



Comments on Student Scholarship Organization and Innovative Educational Program Credits

June 15, 2022

Revenue Interim Committee
Montana Legislature
215 North Sanders
Helena, MT 59620

RE: Public comment on tax credit review

The Montana Budget & Policy Center is a nonprofit organization that provides in-depth research and analysis on tax, budget, and economic policies to promote opportunity and fairness for all Montanans. We strongly oppose the student scholarship organization and the innovative educational program credits and ask that they be repealed to allow the legislature to invest state funds equitably and directly in our public school system.

The school scholarship organization tax credit is a massive tax credit that diverts funding from public to private education. As access to private schools is a barrier to rural students and American Indian students in Montana, this tax credit creates educational equity issues. More than half of our 56 counties do not have any private schools and over two-thirds of the private schools in Montana are in the seven counties with the largest population centers in the state. Within Montana, 94 percent of school districts with American Indian/Alaska Native enrollment of at least 25 percent have no private school options.

The innovative educational program credit has serious consequences for school funding equity in our state. As you know, over two-thirds of the \$1 million in tax credits this year went to Big Sky K-12. The inequities from this kind of influx into one public school are very problematic.

Most importantly, Montana public schools are working. Montana has a high school graduation rate of 87 percent and ranks high academically compared to other states. Montana should invest equitably and directly in our public school system, rather than cutting taxes for wealthy households.

Please repeal the student scholarship organization and the innovative educational program credits.

Thank you for your time and consideration on this matter.

Sincerely,

A handwritten signature in cursive that reads "Rose Bender".

Rose Bender
Deputy Director of Research
Montana Budget & Policy Center