Building a New Economic Future in the Old South: School Finance Policy Issues Facing Georgia.

This paper describes some of the significant school-finance policy issues facing the state of Georgia, and speculates as to the possible consequences of certain policy alternatives. The state faces the following potentially divisive issues: (1) proposals for the provision of publicly funded vouchers for private choices in education; (2) the adequacy of funding for public education; and (3) the equitable support of educational opportunity for all students. Following an overview of Georgia's educational finance history, three conclusions are drawn. First, the creation of a voucher plan would be financially damaging to public schools and is likely to be divisive. If a plan that satisfies state and federal constitutional provisions is created, its success is contingent upon the generation of sufficient political and financial support. This support will probably not be generated. Second, adequate funding for public education must remain a goal. Georgia ranks 38th in the nation in per pupil expenditures. Finally, it is unlikely that disparities in per pupil expenditures within the state will be greatly reduced. (LMI)
BUILDING A NEW ECONOMIC FUTURE
IN THE OLD SOUTH:
SCHOOL FINANCE POLICY ISSUES
FACING GEORGIA

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Georgia has fared relatively well through the recent economic difficulties that have afflicted much of the nation. While not immune to the 1990-1992 recession and the increasing economic drains of health care and criminal justice costs, Georgia continues to experience growth in both its economy and population. But with growth comes change, and Georgia continues to grapple with significant and sometimes divisive policy issues related to public education. This paper will identify and describe some of the significant school finance policy issues facing the state of Georgia, and speculate regarding some possible consequences of policy alternatives in Georgia.

**Significant School Finance Policy Issues Facing Georgia**

Among the more significant and potentially divisive school finance issues facing Georgia are proposals for the provision of publicly funded vouchers for private choices in education. Also important are the continuing concerns about the adequacy of public education in Georgia, and the equitable support of educational opportunity throughout the state.
Current School Finance Policy Issues

School choice and the provision of publicly funded vouchers for private choices in education have become perennial issues in discussions of educational reform. But the debate over school vouchers recaptured public attention in Georgia recently when an Atlanta attorney, Glenn A. Delk, attempted to revive a 1961 Georgia statute allowing publicly funded grants for private choices in education. The 1961 statute provided for grants of state and local funds for children between the ages of six and 19 to attend private nonsectarian schools in any state in the U.S., or other U.S. public schools outside the state of Georgia (Ga. Code § 32-813 et seq., 1969). The amount allotted could not exceed the actual costs of tuition or the average state cost per pupil under the Minimum Foundation Program of Education (MFPE), whichever of the two sums was the lesser (Ga. Code § 32-816).

The event that rekindled the discussion of the 1961 law was Delk's representation of a mother that was attempting to remove her child from Atlanta public schools and receive a state funded voucher for a private school.

Georgia's Attorney General Michael J. Bowers has declared the 1961 law inoperative for two reasons: 1) the MFPE had been superseded by other funding laws in 1974 and 1985; and 2) the 1961 voucher law could be challenged as racially discriminatory because of its association with attempts to avoid public school desegregation mandates. Georgia's Lieutenant Governor Pierre Howard has requested that the Georgia Senate hold hearings on the
current status of the law. Georgia State Senator Sallie P. Newbill intends to introduce legislation to fund the bill. She argues that the Georgia legislature has not repealed the law, and claims that she has support for the voucher law among her fellow Republicans and some Democrats. But there is also formidable opposition to such a plan. The Georgia Association of Educators agrees with the Attorney General regarding the current legal status of the law, and views attempts to revive the law as an abandonment of the state’s public schools (Schmidt, 1993).

Regarding the adequacy of public school funding, Georgia has made some progress toward providing an adequate public education for its children. In unadjusted dollars, Georgia increased its per pupil expenditures from $555 to $4,319 representing a 677.6% increase between 1970 and 1990 (Hickrod, Hines, Anthony, Dively, & Pruyne, 1992, p. 186). A comparison of Georgia’s increase in expenditures per pupil and increase in per capita income shows an elasticity measure of 1.6403 between 1970 and 1990, reflecting Georgia’s enhanced commitment to the support of public education (Hickrod, et al., 1992, p. 190). But despite increased fiscal effort, Georgia still remained 38th in the U.S. in per pupil elementary and secondary public school expenditures during the 1990-91 school year (U.S. Bureau of the Census, 1993, p. 83).

Providing equity in educational funding also remains a problem in Georgia. Despite some progress, significant spending disparities continue, with Georgia’s wealthier school districts spending twice as much per student as less wealthy districts.
While the disparities in Georgia are significant, they are not spectacular in comparison to the disparities in many other states. In Texas for example the Supreme Court of Texas recognized per pupil spending disparities of 10 to 1 in *Edgewood v. Kirby*, and in *Helena v. State* the Supreme Court of Montana recognized an 8 to 1 disparity in per pupil expenditures (Dayton, 1992, p. 635). But for schools on the lower end of Georgia's expenditure range, the harms of funding inequities are compounded by Georgia's adequacy problems. Obviously, if the median expenditure is inadequate to provide a quality educational opportunity, schools with expenditures significantly below the median would experience even greater difficulties in providing a quality educational opportunity.

Legislative attempts to enhance equity in Georgia do not appear to have significantly reduced expenditure disparities, but they may have limited further growth in disparities.

**School Finance History in Georgia**

Since the passage of the 1961 law authorizing state and local funding for school vouchers funded under the MFPE, Georgia has undergone two major revisions of its funding system: 1) the Adequate Program for Education in Georgia act (APEG); and 2) the Quality Basic Education act (QBE). The MFPE was originally established in 1949, and revised in 1964 (Ga. Code § 32-601 et seq., 1969). As the title of the act suggests, it was a foundation plan similar to those adopted in many other states.
The MFPE added additional state resources for education through the institution of the state’s first sales tax. In 1974 the legislature adopted the APEG which included a grant for district power equalization (Ga. Code § 20-2-130, et seq., 1981). Then in 1985 the legislature passed the QBE to provide a more equitable school finance structure and to assure that every child in the state had access to a quality educational program (Ga. Code § 20-2-130 et seq., 1992).

Georgia’s Attorney General has stated that the 1961 school voucher law is inoperative because of these funding changes, and because of the law’s connection to attempts to avoid public school desegregation. It is this last issue that raises difficulties for Georgia’s Governor Zell Miller. Following the U.S. Supreme Court’s decision in Brown v. Board of Education (1954) Georgia enacted laws allowing local school boards to suspend the operation of their public schools by a resolution of the majority of the board members (Ga. Code § 32-801, 1969). The 1961 voucher law was then enacted to allow the state and local district to fund private or out of state public schools through the use of grants to students. As a freshman senator, Miller voted in support of the school voucher law. Governor Miller has explained that he supported the school voucher law not as a way to allow children to abandon desegregated public schools, but as a way to provide continued education for children where local districts had closed their schools. As Miller stated: "I supported that bill because it was a way to keep kids in school"
Southern states have often ranked in the bottom half of states in expenditures for public education, with most southern states clustered around the bottom quartile (National Center for Education Statistics, 1993, p. 73). With the QBE the Georgia legislature made a serious effort at improving the adequacy of education in Georgia. The QBE significantly increased state support for public education. For the 1986 fiscal year Georgia added more than $908.9 million in new state funds (Matthews, Melton, & Rogers, 1992, p. 171). The QBE also increased the amount of funds that local districts had to contribute to participate in the funding program from 1.25 mills to 5 mills. Nonetheless, Georgia still ranks 38th in per pupil expenditures in the U.S. (U.S. Bureau of the Census, 1993, p. 83).

In addition to problems of adequacy, inequities in expenditures have been a persistent factor in Georgia public school finance. Though unremarkable in comparison to other states, the disparities are significant. These public school funding inequities have been legally challenged. In 1974 parents, children, and school board members from Whitfield County, Georgia, filed a suit against the state alleging that the inequities produced by the state's system of public school funding were unconstitutional. Additional plaintiffs from other property poor districts later joined the suit. The Supreme Court of Georgia issued an opinion in McDaniel v. Thomas in 1981. The court recognized that in 1978 there were per pupil spending
disparities of $1,682 to $777 in Georgia public schools. Although the court ruled in favor of the state, the court stated that: "It is clear that a great deal more can be done and needs to be done to equalize educational opportunities in this state. For the present, however, the solutions must come from our lawmakers" (McDaniel, 1981, p. 168). Per pupil expenditure disparities in Georgia were $2,347 to $1,049 in 1981, and $3,979 to $2,053 in 1989 (Williams, 1990, p. 196). The ratio of disparity has fluctuated slightly with changes in funding plans and local wealth, but spending disparities continue.

Future Directions for School Finance in Georgia

California's referendum on publicly funded vouchers was closely watched throughout the nation. The failure of California's Proposition 174 was a serious setback to voucher advocates. Nonetheless, it is certain that voucher advocates will continue to press their case in legislatures throughout the nation. The same election day that brought defeat to California's Proposition 174 also produced a victory for pro-voucher Governors in New Jersey and Virginia (Olson, 1993, p. 1). Georgia's State Senator Newbill recognized that many of Georgia's lawmakers had "their fingers in the wind" regarding the outcome of the voucher proposal in California (Schmidt, 1993). Few would disagree that the creation of a school voucher plan in Georgia would be financially damaging to Georgia's public schools and is likely to be racially divisive. But nonetheless, if a plan can
be devised that satisfies the provisions of the U.S. and Georgia Constitutions, the determinative factor in whether voucher advocates will succeed in Georgia is merely whether voucher advocates can generate sufficient political and financial support in the legislature for their proposal. In the current political climate, it does not appear likely that State Senator Newbill or other voucher advocates will be able to generate sufficient support for publicly funded vouchers for private schools.

If Georgia is to maintain its recent progress and further encourage economic growth in the state, a well educated population will be required. Adequately funded schools are essential to achieving this goal. Although Georgia has made efforts to improve the adequacy of public education in the state, it still lags behind much of the nation in the level of financial support for public education.

Problems of inequities in the funding of public education in Georgia continue to receive the attention of educational policy makers. But in the absence of some significant future changes it is unlikely that disparities in per pupil expenditures will be significantly reduced. As Williams recognized: "Equalization of local financial ability was the goal of the QBE Act, rather than a mandated equalization of expenditures per student" (Williams, 1990, p. 259). Local control of public schools continues to be a deeply held conviction in Georgia.

Since the revisions of the MFPE in 1964 Georgia public school finance has undergone a major revision about every 10
years, with APEG in 1974 and QBE in 1985. If this pattern remains consistent, Georgia is due for another significant change soon. The legislature’s objectives of enhancing educational adequacy and equity under QBE were admirable, as was the QBE policy of assuring that "each Georgian has access to quality instruction" (Ga. Code § 20-2-131, 1992). Both present and future Georgians will be best served by their legislature if in constructing future school finance legislation, Georgia law makers keep firmly in mind the continued need for improvement in the adequacy and equity of public school funding in Georgia. A recent new program championed by Governor Zell Miller demonstrates that the state is serious about improving educational opportunities for Georgians. Georgia’s new "Hope Grant" program is a significant step forward for the educational and economic future of Georgia. The plan provides two years of free tuition for Georgia residents in any Georgia public college, university, or technical institute, if the student maintains a "B" average and has under $100,000 family income. A proposed expansion of the plan extends the program to four years of free tuition (Georgia Student Finance Commission, 1993, p. 2). But if all Georgians are to have an equal opportunity to benefit from this progressive program in higher education, further enhancements in adequacy and equity in public elementary and secondary school funding are also needed.
References


