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School choice turns corner with tax credits

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The state's foray into private-school vouchers started slowly last year with the passage of legislation limiting tax-funded scholarships to students with disabilities.

Now, Georgia is about to plunge more fully into a popular but controversial program aimed at giving parents options other than packing their kids off to public school in a state struggling with low test scores and a high dropout rate. Nonprofit foundations will be busy this summer organizing student scholarship organizations to accept donations from businesses and individuals taking advantage of a tax credit enacted by the General Assembly this year.

The bill, signed by Gov. Sonny Perdue last month, will provide \$50 million a year to help children attend private schools.

"This is the next step in school choice," said Rep. David Casas, R-Lilburn, the legislation's chief sponsor.

The new program puts Georgia squarely in the middle of a debate raging across the country between supporters of school choice and those who argue that public money shouldn't be spent on private schools.

Choice advocates say parents should have more control over their children's educations, and helping them send their kids to private schools would force public schools to improve in order to compete.

Opponents say every tax dollar spent on private schools is one less dollar that can be put toward public education.

In the General Assembly, the debate over Casas' bill broke down largely along party lines, with majority Republicans supporting it and Democrats in opposition.

Under the law, individual contributors to the program will receive a dollar-for-dollar state tax credit of up to \$1,000, while married couples filing jointly may claim up to \$2,500.

Corporate donors will get a dollar-for-dollar credit worth up to 75 percent of their total tax liability.

Georgia will be the first state offering the credit to both individuals and businesses and the first with no income cap.

"Every school choice effort across the country is aimed at low-income students," Casas said. "[But] public education is failing everyone."

With no income eligibility limit built into the law, it will be up to the scholarship organizations to decide whether they want to set an income cap. The foundations also will determine scholarship amounts.

Existing nonprofits, including the Atlanta Archdiocese and Atlanta Jewish Federation, are expected to participate in the program.

But the law also is spawning new student scholarship organizations.

A defunct program serving low-income students from Atlanta and Fulton and DeKalb counties, which ran out of money earlier in this decade, is being revived as the Georgia GOAL (Greater Opportunities for Access to Learning) Scholarship Program.

GOAL Chairman Jim Kelly said he is getting word out to private schools, parents and potential donors that GOAL is about to open. He said the program will serve low- and middle-income families, offering partial scholarships that will help but not completely cover the costs of private school.

"We are very strong believers in the need for parents to invest in their children's education," he said. "[But] we're not going to make it so low it's [harmful]."

Kelly said parents are attracted to private schools not only for their academic reputations but for the sense of safety they give students.

"Parents are interested first and foremost in providing a calm learning environment for their children," he said. "Academically, they feel like they're making a net gain. But amazingly, I don't think that's the top priority."

Choice advocates have worked to debunk the notion that funding private-school scholarships with tax money hurts public schools.

According to The Friedman Foundation for Educational Choice, which released a report on the fiscal impact of Casas' bill during last winter's legislative debate, state-funded scholarships actually put more money into education.

Robert Enlow, the Indianapolis-based group's executive director, explained that every dollar a state spends on public schools yields a net gain of only 53 cents because local governments adjust to that state spending by reducing their commitment by 47 cents.

"Every dollar of a scholarship is a dollar for education," he said.

But Jeff Hubbard, president of Georgia Association of Educators, said \$50 million in state tax credits reduces the tax liability of individual and business donors by that

amount, so those funds no longer are available for public schools.

"That's money that could have gone to the state of Georgia to pay for any service," he said.

Sen. Vincent Fort, D-Atlanta, a member of the Senate Education Committee, said state-funded private-school scholarships are part of a Republican effort to dismantle public education that also includes legislation making it easier to operate charter schools.

But Senate President Pro Tempore Eric Johnson, R-Savannah, who sponsored last year's scholarships bill for children with disabilities, said the GOP education bills are intended to give parents more school choices, not destroy public education.

"I think the conservative vision is that every child, regardless of income, has options, whether it's public schools, private schools, charter schools or home schools," he said.

Johnson said the new law likely won't generate many scholarships this year because parents and potential donors are just starting to find out about the program.

But he said he expects eager takers during the 2009-2010 school year.

"I think we're going to suck up that scholarship money pretty *quickly*."