

**HOUSE BILL 78 MEANS LESS FOR EDUCATION
(UPDATED MARCH 14, 2011)**

K-12 EDUCATION

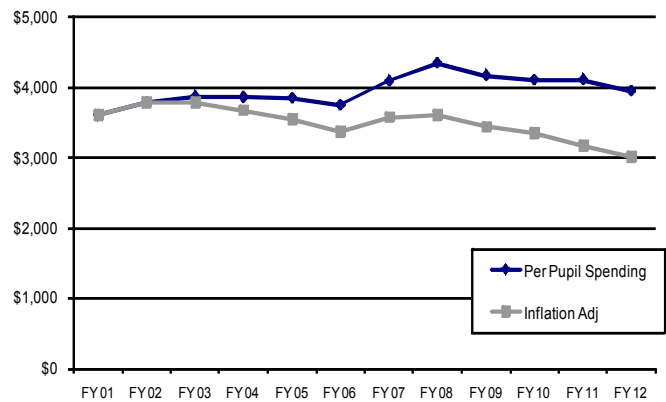
Proposed K-12 education funding in House Bill 78 will result in state spending per pupil reaching its lowest level in over a decade. House Bill 78 proposes \$6.96 billion in state spending for K-12 education. When adjusted for inflation, state spending per pupil in FY 2012 will be 16.3 percent lower than per pupil spending in FY 2001.

HB 78 maintains most of the governor's proposed cuts. Programs experiencing funding cuts include: QBE formula (\$60.9 million), Pupil Transportation (\$8.3 million), and Nutrition (\$2.5 million).

HB 78 does reduce the severity of funding cuts to several programs. These programs include Agricultural Education (\$321,992 restored), Georgia Youth Science and Technology Centers (\$144,000 restored), Residential Treatment Centers (\$670,907 restored), and Education Technology Centers (\$1.38 million restored). The House bill proposes additional cost savings provided through declining enrollment for the Preschool Handicapped program (\$290,192) and the Severely Emotional Disturbed program (\$642,316). In addition, funding for school improvement and testing is cut by \$367,735.

The proposed House budget continues a trend of cutting investment in K-12 education. Since FY 2009, state funding for

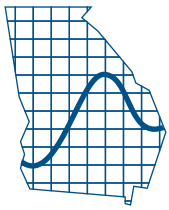
**K-12 EDUCATION: QBE FUNDING PER PUPIL
(FY 2001 - FY 2012)**



K-12 education has been cut \$1.2 billion. As local school systems continue to manage the reality of less state support, larger class sizes, salary cuts, and less support for technology training and professional development remain possibilities in FY 2012.

K-12 EDUCATION: STATE FUND CHANGES FOR FY 2009 TO FY 2012

	FY 2009 Original Budget	FY 2011 Original Budget	FY 2012 House Bill 78	FY 2011 - FY 2012 Change (\$)	FY 2009 - FY 2012 Change (\$)
State General Funds	\$8,195,597,771	\$6,989,931,274	\$6,969,651,171	-\$20,280,103	-\$1,225,946,600
Total QBE Funding	\$6,789,985,513	\$6,089,014,556	\$6,119,150,453	\$30,135,897	-\$670,835,060
Recovery Funding	\$0	\$140,709,507	\$0	-\$140,709,507	\$0
QBE Equalization	\$556,507,932	\$436,158,587	\$436,158,587	\$0	-\$120,349,345
Total QBE funding	\$7,346,493,445	\$6,665,882,650	\$6,555,309,040	-\$110,573,610	-\$791,184,405



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EDUCATION BUDGET

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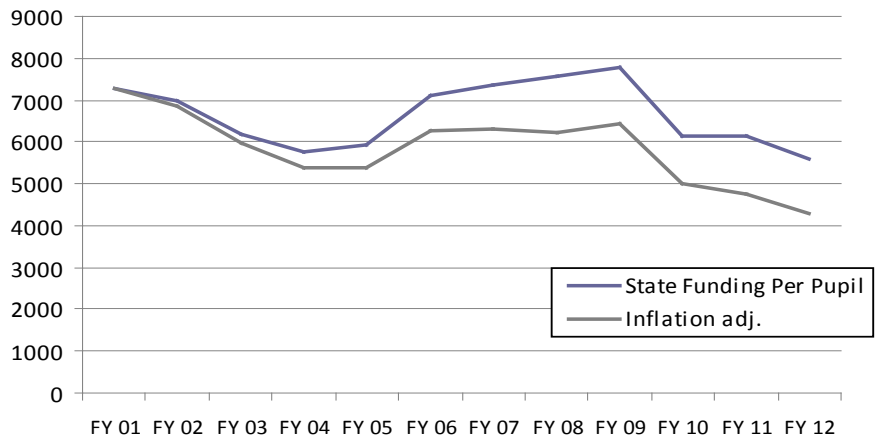
CONTINUED DISINVESTMENT IN HIGHER EDUCATION

UNIVERSITY SYSTEM OF GEORGIA (USG)

The House budget proposes spending \$1.74 billion in state funds on the state's 35 colleges and universities in FY 2012. This is a \$174 million cut in state general funds, and a total cut of \$197.3 million after excluding federal Recovery funds that are no longer available, even as student enrollment continues to grow. Proposed state allocations per FTE in FY 2012 will fall to the lowest level in over a decade.

Since FY 2009, more than 41,000 additional students have enrolled in the University System, yet proposed state spending will be 23.7 percent below FY 2009 levels. Notably, the House budget maintains the governor's proposed \$145.9 million cut to the Teaching formula while transferring an additional \$12.5 million from the Teaching program to the Public Service/Special Initiatives program.

UNIVERSITY SYSTEM INSTITUTIONAL ALLOCATIONS PER FULL-TIME EQUIVALENT STUDENT



TECHNICAL COLLEGE SYSTEM OF GEORGIA

The House budget proposes spending \$309 million in state funds on the Technical College System of Georgia (TCSG). The proposed budget exceeds the governor's proposed TCSG budget by \$7.75 million. However, this \$7.75 million in increased spending represent payments to the State Health Benefits Plan and, thus, does not

increase the capacity of the TCSG to offer additional technical education services. The House budget maintains the governor's proposed \$16.8 million cut to the Technical Education program. This cut occurs during a time of record enrollment, as the TCSG has seen extensive service demand in recent years as a result of a down economy.

THOUGHTFUL ANALYSIS...RESPONSIBLE POLICY

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