School districts prepared to fight for more state aid - City & Region

School districts across the state have lost money due to a fiscal gimmick enacted five years ago.

School districts prepared to fight for more state aid
District leaders call for immediate dismissal of the Gap Elimination Adjustment

By Barbara O’Brien
News Staff Reporter

In a financing gimmick five years ago, the state took a chunk of money from each school district across New York to help close a $10 billion budget gap.

They called it the Gap Elimination Adjustment – and the letters GEA have haunted school leaders, particularly those of suburban districts – ever since.

The state has continued subtracting money from the aid it gives schools every year, even though it is no longer running a deficit.

Educators, parents, school board members and state legislators have been calling for an end to the GEA.

And Gov. Andrew M. Cuomo joined the chorus last week calling for its end (http://schoolzone.buffalonews.com/2016/01/18/how-much-is-the-state-taking-back-from-your-school-district/).

But he wants to do it over the next two years. School boards and superintendents, and the politicians backing them, say that’s not soon enough.

“The governor’s promise to eliminate the GEA in two years doesn’t do me much good this year, when our district could be facing a pretty significant gap,” said Anthony Day, superintendent of the Sweet Home Central School District.

Sweet Home would need $1 million above the governor’s proposal to eliminate its GEA.
“Why do we even have a GEA?” questioned Richard Timbs, executive director of the Statewide School Financial Consortium, made up of more than 400 public school districts pushing for equitable distribution of state education aid. He pointed out that the state has not had a deficit for three years.

Senate Majority Leader John J. Flanagan Jr., R-Huntington, has declared there will be no budget this year if the GEA does not end. That has set up a showdown in Albany, between the Republican Senate championing ending the GEA, which affects mainly suburban school districts, and the Democratic governor.

Under Cuomo’s plan, the state would increase aid to schools by $2.1 billion over the next two years – including $434 million in GEA funds.

In the first year, the state would spend $991 million, including $189 million to restore the GEA fully to about 200 higher-need districts, including Buffalo, Niagara Falls and Lackawanna, and reduce the amount for the rest of the districts.

But much of the GEA already had been returned to many urban and higher-need districts. Under the governor’s proposal, Buffalo, Niagara Falls and Lackawanna would get a total of $121,000 from the state this year – a tiny percentage of their budgets and less than what is owed individually to all but one district in Erie and Niagara counties.

If Cuomo has his way, the rest of the GEA restoration wouldn’t come until the following school year, 2017-18.

Suburban school districts say that’s too little, too late. The GEA would remain in place for them at a time when the state-mandated tax cap has made it especially difficult for districts to raise local taxes. Complicating finances is that foundation aid – the general operating aid distributed based on a formula designed to take the needs of the district into account – was frozen and has not been totally restored.

“We’ve been waiting, I think, long enough, now that the state has a surplus,” said Clarence Superintendent Geoffrey Hicks.

He’s grateful that the amount of the GEA taken from his district’s budget has come down, but under the governor’s proposal, Clarence still is owed $1.25 million on the GEA line. “That’s revenue that’s especially needed in a year like this where tax cap numbers will be lower than they have been since the inception of the tax cap,” he said.

If it was totally eliminated, Clarence would be able to continue funding existing programs, Hicks said. And if foundation aid was restored, the district might be able to look at restoring some of the programs it has cut.

Flanagan and the Senate have the support of education groups in the state, as well as superintendents and board members from the districts affected by the GEA, for completely eliminating it this year.

“I think we can and will eliminate it this year,” said State Sen. Patrick M. Gallivan, R-Elma. “This is a huge priority for us and very important to the schools we represent.”

In addition to the GEA, the state owes school districts $4.4 billion in foundation aid, according to the Statewide School Financial Consortium.

“What’s the long-range plan here?” Timbs asked. “You cannot determine real equity in the distribution of state aid if you have a portion of state aid that can always be manipulated or withdrawn.”

Kenmore-Town of Tonawanda School Board member Robert Dana has worked to get the word out about the GEA. He predicts there will be more school district rallies to eliminate the GEA.

“I was hoping for better things with the budget,” said Dana, echoing many board members’ thoughts, but he added about the governor, “he’s given us time, he’s given us notice.”

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