

Georgia: Equal Education Cuts, Unequal Impacts

By Mary McKillip and David Sciarra

In June 2020, amid the economic crisis resulting from the COVID-19 pandemic, the <u>Georgia Legislature enacted a 10% cut in state aid for K-12 public education</u> totaling \$950 million. The cut applied equally to all school districts, without regard to student poverty rates. At the same time, Georgia districts received a one-time infusion of federal emergency funds under the CARES Act to address the impacts of COVID-19 totaling \$411 million statewide. The CARES Act allocated these funds based on the federal Title 1 formula, so high poverty districts received more funds than wealthier districts.

In this brief, part of Education Law Center's "<u>Tracking State Aid Cuts in the Pandemic</u>" series, we examine the impact of Georgia's 10% state aid cut and the extent to which those cuts are temporarily mitigated by federal emergency funds.

Background: Georgia School Funding Inadequate and Inequitable

Prior to the coronavirus pandemic, funding for Georgia school districts was <u>well below where it</u> <u>needed to be</u> and still had not recovered from reductions in state aid made after the 2009 Great Recession. These austerity cuts left Georgia schools deeply underfunded even before the current economic crisis.

As a result, Georgia public school funding is <u>inadequate and inequitable on key measures of fairness</u>. In 2019, Georgia ranked 38th among states with a cost adjusted funding level of \$11,690 per pupil, or \$2,356 per pupil below the national average.

Georgia also essentially "flat funds" school districts, distributing almost no appreciable increase in funding to higher poverty districts. As seen in Figure 1, through Georgia's state finance

mechanism, the Quality Basic Education (QBE) formula, the poorest districts in 2020-21 are funded at an average of \$6,291 per pupil in state and local aid, which is \$95 less per pupil on average than the wealthiest districts. This is primarily because Georgia's QBE formula does not provide additional funding to districts with more students in poverty, which is crucial to support the needs of struggling students.

Poverty

\$6,291 \$6,485 \$6,370 \$6,495 \$6,386

Poorest Somewhat Average Somewhat Wealthiest Poor Wealthy

Figure 1: Georgia QBE FY21 Funding, by District

Furthermore, Georgia's overall investment in public education relative to its economic output falls below the national average. In other words, Georgia does not raise enough revenue to adequately fund its schools, but given the state's economic activity, it has the ability to raise more and chooses not to.

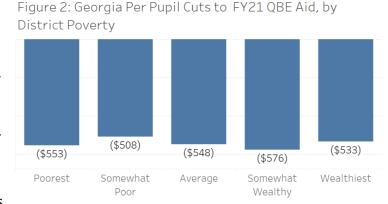
The failure to provide adequate funding impacts on the availability of resources essential to give students a meaningful opportunity to succeed in school. For example, <u>Georgia teachers are more likely</u> now than in previous years to be inexperienced and lack standard certifications, while frequently switching districts or leaving Georgia public schools altogether. The deficit in the teacher workforce disproportionately impacts the state's majority Black and low-income school districts.

Thus, heading into the pandemic, Georgia school districts were already underfunded and under-resourced, with no significant additional funding to support higher need school districts.

Georgia's Pandemic Cut

Georgia closed its public schools in March to stop the spread of COVID-19. On June 25, 2020, the Georgia General Assembly approved a \$950 million cut in state aid to school districts. The cut was distributed in nearly equal

amounts, or approximately \$500 per pupil on average, to both the poorest and wealthiest districts, as can be seen in Figure 2. For example, the Columbia school district, a majority White district with 31% student poverty, received a \$537 per pupil cut, while neighboring Richmond, a majority Black district with a 93% student poverty rate, was cut \$535 per pupil.



It is critical to underscore that Georgia's \$950 million cut is a *recurring* reduction in the overall level of state support for public schools. The cuts are now "baked-in" to the State budget for future years, unless and until the General Assembly restores the cut.

Impact of CARES Act Federal Emergency Funds

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act), appropriating one-time emergency funds to school districts for remote learning, safe school reopening and other urgent resource needs in public schools caused by the COVID-19 public health crisis. Under the CARES Act, Georgia school districts were allocated \$411 million in emergency relief funds statewide through the Elementary and Secondary School Emergency Relief (ESSER) Fund.

In the CARES Act, Congress expressly required these funds to be allocated to districts using the federal Title 1 program formula, which delivers more funding as district poverty concentrations increase. Thus, the poorest Georgia districts received greater levels of CARES Act funds than the wealthier districts, as seen in Figure 3.

Because the CARES Act allocates more funding to higher poverty districts, the \$411 million in federal emergency funds allocated to Georgia helped offset some of the General Assembly's \$950 million state aid cut in the poorer districts, as can be seen in Figure 4. Factoring in CARES Act funds, the \$553 per pupil state aid cut in the poorest

Figure 3: Georgia Per Pupil CARES Funds, by District Poverty

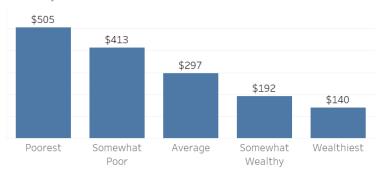
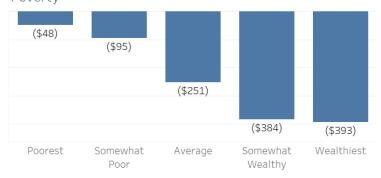


Figure 4: Georgia Per Pupil Cuts & CARES, by District Poverty



districts is reduced to approximately \$48 per pupil. In the wealthiest districts the \$533 per pupil state aid cut is lowered to \$393 per pupil.

However, the offset of the General Assembly's 10% state aid cut with federal emergency funds is *temporary*. Unlike state aid cuts, CARES Act allocations are *non-recurring* funds. Once spent, they will not be renewed, and as a result, they will not replace the cuts in state aid to Georgia districts in coming years. The bottom line is this: the \$950 million state aid cut is now a structural deficit in the state budget for public education in 2020-21 and beyond.

Georgia district-level details are available here.

Conclusion

The Georgia Assembly's 10% "pandemic cut" sets the stage for worsening the condition of public school funding in coming years. It is important to recognize that the COVID-19 pandemic is, at its core, a health crisis impacting public schools. The crisis also has a disproportionate impact on districts serving lower income communities and vulnerable students. Making cuts now will deprive students of much needed resources, including increased need for technology and internet connection for remote learning; meals and other support services; personal

protective equipment (PPE); ventilation, lower class sizes and other building improvements; and teachers and support staff sufficient to resume in-person instruction for students experiencing learning loss and trauma.

The 10% aid cut mirrors the pattern followed in the Great Recession, when Georgia's elected representatives reduced state support for public education aid in response to economic conditions, causing a large structural deficit in state budget. These cuts fell hardest on districts serving high enrollments of low-income students and other at-risk student populations – the very districts that are least able to offset the cuts with increases in local taxes.

Georgia's state aid cut at the outset of the pandemic, even if temporarily mitigated by emergency federal funds, impacts school districts at a time when they need more – not less – funding. It is critical, therefore, that Georgia lawmakers, and those in state capitols across the country, make every possible effort to maintain support for their public schools and students, even in the face of economic difficulties linked to the pandemic.