



School Finance Dollars and Sense

Aspiring Principals

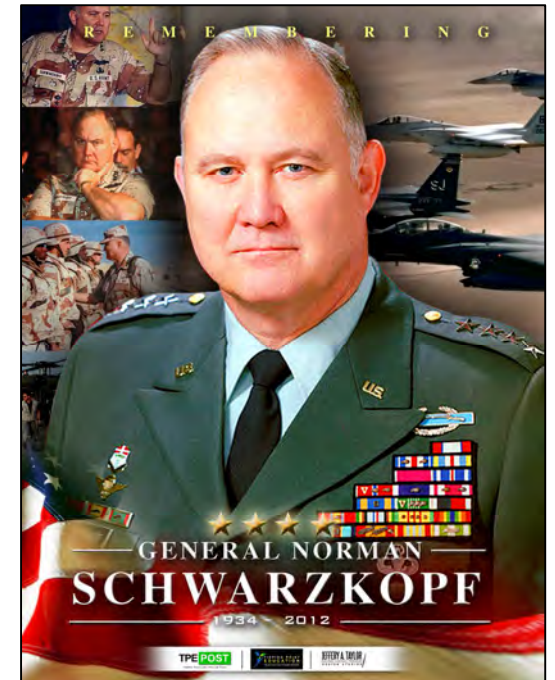


MARCH 13, 2018



“Stormin’” Norman Swarzkopf, Jr.

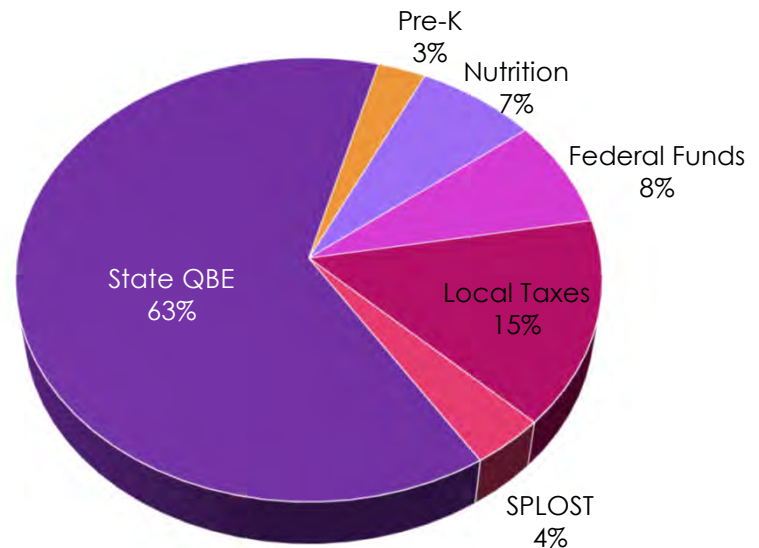
- ▶ *“When placed in command, take charge and do the right thing.”*



The View from 30,000 Feet

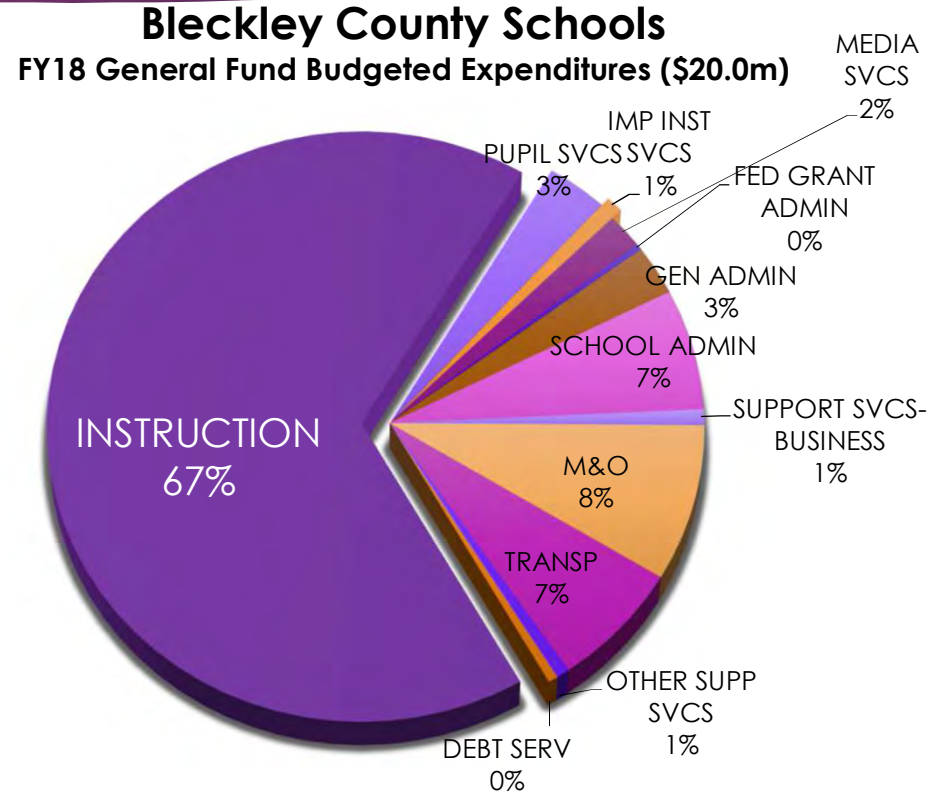
► Get with your neighbor: What are the major sources of **revenue** for school systems?

Bleckley County Schools
FY18 District Budgeted Revenues (\$25.7m)



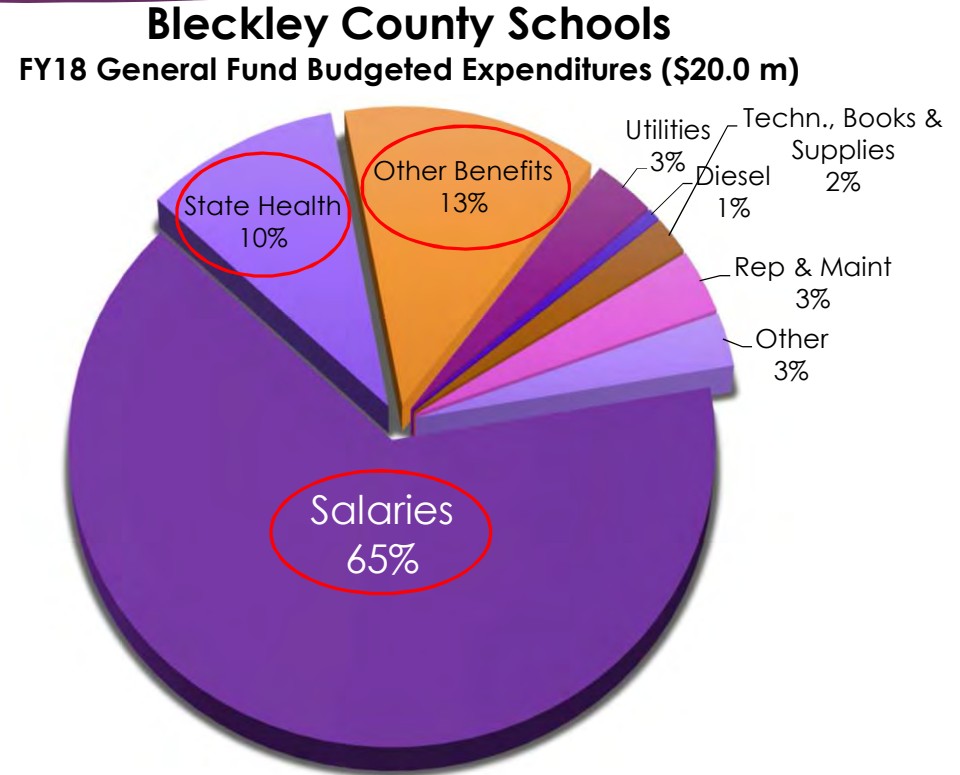
The View from 30,000 Feet

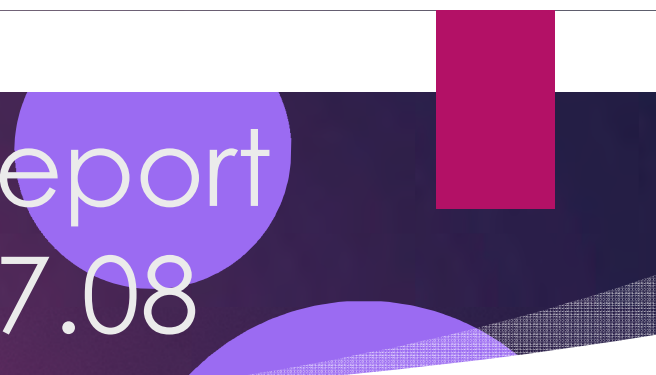
► Get with your neighbor: What are the major **expenditures** that school systems incur?



The View from 30,000 Feet

- Get with your neighbor: What are the major **expenditures** that school systems incur?





FY17 Expenditure Report

State Avg = \$9,417.08

- ▶ Highest: Taliaferro \$26,718.64
- ▶ Lowest: Jefferson City
\$7,263.42
- ▶ Median: \$9,477.95 (Griffin-Spalding)



Why Does This Matter?

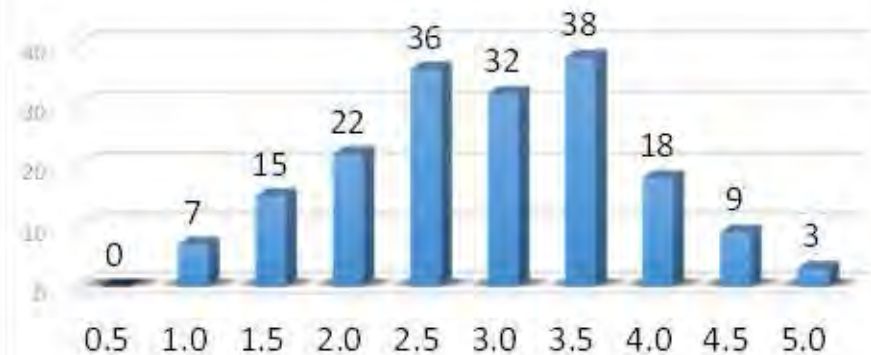
- ▶ New Financial Efficiency Star Rating
 - ▶ PPE 3-Year Avg Ranked %-ile
 - ▶ CCRPI 3-Year Avg on Matrix

FESR (Financial Efficiency Star Rating)

FESR Matrix

Percentile of Avg PPE	CCRPI 3-Year Average					
	< 50	50-59.9	60-69.9	70-79.9	80-89.9	90+
80-100 (High Spending)	0.5	1	1.5	2	2.5	3
60-79	1	1.5	2	2.5	3	3.5
40-59	1.5	2	2.5	3	3.5	4
20-39	2	2.5	3	3.5	4	4.5
0-19 (Low Spending)	2.5	3	3.5	4	4.5	5

Statewide Distribution of District FESR - FY17



FESR Matrix - FY17

Percentile of Average PPE	CCRPI 3-Year Average					
	< 50	50-59.9	60-69.9	70-79.9	80-89.9	90+
80-100 (High Spending)	0.5	1	1.5	2	2.5	3
60-79	1	1.5	2	2.5	3	3.5
40-59	1.5	2	2.5	3	3.5	4
20-39	2	2.5	3	3.5	4	4.5
0-19 (Low Spending)	2.5	3	3.5	4	4.5	5

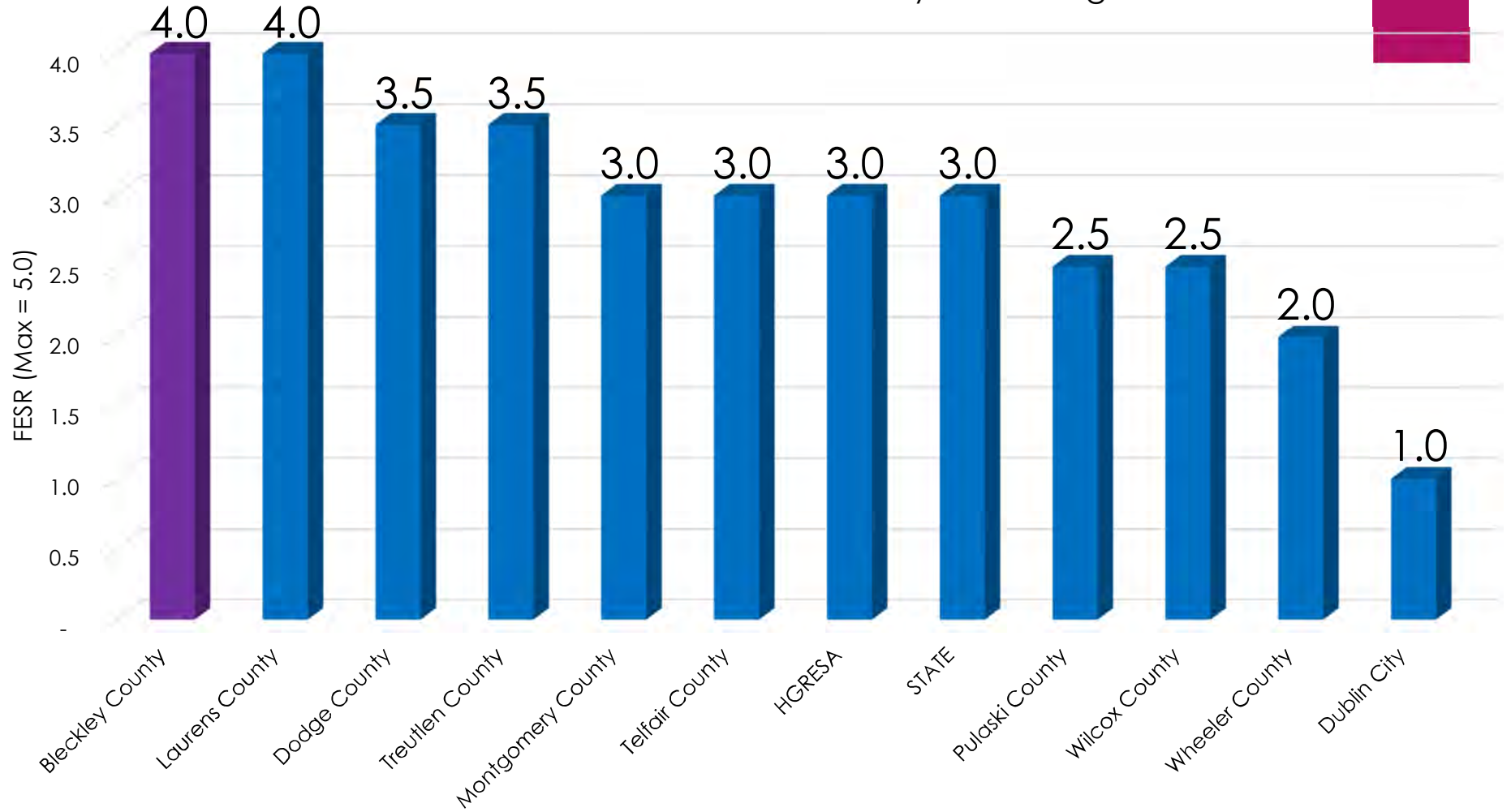
Bleckley FESR:	Percentile
3-Year Avg PPE	8,098.77
3-Year Avg CCRPI	84.9
FESR	4

Percentile derived from ranking all 3-yr avg PPE.

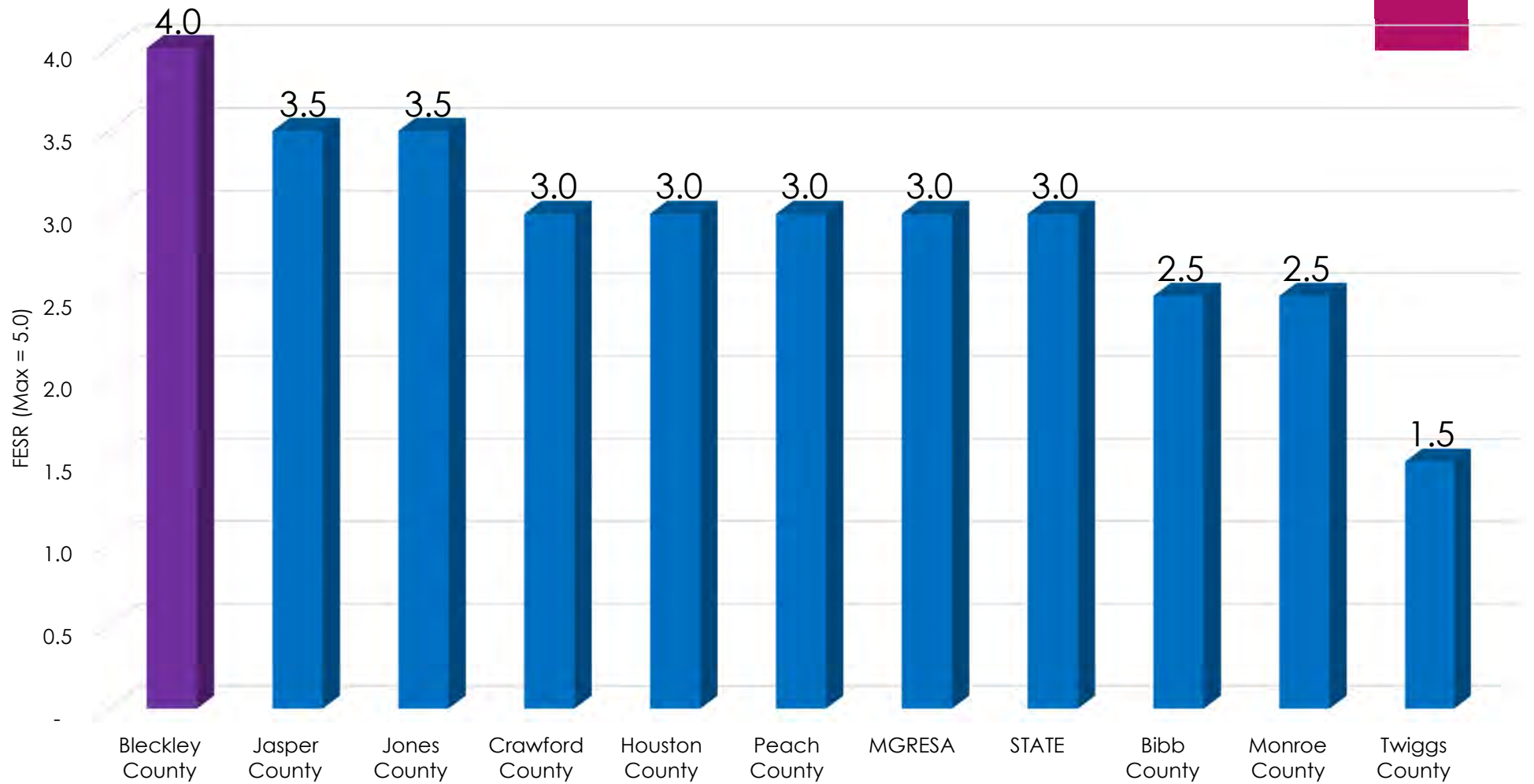
	Expenditures	Enrollment	PPE	CCRPI
FY15	18,020,089	2,312	7,794.16	84.6
FY16	18,839,074	2,357	7,992.82	83.7
FY17	20,039,462	2,355	8,509.33	86.5
3-Year Total	56,898,625	7,024	24,296.30	254.8
3-Year Average	18,966,208	2,341	8,098.77	84.9

Note: Enrollment Figures from October FTE Count (excluding Pre-K)
Expenditures exclude transportation and include function 3300.

HGRESA - FY17 Financial Efficiency Star Rating



Bleckley & MGRESA - FY17 Financial Efficiency Star Rating



FESR & ESSA



FEATURE

ESSA reporting requirements will reveal spending disparities within districts

The new requirements will also give districts a powerful tool for improvement

NEWSLETTER SIGNUP

☐ Ed Dive: Higher Ed

Higher Ed policy, technology, online learning, MOOCs, for-profit news and much more.

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MOST POPULAR

ESSA reporting requirements will reveal spending disparities within districts

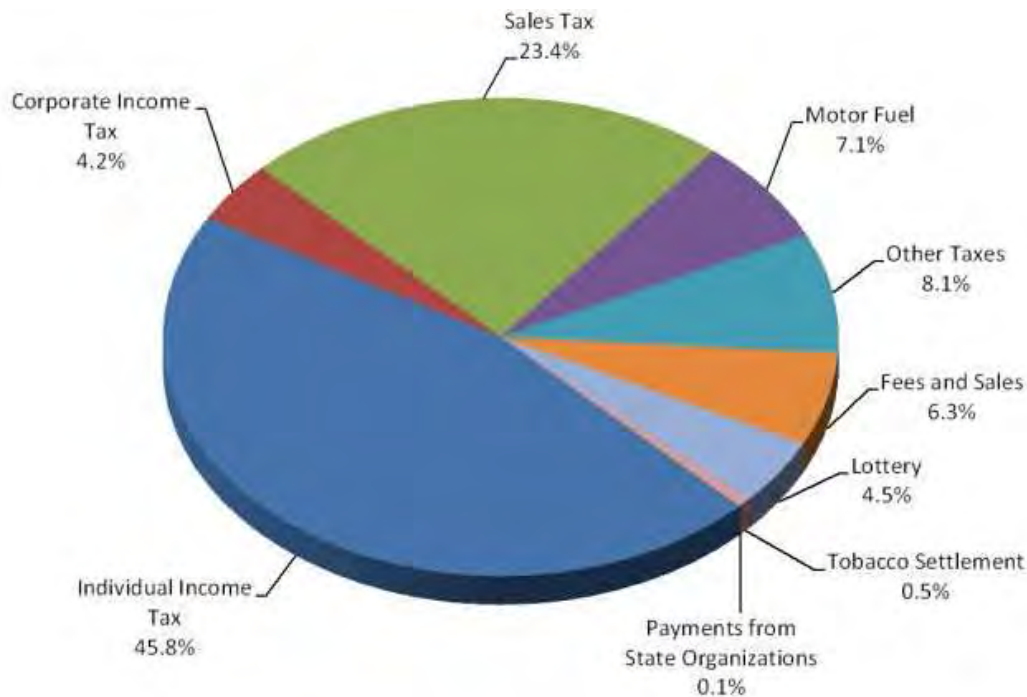
Nov. 01

Beginning December 2017 (FY18), all schools receiving Title I dollars will be required to report expenditures per student at the school level.

District	FY17	
	FESR	Climate
District	4.0	NA
BCPS	NA	4
BCES	4.5	4
BCMS	3.5	5
BCHS	4.0	4
BCSA	1.5	1

FY18 State Revenues (\$25.0B)

<http://budgetnet.opb.georgia.gov/MainMenu.aspx>



► Although Corporate Income Tax appears to be a small number, 4.2% of a \$25B budget still amounts to \$1,042,830,000.

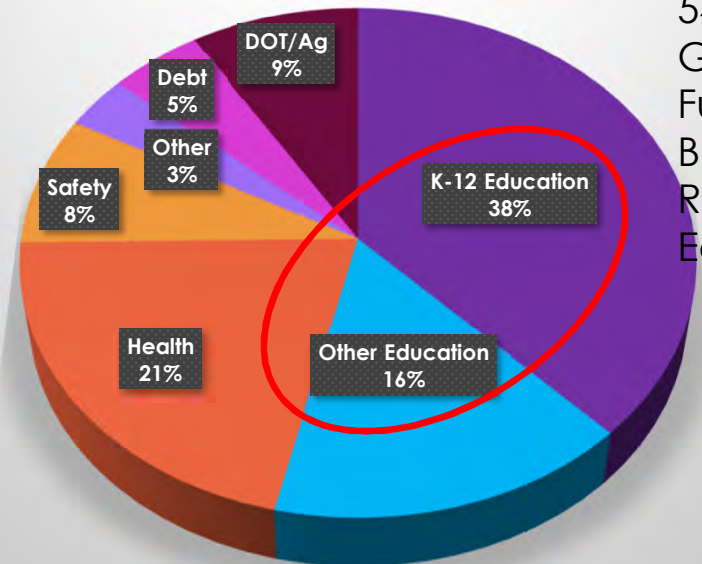
Georgia's Budget

<http://budgetnet.opb.georgia.gov/MainMenu.aspx>

	FY17	FY18	FY19*
K-12 Education	8,911,091,964	9,426,810,090	9,780,076,182
Other Ed.	3,716,445,497	3,975,324,639	4,202,140,876
Health	5,160,821,363	5,285,167,904	5,636,462,198
Safety	1,922,891,290	2,050,765,137	2,076,685,505
Other	815,935,441	844,996,400	844,723,087
Debt	1,202,844,214	1,213,323,164	1,213,323,164
DOT/Ag	2,009,240,469	2,200,963,901	2,278,744,174
Total	\$23,739,270,238	\$24,997,351,235	\$26,032,155,186

*Governor's Proposed Budget

Georgia FY18 General Fund Budget



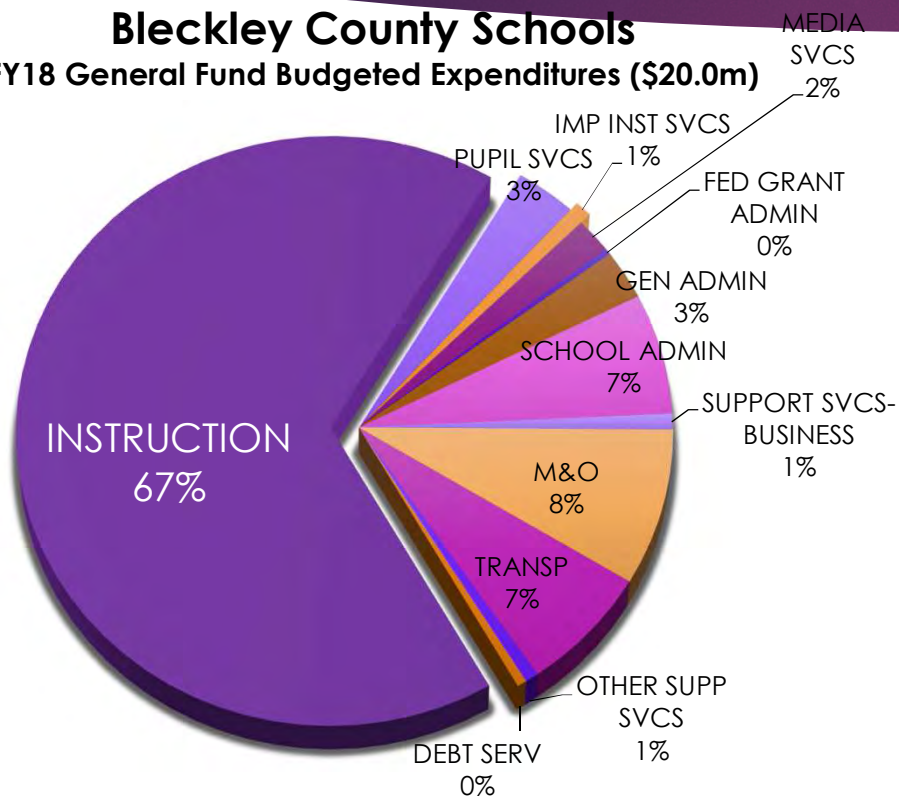
54% of the General Fund Budget Relates to Education

FY18 General Fund Budget

Both Charts Depict Same Information with Different Representation

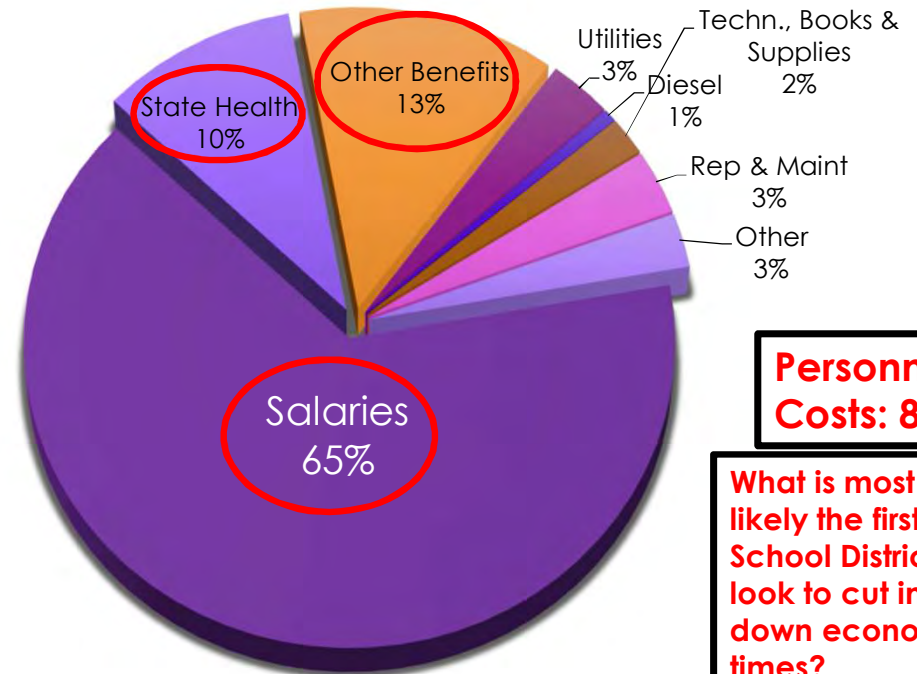
Bleckley County Schools

FY18 General Fund Budgeted Expenditures (\$20.0m)



Bleckley County Schools

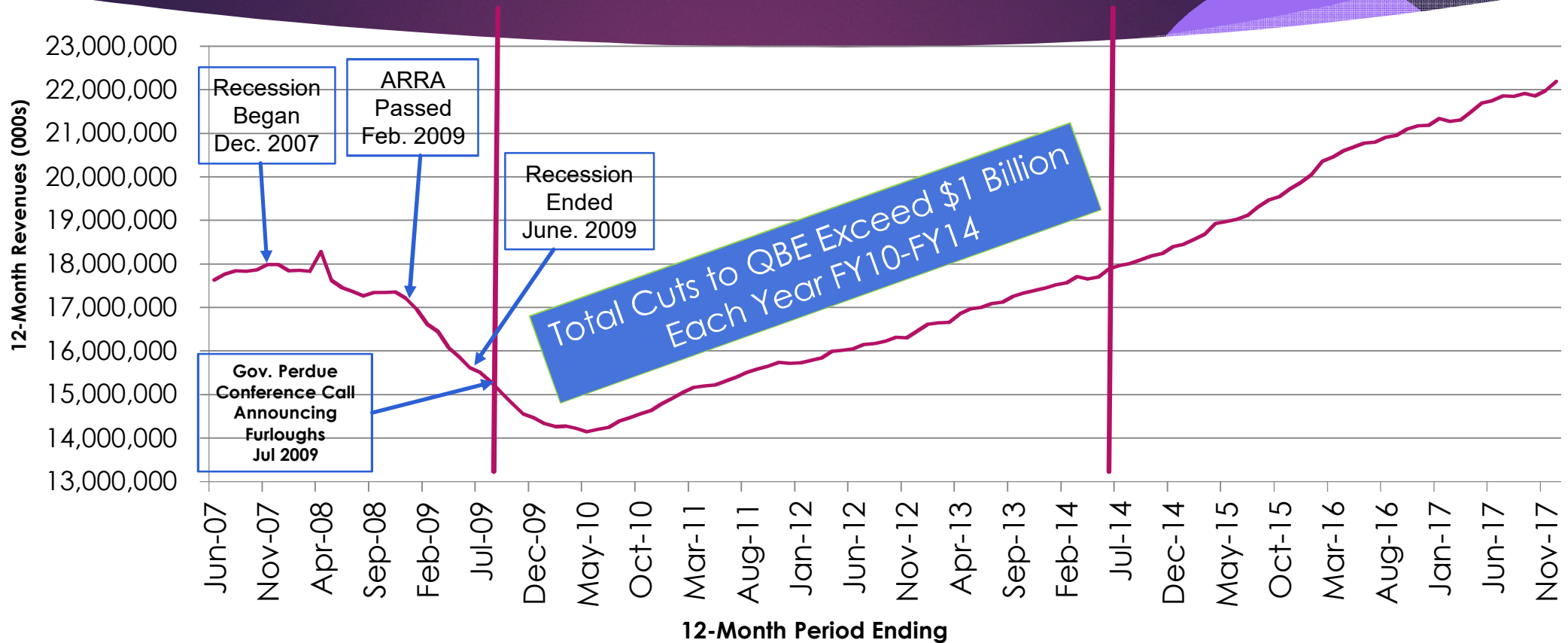
FY18 General Fund Budgeted Expenditures (\$20.0 m)

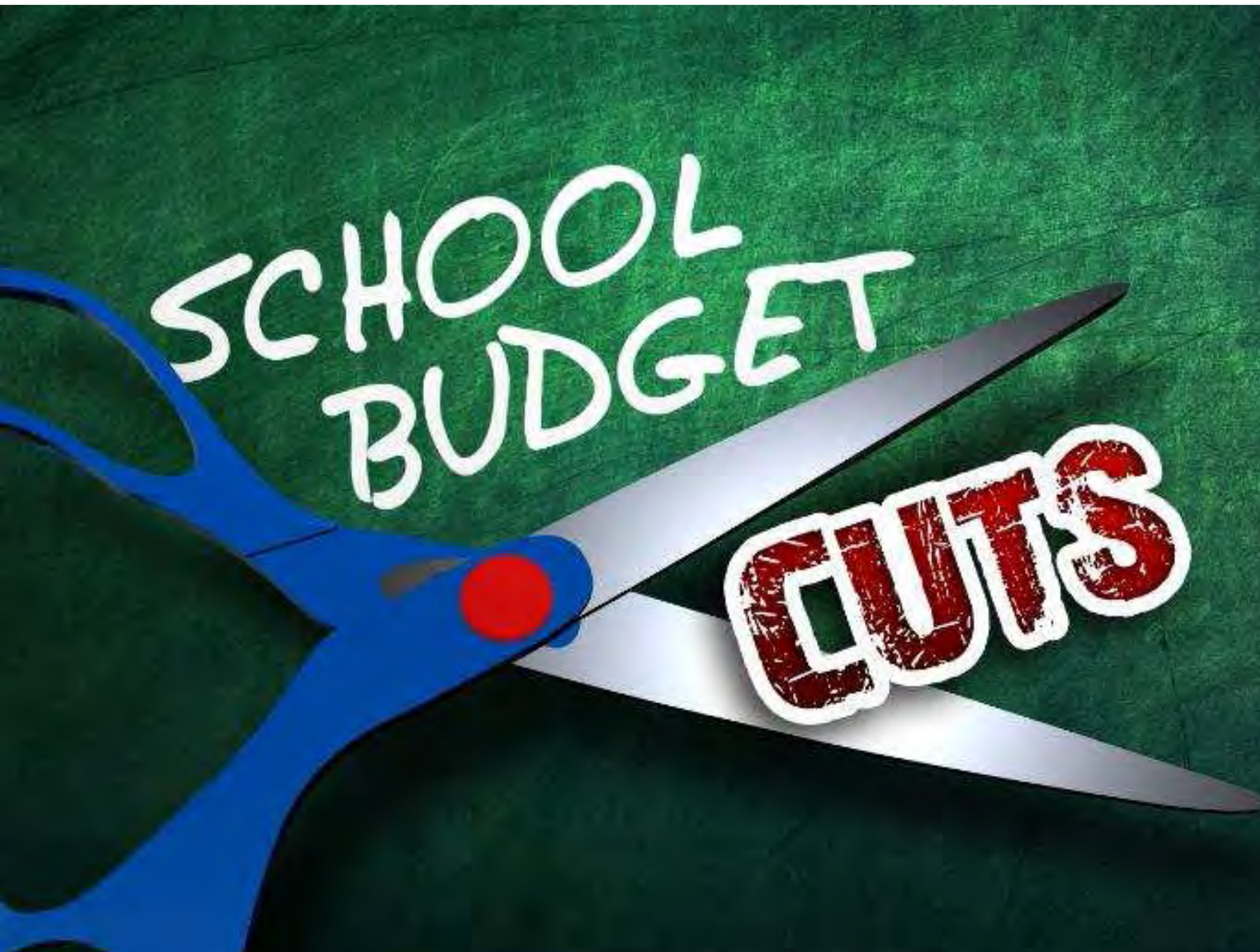


**Personnel
Costs: 88%**

**What is most
likely the first item
School Districts
look to cut in
down economic
times?**

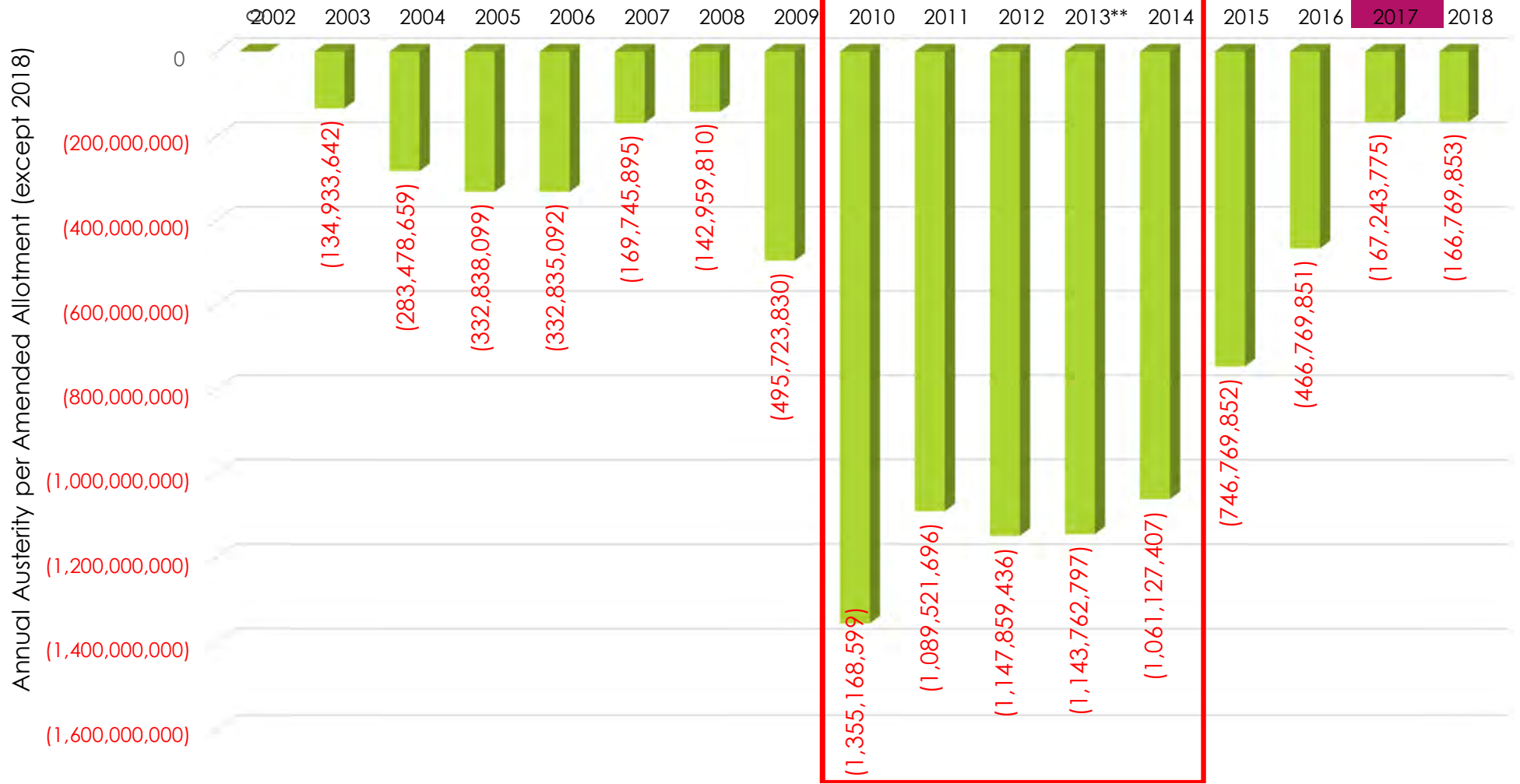
Georgia Actual Receipts 12-Month Moving General Fund Revenues





During good times and bad, school funding has been cut.

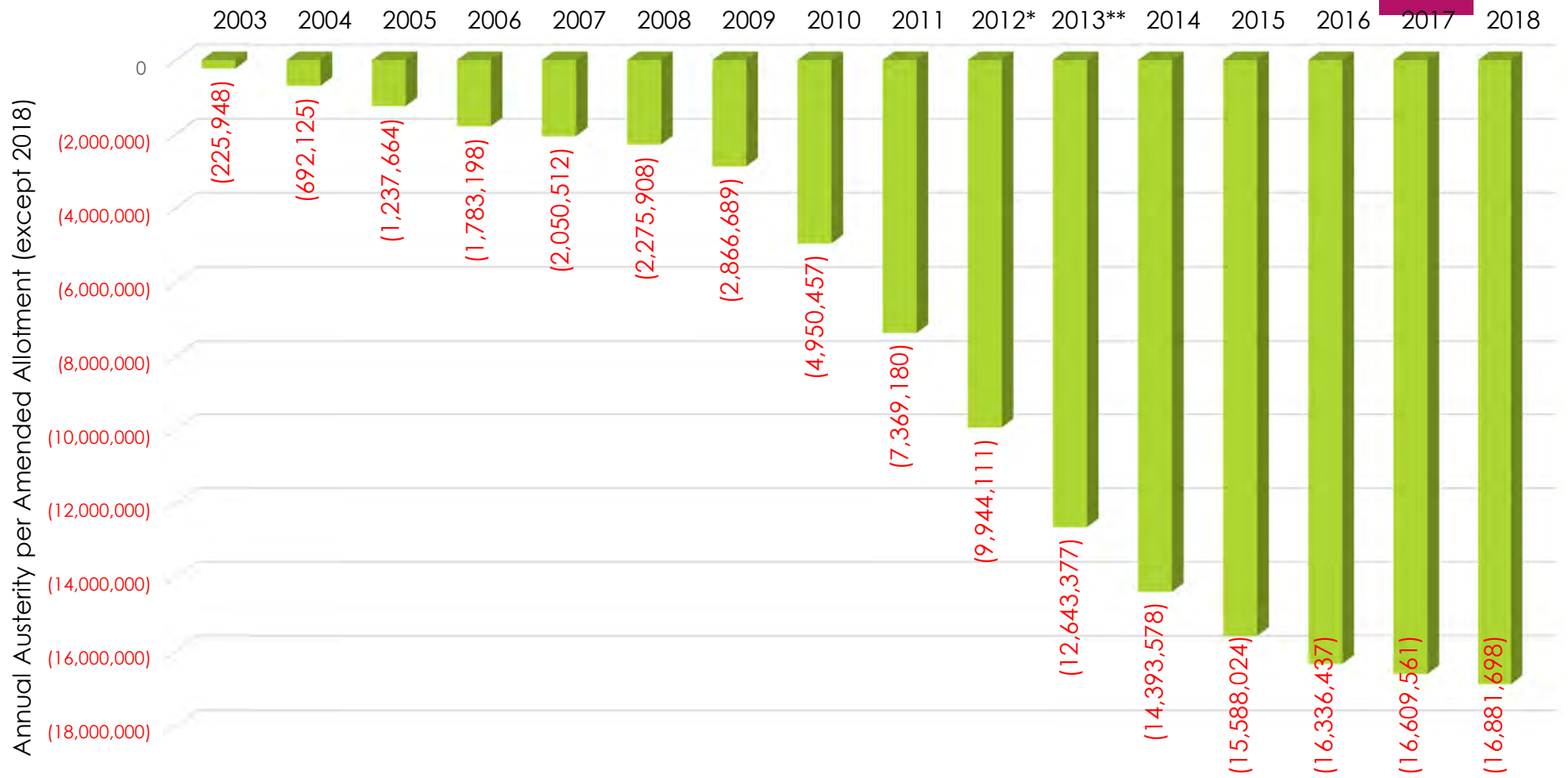
State of Georgia Historical Austerity Amounts



Bleckley County Schools Historical Austerity Amounts



Bleckley County Schools Cumulative Austerity Amounts



Why Is Austerity A 4-Letter Word?

- ▶ Wealthier Districts Are Hurt Less by Austerity than Poorer Districts.
- ▶ How Do You Define Wealth?
- ▶ The State Defines Wealth as Total Digest / Weighted FTE
- ▶ Maybe a better definition should include taxing capacity?

2012 Austerity Expressed in Mills:
Bleckley: \$2,397,793 / \$263,658 =

9.1 Mills

Decatur: \$1,912,924 / \$1,188,905 =

1.6 Mills

2018 Austerity Expressed in Mills:
Bleckley: \$272,137 / \$242,323 =

1.1 Mills

Decatur: \$502,018 / \$1,675,575 =

0.3 Mills

PT32.1 - Computation of MILLAGE RATE ROLLBACK AND PERCENTAGE INCREASE IN PROPERTY TAXES - 2017				
COUNTY	Bleckley	TAXING JURISDICTION	School	
INFORMATION FOR THE SHADED PORTIONS OF THIS SECTION MUST BE ENTERED				
This information will be the actual values and millage rates certified to the Department of Revenue for the applicable tax years.				
DESCRIPTION	2016 DIGEST	REASSESSMENT OF EXISTING REAL PROP	OTHER CHANGES TO TAXABLE DIGEST	2017 DIGEST
REAL	256,770,221	290,342	1,522,525	258,583,088
PERSONAL	13,883,709		-1,021,713	12,861,996
MOTOR VEHICLES	17,037,320		-3,987,280	13,050,040
MOBILE HOMES	4,193,174		249,386	4,442,560
TIMBER -100%	2,384,965		-678,653	1,706,312
HEAVY DUTY EQUIP	55,981		-55,981	0
GROSS DIGEST	294,325,370	290,342	-3,971,716	290,643,996
EXEMPTIONS	50,044,923	36,762	-651,794	49,429,891
NET DIGEST	244,280,447	253,580	-3,319,922	241,214,105
FLPA Reimbursement Value	1,119,954		-11,239	1,108,715
Adjusted NET DIGEST	245,400,401	253,580	-3,331,161	242,322,820
	(PYD)	(RVA)	(NAG)	(CYD)
2016 MILLAGE RATE >>>	14.349	2017 PROPOSED MILLAGE RATE >>>		14.334
THIS SECTION WILL CALCULATE AUTOMATICALLY UPON ENTRY OF INFORMATION ABOVE				
DESCRIPTION	ABBREVIATION	AMOUNT	FORMULA	
2016 Net Digest	PYD	245,400,401		
Net Value Added-Reassessment of Existing Real Property	RVA	253,580		
Other Net Changes to Taxable Digest	NAG	-3,331,161		
2017 Net Digest	CYD	242,322,820	(PYD+RVA+NAG)	
2016 Millage Rate	PYM	14.349		
Millage Equivalent of Reassessed Value Added	ME	0.015	(RVA/CYD) * PYM	
Rollback Millage Rate for 2017	RR	14.334	PYM - ME	
COMPUTATION OF PERCENTAGE INCREASE IN PROPERTY TAXES				
If the 2017 Proposed Millage Rate for this Taxing Jurisdiction exceeds Rollback Millage Rate computed above, this section will automatically calculate the amount of increase in property taxes that is part of the notice required in O.C.G.A. Section 48-5-32.1(c)(2)	Rollback Millage Rate	14.334		
	2017 Millage Rate	14.349		
	Percentage Increase	0.10%		

Because of the reduction in the tax digest, keeping the millage rate the same would result in LOWER taxes by \$47,795. Despite having lower tax revenue, had we kept the millage rate the same, we would have been forced to hold three hearings declaring a tax INCREASE!

NOTICE

The Bleckley County School Board does hereby announce that the millage rate will be set at a meeting to be held at the Board Offices located at 242 E. Dykes Street, Cochran, GA 31014 on August 15, 2017 at 7:00 PM and pursuant to the requirements of O.C.G.A. Section 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2017 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

COUNTY SCHOOL	2012	2013	2014	2015	2016	2017
Real & Personal	271,281,712	266,596,503	265,658,997	270,752,415	270,653,930	271,445,084
Motor Vehicles	33,591,530	35,149,370	28,744,910	21,397,700	17,037,320	13,050,040
Mobile Homes	4,066,093	4,079,483	4,096,993	4,160,765	4,193,174	4,442,560
Timber - 100%	1,625,638	2,332,194	1,701,336	2,680,587	2,384,965	1,706,312
Heavy Duty Equipment					55,981	0
Gross Digest	310,564,973	308,157,550	300,202,236	298,991,467	294,325,370	290,643,996
Less M & O Exemptions	47,691,798	49,037,150	49,488,985	49,592,122	50,044,923	49,429,891
Net M & O Digest	262,873,175	259,120,400	250,713,251	249,399,345	244,280,447	241,214,105
State Forest Land Assistance Grant Value	785,138	988,157	1,058,888	1,046,033	1,119,954	1,108,715
Adjusted Net M&O Digest	263,658,313	260,108,557	251,772,139	250,445,378	245,400,401	242,322,820
Gross M&O Millage	12.258	12.258	14.250	14.349	14.349	14.349
Less Rollbacks	0.000	-1.992	-0.099	0.000	0.000	0.015
Net M&O Millage	12.258	14.250	14.349	14.349	14.349	14.334
Total School Taxes Levied	\$3,231,924	\$3,706,547	\$3,612,678	\$3,593,641	\$3,521,250	\$3,473,455
Net Taxes \$ Increase		\$474,623	-\$93,869	-\$19,038	-\$72,390	-\$47,795
Net Taxes % Increase		14.69%	-2.53%	-0.53%	-2.01%	-1.36%

$$\begin{aligned} &\$242,322,820 \\ &\div 1000 \\ &= \$242,322.82 \end{aligned}$$

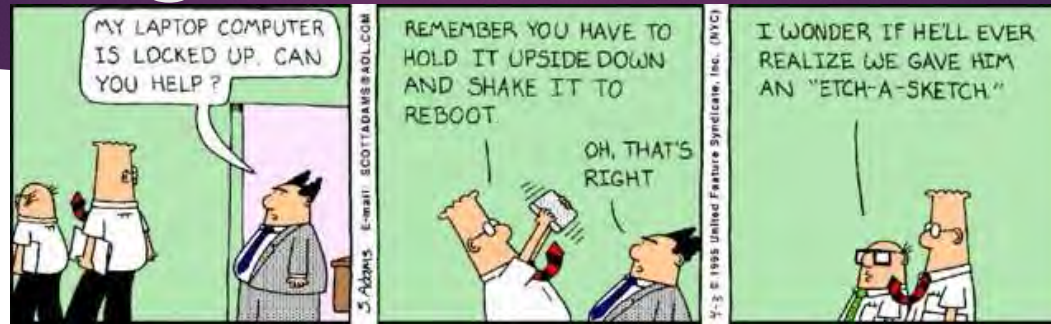
$$\begin{aligned} &\text{One Mill} = \\ &= \$242,322.82 \end{aligned}$$

$$\begin{aligned} &14.344 \text{ Mills} = \\ &\$242,322.82 \\ &\quad \times 14.334 \\ &= \$ 3,473,455 \end{aligned}$$

$$\begin{aligned} &\text{Less 2.5\% for} \\ &\text{collection} \\ &\$ \quad 86,836 \end{aligned}$$

$$\begin{aligned} &\text{Net Collected:} \\ &\$ \quad 3,386,619 \end{aligned}$$

Educating Your Decision Makers

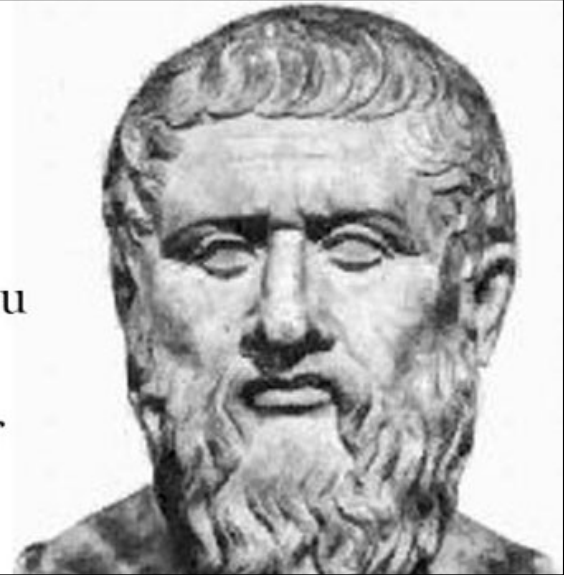


- ▶ Local Funding (Property taxes, other local sources, SPLOST, E-LOST)
- ▶ State Funding (QBE, categorical grants, equalization grants, sparsity grants)
- ▶ Federal Funding (Title I, II, III, VI-B, other)

What Impacts Funding?

- ▶ Enrollment / FTE
- ▶ Millage Rates
- ▶ The Local Economy
 - ▶ SPLOST/E-LOST Collections
- ▶ The State Economy
 - ▶ State Revenues
- ▶ The National Economy
 - ▶ Federal Revenues – ARRA (American Recovery and Reinvestment Act of 2009)
- ▶ Politics, Politics, Politics

One of the penalties for refusing to participate in politics, is that you end up being governed by your inferiors. *Plato*

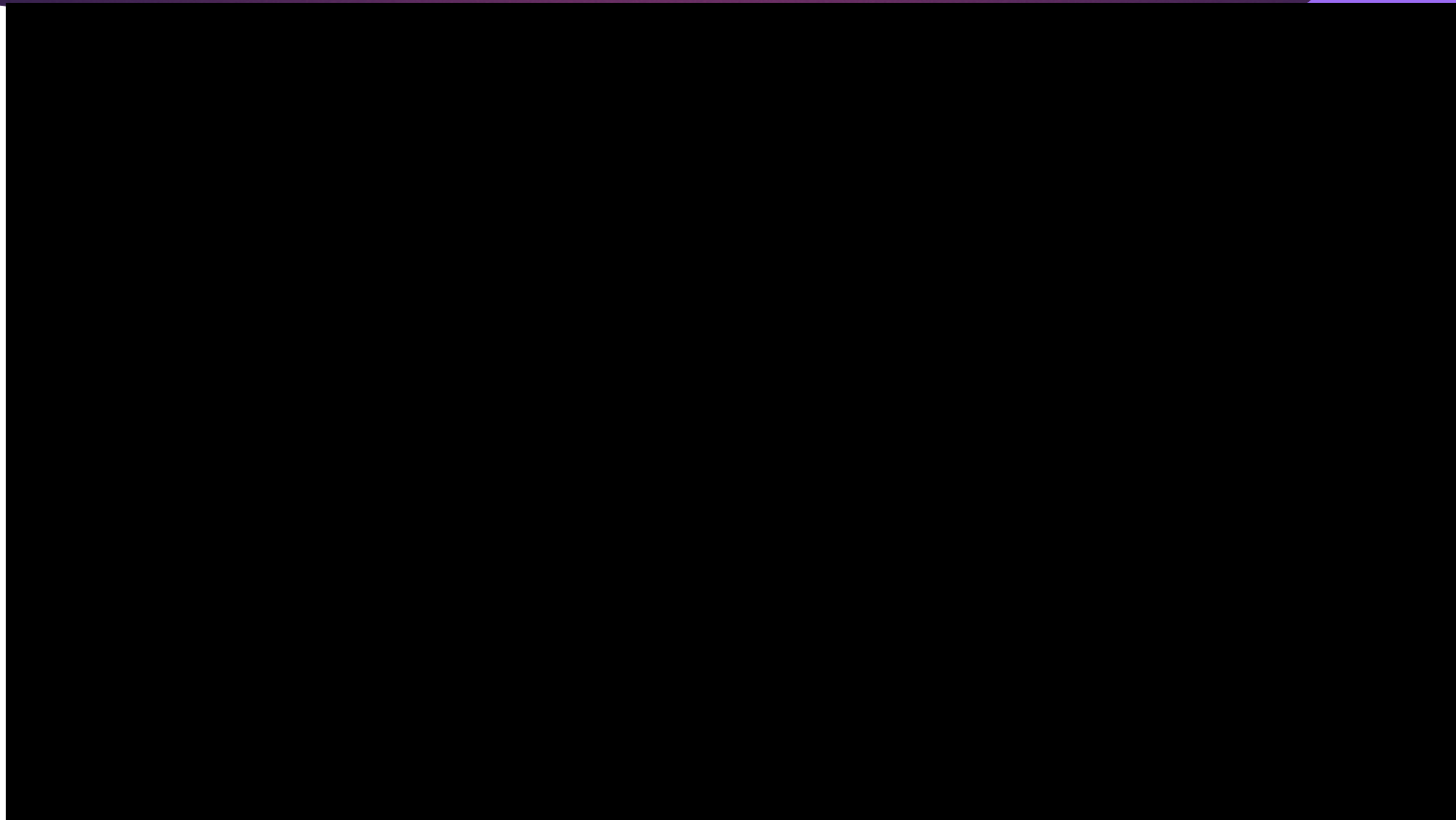




Educating Your Decision Makers

- ▶ Whom Are You Serving?
 - ▶ We Better be Serving Our Students, Parents, and Stakeholders
 - ▶ If We Don't Do a Good Enough Job, They WILL Choose to Go Elsewhere

Who Provides the Best Customer Service?

A decorative graphic in the top right corner featuring a large purple circle, a smaller pink circle, and a pink rectangle, all set against a dark purple background with a subtle grid pattern.



The Burning Question

- ▶ How Do We Provide Excellent Customer Service and World Class Educational Experiences While Being Good Stewards of Taxpayers' Money, Managing Scarce Resources Effectively?



Educating Your Decision Makers

- ▶ Local Funding (Property taxes, other local sources, TAVT, SPLOST, E-LOST)
- ▶ State Funding (QBE, categorical grants, equalization grants, sparsity grants)
- ▶ Federal Funding (Title I, II, III, VI-B, other)

Local Funding

- ▶ Ad valorem property taxes
- ▶ Real estate transfer taxes
- ▶ Recording intangible taxes
- ▶ TAVT
- ▶ SPLOST/E-LOST
- ▶ Interest and Miscellaneous



Ad Valorem Property Taxes

- ▶ Real estate is typically taxed at 40% of assessed value in Georgia
- ▶ One mill of tax is the number of thousands of taxable value (\$1.00 per \$1,000)
- ▶ Example: \$100,000 home has a \$40,000 taxable value. If millage rate is 14.5, then number of thousands (40) is multiplied by 14.5 to get an annual tax amount of \$580.00

Ad Valorem Property Taxes

Real Estate

- ▶ Example #2: \$225,000 home with millage rate of 19.25
 - ▶ $\$225,000 \times .4 = 90,000 / 1,000 = 90 \times 19.25 = \$1,732.50$
property taxes
- ▶ **Cold Hard Fact:** Most people who get upset over a tax increase have no idea how much more they will pay, and it's usually less than \$100 more per year.

Ad Valorem Property Taxes

Real Estate

- ▶ Example #3: \$150,000 home with millage rate of 15.25 in 2017 will see school millage increase to 18.0 in 2018. How does this impact the homeowner?
 - ▶ $\$150,000 \times .4 = 60,000 / 1,000 = 60 \times 15.25 = \915.00 (2017)
 - ▶ $\$150,000 \times .4 = 60,000 / 1,000 = 60 \times 18.0 = \$1,080.00$ (2018)
 - ▶ **A difference of \$165.00 (\$1080 - \$915)**
 - ▶ **That 18% increase doesn't seem so bad. Are our children worth another \$13.75 per month?**

Quiz #3

- ▶ \$85,000 home with millage rate of 12.5 in 2017 will see school millage increase to 15.0 in 2018. How does this impact the homeowner?

Quiz #3 - Solution

- ▶ \$85,000 home with millage rate of 12.5 in 2017 will see school millage increase to 15.0 in 2018. How does this impact the homeowner?
 - ▶ $\$85,000 \times .4 = 34,000 / 1,000 = 34 \times 12.5 = \425.00 (2017)
 - ▶ $\$85,000 \times .4 = 34,000 / 1,000 = 34 \times 15.0 = \510.00 (2018)
 - ▶ **A difference of \$85.00 (\$510 - \$425), \$7.08 per month**
 - ▶ **That 20% increase really doesn't seem that bad, but try convincing your property owners and BOE members of that.**

CURRENT 2009 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

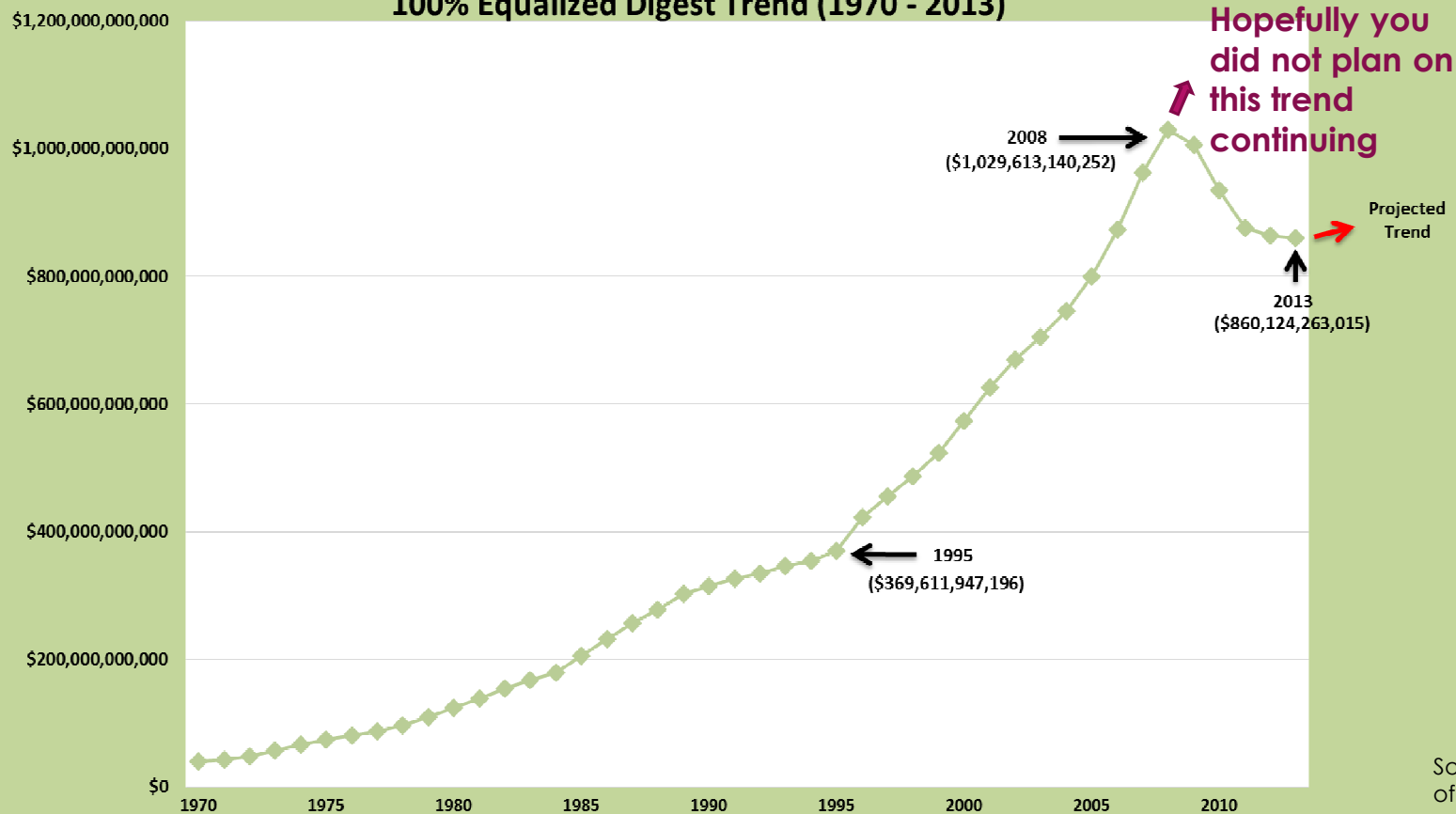
COUNTY SCHOOL	2004	2005	2006	2007	2008	2009
Real & Personal	128,157,482	130,458,573	134,351,727	137,805,852	140,128,591	142,589,980
Motor Vehicles	14,897,830	15,230,040	14,217,350	15,120,240	15,814,120	16,716,910
Mobile Homes	2,307,740	2,377,710	2,128,980	2,083,050	1,728,720	1,678,114
Timber - 100%	4,045,204	4,054,687	7,065,186	7,663,670	7,124,618	3,321,744
Heavy Duty Equipment	0	0	0	0	0	0
Gross Digest	149,408,256	152,121,010	157,763,243	162,672,812	164,796,049	164,306,748
Less M & O Exemptions	20,907,453	21,366,515	21,309,938	21,108,634	20,518,561	21,095,979
State Forest Land Grant						385,324
Net M & O Digest	128,500,803	130,754,495	136,453,305	141,564,178	144,277,488	143,596,093
Gross M&O Millage	12.610	12.610	12.610	12.610	12.610	15.110
Less Rollbacks						
Net M&O Millage	12.610	12.610	12.610	12.610	12.610	15.110
Total School Taxes Levied	\$1,620,395	\$1,648,814	\$1,720,676	\$1,785,124	\$1,819,339	\$2,169,737
Net Taxes \$ Increase		\$28,419	\$71,862	\$64,448	\$34,215	\$350,398
Net Taxes % Increase		1.75%	4.36%	3.75%	1.92%	19.26%

Estimating Ad Valorem Taxes

- ▶ The best estimate for Ad Valorem taxes depends upon the economy. Many counties saw their digests decrease significantly during the Great Recession.

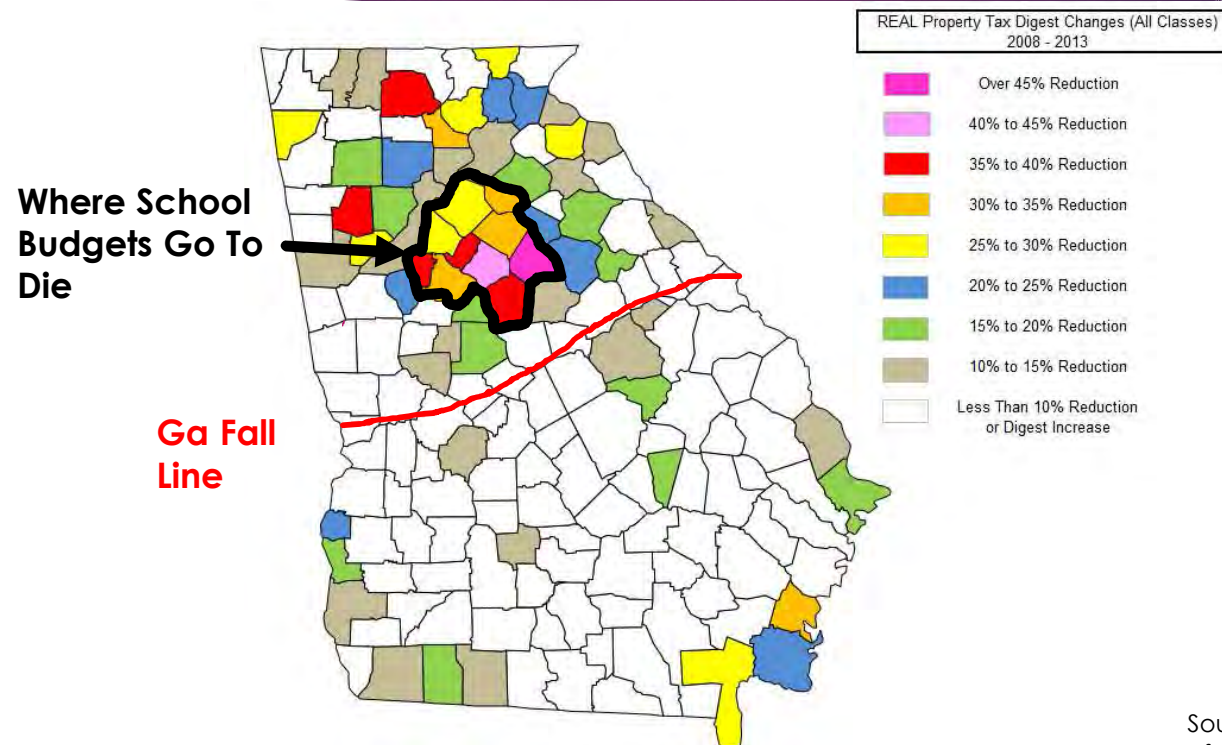
Equalized Adjusted Property Tax Digest

100% Equalized Digest Trend (1970 - 2013)



Source: Georgia Department of Audits and Accounts

How Tax Assessors Reacted To The Recession



Source: Georgia Department
of Audits and Accounts

Estimating Ad Valorem Taxes

- ▶ Discussions with the local Tax Assessors, the Tax Commissioner, and watching trends in SPLOST, Recording, and Real Estate Transfer Tax collections should help inform the estimate.
- ▶ The most recent 5-year history of levy is most often used to project next year's amount.

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Total School Taxes Levied	\$3,231,924	\$3,706,547	\$3,612,678	\$3,593,641	\$3,521,250	\$3,473,455
Net Taxes \$ Increase		\$474,623	-\$93,869	-\$19,038	-\$72,390	-\$47,795
Net Taxes % Increase		14.69%	-2.53%	-0.53%	-2.01%	-1.36%

$$\begin{aligned} &\$242,322,820 \\ &\div 1000 \\ &= \$242,322.82 \end{aligned}$$

$$\begin{aligned} &\text{One Mill} = \\ &= \$242,322.82 \end{aligned}$$

$$\begin{aligned} &14.344 \text{ Mills} = \\ &\$242,322.82 \\ &\quad \times 14.334 \\ &= \$ 3,473,455 \end{aligned}$$

$$\begin{aligned} &\text{Less 2.5\% for} \\ &\text{collection} \\ &\$ \quad 86,836 \end{aligned}$$

$$\begin{aligned} &\text{Net Collected:} \\ &\$ \quad 3,386,619 \end{aligned}$$

Why Would Millage Rate Increase?

- ▶ Get with your table and come up with reasons why a District would need to raise the millage rate?
- ▶ Despite those reasons, why do many boards of education still refuse to raise the millage rate?

Why Would Millage Rate Increase?

- ▶ O.C.G.A. §20-2-165 (9)(c) Requires a Minimum Millage Rate to Qualify for Equalization: (9) "Qualified local school system" is defined as any local school system: (A) Having an assessed valuation per weighted full-time equivalent count for the year of the digest which is below the guaranteed valuation; (B) Having an effective millage rate greater than the millage rate applied to calculate the local five mill share pursuant to subsection (a) of Code Section 20-2-164; and (C) Beginning July 1, 2015, having a millage rate or an equivalent millage of at least **12 mills**; beginning July 1, 2016, having a millage rate or an equivalent millage of at least **12 1/2 mills**; beginning July 1, 2017, having a millage rate or an equivalent millage of at least **13 mills**; beginning July 1, 2018, having a millage rate or an equivalent millage of at least **13 1/2 mills**; beginning July 1, 2019, and thereafter, having a millage rate or an equivalent millage of at least **14 mills**.

Do Rural Systems Not Value Education?

2017 Millage Rate	# of Systems
<12	8
12-14.99	35
15-17.99	87
18-20+	50
Total	180

24%

Most metro districts have millage rates approaching 20 mills, so many metro legislators feel any district below 18 mills doesn't value education.

Why Does Metro Matter?

District	FY18 FTE	% of State
Gwinnett	182,548	10.4%
Cobb	115,086	6.6%
DeKalb	101,856	5.8%
Fulton	95,647	5.5%
Clayton	54,532	3.1%
Atlanta City	51,063	2.9%
Forsyth	46,326	2.7%
Cherokee	42,275	2.4%
Henry	42,146	2.4%
Chatham	36,580	2.1%
Top 10	768,059	44.0%

Local Funding

- ▶ Ad valorem property taxes
- ▶ Real estate transfer taxes
- ▶ Recording intangible taxes
- ▶ TAVT
- ▶ SPLOST/E-LOST
- ▶ Interest and Miscellaneous



Motor Vehicle Ad Valorem to TAVT

- ▶ In 2012, HB386 replaced the “birthday tax,” which required everyone to purchase new tag decals annually, paying ad valorem tax on their vehicles
- ▶ All vehicles purchased on or after 3/1/13 were no longer required to pay sales tax on the purchase or the annual ad valorem tax, but were required to pay a one-time 7% Title Ad Valorem Tax (TAVT)
 - ▶ Impacted SPLOST and ad valorem taxes
- ▶ Vehicles already in service still pay annual tax

NOTICE

The Bleckley County School Board does hereby announce that the millage rate will be set at a meeting to be held at the Board Offices located at 242 E. Dykes Street, Cochran, GA 31014 on August 15, 2017 at 7:00 PM and pursuant to the requirements of O.C.G.A. Section 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

CURRENT 2017 TAX DIGEST AND 5 YEAR HISTORY OF LEVY

COUNTY SCHOOL	2012	2013	2014	2015	2016	2017
Real & Personal	271,281,712	266,596,503	265,658,997	270,752,415	270,653,930	271,445,084
Motor Vehicles	33,591,530	35,149,370	28,744,910	21,397,700	17,037,320	13,050,040
Mobile Homes	4,066,093	4,079,483	4,096,993	4,160,765	4,193,174	4,442,560
Timber - 100%	1,625,638	2,332,194	1,701,336	2,680,587	2,384,965	1,706,312
Heavy Duty Equipment					55,981	0
Gross Digest	310,564,973	308,157,550	300,202,236	298,991,467	294,325,370	290,643,996
Less M & O Exemptions	47,691,798	49,037,150	49,488,985	49,592,122	50,044,923	49,429,891
Net M & O Digest	262,873,175	259,120,400	250,713,251	249,399,345	244,280,447	241,214,105
State Forest Land Assistance Grant Value	785,138	988,157	1,058,888	1,046,033	1,119,954	1,108,715
Adjusted Net M&O Digest	263,658,313	260,108,557	251,772,139	250,445,378	245,400,401	242,322,820
Gross M&O Millage	12.258	12.258	14.250	14.349	14.349	14.349
Less Rollbacks	0.000	-1.992	-0.099	0.000	0.000	0.015
Net M&O Millage	12.258	14.250	14.349	14.349	14.349	14.334
Total School Taxes Levied	\$3,231,924	\$3,706,547	\$3,612,678	\$3,593,641	\$3,521,250	\$3,473,455
Net Taxes \$ Increase		\$474,623	-\$93,869	-\$19,038	-\$72,390	-\$47,795
Net Taxes % Increase		14.69%	-2.53%	-0.53%	-2.01%	-1.36%

63% decline in motor vehicle values on digest since change.

Q. Where is TAVT calculated on the Tax Digest?

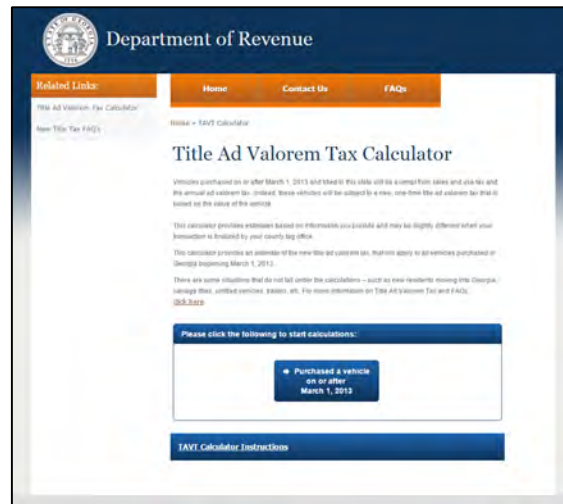
A. It is NOT calculated on the Digest, but is an "other" tax like recording fees and intangible taxes.

TAVT

- ▶ The impact of TAVT is significant, and the amount should not be ignored for budgeting purposes.
- ▶ For Bleckley County, TAVT averages about \$22,000 per month, or about 7.5% of local revenues.

Sidebar: TAVT

- ▶ Want to know how much TAVT you will pay on a vehicle? Go here:
<http://onlinemvd.dor.ga.gov/Tap/welcome.aspx>



Bleckley County Schools

Historical Local Tax Receipts

MONTH	Real and Personal	Intangible	Timber	RETT	FLPA or Railroad	Tag	TAVT			Total	Σ Tag & TAVT
							TAVT	"True-Up"	Total TAVT		
Oct-14	19,198	2,449	-	620	-	23,571	8,642	7,948	16,591	62,429	40,162
Nov-14	230,298	4,024	-	2,249	-	23,687	4,267	13,391	17,658	277,916	41,345
Dec-14	1,050,021	1,928	-	663	-	18,938	2,100	10,317	12,417	1,083,967	31,355
Jan-15	1,305,402	1,347	-	671	-	22,031	7,435	9,069	16,504	1,345,955	38,535
Feb-15	215,647	1,321	-	313	-	17,558	9,585	12,162	21,747	256,586	39,305
Mar-15	141,393	2,228	-	216	-	18,528	6,543	17,079	23,622	185,986	42,150
Apr-15	100,573	2,595	-	1,084	14,081	21,444	13,417	10,507	23,924	163,701	45,368
May-15	41,504	2,720	-	807	-	19,827	8,134	17,203	25,337	90,196	45,164
Jun-15	27,726	2,270	-	1,385	-	16,245	2,159	12,806	14,965	62,592	31,211
Jul-15	15,565	2,332	-	1,520	-	17,060	12,912	11,784	24,696	61,173	41,755
Aug-15	8,216	2,261	626	431	-	20,188	11,240	12,659	23,898	55,621	44,086
Sep-15	28,894	2,544	9,117	399	-	14,793	2,811	23,530	26,341	82,089	41,134
Oct-15	4,606	3,252	352	817	-	19,491	9,898	12,133	22,031	50,550	41,523
Nov-15	229,812	1,574	-	580	-	17,774	584	19,456	20,041	269,780	37,814
Dec-15	1,143,450	1,495	2,891	391	-	16,114	7,382	13,213	20,596	1,201,051	36,710
Jan-16	1,238,855	3,132	2,963	964	-	16,748	5,733	14,488	20,220	1,298,996	36,968
Feb-16	181,916	853	585	1,720	-	12,867	4,739	16,874	21,613	235,669	34,480
Mar-16	138,598	3,048	7,185	1,162	-	15,597	4,427	20,086	24,512	190,101	40,109
Apr-16	124,311	1,273	1,549	329	-	16,491	4,598	15,588	20,185	164,138	36,676
May-16	30,151	1,871	2,415	2,267	15,194	16,059	859	21,068	21,927	89,885	37,986
Jun-16	16,409	2,324	998	582	9,779	12,796	4,446	16,544	20,990	63,879	33,787
Jul-16	13,828	5,468	723	292	-	14,061	10,467	14,859	25,326	59,698	39,387
Aug-16	13,575	1,962	-	179	-	13,868	694	19,141	19,835	49,419	33,703
Sep-16	16,331	2,531	1,263	457	-	12,151	29	26,240	26,270	59,003	38,420
Oct-16	24,984	3,073	127	724	-	16,101	9,396	15,610	25,006	70,015	41,107

Local Funding

- ▶ Ad valorem property taxes
- ▶ Real estate transfer taxes
- ▶ Recording intangible taxes
- ▶ TAVT
- ▶ SPLOST/E-LOST
- ▶ Interest and Miscellaneous

SPLOST / E-LOST



- ▶ A Special Purpose Local Option Sales Tax (SPLOST) is passed by local referendum to impose a 1¢ sales tax on all retail sales made within the district.
- ▶ A SPLOST referendum identifies the allowable and intended use the sales tax proceeds.
- ▶ Typically, SPLOST funds may only be used for facilities and improvements, buses, and technology.

E-LOST

- ▶ An Education Local Option Sales Tax (E-PLOST) is passed by local referendum to impose a 1¢ sales tax on all retail sales made within the district.
- ▶ An E-LOST referendum identifies the allowable and intended use the sales tax proceeds.
- ▶ Typically, E-LOST funds may be used for any needs of the district without limitation.

E-LOST

(Many state DOE reports list these districts in *italics*)

- ▶ Eight counties covering ten districts were granted the ability to pass E-LOST referenda in the 1980's via Constitutional Amendments. Those districts along with their 2017 millage rates are listed. The State Average=16.487 and rank, lowest to highest, is in ().

- ▶ *Bulloch (4) – 9.685*
- ▶ *Colquitt (6) – 10.240*
- ▶ *Houston (11) – 13.320*
- ▶ *Pelham City (5) – 10.200*
- ▶ *Towns (2) – 7.956*

- Chattooga (93) – 16.683*
- Habersham (31) – 14.290*
- Mitchell (84) – 16.297*
- Rabun (3) – 9.680*
- Trion City (1) – 5.700*

HR319 – 2018 Effort to Allow E-LOST

- See HGRESA Legislative Summary
- 1st Reading in House Education Committee: 2017
- Hearing for 2018 Session: Jan. 4, 2018
- Chance of Passage: Unknown
- If Passes Legislature:
 - Statewide Referendum (Nov. 2018?)
 - If Passes Statewide, Local Referendum (March, 2019?)

SPLOST / E-LOST BUDGETS

- Historical reviews of SPLOST/ELOST collections provide a great beginning point in estimating future collections:

Bleckley County Schools SPLOST Monthly Historical Analysis									
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
July	87,043	89,397	100,166	80,908	73,126	81,173	91,110	83,258	78,382
August	90,591	94,939	91,880	84,647	73,894	81,873	86,525	77,457	84,165
September	107,173	98,595	101,734	114,890	77,606	105,382	92,667	95,231	91,619
October	95,548	86,276	89,070	85,504	66,850	94,668	90,896	81,164	86,763
November	82,629	87,479	81,448	86,256	73,545	91,690	82,741	78,711	
December	74,409	88,097	82,019	74,107	69,713	86,676	83,317	82,249	
January	82,520	87,220	99,306	88,289	75,901	96,390	92,249	86,448	
February	109,942	76,843	98,178	79,256	69,564	83,830	76,795	71,245	
March	84,305	81,681	107,504	78,107	74,557	81,719	80,161	75,814	
April	98,838	90,374	84,966	79,242	78,074	91,959	85,266	78,912	
May	87,838	80,971	85,995	61,794	76,312	75,939	79,236	83,843	
June	93,516	89,248	86,032	73,978	80,581	84,819	77,488	82,269	
	1,094,352	1,051,120	1,108,298	986,978	889,723	1,056,118	1,018,450	976,600	340,930
Average	91,196	87,593	92,358	82,248	74,144	88,010	84,871	81,383	85,233

SPLOST / E-LOST BUDGETS

- ▶ Historical reviews of SPLOST/ELOST collections provide a great beginning point in estimating future collections:

Bleckley County Schools
SPLOST Monthly Historical Analysis

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
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August	90,591	94,939	91,880	84,647	73,894	81,873	86,525	77,457	84,165
September	107,173	98,595	101,734	114,890	77,606	105,382	92,667	95,231	91,619
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November	82,629	87,479	81,448	86,256	73,545	91,690	82,741	78,711	
December	74,409	88,097	82,019	74,107	69,713	86,676	83,317	82,249	
January	82,520	87,220	99,306	88,289	75,901	96,390	92,249	86,448	
February	109,942	76,843	98,178	79,256	69,564	83,830	76,795	71,245	
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April	98,838	90,374	84,966	79,242	78,074	91,959	85,266	78,912	
May	87,838	80,971	85,995	61,794	76,312	75,939	79,236	83,843	
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	1,094,352	1,051,120	1,108,298	986,978	889,723	1,056,118	1,018,450	976,600	340,930
Average	91,196	87,593	92,358	82,248	74,144	88,010	84,871	81,383	85,233

Debt Service on our bonds used to finance construction of our middle school = \$1 million per year.

What happens in years where the SPLOST collections are not enough to cover the debt service?

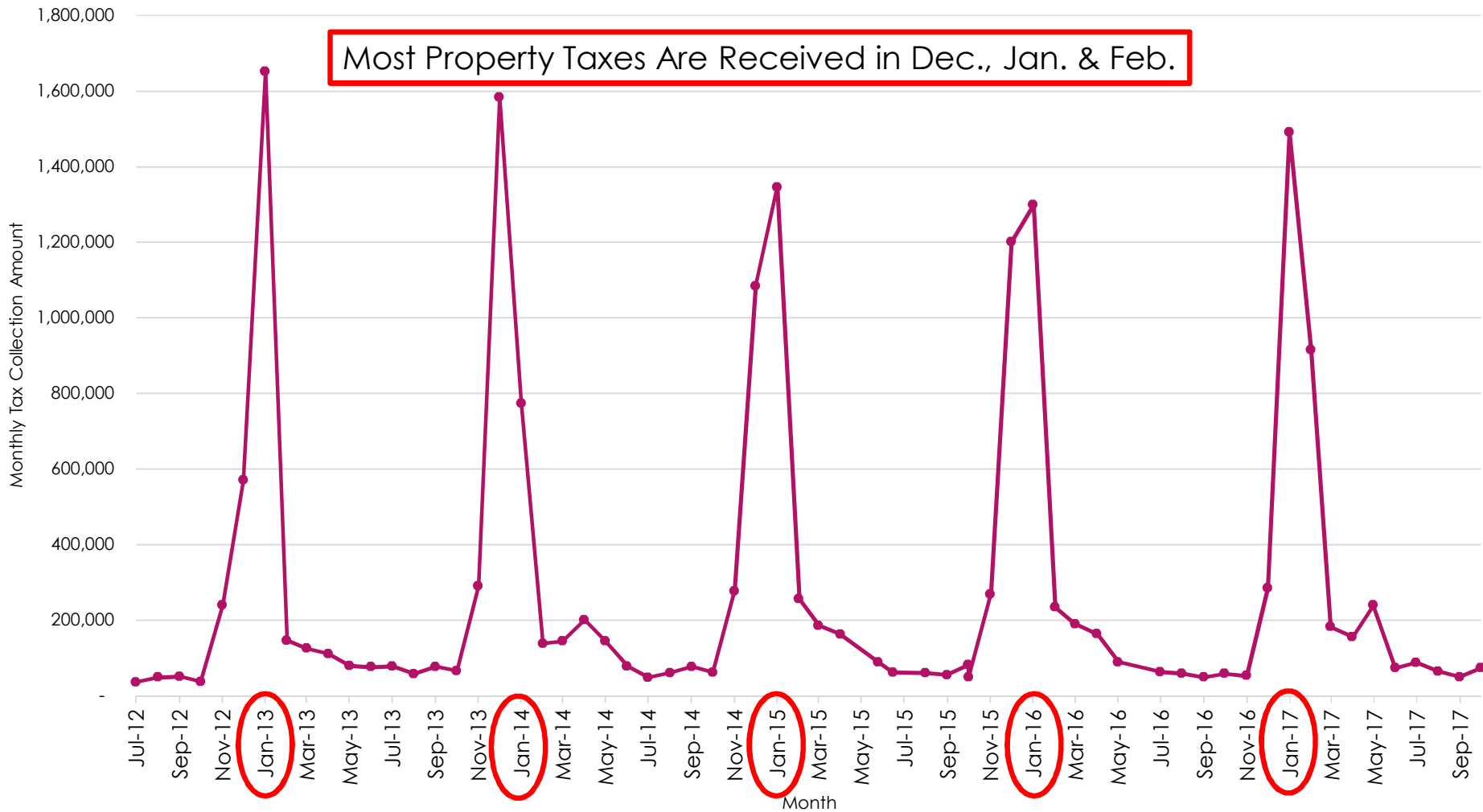
We transfer \$ from General Fund to SPLOST account to cover the shortfall. \$50k in FY15, \$32k in FY16, \$200k in FY17, \$110k in FY18

Bleckley County Schools Historical Local Tax Receipts

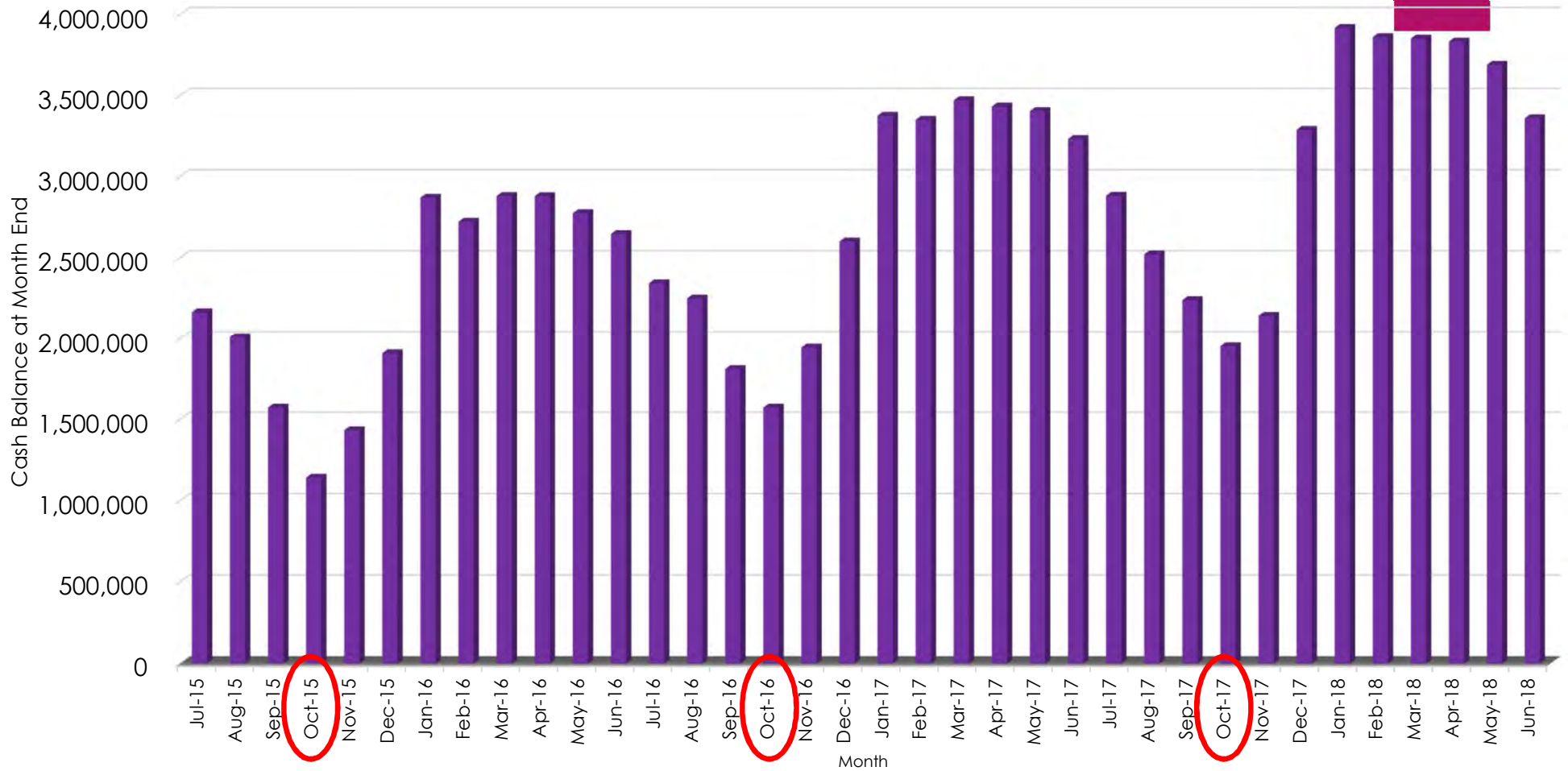
MONTH	Real and Personal	Intangible	Timber	RETT	FLPA or Railroad	Tag	TAVT			Total	Σ Tag & TAVT
							TAVT	"True-Up"	Total TAVT		
Aug-15	8,216	2,261	626	431	-	20,188	11,240	12,659	23,898	55,621	44,086
Sep-15	28,894	2,544	9,117	399	-	14,793	2,811	23,530	26,341	82,089	41,134
Oct-15	4,606	3,252	352	817	-	19,491	9,898	12,133	22,031	50,550	41,523
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Jan-16	1,238,855	3,132	2,963	964	-	16,748	5,733	14,488	20,220	1,298,996	36,968
Feb-16	181,916	853	585	1,720	-	12,867	4,739	16,874	21,613	235,669	34,480
Mar-16	138,598	3,048	7,185	1,162	-	15,597	4,427	20,086	24,512	190,101	40,109
Apr-16	124,311	1,273	1,549	329	-	16,491	4,598	15,588	20,185	164,138	36,676
May-16	30,151	1,871	2,415	2,267	15,194	16,059	859	21,068	21,927	89,885	37,986
Jun-16	16,409	2,324	998	582	9,779	12,796	4,446	16,544	20,990	63,879	33,787
Jul-16	13,828	5,468	723	292	-	14,061	10,467	14,859	25,326	59,698	39,387
Aug-16	13,575	1,962		179		13,868	694	19,141	19,835	49,419	33,703
Sep-16	16,331	2,531	1,263	457	-	12,151	29	26,240	26,270	59,003	38,420
Oct-16	8,755	3,073	127	724	-	16,101	9,396	15,610	25,006	53,787	41,107
Nov-16	248,371	2,235	974	808	-	12,928	-	20,533	20,533	285,851	33,461
Dec-16	1,449,592	2,790	-	2,781	-	12,370	2,546	20,946	23,492	1,491,026	35,862
Jan-17	886,061	1,044	1,731	450	-	10,925	-	15,391	15,391	915,602	26,315
Feb-17	135,678	3,933	411	2,955	-	11,877	4,786	23,339	28,125	182,979	40,001
Mar-17	120,193	1,694	1,902	-	-	12,129	-	20,874	20,874	156,793	33,004
Apr-17	182,300	1,571	784	742	15,010	15,315	5,088	19,560	24,648	240,370	39,964
May-17	38,518	1,605	-	657	-	10,549	-	22,830	22,830	74,160	33,379
Jun-17	25,143	2,783	9,039	1,944	10,081	10,802	6,296	22,276	28,572	88,363	39,374
Jul-17	13,083	3,666	2,408	4,384	-	11,411	12,863	17,577	30,439	65,391	41,851
Aug-17	11,231	1,629	1,700	499	-	10,397	1,669	22,701	24,370	49,826	34,767
Sep-17	16,967	2,838	2,668	661	-	11,096	1,032	27,323	28,355	73,995	39,451

Bleckley County Schools - Historical Local Tax Receipts

Most Property Taxes Are Received in Dec., Jan. & Feb.



Bleckley County Schools Cash Balance Analysis



Why Do Healthy Districts Need TANs?

Even districts with healthy reserves occasionally need a TAN, because the STATE QBE funds are received on the last day of each month, except in December.

Therefore, districts that pay early in November (the Friday before Thanksgiving) sometimes do not have the cash on hand to pay the salaries and benefits needed for a full payroll.

Also, districts that receive federal funds cannot get the federal funds from the state until the Title I, II-A, III, etc. budgets have been approved. If there were open items from a previous federal monitoring (audit), the budget will not be approved until the CAP (Corrective Action Plan) is approved.

It's All About that



Why Get A TAN (Tax Anticipation Note)?

Cash Balance at 10/31/16:	\$ 1,570,855
Grants Received in Nov. '16	\$ 620,524

Paid in November:

Special Payroll on Nov. 11, 2016 (\$700 & \$1,200 per employee)	\$ 322,120
Regular Payroll on Nov. 18, 2016	\$ 1,515,119
Accounts Payable 11/10/16	<u>\$ 567,483</u>

Cash Balance without a TAN:	\$ (213,343)
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TAN Amount on Nov. 17, 2016	<u>\$ 500,000</u>
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Actual Cash Balance: Nov. 18, 2016:	<u><u>\$ 286,657</u></u>
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Interest on TAN: 11/17-12/5/16:	\$ 562
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Local Funding

- ▶ Ad valorem property taxes
- ▶ Real estate transfer taxes
- ▶ Recording intangible taxes
- ▶ TAVT
- ▶ SPLOST/E-LOST
- ▶ Interest and Miscellaneous



Educating Your Decision Makers

- ▶ Local Funding (Property taxes, other local sources, TAVT, SPLOST, E-LOST)
- ▶ State Funding (QBE, categorical grants, equalization grants, sparsity grants)
- ▶ Federal Funding (Title I, II, III, VI-B, other)

State Revenues

- ▶ QBE Funding
- ▶ Miscellaneous Grants
- ▶ Mid-Term Adjustment





QBE Funding

- ▶ T&E (Training & Experience)
- ▶ Program Funding
- ▶ Local Fair Share

QBE Funding

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

- ▶ Base Salary Drives Everything
- ▶ Q. What is the base salary for a beginning teacher who is fully certified?
- ▶ A. \$34,092.00

QBE Funding – Teacher Salaries

- ▶ If you are SWSS or Charter System, did you adopt the State Salary Schedule as your salary schedule?
 - ▶ If not, what are you using?
 - ▶ Has your board approved whatever you are using?
 - ▶ Compensation typically requires board approval.

Training = Education Level
T-4=Bachelors; T-5=Masters; T-6=Specialist; T-7=Doctorate

FY 2018		STATE SALARY SCHEDULE										Folder Name: FY18 INITIAL	
OFFICIAL		GEORGIA ANNUAL/MONTHLY SALARY SCHEDULE FOR 10 MONTHS EMPLOYMENT										BASE EQUALS \$34,092.00 SCHOOL YEAR 2017 - 2018	
Years of Creditable Service	Salary Step	LEVEL OF CERTIFICATION											
		T-1	T-2	PROV BT-4	PROF T-4	PROV BT-5	PROF T-5	PROV BT-6	PROF T-6	PROV BT-7	PROF T-7		
		\$32,217.00 94.50% OF T-4	\$33,154.00 97.25% OF T-4	\$32,217.00 94.50% OF T-4	\$34,092.00 100.00% N/A	\$36,308.00 106.50% OF T-4	\$39,206.00 115.00% OF T-4	\$41,754.00 106.50% OF T-5	\$44,303.00 113.00% OF T-5	\$47,183.00 106.50% OF T-6	\$49,176.00 111.00% OF T-6		
0,1,2	E	\$32,217.00 \$2,684.75	\$33,154.00 \$2,762.83	\$32,217.00 \$2,684.75	\$34,092.00 \$2,841.00	\$36,308.00 \$3,025.67	\$39,206.00 \$3,267.17	\$41,754.00 \$3,479.50	\$44,303.00 \$3,691.92	\$47,183.00 \$3,931.92	\$49,176.00 \$4,098.00		
3	1	\$33,184.00 \$2,765.33	\$34,149.00 \$2,845.75	\$32,217.00 \$2,684.75	\$35,115.00 \$2,926.25	\$37,397.00 \$3,116.42	\$40,382.00 \$3,365.17	\$43,007.00 \$3,583.92	\$45,632.00 \$3,802.67	\$48,598.00 \$4,049.83	\$50,651.00 \$4,220.92		
4	2	\$34,180.00 \$2,848.33	\$35,173.00 \$2,931.08	\$32,217.00 \$2,684.75	\$36,168.00 \$3,014.00	\$38,519.00 \$3,209.92	\$41,593.00 \$3,466.08	\$44,297.00 \$3,691.42	\$47,001.00 \$3,916.75	\$50,056.00 \$4,171.33	\$52,171.00 \$4,347.58		
5	3	\$35,205.00 \$2,933.75	\$36,228.00 \$3,019.00	\$32,217.00 \$2,684.75	\$37,253.00 \$3,104.42	\$39,675.00 \$3,306.25	\$42,841.00 \$3,570.08	\$45,626.00 \$3,802.17	\$48,411.00 \$4,034.25	\$51,558.00 \$4,296.50	\$53,736.00 \$4,478.00		
6	4	\$36,261.00 \$3,021.75	\$37,315.00 \$3,109.58	\$32,217.00 \$2,684.75	\$38,743.00 \$3,228.58	\$41,262.00 \$3,438.50	\$44,555.00 \$3,712.92	\$47,451.00 \$3,954.25	\$50,347.00 \$4,195.58	\$53,620.00 \$4,468.33	\$55,885.00 \$4,657.08		
7	5	\$37,349.00 \$3,112.42	\$38,434.00 \$3,202.83	\$32,217.00 \$2,684.75	\$39,905.00 \$3,325.42	\$42,500.00 \$3,541.67	\$45,892.00 \$3,824.33	\$48,875.00 \$4,072.92	\$51,857.00 \$4,321.42	\$55,229.00 \$4,602.42	\$57,562.00 \$4,796.83		
8	6	\$38,469.00 \$3,205.75	\$39,587.00 \$3,298.92	\$32,217.00 \$2,684.75	\$41,701.00 \$3,475.08	\$44,413.00 \$3,701.08	\$47,957.00 \$3,996.42	\$51,074.00 \$4,256.17	\$54,191.00 \$4,515.92	\$57,714.00 \$4,809.50	\$60,152.00 \$5,012.67		
9,10	7	\$39,623.00 \$3,301.92	\$40,775.00 \$3,397.92	\$32,217.00 \$2,684.75	\$42,952.00 \$3,579.33	\$45,745.00 \$3,812.08	\$49,396.00 \$4,116.33	\$52,606.00 \$4,383.83	\$55,817.00 \$4,651.42	\$59,445.00 \$4,953.75	\$61,957.00 \$5,163.08		
11,12	L1	\$40,812.00 \$3,401.00	\$41,998.00 \$3,499.83	\$32,217.00 \$2,684.75	\$44,241.00 \$3,686.75	\$47,117.00 \$3,926.42	\$50,878.00 \$4,239.83	\$54,184.00 \$4,515.33	\$57,492.00 \$4,791.00	\$61,228.00 \$5,102.33	\$63,816.00 \$5,318.00		
13,14	L2	\$42,036.00 \$3,503.00	\$43,258.00 \$3,604.83	\$32,217.00 \$2,684.75	\$45,568.00 \$3,797.33	\$48,531.00 \$4,044.25	\$52,404.00 \$4,367.00	\$55,810.00 \$4,650.83	\$59,217.00 \$4,934.75	\$63,065.00 \$5,255.42	\$65,730.00 \$5,477.50		
15,16	L3	\$43,297.00 \$3,608.08	\$44,556.00 \$3,713.00	\$32,217.00 \$2,684.75	\$46,935.00 \$3,911.25	\$49,987.00 \$4,165.58	\$53,976.00 \$4,498.00	\$57,484.00 \$4,790.33	\$60,994.00 \$5,082.83	\$64,957.00 \$5,413.08	\$67,702.00 \$5,641.83		
17,18	L4	\$44,596.00 \$3,716.33	\$45,893.00 \$3,824.42	\$32,217.00 \$2,684.75	\$48,343.00 \$4,028.58	\$51,487.00 \$4,290.58	\$55,595.00 \$4,632.92	\$59,209.00 \$4,934.08	\$62,824.00 \$5,235.33	\$66,906.00 \$5,575.50	\$69,733.00 \$5,811.08		
19,20	L5	\$45,934.00 \$3,827.83	\$47,270.00 \$3,939.17	\$32,217.00 \$2,684.75	\$49,793.00 \$4,149.42	\$53,032.00 \$4,419.33	\$57,263.00 \$4,771.92	\$60,985.00 \$5,082.08	\$64,709.00 \$5,392.42	\$68,913.00 \$5,742.75	\$71,825.00 \$5,985.42		
21+	L6	\$47,312.00 \$3,942.67	\$48,688.00 \$4,057.33	\$32,217.00 \$2,684.75	\$51,287.00 \$4,273.92	\$54,623.00 \$4,551.92	\$58,981.00 \$4,915.08	\$62,815.00 \$5,234.58	\$66,650.00 \$5,554.17	\$70,980.00 \$5,915.00	\$73,980.00 \$6,165.00		

BASE INSTRUCTION SALARY			
(BASE SALARY)		\$33,981.07	\$33,424.00 \$557.07
Retirement	16.81%	\$5,712.22	
Health Insurance	0%	\$0.00	
Medicare	1.45%	\$492.73	
Sick Leave for 8 Days		\$150.00	
Total Instructional Sal(10MO.)		\$40,336.02	
Teacher Aides Kindergarten		\$13,445.34	
		Minus Sick Leave	
ADMIN SALARY (10MO.) excl Sick Leave		\$40,186.02	
ADMIN SALARY (12MO.) excl Sick Leave		\$48,223	

CENTRAL ADMINISTRATION		
SYSTEM SIZE = 3300		
	Amount	FTEs
1 Superintendent	\$48,223	Incl TRS
1 Secretary @ \$14,166 (12MO.) +TRS	\$16,547	
1 Accountant @ \$21,144 (10MO.) +TRS	\$24,698	
2 Asst. Superintendent	\$96,446	0 - 5,000
4 Asst. Superintendent	\$192,893	5,001- 99,999
6 Asst. Superintendent	\$289,339	10,000 +
Operations		Per FTE
Supplies	\$0	
Travel	\$0	
Equipment (Replacement)	\$0	
Miscellaneous	\$0	
Unemployment Ins & Workers Comp.	\$0	
TOTAL OPERATIONS	\$0	\$0.00

KG, KG-EI, GR 1-3, GR 1-3-EI, GR 4-5, GR 4-5-EI		
BASE SCHOOL SIZE = 450		
	Amount	Per FTE
1/2 Assistant Principal (10MO.)	\$20,093	\$44.65
Secretary @ \$14,166 (12MO.)	\$16,547	\$36.77
TOTAL SALARIES	\$36,640	\$81.42
Operations		
Supplies	\$1,319	
Travel	\$750	
Equipment (Replacement)	\$880	
Miscellaneous	\$580	
TOTAL OPERATIONS	\$3,529	\$7.84

MIDDLE GRADE & MIDDLE SCHOOL GR(6-8), SPEC-ED, GIFTED, REMEDIAL, ESOL		
BASE SCHOOL SIZE = 624		
	Amount	Per FTE
1 Asst. Principal	\$40,186	\$64.40
Secretary @ \$14,166 (12MO.)	\$16,547	\$26.52
Operations		
Supplies	\$1,319	
Travel	\$1,000	
Equipment (Replacement)	\$880	
Miscellaneous	\$580	
TOTAL OPERATIONS	\$3,779	\$6.06

GRADES (9-12) & CTAE(9-12)		
BASE SCHOOL SIZE = 970		
	Amount	Per FTE
2 Asst. Principal (10 MO.)	\$80,372	\$41.43
Secretary @ \$14,166 (12MO.)	\$16,547	\$17.06
Secretary @ \$11,805 (10MO.)	\$13,789	\$14.22
Operations		
Supplies	\$2,198	
Travel	\$1,500	
Equipment (Replacement)	\$1,759	
Miscellaneous	\$1,162	
TOTAL OPERATIONS	\$6,619	\$6.82

ALTERNATIVE EDUCATION		
BASE SCHOOL SIZE = 624		
	Amount	Per FTE
1 Asst. Principal (10MO. X 1:100)	\$40,186	\$401.86
Secretary @ \$14,166 (12MO.)	\$16,547	\$26.52
Operations		
Supplies	\$1,319	
Travel	\$1,000	
Equipment (Replacement)	\$880	
Miscellaneous	\$580	
TOTAL OPERATIONS	\$3,779	\$6.06

QBE Funding – T&E

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

- ▶ The state reimburses school systems for the state salary and benefits for each certified position funded through QBE.
- ▶ All systems hire more employees than funded, so the state pays an average add-on for Training & Experience (T&E).

T&E Effects

- ▶ Q. If you had some teachers you could pay with federal funds, should you pay more expensive or less expensive teachers with federal funds? WHY?
- ▶ A. We should always try to pay the lowest paid teachers with federal funds in order to maximize T&E from the state.

T&E Effects

- ▶ Q. Should we hire lower paid or higher paid teachers?
- ▶ A. We should always hire the best teacher for the job, regardless of T&E effects.



QBE Funding

- ▶ T&E (Training & Experience)
- ▶ Program Funding
- ▶ Local Fair Share

Program Funding

► QBE Funding Uses FTE and Program Funding Factors

► The Programs Include:

K, EIP K

1-3, EIP 1-3

4-5, EIP 4-5

MS

9-12 Regular

Vocational

SpEd I, II, III, IV, V

Gifted

Remedial

ESOL

Alternative Ed

Bleckley County QBE Per-FTE

Program Earnings

Basic Levels vs. Actual for FY16

T&E Modifier = 57.7742

Program	Weight	Teacher Student Ratio	Base Funding	Actual Funding
Gr K	1.6532	15	\$ 4,073	\$ 5,745
EIP K	2.0382	11	\$ 5,021	\$ 7,238
Gr 1-3	1.2859	17	\$ 3,168	\$ 4,729
EIP 1-3	1.7955	11	\$ 4,423	\$ 6,705
Gr 4-5	1.0358	23	\$ 2,552	\$ 3,769
EIP 4-5	1.7892	11	\$ 4,408	\$ 6,689
MG*	1.0281	23	\$ 2,533	\$ 3,747
MS*	1.1317	20	\$ 2,788	\$ 4,149
Gr 9-12*	1.0000	23	\$ 2,463	\$ 3,611
Vocational*	1.1907	20	\$ 2,933	\$ 4,227
SpEd I	2.3828	8	\$ 5,870	\$ 8,895
SpEd II	2.7933	7	\$ 6,881	\$ 10,554
SpEd III	3.5559	5	\$ 8,760	\$ 13,468
SpEd IV	5.7624	3	\$ 14,195	\$ 21,894
SpEd V	2.4532	8	\$ 6,043	\$ 9,069
Gifted	1.6609	12	\$ 4,092	\$ 6,182
Remedial	1.3099	15	\$ 3,227	\$ 4,847
Alternative Ed	1.4727	15	\$ 3,628	\$ 5,470
ESOL	2.5096	7	\$ 6,182	\$ 9,322

*Includes 2.5% allowable for alternative education.

Notice this difference of \$1,492, or 26.0%

Notice this difference of \$1,975, or 41.8%

Notice this difference of \$2,920, or 77.5%

Notice this difference of \$12,825, or 141.4%



QBE Funding

- ▶ T&E (Training & Experience)
- ▶ Program Funding
- ▶ Local Fair Share

Local Fair Share

- ▶ The QBE Act of 1985 specifically required local systems to contribute funding in an amount equal to five mills of local property taxes.
- ▶ This amount was known as the “Local Fair Share” or the “Required Local Effort”

Local Fair Share

- ▶ Once a total amount of QBE earnings is calculated, the Local Fair Share is deducted to arrive at the total state funding.
- ▶ Q. What happens to Local Fair Share when a district's tax digest increases?
- ▶ A. It increases.

Local Fair Share

State's Responsibility

Local School
System's
Responsibility

Optional
Enhanced Local
Funding

← QBE Minimum Funding →

5 mills

Optional
additional local
funding up to 15
mills (20 mills total
maximum
allowed)



Local Fair Share

- ▶ Counties assess property differently, and some counties are much more sophisticated than others.
- ▶ The state attempts to make all county digests accurately reflect the 40% assessments by comparing actual sales with the assessed value of those properties.



State Revenues

- ▶ QBE Funding
- ▶ Miscellaneous Grants
- ▶ Mid-Term Adjustment

Miscellaneous Grants & Other

- ▶ Equalization
- ▶ Sparsity
- ▶ Charter System
- ▶ Nurses
- ▶ Transportation



Equalization

- ▶ There are wide variations in districts' ability to raise money through millage increases.
 - ▶ 1 mill of tax in Bleckley Co (FY16) = \$250,445
 - ▶ 5 mills of tax / FTE = \$109.76
 - ▶ 1 mill of tax in Forsyth Co (FY16) = \$9,136,428
 - ▶ 5 mills of tax / FTE = \$1,115.16
- ▶ Q. How many local mills would it take Bleckley to equal Forsyth County? 50.8 mills

Equalization

- ▶ When comparing local effort per student, the differences are even greater:
- ▶ Local taxes per FTE (FY16):
 - ▶ Bleckley Co.: $\$3,396,384 / 2,330 = \$1,457.68$
 - ▶ Forsyth Co.: $\$154,108,694 / 42,693 = \$3,609.69$
- ▶ Q. Which district values education more?

Equalization

- ▶ The Equalization Grant was created to help districts with lower digests (and therefore lower capacity to tax) make tax effects more “equal.” The original goal was to “equalize” all mills above 5 so every district’s local taxes above 5 mills would be the same when the grant was added.

Equalization

- ▶ In 2012, HB824 was passed to change how the Equalization Grant is calculated.
- ▶ Without getting into the politics of the change, the new law had a tremendous impact on many school systems in the state.

Equalization

- ▶ The old formula reflected total Equalization Grants for FY12 of \$640,582,592
- ▶ Actual Funded in FY12: \$435,821,007
- ▶ The Governor/Legislature wanted a formula that would generate grants totaling the FY12 funded amount (in FY10, FY11, & FY12, funding was 2/3).
- ▶ HB824 Did just that.

Equalization

Old Formula (FY12 & prior)

- ▶ Total Adjusted Digest / Weighted Avg FTE
- ▶ All Districts Ranked “Richest” to “Poorest”
- ▶ Top 25% Richest (45 Districts) Get \$0 Equalization Grant
- ▶ All Others (135 Districts) Receive Grant based upon State Avg Wealth per FTE vs District Weighted Avg Wealth per FTE
- ▶ Grant Calculated on Difference in Wealth/FTE x Mills above 5 x Weighted FTE

New Formula (FY13 – present)

- ▶ Total Adjusted Digest / Weighted Avg FTE
- ▶ All Districts Ranked “Richest” to “Poorest”
- ▶ Top 5% (9 Districts) and Bottom 5% (Districts) Removed to Calculate State Average Wealth per FTE
- ▶ Only Districts with Weighted Avg Wealth/FTE Below State Avg Wealth/FTE Would Qualify
- ▶ Grant Calculated on Difference in Wealth/FTE x Eff. Mills above 5 x Weighted FTE
- ▶ Grant Allocated to 116 Districts in FY16. Total Amount = \$498,227,995

Equalization - Losers

	FY12	FY16
Wilkes	\$ 29,712	\$0
Mitchell	\$ 191,172	\$0
Valdosta City	\$ 515,023	\$0
Dooly	\$ 106,987	\$0
Jefferson City	\$ 151,599	\$0
Dublin City	\$ 268,623	\$0
Baldwin	\$ 577,625	\$0
Lamar	\$ 318,907	\$0
Rome City	\$ 920,880	\$0

	FY12	FY16
Heard	\$ 362,837	\$0
Bulloch	\$ 1,541,256	\$0
Dade	\$ 288,801	\$0
Columbia	\$ 4,827,130	\$0
Webster	\$ 103,352	\$0
Clinch	\$ 339,852	\$0
Appling	\$ 986,469	\$0
Macon	\$ 671,363	\$0
Total 17 Districts	\$12,201,588	\$0

Equalization: SPDP Participants

District	FY18 Equalization
Banks	\$ 1,183,280
Bartow	\$ 2,342,437
Bibb	\$ 7,881,481
Bleckley	\$ 2,400,469
Chatooga	\$ 2,071,423
Coffee	\$ 7,615,692
Coweta	\$ -
Dekalb	\$ -
Effingham	\$ 8,510,016
Fayette	\$ -
Floyd	\$ 5,005,807
Forsyth	\$ -
Franklin	\$ 2,579,180
Gilmer	\$ -

District	FY18 Equalization
Griffin-Spalding	\$ 7,171,024
Hall	\$ 5,491,014
Haralson	\$ 3,871,842
Henry	\$ -
Houston	\$ 23,980,730
Jackson	\$ -
Jasper	\$ 1,365,719
Lumpkin	\$ -
Marietta City	\$ -
Murray	\$ 4,806,617
Thomas	\$ 3,114,206
Toombs	\$ 1,923,873
Treutlen	\$ 1,116,273
Worth	\$ 1,633,076

Gwinnett:
\$82,790,008

Miscellaneous Grants & Other

- ▶ Equalization
- ▶ Sparsity
- ▶ Charter System
- ▶ Nurses
- ▶ Transportation



Sparsity Grants

- ▶ This grant is awarded to 43 systems in FY16 in amounts ranging from \$12,796 to \$363,307.
- ▶ The largest system to receive a Sparsity Grant in FY16 has FTE of 1,599 (Telfair County).
 - ▶ Note: Montgomery County shows FTE of 2,700, but approximately 1,800 of those students are in its virtual school.

Miscellaneous Grants & Other

- ▶ Equalization
- ▶ Sparsity
- ▶ Charter System
- ▶ Nurses
- ▶ Transportation



Charter System Grants

- ▶ This grant was originally calculated to be \$100 per FTE for all charter systems. For FY17, the amount is \$87.75 per FTE.

Miscellaneous Grants & Other

- ▶ Equalization
- ▶ Sparsity
- ▶ Charter System
- ▶ Nurses
- ▶ Transportation



Nurses—Minimum of \$45,000

- ▶ §20-2-186 (5) Each local system shall earn funding for one nurse for every 750 full-time equivalent students at the elementary school level and one nurse for every 1,500 full-time equivalent students at the middle and high school levels. Such funding shall have a ratio of one registered professional nurse to five licensed practical nurses. Such funding shall be based on a contract length of 180 days and shall be sufficient to pay 50 percent of the average salary and benefits, as determined by the Department of Education, for a registered professional nurse or for a licensed practical nurse; provided, however, that such amount shall be phased in so that, in Fiscal Year 2013, such amount shall be 40 percent and, in Fiscal Year 2014, such amount shall be 45 percent. Local school systems shall not be required to provide any local matching funds for school nurses to receive funds pursuant to this paragraph. Local school systems that do not meet the minimum full-time equivalent student counts set out in this paragraph shall receive a base amount of funding. Each local school system shall expend 100 percent of the funds earned pursuant to this paragraph for salaries and benefits for school nurses.

Miscellaneous Grants & Other

- ▶ Equalization
- ▶ Sparsity
- ▶ Charter System
- ▶ Nurses
- ▶ Transportation



Transportation Funding

- ▶ Funding for Pupil Transportation is based upon miles driven and students transported, resulting in funding for a specified number of drivers.
- ▶ The funding amount varies, with approximately \$13,500 - \$14,100 per driver as a good budget figure.
- ▶ For a system with flat growth, budgeting the same as the current year is probably a good estimate.

Austerity (Amended Formula Adjustment)

- ▶ Despite QBE as a law without language that allows for adjustments “depending upon state allocation,” the state has reduced funding since 2003 in the form of “Amended Formula Adjustments,” also known as “Austerity Reductions.”

State of Georgia

Historical Education Funding Analysis

	Total Funds (including Austerity, Equalization & ARRA)	Austerity	Equalization	Equalization Cut	ARRA	Total Cut (Austerity + Equalization Cut + ARRA)	FTE	Total Funds Per FTE	Total Funds/FT E w/o Austerity, Eq. Cut & ARRA	Amt Each Child Was Cut by State,
2002	5,605,071,148	0	255,947,743			0	1,447,332	3,873	3,873	0
2003	5,613,243,277	(134,933,642)	268,203,932			(134,933,642)	1,472,992	3,811	3,902	92
2004	5,542,119,091	(283,478,659)	288,182,775			(283,478,659)	1,498,777	3,698	3,887	189
2005	5,684,323,568	(332,838,099)	345,166,675			(332,838,099)	1,528,133	3,720	3,938	218
2006	6,078,429,085	(332,835,092)	384,564,129			(332,835,092)	1,566,284	3,881	4,093	212
2007	6,786,046,457	(169,745,895)	432,240,056			(169,745,895)	1,607,894	4,220	4,326	106
2008	7,274,169,405	(142,959,810)	485,779,211			(142,959,810)	1,627,660	4,469	4,557	88
2009	7,012,461,088	(495,723,830)	556,507,936		157,931,185	(337,792,645)	1,630,671	4,300	4,508	207
2010	6,905,342,348	(1,355,168,599)	660,846,267	(224,308,111)	629,602,362	(949,874,348)	1,641,396	4,207	4,786	579
2011	6,891,237,454	(1,089,521,696)	662,323,826	(225,190,101)	126,169,757	(1,188,542,040)	1,650,981	4,174	4,894	720
2012	5,715,297,547	(1,147,859,436)	661,300,877	(225,142,298)		(1,373,001,734)	1,656,992	3,449	4,278	829
2013**	6,880,693,765	(1,143,762,797)	832,098,123	(395,939,536)		(1,539,702,333)	1,656,992	4,153	5,082	929
2014	6,544,328,491	(1,061,127,407)	475,324,163			(1,061,127,407)	1,700,688	3,848	4,472	624
2015	7,774,472,979	(746,769,852)	479,385,099			(746,769,852)	1,723,663	4,510	4,944	433
2016	8,309,364,719	(466,769,851)	507,107,607			(466,769,851)	1,736,628	4,785	5,054	269
2017	8,689,776,426	(167,243,775)	498,726,526			(167,243,775)	1,744,714	4,953	5,049	96
2018	9,089,714,877	(166,769,853)	584,560,457			(166,769,853)	1,744,714	5,210	5,305	96
	116,396,091,725	(9,237,508,293)	8,378,265,402	(1,070,580,046)	913,703,304	(9,394,385,035)				

**Equalization amounts are prior to HB824.

OFFICIAL

Georgia State Department Of Education
Earnings Sheet for FY 2017

Funded Positions

9/14/2016

School System: State		FY 17 INITIAL Amendment #2					THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$24,634.3				
Earnings (\$)							Earnings 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	106,811	568,230,515	8,347,272	576,577,787	103,504,923	473,072,864	7,120.73		237.35	97.10	
Kindergarten Early Int Pgm	17,321	120,249,506	1,353,672	121,603,178	20,896,398	100,706,780	1,574.64		38.49	15.75	
Primary Grade(1-3) Pgm	327,891	1,400,409,770	28,166,033	1,428,575,803	254,477,766	1,174,098,037	19,287.67	950.45	728.63	298.07	
Primary Gd Early Intv(1-3) Pgm	45,185	290,201,480	3,881,482	294,082,962	52,704,702	241,378,260	4,107.73	130.98	100.41	41.07	
Upper Elementary Gd(4-5) Pgm	199,007	648,212,640	14,014,144	662,226,784	117,112,831	545,113,953	8,852.46	576.85	442.23	180.90	
Upper Elem Gd Early Intv(4-5)	25,881	166,385,614	1,822,567	168,208,181	30,426,722	137,781,459	2,362.82	75.02	57.51	23.53	
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00	
Middle School(6-8) Pgm	312,455	1,152,366,451	22,003,258	1,174,369,709	204,523,590	969,846,119	15,622.73	905.70	694.33	284.03	
High School Gen Educ(9-12)	348,463	1,066,207,911	39,585,769	1,105,793,680	193,531,746	912,261,934	15,150.52		774.35	316.77	
CTAE(9-12) PGM	74,137	260,526,925	24,331,701	284,858,626	47,871,492	236,987,134	3,706.85		164.75	67.39	
Students with Disab Cat I	21,630	177,144,722	5,384,999	182,529,721	33,578,541	148,951,180	2,703.75			19.66	
Students with Disab Cat II	9,578	97,972,206	1,258,076	99,230,282	16,503,312	82,726,970	1,473.54			8.71	
Students with Disab Cat III	57,229	756,594,158	11,686,142	768,280,300	132,547,164	635,733,136	11,445.80			52.02	
Students with Disab Cat IV	11,024	243,760,803	4,656,776	248,417,579	41,919,307	206,498,272	3,674.67			10.02	
Students with Disab Cat V	14,618	122,160,159	6,174,892	128,335,051	21,281,537	107,053,514	1,827.25			13.29	
Gifted Student Category VI	102,962	569,154,082	10,388,754	579,542,836	103,140,381	476,402,465	8,580.17			93.60	
Remedial Education Pgm	22,208	98,880,529	1,275,626	100,156,155	18,835,103	81,321,052	1,480.53			20.19	
Alternate Education Pgm	19,765	90,041,904	1,391,861	91,433,765	15,237,832	76,195,933	1,317.67		43.92	17.97	
Eng Spkrs of Other Lang. (ESOL)	19,387	181,664,850	1,113,563	182,778,413	32,135,747	150,642,666	2,769.57			17.62	
Spec Ed. Itinerant				788,563	131,206	657,357					
Spec Ed. Supplemental Speech				5,234,418	851,378	4,383,040					
TOTAL DIRECT INSTRUC.	1,735,552	8,010,164,235	186,636,587	8,203,023,803	1,441,211,678	6,761,812,125	112,849.	2,639.00	3,281.97	1,577.69	
INDIRECT COST							Earnings Positions				
Central Admin		229,430,198	173,415	229,603,613	39,537,840	190,065,773					
School Admin		416,579,493	12,123,357	428,702,850	75,596,454	353,106,396					
Facility M & O			517,194,914	517,194,914	90,417,909	426,777,005					
Sub Total (INDIRECT COST)		646,009,691	529,491,686	1,175,501,377	205,552,203	969,949,174					
MEDIA CENTER PGM		195,898,413	24,259,911	220,158,324	38,810,160	181,348,164					
20 DAYS ADDITIONAL INSTRUCTION		65,304,888		65,304,888	11,505,416	53,799,472					
STAFF & PROFESSIONAL DEV				38,686,516	6,755,789	31,930,727					
PRINCIPAL STAFF & PROF. DEV				680,862	120,749	560,113					
MID TERM HOLD HARMLESS											
Amended Formula Adjustment						(166,769,853)					
Charter System Adjustment				17,705,893		17,705,893					
QBE FORMULA EARNINGS	8,917,377,227	740,588,184	9,721,061,663	1,703,956,015	7,850,335,795	112,849.	2,639.00	3,281.97	1,577.69		
CATEGORICAL GRANTS											
Pupil Transportation Pgm (Includes 8827 Drivers and bus replacement funds of 0)				128,879,014		128,879,014					
Sparsity - Regular				5,411,222		5,411,222					
Nursing Services				34,852,435		34,852,435					
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				9,890,204,334		8,019,478,466					
Education Equalization Funding Grant				498,726,526		498,726,526					
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				10,388,930,860		8,518,204,992					
Charter Commission Admin - State						-3,845,556					
One Time QBE Adjustment						0					
DCH Direct Payment						0					
State Commission Charter Supplement				81,658,174		81,658,174					
TOTAL FUNDING ON THIS ALLOTMENT SHEET				10,470,589,034		8,596,017,610					

NOTES

1. Expenditure controls as set forth in O.C.G.A. Section 20-2-167 are reinstated, subject to each district's approved flexibility contract.

2. Health Insurance for Certificated Personnel is funded on a per member per month amount(PMPM) of\$945.00, for an annual funding amount of\$11,340 in QBE under appropriation in FY 2017 (HB 751).

3.Teacher Retirement is funded at 14.27% in QBE in FY 2017 (HB 751).

Total T&E

3,597,131,656

includes T&E

2,463,789,376

and HL

1,133,342,280

NOTES

- Expenditure controls as set forth in O.C.G.A. Section 20-2-167 are reinstated, subject to each district's approved flexibility contract.
- Health Insurance for Certificated Personnel is funded on a per member per month amount (PMPM) of \$945.00, for an annual funding amount of \$11,340 in QBE under appropriation in FY 2017 (HB 751).
- Teacher Retirement is funded at 14.27% in QBE in FY 2017 (HB 751).

Total T&E **3,597,131,656** includes T&E 2,463,789,376 and HL 1,133,342,280

OFFICIAL

Georgia State Department Of Education
Earnings Sheet for FY 2017

Funded Positions

3/14/2016

School System: 612 - Blackley County

FY 17 INITIAL Amendment #2

THE BASIC UNIT COST IS DEFINED TO BE THE AMOUNT OF \$2,463.43

Earnings (\$)							Earnings 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	152	827,099	11,679	838,778	89,704	769,274	10.13		0.34	0.14
Kindergarten Early Intr Pgm	21	146,720	1,641	150,361	12,492	137,869	1.91		0.05	0.02
Primary Grade(1-3) Pgm	437	1,917,470	37,539	1,955,009	162,426	1,792,583	25.71	1.27	0.97	0.40
Primary Grd Early Intrv(1-3) Pgm	78	511,605	6,700	518,305	43,062	475,243	7.09	0.23	0.17	0.07
Upper Elementary Grd(4-5) Pgm	270	904,335	19,014	923,349	76,713	846,636	11.74	0.78	0.60	0.25
Upper Elem Grd Early Intrv(4-5)	15	96,386	1,056	99,442	8,262	91,180	1.36	0.04	0.03	0.01
Middle Grade(6-8) Pgm	0	0	0	0	0	0	0.00	0.00	0.00	0.00
Middle School(6-8) Pgm	431	1,633,800	30,351	1,664,151	136,261	1,525,890	21.55	1.25	0.95	0.39
High School Gen Educ(9-12)	448	1,412,650	50,893	1,463,543	121,594	1,341,949	19.48		1.00	0.41
CTAE(9-12) PGM	129	463,699	42,338	506,037	42,042	463,995	6.45		0.29	0.12
Students With Disab Cat I	28	238,561	6,971	245,532	20,399	225,133	3.50			0.03
Students With Disab Cat II	35	366,522	4,597	371,119	30,833	340,286	5.38			0.03
Students With Disab Cat III	104	1,413,909	21,237	1,435,146	119,234	1,315,912	20.80			0.09
Students With Disab Cat IV	22	497,595	9,293	506,888	42,113	464,775	7.33			0.02
Students With Disab Cat V	25	213,001	10,560	223,561	18,574	204,987	3.12			0.02
Gifted Student Category VI	117	666,952	11,805	678,757	56,392	622,365	9.75			0.11
Remedial Education Pgm	45	205,757	2,585	208,342	17,310	191,042	3.00			0.04
Alternate Education Pgm	24	113,338	1,690	115,028	9,557	105,471	1.60		0.05	0.02
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				15,825	1,395	15,427				
TOTAL DIRECT INSTRUC.	2,381	11,533,409	270,149	11,820,363	990,365	10,830,017	159.90	3.57	4.45	2.17
INDIRECT COST										
Central Admin		524,297	0	524,297	43,560	480,737				
School Admin		735,051	16,559	751,610	62,451	689,229				
Facility M & O			709,539	709,539	58,950	650,589				
Sub Total (INDIRECT COST)		1,259,378	726,139	1,985,516	164,961	1,820,555				
MEDIA CENTER PGM.		275,606	33,242	308,848	25,680	283,168				
20 DAYS ADDITIONAL INSTRUCTION		91,910		91,910	7,636	84,274				
STAFF & PROFESSIONAL DEV				54,618	4,538	50,080				
PRINCIPAL STAFF & PROF. DEV.				1,505	125	1,380				
MIDTERM HOLD HARMLESS										
Amended Formula Adjustment						(274,600)				
Charter System Adjustment				0		0				
QBE FORMULA EARNINGS		13,260,303	1,029,529	14,362,780	1,193,286	12,894,894	159.90	3.57	4.45	2.17
CATEGORICAL GRANTS										
Pupil Transportation Pgm (includes 27 Drivers and bus replacement funds of 0)				375,765		375,765				
Sparsity - Regular				0		0				
Nursing Services				45,215		45,215				
TOTAL EARNINGS FOR QUALITY BASIC EDUCATION				14,784,761		13,315,875				
Education Equalization Funding Grant				2,089,204		2,089,204				
TOTAL STATE FUNDING ON THIS ALLOTMENT SHEET				16,873,965		15,406,079				
Charter Commission Admin - State						0				
One Time QBE Adjustment						0				
DCH Direct Payment						0				
State Commission Charter Supplement				0		0				
TOTAL FUNDING ON THIS ALLOTMENT SHEET				16,873,965		15,406,079				

NOTES

- Expenditure controls as set forth in O.C.G.A. Section 20-2-167 are reinstated, subject to each district's approved flexibility contract.
- Health Insurance for Certificated Personnel is funded on a per member per month amount(PMPM) of \$945.00, for an annual funding amount of \$11,340 in QBE under appropriation in FY 2017 (HB 751).
- Teacher Retirement is funded at 14.27% in QBE in FY 2017 (HB 751).

Total T&E 5,549,852 includes T&E 4,200,392 and HI 1,349,460

State Revenues

- ▶ QBE Funding
- ▶ Miscellaneous Grants
- ▶ Mid-Term Adjustment

Mid-Term Adjustment

- ▶ An INITIAL allotment sheet is released in April or May, and it reflects the funding for the next fiscal year.
- ▶ After the October FTE count, the state recalculates QBE earnings for the fiscal year.
 - ▶ If the system earns more QBE funding, the state gives the system a “mid-term adjustment.” Additional funding is provided to the system once the state legislature approves its mid-year supplemental, or Amended Budget.
 - ▶ If the system earns less QBE funding, the system is “held harmless,” meaning funding will remain as on the initial allotment sheet.

Simple Mid-Term Adjustment

▶ Original QBE Earnings:	\$7,756,296
▶ Original FTE Estimate:	1,423
▶ Per-Student Earnings:	\$ 5,451
▶ Projected FTE:	1,445
▶ Student Growth:	22 students
▶ Mid-Term Adjustment:	\$119,922 (22 x \$5,451)
▶ Good Estimate:	\$100,000 just to be conservative

The Big Picture - Benefits

Georgia K-12 Public Schools Employee Benefits-Historical Analysis

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY10-FY19
Teacher Retirement System (TRS):*											
Employee Portion	5.25%	5.53%	5.53%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	14.3%
Employer Portion	9.74%	10.28%	10.28%	11.41%	12.28%	13.15%	14.27%	14.27%	16.81%	20.90%	114.6%
Public School Employee Retirement System (PSERS):*											
Employee Portion	\$4/mo.	\$4/mo.	\$4/mo.	\$4/mo. or \$10/mo (new employees 7/1/12)							
Employer Portion	\$1.79/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$15.60/mo.	32.3%
Health Insurance: Certified*											
Employee Portion	Varies	Varies	10% inc	10-30%	10-30%	Varies	Varies	HRA Same	HRA Same	##	
Employer Portion	18.53%**	18.53%	18.53%	\$912/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.	
Health Insurance: Classified											
Employee Portion	Varies	Varies	10% incr.	10-30% incr each ye	Varies	Varies	~ 2% incr.	~ 2% incr.	##		
Employer Portion	\$163/mo	\$246/mo.	\$296/mo.	\$446/mo.	\$596/mo.	\$596/mo.	\$746/mo. ¹	\$846/mo. ¹	\$946/mo. ¹	\$946/mo. ¹	480.4%
Medicare											
Employee Portion	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	
Employer Portion	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	
FICA											
Employee Portion	6.20%	4.20%	4.20%	4.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	
Employer Portion	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	
*Employer Portion paid on behalf by state for earned employees at state salary schedule. ##Unknown at print date **Varied throughout year. ¹ New Rate Effective Jan 1											

Benefits
Generally
Run 35-50%
of Salaries

The Big Picture - Benefits

Georgia K-12 Public Schools Employee Benefits-Historical Analysis

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
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Teacher Retirement System (TRS):*

Employee Portion	5.25%	5.53%	5.53%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Employer Portion	9.74%	10.28%	10.28%	11.41%	12.28%	13.15%	14.27%	14.27%	16.81%	20.90%

Public School Employee Retirement System (PSERS):*

Employee Portion	\$4/mo.	\$4/mo.	\$4/mo.	\$4/mo. or \$10/mo (new employees 7/1/12)						
Employer Portion	\$1.79/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$5.60/mo.	\$15.60/mo.

Health Insurance: Certified*

Employee Portion	Varies	Varies	10% inc.	10-30%	10-30%	Varies	Varies	HRA Same	HRA Same	##
Employer Portion	18.53%**	18.53%	18.53%	\$912/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.	\$946/mo.

Health Insurance: Classified

Employee Portion	Varies	Varies	10% incr.	<u>3%-30% incr each year</u>	Varies	Varies	~ 2% incr.	~ 2% incr.	##
Employer Portion	\$163/mo	\$246/mo.	\$296/mo.	\$446/mo.	\$596/mo.	\$596/mo.	746/mo. ¹	\$846/mo. ¹	\$946/mo. ¹

Medicare

Employee Portion	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Employer Portion	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%

FICA

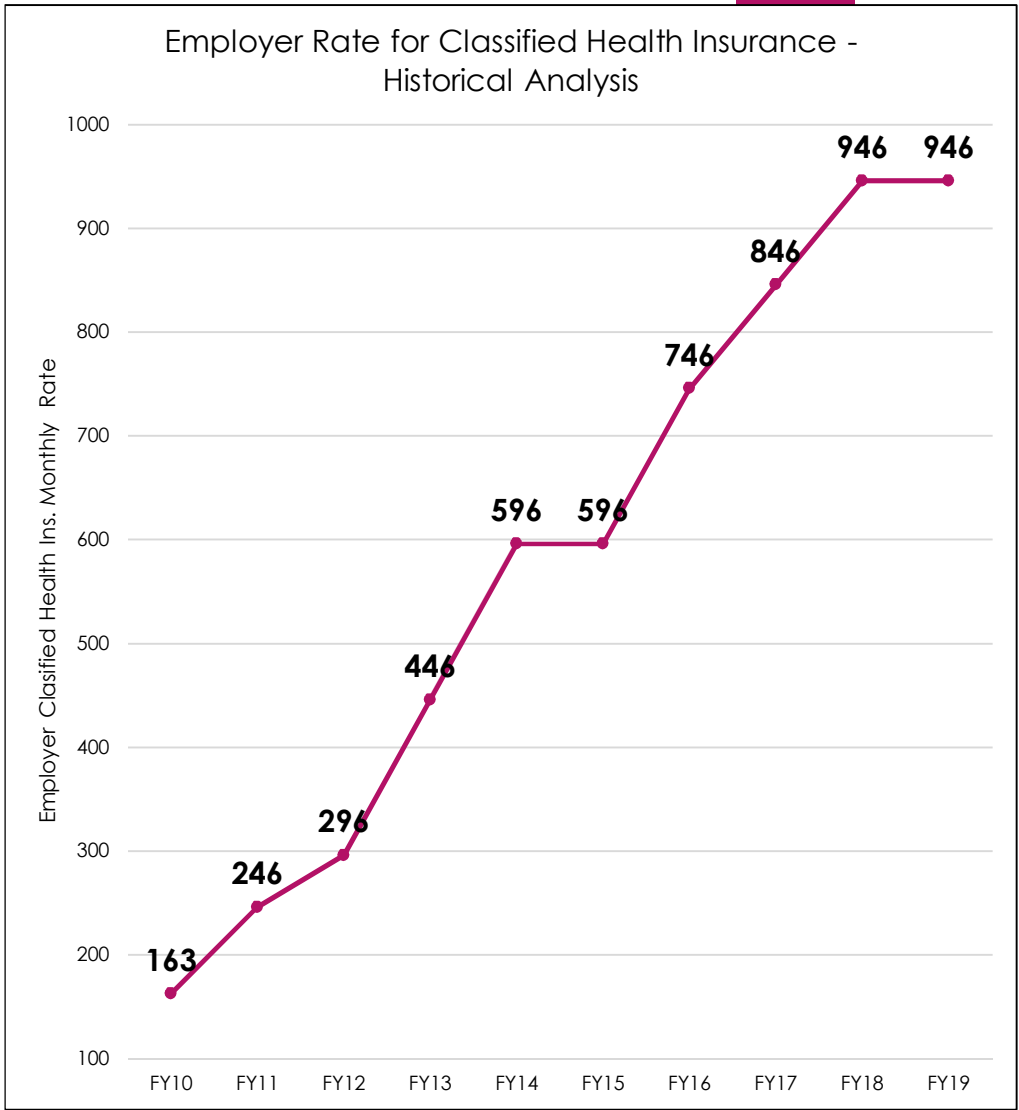
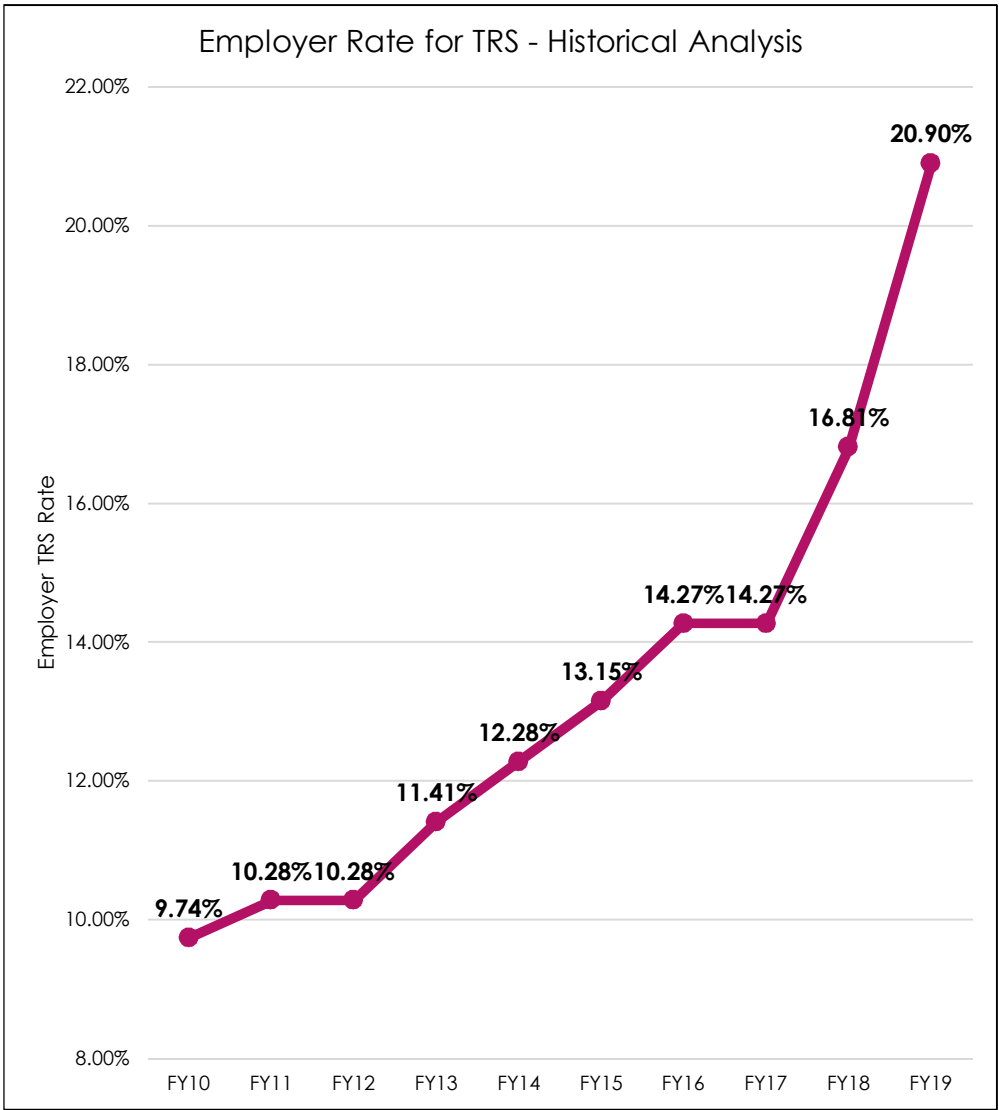
Employee Portion	6.20%	4.20%	4.20%	4.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Employer Portion	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%

*Employer Portion paid on behalf by state for earned employees at state salary schedule. ##Unknown at print date **Varied throughout year. ¹New Rate Effective Jan 1

How large of an increase is this for next school year? Is it:

- a) 4.09%
- b) 24.3%
- c) Neither

If you spend \$1 million this year, what will you spend next year in TRS?



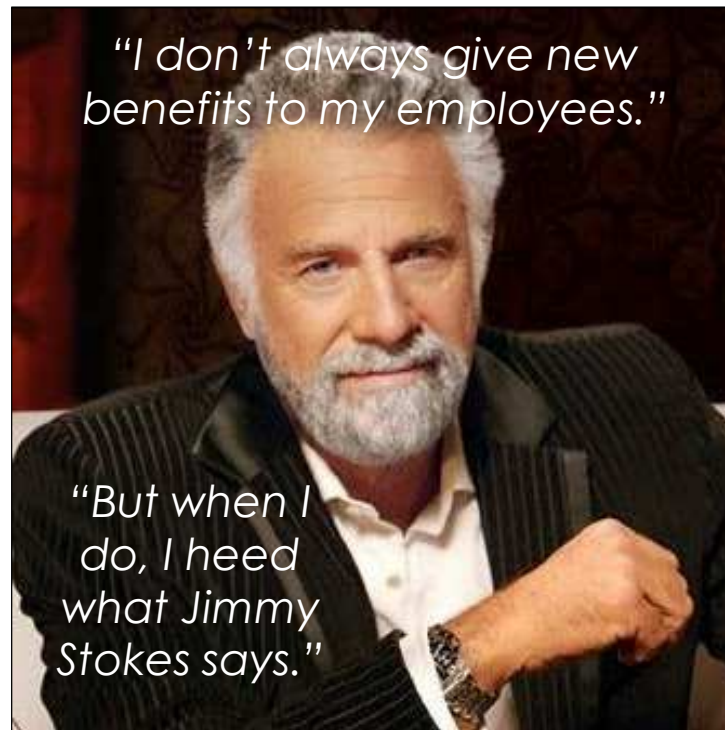
The Big Picture: Benefits

Bleckley County Schools Value of Benefits as of 7/1/18

1. Classified Employee (PSERS)		2. Classified Employee (TRS)		3. Certified Teacher/Administrator (TRS) T4	
Salary	<u>30,000</u>	Salary	<u>35,000</u>	Salary	<u>45,000</u>
Employer Pays:		Employer Pays:		Employer Pays:	
PSERS (\$15.60/mo.)	187	TRS (20.9% of salary)	7,315	TRS (20.9% of salary)	9,405
Health Insurance (\$946/mo)	11,352	Health Insurance (\$946/mo)	11,352	Health Insurance (\$946.34/mo)	11,356
Medicare (1.45% of salary)	435	Medicare (1.45% of salary)	508	Life Insurance	18
FICA (6.2% of salary)	1,860	Life Insurance	18	Medicare (1.45% of salary)	653
2% Match on 457(b)	600	2% Match on 457(b)	700	LTD (40% Benefit up to \$30k Salary)	45
LTD (40% Benefit up to \$30k Salary)	45	LTD (40% Benefit up to \$30k Salary)	45	2% Match on 457(b)	900
Life Insurance	18	Workers Compensation Ins.	1,957	Workers Compensation Ins.	428
Workers Compensation Ins.	1,677				
Total	<u>16,174</u>	Total	<u>21,894</u>	Total	<u>22,805</u>
Employer Costs as % of Salary	<u>53.9%</u>	Employer Costs as % of Salary	<u>62.6%</u>	Employer Costs as % of Salary	<u>50.7%</u>

Bleckley's local supplement was restored in FY16

The Big Picture - Benefits



The Big Picture - Benefits

*“A privilege extended
twice becomes a
right.”*

Jimmy Stokes, GAEL President



Privilege vs. Right

1. Pay early in November? In December?
2. Payroll deduct PAGE/GAE dues?
3. Employer-provided life and/or LTD insurance?
4. Dismiss early on the last day of each semester?
5. Pay for extended day (other than Ag)?
6. Leave as soon as buses load on Fridays?
7. Allow teachers to work in rooms on Professional Development days?
8. Pay one week early in January?
9. Others?



Zero-Based Budgeting

► The worst reason to do anything:

“Because that’s the way we’ve always done it.”

Wrap-Up / Conclusion

▶ Any questions?

▶ My contact info:

Steve J. Smith, Superintendent

Bleckley County Schools

242 E. Dykes Street

Cochran, GA 31014

Cell: 478-230-4198

Email: Steve.Smith@bleckley.k12.ga.us