Tax-credit scholarship programs provide educational opportunity to hundreds of thousands of students using entirely private funds.

**WHAT ARE TAX-CREDIT SCHOLARSHIP PROGRAMS?**

Tax-credit scholarships are one of the fastest growing education choice programs. These programs incentivize individuals and businesses to donate to nonprofit organizations that provide tuition scholarships to eligible students. Donors receive a tax credit from the state—often a 100 percent, dollar-for-dollar credit. Through this process, tax-credit scholarship programs use entirely private funds to offer private school scholarships to families.

Many existing tax-credit scholarship programs are designed specifically to help low-income students access high-quality education options. These programs often include a maximum number of credits that may be awarded annually. The larger the cap, the more scholarships can be distributed to children.

For example, Rhode Island’s program is capped at $1.5 million, while Florida’s program has a cap of nearly $873 million. Some programs, like Florida’s, are designed with cap escalators, which allow businesses and individuals to donate more money to match parent demand.

**HOW MANY STATES HAVE TAX-CREDIT SCHOLARSHIP PROGRAMS?**

There are currently 21 tax-credit scholarship programs in 17 states—with eight of these programs enacted between 2013-2018. Collectively, these programs raised $1.1 billion for more than 293,000 scholarships in 2017-18 alone.

ExcelinEd supports the expansion of tax-credit scholarship programs as a way for parents to select the schools best suited to the needs of their children.

www.ExcelinEd.org
HOW DO TAX-CREDIT SCHOLARSHIP PROGRAMS BENEFIT STUDENTS AND COMMUNITIES?

Participating Students Attain Higher-Levels of Education

- In 2017, the Urban Institute found that low-income students who attended private schools through the Florida Tax Credit Scholarship program enrolled in college at higher rates than their public school peers.

Non-Participating Students Improve Academic Achievement

- Researchers examined the competitive effects of the Florida Tax Credit Scholarship program on public schools and found that the increased competition was associated with improvements in student test scores after the program was introduced.

Scholarships Save Taxpayer Funds

- A 2017 report on Oklahoma’s tax-credit scholarship program found that the program generates $1.24 in savings specific to the state for every $1 of tax credit issued.
- The Florida Office of Program Policy Analysis and Government Accountability found in 2008 that the state saved $1.49 for every $1 in forgone tax revenue through the Florida Tax Credit Scholarship Program. The Florida Revenue Estimating Conference projected in 2012 that the program saved the state $36.1 million in 2015-16.
- EdChoice estimated that nationwide benefits from tax-credit scholarship programs generated at least $1.7 billion in taxpayer savings through 2013-14.

TAX-CREDIT SCHOLARSHIP PROGRAM ENROLLMENT GROWTH

STUDENT STORIES

- A tax-credit scholarship was this Florida student’s ticket out of poverty.
- An adopted student was able to attend a school that better met his needs.
- A scholarship helped this student fly.