

Funding Crunch for Georgia’s Public Schools

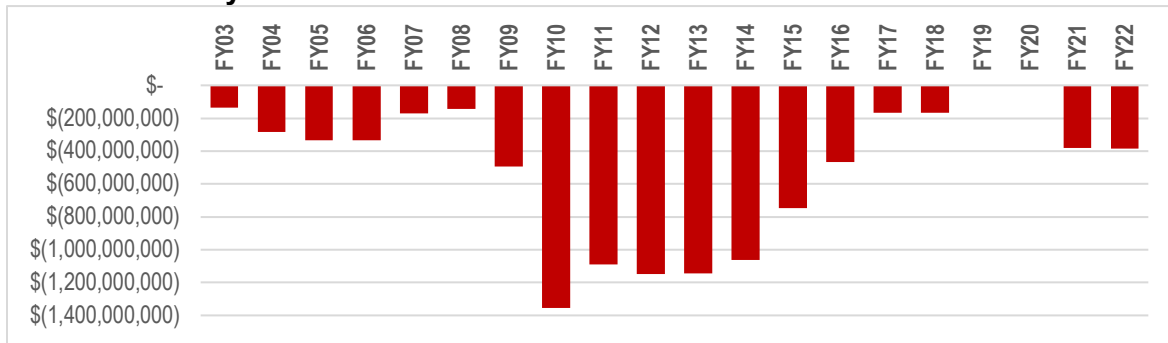
New and longstanding financial challenges are straining Georgia’s school districts. After a brief respite, \$383 million has been cut from state funding for public schools for the 2021-2022 school year. State funds for public schools have been cut 18 times in 20 years. These cuts worsen the effects of other persistent financial challenges, including inadequate state funding for student transportation and a grant program to aid small rural schools. A recent boost to teacher salaries is valued progress, and lawmakers’ continued investment in the Teachers Retirement System should be applauded. More work is needed to bolster teacher pay to increase its competitiveness with other sectors. Recent federal funds to help districts cope with the effects of the COVID-19 pandemic provide needed but temporary aid. Federal funds are not a solution to the financial challenges of Georgia’s public schools. To begin addressing these challenges, lawmakers should:

- Restore the \$383 million cut from state funding for public schools for the current school year.
- Reduce the fiscal burden on school districts by adequately funding student transportation and fully funding sparsity grants for small rural schools.
- Make overdue revisions to the state funding formula for public schools, including providing resources for school counselors for all students, sufficient dollars for substitute teachers, and supplemental funds for students in poverty.
- Increase teacher salary by \$2,000 to fulfill Gov. Brian Kemp’s promise of boosting teacher pay \$5,000.

\$10 Billion in State Funding Cuts

Since 2003, lawmakers cut more than \$10 billion in state funding for public schools. The full annual amount under the state’s funding formula has been allocated only twice in this period. This persistent underfunding makes it harder for districts to keep class sizes low, provide extra learning supports to low-income and struggling students, and implement other strategies to support student success.

Annual Austerity Cut in State Funds for Public Schools



Cuts Worsened by Persistent Underfunding of Critical Programs

Districts also cope with funding shortfalls for core programs: student transportation and sparsity grants for rural schools. The state covered 14 percent of districts’ costs for bussing students to and from school safely in Fiscal Year 2020, a large drop from the 50 percent the state covered in earlier decades. Districts picked up the remaining cost that year—**over \$834 million**—with local funds they otherwise could have spent on instruction.

State funds cover

14%

of districts’ student transportation costs

The sparsity grant program, which sends supplemental funds to small schools in rural communities, is funded at 27 percent in Fiscal Year 2022. These schools have higher costs due to lower enrollment. Rural districts often have limited ability to raise more local revenue and strain to cover their expenses.

1980s Funding Formula Does Not Reflect Current Needs

Lawmakers have tweaked the state's formula for funding public schools, the Quality Basic Education (QBE) formula, since its passage in 1985. They have not adapted it to reflect the much higher expectations policymakers have for students today, their circumstances, or today's skill-driven economy. Areas that require prompt action by lawmakers include:

- *School Counselors.* The state does not fund school counselors for special education students or those in gifted programs though lawmakers passed a bill in 2013 requiring it. In addition, Georgia funds one counselor for every 450 students, well above the recommended best practice of one counselor per 250 students.¹
- *Funding for Substitute Teachers.* The state provides \$150 to cover substitutes for five days per teacher who is absent. This amounts to \$30 per day, which is far below what districts pay substitutes such as [Gwinnett County Public Schools](#) where the daily rate was increased from \$108 to \$130 due to the pandemic.
- *Poverty Weight.* Students' academic success is closely tied to their families' economic circumstances. Students living in poverty often cope with toxic stress, unhealthy living conditions, limited enrichment opportunities, and other barriers to learning. Adding a weight for poverty to the QBE formula would help schools provide the supports these students need to thrive.²

Uneven Progress on Teacher Compensation

After years without increases, lawmakers took important steps in 2018 and 2020 to bolster the competitiveness of teacher wages. However, salary continues to be a recruitment and retention challenge. If the state's starting salary for new teachers had kept pace with inflation since 2009, it would be approximately \$42,400 now instead of its current level of \$37,092.

25%
Teacher Pay Penalty
in Georgia

A 2020 [study](#) also found that public school teachers in Georgia earn 25 percent less than professionals with comparable education levels in other sectors.³ New and veteran teachers alike pay a steep wage penalty.

Georgia lawmakers have continued to invest in the Teachers Retirement System (TRS), providing the actuarially-determined level of funding needed to cover costs. This commitment to funding TRS maintains its value as a critical teacher recruitment and retention strategy and deserves praise.

Federal Pandemic Funding is Temporary Aid, Not a Permanent Fix

While contending with ongoing challenges in state funding, districts across Georgia are incurring significant costs to address students' pandemic-related needs and operate schools safely. They received \$5.9 billion dollars in federal relief funds to help cover the added costs of providing core services to students including devices for students and educators, instructional software and internet connectivity, school meals, summer and afterschool programs, tutoring, expanded mental health supports, personal protective equipment, filtration devices, and upgrades to HVAC systems. The funds must be spent by September 2024 and were dispersed based on districts' student poverty rates which vary considerably across districts. For some districts, these federal dollars may not cover their pandemic-related costs, especially those that must use a large portion of their federal pandemic relief funds to cover state funding cuts. For one district, state funding cuts in Fiscal Years 2021 and 2022 surpass their total federal relief funds. Covering state funding cuts will consume one-third or more of federal relief funds for an additional 14 districts. Even districts receiving a larger portion of federal funds may face financial strain to fully address students' academic and non-academic needs, particularly as the pandemic persists and evolves. This large bucket of federal funds may appear to resolve Georgia's school funding challenges, but it does not.

¹ American School Counselor Association. (nd). The role of school counselors. Retrieved from <https://www.schoolcounselor.org/getmedia/ee8b2e1b-d021-4575-982c-c84402cb2cd2/Role-Statement.pdf>

² Suggs, C. (2017). *Tackle poverty's effects to improve school performance*. Georgia Budget and Policy Institute. Retrieved from <https://gbpi.org/tackle-povertys-effects-improve-school-performance/>

³ Allegretto, S. & Mishel, L. (2020). *Teacher pay penalty dips but persists in 2019*. Economic Policy Institute. Retrieved from <https://files.epi.org/pdf/207502.pdf>