



## FUNDING: IS FULLY FUNDED QBE ENOUGH?

### Issue Overview

Nationally, discussions and policies around funding formulas for K-12 systems are shifting focus from equal funding across districts to considerations of equity. Unlike equal funding models, which provide all students regardless of need the same allotment of resources, the equity-based model takes into consideration that it simply costs more to educate some students than others. For example, low-income students tend to start school academically behind their higher income peers and require additional academic supports, extra learning time, and potentially outside services related to social services, physical and mental health, or housing.

Now that Georgia has “fully funded education,” many believe the state can move on to other topics of education policy. However, many questions remain. To date, lawmakers determine what the state is willing to spend in support of that promise, but that amount is different from what it would actually cost to fulfill. What exactly is an adequate public education? How much does it cost to provide all students with one? Is the amount Georgia is spending equal to what adequate education costs?

### Significance for Georgia

In Georgia, the majority of state funds for public schools are provided according to the Quality Basic Education (QBE) formula, which was established by state legislation in 1985. The total amount of state revenue received by local districts is based on three factors: QBE earnings, categorical grants, and equalization grants.

Georgia has moved away from a state-mandated centralized approach to decision-making toward a decentralized approach that values local control in its educational system. District leaders have been empowered with the flexibility and authority to lead their districts through student performance contracts with the State Board of Education, operating as either a Charter System or a Strategic Waiver School System.

Embedded in these new performance contracts is greater flexibility with respect to the QBE model. Most districts have embraced that by waiving the state salary schedule, which is a significant portion of the QBE calculation, and direct classroom expenditure controls that are normally dictated by the formula. This flexibility allows districts to target more of their resources to student needs and district priorities. Allowing flexibility to local districts has shifted focus from funding inputs to funding based on student needs and outputs. However, by offering flexibility without seriously considering the actual cost of educating students, the policy may be limiting a local district's ability to meet the needs of its students while being increasingly held accountable for student outcomes through its flexibility contracts.

### Action Steps

The Georgia Constitution guarantees an adequate public education for all citizens. Yet determining whether the state actually provides adequate resources to schools remains a dominant issue in school finance for Georgia. Best practice research finds that these funding levels should be tied to actual costs and periodically reviewed to reflect community needs and aspirations. Georgia must conduct a study to determine the actual costs associated with supporting student achievement and then use this data to guide state and district policy. Doing so requires a comprehensive assessment of the costs of ensuring all students reach the achievement goals set for them and an understanding of the resources required to meet those goals.