ALBANY — One day after Gov. Andrew Cuomo unveiled his 2016 education budget, along with district-by-district aid figures, some education advocates voiced their displeasure, calling the proposals “disappointing,” “insufficient” and in some ways “disingenuous.”

Cuomo’s education proposals, announced during his State of the State address on Wednesday, include a $2.1 billion increase in aid over a two-year period, elimination of the Gap Elimination Adjustment, the conversion of “struggling” schools to community schools, increased funding for higher education, and the creation of an education tax credit, a proposal he backed last year.

The GEA is a formula established during the 2008 recession to help the state close a multi-billion-dollar deficit. A portion of the state’s funding shortfall is divided among all school districts based on set formula and each district’s state aid is reduced accordingly.

Michael Borges, executive director of the New York State Association of School Business Officials, said $434 million of the GEA remains, with most of that owed to average and wealthy districts.

“The fact that [Cuomo] said $2.1 billion over two years was to address everybody’s call for an at least $2 billion increase,” Borges said, referring to proposals such as one from the state Board of Regents calling for a $2.4 billion increase. “By
Cuomo raises $5 million saying, 'oh, over two years,’ it sounds like he was responding to those requests.

"It was disappointing in a sense that the state has been talking about how financially it is in better shape now than it's ever been ... and yet we're still taking money from schools through the GEA," he said.

The proposed $2.1 billion increase comes out to a $991 million increase for 2016-2017, according to a budget briefing book.

"First of all, we can't count on a two-year plan working because they have the ability to change the plan annually. They actually have the ability to change it mid-year," said Rick Timbs, executive director of the Statewide School Finance Consortium. "A two-year proposal is not worth the paper it's written on. The second thing is...$2.1 million seems a little disingenuous.”

Of the $991 million, $408 million is for reimbursement and expense-based assistance, typically for construction projects and other items for which districts have already spent money. Another $128 million will go toward programs such as pre-kindergarten, early college high schools and community schools.

The real funding districts want to see increased is Foundation Aid, which was established after the state Court of Appeals ruled in 2006 that New York was underfunding its schools and not meeting its constitutional burden. The new, more equitable formula was never fully implemented.

Cuomo has proposed a $266 million increase in Foundation Aid. Borges said that if Foundation Aid was fully implemented, districts would be owed more than $4 billion

Typically, the poorest districts rely on the Foundation Aid, while the wealthier districts raise money through property taxes.

This year, however, the state will likely run into a problem if its property tax cap legislation isn't tweaked.

With the tax cap projected to be zero — driven below the normal 2 percent figure by the minimal rate of inflation — wealthy districts will be looking for assistance to make up for what they can't raise through taxes.

Borges projected that figure at about $400 million statewide.

“That's why this number the governor came out with is woefully inadequate,” he said.

Another factor at play is the state Gap Elimination Adjustment, or GEA. Of the $991 million, $189 million will go toward restoring cuts in aid through the formula.

The number should not have been included in the aid projection, Timbs said.

“It's a false promise as we see it,” he said. "What he's doing is giving you some of your own money back and counting it as a state aid increase.”

The proposal is strategic as to which districts will get more of the GEA restored, with 30 percent of the $189 million being distributed equally across the state, Borges said. The
remaining 70 percent will be targeted toward high-need to average-need districts that
are owed the least. The most money owed through the GEA is to average-need to
high-wealth districts, Borges said.

The state is trying to balance where it puts its funding so it’s not leaving anyone out,
Timbs said, something that could be done much more easily if the aid formula were
tweaked to be more equitable and then fully run. The state also needs to get rid of the
GEA completely, he said.

“The act of not actually taking care of the Foundation Aid over the last seven years is
coming home to roost,” Timbs said. “In some ways the wealthy districts feel like they’ve
been ignored and the poor districts feel like they won’t have enough.”

There are also growing expenses.

In addition to the projected zero property tax cap and typical expenses that arise every
year, the state’s public schools will face other challenges this year that Cuomo did not
address.

Cuomo’s call to raise the statewide minimum wage to $15 an hour could cost districts
hundreds of thousands of dollars, according to the New York State Association of School
Business Officials. Aides, bus drivers and cafeteria workers are hired for minimum wage
and an increase would impact 33,422 employees statewide at an average cost of $283,463
per district, according to a survey the association conducted of its members.

Districts would see some relief in the teacher and employee retirement systems. The
Teachers’ Retirement System is projected to decrease from a 13.26 percent employer
contribution rate to between 11.5 percent and 12 percent. The Employee Retirement
System is expected to go from an 18.2 percent contribution rate to about 15.5 percent.

Though investing in pre-kindergarten and early college programs are important, some
of Cuomo’s proposals further take away from the ability to put more in the Foundation
Aid, or to eliminate the GEA, Borges said.

Cuomo once again proposed an Education Tax Credit that would create a $150 million
credit providing incentives for educational donations. Opponents, including teachers
unions have said the legislation undermines public schools and unfairly favors the
wealthy.

“The tax credit would diminish state revenues, which is the source of funds for public
schools,” Timbs said.

The tax credit proposal includes a reimbursement credit for teachers, providing up to
$200 for public, private or charter school educators who purchase their own school
supplies and materials.

Cuomo’s proposal to increase the opportunity for minority- and women-owned business
enterprises would also have an impact on district budgets, Borges said. Currently,
districts are required to select the lowest bidder on projects. Under the new proposal,
they would have to select minority- and women-owned business, which are not always
the lowest bidder, Borges said, adding that it’s still unclear how the process would work.

Another proposal includes a $27 million for charter schools, funding not going to public
schools, Timbs said.
And some proposals, such as the $100 million pledged to turn “failing” schools to community schools take away from the funds that could be going to Foundation Aid but aren't enough to accomplish what they set out to, he said.

The proposal earmarks $25 million for any school in the state and specifically $75 million for the state's 144 “struggling” and “persistently struggling” schools to instead use the community school model, providing wraparound services for students and their parents. Schools would have to apply to the State Education Department and state Division of Budget to do so.

It is unclear how this money would be divided, but there likely is not enough money in the fund, Borges said.

“We're adding community schools, we're adding pre-kindergarten, we're adding 3-year-olds ... Before you embark on new stuff, you have to pay off your old debt,” Borges said.

Cuomo's proposal is not the last word. The Assembly and Senate will be holding their budget hearings and then release their one-house budgets. Then the negotiating begins.

The Senate, lead by a Republican majority, already has passed a bill to restore the GEA. The Democrat-led Assembly also has called for restoration of the GEA, but is expected to discuss changes to the Foundation Aid formula as well.

In the final tally last year, school aid increased by $1.4 billion. Borges said he expects this year's proposal to increase to about $1.9 billion, including funds to offset the tax cap.

“I'm projecting the Senate will get its GEA. The Assembly will ... [put] another $500 million to 600 million more on school aid,” he said, adding that it's even more likely given that it's an election year.

Timbs said the proposal leaves much to be desired. "It's insufficient, it's inadequate," he said. "We're going to have to rely on the Legislature to fill in the blanks."

The New York State Association of School Business Officials compiled a comparison of Cuomo's budget proposal with the Board of Regents and other education advocacy group budget proposals here: http://politi.co/1JNvOSL

Read the full aid runs released by the state education department here: http://on.ny.gov/1P3lg4h
School advocates find major fault with Cuomo's proposed budget!

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I don't know if there's another reporter who understands - or can explain - school funding as well as Ms. Clukey. Outstanding article.