

## Q&A from Conquering the School House Squeeze – 11/11/13

**Q. Cobb County School District “contributes” 131 million dollars per year to the state for redistribution to other districts. Cobb taxes at the 18.9 millage rate. Do recipient counties tax at that level? The GBPI report listed many counties with much lower millage rates.**

A. Every system, in order to receive state funds, must contribute 5 mills towards the cost of educating its students. What the state gives to a system in the form of equalization funds is based on what 1 mill of property taxes raises, not on the complete amount that a system taxes itself.

It’s important to distinguish between QBE funding and QBE equalization. Every district earns the same amount per student under the QBE formula. For example, Cobb County “earns” the same amount for a fourth grader in a gifted class as Gwinnett County or Quitman County does.

QBE equalization funds are supplemental and come from the state’s general fund, not local property taxes. They are distributed to districts that have low property wealth and therefore have limited ability to raise local dollars. The equalization program aims to ensure that for each mill above 5 and up to 20 that a district assesses, the district will receive a benchmark amount. Under 2012 legislation, that benchmark is the statewide average for the assessed value per student. (See a description from Senator Jack Hill, Chair of the Senate Appropriations Committee for more information: [https://m.facebook.com/note.php?note\\_id=10151117855682164&ft=fbid.10151117855682164](https://m.facebook.com/note.php?note_id=10151117855682164&ft=fbid.10151117855682164)).

In 2012, Cobb County’s tax digest per student was \$193,318, which was the 48<sup>th</sup> highest out of the states’ 180 school districts. Fifteen school districts had a tax digest per student of less than \$100,000, and an additional 31 districts had a tax digest per student between \$100,000 and \$124,999.

The vast majority of state funds for education are distributed through the QBE. In the current school year, \$6.6 billion is distributed through the QBE, \$474 million is distributed through the QBE equalization.

**Q. Can we do anything about the money Cobb gives to other school districts?**

A. The QBE formula and the QBE equalization formulas are both set in statute. Changing either would require legislation.

It is important to note, however, that only a small portion of education dollars is distributed through the equalization program. The vast majority of state funds—\$6.6

billion in the current school year—are distributed through the QBE formula, which treats all districts the same. Only \$474 million is distributed through the equalization program this year.

In addition QBE equalization funds come from the state's general fund, which relies on income taxes, sales and use taxes, other taxes and fees. They do not come from local property taxes.

**Q. Why does Gwinnett receive \$40 million more in QBE funding than Cobb County?**

A. Gwinnett County receives more QBE funding because it has more students. QBE funds are distributed through a complex formula that calculates what each child “earns” based on his/her needs. Factors include school level and special services required (special needs, gifted, etc.) multiplied by the number of children in the system.

**Q. Are federal dollars allocated to each state?**

A. Yes, every state receives federal funding. The biggest source of federal dollars to education is the Title 1 funds of the Elementary and Secondary Education Act, which are directed toward low-income students. The second largest amount of federal dollars is distributed to special needs students through the Individuals with Disabilities Education Act.

**Q. How are teacher retirement monies determined? Is this a large part of the budget?**

A. Teacher Retirement System (TRS) is its own system and its funds are not comingled in the state budget.

**Q. How does reserve funding get tapped into?**

A. The governor includes those funds in his annual and/or mid-year budget. Those budgets get approved by both Houses in the General Assembly. As of this summer, the state had only \$378 million in reserve, which would keep state government operations running for about 7.6 days.

**Q. Doesn't federal money go to states embracing the “Core Curriculum”? Do we here in Georgia? If we don't, aren't we forfeiting money for education?**

A. No, the federal government has not made any funding contingent on adopting the Common Core. However Georgia did receive federal dollars to support the implementation of the Common Core through its Race to the Top (RTTT) grant. RTTT was a competitive grant program designed to encourage states to make reforms in selected areas, including teacher quality, improving low-performing schools, and standards and assessments. Georgia won a \$400 million grant, which has been shared by the Georgia Department of Education and the 26 districts that opted to participate in RTTT. The GA Department of Education has used its funding for a variety of efforts that reach all districts. These include professional development for teachers, a longitudinal data system that will enhance instruction and accountability, and new teacher and principal evaluation systems. The RTTT will soon end and the state has limited dollars to continue supporting these efforts

**Q. Is it a requirement for Cobb to be in school 180 days to receive federal funds? If so, how can we get away with 175 days?**

A. No, the federal government does not require schools to be in session for 180 days. Georgia requires school calendar to be 180 or its equivalent in minutes. When districts cut the school calendar, they add minutes to each day, which allows them to comply with state regulation.

**Q. Does the 175 day calendar include the 5 furlough days? In other words, is it really 170 days?**

No. The normal calendar is 180 days. With 5 furlough days, the net is 175 days.

**Q. Fulton County has experienced the same reductions in the state funding. Yet, they have been able to balance their budget, not raise class sizes, and give their teachers small raises. Why can't Cobb make better use of the dollars they have?**

A. Don't have an answer for this since it would entail having more knowledge about Fulton school district's finances but we do know they don't have the property tax exemption for those 62 and older.

**Q. With overdevelopment in the area (Park Aire, Woodlawn), how will schools respond to the increased demands? Can the county commission be influenced not to overdevelop? FYI - Eastside Elementary is only 1.5 years old and is already overcrowded.**

A. Unfortunately, there are no official direct lines of communication between the school board and the County (in fact, in many cases, it's not allowed). They can't meet and decide

formal policy together as each is an independent entity with members elected by different constituencies. Once an area is zoned residential, it can be developed as a residential area and there is little the commissioners can do if the requested development is within the existing zoning. It is only when there is a request for a change in the zoning that commissioners can have input, and even then, impact on schools is not one of the considerations used to allow or deny zoning since schools don't come under their purview.

**Q. Walton has lost excellent teachers to Cherokee County. How come Cherokee is in better shape than Cobb with similar state and local funding issues?**

A. This would require knowledge of Cherokee's finances, but we do know that Cherokee doesn't have the property tax exemption for those age 62 and older.

**Q. When the new school is built, will there be a redistricting project? There is always a redistricting after a new high school is built. Why not now?**

A. Right now there are no plans to redistrict as the new school will be built to house more students than those enrolled today in Walton. Usually redistricting occurs after a new school is built (i.e. an additional school) or when there has been a substantial change in the size of the school (as when Dodgen added 22 classrooms).

**Q. Can we repeal the Cobb County zero tax for seniors over 62? Can you explain the process required to repeal and/or modify the senior tax exemption?**

A. The property tax exemption was put in place by the Cobb delegation (the State house representatives and senators who have some portion of their district in Cobb). Any change or removal would also have to be done by them. The school board has no say in that exemption. To change it, a majority of the delegation would have to agree to a change, and then it would have to be voted on by the entire General Assembly (House and Senate).

**Q. Is there an initiative to add new or increase existing tax programs (i.e. SPLOST)?**

A. School board member, David Banks, proposed a new revenue source but the rest of the school board didn't support his initiative. There is also legislation that has been proposed to allow some portion of an education SPLOST to be used for maintenance and operations, but this legislation wasn't popular and the bill hasn't moved.

**Q. Over the years, Cobb County has taken a bigger hit than most other counties. Why haven't our elected officials been fighting for more equity when it comes to Cobb County funding?**

A. The state looks at what one mill will raise and creates a state wide average based on input from all school districts. Cobb's average is higher than the state average, so it doesn't qualify for additional funding. (Equalization).

Every school system is required to contribute the first 5 mills it raises in property taxes. Our contribution of those 5 mills equates to well over \$100 million and there has been a push to try to cap that contribution at \$100 M. Realistically, the majority of the legislators at the capitol are from outside the metro area and have no interest in reducing Cobb's contribution.

**Q. What amount of money does it take to fund a section?**

A. It costs between \$8,000 and \$10,000 to add a section to a teacher's schedule. The cost is 1/7 of the teacher's salary, plus a % of the teacher's benefits.

**Q. Can you do an email update of the schedule of the new building? Can it be updated monthly or quarterly?**

A. Yes. Presently, an architect has been hired by the County. Bob Sussenbach from CGLS Architects will be designing our building. The County is interviewing construction firms for our building. We are hoping site work can start in the summer of 2014. Teachers have been visiting schools in other states to formulate ideas for the new building. Ms. McNeill will be happy to give updates as new information becomes available.

**Q. Will Walton lose teachers in 2014-15?**

A. The number of teachers we are allotted is based on the Cobb County School Budget. The process is now starting to develop the 2015 budget and we encourage you to get involved by speaking with your Cobb County School Board Member. Until the budget is completed, we will not know if we will lose teachers next year.

**Q. Will there be more online courses offered in light of the class size issue?**

A. We are looking at the possibility of offering blended classes. Walton has a standard of rigorous classes, which our students and parents expect and deserve. We want all courses offered to meet this standard of rigor.

**Q. Have you seen changes in Iowa scores, PSAT and SAT scores since the 2008 when “the pinch” started?**

A. Our scores are flat-lined; most of our scores have been about the same for the past four years. The percentage of students earning a three or above on the AP exams has risen; however, if classes were not so large, more students could be encouraged to pursue challenging courses. To encourage students to pursue classes difficult for them, teachers must have the time to give the students extra attention, which is very difficult in large classes. Previously, we always felt if students were willing to work hard, we could give them the support for them to be successful. Encouraging students to stretch and pursue difficult classes is a method to raise test scores.

**Q. Will the Walton H.S. rebuild still go forward?**

A. The new building for Walton will be paid for with SPLOST funds. State law dictates very specific uses for SPLOST funds. These funds cannot be used for anything other than the new building.

**Q. Are you taking this road show to Walton feeder schools?**

A. We will be posting the video of the 11/11 meeting on the WHS website. We will be happy to provide any school with information on Conquering the School House Squeeze. We encourage all schools, especially the elementary schools, to host an information night at their school. FYI – Sope Creek hosted a meeting on 10/16 and Mt. Bethel will be hosting a meeting in early December. Please contact Hilary Hill ([hillsinga@yahoo.com](mailto:hillsinga@yahoo.com)) or Ellen Melcher ([lnmelch@bellsouth.net](mailto:lnmelch@bellsouth.net)) for more information.

**Q. Where are funds going to come from to increase funding in education?**

A. The General Assembly has a variety of options to increase revenues. The Georgia Budget and Policy Institute compiled a list of these options in the report [Menu of Revenue Options Pave the Way for Georgia’s Rebound](#).

**Q. Is there a Financial Think Tank engaged?**

A. There have been multiple task forces created by the General Assembly to review the QBE formula, the most recent of which concluded its work in fall 2012. None have made significant changes to the QBE.

The General Assembly has not currently engaged a firm or think tank to conduct a costing out study to determine the amount needed to educate Georgia’s growing student population and make recommendations for revising the QBE.

**Q. Do we really need to raise taxes or change the tax law in Cobb County?**

A. If parents and citizens believe that students in Cobb County and across the state require additional resources to be academically successful and competitive in a global economy, yes, the state does need additional revenue sources. It would be very difficult to get additional funds for schools under the state's current tax and budget policies. For more information, see the [Georgia Budget Primer 2014](#).

**Q. How many years will it take for the state to change the rate before we would see the funding come to Cobb County?**

A. If the General Assembly fully funded the QBE, Cobb County would immediately receive additional funding.

**Q. How does the decline in state funding for education in Georgia compare nationally?**

A. A recent [study](#) from the Center on Budget and Policy Priorities found that state funding per student in the current fiscal year (FY 2014) is below 2008 funding levels in 36 states, including Georgia. According to the study, Georgia has the 8<sup>th</sup> largest decline in state funding.

**Q. How does Georgia compare to states like North Carolina, New Jersey, Virginia and New York with regard to school budget cuts and school calendar?**

A. There is no national assessment of the impact of state budget cuts on schools that would enable such a comparison.

**Q. In your opinion, what are the best options to ensure the State of Georgia and Cobb County are fully funded? Do we up the millage rate? Do we eliminate the senior exclusion of taxes? What would the millage rate have to be to balance the budget? If seniors paid taxes at 50% of what others do, what amount would that raise?**

A. The state needs to implement tax and budget policies that ensure all of Georgia's students receive the resources required to receive a high quality education.

The state constitution holds that the state has the primary obligation to fund an adequate education for the Georgia's students. As of 2012, the state covered 49 percent of the cost of educating Georgia's students while local funds covered 42 percent and federal dollars made up about 9 percent.

Beyond this constitutional requirement, there are other reasons the state should bear primary responsibility. First is the significant disparity in districts' ability to generate local funds. If local dollars become the primary source of education funding, students in rural communities and other property-poor areas will not receive the same quality of education that students in more affluent communities do.

Another factor is the state's economic development. A greater reliance on local funds and the ensuing disparities in educational quality between districts will significantly undermine the state's workforce development goals, which include increasing the number of students who complete a postsecondary program by 250,000 by the year 2020. By that year, 60 percent of all jobs in Georgia will require some type of postsecondary training. We are currently well short of that goal. We will only get to it if many more students across Georgia receive a high quality education in K-12 that prepares them for college and the workforce.

**Q. How can Cobb County afford to pay for a new stadium for the Braves and not fully fund its schools?**

A. The school district local revenue is completely independent of local revenues for the Cobb County Commission and/or the Cumberland Community Improvement District.

Tax revenue generated for the Cobb Commission and/or the Cumberland CID cannot be routed to the school system. Also, the school district cannot levy a rental car or hotel/motel tax to fund its operations.