

## Education

### Principles:

- Curriculum standards should be rigorous, clear and measurable.
- All students should be held to high standards and high expectations.
- Teacher recruitment, education, training and compensation should be focused on attracting and retaining high quality teachers.
- School finance should be on a child basis, not a district basis, so that the money follows the child.
- Education should be personalized to meet students' diverse needs and provide the maximum amount of choice for each to find the educational setting best suited for them.

### Recommendations:

- Implement a simpler, student-centered funding model that encourages flexibility.
- Fund public charter schools more equitably.
- Allow schools to move toward competency-based learning.
- Shift away from top-down regulation and micro-management of schools to accountability based on choice and competition.
- Expand the cap on contributions to Georgia's tuition tax credit scholarship.
- Implement micro-grants and Education Savings Accounts, among other tools, to give families flexibility and help students make up academic ground lost due to pandemic-related closures.

### Facts:

On March 18, 2020, all public K-12 schools in Georgia were closed through the end of that month due to the COVID-19 pandemic, by order of Gov. Brian Kemp. On April 1, 2020, Kemp ordered schools closed through the end of the academic year. While school districts had the option of reopening schools to start the 2020-21 school year, many chose to continue remote learning. The state has not released a tally of how many districts/students began the year with remote learning, but 13 of the state's 20 largest districts did so, representing 46% of all public-school students in the state. These closures and the lackluster performance of remote learning are likely to have long-lasting effects on Georgia's students. Prior to this disruption, Georgia's public-school students were making some hard-earned progress.

***Closures and the lackluster performance of remote learning are likely to have long-lasting effects on Georgia's students.***

### Preschool

More than 80,000 children in Georgia attend public and private pre-K programs at no cost to their parents – about 60% of 4-year-olds.<sup>1</sup> Fifty-two percent attend private programs. The average cost of this lottery-funded program for 2016-17 was \$4,255 per student.<sup>2</sup> Preschool enrollment in 2019 was above the national average and seventh highest in the nation. The National Institute for Early Education Research ranks Georgia seventh in the nation in terms of access and 26th in state spending.<sup>3</sup> As for results, the Georgia Department of Early Care and Learning cites a longitudinal study that found 4-year-old pre-K students “continued to gain skills and overall were still performing at or slightly above the mean at the end of second grade.”<sup>4</sup>

<sup>1</sup> Governor's Office of Student Achievement, <https://gaawards.gosa.ga.gov/analytics/PreKReportCard>

<sup>2</sup> Georgia Department of Early Care and Learning, <http://dec.al.ga.gov/documents/attachments/PreKFactSheet.pdf>

<sup>3</sup> The National Institute for Early Education Research, “The State of Preschool 2019,” <http://nieer.org/state-preschool-yearbooks/2019-2>

<sup>4</sup> <http://www.dec.al.ga.gov/documents/attachments/BFTSAnnualReport2019.pdf>

## Student Achievement

The National Assessment of Educational Progress (NAEP)<sup>5</sup> is one of the best measures of how Georgia's student achievement compares to other states. Table 1.1 shows Georgia's overall ranking based on average scale scores. Georgia's overall rankings are not high, but several subgroups perform very well compared to similar subgroups in other states.

<b>2019 NAEP - Where Georgia Ranks (1 = best)</b>				
	<b>Reading</b>		<b>Math</b>	
	<b><u>4th Grade</u></b>	<b><u>8th Grade</u></b>	<b><u>4th Grade</u></b>	<b><u>8th Grade</u></b>
All Students	35	31	36	35
- White	13	18	21	24
- Black	15	6	20	9
- Hispanic	21	10	19	8
- Poor	26	14	31	31
- Not Poor	3	6	5	8

Table 1.1

An updated study by the Urban Institute adjusted 2019 NAEP scores based on factors such as race, ethnicity, the share of students still learning English, and poverty. Georgia makes the top 15 in adjusted student achievement in all four primary NAEP categories.<sup>6</sup> Neighboring states Florida and North Carolina, however, continue to outperform Georgia in three of the four categories while spending less per student (Florida \$9,346, North Carolina \$9,377, Georgia \$10,810; spending data are for fiscal 2018<sup>7</sup>).

<b>2019 NAEP – Adjusted Southeast Rankings (1 = best)</b>				
	<b>Reading</b>		<b>Math</b>	
	<b><u>4th Grade</u></b>	<b><u>8th Grade</u></b>	<b><u>4th Grade</u></b>	<b><u>8th Grade</u></b>
<b>Georgia</b>	<b>10</b>	<b>7</b>	<b>13</b>	<b>7</b>
Alabama	45	47	46	48
Florida	1	3	1	8
North Carolina	6	11	7	3
South Carolina	13	14	14	18
Tennessee	25	23	17	26

Table 1.2  
*Urban Institute Rankings by 2019 NAEP Achievement*

<sup>5</sup> <http://nationsreportcard.gov>

<sup>6</sup> <https://apps.urban.org/features/naep/>

<sup>7</sup> <https://www.census.gov/programs-surveys/school-finances/data/tables.html>

## Funding

How does Georgia's education funding compare to other states?

**In raw numbers, Georgia's total education spending per pupil (including local funds) exceeds all but one of its neighboring states but ranks 37th nationally.** Georgia has more than 1.7 million students, so every \$1,000 of spending equates to \$1.7 billion. Table 1.3 compares total spending per student with graduation rates and NAEP rankings adjusted for demographic differences for Georgia and neighboring states.

	Per Pupil Total Spending (FY 2017) <sup>8</sup>	Graduation Rate (2018) <sup>9</sup>	Adjusted NAEP Scores (2019) <sup>10</sup>
<b>South Carolina</b>	\$12,525	81%	14.75
<b>Georgia</b>	\$11,512	82%	9.25
<b>Alabama</b>	\$10,615	90%	46.5
<b>Florida</b>	\$10,405	86%	3.25
<b>Tennessee</b>	\$10,318	90%	22.75
<b>North Carolina</b>	\$9,886	86%	6.75

Table 1.3

**Raw numbers are not necessarily the best way to make comparisons between states.** Consider these alternative measures:

**Georgia allocates a higher percentage of its state budget to education than most states.** Georgia's K-12 state spending as a percentage of total state spending was the eighth highest in the nation in FY 2019.<sup>11</sup>

**When measured as a percentage of personal income, Georgia's total education funding (federal, state and local) ranks 15th highest and its current spending ranks 15th highest.** Economists prefer to compare state spending as a percentage of personal income to better adjust for cost-of-living differences.<sup>12</sup>

## School Choice Programs in Georgia

### ***Special Needs Scholarship Program***

The Georgia Special Needs Scholarship Program allows any student with a disability whose parents are unhappy with their assigned public school to receive a voucher to attend a private school.<sup>13</sup>

To qualify, a student must have been enrolled in a Georgia public school for the entire prior school year; preschool programs do not count. The student must also have received special education services under

<sup>8</sup> National Center for Education Statistics, Digest of Education Statistics, Table 236.75 (latest data available), [https://nces.ed.gov/programs/digest/d15/tables/dt15\\_236.75.asp?current=yes](https://nces.ed.gov/programs/digest/d15/tables/dt15_236.75.asp?current=yes)

<sup>9</sup> National Center for Education Statistics, <https://nces.ed.gov/fastfacts/>

<sup>10</sup> Urban Institute, average of four primary scores, <https://apps.urban.org/features/naep/>

<sup>11</sup> National Association of State Budget Officers, Table 8, page 22,

[https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019\\_State\\_Expenditure\\_Report-S.pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2019_State_Expenditure_Report-S.pdf)

<sup>12</sup> U.S. Census Bureau, 2018 Public Elementary-Secondary Education Finance Data, Table 12,

<https://www.census.gov/data/tables/2018/econ/school-finances/secondary-education-finance.html>

<sup>13</sup> <https://www.gadoe.org/External-Affairs-and-Policy/Policy/Pages/Special-Needs-Scholarship-Program.aspx>

an Individualized Education Plan at any point in that year. The student's parent/guardian must currently live in the state and have been a resident for at least one year.

The average scholarship is \$6,814 and 4,873 students participated in 2019.<sup>14</sup>

### **Qualified Education Expense Tax Credit**

Georgia provides dollar-for-dollar tax credits for donations to Student Scholarship Organizations (SSOs), nonprofits that provide private school scholarships. Individual donors may claim up to \$1,000, and married couples filing jointly may claim up to \$2,500. An individual who is a member of an LLC, a shareholder of an S-Corporation, or a partner in a partnership may claim up to \$10,000 of their tax actually paid as a member, shareholder or partner. Corporate taxpayers may claim up to 75% of their total tax liability. The program is capped at \$100 million.

SSOs may determine the amount of each scholarship up to a maximum of the average state and local expenditures per child for public elementary and secondary education in the state. In 2020, scholarships were capped at \$10,957.

All public school students are eligible if they attended a public school for at least six weeks immediately prior to receiving a scholarship, as are students enrolling in pre-K, kindergarten or first grade. Eligibility continues until a student graduates, reaches age 20 or returns to public school.

In 2019, the average scholarship was \$4,626 and 16,358 students participated.<sup>15</sup>

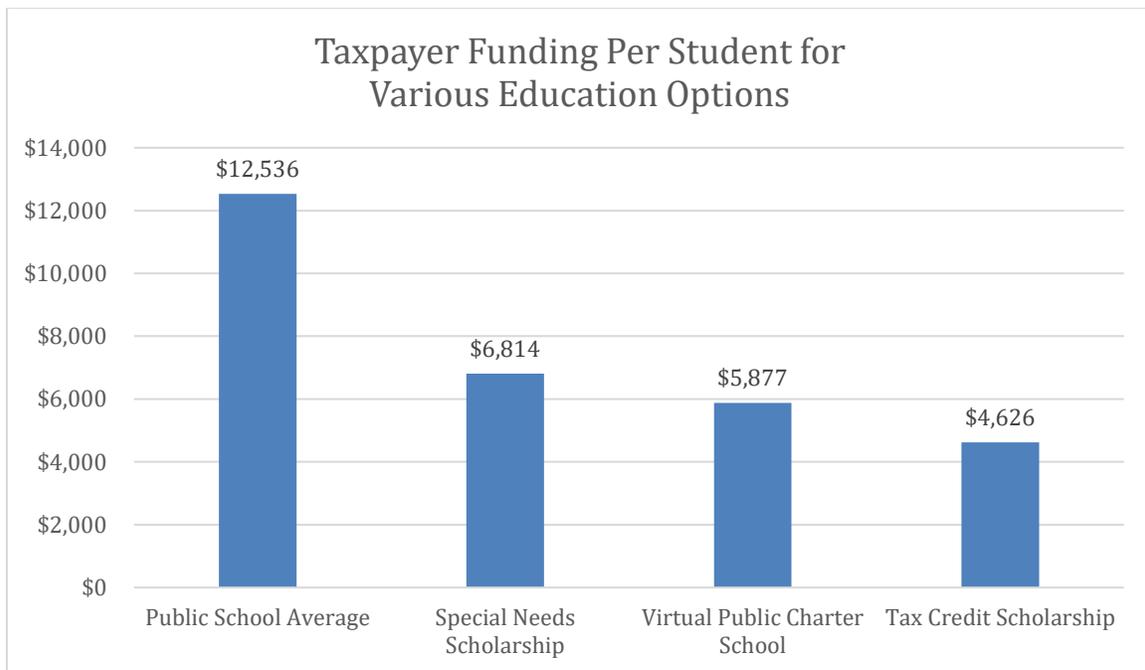


Chart 1.1

<sup>14</sup> <http://www.edchoice.org/school-choice/programs/georgia-special-needs-scholarship-program/>

<sup>15</sup> <https://dor.georgia.gov/calendar-year-qualified-education-expense-credit-report>

## What do various options cost taxpayers?

Average public school total revenues per student (2018-2019): \$12,536<sup>16</sup>

Average State total funding per student (2018-2019): \$9,266<sup>17</sup>

Average Special Needs Scholarship per student (2018-2019): \$6,814<sup>18</sup>

Average State Virtual School total funding per student (2018-2019): \$5,877<sup>19</sup>

Average Tax Credit Scholarship per student (2019): \$4,626<sup>20</sup>

## School Choice Research

Herbert J. Walberg, a University Scholar at the University of Illinois at Chicago, finds the vast body of research indicates "choice schools" – both charter and private schools – “excel across the board in achievement, parental satisfaction and student social engagement.”<sup>21</sup> He also finds that demand for more options is high in big cities where poor residents and minorities are concentrated. Finally, from a fiscal perspective, while there are exceptions, “the average cost of private schools in the United States is about half the cost of nearby public schools.”

An analysis of existing private choice research conducted by researchers for EdChoice finds that, of 153 empirical studies since 1995, there were 130 (85%) that found at least some positive effect. Eighteen (12%) found no visible effect, while only eight (5%) found any negative effect. (A handful of studies had more than one result, e.g. positive effects for some students and no visible effect for others, so the total findings are greater than 153.)<sup>22</sup>

A breakdown by subjects studied:

Outcome	No. of Studies	Any Positive Effect	No Visible Effect	Any Negative Effect
Program Participant Test Scores	17	11	4	3
Educational Attainment	6	4	2	0
Parent Satisfaction	30	29	1	2
Public School Students' Test Scores	27	25	1	1
Civic Values and Practices	11	6	5	0
Integration*	7	6	1	0
Fiscal Effects	55	49	4	2

Table 1.4

\*One study employed multiple measures of racial integration and concluded that the effects of the program were overall neutral. This study was included in the "No Visible Effect" column.

<sup>16</sup> Governor's Office of Student Achievement, K-12 Report Card, total 2018-2019 expenditures per FTE:

<https://gaawards.gosa.ga.gov/analytics/K12ReportCard>

<sup>17</sup> Calculated based on Georgia Department of Education data, <https://gaawards.gosa.ga.gov/analytics/saw.dll?PortalPages>

<sup>18</sup> Georgia Department of Education, <http://bit.ly/1Qsa2As>

<sup>19</sup> Calculated based on Georgia Department of Education data, <https://gaawards.gosa.ga.gov/analytics/saw.dll?PortalPages>

<sup>20</sup> <http://bit.ly/1qGjZ8n>

<sup>21</sup> "Expanding the Options," Herbert J. Walberg, Education Next, May 2014, <http://bit.ly/247GtOj>

<sup>22</sup> "The 123s of School Choice," EdChoice, April 2020, <https://www.edchoice.org/research/the-123s-of-school-choice/>

The analysis included three studies that looked at school choice programs in Georgia:

- A 2013 study on the Qualified Education Expense Tax Credit program found positive effects for Parent Satisfaction.
- A 2018 study of the Special Needs Scholarship found positive effects for Fiscal Effects.
- A 2018 study of the Qualified Education Expense Tax Credit program found positive effects for Fiscal Effects.

Research has found specific improvements in other states' programs as well:

- *Graduation rates and postsecondary enrollment:* An Urban Institute study in 2019 found students who participated in the Florida Tax Credit scholarship program “were more likely to go to and graduate from college than their public school peers.” The same study found students in the Milwaukee Parental Choice Program, a voucher program, “are more likely than public school students to enroll and persist at four-year universities,” though the difference in two-year college enrollment was not significant. Finally, students in the D.C. Opportunity Scholarship Program were “somewhat less likely to enroll in college within two years of expected high school graduation and slightly more likely to enroll within four or more years,” though neither finding was statistically significant.<sup>23</sup>
- *Public school improvements:* When states implement choice programs allowing students to attend private schools, what happens to the test scores of students in public schools that are at risk of losing students? A 2020 study of Florida's Tax Credit Scholarship Program found that student test scores, absenteeism and suspension rates in public schools with more competition from scholarship-eligible private schools improved relative to test scores in the public schools less affected by the scholarship program. The study found the effects were greater for lower-income students who remained in public schools, although more affluent students also benefited.<sup>24</sup>
- *Special needs:* Choice programs provide better access to services for students who have special needs. A legislative audit of a Wisconsin scholarship program that provides private school vouchers to students with disabilities found parents reported “increased levels of satisfaction, as well as decreased levels of behavioral problems and negative experiences” compared to when their children attended public schools.<sup>25</sup>

## School Choice

Our economy is testament to the success of a free and competitive marketplace that provides consumers with choices and rewards innovation, efficiency and quality. Sadly, as Albert Shanker, former president of the American Federation of Teachers said, our public schools system “operates like a planned economy, a bureaucratic system in which everybody’s role is spelled out in advance and there are few incentives for innovation and productivity. It’s no surprise that our school system doesn’t improve: It more resembles the communist economy than our own market economy.”

The higher education system is an example of school choice. Georgians can choose from public, private and religious schools; technical, liberal arts and engineering schools; small, medium and large schools, etc. Taxpayer funding is provided for students at all of these schools, either through direct appropriation or directly to individuals through programs such as HOPE, the GI Bill and Pell Grants. The result is Georgia has some of the best public and private colleges and universities in the country.

Georgia is well down the road of education reform and school choice. Public charter schools provide parents alternatives for their children’s education, children with special needs can now utilize a state

<sup>23</sup> “The Effects of Means-Tested Private School Choice Programs on College Enrollment and Graduation,” Urban Institute, July 2019, <https://www.urban.org/research/publication/effects-means-tested-private-school-choice-programs-college-enrollment-and-graduation>

<sup>24</sup> “Effects of Scaling Up Private School Choice Programs on Public School Students,” NBER Working Paper 26758, February 2020, <https://www.nber.org/papers/w26758>

<sup>25</sup> <https://legis.wisconsin.gov/lab/media/2753/18-6full.pdf>

scholarship to choose the public or private school that best meets their specialized needs, and tax credit scholarships provide choices for a wide array of Georgia's children. Georgia must continue to support and expand these programs to release the powerful incentives of the competitive marketplace that have transformed almost every other facet of our economy.

### **Charter Schools**

Charter schools are public schools; therefore, a successful charter school is a successful public school. Charter schools cannot charge tuition, must accept all students without any entrance requirements, and can be closed down if they do not meet their student achievement goals. In exchange for this strict accountability, charters are given increased flexibility to manage their school. Start-up charter schools provide parents with choices because they can attend the charter school or, if unsatisfied, they can return to their traditional school.

A 2007 Georgia law allows entire districts – not just individual schools – to apply for a charter. Districts promise improved student achievement in exchange for freedom from certain state and local rules. In 2008, the Legislature created a new statewide authorizing commission with the power to establish new charter schools that would receive the same funding as other charter schools. School systems sued and the Georgia Supreme Court ruled that local boards of education have “exclusive” authority over K-12 public education in Georgia. In a November 2012 referendum, 58% of voters approved allowing the state to authorize state charter schools originating from local communities.<sup>26</sup>

Many charter high schools in Georgia were designed specifically to boost graduation rates. Charter career academies, for example, work in partnership with technical colleges and community colleges to offer a more engaging curriculum and to target students who might otherwise have fallen through the cracks. Currently more than 35 career academies are operating throughout the state.<sup>27</sup>

### **Fiscal Impact**

Leaders of the public school system routinely suggest in legislative and public debates over school choice that when any student leaves a public school to attend a charter school, a virtual school or a private school and taxpayer funds are redirected to the child's new school, then the child's former public school is harmed financially. Their argument is that while a student who leaves the school may reduce variable costs like books, it also means less money to spend on fixed costs, such as facility costs. (Interestingly, administrators rarely claim that funding for new students is too much since the fixed costs are already paid for.)

This means there is some dollar amount that could follow a child to a charter public school, a virtual school or a private school that is equal to or less than the variable cost of that student and the removal of those funds would not deprive the former public school or its remaining students.

A study by Dr. Benjamin Scafidi found that Georgia's average spending per student was \$11,468 in 2008-09. About 35% of these costs can be considered fixed costs in the short run. The remaining 65% – or \$7,507 per student, are found to be variable costs, which change with student enrollment.

Therefore, a school choice program where less than \$7,507 per student is redirected from a child's former public school to another school of his or her parents' choosing would actually improve the fiscal health of the average public school district. It would also provide more resources for students who remain in public schools.<sup>28</sup>

<sup>26</sup> “African-American Voters Inspired by School Choice,” Georgia Public Policy Foundation, November 2012, [http://www.georgiapolicy.org/african-american-voters-inspired-by-school-choice/#ff\\_s=coXg](http://www.georgiapolicy.org/african-american-voters-inspired-by-school-choice/#ff_s=coXg)

<sup>27</sup> <https://www.gadoe.org/External-Affairs-and-Policy/Charter-Schools/Committee%20Members/List%20of%202018-2019%20College%20and%20Career%20Academies.pdf#search=college%20and%20career%20academies>

<sup>28</sup> “The Fiscal Effects of School Choice Programs on Public School Districts,” Benjamin Scafidi, Ph.D., The Friedman Foundation for Educational Choice, March 2012, <http://bit.ly/1pp1N20>

This finding was underscored by a 2019 study by Dr. Jeffrey Dorfman, who estimated the marginal cost of educating one more (or fewer) child in Georgia's 159 county school districts. The marginal cost was higher than both average variable cost and state funding per pupil in almost every district. The significance of this finding is that a school choice program that provides funding in amounts equal to a district's state funding per pupil actually raises the district's financial capacity to educate its remaining students because the programs would remove less money than the district saves by having fewer students to educate. In all but the smallest districts, school choice programs could be funded up to the (typically higher) level of average variable cost, and still leave districts with more than enough money to educate the remaining students at the same expenditure level as before.<sup>29</sup>

## Recommendations:

### **Implement a simpler, student-centered funding model that encourages flexibility.**

For more than three decades, Georgia's system of school finance has handcuffed district leaders by dictating how state funds are used. Although Gov. Nathan Deal's Education Reform Commission, tasked with overhauling the state's Quality Basic Education (QBE) formula, made some promising recommendations, these have not been acted on.<sup>30</sup>

Created in 1985, the QBE formula allocates over 90% of the state's \$9.6 billion in K-12 funding. If the goal of QBE's architects was to achieve minimal transparency and flexibility, then it has been a riveting success.

QBE provides resources based on student needs in a complex manner. The bulk of state funds are distributed via an inputs-based formula comprising segmented days, academic programs and staffing ratios. This makes it difficult to determine precisely how education dollars are prioritized and what impact they ultimately have on students.

Additionally, current policies force districts to pay teachers based on the state's narrow pay scale, which only accounts for experience and education. Research indicates that these factors have little to no impact on student outcomes. This fails to reward the state's best teachers for their great work.

Georgia needs a model that ties funding directly to students and allows schools to allocate resources flexibly. The Education Reform Commission's Funding Formula Committee took a big step in the right direction. It proposed a weighted-student formula to allocate funds based on student characteristics.

In this system, each student is provided with a base amount of funding. Students with additional needs, such as special education and English language learners, would receive additional funding based on transparent weights. Importantly, the Funding Formula Committee recommended providing a weight for low-income students.

The committee also recommended phasing out Georgia's top-down salary schedule for teachers. Districts would be able to determine how teachers are compensated, provided teacher effectiveness is incorporated as a component. This means that local factors, such as subject-area shortages, could be included in pay scales.

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<sup>29</sup> <https://www.georgiapolicy.org/issue/issue-analysis-economics-building-voucher-esa-program-georgia/>

<sup>30</sup> <http://gosa.georgia.gov/document/publication/education-reform-commission-final-report-december-15-2015/download>

Overall, the committee's recommendations should be applauded. There are, however, several ways they could be strengthened.

First, a significant amount of funding in the committee's proposed system would continue to be allocated outside of the student-based formula. Staffing for district offices would be standardized based on rigid ratios. For example, a district with 4,999 students would receive two additional staff members while a district with 5,000 students would receive four. This method is prescriptive and allocates resources in a "lumpy" manner. More than \$2 billion of funding for Georgia's teachers would similarly live outside the base formula.

A more effective system would roll these funds into the base per-pupil allotment, as the committee recommended for other resources. Burdensome regulations, such as class size requirements that many districts are still subject to, should also be eliminated. These changes would promote even more transparency, maximize district-level flexibility, and ensure that funding equity is student-based.

Most importantly, the recommendations failed to push the desired changes down to the school level: Once funds reach the districts, there is no guarantee that they will be distributed to schools in an equitable and flexible manner.

A study of education funding in Texas found that inequity among schools was, in fact, greater than among districts. Additionally, most of the nation's districts provide principals with less than 5% discretion over how an individual school's funds are used. A Reason Foundation analysis found that even a 1% increase in autonomy can have a significant impact on student outcomes.

Ideally, Georgia's proposed system of student-based budgeting would tie funding directly to students. Meanwhile, student-based budgeting at the district level is progress and already done in more than 30 districts in the country.

### **Fund charter schools equitably**

Public charter schools include virtual schools, blended or hybrid schools, career academies, STEM schools, performing arts schools, traditional schools and almost anything else you can imagine.

Unequal funding often hinders Georgia's public charter schools, which receive less funding than traditional district public schools would receive to educate the same students. As of 2014, the difference equaled 35%, or as much as \$4,588, according to a study by the University of Arkansas.<sup>31</sup> An updated version of the study focused on charter schools in large urban districts, and using 2016 figures, found charter schools in Atlanta were the most underfunded in the nation on a percentage basis: Atlanta's charter schools received an average of 49% less than traditional public schools, or \$8,894 per pupil.<sup>32</sup>

Legislators have taken steps to bring charter schools closer to funding parity, and by FY19 much of the gap had been closed. Per pupil spending in traditional public schools statewide was \$9,928 vs. \$10,456 for public charter schools. However, statewide averages fail to take account of two important factors. First, only 15 school districts have locally authorized charter schools. Among these, traditional public schools received an average of \$11,047 per

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<sup>31</sup> "Charter School Funding: Inequity Expands," University of Arkansas, April 2014, <http://bit.ly/1hen1Fp>

<sup>32</sup> <http://www.uaedreform.org/downloads/2018/11/charter-school-funding-more-inequity-in-the-city.pdf>

pupil vs. \$11,037 for locally authorized charter schools. Within each district, the disparity is greater: Traditional public schools received more in 13 of the 15 districts, ranging from a difference of \$66 in Grady County to \$3,687 in DeKalb County.<sup>33</sup> State-authorized charter schools received \$9,044.

Second, the above funding levels do not include separate capital funding which traditional public schools receive but charter schools generally do not. This difference can amount to hundreds of dollars per student. The Commission recognized the need for equitable operating and capital funding for public charter schools, stating that “the state should prioritize the equitable funding of charter schools. These schools are a public school choice for students across the state, and therefore should be funded equitably to ensure the ongoing viability and continued growth of quality student options.”

Charters also struggle to fund facilities. Aside from greater access to unused or under-utilized facilities, predictable charter facility funding would be helpful. The Commission’s report called for “a statewide competitive grant fund for charter facility expenses to more accurately reflect the per-pupil funding for public schools.”

The report noted, “charter schools currently have to utilize a significant percentage of their operating budgets for facility expenses, often upwards of 15 percent of their total operating budget. Very few local districts have included charter schools in their ESPLOST funding, and only charter schools authorized by the State Charter Schools Commission have access to state capital outlay funding.”

Since charter schools can be closed at any time for failure to meet the requirements of their charter (contract), taxpayers should be wary about building new facilities. Nevertheless, all schools would benefit from annual, per-student facility funding. For charter schools, the funds could be used to underwrite construction, rental of an existing facility, or new classrooms for growing schools. If a school is closed, the funding would stop and taxpayers would not be on the hook for unnecessary facilities.

***All schools would benefit from annual, per-student facility funding.***

The General Assembly created a charter schools facilities grant in 2017, but it has not been fully funded each year. In FY21 the grant is limited to \$40,000 per eligible charter school; full funding would be \$100,000 per school.

Finally, it should be easier for successful charter schools to replicate or expand without facing bureaucratic roadblocks.

### **Allow schools to move toward competency-based learning**

Competency-based learning, also known as mastery-based learning or personalized learning, is a system of instruction where students advance to higher levels of learning as soon as they demonstrate mastery of concepts and skills regardless of time, place or pace.<sup>34</sup>

A traditional, time-based education system advances students based on their age, regardless of what they have learned. This outdated model holds back students who could be excelling more quickly and pushes students forward who are not yet ready, leaving them with gaps of knowledge, skill and understanding that must be filled later. This is a particularly important problem to solve because of the

<sup>33</sup> Calculated based on Georgia Department of Education data

<sup>34</sup> “Competency-Based Education: Move On When Ready,” Foundation for Excellence in Education, <http://www.excelined.org/wp-content/uploads/CBE-2016-Policy-Summary1.pdf>

pandemic: Learning losses have been substantial, and competency-based learning could help students progress at their own rate in the asynchronous learning environments many school districts have adopted.

Students should advance as they master the levels of learning. The pace and style will look different for different students, but the goals of mastering and understanding concepts and allowing students opportunities to “show what they know” in order to advance to more challenging material remains constant.

The Education Reform Commission stated in its final report that competency-based learning “fosters equity by holding all students to a common set of rigorous expectations while providing flexibility in the way credit can be earned, allowing students to progress through content as they demonstrate mastery, regardless of time, pace, or place.”

### **Shift away from top-down regulation and micro-management of schools to accountability based on choice and competition**

A new vision would empower Georgia’s educators to manage schools and parents to choose the school they believe is best for their child. Government would ensure competition and choice, ensure fair access to financial resources and facilities, inform parents with relevant information and step in to close down persistently failing schools.

In this model, competition and choice ensure accountability for cost and quality. Equitable funding models assure that students have access to high-quality public and private schools. High-performing schools are allowed to easily replicate and expand; persistently failing schools are closed. All public schools are freed from top-down regulations so educators at the school-level can make decisions. With fewer mandatory end-of-year tests, schools adopt competency-based models focused on academic progress where students take shorter tests throughout the year.

### **Expand the cap on contributions to the tuition tax credit scholarship**

What if Georgia had an education program that raises student achievement and student engagement, increases parental involvement and satisfaction, and operates at a third of the cost of current programs? Georgia’s Qualified Education Expense Tax Credit Program – the “tuition tax credit scholarship” – accomplishes all of these goals. At an average cost of \$4,626, these scholarships currently benefit 16,358 Georgia students. Demand for contributions is greater than this, but the tax credits are restricted. Although legislators raised the cap to \$100 million from \$58 million in 2018, the entire amount was claimed in 2019 and was on track to be claimed completely again in 2020. Hundreds of Georgia students could have an opportunity for a better educational opportunity if more money were available.

***A new vision  
would empower  
Georgia’s  
educators to  
manage schools  
and parents to  
choose the school  
they believe is  
best for their child.***

Florida has a model worth considering that allows for a predictable growth in its tuition tax credit scholarship program. When 90% of the cap is reached (currently more than \$873 million), the cap automatically increases by 25% for the following year.<sup>35</sup> Given that Georgia's entire cap was reached in 2019, and that 88.9% had been reached by the end of July 2020, a similar approach in Georgia would greatly expand education opportunity to more children.

### ***Five Reasons to Increase Georgia's Tuition Tax Credit Cap***

**Student Achievement:** Eleven of 17 random assignment studies (the gold standard in research) show school choice improves academic outcomes of participants; only three found a negative impact. Of six studies of educational attainment by participants (high school graduation rates and college enrollment/completion rates), four found improved outcomes and none found negative effects. Of 27 studies, 25 found school choice improves outcomes at public schools, with only one finding a negative impact on public schools. Source: EdChoice

**Parental Satisfaction:** A survey by Georgia's largest student scholarship organization found 98.6% of parents "very satisfied" or "satisfied" with their decision to send their children to a private school. Source: Georgia GOAL Scholarship Program

**Public School Budget Benefits:** The average scholarship (\$4,626) in 2019 was over \$7,900 lower than total spending per student (\$12,536) in Georgia public schools and almost \$1,000 lower than state revenue per student (\$5,600). More scholarships equal more savings for Georgia taxpayers and/or more funding for public school students. Source: Georgia Public Policy Foundation

**Popularity across Party Lines:** Majorities of Democrats, Republicans and Libertarians support the program and support raising the cap. Seventy percent of Georgians support the tuition tax credit scholarship program; 62% support increasing the cap to \$100 million. Source: Georgia College and State University

**Popularity with Taxpayers:** Despite rising by 72% from a year earlier, the \$100 million annual limit on contributions was reached in 2019. (For comparison, Florida's cap in FY2020 was more than eight times greater, at \$873.5 million. Florida's population is only twice as large as Georgia's.) Sources: Georgia Department of Revenue, Florida Department of Education

### **Create Education Savings Accounts**

Education savings accounts – also known as education scholarship accounts, or ESAs – are a relatively new concept, pioneered in Arizona and added in Florida, Mississippi, Tennessee and Nevada. The concept encourages innovation and choice in education while creating incentives for better outcomes at lower costs. According to the Friedman Foundation for Educational Choice (now EdChoice):

Under such accounts – managed by parents with state supervision to ensure accountability – parents can use their children's education funding to choose among public and private schools, online education programs, certified private tutors, community colleges, and even universities. Education savings accounts bring Milton Friedman's original school voucher idea into the 21st century.

Arizona lawmakers were the first to create such a program, called Empowerment Scholarship Accounts (ESAs). Through that program, the state of Arizona deposits 90 percent of the funds for a

<sup>35</sup> <http://www.edchoice.org/school-choice/programs/florida-tax-credit-scholarship-program/>

participating child into an account, which can cover multiple educational services through use-restricted debit cards. Parents can choose to use all of their funds on a single method – like private school tuition – or they can employ a customized strategy using multiple methods (e.g., online programs and community college classes). Critically, parents can save some of the money for future higher education expenses. That feature creates an incentive for parents to judge all K-12 service providers not only on quality but also on cost.

Instead of the typical “use-it-or-lose-it” government grant, unused funds in ESAs are allowed to roll over from year to year and accumulate. This would give Georgia families another opportunity to save money for college and an incentive to shop around with education providers.

ESAs are also the perfect partner for Georgia’s tuition tax credit scholarships. ESAs provide a fixed amount of funding for each child and tax credit scholarships are flexible. Low-income children could receive a tax credit scholarship on top of the ESA grant to better match their level of need. The stable funding of ESAs would offset the unpredictable funding of tuition tax credit scholarships, providing a funding model that is predictable, yet flexible enough to meet the varying financial needs of different families. Multiple opinion polls have shown more than 60% of Georgians support Education Savings Accounts or similar measures.

ESAs would truly empower Georgia’s students and parents and make Georgia a leader in tearing down barriers to economic opportunity.

## Appendix:

### Comparisons from the Quality Counts 2019 report:<sup>36</sup>

	GA	Rank	US avg.
<b>Overall Score</b>	<b>C</b>	<b>30</b>	<b>C</b>
<b>Chance for Success</b>	GA	Rank	US avg.
<b>Overall Score</b>	<b>C+</b>	<b>33</b>	<b>C+</b>
<b>Early Foundations</b>	B-	37	B
• <i>Family income</i>	55%		60%
• <i>Parent education</i>	49%		51%
• <i>Parental employment</i>	77%		77%
• <i>Linguistic integration</i>	88%		83%
<b>School Years</b>	C	32	C+
• <i>Preschool enrollment</i>	50%		48%
• <i>Kindergarten enrollment</i>	80%		78%
• <i>4th grade reading</i>	35%		35%
• <i>8th grade math</i>	31%		33%
• <i>High school graduation</i>	79%		84%
• <i>Young adult education</i>	51%		56%
<b>Adult Outcomes</b>	C+	28	C+
• <i>Adult educational attainment</i>	41%		43%
• <i>Annual income</i>	50%		53%
• <i>Steady employment</i>	76%		74%

<sup>36</sup> “Quality Counts 2019,” Education Week, <https://www.edweek.org/ew/articles/2019/01/16/highlights-report-georgia.html>

School Finance	GA	Rank	US
<b>Overall Score</b>	<b>D+</b>	<b>37</b>	<b>C</b>
Spending	F	37	D
• Per pupil spending, cost-adjusted (2016)	\$10,114		\$12,756
• Students in districts with spending at/above U.S. avg. (2016)	9.1%		40.1%
• Spending index (adjusted for cost, student need; 2016)	84.3%		87.5%
• Total taxable resources spent on education (2016)	3.3%		3.3%
Equity	B+	27	B+
• Relationship between funding, local property wealth (2016)	0.194		0.132
• Spending vs. amount to put all students at median (2016)	92.4%		91.1%
• Disparity among districts (lower score = greater equity; 2016)	0.135		0.156
• Gap in per pupil spending at 5th & 95th percentiles (2016)	\$4,396		\$4,891
K-12 Achievement	GA	Rank	US
<b>Overall Score</b>	<b>C</b>	<b>13</b>	<b>C</b>
Status	D+	25	D+
Change	C+	4	C-
Equity	B-	45	B
Detail:			
• 4th grade math, proficient (2017 NAEP)	35.4%		39.5%
• 8th grade math, proficient (2017 NAEP)	31.4%		33.4%
• 4th grade reading, proficient (2017 NAEP)	34.6%		35.4%
• 8th grade reading, proficient (2017 NAEP)	35.4%		34.7%
• Change 2003-17, 4th grade math score (NAEP)	+6.1		+5.2
• Change 2003-17, 8th grade math score (NAEP)	+11.4		+5.8
• Change 2003-17, 4th <sup>n</sup> grade reading score (NAEP)	+6.1		+4.4
• Change 2003-17, 8th grade reading score (NAEP)	+8.6		+4.0
• Poverty gap, 4th grade reading (2017 NAEP)	32.1		28.0
• Poverty gap, 8th grade math (2017 NAEP)	31.5		29.7
• Change in poverty gap 2003-17, 4th grade (NAEP)	+4.8		+0.1
• Change in poverty gap 2003-17, 8th grade (NAEP)	-0.3		+1.3
• 8th grade math, advanced (2017 NAEP)	8.7%		9.8%
• Change 2003-17, 8th grade math advanced (NAEP)	+4.7		+4.8
• High school graduation rate (2017)	80.6%		84.6%
• Change 2014-17, high school graduation rate	+8.1		+2.3
• High scores (3 or above) on AP tests (2017)	37.7%		33.1%
• Change 2000-17, high scores on AP tests	+30.6		+24.0

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