

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

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Testimony before the
House Education Budget Committee
on

HB 2767 – Tax Credits for Educational Scholarships

by

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Madam Chair, Members of the Committee:

Thank you for the opportunity to comment on **HB 2767**, which would create a system of Kansas income tax credits for contributions to certain organizations providing scholarships to students attending private schools. KASB appears in opposition based on a long-standing position adopted by our members through the KASB Delegate Assembly:

I.E. Tuition Tax Credit, Voucher Systems and Choice Plans

KASB opposes legislation that would use tuition tax credits, voucher systems or choice plans to aid private elementary or secondary schools which are not subject to the same legal requirements as public school districts. However, KASB supports voluntary efforts to experiment with public school choice plans, such as charter and magnet schools, provided those plans are approved by the local school board.

We oppose the concept of tax credits and aid to non-public schools for the following reasons.

Public funds should not directly or indirectly support schools or scholarships that are not equally accessible to all taxpayers.

Public schools must serve all students, limited only by residence of the child in the taxing districts that supports the school. Furthermore, the state seeks to ensure equitable educational opportunity for every child in every school district. Every citizen shares in the cost of funding public education, because every citizen has a right to educate their children in public schools.

Individual and corporate taxpayers already have the ability to contribute to private schools or scholarship organizations, and since the bill requires that these organizations be 501(c) (3) status, contributors already receive a tax break. **HB 2767** clearly seeks to use the state tax code to encourage taxpayers to behave in a different manner. In effect, rather than collecting income tax to use for education or other purposes, it redirects those taxes toward scholarships for non-public schools.

This bill would affect all taxpayers by changing the revenues available to support public programs. However, the bill does not appear to place any restrictions on conditions for awarding scholarships other than certain allocation or amounts, nor any restrictions on the admissions policies or preferences of the eligible schools.

If the bill is advanced, scholarship organizations should be required to provide scholarships to any eligible student, and schools should be required to accept without condition any eligible student.

Taxpayers should not be required to support, directly or indirectly, educational programs they may oppose without recourse through the democratic process.

The Kansas Constitution prohibits public education funds from being under the control of religious organizations; a prohibition that dates to the original Wyandotte Constitution. This bill may or may not violate the letter of that intent, but it certainly violates the spirit. KASB believes the constitutional provision means that taxpayers should not be required to support religious instruction they oppose. **HB 2767** would subsidize exactly that.

Patrons and parents certainly may disagree with actions of public schools, but they have the right – and obligation – to challenge those actions through the democratic process. Decisions about public schools are made by the local school boards, the Legislature, the State Board of Education and the Congress. A citizen may disagree with those decisions, but they were made and can be changed through the process of majority voting.

Decisions about private schools and organizations are not subject to democratic political process nor should they be – as long as they remain privately financed. History suggests the surest way to invite more political involvement is to accept public funds.

All publically-supported schools should follow the same accountability rules.

Under this bill, eligible schools could be accredited by organizations other than the State Board of Education, and nothing requires them to follow accountability and operating requirements for public schools. That means there will likely be no real consistency in evaluating the performance of schools and students. If this bill is advanced, all eligible schools should be accredited by the State Board under the same system as public schools.

That raises a key question for our members: why would the Legislature impose more regulations on schools operated by election local board members, chosen by the same voters who elect the Legislature and State Board, than on private schools and organizations supported by public funds?

*If **HB 2767** is advanced, at a minimum all eligible schools should be required to be accredited by the State Board of Education and meet all accountability standards for public schools, so the achievement levels of these schools can be measured in the same manner.*

Public funds should not encourage the most involved and financially stable families to leave public schools.

HB 2767 attempts to limit its application to high poverty, urban districts and direct scholarships toward lower income, special needs students. However, there is nothing to require that these scholarships will actually go to students with the greatest need. In fact, we think the opposite is probably true.

First, nothing requires the eligible private school to accept a child, and nothing limits private school tuition, fees and other costs. Even with the proposed scholarship, the cost of attending the preferred school may be out of reach for many families. Therefore, truly impoverished children are unlikely to participate.

Second, over the past decade, a majority of low-income and special education students in public schools have reached proficiency standards on state assessments and other indicators. It is entirely possible that every single scholarship could be awarded to lower income or special needs students who are already successful, and none to students who are actually struggling. Since the amount of scholarship is to be considerably less than what would be provided in the public system, and abundant evidence indicates at-risk students cost significantly more to educate, it is difficult to see how private schools could effectively serve truly high-cost students.

Third, most people instinctively understand that students are more likely to be successful with engaged parents. Parents choosing to use these scholarships are almost by definition more involved in the children's education, and their children are more likely to be successful. Therefore, the proposed program is most likely to be an incentive for involved parents with the resources and commitment to handle the cost of private schools not covered by the scholarship. Subsidizing the movement of these parents and children from public schools will mean a loss of parent involvement, leadership, participation and positive role models for the most at-risk children families who remain in public schools.

*If **HB 2767** is advanced, it should be amended to require a number of scholarships go to children who have not been meeting standards and report what happens to their achievement in the new schools.*

Public funding of private schools can lead to a two-tier system of education: private schools serving the students they choose and public schools serving the poorest, most difficult and most expensive students.

KASB is confident that the overwhelming majority of public school students and families are very satisfied with their education, and those seeking a difficult education have already made that choice. This bill is tailored to limit its application. Our major concern is that this bill represents not a step toward more choice for families, but a step away from the idea that all students deserve a first-class public education.

Any school is likely get better results when it can pick its students. Any school can operate more efficiently when it can choose what programs and services it wants to offer. Public schools have neither choice. KASB believes that **HB 2767**, however well intentioned – and we believe many of the proponents of school choice *are* well intentioned – represents the first step toward a two-tiered education system of selective schools for some, and what will be at least perceived as second-class schools for the children no one else wants. That is not the American way, and it is certainly not the Kansas way.

Private schools do no better than public schools in serving all students, and often do worse with low income students, and states with tax credits generally have lower performance than Kansas.

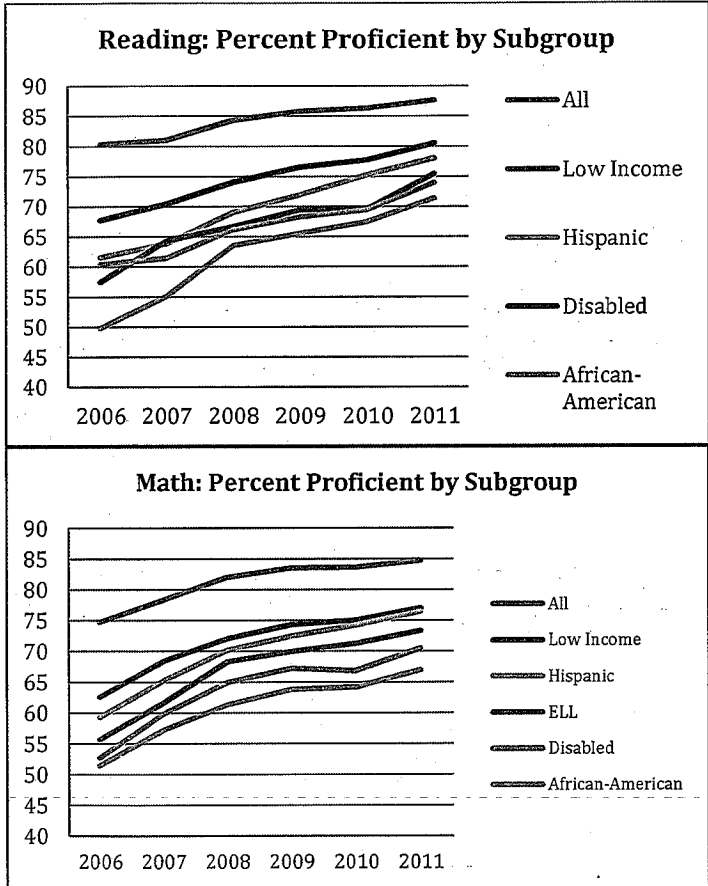
All of these objections might be overcome if there were compelling evidence that students in private schools have consistently better results than public schools. But that simply isn't true.

- Kansas public schools have exactly the same combined total scores on the National Assessment of Education Progress for non-free lunch students in private schools nationally and higher scores for low income, free lunch students. (Because NAEP is only a sample, there is not a score for Kansas private schools.)
- Kansas NAEP scores are higher for low income students than any state that has had a tuition or scholarship tax credit plan in place for several years.
- When comparing the only comprehensive non-public schools system in Kansas that participate in state assessments (the four Catholic dioceses) with public school districts that have similar student characteristics (size, free lunch enrollment), public schools do similar for all students and generally better for free lunch students.

Thank you for your consideration.

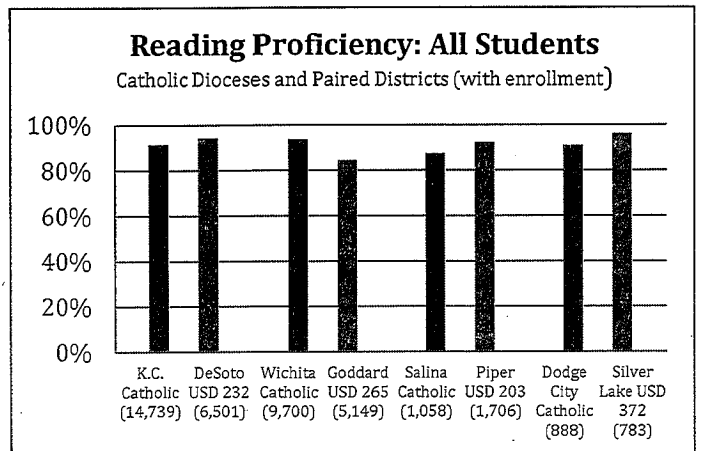
Kansas “at risk” students with historically lower educational outcomes made larger gains.

- Reading: in 2006, every major subgroup was *below* 70% proficient; by 2011, every group was *above* 70% and had increased at least 10 percentage points.
- Math: in 2006, every major subgroup was *below* 65% proficient; by 2011 every group was *above* 65% and had an average of 15 percentage points.



External benchmark: Catholic school systems. Student performance on state assessments can be compared to the four Catholic Dioceses in the state (Kansas City, Wichita, Salina and Dodge City). These are the only statewide comprehensive, K-12 private school systems that are state accredited and participate in state assessments.

There many differences between public and Catholic systems: (1) Only about 15% of Catholic school students are low income, compare to over 45% in the public system. (2) Over 80% of Catholic school students are white, compared to less than 70% of public schools (Hispanic enrollment is similar). Only about 4% of Catholic school students have a disability, compared to 13.6% of public



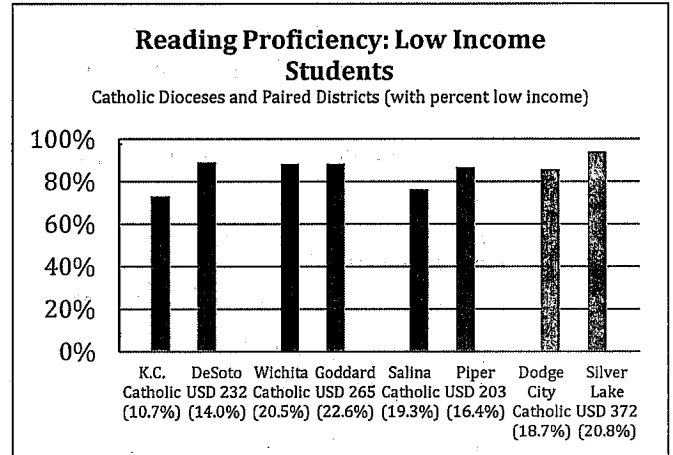
school students, and (4) a much smaller percentage of students attend Catholic high schools.

To measure comparable performance by similar public and Catholic systems, each of the four dioceses were paired with a public school system that has a similar percentage of low income students and as near the same total enrollment as possible, using school report card data.

(Finding comparisons is difficult because most public districts have a much higher percentage of low income students than each of the Catholic diocese systems.)

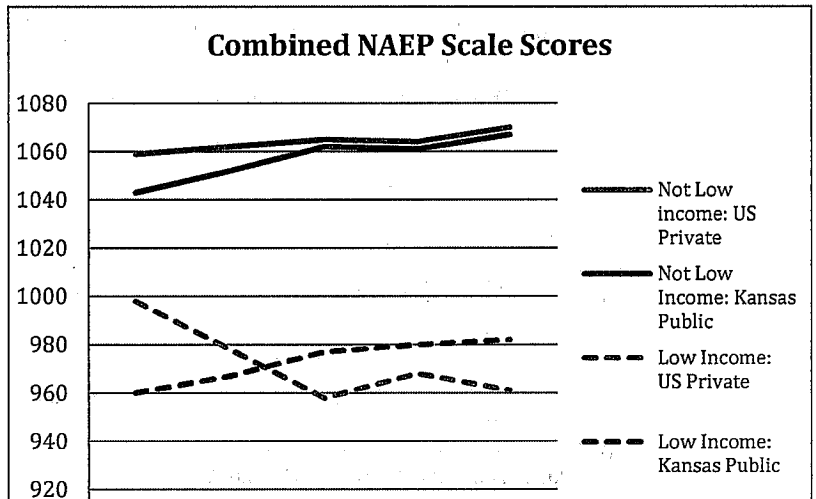
Public schools usually exceed private school systems with similar students.

- For all students, three of the four public districts had higher reading proficiency rates than the paired Catholic system.
- For low income students, three of the four public systems were nearly ten points higher than the paired private system. In the fourth case, results were nearly the same.



Kansas public schools equal national private schools for all students; do better with low income.

- Some suggest Kansas compares well to other states only because public schools nationally suffer from very low achievement. But Kansas also compares well to private school nationally.
- Kansas public school NAEP scores for all students have equaled national private schools since 2007.
- Kansas public school scores for low income students have exceeded national private schools since 2007.
- Nationally, NAEP scores for low income students have declined since 2003, while Kansas scores have increased.



Kansas ranks very high nationally and regionally for all students and for low income students.

Pre-High School: 4th and 8th Grade Reading and Math					
Overall U.S. Rank	State	2011 NAEP Combined Scores All Students		2011 NAEP Free and Reduced Lunch	
		Rank	Score	Rank	Score
4	North Dakota	4	331	4	284
8	Kansas	9	319	7	278
9	South Dakota	9	319	12	270
10	Minnesota	7	323	16	264
14	Texas	25	305	8	274
14	Colorado	11	316	22	254
22	Iowa	21	308	21	258
24	Nebraska	21	308	25	251
26	Florida	31	296	19	262
29	Oklahoma	34	291	20	260
31	Missouri	30	301	25	251

- On the 2011 NAEP reading and math tests, Kansas ranked 9th in the nation for the combined percent of students at basic or higher, and 7th for low income (free and reduced lunch eligible) students; for an overall rank of 8th.
 - In a ten-state region, only North Dakota and Minnesota ranked higher for all students, and only North Dakota ranked higher for low income. (South Dakota tied Kansas for all students.)
 - Texas and Colorado ranked in the top 15 states. Other regional states (and Florida, often cited for high NAEP scores) rank around the national average.
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Education Attainment Rank of States with Private School Funding Programs

State	Vouchers or Tax Credits?	1998-2003 Education Attainment Rank	Current Education Attainment Rank	Change in Rank
Arizona	Tax Credits	38	45	-7
Utah	Vouchers	6	23	-17
Ohio	Vouchers	31	22	+9
Florida	Both	41	37	+4
Wisconsin	Vouchers	12	14	-2
Pennsylvania	Tax Credits	29	19	+10
Illinois	Tax Credit	19	16	+3
Iowa	Tax Credits	9	15	-6
Minnesota	Tax Credits	2	4	-2
Maine	Vouchers	17	20	-3
Vermont	Vouchers	3	2	+1