

House K-12 Budget Committee

Verbal Testimony in Support of HB 2068: Amending the tax credit for low income students scholarship program act to expand student eligibility.

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Mike McShane: EdChoice

Members of the Committee,

My name is Michael McShane and I am Director of National Research for EdChoice. EdChoice is a non-profit and non-partisan organization that works to advance educational freedom and choice for all as a pathway to successful lives and a stronger society.

I'd like to provide some context around the eligibility changes to the Tax Credit for Low-Income Students Scholarship Program contained in HB 2068.

Each year, we at EdChoice publish the *ABCs of School Choice*, a kind of Physician's Desk Reference for private school choice programs. We offer a detailed description of every private school choice program in the country as well as enrollment information.

Having access to that information helps us to understand how programs compare to each other. Given that there is discussion today about changing the eligibility criteria for students participating in the program, I'd like to describe how the other tax credit programs across the country use family income and public school performance as eligibility criteria.

There are **24 tax credit scholarship programs** offered by **19 states** across the country. Of those **16 have income limits**. Of those with income limits, Kansas has the most stringent income limits for participating families.

State	Income Criteria
AZ (original)	None
AZ (special needs)	None
AZ (switcher)	None
FL (bullying)	None
GA	None
MT	None
SC	None
UT	None
PA	\$92,160+16,222/Child
PA (failing schools)	\$92,160+\$16,222/Child
IA	400% Poverty
IN	370% of Poverty (200% FRL)
AZ (low-income)	342% of Poverty (185% of FRL)
IL	300% Poverty
NV	300% Poverty

NH	300% Poverty
OK	300% Poverty
VA	300% Poverty
SD	277.5% Poverty (150% FRL)
FL (low-income)	260% Poverty
LA	250% Poverty
RI	250% Poverty
AL	185% of Poverty
KS	130% of Poverty

When it comes to public school performance as an eligibility criterion, of the 24 tax credit scholarship programs, **20 do not take public school performance into account. Only 4 do, and only two** (KS and one of PA's two tax-credit scholarship programs) use it as a determining factor.

State	School Performance Criteria
AZ (original)	None
AZ (special needs)	None
AZ (switcher)	None
AZ (low-income)	None
FL (low-income)	None
FL (bullying)	None
GA	None
IA	None
IL	None
IN	None
LA	None
MT	None
NH	None
NV	None
PA	None
RI	None
SC	None
SD	None
UT	None
VA	None
AL	Students from failing school get 1st priority
KS	Bottom 100 Schools
OK	Income threshold or zoned for school in need of improvement
PA (failing schools)	Bottom 15% of Schools (PA total 3,287 schools so bottom 493 schools)

Putting these data together shows that, as it is currently administered, the Kansas Tax Credit for Low-Income Students Scholarship Program is an outlier both in how stringent its income eligibility is set and to the degree that it relies on a child's zoned public school performance.

If the purpose of the scholarship program is to empower families to choose the school that's the right fit for their child, then the average performance of their zoned school should not matter. A school that is very highly rated overall may nevertheless be a poor fit for a particular child. Conversely, a school receives poor marks overall might still be very effective for a particular child. That is why we recommend that school choice policies do *not* make a child's eligibility contingent on the overall performance of the school that just happens to be located nearby.

Thank you,

Michael Q. McShane, Ph.D.
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