

STATEMENT OF
ALBERT SHANKER, PRESIDENT
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
ON TUITION TAX CREDITS
TO THE SUBCOMMITTEE ON ELEMENTARY, SECONDARY & VOCATIONAL EDUCATION
September 22, 1981

Mr. Chairman and Members of the Subcommittee:

The American Federation of Teachers representing more than 580,000 teachers, paraprofessionals and other educational employees strongly opposes the enactment of any tuition tax credit bill. Tuition Tax Credits would cause irreparable harm to our system of free public education. They would encourage divisive forces in our society and lead to a system of educational finance that would work to the detriment of the vast majority of American children and their parents.

Tuition Tax Credits represent a massive expenditure of public funds on behalf of 10% of the population who are on the whole better off economically than the average citizen.

No one should be lulled by the contention of tuition tax credit supporters that a relatively small credit will only lighten the burden of those currently using private schools without harming our public education system. If a tuition tax credit becomes law, it will be only the tip of the iceberg.

Five-hundred dollars from the Federal government will be quickly matched by a number of states who have in the past enacted similar legislation. In addition, it would only be a short time before the demand for tax credits was extended to the local level as it already

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has been in the District of Columbia where a plan is pending to provide a \$1200 tuition tax credit. In short, a \$500 Federal tax credit would blossom into a complete financing package for private elementary and secondary education which would undermine the financial base for our public school system.

Tuition Tax Credits are one of the most radical methods of educational finance ever presented to the American public.

Tuition Tax Credits would inevitably damage public schools for another reason. The competition they would foster would be inherently unequal since private schools function with none of the requirements placed on public schools. Their admission policies in regards to handicapped, non-English speaking or other students with special educational needs are not governed by state or federal laws. Children with expensive educational problems or those whose behavior is disruptive simply never make it into private schools. With tax credits paving the way, a process would begin which would lead to private schools attracting those students easiest to serve and the public schools having higher and higher concentrations of those students with the most difficult and expensive educational and behavioral problems.

Another issue that must be addressed is that of equity. How can our Federal government even think of spending \$5-7 billion dollars on a tuition tax credit scheme when programs serving children with the greatest economic and educational needs are being slashed and eliminated by the current Administration? ESEA Title I, Aid for the Economically Disadvantaged, Education for All Handicapped Children, Bilingual education and aid programs

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for needy college students have all come under the Reagan knife. Is it possible to even consider spending a sum equal to half of the budget of the Department of Education to parents who choose to use private schools? While we believe the fact clearly establishes that there will never be a time when it is justified to pass a tuition tax credit bill in light of the current slashing and elimination on-going of social programs being carried out by the Reagan Administration there has never been a worse time than now to consider such a program.

Another simple test that a tuition tax credit bill fails to pass is that of need. This summer the Congress passed and the President signed into law the largest tax cut in our history. More than \$739 billion in taxes are projected to be cut through FY'86. In addition, Congress has changed the rules for charitable contributions and will now allow those using the short tax form to make tax deductible gifts to non-public schools. Given the tax cuts already made, there is no need to provide additional tax relief to those who use non-public schools.

Non-public school enrollments have been stable recently (some indicators are that they are actually increasing). Clearly, the survival of non-public schools are not at issue now, if in fact they ever were. There is no established need for tuition tax credits.

We should also examine the effects tuition tax credits will have on our society. Tuition Tax Credits will have a divisive effect on American society. They will lead to schools organized on ideological rather than educational principle as well as schools based on race, class and ethnic background. They will foster

the creation of schools run by extremists. We can expect our tax dollars will be used to pay for schools run by cults such as the Moonies or by political extremists such as the Nazi's or by those whose grasp of reality is fragile at best.

Tuitions paid to schools run by the Reverend Jim Jones and the People Temple would have qualified for a tuition tax credit under the bills pending in Congress. Here was a group that was integrated by race, opposed to discrimination, identified as a legitimate religion--they had all the surface markings of a legitimate organization. This could have been a group meeting all the standards found in the Packwood-Moynihan bill. It is easy to see how tuition tax credits will finance the expansion of schools run by extremists.

Tuition tax credits fail to meet the necessary tests that should be given to any piece of proposed legislation. They will damage a vital institution, public education, they will lead to divisions in our society and there is no demonstrated need for the proposed expenditure of \$5-7 billion. They are also a roll of the dice. Once the public school system is harmed by tuition tax credits, there will be no way to put things back in working order and the educational opportunities of millions of children will be diminished.

We realize that this Committee does not have jurisdiction over tax legislation, but you do have a responsibility for education in the Congress. We hope these hearings convince you of the need to oppose tuition tax credits.