

# LB 753 QUICK FACTS: THE SCHOLARSHIPS

## 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.<sup>1</sup>

## 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.

## THE SCHOLARSHIPS

A scholarship can cover **all or part of tuition and fees** at a qualified private school. The amount is **limited** to the "cost of educating an eligible student," as determined by each school, and the average of all scholarships awarded by an SGO is **cappped** at 75% of what the state spends to educate a public school student, about \$9,200 in FY 2024.

## WHO IS ELIGIBLE?

Other than requiring eligible students to reside in Nebraska, **eligibility requirements** are broad:

- ✓ Students at qualifying private schools who at any point received financial aid for all or part of tuition and fees and siblings living in the same household
- ✓ Students entering kindergarten or the ninth grade at a qualifying private school
- ✓ Students transferring after attending at least one semester at a public school

Qualifying for the scholarship doesn't guarantee admission to a private school.



In Wisconsin, 75% of voucher applicants have never attended a public school<sup>2</sup>

## PRIORITY RANKINGS

The bill **sets out priority groups** for SGOs in awarding scholarships:

- 1 Students already with a scholarship from a granting organization and their siblings
- 2 Students with household incomes below \$30,000 (current family of four) or who were denied option enrollment to a public school, have an IEP, experienced intimidation at school, are in foster care or whose parent serves in the military.
- 3 Household income up to \$55,500
- 4 Household income up to \$63,900
- 5 Household income up to \$166,500

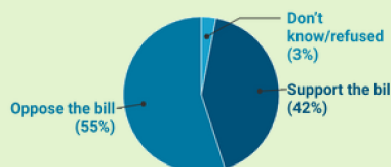
There's no requirement in LB 753 that higher priority groups receive larger scholarships.

## REFERENDUM PETITION

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

**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 LB 753 QUICK FACTS

The **COST**  
The **TAX CREDITS**  
The **SGOs & SCHOOLS**

## REFERENCES

- <sup>1</sup> Nebraska Legislature, "LB 753," Jan. 18, 2023, accessed at [https://nebraskalegislature.gov/bills/view\\_bill.php?DocumentID=50326/](https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50326/) on Aug. 1, 2023.
- <sup>2</sup> National Education Policy Center, "Josh Cowen: Vouchers Are a Disaster for Students Who Leave Public Schools," Nov. 18, 2022, accessed at <https://nepc.colorado.edu/blog/josh-cowen/> on Aug. 10, 2023.
- <sup>3</sup> 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.