

Funding Overview and Practical Considerations



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Agenda

Types of Charter Schools

- Funding Differences

Funding Overview

- State
- Local
- Federal
- Grants/Fundraising

State/QBE Funding

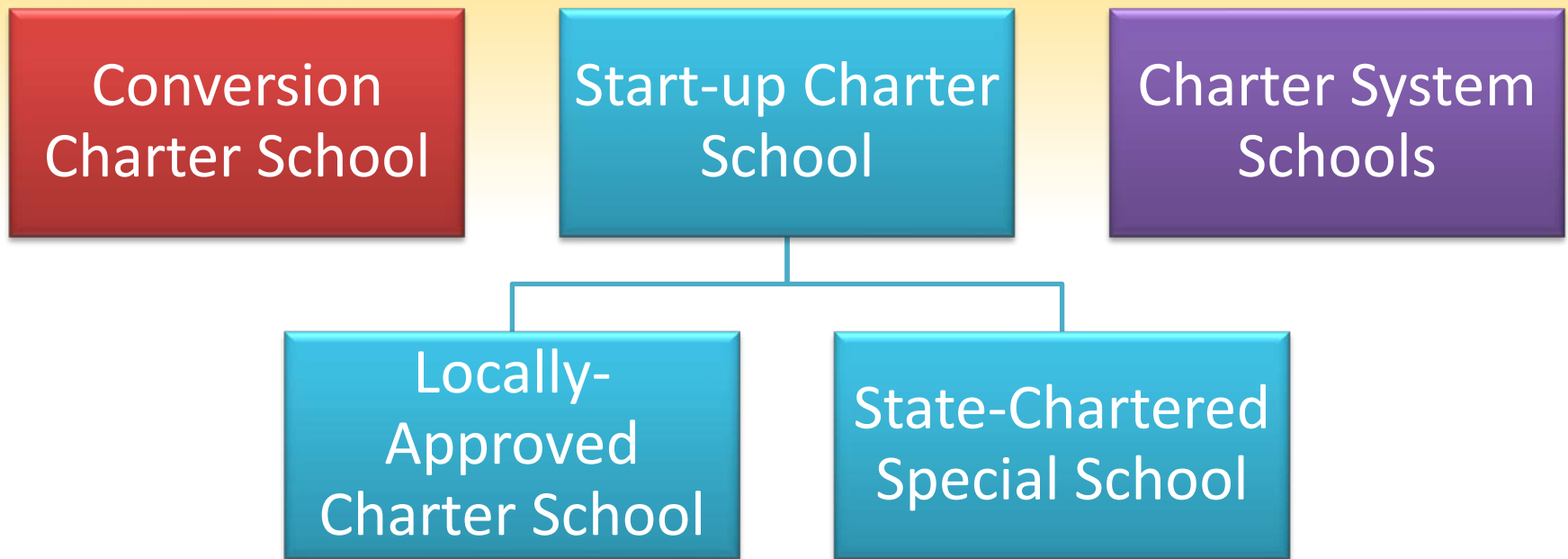
- Formula
- Waivers
- Allotment Sheet

Local Funding

Helpful Links

Questions

Types of Charter Schools



Conversion Charter School

Definition

- Traditional public school that becomes a charter school
- Gains additional flexibility in exchange for higher levels of accountability

Facts & Features

- 31 conversion charter schools in Georgia
- Strategy for turning around low-performing schools

Relative Advantages:

- Student population, building, and operational systems and structures are already in place

Federal/State Compliance

- Must comply with all Federal laws and regulations
- Must comply with all State laws, rules and regulations not waived by the Charter

Start-up Charter School

Definition

- Started by private individuals, private organizations, or state and local public entities

Facts & Features

- Did not exist prior to the petition
- Most common type of charter school in Georgia (85)

Relative Advantages

- Opportunity to start a school with everything needed to be a successful school

Federal/State Compliance

- Must comply with all Federal laws and regulations
- Must comply with all State laws, rules and regulations not waived by the Charter

State Chartered Special School

Definition

- A start-up charter school approved by the State Board of Education after being denied by a local district

Facts & Features

- Functions as its own Local Education Agency (LEA)
- Did not exist prior to the petition

Relative Advantages

- Freedom from the oversight of a local district

Federal/State Compliance

- Must comply with all Federal laws and regulations
- Must comply with all State laws, rules and regulations not waived by the Charter

Funding Overview



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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

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.

Waivers

- The QBE Act (as amended) imposes certain requirements on school systems:
 - Maximum class sizes
 - Minimum expenditure levels
 - Employment requirements for Certificated Staff
- Charter schools have the ability to waive these requirements through specific or broad flexibility waivers.
 - A charter school may waive most state laws and SBOE rules, with the exception of those pertaining to health and safety, funding formulas, and accountability provisions.

Components of the QBE Formula



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Full Time Equivalent Students (FTE)

- Obtained by using the student counts from March and October
- The count records the actual classes the students are attending for six segments of the school day.

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.
 - 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.



What does all this look like?



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GEORGIA SCHOOL SYSTEM



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Georgia State Department Of Education
Earnings Sheet for FY 2012

OFFICIAL

School System: 611 - Bibb County		FY12 NEW MT(HI@1.4762%)										THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$2,431.69							
Earnings (\$)							Earned Positions Grades K-12												
DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	QBE EARNINGS	LESS LOCAL \$ MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec									
Kindergarten Pgm	2,024	9,323,985	127,029	9,451,014	1,766,257	7,684,757	134.93		4.38	1.84									
Kindergarten Early Intr Pgm	28	166,985	1,757	168,742	31,535	137,207	2.55		0.06	0.03									
Primary Grade(1-3) Pgm	5,259	19,071,436	370,816	19,442,252	3,633,474	15,808,778	309.35	15.24	11.38	4.78									
Primary Grd Early Intrv(1-3) Pgm	297	1,610,488	20,942	1,631,430	304,891	1,326,539	27.00	0.86	0.64	0.27									
Upper Elementary Grd(4-5) Pgm	3,288	9,099,340	180,938	9,280,278	1,734,349	7,545,929	142.96	9.53	7.12	2.99									
UppElem Grd Early Intrv(4-5)	273	1,480,348	15,023	1,495,371	279,463	1,215,908	24.82	0.79	0.59	0.25									
Middle Grade(6-8) Pgm	8	21,889	440	22,329	4,173	18,156	0.35	0.02	0.01	0.01									
Middle School(6-8) Pgm	4,514	13,998,755	248,403	14,247,158	2,662,587	11,584,571	225.70	13.08	7.23	4.10									
High School Gen Educ(9-12)	4,715	12,371,686	463,065	12,834,751	2,398,628	10,436,123	205.00		11.79	4.29									
Vocational Lab(9-12) Pgm	1,004	3,000,930	314,060	3,314,990	619,523	2,695,467	50.20		2.51	0.91									
Students with Disab Cat I	117	824,606	27,327	851,933	159,214	692,719	14.63			0.11									
Students with Disab Cat II	162	1,403,351	18,785	1,422,136	265,777	1,156,359	24.92			0.15									
Students with Disab Cat III	697	7,838,633	131,598	7,970,231	1,489,520	6,480,711	139.40			0.63									
Students with Disab Cat IV	80	1,496,795	32,562	1,529,357	285,815	1,243,542	26.67			0.07									
Students with Disab Cat V	220	1,550,542	89,546	1,640,088	306,509	1,333,579	27.50			0.20									
Gifted Student Category VI	906	4,272,246	77,472	4,349,718	812,899	3,536,819	75.50			0.82									
Remedial Education Pgm	13	49,173	547	49,720	9,292	40,428	0.87			0.01									
Alternate Education Pgm	255	1,106,729	14,033	1,120,762	209,454	911,308	17.00		2.55	0.23									
Eng Splrs of Other Lang (ESOL)	58	466,756	2,439	469,195	87,686	381,509	8.29			0.05									
Spec Ed. Itinearant				34,294	6,409	27,885													
Spec Ed. Supplemental Speech				114,633	21,423	93,210													
TOTAL DIRECT INSTRUC.	23,918	89,154,673	2,136,782	91,440,382	17,088,878	74,351,504	1,457.64	39.52	48.26	21.74									
INDIRECT COST																			
Central Admin		2,193,384	368,106	2,561,490	478,705	2,082,785					Supl.	Asst Supl.	Prin.	Asst Prin.	Seofy.	Aoonf.	VT/3W	Psych.	Sp Ed Ldr
School Admin		5,639,815	169,182	5,808,997	1,085,617	4,723,380					1.00	6.00			1.00	1.00	9.67	9.67	10.91
Facility M & O			7,127,561	7,127,561	1,332,038	5,795,523							42.00	37.61	47.88				
Sub Total (INDIRECT COST)		7,833,199	7,664,849	15,498,048	2,896,360	12,601,688					1.00	6.00	42.00	37.61	48.88	1.00	9.67	9.67	10.91
MEDIA CENTER PGM.		2,340,735	337,116	2,677,851	500,451	2,177,400													
20 DAYS ADDITIONAL INSTRUCTION		804,040		804,040	150,263	653,777													
STAFF & PROFESSIONAL DEV				560,515	104,752	455,763													
MIDTERM HOLD HARMLESS				1,369,743	255,985	1,113,758													
Amended Formula Adjustment						(16,806,624)													
Charter System Adjustment																			
QBE FORMULA EARNINGS		100,132,647	10,138,747	112,350,579	20,996,689	74,547,266	1,457.64	39.52	48.26	21.74	1.00	6.00	42.00	37.61	48.88	1.00	9.67	9.67	10.91
CATEGORICAL GRANTS							NOTES												
Pupil Transportation Pgm (Includes 105 Drivers and bus replacement funds of 0)				1,780,228		1,780,228													
Sparsity - Regular				0		0													
Sparsity - Alternative Program				0		0													
Sub Total (SPARSITY)				0		0													
Migrant Education				0		0													
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				114,130,807		76,327,494													
Education Equalization Funding Grant				6,330,399		6,330,399													
Nursing Services				346,130		346,130													
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				120,807,336		83,004,023													
Charter Commission Admin - State						0													
Charter Commission Local Revenue						0													
State Health Reimbursement						67,132													
State Special Charter Supplement				0		0													
TOTAL FUNDING ON THIS ALLOTMENT SHEET				120,807,336		83,071,155													

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 2012.
2. Health Insurance for Certificated Personnel is funded at 18.534% in FY 2012 (HB 78)
3. 'State Special Charter Supplement' subject to final general fund appropriation.

LEA APPROVED CHARTER



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School System: 761 - Atlanta Public Schools		FY12 SITE(HH@1.4762%)						THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$2,431.69										
School: 0605 - KIPP West Atlanta Young Scholars Academy-0605		Earnings (\$)						Earned Positions Grades K-12										
DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	QBE EARNINGS	LESS LOCAL 5 MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec								
Kindergarten Pgm	0	0	0	0	0	0												
Kindergarten Early Intr Pgm	0	0	0	0	0	0												
Primary Grade(1-3) Pgm	0	0	0	0	0	0												
Primary Grd Early Intrv(1-3) Pgm	0	0	0	0	0	0												
Upper Elementary Grd(4-5) Pgm	70	167,474	3,852	171,326	83,405	87,921												
UppElem Grd Early Intrv(4-5)	7	32,815	385	33,200	16,162	17,038												
Middle Grade(6-8) Pgm	0	0	0	0	0	0												
Middle School(6-8) Pgm	238	638,080	13,097	651,177	317,004	334,173												
High School Gen Educa(9-12)	0	0	0	0	0	0												
Vocational Lab(9-12) Pgm	0	0	0	0	0	0												
Students with Disab Cat I	0	0	0	0	0	0												
Students with Disab Cat II	0	0	0	0	0	0												
Students with Disab Cat III	5	48,613	944	49,557	24,125	25,432												
Students with Disab Cat IV	0	0	0	0	0	0												
Students with Disab Cat V	0	0	0	0	0	0												
Gifted Student Category VI	0	0	0	0	0	0												
Remedial Education Pgm	0	0	0	0	0	0												
Alternate Education Pgm																		
Eng Splns of Other Lang.(ESOL)	0	0	0	0	0	0												
Spec Ed. Itinearant				865	421	444												
Spec Ed. Supplemental Speech				0	0	0												
TOTAL DIRECT INSTRUC.	320	886,982	18,278	906,125	441,117	465,008												
INDIRECT COST																		
Central Admin		27,154	4,925	32,079	15,617	16,462												
School Admin		89,496	2,076	91,572	44,579	46,993												
Facility M & O			95,360	95,360	46,423	48,937												
Sub Total (INDIRECT COST)		116,650	102,361	219,011	106,619	112,392												
MEDIA CENTER PGM.		27,019	4,345	31,364	15,269	16,095												
20 DAYS ADDITIONAL INSTRUCTION		10,221		10,221	4,976	5,245												
STAFF & PROFESSIONAL DEV				6,472	3,151	3,321												
MIDTERM HOLD HARMLESS																		
Amended Formula Adjustment																		
Charter System Adjustment																		
QBE FORMULA EARNINGS		1,040,872	124,984	1,173,193	571,132	602,061												

NOTES

STATE-CHARTERED SPECIAL SCHOOL



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Georgia State Department Of Education
Earnings Sheet for FY 2012

OFFICIAL

School System: 7830103 - CCAT		FY12 NEW MT(HI@1.4762%)					THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$2,431.69																
Earnings (\$)							Earned Positions Grades K-12																
DIRECT INSTRUCTIONAL COST	FTE	SALARY	OPERATING	GBE EARNINGS	LESS LOCAL \$ MILLS	STATE FUNDS	Teacher	Subj. Spec	Couns.	Tech. Spec													
Kindergarten Pgm	0	0	0	0	0	0	0.00		0.00	0.00													
Kindergarten Early Intr Pgm	0	0	0	0	0	0	0.00			0.00	0.00												
Primary Grade(1-3) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00													
Primary Grd Early Intrv(1-3) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00												
Upper Elementary Grd(4-5) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00												
UpperElem Grd Early Intrv(4-5)	0	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00												
Middle Grade(6-8) Pgm	7	19,651	385	20,036	0	20,036	0.30	0.02	0.01	0.01													
Middle School(6-8) Pgm	37	117,731	2,036	119,767	0	119,767	1.85	0.11	0.06	0.03													
High School Gen Educ(9-12)	46	123,842	4,518	128,360	0	128,360	2.00		0.12	0.04													
Vocational Lab(9-12) Pgm	4	12,267	1,251	13,518	0	13,518	0.20		0.01	0.00													
Students with Disab Cat I	0	0	0	0	0	0	0.00			0.00													
Students with Disab Cat II	0	0	0	0	0	0	0.00			0.00													
Students with Disab Cat III	4	46,156	755	46,911	0	46,911	0.80			0.00													
Students with Disab Cat IV	3	57,591	1,221	58,812	0	58,812	1.00			0.00													
Students with Disab Cat V	0	0	0	0	0	0	0.00			0.00													
Gifted Student Category VI	14	67,736	1,197	68,933	0	68,933	1.17			0.01													
Remedial Education Pgm	17	65,978	715	66,693	0	66,693	1.13			0.02													
Alternate Education Pgm	2	8,906	110	9,016	0	9,016	0.13		0.02	0.00													
Eng.Spkrs.of Other Lang.(ESOL)	0	0	0	0	0	0	0.00			0.00													
Spec Ed. Itinerant				0	0	0																	
Spec Ed. Supplemental Speech				0	0	0																	
TOTAL DIRECT INSTRUC.	134	519,858	12,188	532,046	0	532,046	8.58	0.13	0.22	0.11													
INDIRECT COST																							
Central Admin		12,202	2,062	14,264	0	14,264					0.00	0.00			0.00	0.00	0.05	0.05	0.10				
School Admin		86,790	850	87,640	0	87,640							1.00	0.25	0.24								
Facility M & O			39,932	39,932	0	39,932																	
Sub Total (INDIRECT COST)		98,992	42,844	141,836	0	141,836					0.00	0.00	1.00	0.25	0.24	0.00	0.05	0.05	0.10				
MEDIA CENTER PGM.		10,650	1,746	12,396	0	12,396																	
20 DAYS ADDITIONAL INSTRUCTION		4,274		4,274	0	4,274																	
STAFF & PROFESSIONAL DEV				3,245	0	3,245																	
MIDTERM HOLD HARMLESS				0	0	0																	
Amended Formula Adjustment						(124,309)																	
Charter System Adjustment																							
GBE FORMULA EARNINGS		633,774	56,778	693,797	0	569,488	8.58	0.13	0.22	0.11	0.00	0.00	1.00	0.25	0.24	0.00	0.05	0.05	0.10				
CATEGORICAL GRANTS																							
Pupil Transportation Pgm (Includes 0 Drivers and bus replacement funds of 0)				0		0																	
Sparsity - Regular				0		0																	
Sparsity - Alternative Program				0		0																	
Sub Total (SPARSITY)				0		0																	
Migrant Education				0		0																	
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				693,797		569,488																	
Education Equalization Funding Grant				0		0																	
Nursing Services				21,762		21,762																	
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				715,559		591,250																	
Charter Commission Admin - State						0																	
Charter Commission Local Revenue						0																	
State Health Reimbursement						94,528																	
State Special Charter Supplement				316,335		316,335																	
TOTAL FUNDING ON THIS ALLOTMENT SHEET				1,031,894		1,002,113																	

NOTES

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 2012.

2. Health Insurance for Certificated Personnel is funded at 18.534% in FY 2012 (HB 78)

3.'State Special Charter Supplement ' subject to final general fund appropriation.

NOTES

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 2012.
2. Health Insurance for Certificated Personnel is funded at 18.534% in FY 2012 (HB 78)
3. 'State Special Charter Supplement' subject to final general fund appropriation.

Midterm Adjustment

- Funding count updated for Amended Budget.
- Fall 2010 Student Count used to update FY 2012.
- Fall 2011 count will update FY2012 (Amended).
- Systems with FTE gains receive additional funding.
- Systems with declining enrollment DO Not lose State Funds in the Amended Budget (Hold Harmless).

Austerity Cut

- Due to the current economic conditions in Georgia and the country as a whole an austerity reduction is included in the calculation of state funds earned by a school system.
- The deduction is approximately 16% of state funds earned by a school system.
- This deduction is identified on the allotment sheets as an amended formula adjustment.



Local Funding



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How is local funding calculated?

- Local revenue should be allocated to a local charter school on the same basis as for any local school in the local school system.
- Local funding is only earned by Start-Up and Conversion Charter Schools (Not by State-Chartered Special Schools).

How is local funding calculated? (cont'd)

- A ratio is created by dividing the QBE earnings of the charter school by the QBE earnings of the local approving school system.
- That ratio is multiplied by the local revenue generated by the local school system.

Example

Charter (C) QBE	System QBE (S)	Ratio (R)	Local Revenue (L)	Local Charter Funding
\$100	\$1,000	100/1,000	\$1,500	\$150
C	S	$C/S=R$	L	$L*R$



Helpful Links

- Allotment Sheets
 - http://app3.doe.k12.ga.us/ows-bin/owa/qbe_reports.public_menu?p_fy=2000
- Revenue/Expenditure Reports by School System
 - http://app3.doe.k12.ga.us/ows-bin/owa/fin_pack_revenue.entry_form
- Data Reporting/GADOE
 - <http://www.gadoe.org/Technology-Services/Data-Collections/Pages/Home.aspx>
- Charter Schools/GADOE
 - <http://www.gadoe.org/External-Affairs-and-Policy/Charter-Schools/Pages/default.aspx>



Creating a Sustainable 5 Year Charter School Budget



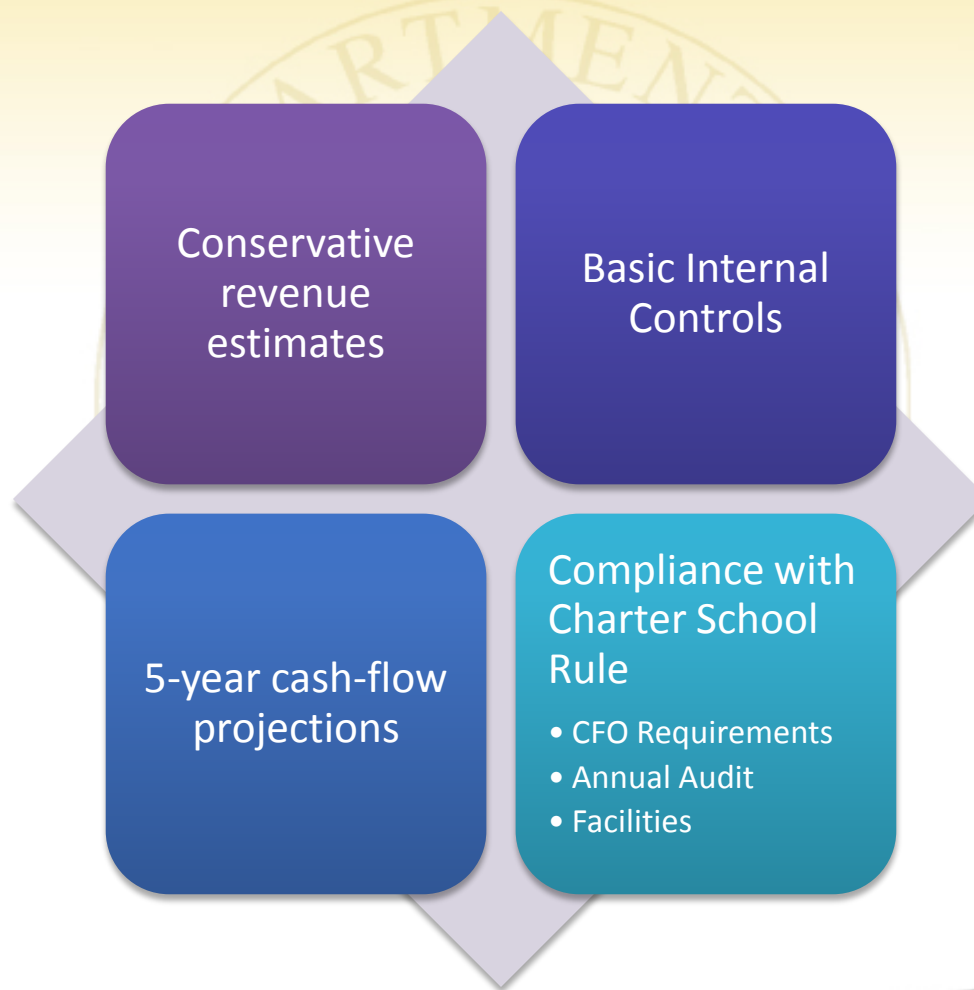
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Governing Board Financial Management

- The ideal board member should have the following characteristics:
 - expertise in financial management and accounting.
 - experience in the financing and negotiation of commercial real estate.
 - broad management experience.



Reasonable Financial Plan



CFO Requirement

At the time you submit your petition you should have a highly qualified CFO or be in the process of recruiting one.

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

List how their qualifications match state requirements

If CFO selected, please provide resume



CFO Requirement

Designation of a chief financial officer possessing the following credentials

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

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



Operational/ Financial Plan

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



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5/3/2012

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A Quick Look at the Budget Template

[Charter Petitioner Resources - GCSA
Conf\Petition Budget Templates.xls](#)



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5/3/2012

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Common Petition Budget Mistakes

Overestimating
funding

Underestimating
expenses

Including
competitive grants
as a source of
revenue

Budget Deficits

Negative ending
cash amounts

5 Yr Budget
numbers do not
match Cash Flow
Projection numbers

Fuzzy Assumptions



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.



Useful Links

Budget Template

- <http://www.gadoe.org/External-Affairs-and-Policy/Charter-Schools/Pages/Charter-Petition-Application.aspx>

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



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