



Published in the

The New York Times

A Costly Tax Break for Nonpublic Schools

By The Editorial Board

May 22, 2015

Gov. Andrew Cuomo can talk passionately about improving New York's "failing public schools," but when he made that point at churches and a yeshiva last Sunday it was, at best, disingenuous. He was there to sell his bill that would help private and parochial schools, by offering big tax credits to their donors. This energetic effort for an expensive and possibly unconstitutional bill that Mr. Cuomo has named the Parental Choice in Education Act could cost the state more than \$150 million a year. That money should be used to help almost 2.7 million public school students in the state, not given to wealthy donors subsidizing mainly private or religious schools.

Gov. Andrew M. Cuomo speaking at a rally in support of the Parental Choice in Education Act, at Yeshivat Shaare Torah in Brooklyn. Cuomo Promotes Tax Credits for Families of Students at Private Schools MAY 17, 2015

Elizabeth Lynam, a budget expert for New York's Citizens Budget Commission, called the bill "an extremely lucrative benefit likely to serve the state's wealthiest taxpayers." Many of the people who would get the credit already support their favorite private or parochial schools, she said. A tax credit to encourage them isn't needed.

The bill would allow a 75 percent credit on donations of up to \$1 million for each individual or corporation contributing to funds for students in private or parochial schools. That is a huge change from existing law, which offers far less lucrative tax deductions. Typically, for the wealthiest taxpayers, the maximum state tax deduction on \$1 million is about \$22,000. The Cuomo plan would cap the number of tax credits it gives out and create a complicated system of deadlines and requirements before donors could get the full benefits. Those difficulties add to the suspicion that only someone with a fancy accountant could easily take advantage of this tax bonus.

The \$150 million pool includes millions of dollars in tax credits for donations that could provide scholarships to private or parochial students from families with incomes of up to \$300,000 a year, which hardly targets the neediest students. And, in an attempt to attract support from the Assembly speaker, Carl Heastie, and his Democratic majority, Mr. Cuomo has proposed \$70 million for a tuition credit of \$500 per child sent to nonpublic schools for families with incomes of up to \$60,000. There would also be \$10 million a year for public-school teachers, including those in charter schools, who could get up to \$200 each in tax relief when they buy classroom supplies.

With this misguided bill, Mr. Cuomo may have found plenty of support from religious leaders and private school donors. But his efforts seems jarring, given his record of seeking more accountability in schools. The state has little say in private and parochial schools over testing, the teaching of basic subjects or other data collection required for assessing a good education.

Moreover, taxpayer support for religious education has been banned by the state Constitution for over a century. Exceptions were made long ago for universal needs like transportation and special education, but there are questions as to whether the kind of public support for religious schools the bill proposes would be prohibited.



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Republicans in the majority in the State Senate are all for the governor's bill. It will be up to Mr. Heastie and the Assembly to make sure it doesn't pass.