

Georgia's Quality Basic Education Formula Turns 40

Closing the Gap or Passing the Buck?



IDRA Research Brief • by Mikayla Arciaga, M.A.Ed. • March 2026

The Georgia General Assembly enacted the Quality Basic Education Act (QBE) in 1985 to overhaul the state's public school funding system. The law followed concerns that Georgia's prior formula failed to provide adequate and equitable funding across school districts.

QBE was designed to ensure that every student, regardless of where they live, has access to a quality basic education. It was intended to do so while balancing state and local responsibility for funding schools.

Four decades later, QBE remains the backbone of Georgia's education finance system. However, important questions persist about whether it has fulfilled its promise of adequacy and equity. These questions are especially urgent in a context shaped by repeated austerity measures, shifting federal support and growing fiscal pressure on local school districts. Districts serving low-wealth and high-need communities face particular strain as they work to meet rising costs with limited local capacity.

This brief provides a modern analysis of Georgia's education revenue trends and funding distribution to assess whether QBE is closing opportunity gaps between wealthy and poor school districts or increasing the burden on local communities. By examining long-term revenue patterns and differences in district fiscal capacity, the brief offers evidence to inform current policy decisions and future reforms.

Key Findings

Recent growth in school funding has been driven primarily by local revenue. Since 2018, state funding has increased by roughly \$115 million per year. Over the same period, local funding has grown by about \$420 million per year, significantly increasing reliance on local property wealth.

Substantial disparities in local revenue capacity persist. On average, Georgia's wealthiest 20% of school districts can raise nearly \$5,000 more per student (full-time equivalent [FTE]) in local revenue than the other 80% of districts and receive about \$2,500 more per FTE student overall. While QBE includes an equalization mechanism, it does not fully offset these differences.

The funding gap is persistent, not temporary. Trend data show that disparities between higher-wealth and lower-wealth districts persist over time, suggesting that inequities are structural rather than cyclical.

Taken together, the findings indicate that Georgia's current funding structure increasingly relies on local fiscal capacity and does not fully neutralize disparities tied to property wealth. As policymakers consider changes to state investment and local tax policy, understanding these trends is critical to ensuring that public schools are adequately and equitably funded for all students.

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How the Quality Basic Education Formula Works

The QBE formula emerged in the aftermath of *McDaniel v. Thomas* (248 Ga. 632, 1981), a lawsuit alleging that Georgia’s school finance system failed to provide adequate funding, particularly in low-wealth districts.

Although the Georgia Supreme Court ruled against the plaintiffs, the court acknowledged a central problem: “Similarly situated children receive very different amounts of educational resources because of disparities among school districts in taxable property wealth per pupil.”

The QBE sought to balance two goals: ensure that every child in Georgia has access to a quality education and ensure that “all Georgians pay their fair share of this finance structure” (OCGA § 20-2-131).

Operationally, QBE is a **weighted formula**. Each student’s instructional day is divided into six segments. School districts report FTE counts for each of the state’s 19 instructional programs. Each program carries a specific weight reflecting the relative cost of educating students in that setting, for example, gifted education, special education, and early intervention (see Exhibit 1). Funding is then allocated based on the number of weighted FTEs a district generates.

One way to make sense of this is to think of unweighted FTE counts as a basic enrollment “head count” or the number of students in a school. Weighted FTE reflects the services each student receives throughout the day.

Weighted FTE helps serve as a measure of educational need. For other dedicated costs, such as transportation and nurses, the state funds a variety of **categorical grants** tied to basic enrollment.

In addition to program funding and categorical grants, QBE includes an **equalization grant** designed to offset disparities between school districts created by property wealth disparities.

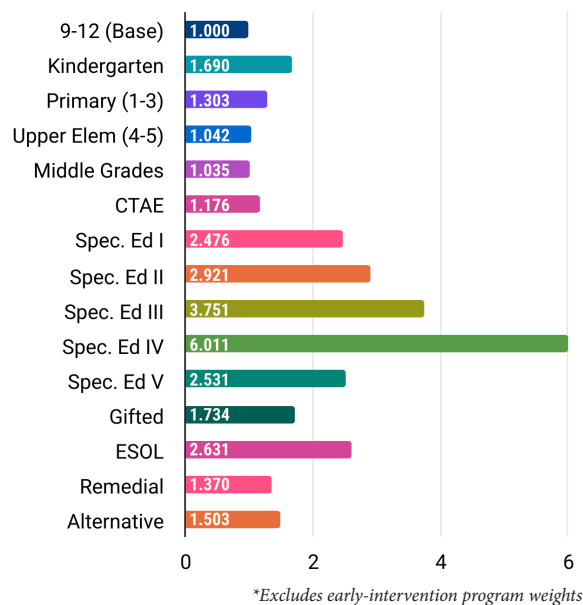
There is no mechanism in the formula to account for the effects of individual or community poverty. Notably, Georgia remains one of only six states without a dedicated funding mechanism to support school districts educating students who are living in poverty.

Participation in the equalization grant is voluntary. This mechanism has functioned as an equity tool by providing additional funding to districts with tax bases below the state average, partially compensating for their limited ability to raise local revenue.

Unfortunately, significant legislative revisions have limited the number of school districts that can participate in equalization, a possible source of growing disparity between the states’ wealthiest and poorest districts (Warner, 2019).

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Exhibit 1: QBE Program Weights (2024-25)



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Why Funding (Equity) Matters

Amidst a large collection of research demonstrating that school funding directly shapes long-term student outcomes (Jackson, 2018; Candelaria & Shores, 2017), a growing body of literature shows that funding that specifically targets socioeconomically disadvantaged students has a greater positive impact on student outcomes (Jackson et al., 2016; Baker, 2017; Johnson, 2023). This means the distribution of funding across school districts is a consequential policy question.

Recognizing that money matters for strong student outcomes, most states have implemented weighted funding formulas to close the gaps for school districts with high concentrations of poverty. Forty-four states now direct additional state support to districts serving students who live in concentrated poverty (EdBuild, 2026).

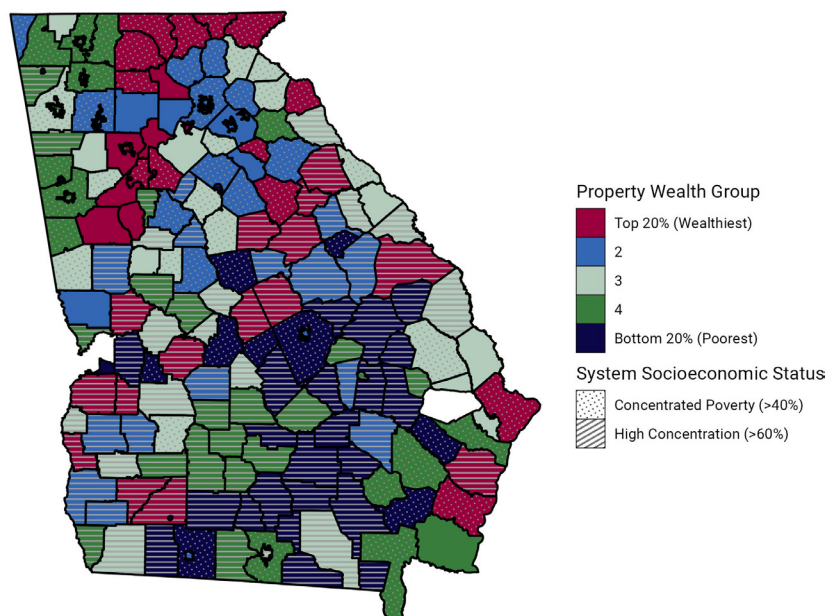
This approach responds to research showing that **concentrated poverty, where 40% or more of households live below the poverty line**, amplifies educational challenges through resource constraints, environmental stressors and reduced community capacity (Aliprantis & Zenker, 2011). How states structure their funding formulas plays a substantial role in either mitigating or exacerbating these inequities (Baker & Corcoran, 2012; Baker, DiCarlo, & Oberfield, 2023; Cárdenas, 1997).

As mentioned, Georgia is part of a minority of states that do not allocate additional funds to account for individual poverty. The Official Code of Georgia establishes QBE's purpose as "providing an equitable public education finance structure which ensures that every student has an opportunity for a quality basic education, regardless of where the student lives" (OCGA 20-2-131). Yet the formula only equalizes for property wealth, not socioeconomic need within a district.

Exhibit 2 illustrates this distinction. Districts are shaded by property wealth quintile, with a pattern overlay identifying districts where 40% or more of students are directly certified (a proxy for concentrated poverty). Where the two overlap, districts face the double constraint described above.

Georgia is part of a minority of states that do not account for individual poverty with additional funds.

Exhibit 2: District Wealth Quartiles and Concentrated Poverty



Property wealth groups are fixed based on 2025 equalized property digest per FTE.
Data source: Georgia Department of Education, System Revenue Reports (2010-2025).
Governors Office of Student Achievement Direct Certification 2024-2025.

Property-wealthy districts can supplement state funding substantially for both core instruction and operational needs. Districts with limited property wealth face constrained capacity across all expenditure categories.

When high concentrations of economically disadvantaged students overlap with weak property tax bases, districts face a double constraint: elevated need and limited resources. Understanding how revenue is distributed across districts of varying wealth and need thus becomes essential for evaluating whether QBE achieves its stated goal of ensuring educational opportunity independent of local fiscal capacity. An examination of whether or not the formula delivers on that promise requires looking beyond its design to the revenue patterns it has actually produced across school districts of varying wealth and need.

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Revenue Trends

Georgia’s public school districts rely on three primary sources of revenue: local, state and federal funds, each contributing differently to the overall funding structure. While these sources support school operations, their relative shares have shifted over time, influencing district budgets and shaping the broader context of education finance in the state.

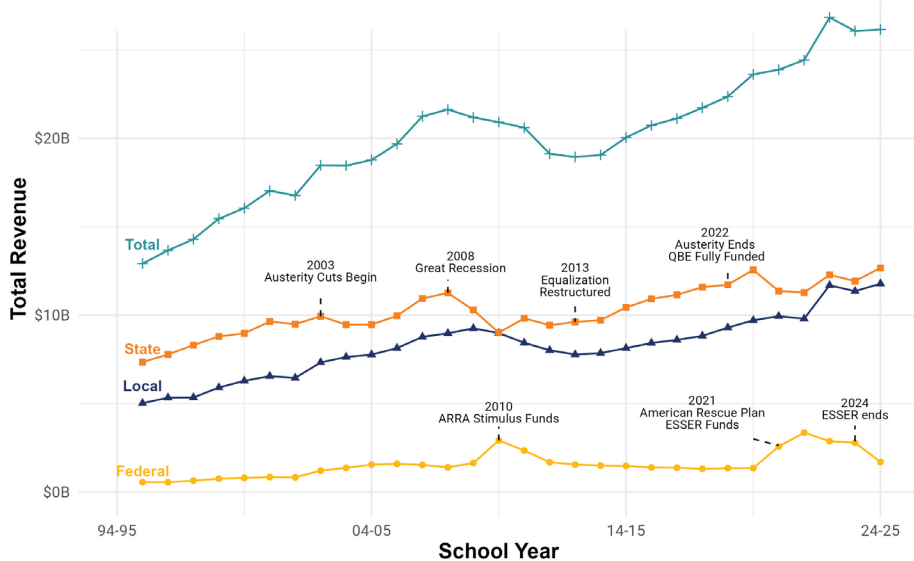
An exploration of the relationship between the major revenue shares in Georgia highlights several key points (see Exhibit 3).

First, total spending on education has increased dramatically over the last 30 years.

Second, there is a noticeable relationship between state and federal spending, particularly at points of stimulus funding, such as in 2010 with the *American Recovery and Reinvestment Act (ARRA)* and from 2021-2024 with *Elementary and Secondary School Emergency Relief (ESSER)* funds from the COVID-19 relief packages. It appears that when federal funding increases significantly, state funding drops dramatically.

Third, there was also a drastic increase in the local share of revenue in 2022, relative to its previous share and compared to state or federal increases.

Exhibit 3: Thirty Years of Georgia Public Education Revenue



Adjusted for inflation
Data source: GaDOE System Revenue Financial Reports (1996-2025)

Passing the Buck

The long-term trend lines shown above illustrate how education funding in Georgia has changed over the past 30 years, with state, local and federal revenues following distinct paths.

While these figures clearly show divergence across funding sources, they do not quantify how quickly each source has grown, or how those growth rates have changed across different economic periods.

To better understand the pace of these changes, we estimate average annual funding growth by revenue source using linear trend models. These models summarize how much state, local and federal revenues have increased each year on average and allow for direct comparisons across time periods. Rather than focusing on single-year fluctuations, this approach captures the underlying growth trajectories that shape long-run funding patterns.

Exhibit 4 summarizes estimated average annual changes in Georgia's K-12 education revenue by source across four time periods: the full 1996-2025 period, the pre-recession years (1996-2007), the recession period (2008-2017), and the recovery period (2018-2025). Estimates are based on linear trend models and reported in inflation-adjusted dollars.

Exhibit 4: Average Annual Change in Georgia Public Education Revenue by Source				
Source	Full Period 1996–2025	Pre-Recession 1996–2007	Recession 2008–2017	Recovery Years 2018–2025
State	+ \$137M	+\$257M (3.8%)	+ \$63M (0.40%)	+ \$91M (1.8%)
Local	+\$182M	+\$332M (5.3%)	–\$93M (-0.13%)	+ \$438M (4.2%)
Federal	+\$59M	+\$107M (10.4%)	–\$72M (1.9%)	+ \$18M (7.9%)
Difference: Local – State	+ \$45.1M/yr	+ \$75.7M/yr	– \$156M/yr	+ 346.2M/yr

Notes: Values represent estimated average annual changes based on linear trend models of total education revenue by source. Estimates are reported in millions of inflation-adjusted dollars and rounded to the dollar. Differences show additional annual growth in local or federal funding relative to state funding. Percent differences are relative to source itself.

Appendix Reference: Full regression results, including coefficients, standard errors, and model fit statistics, are reported in Appendix A

Data Source: IDRA Analysis of GADOE System Revenue Financial Reports 1996-2025.

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Across the full period, state education funding increased by about **\$137 million per year**, reflecting steady long-term growth in state investment. However, local funding grew an additional **\$45 million per year faster than state funding**, indicating a gradual but persistent shift toward greater reliance on local revenue. Over the same period, federal funding grew significantly more slowly than state funding, contributing little to offset this shift.

Patterns differ across subperiods. Prior to the Great Recession, both state and local revenues grew rapidly, with local revenue increasing nearly **\$76 million per year faster than state funding**, amplifying wealth-based differences between districts. The recession sharply reversed the pre-recession pattern.

State revenue continued growing but at a fraction of its former rate, reflecting slow QBE restoration. Local revenue flipped from the fastest-growing to the fastest-declining source. This was a direct consequence of the housing crash, which collapsed property tax digests. Federal revenue declined as ARRA stimulus funds wound down after 2011.

In contrast, the most recent period shows a sharp divergence. Since 2018, state funding grew by roughly **\$137 million per year**, while local revenue has increased by about **\$304 million more per year than state funding, equating to a \$420 million increase each year**. This acceleration in local growth suggests that recent increases in overall education funding have been driven primarily by local sources rather than renewed state leadership.

Taken together, these findings suggest that Georgia’s approach to school funding has increasingly involved **passing the burden of education costs to local communities rather than closing funding gaps at the state level**. Although state funding has grown over time, it has not kept pace with rising local contributions, particularly in recent years.

As a result, communities have been left to bridge the gap through local revenue, effectively shifting responsibility from the state to local taxpayers. This pattern does not close opportunity gaps between districts; instead, it reinforces them by tying educational resources more closely to local wealth.

Reversing this trend will require renewed state investment that prioritizes closing funding gaps over passing costs down to communities.

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Closing the Gap?

Georgia funds schools through a combination of state aid, local property taxes and federal grants. In theory, state aid should offset differences in local wealth through equalization, and to an extent, this seems to be true.

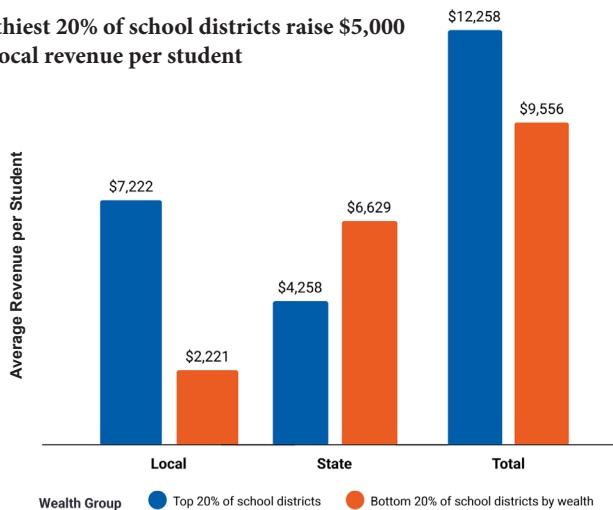
In practice, school districts with higher property values can generate substantially more revenue per student than poorer districts. This is shown in Exhibit 5, which compares the revenue capacity of the wealthiest 20% of districts with that of the poorest 20% of districts.

This figure shows that, on average, **the wealthiest districts can raise almost \$5,000 per more per FTE in local revenue than lower-wealth districts**. The state helps reduce this gap through the *Quality Basic Education Act*, but the difference does not disappear.

The wealthiest districts can raise almost \$5,000 per more per student (FTE) in local revenue than lower wealth districts.

Exhibit 5: The Opportunity Gap

The wealthiest 20% of school districts raise \$5,000 more in local revenue per student



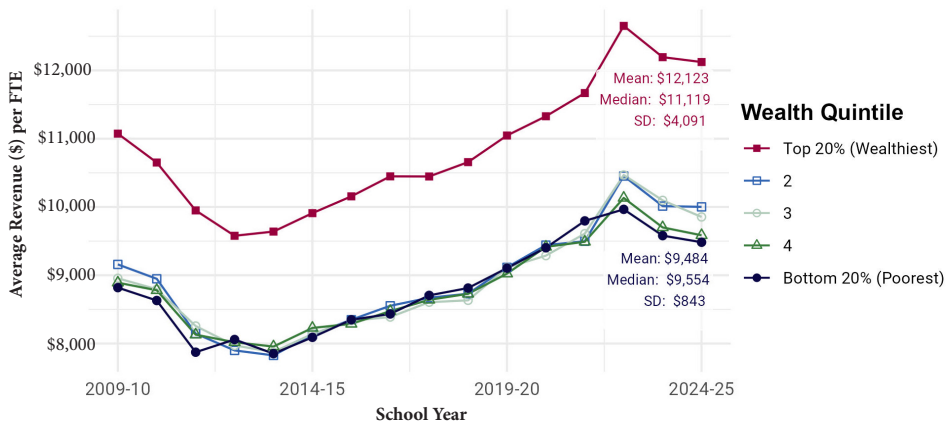
District wealth groups are fixed based on 2025 equalized property digest per FTE. Per-pupil revenue is calculated using weighted FTE counts and adjusted to 2024 dollars. Data source: GaDOE System Revenue Financial Reports (1996-2025)

The graph in Exhibit 6 makes this clear. The gap between the wealthiest districts and the other 80% of districts persists over time. It does not shrink in any meaningful way. This is by design.

When QBE was first established, equalization used the 90th percentile district as the benchmark to equalize district wealth. In 2000, the legislature adopted HB 1187, which lowered the district benchmark from the 90th percentile to the 75th percentile over the next five years. At the same time, it substantially increased the size of the grants. This means that while fewer districts were eligible for these funds, they received more funding overall.

Exhibit 6: Tracking the Gap

Wealthiest 20% of school districts in 2009-10 continue to receive substantially more revenue per student in 2025



District wealth groups are fixed based on 2009 equalized property digest per FTE. Per-pupil revenue is calculated using weighted FTE counts and adjusted to 2024 dollars. Data source: GaDOE System Revenue Financial Reports (1996-2025)

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This explains why the gap has persisted for the last 15 years and why this is not just about a good or bad year for the economy. The difference is built into the system. When a funding gap continues year after year, the effects add up. Districts with more money can keep investing in staff, programs and student support. Districts with less money must keep making tough choices.

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Following the Money

Rising education costs in Georgia are not a single phenomenon. They reflect a combination of enrollment growth, shifting student needs and mandatory expenditures that districts cannot reduce or defer.

Enrollment growth alone accounts for a substantial share of rising costs. Between 1996 and 2025, raw enrollment grew by about 6,609 students per year on average.

However, this understates the full extent of the increase in student need. Weighted enrollment grew at nearly four times that rate, adding about 24,030 weighted FTEs per year over the same period. This divergence between raw and weighted enrollment is significant. It means that even if per-pupil spending had remained flat in nominal terms, total expenditures would still have risen substantially simply to keep pace with a student population that is increasingly complex and costly to serve.

Beyond enrollment, costs rise due to **inflation, changing student needs and required benefits**. Two major required expenses are payments into the State Health Benefit Plan and the Teachers Retirement System of Georgia. These expenditures are not optional. When contribution rates increase, districts must pay more, leaving them with less budget flexibility. Lower-wealth districts feel this pressure more acutely because they have fewer local dollars to absorb these increases.

Under the QBE formula, the state primarily funds certificated personnel, such as teachers and certain instructional staff. Districts are largely responsible for paying non-certified staff, including paraprofessionals, bus drivers, custodians, school nutrition workers and many support roles.

In addition, the state often **mandates** certain programs and services to meet student needs, but it does not fully fund the cost of delivering those services. This means school districts are responsible for covering the gap. For those with strong local tax bases, this may be manageable. For under-resourced districts, these mandates can strain already tight budgets.

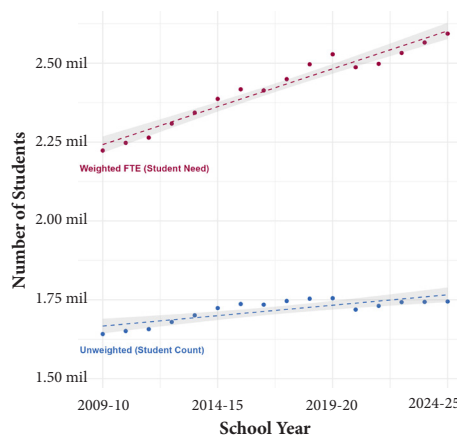
This creates a difficult situation. Districts must meet legal and educational requirements, but they may not receive sufficient state funding to cover the full cost of doing so. When local revenue is limited, districts may have to reduce other programs, delay hiring or stretch staff across multiple roles to make ends meet. Over time, this can affect the quality and consistency of services students receive.

One criticism of school districts is their general reserve balances. Some observers point to fund balances as evidence that districts are not fully using available resources, suggesting that complaints about inadequate funding are overstated.

However, this framing overlooks the structural pressures that make maintaining reserves a fiscal necessity rather than a sign of excess. For districts with limited and volatile local tax bases, reserves serve as a buffer against unexpected enrollment shifts, state funding reductions and unfunded mandate costs.

The state often mandates certain programs and services to meet student needs, but it does not fully fund the cost of delivering those services.

Exhibit 7: Public Student Enrollment



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The influx of federal relief funds through ESSER significantly distorts this picture. Georgia's school districts received \$6.6 billion in total ESSER funding across three rounds, and statewide fund balances more than doubled between fiscal years 2019 and 2024, rising 101% in total and 117% in unassigned fund balances.

A February 2026 report from the Georgia Department of Audits and Accounts found that, while nearly all districts received a positive fiscal health rating for the 2022-2024 period, that three-year average was significantly inflated by one-time federal COVID-19 dollars.

When fiscal year 2024 data are examined alone, the final year of ESSER funds, 15 districts received a cautionary fiscal health rating, and one received a critical rating, compared to just four under the three-year average. Many districts used ESSER funds for regular operating expenses, such as salaries, fuel and utilities, which temporarily reduced drawdowns on local reserves and artificially elevated fund balances.

Now that those funds have fully expired, districts must evaluate which programs and positions created during the pandemic can be sustained solely with state and local revenue.

Rather than indicating financial health, large reserve balances in under-resourced districts may reflect years of deferred spending on staffing, facilities and programming – choices made to stay solvent rather than to accumulate surplus. The post-ESSER fiscal landscape makes clear that the appearance of financial stability during 2022-2024 was, for many districts, a temporary condition rather than a structural one.

Conclusion

QBE was designed to promote equity by balancing state and local responsibility while offsetting differences in property wealth. Yet the evidence presented in this report suggests that the system has gradually shifted away from that balance.

Since 2018, growth in education funding has been driven overwhelmingly by local revenue rather than renewed state investment. Over time, local funding has grown substantially faster than state funding, deepening reliance on local property wealth to sustain public schools.

On average, the wealthiest 20% of districts can raise nearly \$5,000 more per FTE in local revenue than the other 80% of districts and receive approximately \$2,500 more per FTE overall. While the state's equalization mechanism narrows this divide, it does not eliminate it. The 15-year analysis of the opportunity gap confirms that this is not temporary. It is persistent, and its effects compound over time.

At the same time, **the structure of QBE places significant financial responsibility on local districts.** The state primarily funds certificated instructional personnel, leaving districts to cover the cost of non-certified staff who are essential to school operations.

The state also mandates services and programming to meet student needs but does not fully fund their delivery. For districts with strong tax bases, these obligations may be manageable. For lower-wealth districts, they create ongoing fiscal strain.

These dynamics carry important implications for current policy debates. Proposals to reduce state funding or broadly cut property taxes would not affect districts equally. Lower-wealth districts, which depend more heavily on state support and have less ability to replace lost revenue, would likely face disproportionate harm. Without structural reform to strengthen equalization and address unmet student needs, such proposals risk widening the very disparities QBE was intended to resolve.

On average, the wealthiest 20% of districts can raise nearly \$5,000 more per FTE in local revenue than the other 80% of districts and receive approximately \$2,500 more per FTE overall.

The structure of QBE places significant financial responsibility on local districts.

The core question is whether Georgia's finance structure today fulfills its stated purpose of ensuring that every student has access to a quality basic education, regardless of where they live. The data demonstrate that, while QBE has created a stable funding framework, it has not fully closed opportunity gaps tied to local wealth and community need.

If the state intends to move from passing the buck to closing the gap, it will require deliberate policy choices that realign state investment with the principles of adequacy and equity that motivated QBE's passage four decades ago.

Future Considerations

Georgia's public education system is at a turning point. The following recommendations are directed at policymakers, legislators and education leaders who have the authority to address the structural funding inequities identified in this analysis. They are offered not as a comprehensive reform agenda but as targeted policy actions supported by the evidence presented in this brief.

Restore decades of divestment and underfunding in Georgia public schools.

The Georgia legislature should increase state investments in schools most affected by decades of underfunding and divestment to ensure all students have access to high-quality education and the resources they need to succeed.

Expand the QBE formula to include funds for educating students living in poverty.

The Georgia legislature should allocate dedicated funds to help local schools address the unique needs of educating students from families with limited resources.

Develop a cost of education index to ground future funding decisions in actual district need.

The Georgia General Assembly should commission the development of a cost-of-education index that accounts for the varying costs of delivering an adequate education across districts with different student populations, geographic characteristics and labor markets. Current funding decisions are made without a systematic, evidence-based estimate of the actual cost of educating students across different contexts, particularly those with higher concentrations of poverty or special needs. A cost-of-education index would provide the analytical foundation for more targeted and defensible funding allocations, ensuring that future formula adjustments are grounded in the real cost of meeting the state's own educational standards rather than historical spending patterns or political negotiations.

For more information about implementing these policy recommendations, contact Mikayla Arciaga, M.A.Ed., IDRA Georgia advocacy director (mikayla.arciaga@idra.org).

IDRA is a non-profit organization. Our mission is to achieve equal educational opportunity for every child through strong public schools that prepare all students to access and succeed in college.

Appendix A: Data and Methodology

Data Sources

This analysis draws on multiple administrative data sources spanning fiscal years 1996 through 2025. Revenue data are drawn from the Georgia Department of Education’s annual System Revenue Financial Reports that provide district-level breakdowns of state, local and federal revenue.

Property wealth is measured using equalized property tax digest values from the Georgia Department of Revenue, which represent the state-adjusted value of taxable property within each district and serve as the primary measure of local fiscal capacity.

Student enrollment is measured using FTE counts from the Georgia Department of Education’s QBE program weight reports, which provide both raw enrollment figures and weighted FTE counts that reflect the distribution of students across instructional programs.

Socioeconomic need is proxied using direct certification data from the Governor’s Office of Student Achievement, which identifies students whose household participation in qualifying federal assistance programs makes them automatically eligible for free school meals.

Direct certification is used as a poverty proxy because it is consistently collected across districts and years and is less subject to district-level reporting variation than free and reduced-price lunch application data.

All revenue figures are adjusted for inflation using the Consumer Price Index (CPI) and reported in constant 2025 dollars to ensure comparability across the 30-year study period.

Unit of Analysis

The primary unit of analysis is the district-year observation. The dataset is structured as an unbalanced panel covering Georgia’s 180 county and city school districts across 30 fiscal years, yielding approximately 5,400 district-year observations depending on data availability.

Analysis was conducted at the district level rather than the school level to align with the structure of the QBE formula, which allocates funding to districts rather than individual schools.

Wealth Quintiles

Districts are grouped into five equal quintiles based on equalized property digest value per FTE student in fiscal year 2025. Quintile assignments are fixed rather than recalculated annually, which allows for consistent tracking of the same group of districts over time and avoids conflating changes in relative wealth with changes in funding patterns.

Quintile 1 represents the lowest-wealth districts and Quintile 5 represents the highest-wealth districts. The primary comparisons in this analysis focus on the top and bottom quintiles to highlight the range of fiscal capacity across Georgia’s school districts.

Enrollment Weighting

Summary statistics and trend analyses use enrollment-weighted calculations rather than simple district averages. Enrollment weighting ensures that results reflect the experience of the typical student rather than the typical district, which is particularly important in a state like Georgia where district size varies substantially. Unweighted averages would give equal influence to a district enrolling 200 students and one enrolling 200,000, which would misrepresent the funding conditions most students actually face.

Revenue Trend Models

To estimate average annual changes in revenue by source across time periods, this analysis uses linear ordinary least squares (OLS) regression models. To assess changes in revenue trends over time by funding source, we estimate linear models separately across three periods: 1996-2007 (pre-Great Recession), 2008-2017 (recession and austerity), and 2018-2025 (post-recovery period). For each period, we model total per-pupil revenue as a function of time, revenue source and their interaction:

$$Total\ Revenue = \beta_0 + \beta_1 year_c + \beta_2 source_i + \beta_3 year_c \times source_i + \epsilon_{ic}$$

Where:

- “Total Revenue” = Adjusted revenue for source *i* in year *t*
- “year” *c* = centered year variable
- “source” *i* = revenue source category (e.g., state, local, federal)
- β_3 = differential slope (change over time by revenue source)

Exhibit 8: Revenue Trend Regression Results				
	1996-2025	1996-2007	2008-2017	2018-2025
State Dollars: Average Annual Change	136,743,333*** (13,831,301)	256,673,714*** (22,217,187)	63,082,049 (65,426,146)	115,456,681 (70,184,420)
Local Dollars: Average Change, Relative to State	45,073,635* (19,560,413)	75,730,690* (31,419,847)	-156,439,716 (92,526,543)	303,941,274** (99,255,759)
Federal Dollars: Average Annual Change, Relative to State	-78,054,337*** (19,560,413)	-149,375,289*** (31,419,847)	-134,813,741 (92,526,543)	64,281,542 (99,255,759)
Num.Obs.	90	36	30	27
R2	0.974	0.995	0.979	0.988
R2 Adj.	0.973	0.994	0.975	0.985
p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001				
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Direct Certification and Concentrated Poverty

For the bivariate mapping analysis, districts are classified into wealth quintiles based on equalized digest per FTE and into poverty tiers based on direct certification rates. Districts where 40% or more of students are directly certified are classified as experiencing concentrated poverty, consistent with the threshold used in federal policy contexts and the broader education finance literature. This threshold is used to identify districts facing the most acute combination of elevated student need and constrained local fiscal capacity.

Limitations

This analysis is descriptive and correlational rather than causal. The findings identify patterns in the distribution of education revenue across districts of varying wealth and need but do not establish causal relationships between funding levels and student outcomes. Additionally, the equalization analysis focuses on revenue rather than expenditures, which means it does not account for differences in district cost structures or the efficiency with which resources are deployed. Finally, direct certification data are only available from 2013 onward, which limits the poverty analysis to a subset of the full study period. Readers should interpret findings accordingly.

Appendix B: Citations

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