

Passage of Indiana legislation gives push to Maryland BOAST tax credit

As Indiana became the seventh state to pass a scholarship tax credit that helps provide school choice, Catholic leaders in Maryland called on lawmakers to approve a similar initiative in the Free State.

Indiana Republican Gov. Mitch Daniels is expected to sign the \$2.5 million scholarship tax credit program into law in the coming days. It will provide a 50 percent state tax credit to individuals and businesses for contributions to scholarship programs benefiting low-income students.

Lawmakers approved the measure in the Senate 34-16 and in the House of Representatives 61-36. It won passage late in a special legislative session even as Indiana grappled with a budget deficit.

“We passed this in a year when everyone said it would be impossible,” said Sen. Carlin Yoder, a freshman Republican in the Indiana Legislature and a sponsor of the bill. “It’s the right thing to do. It gives children from all sides of the spectrum the chance to go to a school they’re comfortable with – a school that fits their belief system and fits their academic system and gives them a chance to get out of failing schools.”

The bipartisan passage of the Indiana program came at the same time leaders of Towson Catholic High School announced that low enrollment and financial difficulties were forcing them to close the 87-year-old school.

Mary Ellen Russell, executive director of the Maryland Catholic Conference, said Towson Catholic’s closure highlights the “urgent need” for passage of the BOAST tax credit (Building Opportunities for All Students and Teachers in Maryland).

BOAST would provide businesses a state income tax credit in exchange for donations to scholarships organizations benefiting nonpublic school students. Businesses could also receive the tax credit for donations to groups that provide enrichment programs in the public schools.

“Not only would BOAST help us face the challenges that are confronting Catholic schools,” Russell said, “it would save the state millions of tax dollars that they would have to pay in order to educate students currently enrolled in nonpublic schools.”

Russell noted that nonpublic schools save Maryland taxpayers \$1.5 billion in educational costs. The 163 students who had committed to Towson Catholic for the fall represented a savings of nearly \$1.9 million to state tax payers, she said.

Along with Towson Catholic, five other Catholic schools will not open for the 2009-10 school year. Combined, they had provided an annual savings of nearly \$9.8 million to taxpayers.

Highlighting economic savings was a key to convincing undecided lawmakers to pass a tax credit in Indiana, according to Glen Tebbe, executive director of the Indiana Catholic Conference.

It costs the Hoosier state \$6,000 per student to educate children in the public schools, he said. The \$2,500 tax credit represents a \$3,500 savings.

Tebbe has worked on school choice in Indiana for 15 years. It will take similar patience and persistence for Maryland to find success, he said.

Dr. Ronald J. Valenti, superintendent of Catholic schools in the Archdiocese of Baltimore, said Catholic schools will once again fight for passage of BOAST.

The State Senate passed the measure in this year’s legislative session, but it has never been brought to a vote in the House of Delegates Ways and Means Committee headed by Montgomery County Democratic Del. Sheila Hixson.

Dr. Valenti said he was unsure why Maryland lags behind other states when it comes to education tax credits and other programs.

“It’s a kind of mentality that exists with some of our legislators that makes it so difficult,” he said. “It’s a win-win situation with BOAST for public and nonpublic schools. You have certain lobbyists and certain kind of agencies that undermine us.”

Dr. Valenti said it’s time to “exercise our own political muscle as a unit and make

our voices heard.”

Russell noted that Democratic Gov. Martin J. O’Malley supported the BOAST effort in the last session, and she is counting on him to help next year.

“We hope he will continue,” she said. “We are certainly in conversation about how he might be helpful to us and encourage others (to support BOAST).