



128 DORRANCE STREET, SUITE 220  
PROVIDENCE, RI 02903  
401.831.7171 (t)  
401.831.7175 (f)  
[www.riaclu.org](http://www.riaclu.org)

**COMMENTS ON H-5397, BUDGET ARTICLE 32 –  
TAX CREDITS FOR CONTRIBUTIONS TO SCHOLARSHIP ORGANIZATIONS  
February 24, 2010**

The ACLU urges your opposition to Article 32, which would double, from \$1 million to \$2 million, the tax credit program for businesses that make donations to “scholarship organizations” that funnel money to private and parochial schools for tuition purposes. At a time when public schools’ budgets across the state are being decimated, and this very same budget proposes to decimate them even more, it is unconscionable to be expanding the aid the state provides to private schools, even if done indirectly through a tax credit.

Some supporters of this program argue that low and middle- income parents need alternatives to poorly-performing public schools. The solution to failing public schools, however, is not to use tax dollars to divert select students to private schools. Doing so undermines the premise of a public school system that serves all, with the support of all, and undermines effort to address the financial crisis that the public schools are facing.

The substantial \$1 million additional allocation for these credits would be much better spent to improve the public schools instead of further depriving them. In short, this is the time for the General Assembly to be reconsidering the propriety of this program, not expanding it.

Finally, a few specific points on the actual implementation of the program in its first three years are worth noting. First, more than half of the eligible \$3 million dollars in credit has gone to *just two* schools – the Jewish Community Day School and the Providence Hebrew Day School, which have received a total of more than \$1.6 million under the program. Second, largely as a result of this, more students benefitting from this aid program come from Zip Code 02906 than any other zip code in the state. We recognize that the aid only goes to families meeting specific income eligibility requirements, but a statistic like this remains quite striking when considering the actual impact of this tax credit program and its benefits. Also of note is that more than 2% of the students who have received aid under the program do not even live in Rhode Island, but reside in Massachusetts.

We therefore urge the Committee to reject Article 32, and to instead seriously consider, in light of the state’s fiscal situation, repealing the program at this time.