



June 9, 2020

Dear state leaders,

We, the undersigned individuals and organizations, all advocate on behalf of public education here in Georgia. We understand that, as of June 1, the Governor has indicated that state agencies will now be asked for 11 percent reductions in their budget proposals. While this would be an improvement over the earlier directive of 14 percent cuts, it is still massive and has the potential for devastating, long-term damage to local districts if not mitigated by strong leaders willing to protect public education. In this time of unprecedented crisis, we beseech you, our state leaders, to do everything within your power to minimize the damage to Georgia's public education system as a result of pandemic-based budgetary cuts.

As state agencies prepare to make these severe budget cuts, we would first ask that the requested cut not be applied to the Georgia Department of Education (GaDOE). However, in the event that cuts to GaDOE are ultimately necessary, we request that GaDOE not receive the full 14 (or 11) percent cut and that any necessary reductions be made strategically. Specifically, we ask that any cuts be made with the recognition that not all districts are similarly situated, and thus they cannot be treated identically if budget cuts are necessary. Finally, we urge you to consider multiple revenue enhancement options in order to minimize, to the greatest extent possible, the need for any budgetary cuts.

As you know, Georgia's constitution dictates that "(t)he provision of an adequate public education for the citizens shall be a **primary obligation** of the State of Georgia" (emphasis added). We certainly understand that Georgia revenues have plummeted and that the budget is under tremendous stress. However, given the fundamental importance of quality public education to Georgia's future, we urge state lawmakers to insulate K-12 funding, and to continue to make critically overdue investments in our state's students and teachers. One way to achieve this goal would be to utilize a portion of Georgia's rainy day fund. State leadership has proven itself wise in amassing this reserve fund and now is the time to avail ourselves of these reserves in order to protect our public education system.

If cuts to GaDOE's budget are unavoidable, we ask that these cuts be made as strategically as is possible. A directive to reduce state agency budgets by even 11 percent has the potential to cut \$1.2 billion from the total GaDOE budget, \$1.13 billion of which goes directly to local schools. The undersigned groups are committed to equity in the resourcing of Georgia's schools. There are school districts in Georgia that simply cannot withstand a cut of that severity. The very districts that are most disadvantaged by lower property tax bases from which to draw funding are the districts now being hit the worst with COVID-19 cases. An equity framework requires that those districts must be protected from further economic harm stemming from this crisis.

The undersigned Georgia Budget and Policy Institute (GBPI) has prepared a report, linked here: <u>Georgia at a Crossroads: Raising Revenues Sensibly or Forcing Schoolchildren to Pay for Years to Come.</u> This report documents the problems facing these hard-hit Georgia school districts, identifies the pitfalls of not protecting these districts, and offers numerous options for protecting our most vulnerable schools and students, ultimately advocating that these districts be held harmless from budget cuts.

And, rather than solely considering budget cuts to address the revenue shortfall, we urge you to explore opportunities for raising revenues in this moment. We simply cannot cut our way out of this economic crisis without incurring fundamental, long-lasting damage to our schools and students. Georgia must look for ways to fill the budget gap through revenue enhancement. Again, we would direct you to the GBPI report linked above, which enumerates multiple options for raising up to \$1.4 billion in additional revenues. These options include raising the tobacco tax to the national average, trimming tax expenditures and loopholes, and eliminating the state's double deduction. As education advocates, we would be remiss if we did not highlight one tax credit – the Georgia Private School Tax Credit - that annually diverts \$100 million from state revenues. If we are, in fact, in a scenario in which the state cannot fully fund its own public education funding formula (QBE), diverting state dollars to private schools cannot be justified.

Finally, we urge all our state leaders to request additional federal relief funds to aid in Georgia's response to COVID-19. As to the CARES Act dollars already allocated to Georgia, and in recognition that critical state dollars should not be diverted to private schools, we would ask you, Secretary Woods, to disregard the guidance of the United States Department of Education (US DOE) as to the allocation of these CARES Act dollars. As you know, US Secretary DeVos has issued guidance that "(a)ll students and teachers in a non-public school are eligible to receive equitable services under the CARES Act programs." Many believe this guidance will have private schools seeking funds for "all" their students, as opposed to only Title 1-eligible students. Since a district's share of CARES Act aid is based on its enrollment of disadvantaged students (Title 1 students), it does not make sense to force school districts to set aside money for equitable services for *all* private school students, as opposed to only for Title 1-eligible students. In fact, adherence to this guidance could significantly harm the vulnerable students who were intended to benefit the most from the critical federal COVID-19 education relief funds. As of May 29, eight states (including Mississippi, Oklahoma, and Indiana) have indicated that they will ignore this guidance from the US DOE and we urge Georgia to join that growing list.

Thank you for letting us share our concerns regarding this unprecedented moment in Georgia. We look forward to continuing to partner with each of you as we work together to strengthen the public school system in Georgia.

Georgia Budget and Policy Institute

Georgia Coalition for Public Education

Other signatories:

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