



Last Best Hope

2007-08 Enacted State Education Budget Analysis



May 2007

In his December 1862 State of the Union Message, President Abraham Lincoln challenged the Congress, observing, "The occasion is piled high with difficulties and we must rise with the occasion." He added, "As our case is new, so we must think anew and act anew." He concluded by citing America as the "last best hope" for democracy.

Public schools in New York State have been confronting an occasion piled high with difficulties, demanding new thinking. The 2007-08 state budget may provide a last best hope for rising to the challenge.

Releasing a February 2007 policy report, *Education is a Civil Right*, THE COUNCIL's President Les Loomis of Bethlehem explained, "The education reforms of the last decade have produced real progress, but it has not been broad enough or fast enough. Too many children are still being left behind, and we fail our children and our communities if we do not prepare the next generation to succeed in the rapidly changing global economy. These challenges require more dramatic steps and an ambitious reform agenda for the next decade."

The World is Flat author Thomas Friedman explained some of the urgency behind the agenda in a December 2006 *New York Times* column. He asked, "Why should any employer anywhere in the world pay Americans to do highly skilled work - if other people, just as well educated, are available in less developed countries for half our wages?"

Friedman answers himself, "In a globally integrated economy, our workers will get paid a premium only if they or their firms offer a uniquely innovative product or service, which demands a skilled and creative labor force to conceive, design, market and manufacture - and a labor force that is constantly able to keep learning."

Whether America will have that workforce is in doubt. If current patterns hold, the nation faces a huge shortage of college-educated workers by 2020. Our shared standard of living will plummet if we cannot fill the higher education pipeline. In New York, the effort must start by raising the statewide high school graduation rate from the current level of just over 70 percent.

The 2007-08 state budget provides a foundation to build on. The significance of its promise has not been widely grasped. The budget promises a \$5.5 billion increase in operating aid over four years through an aid formula built on sensible reform principles. It plans more than doubling prekindergarten funding and a \$2.4 billion expansion of state-funded property tax relief. It launches valuable projects to update standards and assessments and build a value-added accountability system.

The budget marks a hopeful change. Realizing its promise will require additions to the foundation and revisions to the design, as experience instructs. To succeed, those next steps must be taken by policymakers and educators, building together.

Public schools in New York State have been confronting an occasion piled high with difficulties, demanding new thinking. The 2007-08 state budget may provide a last best hope for rising to the challenge.

The Big Picture

- Record \$1.8 billion increase in total aid
- Net \$700 million increase in state-funded property tax relief
- Foundation Aid formula incorporates reform principles; increases aid by \$1.1 billion in '07-08, by \$5.5 through '10-11
- \$146 million (50%) expansion of Universal PreK
- \$15 million to SED for accountability initiatives.
- Accountability reforms:
 - Contracts for Excellence
 - Review of standards
 - Value-added accountability
 - Expanded “SURR” process
 - Tenure criteria
- 100 new charter schools authorized; limited “transition” aid to affected districts; some reforms in approval and oversight

2007-08 School Aid -- Enacted State Budget

All Districts

Aid Category	Data on file -- March 31, 2007		Proposed 2007-08	Change	Percent Change
	2006-07				
Flex Aid	8,587,417,705		0	(8,587,417,705)	-100.0%
Supplemental Extraordinary Needs Aid	136,508,742		0	(136,508,742)	-100.0%
Enrollment Adjustment Aid	27,121,160		0	(27,121,160)	-100.0%
High Tax Aid	19,967,155		0	(19,967,155)	-100.0%
Growth Aid	8,735,320		0	(8,735,320)	-100.0%
Reorganization Incentive Operating Aid	12,845,442		0	(12,845,442)	-100.0%
Public Excess Cost Aid (w/o High Cost)	2,215,731,363		0	(2,215,731,363)	-100.0%
Limited English Proficiency Aid	20,863,552		0	(20,863,552)	-100.0%
Class Size Reduction Aid	139,601,530		0	(139,601,530)	-100.0%
Tax Limitation Aid	211,311,499		0	(211,311,499)	-100.0%
Teacher Support Aid	67,480,000		0	(67,480,000)	-100.0%
Sound Basic Education Aid	699,853,852		0	(699,853,852)	-100.0%
Small Cities Aid	81,875,992		0	(81,875,992)	-100.0%
Improving Pupil Performance, Categorical					
Reading, Magnet Schools, Fort Drum Grants	304,087,121		0	(304,087,121)	-100.0%
Foundation Aid -- Base & Estimate	12,533,400,433		13,640,051,880	1,106,651,447	8.8%
Supplemental Educ. Improvement Plan	0		8,500,000	8,500,000	NA
Academic Achievement Grant	0		88,885,000	88,885,000	NA
High Tax Aid	0		99,986,982	99,986,982	NA
Transportation Aid (including Summer)	1,342,194,817		1,423,619,016	81,424,199	6.1%
Building Aid	1,716,732,313		1,753,226,316	36,494,003	2.1%
Reorganization Incentive Building Aid	15,401,411		14,766,398	(635,013)	-4.1%
EXCEL	0		94,000,000	94,000,000	NA
BOCES Aid	583,001,075		627,654,618	44,653,543	7.7%
Non-BOCES Member Special Services Aid	135,925,042		130,724,770	(5,200,272)	-3.8%
High Cost Public Excess Cost Aid	404,464,327		382,168,364	(22,295,963)	-5.5%
Private Excess Cost Aid	232,160,272		234,880,124	2,719,852	1.2%
Supplemental Public Excess Cost Aid	0		20,823,675	20,823,675	NA
Prekindergarten Aid	292,026,420		437,913,665	145,887,245	50.0%
Full Day Kindergarten Conversion Aid	2,829,458		3,958,655	1,129,197	39.9%
Charter School Transition Aid	0		22,513,617	22,513,617	NA
Hardware and Technology Aid	28,836,665		37,384,283	8,547,618	29.6%
Textbook Aid	185,503,979		186,158,155	654,176	0.4%
Library Materials Aid	19,205,755		19,776,293	570,538	3.0%
Software Aid	45,959,783		46,637,946	678,163	1.5%
TOTAL AID	17,537,641,750		19,273,629,757	1,735,988,007	9.9%
-TOTAL w/o Building Aids & EXCEL	15,805,508,026		17,411,637,043	1,606,129,017	10.2%
-TOTAL w/o Bldg, EXCEL & PreK	15,513,481,606		16,973,723,378	1,460,241,772	9.4%

SOURCE: Council compilation from NYSED school aid data

SUMMARY OF PROPOSALS

Overview

The state budget approved by the Legislature on April 1 increases school aid by a record \$1.76 billion, \$350 million more than what Governor Spitzer had proposed. By itself, Governor Spitzer's proposed \$1.41 billion increase would have surpassed the prior record, last year's \$1.10 billion increase.

The centerpiece of the adopted school aid budget is a Foundation Aid formula replacing 17 prior aid categories and giving the state its first true operating aid formula since 2001. The formula generates \$1.1 billion more aid statewide than districts received in 2006-07 under prior formulas. This is a net \$111 million more than what Governor Spitzer had recommended. The enacted budget also provides a \$145 million, 50 percent jump in funding for Universal Prekindergarten.

As the table below indicates, as a group, low need districts received the greatest percentage increases in total aid. They gained strongly from Legislative additions for Foundation, High Tax, and Universal Pre-kindergarten Aid.

Percent Change in Total Formula School Aid Proposed and Enacted budgets				
Need/Resource Capacity Category	Total Aid		Total Aid excluding Building and EXCEL	
	Gov's Budget	Enacted budget	Gov's Budget	Enacted budget
New York City	9.5%	10.5%	9.0%	10.0%
Big 4	9.3%	9.1%	9.3%	9.0%
High Need Small Cities/Suburbs	9.8%	11.3%	10.0%	11.5%
High Need Rural	7.7%	9.1%	8.4%	10.0%
High Need Total	9.3%	10.3%	9.1%	10.1%
Average Need	5.8%	8.6%	6.4%	9.3%
Low Need	3.9%	12.0%	3.8%	12.5%
Total State	8.0%	9.9%	8.1%	10.0%

Source: Council analysis of NYSED data

Foundation Aid

Governor Spitzer succeeded in winning adoption of a Foundation Aid formula which will now distribute roughly 70 percent of all school aid. The formula reflects principles advocated by THE COUNCIL and many others, improving on the status quo in adequacy, simplicity, predictability, and flexibility.

The Foundation Aid formula builds off the work of the Regents, employing the same four "moving pieces."

In simplified terms, Foundation Aid is calculated as follows:

$$\left\{ \begin{array}{l} \text{Standard Cost of Education} \\ \times \text{Pupil Needs Index} \\ \times \text{Regional Cost Index} \end{array} \right\} - \text{Expected Local Contribution}$$

- The **standard cost of education** is based upon the cost of educating an "average" student in schools that are performing well as measured by state test results. For 2007-08, the figure is \$5,268, for 2010-11, it would be \$5,662. The figure would be adjusted annually by a factor based on changes in the Consumer Price Index.
- The **pupil needs index** employs both free and reduced price lunch (FRPL) and Census poverty data, plus a sparsity factor and limited English proficient pupils. This factor ranges between 1.0 and 2.0 for all districts. The inclusion of Census data departs from the past exclusive reliance on FRPL; the FRPL figure is a three-year average.
- The **regional cost index** is based on a State Education Department analysis of median salaries by region for 59 occupations other than teaching which require education similar to teaching. Indexes are established for nine labor market regions. They range from 1.000 for the North Country and Mohawk Valley to 1.425 for Long Island and New York City.

Foundation Aid Regional Cost Index	
Labor Market Region	Cost Index
Capital District	1.124
Central New York	1.103
Finger Lakes (including Monroe County)	1.141
Hudson Valley (Westchester/Rockland to Dutchess/Ulster)	1.314
Long Island/New York City	1.425
Mohawk Valley	1.000
North Country	1.000
Southern Tier	1.045
Western	1.091

- The **expected local contribution** is described in depth below.
- **General provisions:**
 - No district will receive less than \$500 per pupil.
 - Pupil counts are based on average daily membership (enrollment), not attendance.
 - For 2007-08, no district may receive less than a 3 percent increase in aid over the sum of 17 previously separate aid categories, nor more than a 25 percent increase.
 - A phase-in factor is applied. Aid is calculated using the projected 2010-11 standard cost of education of \$5,662. For 2007-08, districts receive 20 percent of any calculated increase but not more than or less than the range cited above.

When fully phased-in (by 2010-11), the formula is estimated to generate a \$5.5 billion increase over 2006-07 levels. No district would be permitted to receive less than a 12.55 percent increase at that point; 138 districts are projected to benefit from this guarantee.

One of the major criticisms leveled against the Governor's proposal was the large number of districts that would have qualified for only the minimum 3 percent guaranteed increase – 304 districts or 45 percent of the total. Even more troubling was that a majority of these districts were average or even high need and that many would have been deeply and permanently dependent on this "save-harmless" funding.

THE COUNCIL estimated that over \$1 billion was needed to make up the difference between what the pure formula would have generated and what affected districts received in 2006-07 plus the 3 percent minimum aid increase. In a report, *A Solid Foundation: Foundation Formulas Built to Last*, THE COUNCIL cautioned that having so many average districts on save-harmless threatened to undermine the long-term viability of reform by inviting perennial formula restructuring.

The enacted budget reduces the number of save-harmless districts by more than half (to 150) and reduces dependence on minimum aid guarantees by more than \$800 million. This is accomplished by providing districts with a second method of calculating the expected local contribution – one of THE COUNCIL's recommendations in the *Solid Foundation* report.

Calculating the Local Contribution

Under the Governor's approach, the amount communities would have been expected to raise would have been calculated using an **expected local tax rate method** computed by multiplying the district's property wealth times an adjusted *assumed* tax rate. The enacted budget retains this method as one of the two approaches.

- The assumed tax rate is \$16 per \$1,000 of property value – 90 percent of the state average tax rate over the past three years (90 percent is the presumed share of total school costs supported by Foundation Aid).
- The assumed tax rate is adjusted by the ratio of the district's income per pupil to the state average income per pupil, within limits. Low income districts are expected to levy less (a minimum of \$10.40/\$1000); wealthier districts more (a maximum of \$32/\$1,000).
- The district's property wealth is the lesser of its 2004 actual valuation or the average of its 2003 and 2004 valuations.
- The expected local tax rate is not mandatory.

The enacted budget also offers districts the option of computing the local share through an **aid ratio method**, which adjust based on how the district's property wealth and/or resident income per pupil compares to state averages. Aid ratios have been much more widely used in New York school aid formulas than the tax rate model.

THE COUNCIL had urged both the Regents and the Campaign for Fiscal Equity to use the aid ratio method, not an assumed tax rate, believing that aid ratios tend to be less volatile, to avoid creating false expectations for actual tax rates, and to cause fewer winners and losers relative to current formulas since, at one point in time, those did use aid ratios. In practice, disparities in property wealth and income tend to amplify each other in the expected tax rate approach, and to moderate one another in an aid ratio model.

The aid ratio adopted for the Foundation formula copies one employed in past aid formulas and gives equal weight to property wealth and resident income. A modification was applied to make it more advantageous for more affluent districts. Low need districts receive Foundation Aid increases more than double what the Governor had proposed (7.8 percent vs. 3.0 percent), but far less than what the aid ratio method in the Senate's one-house budget would have delivered (15.6 percent).

Foundation Aid -- Percentage Increase Over 2006-07		
Need/Resource Capacity Category	Proposed Budget	Enacted budget
New York City	9.3%	9.3%
Big 4	7.0%	7.5%
High Need Small Cities/Suburbs	10.0%	10.6%
High Need Rural	8.0%	9.5%
High Need Total	9.0%	9.3%
Average Need	5.8%	7.8%
Low Need	3.0%	7.8%
Total State	7.8%	8.8%
Districts receiving only 3% minimum increase	304	150

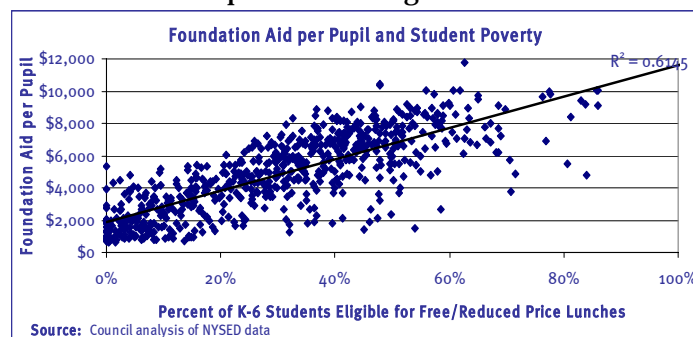
Source: Council analysis of NYSED data

Explaining Puzzling Results

The choice of aids consolidated into Foundation Aid provoked additional criticisms. The Governor departed from the Regents proposal a consensus that had developed in the field by folding a large part of (Public Excess Cost Aid (special education funding) into the Foundation formula. Consolidation of reorganization Incentive Operating Aid, Growth Aid, and Magnet Schools were questioned as well. These aid categories are discussed further below.

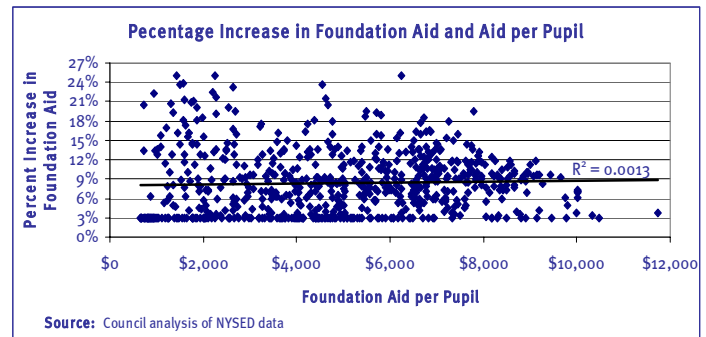
A third criticism of the Governor’s Foundation formula was that it produced puzzling results, with some high need districts receiving only the 3 percent minimum guaranteed increase. Often these resulted from peculiarities in the formulas that were consolidated into Foundation Aid. In some cases districts generated large amounts of Foundation Aid per pupil but small aid increases because they received large amounts of aid through High Tax, Tax Limitation, Small Cities, or Public Excess Cost Aid or another consolidated category.

The chart below illustrates a fairly strong correlation between a district’s level of student poverty and the amount of Foundation Aid per pupil that it generates. Each dot represents a single district.



Yet there is almost no correlation between Foundation Aid per pupil and percentage aid increase. Some districts generate large aid amounts but still receive only the minimum 3 percent increase, while others generate small aid per pupil sums yet these translate into large percentage increases.

Again, this is possible because of variations in how districts fared under the formulas that were consolidated to comprise the 2006-07 Foundation Aid base. Several questions arise: Were there legitimate needs reflected in the previous formulas that are neglected in the Foundation formula? Should some of the aid categories remain separate? Or, were some districts benefiting excessively from prior formulas? These questions are pursued further below.



Other Aid Categories

● **Universal Prekindergarten Aid:** The Governor proposed a \$99 million increase in state funding for prekindergarten programs. The enacted budget raises the increase to \$146 million – a 50 percent increase over 2006-07 levels for Assembly Speaker Sheldon Silver’s laudable legacy program. The budget also replaces three prior funding streams (including the 40 year-old Experimental/Targeted Prekindergarten Program) with a new formula tied to Foundation Aid calculations.

Under the Governor’s proposal, districts would have received UPK aid per pupil equal to one-half their Foundation Aid per pupil (reflecting the assumption of half-day PreK programs). This would have reduced per pupil funding for most districts already operating state-funded PreK programs, with the result that over three-quarters of those districts would have been aided through a save-harmless provision assuring them the same funding as in 2006-07. The enacted budget assures districts the greater of one-half their Foundation Aid per pupil or their 2006-07 state PreK funding per pu-

pil, with a minimum grant of \$2,700 per pupil. Only five districts will be on save-harmless.

All non-central high school districts are entitled to UPK aid based on an estimate of resident four year-olds not served through preschool special education. Over \$43 million would be available to 421 districts which have not previously offered a state-funded PreK program. It can be anticipated that many of these districts will not be able to launch a program by September.

A criticism of state PreK funding in recent years has been that there had been no increase in per pupil funding since the program's inception in 1998. This forced districts to shift costs on to local taxpayers or to scale back participation. The enacted budget does not address this criticism systematically through a cost-of-living adjustment for all districts but most do appear to be receiving more state funding per pupil under the new formula.

There are programmatic changes as well. Two or more school districts may submit a joint application. The Board of Regents is required to adopt quality standards for UPK programs, including staff qualifications and staffing ratios, minimum curriculum standards that assure programs have strong instructional content integrated with the district's K-12 program, and performance standards, including procedures for assessing both program and student progress.

- **High Tax Aid:** For at least 20 years, state aid formulas have included some vehicle for driving more aid to districts making strong local tax effort by one measure or another. In the Governor's proposal, this would not have been the case; two tax-based formulas would have been among those folded into Foundation Aid. This probably explains how Wyandanch, a poor Suffolk County district, would have received only a 3 percent Foundation Aid increase while also generating more total Foundation per pupil than any other district in the state.

The enacted budget includes a two-tier High Tax Aid formula:

- Tier 1 provides districts in "eligible counties" the greater of \$100,000 or \$147.29 times 2006-07 enrollment. An eligible county is one in which school taxes on residential property for all districts combined exceeds of 4.2 percent of resident income. Districts in 13 counties qualify for this tier.
- Tier 2 is available to districts that do not receive Tier 1 aid, have a Foundation Aid re-

gional cost index greater than 1.3 and whose residential property tax levy exceeds 4 percent of residents' adjusted gross income. Only districts in Dutchess, Rockland and Westchester Counties qualify for this aid.

As the table below indicates, Nassau and Suffolk Counties receive 70 percent of the \$100 million allocated through these formulas.

Distribution of 2007-08 High Tax Aid (\$ in millions)				
County	Tier 1 Aid	Tier 2 Aid	Total High Tax Aid	Share of Total
Columbia	1.29	-	1.29	1.3%
Delaware	1.38	-	1.38	1.4%
Dutchess	-	0.61	0.61	0.6%
Essex	1.17	-	1.17	1.2%
Greene	1.18	-	1.18	1.2%
Hamilton	0.40	-	0.40	0.4%
Nassau	30.80	-	30.80	30.8%
Orange	9.95	-	9.95	10.0%
Orleans	1.10	-	1.10	1.1%
Putnam	2.55	-	2.55	2.5%
Rockland	-	0.92	0.92	0.9%
Suffolk	39.56	-	39.56	39.6%
Sullivan	1.69	-	1.69	1.7%
Ulster	4.02	-	4.02	4.0%
Warren	1.78	-	1.78	1.8%
Westchester	-	1.17	1.17	1.2%
Yates	0.42	-	0.42	0.4%
TOTAL	97.29	2.69	99.99	100.0%

THE COUNCIL has observed in nearly all its reports on school finance in recent years that a simple test of equity is: do districts with similar characteristics receive similar treatment under aid formulas? These tax effort formulas fail that test.

Under Tier 1, districts making low tax effort themselves qualify for special aid, if the effort of their neighbors offsets their effort to raise the countywide average above the 4.2 percent threshold. Conversely, a district making strong effort itself is denied aid if its neighbors are making inadequate effort as measured by the formula. Thus, 89 districts with effort above 4.2 percent are denied aid because they are in "low effort counties, while 59 districts with effort below the threshold receive aid because of their neighbors' high effort.

Similarly, Tier 2 denies aid to 264 districts with effort above that tier's 4 percent threshold because

they are located in regions with RCIs below 1.3. Since tax effort is measured by dividing *local* levy by *local* income, there is no valid policy reason for injecting the RCI as a criterion here.

As described further in the *Focus on Shares* section, the High Tax Aid formula is one of the primary “dials” for adjusting 2007-08 school aid results to hit a regional share target for Long Island. Again, the fixation on shares is problematic for statewide organizations because of the dynamic it creates: for one region to gain, others must lose, and efforts to address the legitimate needs of all districts suffer.

For example, if *all* districts with residential property tax effort in excess of 4.2 percent were eligible for special aid, 70 districts not helped through the adopted High Tax Aid formula would qualify, including several in Monroe, Onondaga, and Saratoga Counties.

- **Special Education Formulas:** As noted, the Governor’s proposals were criticized for consolidating most of Public Excess Cost Aid into the Foundation Aid formula. This category reimburses districts for a portion of the cost of providing special education services to students in public school settings. The formula has been calculated using pupil weightings which range based on the amount of time a student receives services (more time = more aid) and using a per pupil amount based on actual overall district spending. The Governor proposed weighting public special education pupils at 1.41 in the Foundation formula.

By itself, the uniform weighting actually favored most districts – their special education programs were less time-intensive than the uniform weighting effectively presumed. But the per pupil aid amount was less generous for most districts than under current law.

It might have been expected that the Legislature would extract this portion of special education from the Foundation Aid formula. But doing so proved technically complex and would have produced losers as well as winners. Instead, the Legislature created a new supplemental formula. The enacted budget does not offset losses resulting from the change from the old Public Excess Cost Aid formula to Foundation Aid on behalf of students with disabilities. Instead, it targets aid at districts that expected increases in Public Excess Cost Aid.

The construction of the formula somewhat favors districts which receive the minimum 3 percent increase in Foundation Aid. All districts receive as

supplemental aid any projected increase in Public Excess Cost Aid for 2007-08. But districts with more than a 3 percent Foundation Aid increase have the amount of that increase in excess of 3 percent deducted from their Supplemental Public Excess Cost Aid, while “3 percent” districts have no offset.

More than three-quarters of the \$20.8 million generated by this formula goes to average or low need districts.

The current High Cost Public Excess Cost Aid formula is continued, as is Private Excess Cost Aid.

- **Charter School Transition Aid:** Delivering on a campaign promise, the Governor proposed “Transition Aid for districts hurt by the presence of charter schools. A total of \$15.2 million was to be targeted to five districts through a three part formula. To qualify for aid in each tier districts were required to have per pupil wealth below the state average and charter school penetration in excess of 5 percent of district enrollment and 5 percent of total general fund expenditures for each year addressed.

The formula tiers proposed to aid districts as follows:

- Tier 1: 80 percent x charter school tuition x increase in charter school pupils between 2005-06 and 2006-07;
- Tier 2: 60 percent x charter school tuition x increase in charter school pupils between 2004-05 and 2005-06; and
- Tier 3: 40 percent x charter school tuition x increase in charter school pupils between 2003-04 and 2004-05.

The aid levels generated by the formula were faulted as inadequate. For example, Albany was to receive \$2.5 million in aid while facing over \$16 million in charter school costs.

The enacted budget increases Charter School Transition Aid to \$22.5 million, but not by increasing aid to individual districts. Instead, the qualifying threshold is lowered to 2 percent for both enrollment and expenditures, entitling 10 more districts to aid.

- **Instructional Materials Aids:** The Legislature adopted the Governor’s proposed modest increases in per pupil funding for Textbook and Library Materials Aids. No increase is provided for Computer Software Aid, a similar program.

The Legislature also concurred with the Governor’s proposal to restructure Computer Hardware

Aid to allow support for nonpublic pupils through the loan of materials as is done through the other instructional materials aids. Districts are to receive \$24.20 per pupil times a property wealth based aid ratio times 2006-07 public and nonpublic pupils.

- **Reorganization Incentive Operating Aid:** Another criticized aspect of the Governor's Foundation formula was the consolidation of Reorganization Incentive Operating Aid. This would have eliminated an incentive for school district mergers even as the Governor created a commission to examine streamlining local governments.

The enacted budget keeps aid paid through 2006-07 within the Foundation Aid base but authorizes new aid under the old calculation for districts which merge after July 1, 2007.

- **BOCES and Transportation Aids:** Transportation, BOCES, and non-BOCES Special Services Aids were continued as under current law.
- **Teacher Programs:** Funding for Teacher Centers is increased by \$3 million and funding for Mentor-Teacher Internships is increased from \$4 million to \$10 million. Teachers for Tomorrow is maintained at 2006-07 levels. Five hundred thousand dollars (\$500,000) is provided to support teachers pursuing National Board Certification.
As proposed by the Governor, Teacher Support aid for the Big 5 cities is folded into Foundation Aid. The Legislature adds a set-aside provision, however, requiring districts to devote portions of their Foundation Aid equivalent to 2006-07 TSA grants to teacher salary enhancement. This creates the possibility of divorcing district and union advocacy interests. Unions could gain higher salaries by winning increases in set-aside amounts, without supporting district efforts to increase Foundation Aid.
- **Magnet Schools:** Magnet school grants were among the aid categories folded into Foundation Aid. The Legislature added a set-aside provision requiring districts that received Magnet School grants in 2006-07 to spend the same amount as those grants from their 2007-08 Foundation Aid.
- **Rochester Community Schools Pilot Program:** The enacted budget retains the Governor's proposal for \$4 million to support efforts by a consortium of community agencies to promote efficient delivery of integrated services and family support in the Rochester City School District.

- **Targeted School Aid Grants:** Yonkers would receive \$8.5 million to support an educational improvement plan. Yonkers was the only Big 5 city school district to receive only the 3 percent minimum increase in Foundation Aid. New York City receives a one-time \$88.9 million Academic Achievement grant, presumably to assure that its total increase as presented on the standard school aid run comprises 38.86 percent of the statewide increase, the traditional share target.
- **Building Aid and EXCEL:** No changes are made in the Building Aid formula or EXCEL school construction programs. The budget again defers payment of Building Aid on projects for which a notice of award of a general construction contract was not received by SED by November 15, 2006. These amounts will be paid in July 2008.

PROPERTY TAX RELIEF - STAR

The Governor followed through on a campaign promise with a proposed Middle Class STAR (School Tax Relief) initiative that would have provided \$1.5 billion in state-funded property tax relief in 2006-07 and \$2.5 billion when fully phased-in by 2010-11. Benefits would have been scaled based on income. The rebate program that distributed \$675 million this year was to be discontinued, making the net additional relief for 2007-08 \$884 million.

The Senate Republicans countered with an expanded and untargeted rebate program, arguing that relief should go directly to taxpayers.

The enacted budget includes a compromise – a targeted rebate program. Upstate homeowners with incomes up to \$90,000 and downstate homeowners with incomes up to \$120,000 will qualify for maximum benefits – a rebate equal to 60 percent of their Basic STAR benefit in 2007-08, rising to 70 percent in 2008-09 and 80 percent in 2009-10. Benefits are reduced as incomes rise; taxpayers with incomes in excess of \$250,000 do not qualify.

The cost of the program is \$1.3 billion – a reduction of \$200 million from the Governor's proposal was made to pay for increased school aid. Cost is projected to rise to \$2.3 billion when the program is fully phased-in in 2009-10.

The enacted budget also increases Enhanced Senior STAR exemption by 25 percent.

STATE AGENCY FUNDING

Education Department Operating Budget

The enacted budget includes a \$15 million lump sum appropriation for the State Education Department for “accountability initiatives.” The sum was reduced from the \$20 million requested by the Governor but still equates to more than a 33 percent increase in the Department’s operating budget which had been devastated through cuts beginning in Governor Cuomo’s third term and continuing through most of the Pataki Administration.

It is expected that these funds will enable the Department to carry out the work of revising state learning standards, aiding troubled districts and implementing a value-added accountability system. These initiatives are described in the next section.

School Efficiency Reviews

The Legislature did not approve the Governor’s proposal to allocate \$5 million for state efficiency reviews of school districts.

ACCOUNTABILITY INITIATIVES

Following up on campaign statements, the Governor’s proposed budget coupled increased investment with increased accountability for schools. The proposed accountability structure was sound in its broad design but flawed in its details.

In its testimony before the Legislature’s budget committees, THE COUNCIL praised aspects of the Governor’s accountability structure as superior to the federal No Child Left Behind Act, because it acknowledged that sometimes schools fail because of a lack of resources, or expertise or both, and sought to remedy those weaknesses, before leaping to impose sanctions. The Governor also proposed fairer measures of performance by calling for the Regents to develop a value-added accountability system.

In its testimony, THE COUNCIL also drew a distinction between back-end accountability (what happens when districts persistently fail) and front-end accountability (what can be done to enhance the probability that greater resources yield greater results).

● **Contract for Excellence:** The Governor’s chief vehicle for promoting front-end accountability was the Contract for Excellence (C4E). Districts receiving Foundation Aid increases equal to or greater than 10 percent or \$15 million were to be required to spend a portion of their Foundation Aid on speci-

fied programs deemed to have proven effective in raising student achievement. Yonkers was also subjected to the requirements due to its Supplemental Education Improvement Grant. One hundred twelve (112) districts would have been affected.

THE COUNCIL advocated that a performance measure be applied as a criterion. Using aid increases alone would have forced spending choices on too many successful districts. THE COUNCIL also argued that targeted districts needed more flexibility in the use of funds, especially in the first year.

The enacted budget added a performance criteria, applying C4E requirements to 56 districts with aid increases above the specified thresholds *and* with at least one school designated by the State Education Department as in need or improvement, requiring academic progress, in corrective action, or in restructuring status. With the Legislature’s increases in Foundation Aid, 220 districts had aid increases that would have triggered C4E requirements. The application of the performance criteria brought the number down to 56 districts, half the original number.

The enacted budget also provides some additional flexibility in the use of funds by targeted districts. As the Governor proposed, targeted districts are required to spend increases in Foundation Aid in excess of 3 percent on specified activities. The enacted budget allows districts to use 25 percent of that restricted amount to maintain existing activities in one of the authorized spending categories. Some of the categories were broadened as well, as the table below indicates.

“Menu” of Activities for Contract for Excellence Funds (Additions to Governor’s proposals made in the enacted budget are underlined).

- Class size reduction
- Increasing student time on task
- Teacher and principal quality initiatives
- Middle and high school restructuring
- Full day prekindergarten or full day kindergarten
- “Experimental” programs for up to 15% of C4E amount, with SED approval

Problems remain with the Contract for Excellence structure, however. Each year, many schools succeed in moving off accountability lists, sometimes they were initially targeted because of relatively small shortcomings (e.g., failure of at least 95 percent of students to sit for a state test). For districts with these schools, the C4E spending dictates seem to be overkill.

Several districts have found the expenditure flexibility is still not adequate for their circumstances. They foresee a need to ask voters for large tax increases to cover general costs, or to cut staff and services, while receiving a large but restricted increase in state aid.

- **Superintendent/School Board Accountability:** The Governor spoke of the need for “top-to-bottom” accountability in education. His chief “back-end” accountability proposals would have targeted consequences at the top, however.

The Governor’s proposals would have required all superintendents’ contracts to provide for removal by the Education Commissioner if their districts experienced “deficient performance” (to be defined by the Regents) for four years. Board members would have been subject to removal for deficient performance lasting six years.

THE COUNCIL issued a report with counter-proposals – *Top to Bottom Accountability: Alignment for Student Achievement*. The report stated, “Superintendents would gladly trade sole accountability for sole authority, but that’s not what was proposed.” The report endorsed many of the Governor’s proposals (described below), called for changes in Contracts for Excellence (described above), and stressed the need to align consequences administrators, teachers, boards and others when school failure persists. Consequences should first be remedial, then more punitive. For example, superintendents and boards in chronically low performing districts could be removed by the Commissioner and union contracts could be required to be renegotiated to facilitate reassignment or removal of staff.

The enacted budget eliminates provisions concerning superintendent and board removal. Superintendents will be required to cooperate with “Distinguished Educators” when assigned by the Education Commissioner.

- **Contingency Budgets and Contracts for Excellence:** THE COUNCIL noted a “no-win” prospect for districts subject to Contract for Excellence and contingency budget requirements – they could neither spend funds, as required for C4E purposes, nor use Foundation Aid increases to lessen the local tax levy. THE COUNCIL urged that funds subject to C4E restrictions be made exempt from the contingency budget cap.

The Legislature went further, defining increases in Foundation Aid for *all districts* as “grants in aid” and therefore exempt from the cap.

The Legislature also addressed a problem raised by Albany School officials to ensure “apples-to-apples” comparisons in contingency budget calculations. When grant programs are consolidated into general purpose aid (as in Foundation Aid), grant sums may be added to the base year general expenditures off of which a contingency budget allowance is calculated. The Education Commissioner must first verify that the grant has been consolidated.

- **Review of Regents Learning Standards:** As proposed by the Governor, the Board of Regents is directed to review state learning standards and specifically required to complete the review for English Language Arts no later than the end of the 2007-08 school year.

These precise steps were called for in THE COUNCIL’s *Education is a Civil Right* agenda. These reviews should assure that new standards avoid the current practice in some areas of sacrificing depth for breadth and should seek to ensure that students develop the capacities for problem-solving and thinking across disciplines.

- **Enhanced State Accountability System:** Again, as proposed by the Governor, the Regents and the Commissioner are directed to develop and implement an enhanced accountability system that incorporates value-added assessment models that permit the evaluation of the effects of “...a particular school, program, district, or teacher on the academic progress of individual students over time.” In addition, the Commissioner is directed to explore the feasibility of a pre-kindergarten through college (“P-16”) data system. Also, by July 1, 2008, SED is required to ensure that a “student progress report” is prepared for all students to provide families with information on their child’s performance on state assessments over a period of years.

THE COUNCIL strongly endorses development of a value-added accountability system and a P-16 data system.

- **Distinguished Educators:** The Regents and the Commissioner would be directed to recognize as “Distinguished Educators” superintendents and principals whose schools have demonstrated consistent growth in academic performance. The Commissioner is directed to identify among the designees Distinguished Educators who are willing to assist low performing schools or districts and to try to provide incentives to encourage such assistance. It will be the duty of employing districts to

facilitate assistance by granting reasonable leave requests.

- **Expansion of School Restructuring:** The Commissioner and Regents are directed to “expand the scope and effectiveness of the Schools Under Registration Review (SURR) process with the goal of restructuring or reorganizing up to a total of 5 percent of the state’s schools within four years. The Commissioner is also required to develop plans for intervention in schools that continue to fail to improve, including criteria for closure. A two-stage intervention process is called for, involving, first, technical support, and then more directive action by school review teams. This was also a Governor’s proposal.
- **School and Leadership Progress Reports:** The Legislature accepted the Governor’s proposal to require the Regents and the Commissioner to develop a school leadership report card and a separate school progress report card to assist school boards, the state and the public in assessing the performance of superintendents and principals. Among the measures to be covered are parent involvement, curriculum, teacher quality, and performance measures from the value-added accountability system.
- **New York City Class Size Reduction:** New York City’s United Federation of Teachers has made a huge push for class size reduction, seeking a local referendum to mandate reductions and running ads on Albany television stations.
The enacted budget includes a requirement that New York City’s Contract for Excellence include a plan to reduce average class sizes for grades kindergarten through 3, 4 through 8, and high school and to include the methods to achieve those reductions.
- **Teacher Tenure Review:** The Governor proposed directing the Regents to establish procedures for districts to follow before granting tenure. The procedures were to include (1) an analysis of data on the performance of the teacher’s students, (2) peer review by other teachers, and (3) a performance assessment by the teacher’s principal or other building administrator in charge of the school.
The enacted budget amends the first criteria to be an evaluation of the extent to which the teacher successfully used student performance data in instruction. The new law does not preclude districts from applying other criteria.

- **Review of Teacher Preparation Programs:** As proposed by the Governor, the Commissioner would be required to evaluate the effectiveness of all teacher preparation programs based on graduate performance and other measures. THE COUNCIL noted that the proposal did not require the review to engage practicing teachers and school administrators; this defect was not corrected in the enacted budget.

The Department is also required to review alternative teacher preparation programs and to promote the expansion of those programs.

THE COUNCIL called for reviews of teacher preparation programs and expansion of alternative certification programs in its *Education is a Civil Right* platform.

- **Task Force on Preschool Special Education:** A temporary Task Force on Preschool Special Education is to be established to make recommendations regarding the appropriate relationship between preschool special education and other early childhood programs and the rate-setting methodology. It would also be directed to make interstate comparisons of delivery models, funding methods and other best practices. The Task Force will consist of 17 members, including the Education Commissioner or a designee as chair and representatives of counties, school districts and program providers.
- **Big 5 City Maintenance of Local Effort:** The enacted budget includes the Governor’s proposal to apply the New York City local maintenance of effort requirement on the state’s other four large cities (Buffalo, Rochester, Syracuse, and Yonkers). Each city will be barred from reducing its local support for its school systems except if there is a reduction in the city contribution to its overall budget, in which case school funding could be reduced by up to the same percentage.
The Legislature rejected the Governor’s proposal to add two mayoral appointees to the school boards in Buffalo, Rochester, and Syracuse. Those school boards are currently comprised of elected members. This would have muddled accountability by mixing elected and appointed members. The Yonkers school board is already appointed entirely by the mayor.

Charter Schools

The enacted budget authorizes the creation of 100 new charter schools, 50 fewer than the number sought by the Governor.

In addition to supplemental funding for districts hurt by charter schools, THE COUNCIL sought other reforms in charter school authorization and accountability, including greater local input into approval decisions.

Among other changes, the enacted budget requires each charter school to make “good faith efforts” to attract and retain proportions of limited English proficient students and students with disabilities on par with those of the district in which it is located. Also, charter-granting entities will need to weigh additional criteria before approving schools in districts where charter school students already comprise more than 5 percent of district enrollment. Either support from the district will be needed or the charter entity (the Regents or State University Trustees) will be required to determine that granting the application would have a significant educational benefit to the students expected to attend the charter school.”

Tuition Tax Deduction

After vigorous advocacy in opposition by New York State United Teachers, the Legislature did not adopt the Governor’s proposal for a \$1,000 per child school tuition tax deduction.

FOCUS ON SHARES

Governor Spitzer challenged the legislative custom of regional shares in school aid in his very first presentation of his budget. While proposing school aid reforms to drive more aid to high need districts, he noted that, considering school aid and STAR property tax relief combined, regional shares of total state revenues directed to schools would have remained the same as in 2006-07.

Old habits die hard, though. At one point it was reported that Senate Majority Leader Joseph Bruno invited his Long Island members to vote against the budget if dissatisfied with school aid. But in the final budget, their region actually increased its share of aid – without factoring in STAR or property tax rebates.

The aid categories counted in share calculations have varied from year to year. By this year’s chosen framework, New York City attained its traditional 38.86 percent share of the total aid increase. This year’s calculating departs from past practice by excluding Building Aids. If shares are calculated using *all* aids, excluding EXCEL, the City’s share of the aid increase is below the historical target. (A rationale for

excluding EXCEL is that, for now, figures are available only for New York City).

Regional Shares of 2007-08 School Aid Under Various Calculations			
	On 2007-08 Aid Run*	All Aids	All Aids, excluding EXCEL
New York City	38.86%	41.02%	37.65%
Long Island	12.96%	12.71%	13.43%
Rest of State	48.18%	46.27%	48.92%
TOTAL STATE	100.00%	100.00%	100.00%

* The 2007-08 School Aid run calculates total aid excluding Building Aids, EXCEL, and Supplemental Public Excess Cost Aids

Source: Council analysis of NYSED data

The chief vehicle for raising Long Island’s share was the High Tax Aid formula described above. The Island gained only \$14.7 million out of the \$110.6 million that the Legislature’s changes to Foundation Aid produced. Without the Island’s \$70.4 million gain from High Tax Aid (out of \$100 million), its share would of the total increase would have been only 9.1 percent; breaking tradition, its share of total aid would have declined.

The High Tax formula produced a late and lingering uprising among Westchester Assembly Democrats, leading them to vote against the education portion of the budget. They complained that despite their residents’ impressive tax bills, their county was due to receive nothing from the original High Tax Aid formula (Tier 1). Tier 2 was then added, giving their county \$1.17 million. But the disparity with the Island still rankled and the controversy persisted.

Again, statewide groups are hard-pressed to support share machinations – efforts to hit a share for one region tend to divert efforts to address legitimate needs of all districts. The High Tax Aid formula is a gross illustration of that fact.

As THE COUNCIL’s *Solid Foundation* report explained, Long Island’s growth rates in property wealth and income have diverged more than any other region, with property wealth growing much faster than incomes. The Island would likely benefit strongly from any formula comparing tax levy to income. The formula that was adopted, however, arbitrarily denies aid to districts in less favored regions. Because Westchester has enjoyed strong growth in both property wealth and income, it would not have gained much more under a less skewed variation of the formula. But some districts in Westchester and elsewhere would have gained, and that would have been a fairer outcome.

The new Foundation Aid formula promises to powerfully affect shares for the foreseeable future. The formula projects aid out to 2010-11 for all districts. Statewide, Foundation Aid is projected to rise by another \$4.4 billion after this year through 2010-11, an average increase of nearly \$1.5 billion a year. This is greater than the average increase in *total aid* over any previous three-year period. New York City is estimated to receive over 42 percent of that increase.

Projected Increases in Foundation Aid 2007-08 to 2010-11 (\$ in millions)		
Need/Resource Capacity Category	Projected Increase in Foundation Aid	Average Annual Percent Increase
New York City	1,879.01	11.3%
Big 4	02.97	9.2%
High Need Small Cities/Suburbs	587.47	12.7%
High Need Rural	428.03	11.5%
High Need Total	3,197.48	11.3%
Average Need	1,002.22	9.5%
Low Need	205.43	9.4%
Total State	4,405.12	10.8%

Source: Council analysis of NYSED data.

COMMENTARY

Governor Spitzer endured withering criticism in the wake of his first adopted state budget. He was faulted both for the process and the product. After declaring that a good budget was more important than an on-time budget, he seemed to rush to resolve issues by the March 31 deadline, through negotiations that were as secretive as ever. The content of the budget was criticized for too much spending and too little reform.

The Governor's acclaimed record as Attorney General, the rhetoric of his campaign ("Day One, Everything Changes") and his sweeping electoral victory, raised expectations to heights no one could sustain. Having failed to meet all those expectations, he is now not receiving deserved recognition for what he did accomplish in education.

After more than a decade, the Campaign for Fiscal Equity dispute is essentially resolved. After years of advocacy by many, including THE COUNCIL, New York has its first true operating aid formula since 2001 and it reflects principles for reform that were widely endorsed.

Adequacy is advanced by promising districts increases averaging more than 10 percent, with high need districts generally receiving greater increases. Simplicity and transparency are gained through the consolidation of 17 formulas into Foundation Aid and by the use of variables for aid distribution that can be understood, evaluated, and debated – pupil needs, regional cost differences, income and property wealth, and an estimate of the actual cost of delivering an adequate education. Predictability is stronger because the formula incorporates a thoroughly developed phase-in schedule, projecting Foundation Aid for each district through 2010-11.

The advances in transparency and predictability make state policymakers more accountable for their funding choices. The formula sets up expectations for what each district should receive, allowing for updates to data. The use of understandable and debatable aid factors means that, if the state acts to cut aid, it needs to offer more rationalization for why any factor is being downgraded in influence.

Equity can be strengthened. The income adjustment that lowers the expected tax rate and local contribution in Foundation Aid should be uncapped so that very low income districts gain aid. Some districts suffer because legitimate needs addressed in old formulas do not receive the same consideration in the new. Still, in total, the new structure is a vast improvement on the old.

As a result of the budget, the state will also embark on encouraging new directions in standards, assessments, and accountability.

THE COUNCIL had to invest energy and effort to avert singling out superintendents for consequences for poor district performance and to win sensible changes to Contract for Excellence requirements. That was frustrating and further changes must still be sought in the C4E law, to provide more spending flexibility and avoid unnecessarily targeting successful districts. But the budget requires the Education Department to undertake several constructive accountability projects and provides resources for the Department to succeed.

Consistent with a proposal from THE COUNCIL, the Regents are directed to review and update the state's learning standards, starting with English Language Arts. That, in turn, will necessitate revising state assessments as well. In *Education is a Civil Right*, THE COUNCIL observed that, "The current standards and assessments tend to drive schools toward an emphasis on shallowly covering wide content rather than developing deep understanding of key ideas – the approach of most of our prime economic competitors."

The statement went on to add, “If we are to know whether we are meeting these goals, the next generation of assessments must measure what matters, rather than just what is easy to measure.” The budget creates an opportunity make those changes.

Education is a Civil Right also noted that “...value-added performance measures provide important insights into the effectiveness of schools, gauging how much impact a year’s instruction has on each student’s learning” and “The current practice of ‘post-mortem’ assessment does not advance accountability of teachers and leaders for raising student achievement or provide information to guide help to particular students.” So it is positive that the budget also directs the Department to assemble a value-added accountability system and a complementary “P-16” (prekindergarten through college) data system.

Last, after a decade and a half of nearly annual cutbacks, SED’s operating budget has been allocated \$15 million more, giving the agency a realistic chance to succeed at its assigned new tasks.

Outlook

Will the promised increases in school aid be honored? That is the \$7.6 billion question – the sum the Governor’s Budget Division projects total school aid will grow by 2010-11. State budget gaps projected by the Budget Division are large but manageable given the state’s considerable experience in closing past gaps. But a sharp downturn on Wall Street could wreck the state’s fiscal planning as it has before.

At least as long as the state’s finances hold together, this year’s Foundation formula reform will drive school aid. The Governor will feel obliged to fund the promises made through the formula and to resist substantial tinkering. The projected increases in Foundation Aid are so large that they will tend to crowd out spending elsewhere in school aid, or in the state budget as a whole.

The Budget Division’s report on the enacted budget projects annual increases in Foundation Aid, Universal Prekindergarten, EXCEL and expense-based aids for the next four years, but no further funding after this year for the Legislature’s High Tax and Supplemental Excess Cost Aid formulas. With the enactment of the Foundation formula, the quest

for sweeping school aid reform is over. But efforts will continue to address glitches in that formula and to steer aid to politically sensitive regions. The Legislature will likely try to incorporate tax effort and special education factors into the Foundation formula to ensure that those funds are not omitted from future Governor’s budgets.

Four-Year School Aid Projection Cumulative Increase in Millions of Dollars

	Enacted	Forecast		
	2007-08	2008-09	2009-10	2010-11
Foundation Aid	1,092	2,343	3,858	5,512
Prekindergarten	146	200	300	350
High Tax Aid	100	0	0	0
Supplemental Public Excess Cost Aid	21	0	0	0
NYC Academic Achievement Grant	89	0	0	0
EXCEL Building Aid	112	184	197	197
Expense-Based Aids (Building, Transportation, BOCES, High Cost Private and Excess Cost)	142	332	785	1,280
Other Aid Categories	63	63	200	300
School Aid Total	1,765	3,122	5,340	7,639

Source: NYS Division of the Budget, 2007-08 Enacted Budget Report, p. 116.

Money is still an issue for school districts and always will be. But with major funding reform enacted, it can be expected that the Governor and Legislature will focus increased attention on accountability and cost-effectiveness.

Throughout the campaign and after, Eliot Spitzer sensibly called for both increased investment in education *and* increased accountability for educators. His budget proposals for accountability provoked constructive criticism by THE COUNCIL as incomplete and imprecisely targeted. The enacted budget was faulted by some for not driving a harder bargain, not securing accountability commensurate with funding.

In this budget, neither the Governor nor the Legislature stressed cost-containment, although the Governor did advance a Wicks reform proposal and pledged to make it a post-budget priority.

It should be expected that Governor Spitzer will come back with new proposals to assure that his bigger investment in schools does produce better results for schoolchildren and taxpayers. Also, having waged a bitter fight for cost containment in health care this year, it will be surprising if, at some point in the next three years, he does not make advance proposals to restrain costs in education, the other major area of state spending and the largest user of local property tax receipts. So far, he has strongly resisted the cynical path of advocating tax or spending caps while neglecting actions to help schools constrain costs.

A hopeful signal is that the Governor has appointed Dr. Manuel Rivera, the retiring superintendent of the Rochester City Schools, as his Deputy Secretary for Education. Dr. Rivera was chosen by THE COUNCIL as the 2006 New York Superintendent of the Year and as national Superintendent of the Year by the American Association of School Administrators. This is the first time in at least three decades that the Governor's chief education aide has had service as a professional educator as his primary prior career (the others, all men, were former legislative aides). With involvement from the start by Dr. Rivera and more time to develop proposals, future policy initiatives in education should be more thoughtful than this cycle's hurried offerings.

Finally, the selection of Dr. Rivera – and his acceptance, passing up the Boston superintendency – attests to the importance Governor Spitzer attaches to education and his determination to improve outcomes for children.

Conclusion

Intended or not, with this budget, the fates of the Governor and the schools have become intertwined.

For most of this decade, schools have been engaged in defensive and distracting policy battles – to win restoration of chronic cuts to BOCES or special education aid, and thwart spending caps, charter schools, and cynical school voting “reforms.” At the same time, serious efforts to address real, fundamental challenges – raising standards, closing performance gaps, containing costs – were mostly neglected.

Reviewing Governor Spitzer's proposed budget, THE COUNCIL emphasized a difference, concluding that it was at last raising most of the issues policy-makers should be confronting:

If this round of reform does not produce the necessary improvements, the next round will not entail further increases in school aid, but a turn to vouchers, privatization and more charter schools. Spending or property tax caps would almost certainly follow as well.

- How can all schoolchildren be assured the resources necessary for an adequate education?
- How can taxpayers be assured that better resources do produce better results?
- Do state learning standards set the right goals for students and schools to pursue?
- How should schools be held accountable for performance? How can the burden of property taxes be reduced?

The enacted budget delivers answers. Some need to be improved upon. But in total, the budget charts a distinct course for public education for the next several years and it is a more

hopeful one than probably would have been predicted just six months ago.

It may also be the last best hope for New York's public schools to demonstrate that they can succeed at the mission of educating all children to thrive in an increasingly competitive global economy. If this round of reform does not produce the necessary improvements, the next round will not entail further increases in school aid, but a turn to vouchers, privatization and more charter schools. Spending or property tax caps would almost certainly follow as well.

Schools should now have a partner in Governor Spitzer as they rise to meet that challenge.

Having pushed through so large an investment in public schools, it now becomes part of whatever legacy he is to leave New Yorkers. Inescapably, he will be judged on whether that investment produces strong gains in outcomes for all schoolchildren. Inevitably, adjustments in the charted course will be found necessary. Advice from educators must be sought and weighed to arrive at effective implementation and change. Superintendents will have an essential contribution to make, applying their perspective in balancing what schoolchildren need with what taxpayers can afford, and fulfilling their role in leading the translation of policy into sound practice.



New York State Council of School Superintendents

2006-07 OFFICERS

Les Loomis, *President*
Bethlehem

Henry L. Grishman, *President-Elect*
Jericho

Clark J. Godshall, *Vice President/Treasurer*
Orleans-Niagara BOCES

Marilyn Pirkle, *Past President*
Retired

EXECUTIVE COMMITTEE

William R. Bolton, Copiague

Robert W. Christmann, Grand Island

Carol Franks-Randall, Elmsford

Douglas W. Huntley, Massena

Judith Johnson, Peekskill

Marcia Lyles, New York City – Region 8

Mary Alice Price, Pittsford

L. Oliver Robinson, Shenendehowa

Marilyn Terranova, Carmel

STAFF

Thomas L. Rogers, *Executive Director*

Robert McClure, *Superintendent -in-Residence*

Robert N. Lowry, *Deputy Director*

Kelly O. Masline, *Associate Director*

Douglas E. Gerhardt, *Assistant Director & Legislative Counsel*

Theresa Wutzer, *Assistant Director*

The New York State Council of School Superintendents is the professional association of school district leaders, helping members succeed through professional development, advocating sound public policy on behalf of school-children and taxpayers, and defending the leadership role of the superintendency.