



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 12, 2025

Honorable Sam Park
State Representative
609 Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 49 2043)

Dear Representative Park:

This bill amends the Quality Basic Education (QBE) Act to provide funding for students living in poverty, as defined by the bill. The bill adds a new QBE program for students living in poverty to the existing list of state-funded instructional programs. The bill provides for a program weight of 1.75 with a teacher-student ratio of 1 to 15. Additionally, the bill would provide school systems a grant equal to 25 percent of the QBE base amount for each student living in poverty and requires at least 90 percent of the funds to be expended for the benefit of such students.

Data from the Georgia Department of Education (GaDOE) indicates that the bill would have resulted in additional costs of approximately \$731 million in FY2025 (see **Table 1**). As discussed below the table, costs associated with the new QBE program are unclear.

Table 1: Total Projected Grant Amount for One Year

| | |
|--|----------------------|
| Base QBE Weight | \$3,191.67 |
| 25% of Base QBE Weight | \$797.175 |
| 2024 Georgia K12 Student Poverty Count | 916,536 |
| Total Grant Amount | \$731,320,114 |

- **Grant** - The grant would result in additional costs of approximately \$731 million in FY2025. The amount of the grant is based on the FY2024 number of students identified through annual local school systems self-reported counts of students/households described as one or more of the following: Migrant, Homeless, TANF, SNAP, or Foster Care, excluding students in the Department of Juvenile Justice (DJJ) system. The FY2025 base QBE weight is used. With the exception of DJJ, the amount assumes that every school system is eligible for the additional funding.
- **New QBE Program** - The cost of the new QBE program is unclear. QBE funding is based on the full-time equivalent (FTE) student count and the per FTE cost of the type of instructional services students receive. An FTE represents six periods (or segments) of state-funded instruction in a typical day. Such instructional services include the kindergarten, gifted, and remedial education programs. The impacted students could be receiving one or

more instructional services **and** meet the definition for poverty which earns the “poverty” weight of 1.75.

The bill does not specify how “poverty” would be assigned to a particular segment of the school day. GaDOE estimates the new QBE program would cost \$5.1 billion if the “poverty” weight is to be assigned to all six segments for each of the 916,536 students. If the poverty weight is to be assigned to a single segment for each student, estimated costs would be \$853.2 million (or approximately \$930 per segment). Students would be removed from the instructional segments (e.g., kindergarten, kindergarten EIP) in which they are already enrolled, offsetting the cost of the bill by an unknown amount. For example, if the average weight for students living in poverty is currently 1.4, the additional earnings under the bill would only be \$1.0 billion.¹

Changes in QBE earnings are borne by the state and local school systems, with the ratio dependent on Local Five Mill Share calculations made each year. Currently, the state share is 80% but could increase in future years based on changes in local property tax digests. Additionally, the cap on the Promise Scholarship program at Georgia Student Finance Commission is set at 1% of QBE earnings and would increase as a result of this bill.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/jb

¹ Average is based on weights assigned to the grades 4-5 (1.0417), grades 4-5 EIP (1.8337), grades 9-12 (1.0000), gifted (1.7337), and remedial (1.3697) programs, for example.