



## Education Savings Accounts in Georgia (SB 233): Myth vs. Fact

**MYTH: "The program is unconstitutional."**

**FACT:** The ESA program is crafted in a way that both serves Georgia's families, and abides by the Georgia state constitution.

Georgia's constitution states that "no money shall ever be taken from the public treasury, directly or indirectly, in aid of any church, sect, cult, or religious denomination or of any sectarian institution." Under SB 233, it would be parents who direct the spending from the accounts on qualified expenses, not the state.

The bill makes clear it directs funds to parents and not churches, sects, cults, or sectarian institutions by stating "[a]ny account funds directed to a participating school or service provider are so directed on behalf of the participating student's parent, the recognized recipient of such participating student's account funds, and wholly as a result of the genuine and independent private choice of the parent."

In fact, it would be unconstitutional religious discrimination to prohibit funds available for qualifying education services from going to a religious or sectarian institution that provides qualifying services, merely on the basis of it being religious or sectarian.

**MYTH: "There is no cap to the program, which would potentially break the state budget."**

**FACT:** SB 233 creates a program that will be funded as a separate line-item in the budget during the appropriations process. But rather than being a dollar-for-dollar increase in spending, implementing an ESA program would likely have no effect on the fiscal impact of educating children for the state. The average statewide funding is about \$6,500 per student under the provisions of the Qualified Basic Education Act (QBE), and ESAs are funded at that same per-student amount. In order to be eligible for the program, a child must currently be enrolled in public school, and would not add to the number of students that are being funded under QBE.

## MYTH: “There are no eligibility requirements”

FACT: In order to be eligible for an ESA under SB 233, a student must be a citizen or permanent legal resident and currently enrolled in a public school performing in the bottom 25% of schools statewide or a rising kindergartener in one of those schools. Children currently attending private school, and therefore not triggering QBE funding, are not eligible.

## MYTH: “The \$6,500 per student will be used to attend a private school.”

FACT: An education savings account differs from a voucher by allowing parents to use the funds on educational expenses beyond simply attending a private school. The advantage of an ESA is to allow parents to have the freedom to select the mix of educational services that best serves their child. Parents may use the accounts to select any unique mix of qualified education expenses, which include tuition, fees, textbooks, tutoring services, curriculum, supplemental materials, services from a physician or licensed therapist, and transportation to and from an approved education service provider.

## MYTH: “There is no financial or academic accountability.”

FACT: There are mechanisms to ensure both financial and academic accountability.

*Financial Accountability:* There are multiple safeguards to ensure that funds are spent on appropriate educational expenses and not misused. First, the funds can only be spent on certain qualifying education expenses such as tuition, textbooks and other materials, tutoring services, curriculum, and physicians or licensed therapists. Second, state funds are administered by a third party administrator account. Under SB 233, parents would send their expense requests and the third party administrator would issue the check to the vendor. Third, to assist in the determination of whether certain expenses are qualified expenses, SB 233 would create a review committee, appointed by and serving at the pleasure of the executive director of the Georgia Student Finance Commission, as specified in the bill.

Additionally, annual audits will be used to help prevent the misuse of funds, and anyone misusing funds can be ruled ineligible for the program. Cases of substantial misuse or fraud may be referred to the Georgia Attorney General for investigation.

*Academic Accountability:* Parents know their children the best and are therefore the best equipped to assess how their children’s education is progressing. The program, however, also tracks academic progress via national norm-referenced tests that can be used to compare the performance of participating schools and other education options with the public school system.

**MYTH: “SB 233 would take away funds needed for public schools and destroy public education.”**

FACT: Georgians should reject the false choice between supporting students and supporting local schools. Evidence indicates when parents are empowered to design an education that best fits their student, ALL students benefit. [25 out of 28](#) studies show students in public schools perform better when there is competition resulting from education freedom. [This bill would be a win for local schools, a win for students, and a win for Georgia taxpayers.](#)

SB 233 would result in a net-increase in per-pupil funding in every single public school system in Georgia. When students take advantage of the ESA, their local school maintains its local funding allocation for those students, but no longer has to provide services for them.

At the same time, it would not increase the cost to Georgia taxpayers to educate children. The average statewide funding is about \$6,500 per student under the provisions of the Qualified Basic Education Act (QBE), while ESAs are funded at \$6,500 per student. As Georgia students take advantage of the ESA program, it will ultimately cost no more in state funding to educate them than if they were to remain in the public school system.

The point of creating an ESA program is to support students, not to defund public education. To drive this point home, SB 233 ensures funding for the ESA program will be frozen unless QBE is fully funded. In addition, any unused money in an ESA account up to 50% of the total annual allotment gets refunded back to the state if the account is inactive for two consecutive years.

**MYTH: “SB 233 allots more money for ESA recipients than QBE does for many public school students.”**

FACT: The QBE funding formula provides various levels of funding for different students depending on multiple factors, including grade level. For example, funding is higher for kindergartners and decreases as students move to higher grade levels. SB 233 allots the same amount per student (\$6,500) as the statewide average per-student state QBE allotment (\$6,500).

**MYTH: “ESAs allow unqualified educators and private schools that may turn students away for reasons such as religious affiliation or disabilities to be funded with state dollars.”**

FACT: Participating schools must comply with the Georgia Student Finance Commission's requirements and must be accredited or in the process of becoming accredited by one or more of the entities currently required under Georgia law to participate in other programs such as

the HOPE and PROMISE Teacher’s Scholarships. Educators providing qualified tutoring services must be certified by the Professional Standards Commission.

Participating schools must comply with the anti-discrimination provisions of 42 U.S.C. Section 2000d, comply with all health and safety laws or codes that apply to private schools, and comply with all provisions of Code Section 20-2-690 and any other state law applicable to private schools.

### MYTH: “ESAs would hurt rural school districts.”

FACT: The [best evidence](#) suggests that expanding education choice does not harm rural school districts, but rather spurs rural schools to improve. For example, rural school districts in Arizona have [remained stable](#) over the past 30 years while education freedom has increased there, and student academic achievement data show education freedom causes no harm in those same districts.

For more information on how education freedom impacts rural areas, read The Heritage Foundation’s report, [Rustic Renaissance: Education Choice in Rural America](#).

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