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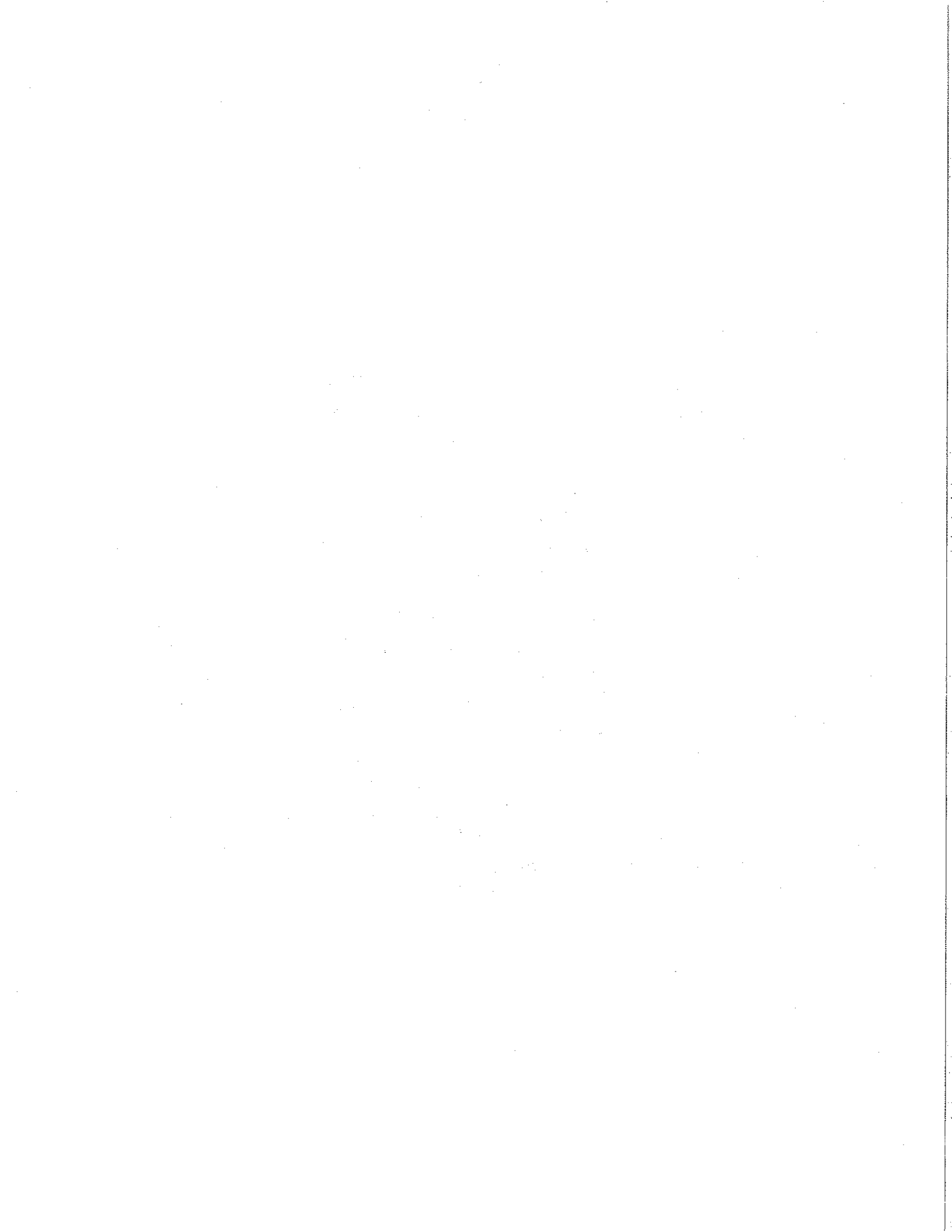
The Board of Directors of Parents Challenge believes parents should be empowered to send their children to the school of their choice regardless of where they live or their family's income. Parents should be able to choose schools based on their child's needs, not their address.

The Board of Parents Challenge believes that the goal of education is to ensure learning through a free society and stable democracy. This goal is better met when all parents are free to choose the school that works best for their children.

Parents Challenge is dedicated to improving academic achievement for all kids, but especially those in low socio-economic circumstances who are performing at alarmingly and unacceptably poor levels. Since parents are the most important educators of, and decision makers for, their children, Parents Challenge informs, motivates, activates, and empowers them to become more engaged in, and have more control over, their children's education. We support and endorse any public policy and/or legislation that will provide parents, especially those of at risk kids, with more educational choice and control.

Parents Challenge  
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Colorado Springs, CO  
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[www.parentschallenge.org](http://www.parentschallenge.org)





# ARCHDIOCESE OF DENVER

February 9, 2009

Re: HB 1195

Dear Committee Members:

I am writing to strongly endorse HB 1195, "Concerning the Creation of an Income Tax Credit for Private School Tuition." The reasons for my endorsement are as follows:

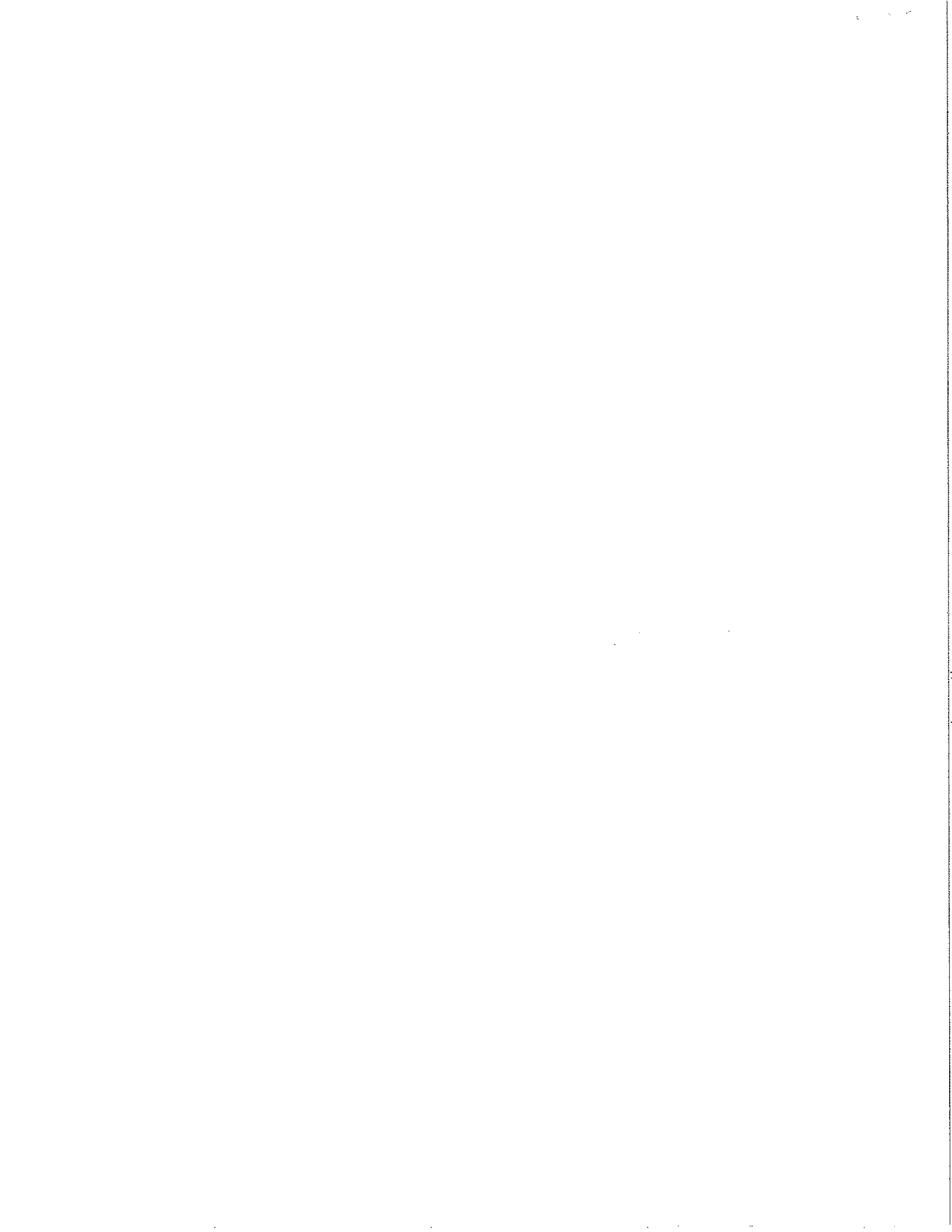
- Research clearly indicates the success that private and Catholic schools have in serving inner city children who have few choices in education. High expectations, community, strong parent involvement, rigorous instruction, uniforms, orderly and nurturing environment, and over 100 years of experience in serving marginalized children all lead to student success.
- Findings from *High School and Beyond* demonstrated that Catholic schools had substantially lower dropout rates and higher holding power than did public schools for students typically at a higher risk of dropping out: students from single-parent families, minority students, or students from low-income families.
- On average, Catholic schools in the Archdiocese of Denver have a 97% graduation rate, including the inner-city schools.
- Research findings reveal that minority students in Catholic schools score significantly higher on achievement tests than their counterparts in public schools, with the differences in test performance increasing in higher grades.
- Research confirms that minority parents choose Catholic schools for their children not only for academic reasons, but also because of the schools' caring environment and discipline. Minority parents also seek an environment that reinforces the values they stress at home. Incorporation into a peer group for which achievement is expected and rewarded is a major reason why many minority parents enroll their children in Catholic schools.
- The Archdiocese of Denver was featured in a national study titled, "Who Will Save America's Urban Catholic Schools?" conducted by the Thomas B. Fordham Institute and published in 2007. They state, "Visits in several (inner-city) schools show they are succeeding and finding ways to overcome many economic and social barriers to education."



- The Hoover Foundation from Stanford University recently cited the following research: “Our results show that private school competition, in addition to raising student achievement, substantially reduced the average spending level of the educational system... Our findings from an international study of 29 countries speak quite clearly. Competition from private schools improves student achievement, and appears to do so for public school as well as private school students. And it produces these benefits while decreasing the total resources devoted to education, as measured by cumulative educational spending per pupil. Under competitive pressures from private schools, the productivity of the school system measured as the ratio between output and input increases by even more than is suggested by looking at educational outcomes alone.”
  
- States receive enormous financial benefits and a substantial contribution to society by Catholic schools’ serving the common good; therefore they should help find ways to allow families to have this option in education.
  
- In no way would such assistance compromise the constitutional separation of Church and state. Rather it guarantees the fundamental right of parents to choose a school that best meets the needs of their children.

Thank you for considering my comments.

Richard Thompson  
Superintendent of Catholic Schools  
Archdiocese of Denver





Colorado  
Legislative  
Council  
Staff

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MEMORANDUM

February 11, 2009

**TO:** Representative Kent Lambert and Senator Greg Brophy  
**FROM:** Natalie Mullis, Chief Economist, (303-866-4778)  
**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1195\_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **HB09-1195**. This fiscal assessment is for the impact of the bill with inclusion of this amendment **only**. Any other added amendment could influence the fiscal impact.

**Summary of Proposed Amendment**

The amendment requires that only one tax credit be given for every child qualified to receive a tax credit. Under the bill as introduced, it would be possible for a child to qualify both his or her parent or guardian and the person from whom he or she received a scholarship.

The amendment also clarifies that once a child qualifies for a tax credit, that child continues to qualify for a tax credit for as long as the child remains enrolled in private school.

**Fiscal Impact of Amendment**

The amendment reduces the impact on state revenue by \$8.7 million in FY 2008-09, \$24.1 million in FY 2009-10, and \$37.2 million in FY 2010-11. The amount by which the state's revenue impact is reduced increases each year until the bill is fully phased-in. The impact on state revenue is reduced by \$148.3 million in FY 2021-22, the year in which the tax credit is fully phased-in. The state revenue impact is reduced because children will no longer qualify both his or her parent or guardian and his or her scholarship benefactor for a tax credit. Only a single tax credit will be granted for each child.

The fiscal note released on February 11, 2009, assumed that a qualifying child will continue to receive a tax credit for the duration of their private school career because the bill as introduced was interpreted by staff to require this. Therefore, this portion of the amendment will not affect the fiscal impact of the bill.

**Bill's Revised Fiscal Impact with Amendment**

Table 1 shows the fiscal impact of the bill as amended by L.001. Revenue to the state's General Fund will be reduced \$31.0 million in FY 2008-09, \$84.2 million in FY 2009-10, and \$126.4 million in FY 2010-11. State expenditures will decrease \$47.2 million in FY 2009-10 and \$84.7 million in FY 2010-11. In the final year of the 13-year phase-in period, state revenue will decrease \$353.9 million, while state expenditures will decrease \$356.8 million. By the end of the phase-in period, the decrease in expenditures will offset the decrease in revenue.

**Table 1. Fiscal Impact Summary of HB 09-1195 As Amended by L.001**

<b>Fiscal Impact Summary</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2021-22 End of Phase-In Pd.</b>
<b>State Revenue</b>				
General Fund - Income Taxes	(\$31.0 mill.)	(\$84.2 mill.)	(\$126.4 mill.)	(\$353.9 mill.)
<b>State Expenditures</b>				
General Fund - School Finance		(\$47.3 mill.)*	(\$84.8 mill.)*	(\$356.8 mill.)*
General Fund - Department of Revenue		\$96,117**	\$63,844	***
<b>FTE Position Change</b>		1.0 FTE	1.5 FTE	***
<b>Local Government Impact:</b> School district expenditures and FTE would decrease.				

\* Although this fiscal note indicates the schools finance savings would occur in the state's General Fund, they could occur in the General Fund, the State Education Fund, or a combination of both.

\*\* Of this amount, \$47,796 may be funded by line item in the FY 2009-10 Long Bill for programming costs in the Department of Revenue for 2009 legislation.

\*\*\* This amount will be determined during the annual appropriation process.



HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chairman of Committee

\_\_\_\_\_  
Date

Committee on Education.

After consideration on the merits, the Committee recommends the following:

HB09-1195 be amended as follows:

- 1 Amend printed bill, page 2, line 18, after "(d)", insert "(I)";
- 2 strike lines 20 through 22 and substitute the following:
- 3 "KINDERGARTEN IN THE STATE BUT SHALL NOT INCLUDE:
- 4 (A) A CHILD ENROLLED IN ANY PRIVATE SCHOOL IN THE STATE FOR
- 5 THE SCHOOL YEAR PRIOR TO THE EFFECTIVE DATE OF THIS SECTION; OR
- 6 (B) A CHILD HOME-SCHOOLED IN THE STATE AS OF THE EFFECTIVE
- 7 DATE OF THIS SECTION.
- 8 (II) ONCE A CHILD IS A QUALIFIED CHILD AS SPECIFIED IN
- 9 SUBPARAGRAPH (I) OF THIS PARAGRAPH (d), THE CHILD WILL REMAIN A
- 10 QUALIFIED CHILD SO LONG AS HE OR SHE REMAINS ENROLLED IN A PRIVATE
- 11 SCHOOL IN THE STATE."
- 12 Page 3, after line 24, insert the following:
- 13 "(e) A PRIVATE SCHOOL SHALL ONLY ISSUE A CREDIT CERTIFICATE
- 14 FOR AN INCOME TAX YEAR TO ONE TAXPAYER PER QUALIFIED CHILD."

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## Net Annual State Fiscal Impact of HB 09-1195 Assuming Varying Percentages of Public School Enrollment Induced to Enroll In Private School Each Year As A Result of the Credit

