



DEBUNKING THE MYTHS ABOUT SCHOLARSHIP TAX CREDITS

MYTH: Scholarship Tax Credits are a backdoor voucher program

FACT: Scholarship Tax Credits do not use public money

Scholarship Tax Credits incentivize private donations to qualified scholarship granting organizations, which distribute scholarships to families based on financial need.

Voucher programs grant taxpayer-funded scholarships to families to send their children to nonpublic schools. Unlike vouchers, Scholarship Tax Credits allow individuals and businesses to generate privately-funded scholarships for low- and middle-income families.

MYTH: Scholarship Tax Credits do not help poor children.

FACT: Scholarship Tax Credits help low- and middle-income families get an education that works best for them.

Scholarship Tax Credits are designed to help low to middle-income and developmentally disabled students acquire the educational services they need.

Qualified SGOs give needs-based scholarships to students to attend a nonpublic school that best fits their needs. Developmentally disabled students can use the scholarships for either nonpublic school tuition or to help cover the cost of other educational services such as physical, speech-language, or occupational therapy. Proposed legislation has required that scholarships be awarded pursuant to an independent assessment of the applicant's demonstrated financial need.

MYTH: Scholarship Tax Credits are not fiscally responsible.

FACT: Scholarship Tax Credits will save money.

Scholarship Tax Credits allow charitable organizations and non-public schools to share in the cost of educating Kentucky children. In his fiscal analysis of Kentucky's proposed Scholarship Tax Credit program, Dr. Martin Lueken projected that it would have a positive net impact on the state budget.

Dr. Lueken also conducted fiscal analysis on ten Scholarship Tax Credit programs across the country, and found that taxpayer savings from these programs amounted to [at least \\$1.7 billion](#). In [A Win-Win Solution: The Empirical Evidence on School Choice](#), Dr. Greg Forster compiled 28 fiscal studies, 25 of which revealed school choice proposals save money. The other three studies found revenue neutral results.

MYTH: Scholarship Tax Credits do not improve academic outcomes.

FACT: Scholarship Tax Credits improve academic outcomes for public and nonpublic schools.

The vast majority of [independent studies](#) show school choice improves academic outcomes across the board. Per [A Win-Win Solution](#), 14 studies found improvement for choice students and 31 studies found choice improves public schools.



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