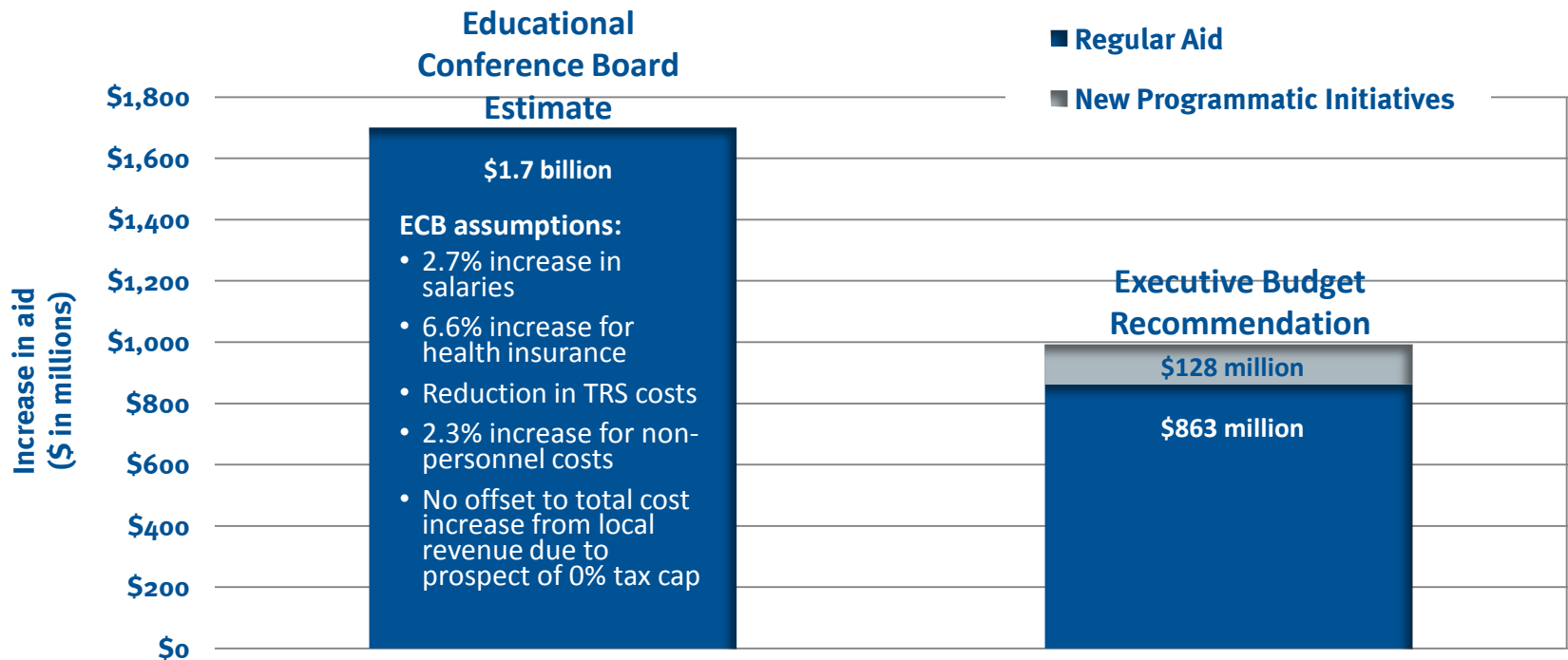


# FOUR KEY POINTS

## *About School Aid and the 2016-17 State Budget*

### 1. The proposed state budget falls far short of providing an adequate level of support to enable schools to maintain current services.



**SOURCE:** ECB estimates and Division of the Budget publications

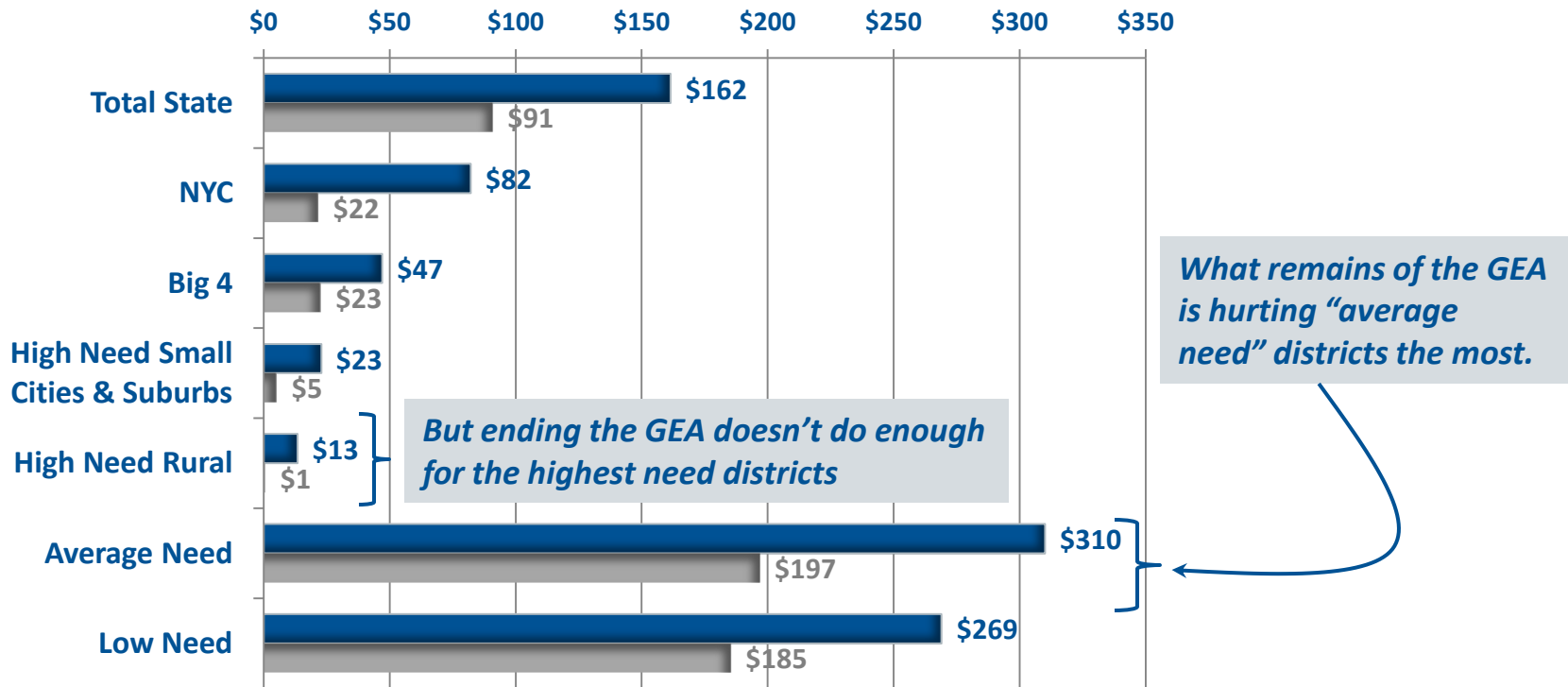
## 2. The property tax cap allows only minimal increases in local revenue, necessitating significantly increasing state aid.

- The “2% cap” isn’t 2% – the “allowable levy growth factor” for 2016-17 will be 0.12%.
- The tax cap is based on the average monthly change in the Consumer Price Index for 2015. But most economic forecasts predict the CPI will rise between 1.5% and 2.0% in 2016.
- How much would a 0.12% tax increase yield?
  - On average, districts would raise only \$17 per pupil, or enough to support only a 0.07% increase in spending
  - More than 50% of districts would not raise \$25,000
  - Less than 20% would raise enough to preserve the job of a single first-year teacher receiving typical compensation
- ***The bottom line: For all districts – rich, poor, and in-between – state aid is essentially the only source of additional revenue for 2016-17.***

### 3. State budget gaps have been eliminated, the Gap Elimination Adjustment must end as well – this year.

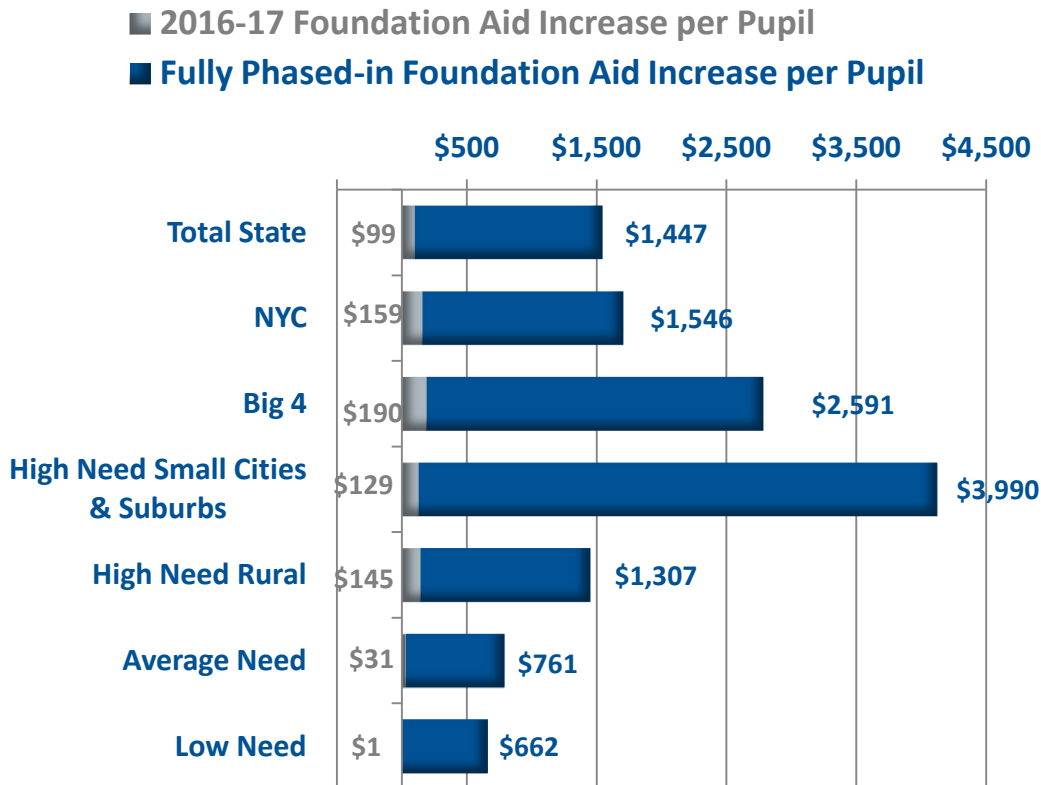
#### Gap Elimination Adjustment per Pupil

■ 2015-16 GEA ■ Proposed 2016-17 GEA After Restoration



SOURCE: Council analysis of NYSED School Aid data

## 4. Eliminating the GEA is not enough, the state must commit to increasing and updating the Foundation Aid formula.



**SOURCE:** Council analysis of NYSED School Aid data

*Increasing Foundation Aid is imperative for many of the poorest districts this year.*

*Updating the Foundation Aid formula is essential to providing a sustainable financial future for all districts – especially given the restrictive tax cap.*

*The 2007 Foundation Aid formula generally provided the greatest aid per pupil to the neediest districts while promising all districts greater predictability in state support going forward.*