



LEAGUE OF WOMEN VOTERS[®] OF MARYLAND, INC.

TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE

SB 706 MARYLAND EDUCATION CREDIT

POSITION: OPPOSE

BY: Nancy Soreng and Barbara Schnackenberg, Co-Presidents

DATE: March 31, 2016

The League of Women Voters of Maryland strongly opposes SB 706 Maryland Education Credit. We also strongly oppose the budget amendment quickly inserted without public hearings that provides \$5 million for private school scholarships administered by the Maryland Department of Education. The League opposes public funding for vouchers or other aid for private and parochial schools, and considers this bill another form of state aid for nonpublic education. The state's primary responsibility is to support public school students who must be served regardless of race, gender, socioeconomic status, ethnicity, national origin, language, religion age, physical and academic ability and sexual orientation.

SB 706 would provide for an income tax credit to business entities that make contributions to student assistance organizations that provide aid to students in nonpublic or public schools from prekindergarten through secondary school. It would also support innovative educational programs for students at eligible public schools. A student assistance organization could include a State-aided educational institution such as museums, zoos, learning centers, theatres and an orchestra. The bill requires the Department of Economic Competitiveness and Commerce to administer the tax credit and authorizes the governor to include in his budget an annual appropriation to a Maryland Education Tax Credit Reserve Fund not to exceed \$15 million in FY2017 and after.

Furthermore, income tax credits are tax expenditures that take money out of state revenues that are sorely needed for public schools and other state services. Federal revenues for education are decreasing, and school districts are struggling to meet rising costs.