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Most Reverend Richard J. Malone
Bishop of Buffalo
795 Main Street
Buffalo, New York 14203

Dear Bishop Malone:

Thank you for your letter regarding the Education Investment Tax Credit (EITC). I certainly want to do all I can to help all students in the state of New York. Unfortunately, the legislation creating the EITC is flawed, and leaves out many safeguards which would ensure that it could be beneficial to students here in Western New York. I have made my concerns known to the sponsor of the legislation, Assemblyman Michael Cusick of Staten Island, and to date, the sponsor has not made adequate changes to the legislation.

The EITC proposal has indeed received widespread support. Thanks to a clever, and well-funded marketing campaign, very few people know the exact details of what is in the proposal. The marketing campaign relies on broad arguments in favor of the legislation, offering up no specifics. When you actually read the bill, you uncover a litany of problems. It is important to note that this legislation is not premised on an individual or a corporation making a "donation" which would benefit private schools. This legislation is an unprecedented effort to allow for individuals and corporations to direct payment of their tax liability, which would otherwise go to the State of New York general fund, to a foundation which benefits private schools. There is a big difference between a donation which involves making a gift of an individual's resources, and a tax credit program which simply redirects an existing liability from the state to a private school. Again, the marketing campaign has made people think that this would simply incentivize "donations".

While the legislation is being touted as a way to provide scholarships to benefit private school students across the state, the excessive cap amounts could close out middle class families and entire regions of the state. If a handful of large corporations or extremely wealthy individuals take the maximum tax-credit amount, it would immediately deplete the entire allowable amount of \$150 million. As you know, there are large disparities of income and corporation size between the New York City area and the rest of the state. This presents a very likely scenario in which a group of extremely wealthy residents of New York City can capture the entire allowable amount of the program to only benefit a select few exclusive private schools in New York City. As this bill is written, Buffalo and every other city, town, and village in Upstate New York would not benefit, despite the claims of the marketing campaign.

Another area of concern is the income qualification for the scholarship recipients, and how scholarships are distributed. It is troubling that the bill has very high income qualifications for the scholarship recipients. The bill does not ensure that taxpayer funded scholarship programs are used to help those most in need or struggling to pay their tuition. New York's median household income is \$58,000. Why should a family making in excess of \$250,000 per year receive the same tax benefit from New York State as a family making \$58,000 or less per year? If the goal of this legislation is to help struggling families in New York afford private school tuition, then

safeguards must be put into place to ensure wealthy families are not using it simply to enrich themselves, at the expense of the state's general fund. Additionally, the legislation contains a loophole which would allow for unequal distribution of scholarships. Private school foundations would be able to award scholarships to low income students in smaller amounts, so long as the total number of scholarships is equal to those awarded to higher income students. Safeguards have to be put into place to prevent this type of scenario.

I also have a broader concern about the type of schools which could benefit from this funding. There are no protections in the legislation to ensure that funding is prohibited from going to schools which would teach our children racial prejudice, or promote religious intolerance or discrimination, or even the subjugation of women. I think we can both agree that this would be a very unfortunate consequence. I have asked that changes be made to address this particular concern, and to date, no changes have been made.

Finally, I would counter your suggestion that the EITC is a "modest program". The program could cost New York taxpayers \$150 million in the first year, and between \$225 and \$300 million in every subsequent year. It is difficult for me to label this cost as "modest". As for the other tax relief and incentives you cited, it is important to note that these programs benefit the entire state. Solar and wind energy are growing in our region, and regions across the state because of tax credits New York put into place. The same can be said for the craft beer industry which is booming in every region of this state. The benefits of the EITC would be limited to downstate, making this proposal very different from the rest. As for the tax credit for luxury yachts you cited in your letter, I was disappointed that the Senate Majority Conference fought to include it in this year's budget. I hope we can pass legislation to repeal this waste of taxpayer dollars.

Thank you for reaching out to me to offer your opinion on the EITC proposal. I urge you to look over the legislation, and talk with Cardinal Dolan about how the legislation could be improved to extend the benefits to Buffalo and our entire state.

Sincerely,

A handwritten signature in black ink that reads "Sean M. Ryan". The signature is written in a cursive, flowing style.

Sean M. Ryan
Member of Assembly

P.S. I hope you take the liberty to share this letter with each of the Catholic school parents, teachers, administrators, and key supporters in my district, so that they may have a full understanding of this legislation.