

**Charter School Finance 101:
Understanding the Quality Basic Education (QBE) Act and school funding**

- Article VIII of the state Constitution provides for an “**adequate public education.**” Education prior to the postsecondary level “shall be free and shall be provided for by taxation.”
- **Quality Basic Education Act of 1986** was passed in part to minimize local discrepancies in funding and created a new funding mechanism for schools
- **State funding:**
 - State funds are raised primarily by sales taxes and income taxes
 - Complicated funding formula for **state funding** based primarily on:
 - 19 categories of student and the cost of educating each (instructional programs);
 - The amount of time each student spends in each activity (FTEs);
 - The degrees and experience of teachers hired by the school (“training & education”).
 - Some activities are not funded by QBE at all (e.g. art, music)
 - Since 2002, the state has funded schools at an amount lower than the QBE requires under emergency “**austerity measures**” that accelerated during the depression
 - 2015 state budget still included significant austerity cuts, but less than in 2014
 - Calculated by state DOE, administered by local authorizing authority (APS)
- **Local funding:**
 - Local funds are raised primarily by property taxes
 - Under QBE ,local districts are expected to contribute their “fair share” to schools
 - “Fair share” = 5 mills (.005%) of 40% of assessed property value
 - Many local districts contribute far more than 5 mills; APS has one of the highest school millage rates in the state at 21.64 mills.
 - Calculated by State DoE, administered by APS
 - APS property taxes peaked at \$514million in 2009, troughed at \$413 million in 2013, and are back up to about \$455 million for 2015 (but still well below their 2009 high).
 - Increase in property values on tax digest leads directly to increased local funding for ANCS and all public schools
- **SPLOST Funding:** (Special-purpose local-option sales tax)
 - Local districts can propose, and if voters agree, increase sales taxes by up to 2% 9for five years) to fund capital outlay (infrastructure) projects for schools (among other uses like parks and roads)
 - Under state law, charter schools **can** be included in SPLOSTs but rarely are; APS has never included charter school infrastructure requests in SPLOT funding
 - Recent development: APS now appears willing to discuss ANCS infrastructure needs with an eye towards including them in its next SPLOST