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## Tax credits better for schools than vouchers

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Twenty-five people were killed in the Philadelphia Bible Riots of 1844, a hundred more were injured, and St. Augustine's Church was burned to the ground. The cause of all that mayhem? The city's Catholics asked to have their children exempted from readings of the Protestant King James version of the Bible, or to use their own Douay version instead - in the public schools. The riots of 1844 have a lesson to teach us about the school-choice debate raging today in Pennsylvania's legislature.

The state House recently passed an expansion of the existing Education Improvement Tax Credit (EITC) program by a 190-7 vote. For 10 years, this program has offered businesses a tax cut if they donate to nonprofit K-12 scholarship tuition organizations (STO), which help lower-income families afford the private schools of their choice. While there is overwhelming support for the program in the House, it faces staunch opposition in the Senate, where several prominent legislators prefer the introduction of a new voucher program.

A key difference between the two approaches is that donations made under the tax credit are private and voluntary, and the donors decide which STO receives their money. Under a voucher program, every taxpayer must support every type of private school - even ones that may violate their convictions. Tensions between Protestants and Catholics are a thing of the past in this country, and so forcing taxpayers of one denomination to support the other is unlikely to foment conflict. But it is naive to imagine that vouchers would never run afoul of our modern religious and ideological flash points.

In Florida a few years ago, a student was expelled from a conservative religious private school when it was discovered he was homosexual. Would socially liberal voters tolerate having their tax dollars used to fund such a school? What if the school were openly supportive of homosexual students, and refused to admit anyone who professed that homosexuality was wrong? Would social conservatives wish to fund it?

It isn't difficult to think of a long list of comparably inflammatory issues. Compelling every taxpayer to support every type of education is, in the words of Thomas Jefferson's Virginia Declaration of Religious Freedom, "tyrannical." The EITC program avoids this tyranny, extending not only freedom of choice to parents, but freedom of conscience to taxpayers. No one is compelled to participate in the program, and those who do can choose from among well over 100 scholarship organizations, some religious and some not.

Why, then, would some lawmakers prefer vouchers to tax credits? The chief reason seems to be a belief that tax credits could not benefit enough families, and that raising the cap on the existing EITC program by a fixed amount would be insufficient.

Florida lawmakers addressed the very same concern last year. Their solution was to not only raise the cap on their scholarship tax-credit program, but to put in place an automatic growth provision. Every year in which the program shows strong demand on the part of parents and donors, the cap on donations for the following year is automatically increased 25 percent. That program now has the potential to grow very large indeed, if the people of Florida show that is what they want.

Pennsylvania could also adopt a direct "personal use" education tax credit for parents who pay for their own children's education, as Illinois and Iowa have done for many years (though this might require an amendment of existing tax law).

At least as important as the size of a school-choice program is the diversity of the choices it provides. If participating schools are compelled to follow the same testing and curriculum routines, for instance, much of the value of choosing among them is lost. It has long been argued that government funding for private schools might bring with it exactly such homogenizing, self-defeating regulations, but until last year there had never been an empirical study of the question.

To fill the gap, I conducted a statistical analysis of the regulations applying to voucher and tax-credit programs around the country, which is forthcoming in the *Journal of School Choice*. I discovered that, no matter how regulations are measured or which methods are used, vouchers do impose a large and statistically significant burden of extra regulation on participating schools. Tax credits do not.

The debate over school choice in Pennsylvania seems largely driven by a desire to help the greatest number of families to the greatest degree. The evidence is clear that tax credits are best able to do that.