
ACSI
Children's Tuition Fund

Dear PA Partner,

We wanted to make you aware of significant legislation currently moving through the Pennsylvania General Assembly that could impact scholarship tax credit programs serving students and families across the Commonwealth. **This will be voted on in its first chamber tomorrow (6/16)**.

HB 2632 would make *substantial changes to Pennsylvania's existing Educational Improvement Tax Credit (EITC)* and *Opportunity Scholarship Tax Credit (OSTC) programs*. These programs have helped provide educational opportunities to more than 100,000 students and remain some of the most widely utilized school choice programs in the nation.

According to analyses of the legislation, HB 2632 would:

- Replace the current EITC and OSTC framework with a new scholarship tax credit structure beginning in 2027.
- Reduce available scholarship tax credits during the transition period.
- Add new administrative requirements for scholarship organizations and participating schools.
- Impose a 2% assessment on scholarship organizations taxing donor dollars

Supporters of educational choice have emphasized that Pennsylvania can both participate in the federal scholarship tax credit program and preserve the successful state scholarship programs that families currently rely upon and support.

You can click here to send a message to your legislators https://www.votervoice.net/ACSI/Campaigns/138120/Respond

Thank you for your commitment to serving students and families across Pennsylvania

For Life and Liberty,

Autumn Elkins Faulkner, MPA

Director for State Policy Engagement

COMMONWEALTH FOUNDATION

Education Partners,

I'm reaching out with an **urgent** update. Late Friday afternoon, lawmakers in Harrisburg

introduced legislation that would **slash educational choice opportunities for tens of thousands of students across the commonwealth**. These bills are moving very quickly, with a planned committee vote **TOMORROW.** We are asking education partners to begin engaging immediately.

The bill that deserves the most attention is HB 2632. It would cut funding for scholarship organizations by $102 million, which would eliminate scholarships for approximately 30,000 current students. The bill would also eliminate the existing EITC and OSTC programs beginning in 2027 and replace them with a new program that is smaller, more restrictive, and more burdensome for scholarship organizations, donors, private schools, and families.

Among other changes, HB 2632 would:

- Cut K-12 scholarship funding beginning July 1.
- Eliminate supplemental scholarships for students in economically disadvantaged schools.
- Tie student income eligibility to future legislative action on minimum wage increases instead of current inflation-based adjustments.
- Impose a 2% tax on scholarship organizations to fund state agencies.
- Create extensive new reporting requirements for participating private schools.
- Require donor tax return information to be shared with the General Assembly.
- Require regular compliance audits of every scholarship organization and every participating private school.

This seems consistent with the rhetoric from House Education hearing last month, where one Democrat said she wanted EITC to "go away…and go away for good."

This would be a major step backward for families who rely on scholarships to choose the school that works best for their children.

Please take action today and share this alert with your networks.

Families, schools, scholarship organizations, and community leaders need to make clear that Pennsylvania should protect educational opportunity, not cut it. Thank you for your partnership.

Sincerely,

Rachel Langan
Senior Education Policy Analyst
Commonwealth Foundation

National/State Legislative Action Center

Tell your Legislators to oppose HB2632

Pennsylvania has long been a national leader in educational freedom. Through the Educational Improvement Tax Credit **(EITC)** and Opportunity Scholarship Tax Credit **(OSTC)** programs, Pennsylvania taxpayers and parents have consistently demonstrated their support for giving families real educational choices.

Today, that legacy is at risk.

Lawmakers are advancing HB 2632, legislation that would fundamentally alter Pennsylvania's successful scholarship programs and jeopardize opportunities for more than 100,000 students who rely on these scholarships to access the education that best meets their needs.

Pennsylvania should absolutely participate in the new federal scholarship tax credit program. Families deserve every opportunity available to them, and lawmakers should work to maximize educational freedom at both the state and federal levels. But opting into the federal program should not come at the expense of the state programs that have served Pennsylvania students so well for decades.

Rather than building upon the success of EITC and OSTC, HB 2632 would:

- **Dismantle Pennsylvania's existing scholarship tax credit framework and replace it with a more restrictive system beginning in 2027.**
- **Immediately reduce available tax credits and make additional cuts in 2027, potentially eliminating scholarships for approximately 30,000 students currently being served.**
- **Add new regulatory burdens on scholarship organizations and participating private schools which could result in less SGO's to serve out students**

Pennsylvania's scholarship programs are funded through **private donations**—not taxpayer appropriations—and demand continues to far exceed available funding.

The solution is not to cut scholarships. The solution is to expand them.

Lawmakers should protect Pennsylvania's successful EITC and OSTC programs while also ensuring the Commonwealth fully participates in the new Education Freedom tax credit opportunity. Families should not be forced to choose between state and federal educational freedom initiatives when both can work together to serve more students.

Every child deserves access to an education that allows them to thrive. Tell your legislators to oppose HB 2632.

Take action today and urge lawmakers to protect and expand scholarship opportunities for Pennsylvania students.

Tell your Legislators to Oppose HB2632