Georgia’s Public Schools Would Lose $45 Million in First Year, $2.5 Billion Over 10 Years Under Voucher Proposal

INTRODUCTION

As lawmakers in Georgia convened on January 11 for the start of the General Assembly's 2021 Regular Session, a group of House members immediately turned their attention toward expanding school privatization in Georgia. House Bill 60, the Georgia Educational Scholarship Act, would create a new state-funded school privatization program in Georgia that would begin during the 2021-22 school year. Sponsored by Representatives Wes Cantrell, Kasey Carpenter, Rick Jasperse, Heath Clark, Barry Fleming and Jodi Lott, this bill is the latest in a series of efforts to promote vouchers in the state. Shortly after, members of the Georgia House, led by Representative Kasey Carpenter, proposed an expansion to the state's existing tax credit scholarship, House Bill 142, and the Senate put forward its own proposal, Senate Bill 47, to expand the state's existing voucher program.
Georgia has long been a battleground for school privatization programs. Starting in the middle of the 20th century, Georgia was one of many states that resisted desegregation by directing state funds to private schools. In 1961, Georgia passed a bill to provide grants using state taxpayer dollars for students to attend any non-sectarian private school. In 1962, the state spent around $218,000 to finance private school scholarships for more than 1,500 students.\(^1\) As federal court orders to desegregate schools began proliferating through the South, the following two decades saw a dramatic increase in private school enrollment in Georgia, which was one of six southern states that saw a private school enrollment increase of more than 130,000 students from the mid-1960s to 1980.\(^2\) Even today, white students are overrepresented in Georgia voucher programs, which diminish educational opportunities for students of color; the Georgia Special Needs Scholarship’s enrollment consists of 53 percent white students, while the statewide average of white public school students is 39 percent.\(^3\)

In 2007, Georgia launched its first voucher program of the 21st century, the Georgia Special Needs Scholarship. That was followed in 2008 by the state’s first tax credit scholarship program, the Qualified Education Expense Tax Credit. This year, in addition to the new voucher program proposed by HB60, the Georgia General Assembly is attempting to expand both the Georgia Special Needs Scholarship and the Qualified Education Expense Tax Credit program. Combined, these three bills would send millions in additional public dollars to private schools.

**THE GEORGIA EDUCATIONAL SCHOLARSHIP ACT (GESA) WOULD COST THE STATE NEARLY $2.5 BILLION OVER THE NEXT DECADE**

If passed, the Georgia Educational Scholarship Act would also pose a significant threat to public school funding in Georgia while the state is experiencing one of the largest declines in its education budget in recent history. Education savings accounts (ESAs), the type of voucher proposed by HB60, set aside state funding and place it in individual spending accounts for students. ESAs authorize families to use taxpayer dollars toward a variety of education-related costs, including private tutoring services, private school tuition, and other ap-

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proved expenses unrelated and unconnected to the public education system. Eligibility for the GESA includes:

- Students with disabilities;
- Students in foster care;
- Students with a parent in the military who is stationed in Georgia;
- Students from low-income families;
- Students who have experienced bullying in their public school; and
- Students enrolled in a school system that does not offer an option for 100 percent in-person learning in the 2020-21 school year.

Lawmakers advanced a similar pair of bills, HB301 and SB173, in 2019, but both failed to pass. If passed, the GESA would subtract the statewide average per-pupil amount in funding for each student in a given school district who receives a voucher to attend a private school. If HB60 is enacted, state dollars would begin funding the program and school districts would begin losing critical state funding this year.

With current student enrollment levels held constant over the 10 years it would take for the voucher program to be fully implemented, the state is slated to spend a total of nearly $2.5 billion on the GESA voucher, with nearly $448 million of that spending occurring in the year the program is fully rolled out, 2030-31. With an education budget cut of nearly $400 million in the 2022 fiscal year, the addition of a new voucher program that would cost the state $45 million in its first
year and $135 million in its first two years would deal a significant blow to the public education system in Georgia.

<table>
<thead>
<tr>
<th>School Year</th>
<th>Cap, Percent K-12 Students</th>
<th>Voucher Enrollment*</th>
<th>Total Program Cost**</th>
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<tr>
<td>2021-22</td>
<td>0.5</td>
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<td>2022-23</td>
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<td>2025-26</td>
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<tr>
<td>2030-31</td>
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<td><strong>Cumulative Program Cost Over 10 Years</strong></td>
<td></td>
<td></td>
<td><strong>$2.464 billion</strong></td>
</tr>
</tbody>
</table>

*Enrollment figures are based on total 2020-21 K-12 public school enrollment in Georgia.
**Program cost estimates are based on average state K-12 per-pupil expenditures in the 2020-21 school year. Average state per-pupil expenditures may grow year-over-year, meaning that costs displayed in the table may be slightly underestimated.

GEORGIA ALREADY OPERATES TWO EXPENSIVE AND UNPROVEN VOUCHER PROGRAMS

Georgia currently operates two school voucher programs: the Georgia Special Needs Scholarship for students with disabilities, and the Georgia Qualified Education Expense Tax Credit Program. Both have drained money from public schools into private schools, and both are potentially slated for expansion this year.
GEORGIA SPECIAL NEEDS SCHOLARSHIP (GSNS): The GSNS is a voucher program funded by the state of Georgia that serves students with disabilities who are served under an Individualized Education Program (IEP). In the 2018-19 school year, Georgia spent $33,205,756 in public taxpayer dollars on scholarships for 4,873 students to attend private schools—an average of $6,293 per student. In 2020, the Georgia Senate passed Senate Bill 386, which would have expanded the GSNS program to serve students with 504 plans in addition to students with IEPs. While SB386 failed to become law, expanding the GSNS program would have cost the state anywhere between $2.4 and $51 million more annually, depending on the percentage of Georgia students with 504 plans receiving a scholarship. Members of the Georgia Senate are again trying to expand the GSNS program in 2021 through SB47, compounding efforts to push vouchers in the state. Despite its stated intention of helping improve educational opportunities for students with disabilities, the GSNS program has no track record of actually educating students with disabilities better than—or as well as—local public schools.

QUALIFIED EDUCATION EXPENSE TAX CREDIT (QEETC): The QEETC program is a tax credit scholarship program in Georgia that caps annual tax credits for individuals and corporations donating to private school scholarship-granting organizations at $100 million. Any student who attends public school for six weeks is eligible to achieve a scholarship, making 89 percent of public school students in Georgia eligible for scholarships through QEETC. HB142, proposed by the Georgia House in 2021, would expand this unproven program further by raising the maximum allowable tax credit for individuals or corporations that donate to a scholarship-funding organization from $10,000 to $25,000, and increasing the total amount of lost tax revenue for the state from $100 million to $150 million. The program does not require students to attend a school that administers a norm- or criterion-referenced assessment, and does not require schools covered by the program to release any data pertaining to academic achievement.

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THE GESA WOULD STRIP FEDERAL PROTECTIONS FOR STUDENTS WITH DISABILITIES

For students with disabilities in Georgia's public school system, federally guaranteed protections, such as the right to a free and appropriate public education and the right to due process, are critical to ensuring that these students are able to access a high-quality education. If a student with disabilities were to receive a voucher through the GESA, the rights granted to them by the federal Individuals with Disabilities Education Act (IDEA) would be wiped away. HB60 states, "For participating students with a disability, acceptance of an account shall have the same effect as a parental refusal to consent to services pursuant to the Individuals with Disabilities Education Act, 20 U.S.C.A. Section 1400, et seq." Enactment of HB60 would force the parent(s) or guardian(s) of a child with disabilities to relinquish the federally guaranteed protections afforded to their child.

THE GESA WOULD FUND AN EDUCATIONAL MODEL WITH NO DEMONSTRABLE IMPROVEMENTS IN ACADEMIC OUTCOMES

In many states, vouchers fail to improve academic achievement among participating students. In fact, in some states, participation in voucher programs negatively affected student achievement. Students enrolled in the Louisiana Scholarship Program are at a 50 percent greater risk of failing math when they leave their public school to attend an unaccountable private school; students in Indiana receiving taxpayer-funded vouchers to attend private schools consistently scored lower on reading and math tests than their public school peers. A study of the Opportunity Scholarship voucher program

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operating in Washington, DC, revealed negative impacts on student academic achievement after one year of participation in the program. In their short lifespans to date, private school voucher programs have failed to consistently produce positive results and, in many cases, widened long-standing opportunity and achievement gaps between different groups of students.

In a time of fiscal uncertainty and limited resources, HB60 would further strain the budgets of Georgia’s school districts by penalizing districts for not offering a full-time, in-person learning option for students. In order for all of Georgia’s public schools to reopen for in-person instruction safely, the state can dedicate additional funding to providing students and staff members with regular COVID-19 testing, personal protective equipment (PPE); social, emotional, and mental health supports; and instructional support, tools, and guidance to mitigate lost learning time. Decades of underinvestment in Georgia’s public schools would continue under the GESA, with the GESA voucher actively defunding public schools in underserved, high-need communities.

Leaders of local school districts in Georgia oppose vouchers. The Georgia Education Coalition (GEC), a coalition consisting of nine large and growing public school districts in Georgia, included specific opposition to using public funds for private schools in its 2019 Legislative Priorities document. Cherokee County, the home district of Representative Wes Cantrell, is a member of the GEC and is opposed to legislation that would siphon public taxpayer dollars out of public school systems in Georgia. In December 2019, the Cherokee County School Board unanimously voiced its disapproval of any statewide push to send taxpayer dollars to unaccountable and untransparent school privatization programs.

This analysis was prepared by Sujith Cherukumilli, SEF Legislative and Research Analyst. For more information contact scherukumilli@southerneducation.org.

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11 Atlanta Public Schools, Cartersville City Schools, Cherokee County School District, Cobb County School District, Coweta County School System, DeKalb County School District, Fulton County Schools, Gwinnett County Public Schools, Henry County Schools
More Resources on Privatization from SEF

- School Privatization Policy Brief
- How Are Public Funds Diverted to Private Schools?
- School Privatization Fact Sheet
- Opposition Letter to Senate Bill 301
- Testimony and Letter Opposing GSNS Expansion
- A History of Private Schools and Race in the American South
- Tradition of Segregation and Resistance in Deep South States
- Race and Ethnicity in a New Era of Public Funding for Private Schools
- A New Era of State-Funded Segregation in Private Schools

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