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## Senate Finance Committee

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### MEMORANDUM

TO: Senator John Matthews  
Senator Wes Hayes  
Senator Danny Verdin  
Senator Joel Lourie

DATE: March 14, 2013

FROM: Senator Hugh K. Leatherman, Sr., Chairman

SUBJECT: S279 Special Subcommittee

S279, a bill filed by Senator Larry Grooms and others, has been assigned to the Senate Finance Committee. This bill offers a state individual income tax deduction to families who choose to home school their children. Additionally, this bill offers a state individual income tax deduction for families of children who choose to attend an independent school. Further, the bill offers a tax deduction for transportation costs when a family chooses to send a child to a public school district other than their resident district. Finally, S279 allows corporations or individuals to donate to a non-profit organization whose purpose is to underwrite scholarships for students who qualify for free or reduced lunch or who are defined as exceptional; the student uses the scholarship to attend an independent school while the corporation or individual in turn receives a credit on various state taxes owed.

I think you will agree with me that the measures set forth in S279 represent a dramatic change in school funding policy in South Carolina. Much political posturing has transpired over the past several years regarding the subject of "school choice." However, my 33 years of experience in the General Assembly has taught me that political rhetoric and theoretical assumptions seldom lead to sound policy making. That is why I am asking each of you to serve on a special subcommittee to thoroughly examine all aspects of the implications of S279 for all students and families in South Carolina and report results to the members of the Senate Finance Committee.

All of us approach policy issues with preconceived notions and prejudices. Fortunately, the deliberative process that is characteristic of the South Carolina State Senate tempers our preconceptions and leads us to an outcome of more informed decision making. The deliberative process begins by listening to citizens. As such, I would request that you conduct multiple hearings across the state, specifically soliciting the input of affected parents and students, the SC Association of Independent Schools, SC Association of Christian Schools, SC Association of Independent Home Schools, SCEA, Palmetto Teachers Association, SC Association of School Administrators, SC School Boards Association and any others who wish to offer input.

MEMORANDUM

March 14, 2013

Page Two

Further, the deliberative process seeks experts who obtain facts related to specific issues. The policy issue of "school choice" is rife with studies espousing either virtues or pitfalls, and the perspective is usually clouded by the source of funding for each specific study. So, I would challenge you to seek independent experts who offer recommendations based solely on facts, not on theories.

The State's educational goal is to set the general parameters and properly fund a system that results in educated citizens who can function and flourish in the 21st century. S279 sets out several new policies in the form of tax deductions and credits that attempt to induce behavior that ultimately leads to greater educational attainment for all students in South Carolina. Your mission is to discern whether the tax deductions and credits in S279 achieve those goals.

As Senator Hayes serves the Finance Committee as Chairman of the Budget Subcommittee responsible for our K-12 education budget, it is appropriate to assign him as Chairman of this special subcommittee.

Thank you for your willingness to serve on this subcommittee whose mission is vitally important to the future of our state.

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