

GEORGIA

Overall Market Rating: **Limited Growth Possible; Market Continues to Improve**

Finding an aligned Student Scholarship Organization in order to secure funding may be a challenge for some operators, but the broad eligibility requirements and a favorable regulatory environment make Georgia a potentially suitable market for school replication.

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 ever since the cap on the Tax Credit Program was increased to \$100 million in 2018, there has been room for enough new scholarships to be awarded to support targeted school growth.

Student eligibility in both programs is limited to students who attended public school previously, although the Education Expense Tax Credit program allows Pre-K, K, and 1st grade students to attend a private school on the scholarship in their first year of school. The special needs voucher is limited to previous public-school students who received services on an IEP at a Georgia public school or have a special need and Section 504 accommodations (pre-K students do not need prior public school enrollment). Additionally, “switchers” are only required to attend a public school for six weeks in order to be eligible for the scholarship.

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 \$11,000 per student—actual scholarship values, determined by one of two dozen student scholarship organizations (SSOs), average less than \$5,000 per student. Given steady increases in the cap—it’s now up to \$120 million—there is room for these values to rise and make Georgia more hospitable to school and network growth.

Demographic Analysis:

ENROLLMENT FIGURES BY SECTOR

Georgia (2019-20)	
Total Public School Enrollment	1,730,015
K-12 Private School Enrollment	145,135
Charter School Enrollment	66,101

ELIGIBILITY BY PROGRAM (NUMBERS MAY BE DUPLICATIVE)

Program	% Eligible Students by Population	Current Enrollment (2020-2021)	Eligibility Requirements
Special Needs Scholarship Program	12% of students statewide	5,203 students 254 participating schools	<ul style="list-style-type: none"> Students must be enrolled in a public school the entire prior school year unless they are the child of active duty military or in foster care, or receive approval for expedited eligibility from the State Board of Education. Students must have received SPED services on an IEP at any time during the public school year or have Section 504 accommodations and one of several enumerated learning needs. Parent must be a state resident for at least a year, unless active duty military.
Education Expense Tax Credit	89% of families statewide	16,193 students	<ul style="list-style-type: none"> Students must attend a public school for at least 6 weeks immediately prior to receiving the scholarship. All Pre-K or K students are eligible.

			<ul style="list-style-type: none"> Eligibility continues until the student graduates or reaches age 20.
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While both programs are limited to previous public school students, eligibility is not limited at all by income or geography, making the Education Expense Tax Credit one of the broadest eligibility programs in the country.

Funding:

Assessment: Constrained but could improve

Assets:

- Program funding for the tax credit program has increased to \$120 million, which has significantly increased the number of available scholarships.
- 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 SSOs administering tax-credit scholarships, and this, along with the previous cap, has kept average scholarship amounts around \$4,500.
- There was more demand for scholarships than capacity before the cap was raised to \$120 million.

SPECIAL NEEDS SCHOLARSHIP

Maximum	Average	Program Cap	Disbursement
Lesser of private school tuition and fees or local public school per-student spending	\$6,473	None	- Payments are made to schools and must be endorsed by parents within 30 days or they are forfeited.

Trend: The program funding is stable and adequate.

EDUCATION EXPENSE TAX CREDIT

Maximum	Average	Cap	Disbursement
\$11,359	\$4,464	\$120M	- SSOs accept donations and distribute scholarships to students accepted into an approved school.

Trend: Despite the high value of the maximum scholarship amount, the number of SSOs may continue to depress the average value of scholarship awards. Also, the program cap could revert back to \$58 million in 2028 as a result of a sunset clause.

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, other than 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. This seems to allow room for brand new schools to participate in the programs, depending on the timing of when accreditation agencies choose to begin the process of accepting an applicant.
- 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, with the significant exception of accreditation and staff degree requirements. Private schools that participate in choice programs are treated the same as private schools that do not.

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 Teach for America corps and alumni network of more than 1,500 in the state.

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 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 worked to help these issues gain more traction with both parties. Current elected leadership is supportive, but partisan politics in Georgia have been divisive and unpredictable in recent years. If that continues, regardless of which party maintains control of the governor's office and legislature, it could destabilize political support for these programs.

Facilities:

Assessment: Policy structure is minimal

While school facilities and development are relatively inexpensive, with most schools keeping 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.