

# ALABAMA

Overall Market Rating: **Growth Possible**

With the debut of the CHOOSE Act in 2025-26, Alabama now offers families a refundable tax credit in the form of a \$7,000 education savings account that can be used for a variety of educational needs, including private school tuition. Homeschooling families can receive a \$2,000 credit per child, for either one or two children (\$4,000 max.). The credits were capped statewide at \$150 million per year, although the legislature responded to high initial demand by increasing funding to \$180 million and \$200 million, respectively, for the first two years. Even so, demand for CHOOSE scholarships exceeded the number available in the first year. Accordingly, new schools may find that not all students will succeed in obtaining CHOOSE approval. CHOOSE prioritizes households not earning higher than 300% of the federal poverty level in 2025-26 and 2026-27, but after that eligibility is scheduled to become universal. An older scholarship program that offers tax credits to scholarship donors remains in place, but families can only receive one or the other kind of scholarship. School requirements mirror those in other states, including background checks for teachers, accreditation (at least starting the process) and use of a nationally normed annual student assessment. There are a few support organizations in the state, including Black Alabamians for Education and Alabama Opportunity Scholarship Fund, and Black Minds Matter is taking a special interest in Alabama’s Black Belt region.

+ Best - Inadequate	Program(s) Prioritize Low- Income HHs	Funding Is Adequate to Meet Demand (High or No Cap)	New Schools Eligible in First Year	Per-Pupil Amount Is Adequate	The Application Process Is Family-Friendly	There Is a Supportive Ecosystem for Private Schools
<b>ALABAMA</b>	<b>+</b>	<b>-</b>	✓	✓	<b>-</b>	✓

## K-12 Enrollment

Over 90% of Alabama students attend traditional public schools. Private schools enroll about 8% of pupils, while the state’s nascent public charter sector enrolls fewer than 1%.

ALABAMA 2024-25			
Total PK-12	Public District	Public Charter	Private (2021-22)
792,434	722,568 (91%)	6,674 (1%)	63,192 (8%)

## Choice Program Details

Students can receive one or the other but not both of the following:

### CHOOSE Act (Creating Hope and Opportunity for Our Students' Education)

Eligibility	Amounts	Participation (2025-26)	Other
300% of federal poverty level through 2026-27, then universal	\$7,000 per pupil ESA (in form of family tax credit) \$2,000 per homeschooled pupil (max two credits per HH)	Over 23,000 credits approved out of nearly 40,000 applicants <i>(students must apply by first week of April)</i>	<ul style="list-style-type: none"> <li>• Tax credits are refundable (families need not have taxable income to qualify)</li> <li>• Credits awarded in order of priority: SPED students, active military households, low-income HHs (in order of financial need)</li> <li>• Returning students and their siblings have priority within each category</li> <li>• Annual cap ranges from \$180M to \$200M through 2027-28</li> <li>• School requirements include teacher background checks, accreditation (must have started process with state-approved accreditor), and use of nationally normed student assessment</li> </ul>

### Education Scholarship Program

Eligibility	Amounts	Participation (2023-24)	Other
250% of federal poverty level (can rise to 350% in subsequent years after student has received a scholarship); priority goes to students from public schools labeled "priority" by the state	Scholarship-granting organizations set amounts; maximum is lesser of \$10,000 or enrolling school's tuition cost	3,579 recipients (\$7,300 avg. scholarship amount)	<ul style="list-style-type: none"> <li>• About half of pupils statewide are eligible</li> <li>• Annual cap is \$40M, with automatic escalator in place should 90% or more of cap be utilized in three of four years</li> <li>• Six scholarship orgs statewide</li> <li>• Donors receive 100% tax credit</li> </ul>

Sources: State of Alabama, [EdChoice.org](https://www.edchoice.org), National Center for Education Statistics, *Alabama Daily News*