

Educators seek business tax credit

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Sen. James DeGrange of Anne Arundel County is trying again.

For the second year in a row, the parishioner of Holy Trinity in Glen Burnie and Democratic state senator has introduced a bill that would provide significant business tax credits to corporations and small businesses that support tuition scholarship programs and other K-12 education initiatives.

Known as BOAST, "Building Opportunities for All Students and Teachers in Maryland," the proposed program is modeled on Pennsylvania's Educational Improvement Tax Credit.

It would allow corporations and small businesses to claim a 75 percent state tax credit for donations to organizations that support Maryland's K-12 public and nonpublic school students and teachers.

The program would be capped at \$25 million, providing \$15 million in credits for donations to nonpublic scholarship organizations, and \$10 million in credits for donations to organizations benefiting public school students and teachers.

"It's an innovative way of getting businesses more involved in making contributions to students and teachers," Sen. DeGrange told The Catholic Review.

There appears to be significant support for the program among many lawmakers. Eleven of the 13 members of the Senate Budget and Taxation Committee are co-sponsors of the measure. The committee heard testimony on the bill Feb. 21.

Despite the support, Sen. DeGrange said he is unsure the measure will become law this year.

"It's going to be a tough issue because of the fiscal situation," he said. "I'm hoping to get the program set up, even if there's no funding for it."

Mary Ellen Russell, associate director for education and family life with the Maryland Catholic Conference, said the General Assembly must recognize that “this is a fiscally responsible policy.”

“There’s a real need to maintain affordable, educational options for all families in light of the anticipated strain that our public schools are likely to face in accommodating new students due to the upcoming military base and realignment closure program,” she said.

Because of military realignment, more than 45,000 new jobs are expected to move to Maryland by 2011, putting significant pressure on the public school system.

“It’s important to recognize the role that nonpublic schools can play in helping to alleviate those challenges – as long as they remain affordable to as many families as possible,” she said.

Nonpublic schools save Maryland taxpayers more than \$1.3 billion in per-pupil expenditures, according to Ms. Russell.

In testimony delivered on behalf of archdiocesan schools, Henry Fortier told committee members that nonpublic schools have struggled with increased costs and escalating tuition. Ten Catholic schools have closed or merged in Baltimore and four in other areas of the archdiocese in recent years because of financial challenges. State support would go a long way keeping existing schools open, he said.

“The BOAST tax credit would offer an incentive to businesses to contribute to our schools for even great tuition assistance in the areas of Maryland with the greatest financial need,” said Mr. Fortier, associate superintendent of Catholic schools in the Baltimore archdiocese and former principal of New All Saints School – a Baltimore Catholic school that closed last year.

More than 500 nonpublic school supporters were expected to attend a March 7 legislative reception in Annapolis in support of BOAST after The Catholic Review went to press March 6.