

LB 753 QUICK FACTS: THE SGOs

THE BILL



LB 753, passed by the Nebraska Legislature in 2023, creates **dollar-for-dollar tax credits** totaling up to \$100M for donations by individuals and businesses to organizations granting scholarships to K-12 private schools.¹

WHY TAX CREDITS?



Through tax credits, the state is **effectively funding private schools** in a way it couldn't otherwise under the state constitution.

Under LB 753, taxpayers can annually divert a portion of what they owe in state taxes to scholarship granting organizations, or SGOs.

WHAT IS AN SGO?

Scholarship granting organizations are 501(c)(3) charitable nonprofits certified by the Nebraska Department of Revenue to accept donations and award taxpayer-funded scholarships to students attending qualifying private schools.

CERTIFICATION

To retain certification, SGOs must fulfill the following **provisions of LB 753**:

- ✔ Offer scholarships to more than one private school
- ✔ Follow priority rankings in awarding scholarships
- ✔ Limit individual scholarship amounts to cost of tuition and fees as determined by each school and limit average of all scholarships to a percentage of what state spends to educate a public school student

$$\$12,270^2 \times 75\% = \$9,202$$

State spending per public school student Maximum average of scholarships

- ✔ Hold back no more than 10% of donations for administrative costs (trims to 5% in later years)
- ✔ Submit annual report

REPORTING

SGOs are to report annually:



Summary of policies and procedures

Number of students receiving scholarships

Amount of donations received and scholarships awarded

Beginning in FY 2027, the **Department of Revenue** is to report every two years:



Amount of all scholarships awarded

Breakdown of income level, grade level and geographic location of scholarship recipients

Number of students waitlisted or denied

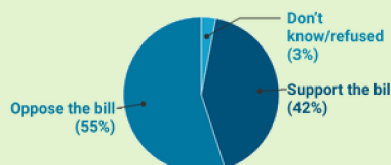
There is no requirement for reporting on other demographic factors such as race/ethnicity or on academic achievement of scholarship recipients.

REFERENDUM PETITION

In a survey following the passage of LB 753, 55% of voters said they opposed the bill.³

Support Our Schools Nebraska, a coalition of public school supporters, is gathering signatures in a referendum petition campaign to put LB 753 before voters in November 2024.

A majority of likely voters oppose the bill that creates tax credits for donations to fund private school scholarships.



CHECK OUT OTHER QUICK FACTS

[The COST](#)
[The SCHOLARSHIPS](#)
[The TAX CREDITS](#)
[The SCHOOLS](#)

REFERENCES

- ¹ Nebraska Legislature, "LB 753," Jan. 18, 2023, accessed at https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50326/ on Aug. 1, 2023.
- ² Nebraska Department of Education, "Additional Information for 2023/24 State Aid Certification," June 9, 2023, accessed at <https://www.education.ne.gov/wp-content/uploads/2023/06/2324SA-AdditionalInformation-6-9-2023.pdf> on Aug. 24, 2023.
- ³ OpenSky Policy Institute, "Likely voters weigh in on LB 753 and public school funding in Nebraska," July 13, 2023, accessed at <https://www.openskypolicy.org/likely-voters-weigh-in-on-lb-753-and-public-school-funding-in-nebraska/> on Aug. 1, 2023.