

THE FRAUD OF GOP TAX AND SCHOOL CHOICE POLICY SHOWN IN ARIZONA



h/t to RonaldCorwin.com

Last May, I had the privilege of getting to know the Sidney Hillman Foundation when I was in New York with Marcy Wheeler to see her receive the Hillman Prize. One of the announcements at the May ceremony was an expansion of Hillman Foundation activities to include, in addition to the yearly Grand Prizes, a monthly award, known as "The Sidney," for outstanding progressive journalism and an ongoing blog, Full Court Press, featuring press writers and critics Charles Kaiser and Sydney Schanberg.

Here I want to draw attention to the August winner of Hillman's "The Sidney", an investigative series by Ryan Gabrielson and Michelle Reese in the East Valley Tribune Newspaper, from metropolitan Phoenix, about taxpayer subsidized school tuition credit abuse in Arizona. One of the constant refrains emanating from the conservative right is "school choice" and, of course, their standard refrain on tax policy. Both areas are flimsy fronts for class warfare and further unjust enrichment of the already privileged. Gabrielson and Reese have exposed a dirty example of this particular area of the GOP mantra.

In the mid to late 1990s, a group of dogmatic conservative Republican leaders, led by Arizona Congressman Trent Franks and a leading GOP school reform and voucher advocate, Lisa Graham Keegan, saw an opportunity to implement some of the pet school reform projects of national conservative Republican think tanks in the Arizona school system as test cases. The results were as predictable as they are bleak:

The state's Private School Tuition Tax Credits program covers the cost of private education, often for children whose parents could afford to pay it themselves – while allowing affluent families to reduce the amount of income tax they pay into the state's general fund.

To date, Arizona's main bank account has lost \$350 million to private schools. The price tag is growing as the state grapples with the most serious financial crisis in its history, and people who depend on the general fund – public school children, the disabled, the poor and the sick – face severe cuts in services.

Under the program, taxpayers give money to nonprofit charities called school tuition organizations, or STOs for short. STOs give scholarships to children for private school tuition, and the state provides donors a dollar-for-dollar tax credit in exchange for their contribution.

The tax credit law, signed by Gov. Fife Symington in 1997, is touted as a tool to make private education more accessible to families who could not otherwise afford it.

Instead, it has fostered a rigged system that keeps private education a privilege for the already privileged.

The full investigative series is in several parts, long and in depth, including multimedia and charts, data etc.; if this is a subject you are interested in, have at it. If you just want the basic gist though, this lead article from the series relates the situation quite nicely and is well worth the read.

As a glaring example of what this Republican gilding of the wealthy lilly has produced, the

authors cite the case of a Phoenix suburban pair of married attorneys:

Only God and the health of loved ones rank higher with Beth and Doug Fitch than an elite education for their two boys.

The \$20,000-a-year cost is exorbitant, Beth said, even though the Fitches are both personal injury attorneys and own an Ahwatukee Foothills home valued at a half-million dollars, Maricopa County property records show. But the Fitches haven't had to worry about the bill.

Arizona has paid the price.

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"I understand that there is quite a dispute as to whether this is something that should continue in Arizona," Beth said of private school tax credits. But she feels justified in soliciting donors for her kids, even though she and her husband were paying the bill themselves before tapping into tax credits. "My two children would have fallen through the cracks at a public school."

The Fitches are both very successful long time attorneys living in not just an affluent, but exclusive, mountain suburb. They live near the best elementary and high schools in the Kyrene School District, a national and state award winning school district perennially rated among the very elite in the entire state of Arizona. Yet Ms. Fitch thinks public schools, even some of the best in the state, are just not good enough for her children; if they were to attend public schools they would "fall through the cracks".

The state of Arizona has lost over \$350 million dollars in desperately needed revenue in order to support this type of attitude. My daughter has been in public schools since her first day of kindergarten, just started high school, and

is doing just fine academically and socially, thank you very much. She has not fallen through any "cracks".

Now, as the East Valley Tribune notes, there are a few instances of the Arizona Private School Tax Credit Program actually being applied for legitimate purposes but, by far, the vast majority is lost to the unjust enrichment of the wealthy and privileged. The benefit of the wealthy and powerful few, to the detriment of the many. This in a state that is in such dire financial straits it is literally selling its state capitol buildings to raise cash:

It is an indicator both of the depth of the fiscal crisis facing states and the extraordinary lengths to which they will go to try to avoid steep tax increases.

In Arizona, the sales could put between \$350 million and \$700 million into state coffers this year – but it's a quick fix. The state would pay between \$60 million and \$70 million to lease back many of the properties, meaning the transactions will cost taxpayers more in the long run.

"It just shows how deeply the recession really has affected state finances," says Todd Haggerty, a research analyst with the National Conference of State Legislatures.

"Desperate times call for desperate measures," adds Linda Lopez, the Democratic House minority whip from Tucson.

It seems that \$350 million given away almost exclusively to wealthy parents of private school children might have come in handy since it looks to be about the exact amount Arizona is going to net from selling off its state capitol, state parks and historical properties. Tragic symmetry. Who could have predicted?

But were it that was the only instance of conservative Republican pet policy blight on the Arizona school system. There is more; much more. Arizona was also the test bed for another of the conservative Republican educational memes, charter schools. Arizona, again under the direction of the same national Republican education reform experts and think tanks described above, enacted the broadest and most comprehensive charter school program in the country. And how did that work out? Not so well.

Although there are many quite good charter schools, many have been rife with mismanagement, fraud, scandals and the oversight by the state has been lax at best. But the worst part is, for all the diversion of money and resources from Arizona public schools, Arizona charter schools are significantly underperforming compared to Arizona public schools (Report from the Stanford University study [here](#)).

This is what happens when conservative Republicans put their charming policies into action, the rich win and the people and the states lose; it is not a bug, it is a feature. Republicans constantly tout themselves as the party putting "money back in the taxpayer's pockets"; just keep in mind whose pockets they are really talking about, because in practice it is only the pockets of the wealthy, powerful and privileged. Our public school systems should not be weakened by such class warfare and redistribution of public wealth.