

## EDUCATION

# New state tax credit rewards scholarship donations

BY NICOLE DIONNE

DIONNE@PBN.COM

Genesis Kah moved his 12-year-old daughter, Genetta, in 2004 from the public William D'Abate Elementary School in Providence, to the private Community Preparatory School, a private school where tuition is \$10,300 per year.

Since the move, Kah said, his sly daughter has blossomed.

"When you have smaller class sizes, there is much more attention given and the kids tend to get more from the teachers," he said. "We've seen so much improvement there. We've seen her talent unfolding. But certainly without financial aid, we definitely could not have sent her."

It is families like Kah's that a new tax credit program effective today aims to help.

The program allows C corporations to receive state tax credits for donating to scholarship-granting organizations (SGOs), nonprofits set up to distribute the scholarship money. Donors get a 90-percent tax credit, up to \$100,000 annually on two-year pledges and a 75-percent tax credit on one-year pledges.

Supporters say that this provides the opportunity for businesses to support education and for parents to make choices.

"I think that across the board, parents want to be able to have a choice for education," said Donna McGowan, executive director for the **Rhode Island Scholarship Alliance**, a group of school choice advocates and SGOs. "This credit provides an incredible financial credit to C corporations to provide an opportunity for those students in need."

But not everyone is pleased with the program. Both the **Rhode Island Affili-**



PBN PHOTO BY STEPHANIE EWENS

**DAN CORLEY**, head of Community Preparatory School in Providence, one of two secular schools in the program, works with third-grade students during his weekly Calculator Club.

**ate of the American Civil Liberties Union and the Rhode Island Federation of Teachers and Health Professionals** strongly opposed the legislation this year that created the credit.

"From our perspective, it's a back-door tuition tax credit scheme to provide funding for private and parochial schools at a time when the public schools are starving for additional funding," said Steven Brown, executive director of the Rhode Island ACLU.

Moreover, Brown said, a large share of the beneficiaries will be religious schools. "This is a way for the state to essential-

ly fund religious education, and the ACLU believes it's inappropriate for tax funds or tax breaks to be used for that purpose," he said.

The legislation was, in fact, proposed by the **Rhode Island Catholic Parents Association**, and 59 of the 61 schools currently eligible to benefit from this tax credit are religious.

But Dan Corley, head of Community Prep, in South Providence, one of the two non-religious schools in the program, said that the benefits to the students are much more important than where the school stands on religion.

"I think all education is for the public good, and there are many wonderful citizens who have been educated through Catholic, Jewish and Christian non-Catholic schools," he said.

McGowan also defended the program, saying that it can provide exceptional opportunities to students in need. "To be eligible, a student's family must be at or below 250 percent of the federal poverty level, meaning that a family of three can make no more than \$41,500 per year.

"Being involved, I've had the opportunity to see the education that is being formed in these school environments," she said. "It's phenomenal. There are smaller class sizes, advanced class work and more attention to detail."

And the outcome is often better. At Community Prep, which teaches grades three through eight, 82 percent of the school's college-aged graduates are either in college or have graduated.

But Brown said that he sees "no benefit" to the program.

"It's a wonderful benefit to businesses who want to support private and religious educational institutions, but that's not where the need should be," he said.

He added that the ACLU and RITHP were disappointed that an amendment to the legislation that would have allowed C corporations to receive the credit for donating to public schools did not pass.

"That was very disappointing to us," said James Parisi, field representative for the RITHP. "Even if the tax credits were unnecessary, if they were going to enact them, they should've included public schools as well." ■