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**Testimony
of
UJA-Federation of New York**

Regarding the
2015 – 2016
Elementary and Secondary Education Budget

Presented by

Jeffrey Leb
Managing Director
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Hearing Room B
Legislative Office Building
Albany, NY

February 3, 2015

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Introduction

Good afternoon. Chairman DeFrancisco, Chairman Farrell, Chairman Flanagan, Chairwoman Nolan and honorable members, my name is Jeff Leb, Managing Director of Government and External Relations of UJA-Federation of New York, representing approximately 140,000 Jewish Day School students and thousands attending either preschool or adult learning programs throughout our network of 100 community based organizations. UJA-Federation is the world's largest local philanthropy, and we raise \$184 million annually to serve 4.5 million in the New York metropolitan area. Education, recognized as the key foundation not only for a strong Jewish life but also for a successful life in general, is a key organizational priority.

My written testimony contains a detailed discussion of matters of great importance to us and the community we represent. In the interest of time, I will limit my oral remarks to an overview of these areas, in particular those that highlight our interest in increasing educational opportunity for all, regardless of their choice to attend a public or nonpublic school. We strongly believe that all students should be entitled to the same essential services to further their educational growth and ensure their safety.

Thank you for giving me the opportunity to testify today so that I can share our views regarding the education provisions outlined in Governor Andrew Cuomo's 2015-2016 Executive Budget.

We are deeply thankful for the provisions in the previous year's budget allowing for increased support in CAP and Mandated Services Reimbursement, Safety Equipment and inclusion in the Smart Schools Bond. These funds have made and will continue to make a significant impact on the quality and affordability of education opportunity in New York State for the thousands of preschool through twelfth grade students attending Jewish Day Schools and Yeshivot served by UJA.

For low-income adults in New York, education is the key to securing employment, building a foothold in the job market, helping their children succeed in school, or acquiring the language skills needed to navigate their way through day to day life. Supporting an educated, skilled workforce is critical to creating and sustaining a thriving economy – one that can attract new and diverse employers and generate the revenues needed to support a high quality of life for New York's residents and visitors.

Education Investment Tax Credit

Families are increasingly struggling to afford Jewish day school tuition, particularly as the cost of living in the metropolitan area continues to rise. To meet this demand and ensure that Jewish students are able to receive a Jewish education, schools are offering increasing sums of aid – at many schools at least 50 percent of the student population are on some sort of tuition assistance – resulting in a struggle to meet daily operating costs. At more and more schools, administrators must make a choice between admitting a low-income child and

covering costs, such as keeping up to date with technology or providing competitive teacher salaries and benefits.

Many Jewish charities, UJA-Federation of New York chief among them, are increasingly engaging donors and leaders to find ways to help our schools across the board – this year we launched a \$50 million effort to help schools grow their endowments. Philanthropy can go a long way toward assisting public and private schools alike, but it is tough to increase current giving levels without increasing the incentive to give.

The **Education Investment Tax Credit**, included in Governor Cuomo's Executive Budget this year, establishes \$100 million in tax credits to encourage private, philanthropic investment, both corporate and individual, in public and nonpublic schools. Education Tax Credit programs have been successfully used in other states for over a decade. They create new pools of funding that give public school districts more opportunities to fund programs outside of state revenue, and allow more children to receive scholarships to attend the nonpublic schools of their parents' choice.

As we know from our own experiences, the current tax deduction available for donations to educational institutions, be them benefiting private or public schools, does not incentivize the levels of giving that we know could be attained through a tax credit. By providing a tax credit to encourage direct philanthropic donations, we increase the amount of funding available to both public and private education.

A form of the Education Investment Tax Credit legislation has been passed by the Senate (S.1976-Golden) and is now before the Ways and Means Committee in the Assembly (A.2551-Cusick).

You have heard a great deal about the financial challenges faced by public schools in our state. Many public schools have opened up their own foundations in order to encourage charitable donations to support their own programming where money from the state falls short. The EITC requires that 50% of tax credits be given for donations to entities supporting public schools via a local education fund directly supporting the district or to non-profits providing services within the district. The list of programs specifically authorized to receive tax-credit supported funding under the statute includes those that serve at-risk and disabled students, services currently provided in public school settings by several UJA-Federation of NY network agencies.

The Governor's proposal would create an aggregate total of \$100 million in tax credits for any person or company that makes donations to scholarship-making organizations, and to any person or company making donations to organizations benefitting public schools. The donor gets a dollar for dollar tax credit of up to 75% of his or her donation or \$1 million, whichever is less. Entities supporting non public schools can use no more than 10% of money raised on administrative costs and must grant scholarships to students attending at least three different schools, ensuring that such scholarship-making endeavors are a community effort, not to be coveted and maximized by one school with a wide donor pool. Additionally, both the Executive and legislative versions of the EITC contain income restrictions, ensuring that the families that need scholarships the most are the ones that directly benefit.

By encouraging private donations to public school entities, the Education Investment Tax Credit would ease the burden on the State and local districts to support the public school system, while at the same time increasing scholarship funds for struggling families to send their children to nonpublic schools. We request that this crucial program be preserved in the final 2015-16 NYS Budget.

Mandated Services Reimbursement & Comprehensive Attendance Policy

Thank you again for increased funds for the Comprehensive Attendance Policy (CAP) and funding for Mandated Services Reimbursement (MSR) in the 2014-15 Budget and for beginning last year to allocate funds to pay down the longstanding debt owed to New York State's nonpublic schools for the Comprehensive Attendance Policy. The legislature has taken great strides in coming to fully understand how CAP and MSR function and how they benefit nonpublic schools.

A brief overview: CAP and MSR are two constitutionally permissible funding streams for non-public schools. These represent reimbursements to participating non-public schools for performing functions mandated to them by New York State. These include standardized testing, compliance and reporting of medical testing, daily attendance taking and other mandates.

We are thankful that the Governor has proposed \$102,273,000 – for Mandated Services Reimbursement, an increase of \$4,684,000 from last year. The Governor's appropriation for CAP, \$47,374,000 represents an increase of \$2,170,000, but still falls short of the estimated \$61,000,000 that is needed to fully reimburse schools for this program. This deficit is caused by a difference in the formula originally used to reimburse CAP claims (2005-06 school year / 2007-08 SFY) and the "efficiency" formula currently in use. Due to this, the debt owed to nonpublic schools for CAP is currently over \$320 million based on the original formula. While arrearage payments, \$16 million last year and \$16,768,000 this year are appreciated, it will take the state over 20 years to fully satisfy its obligations. In the meantime, schools are denied reimbursement for the full cost of administering important state programs, the burdens of which amount to increased tuition costs.

Governor Cuomo's recommended increase is certainly a step in the right direction, however we urge you to increase the CAP appropriation to keep the State's debt to the schools from growing. Additionally, we would ask that the payment for prior obligations be increased beyond what is recommended in the executive proposal in order to begin quicker payment of prior years' obligations.

Safety Equipment for Nonpublic Schools

Thank you for establishing the \$4.5 million Safety Equipment Funding for Nonpublic Schools program in the 2013-24 Budget and for renewing last year. We are pleased with the State Education Department's disbursement plan for these funds, and we are happy to see that almost all of the funds appropriated for the past two years have been exhausted to date.

No school is immune from dangers that may exist within the community, including independent and religious schools, and the nonpublic school community is thankful that the State has taken steps to protect all children, wherever they may be educated. Governor Cuomo's Executive Budget proposal includes \$4,500,000 to again fund this necessary program. In order to continue to allow our schools to purchase the necessary upgrades to keep their students safe, we would encourage the legislature to expand the scope of the program to include such necessary non-capital devices as wireless communication and alert systems and software. We urge you to agree to include these funds in the 2015-16 Enacted Budget.

Universal Pre-Kindergarten

We support Governor Cuomo's Executive Budget proposal to allocate \$340 million next year for full-day prekindergarten, as well as his choice to invest in expanding programs for 3 year olds. Many of the nonpublic schools and UJA-Federation of NY network agencies provide pre-kindergarten to children of all backgrounds. In order to ensure that we can provide universal pre-kindergarten to all children of our community, we offer the following recommendations:

1. Continue to ensure the availability of funding for half-day programs and a 5-hour program so providers have the flexibility to structure a program to best meet their community's needs;
2. Allocate an additional \$150 million to ensure increased access to universal pre-kindergarten for areas outside of New York City, and allow these schools to receive funding at the onset of their contract with the State Department of Education;
3. Ensure that nonpublic schools and CBOs continue to have a right to apply directly to the state for funding if they are turned down for inclusion in their local school district's application.
4. Ensure that New York City's goal to ensure truly universal pre-kindergarten access is fully funded.

Smart Schools Bond Act

UJA-Federation of NY is very excited about the passage of the \$2 Billion Smart Schools Bond Act, which has the potential to enhance education technology throughout New York State. We are thankful to the legislature for ensuring the equitable participation of the nonpublic schools and community based education centers in this program last year.

We want to ensure that nonpublic schools and community based organizations are fully able to take advantage of this resource. As you know, the Bond Act authorizes districts to spend its allocation on a schedule of capital and classroom technology/broadband projects. Non public schools and community centers only benefit if spending is made under the Classroom Technology and Community Connectivity spending sections of the act. The capital portions of spending are limited to public schools. School districts are given very broad latitude to choose areas of spending, subject only to approval by a statutory review board consisting of the Director of the Governor's Division of Budget, the Commissioner of the State Education Department and the Chancellor the State University of New York.

It is possible that a district's plan could include little to no spending that incorporates nonpublic schools or community based organizations, hugely undermining the intent of the bill. We emphasize that classroom technology within public schools was a major priority for the Governor and legislators when including this within the budget last year. If spending is not required on this section of bond spending, these classroom advances are at risk as well.

Moreover, even if ALL public schools spent their bond funds on technology and the equitable per-pupil amount for each and every district reaches the \$250 maximum per pupil allowed under the statute, this would generate only \$122 million of the \$2 billion for religious and independent schools. This comprises only 6 percent of bond revenues despite the fact that our students comprise 13.4 percent of the state's student population.

The Capital Projects appropriation language portion of the Governor's Executive budget proposal contains a lump sum \$2 billion reappropriation to cover all Smart Schools projects (to be repaid to the state following the sale of bonds). We would invite the legislature to explore the following:

1. Determine each district's required per-pupil allocation for nonpublic schools, and require districts to set aside this portion for technology upgrades. This would be most easily accomplished by incorporating it into the approval process for "Smart Schools Investment Plans" submitted by each district;
2. Devise a plan to include the technology needs of community based organizations that operate educational programs;
3. Alter the appropriation language to set aside spending on Community Connectivity and Classroom Technology projects.

Transportation

District-provided transportation can be the deciding factor for many families considering whether or not to send their children to nonpublic schools. When district transportation is unavailable, the extra transportation costs are passed onto families. Further, since many districts are currently experiencing budget constraints, districts frequently propose cuts to transportation services for nonpublic school students.

To enable as many families as possible the ability to afford schools that conforms with their values, we urge the following: 1) return to the long-standing practice of 90 percent state reimbursement of school district transportation costs to ensure that the current distance of 15 miles is not compromised; 2) increase the maximum distance school districts outside of New York City are required to transport children to school from 15 to 25 miles; 3) ensure that transportation is not denied when public schools are closed or 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.

Energy Efficiency

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, but also benefits utility rate payers and the community at large. Public schools have the benefit of local taxes, state building aid and, most significantly, preferential rates from the state power authority to cover electric bills. The New York Power Authority provides energy efficiency programs and electricity directly to many public schools throughout New York State at substantially reduced rates. A large nonpublic school pays, on average, \$40,000 per month, the full rate for service. A preferential rate would save this school an estimated \$240,000 annually. We urge you to include nonpublic schools among NYPA's mandated customers and appropriate seed money to help nonpublic schools explore advanced capital upgrades to help improve their school's energy efficiency.

State Aid for Textbook, Computer Hardware and Software, and Library Materials

We request that you maintain in your budget current funding levels to provide for the equitable loan by school districts of textbooks, educational software, library materials, and computer hardware to all students.

Full Funding for 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 needed to comply with these regulations. Without adequate funding, these at-risk children may easily fall behind, requiring more expensive academic interventions later. AIS funding needs to be increased so that, like public schools, non-public schools are able to provide these services to our children who are most in need.

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. 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.

Adult Literacy

Despite the significant cost to New York's economy of having a large section of the workforce without English proficiency (Spanish-speaking adults with limited English proficiency lose approximately \$3,000/year in earnings as compared to their peers), investments in improving the literacy and high school credential attainment among this population have been flat or only seen nominal growth. **Only an estimated 4% of those in need of programs are able to access state-funded ESOL classes.**

Given that New York subsidizes the exam cost for every HSE test-taker, and pass rates are 23% higher for those in preparation programs versus walk-in testers, it is in the state's interest to ensure ESOL and HSE preparation classes are available to all eligible adults.

Recommendation: Invest \$10 million in the Adult Literacy Education (ALE) funding stream to create 3,000 new classroom seats. This represents a \$3.7 million expansion from last year's budget and a \$4.7 million investment from the Governor's proposed budget.

High School Equivalency

In January 2014, New York took a historic step in being among the first states in the nation to phase out the GED® and replace it with a new and more rigorous examination aligned to the Common Core known as the Test Assessing Secondary Completion (TASC™). While we support raising the standards for high school equivalency attainment, there have been no resources dedicated towards ensuring the success of the transition.

In order for students to succeed in this new environment, it is critical that their instructors have access to professional development opportunities to increase their own subject-area knowledge, as well as effective instructional methodologies. The State Education Department (SED) estimates that 1,200 teachers across the state are in need of enhanced professional development, and supporting each of these teachers is an investment that will yield student success and achievement.

In addition, as the testing system increasingly moves away from paper and pencil testing toward computer based testing, it is imperative that students build their computer literacy skills to ensure that their success on exams is not limited by a lack of computer literacy. Investing resources for the purchase, and installation of computers, as well as technical support for adult education programs across the state will not only allow students to build essential 21st century technology skills and prepare them for success on computer based tests, but it will increase capacity of the State to actually administer HSE examinations.

Recommendation: Invest \$5 million in a new High School Equivalency (HSE) Transition Fund to support professional development and computer technology. This request was echoed by the Board of Regents in their 2015-2016 State budget priorities

Thank you for your time and consideration,

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Appendix

Jewish School Population

Comprising nearly one third of New York State's nonpublic school student population, the Jewish day schools and yeshivas in UJA-Federation's catchment area contain the largest population of children attending full-time Jewish schools outside of Israel. At over 130,000 students, these schools range widely in level of religious observance and tuition, as do the students range in religiosity and socio-economic status.

According to UJA-Federation's recent study, the Jewish Community Study of New York: 2011, this student population is steadily increasing with 19,000 new students entering kindergarten each year. This growth is due to the expanding population of Jewish children ages 0 to 17, from 308,000 in 2002 to 338,000 in 2011, and the propensity for those with large families to also send their children to full-time Jewish school – resulting in 66 percent of all Jewish children attending these schools today, up from 45 percent in 2002. Coupled with our study findings that one in five Jewish households is poor and an additional one in 10 households is near poor, we are finding more and more families unable to afford Jewish education for their children and many more schools struggling to make ends meet. This is why continuation and increases, wherever possible, of constitutionally supported state funding for these schools is so crucial.

State Support for Nonpublic Schools is Dually Beneficial

State support for nonpublic schools benefits both the state and the nonpublic schools. State aid helps to ensure quality and secular academic standards in these schools and is a fraction of the amount the state spends annually on educating each child in a public school. New York State currently spends over \$20 billion annually on education and allocates approximately \$200 million, less than one percent of this figure, to nonpublic schools statewide. These schools are educating over 13 percent of New York State's children. While attending a private school is the personal choice of each particular family, nonpublic schools save the state significant funds. Considering that New York State school districts spend an average of \$18,825 per student according to 2010 figures, nonpublic schools essentially save the state from spending over \$7 billion per year on the approximately 400,000 children enrolled in nonpublic schools. In fact, 15,640 Jewish children in Nassau County alone attend a full-time Jewish school. Considering the impact on the county if all of these children were enrolled in public schools, nonpublic schools provide an essential service to the state at a far reduced rate. We ask that you keep this in mind as you assess funding allocation and distribution of state aid for nonpublic schools.

Organizational Background

UJA-Federation of New York is a Jewish philanthropy that supports a network of more than 100 non-profit agencies in our eight-county catchment area that includes New York City, Long Island, and Westchester. These non-sectarian health and human service providers range in size from small organizations to large institutions. With nearly 60,000 donors and serving 4.5 million people annually, UJA-Federation is uniquely situated to

represent and serve the interests of the Jewish community in all of its diversity. UJA-Federation has recognized full-time Jewish education as one of the key foundations for a strong future for Jewish life and, accordingly, has been involved in supporting the local Jewish schools in a variety of ways for 30 years.