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# New York State Catholic Conference

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## Testimony

of the

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representing the

New York State Catholic Conference

regarding the

2015 - 2016

Elementary and Secondary Education Budget

Presented by

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## Introduction

We are grateful for this opportunity to comment on Governor Andrew Cuomo's budget proposals related to elementary and secondary education. For more than 200 years, the state's Catholic schools have been providing an outstanding education to thousands of our state's children, many of whom are not Catholic. Especially in our inner-cities, Catholic schools continue to help bring children out of poverty. As you know, however, parents are increasingly unable to shoulder the dual burden of taxes to support public school while paying tuition to support the education of their own children. The decline in enrollment and the resulting closing of Catholic schools over the decades is no surprise. The resulting cost to taxpayers however, should alarm everyone.

Just since 2010, more than 75 Catholic schools across the state were forced to shut down. While the displaced children are provided access to neighboring Catholic schools, experience shows us that only roughly 50 percent of families take advantage of this opportunity, resulting in a significant number of children enrolling in the costly and already over-burdened public school system. The shift of enrollment from private to public schools over the last 15 years has increased the cost to taxpayers by nearly **\$3 billion** annually. Unless more is done to support the education of children in religious and independent schools, this trend will continue to exacerbate the burden on taxpayers.

First, let me discuss the **Education Investment Tax Credit** proposal.

Catholic schools, like many good public schools, have been instrumental in moving hundreds of thousands out of poverty, many from immigrant populations and communities of color. But if our schools are to continue being a part of addressing New York's inequality of resources and opportunities, we must work together to meet the fiscal challenges that threaten their very existence.

Faith-based and other independent schools are disappearing at an alarming rate. The Archdiocese of New York alone was forced to close approximately 60 schools in the last four years. Another ten schools closed in Buffalo last year. As Bishop Malone noted in an Op/Ed in the Buffalo News last year; "when Catholic schools close, the impact is far-reaching. Lives are disrupted. Families need to find another school for their children – hopefully another Catholic school. Teachers and staff lose their jobs and, as you know, taxpayers pay a bundle more, unnecessarily, to educate children in public schools."

Demand for Catholic schools remains strong, but working and middle class families throughout the state are finding it increasingly difficult to pay even the modest tuition that we must charge and this, in turn, restricts our ability to serve poor families. It is well known that our Catholic schools serve many non-Catholic families; our reach and service goes well beyond the Catholic community. If more low-income and minority families had access to scholarships, especially families who are desperate for successful schools, then we'd be filling seats in our under-used schools rather than consolidating our buildings. This restructuring will only restrict our ability to serve the broader community.

Our public schools also continue to face considerable financial challenges – but these challenges are not new. In fact, numerous school districts a number of years ago launched their own fund-raising arms to encourage charitable donations to support important programming in their schools. But as we can attest, the current tax deduction for such donations is simply insufficient as an incentive to drive the level of private sector resources that could otherwise be invested into education.

The Education Tax Credit legislation helps address needs for both public schools and tuition-paying families. It is this balanced approach that explains why the Governor and the overwhelming number of lawmakers support the measure. Similar legislation has been enacted in other states with great success.

The Education Tax Credit was first proposed in this state 21 years ago, with several iterations introduced in the legislature over those years. This year, there are three nearly identical versions being considered. The Senate has passed its version four times, with very strong bi-partisan support. The Assembly version is supported by an overwhelming majority of Assembly members. The Governor's proposal, which closely mirrors the Assembly version, is included in the Governor's Executive Budget.

The measure provides a tax credit for individuals or businesses making a donation to private scholarship organizations or public schools; local education funds established to support public schools, and to non-profit organizations providing educational programs in public schools.

Opponents of this measure are simply ignoring reality when they argue that this proposal will diminish public school funding. On the contrary, this measure will only increase overall funding to public schools. Adopting the Education Tax Credit will ensure that public schools get an additional and on-going source of revenue. Moreover, teachers, who spend their own money for necessary classroom supplies, will benefit from a personal tax credit for those expenses.

Families who enroll their children in religious and independent schools desperately need and deserve your help. Public schools, likewise, need and deserve your help. The Education Tax Credit proposal is a balanced and fair way to do both. If this proposal had already been law, we are convinced that many of those schools forced to close would be successfully educating students today. So I ask you, how many more fine schools must we lose? We thank you for your support of this measure and urge you to include it within the final state budget.

#### **Mandated Services and Comprehensive Attendance Policy (CAP) Reimbursement:**

The Governor's recommended appropriations under the Mandated Services Reimbursement program (including CAP) are positive developments in resolving the state's delinquency in reimbursement that has adversely affected our schools for a decade. While we appreciate last year's \$16 million appropriation as an initial payment on prior-year CAP debt, as well as the Governor's recommended \$16,768,000 as a second payment on that debt, the State Education Department (SED) continues to use a contrived formula for reimbursing our schools for their CAP expenses – ignoring enacted budget language for the last three years.

In the 2012-2013 and 2013-2014 State Budgets, you and Governor Cuomo were good enough to enact language to require SED to produce an analysis of the state's obligation under the program and to require the restoration of the original CAP reimbursement formula (which reflects actual costs) beginning with the 2013-14 fiscal year (2011-12 school-year expenses). The agreement, in effect, calls for the state's CAP obligations thereafter to be calculated based on the original reimbursement parameters used to generate the initial CAP claims for reimbursement (2005-06 school year / 2007-08 SFY). It is presumed that the department's CAP obligations for the preceding school years will be calculated based on the department's "efficiency" parameters. Unfortunately, that agreement has yet to be put into effect.

We estimate that under the agreement, the state's prior-year CAP obligation is approximately \$145 million and that current annual CAP expenses are approximately \$61 million. If the original formula were applied to the prior-year debt, the state's obligation to our schools would approach \$320 million. As a result of the state's delinquency, our schools have been forced to raise tuition to fill the gap. Tragically, many schools had to close because our families could not bear the increased burden.

The responsibility for this growing debt falls squarely on the staff of the State Education Department, who in 2007 erred in estimating the actual costs under the program. Moreover, they have yet to officially calculate their obligation to our schools under the 40-year old Mandated Services statute as required by the last three enacted state budgets.

This year offers a unique opportunity for lawmakers to easily address not only the state's prior-year obligations under the program, but to reinstate the formula that reflects the actual costs incurred by our schools. Specifically, we ask that you to:

- enact language that will reiterate the agreement enacted in the 2012-13 state budget to restore the original CAP formula and require SED to produce an analysis of its obligations;
- increase the annual CAP appropriation from the recommended \$47.4 million to \$61 million in order to keep the debt from growing further and to ensure that current year claims can be fully reimbursed; and
- increase the prior-year debt payment beyond the Governor's recommended \$16,768,000 in order to accelerate the satisfaction of the state's obligation under the program.

#### **Health, Safety and Security of our Schools:**

We are grateful to you and Governor Cuomo for providing \$4.5 million in safety equipment funds each of the last two years and are grateful for the Governor's continued funding of this initiative in his Executive Budget. These funds are critically important in assisting our schools with needed safety and security measures.

The horrific shooting in Newtown, Connecticut, remains as a startling reminder to all of us that senseless violence can occur at any school. We thank the State Senate for initiating these critically important funds and applaud the Governor and Assembly for their continued support. We urge you to adopt the Governor's recommended appropriation.

#### **Smart Schools Bond Initiative:**

The religious and independent school community believes that the Smart Schools Bond Act, enacted last year and approved by voters on November 4, lacks sufficient provisions to ensure that our students will benefit from an equitable share of technology funding. It appears that the only guarantee for the religious and independent school community is that our parents will be expected to shoulder an equal portion of the long-term debt burden on the bond -- without any guarantee that their children or their schools will benefit. We assume that this was not the intent of lawmakers.

Specifically, public schools would be able to use the funds for four purposes: pre-kindergarten classrooms; additional classrooms for overcrowded schools; school security measures; and technology upgrades. Religious and independent schools, on the other hand, would benefit from just technology upgrades if, and only if, their respective public school district chooses to spend bond funds on technology. The act contains no requirement that districts spend their respective grants on technology. There would be a natural inclination for school districts to spend bond funds on long-term capital needs and use their own operating funds on technology, especially knowing that by doing so, they could avoid sharing any of the funds with religious and independent schools.

Moreover, even if ALL public schools spent their bond funds on technology and the equitable per-pupil amount for each and every district reaches the \$250 maximum per pupil allowed under the statute, this would generate only \$122 million of the \$2 billion for religious and independent schools. This comprises only 6 percent of bond revenues despite the fact that our students comprise 13.4 percent of the state's student population.

We ask that you work with the Governor and State Education Department to determine the maximum allowable per pupil allocation, based on each respective district's allocation, and require districts to set aside the religious and independent school portion for technology upgrades. The *set-aside* requirement would most easily be accomplished by incorporating it into the approval process for the "Smart Schools Investment Plans" submitted by each district. You could also add the set-aside requirement through language used to appropriate bonds funds.

Even though such a set-aside falls short of being equitable, it would ensure that our students and teachers will benefit from the bond act regardless of how districts choose to spend their portion of the funds. Without such a guaranteed set-aside, we are confident that most of our schools would receive little, if any benefit, leaving our parents paying an even greater disproportionate share of the bond debt.

**Nursing Services:** An increasing number of children have acute and chronic health problems that require the daily attention and care of professional school nurses. Yet the shortage of school nurses leaves school administrators and teachers in the untenable position of having to respond to health emergencies and manage chronic health problems. School administrators and teachers are not health professionals and simply cannot and should not be forced to manage and respond to their students' asthma, diabetes, food allergies and other health conditions.

In some cases, these health conditions can be life-threatening. A child who ingests or is otherwise exposed to a food allergen, for instance, can experience anaphylaxis and die without the timely and professional administration of an epi-pen injection. An asthmatic student can easily experience respiratory distress requiring the administration of nebulized medication. Typical playground, athletic and even classroom accidents and injuries often require immediate professional medical attention.

The protracted nursing shortage is well documented. The shortage of school nurses is due, in large measure, to inadequate pay. In some cases, the salary of school bus drivers and custodial employees exceeds that of school nurses. For parents, as well as for the school staff to whom children have been entrusted, there is nothing more important than the health and safety of their children. It is simply unconscionable to put the lives and well-being of children at risk. We urge the Governor and Legislature to ensure that a full-time nurse is available for every public, independent and religious school that needs one.

**Energy Efficiency and Capital Improvements:** Advances in technology and construction techniques enable our schools to be healthier, safer, more accessible and more energy efficient than ever before. This not only benefits the students, teachers and administrators who occupy school buildings every day, but also benefit utility rate payers and the community at large. Public schools are able to finance these projects with their local tax levy authority coupled with state building aid. Religious and independent students, teachers and administrators are no less deserving of the highest quality facilities, yet these schools do not have the same means to finance such projects. We urge you to appropriate seed money that would enable religious and independent schools to initiate these worthy projects.

**Academic Intervention Services:** Currently only \$922,000 is appropriated annually to independent and religious schools to implement the Academic Intervention Services (AIS) regulations promulgated by the Board of Regents – far below the \$20 million that is needed. Without adequate funding now, these at-risk children may easily fall behind even more - thus requiring more expensive academic interventions later. AIS funding should be increased so that, like public schools, our schools are able to provide these services to our children who are most in need.

**Transportation:** Next to their ability to afford tuition, the second most common challenge faced by parents in enrolling their children in religious or independent schools is their ability to have their children transported to school. When parents are denied their choice of a religious or an independent school because transportation services are not available, are unreasonable or are unreliable, the burden on taxpayers increases as more of these children are enrolled in public schools. It makes financial sense to enable more parents to enroll their children in religious and independent schools and thus we strongly urge the following: (1) Restore 90 percent state reimbursement of school district costs of transporting religious and independent school students; (2) increase the maximum distance school districts are required to transport children to school from 15 to 25 miles; (3) allow parents the option to pay for the cost of transportation beyond 25 miles; (4) ensure that transportation is provided for schools with disparate schedules and calendars – and not denied to religious and independent schools when public schools are closed or when they make mid-year calendar changes; and (5) require small city school districts to transport children up to the maximum mileage limit rather than city limits.

**Teacher Training and Mentoring:** The Regents have mandated 87.5 hours of continuing education every five years for certified teachers employed by independent and religious schools. In addition, the regulations of the Board of Regents require new teachers to obtain a mentoring experience in their first year of employment. Despite the difficult fiscal situation, it is imperative that we provide the means for all teachers to obtain and maintain the highest level of professional competence. We urge you to include \$10 million in Mandated Services Aid to reimburse independent and religious schools for their expenses in providing the mandated continuing education to certified teachers and \$5 million in funding to reimburse schools for their expenses in mentoring new teachers.

**Learning Technology Grants:** The Governor proposes \$3.3 million for Learning Technology grants. The limited funding for this valuable program, however, serves only 50 school districts along with their independent and religious school partners. We strongly urge you to increase the appropriation to a level sufficient to enable all needy schools to benefit from this program.