

New York State Educational Conference Board



Oppose the “Education Affordability” Tax Credit Senate Revenue Bill, Part 000

The New York State Educational Conference Board – comprised of New York’s leading educational organizations representing parents, classroom teachers, school-related professionals, building administrators, superintendents and school boards – opposes the Senate budget proposal to create a multi-million dollar education tax credit program.

New York’s public schools are charged with educating all students, regardless of their circumstances or background. New York’s public schools must remain the state’s highest priority for education funding.

The Senate proposal would remove upwards of \$300 million annually from the state general fund in the form of tax credits at a time when the state is over \$4 billion behind in phasing-in the Foundation Aid formula and some districts are still struggling to restore student opportunities lost during the Great Recession and its aftermath. Under the proposal, individuals, corporations and partnerships would be eligible for a tax credit of up to 90% on a contribution to organizations that benefit private schools and their attendees. The tax credits could be as large as \$875,000 per individual, per year.

While this proposal includes public education organizations as eligible recipients of contributions, any funds received would ignore existing school aid formulas that reflect student and district needs. Under this proposal, the distribution of scarce financial resources for education would not be based on the educational needs of students in the various school districts throughout New York State. Instead, they would be allocated at the discretion of the donors and supporters. Such a funding scheme would derive little or no benefit to many of the poorest schools, students or communities. These funds would be more appropriately, effectively and equitably distributed to all school districts via a direct state allocation to public educational programs.

In addition, the state already provides millions of dollars in order to reimburse private schools for required services. At the same time, the state’s public schools are still waiting for nearly \$330 million in what are referred to as “prior year aid claims.” These aid claims have already been approved by the state for past school district expenses. However, if a school district submitted a claim today, it would have to wait more than 15 years to receive their aid, based on current state funding levels.

The state should not take any actions to reduce its financial capacity or capability to properly fund School Aid by diverting hundreds of millions of dollars annually from the general fund.

Public education is a constitutionally mandated function of state government, and therefore, should always be the state’s top priority when providing funding for education. The ECB urges the Assembly and the Executive to reject the Senate’s education tax credit scheme and any other similar proposals.

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