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Simplify state funding for schools, Comptroller's Office urges

Since 2007 court ruling, state aid to schools has become more complicated

By Bethany Bump Published 10:36 pm, Monday, March 14, 2016

Albany

With spending on school districts expected to climb to more than a quarter of New York's budget over the next three years, the state comptroller's office is urging policymakers to consider simplifying the way the state funds education.

The recommendation was part of a comptroller report examining the recent history of school aid and the opportunities and challenges presented by this year's budget. It was issued on the same day the Assembly and Senate voted on one-house budget resolutions that propose increasing state aid to schools by more than \$2.13 billion and \$1.6 billion, respectively, over current levels.



"As stakeholders undertake planning and negotiation for the upcoming budget, there is an opportunity to work towards a simplified, more equitable and transparent model for funding education in New York State," the report notes.

School aid is the single largest state-funded expenditure in the state budget. But in the

years since a 2007 court ruling prompted the state to remedy its funding methods to better serve high-need districts, funding for schools has become more complicated.

That's because the various formulas New York currently uses to fund schools are either outdated or constantly changing.

"This report exposes the lack of any long-range planning on the part of the state," said **Rick Timbs**, executive director of the **Statewide School Finance Consortium**.

The **Foundation Aid** formula, enacted in 2007-08 in response to a court ruling, was frozen after just two years of a planned four-year phase-in of \$5.5 billion. After the freeze was lifted in 2012-13, the factors used to calculate aid under the formula, like regional poverty rates and enrollment, remained frozen at historical levels. And recent budgets have funded the formula at levels far below those originally proposed.

Meanwhile, the state instituted a new Gap Elimination Adjustment formula in 2010-11 that began diverting school aid to help close a multibillion-dollar state budget deficit. And then in 2012-13, the state began using a separate formula, called GEA Restoration Aid, to start paying the districts back. But this formula has had different calculations each year since, the comptroller's report notes.

There are calls to eliminate the GEA next year. Gov. **Andrew Cuomo** has called for its elimination over two years. District officials, meanwhile, are waiting on the final state budget before they submit spending plan proposals for next year.

State aid makes up a significant share of school budgets – more than one-third at 35.9 percent in the 2014-15 school year. Total aid to the state's approximately 700 school districts is expected to climb from \$23.3 billion currently to nearly \$28 billion over the next three years.

"Overall, while state school aid has grown since 2011-12, most of that growth has taken place outside of the Foundation Aid formula," the comptroller's report notes. "And, even though GEA Restoration Aid has provided more assistance to school districts during the period, it has also made school aid distribution that much more complex. As a result, state school aid funding is increasingly difficult for school officials and citizens to understand and predict."

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