



There's a lot of chatter in Kentucky about what a Scholarship Tax Credit (STC) Program is and what it will do for the state. Below, you will find some common arguments we hear, and the truth behind each of them!

Myth: STCs are backdoor vouchers

FACT: STCs are different from vouchers in that they use only **private** money to assist students to attend nonpublic schools. Voucher programs grant taxpayer-funded scholarships to families to send their children to nonpublic schools. Unlike vouchers, STCs allow individuals and businesses to contribute privately-funded donations that are used to award scholarships to low-and-middle-income families.

Myth: STCs will harm public schools.

FACT: Recognizing that Kentucky students deserve a choice in their education, a Scholarship Tax Credit program is a commonsense solution that **does not have an overall net impact on public school funding**. School Choice programs exist in most states, and the majority of studies find **that public schools have improved academically in states with school choice programs** by helping families find the school that best fits their needs.

Myth: STCs will only benefit wealthy Kentuckians.

FACT: Scholarships under the program are needs-based meaning **only those that demonstrate financial need are eligible**. Scholarship Granting Organizations use an independent service to establish financial need of applicants, very similar to the process colleges and universities use to assess financial needs of students. These scholarships could also be used to help disabled students cover the costs of other educational services like occupational therapy. Wealthy families already have choice and would not be eligible for this program.

Myth: STCs are fiscally irresponsible.

FACT: STCs will have a **net positive impact on Kentucky's budget**. Since the program is privately funded, education costs will be shifted to participating businesses and individuals. Taxpayers will not contribute a dime. Some states have even seen savings above the value of their scholarship tax credit programs. Most importantly, these programs empower low- and middle-income families, ensuring children can access the environment that best meets their needs.

Myth: A Scholarship Tax Credit program should not be passed because Section 189 of the Kentucky Constitution prohibits the public funding of religious schools.

FACT: STCs use only private money to assist students to attend nonpublic schools. No public money is directed towards nonpublic schools under this program.

Myth: Wealthy Kentuckians can turn a profit by donating to a Scholarship Granting Organization.

FACT: STC legislation and recent changes in federal tax policy expressly prohibit donors from receiving more back on their federal and state taxes than their contribution to a scholarship program. The tax credit is non-refundable and the donor cannot choose the students who receive it.