE, etc.
 - Title Program Managers
- Externally
 - Local Tax Assessor and Tax Commissioner
 - Legislators
 - GaDOE



Allotment Sheets – 2015

- No major format changes for FY2015
 - a few minor changes
- Timetable for publishing
- Training & Experience (T&E) Report



Important to make Federal Draw Downs

- It impacts your cash flow
- The State of Georgia's performance is evaluated on the timeliness of our drawdowns
- When we do not make timely drawdowns – the State School Superintendent and Governor's Office can be notified
- It can impact future grant amounts, especially competitive grants
- Percentage of grants drawn are now included in our internal risk assessment



Indirect Cost Rates for FY 2015

- The FY2015 Indirect Cost rates have been finalized and are available in the Financial Review application in the portal.

Indirect Reports:

[Fin Indirect Reports Menu \(2012\)](#)

[Fin Indirect Reports Menu \(2013\)](#)

[Fin Indirect Reports Menu \(2014\)](#)

[Fin Indirect Reports Menu \(2015\)](#)



Indirect Cost Rates for FY 2015

- Reporting of Terminal Leave Payments – Object Code 195
 - If your district has any employees receiving terminal leave payments, please use Object Code 195 when recording these payments



ARRA Reporting

- The Recovery Accountability and Transparency Board issued a Press Release in January stating that the FY 2014 Omnibus Spending bill **ended the 1512 Recipient Reporting requirements for ARRA.**



Regional Meetings

The Financial Review Section of the Georgia Department of Education (GaDOE) along with the Department of Audits plan to host a series of joint regional meetings on the latest topics and issues in accounting..



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Regional Meetings

Some of the Financial Review Topics to be discussed

Equalization / LFMS Formulas

Austerity

Sparsity

Affordable Care Act

GASB 67 & 68

FMGLUA Manual Updates

Funding Formula

CCRPI



Regional Meetings

- May 20th – Northwest Georgia RESA, Rome, GA
- May 21st – Houston County BOE, Perry, GA
- May 22nd – Coastal Plains RESA, Lenox, GA
- May 27th – Webinar
- May 28th – GaDOE, Atlanta, GA
- May 30th – Bulloch County BOE, Statesboro, GA
- June 4th – Muscogee County BOE, Columbus, GA
- June 6th – NE Georgia RESA, Athens/Winterville, GA



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