

Effects of School Funding Cuts Continue to Linger

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Education itself extends beyond the role of a society's public good. It is not just morally right to ensure Georgians can access a quality education, it is economically beneficial.¹ Quality public education, when administered correctly, can improve economic outcomes for students when they transition into the workforce or pursue a postsecondary credential.

For a public education system to operate effectively to develop, uplift and empower the state and its economy, funding strategies must reflect actual needs. This is especially important in Georgia, where more than 50 percent of the state's budget goes toward supporting education.² To be a good steward of this funding, the state must prioritize the voices of leaders who are doing the work each day to educate our children, support our teachers and guide our schools to success.

To that end, since 2012, the Georgia Budget and Policy Institute (GBPI) has sought the opinions of Georgia's district superintendents through surveys developed to find the pulse and pain points of educating Georgia's children. Responses from these surveys help GBPI identify the primary barriers districts face to providing a quality education and determine proactive policy solutions that incorporate this feedback.

One policy area that deserves feedback-informed attention is the Quality Basic Education Act (QBE), which created a now decades-old formula to determine the funding for public education in the state of Georgia.³ From 2002 to 2017, state legislators only partially funded QBE. Over those years, schools struggled significantly to make ends meet. An entire generation of students went through their K-12 career feeling the effects of this financial strain. When the formula was fully funded in 2018, Georgia school systems were eager to receive the state funding owed to them.

Unfortunately, fully funding a formula created in the early 1980s still falls short of the true cost to educate children in 2019. Furthermore, lawmakers made changes in recent years to significantly shift the burden of paying for certain certified employees' health insurance

to the local districts.⁴ Districts with lower tax bases struggle to address these new costs passed down by the state. As a result, the needs of Georgia’s students, teachers and staff remain largely unmet as the costs outpace even the “fully funded” formula.

These struggles were highlighted in the 2019 GBPI School District Survey, which connected with Georgia’s 180 public school districts over the summer of 2019, surveying district superintendents and chief financial officers. Survey respondents highlighted shortcomings of funding across four major areas: transportation and sparsity; teacher recruitment and retirement; employee salaries and Education Savings Accounts (vouchers).

Overview

GBPI staff developed and administered this survey of Georgia’s 180 public school districts to learn more about the needs of Georgia’s students. The 111 school districts who completed the survey educate 76 percent of all public school students in the state of Georgia.

The data presented among the survey’s key findings are a snapshot of the QBE formula in action and the formula’s implications for public education in Georgia. The voices of Georgia’s school districts reflected in these survey responses demonstrate the more granular realities of a fully funded QBE formula. Feedback from polled school districts sheds light on aspects of modern-day education that the current funding formula does not adequately address.

Survey Findings and Themes

Survey findings illuminated several important themes, many of which were tied to districts’ location or demographics. A 2017 survey GBPI conducted found that the effects of poverty remain the critical barrier to improving schools.⁵ The [2014 survey](#) found that austerity cuts in many ways crippled public schools. This 2019 survey finds that effects from these findings continue to trouble the education system in Georgia.

Frustration over the lack of adequate transportation funding resonated throughout survey responses, even if a question did not directly ask about the issue. The feedback from the survey is consistent with the overarching data and commentary summarizing the efficacy of QBE. Quotes that highlight overarching themes are provided.

School Funding

The QBE's transportation formula is funded at 14 percent of operating costs. If the total cost of transporting students was covered by state funds, districts would receive, on average, \$720 more per student who takes the bus for student transportation.

How would your district be affected if the state increased the portion of student transportation funding?

One hundred eight districts, or nearly 98 percent of those surveyed, report a significant deficit in transportation funding as an acute issue.⁶ Student transportation is underfunded across the board. Most districts have named the transportation funding to be insufficient at best, a crisis at worst. More funding is required to achieve just basic-level transportation service, with quality service requiring a far greater and sustained investment.

“Our QBE funding for transportation for FY 2020 is only \$2.5 M, and our transportation budget is \$14.1 M. That puts a burden of \$11.6 M on local tax payers, and that is funds that are not used in the classrooms educating the children.”

-Georgia School Superintendent

The General Assembly has planned to study sparsity grants to update the formula for FY 2021. If your district receives sparsity grants, how important is this categorical grant to the school system budget? Is there one thing you would want those studying the grant to know about how they affect your district?

Eighty percent of districts do not receive sparsity grants. Ten percent of those surveyed say they could benefit given their geographical size in relation to the number of students they serve. Sparsity grants are dedicated funds for schools that do not receive enough state money to operate due to smaller enrollments. These grants are very important to districts that receive them—critical, even (although most have mentioned it is neither a lot of nor enough money). There are counties who should qualify as sparse based on the size and population criteria, but do not and would greatly benefit from this categorical grant. Again, the issue of inadequate transportation funds emerged as a theme.

“We are a geographically large county. We have over 500 miles of dirt roads and are one of the larger counties in the state. We have over 5,000 students who ride the bus daily and our enrollment is 7,700 students, so the majority of our students ride the bus. A sparsity grant could help offset transportation cost that geographically smaller systems, city systems or affluent systems do not have.”

-Georgia School Superintendent

TRS and Teacher Recruitment

What effect, if any, would there be to your district’s teacher recruitment efforts if employees that began after a specific date were required to pay an employee contribution rate into the Teachers Retirement System of Georgia (TRS) greater than 6 percent?

During the 2019 General Assembly lawmakers debated specific changes to the Teachers Retirement System of Georgia (TRS) in order to curtail costs. Two specific proposed changes (increasing employee contributions for new teachers and requiring districts to pay employer contributions for “49 percent” positions) are mentioned in the survey questions. Of the 111 school districts surveyed, 106 districts (95 percent of participants) consider increasing the employee contribution rate to the Teacher Retirement System (TRS) to be a detriment to teacher recruitment; 41 districts—37 percent—mention being unsure of the effect.

Survey respondents claim that increasing the employee contribution rate would have a negative impact on recruitment efforts, particularly to rural areas. New teachers coming into the profession are already struggling with increasing student debt⁷. Without even addressing the issues of low teacher morale⁸ and the testing concerns⁹, respondents argue that changes to the TRS requiring new teachers to forego more of their paycheck is not a prudent option.

“It would make a difficult recruitment effort even more challenging. This profession is attracting (and retaining) employees at a diminishing rate. I believe that a change to the contribution rate will simply make the hiring pool even more shallow.”

-Georgia School Superintendent

How would your district be affected if the system were required to provide the employer contribution for [49 percent] employees to TRS?

Due to funding restraints and/or in order to use the gifts of experienced educators, many school districts employ teachers at less than half-time. Employers of these “49 percent” positions are not required to pay the employer contribution of their paycheck into TRS. If districts had to provide employer contribution, 101 of 111, (or 91 percent), of district leaders responded this would have a negative effect on their district. Many districts claimed they would cease to utilize these employees (typically, a retired educator who works full- or part-time without TRS benefits) as the financial strain on the district would be too great.

“It is more cost burden on the local district [to pay into TRS for 49 percent employees] and it de-incentivizes [*sic*] districts from hiring (often) ‘educational experts’ to fill needs within districts and schools. Hence making it that much more difficult to find quality help in our schools.”

-Georgia School Superintendent

Salaries and Compensation

What will the starting pay (per hour) of a first-year bus driver be in your district in FY 2020? What will the salary of a first-year teacher with a bachelor's degree (T4) be in your district in FY 2020?

School leaders make it clear that Georgia's teachers, bus drivers and support staff are the cornerstone of the state's education system. Some of the most hardworking, caring and devoted workers are employed by public school districts. In the past, decisions have been made that moved the needle forward on these issues.¹⁰ Recently, even more decisions have been made that seem to be in the right direction toward fair compensation for Georgia's valuable educators.¹¹ Since the state only funds (on average) half of schools' budgets, any increase in pay puts pressure for local dollars to increase as well. This pressure is felt more heavily in districts with lower tax bases to draw from. A look at the median salaries for teachers and bus drivers suggests a blunt disparity between how these valuable individuals are compensated compared to what they deserve.

"The teacher pay raise, along with the loss of the 21st century program, has put us in a \$2.3 million dollar budget deficit for FY20. Please consider actually funding the pay increase or remove it for FY20."

-Georgia School Superintendent

Compensation Fast Facts

- 98 districts, or 88 percent of responding districts, hire more certified employees than are allotted in the QBE formula.
- Median bus driver salary is \$17.52 an hour, and they are often only allowed to work 4-5 hours per day
- Of the respondents who converted their responses to hourly rates, 28 percent of districts pay bus drivers less than \$15 an hour
- Bus drivers can be paid no less than \$500 per month, or about \$6.25 an hour
- Median first-year teacher salary is \$38,172
- Minimum first-year teacher salary is \$35,217 in fiscal year 2020

Vouchers

In the 2019 General Assembly, state lawmakers considered bills to enact Education Savings Accounts whereby students can use the state portion of public education funding to pay for private education programs. In one version, districts would forfeit money from the state but continue to receive local funding per student. If a bill like this were to become law, would your district experience cost savings? Please explain why or why not.

In the 2019 Legislative Session, the Georgia Senate rejected a bill created for a private school voucher program.¹² The bill proposed that districts would experience cost savings from a voucher program, which would divert public funds to private education.

In this survey, school leaders were asked if their district would experience cost savings if a bill like this were to become law; 95 percent of respondents stated that their district would not benefit from this type of plan. [When asked what the district's cost savings would be if a voucher program were in place](#), several school leaders were unequivocal about the financial losses they would incur.

In fact, what the findings from this survey indicate are that local revenue is insufficient to offset this potential loss in state funds. Every dollar allotted to public schools, particularly in more rural districts, is accounted for. In short, significantly more funding, not less, is required for a quality education.

“Article VIII of the Georgia Constitution says, ‘The provision of an adequate public education for the citizens shall be a primary obligation of the State of Georgia... Public education... shall be free and shall be provided for by taxation.’ To utilize funds generated by a tax for public education to fund private education creates inequity. Only funds needed to educate students should be collected, and those funds should only be used for public education. Private education is a choice and not an endeavor provided for under the Constitution.”

-Georgia School Superintendent

Recommendations

First and foremost, feedback from this survey underscores the need for a revision of the Quality Basic Education formula. Georgia's students deserve more than just a "basic" education.¹³ The findings of this survey show that the current funding system is inadequate, especially for rural and low-wealth districts. Indeed, there are clear steps state lawmakers can take to rectify the concerns revealed in the 2019 GBPI School District Survey:

- **Develop a new education funding system designed to help all students across Georgia achieve academic excellence.**¹⁴ The new funding system should consider external factors, such as family income levels, that affect student outcomes across the state.¹⁵
- **Reinvest in the pupil transportation formula.** Public schools in Georgia generally [require](#) school buses, drivers and monitors who deserve to be paid a livable wage. Transportation is non-negotiable and must be funded accordingly.¹⁶
- **Refuse legislation that makes it harder to recruit and retain teachers.** Many respondents of the survey cited higher employee contributions to the teacher retirement system as a deterrent for recruiting educators. Any gains made from increasing teacher pay in recent years could be lost if educators cannot depend on the presence of the defined benefit plan.¹⁷
- **Reject policies, such as education savings accounts (vouchers), that divert hundreds of millions of dollars** away from public schools.

Conclusion

The findings of the 2019 GBPI School District Survey are consistent with previous data demonstrating Georgia falls short in providing an equitable education for all students. The formula does a disservice to students in poverty: In 2017 the National Assessment of Education Progress (NAEP) found that Georgia had the third highest difference between students who qualify for Free and Reduced Lunch (a measure of student poverty) and their wealthier peers statewide on the national test.¹⁸ Ultimately there is still a way to go before Georgia's funding formula for education can be considered equitable and effective, even as lawmakers consider QBE "fully funded." Solutions for this funding formula's shortfall abound in GBPI's research and need only the commitment of legislators to see them through.

GBPI has a policy agenda for supporting economic equity and mobility across the state based on feedback from surveys like this one. People Powered Prosperity (PPP) proposes key policy solutions such as an upgraded school funding formula and an opportunity weight for high-needs districts, and this feedback will be incorporated into this agenda. Solving the problems facing Georgia schools does not necessarily require additional funding, but rather a re-structuring of funding as outlined by the PPP plan.¹⁹

Acknowledgements

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Appendix A: Methodology

Dr. Stephen Owens, Senior K-12 Education Policy Analyst, and other GBPI staff developed this survey. A link to the survey, which was online, was sent by email to every superintendent in the state. GBPI subsequently contacted districts via phone and email to request their participation over a period of four months.

The survey was available in July, August, September and October. Participation was voluntary. Participating districts identified a contact person for follow-up information requests. Chief Financial Officers of districts often completed the survey in collaboration with superintendents. Districts' responses were available to all contact persons for their review. GBPI exported a spreadsheet of each district's responses.

Endnotes

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