The General Assembly approved two private school voucher programs over a decade ago and some legislators are pushing to add a third program. One is financed through the state’s general fund at a cost of about $29 million and the other with $100 million in tax credits issued every year. Despite the steep price tag, lawmakers and taxpayers have little information about these vouchers, particularly the tax credit voucher. Basic information about students and schools in that program is unknown. The poor academic track record of voucher programs in other states indicates Georgia’s program cannot confidently expect to do well. Despite this, legislators attempted to add a third voucher during the 2019 legislative session, one frequently referred to as an education savings account (ESA). Before launching another voucher that consumes state resources, a comprehensive evaluation of the existing voucher programs should be completed. Lawmakers must make sure they use state dollars effectively and, more importantly, that participating students reach high levels of learning. Every dollar diverted to vouchers is one less dollar available to invest in proven supports for students and educators including high quality teacher induction, putting more counselors and social workers in schools, full funding of the state’s student transportation formula, and more resources for high-poverty schools.

**Vouchers in Georgia**

Two voucher programs exist in the state: the Georgia Special Needs Scholarship and the Georgia Tax Credit Scholarship Program. They differ in key ways, including the types of students they involve, how they are funded and how much information they share with the public. Students may receive both vouchers concurrently if they meet the eligibility criteria.

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**Vouchers by Another Name: New Labels, Same Effect**

The language that voucher proponents select to label and discuss vouchers has evolved. While most traditional vouchers, which transfer state funds directly to private schools, still bear the name, new forms of vouchers do not. Proponents use more appealing rhetoric, including scholarships, savings account, flexibility, opportunity, and choice. These words obscure the intent of the new voucher programs: to shift public resources to private schools.

At the same time, the means by which they shift resources—tax credits and donations to private nonprofit organizations—shield the expansion of government activity in a new sector. This obfuscation helps protect the programs from the legal challenges and political controversy that traditional vouchers often spark.1
Georgia Special Needs Scholarship

The General Assembly created the state’s first voucher program, known as the Georgia Special Needs Scholarship, in 2007. It is for students with specific disabilities who are under an Individualized Education Plan or IEP. To be eligible, students must also attend a Georgia public school for the full academic year before seeking a voucher, and one of their parents must be a state resident.

Though the program is designed for students with special needs, participating private schools are not required to provide special education services or follow students’ IEPs. When a parent accepts a special needs scholarship for a child, “he/she is refusing to provide parental consent for special services under IDEA in a public school district.” In practice this means students and their families lose the protections provided by the federal Individuals with Disabilities Education Act (IDEA) including being in the least restrictive environment and due process rights when parents disagree with a school about the services provided to their child.

**Funding:** The amount students get under the special needs voucher program is equal to the state funds that the students’ school districts would receive or the tuition and fees at the private school, whichever is lower. This cost is financed through the state’s general fund, which is funded primarily with income and sales tax revenue. There is no cap on the amount of state dollars that can be directed to the special needs voucher program. In the 2017-2018 school year:

- The average voucher award was $6,672.
- The total program cost was $29,025,673.

**Voucher Recipients:** The number of students receiving vouchers has steadily climbed since the program’s inception. In the 2017-2018 school year:

- 4,664 students received a voucher to attend a private school.
- Nearly 54 percent of students were white and two-thirds were male. This differed from enrollment in Georgia’s public schools, where white students made up about 40 percent of all students, and 51 percent were male.
- More than half of students—53 percent—were in middle school and 39 percent were in elementary grades. Fewer than 10 percent were in high school. This also varied from public school enrollment where approximately 47 percent of students were in elementary school, 23 percent in middle school, and 30 percent in high school.
• Students enrolled in 249 private schools located in 56 of Georgia’s 159 counties.

• Students attended public schools in 122 school districts prior to receiving a voucher.

**Accountability:** Participating private schools are required to conduct pre- and post-academic assessments and report results to the Georgia Department of Education and to parents. Private schools decide which assessments to use and are not required to administer Georgia Milestones, the state exams that measure academic achievement for K-12 students in public schools. This makes comparisons between voucher students and public school students difficult, and one has not been done to date.

According to the school-selected assessments, in the 2017-2018 school year:

• 89 percent of voucher students made learning gains of one year or more in reading.

• 87 percent of voucher students showed gains of one year or more of learning in math.

No process exists to identify schools that are not serving students effectively and remove them from the program. This differs from Indiana and Louisiana, which lead the way in setting high accountability standards for voucher programs. Both states require private schools participating in their voucher programs to administer state assessments. Both also impose sanctions on persistently low-performing private schools, including removal from the voucher programs.

**Transparency:** Data on several important program elements are available to the public and updated annually in a report prepared by the Governor’s Office of Student Achievement (GOSA). This includes:

• Participating students: grade level, race, gender, and eligibility.

• Affected school districts: number of students who have withdrawn to receive a voucher.

• Participating private schools: name, location, number of voucher students, tuition.
Georgia Tax Credit Scholarship Program

The legislature approved Georgia’s second school voucher program, the Qualified Education Expense Tax Credit program, in 2008. The program has broad eligibility criteria. Students entering pre-kindergarten, kindergarten, or first grade may participate regardless of past attendance in a public school, and students at all other grade levels may receive a voucher if they attend a public school for six weeks. The attendance requirement is waived if students are homeschooled for at least one year, have a documented case of bullying, or would be required to enroll in a school designated low-performing by the state.

Funding: The amount students receive varies: the maximum award is capped at the statewide average of local and state expenditures per student. For 2019, the cap is $10,387. The average tax credit voucher was $4,008 in 2018.

The program is financed through $100 million in tax credits issued each year. Georgia taxpayers receive a dollar-for-dollar reduction in their state income tax bill up to $1,000 if filing singly and $2,500 if filing as married in exchange for donations to private voucher-granting organizations, commonly referred to as student scholarship organizations or SSOs. Corporations can receive a credit up to 75 percent of tax liability in exchange for contributions to the SSOs.

The 2008 legislation that created the program limited tax credits to $50 million. Legislators frequently introduced bills to lift this cap in subsequent years. They succeeded in pushing it to $58 million in 2013 and to $100 million in 2018.

Voucher Recipients: In 2018, 13,895 tax credit vouchers were awarded, though the number of students who received vouchers is not known. Students in 13,360 families received vouchers, 535 fewer than the number of vouchers issued, indicating that some students received more than one voucher or that siblings got them. Students who receive tax credit vouchers may also receive special needs vouchers. The state does not track the number of students who receive both.

Data on voucher students is limited to the number of participating families in each quartile of Georgia’s annual Adjusted Gross Income (AGI). This information revealed differences in who is using the vouchers.
In 2018, 60 percent of tax credit vouchers were distributed to students in families in the two highest income quartiles of the AGI. Students whose families were in the lowest quartile received the smallest portion of vouchers.

A New Measure of Family Income

Lawmakers amended family income reporting requirements in 2018 as part of legislation that hiked the program’s cap to $100 million. The revisions include replacing Adjusted Gross Income (AGI), which is not frequently used in the education sector, with the Federal Poverty Level (FPL), which is more common. The new measure will be used to report 2019 family income data.

<table>
<thead>
<tr>
<th>Category</th>
<th>Adjusted Gross Income through 2018</th>
<th>Federal Poverty Level Beginning in 2019</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>First AGI Quartile</td>
<td>Up to $14,359</td>
<td>Under $32,186</td>
<td>Up to 125% of FPL</td>
</tr>
<tr>
<td>Second AGI Quartile</td>
<td>$14,360 to $31,718</td>
<td>$32,186 to $64,375</td>
<td>125 to 250% of FPL</td>
</tr>
<tr>
<td>Third AGI Quartile</td>
<td>$31,719 to $66,333</td>
<td>$64,375 to $103,000</td>
<td>250 to 400% of FPL</td>
</tr>
<tr>
<td>Fourth AGI Quartile</td>
<td>$66,334 and above</td>
<td>$103,000 and above</td>
<td>Above 400% of FPL</td>
</tr>
</tbody>
</table>
**Accountability:** The tax credit voucher program has few accountability requirements, and those in place focus primarily on finances of the SSOs, the organizations that distribute the vouchers, rather than student success. The SSOs must submit an independent audit each year to the Georgia Department of Revenue. Participating private schools are not required to assess or report academic achievement for voucher students. Nor did legislators set metrics to assess participating schools’ effectiveness in meeting students’ academic needs and remove those that are not. In addition, lawmakers did not establish a system to ensure participating students, private schools, and student scholarship organizations comply with eligibility requirements.

No state agency, including the Georgia Department of Education or the Georgia Department of Revenue, is charged with collecting and verifying student eligibility data.

Legislators’ failure to apply accountability standards for students’ academic achievement is a stark contrast to the approach they chose for public schools. Lawmakers set extensive accountability requirements for public schools and the educators who work in them through the College and Career Ready Performance Index (CCRPI), as well as the Teachers Keys Effectiveness System (TKES) and the Leaders Keys Effectiveness System (LKES). The CCRPI assesses the performance of schools and districts while TKES and LKES seeks to gauge the effectiveness of teachers and building leaders.

Lawmakers took one step toward accountability for the tax credit voucher program in 2018. That year, the General Assembly approved **House Bill 217**, which increased the cap on tax credits from $58 million to $100 million annually. The bill included a new requirement: In 2023 the state auditor must submit an economic analysis of the program to the chairs of the Ways and Means Committee of the Georgia House of Representative and the Finance Committee of the Georgia Senate. The report is to include:

- Net change in state revenue
- Net change in state expenditures
- Net change in economic activity
- Net change in public benefit

HB 217 does not define “public benefit.” However, an assessment of voucher students’ academic achievement as well as participating schools’ effectiveness at fostering increases in achievement fit that category. The legislation does not identify data sources for the analysis or require state agencies to gather information about the program.
Transparency: The tax credit voucher program does not collect any information on affected public school districts or on participating private schools. Information is restricted to a few categories related to the student scholarship organizations and the family income of voucher recipients. The following information is collected:

- Participating students: family income by category;
- Student scholarship organizations: name; number of vouchers awarded; total number of individual and corporate donations; total value of contributions from individual and corporate donors; and the total dollar value of tax credits approved for individual and corporate donors.

The scholarship organizations are also required to report donors to the Georgia Department of Revenue, but that information is not made available to the public. Additional information about data required from public schools and private schools participating in the tax credit voucher program is available in the appendix.

Education Savings Account: The Latest Version of Vouchers

Many lawmakers in Georgia and around the country are eager to adopt education savings accounts (ESAs), the newest iteration of vouchers, which one proponent described as “vouchers on steroids.” Legislators in five states have set up these new vouchers. Georgia lawmakers tried to become the sixth during several legislative sessions, most recently the 2019 session with Senate Bill 173 and House Bill 301.

Under the ESA voucher model, states deposit funds into accounts established for each participating student. The funds can be used for private school tuition as well as other educational expenses, such as tutoring, online and home schooling, curriculum materials, therapeutic services and higher education.


The programs vary in student eligibility, funding, administration, accountability and transparency requirements.
The impact of ESAs on student learning is not known. The programs are new and data is limited. Three states require nationally normed tests but Arizona and Mississippi do not. Given their similarity to traditional vouchers, ESAs likely have a comparable effect. Most evaluations show voucher programs have either a negative impact on student outcomes or no effect. Evaluations of voucher programs in Louisiana, Indiana and Ohio reveal participating students lost ground academically. Where there have been positive effects, they tend to be small, and it is often unclear whether the results are due to the voucher program or other factors, such as changes in accountability requirements.

**Recommendations**

Georgia lawmakers adopted private school vouchers over a decade ago, ahead of most states but without the transparency and accountability measures many states subsequently implemented. Eleven states with traditional voucher programs require standardized assessments to measure student learning, as do 11 that have tax-credit vouchers. If lawmakers choose to continue funding the state’s two existing voucher programs, they should take steps to improve their transparency and accountability.

### Recommendations: Georgia Special Needs Scholarship

*Collect and report the following information annually:*

1. Participant’s family income data
2. Type of assessments each school uses
3. Number of years participating students are in the program
4. Retention rate of voucher students at each participating school

Gathering this additional information will provide a more complete description of who is accessing the program, as well as insight into their experiences. This information would be very helpful to families considering the program.
## Recommendations: Georgia Tax Credit Scholarship Program

*Collect and report the following information annually:*

### Students

- Gender
- Race
- Current grade level
- Grade level at program entry
- Criteria under which the student is eligible for program
- Assessment of academic progress as measured by Georgia Milestones or MAP
- Number of years in the program
- Number of students who also receive a special needs voucher

### Affected school districts

- Name of school districts that voucher students previously attended or would have attended
- Number of voucher students who withdrew from each district

### Participating private schools

- Name
- Location and tuition
- Number, race, gender, and family income measure of voucher students
- Assessment of academic progress as measured by Georgia Milestones or MAP for all voucher students and disaggregated by gender, race and family income
- Number and percent of voucher students retained annually

### Student scholarship organizations

- Donor names and number of years contributed to SSO
Under current practice, basic information about the tax credit voucher program is unknown. Lacking these data, the program’s fiscal impact and effect on student achievement is unknown, and it is unclear how the program will be evaluated in 2023 without it. This leaves lawmakers ill-equipped to make decisions about the best uses of the state’s limited financial resources.

Given the significant gaps in information about the existing voucher programs and the failure to evaluate either program after more than a decade of operation, adding a third voucher program — an Education Savings Account voucher or another type — is premature at best, foolhardy at worst. It raises the possibility of creating a program that fails to meet students’ academic needs and squandering financial resources that could be invested in proven strategies including:

- A state-wide, high-quality induction program for new teachers, prioritizing those in high-need schools. This will help lower the number of new teachers who leave. Approximately 44 percent of new teachers in Georgia leave in their first five years, which undermines instruction and raises costs for districts.

- Reduce counselor/student and social worker/student ratios to the recommended best practice of 1:250 for both from current levels of 1:450 and 1:2475 respectively.

- Full funding for the student transportation formula. The state covered about 15 percent of districts’ cost to bus students to and from school safely in fiscal year 2017. Districts must allocate local funds to cover the rest instead of directing them to the classroom. With fewer students spread across larger distances, transportation costs are particularly hard for rural districts to manage.

- Increase funding for low-income students by adding an “opportunity” weight to the K-12 funding formula. Georgia’s formula, the Quality Basic Education (QBE) formula, does not account for the additional needs low-income students often bring to the classroom, which require extra dollars to effectively address.

Lawmakers can serve Georgia’s students well by strengthening the transparency and accountability requirements for the existing voucher programs and investing state funds in programs that have proven benefits for students. These are better choices for Georgia’s families than expanding vouchers.
## Appendix

### The Accountability Gap: Standards for Voucher Schools Fall Short

Georgia’s accountability and transparency standards for private schools participating in the tax credit voucher program are significantly lower than its requirements for public schools.

<table>
<thead>
<tr>
<th>What we know about students</th>
<th>Public Schools</th>
<th>Tax Credit Voucher Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
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<td></td>
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<tr>
<td>Race</td>
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<td>Instructional category</td>
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<tr>
<td>School attended</td>
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</tr>
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<td>Year and grade level of first enrollment</td>
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</tr>
<tr>
<td>Academic performance</td>
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<td>School district of residence</td>
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<td></td>
</tr>
<tr>
<td>Cost to state</td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What we know about schools</th>
<th>Public Schools</th>
<th>Tax Credit Voucher Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of school</td>
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<td></td>
</tr>
<tr>
<td>School district/voucher school location</td>
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<td>Admission requirements</td>
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<tr>
<td>Number of students/voucher students enrolled: total &amp; by race, gender, grade level &amp; instructional category</td>
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<td></td>
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<tr>
<td>Student/voucher student mobility rate</td>
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</tr>
<tr>
<td>Cost to state</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

2 Qualifying disabilities for the Special Needs Scholarship are: autism; deaf/blind; deaf/hard of hearing; emotional and behavioral behavior; intellectual disability; orthopedic impairment; other health impairment; specific learning disability; speech-language disability; traumatic brain injury; or visual impairment. See: https://www.gadoe.org/External-Affairs-and-Policy/State-Board-of-Education/SBOE%20Rules/160-5-1-.34.pdf


7 PAGE calculations based on March 1, 2018 FTE Count by the Georgia Department of Education. Retrieved from https://oraapp.doe.k12.ga.us/ows-bin/owa/ftes_pack_enrollgrade.entry_form


For the 2018 Calendar Year, the adjusted gross income quartiles for Georgia are: 1st—up to $14,359.00; 2nd—from $14,360 to $31,718; 3rd—from $31,719 to $66,333; 4th--$66,334 and above. (Georgia Department of Revenue. 2018 Qualified Education Expense Tax Credit. Retrieved October 14, 2019 from https://dor.georgia.gov/qualified-education-expense-tax-credit)

Nevada passed an Education Savings Account program in 2015 but the program was not implemented after the Nevada Supreme Court found its funding mechanism was unconstitutional. In 2019 the state legislature repealed the law.

There are 25 traditional voucher programs across 14 states: 15 require standardized assessments, 11 require public reporting of results, and seven require independent evaluations. There are 21 tax-credit voucher programs in 18 states: 12 require standardized assessments, eight require public reporting of results, and three require independent evaluations.
A consortium of 10 school districts in Georgia received approval from the U.S. Department of Education to use the MAP assessment as an alternative to the Georgia Milestones as part of a pilot program. Approximately one-third of the state’s districts use the MAP assessments. (NWEA. (2018, October 1). Georgia districts team with NWEA to launch Georgia innovative assessment pilot [Press release]. Retrieved October 31, 2019 from https://www.nwea.org/content/uploads/2018/10/NWEA_GMAP_October-2018.pdf


