



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 20, 2026

Honorable Chuck Hufstetler
Chairman, Senate Finance
121-C State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
Senate Bill 515 (LC 49 2750S)

Dear Chairman Hufstetler:

The bill would modify and extend the teacher recruitment and retention tax credit program intended to support the pay of teachers who choose to work at low-performing schools located in rural communities. The criteria for determining qualifying schools would be determined by the Georgia Department of Education (GaDOE), which would also annually evaluate program effectiveness. The bill retains the number of supported schools at 100, increases the current-law cap of participating teachers from 1,000 to 1,200, and decreases the refundable per year per teacher credit from \$3,000 to \$2,500. Once hired, new teachers can claim credits for five years if they stay employed at the approved school. The credit is extended to December 31, 2031.

Impact on Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease revenue as shown in Table 1. The appendix provides details of the analysis.

Table 1. Estimated Revenue Effects of SB 515 LC 49 2750S

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State Revenue Effect	–	(\$0.12)	(\$0.20)	(\$0.27)	(\$0.33)

Impact on Expenditures

The Department of Revenue would be able to implement the bill's provisions with existing resources. GaDOE may require 0.5 of a manager FTE to satisfy the requirements of the bill at a cost of \$60,000 annually.

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

LC 49 2750S proposes to modify and extend the new teacher recruitment and retention (TRR) program set forth in O.C.G.A. § 20-2-251 and § 48-7-29.23. This credit program is intended to encourage new and experienced teachers to seek employment in high-need subject areas at qualifying rural and low-performing schools. Tax credits are provided to participating teachers as part of the program. This credit program was passed during the 2021 legislative session, and teachers began earning credits during the 2021–22 school year.

Under this bill, the Georgia Department of Education (GaDOE) is required to publish by December 1 of each year the list of schools selected for that year’s program. Subject to the program’s 1,200-teacher cap in any year, newly hired teachers at these selected schools will earn a \$2,500 income tax credit each year for up to five years, provided they remain at that school and otherwise remain eligible. Teachers already in the program will continue to earn credits of \$3,000 during their remaining years of eligibility, and teachers starting after January 1, 2027, will earn credits of \$2,500 for up to five years.

The estimates utilize the following data and assumptions in order to project the number of participating teachers and estimated revenue effects:

- Credits generated and utilized for this credit program by the first three incoming cohorts of hired teachers were small, averaging fewer than 50 teachers. In tax year (TY) 2024, credits generated under this program were \$270,000, including credits earned by new and existing participants.
- In January 2026, the Governor’s Office of Student Achievement (GOSA) produced a report on this tax credit program that noted the less-than-expected utilization of the program, though it did provide some evidence that the program could be supporting teacher retention. As possible strategies to increase participation, the report suggested increasing the numbers of participating schools, broadening the criteria into additional high-need areas, and enhancing outreach.
- Due to data limitations, credit utilization cannot be parsed by the year the participating teacher is in, one through five. The GOSA report, however, estimated that 58 percent of the initial cohort was still working at the school after three years. Based on this finding, the estimates assume that 68 percent of initial teachers continue through two years, 58 percent through three years, 48 percent through four years, and 38 percent through all five years.
- Based on credit utilization and these retention rates, the estimates assume average initial cohorts between 2027 and 2031 of 48 teachers.

An average cohort size of 48 and the stated retention rates are the basis for the total number of teachers participating in Table 2.

Table 2. TRR Program Participants Hired After 2026

	TY 2027	TY 2028	TY 2029	TY 2030	TY 2031
Participating Teachers	48	81	109	132	150

For the fiscal impact estimates in Table 1, the credit amount per teacher per year is \$2,500 and is expected to fully impact the following fiscal year upon filing.