GEORGIA

Overall Market Rating: Improving; Funding Levels Increasing.

Market Overview:

Georgia created its special needs scholarship, a voucher program, in 2007 and the broad eligibility Education Expense Tax Credit, a scholarship program, in 2008.

Both programs benefit from minimal regulation and relatively high funding maximums that are tied directly to public school funding. There are minimal regulatory requirements imposed on private schools in either program, and a recent increase in the funding cap on the Tax Credit Program means that enough new scholarships could be awarded to support targeted school growth.

Student eligibility in both programs is limited to students who attended public school previously, with the special needs voucher being limited to previous public-school students who received services on an IEP at a Georgia public school. Pre-K and Kindergarten students are not eligible for the special needs program. The Tax Credit does not have this barrier and does allow Pre-K and K students to attend a private school on the scholarship in their first year of school.

Per pupil funding was previously a major barrier to school growth in Georgia, especially in the Education Expense Tax Credit. While the maximum is quite high – more than $9,000 per student – actual scholarship values, determined by one of 25 Student Scholarship Organizations and limited by an aggregate program cap of $50 million, then $58 million, have hovered around $3,500 per student. The cap increased to $100 million in 2019, which could possibly lead to increases in per pupil funding averages.

Summary Statement: Funding will still be a challenge for many operators, but increases in funding, coupled with broad eligibility and a favorable regulatory environment may make Georgia a suitable market for small network or school growth.
Demographic Analysis:

Enrollment Figures by Sector

<table>
<thead>
<tr>
<th>Georgia (16-17)</th>
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<tbody>
<tr>
<td>Total Public School Enrollment</td>
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<tr>
<td>K-12 Private School Enrollment</td>
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<tr>
<td>Charter School Enrollment</td>
</tr>
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Eligibility by Program (numbers may be duplicative)

<table>
<thead>
<tr>
<th>Program</th>
<th>% Eligible Students by Population</th>
<th>Current Enrollment (2017-18)</th>
<th>Eligibility Requirements</th>
</tr>
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| Special Needs Scholarship Program | 10% of students statewide | 4,664 students | • Enrolled in GA private school the entire prior school year  
• Received SPED services on an IEP at any time during the public school year.  
• Parent/guardian must be a GA resident for at least a year |
| Education Expense Tax Credit | 88% of families statewide | 13,247 scholarships awarded | • Must attend a public school for at least 6 weeks immediately prior to receiving the scholarship  
• All Pre-K or K students are eligible.  
• Eligibility continues until the student graduates or reached age 20. |

While both programs are limited to previous public school students, eligibility on the Education Expense Tax Credit is not limited at all by income or geography, making it one of the broadest eligibility programs in the country.
Funding:
Assessment: Constrained but could improve.

Assets:
- Program funding for the tax credit program was increased to $100 million which could significantly increase the number of scholarships or the amount of the scholarships or a combination of both.
- Maximum scholarship values are tied to public school funding levels, meaning the statutory inequity between private schools and public schools is minimal.

Considerations:
- There are 25 Student Scholarship Organizations administering tax-credit scholarships, and this, along with the previous cap, has kept average scholarship amounts under $4,000.

Special Needs Scholarship

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Average</th>
<th>Cap</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to the cost of educating the student in the public school, but not to exceed tuition and fees.</td>
<td>$6,223</td>
<td>None</td>
<td>- Payments are made to schools and must be endorsed by parents within 30 days or they are forfeited</td>
</tr>
</tbody>
</table>

Trend: The program funding is stable and adequate.

Education Expense Tax Credit

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Average</th>
<th>Cap</th>
<th>Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,817</td>
<td>$3,454</td>
<td>$100M in 2019-20; currently $50M</td>
<td>- SSOs accept donations and distribute scholarships to parents who indicate acceptance into an approved school.</td>
</tr>
</tbody>
</table>

Trend: The dramatic increase in the program cap could allow for more adequate scholarship funding, although the number of SSOs may continue to drive down average scholarship awards.
Policy & Regulatory Environment:
Assessment: Strong.

Assets:
- Private schools that participate are not subject to any regulation over and above non-discrimination and basic health and safety requirements.
- SSOs must register with the state and are subject to reasonable regulations around governance and scholarship distribution.
- Schools are not required to administer any one assessment and/or report academic data publicly, only to parents.

Considerations:
- Private schools that accept Special Needs Scholarship or tax credit students must be accredited or in the process of accreditation to accept scholarship funding.
- Teachers must have a bachelor’s degree in an education or health related field.

Summary: The policy and regulatory climate in Georgia is quite good. Private schools that participate in choice programs are treated the same as private schools that do not, with the exception of an accreditation and staff degree requirements.

Human Capital:
Assessment: Acceptable.

Assets:
- Teachers and leader are not required to be certified by state law. Teachers must hold a bachelor’s degree in education or a related field.
- There is a 1,500+ TFA corps and alumni network in Georgia.

Considerations:
- Accreditors may require licensing/credentialing as part of the process.

Summary: Schools have a great deal of flexibility to staff Georgia schools, and there has been a fair amount of reform energy in Atlanta resulting in a reasonable TFA presence.

Local Champions & Climate:
Assessment: Under-Developed.

Private school choice advocacy has made significant strides recently, and the SSOs create a network of partners for local operators. While there is not the clear leadership and support present in markets like Florida, Indiana, and Wisconsin, political groups like Georgia-CAN and AFC have significantly increased their sophistication on these issues and are gaining more traction with both parties. Additionally, the recently elected Lt. Gov. who will preside over the Senate is a very strong school choice supporter. The newly elected governor, who is embraced by legislative leaders in both chambers, supports the
development of a new ESA program. However, partisan politics in Georgia have been divisive and unpredictable of late. If that continues, regardless of which party maintains control of the Governor’s office and legislature, it may destabilize political support for these programs.

**Facilities:**

**Assessment:** Minimal Infrastructure.

While school facilities and development are relatively inexpensive, with most schools putting their facility expenses under 7% of their operating budgets, private schools do not have access to public resources for facilities. District-authorized charter schools have both public financing and a per student facility allowance, but none of this is available to private schools or state-authorized charter schools.