



The Gap Elimination Adjustment in the New State Budget

This joint message is an attempt to resolve uncertainty resulting from how the Gap Elimination Adjustment is presented in the School Aid runs accompanying the 2016-17 enacted state budget.

First, be assured the Gap Elimination Adjustment has been permanently eliminated.

Section six of the Education, Labor and Family Assistance budget bill provides:

19 § 6. Paragraph h of subdivision 17 of section 3602 of the education
20 law, as added by section 5-b of part A of chapter 56 of the laws of
21 2015, is amended to read as follows:

22 h. The gap elimination adjustment [~~restoration amount~~] for the two
23 thousand sixteen--two thousand seventeen school year and thereafter
24 shall equal [~~the product of the gap elimination percentage for such~~
25 ~~districts and the gap elimination adjustment restoration allocation~~
26 ~~established pursuant to subdivision eighteen of this section~~] zero.

See p. 9, lines 19-26, of [A.9006-C/S.6406-C](#).

Thus the law which established the GEA will now read, "The gap elimination adjustment for the two thousand sixteen--two thousand seventeen school year **and thereafter** shall equal zero [emphasis added]."

Accordingly, in order to continue or resurrect the Gap Elimination Adjustment, it would be necessary for the Senate and Assembly to pass a new bill and the Governor to sign it.

Second, the bill section above also clearly establishes that the elimination of the GEA will be reflected in the 2016-17 base for determining 2017-18 School Aid. As the bill states that the GEA for 2016-17 *and thereafter shall be zero*, there is no question to be resolved as to whether a formula setting some restoration amount is to be continued beyond the immediate year. Moreover, language was included in the appropriation for School Aid which incorporates this final GEA payment with all the other GEA restoration calculations. There is no more justification to exclude the final payment category than any of the other four restoration tiers. See p. 175, lines 1-10 of [A.9003-C/S.6403-C](#).

Third, in order to determine total 2016-17 state aid for your district, it is necessary to add any amount appearing in the line labeled "FINAL GEA PAYMENT" for your district at the bottom of the run to the TOTAL line under 2016-17 aids. To get the change in total aid for your district, add the "FINAL GEA PAYMENT" to the line labeled "\$ CHG 16-17 MINUS 15-16."

Some of our associations will be posting on our websites School Aid runs which will more clearly present the impact of the new state budget's actions regarding the GEA.

Please contact your respective association if you have further questions.