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### **State aid for New York schools returns to pre-recession level State budget does away with Gap Elimination Adjustment, a funding move applauded by many suburban boards**

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The recession has finally ended for public schools in New York.

Schools are getting a record amount of aid – \$24.8 billion – this year under the state budget, allowing many to move past the days of program cuts and staff reductions.

Gone for good is the reduction in state aid known as the Gap Elimination Adjustment, giving a boost to many suburban districts.

“To the GEA, we say RIP,” said Timothy G. Kremer, executive director of the state School Boards Association.

He wasn't the only one applauding the end of the funding gimmick that sprang up in the fiscal crisis.

“We certainly will not be laying anyone off,” West Seneca Superintendent Mark Crawford said at the prospect of getting \$1.8 million in the restoration of GEA funding.

“In my seven years as a superintendent, this is certainly the best news I've seen coming from the state budget when it comes to financial support for school districts,” said Williamsville Superintendent Scott Martzloff, who commended local lawmakers for pressing to end the Gap Elimination Adjustment.

The state was already planning to restore GEA funding in higher-needs districts like Buffalo, Lackawanna and Niagara Falls, and under this budget those districts will see larger increases in foundation aid or what used to be known as operating aid. That is state money distributed under a

Look for “foundation aid,” also known as operating aid, to replace GEA and become the next buzz words for educators.

“We’re getting closer to adequacy, but we’re not getting closer to equity,” said Richard Timbs, executive director of the Statewide School Financial Consortium. While Gov. Andrew M. Cuomo had proposed doing away with GEA next year, it was widely believed that all of the money would be put back in this year’s final budget.

“We’re pleased the GEA has been fully restored,” said Amherst interim Superintendent Bruce Fraser. “We felt that it was wrong to continue to hold back that money after their budget issues were resolved.”

Amherst will be getting a boost of 20.4 percent in state aid from last year. A large amount of that is due to reimbursements the district is receiving for transportation, Fraser said. The district also will receive \$809,000 as its share of GEA. But the district’s foundation aid is nearly flat.

“I am concerned that the average- wealth districts are not benefitting from fairly large increases in foundation aid,” Fraser said.

While school administrators have been rallying for more state aid in recent years, many have made deep budget cuts to try to offset declining student enrollments, rising expenses and cuts to state aid.

In Kenmore-Tonawanda, for example, the district will close two elementary schools and a middle school next year as it completes a districtwide restructuring that has been in the planning stages for several years.

Those closings will help the district save. But school officials also will have to make up for \$3 million the district will lose next year because of the closure of the Huntley Station power plant.

School administrators were hoping to see more foundation aid restored for 2016-17, said John Brucato, Ken-Ton’s assistant superintendent for finance.

“It definitely puts districts in a tough position because you don’t want to put too much of a burden on your taxpayers to make up that difference,” Brucato said.

Still, school administrators around the state haven’t been this happy with state aid since 2008, when there was a record increase in aid.

Most schools in Erie and Niagara counties have surpassed the amount of aid they got in 2008. That was the second year of what was supposed to be a four-year plan to resolve a lawsuit over equitable school funding by increasing aid more than \$1 billion a year.

Depew Superintendent Jeffrey Rabey said setting the four-year plan on foundation aid allowed districts to know how much revenue would be coming in.

“It added some predictability to what our revenue stream would be and we could be better future planners and not look in the crystal ball all the time,” Rabey said.

But then the fiscal crisis hit in 2009, and foundation aid was frozen and in later years reduced. In addition, the state instituted the GEA, further reducing aid.

“The problem was, it wasn’t our gap they were trying to eliminate,” Rabey said, adding that Depew has cut spending by \$6.2 million since 2010 to balance its budgets.

Despite the record amount of aid, issues remain for funding of schools, including a tax cap base this year that is close to zero.

Amherst, Hamburg, Tonawanda and Niagara Wheatfield are among the 82 school districts in the state that have negative tax caps.

Hamburg’s tax cap is a negative 4.4 percent, and without the restoration of GEA funds, “it would have caused us to have some very difficult conversations in the district,” Superintendent Michael Cornell said. Instead of looking at a budget gap of about \$1 million, it will be down to about a quarter of that, and the

“It’s another stabilization budget,” he said. “We’re not adding a lot of stuff back, we’re maintaining the footprint we have.”

This year’s school aid is cause for “cautious optimism,” said Jane Burzynski, director of the Erie County Association of School Boards. She said there would have been grave concern for local budgets if state aid did not increase substantially.

“It sounds promising,” she said, but she added to state leaders: “We would like them to repay the loan we gave them.”

The association said the reduction in state aid over the last eight years amounts to more than \$1 billion lost by schools in Erie County, what has been called an “interest-free loan” to New York State.

That’s why Hamburg’s Cornell says, “We’re still underfunded within the context of the loss of \$50 million since 2008.”

It’s a sentiment echoed by many others.

“The end of GEA this year will permit an undistracted debate over how to update the foundation formula next year, in what will be the 10th anniversary of its adoption,” said Robert Reidy, executive director of the New York State Council of School Superintendents.

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