

May 13, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Senate Majority Leader McConnell, Minority Leader Schumer, and House Minority Leader McCarthy:

Thank you for your leadership during the COVID-19 pandemic and for the K-12 education provisions included in the CARES Act, particularly the discretionary funding for governors and the inclusion of equitable services for private school teachers and students. For millions of K-12 students, the closures resulting from this pandemic have all but eliminated critical classroom instruction time and many of these students will not be prepared to advance to the next grade. Moreover, states will be under immense pressure to ensure all students have access to quality educational opportunities. With COVID-19 impacting public *and* private schools across the country, we believe that an additional and strategic K-12 investment – in both appropriations and tax policy – is essential.

The education groups recently submitted a \$200 billion COVID-19 response funding request for public schools. While we agree that additional education funding will be necessary, we believe Congress must ensure funding serves *all* schools, teachers, families and students impacted by COVID-19 in public and private schools alike. We believe there must be dedicated funding and tax policy changes to prevent massive non-public school closures.

Thousands of private schools and nearly two million private school families require assistance as a result of COVID-19. According to the most recent figures released by the [National Center for Education Statistics](#), 5.75 million students attended 34,580 private schools across the country in 2015-16, which is 10 percent of the nation's students and almost 25 percent of total schools. Private schools do not receive state formula-driven funding like public schools, but instead rely almost exclusively on family tuition payments and philanthropy. Approximately 30% of families with students enrolled in private school have an income of less than \$75,000. Many private schools are committed to serving these families and keep tuition low by streamlining operations and relying upon donations. With many families suddenly facing unexpected and immense financial challenges and income loss, they may not be able to make remaining tuition payments this year and are already communicating that their children will not return to private institutions in the fall. As a result, an alarming number of private schools face the prospect of closure and students will face abrupt learning disruptions as they are forced to transfer to public school environments in the fall.

Private school closures would be devastating for families, students and communities. It will be equally devastating, financially, for public school districts. A strategic federal investment will help prevent a flood of students from private schools into districts that are already

projecting major budget shortfalls. States and districts will face an unbearable financial burden if current private school students transferred into public schools in significant numbers. With a national average per-pupil amount of spending for public elementary and secondary education of \$13,094 and 5.75 million private school students, private schools are currently saving the public school system \$75.3 billion annually. If private schools are shuttered because families aren't paying tuition for an extended period of time, the increase of public education expenditures for millions of new students coming back into the district systems would be staggering. **If 20 percent of private school students have to be reabsorbed into the public system, it would [cost the public system roughly \\$15 billion](#).**

Additionally, at a time when state budgets are being stretched due to the COVID-19 crisis, states should be encouraged to immediately broaden educational options for families so they have greater access to private, virtual, charter and homeschooling options. For example, there are nearly two million available private school seats throughout the country and most of these schools can successfully educate students for 75 percent of the average per pupil expenditure in traditional public schools. Providing a scholarship or Education Savings Account for a small percentage of current public school students would save states billions of dollars.

Parents who want to keep their children in the school of their choice are uncertain about their own financial futures and need assurances of direct aid for tuition now. Private schools are making decisions now if they have the enrollment to stay open. We suggest implementing policies that result in immediate and direct aid to families. With the public school community requesting at least \$200 billion, we believe that an equitable portion of any new federal funding must include tuition payment relief to families in private schools. In response to these concerns, we submit the following ideas to consider for inclusion in the next COVID-19 relief package:

Equitable services: We request that language in future stimulus proposals continue to ensure that education funds and resources purchased with federal funds are shared equitably with the private school community, similar to the Every Student Succeeds Act and Individuals with Disabilities Education Act. The CARES Act is an emergency relief fund, and rightly provided equitable services to all private schools. We request that all schools, public and private, impacted by this national emergency continue to have equal access to any additional emergency K12 education funding.

Tax policy: We support consideration of both temporary and long-term tax policy changes to provide support for families' education expenses, including K-12 tuition, and to encourage long-term philanthropic aid:

Temporary education tax credit – Provide families with a 50% tax credit on K-12 private school tuition for tax years 2019 and 2020.

Temporary charitable tax deduction – Allow parents an above the line tax deduction by designating K-12 private school tuition payments as a contribution to a non-profit. As the 2019 tax deadline has been extended, this deduction or credit could even apply to last year for an immediate savings for families. The deduction or credit could be means-tested.

Immediate Relief and Longer Term Tax Credit Policy – Modify the existing Education Freedom Scholarships legislation to include a one-time emergency grant for states to use for tuition scholarships to address the immediate needs of distressed private

school families. The grant amount, per state, could be tied to ESEA Title IIA calculations. States receiving these emergency grants would continue the scholarship programs beginning in 2021, funded by corporate and individual contributions to in-state, non-profit scholarship granting organizations, for which they would receive a federal tax credit. The scholarships could be used for an array of educational options, including private school tuition, online courses, tutoring, career and technical education.

Allow **529 accounts** to be utilized for K-12 homeschooling and other educational expenses.

ESAs or microgrants: We support making federal education funding for children portable. With continued uncertainty ahead, direct, portable aid could offer parents the resources they need to ensure continuity and make up for learning losses that could carry over into the next school year. Families should have access to funding through means-tested **Education Savings Accounts (ESAs)** or emergency **micro-grants** to supplement the costs of educating their child at home, assist families in need with tools and technology to support distance learning, and to provide compensatory educational services due to the disrupted school year. **We support providing federal ESAs or microgrants to families up to the income level included in the CARES Act.** The ESAs or microgrants could be provided through a newly created mechanism or through existing mechanisms (e.g., via electronic benefits transfer cards used for SNAP benefits).

Many of these initiatives could be funded by setting aside 10 percent of any new federal COVID-19 relief funding provided to public schools. This percentage would be consistent with the overall population of private vs. public students in the country. Also, with continued uncertainty ahead, it is important to pair any one-time direct aid with a comprehensive, sustainable parental choice program.

We all agree that all of our nation's children deserve access to a quality education. As the country responds to COVID-19 and prepares for the 2020-21 school year, we look forward to working with you to preserve and strengthen educational opportunities for all students.

Sincerely,

ACE Scholarships (Colorado, Houston, Louisiana, Montana, Wyoming, Kansas City, and Arkansas)

Agudath Israel of America

Alabama Opportunity Scholarship Fund

Alaska Policy Forum

American Federation for Children

Association of Christian Schools International

BISON Children's Scholarship Fund (Buffalo and Western NY)

Council for American Private Education

California Policy Center

Cardinal Institute for WV Policy

Center of the American Experiment

CEO Foundation of Connecticut

Children's Scholarship Fund - National

Children's Scholarship Fund - New York

Children's Scholarship Fund - New Hampshire

Children's Scholarship Fund - Omaha
Children's Scholarship Fund - Oregon
Civitas Institute
Commonwealth Foundation
EdChoice
Empower Mississippi
Freedom Foundation of Minnesota
Independence Institute
Institute for Quality Education Indiana
Iowa Alliance and Advocates for Choice in Education
Kansas Policy Institute
Mackinac Center for Public Policy
Mississippi Center for Public Policy
National Catholic Educational Association
Nevada Action for School Options
Nevada Policy Research Institute
Palmetto Promise Institute
Parents for Educational Freedom in North Carolina
Pioneer Institute
Power 2 Parent
School Choice Ohio
School Choice Wisconsin
Seeds of Hope (Denver, CO)
Step Up for Students
Texas Public Policy Foundation
The BASIC Fund (Bay Area, CA)
The Buckeye Institute
Thomas Jefferson Institute for Public Policy
Today and Tomorrow Foundation (St. Louis, MO)
Tri-County scholarship Fund from Patterson, New Jersey
United States Conference of Catholic Bishops
Washington Policy Center
Wisconsin Institute for Law & Liberty
Yankee Institute for Public Policy

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