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BILL: Senate Bill 706
TITLE: Education – Maryland Education Credit
DATE: March 31, 2016
POSITION: OPPOSE
COMMITTEE: Ways and Means
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Senate Bill 706 provides a tax credit against the State income tax for contributions made to specified student assistance organizations; requires the Department of Economic Competitiveness and Commerce to administer the tax credit; requires specified entities to submit an application to be a student assistance organization on or before January 1 each year; establishes the Maryland Education Tax Credit Reserve Fund; applies the Act to taxable years beginning after December 31, 2015.

PSSAM strongly **opposes** Senate Bill 706 because its primary purpose is to create a private school funding program to finance private and parochial school students at the expense of public school students. The program would be administered by the State and funded in large part through tax credits from funds which would otherwise be received as state income tax revenue. This diversion of state revenue to finance private school student expenses, including tuition, constitutes the voucher-like tuition tax credit program long opposed by PSSAM and public education advocates in Maryland and across the nation.

PSSAM is responsible for providing a high quality education for close to 900,000 students. The investment in our students has reaped great dividends. Thanks to the financial commitment from our elected officials, the Maryland public school system ranks among the most successful in the nation.

Local school systems continue to struggle with the enormous financial burden that resulted in the loss last year of \$68.1 million from the Geographic Cost of Education Index (GCEI) funding. This substantial reduction severely impacted 13 of Maryland's school districts, who are responsible for the education of over 80% of Maryland's students. The loss of these funds had serious consequences for students, including larger class sizes as well as teacher reductions. Additional programs providing vital student services were also negatively impacted by the loss of funds.

PSSAM greatly appreciates this year's legislative efforts to fully fund the Bridge to Excellence Act, including GCEI. The funding is so critical to assure that even as the bar rises, Maryland students will continue on a path of higher standards leading to college and career readiness. Unlike public and private schools, Maryland public schools are held strictly accountable by local, State, and federal measures. Local superintendents recognize that strong accountability measures for students translate into strong accountability for public dollars invested in our public schools.

In addition, it is important to note that our public schools provide effective educational programs for all students, including special education, English language learners, early childhood, and rigorous high school programs that are not always available in parochial and private schools.

PSSAM realizes that SB 706 also provides the opportunity for tax credit contributions to support public school students. However, the bottom line is that this legislation would establish a state government administered program to help finance private schools. PSSAM is adamant in our opposition to the precedent that would be the result of this legislation. The financial needs of our public school students must take priority over those who choose a private or parochial education.

For the reasons stated above, PSSAM **OPPOSES** Senate Bill 706 and requests an **unfavorable** committee report.