

Research & Commentary: Philanthropic Investment In Arkansas Kids Program A Great Next Step For Education Choice In The Natural State

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Program Open To Low-Income Arkansas Children

Legislation introduced in the Arkansas Senate would create the Philanthropic Investment in Arkansas Kids Program, a tax-credit scholarship (TCS) program for low-income Arkansas children. Tax-credit scholarship programs allow qualifying families to pay for tuition and fees at private and parochial schools, as well as at both a traditional public school or a public charter school located outside of the student's school district, using scholarships provided by donors, who, in return, receive tax credits.

Under the proposed program, which would begin in 2022, nonprofit organizations, after receiving approval from the state, would be eligible to grant scholarships to children from families whose income was below 200 percent of the free and reduced-price lunch threshold. Individuals or corporate taxpayers would be able to "claim a state income tax credit against the taxes imposed by the Income Tax Act of 1929...for one hundred percent...of eligible contributions made to a scholarship-granting organization." The budget cap for the program would begin at \$2 million.

Scholarship sizes would be equal to 80 percent of the previous school year's foundation funding for grades K-8 and 90 percent for high school students.

Copious empirical research on school choice programs such as tax-credit scholarships finds they offer families improved access to high-quality schools that meet their children's unique needs and circumstances, and that these programs improve academic performance and attainment and deliver a quality education at lower cost than traditional public schools. Additionally, these programs benefit public school students and taxpayers by increasing competition, decreasing segregation, and improving civic values and practices.

Research also shows students at private schools are less likely than their public school peers to experience problems such as alcohol abuse, bullying, drug use, fighting, gang activity, racial tension, theft, vandalism, and weapon-based threats. There is also a strong causal link suggesting private school choice programs improve the mental health of participating students.

It is probably for these reasons, and also because teacher unions have repeatedly played politics with school closings during the COVID-19 pandemic in direct conflict with students' best

interests, that ESAs are more popular with parents than ever before. Polling done by EdChoice released in December 2020 found 74 percent support for tax-credit scholarship programs among the general public and 78 percent among current school parents. These findings are mirrored in the American Federation for Children's seventh-annual National School Choice Poll, released in January 2021, which saw 67 percent support for tax-credit scholarship programs.

The school a child attends should not be determined solely by his or her ZIP code. However, this is currently the case for most children in Arkansas. The goal of public education in the Natural State today and in the years to come should be to allow all parents to choose which schools their children attend, require every school to compete for every student who walks through its doors, and make sure every child has the opportunity to attend a quality school. There has not been a time when providing these opportunities has been more urgent and more needed than right now. Legislators should recognize that and allow families as many options as possible to get their children the education they need and deserve.

The following documents provide more information on tax-credit scholarship programs and school choice.

School Choice Fallacies: Disproving Detractors' Allegations Against Tax-Credit Scholarship Programs

<https://www.edchoice.org/wp-content/uploads/2017/08/2017-7-Tax-Credit-Brief.pdf>

This report from Martin Lueken and Michael Shaw at EdChoice examine tax codes to address claims alleged by school choice detractors, such as: Tax-credit scholarship programs lead to “profit,” “double-dipping,” “get-rich schemes,” and “tax shelters” for donors.

The Tax Credit Scholarship Audit: Do Publicly Funded Private School Choice Programs Save Money?

<https://www.edchoice.org/wp-content/uploads/2017/03/Tax-Credit-Scholarship-Audit-by-Martin-F.-Lueken-UPDATED.pdf>

In this audit, EdChoice Director of Fiscal Policy and Analysis Martin Lueken updates previous work examining the fiscal effects of private school choice programs on state governments, state and local taxpayers, and school districts. Lueken's report analyzes savings from tax credit scholarship programs, which allow individuals and businesses to reduce their state tax liability by making a private donation to a nonprofit organization that provides scholarships for children to attend private schools of their choice. This audit looks at 10 tax credit scholarship programs operating in seven states between 1997 and 2014. These 10 programs serve 93 percent of all students participating in tax credit scholarship programs nationwide.

Effects of Scaling Up Private School Choice Programs on Public School Students

<http://papers.nber.org/tmp/97079-w26758.pdf>

This working paper from the National Bureau of economic Research finds the continued expansion of Florida's Tax Credit Scholarship Program produced modestly larger benefits for students attending public schools that had a larger initial degree of private school options, measured prior to the introduction of the program. These benefits include higher standardized test scores and lower absenteeism and suspension rates. Effects are particularly pronounced for lower-income students.

The Effects of the Florida Tax Credit Scholarship Program on College Enrollment and Graduation: An Update

https://www.urban.org/sites/default/files/publication/99728/the_effects_of_the_florida_tax_credit_scholarship_program_on_college_enrollment_and_graduation_0.pdf

In this update to a 2017 Urban Institute study, authors Matthew Chingos, Tomas Monarrez, and Daniel Kuehn find students participating in the Florida Tax Credit Scholarship Program are 99 percent more likely to enroll in a four-year college, and 56 percent more likely to graduate, than their public school peers.

The Effects of Statewide Private School Choice on College Enrollment and Graduation: Evidence from the Florida Tax Credit Scholarship Program

<https://www.heartland.org/publications-resources/publications/the-effects-of-statewide-private-school-choice-on-college-enrollment-and-graduation-evidence-from-the-florida-tax-credit-scholarship-program>

This study from Urban Institute scholars Matthew Chingos and Daniel Kuehn shows Florida's Tax Credit Scholarship Program boosted college enrollment for participating students by 15 percent, with students enrolled in the program for four or more years seeing a 46 percent hike.

Protecting Students with Child Safety Accounts

<https://www.heartland.org/publications-resources/publications/protecting-students-with-child-safety-accounts>

In this *Heartland Policy Brief*, Vicki Alger, senior fellow at the Independent Women's Forum and research fellow at the Independent Institute and Heartland Policy Analyst Tim Benson detail the prevalence of bullying, harassment, and assault taking place in America's public schools and the difficulties for parents in moving their child from an unsafe school. Alger and Benson propose a Child Safety Account program, which would allow parents to immediately move their child to a safe school— private, parochial, or public— as soon as parents feel the school their child is currently attending is too dangerous for their child's physical or emotional health.

The 123s of School Choice

<https://www.edchoice.org/wp-content/uploads/2019/04/123s-of-School-Choice.pdf>

This report from EdChoice is an in-depth review of the available research on private school choice programs in America. Areas of study include: private school choice program participant test scores, program participant attainment, parent satisfaction, public school students' test scores, civic values and practices, racial/ethnic integration and fiscal effects.

A Win-Win Solution: The Empirical Evidence on School Choice (Fourth Edition)

<http://www.edchoice.org/wp-content/uploads/2016/05/A-Win-Win-Solution-The-Empirical-Evidence-on-School-Choice.pdf>

This paper by EdChoice details how a vast body of research shows educational choice programs improve academic outcomes for students and schools, saves taxpayers money, reduces segregation in schools, and improves students' civic values. This edition brings together a total of 100 empirical studies examining these essential questions in one comprehensive report.

The Public Benefit of Private Schooling: Test Scores Rise When There Is More of It

<https://object.cato.org/sites/cato.org/files/pubs/pdf/pa830.pdf>

This *Policy Analysis* from the Cato Institute examines the effect increased access to private schooling has had on international student test scores in 52 countries. The Cato researchers found that a 1 percentage point increase in the share of private school enrollment would lead to moderate increases in students' math, reading, and science achievement.

2018 Schooling in America Survey: Public Opinion on K–12 Education, Parent and Teacher Experiences, Accountability, and School Choice

<https://www.edchoice.org/wp-content/uploads/2018/12/2018-12-Schooling-In-America-by-Paul-DiPerna-and-Michael-Shaw.pdf>

This annual survey from EdChoice, conducted in partnership with Braun Research, Inc., measures public opinion and awareness on a range of K–12 education topics, including parents' schooling preferences, educational choice policies, and the federal government's role in education. The survey also records response levels, differences, and intensities for citizens located across the country and in a variety of demographic groups.

The Effects of School Choice on Mental Health

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3272550

This study from Corey DeAngelis at the Cato Institute and Angela K. Dills of Western Carolina University empirically examines the relationship between school choice and mental health. It finds that states adopting broad-based voucher programs and charter schools witness declines in adolescent suicides and suggests that private schooling reduces the number of times individuals are seen for mental health issues.

Competition: For the Children

<https://www.heartland.org/publications-resources/publications/competition-for-the-children>

This study from the Texas Public Policy Foundation claims universal school choice results in higher test scores for students remaining in traditional public schools and improved high school graduation rates.

The Public Benefit of Private Schooling: Test Scores Rise When There Is More of It

<https://object.cato.org/sites/cato.org/files/pubs/pdf/pa830.pdf>

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Nothing in this *Research & Commentary* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this subject, visit *School Reform News*, The Heartland Institute's [website](#), and *PolicyBot*, Heartland's free online research database.

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