

> Oakview Elementary (GVL)

> How improve public school

① Complaint teachers ~43,000

- ①
- ② what place
- ③

DRAFT -- Education Tax Credits Press Conference
Thursday, Feb. 26, 11:30 am - Statehouse 1st Floor Lobby

Background:

→ (State of state) (principals, teachers, students)

- MS announcing proposal to create education tax credits for parents of students in private school or home school, and the creation of non-profit Scholarship Granting Organizations

Logistics:

← Jeb Bush language! →

- Press conference will be held in first floor lobby of Statehouse. MS will appear with legislators and advocacy groups supporting the bill. Grassroots supporters and parents supportive of the bill will fill in around MS and the legislators

- Speaking order is:

→ Chevrolet - buy - just to keep in business -

- MS
- Rep. Doug Smith (sponsor)
- Rep. Lewis Vaughn (longtime choice proponent)
- Sen. David Thomas (Senate supporter)

5% shop for a price - stores will be price competitive

- Be sure to thank: Tom Swatzel, South Carolinians for Responsible Government

Audience:

① → job more competitive as a state - edu. key -

- Expect substantial media presence, both print and broadcast

Talking Points: Mechanics

Mechanics - Eligibility

- **For Tax Credits or Scholarships:** Students from two-exemption families with less than \$75,000 household income are eligible. Eligibility cap increases by \$5,000 per exemption.

3,200

→ All schools better by pretty points in change.

- **Example:** For a family of four, eligibility would be capped at \$85,000 household income

Mechanics - Tax Credits

② parental involvement - fin incentives to do (Authority)

- **Tax Credits and Scholarships** are limited to the lower of 80 % of the tuition or 80 percent of the following caps:

- \$3,200 for kindergarten
- \$4,000 for grades one through eight
- \$4,600 for grades nine through twelve

- For families receiving free and reduced lunch, the limit is 100% of actual tuition paid, or the ceilings above. Scholarship caps are higher for various categories of special needs students.

② →

- **Home school parents'** guidelines will be based upon cost of educating that child at home rather than tuition.

(Apprent) missing link

Introduce others!

37,500 →
↑
Avg teacher?

- Taxpayers can claim dollar for dollar credit off of property and income tax. The limit of the tax credit will be that combined tax liability, and no refunds will be given (except under Renters' Provision).
 - The money saved through a reduced headcount will be redistributed to districts based upon the amount of property tax revenues lost by districts through the credit.
- Renters' Provision -- Persons who rent could receive a refund of more than their income tax liability. The additional refund cannot be more than the unused credit amount, up to the portion of their rent payments attributable to property taxes paid by their landlord.

Mechanics – Scholarship Granting Organizations (SGOs)

- Individuals and businesses are allowed tax credits for contributions to SGOs, which must spend at least 95% of the money on scholarships for qualifying students.
- Any 501(c)(3) non-profit organization can create an SGO by registering with the S.C. Department of Revenue.
- Contributions to SGOs may be claimed as a tax credit for up to 50% of the taxpayer's SC income tax liability, or 100% of the taxpayer's property tax liability.

Mechanics – Phase-In

- During year one (2005-06), eligible children will include those entering K through 4, who were not enrolled at an independent school the prior year. Eligibility extends by two grade levels each year in the following four years.
 - After five years every South Carolina student will be eligible.

Talking Points:

Overall:

- The most overlooked 'education expert' today is the parent. Boils down to one thing – parents know best when it comes to how their children should be educated. If a parent doesn't think public school is the best option for their kid, then they should have access to an alternative.
- This is called the SC Put Parents in Charge Act – this is the single best way for parents to get involved and have a choice in their kids' education.
- Many students will stay in public schools, and many people still buy American cars - but it is undeniable that those cars are better today because of competition from Japanese cars. In the same way, those kids who stay in public schools are going to get better educations.

We wanted to make sure this bill did three things:

One – Provided maximum choice to parents and students

Florida –

- ‘The A+ Program’ – students at failing public schools are eligible to transfer to better performing public schools or to private schools.
- Schools receiving a failing grade from the state in 1999 and whose students would have been offered tuition vouchers if they failed a second time achieved test score gains more than twice as large as those achieved by other schools.
- Low-performing schools facing the greatest competition recorded the highest gains relative to other Florida public schools

Year 2000 comparison, SC versus Texas -- Both states:

...are very similar demographically

- Are southern states with a high percentage of minorities. (Around 41% of Texas students are African-American or Latino compared to 31% for South Carolina.)
- Similar median household incomes below the national average, South Carolina at \$34,665 and Texas at \$33,072.
- spend below the national average per pupil, with South Carolina spending \$5,827 compared to \$5,815 in Texas
- Have average student/teacher ratio in both states is smaller than the national average, with 15.7 students per teacher in South Carolina and 15.5 in Texas.

But:

- The Lone Star state does not spend more on education per pupil, it does not have significantly smaller classes, it does not have wealthier families, and it does not have fewer minority students. What Texas has is more freedom.
 - South Carolina has an Education Freedom Index score of 1.64, putting it 43rd among the states. Texas has an EFI score of 2.48, putting it in 6th place among the states. (Manhattan Institute)
- Texas has 6.3% (24 vs. 17.7) more students scoring proficiently on NAEP, 15 point (494 vs. 479) higher scores on the SAT verbal, and 27 point (501 vs. 474) higher scores on the SAT math.

Bottom Line: More options means easier to find the school that is right for a child , and schools have to be more attentive to student needs to attract students

Two, How do you get the most bang for your educational buck [Maximizing our investment – widespread, statewide]

- Over the past 30 years (1972-2002):
 - Student population: Increased 13 percent
 - Per Student Funding: Increased 136 percent (inflation adjusted)
 - Total School Funding: Increased 166 percent (inflation adjusted)
- Some schools have made great strides – but for underperforming schools, years of pouring more money into the system hasn't helped.
 - 28 years since the Education Finance Act.
 - 20 years since the Educational Improvement Act.
 - 6 years since the legislature passed the SC Accountability Act that brought additional by the SC Oversight Committee.
 - 3 years since No Child Left Behind Act (similar to the S.C. Accountability Act) that brings a 60% increase in federal resources
- But: The same schools that weren't performing in the 1970's aren't performing today.
- With the income tax we've proposed, this bill would give over 95 percent of all families in SC effective school choice
- [People often misrepresent costs of education] People talk about the \$1,800 base student cost, which in actuality is a fraction of what we spend per student – over \$8,000 including all sources.
- Look at the median costs of private schools in Charleston alone – one of the more expensive districts: \$3,153 for private elementary schools, and \$4,056 for private high schools. The credits we're proposing will allow:
 - Parents to afford the average private school
 - Educate children for less than the state does it for

Three, "What Happens to my Public School down the Street"

- The money saved through a reduced headcount will be redistributed to districts based upon the amount of property tax revenues lost by districts through the credit.
- This program frees up money for the state that can be redirected back to the schools: \$527 million during the phase in, \$229 million recurring savings in year five and every following year
- Bottom line: less than half the money follows the student, while more than half stays in the system – equals more spending per student