



School tax credits are good for parents, taxpayers

The state Supreme Court's recent decision clears the way for expanding educational options for New Hampshire families

By Jason Bedrick

Contrary to Bill Duncan's claims in his recent op-ed ("Voucher law has no real help for low-income kids," Sept. 19-Oct. 2 NHBR), last month's unanimous New Hampshire Supreme Court decision to reject his lawsuit against New Hampshire's educational choice law is a victory for Granite State families and taxpayers generally.

The law expands educational opportunity by granting tax credits to corporations worth 85 percent of their donations to nonprofit scholarship organizations. These nonprofits, like the Network for Educational Opportunity, help low- and middle-income parents pay tuition at a private school or an out-of-district public school, or cover certain homeschooling expenses.

Mr. Duncan contended that the law violates the New Hampshire constitution's historically anti-Catholic "Blaine Amendment," which bars the government from allocating public money to religious schools. A trial court judge partially agreed, upholding the law but limiting the scholarships to secular schools.

In August, the Supreme Court overturned the lower court's ruling and threw out the challenge entirely, holding that Mr. Duncan and his petitioners had no standing because they failed to show "that some right of theirs has been prejudiced or impaired as a result of the program's implementation."

A few years ago, the U.S. Supreme Court rejected the standing of petitioners challenging a similar scholarship tax credit law in Arizona. The court ruled that tax credits, like tax deductions and tax exemptions, are not "public money" because the funds do not "come into the tax collector's hands."

No reasonable person believes that a church is "publicly funded" because donors who support it receive a charitable tax deduction, or even because the church receives a 100 percent property tax exemption. Likewise, the aid that families receive from scholarship organizations is not "public money" just because corporate donors received a partial tax credit.

Mr. Duncan stated that the choice law has “no legitimate public purpose.” Apparently he does not believe that expanding educational opportunity for low-income families, increasing parental satisfaction and improving student outcomes serves a “public purpose.”

In a survey of scholarship recipients last year, nearly 97 percent of families reported being satisfied with their chosen learning environment, including 90 percent who were “very satisfied.” Far from being “unaccountable,” as Mr. Duncan absurdly claimed, private schools are held directly accountable to parents, who can leave if they are not satisfied.

Moreover, more than two-thirds of parents reported seeing “measurable improvement in academic achievement.”

High-quality research demonstrates that expanding access to educational options improves student outcomes. Eleven of 12 random-assignment studies found that choice programs benefited all or some categories of students, especially those who were the least advantaged.

Mr. Duncan also falsely claimed that the law could cost the state up to \$5.1 million next year. While that’s the maximum amount of tax credits available, surely someone who serves on the New Hampshire Board of Education, as Mr. Duncan does, would realize that the law also reduces expenditures.

A 2012 fiscal impact analysis by the Josiah Bartlett Center (my former employer) found that, if fully utilized, the scholarship program would save \$8 million over the course of two state budgets. That’s because the law caps scholarships at \$2,500 on average, which is considerably less than the state’s contribution to local public schools of roughly \$4,000 per pupil, and only a small fraction of the average \$15,600 per pupil spent by public schools statewide.

Sadly, Mr. Duncan’s misguided legal challenge prevented taxpayers from realizing those savings and, worse, prevented many families from receiving scholarships. Mr. Duncan scoffs that there was “little donor interest,” but it was the uncertainty that his lawsuit created about the law’s future that scared away donors.

The good news is that the court’s decision clears the way for the scholarship program to achieve its full potential, expanding educational options for New Hampshire families. New Hampshire businesses that are interested in supporting greater access to educational opportunity can learn how they can help at networkforeducation.org.

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