

State of Education Funding (2022)

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This report offers an assessment of the state of education funding in Georgia by analyzing how it compares to prior years and other states and exploring what areas are due for review or revision. In the Fiscal Year (FY) 2022 budget, Georgia continued a pattern of cutting education and underfunding specific grants for the state's neediest schools. The pandemic has exacerbated existing problems, and the results are understaffed schools across the state. These problems can be addressed by:

- Increasing funding for pupil transportation
- Updating state support for school staff
- Creating an Opportunity Weight for students living in poverty

Quick Facts

The **↑**, **↓** and **↔** symbols indicate the change from the previous year, which can be found in parentheses.

↔ 1,693,971 – Total enrollment in Georgia K-12 public schools in October 2021 (1,686,318 in October 2020)¹

↔ \$5,751.10 – The amount allocated in the Quality Basic Education (QBE) school formula per student in FY 2022 (\$5,757 in FY 2021)²

↔ \$383,024,889 – The amount cut from state funding in the QBE formula in FY 2022 (FY 2021 budget also included a cut of \$383 million)³

↓ No. 38 – Georgia's national rank in per-student funding (down from No. 37 in 2020)⁴

↑ \$2,211 – The gap between the amount of funding per student in Georgia and the national average (lower than the amount of \$2,291 in 2020, representing an improvement)⁵

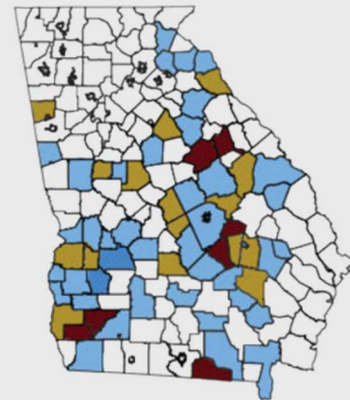
↔ 39.5 percent – The portion of Georgia’s state budget allocated to K-12 public education in FY 2022 (marginally down from 39.8 percent)

↔ \$0 – The amount of additional funding Georgia provides for schools specifically to serve students living in poverty, making Georgia one of only eight states that fail to do so

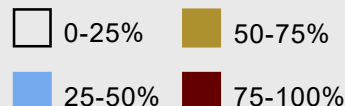
Inadequate Funding Felt Across the School

COVID-19 has exposed weaknesses in the state’s management of its public education system. A report from Georgia Policy Labs (from within Georgia State University) concludes that inequities in measured learning during the first full school year of the pandemic could be better understood as the result of unequal opportunity.⁶ School systems in Georgia’s Black Belt, for instance, do not have the luxury of asking students to complete homework online as households in the region are twice as likely to lack access to high-speed internet than the rest of the state.⁷ This region of the state serves students that are more likely to live in poverty and have more Black students (as a portion of the student body) than the rest of Georgia. The \$10 billion (see graph below) cut from public schools since FY 2003 makes it difficult for cash-strapped districts to pivot to new modes of instruction as well.

Students in Georgia Black Belt Less Likely to Have Access to High-Speed Internet



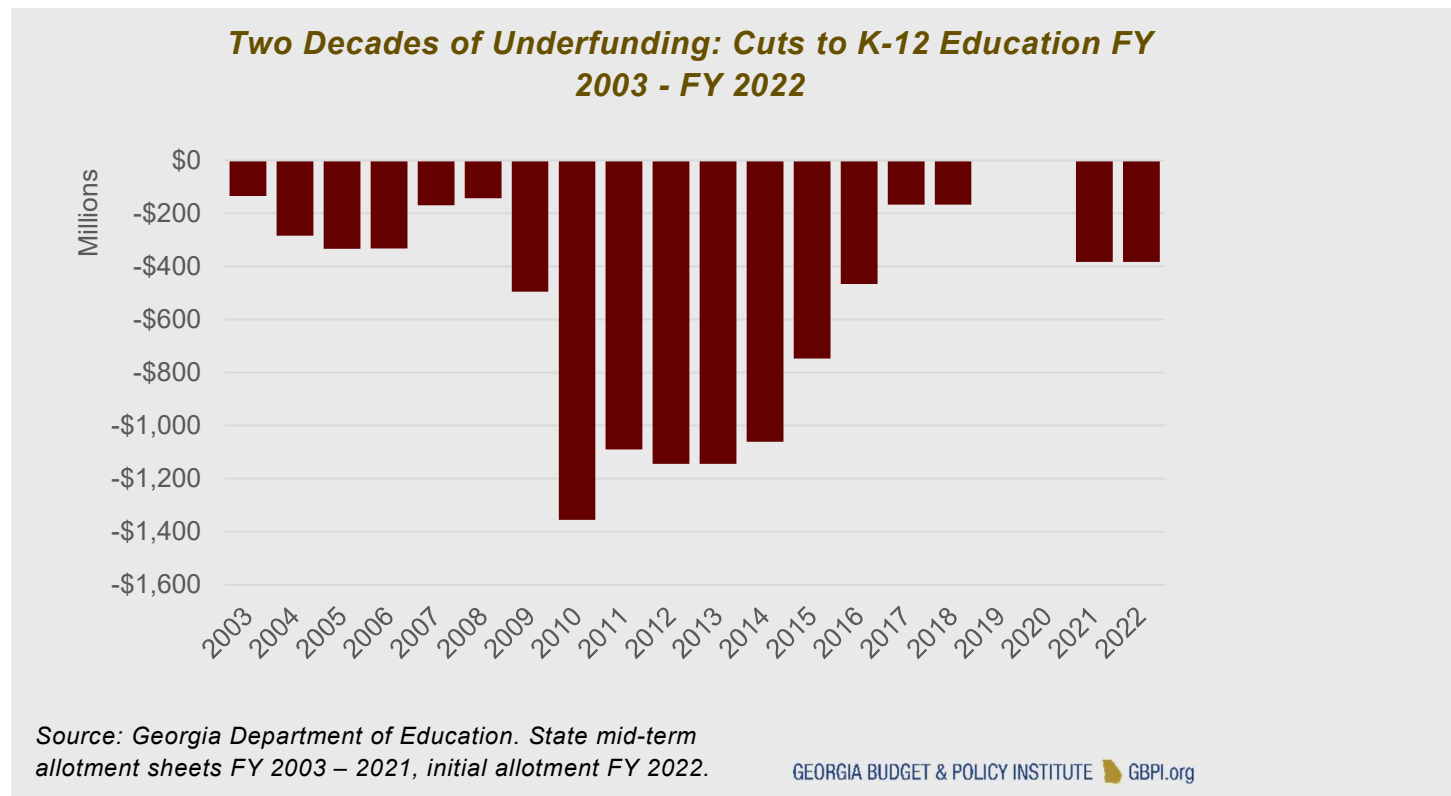
Percent of Households Unserved by High-Speed Internet:



Source: Phase I Underserved Georgia by County.

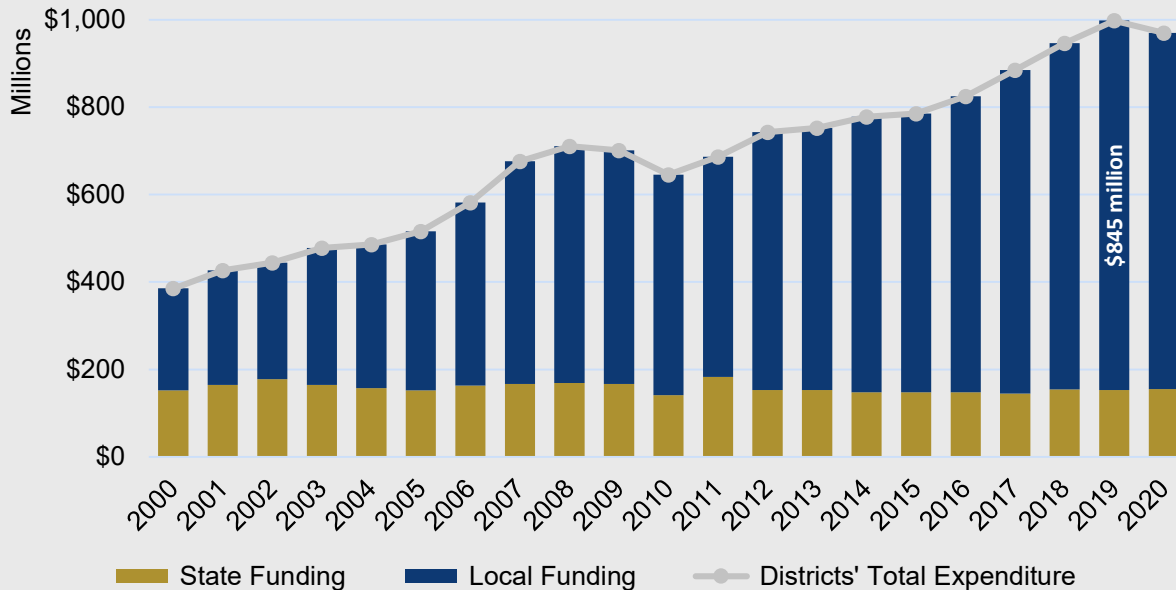
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The Georgia General Assembly’s tendency to balance the budget via cuts to public education has left school districts in untenable situations with staffing. Heavily reported shortages for bus drivers, monitors and teacher substitutes come as no surprise when state leaders have also failed to invest in pupil transportation or support staff funding the last few decades.⁸ These positions are more likely to be filled by people of color than the teaching profession.



Lawmakers allowed funding for pupil transportation to stagnate for more than two decades.⁹ Georgia paid \$139 million for pupil transportation in FY 2002, \$2.5 million more than the amount allotted for the program currently (see graph below).¹⁰ Over this time the public school system gained 250,000 students, and prices increased for fuel, vehicles and labor.¹¹ Making matters worse, in the wake of the Great Recession, state lawmakers pushed the burden of paying for bus driver health insurance to local school districts, a change that was never rectified in the years of economic expansion that followed.¹²

Stagnant State Funding Leaves Districts with Pupil Transportation Bill



Source: Georgia Department of Education. State mid-term allotment sheets FY 2000 – 2020; Georgia Budget and Policy Institute. District expenditure reports FY 2000 – 2020.

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The pandemic has caused many school employees to miss significant time, forcing the issue of inadequate funding for non-certificated staff, such as substitute teachers, to the fore. Additionally, lawmakers passed House Bill 146, which created the first parental leave policy for state employees, including public school teachers.¹³ Although this policy is a step toward ensuring Georgians do not have to choose between a paycheck and caring for their families, this law does not include any additional state funding to ease implementation—further tightening local school budgets. Staffing shortages would be better understood as the natural outcome of school districts unable to keep up with rising labor costs.

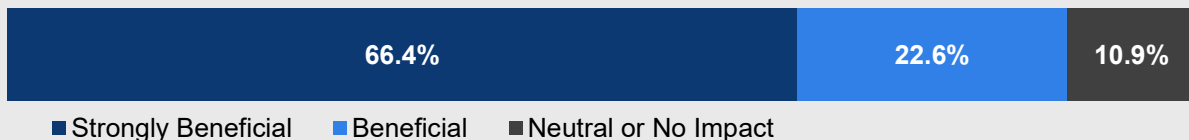
Each of these funding issues will differ from district to district, usually in line with the available local funding. Schools in higher-wealth districts (based on property tax collection) could ease staffing shortages with bonuses/benefits that might not be viable for those districts with fewer dollars per student. It is the state’s responsibility to make sure that this unequal playing field is leveled with additional state funding.

Strong Investment in Teachers Retirement System Pays Off

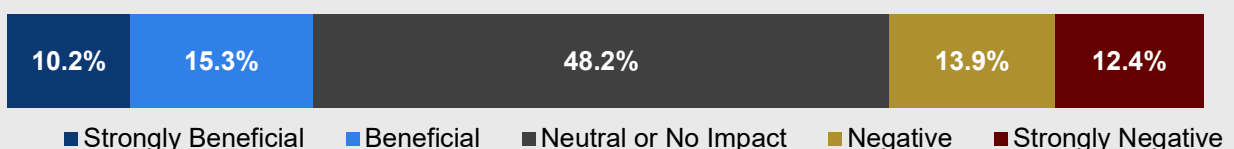
The Teachers Retirement System of Georgia (TRS) enjoyed significant investment returns in FY 2021, gaining \$21 billion in a single year.¹⁴ However, the true investment into the system has been reliable financial support from state lawmakers. Georgia has consistently paid the actuarially determined employer contribution (the amount experts suggest is needed to cover costs), even as that amount increased annually from FY 2006 to FY 2019.¹⁵ Assuming the system can sustain current funding levels and there are no external shocks (e.g., mass resignations of educators), the state should see large savings as actuaries would recommend lower employer contribution rates.

Policymakers should use this opportunity to review and bolster the pension provided to non-certificated staff: the Public School Employee Retirement System (PSERS). PSERS is a supplemental pension offered to bus drivers/monitors, custodians, maintenance and janitorial employees. Most of Georgia’s neighboring states do not segregate school personnel into different pensions based on role, but rather have one pension for all staff. Compared to TRS, the monthly benefit from PSERS is paltry.¹⁶ Based on a survey of Georgia public school leaders administered this summer, employers are united in viewing TRS as a strong recruitment and retention tool while mixed on the impact of PSERS (see below).

School Leaders View Pensions as a Powerful Tool to Recruit or Retain Teachers



Perspectives Split on the Role of “Supplemental” Pensions in Recruiting or Retaining School Staff (e.g. Bus Drivers and Monitors)



Note: In the top chart, zero participants answered “Negative” or “Strongly Negative”

Source: Georgia Budget and Policy Institute’s 2021 School District Survey.

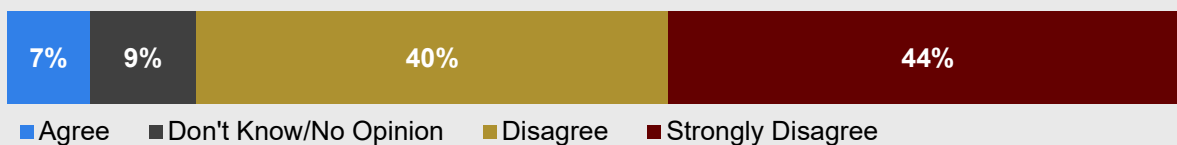
Many respondents stated that while any retirement system is better than nothing, PSERS benefits are so minimal that the pension does little to attract and retain employees to the profession. While TRS and the Employees Retirement System (which administers PSERS) do not disaggregate data based on race, as mentioned earlier local evidence about staff who are eligible for PSERS suggests they are more likely to be people of color, making any additional investments in the system a potential tool for racial justice.¹⁷

Federal Funding Offers Opportunity to Support Students in Poverty

The Georgia Department of Education created a dashboard to show how local school districts are spending the Elementary and Secondary Emergency Relief funds provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARP).¹⁸ All told, the state received \$5.9 billion to mitigate the harms from the pandemic in K-12 public schools.¹⁹ By mid-November, the state had approved \$4 billion for services such as extended school days, increased tutoring and employee retention bonuses.²⁰

Federal money is no substitute for stable state funding, as this one-time cash infusion is primarily meant to mitigate the harms from the pandemic. The harm has been extensive and, with new variants of the coronavirus appearing, ongoing. For this reason, the discussion of whether schools are overfunded should be settled. Polled over the summer, school leaders completely reject this “overfunded” line of thinking.

Georgia School Leaders Overwhelmingly Disagree with the Claim That Schools are Overfunded



Note: Zero participants answered “Strongly Agree”

Source: Georgia Budget and Policy Institute’s 2021 School District Survey.

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The state could use this opportunity to begin supporting children long-term in an area that is absent from the current funding formula. Georgia is one of only eight states in the U.S. that does not provide additional funding specifically to educate students living in poverty.²¹ Funding reforms of the last 30 years in the rest of the country have led to increased opportunities for lower-income schools that then increase student achievement.²²

It was for this reason that Gov. Deal's 2015 Education Reform Commission recommended adding a weight into the funding formula to support these children, stating: "It has been demonstrated that many economically disadvantaged students enter Kindergarten at an academic level far below their peers. However, when a student enters a Georgia school, his or her background, situation and circumstances should never predetermine how much, or how little, he or she progresses."²³ If Georgia created an "Opportunity Weight" to level the playing field for all students, the benefits would be felt for years to come. Considering Georgia's history of white supremacist policies in public schools, additional funding for students living in poverty would also overwhelmingly support children of color.²⁴

Not all of the cost for such a policy would have to be borne in year one. Lawmakers could enter a partnership with districts where CARES, CRRSA and ARP dollars cover the cost for FY 2023, and eventually the state phases in financial support before covering the total amount in FY 2026 (ARP funding must be spent by FY 2025).

Policy Implications

State lawmakers have a unique opportunity to kickstart the next generation for fairness and excellence in schools by undoing the mistakes of the last. The formula that dictates state education funding desperately needs updating to meet staffing shortages.

- **Increase funding for pupil transportation:** Schools are struggling to hire drivers and monitors in a public health emergency and older buses trigger safety concerns for children. Both can be addressed with state funding.
- **Update state support for school staff:** The state should give more money to schools to hire necessary staff like teacher substitutes and begin investing in the pension system (PSERS) given to non-certificated employees like it has for the teachers pension the last 80 years.

Large federal investments this last year has given the state the chance to join the rest of the nation by recognizing the specific needs that poverty creates.

- **Create an Opportunity Weight for students living in poverty:** Gov. Deal's Education Reform Commission charted the course to provide funding to schools based on student needs, with family income being the

greatest predictor of academic success. Georgia should pass legislation (such as House Bill 10) that fulfills this need.

The challenges presented to Georgia's children have been exposed and worsened by the pandemic; with strategic and equitable funding, our public schools can be equipped to meet them.

Endnotes

¹ Georgia Department of Education. *Student enrollment by grade level (PK-12)*. https://oraapp.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form

² Based on a GBPI analysis of Georgia Department of Education. *Earnings sheet for FY 2021*. <https://financeweb.doe.k12.ga.us/QBEPublicWeb/ReportsMenu.aspx>

³ Georgia Department of Education. *Earnings sheet for FY 2021*. <https://financeweb.doe.k12.ga.us/QBEPublicWeb/ReportsMenu.aspx>

⁴ Education Law Center (2021). *Making the grade 2021 state profiles*. <https://edlawcenter.org/research/making-the-grade-2021-state-profiles.html>

⁵ Ibid.

⁶ Darling-Aduana, J., Sass, T.R. & Woodyard, H.T. (2021). *Virtual learning trends during the COVID-19 pandemic*. *Georgia Policy Labs*. <https://gpl.gsu.edu/download/virtual-learning-trends-during-the-covid-19-pandemic-report/?wpdmdl=2244&refresh=618c50bf9e8dc1636585663>

⁷ Owens, S. (2020). *Georgia education budget primer for state fiscal year 2021*. *Georgia Budget and Policy Institute*. <https://gbpi.org/georgia-education-budget-primer-for-state-fiscal-year-2021/>

⁸ Stafford, L. (2021). *Metro Atlanta schools face bus driver shortage*. *The Atlanta Journal-Constitution*. <https://www.ajc.com/news/atlanta-news/metro-atlanta-schools-face-bus-driver-shortage/6W43CNLBTNAJPKVY2UI42PYOZA/>; Tagami, T. (2021). *COVID-19 amplifies chronic shortage of substitute teachers*. *The Atlanta Journal-Constitution*. <https://www.ajc.com/education/covid-19-amplifies-chronic-shortage-of-substitute-teachers/YZ2FUWPPBSRE3NIETDL5TYKI7A/>

- ⁹ Owens, S. (2019). *Georgia lawmakers should renew their commitment to student transportation*. Georgia Budget and Policy Institute. <https://gbpi.org/georgia-lawmakers-should-renew-their-commitment-to-student-transportation/>
- ¹⁰ Governor's Office of Planning and Budget. (2021). *HB 81- FY 2022 Appropriations Bill*. <https://opb.georgia.gov/budget-information/budget-documents/appropriations-bills>
- ¹¹ Based on a GBPI analysis of Georgia Department of Education. (2021). *Student enrollment by grade level (PK-12)*. https://oraapp.doe.k12.ga.us/ows-bin/owa/fte_pack_enrollgrade.entry_form; Owens, S. (2019). *Georgia lawmakers should renew their commitment to student transportation*. Georgia Budget and Policy Institute. <https://gbpi.org/georgia-lawmakers-should-renew-their-commitment-to-student-transportation/>
- ¹² Schlosser, N. (2015). *Georgia keeps health funding for school bus drivers, at higher cost to districts*. School Bus Fleet. <https://www.schoolbusfleet.com/10043050/georgia-keeps-health-funding-for-school-bus-drivers-at-higher-cost-to-districts>
- ¹³ House Bill 146 (2021). <https://www.legis.ga.gov/legislation/59021>
- ¹⁴ Teachers Retirement System of Georgia. (2021). *Annual comprehensive financial report*. https://www.trsga.com/wp-content/uploads/TRS-ACFR-2021_Final-secured.pdf
- ¹⁵ Brainard, K. & Brown, A. *The annual required contribution experience of state retirement plans, FY 01 to FY 13*. National Association of State Retirement Administrators. https://www.nasra.org/files/JointPublications/NASRA_ARC_Spotlight.pdf
- ¹⁶ The Florida Retirement Pension Plan. https://www.myfrs.com/FRSPro_Pension.htm; South Carolina Retirement System. <https://peba.sc.gov/scrs>; North Carolina Total Retirement Plans. <https://www.myncretirement.com/>
- ¹⁷ Based on GBPI analysis of Gwinnett County Staff Demographic Data.
- ¹⁸ Georgia Department of Education. Georgia Insights. <https://www.georgiainsights.com/esser-budget.html>
- ¹⁹ Lee, J., & Owens, S. (2021). *Georgia education budget primer for state fiscal year 2022*. Georgia Budget & Policy Institute. <https://gbpi.org/georgia-education-budget-primer-for-state-fiscal-year-2022/>

²⁰ Georgia Department of Education. Georgia Insights. <https://www.georgiainsights.com/esser-budget.html>

²¹ McKillip, M. & Farrie, D. (2019). *Replacing Georgia's early intervention and remedial programs with funding for low-income students*. Education Law Center. <https://edlawcenter.org/research/funding-opportunity.html>

²² Lafortune, J., Rothstein, J., & Schanzenbach, D. W. (2018). *School finance reform and the distribution of student achievement*. American Economic Journal: Applied Economics, 10(2), 1-26.

²³ Education Reform Commission. (2015). *Final recommendations to Governor Nathan Deal*, 13. https://nathandeaal.georgia.gov/sites/nathandeaal.georgia.gov/files/related_files/document/FinalGovERCReport_121415.pdf

²⁴ Owens, S. (2019). *Education in Georgia's Black Belt: Policy solutions to help overcome a history of exclusion*. Georgia Budget and Policy Institute. <https://gbpi.org/education-in-georgias-black-belt/>