

**Education Tour Testimony
Pennsylvania House Appropriations and Education Committees**

**Submitted by Keisha Jordan, President and CEO
Children's Scholarship Fund Philadelphia
October 25, 2023**

Greetings Chairman Harris, Chairman Schweyer, and members of the Appropriations and Education Committees. Thank you so much for the opportunity to talk about education reform in Pennsylvania.

About Children's Scholarship Fund Philadelphia

My name is Keisha Jordan, and I am the President and CEO of Children's Scholarship Fund Philadelphia (CSFP), the largest provider of K-8th grade-focused private school tuition scholarships in Pennsylvania. CSFP has been in existence since 2001, and has awarded more than 70,000 scholarships to Philadelphia students. This school year we are providing more than 6,100 students from under-resourced Philadelphia families with financial access to the quality, safe, K-8th grade, tuition-based schools their families choose.

Our scholarships are primarily funded through the state EITC and OSTC programs. We aim to serve the most under-resourced families in Philadelphia. The median household income for CSFP families is \$38,498 (compared to \$47,315 at the school district), with 20% of CSFP students' household income below the poverty level (compared to 31% at the school district). Yet, CSFP families make a significant financial sacrifice for their children's education, paying a minimum of \$500 annually toward tuition. 73% of CSFP scholars are OSTC eligible; they live in the lowest achieving public school catchment zones in Philadelphia. *Without a CSFP scholarship, these students would likely attend a low achieving school.*

CSFP students are peers, *in the same environment*, as students in the Philadelphia School District. Private school does not always mean wealthy families and expensive schools – the average tuition at a CSFP school is \$5,925/year; a fraction of public school spending per pupil. And yet, these are the comparative outcomes:

- CSFP 7th graders perform at or above the national average in both English and Math; this is not just in comparison to economically disadvantaged students, but to all students.
- 93% of CSFP students attend high schools of choice. They are earning admission to the city's Magnet schools, receiving financial aid and scholarships to attend private high schools, or choosing high performing charter schools.
- 99% of CSFP alumni from the class of 2021 graduated high school on time, in comparison to 75% at the School District.
- 66% of CSFP alums go on to college, as compared to 45% of students in the Philadelphia School District.

For CSFP students, scholarships to attend the tuition-based school of their family's choice is *life changing*. I don't share this data to speak negatively about public schools; they have many unique challenges. But we can't tell the parent of a child who would attend a low achieving public school to just enroll their child and take a chance....to wait for change...to look long term when reforms will eventually result in better outcomes. That's not advice that any of us would consider for our own child. We need to give parents options so that they have the power to choose the best academic environment for their child....to achieve the outcomes I shared. And what they need to make that choice is scholarships.

On behalf of the CSFP community, I want to thank the legislature for supporting the EITC/OSTC tax credit scholarship programs for more than 20 years. Last year these programs funded 63,000 scholarships, making quality education and economic success a reality for so many Pennsylvania students who may have otherwise attended a low-achieving school.

SCHOLARSHIPS WORK. Scholarships provided through the tax credit programs provide students in low achieving schools with the opportunity to attend a quality, safe school. Scholarships are part of a larger effort to reform education in Philadelphia and for the 250,000 students across the state who attend low achieving schools. We need adequate funding and equity in all public schools. But we also need scholarships to give students in low achieving schools an alternative now. Continuing to require students to attend low achieving schools year over year, while their parents want a high-quality option for them but can't afford it, is unacceptable.

Concerns Regarding EITC/OSTC Programs – A Philadelphia Perspective

I would like to address some of the questions that are often asked about the impact of scholarships and the EITC/OSTC programs. While most of my data relates to Philadelphia, it is significant because our county has the most tax credit scholarships than any other county in the state, with 20,276 tax credit scholarships awarded in Philadelphia in 2021. 100% of CSFP scholarships are awarded in Philadelphia, and 46% of BLOCS (Business Leadership Organized for Catholic Schools, the largest Scholarship Organization in Pennsylvania) scholarships are awarded in Philadelphia. And of course, Philadelphia is the state's largest school district, with 60 to 70% of schools on the low achieving schools list annually.

1. Are students who receive EITC/OSTC scholarships already attending private schools?

Two out of three new CSFP scholars attended a public school the year prior to applying for a scholarship.

2. Does the program only benefit middle class families?

In Philadelphia, CSFP and BLOCS are the largest providers of the city's 20,000+ scholarships. For CSFP, the average family household income is \$42,300; for BLOCS, average family household income is \$55,866.

3. Are students who live in low achieving school neighborhoods benefiting from the program?

At least 73% of CSFP students are OSTC eligible each year.

4. Does the program only benefit students attending elite, expensive schools?

Only 4% of CSFP students attend schools with tuition higher than \$10,000. The average school tuition for CSFP students is \$5,925. CSFP students attend schools that intentionally serve under-resourced communities, and achieve all the outcomes for those students that CSFP shares.

51% of BLOCS scholarships are awarded to Archdiocese, Special Education, Catholic/Christian, and Independence Mission (Catholic schools located in under-resourced Philadelphia communities) schools that primarily serve students who could not otherwise afford private school education.

5. Do Scholarship Organizations like CSFP retain 20% of gifts for administration?

The Scholarship Organizations I am aware of retain less than 10% of EITC/OSTC gifts received for administration. CSFP utilizes 8% of gifts, and BLOCS utilizes 4% of gifts, to support the overhead associated with administering thousands of scholarships. Smaller scholarship organizations may need to retain a higher percentage because they are receiving less funding and therefore the administrative yield is lower. Scholarship administration is costly, often requiring the hiring of professionals such as accountants and auditors, in addition to payment platforms, technology, and people to make it happen.

Meeting the Demand for Scholarships – PASS

Every year, Children's Scholarship Fund Philadelphia selects 2,000 new students to receive a scholarship through our random lottery. We receive a minimum of three applications for every one scholarship available. Every year, that means thousands of Philadelphia students who apply do not receive a scholarship.

Despite the benefits the EITC/OSTC programs provide to 63,000 Pennsylvania students annually, there is always more demand for scholarships than available capacity. In 2021, 76,000 tax credit scholarship student applications were denied because of lack of funding. Families are demanding more scholarships than what is available through these programs; therefore, we need more options to meet that demand.

CSFP supports the Lifeline Scholarship proposal, now named Pennsylvania Award for Student Success (PASS) Scholarships by Governor Shapiro's administration. PASS scholarships would provide \$100 million in new scholarships to students who live in Pennsylvania's lowest achieving school neighborhoods. This program is laser focused on students who most need a quality school option in neighborhoods where it is not available in the public school system.

This new proposed program is different than a traditional “voucher” which takes funding directly from public education and gives it to students; it is a newly funded program that would compliment a much larger and highly necessary additional investment in public education. A \$100 million direct investment in PASS would eliminate the need for Scholarship Organizations like CSFP that serve under-resourced communities to raise OSTC funds for eligible students. The funding would immediately and efficiently flow to students currently attending low achieving schools. But the time is NOW to PASS PASS for the 2024-25 school year, to give families and schools adequate time to complete the enrollment process. Most schools are currently recruiting students for next school year and beginning to decide how financial aid would be distributed and how many students they will serve. Giving schools the confidence that PASS is available to students will provide the best opportunity for eligible students to be included in school enrollment for next year.

PASS provides an opportunity for students who need quality education the most, who cannot access it in their public school neighborhood, to attend the school their family decides can best educate them during their critical learning years. Parents whose children would qualify for PASS want the same thing for their children that we all do; we want our children to have the best we can possibly give them...and what is more important than giving them the best education possible? Education is the pathway to breaking the cycle of generational poverty. Families should not be limited in achieving their dreams of success for their children through education because of their zip code or household income.

Thank you for your time.

Keisha Jordan