



DIOCESE OF MANCHESTER
Superintendent of Schools



January 12, 2017

The Honorable Rick Ladd
House Education Committee
Legislative Office Building, Room 207
Concord, NH 03301

Re: HB 129 (Repealing the Education Tax Credit)

Dear Representative Ladd and members of the House Education Committee:

I write to urge you to report **HB 129**, the legislation to repeal the education tax credit program, as inexpedient to legislate. Providing quality education for our children is the most critical investment we can make for our future, and we urge you to maintain this program.

Under the system adopted in New Hampshire, the education tax credit program allows low- and middle-income students to receive an average of \$2,500 per year if they choose to attend a nonpublic school or a public school outside their district. Home-schooled students may receive scholarships of up to \$625. Businesses fund the scholarships and in return, they receive an 85% tax credit on either the business profits tax or the business enterprise tax.

The education tax credit program is not a public vs. private school issue. Parents should have the opportunity to determine the school that best meets the needs of their children, whether that school is public or private. School choice empowers families to find the best educational environment for each student. Indeed, even within a family, parents may choose a public school as the most appropriate option for one child and a nonpublic school for another child.

According to the New Hampshire Department of Education, the education tax credit program will save money in the short-term. In the long-term, even under the most conservative assumptions, the education tax credit program is projected to impact only a very small portion of state spending on public schools. And although some claim the education tax credit program will have a negative impact on local school district budgets, the expected loss in state aid to local school districts is capped to be small, and the reduced state per-pupil aid will be much less than the cost to educate a student in the public school. So while some students may choose to leave a school district, the district only will lose the state funding that would have been received for those students and not the local property tax to be paid by the parents, leaving the district with the majority of funding for a student no longer in the district's school system.

We urge you to honor the intent of your predecessors, maintain the education tax credit program, allow this initiative to move forward as one method to improve education in New Hampshire, and report HB 129 as inexpedient to legislate. Thank you for your consideration of this testimony and for your service to the people of New Hampshire.

Sincerely,

David A. Thibault
Superintendent of Schools