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## **NYS Council of School Superintendents report: Four Key Points on School Aid in the State Budget**

**ALBANY** – The New York State Council of School Superintendents this week sent a report to members of the State Senate and Assembly highlighting four key points about School Aid and the state budget for 2016-17.

Robert Lowry, the Council's Deputy Director said, "The state budget enacted last year gave school district leaders hope after several difficult years that financial prospects for their schools might at last be turning around. But our report explains how the near zero tax cap combined with inadequate state aid proposed for next year now threatens the progress some schools were able to make."

The key points of the Council report are summarized below. The complete report is available [here](#).

- **The proposed School Aid increase falls far short of enabling school districts to preserve current services.** The recommended School Aid increase in the proposed state budget would support only about half the cost of maintaining current school services, as estimated by the Educational Conference Board (ECB), given the near zero percent tax cap schools face for the coming year.

The base for the 2016-17 school district property tax cap will be 0.12 percent. The proposed state budget would increase School Aid by \$991 million, including \$128 million for targeted initiatives, leaving \$863 million to help schools fund their current operations. The [ECB projected](#) school costs would rise by \$1.7 billion or 2.7 percent, given a set of moderate assumptions.

- **The property tax cap allows only minimal increases in local revenue, necessitating significantly increasing state aid.** The report explains that with the near zero tax cap, less than half the state's school districts could raise even \$25,000 and less than 20 percent would raise enough to preserve the job of just one first-year teacher receiving typical compensation.

The Council's Lowry said, "With the near zero tax cap, state aid comprises essentially the only source of additional revenue for schools. For all districts – rich, poor, and in-between – the result is the same: proposed state aid is not adequate to preserve their current programs and services."

- **State budget gaps have been eliminated, the Gap Elimination Adjustment must end as well – this year.** The Gap Elimination Adjustment was enacted during the Great Recession to help close huge state budget deficits. The report observes, "State budget gaps are gone and surpluses are predicted for the foreseeable future. The GEA must end as well."

The report explains that because past state actions to reduce the GEA targeted help to poorer districts, so-called “average need” districts are now hurt the most by what remains of the GEA, losing an average of \$310 per pupil.

The proposed budget would phase-out the GEA over two years, reducing it by an average of 44 percent this year.

- **Ending the GEA is not enough, the state must commit to increasing and re-starting the Foundation Aid formula.** Ending the GEA would not do enough to help the state’s poorest districts serving its poorest children. For example, school districts serving high need rural communities would gain an average of only \$13 per pupil, or just one dollar more per pupil than the Governor proposed.

The report calls for increasing Foundation Aid by at least \$500 million beyond the \$266 million recommended by the Governor.

The report concludes, “Further increasing Foundation Aid is imperative for the poorest districts this year. Committing to a plan for fully implementing an updated Foundation formula is essential to a financially sustainable future for all districts.”

Foundation Aid was enacted in 2007 as part of an effort to resolve the Campaign for Fiscal Equity lawsuit challenging the constitutionality of the state’s school finance system. The state is now over \$4 billion behind in phasing in that reform.

Consistent with work done by the state’s Educational Conference Board, the report argues that a \$1.7 billion School Aid increase is necessary to help schools maintain current services and urges that an additional \$500 million be allocated to expand prekindergarten, support struggling schools, improve college and career pathways, help schools serve students for whom English is not their first language, and give teachers professional development to support them in implementing higher standards.

*The New York State Council of School Superintendents is a professional and advocacy organization with over a century of service to school superintendents and assistant superintendents in New York State. The Council provides more than 800 members with professional development opportunities, publications and personal support while advocating for public education and the superintendency.*