

## Research & Commentary: Tax-Credit Scholarship Expansion Much Needed For Keystone State Children

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Program Could Possibly Grow By 25 Percent Every Fiscal Year

Legislation in the Pennsylvania Senate would expand the commonwealth's Opportunity Scholarship Tax Credit Program, a tax-credit scholarship program for low-income students. The program's budget would increase to \$185 million in fiscal year 2020–21 and would allow the program to increase by 25 percent in every fiscal year where at least 90 percent of the total credits were distributed to commonwealth families.

Copious empirical research on school choice programs such as ESAs 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 81 percent support for ESAs among the general public and 86 percent among current school parents, the highest level of support the program has received in the organization's eight years of polling on the issue. This represents a 4-percentage point increase over 2019. These findings are mirrored in the American Federation for Children's seventh-annual National School Choice Poll, released in January 2021, which saw 78 percent support for ESA programs.

Simply put, a budgetary expansion of the Opportunity Scholarship Program would be welcome and help provide thousands more Pennsylvania families with a greater opportunity to meet the unique education needs of their children. The goal of public education in the Keystone 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 scholarships and education choice.

### **The 123s of School Choice (2020 Edition)**

<https://www.edchoice.org/wp-content/uploads/2020/04/123s-of-School-Choice-2020-4.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.

### **The Effects of School Choice on Mental Health**

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3272550](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.

### **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\\_credi](https://www.urban.org/sites/default/files/publication/99728/the_effects_of_the_florida_tax_credi)

[t\\_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.

**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.

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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