

Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and
84.397 (Government Services Fund)



**U.S. Department of Education
Washington, D.C. 20202**

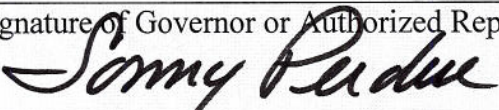
**OMB Number: 1810-0690
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Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

STATE FISCAL STABILIZATION FUND APPLICATION

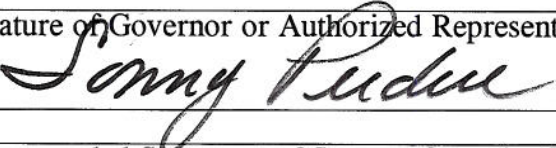

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

<p>Legal Name of Applicant (Office of the Governor):</p> <p>Office of the Governor State of Georgia</p>	<p>Applicant's Mailing Address:</p> <p>203 State Capitol Atlanta, GA 30334</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)</p> <p>Name: Teresa MacCartney</p> <p>Position and Office: Division Director, Educational Development Division Governor's Office of Planning and Budget</p> <p>Contact's Mailing Address: 270 Washington Street SW, Suite 8011 Atlanta, Georgia 30334</p> <p>Telephone: 404-656-7908 Fax: 404-656-3828 E-mail address: teresa.maccartney@opb.state.ga.us</p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397)</p> <p><i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i></p> <p>Name: Same</p> <p>Position and Office:</p> <p>Contact's Mailing Address:</p> <p>Telephone: Fax: E-mail address:</p>
<p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p>	
<p>Governor or Authorized Representative of the Governor (Printed Name):</p> <p>Governor Sonny Perdue</p>	<p>Telephone:</p> <p>404-651-7789</p>
<p>Signature of Governor or Authorized Representative of the Governor:</p> 	<p>Date:</p> <p>5/11/2009</p>

<p>Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i>:</p> <p>The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.</p>	
<p>Chief State School Officer (Printed Name):</p>	<p>Telephone:</p>
<p>Signature of the Chief State School Officer:</p>	<p>Date:</p>

STATE FISCAL STABILIZATION FUND APPLICATION



**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

Legal Name of Applicant (Office of the Governor): Office of the Governor State of Georgia	Applicant's Mailing Address: 203 State Capitol Atlanta, GA 30334
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Teresa MacCartney Position and Office: Division Director, Educational Development Division Governor's Office of Planning and Budget Contact's Mailing Address: 270 Washington Street SW, Suite 8011 Atlanta, Georgia 30334 Telephone: 404-656-7908 Fax: 404-656-3828 E-mail address: teresa.maccartney@opb.state.ga.us	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: Same Position and Office: Contact's Mailing Address: Telephone: Fax: E-mail address:
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Governor or Authorized Representative of the Governor (Printed Name): Governor Sonny Perdue	Telephone: 404-651-7789
Signature of Governor or Authorized Representative of the Governor: 	Date: 
Recommended Statement of Support from the Chief State School Officer (Optional): The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name):	Telephone:
Signature of the Chief State School Officer:	Date:

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

- (1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)
- (2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)
- (3) The State will –
 - (3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)
 - (3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and
 - (3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)
- (4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Sonny Perdue	
Signature: 	Date: 

PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State’s current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application (*check only those assurances for which the State accepts the data described in Appendix B*):

Achieving Equity in Teacher Distribution Assurance.

Improving Collection and Use of Data Assurance.

Improving Standards Assurance.

Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name):

Governor Sonny Perdue

Signature:

Sonny Perdue

Date:

April 28, 2009

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (*check appropriate assurances that apply*):

- In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name):

Governor Sonny Perdue

Signature:

Sonny Perdue

Date:

April 28, 2009

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.*
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Sonny Perdue	
Signature:	Date:

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See Appendix C – Instructions for Part 4: Maintenance of Effort.*

1. Levels of State support for elementary and secondary education *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

State of Georgia Maintenance-of-effort is on an aggregate basis.

FY 2006 **\$7,207,931,010**

FY 2009* **\$8,487,513,571**

FY 2010* **\$8,485,600,646**

FY 2011* **\$8,485,600,646**

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education *(enter amounts for each year):*

State of Georgia Maintenance-of-effort is on an aggregate basis.

FY 2006 **\$1,857,805,192**

FY 2009* **\$2,054,073,850**

FY 2010* **\$2,087,681,927**

FY 2011* **\$2,087,681,927**

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and –

See Attachment 1: Data Sources for funding formulas – Part 4 Section C Number 3

- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

See Attachment 1: Data Sources for funding formulas – Part 4 Section C Number 3

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | | |
|---|---|--------|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | <u>\$8,612,388,951</u> | |
| (b) Level of State support for public IHEs in FY 2008 | <u>\$2,158,266,886</u> | |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | FY 09: <u>\$9,029,364,842</u>
AFY 09: <u>\$8,487,513,571</u> | jm |
| (d) Level of State support for public IHEs in FY 2009 | FY 09: <u>\$2,298,052,299</u>
AFY 09: <u>\$2,054,073,850</u> | jm |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | FY 10 budget: <u>\$8,485,600,646</u>
FY 10 Formula: <u>\$9,388,467,798</u> | jm |
| (f) Level of State support for public IHEs in FY 2010 | <u>\$2,087,681,927</u> | 5/5/09 |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?

Yes No

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

See Attachment 2: Georgia Education Funding Formulas – Part 5 Section A Number 2

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

See Attachment 3: Data Sources for Funding Formulas – Part 5 Section A Number 3

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- | | |
|--|-----------------------------|
| (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 | <u>\$541,851,271</u> |
| (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 | <u>\$243,978,449</u> |

Restoration Amounts (continued)

- (c) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 **\$385,213,612**
- (d) Amount of the State’s total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 **\$89,755,763**
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 **\$0**

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

See Attachment 4: Process for Awarding Funds to Public IHEs

**PART 5, SECTION B: STATE USES OF THE
GOVERNMENT SERVICES FUND**

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

Category	Estimated Percentage of Funds to Be Used
Public Safety	100%
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined	
TOTAL	100%

**PART 6: ACCOUNTABILITY, TRANSPARENCY, AND
REPORTING ASSURANCES**

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
 - the uses of funds within the State;
 - how the State distributed the funds it received;
 - the number of jobs that the Governor estimates were saved or created with the funds;
 - tax increases that the Governor estimates were averted because of the funds;
 - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
 - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
 - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
 - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)
- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)
- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)
- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))
- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

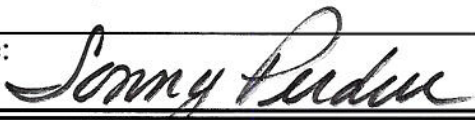

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Sonny Perdue	
Signature: <i>Sonny Perdue</i>	Date: <i>April 28, 2009</i>

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 *et seq.*) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name):	
Governor Sonny Perdue	
Signature: 	Date: 

Attachment 1 - Part 4 Section C: Number 3

- (a) Identify and describe the stat sources used in determining the levels of State support for elementary and secondary education; - and-
- (b) Identiy and describe the data sources used in determining the levels of State support for public IHEs.

To show the levels of State support for maintenance of effort, the State of Georgia is utilizing the aggregate state funding provided for elementary and secondary education and public higher education institutions.

Data Source:

FY 2006 - House Bill 1026 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 1026:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/AFY_2006_Final_Bill.pdf

FY 2009 - House Bill 118 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 118:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/AFY_2009_Final_Bill_Conference_Committee.pdf

FY 2010 - House Bill 119 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 119:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/FY_2010_Bill_Final_Conf_Cmte.pdf

FY 2011 - House Bill 119 – General Appropriations Act: Act providing appropriations for the State of Georgia. FY 2011 will be based on the approved FY 2010 State budget.

Link to HB 119:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/FY_2010_Bill_Final_Conf_Cmte.pdf

Attachment 2 - Part 5 Section A Number 2

Georgia Department of Education Funding Formula History and Components

History of the Quality Basic Education Act (QBE)

Georgia's K-12 education funding formula is named the Quality Basic Education Act (QBE). QBE was developed in the early 1980s and was first enacted into law in 1985. QBE was developed to provide equality in funding among the school systems in the state.

The QBE formula, in its most basic form, multiplies enrollment by the cost of educating a student to calculate the total funding needed to educate public school students in the state of Georgia. The state's contribution to this amount is the total funding minus the required local five mill fair share, which is the local community's contribution to educating its students. As a supplement to the state's share of funding calculated under QBE, the state also provides equalization funding to adjust for a local area's lack of ability to raise additional revenue through property taxes.

Enrollment under QBE

Under QBE, enrollment is measured by the full-time equivalent (FTE) student. FTE students are calculated from instructional segments. A FTE is equal to six instructional segments. Segments are reported by program of enrollment. Examples of programs of enrollment include kindergarten, grades 1-3, gifted education, basic high school, vocational education, and several types of special education. Funding levels vary for these different programs of enrollment to account for the differing costs. Because funding under QBE is calculated by school district, data on segments and FTE students is counted and reported on the school district level.

Cost of Educating a Student under QBE

The cost of educating a student under QBE is broken down into 16 components, funding direct instructional costs, indirect instructional costs, staff development costs, and media costs. Different programs of enrollment contain different components and costs associated with the components.

Direct instructional costs cover the cost of the teacher per FTE, the cost of an aide or paraprofessional per FTE, the cost of a subject specialist per FTE, the cost of a counselor per FTE, and the cost of a technology specialist per FTE.

Indirect instructional costs cover central administration costs, school administration costs, and facility maintenance and operations costs. Central administration costs include the cost of a school psychologist per FTE, the cost of a social worker per FTE, the cost of special education leadership per FTE, and the operational costs of the central administration per FTE. School administration costs include the cost of an assistant principal per FTE, the cost of a secretary per FTE, and the operational costs of the school administration per FTE. Facility maintenance and operations costs include the cost of upkeep on the schools' properties per FTE and funding for 20 days additional instruction

per FTE. Staff development costs fund the cost of continuing education and other staff development per FTE. Media costs fund the cost of media personnel and materials per FTE. Because funding under QBE is administered by school district, programmatic funding is calculated by school district.

Local Five Mill Fair Share

Once the total funding has been calculated using the FTE student count and cost components, the school district's local five mill fair share is calculated to determine the local contribution toward the cost of educating its students. The school district's local five mill fair share is the amount of money that can be raised by levying five mills on the 40% equalized property tax digest. The digests are reduced by an amount which reflects homestead and other exemptions. The school district's local five mill fair share is then subtracted from the total funding to determine the state's contribution to QBE.

Equalization Funding

In addition to providing basic funding through QBE, the state provides funding through equalization. Equalization was developed to support additional local costs and enrichment programs beyond QBE. Equalization funding aims to adjust for the differences in property values around the state and therefore, the different abilities for school systems to generate revenue. If local governments levee additional taxes beyond the required 5 mills required under QBE, the state will provide supplemental equalization funding to boost those revenues. Equalization funding will supplement up to fifteen mills raised beyond the local five mill fair share. The supplement will adjust the amount raised per student so that it is equal to the amount raised per student in the 75th percentile school system.

University System of Georgia Funding Formula History and Components

History of Formula for Excellence

In FY 1984, the “Formula for Excellence” funding formula was implemented with a goal of providing full formula funding which was achieved in FY 1987. The guiding principles in developing the formula were 1) the quality of the university system should continue to improve; 2) the university system should be managed efficiently; and 3) the overall funding system should provide various financial incentives for quality improvement and efficiency. These guiding principles still drive the funding formula today. Since FY1984 the formula has adjusted to the changing needs of students, faculty, and citizenry of Georgia. For example, in FY 2002 a technology enhancement was included in the formula.

The formula is used by USG to request funding from the Governor and the General Assembly; however, the Chancellor and the Board of Regents (BOR) can disperse those funds appropriated to USG to the 35 institutions at their discretion. The current formula for USG can be described as: 1) an average cost model; 2) highly aggregate; 3) enrollment driven; 4) a method for appropriating funds that links input/output variables to specific dollar amounts.

Components of the Formula

The components of the formula are as follows:

- **Instruction and Research:** Instruction is calculated on a set of workload variables called credit hours (based on three instructional levels and five program groups). Research funding is based on the amount equivalent to total graduate instruction academic salaries. Instruction and Research create the “total funding base.”
- **Academic Support:** This is calculated at 18.9% of total funding base.
- **Student Services and Institutional Support:** This is calculated at 26.9% of total funding base.
- **Operation and Maintenance of Physical Plant:** Regular Operations is calculated at 5.1782 per square foot. Major Repairs and Rehabilitation is calculated at 1% of the building’s replacement value. Utilities are calculated at \$2.134 per square foot. The square footage amount used in these calculations is for academically related facilities only.
- **Fringe benefits:** These benefits (including FICA, health and life insurance, workers’ compensation, retirement, etc.) are based on projected actual need for all institutional faculty and staff.
- **Public Service and Community Education:** This is a basic amount funded for each institution to support a campus coordinator and one support position. Community Education is based on the number of continuing education units times \$43.56.
- **Technology Enhancement Program:** This is 1.7% of total funding base.
- **Less Revenue:** Student tuition and fees are set at 25% of the total requirement excluding Public Service and Community Education, Research, MRR, and Minority Education Programs.

Technical College System of Georgia Funding Formula History and Components

History:

The current formula model was devised by the Governor's Education Reform Study Commission Funding Committee of 1999. Their findings were published in an October 1999 position paper entitled: "How can state funding components for the Department of Technical and Adult Education be defined in a formula?" The recommendations were enacted in HB1187 "A+ Education Reform Act," and codified in Code Section 20-4-11. This code section states the department shall submit a budget that reflects "a request for funds pursuant to an enrollment driven formula that reflects funds for direct instructional costs to include salaries and instructional supplies and equipment, funds for indirect support, maintenance and operation, staff and professional development, and media services."

Components of the Formula:

The formula is currently made up of four separate components. The first component is Personal Services. This component of the formula is derived by dividing instructional costs into five distinct technology areas based on course of study. The current technology groups are: Business Technologies, Health Technologies, Industrial/Engineering/Science Technologies, Personal/Public Service Technologies, and General Education/Developmental Studies. Funding for Personal Services is generated by multiplying the cost per credit hour in each of these five areas by the number of credit hours.

The second formula component is Operating Expenses, which funds costs such as maintenance and utilities. Funding is calculated by multiplying the current square footage of state-owned and leased facilities by \$4.35, which is the funding rate for FY 2010.

The third formula component is Minor Repairs and Renovations (MRR). This component helps maintain the infrastructure of the local colleges in areas such as carpet, lighting, concrete, painting etc. Funding is calculated by multiplying the current square footage of state-owned facilities by \$1.95, which is 1% of the replacement cost. MRR is currently being funded with general obligation bonds, although it has been funded with cash in past fiscal years.

The final funding formula component, obsolete equipment replacement, was initiated to help the local colleges continuously train students using up-to-date technology that they will face in the workplace. The current formula is defined as the annual replacement cost per FTE (currently \$317) times the latest FTE count. This component of the formula is funded using general obligation bonds.

Attachment 3 - Part 5 Section A: Number 3

In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

To show the levels of State support for maintenance of effort, the State of Georgia is utilizing the aggregate state funding provided for elementary and secondary education and public higher education institutions.

Data Source:

FY 2008 - House Bill 989 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 989:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/AFY_2008_Final_Bill_Conference_Committee.pdf

Elementary and secondary education -

FY 2009 - House Bill 990 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 990:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/FY_2009_Bill_with_Govs_Vetoes.pdf

FY 2010 - House Bill 119 – General Appropriations Act: Act providing appropriations for the State of Georgia

Link to HB 119:

http://www.legis.state.ga.us/legis/2009_10/house/budget/reports/FY_2010_Bill_Final_Conf_Cmte.pdf

Attachment 4 - Process for Awarding Funds to Public IHEs

The funding formula is the primary method of state appropriations for the University System of Georgia and the Technical College System of Georgia. The formula allows the systems to request funds for enrollment credit hours i.e. Instruction, academic support, student services, as well as maintenance and operations funding.

The Board of Regents, which is a governing body, makes the annual request on behalf of the 35 colleges and universities in the University System. The request is aggregated from all 35 institutions based on projected increase in costs as well as increase in enrollment by level and discipline.

The Technical College System of Georgia Board, which is a governing body, makes the annual request on behalf of the 33 colleges in the Technical College System. The request is aggregated from all 33 institutions based on projected increase in costs as well as increase in enrollment by level and discipline.

When funds are appropriated to the Board by the Governor and the General Assembly, the Boards make allocations of the formula funds to all institutions. The allocations are made to institutions based on three methods: (1) for cost increases, allocations are based on institutional needs; (2) for enrollment increases at institutions; (3) for strategic priorities of the Boards and meeting state needs.

The stabilization funds will be allocated to institutions in accordance with how the reductions were applied to all 68 institutions. The reductions were assessed on a pro-rata share of budget. The stabilization funds will follow the same process in order to be able to accomplish the following:

1. Meet increased enrollment demand.
2. Sustain employment of faculty and staff.
3. Meet student needs for classes so that they can progress to degree on schedule.
4. Hire additional faculty and staff to meet increased workload.

Ultimately, the stabilization funds will have the effect of ensuring that more Georgians will be well-prepared to meet the challenges of tomorrow's economy.