

**TESTIMONY REGARDING  
THE 2012-13 ELEMENTARY AND SECONDARY EDUCATION BUDGET**

**SHAI FRANKLIN  
EXECUTIVE DIRECTOR**

**THE EDUCATIONAL ALLIANCE FOR CHILDREN IN NEW YORK STATE, INC.  
"TEACH-NYS"**

**ALBANY, NEW YORK  
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Good afternoon, Chairman DeFrancisco, Chairman Farrell, Chairman Flanigan, Chairwoman Nolan and honorable Members of the Senate and Assembly. I am privileged to represent the Educational Alliance for Children in New York State, a coalition of community associations and schools in support of fairness and reasonable relief for the 500,000 non-public schools students, their families and schools. While comprising 15 percent of our State's schoolchildren, this sector currently receives significantly less than one percent of the New York State spending on elementary and secondary education.

My first duty is to express our appreciation to the leaders and the membership of the Senate and Assembly, and to Governor Cuomo, for last month's Extraordinary Session which enacted an exemption from the MTA Payroll Tax for all schools, non-public as well as public. Beyond the actual dollar amount, which no school can afford to ignore, was the significant symbolism: That all New York State schoolchildren deserve should be treated equally when it comes to burdens and fair share imposed by the State.

**MANDATED SERVICES**

Governor Cuomo's new Executive Budget provided us with a second measure of relief, by fully funding Mandated Services Reimbursement (MSR) going forward – a \$13 million increase up to \$90 million annually. We urge both the Senate and the Assembly to adopt this further measure of fairness, in line with what the New York State Education Department has already agreed that it should be paying.

We also look forward to a process by which the State can begin paying back the shortfall from preceding years, and to bringing the Comprehensive Attendance Policy (CAP) reimbursements up to a level that reflects schools' actual costs of compliance. Schools' actual costs for complying with the CAP mandate have been \$60 million annually, which corresponds to the

State's original formula for calculating reimbursement. The new Executive Budget maintains the previous \$26 million for CAP reimbursements statewide – a \$34 million shortfall.

Fully funded, MSR and CAP should add up to over \$152 million each year. The total outstanding debt owed to non-public schools for MSR and CAP combined is approximately \$350 million, and the CAP portion of this debt will continue to grow as long as the reimbursement formula is not corrected. The two-year lag in CAP reimbursement imposes an additional burden on non-public schools that must rely on their own resources to meet payroll and other costs.

### **SPECIAL EDUCATION**

State regulations for the reimbursement of special education services represent another area where it is important to ensure that parents can continue to secure suitable placement for their special-needs children. Just as non-public schools save school districts significant dollars off of what it would cost to educate the same children in the public schools, private special education facilities are generally competitive with public options. Further, in many cases the public system is not even equipped to meet the particular need or the volume of cases.

Shortening the statute of limitations for claims to six months, in the middle of a current school year, would effectively disqualify eligible and deserving petitions. A far better modification would be to shorten the reimbursement cycle, so that parents and private institutions – which run on a current cash basis – need not wait two years to get reimbursed for the funds they have already expended. These parents must navigate the bureaucracy on their own, even as they care for children with challenges that are often daunting and consuming.

### **EQUAL ACCESS, EQUAL OPPORTUNITY**

Non-public schools are fully prepared to bear an equitable share of burdens and budget tightening, even though they do not rely on state and local taxes for the bulk of their capital and operating costs. They should not suffer disproportionately, and they also deserve to benefit equally wherever appropriate. One example would be assuring that non-public schools can access the same reduced power rates that are already available to municipalities and their public schools. This has nothing to do with instructional costs or with public sector jobs, and everything to do with basic fairness.

In addition, legislation for limited tax credits on donations to schools – from individuals or corporations – can provide meaningful incentives to attract private support for elementary and secondary education in the State, public and non-public alike. Directing donations on behalf of non-public education into educational scholarship organizations (ESOs), allowing more students to remain in their non-public schools, will further keep the burden off public schools and their local education agencies.

Distinguished Chairs and Members, let me underscore the very positive steps already taken in recent weeks, between the enactment of the MTA Payroll Tax exemption and full funding in the Executive Budget for Mandated Services going forward.

The Educational Alliance and other like-minded groups that have appeared and will appear before you today are speaking on behalf of hundreds of thousands of parents who recognize that they must fund the bulk of their students' non-public education. They are not asking for handouts, but for some recognition that their efforts are also advancing the interests of New York State, and are deserving of fair treatment and reasonable incentives.

Over the coming weeks and months, as you consider options for cutting deficits and recouping costs, I urge you to consider that State and local assistance to non-public schools is already extremely limited. The same parents who pay their taxes are also paying tuition for their children, as is their choice. As with any incentives or reimbursements, any cuts should be proportionate.

Thank you for this opportunity to briefly highlight our specific and broader concerns for the 2012-13 Budget. The officers join me in the commitment to work with all of you to advance the welfare and educational prospects for all New York State.