

LB 753 QUICK FACTS: THE SCHOOLS

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.

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.

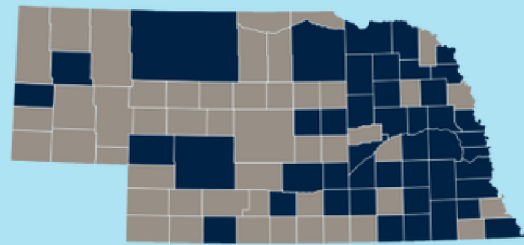
PRIVATE SCHOOLS IN NEBRASKA²

In the 2022-23 school year, 175 approved or accredited **private schools enrolled 33,611 students**. That represents 10% of all K-12 students in Nebraska.

Private schools operated in 45 of Nebraska's 93 counties but in only **seven of 38 counties** located west of Kearney.

84% of private schools in Nebraska are **religiously affiliated**.

Private schools operate in 45 Nebraska counties (shaded in blue). There are no private schools in 48 counties.



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ACCOUNTABILITY & ACHIEVEMENT

Qualifying private schools **don't have to follow the same reporting requirements** as the state's public schools, limiting the ability to gauge whether the taxpayer funds are being used effectively or appropriately.

In other states, there is mixed evidence on whether vouchers can improve educational attainment (namely high school graduation or college enrollment).³

Math scores among students in Louisiana's rigorously evaluated voucher program dropped at a steeper rate than impacts from Hurricane Katrina.⁴

In Milwaukee's voucher program, 20% of students leave private schools annually, either because they gave up their scholarship or schools pushed them out.⁵

Many private schools increase tuition once their costs are subsidized by state taxpayers. In Iowa, some schools raised tuition by over 40%.⁶

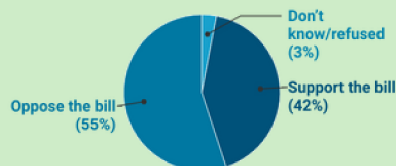
Start-up voucher schools have comparatively higher risk of failure. 41% of all voucher schools operating in Milwaukee between 1991 and 2015 failed.⁷

REFERENDUM PETITION

In a survey following the passage of LB 753, 55% of voters said they opposed the bill.⁸

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 SGOs](#)

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, "Statistics and Facts about Nebraska Schools 2022-2023," Table 5, accessed at https://www.education.ne.gov/wp-content/uploads/2023/01/Statsfacts_20222023.pdf on Aug. 28, 2023.
- ³ Brookings Institute, "Research on school vouchers suggests concerns ahead for Education Savings Accounts," Aug. 15, 2023, accessed at <https://www.brookings.edu/articles/research-on-school-vouchers-suggests-concerns-ahead-for-education-savings-accounts/> on Aug. 28, 2023.
- ⁴ Abdulkadiroglu, Atila; Pathak, Parag A.; and Walters, Christopher R.; American Economic Journal, "Free to choose: Can school choice reduce student achievement?" January 2018, accessed at <https://pubs.aeaweb.org/doi/pdfplus/10.1257/app.20160634/> on Aug. 28, 2023.
- ⁵ Cowen, Joshua M.; Fleming, David J.; Witte, John F.; and Wolf, Patrick J.; American Educational Research Journal, "Going public: Who leaves a large, longstanding and widely available urban voucher program?" April 1, 2012, accessed at <https://journals.sagepub.com/doi/10.3102/0002831211424313/> on Aug. 28, 2023.
- ⁶ Iowa Starting Line, "Kim Reynolds' private school voucher plan led to tuition hikes," May 12, 2023, accessed at <https://iowastartingline.com/2023/05/12/kim-reynolds-private-school-voucher-plan-led-to-tuition-hikes/> on Aug. 28, 2023.
- ⁷ Ford, Michael R., Public Administration Quarterly, "Funding impermanence: Quantifying the public funds sent to closed schools in the nation's first urban school voucher program," Winter 2016, accessed at [https://www.jstor.org/stable/26383375?casa_token=msV8QHl5dXQAAAAA%3ACmkbc88S8DCPlz2lwODVkybnAbar7io6hMjt1hEfyuVBpLY_IeCSBdGkljCNgdcST6jb8LE1FkNmtngtOzjydBAYZYFVxvCB96BUZu1Wm2EpAkXw1CCpvEg/](https://www.jstor.org/stable/26383375?casa_token=msV8QHl5dXQAAAAA%3ACmkbc88S8DCPlz2lwODVkybnAbar7io6hMjt1hEfyuVBpLY_IeCSBdGkljCNgdcST6jb8LE1FkNmtngtOzjydBAYZYFVxCB96BUZu1Wm2EpAkXw1CCpvEg/) on Aug. 28, 2023.
- ⁸ 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.