

League of Women Voters
New York Civil Liberties Union
Reform Jewish Voice of New York State
New York State AFL-CIO
NYS United Teachers
NYS Association of School Business Officials
School Administrators Association of NYS
Rural Schools Association of New York State
Fiscal Policy Institute
New York State School Boards Association
NYS PTA
Alliance for Quality Education
NYS Council for School Superintendents
Council of School Supervisors and Administrators
CSEA
Citizen's Budget Commission

Barbara Bartoletti (518) 469-8905
Jennifer Carning (212) 607-3363
Barbara Zaron (518) 456-5241
Darcy Wells (518) 436-8516
Carl Korn (518) 213-6000
Michael Borges (518) 434-2281
Jim Viola (518) 782-0600
David A. Little (518) 888-4598
Ronald Deutsch (518) 786-3156
David Albert (518) 783-3716
Rick Longhurst (518) 452-8808
Jasmine Gripper (518) 432-5315
Terry Pratt (518) 694-4874
Mark Cannizzaro (917) 968-1872
Stephen Madarasz (518) 257-1270
Carol Kellermann (212) 279-2605

PRESS RELEASE

For immediate release:
Monday, March 9, 2015

**CIVIC GROUPS, LEGISLATORS AND PUBLIC EDUCATION ADVOCATES CALL ON LEGISLATURE
TO REJECT DIVERSION OF PUBLIC EDUCATION DOLLARS**

(Albany, NY) Civic groups, Legislators, public education advocates and labor organizations gathered at the Capitol today to oppose creating a new tax credit that would divert limited public resources to private and religious schools and further widen income inequality by reducing the taxes of wealthy individuals and corporations.

Budget legislation proposed by the Governor would authorize up to \$300 million in tax credits over three years that would be awarded to applicants with sufficient sophistication and resources to undertake the application process on a timely basis.

While the Governor's proposal and the Assembly bill cap the tax credit at 75% of a contributor's tax liability or up to \$1 million per calendar year, whichever is less, the process of applying for the credit is restricted to only those donors with the ability to advance resources and navigate the lengthy contribution process.

Current law already allows for tax deductible contributions to charitable educational organizations, like religious and charter schools that are accessible to taxpayers. A tax deduction reduces one's taxable income, akin to the standard deduction or mortgage deduction, whereas a tax credit erases tax liability, and can be rolled over to erase tax liability in the following year if the credit exceeds taxes owed for the donation year.

Well-funded lobbyists are aggressively seeking this tax subsidy at a time when more than half of public schools are still receiving less state aid in 2014 than they did in 2008; when there is a shortfall of more than \$1 billion in Gap Elimination Adjustments (GEA) related to public school funding; and when the state still owes nearly \$5 billion in foundation aid to school districts, as promised after the resolution of the Campaign for Fiscal Equality (CFE) lawsuit.

At a time when school leaders are struggling to provide a sound basic education to their students, it is unfair to reward well-resourced educational entrepreneurs who can already take a tax deduction for their contributions with another windfall.

Given the state's limited resources and billions in funds still owed to public schools, it is bad public policy to divert hundreds of millions of dollars of public funds to private and charter schools that have virtually no public scrutiny or public input on how that money is spent.

Robert Reidy, Executive Director of the New York State Council of School Superintendents said, "With free public schools – which serve all children – struggling to maintain basic programs for students, it is impossible to justify giving away precious state revenues to private and parochial schools, which serve a private constituency. Worse yet, there is no evidence this scheme will even expand aid to the children in those private schools; it will simply provide a tax break for the individuals who already donate to them."

Mark Cannizzaro, Executive Vice President, Council of School Supervisors and Administrators said, "Public school students are New York State's best resource, yet billions in state funds are still owed to public schools. The Education Tax Credit would divert hundreds of millions of dollars to schools that mainly serve a private constituency creating a larger disparity in educational opportunity. The Council of School Supervisors and Administrators, CSA, opposes this new tax credit and expects legislators to prioritize funding for schools most in need of resources. Funding for public education should be distributed equitably and not provide an avenue of extra state tax relief for high income investors."

"Public education has long been the great equalizer in our society," said **CSEA President Danny Donohue**. "A private and parochial school tax credit will undermine that and further divide people."

"The proposed education tax credit creates a costly, unnecessary enhanced subsidy for private education for which there is no valid public policy rationale. Benefactors of education charities should continue to enjoy the same tax benefits available for all other charitable contributions," said **Carol Kellermann, President of the Citizen's Budget Commission**.

Assemblywoman Ellen Jaffee said, "Public Education is a constitutionally mandated function of state government, obligated to serve all children, whereas private education is a personal choice. I deeply respect the right of all families to educate their children as they deem appropriate. However, we must properly support our public schools and services that serve our communities. We cannot continue to cut services from our public schools, many of which are already dipping into reserves, especially while we ask those schools and students to raise standards and meet higher expectations. This program is simply another way for the state to subsidize private education by allowing individuals and corporations to reduce their tax bills by sending what they would otherwise owe in taxes, to a foundation or educational scholarship organization that turns the money into a private school voucher!"

Assemblywoman Lifton said, "Many of the issues we deal with in Albany are complicated. For me, this issue of the education tax credit is very uncomplicated. If there was one core motivating principle behind the founding of our country, it was separation of church and state. While I find some support acceptable -- for transportation and textbooks for instance -- this proposal is essentially vouchers for private schools, some 90-95% of which are religious schools. The education tax credit crosses a bright line that would allow an individual New Yorker to direct public money to a religious school of their choice. For me, this is unacceptable public policy for the state of New York."

"At a time when the state has continuously failed to fund public schools at levels ordered by the Court of Appeals in litigation initiated by the Campaign for Fiscal Equity more than a decade ago, New York simply cannot afford to drain millions of dollars from the state's general revenue fund to benefit privately operated schools," said **Barbara Bartoletti, Legislative Director for the League of Women Voters of New York State**.

"The Reform Jewish Movement has historically expressed its deep commitment to public education as a cornerstone of the American democratic process and opposed using public funds for non-public elementary and secondary schools, believing that such aid would infringe the separation of church and state and have damaging impact on public schools. Consistent with this historical position, Reform Jewish Voice of New York State (RJV) the Reform

Movement's social justice advocate in New York affirms its support and commitment to public education and urges the rejection of any consideration of the Education Incentive Tax Credit either in the budget or through stand alone legislation" said **Barbara Zaron, co-chair of Reform Jewish Voice of New York State.**

"Education is the foundation for future success for both New York's children and our state's financial well-being. Transferring tax dollars to private schools undermines both. It also violates the foundational principle that bars the government from endorsing religion," said **New York Civil Liberties Union Executive Director Donna Lieberman.**

New York State AFL-CIO President Mario Cilento said, "Our state is already failing to send school districts the resources they need, and the result is a huge disparity in educational opportunity between the richest and poorest districts. This has only been exacerbated by the property tax cap and charter school proliferation. New York's children and their parents simply cannot afford a program that misdirects hundreds of millions of tax dollars that could be used to support public education and other services. We should be investing in public schools, and all of their students, parents and teachers, not creating a tax break giveaway for the wealthy."

"Igualdad en el systema educativo para todos los niños (Equality in the education system for all the children)," said **Myrna Palacios, Parent from Make the Road NY.**

"Our public schools are chronically underfunded," said **NYSUT Executive Vice President Andrew Pallotta.** "We shouldn't be diverting already scarce resources into what is nothing more than a tax-giveaway to the rich. The Legislature should reject this misguided Education Investment Tax Credit – which is set up, by the way, to favor the rich and the well-connected – and instead ensure that public funds benefit public education, and be used to provide the resources that all kids need to succeed."

"Education tax credits are a tax avoidance gimmick for the fiscally savvy and do little to help underperforming schools or their struggling students. The public funds diverted to this constitutionally questionable scheme, would be better spent helping those underperforming schools and all the struggling students in them instead of a select few," stated **Michael J. Borges, Executive Director of the NYS Association of School Business Officials.**

"The Education Investment Tax Credit is simply a vehicle for the wealthy to fund charter and private schools while getting a tax break for doing so. It will deprive the state of revenues in favor of the fortunate few, and at the expense of the many," said **Kevin Casey, Executive Director of School Administrators Association of NYS.**

Rural Schools Association of New York State Executive Director David Little said, "New York State claims an inability to adequately fund its public schools, leading to its damning of children who are unlucky enough to live where the state chooses not to fund the schools, to a life of poverty. If you can't afford to fund your school system, you certainly can't afford to fund others."

"This bill is not only bad tax policy it has become one of the major political footballs of the budget session. The Governor not only links the passage of the Education Tax Credit to the DREAM Act, in his 30 day amendments he significantly ups the ante by linking and holding hostage the entire Tuition Assistance Program (TAP) appropriation until he gets what he wants. This is a new low even by Albany standards," said **Ron Deutsch, Executive Director of the Fiscal Policy Institute.** "Given the enormity of the tax credit relative to a normal charitable contribution, this bill will potentially have the unintended consequence of lessening charitable giving in other important areas for the very children it purports to help."

"New York's primary obligation is to adequately fund its public school districts. When you look across the state, there are great disparities in district financial resources. The state needs to remedy that situation before it provides tax incentives for those who have the means to pay first and wait for a tax break later," said **Timothy G. Kremer, executive director of the New York State School Boards Association.**

Rick Longhurst, Executive Administrator of NYS PTA said, "PTA has two primary concerns: 1. We fear that tax credit costs would divert money from State support of public schools when the state has yet to honor nearly \$6 billion in past commitments to schools. 2. We want our elected and appointed representatives, not individuals and corporations who make large donations, to make decisions about who gets education funding, how much, and what funding is used for."

"New York's schools are in fiscal distress due to the lack of adequate state funding," said **Jasmine Gripper, Statewide Education Advocate for the Alliance for Quality Education**. "Instead of using public dollars for a tax credit to wealthy donors, legislators need to prioritize funding for public schools through a fair and equitable formula to ensure that all students have access to a sound basic education."

###