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Children's Scholarship Fund

TESTIMONY

by the

CHILDREN'S SCHOLARSHIP FUND

Darla M. Romfo, President & Chief Operating Officer

to the

NEW YORK STATE SENATE FINANCE & ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT HEARING ON THE 2016-17 EXECUTIVE BUDGET – REVENUE & TAXES

TUESDAY, FEBRUARY 2, 2016

Supporting Governor Cuomo's & Legislature's Education Scholarship Tax Credit Proposals

My name is **Darla Romfo**, and I am the President and Chief Operating Officer of the Children's Scholarship Fund (CSF), the largest K-8 scholarship program in New York State. I was previously Legislative Director and Counsel to the Minority Whip, then-U.S. Sen. John Breaux of Louisiana, and served as Legislative Director and Tax Counsel for then-U.S. Sen. Kent Conrad of North Dakota, working closely with both senators in their roles on the Senate Finance Committee.

With me today in support of passing the Education Scholarship Tax Credit into law are:

- **Derrell Bradford**, Executive Director of the New York Coalition for Achievement Now (NYCAN), which supports a variety of education reform initiatives to improve student learning and achievement.
- **Raesha Cartegena**, a parent of a scholarship student currently enrolled at the Saint Athanasius School in the Bronx.
- **Jessica Madio**, who is the Academic Dean at the Saint Athanasius School in the Bronx and can speak to the school-wide positive impact that scholarship opportunities have for students from high-needs communities.
- **Kimberly Walch**, who is currently a sophomore majoring in criminal justice at the College of Saint Rose in Albany, and a former scholarship recipient.
- **Soula Adam**, mother of Harry Adam, a CSF Scholar currently in the sixth grade at St. Demetrios Greek-American School in Astoria, Queens, and

- **Sara Libeyeme**, mother of two children who have used CSF scholarships to attend St. Charles Borromeo School in Harlem. Farida is currently a fourth grader at St. Charles and Fawzane is a freshman at St. Raymond High School for Boys in the Bronx.

Any questions you may have can, of course, be directed at any one of us here.

CSF also is part of the “InvestinED” Coalition, which comprises more than 100 organizations representing community-based, non-profit education service providers, organized labor, business groups, high-needs communities and religious entities.

CHILDREN’S SCHOLARSHIP FUND SUPPORTS THE EDUCATION TAX CREDIT

We applaud Governor Andrew Cuomo’s inclusion of the Education Scholarship Tax Credit in his 2016-17 Executive Budget, and the State Senate for passing tax credit legislation (S.1976-A) last month on a bipartisan majority vote (47-15). We also are encouraged at the bi-partisan support for the Education Tax Credit bill (A.2551) in the State Assembly.

The Education Scholarship Tax Credit would be a “win-win” for education in New York. It would use the tax code to generate millions of dollars in new charitable donations to help school children and teachers, including non-profit entities that provide educational programming, and organizations that provide scholarships to children from low-income and working-class families.

It also should be noted that the Education Scholarship Tax Credit is about the educational benefits it would bring thousands more children throughout the state, both in terms of educational opportunity and longer-term income equality. This legislation would expand CSF’s ability to reach more needy families, and that of other scholarship organizations to do the same.

Inclusion of this proposal in the final state budget would have no fiscal impact in the 2016-17 state financial plan, and a modest one after that, beginning in 2017-18. But for families, the benefits would be lifesaving – a chance to bring educational quality and choice within reach for their children. We are talking about families that cannot afford private or religious education, or to move to a nice suburban school district.

It’s as simple as that. This is not about “hedge fund billionaires;” and it takes nothing from any other program area. Rather, the Education Scholarship Tax Credit would redistribute wealth from donors of every income level to lower-income scholarship recipients. Further, this proposal would *add* resources to public education, and not preclude the legislature from adding to the governor’s school aid proposal.

As we have seen from the successes of CSF alumni, access for children from low-income families to private and parochial schools through privately funded scholarships is a “game-changer” for their future. This tax credit will empower more low-income and working families to provide the education that best meets their children’s needs and puts them on the path to success.

HISTORY & MISSION OF CHILDREN'S SCHOLARSHIP FUND

The Children's Scholarship Fund was founded in 1998, and is currently chaired by Mike McCurry, former press secretary to President Bill Clinton and Senator Daniel Patrick Moynihan. The Fund provides partial scholarships to low-income families so their children can attend the K-8 schools that best meet their needs, regardless of their ability to pay or where they live.

CSF is an independent, non-profit, non-sectarian organization. It is not affiliated with any religious denomination. It is the decision of the parent(s) or guardian(s) of the student as to where they will send their child to school with the scholarship award.

Since its inception nearly 18 years ago, CSF and its partner programs across the country have awarded scholarships worth \$654 million to 152,000 children nationwide, including more than 28,000 New York City students. This school year, more than 8,400 students are using CSF New York scholarships at 190 schools throughout New York City. In addition, our Buffalo partner, BISON Children's Scholarship Fund, is serving nearly 2,000 children this year in the eight-county western New York region. The average household income of the scholarship recipients in New York is just over \$32,000, and more than 80 percent of the children we serve are Black or Latino. A large number of our CSF Scholars are raised by single mothers and grandparents.

As an example of our impact, we recently surveyed alumni who graduated from eighth grade four years ago in 2011. We heard back from 78 percent of the class and found that 94 percent graduated on time this past June and 90 percent are now enrolled in college.

While we help support over 8,400 children in the City, it is a fraction of what we could be doing if the Education Scholarship Tax Credit is passed. There are thousands more children we could help put on the path to graduation and much better life outcomes.

REACHING CHILDREN IN NEED: HOW THE SCHOLARSHIP PROGRAM WORKS

The final point I wish to make is about the mechanics of a non-profit scholarship program, specifically, how it works, and how we reach the thousands of children that we help annually.

Families apply to us for scholarships by filling out a simple application form at the same time they are applying to a school. Eligible children must be in kindergarten through eighth grade. Most of our families in New York live close to or below the federal poverty line. We verify the family's need by asking them to provide their income information, whether that's a tax return or a budget letter and statement from their employer. The scholarship is awarded to the family and also would remain with the child if they want to switch schools.

Each scholarship is calculated on a sliding scale; depending on a family's size and income, they receive 15 percent, 25 percent, 50 percent or 75 percent of the tuition based on guidelines used by the National School Lunch program.

To illustrate the high demand for scholarships, when we advertised our first round of 2,500 scholarships in New York in 1999, we received 168,000 applications, *representing nearly one-*

third (32 percent) of the eligible population. Demand continues to outpace available charitable support. If the Education Scholarship Tax Credit passes, we could afford to offer scholarships to many more needy families who want to give their children a better start in life.

As the largest K-8 scholarship organization in New York City, we have long-standing relationships with schools and community organizations that help us with outreach to potential scholarship families in every corner of the City. We have employed a multi-pronged approach to gathering applications, working with organizations and institutions including, but not limited to, YMCAs, Boys and Girls Clubs, community centers, local churches, and weekly community newspapers. We have also run Public Service Announcements on local television and radio. And of course, many families find us online through our website (www.ScholarshipFund.org), which includes details on how to apply for scholarship assistance.

Adoption of the Education Scholarship Tax Credit would further the opportunity to offer more scholarships across the state.

CONCLUSION

In conclusion, I want to add that our scholarship families have the same desire as affluent families who can move to a good public school district or afford a private or parochial school. They recognize that providing their children with a quality education puts them on the path to future success and security.

The Education Scholarship Tax Credit is a real opportunity for more families to have and keep their children *today* in the schools that best meet their needs, improving their odds of graduating high school and going on to live fulfilling lives, which will in turn improve the future for all New Yorkers.

Thank you for your time today.