



# Education Reform Commission

**Final Recommendations  
to Governor Nathan Deal**  
December 15, 2015



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## Letter from Commission Chairman

December 15, 2015

The Honorable Nathan Deal  
State Capitol  
Atlanta, Georgia 30334

Dear Governor Deal:

Please find attached the final report of the Education Reform Commission you appointed in January 2015.

It has been an honor and pleasure for the members of the Commission to serve you and the people of the State of Georgia in this capacity. I believe this report responds to your charge to comprehensively review the status of preschool, primary, and secondary education in Georgia and to provide bold recommendations that will better prepare our students for life and the workforce in the twenty-first century.

With my best personal regards, I am,

Sincerely,

Charles B. Knapp  
Chairman  
Education Reform Commission

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*The commission would also like to thank Lonice Barrett and Mark Waits for their assistance during the past year.*

## State of Education in Georgia

Georgia stands at a critical crossroads in education. On one side, the past: a 30-year-old school funding formula and laws that outdate not only current students, but many of their parents. On the other side, the future: a new course of action in Georgia's classrooms, one that is student-focused and gives local authorities the flexibility they so truly desire to address their districts' specific needs. Standing between these two, the past and what could be the future, is the work of the Education Reform Commission.

Sound familiar? How best to transform education is not an unfamiliar topic in this day and age. Many believe that more funding is the answer and in fact, from 1970 to 2010 education spending increased 185 percent nationwide. With Georgia serving over 1.7 million public school students, Governor Nathan Deal's administration has made sure to include an additional \$368 million between the amended fiscal year 2015 and the fiscal year 2016 budgets for enrollment growth on top of \$280 million in additional funding to local systems which allowed them to increase instructional days, reduce teacher furloughs, or enhance teacher salaries. Funding for K-12 education has increased 21 percent since only 2011. But Georgia has not reaped the benefits of a 21 percent increase in student performance during this same time. Money, it seems, is not the only nor best solution available.

A new way of thinking, one that transcends potential entrenched interests and musty, decades-old policy, is needed to assess and reform education in this state. That is what the Education Reform Commission brings to the table. Tasked in January 2015 by Governor Deal, the commission of educators, legislators, administrators, community leaders and experts set out to think broadly and honestly about the state of Georgia's education system and dream boldly of what it could and should be for the sake of our children's future. This work was not done in the traditional fashion, with closed door meetings and hushed conversations. No, the commission and subcommittees repeatedly sought the expertise of non-members around the state in countless listening sessions, conversations and dozens of publicized, open meetings. Members of the commission also met with four separate advisory councils, including teachers, principals, superintendents and board of education members, from each of Georgia's 14 Congressional districts. Though experiences and opinions differed, the underlying goal for the commission remained constant: that Georgia's K-12 education system must fully prepare students to be college, career and life-ready in an environment filled with effective and motivated educators.

Among five subcommittees, the commission focused on innovative and forward-thinking strategies for how Georgia can best fund schools, retain, recruit and pay educators, educate early learners, provide educational options for families and ensure that all students can achieve at the rate and on the pathways most appropriate for them. The last time Georgia changed the way schools are funded, it was the 1980s, when an apple was something eaten at lunch, a tweet was from a bird, and a tablet was made of stone. The current formula is not student-focused; it lacks the foresight and flexibility needed for changing student demographics, such as poverty, and rewards those who know the system best, not those who educate best. The current formula does not give local school district leaders the flexibility to differentiate and innovate in areas such as recruiting and retaining effective educators. These educators should be rewarded for the impact they have on students, should be able to earn much-deserved pay raises earlier in their careers, and should not have to leave the classroom to advance their careers.

When Georgia's youngest students fail to be a strategic investment, more money is spent later trying to remediate them. Currently, Georgia is home to approximately 6,200 licensed or regulated for-profit or not-for-profit early care and education centers, family child care homes, group care homes, Head Start sites, and military early care and education centers that serve an estimated 337,024 children each year. By prioritizing early childhood education, Georgia can ensure that the state's youngest students are positioned for future academic excellence. Early childhood educators should also be actively and aggressively recruited, just as they are on the K-12 level. A recent study by the Georgia Department of Early Care and Learning revealed that an estimate of the level of parents' annual earnings supported by the availability of child care in Georgia is \$24 billion. Families all over the state depend on Georgia Pre-K and child care programs to protect and educate their children so that they may earn a living. Many families must prioritize cost and location, not necessarily quality, when choosing child care. By increasing access and availability of high-quality education and care, Georgia can ensure that students are prepared to achieve academic and personal success later in life, no matter their ZIP code or family income.

In the classroom, students should be empowered to graduate and pursue a postsecondary degree or credential. Georgia has already made tremendous strides in this area through recent legislative action, but more work is needed to move the proverbial needle. A truly competency-based learning model, which has found success in many other states, will help to create a student population ready, able and willing to learn and succeed, and will allow them to progress regardless of time, pace, or place.

Dozens and dozens of choices are made by parents for their children on a daily basis. Why, then, should choice be removed from the equation of education? In 2012, Georgia voters overwhelmingly approved an amendment to the state constitution allowing charter petitioners that were denied at the local level to come to the state charter school commission for approval. This move by the voters has since permitted high-performing charter schools in Georgia to promote competition, innovation, and creativity while providing parents with choices for their children's academic future. Now, work is needed to protect this freedom by ensuring equitable treatment of alternative forms of education while also holding these systems to the same high standards placed upon Georgia's traditional public schools. Charter schools may be the most visible representation of school choice in Georgia, but there are many other ways the state can potentially use to broaden educational options. Just as today's classroom environment must transform to meet the changing needs of a 21<sup>st</sup> century student, so should the state's approach to education. The options are endless, and with the right balance of innovation, measured accountability and high standards, Georgia can and will be a thoughtful leader in developing the potential of all minds, young and old.

The Education Reform Commission's work is not merely warranted; it is critical to the future success of Georgia children. The following pages include a summary of the Commission's recommendations and documentation detailing the rationale for each recommendation.



## Governor's Charge to the Commission

In January 2015, Governor Nathan Deal presented this commission with the opportunity to reshape and revolutionize Georgia's education system because Georgia simply cannot afford to fall behind other states in terms of academic excellence. With that motivation and the specific charges laid out by Governor Deal in mind, the Commission's five subcommittees worked over the course of the year to think beyond the confines of the status quo in order to make their recommendations to the full commission.

Throughout the year, the commission sought the expertise of non-members around the state, including school officials, current educators, and industry experts in countless listening sessions, conversations, and dozens of publicized, open meetings. Members of the commission also met with Governor Deal's four separate advisory councils made up of active teachers, principals, superintendents and board of education members. The commission voted on and approved the recommendations in this report for presentation to the governor.

### Funding Subcommittee

#### **Charge: Transform Georgia's outdated K-12 funding formula**

During the last 25 years, the citizens of Georgia have been privy to scores of accomplishments: some launched into space as astronauts, dared to compete as Olympic athletes, and served our country in the U.S. Armed Forces. Still others found jobs at companies that chose Georgia above all others, raised families in renowned cities and towns, and yes, joined the millions of students who earned a diploma from one of the state's many K-12 or postsecondary institutions.

What an entire generation of Georgians has not witnessed, however, is any meaningful change to the system responsible for funding the state's K-12 schools. Much as school leaders must adapt to the changing needs of students, so must our state system of funding adapt. To that end, Governor Deal charged the funding subcommittee of the Education Reform Commission with developing a funding formula based on student enrollment and characteristics that will also allow for schools to decide with flexibility how best to use these allocated dollars.

### Teacher Recruitment, Retention and Compensation Subcommittee

#### **Charge: Revolutionize the way Georgia recruits, retains and compensates K-12 educators**

Far too many of Georgia's educators feel unsupported and underappreciated in the teaching profession. Often, our state's best teachers leave the classroom for leadership roles in order to maximize their earning potential when teaching is their true love. Worse yet, many of Georgia's students are underserved in schools challenged to provide highly effective educators. To combat these issues, Governor Deal charged this committee with developing innovative ways to motivate future educators, retain those currently in the field and rethink the ways Georgia compensates and rewards effective educators.

## Early Childhood Education Subcommittee

### **Charge: Afford every Georgia family the opportunity to access high-quality early childhood education**

From a child's first encounter with the world, he or she is learning. Through high-quality early learning experiences, a child establishes the foundation upon which future academic success is built. Georgia has no greater responsibility than the care of its youngest learners; that's why Governor Deal charged the early childhood education subcommittee with studying the state's current structure and making recommendations for how best to expand and promote high-quality early education options for Georgia families, including Georgia Pre-K. But what does "high-quality" mean? Just as in more advanced levels of education, high-quality includes skilled and effective teachers, appropriate class sizes, age-appropriate curricula, a language-rich environment, and warm and responsive interactions between educators and students. It has been shown that children who attend quality early education programs have more marketable skills and should have higher earnings as adults. These early childhood programs yield higher returns than remedial initiatives that occur later in a child's life. That means less time, for both teacher and child, spent reviewing material that should already have been learned and less money spent by both school and family bringing these students back on grade level. However, barriers such as cost, capacity and awareness of such quality care and education exist. It is the goal of this subcommittee that the recommendations fully address these barriers and further enhance educational opportunities for Georgia's youngest learners.

## Move On When Ready Subcommittee

### **Charge: Develop a system allowing students to progress and learn at their unique pace**

A "One Size Fits All" approach has long been the status quo for education progression in Georgia. But what may seem efficient and effective in the clothing industry does not work in the classroom. It has been widely established that students at all levels learn and develop at different paces. Governor Deal charged the Move On When Ready subcommittee with recommending ways to develop multiple avenues to move students to the next educational level, expand Georgia's existing Move On When Ready initiative and provide more alternative learning opportunities, such as internships.

## Expanding Educational Opportunities and School Choice Subcommittee

### **Charge: Explore innovative strategies aimed at increasing K-12 options for Georgia families**

Every child deserves a high-quality education, regardless of his or her family's ZIP code or income. Governor Deal charged this subcommittee with thinking beyond what is known as the traditional means of education and proposing a new vision for academics in Georgia. This new vision encompasses several forward-thinking, innovative strategies aimed at meeting the needs of all Georgia families, including expanding school choice and increasing options for parents whose children are trapped in underperforming schools. In the future, it is the expectation of the subcommittee that the landscape of high-quality Georgia schools and education programs will be as diverse and successful as the students themselves.

# SUBCOMMITTEE RECOMMENDATIONS

# FUNDING FORMULA SUBCOMMITTEE

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Governor Deal and the General Assembly have prioritized K-12 education, devoting the largest percentage of the state's budget to K-12 education of any Georgia governor and legislature in the last 50 years. Over the last two years alone, K-12 education has received an infusion of over one billion dollars in additional state revenue.

This influx of funds has allowed many districts to restore instructional days, increase teacher salaries and pay for much needed repairs and supplies. However, Georgia needs to take one step further. Revisiting Georgia's K-12 funding formula to create a simpler, more transparent student-based mechanism for allocating funds to districts is a key component in accomplishing Georgia's overall education goals. This type of formula would give local education leaders the authority and flexibility to determine how best to support students and recruit and retain effective teachers. With that in mind, Governor Deal tasked this subcommittee of the Education Reform Commission in January with providing recommendations for reforming the state's K-12 funding formula.

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## Recommendation 1

Develop a student-based funding formula consisting of three components: Student Base Funding, Weighted Student Characteristics, and Categorical Grants.

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During its deliberations, the commission agreed that the recommended formula should be student-based determined by enrollment, should encompass weighted student characteristics and must decouple from this base amount certain administrative fixed costs and specialized grants that were necessary to support the unique needs of districts.

The recommended weights, or additional dollars added on top of the student base amount to account for particular needs and important state initiatives, include the characteristics or categories of grades K-3; grades 4-5; grades 9-12; career, technical and agricultural education (CTAE); students with disabilities; gifted students; English to Speakers of Other Languages (ESOL); and, for the first time, economically disadvantaged students. Students can have multiple characteristics and will earn money based on each identifiable characteristic. The district will earn funding based on the characteristics of the students enrolled and may use the money flexibly to meet the needs of the students if an accountability contract with the State Board of Education is in place (i.e., strategic waiver school system or charter system).

The weight for grades K-3 reflects the importance and urgency of the need for all Georgia children to read on grade level by third grade. The weight for grades 4-5 accounts for the state's commitment to improving student achievement in math. In grades 9-12, schools are faced with additional costs of providing specialized classes focused on college and career readiness; hence a 9-12 weight was added to account for these costs.

To further the work to fully prepare Georgia students for postsecondary education and the workforce, the commission recommends an additional weight for students enrolled in CTAE courses for the cost of materials and equipment necessary for successful operation of such classes. The commission also recommends weights for both gifted students and students with disabilities, with the rationale being that the students in both populations have particular needs, including specialized staff and equipment, which should be funded accordingly. Students with disabilities, for funding purposes, are separated into five weighted categories based on the number of minutes served during a week. Also, to provide assistance to those students requiring additional instruction due to a language barrier, the commission recommends a weighted category be added for that characteristic.

Finally, in a step that goes beyond the prior Quality Basic Education (QBE) funding model, the commission recommends that the funding formula include a weight for economically disadvantaged students as identified by direct certification. It has been demonstrated that many economically disadvantaged students enter Kindergarten at an academic level far below their peers. However, when a student enters a Georgia school, his or her background, situation and circumstances should never predetermine how much, or how little, he or she progresses. That is why ensuring access to additional instructional time is a critical element in remedying the language gap, building background knowledge, and securing academic success at any grade level. Schools should have the financial flexibility and needed resources to be able to provide the additional instruction time and support necessary to ensure academic progress.

Specialized grants are also a part of the new formula. These grants will provide the necessary funds for districts to pay the fixed administrative costs incurred for their employees, such as contributions to the Teacher Retirement System and State Health Benefit Plan costs. Some of the specialized grants to districts are based on unique characteristics of the districts, such as low enrollment or low density of students. To ensure funding equity throughout the state, districts qualifying for Equalization Grants will continue to receive additional revenue, as will charter systems and state-commissioned charter schools.

This formula includes a major shift from the method used in the QBE formula to count students for funding purposes. Instead of funding full time equivalent (FTE) counts based on six instructional segments, the recommended formula will use student enrollment counts for funding purposes.

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## Recommendation 2

Permanently add \$258 million to the current K-12 state budget beginning in the FY18 budget, and as funds are available, add an additional \$209 million to the recommended modern, student-based formula.

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The commission recommends that the state continue with its commitment to funding K-12 education at historically high rates, and that the state, as funds become available, fully fund the state's education system to reduce the impact of austerity cuts made in years prior.

The commission feels strongly about ensuring that districts receive the funds necessary to make up for any differences between current K-12 formula earnings in the year immediately prior to implementation of a new funding formula and earnings received from the recommended student-based funding formula. The detail of the funding formula recommendations include the provision for at least three years of hold harmless funding if needed.

This model acknowledges the differing needs of students in all corners of Georgia. More money does not guarantee more learning, but with this weighted funding model, Georgia will be giving districts the financial confidence and ability to better achieve their educational goals for students and improve day-to-day learning experiences in the classrooms<sup>2</sup>.

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<sup>2</sup> For a complete explanation of the details of the recommended model, including a breakdown of funding district-by-district and recommended methodology for state funded salary level, training and experience, central office/administration, Teacher Retirement System, State Health Benefit Plan, Equalization, local five mill share requirement, low enrollment/low density grants, charter systems and schools (including virtual state charter schools and the state charter school supplement), Regional Educational Service Agencies, Georgia Special Needs Scholarship Program, state schools, residential treatment facilities, Preschool Handicapped, and Department of Juvenile Justice schools, see page 38 in the Appendix.

# TEACHER RECRUITMENT, RETENTION & COMPENSATION SUBCOMMITTEE

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Over the past five years, enrollment in Georgia teacher preparation programs has declined by 16 percent. Of new teachers hired in 2005, only 44 percent have remained in education for the required ten years to become vested in the Teacher Retirement System. Given these figures, it is clear that Georgia must implement changes to not only recruit and retain the state's top teaching talent but also make a statement that the education profession is valued and appreciated by all Georgians.

The current salary and career advancement structures in Georgia inhibit recruitment and retention. Teachers generally improve the most during the first five to seven years of teaching, yet in general, teacher pay is relatively flat for the first five years of a teacher's career<sup>3</sup>. Further, earning an advanced degree is one of the primary drivers of teacher salary growth in Georgia, yet there is no consistent relationship between holding a graduate degree and teacher effectiveness<sup>4</sup>. Teachers also generally have few opportunities for career advancement without leaving the classroom, resulting in burnout, stress, and dissatisfaction among mid-career teachers. This narrow career ladder, coupled with a rigid salary schedule, inhibits Georgia's ability to attract and retain effective teachers.

With this in mind, the following recommendations outline the Teacher Recruitment, Retention and Compensation subcommittee's plan to bolster teacher recruitment and retention, listed in order of priority.

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## Recommendation 1

Develop guidance to assist districts in developing strategic compensation models for teachers.

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The commission believes that alternative teacher compensation approaches can help attract, retain, and maximize the impact of great teachers in the state of Georgia. Therefore, the commission recommends that the State Board of Education provide guidance to districts to support the development of district teacher compensation models. Such guidance may include, but is not limited to, the following principles:

1. Provide the opportunity for teacher involvement in the creation of strategic compensation models at the district levels;
2. Allow currently employed teachers to opt in to the new compensation systems OR remain on the current state salary schedule;

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<sup>3</sup> For a summary of published research, please see [Rice \(2010\)](#)

<sup>4</sup> Examples of research include [Goldhaber & Brewer \(1996\)](#); [Rivkin, Hanushek, & Kain, \(2005\)](#) and [Aronson, Barrow, & Sander \(2007\)](#)



3. Refrain from using degree level as a significant determinant of compensation increases. Instead, consider reimbursing teachers for the costs of pursuing advanced degrees;
4. Provide additional pay and/or signing bonuses for high needs subjects and hard-to-staff schools;
5. Provide additional pay for accepting additional responsibilities;
6. Provide additional compensation for teachers who complete the requirements for Teacher Leader Certification;
7. Provide opportunities for teachers to earn higher salaries earlier in their career.

This approach will provide Georgia school districts with the resources necessary to design a strategic compensation model that is tailored to their unique needs.

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## **Recommendation 2**

Increase funding for K-12 education in order to allow local districts to have the flexibility to recruit, retain and reward the most effective teachers and maintain competitive teacher salaries.

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The commission believes that through a continued increase in funding for K-12 education and a commitment to improving the profession through innovation, districts will have the ability to recruit and retain their most effective and valued teachers in order to best meet specific, unique priorities and needs.

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## **Recommendation 3**

Provide grants to support districts in developing strong teacher induction programs. Charter systems and strategic system contracts should include a description of how the district will provide support for induction-level teachers.

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High-quality teacher induction programs can advance teaching practice and improve teacher retention.<sup>5</sup> The mentoring of teachers early in their careers by effective and experienced teachers is essential to ensure they have the support to develop the skills and have a positive impact on student learning.

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<sup>5</sup> For a summary of published research, please refer to [Ingersoll \(2012\)](#); [New Teacher Center \(2014\)](#).

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### **Recommendation 4**

Establish and maintain the preservation of teacher planning time as a top priority of the education community.

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In multiple input sessions held by members of the commission around Georgia, educators noted the lack of planning time as a top concern. The commission recommends not only that the education community remain committed to preserving this time, but also that the State Board of Education should enact a change to the Leader Keys Effectiveness System to include a question in the climate survey to monitor whether principals protect teacher planning time.

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### **Recommendation 5**

Encourage the General Assembly and the State Board of Education to implement guidelines promoting the best and most respectful use of teacher instructional time.

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As expressed in the commission's multiple teacher input sessions, educators feel overwhelmed with work, much of which they believe is not directly related to student learning. Also, many teachers are more concerned with increased duties and requirements than they are with salary. In order to respect educators' instructional time, the commission recommends the following actions:

1. Return to a "normal" curricular adoption cycle, and maintain a high standard for the implementation of major changes outside of a six-year cycle;
2. Apply a high bar of consideration to any legislation and/or rules that add new requirements, training, or job functions for educators. Repeal or sunset rules/requirements when found unnecessary;
3. Encourage regional and statewide collaboration to make Student Learning Objective assessments more consistent across the state;
4. Support the full implementation of the teacher career ladder and participation in the top levels of the Tiered Certification model.

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## **Recommendation 6**

Investigate a sustainable state-level funding program for providing compensation to classroom teachers for supervising teacher interns.

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Educators who supervise teacher interns play a pivotal role in ensuring Georgia has effective instructors in each classroom. The state needs its best educators to serve in these positions, yet they are also the ones who are often the most burdened by other responsibilities.

Moreover, school and district officials at times assign teacher interns to lower performing educators in an attempt to ensure that more adults are in these struggling classrooms. Providing experienced educators with compensation for supervising teacher interns will address both challenges. Effective teachers will be enticed to serve as mentors, and schools may hesitate to assign teacher interns to lower performing educators if additional compensation is included.

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## **Recommendation 7**

Modify the implementation of the Teacher Keys Effectiveness System to allow fewer required classroom observations for effective teachers after a baseline of effectiveness has been established.

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Currently, the Teacher Keys Effectiveness System requires two, thirty-minute observations and four walkthroughs for each teacher annually. After the state has enough data to develop a baseline identifying those teachers who are proficient and exemplary, the number of observations and walkthroughs for highly proficient and exemplary teachers should be reduced to allow administrators to focus on improving the performance of less effective teachers. Exceptions should be made if the evaluator changes due to administrative changes, or if a teacher is transferred to a different school.

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## **Recommendation 8**

Develop and implement a statewide media campaign to promote the positive aspects of teaching as a profession.

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Enrollment has declined in teacher preparation programs, and the reality is that only 44 percent of new teachers in 2005 have remained in education for the required ten years to become vested in the Teacher Retirement System. The state must be proactive in highlighting the positive impacts and rewards of teaching. In the current flux of the educational landscape, active teachers have also reported negative feelings about the profession during the commission's teacher input sessions. Additionally, deans of the several Georgia teacher preparation programs have reported that they struggle to find positive supervisors in schools for their student placements.

The commission recommends that a systemic campaign featuring teachers across the state be implemented in order to restore and grow the pride of the teaching profession for those who are current practitioners, and for those who are considering entering the profession.

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### **Recommendation 9**

Implement a study of the Teacher Retirement System (TRS) of Georgia to measure system health and ensure long-term program vitality.

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Many current factors and trends suggest that now is a good time to consider long-term implications for teacher retirement. In 1985, 80 percent of the private sector was covered by defined benefit plans. Now, that statistic has fallen to 20 percent. Many states are struggling with long-term financial viability of retirement programs. Roughly 34 percent of Georgia teachers remain in TRS and retire (based on members joining TRS in FY1980, FY1985, and FY1990). In light of these patterns, it is important to determine whether the younger generation may want a more portable plan that is comparable to retirement plans outside the education sector. While Georgia's TRS is one of the best funded programs in the nation, it is not 100 percent funded. Given the factors above, the commission recommends a review of TRS to ensure long-term program vitality and its role in attracting and retaining effective teachers.

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### **Recommendation 10**

Investigate the benefit of reinstating the service cancellable loan program for students graduating from a University System of Georgia teacher education program. Designate the teaching profession as a High Demand Workforce Initiative in Georgia.

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To reduce the impact of Georgia's growing teacher shortage, the commission recommends that the funding should include tailored grant programs supporting low-income teacher candidates who go on to teach in Georgia public schools. The program should apply to graduates who teach in Georgia public schools for a pre-determined number of years and be limited to teachers who teach in high-need schools and/or subject areas. Georgia should develop clear guidance to help prospective students understand financially viable options to a degree and that college completion does not have to result in excessive student loan indebtedness.

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### **Recommendation 11**

Reimburse the costs of the required GACE exams and edTPA of those pre-service teachers who have enrolled in University System of Georgia teacher preparation programs and who have signed a contract to teach in a Georgia school.

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Deans of Georgia teacher preparation programs in Georgia have reported that the additional expense of edTPA and GACE exams are a hardship for many teacher candidates. By implementing a reimbursement system to cover these expenses, the commission believes that the state will incentivize and reward those teachers who remain in Georgia classrooms.

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### **Recommendation 12**

Examine the benefits of replacing a single semester student teaching model with one that promotes a full year of clinical practice for teacher candidates without adding semesters to the established degree timeline.

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With the expanded responsibility and accountability of the twenty-first century teacher, the commission believes that the pre-service experience must be one that includes a coherent integration of coursework and practical application of theories and pedagogies in diverse classrooms. The need for teachers to deliver more complex material, while keeping order and increasing student learning and achievement, is paramount to students' academic achievement.

The commission believes that this goal can best be accomplished if teacher preparation programs integrate a yearlong clinical experience where pre-service interns participate in well-rounded experiences that allow for:

1. Adequate time in authentic classroom experiences where interns solve the multi-layered problems that teachers face in classrooms and become self-reflective professionals;
2. Integration and delivery of applied education theories and pedagogies (methods) in a yearlong, real-time practicum experience where clinical observation, self-assessment/reflection, peer assessment and feedback conferencing are a regular part of the experience;
3. Participation in yearlong mentoring experiences with effective teacher-mentors who help interns become grounded in content as well as the policies, procedures and culture of public schools.

# EARLY CHILDHOOD EDUCATION SUBCOMMITTEE

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In Georgia, no age is too young to begin learning. Georgia is home to approximately 6,200 licensed or regulated for-profit or not-for-profit early care and education centers, family child care homes, group care homes, Head Start sites, and military early care and education centers that, combined, serve an estimated 337,024 children each year<sup>6</sup>. Research<sup>7</sup> continues to document the importance of higher quality early education environments for achieving and sustaining positive long-term impacts. Administered by the Department of Early Care and Learning, Georgia's Quality Rated program ensures that each of these providers is held to the same high standards across the state, giving families peace of mind and children a positive, engaging learning environment.

For Georgia's four-year-olds, what began as a pilot program in 1992 has now grown into a nationally recognized Georgia Pre-K program that serves over 84,000 children each year. In a longitudinal study commissioned by the Department of Early Care and Learning in 2011, the progress of 1,169 children who participated in Georgia Pre-K was tracked during the 2013-2014 school year<sup>8</sup>. Results showed that program participation significantly improved children's skills across a wide range of literacy, math and general knowledge measures. The study also found that children's growth progressed at a greater rate than would be expected for typical development.

If these numbers are any indication, early learning in Georgia is something to be prioritized for the sake of future academic achievement. The following recommendations, listed in order of priority and divided into the categories of Pre-K and quality child care, focus on expanding and improving early childhood education in the state of Georgia.

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## Recommendation 1

Develop and implement a pay structure for Georgia Pre-K lead teachers based on experience and teacher credentials, while concurrently developing other feasible and reliable compensation models based on teacher effectiveness.

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In the state of Georgia, Pre-K teachers are not paid based upon their training, experience or performance. In a survey of Georgia Pre-K program project directors, the Department of Early Care and Learning found that teacher pay is a barrier to achieving quality. Also, the National Institute for Early Education Research, a resource for industry best practices, suggests that

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<sup>6</sup> Retrieved from the Department of Early Care and Learning's 2015 [Economic Impact Study](#)

<sup>7</sup> Please refer to the Center on the Developing Child's [A Science-Based Framework for Early Childhood Policy](#)

<sup>8</sup> Please refer to the Department of Early Care and Learning's [2011 longitudinal study](#)

paying Pre-K teachers on the same scale as those in the state's K-12 system is a critical strategy for achieving and maintaining quality in the classroom.

As the commission believes that classroom quality is determined by the quality of instruction, it is imperative that Georgia implement a pay structure for Pre-K teachers that incentivizes them to remain in the early childhood education setting rather than leave for the K-12 system or leave the profession altogether.

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## **Recommendation 2**

Increase compensation for Georgia's Pre-K assistant teachers.

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In a Pre-K classroom, assistant teachers play an essential role in providing a high-quality, interactive and engaging education to Georgia's youngest learners. In recent years, state policy has required all assistant Pre-K teachers to obtain and maintain a Child Development Credential in order to increase instructional quality, a best practice as determined by the National Institute for Early Education Research. As this additional credential requirement was not coupled with a salary increase, and in order to improve overall retention rates, the commission believes that it is necessary for Pre-K assistant teachers to receive an increase in pay.

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## **Recommendation 3**

Reduce the Pre-K class size from 22 students to 20 students, with each class of 20 students staffed as before with a lead teacher and an assistant teacher.

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In a Pre-K classroom, the quality of teacher-student interaction is critical to overall student success. Best early education practices, including those recommended by the National Institute for Early Education Research, set the quality benchmark for class size at a maximum of 20 students. By reducing the Pre-K class size, educators in the classrooms will have the capacity for bettering these interactions, improving quality for all.

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## **Recommendation 4**

Increase the start-up funds for new Georgia Pre-K classes from \$8,000 to \$12,000 and increase operating costs by a range of 5 to 8 percent.

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Currently, the Department of Early Care and Learning provides \$8,000 for new Georgia Pre-K classes. These start-up funds are the financial foundation upon which quality programs are built, allowing for providers to purchase the materials and equipment necessary to meet the program's high standards. In recent years, operating costs have continued to increase without corresponding increases in start-up funds. In fact, Pre-K providers report to the Department of

Early Care and Learning that they do not have sufficient funds to manage the program at the level expected by the department. Local school systems, in particular, report taking a significant loss in order to pay for state mandated benefits to teachers, reducing the overall likelihood that a system can offer additional Georgia Pre-K classes.

To combat ever-rising costs and meet the needs of new early learning programs, the commission recommends that start-up funds be increased to \$12,000. Also, rather than separating benefits and non-instructional costs, the commission recommends that programs be able to combine the two into a single budget item known as operating costs. Operating costs would include lead and assistant teacher benefits, instructional and non-instructional costs and administrative expenses.

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### **Recommendation 5**

Provide funding to support the implementation of Positive Behavior Interventions and Supports in Georgia early learning programs.

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Addressing social and emotional skills in the first five years of a child's life is crucial for building the foundation for success in school and life. High-quality early childhood programs provide the positive experiences that nurture learning and development; however, preschool teachers report that they are least equipped to address building social emotional competence.

In early 2015, the Department of Early Care and Learning conducted two surveys, one for Georgia's Pre-K directors and one for directors of programs participating in Quality Rated. In both surveys, respondents were asked to indicate their level of satisfaction with supports currently being offered in a variety of areas (family engagement, instructional supports for teachers, etc.). The lowest scoring item on both surveys was "supporting children with challenging behaviors."

Positive Behavior Interventions and Supports, an evidence-based framework currently utilized across Georgia in the K-12 system, is believed by the commission to be an effective vehicle for improving Pre-K programs' ability to address social and emotional needs.

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### **Recommendation 6**

Provide funding for demonstration grants to select Georgia Pre-K programs to support effective instruction for dual language learners.

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Recent research conducted on Georgia's Pre-K program commissioned by the Department of Early Care and Learning demonstrates the significant positive growth for dual language learners served in the program<sup>9</sup>. The study documents the growth that dual language learners make in both English and Spanish and shows that dual language learners begin their Pre-K year

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<sup>9</sup> Retrieved from the Department of Early Care and Learning's 2015 [Economic Impact Study](#)



significantly behind. During their year in Pre-K, even though they show academic improvement, these dual language learners are still performing below national means. The commission believes that additional resources would help close that gap. Specifically, demonstration grants would provide targeted funding to support additional effective instruction for dual language learners while also informing the department on strategies and resources that could be scaled for statewide benefit.

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### **Recommendation 7**

Consider enacting legislation creating the following tax incentive programs:

- consumer tax incentive (credit or deduction), tiered based on Quality Rated star level, for families whose children are enrolled in a Quality Rated child care program;
  
  - occupational tax incentive (credit or deduction), grounded in credentials and tiered based on Quality Rated star level, for educators who are employed at a Quality Rated child care program; and
  
  - business investment tax incentive (credit or deduction), tiered based on Quality Rated star level, for Quality Rated child care providers.
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The commission believes that each program would, in its own way, increase access to quality child care statewide and increase demand for high-quality early educational environments while also maintaining parental choice. The recommendations, based upon similar, successful credits implemented in Louisiana, build upon the current support for Georgia's signature quality improvement program, Quality Rated.

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### **Recommendation 8**

Develop a timeline in which child care programs must be Quality Rated in order to receive child care subsidy funds by December 2016.

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The commission recommends that the Department of Early Care and Learning consider developing a timeline focused on subsidy funding and Quality Rated programs as the department develops its state plan to respond to the reauthorization of the Child Care and Development Fund, the federal funding authority over the state's child care subsidy program. By doing so, the department will be better situated to ensure that more children around Georgia receive high-quality child care and education.

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### **Recommendation 9**

Appropriate funding to adjust the subsidy rates for Quality Rated providers to more closely align with the true cost of tuition.

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Through the Childcare and Parent Services program, the state subsidizes part of the cost of child care for income-eligible families. Currently, Quality Rated child care programs are eligible for a small percentage increase in reimbursement rates based on their Quality Rated star rating. The commission believes that this recommendation will allow the state to raise the rates paid to child care programs who have achieved a higher program quality standard and would support the state's Early Learning Challenge grant goals.

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### **Recommendation 10**

Appropriate funding to at least match private dollars raised to support a comprehensive marketing and public relations campaign to promote awareness of Quality Rated and the importance of high-quality early learning.

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In order to support the state's priority of providing high-quality early learning environments to all Georgia children, the commission recommends increasing consumer demand and overall public awareness by strengthening the existing Quality Rated marketing plan.

# MOVE ON WHEN READY SUBCOMMITTEE

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As each year passes, more and more jobs in Georgia require credentials beyond a high school diploma. To be college and career ready, a student must obtain the skills necessary to survive and thrive in a 21<sup>st</sup> century workforce. For many, traditional models of instruction simply are not enough to maximize their potential academic achievement. To educate a generation that faces an increasingly globalized world with new challenges appearing daily, Georgia must be innovative and forward-thinking.

The phrase “Move On When Ready” is more than a dual enrollment opportunity for students; it represents an entirely new way of thinking about education. Why hold a child back when he is ready to tackle the next subject? Why push a child forward when additional time and instruction could help prevent future struggles? Why restrict a teacher when she knows how best to motivate and accelerate her students’ learning? These questions, among others, were discussed by the commission during its deliberations. Opportunities such as blended learning, middle/high school partnerships, competency-based learning, computer-based learning, flipped classrooms, new pathways for graduation, project-based learning and test-out options, in addition to traditional modes of instruction, were considered in terms of not “*Can Georgia do this?*” but rather, “*How Georgia can do this?*” The recommendations below, listed in priority order, represent feasible and necessary actions for the state of Georgia in order to fully cultivate a student population ready for life beyond the classroom.

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## Recommendation 1

Develop and implement multiple formative assessments in literacy and numeracy for students in grades K-3, which would serve the function of Student Learning Objectives in those grades, and extend these assessments to grades 4 and 5 numerical fluency once K-3 is in place.

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Under the leadership of Governor Deal, and following the example set by First Lady Deal, Georgia has prioritized efforts aimed at increasing on-grade-level reading by the end of third grade. As an extension of this priority, the commission also has placed a great importance on a child’s numerical literacy by the end of the fifth grade. Both competencies are the foundation upon which all further learning is built. In Georgia, formative assessments, which would serve as Student Learning Objectives in grades K-3, would provide educators with immediate feedback on the progression of their students. In the same manner that these assessments serve to guide teacher practice and support effective instructional planning for literacy, they should also be expanded to support numerical fluency in fourth and fifth grades.

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## Recommendation 2

Begin the transition to a competency-based education system.

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Competency-based learning fosters equity by holding all students to a common set of rigorous expectations while providing flexibility in the way credit can be earned, allowing students to progress through content as they demonstrate mastery, regardless of time, pace, or place.

Such a model is the cornerstone of personalized learning, honoring the reality that, in this age of readily available information, learning happens both inside and outside of the classroom. By prioritizing the most essential academic content and twenty-first century skills needed to be globally competitive for success in college, career and life, competency-based progression increases student ownership, creates multiple pathways to graduation, and ensures more students graduate prepared for jobs that have yet to be created. Georgia has already taken significant steps to encourage innovation and personalized learning. The commission believes that establishing a corresponding system of competency-based education is the next logical step.

The commission recommends that the state should develop a pilot program of competency-based education prior to statewide implementation, incorporate the model as a priority in Georgia's existing Innovation Fund, and explore possibilities of integration into various school governance models.

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## Recommendation 3

Develop a pathway that allows students to receive both a high school diploma and a "Job Ready" designation in a high-demand field.

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Thousands of Georgia students currently exit K-12 schools without obtaining a high school diploma, a GED or in-demand, "Job Ready" skills. The commission recommends developing a graduation pathway beyond the current two options, which include: 1) completing twenty-three Carnegie units in a traditional course of study, and 2) completing nine specific foundational courses and then matriculating to the Technical College System of Georgia or the University System of Georgia to complete an approved program of study. This recommended pathway, allowing students to complete nine specific foundational courses before pursuing a "Job Ready" certificate in a high demand career field through the Technical College System of Georgia and local high schools, will allow more Georgia students to be prepared for both entry-level high-demand careers and for continuing their education in Georgia's postsecondary programs.

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### **Recommendation 4**

Increase opportunity for advancement or remediation of students through flexible Georgia Milestones testing windows available throughout the calendar school year, preferably every nine weeks.

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In Georgia, there is a need for current, accurate and up-to-date assessment information in the classroom. With the appropriate information, a teacher may be empowered to advance or retain students as soon as they demonstrate competency, a student may identify his or her academic strengths and weaknesses more quickly, and a school may replace an ineffective, time-consuming “One Size Fits All” approach to learning. The commission recommends making Georgia Milestones testing available every 9 weeks. It is the commission’s expectation that, with more flexibility for teachers and schools in terms of testing, students may more readily take advantage of opportunities such as blended learning, middle/high school partnerships, digital learning, flipped classrooms, project-based learning and test-out options, in addition to traditional modes of instruction.

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### **Recommendation 5**

Increase the number of high school students earning postsecondary credentials and degrees by providing effective professional development for both high school and postsecondary teachers.

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Despite the ongoing economic recovery, workers with a high school diploma or less continue to be at a decided disadvantage in the job market. In Georgia, 63 percent of adults between the ages of 25-64 have less than a postsecondary credential. Out of all recent college graduates, 23 percent are unemployed or working in a job that requires less than a college degree. An analysis of educational and labor market data by the Southern Regional Education Board suggests that for many young adults, the 20’s are a “lost decade.”<sup>10</sup> To solve this problem, the commission believes that more high school students must get into technical colleges and onto pathways for postsecondary attainment and career advancement.

In order to achieve this goal, the commission recommends a number of actions to be taken:

1. Ensure that CTAE career pathways align with postsecondary education and training for highly skilled, highly paid jobs in the state’s high-demand career fields;
2. Ensure that literacy and math standards for each career pathway reflect the requirements of industry in order to increase employer confidence in the readiness of Georgia students upon graduation;
3. Support all career pathway teachers with professional development and fast-track induction programs;

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<sup>10</sup> Retrieved from the Southern Regional Education Board’s [Commission on Career and Technical Education](#), April 2015

4. Design a framework of strategies to restructure Georgia's low-performing high schools around rigorous career pathways in order to prepare students for postsecondary credentials and beyond;
5. Work to double the percentage of career pathway students who earn certificates, credentials and degrees in Georgia's high-demand fields by focusing on remediation and tutoring during a student's senior year in high school, if needed, and by promoting the availability of career pathway courses and jobs;
6. Promote and cultivate secondary, postsecondary and employer partnerships to support these efforts.

# EXPANDING EDUCATIONAL OPTIONS & SCHOOL CHOICE SUBCOMMITTEE

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Under Governor Deal's leadership, Georgia has empowered families across the state with public school options that promote competition, innovation and creativity while encouraging strong parental involvement. It is the commission's belief that no child should be limited academically by a ZIP code or the amount of money earned by his or her family. The recommendations below, listed in order of priority, aim to increase accountability, equity, transparency and availability for charter schools and other innovative educational options across the state.

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## **Recommendation 1**

True up pledges to actual contributions annually for the state's existing tuition tax credit scholarship program.

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The commission believes that requiring the Department of Revenue to switch from counting pledges to counting actual contributions against the tax credit cap, adjusting the tax credits as actual numbers come in, and informing Student Scholarship Organizations when additional space becomes available will ensure the full allotment of tax credits are utilized. By doing so, Georgia can provide tuition assistance to the number of families originally intended by the tax credit program, rather than losing the funds each year to unfulfilled donations.

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## **Recommendation 2**

Define "unused facility" in O.C.G.A. § 20-2-2068.2.

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It is the commission's goal in this recommendation to increase access to affordable facility options for charter schools. Because the term is currently undefined, there is great variance in how the relevant statute is applied. This change will clarify the existing law for both charter schools and local districts and allow charter schools greater opportunities to utilize unused school buildings.

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### **Recommendation 3**

Establish an appeals process by which a charter school can appeal to a third party when there is a dispute about authorizer compliance with O.C.G.A. § 20-2-2068.2.

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By establishing an appeals process, charter schools will be guaranteed a greater level of equity and access to affordable facility options. This change will allow for the enforcement of current law giving charter schools greater opportunities to utilize unused school buildings.

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### **Recommendation 4**

Clarify that any property owned or leased by a non-profit for use by a charter school is considered “public property” and exempt from taxation under O.C.G.A. § 48-5-41.

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The commission believes that as public schools, charter schools should be afforded tax-exempt status for the portion of property that they use for charter school purposes. Currently, this property tax-exempt status is not always recognized and can be destroyed when a portion of the property is leased for other purposes. Further clarification in state law can prevent such situations from happening.

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### **Recommendation 5**

Establish a statewide competitive grant fund for charter facility expenses to more accurately reflect the per-pupil funding for public schools.

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The commission recognizes that there is currently great disparity in how charter school facilities are funded as opposed to other public schools. Charter schools currently have to utilize a significant percentage of their operating budgets for facility expenses, often upwards of 15 percent of their total operating budget. Very few local districts have included charter schools in their ESPLOST funding, and only charter schools authorized by the State Charter Schools Commission have access to state capital outlay funding. The current state grant fund has declined in funding over the last several years and should be increased to more closely reflect the per-pupil funding available for other public schools.



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### **Recommendation 6**

Establish an authorizer code based on the National Association of Charter School Authorizers Principles and Standards for Charter School Authorizing.

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In order to increase accountability for both charter schools and local authorizers, the commission recommends the adoption of industry best practices for the state's authorizer code. Also, it is recommended that a third party annually report the status of authorizer's compliance with the Georgia code to the General Assembly to further increase accountability.

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### **Recommendation 7**

Require all charter contracts or charter contract renewals to include language allowing the charter school to elect the State Charter School Commission as an authorizer if the local authorizer fails to materially comply with the Georgia authorizer code.

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High-quality authorizer practices are integral to providing quality charter school options for students. The State Charter School Commission can provide yet another layer of accountability for charter schools if their local authorizer fails to implement a state code of best practices.

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### **Recommendation 8**

Require training for authorizers on the Georgia authorizer code.

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To ensure that the previously recommended authorizer code is successful, quality training is essential for all authorizers.

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### **Recommendation 9**

Codify a presumptive termination/non-renewal provision for any charter school that performs in the bottom quartile of the state and local government in statewide student performance tests for three consecutive years, absent exceptional circumstances as defined in state law.

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To ensure consistency among the standards set for Georgia's charter schools, the commission recommends the state implement a strong accountability structure. This will ensure that Georgia students will have only high-quality charter schools as educational options in the state.

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### **Recommendation 10**

Charter schools should be equitably funded.

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While not a recommendation detailing specific action, the commission strongly believes that the state should prioritize the equitable funding of charter schools. These schools are a public school choice for students across the state, and therefore should be funded equitably to ensure the ongoing viability and continued growth of quality student options.

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### **Recommendation 11**

Require districts to true up charter allocations annually to include revenue collected in excess of budget target.

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In order to ensure the equitable funding of Georgia charter schools, the commission recommends that local districts true up, or make any necessary adjustments after collection, revenue beyond a school's targeted budget.

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## **Recommendation 12**

Ensure that Georgia charter schools receive equitable distribution of state and federal funds.

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Additional guidance and direction is needed to ensure that state and federal fund sources are allocated to charter schools equitably. Currently, districts pass through federal funds on an inconsistent basis, and not all charter school allotment sheets are posted by the Georgia Department of Education (GaDOE).

In order to create an environment that fosters equity among charter schools and traditional public schools, the commission recommends the following actions:

1. Require that local districts give charter schools a proportional share of Title II and IDEA funds, or by mutual agreement, a proportional share of in-kind services;
2. Ensure that training and state regulatory environment enable charters to receive an equitable share of Title I dollars;
3. Work with GaDOE to create and post allotment sheets that include federal funds for all charter schools contemporaneously with district allotment sheets.

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## **Recommendation 13**

Change the yearly start date of the existing tuition tax credit scholarship program so as to not start on January 1.

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To avoid overtime expenses and the deadline falling on a holiday, the commission recommends that the Department of Revenue change the yearly start date for the state's tuition tax credit scholarship program.<sup>11</sup>

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<sup>11</sup> The commission applauds the Department of Revenue for accomplishing this recommendation through the promulgation of Rule 560-7-8-.54, which became effective October 20, 2015.

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### **Recommendation 14**

Clarify public reporting on the distribution and average amounts of scholarships by income and adjusted family size, per Federal Poverty Level Guidelines, for the state's existing tuition tax credit program.

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The commission recognizes that the current reporting structure does not allow for individuals or organizations to easily understand the distribution of scholarships by family income level. The reporting should be done in a manner similar to other state existing programs. This recommendation will clarify the instructions and establish comparability and consistency among Student Scholarship Organizations by using annual Federal Poverty Level Guidelines.

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### **Recommendation 15**

Add race/ethnicity of scholarship recipients to the data organizations in the existing tuition tax credit program are required to report to the Department of Revenue.

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The commission believes that the added component of race/ethnicity to the required data reported by Student Scholarship Organizations to the Department of Revenue will add an important layer of transparency to the program.

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### **Recommendation 16**

Reconsider 2013 State Board of Education amendments to SBOE Rule 160-5-1-.15(1)(a), which redefined accredited schools for purposes of credit transfer so as to treat accredited Non-Traditional Educational Centers as though they are unaccredited.

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While it is true that many Non-Traditional Educational Centers are unaccredited, the commission believes that if such a center has achieved accreditation, it should be treated as such.

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### **Recommendation 17**

Require local school systems that offer PSAT or AP testing on-site to their students to offer such testing equally to students in private schools, Non-Traditional Educational Centers, or home-educated students who reside within the school system attendance zone.

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Unlike the SAT and ACT, for which students sign up for directly with the test companies, the PSAT and AP tests are coordinated through the schools at which they are given. In many Georgia communities, the local public school is the only option for taking such tests. Some schools, however, do not permit students from outside their school to participate, which effectively excludes students in home schools and some private schools from the opportunity to take the PSAT and AP tests. The commission believes that by offering this academic opportunity to any student who chooses to take advantage, the state can further promote achievement in all corners of Georgia.

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## Appendix

### Funding Formula Subcommittee Materials

#### ***I. Funding Formula Narrative***

Governor Deal and the General Assembly have prioritized K-12 education and have devoted the largest percentage of the state budget to K-12 education of any Georgia governor and legislature in the last 50 years. Over the last two years alone, K-12 education has received an infusion of over one billion dollars in additional state revenue. It is the recommendation of the Funding Formula Committee that Governor Deal and the General Assembly should continue their strong track record of prioritizing K-12 education funding.

Governor Deal formed the Education Reform Commission in early 2015. His vision for K-12 education in Georgia is a system driven by student need that provides local school and district leaders with real control and flexibility. He charged the commission to work together to make education more accessible and effective in preparing our state's students for the rigors of college and the workforce. He specifically charged the funding committee with making recommendations to create a weighted student-based funding formula that recognizes that students with certain characteristics cost more to educate but also recognizes that there is no one-size-fits-all approach to meeting their needs. Governor Deal knows that it is essential that we have a modern, student-based formula that gives local districts the flexibility they need to meet the needs of all learners.

The recommendation of the funding committee is that we permanently add \$258M to the current K-12 state budget beginning in the FY18 budget and that, as funds are available, an additional \$209M be added to this modern, student-based formula.

The recommendation of the Funding Formula Committee is for the development of a student-based funding formula that consists of three components: Student Base Funding, Weighted Student Characteristics, and Categorical Grants.

This formula includes a major shift from the method used in the Quality Basic Education (QBE) formula for how students are counted for funding purposes. Instead of funding full time equivalent counts based on six instructional segments, the recommended formula will use student enrollment counts for funding purposes.

It should be noted that students can have multiple characteristics and will earn money based on each identifiable characteristic. The district will earn funding based on the characteristics of the students enrolled and may use the money flexibly to meet the needs of the students. A number of examples of the cumulative effect of the recommended weights on the recommended student base are found on pages 14-15 of this document.

It is also important to emphasize that the recommended formula determines how districts earn state funding for K-12 education, and it does not impose scheduling controls in order to earn the funds.

Districts that have accountability contracts with the State Board of Education (SBOE) will have the flexibility to allocate earned funds at their discretion, with the exception of funds earned for teachers who are continuing to be compensated under the T&E model, and would not be restricted by law or rule, nor tested by expenditure controls. These districts will have the flexibility to structure local budgets and allocate resources in the way that best meets the needs of the students in that district.

Districts without accountability contracts will continue to be required to meet all expenditure requirements and controls in Title 20 and State Board Rule.



### SUMMARY OF STUDENT-BASED MODEL

Student Enrollment				1,697,497
Base Weighted Per Student				\$2,393.13
K-12 Enrollment Funds				\$4,062,325,096
<b>Student Characteristic Weights: Add-On Weights</b>				
	<b>Enrollment</b>	<b>Amount Per Enrollment</b>	<b>Student Characteristic Weight</b>	
K3	542,483	\$687.21	0.2872	\$372,797,544
4-5	261,247	\$191.45	0.0800	\$50,015,770
6-8	392,717	\$2,393.13	1.0000	
9-12	501,050	\$196.72	0.0822	\$98,567,702
CTAE	272,354	\$120.02	0.0502	\$32,504,485
Special Ed Cat A	46,151	\$978.58	0.4089	\$45,162,087
Special Ed Cat B	41,667	\$1,698.82	0.7099	\$70,784,551
Special Ed Cat C	65,662	\$4,250.79	1.7762	\$279,114,411
Special Ed Cat D	18,132	\$5,913.44	2.4710	\$107,220,056
Special Ed Cat E	2,136	\$11,713.54	4.8947	\$25,020,809
Special Ed Adjustment (LEA MOE)		\$0.00		(\$738,265)
English to Speakers of Others Languages	127,868	\$463.62	0.1937	\$59,281,952
Economically Disadvantaged	529,226	\$232.23	0.0970	\$122,904,744
Gifted	177,878	\$773.15	0.3231	\$137,527,095
<b>Grand Total for Student Earnings</b>				<b>\$5,462,488,036</b>
State Funded Salary Level				\$2,054,273,915
T&E Per Committee Hold Harmless				\$89,281,850
Central Office/Administration				\$45,793,318
MEC Add on				\$1,163,597
<b>Sub Total</b>				<b>\$7,653,000,716</b>
Low Density/Low Enrollment				\$40,183,285
Charter Schools Supplement				\$70,256,677
Charter Systems				\$33,423,913
<b>Sub total</b>				<b>\$7,796,864,590</b>
TRS				\$948,509,933
Health Insurance				\$1,099,617,120
Equalization				\$506,525,394
Local 5 Mill Share				(\$1,664,571,267)
<b>Total</b>				<b>\$8,686,945,771</b>
Hold Harmless				\$0
<b>Total Current Model with Hold Harmless</b>				<b>\$8,686,945,771</b>
<b>Grand Total of Additional Funds Needed</b>				<b>\$467,472,112</b>

## **WEIGHTED STUDENT CHARACTERISTICS:**

**The recommendation of the funding committee includes the weighted student characteristics as explained below.**

### K-3:

- The formula recommended by the funding committee proposes that K-3 students would be weighted to reflect the importance of, and state priority for, all children reading on grade level by third grade. The weight adds funding to the base amount for students in grades K-3.
- The current recommended model weight for K-3 is 0.2872.
- K-3 weighted earnings for one student in the recommended formula = \$687.21.
  - K-3 total funding earnings above the base in the FY16 QBE formula are approximately \$331M.
  - K-3 total funding weighted earnings in the recommended formula are \$372,797,544.

### 4-5:

- The formula recommended by the funding committee proposes that students in grades 4 and 5 would be weighted to reflect the importance of all students being proficient in mathematics by the end of the fifth grade. The weight adds additional funds to the base amount for students in grades 4-5.
- The current recommended model weight for 4-5 is 0.0800.
- 4-5 weighted earnings for one student in the recommended formula = \$191.45.
  - 4-5 total funding earnings above the base in the FY16 QBE formula are approximately \$13.2M.
  - 4-5 total funding weighted earnings in the recommended formula are \$50,015,770.

### 9-12:

- Due to the cost of providing specialized classes to hone college and career skills, the funding committee recommends the provision of a weight for students enrolled in grades 9-12.
- The current recommended model weight for 9-12 is 0.0822.
- 9-12 weighted earnings for one student in the recommended formula = \$196.72.
  - 9-12 total funding earnings equivalent to the base in the FY16 QBE formula are \$768,375,017.
  - 9-12 total funding weighted earnings, in addition to the base, in the recommended formula are \$98,567,702.

### Career, Technical, and Agricultural Education (CTAE):

- The vision of the leadership in Georgia is to ensure that students are college and career-ready. To support this vision, the committee recommends that students enrolled in CTAE courses would earn additional funding. Additional state funds are necessary to purchase the materials, equipment and supplies necessary for successful CTAE classes to operate.
- CTAE weighted earnings for 1 segment in the FY16 QBE formula = \$73.11. For six segments that weight earned \$438.66 in FY16 QBE.
- The current recommended model weight for CTAE is 0.0502.
- CTAE weighted earnings for 1 student in recommended formula = \$120.02.
  - CTAE total funding earnings above the base in the FY16 QBE formula are approximately \$28M.
  - CTAE total funding weighted earnings in the recommended formula are \$32,504,485.

### Additional Proposed Methodology Investigated:

In previous committee meetings there has been some discussion of a proposal that the weight for CTAE be modeled in a tiered method weights as follows.

- Using the materials and equipment requirements of each course as a guide, the CTAE pathway courses will be categorized as high cost and low cost.
- Maintaining the same total weight effect of 0.0502, students enrolled in CTAE courses designated as “high cost” will earn a funding level twice as high as the “low cost” courses.

Staff met with a group of CTAE directors and the Georgia Association for Career and Technical Education (GACTE) director on Monday, November 9, to discuss whether or not they recommended a tiered method of funding for CTAE students by course enrollment, and, if so, which courses should be consider “high cost” and “low cost.”

The consensus of that group was to recommend against proceeding with a tiered funding model as previously proposed and discussed by the committee. Their reasons included the following:

- Designating some courses as high-cost could have the unintended consequence of influencing a school district’s course and pathway offerings unduly. Currently school districts state that they are working to identify the needs of local businesses and industry and align CTAE course/pathway offerings with those needs. The group felt that tiered funding levels would create counterproductive tension between meeting the needs of the community businesses/industries and increasing earned funding in the district.
- Many of the high costs for maintaining and/or replacing capital equipment, sustaining warranties, and replacing consumable materials and supplies are already in the process of being addressed by GaDOE in its annual request for a specific appropriation by the legislature for this purpose. In addition, Perkins and other funds help meet these needs.

GIFTED:

- The formula recommended by the funding committee proposes a weighted funding amount for students identified as Gifted.
- Gifted weighted earnings for 1 segment in the FY16 QBE formula = \$237.98. Students statewide were funded for an average of three segments. For three segments in QBE the student earned \$713.94 in FY16 QBE.
- The current recommended model weight for Gifted is 0.3231.
- Gifted weighted earnings for 1 student in recommended formula = \$773.15.
  - Gifted total funding earnings above the base in the FY16 QBE formula are approximately \$129M.
  - Gifted total funding weighted earnings in the recommended formula are \$137,527,095.

Rationale for the weighted gifted student characteristic: <sup>12</sup>

- Developing and nurturing high performance supports the future prosperity of our nation, state, community, and individuals.
- Most gifted students are not developing to the level their potential would indicate is possible.
- In the normal distribution of ability and/or achievement, 68% of students score near the mean; students far from the mean require different educational experiences to develop optimally or at all.
- All children deserve the opportunity to learn something new each day.
- Schools have a responsibility to meet the learning needs of all students. Gifted children are found in all income, cultural, and racial groups; gifted children may also have one or more disabilities.
- Most teachers say their brightest students are bored and under challenged.
- Most teachers have no training in working with gifted learners.
- In classroom observations, most learning activities are not differentiated for gifted learners.

Additional considerations:

- Gifted classes often require additional materials, supplies, and lab equipment for in-depth study that results in students producing projects/products that demonstrate real-world application of concepts.
- Teachers must be specifically trained to differentiate instruction at high levels, to fulfill the teaching roles of facilitator and guide and to accommodate the variety of giftedness that students bring into a classroom.
- Additional funds are required to allow students to participate in challenging competitions that require complex thinking and high level problem-solving abilities.

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<sup>12</sup> Rationale taken directly from the National Association of the Gifted at [Rationale for Gifted](#), October 30, 2015.

- Curriculum, instruction, and assessment must often be modified or developed to meet the needs of the gifted student.

## STUDENTS WITH DISABILITIES:

- The funding committee recommends providing a weighted funding amount for students identified and served as Students with Disabilities (SWD). The QBE funding level for an SWD student is based on the student's primary disability and does not take into account the amount of time for which students are provided services. The methodology described below is based student funding on the number of minutes served during a week, regardless of primary or secondary disability.
- Students receiving services for less than 30 minutes per week would be consultative students served fully in the regular classroom and would not be weighted.
- Category A students would receive services from 30 to 360 minutes (6 hours) per week. Category A students account for 26.0% of the sample population.
  - The current recommended model weight for Category A is 0.4089.
  - Category A weighted earnings for one student in the recommended formula = \$978.58.
- Category B students would receive services from 361 to 900 minutes (6+ to 15 hours) per week. These are the higher incidence/lower service level categories and make up 23.6% of the students in the sample.
  - The current recommended model weight for Category B is 0.7099.
  - Category B weighted earnings for one student in the recommended formula = \$1,698.82.
- Category C students would receive services from 901 to 1800 minutes (15+ to 30 hours) per week. This category weight would include students receiving full time services from a single provider (paraprofessional or teacher) or in total from a combination of providers (teacher, paraprofessional, OPT, OHI, interpreter, etc.). Students in Category C make up 38.3% of the sample.
  - The current recommended model weight for Category C is 1.7762.
  - Category C weighted earnings for one student in the recommended formula = \$4,250.79.
- Categories D and E could actually be considered sub-categories of C and provide weights to the lowest incidence but highest service levels of students.
- Category D students would receive services from 1801 to 3600 minutes (30+ to 60 hours per week). Simply put, these students receive full-time special education services and then some, up to the equivalent of two full time providers. These students account for 10.8% of the sample population.
  - The current recommended model weight for Category D is 2.4710.
  - Category D weighted earnings for one student in the recommended formula = \$5,913.44.

- Category E students would be those that receive the highest level of services, more than 3600 minutes (60 hours) per week, have multiple service providers, and are representative of 1.3% of the sample population.
  - The current recommended model weight for Category E is 4.8947.
  - Category E weighted earnings for one student in the recommended formula = \$11,713.54.
- The IEP for each student should absolutely determine the services provided, which would in turn determine the number of minutes of service per week. This would require the addition of a data collection element in student record, which currently collects disability but not the time of service.
- The recommended collection of special education data based on total minutes served, instead of primary disability, is completely different than under QBE; therefore, it is not possible to directly compare the earnings by category. However, below is a comparison of the total SWD earnings of the five SWD weight categories statewide.
  - SWD total funding earnings above the base in the FY16 QBE formula are approximately \$510M.
  - SWD total funding weighted earnings in the recommended formula are \$527,301,913.
- The MOE adjustment line item reflected in the “Summary of the Student Base Model” is a safeguard included until more accurate data is reported by the districts. The state average enrollment in each category was used in modeling for a sample of districts. This is a new data element to be collected by the Georgia Department of Education (GaDOE), and accurate counts were not available from every school district for modeling purposes.

#### ESOL:

- The funding committee recommends providing a weighted funding amount to support the additional instruction required for students who need instruction in English as a second language.
- The current recommended model weight for ESOL is 0.1937.
- ESOL weighted earnings for one student in the recommended formula = \$463.62.
  - ESOL total funding earnings above the base in the FY16 QBE formula are approximately \$56M.
  - ESOL total funding weighted earnings in the recommended formula are \$59,281,952.

#### ECONOMICALLY DISADVANTAGED:

- The recommendation of the funding committee is that it would be appropriate to include a new weight for economically disadvantaged students. This will add a weighted student characteristic that was not included in FY16 or any previous QBE funding allocations.
- The recommendation of the funding committee is to use Direct Certification (which includes SNAP and TANF enrollment, homeless students, foster students, and migrant students) as the identifier for this characteristic.

- The current recommended model weight for Economically Disadvantaged (ED) students is set at 0.0970.
- ED weighted earning for one student in the recommended formula = \$232.23.
  - ED total funding weighted earnings in the recommended formula are \$122,904,744.



**ECONOMICALLY DISADVANTAGED AND K-3 RECOMMENDED WEIGHTS – IMPACT SUMMARY:**

The formula recommended by the funding committee provides funding for a new Economically Disadvantaged (ED) student characteristic that was never funded in QBE.

FY16 QBE earnings, above the QBE base, for Early Intervention Programs (EIP) and Remedial Education Programs (REP) totaled approximately \$140.8M and are the closest comparison for the ED student characteristic weight. Taking into account the K-3 student weight, the 4-5 student weight, and the ED student weight, these student groups earn \$60,525,058 more using the recommended model than was earned above the FY16 QBE base for both EIP/REP and K-5 FTEs.

COMPARISON		
	FY16 QBE	Recommended Model
EIP	\$128,371,000	-
REP	\$12,422,000	-
K-3	\$331,000,000	\$372,797,544
4-5	\$13,200,000	\$50,015,770
ED	-	\$122,904,744
<b>TOTAL</b>	<b>\$485,193,000</b>	<b>\$545,718,058</b>
<b>INCREASE IN RECOMMENDED MODEL</b>		<b>\$60,525,058</b>

Economically disadvantaged students are well able to learn and succeed in school. Their abilities and learning are certainly not determined or limited by this characteristic. There are a number of schools in Georgia that have effectively demonstrated such academic success with student populations including high percentages of students who are economically disadvantaged.

However, there are many more Georgia schools, with high percentages of ED-weighted students in their populations, where additional support and resources are needed to provide expanded instructional time and opportunities for these students to increase academic progress and improve academic performance. The fact is that ED students enter kindergarten far behind their peers in language and vocabulary development, and we know that ED students often lag in the development of background knowledge for learning. Access to additional instructional time is a critical element in remedying the language gap, building background knowledge, and securing academic success for these students at any grade level. While additional funding

absolutely does not guarantee increased learning, the recommended funding weights will provide such schools with every opportunity, and the flexibility, to develop and implement ever more effective instructional models and strategies for student success.

### **STUDENT FUNDING BASE:**

The recommendation of the funding committee establishes grades 6-8 as the base student cost category. The base amount does not include training and experience (T & E) for teachers, the state health benefit plan (SHBP), or Teachers Retirement System (TRS) contributions. Listed below are the details regarding how this base amount was calculated.

- In the recommended model, the student base (6-8) amount is \$2,393.13. In QBE, the student base (9-12) is \$2,215.51.
- The recommended student base includes funding that was previously allocated in QBE for Direct Instructional Costs (counselors, art/music/PE/foreign language teachers, technology specialists, instructional operations) and Indirect Instructional Costs (social workers, psychologists, principals, assistant principals, secretaries, operations, and facility maintenance and operation).
- The recommended student base also includes funding that was previously allocated in QBE for special purposes to include media, staff development, nursing, and transportation.
- The recommended student base includes increased funding, in the amount of \$110 per student, for technology.
- The difference between the state average teacher salary and T & E for those districts which do not currently pay the state average teacher salary is \$89,281,850. When spread across all districts, this adds \$52.60 to the base. This amount is included in the \$2,393.13 base.
- The total funding earnings for the student base in the recommended formula are \$4,062,325,096.

**EXAMPLES OF STUDENT EARNINGS USING BASE AND WEIGHTED STUDENT CHARACTERISTICS:**

<u>1. Kindergarten Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
K-3 Weighted Funding	\$687.21
SWD Category C Student Weighted Funding	\$4,250.79
<b>Total Student Funding (Base + Weights)</b>	<b>\$7,331.13</b>
<u>2. First Grade Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
K-3 Weighted Funding	\$687.21
Gifted Student Weighted Funding	\$773.15
<b>Total Student Funding (Base + Weights)</b>	<b>\$3,853.49</b>
<u>3. Second Grade Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
K-3 Weighted Funding	\$687.21
Economically Disadvantaged Student Weighted Funding	\$232.23
<b>Total Student Funding (Base + Weights)</b>	<b>\$3,312.57</b>
<u>4. Third Grade Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
K-3 Weighted Funding	\$687.21
Gifted Student Weighted Funding	\$773.15
ESOL Student Weighted Funding	\$463.62
<b>Total Student Funding (Base + Weights)</b>	<b>\$4,317.11</b>
<u>5. Fifth Grade Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
4-5 Weighted Funding	\$191.45
SWD Category A Student Weighted Funding	\$978.58
Economically Disadvantaged Student Weighted Funding	\$232.23
<b>Total Student Funding (Base + Weights)</b>	<b>\$3,795.39</b>
<u>6. Seventh Grade Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
ESOL Student Weighted Funding	\$463.62
Economically Disadvantaged Student Weighted Funding	\$232.23
<b>Total Student Funding (Base + Weights)</b>	<b>\$3,088.98</b>

<u>7. High School Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
9-12 Weighted Funding	\$196.72
CTAE Student Weighted Funding	\$120.02
Economically Disadvantaged Student Weighted Funding	\$232.23
<b>Total Student Funding (Base + Weights)</b>	<b>\$2,942.10</b>
<u>8. High School Student with the following weighted student characteristics:</u>	
Student Base Funding	\$2,393.13
9-12 Weighted Funding	\$196.72
CTAE Student Weighted Funding	\$120.02
ESOL Student Weighted Funding	\$463.62
Economically Disadvantaged Student Weighted Funding	\$232.23
<b>Total Student Funding (Base + Weights)</b>	<b>\$3,405.72</b>

## **SPECIALIZED FUNDING OUTSIDE THE BASE AND WEIGHTED CHARACTERISTICS:**

### **CENTRAL OFFICE/ADMINISTRATION:**

The recommendation of the funding committee is for this funding to be outside the student base.

#### **Recommended Methodology:**

This cost has been removed from the student base in this recommended model in order to fund a standard central office that includes 1 superintendent, 1 secretary, 1 accountant, and 2-12 assistant superintendents or other certified Central Office staff, based on enrollment up to 125,000 students. Additionally, adjustments ensure that the school district earns funding for a principal at each school if not already earned at that level in the student base calculations.

Funds for assistant superintendents/certified Central Office staff are earned as follows. Districts have flexibility to expend the funds based on district priorities and needs.

- Enrollment below 5,000 earns 2 assistant superintendents/certified staff members.
- Enrollment 5,000-9,999 earns 4 assistant superintendents/certified staff members.
- Enrollment 10,000-24,999 earns 6 assistant superintendents/certified staff members.
- Enrollment 25,000-49,999 earns 8 assistant superintendents/certified staff members.
- Enrollment 50,000-74,999 earns 10 assistant superintendents/certified staff members.
- Enrollment 75,000-99,999 earns 12 assistant superintendents/certified staff members.
- Enrollment 100,000-124,999 earns 14 assistant superintendents/certified staff members.
- Enrollment 125,000 and above earns 16 assistant superintendents/certified staff members.

The total funding earnings for the central office in the recommended formula are \$38,745,341.

District Enrollment Range	Number of Districts in Range
0-4,999	103
5,000-9,999	30
10,000-24,999	18
25,000-49,999	11
50,000-74,999	2
75,000-99,999	2
100,000-124,999	1
125,000 and above	1

Adjustments to ensure that districts earn funding for a principal at each school, if it is not already earned at that level in the student base, require the addition of \$7,047,977 in this grant.

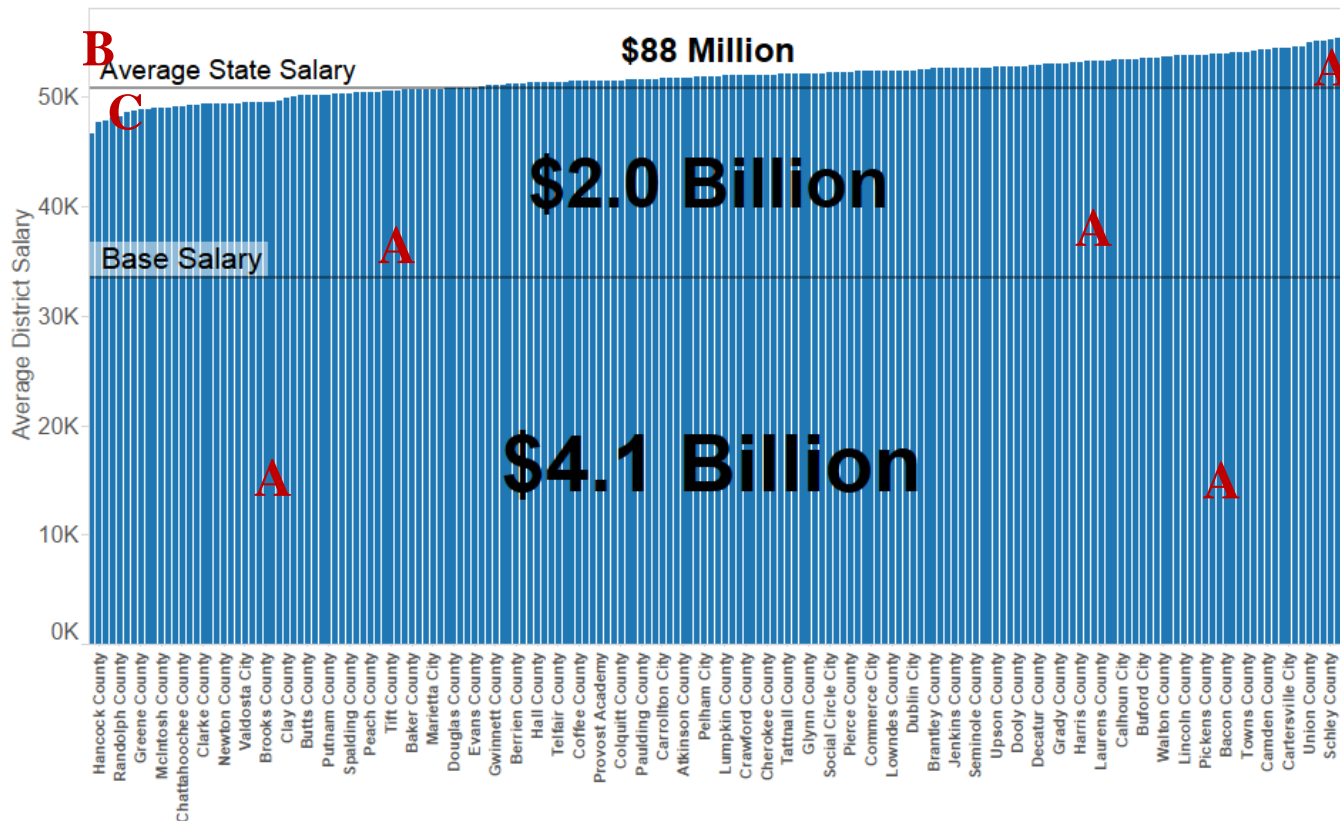
Total funding for the Central Office/Administration grants in the formula recommended by the funding committee is \$45,793,318.

T & E:

The following narrative outlines the key components of the funding committee recommendation to maintain T&E funding for current district employees and to support districts in the development and implementation of new compensation models tailored to meet the unique needs of each district.

The funding for T&E should continue, until all teachers employed in the year immediately prior to implementation of the new model phase out of the system, and will be calculated outside the base in the following manner. For example and for clarity, if the new funding model is implemented in FY18, this would apply to all teachers employed in local districts in FY17.

- A. Following implementation of the new student-based funding model, districts will continue to earn funding for all such teachers at the level that would have been earned based on T and E (A on the graphic on the following page), including any step or education/training increases, unless the teacher is included in or opts into the new local salary model.
- B. For all new teachers to the profession in the implementation and subsequent years, and any existing teachers who are included in or who opt into the new local compensation model developed and implemented by the district, funds will be allocated to the district based on the state funded level for teacher salary. (The average teacher salary in the state for FY16, \$50,767.69, is modeled and represented by the line B on the graphic on the following page.)
- C. During the transition period, while both T&E and new compensation models are in place, funding based on the state-funded level for teacher salary that the district might have earned for current employees, who are not included in or who do not opt into a new local district model, but above what would have been earned under the T and E calculation, will be used to increase the base amount of funding for students statewide (C on the graphic on the following page).



To further clarify:

- The recommended model uses the T&E as a separate calculation in which each teacher who is currently above the state average/funded level for teacher salary earns:
  - 1) The state average salary funding of \$50,767.69 (represented by line B in the graphic above);
  - 2) The difference between \$50,767.69 and his/her actual T&E earnings. (The total amount of this funding is represented in A in the graphic above.)
- The cost of continuing to compensate current teachers according to their T&E earnings, above the state average/funded level for teacher salary amount of \$50,767.69, is \$89,281,850. (This funding is also represented in A in the graphic above.)
- Those teachers below the state average/funded level (line B) for teacher salary earn only their actual T&E funding. (The total amount of this funding is also represented in A in the graphic above.)
- The initial difference between the actual T&E funding earned by teachers making less than the state average/funded level for teacher salary and the amount of \$50,767.69 is added back into the student base so that every student in the state earns additional funding, which is \$52.60 based on the FY16 state average/funded salary level. (This is represented by the white space C in the graphic above.)

The state-funded level for teacher salary will be reviewed annually and adjusted periodically as determined to be appropriate in the annual state budget process. When adjustments are made to the state-funded level for teacher salaries in the new funding model, the same factor or

percentage adjustment shall be applied to the T&E schedule for all teachers still paid under that model.

Upon implementation of the recommended funding model, each local school district would proceed to adopt, adapt, or develop a new compensation model to meet the unique needs of that district.

- All districts will develop their own local models to submit to the State Board of Education for approval.
  - a. All new compensation models must have effectiveness as one component, but may also take into account experience, critical shortage areas, or other local priorities. The new compensation models cannot require existing teachers to make less than their contracted amount in the year immediately prior to the implementation of the new funding model.
  - b. All new compensation models must contain a provision that allows teachers employed in the year immediately prior to implementation the choice to opt in to the new system or to continue to be paid based on the T&E model unless the district has executed a contract with SBOE that includes a waiver providing flexibility in determining teacher compensation levels, models, and participation. For district accountability contracts currently in existence or in development with SBOE to be renewed in the future, the district must have begun to implement a new compensation model prior to the renewal date.
- Districts that have accountability contracts with the State Board of Education will have the flexibility to allocate earned funds at their discretion, with the exception of funds earned for teachers continuing to be compensated under the T&E model, and would not be restricted by law or rule, nor tested by expenditure controls. Districts without accountability contracts will continue to be required to meet all expenditure requirements in Title 20 and State Board Rule.
- Upon the effective date of a new funding formula, districts earn funding for all newly hired educators based on the state-funded level for teacher salary, and teachers will be paid according to the new local compensation model adopted by the district.



#### TEACHERS RETIREMENT SYSTEM (TRS):

Teachers Retirement System contributions are a calculation completed through the data provided in the Certified Personnel Index (CPI) report from each school district. Contributions are calculated and the amounts are always based on teacher salaries from the prior year's personnel report, with TRS requiring a certain percentage be contributed by both the employee and the employer each year. The employer cost would be outside of and in addition to the student base funding amount so that districts receive the necessary funding to meet the annual required employer contribution. The recommendation of the funding committee would not change this calculation or procedure.

#### STATE HEALTH BENEFIT PLAN (SHBP):

The state's contribution to local school districts for health insurance is a fixed cost - a per member, per month calculation. This cost would always be calculated based on the prior year's personnel report and would be outside of and in addition to the student base funding amount, in the same manner as TRS, to ensure that districts continue to receive the funding necessary to meet the required annual employer contributions. The recommendation of the funding committee would not change this calculation or procedure.

#### EQUALIZATION:

The funding committee recommends that no changes be made in the new K-12 funding model to the current methodology and calculation of the equalization grants with the exception of transitioning from the use of FTEs to student enrollment counts. The staff modeled the use of a multi-year average of tax digests for calculating equalization, but after review and discussion by the funding subcommittee, no changes were adopted due to the negative impact the still-declining digests would have on district funding. This multi-year methodology may be revisited and reviewed in the future when the tax digests in the state have recovered from the most recent economic recession.

Under Georgia's current school funding system, equalization funding is a form of additional aid that is provided to school districts beyond their core-funding amount. The state currently (FY16) provides \$506,525,394 in equalization aid directly to districts, authorized in O.C.G.A. § 20-2-165. This funding is intended to address any property wealth inequalities arising between districts on a per pupil basis.

The table provides examples of how districts can receive differing amounts of equalization aid based on these factors in FY16.

Rank	Name	Tax Wealth per Weighted FTE (Statewide Average: \$135,047)	Equalized Difference	Weighted FTEs	Total Equalization Grant
1st	Rabun	\$521,674	NA	3,023	-
30th	Decatur City	\$186,075	NA	6,196	-
60th	Rome City	\$139,285	NA	8,636	-
90th	Banks	\$119,046	\$16,001	4,169	\$718,840
120th	Catoosa	\$107,418	\$27,629	15,352	\$5,450,225
150th	Wheeler	\$87,438	\$47,609	1,389	\$991,796
180th	Pelham City	\$24,616	\$110,431	2,087	\$2,762,537

To calculate a district's equalization grant, Georgia has used and will continue to use a three-step process.

1. The first identifies high and low wealth districts on a per pupil basis, while the second identifies the size of the grant. Currently, equalization funding grants are allocated to all districts whose per-pupil property tax digest value is less than the statewide average.
2. All districts are sorted by property tax wealth per student enrollment (in QBE the weighted FTE) in comparison to a statewide benchmark, which excludes the nine highest and nine lowest district values as part of the calculation of this average.
3. After districts are sorted by property wealth per student, those that are at or below the statewide average are "equalized" for their local tax effort when the state generates their annual equalization grants.

The formula for determining a districts equalization grant after it has been deemed eligible is listed below.

$$\text{Equalized Difference} \times \text{Student Enrollment} = \text{Equalization Grant Total}$$

## LOCAL FIVE MILL SHARE REQUIREMENT

The funding committee recommends that no changes be made in the new K-12 funding model to the current methodology and calculation of the local five mill share requirement. The staff modeled the use of a multi-year average of tax digests for calculating the local five mill share, but after review and discussion by the funding subcommittee, no changes were adopted due to the negative impact the still-declining digests would have on district funding. This multi-year methodology may be revisited and reviewed in the future when the tax digests in the state have recovered from the most recent economic recession.

All school districts electing to receive K-12 education funding from the state are required to levy the equivalent of at least five mills in property taxes as a basic local commitment to educating their students. The “Local Five Mill Share” in the QBE formula refers to the portion of the direct and indirect instructional costs that the state expects local systems to pay with locally raised funds.

Currently, the state requires local systems to pay an amount equal to five mills of property tax generated within their taxing authority. By law, the amount of money represented by the five mills statewide cannot exceed 20 percent of the total QBE formula earnings (direct and indirect instructional costs). Funds that are raised through locally levied property taxes, which included the minimally required five mill share, do not leave the school system. These funds remain with the district/taxing authority, and are not directly remitted to the state. This is consistent with the practice of locally raised bonds and SPLOSTS remaining within the local school system. The Local Five Mill Share represents each system’s “obligation” toward educating their students in order to participate in the state funding model.

The local five mill share is authorized in O.C.G.A. § 20-2-164. The FY16 reduction of the state’s portion of QBE earnings, representing approximately 15.9% of total QBE earnings, was \$1,664,571,267.

### Current Methodology:

- Take the most recent 100% equalized school property tax digest.
- Reduce this amount account for constitutionally authorized homestead, veterans, and age (65+) exemptions.
- Calculate five mills (.005) of the remaining digest.
- “Deduct” this amount from the K-12 education funding earnings at the state level.

### Recommended Methodology (reflects no changes from the current methodology):

- Take the most recent 100% equalized school property tax digest.
- Reduce this amount to account for constitutionally authorized homestead, veterans, and age (65+) exemptions.
- Calculate five mills (.005) of the remaining average digest.
- “Deduct” this amount from the K-12 education funding earnings at the state level.

In the recommended model, the reduction of the state’s portion of student based formula earnings is \$1,664,571,267.

### LOW ENROLLMENT / LOW DENSITY GRANTS:

Sparsity grants are currently allocated to qualified school systems who do not earn sufficient funds through the QBE formula to provide a full educational program because their FTE counts are less than established base sizes at any of the grade levels:

- Elementary schools: 450
- Middle schools: 450
- Middle/High schools: 485
- High schools: 485
- K12 schools: 935

These grants are intended to recognize the fundamental administrative and other overhead costs associated with the day-to-day operating of a school building for those systems with exceptionally low enrollments.

The current implementation of the sparsity grant program includes recent changes to the manner in which the grants are allocated. Previously, grants were awarded to a defined list of schools which were deemed eligible as a result of their relative enrollments, similar to current program rules – however, the list of eligible schools was not regularly reviewed or updated. The current program requires these schools be reevaluated in comparison to the established enrollment thresholds on an annual basis, and the amounts for each grant to be recalculated, based on the most recent year's enrollment data.

The QBE-based sparsity funding is authorized in O.C.G.A. § 20-2-292.1. The FY16 appropriation for sparsity funding was \$5,455,241.

#### Current Methodology:

- Identify all schools with enrollment counts lower than the established thresholds
- Calculate the base teacher salary with fringes, and divide by the 9-12 class size ratio (23)
- Calculate the difference between the school's enrollment and the threshold
- Multiply this result by the per student base teacher salary with fringes
- Multiply the sum of all grants by a prorated amount (currently 27%)

#### Recommended Methodology:

The funding committee recommends funding the low density/low enrollment grants at 100% of earned funds instead of a 27% pro-rated amount as was funded in FY16 Sparsity Grants. The total funding for low density/low enrollment as outlined below would be \$40,115,193, which is \$34,659,952 more than is currently funded for sparsity.

Having a single school in a district for any level that does not meet base size qualifies that school for a sparsity grant in QBE. However, the recommended revised calculation is one in which individual schools do not earn additional funding. The recommended funding is earned based on district enrollment size, district density, and whether or not the tax digest is in the top quintile of the state in per student earnings.

1. Define minimum student enrollment size as 3,500, slightly fewer students than in 4 base size elementary schools, 2 middle schools, and 1.5 high school, as outlined below.  
Elementary: 350 (1,400 total students)

Middle: 500 (1,000 total students)  
 High: 750 (1,125 total students)  
 Total: 3,525

2. Identify all non-city districts that meet one or both of the following two criteria.
  - Student enrollment less than or equal to 3,500
  - Students per square mile (SPSM) less than 6.0
  
3. Remove from eligibility any districts that do not levy the millage rate or equivalent millage of at least 13 mills beginning July 1, 2017, or at least 13.5 mills beginning July 1, 2018, or at least 14 mills beginning July 1, 2019, as set forth in O.C.G.A. § 20-2-165(a)(9)(C). This is an absolute requirement for eligibility to receive any funding in this grant.
  
4. Remove from eligibility any districts that meet only one low density or low enrollment criteria and that are in the Top Quintile of Tax Digest per Student.
  
5. Retain in eligibility districts meeting both the low density and the low enrollment criteria whether or not they are also in the Top Quintile of Tax Digest per Student.
  
6. For districts qualifying based on low enrollment determine funding by taking the difference between the district's enrollment and 3,500. Allot \$225 per enrollment difference.
 

*Example: Heard County Enrollment: 1,899 Square Miles: 301.2 SPSM: 6.3*  
 $3,500 - 1,899 = 1,601$   
 $1,601 \times \$225 = \$360,225$   
*Heard would be allotted \$360,225.*
  
7. For districts qualifying only based on low density, determine the number of students per square mile less than a district with 6 students per square mile. Allot \$225 per student per square mile difference times the number of the square miles in the district.
 

*Example: Emanuel County Enrollment: 4,047 Square Miles: 690.58 SPSM: 5.86*  
 $6.00 - 5.86 = 0.14$   
 $0.14 \times 690.58 \times \$225 = \$21,753.27$   
*Emanuel would be allotted \$21,753.27.*
  
8. For districts qualifying on both criteria, whether or not they are in the Top Quintile of Tax Digest Per Student, calculate and total the two amounts. Any such districts would be funded for both amounts.
 

*Example: Atkinson County Enrollment 1,589 Square Miles 344.8 SPSM: 4.61*  
 $3,500 - 1,589 = 1,911$   
 $1,911 \times \$225 = \$429,975$   
 $6.0 - 4.61 = 1.39$   
 $1.39 \times 344.83 \times \$225 = \$107,845.58$   
 $\$429,975 + \$107,845.58 = \$537,820.58$   
*Atkinson would be allotted \$537,820.58 as the total of both calculations.*

All districts currently earning sparsity funds qualify under this methodology except two – Towns County and Union County. However, the amount of \$400,324, equivalent to the FY16 sparsity grant for Union County, has been added to the low density/low enrollment grants in support of the small school in Woody Gap. A “hold harmless” allocation has been included

for Towns County of \$68,092, which brings the total funds for Low Enrollment / Low Density grants to \$40,183,285.

Thirty-four (34) additional districts qualify for low enrollment/low density grants above those who currently qualify for Sparsity Grants.

#### HOLD HARMLESS: RECOMMENDATION FOR A TIME-LIMITED SPECIALIZED GRANT

The requirement for a hold harmless grant is low – only slightly more than \$2M - with the addition of the recommended \$258M in the student-based formula for FY18. And, as additional funds become available so that \$209M more can be added through this formula, there will be no need for a hold harmless amount.

However, as Georgia transitions to a student-based funding formula and away from the current K-12 funding formula, there will be districts that earn more money due to the changes and districts that will earn less money due to the changes. After several years of declining revenue due to a struggling economy, local school districts are beginning the recovery from the Great Recession with the Governor's recent additions to the funds allocated in the K-12 education budget for the state. Districts must be confident that there is no intent, explicit or implicit, that the process for developing a new funding formula will result in any school district experiencing a sudden decrease in state funding.

To provide a safety net for those districts that will earn less money in a student-based educational funding environment as opposed to the current K-12 formula, there should be a defined period of time in which they are held harmless at their current level of funding.

#### Recommendation:

Districts will receive hold harmless funds, for at least three years, to account for any differences between current K-12 formula earnings in the year immediately prior to implementation of a new funding formula and earnings received from the recommended student-based funding formula for a period of time to be recommended by the funding committee. The hold harmless amount would be \$2,091,801 compared to FY16 formula funding and categorical grants if calculated with the recommended \$258M added. As additional funds become available, and \$209M more can be added through the new funding formula, there will be no need for a hold harmless amount.

## CHARTER SYSTEMS AND SCHOOLS

### **Charter System Grant**

A Georgia school district has the option to operate under the terms of a charter contract between the State Board of Education and the local Board of Education to receive flexibility waivers from certain state laws and state board rules and guidelines in exchange for greater accountability for student performance. Each charter system must implement school level governance bodies and grant decision-making authority to these teams. There are currently 32 approved charter systems in Georgia, and an additional 15 are in the process of negotiating charter system contracts with the State Board of Education.

Charter systems receive a supplement in addition to Quality Basic Education (QBE) formula earnings which must be used in accordance with recommendations of the school level governing body or to advance student achievement goals and school level governance training objectives.

The QBE-based charter system grant funding is authorized in O.C.G.A. § 20-2-165.1. The FY16 appropriation in QBE was \$14,891,514 for 32 approved charter systems.

#### Current Methodology:

- Multiply each charter system's FTE segments by 3.785% of the base QBE per FTE funding amount (Grades 9-12) to generate \$87.75 additional funds per student.
- Cap each charter system's earnings at \$4.5 million.
- Apply the current austerity percentage to each charter system's earnings.

#### Recommended Methodology:

The recommendation of the funding committee is that the following methodology be used for the calculation of funding for state charter school systems.

- Fund each charter system's enrollment count at a percentage, 3.861%, of the student base funding amount (Grades 6-8) to generate \$92.40 in additional funds per student.
- Cap each charter system's earnings at \$4.5 million.
- The total recommended formula earnings for the 47 charter systems, already approved or anticipated to be approved by FY18, in the recommended model are \$33,423,913.

## **Virtual State Charter Schools**

There are currently three virtual state charter schools. Funding for virtual state charter schools is similar to brick and mortar state charter with a few exceptions. Virtual state charter schools receive QBE formula earnings and receive the same austerity reduction as local school systems and other state charter schools. Virtual state charter schools are not eligible for the Transportation grant, Nutrition Grant, or Capital Grant, which are components of the State Charter Schools Supplement. In addition, the supplement for virtual state charter schools is reduced by one-third as prescribed by state law. Finally, because the supplement for virtual state charter schools is reduced by one-third, the calculated local five mill share amount is also reduced by one-third.

The virtual state charter school supplement funding is authorized in O.C.G.A. § 20-2-2068.1. The FY16 appropriation in QBE was \$36,788,763.

### Current Methodology:

- Virtual State Charter Schools earn QBE formula earnings in the same manner as all other public schools.
- Calculate the average amount of total revenues less federal revenues, less state revenues other than equalization grants per FTE for the lowest five school systems ranked by assessed valuation per weighted FTE count from the prior fiscal year to provide a grant to all state charter schools. Reduce the amount by one-third.
- Calculate the per FTE Local Five Mill Share amount for state charter schools by averaging the Local Five Mill Share per FTE amount for the lowest five school systems ranked by assessed valuation per weighted FTE county. Multiply each state charter school's number of FTEs by the calculated Local Five Mill Share per FTE amount. Reduce the calculated Local Five Mill Share amount for virtual state charter schools by one-third.

### Recommended Methodology:

The recommendation of the funding committee if that the following methodology be used for the calculation of funding for virtual state charter schools.

- Virtual State Charter Schools earn funding in the same manner as all other public schools.
- Calculate the average amount of total revenues less federal revenues, less state revenues other than equalization grants per enrollment for the lowest five school systems ranked by assessed valuation per enrollment count from the prior fiscal year to provide a grant to all state charter schools. Reduce the amount by one-third.
- Calculate the per enrollment Local Five mill Share amount for state charter schools by averaging the Local Five Mill Share per enrollment amount for the lowest five school systems ranked by assessed valuation per enrollment county. Multiply each state charter school's enrollment by the calculated Local Five Mill Share per enrollment amount. Reduce the calculated Local Five Mill Share amount for virtual state charter schools by one-third.

The total recommended supplement earnings, in addition to the student-based formula earnings, for the virtual charter schools are \$36,594,288.



## State Charter School Supplement

State charter schools are a public school of choice that operate under the terms of a contract between the governing board of the charter school and the authorizer (the State Charter Schools Commission and the State Board of Education). State charter schools receive flexibility waivers from certain state laws and state and local board rules and guidelines in exchange for greater accountability for student performance. In addition to QBE formula earnings, state charter schools receive a supplement to partially offset the absence of local tax revenue flowing to state charter schools. There are 21 state charter schools.

The QBE-based state charter school funding is authorized in O.C.G.A. § 20-2-2068.1. The FY16 appropriation in QBE was \$65,797,180, which included \$36,788,763 for state virtual charters and \$29,008,417 for state brick and mortar charters.

### Current Methodology:

- Calculate the proportional share of the Transportation grants to local school systems by dividing the prior fiscal year's appropriation for transportation by the total number of FTEs (excluding state charter schools' FTEs) in the prior fiscal year to generate a per FTE cost. For state charter schools with a qualifying transportation program, multiply the number of FTEs in the state charter school by the calculated per FTE cost to generate a Transportation award amount.
- Calculate the proportional share of the Nutrition grants to local school systems by dividing the prior fiscal year's appropriation for nutrition by the total number of FTEs (excluding state charter schools' FTEs) in the prior fiscal year to generate a per FTE cost. For state charter schools with a qualifying nutrition program, multiply the number of FTEs in the state charter school by the calculated per FTE cost to generate a Nutrition award amount.
- Calculate the average amount of total revenues less federal revenues less state revenues other than equalization grants per FTE for the lowest five school systems ranked by assessed valuation per weighted FTE count from the prior fiscal year to provide a grant to all state charter schools.
- Calculate the state-wide average total capital revenue per FTE for local school systems from the prior fiscal year to generate a Capital grant for all brick and mortar state charter schools. Virtual state charter schools do not qualify for the Capital grant.
- Total the four grants to generate an award amount for each state charter schools.

### Recommended Methodology:

The recommendation of the funding committee is that the following methodology be used for the calculation of funding for state charter schools.

- Charter schools will receive funding through the new student-based funding formula which includes weighted funding for specific student characteristics, base funding for each enrolled student, and categorical grants as described elsewhere in this document.

- State charter schools will continue to receive the proportional share of the Nutrition grants to local school systems, but, instead of being based on FTE, the calculation will be based on enrollment. The proportional share will be calculated by dividing the prior fiscal year's appropriation for nutrition by enrollment (excluding state charter schools' enrollment) to generate a per student cost. For state charter schools with a qualifying nutrition program, multiply the enrollment in the state charter school by the calculated per enrollment cost to generate a Nutrition award amount.
- State charter schools will continue to receive the proportional share of the Capital Outlay grant. Calculate the state-wide average total capital revenue per enrollment for local school systems from the prior fiscal year to generate a Capital grant for all brick and mortar state charter schools. Virtual state charter schools will not qualify for the Capital grant.
- Charter schools will continue to receive a Charter School Supplement grant. Calculate the average amount of total revenues less federal revenues, less state revenues other than equalization grants per enrollment for the lowest five school systems ranked by assessed valuation per enrollment from the prior fiscal year and multiply by a factor of 1.2 to provide a grant to all state charter schools.
- Calculate the Local Five Mill Share amount per enrollment for state charter schools by averaging the Local Five Mill Share per enrollment amount for the lowest five school systems ranked by assessed valuation per enrollment. Multiply each state charter school's enrollment by the calculated Local Five Mill Share per enrollment amount.
- Total the grants noted above to generate an allocation amount for each state charter school.

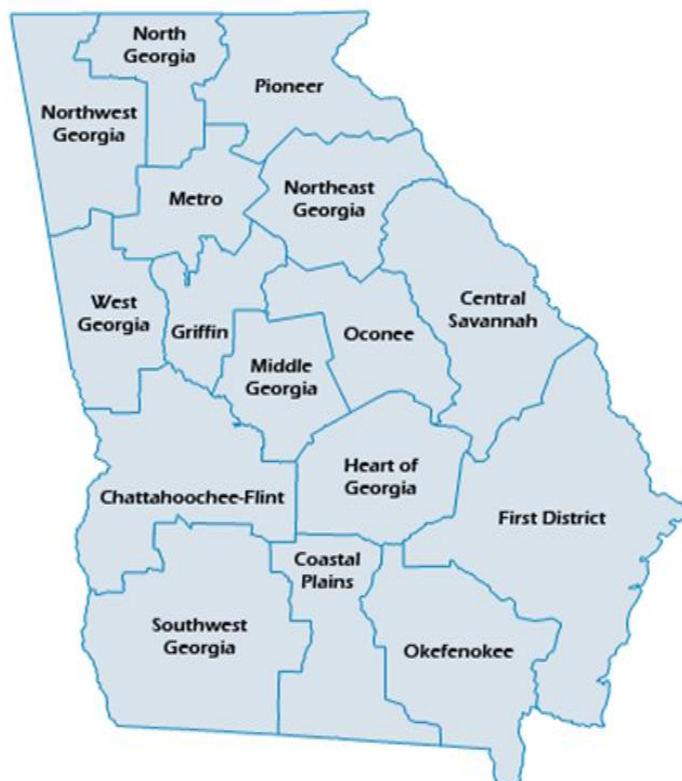
The total funding earned in the recommended model for state charter school supplements is \$70,256,677, which includes \$36,594,288 for state virtual charters and \$33,662,388 for state brick and mortar charters.

## REGIONAL EDUCATIONAL SERVICE AGENCIES (RESA)

Regional Educational Service Agencies (RESAs) are currently governed by O.C.G.A. § 20-2-270 – § 20-2-274. The law establishes a statewide network of regional education services agencies for the purposes of providing shared services designed to improve the effectiveness of educational programs and services to local school systems; providing instructional programs directly to selected public school students in the state; and providing GLRS services. There are 16 RESAs strategically located throughout the state. In addition, the RESAs also assist the Georgia Department of Education in promoting its initiatives.

The following are current RESA locations.

- Central Savannah River RESA
- Chattahoochee-Flint RESA
- Coastal Plains RESA
- First District RESA
- Griffin RESA
- Heart of Georgia RESA
- Metro RESA
- Middle Georgia RESA
- North Georgia RESA
- Northeast Georgia RESA
- Northwest Georgia RESA
- Oconee RESA
- Okefenokee RESA
- Pioneer RESA
- Southwest Georgia RESA
- West Georgia RESA



The QBE-based RESA funding is authorized in O.C.G.A. § 20-2-274. The FY 2016 QBE appropriation for the 16 RESAs was \$10,223,960. An additional \$275,000 was provided for Positive Behavior Intervention Supports (PBIS) trainers. In addition to the state funds received by RESAs, the members of the Boards of Control of each RESA set an annual dues amount that each participating district pays. Through the combination of these funds, RESA leadership and staff provide a variety of programs, professional development, and other services to the members.

### Current Methodology:

- Count the number of School Systems located in each RESA from the fall FTE report
- Count the number of School Systems by RESA with less than 3,300 from the fall FTE report
- Count the number of Schools by RESA from the fall FTE report
- Count the number of Square Miles within each RESA
- Count the total number of FTEs from the fall report
- Enter Health Insurance utilization based on the fall CPI report

- Calculate the Base for Operations and Salary for each RESA
- Calculate variables based on System size, Number of Schools, FTEs, and Miles
- Reduce the Local Share (20%)
- Apply Austerity
- Add in Education Training Center (ETC) (Total divided evenly to the 16 RESAs)
- Add in Math Mentor (Total divided evenly to the 16 RESAs)
- Add in School Climate Specialist (Total divided evenly to the 16 RESAs)
- Add in ELA Professional Learning Specialist Grants (27% of Total allocated to the Metro RESA based on size and the remaining 73% divided evenly to 15 RESAs)

*Recommended Methodology:*

The funding committee recommends that no changes should be made in the current methodology for funding RESAs.

The funding committee recommends that all opportunities and avenues for increasing shared services, and targeting such shared services by RESA facilitation and support, be maximized. Specific areas for potentially expanding shared services, aligned with state educational priorities, include early literacy initiatives, K-8 math support, increasing the availability of computer science/coding courses, and Move On When Ready dual enrollment programs.

## GEORGIA SPECIAL NEEDS SCHOLARSHIP PROGRAM

The Georgia Special Needs Scholarship (GSNS) Program is available to special needs students attending a Georgia public school who are served under an Individualized Education Plan (IEP). Eligible special needs students that transfer to an authorized participating private school receive an award amount equivalent to their Quality Basic Education (QBE) formula earnings to subsidize the costs of attending the private school. A student may continue to participate in the GSNS Program as long as the student remains a resident of Georgia and has continual enrollment and attendance in a private school participating in the GSNS Program. Funds received can only be used to offset tuition and fees at a private school authorized by the State Board of Education to participate in the program. Funds cannot be used to offset the costs of out of district tuition, charter schools, or other options available under public school choice. Scholarship awards for students continuing in the GSNS Program are calculated using the data from the last year a student was enrolled in a Georgia public school.

The funding for the special needs scholarship program is authorized in O.C.G.A. § 20-2-2110. The FY16 appropriation for this program was \$21,449,292.

### Current Methodology:

Multiply the FTE segments of program participants by the QBE funding formula weights.

- Total the segment amounts to provide an award amount for each eligible student.
- Apply the current austerity rate to each student's award amount.
- The Georgia Department of Education sends payments out to private schools for eligible students four times during a school year.

### Recommended Methodology:

The funding committee recommends that no changes be made to the Special Needs Scholarship Program.

## STATE SCHOOLS

Georgia is fortunate to have an extensive array of personnel and physical facilities for providing services to sensory impaired students to ensure that they are college, career, and life ready. The state has made a strong financial commitment to serving this student population.

Atlanta Area School for the Deaf (AASD) and Georgia School for the Deaf (GSD), for instance, are outstanding schools that provide a centralized, highly sophisticated program for students with a hearing loss. AASD is located in Clarkston and was developed in the early 1970s through a cooperative effort of the state of Georgia and school districts within the Atlanta metropolitan area. GSD is located in Cave Spring and has provided a full service residential educational program for deaf children in Georgia since 1846. Georgia Academy for the Blind (GAB) is in Macon and has served visually impaired students continually since

it was established in 1852 as the state's residential school for the blind. The Division of State Schools, the state-operated school's central office, is located at the Georgia Department of Education (GaDOE).

In addition to the three state-operated schools, the Division of State Schools also manages the operation of the Georgia Parent Infant Network for Educational Services (Georgia PINES). Georgia PINES offers early intervention services to children birth to three years old that have sensory impairments. Georgia PINES is located on the campus of AASD. The program has 200 parent advisors that are under contract and provide early intervention to approximately 400 families across the state. The early intervention services support children with varying special education eligibilities.

Current Methodology:

The State Schools do not currently have a formula funding system in place. The traditional process of establishing funding amounts for the State Schools involves three components.

- First, each program within the Division of State Schools submits a budget request for the subsequent fiscal year to the State Schools Director as part of an internal "bottom-up" budgeting process.
- Second, the State Schools Director works with staff in the GaDOE Finance and Business Operations Division using the submitted "bottom-up" budgets, historical budget data, and budget projection data to build the official GaDOE State Schools' budget requests.
- Third, the State Schools Director works with staff in the GaDOE's Finance and Business Operations Division to allocate final funding amounts for each program.

The GaDOE has used a "bottom-up" budgeting process in conjunction with using historical budget data and budget projection data to develop funding requests as discussed in this executive summary.

Recommendation:

The funding committee recommends no changes to this budgeting process for the State Schools.

The committee recommends a comprehensive review and study of the current model for providing services to students in the State Schools to include effectiveness of and efficiency in all services provided. The report from this study should provide recommendations for future direction in terms of State School models and service delivery, and should be presented to the Governor's Office, the Lieutenant Governor's Office, the House of Representatives, the State Senate, the Office of Planning and Budget, and the State Board of Education no later than January 1, 2017.

## RESIDENTIAL TREATMENT FACILITIES

Residential Treatment Facilities (RTF) grants are allocated to qualified school systems to provide education to eligible students. An eligible student is defined as:

- All students who are “in the physical or legal custody” of the Department of Juvenile Justice (DJJ), Department of Human Services (DHS), or the Department of Behavioral Health and Developmental Disabilities (DBHDD),
- Students in a placement operated by DHS, and/or
- Students in a facility or placement paid for by DJJ, DHS or any of its divisions, or DBHDD.

These grants are intended to recognize the additional educational costs for students served in RTFs and a portion of the operations costs. To receive grant funds RTFs must apply to the Georgia Department of Education to become eligible to provide education services through the school system in which they are located. Currently, 17 RTF schools and three RTF programs located in 16 school systems are eligible to receive these funds.

The QBE-based funding for residential treatment facilities is authorized in O.C.G.A. § 20-2-133. The FY16 appropriation in QBE was \$5,222,590.

### Current Methodology:

- RTFs submit counts for full time enrollment, average daily attendance, contract days, and additional days of instruction.
- Fund the Equalized cost by calculating the difference between each FTE’s QBE cost per FTE and the Special Education Category III per FTE cost and the per FTE cost for 20 days of additional instruction.
- Adjust the funding based on the average daily attendance each RTF reported.
- Multiply the average daily attendance by the number of additional days of instruction and the daily Equalized cost per FTE.
- Provide additional funding for counselors and paraprofessionals by multiplying the average daily attendance by the number of school days and the cost per school day.
- Provide funding for maintenance and operations based on the number of average daily attendance days and contract school days reported by each RTF.
- These amounts are totaled to provide a grant allocation to each RTF.

### Recommendation:

The funding committee recommends the following methodology for the calculation of funding for Residential Treatment Facilities.

- RTFs submit counts for full time enrollment and average daily attendance
- Fund the Equalized cost by calculating the difference between each student’s formula earnings and the Students with Disabilities Category D.
- Provide additional funding for additional days of instruction (where applicable), counselors, paraprofessionals, and maintenance and operations per student.
- These amounts are totaled to provide a grant allocation to each RTF.

This calculation depends on the new Students with Disabilities categories described earlier in this document, which will require an additional data element to be collected on students' time served from their Individualized Education Plan (IEP). Since student-level data are not available for these new categories at this time, the equalized cost for each student to earn Category D funding cannot be calculated. However, the intent of this recommended methodology, and the recommendation of the funding committee is to provide equivalent funding for Residential Treatment Centers as under QBE.

### PRESCHOOL HANDICAPPED

The Preschool Handicapped grant provides funding for teachers, transportation, and operations to provide early education services to three- and four-year-old students with disabilities to better prepare them to succeed upon entering school. School systems receive these funds if they have eligible students within the system.

The FY16 appropriation in QBE was \$31,446,339, which is approximately 60% of the FY16 calculated amount is \$52,220,260.

#### Current Methodology:

- Take the teacher base salary with fringes and divide by the funding class size (five for Special Education Category III and three for Special Education Category IV) to get a per student cost.
- Take the per student cost for Special Education Categories III and IV and divide by six to generate a per segment cost.
- Special Education Category III three- and four-year-olds receive funding for two segments and Category IV three- and four-year-olds receive funding for three segments.
- Teacher salaries are funded at 75% for Special Education Category III students and 25% for Special Education Category IV students.
- Multiply the number of three- and four-year-old students with disabilities within a school system by the calculated per student cost for teacher salaries using the ratios above.
- Calculate training and experience and health insurance for each eligible teacher.
- Provide a grant for transportation and to school systems with eligible students.
- Total the amounts for teacher salaries with fringes and health insurance, transportation, and operations for each school system.
- Apply the current austerity rate to the grant award amount.

#### Recommendation:

The funding committee recommends the following methodology for the calculation of funding for Preschool Handicapped.

- Take the teacher salary with fringes and divide by the average funding class size for Special Education Categories D and E to get a per student amount.
- Special Education Category D three- and four-year-olds receive 33.3% of the per student amount and Category E three- and four-year-olds receive 50% of the per



student amount.

- Teacher salaries are funded at 75% for Special Education Category D students and 25% for Special Education Category E students.
- Multiply the number of three- and four-year-old students with disabilities within a school system by the calculated per student cost for teacher salaries using the ratios above.
- Calculate TRS and health insurance for each eligible teacher.
- Provide a grant for transportation to school systems with eligible students.
- Total the amounts for teacher salaries with fringes and health insurance, transportation, and operations for each school system.

The recommended methodology generated \$53,578,578 in Preschool Handicapped funding, an increase of \$1,358,318 over the FY16 QBE calculation.

#### DEPARTMENT OF JUVENILE JUSTICE SCHOOLS

The schools operating within the Department of Juvenile Justice (DJJ) are collectively considered Georgia's 181<sup>st</sup> school district. The leadership of DJJ determines the funding needs of the students and requests those funds through the annual budgeting process in which all state agencies engage.

DJJ schools do not receive state funding through the Department of Education (GaDOE) or through the current QBE formula. However, federal education funds flow through GaDOE to the DJJ schools.

The table below indicates the amounts of federal funding received in FY15:

Federal Fund Category	Funds (\$)
Title I –A, Improving Academic Achievement of the Disadvantaged	\$ 599,168.00
Title I-D, Neglected and Delinquent	1,554,729.00
SPECIAL ED-VIB FLOWTHROUGH	717,983.00
CTE-State Institutions Perkins IV	12,747.00
CTE-State Institutions Perkins IV	0.00
Education for Homeless Children and Youth	0.00
Charter Schools-Federal Dissemination Grants	0.00
Title II-A, Improving Teacher Quality	40,885.00
Teacher of the Year	1,014.25
TOTAL	\$2,926,526.25

#### Recommendation:

The funding committee recommends no changes to this allocation process for the Department of Juvenile Justice Schools. Having direct knowledge of the needs of students within their jurisdiction, the leadership of the Department of Juvenile Justice will continue to request funding for DJJ schools in the annual budgeting process.

<u>System Name</u>	<u>Enroll- ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>H o l d H a r m l e s s</u>	<u>%</u>
Appling	3,456	11,369,988	588,660	17,445,490	16,974,736	470,755	0	2.77%
Atkinson	1,589	5,347,415	125,179	12,151,503	11,534,170	617,332	0	5.35%
Bacon	2,026	6,888,220	502,859	13,618,790	12,862,086	756,705	0	5.88%
Baker	314	1,044,568	-	2,724,111	2,020,669	703,443	0	34.81%
Baldwin	5,481	17,746,051	254,306	25,898,968	23,975,140	1,923,828	0	8.02%
Banks	2,816	9,564,369	364,988	16,142,837	15,397,337	745,500	0	4.84%
Barrow	12,995	41,896,887	-	74,674,810	71,908,167	2,766,643	0	3.85%
Bartow	13,582	43,540,253	666,695	71,370,707	68,092,423	3,278,284	0	4.81%
Ben Hill	3,097	10,225,176	522,308	20,203,154	19,206,009	997,145	0	5.19%
Berrien	3,054	9,848,695	101,999	17,981,159	17,357,090	624,069	0	3.60%
Bibb	23,490	74,359,584	-	110,360,694	104,356,398	6,004,296	0	5.75%
Bleckley	2,312	7,602,727	630,578	14,803,464	13,965,930	837,534	0	6.00%
Brantley	3,315	10,962,366	459,847	22,684,346	22,044,985	639,361	0	2.90%
Brooks	2,073	6,572,002	-	10,734,158	10,085,594	648,564	0	6.43%
Bryan	8,263	25,886,934	-	39,003,723	37,112,914	1,890,809	0	5.09%
Bulloch	9,756	31,006,656	1,213,707	46,402,518	44,783,970	1,618,548	0	3.61%
Burke	4,128	13,287,671	374,037	13,587,788	13,380,254	207,534	0	1.55%
Butts	3,411	11,087,462	-	16,704,071	15,807,269	896,802	0	5.67%
Calhoun	665	2,146,879	-	4,641,380	4,085,755	555,625	0	13.60%
Camden	8,761	27,012,757	2,373,328	45,276,486	42,894,769	2,381,717	0	5.55%
Candler	2,047	6,629,724	-	12,359,607	11,372,310	987,297	0	8.68%
Carroll	14,172	46,814,129	17,670	80,014,305	76,394,838	3,619,467	0	4.74%
Catoosa	10,590	35,729,954	2,662,439	64,796,564	60,218,549	4,578,015	0	7.60%
Charlton	1,571	4,867,246	473,821	9,547,978	8,460,476	1,087,502	0	12.85%
Chatham	36,552	120,796,467	-	146,690,650	137,061,716	9,628,934	0	7.03%
Chattahoochee	866	2,785,668	-	6,929,532	6,080,678	848,854	0	13.96%
Chattooga	2,736	9,120,617	320,948	15,745,440	15,074,524	670,915	0	4.45%

<u>System Name</u>	<u>Enroll- ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>H o l d H a r m l e s s</u>	<u>%</u>
Cherokee	40,140	129,507,354	3,445,065	193,723,095	182,740,913	10,982,182	0	6.01%
Clarke	12,282	41,348,541	-	60,154,819	56,818,729	3,336,089	0	5.87%
Clay	282	931,669	-	2,647,790	1,941,852	705,939	0	36.35%
Clayton	52,496	166,809,928	-	288,399,817	272,700,541	15,699,275	0	5.76%
Clinch	1,318	4,325,235	-	7,948,612	6,622,074	1,326,538	0	20.03%
Cobb	110,945	358,341,734	-	483,839,773	464,245,604	19,594,169	0	4.22%
Coffee	7,354	23,216,355	364,721	45,521,263	44,707,504	813,758	0	1.82%
Colquitt	9,073	30,690,992	506,613	61,527,575	57,966,546	3,561,029	0	6.14%
Columbia	25,170	76,442,225	1,955,197	113,285,744	108,095,317	5,190,427	0	4.80%
Cook	3,123	10,086,403	260,989	17,864,023	17,112,709	751,313	0	4.39%
Coweta	21,713	69,126,739	2,126,794	103,231,179	97,031,118	6,200,061	0	6.39%
Crawford	1,680	5,639,233	152,599	9,839,637	8,991,929	847,708	0	9.43%
Crisp	3,982	13,257,105	86,885	22,561,103	22,156,150	404,953	0	1.83%
Dade	2,070	7,071,295	327,917	11,184,987	10,558,090	626,897	0	5.94%
Dawson	3,406	10,961,271	483,227	15,648,915	15,061,711	587,204	0	3.90%
Decatur	5,004	16,129,109	740,304	26,351,660	24,938,157	1,413,504	0	5.67%
DeKalb	98,255	318,042,683	-	463,879,040	436,599,989	27,279,051	0	6.25%
Dodge	3,127	10,583,257	680,512	19,475,669	18,670,619	805,051	0	4.31%
Dooly	1,307	4,072,383	179,414	6,907,989	6,228,076	679,912	0	10.92%
Dougherty	14,976	46,836,204	401,046	85,832,558	80,042,123	5,790,435	0	7.23%
Douglas	25,740	83,007,211	17,453	143,010,539	136,678,923	6,331,616	0	4.63%
Early	2,091	6,992,570	398,013	12,225,782	11,269,598	956,184	0	8.48%
Echols	773	2,463,793	-	5,713,470	4,877,556	835,914	0	17.14%
Effingham	11,066	36,473,451	608,841	62,337,120	59,548,748	2,788,372	0	4.68%
Elbert	2,863	9,239,979	740,438	16,478,250	15,820,975	657,275	0	4.15%
Emanuel	4,047	13,152,363	677,385	24,446,597	23,261,614	1,184,984	0	5.09%
Evans	1,775	5,705,463	3,369	10,733,412	10,070,896	662,516	0	6.58%

<u>System Name</u>	<u>Enroll- ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>H o l d H a r m l e s s</u>	<u>%</u>
Fannin	2,929	9,290,594	1,123,401	13,447,049	12,703,982	743,067	0	5.85%
Fayette	19,783	63,023,625	4,228,377	95,305,263	89,642,121	5,663,143	0	6.32%
Floyd	9,602	32,689,144	3,389,269	58,424,651	57,411,067	1,013,583	0	1.77%
Forsyth	42,104	134,109,774	-	185,672,487	173,296,229	12,376,258	0	7.14%
Franklin	3,547	11,470,986	975,291	20,515,236	19,922,922	592,313	0	2.97%
Fulton	93,376	298,016,698	-	359,045,767	336,346,765	22,699,002	0	6.75%
Gilmer	4,146	13,026,348	842,077	19,033,451	18,367,350	666,101	0	3.63%
GlascocK	570	1,746,624	19,859	4,110,796	3,567,230	543,566	0	15.24%
Glynn	12,637	41,029,706	1,245,997	49,226,972	46,792,089	2,434,883	0	5.20%
Gordon	6,433	20,545,984	547,864	36,769,536	35,572,378	1,197,158	0	3.37%
Grady	4,396	13,834,695	695,745	26,099,373	25,031,821	1,067,553	0	4.26%
Greene	2,193	6,921,852	-	6,533,130	5,975,585	557,546	0	9.33%
Gwinnett	172,234	559,702,637	3,814,657	925,049,876	876,755,004	48,294,871	0	5.51%
Habersham	6,724	21,886,731	1,440,385	39,407,618	38,211,375	1,196,243	0	3.13%
Hall	26,811	86,044,083	1,098,537	138,942,324	132,863,576	6,078,747	0	4.58%
Hancock	907	3,049,032	-	4,926,615	4,102,746	823,869	0	20.08%
Haralson	3,383	11,372,592	388,367	21,634,311	21,193,782	440,530	0	2.08%
Harris	5,071	15,408,252	855,007	22,136,339	21,003,267	1,133,072	0	5.39%
Hart	3,418	10,953,114	775,484	16,200,122	15,664,337	535,785	0	3.42%
Heard	1,899	6,007,132	301,555	10,081,664	9,375,081	706,583	0	7.54%
Henry	41,064	133,594,320	-	225,505,423	211,517,743	13,987,680	0	6.61%
Houston	27,062	86,926,440	3,049,293	157,595,915	148,661,220	8,934,695	0	6.01%
Irwin	1,708	5,663,597	250,577	11,300,583	10,506,959	793,624	0	7.55%
Jackson	7,171	23,730,335	659,273	34,485,798	32,973,122	1,512,676	0	4.59%
Jasper	2,242	7,137,743	-	11,989,807	11,080,886	908,921	0	8.20%
Jeff Davis	2,921	9,607,284	239,354	17,646,118	17,012,368	633,750	0	3.73%
Jefferson	2,680	8,389,568	334,352	15,418,233	14,707,201	711,031	0	4.83%

<u>System Name</u>	<u>Enroll- ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>H o l d H a r m l e s s</u>	<u>%</u>
Jenkins	1,190	3,814,981	194,397	7,546,711	6,704,771	841,940	0	12.56%
Johnson	1,103	3,543,699	-	6,903,075	6,281,726	621,350	0	9.89%
Jones	5,187	16,842,890	568,572	31,706,001	30,330,828	1,375,173	0	4.53%
Lamar	2,531	8,072,684	99,468	12,713,891	12,015,283	698,608	0	5.81%
Lanier	1,663	5,486,646	-	12,303,590	11,528,990	774,600	0	6.72%
Laurens	6,286	19,914,574	1,117,631	38,022,363	36,730,863	1,291,500	0	3.52%
Lee	6,284	19,350,985	325,923	31,845,687	30,277,055	1,568,633	0	5.18%
Liberty	9,610	30,470,580	376,944	55,678,527	52,628,771	3,049,757	0	5.79%
Lincoln	1,129	3,586,598	268,631	6,519,731	6,073,386	446,346	0	7.35%
Long	3,077	9,730,854	-	18,271,365	17,547,741	723,623	0	4.12%
Lowndes	10,166	32,498,886	1,147,237	54,342,526	51,535,046	2,807,480	0	5.45%
Lumpkin	3,698	11,920,458	315,260	17,154,113	16,771,177	382,937	0	2.28%
Macon	1,514	4,764,472	-	7,758,335	6,899,350	858,985	0	12.45%
Madison	4,708	16,009,177	964,015	32,954,286	32,178,388	775,898	0	2.41%
Marion	1,378	4,304,982	130,206	7,958,059	7,213,076	744,983	0	10.33%
McDuffie	4,129	12,951,215	326,002	23,422,484	22,355,773	1,066,711	0	4.77%
McIntosh	1,551	4,879,616	-	7,161,526	6,093,191	1,068,335	0	17.53%
Meriwether	2,814	9,309,917	-	15,715,499	15,156,335	559,164	0	3.69%
Miller	950	3,048,538	-	5,617,330	4,893,517	723,813	0	14.79%
Mitchell	2,279	7,202,634	-	11,673,788	10,681,582	992,207	0	9.29%
Monroe	3,813	11,962,414	255,460	15,131,355	14,669,599	461,757	0	3.15%
Montgomery	2,836	8,078,032	121,880	11,005,459	9,963,597	1,041,862	0	10.46%
Morgan	3,125	9,981,658	407,489	16,206,114	15,381,214	824,900	0	5.36%
Murray	7,374	23,365,827	1,255,795	41,681,061	39,951,441	1,729,620	0	4.33%
Muscogee	31,127	100,875,353	1,465,350	161,016,265	150,284,271	10,731,994	0	7.14%
Newton	18,954	63,743,391	-	121,814,057	115,659,187	6,154,871	0	5.32%
Oconee	6,966	21,983,405	1,660,540	33,585,337	31,942,956	1,642,382	0	5.14%

<u>System Name</u>	<u>Enroll-ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>Hold Harmless</u>	<u>%</u>
Oglethorpe	2,160	7,039,713	393,231	13,557,816	12,581,164	976,652	0	7.76%
Paulding	28,332	89,745,683	1,555,463	172,603,377	164,453,739	8,149,638	0	4.96%
Peach	3,604	11,334,504	-	17,753,366	16,567,277	1,186,089	0	7.16%
Pickens	4,272	13,950,922	969,738	19,814,523	19,221,741	592,783	0	3.08%
Pierce	3,588	11,407,188	421,036	21,986,153	21,243,968	742,186	0	3.49%
Pike	3,340	10,389,948	446,744	18,291,638	17,367,816	923,822	0	5.32%
Polk	7,396	24,658,254	1,028,421	43,496,232	41,428,230	2,068,002	0	4.99%
Pulaski	1,321	4,303,303	364,137	8,021,962	7,303,131	718,831	0	9.84%
Putnam	2,709	9,129,946	-	9,630,747	9,189,946	440,801	0	4.80%
Quitman	300	933,863	-	2,679,536	2,150,112	529,424	0	24.62%
Rabun	2,159	6,919,754	592,343	6,449,127	6,378,487	70,640	0	1.11%
Randolph	912	3,068,233	-	5,814,245	4,809,959	1,004,286	0	20.88%
Richmond	30,550	94,648,883	-	150,054,942	140,874,413	9,180,530	0	6.52%
Rockdale	16,142	51,324,221	-	92,503,885	87,051,239	5,452,646	0	6.26%
Schley	1,316	3,976,536	391,597	8,591,905	7,830,390	761,515	0	9.73%
Screven	2,259	7,667,367	141,533	13,057,787	11,916,446	1,141,340	0	9.58%
Seminole	1,578	4,911,045	210,937	8,707,081	7,790,015	917,065	0	11.77%
Spalding	9,964	31,656,428	-	56,700,873	55,370,751	1,330,122	0	2.40%
Stephens	3,921	13,202,552	682,883	22,681,045	21,750,378	930,667	0	4.28%
Stewart	474	1,551,182	109,109	3,902,651	3,017,816	884,835	0	29.32%
Sumter	4,504	14,545,247	-	23,400,031	22,191,493	1,208,538	0	5.45%
Talbot	504	1,622,533	23,987	3,295,329	2,490,665	804,664	0	32.31%
Taliaferro	178	564,982	-	2,252,232	1,685,142	567,090	0	33.65%
Tattall	3,557	11,238,853	335,418	20,906,898	20,464,360	442,537	0	2.16%
Taylor	1,376	4,255,703	395,200	8,650,924	7,913,384	737,539	0	9.32%
Telfair	1,593	5,111,800	70,628	9,420,183	8,599,953	820,230	0	9.54%
Terrell	1,387	4,468,229	155,221	7,722,687	6,690,312	1,032,376	0	15.43%

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Thomas	5,337	18,137,228	92,002	29,440,078	28,413,955	1,026,123	0	3.61%
Tift	7,608	24,738,549	-	42,068,327	39,605,159	2,463,168	0	6.22%
Toombs	2,844	9,400,077	162,278	17,102,727	16,274,753	827,974	0	5.09%
Towns	1,022	3,296,151	297,947	3,437,403	3,402,681	34,721	0	1.02%
Treutlen	1,134	3,511,407	70,305	6,978,936	6,254,701	724,236	0	11.58%
Troup	12,142	37,842,296	1,064,007	58,450,718	55,651,400	2,799,317	0	5.03%
Turner	1,339	4,450,490	278,346	8,868,026	7,974,322	893,704	0	11.21%
Twiggs	878	2,796,586	-	4,900,539	4,134,102	766,437	0	18.54%
Union	2,686	8,891,764	936,272	12,994,402	12,543,684	450,718	0	3.59%
Upson	4,100	13,320,485	576,023	22,239,502	21,596,043	643,459	0	2.98%
Walker	8,801	29,732,193	901,605	53,330,396	51,616,559	1,713,837	0	3.32%
Walton	13,383	42,737,959	2,586,595	71,211,659	67,416,040	3,795,619	0	5.63%
Ware	5,764	19,685,927	331,544	36,849,978	35,836,074	1,013,904	0	2.83%
Warren	635	2,087,158	-	3,978,908	3,275,168	703,739	0	21.49%
Washington	3,043	9,816,921	240,181	14,214,128	13,206,975	1,007,153	0	7.63%
Wayne	5,172	16,835,074	5,677	27,871,630	26,972,901	898,729	0	3.33%
Webster	401	1,232,387	65,604	3,226,930	2,603,966	622,965	0	23.92%
Wheeler	962	3,113,833	-	6,946,075	6,259,869	686,206	0	10.96%
White	3,845	12,251,392	804,940	19,319,449	18,344,753	974,697	0	5.31%
Whitfield	13,105	42,765,947	1,007,752	76,623,624	74,155,561	2,468,063	0	3.33%
Wilcox	1,180	3,708,253	263,400	7,790,208	6,830,965	959,243	0	14.04%
Wilkes	1,532	4,900,885	239,942	8,794,198	7,845,646	948,551	0	12.09%
Wilkinson	1,437	4,522,563	75,863	7,809,015	7,044,241	764,775	0	10.86%
Worth	3,227	10,132,693	189,297	17,152,650	16,807,356	345,294	0	2.05%
Atlanta City	50,032	157,916,370	-	194,360,098	179,822,688	14,537,411	0	8.08%
Bremen City	2,050	6,442,197	537,157	12,684,459	12,194,450	490,009	0	4.02%
Buford City	4,151	13,317,601	798,843	19,971,927	18,482,857	1,489,070	0	8.06%

<u>System Name</u>	<u>Enroll- ment</u>	<u>Formula Earnings</u>	<u>T&amp;E Hold Harmless</u>	<u>Total Earnings</u>	<u>Current QBE Allotments</u>	<u>Variance</u>	<u>H o l d H a r m l e s s</u>	<u>%</u>
Calhoun City	3,794	12,408,890	635,220	18,175,937	17,223,363	952,574	0	5.53%
Carrollton City	4,809	15,235,017	283,738	24,754,646	23,308,845	1,445,801	0	6.20%
Cartersville City	4,061	12,771,381	1,046,369	19,652,332	18,873,087	779,246	0	4.13%
Chickamauga City	1,368	4,126,818	205,977	7,840,380	7,411,618	428,762	0	5.79%
Commerce City	1,449	4,781,941	182,756	9,388,565	9,133,073	255,492	0	2.80%
Dalton City	7,486	24,033,187	932,648	38,077,936	36,710,751	1,367,184	0	3.72%
Decatur City	4,345	14,003,727	503,676	22,643,058	21,426,264	1,216,794	0	5.68%
Dublin City	2,431	7,760,024	296,244	12,143,989	11,235,935	908,055	0	8.08%
Gainesville City	7,713	25,110,464	-	38,694,254	38,634,515	59,739	0	0.15%
Jefferson City	3,131	9,794,811	601,079	14,709,391	13,857,566	851,825	0	6.15%
Marietta City	8,769	28,484,522	-	40,403,971	38,503,870	1,900,102	0	4.93%
Pelham City	1,413	4,594,138	123,080	11,265,490	10,936,908	328,582	0	3.00%
Rome City	6,052	19,640,993	-	29,061,098	27,587,205	1,473,893	0	5.34%
Social Circle City	1,597	5,117,374	187,547	10,253,217	9,675,225	577,992	0	5.97%
Thomasville City	2,792	8,803,398	-	13,133,561	12,311,063	822,498	0	6.68%
Trion City	1,346	4,409,949	461,187	10,537,574	10,181,435	356,139	0	3.50%
Valdosta City	7,861	25,388,432	-	36,987,572	35,379,397	1,608,175	0	4.55%
Vidalia City	2,410	7,524,041	-	12,465,511	11,851,323	614,188	0	5.18%
Total School Districts	1,671,662	5,382,668,734	88,358,400	8,510,229,293	8,056,414,773	453,814,520	-	
Mountain Education Charter High School	1,505	4,695,365	905,769	16,261,086	15,158,311	1,102,775	0	7.28%
Odyssey School	382	1,210,787	-	3,589,882	3,242,594	347,288	0	10.71%
Provost Academy Georgia	1,894	5,533,156	17,681	11,399,470	9,629,342	1,770,127	0	18.38%
Georgia Cyber Academy	13,659	42,760,167	-	81,173,302	75,071,895	6,101,408	0	8.13%
Utopian Academy for the Arts Charter School	179	504,874	-	1,737,692	1,595,801	141,891	0	8.89%
Cherokee Charter Academy	917	2,879,851	-	8,552,829	7,556,213	996,617	0	13.19%



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Georgia Connections Academy	3,859	11,891,968	-	<b>22,813,888</b>	<b>21,732,574</b>	<b>1,081,314</b>	<b>0</b>	<b>4.98%</b>
Ivy Preparatory Young Men's Leadership Academy School	359	1,105,648	-	<b>3,375,800</b>	<b>2,950,332</b>	<b>425,468</b>	<b>0</b>	<b>14.42%</b>
Ivy Prep Academy at Kirkwood for Girls School	384	1,131,274	-	<b>3,508,980</b>	<b>3,087,370</b>	<b>421,610</b>	<b>0</b>	<b>13.66%</b>
CCAT School	147	419,403	-	<b>1,412,168</b>	<b>1,295,310</b>	<b>116,858</b>	<b>0</b>	<b>9.02%</b>
Ivy Preparatory Academy School	306	836,256	-	<b>2,691,773</b>	<b>2,439,762</b>	<b>252,011</b>	<b>0</b>	<b>10.33%</b>
Pataula Charter Academy	473	1,418,997	-	<b>4,355,926</b>	<b>3,871,333</b>	<b>484,592</b>	<b>0</b>	<b>12.52%</b>
Fulton Leadership Academy	294	868,531	-	<b>2,847,993</b>	<b>2,514,853</b>	<b>333,140</b>	<b>0</b>	<b>13.25%</b>
Atlanta Heights Charter School	707	2,167,562	-	<b>6,197,003</b>	<b>5,436,004</b>	<b>760,999</b>	<b>0</b>	<b>14.00%</b>
Coweta Charter Academy	770	2,395,463	-	<b>6,798,686</b>	<b>6,082,965</b>	<b>715,721</b>	<b>0</b>	<b>11.77%</b>
Total Charter Schools	25,835	79,819,302	923,450	176,716,478	161,664,659	15,051,819	-	
<b>STATE TOTALS</b>	<b>1,697,497</b>	<b>5,462,488,036</b>	<b>89,281,850</b>	<b>8,686,945,770</b>	<b>8,218,079,431</b>	<b>468,866,339</b>	<b>0</b>	
Transportation Funds Not Allocated till Midterm					<b>1,359,748</b>	<b>1,359,748</b>		
					8,219,439,179	<b>467,472,112</b>		

## ***II. Sample Compensation Frameworks***

The staff has developed several compensation frameworks around which districts could begin discussion of a local compensation model that would best meet the unique needs of each district. These were provided to the funding committee during the October 28, 2015 meeting and to all members of the Education Reform Commission via email on October 29, 2015. Click [here](#) to view.

For the development and implementation of new, local compensation plans to be effective and successful in Georgia, it is critical that each school district carefully review the GASPA guidance titled “Strategic Compensation Redesign: Potential Models for Georgia School Systems” and consider the criteria and factors of the most importance to that district to ensure the recruitment and retention of a highly effective faculty in each of its schools.

There will be no “one size fits all” compensation plan that districts can successfully adopt and implement without such thoughtful analysis and consideration of its own unique situation, taking into consideration the district’s mission, vision, values, and strategic plan.

Click [here](#) to view the compensation guidance drafted by the Georgia Association of School Personnel Administrators, which were presented at the same subcommittee meeting as the frameworks noted above.

## Meeting Minutes and Materials

Throughout the commission process, meeting minutes and materials from both full commission meetings and subcommittee meetings were posted online to increase transparency and encourage public discussion.

Click [here](#) to review all materials, minutes and more from the Education Reform Commission.

## Comments by Commission Members

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#### STANDING COMMITTEES:

Education and Youth, Chairman  
 Appropriations  
 Judiciary  
 Transportation

Dr. Charles Knapp

December 8, 2015

Chairman

Education Reform Commission

Dear Dr. Knapp,

First and foremost, I would like to thank you for your patience, diligence and wisdom shown in the tedious process of shepherding the reform commission. I know it must have seemed at times to be more a matter of herding cats.

I also appreciate your giving the members of the commission the opportunity to formally express their personal observations and suggestions for Governor Deal and his staff to consider as they draft legislation. Bearing in mind that there is no definitive absolute truth in K-12 education philosophy, these thoughts reflect my personal perception of public education policy as it relates to the commission's work.

- 1) I believe that those areas which have widely variable per student costs between districts should be funded by a formula reflecting costs incurred rather than a standardized per student allotment included in the base.  
 Example- Transportation
- 2) I believe that the necessity of weighting areas that are critical to short and long term student achievement is non-negotiable and must be adequately funded to guarantee a solid foundation for future academic success and a favorable return on investment of education dollars spent.  
 Example- Fourth and fifth grade math proficiency which I feel is underfunded at .08 weight. I believe .12 to .14 is a more realistic reflection of costs incurred and challenges faced in this area.
- 3) Those areas that have been given a higher weighting than proven historical cost to deliver would justify, should be adjusted downward.  
 Example- Gifted at .32+ carries four times greater funding than fourth and fifth grade math proficiency.
- 4) I would caution the state to move very carefully in the departure from a formalized compensation structure that in part recognizes training and experience. Of the fourteen major states and districts that have adopted student based funding formulas, most, if not all, have some form of a base T&E structure with additional compensation for excellence of instruction as

an added layer. Pilot districts should be utilized to test the proposed changes before we make a state wide transition. Also, a computation model to clarify calculations of district earnings should be developed to demonstrate the formula. These issues have the potential to be problematic since the appropriations for the coming year must be completed long before the employment contracts for that year will be issued. Districts will also be earning on a dual basis for those teachers continuing on the T&E structure and the others who will earn on the state average. The state average will not be available at the time of the appropriation process. In light of these challenges, the necessity of a clearly understood computation formula is required for the public's understanding.

- 5) I applaud the recognition that districts should have more flexibility in the expenditure of state funds and I believe that both charter and strategic waiver district legislation has gone a long way to achieve that end.
- 6) Lastly, we need to be extremely careful to not destabilize the hiring market for quality experienced professional educators, which is already in a deficit position. This has been the case in other states and districts and has led to a sizable educator exodus in some of them. We need to try to avoid that, if possible.

Thank you for the opportunity to serve on this commission and I look forward to working with you toward a bright education future for Georgia's students.

Respectfully,



Lindsey Tippins

