



STUDY SAYS NEBRASKA COULD SAVE \$51 MILLION

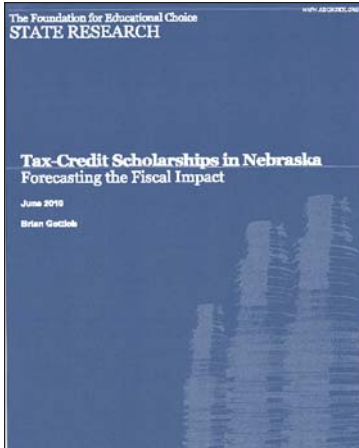
On June 30 of this year, the Foundation for Educational Choice (formerly known as the Friedman Foundation) released **Tax-Credit Scholarships in Nebraska – Forecasting the Fiscal Impact**, compiled and written by the Foundation's Senior Fellow, economist Brian Gottlob.

Using empirical methods and tools of economic analysis, Gottlob finds that Nebraska state government could produce as much as \$51 million in net fiscal savings over a 10-year period with tax-credit scholarship legislation, such as LB 67, which died at the end of the 2010 session of the Nebraska Legislature. That bill proposed a state income-tax credit for donations by individuals and businesses to programs set up specifically to award private-school scholarships to qualifying elementary and secondary school students. Catholic schools would be presumed eligible to accept the scholarships

"After reviewing various programs and implementation scenarios, I estimate substantial (state) savings in the first few years," Gottlob wrote. "Moreover, savings as high as \$51 million could be realized over a ten-year period."

The fiscal analysis is, in part, a follow-up to a 2009 opinion poll commissioned by the Foundation, which found that 55 percent of Nebraska voters support tax-credit-funded scholarships to help families enroll their children in state-approved or accredited private schools. The cost savings are yet

another point that school choice advocates can use in urging state legislators to enact such a policy.



Analysing available data, Gottlob estimates that \$3,155 per student in state aid to public school districts is directly responsive to changes in enrollment levels. Using the maximum tax expenditure (i.e., foregone tax revenue) of \$3 million proposed by LB 67 for the first year, he calculates that the state would break even in relation to its aid payments to public school districts if 951 students statewide transferred from public to private schools.

Of course program design factors, such as income eligibility levels, the amount of each scholarship and the total of available scholarship funding, are key elements for the impact of such a program. The figure of \$51 million in estimated net, 10-year savings is based upon a program design in which 80 percent of

the scholarships, valued at an average of \$1,750 each, would be awarded to students who would transfer from public schools to private schools.

Another significant finding from the study is that a tax-credit-funded scholarship program would provide a net positive fiscal impact for local public-school districts, perhaps \$5 million to \$12 million per year depending on design factors. This savings is due to the finding that variable expenditures at the local level would decline more than all-source revenues. The result would be a net gain of resources for students who remain in public schools.

"In this challenging economic climate, it would be irresponsible of state legislators not to consider a program that could save \$50 million and provide a better dollar-for-dollar value to taxpayers," said Robert Enlow, President of the Foundation for Educational Choice. **"The State wins, taxpayers win, K-12 education wins, and most importantly, parents and students win."**

Copies of the study are available at the foundation website at <http://bit.ly/9NadZM>.

EDUCATORS HONORED



The annual Archbishop's Dinner for Education took place on September 16 in Omaha, with nearly 900 people in attendance.

Each year educators are selected for their professionalism and leadership as well as for their ability to make a difference in the lives of their students. This year's recipients are: **Administrators:** Scott Olson, St. Leonard's School, Madison; Peggy Grennan, St. Margaret Mary School, Omaha; Carolyn Jaworski, Mercy High School, Omaha. **Teachers of the Year:** Father John Hagemann, Mount Michael Benedictine High School, Elkhorn; Laurie Majerus, St. Michael School, Albion; Notre Dame Sister Anita Rolenc, St. Mary School in O'Neill; and Tina Schofield, St. Vincent de Paul School, Omaha. **Inner-City Teachers of the Year:** Sara Jorgensen, Assumption-Guadalupe School, and Patty Rezek, Ss. Peter and Paul School, Omaha.

TEXTBOOK LOAN PROGRAM THREATENED, BUT DECISIONS AWAIT

In July, State Commissioner of Education Roger Breed recommended to the State Board of Education that the textbook-loan program be completely defunded for the upcoming 2011-2013 state budget.

For the current fiscal year, the program is providing \$465,500 for textbooks to be loaned by local public school districts to parents of children enrolled in K-12 private schools. The program is the sole form of state-only funding of educational benefits for private-school students. At its current level, it amounts to about \$12 per student.

In response to that initial recommendation, the three Diocesan Superintendents of Catholic Schools and Jim Stolze, President of the NFCSP, sent a letter to Commissioner Breed requesting a reversal of his action and restoration of funding for the program. In addition, Jeremy

Murphy, the Nebraska Catholic Conference's Associate Director for Education Issues, sent a letter to all eight members of the State Board of Education urging their support for the program. Following this, the Diocesan Superintendents and Mr. Stolze also wrote to each State Board member. Subsequently, at the Board's August meeting, Commissioner Breed announced a new recommendation that textbook-loan funding be reduced by 10 percent, a cut of \$46,650. This would be generally consistent with the directive all state agencies have been given by the Governor to identify a way of reducing their budgets by 10 percent.

At its September meeting, the State Board of Education voted 7-0

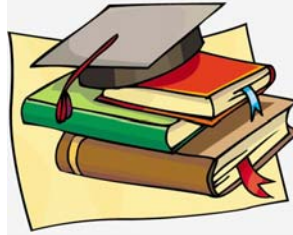
to accept and endorse the revised recommendation.

The Legislature's Education Committee will next weigh in on all education line-items. This will occur prior to the Governor releasing his budget recommendations in January 2011. Subsequently, the

Appropriations Committee and then the full Legislature will make budget decisions.

The chairman of the Legislature's Education Committee, Senator Greg Adams of York,

has warned of the likelihood that entire programs will have to be eliminated in order to achieve a balanced budget, which is required by the state constitution. Stay tuned for more news about the textbook-loan program. Your action might be needed.



US SUPREME COURT REVIEWING SCHOOL CHOICE IN ARIZONA LAW

In May 2010, the U.S. Supreme Court agreed to review Arizona's tax-credit scholarship law. This happened after the Ninth Circuit Court of Appeals, in a split decision with a strong dissent, ruled that the legal challenge to this law could continue in state court. The law has been in existence since 1997. It was upheld by the Arizona State Supreme Court in 1998.

The case involves an Establishment Clause challenge to a program through which taxpayers receive a state tax credit for contributions to student tuition organizations that provide scholarships to students at

private schools.

On August 6, the U.S. Conference of Catholic Bishops, Union of Orthodox Jewish Congregations of America, Christian Legal Society, Council for Christian Colleges and Universities, Center for Arizona Policy, and Association for Biblical Higher Education jointly filed an *amicus* brief in the Supreme Court in support of the Arizona law.

Here is a summary of the argument from the *amicus* brief: "This case involves a state program, religion-neutral in its terms, under which private individuals receive a tax credit for contributing to private student tuition organizations (STOs) that in turn use the money to provide scholar-

ships at private schools of the STOs' choice; families choosing those schools may then apply for the scholarships. At each step, the decision to direct resources toward a particular private school is made by private individuals or private STOs. The program, therefore, is one of 'true private choice, in which government aid reaches religious schools only as a result of the genuine and independent choices of private individuals.' *Zelman v. Simmons-Harris*, 536 U.S. 639, 649 (2002). With respect to such a private-choice program, this Court has repeatedly held that the fact that benefits ultimately reach religious schools creates no Establishment Clause issue. *Id.*; *Zobrest v. See SCHOOL CHOICE, Page 3*



LINCOLN PIUS X MOBILIZES STRONG SUPPORT, WINNING \$500,000 FOR KITCHEN IN KOHL'S CARES CONTEST

Pius X High School in Lincoln recently won \$500,000 in a nationwide contest sponsored by Kohl's Cares, a charitable arm of the Kohl's Department Stores. The company paid that amount to each of the schools that finished in the top 20 of an online voting format using Facebook. Pius X finished fourth in the final, national tabula-

tions, with more than 151,850 votes during the period July 7 through September 3. It was the only Nebraska school to receive enough votes to finish in the top twenty.

Congratulations!

In conformance with the goal of Kohl's Cares to help improve student health and wellness, Pius X will use its prize to help build a new, on-site kitchen facility for its meal program. Currently, meals are prepared at a location more than a hundred yards from the main campus and transported on a daily basis.

Commitment to that purpose, as well as grassroots mobilization by Pius X students, staff, parents and supporters, creative ideas and a persistent spirit helped push Lincoln's Catholic high school into the winners' circle. Efforts included establishing a Facebook group to solicit votes, organizing

outreach to alumni, providing parish bulletin inserts and coordinating cooperation from other schools and entities, particularly in the Lincoln diocese.

Social media, such as Facebook, appear to be here to stay and could become a new and noteworthy, albeit unconventional, tool for helping Catholic schools to raise funds. Earlier this year, Holy Name School in Omaha utilized a website and a new Facebook group to help it meet pressing financial challenges.

SCHOOL CHOICE

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Catalina Foothills School District, 509 U.S. 1 (1993); *Witters v. Dept. of Servs.*, 474 U.S. 481 (1986), *Mueller v. Allen*, 463 U.S. 388 (1983). Nor, as these decisions make clear, does it matter what percentage of the benefits are used at religious schools, since the choices that produce that result are private rather than state action. The court of appeals in this case nevertheless held that the Arizona program violates the Establishment Clause if (as is undisputed) 85 percent of the scholarships available under the program were for places at religious schools. This ruling...disregards every major principle of the true private choice approach articulated from *Mueller* through *Zelman*."

The Supreme Court will hear oral arguments on Nov. 3 for one hour. A final ruling is expected several weeks after that.

The court previously upheld the constitutionality of tax credits in *Mueller v. Allen* and school vouchers in *Zelman vs. Simmons-Harris*.

Scholarship tax credits are now operating in Rhode Island, Florida, Georgia, Indiana, Pennsylvania, and Iowa, as well as Arizona. Oklahoma passed a scholarship-tax-credit law earlier this year.



WATCH FOR...

Information about a special NFCSP event early in 2011!

EDUCATION DEPARTMENT SEEKS TO IMPROVE PARTNERSHIP WITH PRIVATE SCHOOLS



Arne Duncan

In a recent interview with students on NPR's *Talk of the Nation*, U.S. Education Secretary Arne Duncan indicated that he wishes to improve the Education Department's relationship with private schools.

Secretary Duncan said he wants "every single child to have a chance to go to a great school." He said he has been working "very, very closely with national

leadership both from religious-based schools, faith-based schools, as well as from private schools." The Secretary said he wants the Education Department "to be a better partner; ...we want to be a resource. We want to support the hard work that's going on there. And we want to see every single child have a chance. We are finding...some pretty creative ways to better partner and better support the hard work that's going on in faith-based and private schools around the nation."

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EDUCATION AS AN ISSUE IN THE ELECTION

The Nebraska Catholic Conference has distributed surveys to all candidates for Congress, Governor and the State Legislature, asking them to share their positions on a variety of issues, including school choice. Please remember to check the candidates' positions so you can make an informed voting decision. Responses to the NCC's questionnaires will be published in the October 15 edition of *The Catholic Voice* and the October 22 editions the *West Nebraska Register* and *Southern Nebraska Register*. Election Day is less than 30 days away!

