

DISCUSSION PAPER FOR REGINA HIGH SCHOOL DADS CLUB

Situation: Parents of *parochial* high school students pay property tax, sales tax and income tax so the State of Michigan can spend \$7,300 per year for each student in a *public* high school. Therefore, thanks to those paying tuition to Regina, the State saves \$7,300 for each Saddlelite and the parents are essentially paying twice.

Premise: Regina's tuition could be "cheaper" and available to more parents: a) if contributed funds to Regina increased, thus covering more of the operating expenses; b) if some or all of the tuition could be designated as a charitable donation and written off one's income taxes; or c) if a tuition tax credit were available for income tax purposes. An excellent op-ed piece is at: <http://www.mackinac.org/article.aspx?ID=9128>

What I have learned so far:

- Regina doesn't aggressively solicit donations from local parishes. Interestingly, Lutheran High School North receives such support ("assessments") from their associate churches so that tuition is reduced \$770-\$2,700 per year depending on the church that the student is a member of.
- Given Regina's independent status, the Archdiocese of Detroit doesn't directly contribute monies to Regina. However, as a result of *Stewards of Tomorrow* Campaign and the establishment of an Archdiocesan Endowment, the A of D extends \$700 tuition assistance grants to qualifying Catholic families with high school students.
- The Mackinac Center for Public Policy drafted a detailed report on a *Universal Tuition Tax Credit*, with recommendation to amend the Michigan Constitution to provide for an income tax credit for private school tuition. They claim it would save Michigan \$3.4 billion over 10 years in educational funding. Their report is available via: <http://www.mackinac.org/article.aspx?ID=1054>
- The Archdiocese of Detroit is a member of the Michigan Association of Non-public Schools (MANS) and Michigan Catholic Conference (MCC). Although both groups are legislative advocates for parental choice, vouchers and tuition tax credits, they believe it is "nearly impossible" to procure parochial school tuition assistance from the State with this Governor and this economic climate. The biggest roadblock is the Michigan Constitution, which they claim is "the most severe prohibition on aid to non-public schools in the nation".
- The IRS provides college tuition credits (Hope and Lifetime Learning) for one's federal income tax, but the likelihood of expanding that to include parochial high school tuition would be low: <http://news.cpamerica.org/mclean/taxupdate.asp?a=828>
- To hold further tuition increases:
 - ✓ **Consider making Regina your charitable priority.** This will assist Regina's operating budget and depending on your tax bracket, you should expect to get 30-cents back for every dollar donated.
 - ✓ **Pledge, and get others to pledge, to the Capital Campaign.** This will help Regina pay off its renovation debt and grow the endowment fund, allowing the school to keep tuition hikes at bay. Again, 30-cents of tax relief for every dollar donated.
 - ✓ **Consider planned gifts of cash, securities, personal property, life insurance and bequests to Regina** – secure the future of the only all-girls Catholic school on the eastside. There are many planned giving opportunities to not only benefit Regina, but help your family too.