



New York State Catholic Conference

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Testimony
of the
New York State Catholic Conference
presented by
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regarding the
2018 - 2019
Elementary and Secondary Education Budget

Hearing Room B
Legislative Office Building
Albany, N.Y.

January 31, 2018

Introduction

Quality education is fundamental in ensuring a promising future for our children, families, communities and our economy. 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. Parents, however, are finding it increasingly difficult to shoulder the dual burden of taxes to support public schools 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. Little attention, however, has been paid to the added cost to taxpayers.

While the Catholic Bishops are continuously forced to make the extraordinarily difficult decisions to close Catholic schools, it must be noted that no Catholic school has closed due to academic failure. This is something that cannot be said about either traditional public or charter schools. Nor have our schools been closed due to lack of desire on the part of parents to enroll their children. The loss of Catholic schools in New York State comes down entirely to the rising costs and the inability of parents to pay the increasing tuition needed to meet those costs. This has been a tragedy for the state, for the parents of those children who are enrolled and those who wish they could be, and for the children themselves.

More than 75 Catholic schools across the state were forced to close in the past seven years. More than 300 have closed in the last 20 years. Most of the displaced students then enroll in the already over-burdened public school system at a far greater cost to taxpayers. The shift of enrollment from private to public schools over the last 20 years has increased the cost to taxpayers by more than **\$2 billion - each and every year!** Unless something meaningful is done to support the education of children in religious and independent schools, this trend will continue to exacerbate the burden on taxpayers. But even more importantly, more and more children will be denied the opportunity to escape poverty and have a brighter future that the remarkable success of Catholic schools offers.

Like many good public schools, Catholic schools have been instrumental in moving hundreds of thousands of children out of poverty, many from immigrant populations and communities of color. It is well known that our Catholic schools serve many non-Catholic families; our reach and service goes well beyond the Catholic community. Our ability to serve poor families and the broader community with a quality education depends on the ability of low-income and minority families to access scholarships. These families are desperate for successful schools, knowing that a quality education for their children is the means to a prosperous future.

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. The good news is that you have the opportunity to do something about it, without hurting any other children or any other schools. All it takes is the political will to act.

Helping Tuition-paying Families:

For decades, New York State, like most states and the federal government, has been providing financial assistance to help students and families pay for college through an array of programs ranging from scholarships, grants, interest-free loans, tax exemptions and deductions for college savings plans, and even free tuition offered through the Excelsior Scholarship Program. Although tuition assistance

programs have long enabled students to attend the public or private college of their choice, no such program is available for New York's families struggling with tuition at the elementary and secondary level. Although demand for our schools remains strong, working and middle class families too often cannot afford even the modest tuition that we must charge – and there are long waiting lists for the limited number of scholarships that can be offered.

Most recently, the federal Tax Cut and Jobs Act **expanded 529 plans** to allow funds to be used for K-12 tuition. 529 plans were enacted in 1996 to help families pay for college by ensuring that the earnings on the funds in the accounts are not subject to federal income tax. Many states, including New York, enhanced the tax benefit, going above and beyond the federal government by changing their state tax laws to allow contributions to 529 accounts to be deductible on state income taxes. However, New York will likely need to change its tax law again to ensure that withdrawals for K-12 tuition are not subject to New York State income tax. According to the New York State Department of Taxation and Finance, in its “preliminary” report on the federal tax changes:

It appears that distributions [from 529 accounts] for K-12 tuition expenses would not be considered qualified distributions under New York statutes ... [and] would trigger the recapture of any [state] tax benefits that had accrued on contributions.

If parents are going to take advantage of the federal law and use funds from a 529 account for K-12 tuition, New York State, in effect will likely **penalize** by requiring families to not only pay back the tax on the amount that was deducted when computing their state income taxes, but they will likely also have to pay state income tax on any earnings. This could more than offset any federal tax advantage they accrued and result in even greater costs to families.

We urge you to ensure that families are not penalized when taking advantage of the expanded federal 529 Plans and that they can obtain the full tax benefits of 529 accounts for K-12 tuition that are and have been available to families for college tuition for 20 years.

Education Affordability Act: This 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. The measure also provides a credit directly to families for their educational expenses, including tuition. 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 Affordability Act 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.

Similar programs exist in more than half the states and the District of Columbia with great success. New York has fallen behind while lawmakers in other states have enacted programs to help **all** children regardless of whether they go to school. Like those in public schools, the families who enroll their children in religious and independent schools desperately need and deserve your help. The Education Affordability Act proposal is a balanced and fair way to do both. If this proposal had already been law, many of those schools which were forced to close would be successfully educating students today. We urge you to include Education Affordability Act within the final state budget.

Mandated Services and Comprehensive Attendance Policy (CAP) Reimbursement: Although the Executive provides a 3 percent increase in funding for both MSR and CAP, many schools continue to face *an average 4 percent cut* because part of the *instructional time formula* has yet to be restored. The Executive Budget maintains language, first enacted in 2016, to continue the historical practice of reimbursing schools based on the instructional hours of the day (5 hours for grades K-6 and 5.5 hours for grades 7-12). The proposed budget, however, does NOT restore the other component of the instructional time formula, namely the number of instructional days in the year.

We are grateful to the legislature for not only including both components of the instructional time formula in your respective one-house budget proposals last year, but also for passing separate legislation to codify the 40-year old formula in statute. Had Governor Cuomo not vetoed this legislation, schools would be able to benefit from the proposed 3 percent increase announced by the Governor two weeks ago. Without restoring the full formula, many schools will see a cut in aid that will have to be passed on to families.

In addition, the Governor eliminates \$7 million you appropriated last year to reimburse schools in the cities of Buffalo, Rochester and New York City for their actual costs in complying with the state *immunization program*. For the safety and health of these children, these funds must be restored.

Further, the Executive Budget re-appropriates \$60 million to close the *two-year lag* in CAP reimbursement. Because the annual amount needed for CAP reimbursement exceeds \$75 million, this re-appropriation is at least \$15 million short of what is needed.

We respectfully urge you and the Governor to permanently restore the complete instructional time formula and ensure that sufficient funds are appropriated to close the two-year lag in reimbursement as required by statute.

State Office of Religious and Independent Schools (SORIS): \$2 million was appropriated in 2016-17 to support the critical staffing needs in the office and to fund important initiatives for schools. The Executive Budget continues only \$800,000 into the 2018-19 fiscal year. We urge you to reinstate the entire \$2 million to ensure that there is sufficient staff to address the unacceptable backlog of work; to implement state- and federally-funded programs, as well as oversee the “substantial equivalency” of religious and independent schools.

Professional Development; Article VII language: The SED and the Commissioner’s Advisory Council for Nonpublic Schools have developed and are implementing a plan to expend approximately \$650,000 in federal Title IIa funds, on an annual basis, to support the professional development of nonpublic school principals and teachers. One part of the plan calls for graduate level courses to be offered through the state’s institutions of higher education. To that end, SED has established a Memorandum of Understanding (MOU) with the City University of New York and will seek to do so with the State University of New York – both “sister agencies” of SED. We respectfully urge the inclusion of Article VII language in this year’s budget to permit SED to establish a comparable MOU with the Commission on Independent Colleges and University so that course offerings at New York’s independent colleges are likewise available to nonpublic school principals and teachers.

Health, Safety, Security and Capital Needs: We are grateful to you and Governor Cuomo for providing \$15 million in health, safety and security funds and for the flexibility to support an array of activities addressing health, safety, and security needs. However, school buildings have many critically important capital needs that simply cannot be met. We urge lawmakers to provide an additional \$5 million as well as flexibility needed under the current program to support critical repairs and improvements to school buildings and sites that, when completed, will protect the school building from deterioration, enhance the delivery of educational programs, and improve the health and safety of the students, staff and general public who utilize our school buildings.

STEM: The Governor recommends continuing the \$5 million appropriation to support Science, Technology, Engineering, and Math education in our schools. We are grateful to you and the Governor for initiating this important program and urge additional funds to allow the program to meet demands.

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 or are unreasonable or are unreliable, the burden on taxpayers increases as more of these children are forced to enroll in public schools.

Moreover, disparate school districts calendars result in fragmented transportation services. This problem will be exasperated if lawmakers provide districts with additional flexibility in meeting their minimum instructional time requirements. We strongly urge the following: (1) Restore 90 percent state reimbursement of school district costs of transporting religious and independent school students; (2) require transportation to be provided by 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; (3) require small city school districts to transport children up to the maximum mileage limit rather than city limits; (4) increase the maximum distance school districts are required to transport children to school from 15 to 25 miles; and (5) allow parents the option to pay for the cost of transportation beyond 25 miles.

Smart School Bond Act: The Executive re-appropriates \$25 million from 2017-18 to address inequities in the implementation of the Smart Schools Bond Act. However, \$25 million is insufficient to cover the inequities under just New York City’s plan, let alone other district plans. Students in a number of the state’s religious and independent schools are being denied an equitable share of the portion of bond funds that their respective school district chooses to devote to classroom technology. We urge you to include sufficient funds necessary to rectify this inequity to ensure that students in our schools benefit from an equitable share of **all** classroom technology and connectivity devices.

Energy Efficiency: Schools consume significant amounts of energy which adds to the cost of education. Advances in energy technology enable schools to be more energy efficient than ever before -- benefiting not only students, teachers and administrators who occupy school buildings every day, but also all 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 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.

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. 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 you to include sufficient funding to ensure that a full-time nurse is available for every public, independent and religious school.

Teacher Training and Mentoring: The mandated continuing education for certified teachers and school leaders is essential to maintaining high quality academic programs, to meet the growing needs of students, and to keep pace with developments in standards, assessments, technology, and other programs. We urge you to include \$10 million for teacher and leader professional development in religious and independent schools.

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, 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.

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 more needy schools to benefit from this program.

Other Critical Programs, Services and Mandates: The Executive Budget includes a number of new and expanded initiatives as well as mandates intended to benefit or serve students. These include but are not limited to programs in:

- Gang Prevention;
- After School services;
- Early Childhood Pre-K;
- School Nutrition
- Advance Placement (courses and fees); and
- Computer Science (Smart Start).

We urge additional funding and corresponding language to ensure that **all** students, regardless of where they attend school, benefit from these important programs and that mandates are fully funding.