



Rejecting Tax Credit Voucher Programs

Educators and legislators have consistently worked together to reject the false promises of tax credit voucher programs for the last decade. It has allowed us to fund our public schools at historic levels with unprecedented gains in student achievement. We have more work to do to address concentrated poverty—but MEC and BOOST will only make it harder to meet the needs of all students.

FACT: In Georgia, private school enrollment increased by only one-third of one percent in the metropolitan counties that included most of the private schools in their scholarship program.

What Are Tax Credit Voucher Programs?

Starting in the late 1980s, far-right efforts to privatize education focused on school vouchers—which give publicly funded private school scholarships directly to students. However, these policies soon became challenged and overturned in courts for violating the separation of church and state, since parochial schools are often the beneficiaries of the taxpayer funded programs. As a way of getting around those constitutional restrictions, private school advocates have since pushed tax credit voucher programs instead. There are two bills before the General Assembly this session that, if passed, would create such a program: the Maryland Education Credit (HB 453, HB 1343, SB 706) and the BOOST program (HB 1213).

Gov. Hogan's \$68 million cut to public schools last year resulted in larger class sizes, increased teacher turnover, and slashed programs. We cannot afford to divert public dollars to private schools.

Neither MEC Nor BOOST Would Help Low-Income Children

Tax credit voucher programs are often sold to the general public and legislatures as ways to help low-income students escape certain public schools. In fact, private school advocates have been circulating a poll they commissioned showing bipartisan support for MEC, but the respondents were read pro-MEC messaging before giving a response. A poll conducted by GBA Strategies last May showed that 58% of Maryland voters oppose tax credit voucher programs when asked a neutrally worded question.

In reality, tax credit voucher programs rarely help low-income students. For example, a recent report by the Southern Education Foundation found that most of the students receiving tax credit vouchers in Georgia did not come from public schools. This is a common theme in other states with similar programs, like Arizona, Florida, and Pennsylvania.

But we do not need to look to other states. The Maryland Education Credit is based largely on the same eligibility parameters as Maryland's private school textbook assistance program. However, in fiscal year 2014, just \$700,000 of the roughly \$5.7 million given out in total went to schools with any students who qualify for free and reduced meals (FARMS). In fact, just 22 of the 343 private schools that get public taxpayer dollars through the program have any low-income students. We can expect similar results with the Maryland Education Credit should it come into existence.

Tax Credit Voucher Programs Are Runaway Trains

The BOOST proposal at least requires students who receive the vouchers to be FARMS eligible. But it still diverts \$50 million from public schools to private schools—taking resources away from almost all low-income students.

The truth is, both MEC and BOOST will likely grow exponentially in cost as time goes on. Pennsylvania's program started with a \$30 million annual cap in 2001, and is now capped at \$75 million a year. In July, the Arizona Republic ran an investigative article with the headline: "Arizona private-school families cash in on state's tax-credit program; a program that legislative budget staff in 1997 estimated would cost \$4.5 million a year now tops \$140 million." Under Gov. Jeb Bush, Florida passed a tax credit voucher program in 2001 with an annual cap of \$50 million; by 2015, the cap had grown to \$358 million. Political pressure from private schools to expand the credit over time will be further energized if a program is created. It is far more fiscally prudent to reject it altogether in the first place.

"As a general proposition, vouchers have not significantly improved the performance of kids that are in the poorest communities." - President Barack Obama

MEC and BOOST Lack Necessary Fiscal Accountability and Protections from Discrimination

Private schools that would benefit from a tuition tax credit program are not accountable to the public in the way that public schools are for teacher quality, student achievement, attendance, entrance policies, graduation and dropout rates, and other critical standards.

Unfortunately, this has resulted in many cases of fraud and waste of taxpayer dollars. In 2009, the Scottsdale Tribune reported on several fraud cases in Arizona's program, including student assistance organizations receiving donations but not distributing vouchers. In Florida, a lack of oversight for their program has resulted in schools that claimed vouchers for students who were not actually enrolled or who were being homeschooled and school officials who used voucher funds on personal items, travel, and entertainment. Similar instances have been identified in Georgia and Indiana.

In other states, private schools benefitting from similar tax credit voucher programs have been allowed to discriminate against certain students. At least 115 schools in Georgia's program have anti-LGBT policies and practices in place. Public dollars should not be subsidizing discrimination based on sexual orientation, but Gov. Hogan's MEC proposal does nothing to prevent that practice in Maryland. BOOST is marginally better, protecting students during the enrollment process, but leaving other opportunities for discrimination open—including in the hiring and firing of teachers.

For these reasons, we urge you to reject all legislation and budget language to create these misguided programs.

FACT: With the public dollars dedicated to BOOST, we could fund after school programs for more than 6,250 kids or expand public pre-K to 3,600 additional children.



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