

TESTIMONY

of

**The NYS Association of
Small City School Districts**

for

**Joint Legislative Hearing on 2013-14 Executive Budget
(Elementary and Secondary Education)**

January 29, 2013

**Presented by:
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Supt., Fulton City School District**

On behalf of the New York State Association of Small City School Districtsⁱ, we welcome this opportunity to comment on the 2013-14 Executive Budget and its proposals for aid to public elementary and secondary education.

INTRODUCTION

The 2013-14 Executive Budget for Education Aid asserts its commitment to “improved student outcomes, sustainable cost growth, and an equitable distribution of aid,” goals upon which we can all agree. However, we represent poorer New York State school districts and are concerned that the Executive Budget proposals do not provide adequate funds to give our neediest students an education that prepares them for college, careers, and civic participation. For example, the Executive Budget includes greater per pupil Gap Elimination Adjustment cuts for small city school districts and other below wealth districts than for above average wealth districts.ⁱⁱ Therefore we urge the Legislature to target education aid more strongly to needier school districts in order to close the significant performance gap between poorer and wealthier students.

The Executive Budget recommends the enactment of new programs to encourage longer school days, longer school years, early college high school models and full-day pre-kindergarten, particularly in high needs districts. We welcome these initiatives and the funding that would make these programs possible. It should be noted that these laudable programs, while promoting student achievement, involve considerable commitment of additional resources and thus highlight the main problem facing failing districts: chronic under-funding. Moreover, we are concerned that the State is adding new initiatives while not funding the general operating aid necessary to provide a sound basic education to the most vulnerable students across the state.

According to the State’s own definition of a successful school district, in 2009 more than 500 school districts in New York serving over a million children were succeeding. On the other hand, the failing districts, which also serve over a million children, currently spend nearly \$2,000 less per pupil than successful school districts. Moreover, the successful districts have greater local resources, with 55% more wealth, to educate populations with half the student need of unsuccessful districts. These stark statistics lead to the conclusion that while the total amount of state education spending

may not be a problem, it is a grave injustice that state education aid does not support sufficient spending levels for New York's neediest children.

The Executive Budget proposes funding levels, excluding competitive grants, that would result in an average increase of 2.96% in total aid to small city school districts, virtually the same as the state average increase of 2.77%. This does not reflect the type of targeted approach that high need districts deserve. Additionally, competitive grants are highly unpredictable and winning these grants often involves spending considerable time and resources by an already stretched school district. Many of our small city school districts lack the internal staffing capacity to compete for these grants.

National experts have recognized the gross misalignment in New York between educational resources and student need and that the State ranks 44th in the country in equity of funding between students in wealthier communities and those from poorer communities. The consequence of this inequity is the yawning student performance gap.

Furthermore, the transformation of funding of public elementary and secondary education under the Gap Elimination Adjustment (GEA)ⁱⁱⁱ, the Personal Income Growth Index cap (PIGI cap)^{iv} and under the tax levy cap^v now insures that this misalignment between need and resources and the resulting student performance gap cannot be remedied in the foreseeable future. The Executive Budget proposes no increase in Foundation Aid and a restoration of \$321 million out of the existing \$2.2 billion in GEA cuts. Notably, Foundation Aid, which was to be fully phased in by 2011 but has been postponed numerous times, directs an additional \$5 billion to districts above pre-GEA levels. At the rate proposed in the Executive Budget, the promises made in 2007 when Foundation Aid was enacted will probably never be realized.

Our Association believes it has the responsibility to bear witness to the enormity of the funding problems poorer/higher need districts face. Unless the State addresses these funding shortfalls, all other attempts at education reform will be futile.

An example of the egregious consequences of the failure to fund high need/low wealth districts is exemplified by Poughkeepsie, a small city. Poughkeepsie City School District has by far the highest student need, lowest wealth and the lowest graduation rate in Dutchess County. Yet it is the bottom half in spending per pupil among that county's districts and has experienced the highest loss under the GEA as a percentage of its

budget, translating into a \$939 per pupil cut in state aid.^{vi} If the State's educational funding system cannot recognize the burdens facing a district like Poughkeepsie, it will never be able to make progress toward its stated goal of providing a quality education to all children wherever they reside.

THE SOLUTIONS

We therefore urge that you:

1. Strengthen the targeting of State education aid to higher need/lower wealth districts begun in 2007 under the Foundation Aid formula.

2. Resume full funding of the phase-in provisions of Foundation Aid for districts not reaching the definition of a successful school, the personal income growth cap notwithstanding. (See, for example A.8844 of 2012 by M of A Russell and Lupardo)

3. Apply the \$125 million in the Executive Budget for competitive grants to fund Foundation Aid increases or for partial elimination of the GEA, with high need/low wealth districts having priority in funding.

4. Amend expense driven aids and target more dollars to higher need/lower wealth school districts.

5. Target the Fiscal Stabilization Fund to higher need/lower wealth districts and provide flexibility to districts in how these funds are used to address their budgetary obligations.

6. Allow small city school district boards to forego the school budget vote if the board approved budget does not exceed the tax levy cap and thereby save the unnecessary cost of such votes.

7. Allow small city school districts to present portions of the school budget in separate resolutions requiring a super majority vote only for the portions exceeding the tax levy cap.

8. Make a portion of Transition Aid permanent and encourage conversion of public schools to public charter schools. While we do not oppose charter schools, we do have concerns about how these schools are funded. There is significant fiscal pressure on several small city districts from the

growth in numbers of charter schools. The relative size of the charter school censuses to the small city district censuses is a significant problem not experienced by New York City and the other large city schools. The need for relief in this area has become extreme.

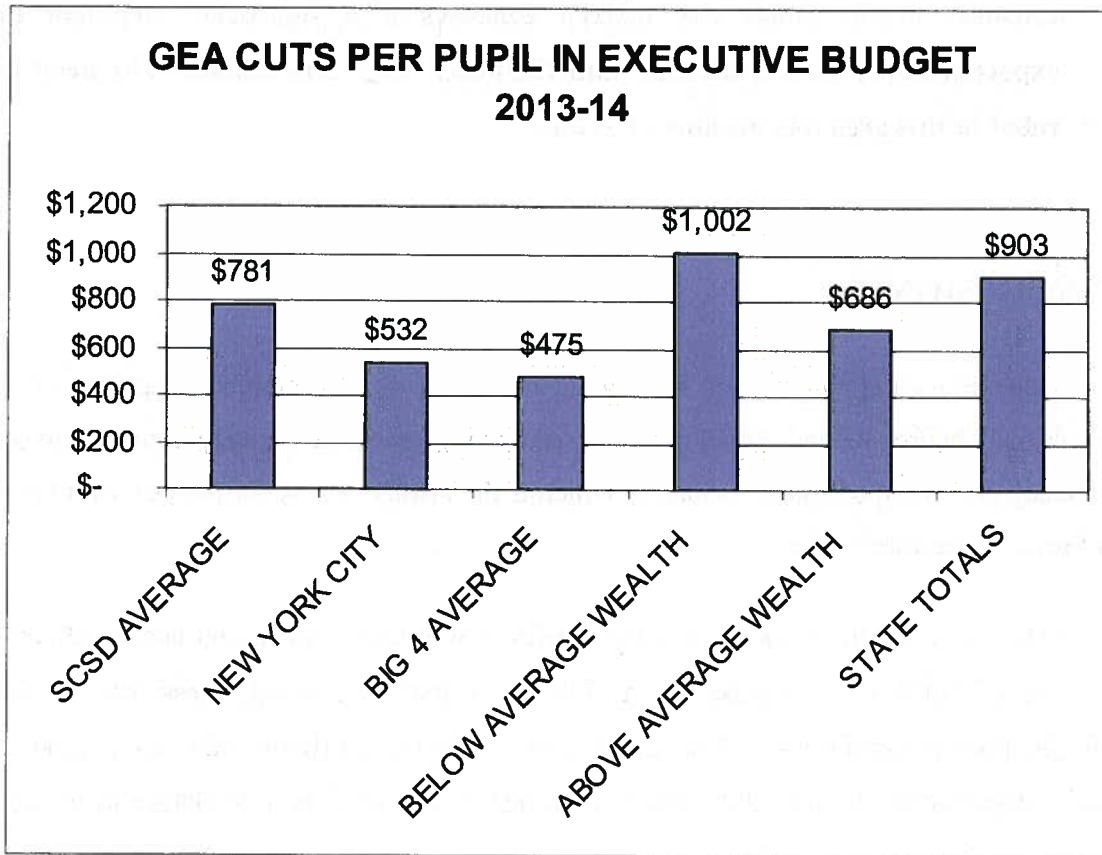
CONCLUSION

State education funding has been going in the wrong direction, leaving the poorest schools and children behind. Small city children and tax payers desperately need help to stop the steady erosion in education resources which is the primary cause for the lack of progress in closing the performance gap.

The value judgments and choices made now will have a deep and lasting effect on the lives of hundreds of thousands of children whose well being is essential to their families, their communities and the entire state. "The test of the morality of a society is what it does for its children (Dietrich Bonhoeffer)." We need the Legislature to continue to be the advocate it has historically been for adequate and equitable funding of our schools.

ⁱ Small city districts serve a quarter of a million children and 1.5 million residents. In addition to the 57 small city districts, there are 225 other demographically similar districts throughout the state serving about 400,000 students in poor rural and suburban areas facing challenges and difficulties equal to those confronting the small cities.

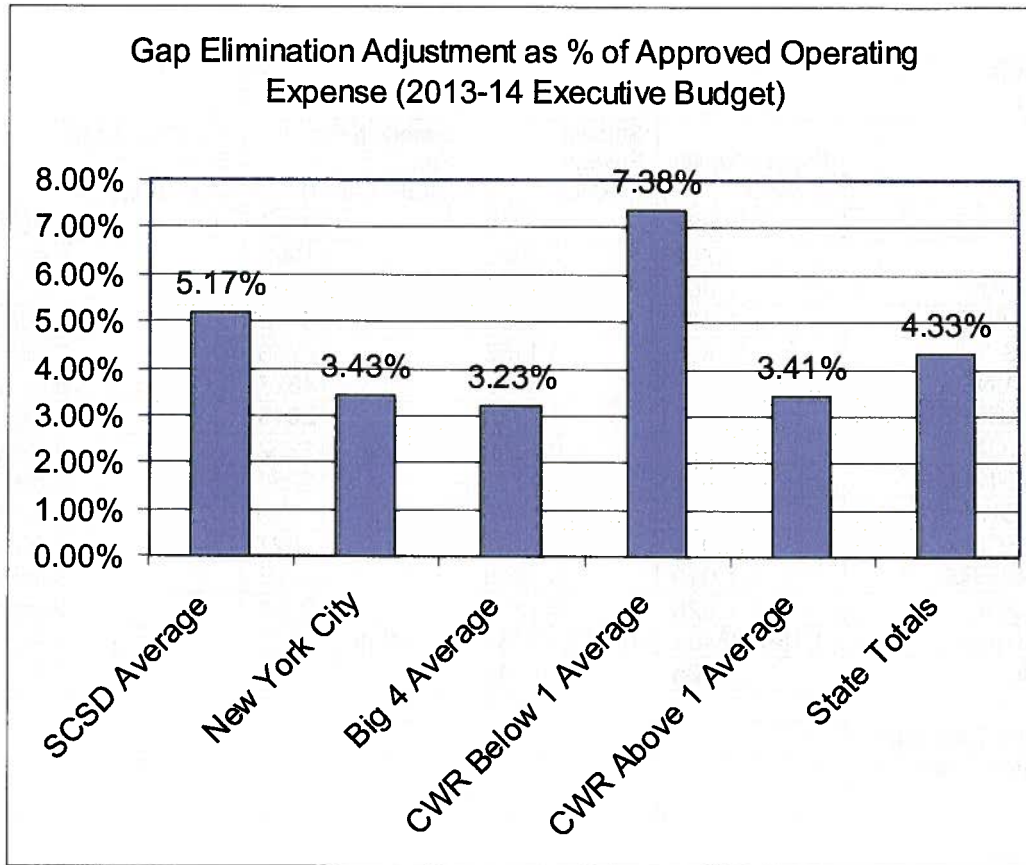
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iii The GEA has returned State funding to 2006-07 levels.

	2006-07 FOUNDATION BASE AID	2007-08 FOUNDATION AID	E(FA0198) 00 2008-09 FOUNDATION AID	E(FA0197) 00 2013-14 FOUNDATION AID	AA(FA0185) 00 2013-14 GAP ELIMINATION ADJUSTMENT	2013 14 FOUNDATION AID MINUS 2013 14 GAP ELIMINATION ADJUSTMENT
SCSD AVERAGE	22,055,703	24,368,258	26,447,710	26,663,764	-3,079,501	23,584,263
SCSD TOTAL	1,257,175,093	1,388,990,691	1,507,519,485	1,519,834,543	-175,531,547	1,344,302,996
BIG 4 AVERAGE	255,419,721	274,566,690	292,317,462	278,655,334	-13,504,727	265,150,607
NON CITY AVERAGE	8,442,789	9,137,712	9,864,217	9,892,584	-1,714,964	8,177,620
NEW YORK CITY	5,063,348,319	5,533,101,299	6,168,608,030	6,234,285,191	-685,786,420	5,548,498,771
STATE TOTALS	12,465,920,433	13,640,051,880	14,873,594,373	15,005,359,281	1,834,731,236	13,170,628,045

Moreover, the GEA takes almost twice as much from small city districts as from above average wealth districts when computed on a percentage of AOE.



^{iv} The PIGI cap restricts education increases to the amount of growth in personal income and will, if historical data is an accurate predictor, prevent Foundation Aid from ever being fully funded. This, of course, will cripple programs and student achievement in districts like the small city districts for generations to come.

^v The tax levy cap, as popular as it may have seemed at the time, will cause havoc with programming and staffing for years to come. Small city districts learned this lesson when they were subject to the 2% constitutional tax limit before 1985. More than half the 57 small city districts at that time faced possible programmatic and fiscal insolvency and were unable to balance budgets and fund their programs without special aid known as Hurd Aid.

DUTCHESS COUNTY					
	District Wealth (CWR)	Student Poverty (FRPL)	Spending Per Pupil (AOE/TAPU)	%Cut to District Budget (GEA/TGFE)	Graduation Rate**
BEACON	0.885	0.4077	10461	6.29%	74%
DOVER	0.785	0.3823	11092	5.86%	76%
HYDE PARK	1.002	0.385	12393	5.04%	77%
NORTHEAST	1.382	0.3513	15780	4.44%	72%
PAWLING	1.415	0.1153	16253	2.05%	92%
PINE PLAINS	1.755	0.3076	14627	5.08%	72%
POUGHKEEPSIE	0.57	0.7925	12013	6.44%	57%
ARLINGTON	0.921	0.1609	11252	4.99%	84%
SPACKENKILL	0.989	0.1717	15950	3.59%	89%
RED HOOK	0.891	0.1785	11795	3.89%	83%
RHINEBECK	2.024	0.1148	15627	1.93%	88%
WAPPINGERS	1.019	0.1838	10207	5.15%	82%
MILLBROOK	1.826	0.1373	12398	2.46%	88%
County average	1.189538462	0.283746154	13065.23077	4.40%	80%
Statewide*	1.25	0.344	13356	5.80%	77%
DBSAC1					
*unweighted averages					
**state report card 2010-11					
NYSASCSD					