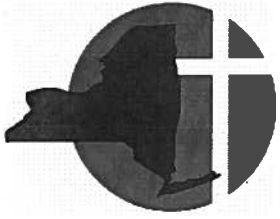


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Testimony
of the
New York State Catholic Conference
regarding the
2014 - 2015
Elementary and Secondary Education Budget

Presented by

Most Reverend Richard J. Malone
Bishop of the Roman Catholic Diocese of Buffalo

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

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Introduction

Good afternoon. Chairman DeFrancisco, Chairman Farrell, Chairman Flanagan, Chairwoman Nolan and honorable members, my name is Richard Malone, Bishop of the Roman Catholic Diocese of Buffalo. I speak today on behalf of Cardinal Timothy Dolan, our brother Bishops and the more than quarter million students, parents, teachers, and administrators who comprise the Catholic school community across the state. Joining me is Jim Cultrara, Director for Education at the NYS Catholic Conference.

We are grateful for this opportunity to comment on Governor Andrew Cuomo's budget proposals related to elementary and secondary education. Though my written testimony contains a number of areas of great importance, including the need to satisfy the state's long-overdue reimbursement of mandated expenses and for continued school safety funding, I will limit my oral comments to two areas, namely the Education Investment Tax Credit proposal and the proposed Smart Schools bond initiative.

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

Like many good public schools, Catholic 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.

It is not news to you that faith-based 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. In Buffalo, we have just announced the closure of another ten schools. As I noted in an Op Ed in the Buffalo News last week, 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.

While the demand for Catholic schools remains strong, 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.

As you heard from each of the witnesses that preceded me today, 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.

There is an easy solution: the Education Investment Tax Credit legislation. The measure not only would make additional funds available for scholarships to low- and middle-income families, it would provide an equal benefit to public schools and their teachers. I think it is this balanced approach that explains the overwhelming support of lawmakers. Similar legislation has been enacted in other states with great success.

As you know, the measure provides a dollar-for-dollar state tax credit for any person or business that makes a donation to public schools or private scholarship organizations. It also provides a tax credit for individuals and business contributing directly to local education funds established to support public schools, and donations to pre-kindergarten programs and non-profit organizations providing educational programs in public schools.

The few 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. In addition to the sizable increase in funding to public schools that is expected in the final state budget, we have no doubt that the final budget will also include significant tax relief measures. Including the Education Investment Tax Credit among those tax relief measures 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.

The families who enroll their children in religious and independent schools need and deserve your help. Public schools, likewise, need and deserve your help. The Education Investment Tax Credit proposal is a balanced and fair way to do both. If this proposal had already been law, I am convinced we wouldn't be closing ten schools in June. 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.

Let me turn to the Governor's proposed **Smart Schools Bond Initiative**:

We expect all students, regardless of where they attend school, to not only be prepared for college and/or careers but to be competitive with their counterparts around the world. This is why all students are included in the state's computer hardware aid and learning technology grant programs as well as the federal *Enhancing Education through Technology* program (Title IId). However, the federal Title IId program is no longer funded and the state's computer and technology aid programs are insufficient to address the learning technology and assessments demands of the Common Core learning and assessment standards.

The Governor's \$2 billion *Smart Schools* bond initiative, which requires legislative and then voter approval, provides a crucial investment in the technology needs of schools but it is critical that it apply to all children in all schools – not just those in public schools. The families who enroll their children in religious and independent schools will be required to pay a share of the debt incurred in supporting this bond initiative and if we are to encourage our families to vote for this bond issue, it would be important to ensure that it applies equally to all children.

While this concludes my oral remarks, we offer additional comments in our written testimony. Be assured of our continuing prayers to each of you as you set about to address the needs of all God's children. Thank you for your time and we would be happy to address any questions you may have.

Mandated Services and Comprehensive Attendance Policy (CAP) Reimbursement:

Let me reiterate our profound gratitude to you for the agreement you reached to begin to resolve the long-standing MSR / CAP debt owed to our schools. The agreement, as embodied in the 2012-2013 and 2013-2014 State Budgets, required SED to produce an analysis of the state's obligation under the program. The enacted budget also required the restoration of the original CAP reimbursement formula beginning with the 2013-14 fiscal year (2011-12 school-year expenses). Specifically, the agreement calls for CAP expenses henceforth 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.

The department, however, has yet to produce its final analysis but its April 2011 analysis allows us to reasonably project the state's unmet obligations to be approximately \$195 million for CAP and \$30 million for MSR – a total of approximately \$225 million in delinquent reimbursement.

As you know, the Governor's 2014-15 Executive Budget proposes a total in MSR and CAP appropriations of \$142,793,000 representing a total increase of \$5,228,000, or 3.8 percent over last year. The appropriations are broken as follows:

- \$97,589,000 – for Mandated Services Reimbursement, an increase of \$3,573,000.
- \$45,204,000– for CAP Reimbursement, an increase of \$1,655,000.

The Governor's recommended appropriation for CAP, however, is approximately \$15 million short of what the restored CAP formula would generate this year. While providing a modest increase in funding, the proposal still allows the state's debt to religious and independent schools to grow by approximately \$15 million. The shortfall in reimbursement must be made up by tuition-paying families which is unfair and unacceptable.

Accordingly, we urge you to:

- increase the CAP appropriation to \$59 million in order to keep the debt from growing further and to ensure that current year claims can be fully reimbursed; and
- appropriate additional funds to begin the longer-term process of satisfying the state's unmet obligation of \$225 million for prior-year expenses.

Health, Safety and Security of our Schools: We are grateful to you and Governor Cuomo for providing \$4.5 million in safety equipment funds in last year's budget to assist our schools with needed safety and security measures. The State Education Department has just initiated the application process and we are eager to utilize these funds.

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 we applaud Governor Cuomo for recommending continued funding at \$4.5 million in his Executive Budget. We urge you to adopt his recommended appropriation.

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, both nationally and in New York State. 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.