

OVERVIEW: 2020 Fiscal Year Budget for K-12 Education

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Governor Brian Kemp's budget proposal for fiscal year 2020 allocates \$10.6 billion to Georgia's public schools, a nearly \$660 million increase above current funding. Almost three-fourths of the increase is directed to raise pay for the state's 115,000 teachers and certified school employees. Student enrollment growth and increased funding for charter schools make up the bulk of the remaining additional dollars. Although Georgia's mechanism for financing public schools will be fully funded, individual school districts will continue to face significant financial stress. School district administrators are coping with costs Georgia lawmakers have shifted from state responsibility to local tax systems. Matching pay raises for teacher and school staff positions not funded through the state allotment will also strain local budgets.

By the Numbers

Amended 2019 Fiscal Year Budget

- Funding for the Georgia Department of Education will increase \$186 million if lawmakers approve the changes to the revised 2019 spending plan proposed by Gov. Kemp.
- \$69 million, or 37 percent, is tied to the one-time school security grants.
- \$3.5 million has been set aside for rural systems to purchase audio-video equipment.
- Just under \$90 million will be used for midterm adjustments to the school funding formula, also known as Quality Basic Education, or QBE.
- The Georgia School Finance Commission was allotted \$3.6 million for growth in the Dual Enrollment Program.
- \$39.3 million will be directed to the State Charter Schools Commission.

2020 Fiscal Year Budget

- Funding in the proposed 2020 budget for the Georgia Department of Education will increase about \$659 million, or 6.6 percent, from the original FY2019 amount.
- Most of the additional funds, \$483 million, are directed to increase the base salary schedule for certified teachers and certified employees by \$3,000. This amount will cover the raises and

employer contribution to the Teacher's Retirement System of Georgia for 133,000 employees. Currently the funding formula allots for just over 115,000 teachers, leaving enough for roughly 18,000 non-teaching certified employees.

- A proposed boost of about \$134 million covers student enrollment growth and routine adjustments in teachers' salaries through the Quality Basic Education (QBE) formula, the state's method for calculating K-12 funding.
- Funding reductions are proposed for new math and science teachers, \$1.5 million, and for school nurses, \$110,468.
- The State Charter Schools Commission supplement is set to increase \$46.3 million due to the changes enacted in House Bill 787.
- Increases in funding for the QBE formula are partially offset by a reduction of about \$117 million under the Local Five Mill Share component of the formula. This is a result of climbing property values in some areas of the state which increased school districts' contribution to total QBE funding.
- Funding for the equalization program, which provides supplemental funds to districts with low property wealth, would receive a \$79 million increase.
- Just over \$2.5 million is allocated for pupil transportation. This amount will pay for a 2 percent salary increase for bus drivers and includes \$818,906 for natural enrollment growth.
- The Dual Enrollment Program is allocated an additional \$3.5 million through the Georgia Student Finance Commission to meet projected need.
- The Department of Early Care and Learning (DECAL) will receive \$15 million more in lottery funds to increase pay for lead pre-Kindergarten teachers by \$3,000. An additional \$1.5 million will finance a 2 percent salary increase for assistant teachers.
- Funding meant to cover the test fee for Advanced Placement (AP) exams will be transferred from the Governor's Office of Student Achievement to the Department of Education. The \$3.5 million will provide one AP exam for low-income students and one AP STEM exam for all students.
- \$20 million is allocated in bonds for school bus replacement.

Fully Funding a Weakened QBE

The budget for 2020 will continue fully funding the QBE formula. To meet the state's financial obligations during the Great Recession, legislators made significant changes to QBE that resulted in less money for public schools. During the 16 years of so-called austerity cuts from 2003 to 2018, public school districts received \$9 billion¹ less in state funding than QBE calculated was needed to provide "an adequate public education" as required by the Georgia Constitution.²

During this period state lawmakers made two structural changes to the funding formula that squeeze district budgets. First, state lawmakers changed the calculation that provides funds to low-wealth school districts. The 2013 change to these equalization grants caused public schools to receive \$340 million less in one year alone.³

Second, in 2009 the state reduced its contribution to health insurance for bus drivers, custodians and other non-teaching staff through the State Health Benefit Plan before eliminating its contribution entirely in 2012.⁴ The cost of busing students also climbed significantly in recent years. School districts saddled with higher transportation costs and less money through equalization are tapping money once used for other school needs.

Teacher Pay Raises

Governor Kemp's inclusion of \$483 million for certified teacher and employee pay increases is a welcome addition for a workforce that is ranked near the bottom for wage competitiveness in the nation.⁵ The total amount requested is sufficient for 132,911 positions.⁶

Georgia allotted for 115,379 teachers through QBE in 2019, as well as 16,919 other positions such as school psychologists and media center specialists. Districts are free to hire additional teachers with money earned through local taxes. If the General Assembly passes the pay raises in the governor's budget, districts will feel pressure to use local funding to increase the pay of those employees not financed through QBE.

The Department of Early Care and Learning, which oversees Georgia's pre-K program, will get \$15 million more in lottery dollars to pay lead teachers \$3,000 more annually. The 2 percent pay increase for assistant teachers represents \$317 a year.⁷

Increased Supplement for Charters

Gov. Deal signed House Bill 787 in 2018 which provides additional funding to Georgia's charter schools. The state gives charter schools additional money to offset the lack of local tax dollars. HB 787 changed the supplement's calculation as an attempt at equalizing charter funding to the traditional public schools in their same district. Once estimated to cost the state about \$10 million,⁸ the implementation of this legislation in the amended 2019 and 2020 budgets will cost \$85.6 million.

Endnotes

¹ Georgia Budget & Policy Institute. (2018). Georgia Budget Primer 2019. Retrieved from:<https://cdn.gbpi.org/wp-content/uploads/2018/07/Georgia-Budget-Primer-2019.pdf>

² Ga. Const. Art. 8, § 1

³ Johnson, C.D. (2012). Bill Analysis: House Bill 824. Georgia Budget and Policy Institute.

⁴ Suggs, C. (2018). Overview: 2019 Fiscal Year Budget for K-12 Education. Retrieved from:
https://gbpi.org/2018/overview-2019-georgia-budget-k-12-education/#_edn2

⁵ Baker, B., Farrie, D. Johnson, M., Luhm, T., and Sciarra, D. (2017). Is school funding fair? A national report card. Education Law Center. Retrieved from: http://www.edlawcenter.org/assets/files/pdfs/publications/National_Report_Card_2017.pdf

⁶ Based on GBPI analysis of QBE allotment sheets.

⁷ Based on GBPI analysis of DECAL funding for lead and assistant teaching positions. Retrieved from:
<http://dec.al.ga.gov/documents/attachments/2018-2019%20RateChart.pdf>

⁸ Department of Audits and Accounts. (2018). Fiscal Note House Bill 787. Retrieved from:
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