



## State Charter Schools Commission of Georgia

### Action Item – Staff Recommendation

#### Item Summary

Adoption of SCSC FY2025 Administrative Withhold  
Adoption of SCSC FY2025 Operational Budget  
Approval of Return of FY2024 Administrative Withhold Funds

#### Recommendation

**Adoption of SCSC FY2025 Administrative Withhold Recommendation:** It is recommended that the SCSC direct the Georgia Department of Education to withhold 1.8% of state funding allocated to state charter schools as authorized by O.C.G.A. § 20-2-2089(b) for the administrative expenses of the SCSC. It is further recommended that the withhold for state charter schools in the first year of operation shall be .8%.

**Adoption of SCSC FY2025 Operational Budget Recommendation:** It is recommended that the SCSC adopt the SCSC FY25 Operational Budget as prepared by SCSC staff with a total budget amount of \$8,424,494.

**Approval of Return of FY2024 Administrative Withhold Funds Recommendation:** It is recommended that the SCSC direct the Georgia Department of Education to return the unexpended portion of the SCSC's FY24 1.73% administrative withhold, including additional funding provided by the Amended FY 2024 allotment, to state charter schools after the completion of the SCSC's FY 2024 budgeted expenses. It is further recommended that upon approval from the Chairman, SCSC staff may specifically designate the use of returned funds for state charter schools not meeting Comprehensive Performance Framework (CPF) standards.

#### Rationale

Adoption of Administrative Withhold



Although O.C.G.A. § 20-2-2089(b) authorizes the SCSC to withhold up to 3% of state funding allocated to state charter schools, the SCSC has historically operated on a reduced budget to allow state charter schools to allocate more funding to instructional expenses.

The SCSC proposes to reduce the withhold to 1.8% for existing state charter schools and .8% for schools in their first year of operation. In addition, the SCSC will receive a transfer of state funds in the amount of \$265,501 from the Georgia Department of Education's (GADOE) budget to partially fund positions that were transferred to the SCSC when House Bill 318 was passed for FY2025. The withhold and transfer of state funds from the GADOE will yield SCSC revenue of \$8,424,494 million.

Reduction of the withhold allows additional funds to remain with schools, thereby aiding schools to offer additional instructional programs and services to their students.

#### **Adoption of Operational Budget**

The SCSC budget as prepared by SCSC staff allows the agency to fulfill its statutory charges as an independent charter school authorizer while conducting all business according to high standards of transparency, accessibility, objectivity, and innovation. Due to conservative budgeting and diligent work by staff, revenue contemplated by the decreased withhold percentage will not compromise the SCSC's ability to sufficiently perform its duties as required by law.

#### **Return of Administrative Withhold Funds**

Annual SCSC operations are solely funded through an administrative withhold fee deducted from the annual operating budgets of state charter schools. Therefore, the SCSC adopted an operating budget for FY2024 based on a 1.73% administrative withhold for existing schools and a 0.73% administrative withhold for first-year schools. As a steward of taxpayer funds, the SCSC endeavors to be fiscally responsible and efficient. As a result of this diligence, the SCSC will be able to satisfactorily perform its duties utilizing only a portion of the eligible withhold. Therefore, the SCSC would like to return the remaining funds to schools to assist them in furthering their respective missions and better serving their students. Funds will be returned on a proportionate share basis. From time to time, SCSC staff may recommend to the Chairman that a portion of the returned funds be designated for a specific use tailored to deficiencies identified by a school's CPF performance. Specific allocation of resources will assist schools in correcting deficiencies and incentivize future compliance. Because these funds do not lapse, state charter schools can utilize this money for the 2024-2025 school year.



### Strategic Plan Alignment

Objective: Develop and maintain a strong internal foundation that aligns with and supports the SCSC's mission and vision