

cape Council for American Private Education outlook

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Stage Set for Education Tax Credit Bill

The stage has been set for a fresh take on education tax credits. President Bush proposed a measure in February. The House of Representatives passed a budget in March that funds the measure. The House Committee on Education and the Workforce held hearings in April to lay the groundwork for action. And a bipartisan group of sponsors is expected to introduce a trailblazing bill soon.

A taskforce headed by Rep. Bob Schaffer (R-CO) is considering a bill that would provide a tax credit for individuals or corporations that make a charitable contribution to a public or private elementary or secondary school. The credit would be for a percentage of the contribution up to a specified maximum amount per taxpayer and corporation. Figures for the percentage and maximum were still being finalized as *Outlook* went to press.

Bill drafters were also considering allowing the tax credits to cover contributions to an education investment organization (EIO). An EIO would be defined as a nonprofit organization that awards grants to elementary or secondary school students for educational expenses such as books, fees, supplies, technology, tuition, and tutoring. Qualifying expenses would be the same as those listed in the law governing Coverdell education savings accounts.

Not the Standard School Choice Bill

The bill being considered would differ significantly from traditional school choice measures such as vouchers or tuition tax credits, rendering some

of the standard arguments in the school choice debate inapplicable. Its novel approach would in many ways wipe the debate slate clean.

For example, a common theme



Representative Bob Schaffer (R-CO)

sounded in the past by people opposed to school choice is that such programs would rob resources from public schools. But the tax credit under consideration would actually grow resources for public schools. It would expand the funding pie and provide new dollars to supplement tax support. Think how much easier it would be for a public school to raise funds for field trips or team uniforms or band instruments if corporate or individual donors could take a significant portion of their contributions as a tax write-off. With 90 percent of school-age children in public schools, there is every reason to expect that the bill's beneficiaries would overwhelmingly be

public schools and, more important, the students who attend them.

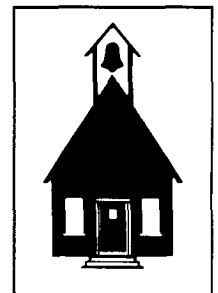
Of course, private school students would benefit as well, both from contributions to their schools and, as with public school students, from EIO grants to help with educational expenses. Private school oriented EIOs would likely focus on tuition assistance. Comparable legislation in Arizona allows individual taxpayers to make tax-free contributions of up to \$500 to organizations that offer tuition scholarships to students. The organization for the Catholic Diocese of Phoenix, for example, received over \$7.4 million in contributions in 2001 and distributed funds in the form of scholarships based primarily on financial need.

Tax credits being considered by the House taskforce would follow the same principle that governs current tax deductions for contributions to schools or, for that matter, any other charitable organization. Since hardly anyone opposes tax *deductions* for charitable contributions, it's hard to imagine opposition to tax *credits* for the same purpose. Credits, after all, would provide an even stronger incentive for contributions.

House Hearing

The House Education and the Workforce Committee last month held a hearing on the general topic of expanding educa-

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tional choices for parents. Although the taskforce's draft proposal was not the focus of the hearing, witnesses offered comments that touched on related initiatives.

Lisa Graham Keegan, CEO of the Education Leaders Council, talked about education tax credit laws in Arizona and Pennsylvania. The Pennsylvania Educational Improvement Tax Credit (EITC) allows businesses, though not individuals, to take tax credits worth between 75 and 90 percent of the cost of contributions to scholarship programs and to educational improvement programs. The statute sets a \$100,000 annual credit ceiling per business and a \$30 million ceiling on the total of all credits statewide. Credits are offered on a first-come, first-served basis until the statewide ceiling is reached. Keegan said both the Arizona and Pennsylvania programs provide parents with educational options they did not have before. She called school choice an important tool for parents and "a right that parents should expect."

Lawrence W. Reed, president of the Michigan-based Mackinac Center for Public Policy, described various state-level education tax credits, including a Florida program that allows corporations to donate up to \$3,500 per pupil to organizations that award scholarships to low-income students. Reed said tax credits for contributions to public and private schools "can bring the diverse and sometimes disputatious education community together because they create winners without producing losers."

Glenn Christopher, grandfather of two students attending Watch-Care Academy in Denver, Colorado, said education tax credits "would expand educational opportunities for low-income families." Mr. Christopher was accompanied by his 10-year-old grandson, Joshua, who told the committee that before his mother passed away she had asked his grandpa to enroll him and his 6-year-old brother, Jeremiah, in Watch-Care. Mr. Christopher was able to do so with the help of a tuition scholarship from the Alliance for Choice in Education.

Guidance Issued on Reading First

What do you know about Title I, Part B, Subpart 1 of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001? Probably not much at the moment. But if officials at the U.S. Department of Education have any say, many teachers and school officials will soon be learning a great deal about the program authorized by that particular section of federal education law: a program known as Reading First.

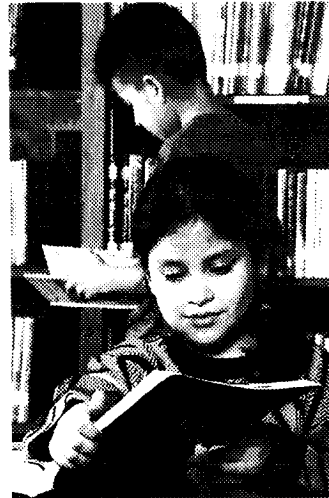
The largest early reading initiative ever undertaken by the federal government, Reading First will provide about \$875 million to states and school districts to help children read well by the end of third grade. Monies will be distributed to states using a formula based on the number of students in each state from families with incomes below the poverty line. States can then use 20 percent of the funds for statewide programs but must distribute at least 80 percent of the funds on a competitive basis to school districts that serve low-income students and have the highest percentages of students reading below grade level in grades K-3. School districts must then target the monies to

schools with high percentages of poor readers and students from poverty.

Private School Participation

Private school children and teachers in areas served by public schools receiving Reading First funds are eligible to participate in the Reading First programs funded at the state and local levels. Final guidance issued last month by the Department of Education says school districts must provide "private school children and their teachers...with educational services that address their needs...on an equitable basis with public school children and teachers." The guidance goes on to say school districts must consult "with appropriate private school officials during the design and development of their Reading First plans on such issues as determining eligibility of private school children; identifying the children's needs; what services will be offered; how, where, and by whom services will be provided; and how the services will be assessed."

The comprehensive USDE guidance document on Reading First is available online at www.ed.gov/offices/OESE/esea/regsandguidance.html.



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education services for children, then I think we're going to miss the boat on a whole generation of our nation's most precious and valuable resource."

In closing, the Connecticut senator commended the American Montessori Society for being "on the front lines of the fight to ensure quality education for children" and for ensuring that "early child development is something that is on the front burner of America, not the back burner." He again urged AMS members to get involved in the public debate and to let elected officials know how important the issue of early childhood is "to the success of our nation."

[Editor's Note: Another bill of interest to early childhood educators is H.R. 4092, the Working Toward Independence Act, which the House Education and the Workforce Committee approved May 2. The bill reauthorizes and amends the Child Care and Development Block Grant program, incorporating components of President Bush's *Good Start, Grow Smart* plan for early childhood education (www.whitehouse.gov/infocus/earlychildhood/).]



Dodd Urges Educators to Enter Public Policy Arena

Senator Chris Dodd (D-CT) knows how to match a message to an audience. At the national conference of the American Montessori Society last month, Dodd touched on themes close to the hearts of the early childhood educators he addressed. The crowd responded accordingly.

Calling the teachers of toddlers and preschool and elementary school children “remarkable people who have made a significant contribution to the health and well-being of this country,” the senator urged the group to enter the public policy arena and push for the interests of children. “We need advocates,” he said, “who will talk about the importance of early childhood education, who understand how it works.”

The country has done very little to ensure that children enter school ready to learn, said Dodd, who chairs the Senate Subcommittee on Children and Families. “Learning does not begin in kindergarten or in preschool. The most critical time in the brain development of a child is between birth and the age of five.” It is during this time, the senator noted, that children learn the social, emotional, physical, and cognitive skills necessary to succeed not only in school but in life itself.

Himself the father of a 7-month-old girl, Dodd said there are not nearly enough early education programs in the country and the quality of those programs varies significantly. “Most working families do not have the luxury of placing their children in quality early development programs,” he declared. “Many do not have the financial resources, and many more do not have the quality programs available in their communities.” Citing statistics to bolster his case, the senator said that of the more than 14 million American children under the age of five in some type of child care arrangement, only about 10 percent are in quality preschool or Head Start programs. “Most of these children are either from very wealthy families or

from very, very, very poor families,” he added.

Many kindergarten teachers—46 percent, according to a recent survey



Senators Chris Dodd (D-CT) and Olympia Snowe (R-ME) at a news conference April 16 to introduce S. 2117, the Access to High Quality Child Care Act.

cited by the senator—report that at least half their students enter school not ready to learn. Dodd declared the learning gap doesn’t *begin* in kindergarten, it is just first *noticed* there. “It’s high time we had a comprehensive national education policy that...focuses on the vital need for quality early childhood development for all of America’s children,” he said.

More Choices for Parents

Since making laws is what he does for a living, Senator Dodd used his address to explain key provisions of S. 2117, a bipartisan bill that he, Senator Olympia Snowe (R-ME), and others introduced in April to address the shortage and quality of child care and, as Dodd told the Montessorians, “to promote school readiness and to expand child care assistance to low-income working families.”

Called the Access to High Quality Child Care Act, the bill would reauthorize the Child Care and Development Block Grant Act, which provides working parents vouchers to select the child care provider of their choice. One of the bill’s provisions would increase the reimbursement rate that providers receive,

which, according to the senator, would “ensure that parents have real choices for quality early childhood development.” If the bill becomes law, Senator Dodd said that “more parents nationwide will be able to send their children to Montessori schools or other high-quality early education programs.”

Turning to the issue of workforce development, Dodd said more than 30 states require no training whatsoever in early childhood development before a teacher walks into a child care classroom. “One of the most important prerequisites for improving early education in the country is the existence of an early education workforce trained in child development.”

Regarding salaries, Dodd said early childhood educators earn, on average, \$15,000 per year—about half of what a kindergarten teacher makes. Not surprisingly, turnover is high: 30 to 40 percent of workers “come in and leave right away.” He said his bill would “increase salaries and benefits of early educators and reward them for undergoing advanced training.”

Commenting on President Bush’s early childhood initiative, *Good Start, Grow Smart*, Dodd, in a gesture of bipartisanship and cooperation, said, “I agree with much of what the president has said about the need to improve early childhood development and I welcome his involvement.”

Studies show that investments in early childhood programs reduce the crime and dropout rates, lessen the need for special education, and cut down on the number of children being left back in later grades, Senator Dodd said. “Unless we begin to take far more seriously the need to improve our nation’s early

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• “There’s a revolution afoot,” said the Rev. Kenneth Sullivan, pastor of the Charity Christian Center in Indianapolis. “It’s quiet now, but it’s going to get noisy.” Sullivan was talking to USA Today reporter Tamara Henry about inner-city churches starting Christian schools.

Ms. Henry wrote a front-page feature article on the growth of Christian schools in low-income neighborhoods for the newspaper’s April 30 edition. She links the growth to several factors: demand by parents, a desire by church leaders to address the academic and religious needs of students, and an expectation of more government assistance to help parents afford alternative schools.

“Churches are probably one of the most stable black-owned institutions in this nation, and black churches . . . have stayed in the community,” Rev. Sullivan told Ms. Henry. “Anything short of operating our own schools and having access to these children is going to show minimal results because the schools have them for seven hours a day, the church has them for a couple of hours a week.

It’s not realistic to think we can turn a student around in a couple of hours.”

The blend of academic, religious, and social development promoted by church schools was captured by Vernard Gant, director of the Urban School Services division of the Association of Christian Schools International (ACSI). Gant spoke of the three academic R’s, the three spiritual R’s (repentance, rebirth, and reconciliation), and the three social R’s (respect, responsibility, and resourcefulness).

Ms. Henry predicted that a favorable Supreme Court ruling this year in the Cleveland voucher case would provide a big boon for the church-school movement.

• President Bush delivered a videotaped address last month to Catholic educators at the annual convention of the National Catholic Educational Association in Atlantic City, NJ.

The president commended the teachers “for doing your part to make sure your students get good value from their education as well as an education in good values. America’s teachers are some of America’s greatest assets. You do more than educate. You inspire, you encourage, and you build lives.”

Bush reminded the group that he signed K-12 education savings accounts into law last year and that his budget this year includes education tax credits and \$50 million for a new “choice demonstration fund that will provide parents with expanded school choice options, including the option of a private school.” The president described his budget proposals as ideas that “will have a profound impact on our schools, our teachers, and, most importantly, our children.”

Closing his address with a call to action, Bush urged Catholic educators to spread the news about his plans for “improving education for every child in every part of America.”

• In recognition of the “important success of the charter school experiment,” President Bush proclaimed April 28 through May 4 as National Charter Schools Week. “In reading, math, science, special education, early childhood education, and other areas, charter schools have implemented innovative programs that produce results,” said the president. He noted there are nearly 2,400 charter schools in the country and over a half-million children have attended them.