

# FREQUENTLY ASKED QUESTIONS

## **1. What is LB753, the Opportunity Scholarships Act?**

The Opportunity Scholarships Act provides education freedom to many Nebraska families who can't afford the best school setting for their children. The program would give priority to students in families at 100% poverty level, as well as, students with “exceptional needs”, who have experienced bullying, in the foster system, in military families, or have been denied option enrollment by public schools.

LB753 allows income tax credits to incentivize donations to scholarship granting organizations (SGOs). The program provides a 100% state income tax credit for donations to scholarship-granting organizations (SGOs). Donations are capped at 50% of an individual or business's state tax liability. Donations are also capped at \$100,000 for individuals and businesses and \$1 million for wills and trusts. Donations would be made to scholarship-granting organizations (SGOs), which then award scholarships to eligible children.

## **2. Who supports the Opportunity Scholarships Act?**

For decades, parent advocates have been fighting for education freedom and a school choice program in Nebraska. The Opportunity Scholarships Act, introduced by Senator Lou Ann Linehan on behalf of Governor Jim Pillen, was supported by a super-majority of state senators in the Nebraska Legislature across party lines.

## **3. Why do opponents want to repeal the Opportunity Scholarships Act?**

Opponents main argument against Opportunity Scholarships is that it threatens public school funding.

Notably, the Legislature recently passed historic funding for public education, totaling nearly \$1B of increased support. However, opponents still want to repeal educational opportunities from Nebraska's most vulnerable families.

## **4. Who is hurt by the repeal of the Opportunity Scholarships Act?**

If the Opportunity Scholarships Act is repealed, families who have been waiting for hope in education will have these new, exciting opportunities taken away. These are families who experience financial obstacles, military families, those with children with exceptional needs, those with children who have experienced bullying in the public school system.

Every child deserves the opportunity to access the best educational fit. Declining to sign the petition to repeal LB753 will help make dreams possible for more Nebraska families.

## **5. Where can I learn more about school choice legislation and how it works in 48 other states?**

Parents in almost every other state in the U.S. enjoy some form of school choice. There are great resources outlining state programs at [federationforchildren.org](http://federationforchildren.org), [edchoice.org](http://edchoice.org), and [schoolchoicefacts.org](http://schoolchoicefacts.org).



## The Opportunity Scholarships Act (LB753) Explainer

All families deserve the opportunity to access the right education for their child. Some families have the financial means to make this possible, but many do not. LB753 will help those families in need.

The Opportunity Scholarships Act, introduced by Senator Lou Ann Linehan on behalf of Governor Jim Pillen, provides scholarship opportunities for families, especially low-income families, to attend a private school of their parent's choice. LB753 was signed into law on May 30, 2023, finally making Nebraska the 50<sup>th</sup> state in the country to pass school choice legislation.

### How Does LB753 Work?

- Starting on January 1, 2024, donations can be made to scholarship granting organizations (SGOs), which then awards scholarships to eligible students. The program will give priority to eligible students according to the following tiers:
  - 1<sup>st</sup> Tier:
    - Students who received a scholarship in the previous year; and
    - A sibling of a student who is receiving a scholarship, and belongs to the same household.
  - 2<sup>nd</sup> Tier:
    - Students whose household income does not exceed 100% of the federal poverty level (FPL); and
    - Students who were denied public school option enrollment, have a special education need, have experienced bullying, harassment, hazing, assault, battery, kidnapping, robbery, sexual offenses, threat or intimidation, or fighting at school, are in foster care, or have a parent or guardian actively serving in the military or was killed in the line of duty.
  - 3<sup>rd</sup> Tier:
    - Students whose household incomes is between 101% and 185% FPL.
  - 4<sup>th</sup> Tier:
    - Students whose household income is between 186% and 213% FPL.
  - 5<sup>th</sup> Tier:
    - Students whose household income exceeds 213% FPL but does not exceed 300% of the income eligibility for the federal reduced lunch program.
- The program allows \$25 million in total state income tax credits to incentivize donations to SGOs. Beginning in the program's fourth year, if the \$25 million cap is reached, it can grow 25% but will ultimately be capped at \$100 million in tax credits.
- The program will provide a 100% state income tax credit for donations to SGOs. The tax credits are capped at 50% of an individual's or business's state income tax liability. The tax credits are also capped at \$100,000 for individuals and businesses and \$1 million for wills and trusts.

For any additional questions about LB753, please contact the Nebraska Catholic Conference.

# LB753 - THE OPPORTUNITY SCHOLARSHIPS ACT

## MYTHS VS. REALITY

*Those gathering signatures to repeal LB753 are spreading misconceptions and mistruths about the Opportunity Scholarships Act. Here's the truth of the matter:*

### **"PROGRAMS LIKE LB753 DRAIN MONEY FROM PUBLIC SCHOOLS."**

**Reality:** Tax credit scholarship programs across the country, in the aggregate, have been proven to save state governments millions—even billions—of dollars. When a student attends a nonpublic school using a tax credit scholarship, state governments do not have to pay the public school the full cost for providing an education for that student. And the cost to educate a child in a traditional district school is greater than the revenue a state foregoes through scholarship tax credit programs. It's no wonder that tax credit scholarship programs, for example, end up saving each participating state anywhere from \$13 million to \$120 million annually. So, not only do tax credit scholarships not harm public school funding, but they provide additional revenues that could be used to invest in kids in public school settings.

### **"LB753 VIOLATES SEPARATION BETWEEN CHURCH AND STATE."**

**Reality:** The U.S. Supreme Court has ruled that appropriately designed private school choice programs are fully constitutional. And numerous state courts have upheld the constitutionality of tax-credit scholarship programs.

### **"LB753 WILL HURT NEBRASKA'S PUBLIC SCHOOLS."**

**Reality:** Public schools are an important part of Nebraska life, and, in many cases, they offer a quality education. But public schools are not an ideal fit for every child—parents deserve a choice. Why would giving parents a choice hurt kids? All students can learn, and we believe they should all have the opportunity to do so in a safe and supportive school, chosen by their parents, that meets their individual learning needs.

Studies consistently demonstrate public schools benefit from the existence of scholarship tax credit programs. Twenty-one empirical studies examine private school choice programs' impact on academic outcomes for nonparticipating students in nearby public schools. Of those studies, 20 found that private school choice improved the performance of nearby public schools; one found no significant effects of this competition.

### **"STUDENTS WON'T BENEFIT FROM LB753."**

**Reality:** Seventeen empirical studies examined academic outcomes for tax-credit scholarship recipients using random assignment, the "gold standard" of social science. Of these studies, 11 report positive test score effects among their primary findings. Four studies found no significant effects, and two found negative impact in the early years of study. School choice also leads to more students graduating from high school and enrolling in college, as we've seen in Milwaukee and Florida. In Florida, for example, tax credit scholarship students are up to 43% more likely to enroll in college than their peers in traditional public schools if they enroll in the program for four years or more.

### **"NEBRASKA ALREADY HAS SCHOOL CHOICE."**

**Reality:** Some will say Nebraska already has school choice with public option enrollment or because parents can "choose whatever school they want". However, many students are denied option enrollment by public schools and not every family has the means to pay for private school tuition. While it's important children and families to have access to option enrollment and alternative public schools, we know students and parents need expanded options. Schools, organizations, and private groups work tirelessly to offer as many scholarships as possible, but demand for scholarship opportunities continue to outweigh supply. Nebraska families deserve more opportunities for their children to thrive and succeed.

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## MYTHS VS. REALITY (cont).

### "PRIVATE SCHOOLS AREN'T HELD ACCOUNTABLE IN LB753."

**Reality:** All school choice programs have some level of administrative and financial accountability. And most programs have academic accountability. Private schools in every state must comply with health and safety regulations as well as anti-discrimination laws. Already in Nebraska, approved and accredited private schools have testing standards, health and safety standards, financial accountability standards, among other standards. And, in addition to all these requirements and regulations, private schools are accountable to those who matter the most: parents.

### "PRIVATE SCHOOLS HAVE SELECTIVE ADMISSIONS POLICIES."

**Reality:** Private schools often have just as diverse classroom settings as traditional public schools. Not every school needs to meet the needs of every student. In fact, that isn't realistic. But what we do need is diverse schools all kids can access to meet their specific educational needs.

### "PRIVATE SCHOOLS DON'T SERVE STUDENTS WITH SPECIAL NEEDS."

**Reality:** Private schools are meeting the needs of a substantial number of students with special needs, and doing so without the funding mechanisms accessible to public schools. Education funding for students with special needs is complex, but it boils down to this: state and federal funding cannot follow a student to the school of their choice. This means all special needs education funding can only go to public schools. This places private schools at a disadvantage when educating children with special needs, especially those with the highest needs. Nevertheless, private schools are increasingly developing funding and programming to accept more children with special needs, as well as creating schools specifically tailored to serving certain populations of students with special needs. As studies show, about 12% of students in public schools have special needs, while about 7% of students in private schools have special needs.

### "PRIVATE SCHOOL PROGRAMS INCREASE RACIAL SEGREGATION IN SCHOOLS."

**Reality:** No reputable study shows that private school choice increases racial segregation. In fact, of the 10 studies using valid empirical methods to examine school choice and racial segregation, nine found that school choice creates more racially integrated classrooms; one found no significant effect on integration. And a 2016 analysis found the Louisiana Scholarship Program aids desegregation efforts in Louisiana. Moreover, most school choice advocates believe in the power of diverse schools and celebrate the fact that private school choice programs give kids from different socioeconomic backgrounds the opportunity to learn and collaborate together, helping them develop key skills for the 21st Century workplace.

### "LB753 WILL ONLY HELP URBAN STUDENTS."

**Reality:** Public and private school choice are critically important to increasing education options for rural and suburban students. Students outside of major urban districts face real challenges due to population sparsity and school size, limiting many families' high-quality educational options. More rural and suburban policymakers are embracing school choice as a way to bring new and better opportunities to their constituents.

**TO HELP US SHARE THE TRUTH ABOUT LB753,  
VISIT [KEEPKIDSFIRSTNEBRASKA.COM](http://KEEPKIDSFIRSTNEBRASKA.COM).**