

Issue Brief:

Invest in Education, Sustain our Communities, Ensure the Future

Governor Cuomo's strategic financial plan to backfill a nearly \$10 billion state budget deficit is to tap, then cap, school district resources.

Strategy #1: Reduce public school aid by \$1.53 billion or 7.3% as outlined in the 2011-2012 Executive Budget. Added to the \$680 million in education aid cuts over the past two years, New York's public schools will realize a loss of more than \$2.1 billion in state financial support. Under the governor's plan, K-12 public education will receive \$19.3 billion in 2011-2012 – this falls below the 2006-2007 level cited in the *Campaign for Fiscal Equity* court decision as *inadequate* to provide every child a sound basic education.

Strategy #2: Passed by the Senate and introduced in the Assembly, the governor proposes to control school spending by imposing a property tax cap limiting the annual increase of a school district tax levy to 2% or the Consumer Price Index (CPI), whichever is less. If imposed this year, the cap would have translated to a zero % increase; this is held off until next year when the projected cap will be about 1.6%. With mandated pension and health care benefits soaring, this cap will be well-exceeded without one penny going to the child in the classroom.

Strategy # 3: While the governor has set up a Commission to examine and recommend mandate relief, there is no provision in the budget for relief.

Strategy #4: To offset aid reductions for low wealth districts, the governor's budget proposal includes a multi-year aid reduction plan intended to draw more aid away from wealthy than from less wealthy districts. In reality, this gap elimination adjustment (GEA), based on income and property wealth, is far more damaging to low wealth/high need school districts than the proposal would suggest – while the percent reduction is less, it translates to greater dollars for vulnerable districts that are more dependent on state aid than wealthy school districts. Example: If a wealthy district receives a 10% reduction on \$1,000 in state aid and a poor district receives a 1% reduction on \$1 million in state aid, despite the higher percent reduction for the wealthy district, the poorer district receives a greater "dollar amount" reduction with little or no ability to make up the loss. Where is the equity? This combination of reduced state aid and a property tax cap is a top down approach that undermines the principles of civic engagement by State management of education spending and decision-making at state and local levels. It creates a divide between poor and wealthy neighborhoods by exacerbating inequities in access and ability to deliver educational services.

Strategy #5: The governor proposes \$500 million in competitive grants, mirroring the federal (again, top down) plan to incentivize innovative education initiatives and efficient management strategies. Unfortunately, this strategy ignores the obstacles that low income school districts will encounter: the lack of resources and capacity to apply. As the governor's sole education incentive, there is no allocation of funds in his budget proposal. If planning one year out, where will future funding come from?

Strategy #6: Do more with less. We cannot perpetuate the myth that paints all New York schools as ineffectual drains on community and state resources, producing ill-prepared students for college or career. Education is costly. Yet, over the past several years, most public schools have done a masterful job of educating students as costs escalate and resources dwindle. Well we HAVE been doing more with less. But, we are getting to the point where this is no longer sustainable, especially under the governor's plan.

Strategy #7: The governor calls upon schools to use district reserves to fill funding gaps. If acted upon, where is the foresight in emptying school bank accounts? The governor will not do this with the State's rainy day fund because this could affect the state's borrowing power and raise interest rates. Why should cash-strapped districts take this risk when the State will not?

Additionally, districts have these reserves to offset the costs of emergency repairs or other unanticipated expenditures. For example, what happens when a newly transferred special needs student moves into the district requiring costly services? Under continued cuts and/or a cap the likelihood exists that these

mandated services will begin to erode resources for general education. Having to decide who has the greater entitlement will pit parent against parent, student against student. It will alienate one or the other and disrupt the balance of collaboration between home and school. Since dipping into reserves is a one-shot deal, a better strategy would be for our state elected officials to pressure Washington to “fill the gap” – meet the federal funding commitment (40%) under IDEA. Rather than tell schools to drain their resources, find a way to direct resources to schools to serve the needs of every child!

At the same time the State drains school coffers, we’ve signed on to legislation, policy and initiatives to expand school choice and improve student achievement. Race to the Top initiatives are driving education policy. The goals: to improve student achievement include increasing academic standards and assessment, recruitment and retention of highly qualified staff, creation of longitudinal data systems to track student performance and reorganization of low performing schools. The price tag: far beyond the meager federal funds provided. Schools are receiving minimal amounts of funding yet incurring extraordinary expenses to implement the provisions, especially in the area of teacher/principal evaluation reform. Absent significant mandate relief or reform, state aid reductions coupled with the need to meet Race to the Top requirements will slash public school staffing, program and innovative 21st century skill-building initiatives and could effectively dismantle any statewide gains in academic achievement.

The tap and cap approach finds its rationale in the governor’s spin that our New York Schools are overspending, not delivering. He cites a report that New York schools are #34 (or #40, depending on the day) in performance outcomes and #1 in spending. This is based on an archaic measure of education attainment, i.e., how many people living in New York have a high school diploma – this approach does not qualify whether or not they were actually educated in New York, are citizens or immigrated or moved to New York post high school or the day before. Nor are the spending figures adjusted for the cost of living in the Northeast. A most highly regarded study, Education Week’s *Quality Counts Report*, ranks New York schools (on par with Massachusetts) as #2 in the nation in performance and policy making— an overall summation of 6 categories that make up the report.

No one claims all public schools are perfect, no one claims all are performing well. We do recognize that, for some, reform is needed. As we remain tied to the mandates of No Child Left Behind, soon more schools will be unfairly labeled as failing. What are our elected officials doing to alleviate this onerous, punitive and very costly mandate?

Public education is a cornerstone of democracy and civic engagement. It is the avenue to not only revive, but sustain and grow our economy. We do not dismiss the current fiscal difficulties at all levels of governing. However, the governor’s plan to divest, not invest, funds for education places an undeserved burden on our schools and tax payers. It silences the local voice and undermines the democratic principle of majority rule. While claiming jobs to be a #1 priority, the governor proposes massive public employee layoffs and raids school district bank accounts. Business and industry are drawn to areas with high-performing public schools, a solid economic base and reliable, quality municipal services for residents. The way to sustain communities is to value its public schools, especially in rural areas where public schools are often the main employer.

We cannot cut or cap our way to excellence, to progress, or to sustainability. We must work together to polish New York’s public school image as it reflects quality education. **We must ask the governor and our state legislators to revise the tap and cap plan to:**

- **Address mandate relief (state and federal) that provides substantive relief, not token relief.**
- **Implement measures that encourage, not cap, civic participation and responsibility.**
- **Restore funding to meet our State and individual responsibility to provide increased opportunity, not diminished opportunity, for every child to reach their potential.**