



NYS Needs to Honor its Constitutional Obligation to Fund Public Education

New York State is not meeting its very specific and constitutional obligations to fund public education.

New York State's obligation to provide "a meaningful high school education" was defined by the ruling in the Campaign for Fiscal Equity lawsuit. As a direct result of that specification, the state passed the **State Education Budget and Reform Act of 2007** which pledged the state to a \$7 billion needs-based funding increase that was to be phased-in over four years.

Despite court decisions and laws that reinforce this obligation, NYS has failed to "provide for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated"(Section 1, Article XI).

The state is undermining the fiscal stability of public education by:

- **Inadequately aiding** school districts by failing to follow the requirements of the State Education and Budget Reform Act, by delaying compliance with the funding requirements and by discarding the use of the Foundation Aid formula itself.
- Establishing the **Gap Elimination Adjustment (GEA)**, a subtraction off the bottom line of a district's aid calculation to redirect education funding to other state purposes, as a permanent part of the state budget process.
- Establishing a **cap** on the local property tax levy which limits the ability of districts to raise local revenue and creating a **supermajority** requirement which weights the value of "no votes" more than "yes votes" when voting on exceeding the calculated limit. This cap also interferes with the normal growth of the tax levy and encourages a negative attitude toward school taxes.
- **Capping** their increase in state aid to education by tying it to the increase in personal income growth in the state, potentially voiding the responsibility of the state government to determine the allocation of state aid by need and instead substituting an arbitrary formula;
- Imposing new program **mandates** on districts without regard to the cost of the implementation or locally determined priorities;

Our State's public education students are experiencing cuts in programs and services as a result of the Legislature, the Governor, and the Board of Regents setting alternate priorities and stepping away from their sworn duty to support the Constitution and Laws of New York State.

The Data is Clear

1. **Inadequate levels of state aid:** Following the decision in the Campaign for Fiscal Equity court case which defined the state's obligation for education, the Legislature passed the State Education and Budget Reform Act of 2007, which established a simple, transparent, and predictable, need-based formula for determining state aid to school districts. It also provided for over \$7 billion in additional funding to be phased in over the next four years.

Although the 2008-09 budget fully funded the first year of the Education Act's commitment for funding, the state never followed the future allocation commitments. Going forward, the prescribed funding was frozen and subsequently cut, and the formula was effectively discarded since it was never used to calculate funding after the first year. ***At this time, most districts have returned to aid levels lower than they received in 2009.***

2. **Gap Elimination Adjustment (GEA):** Although established during the recession in 2010 ostensibly to enable the state to cope with reduced revenues by reducing state aid to education, the GEA continues to be used even though the state is no longer facing a shortfall and is now allocating hundreds of millions of dollars for new initiatives while ignoring their continuing legal obligations. ***As of the 2014-15 budget year, the GEA has cut education funding by over \$10.1 billion statewide and by over \$412 million locally, this in addition to the failure to add the aid required by the Education and Budget Reform Act.***
3. **Tax Cap and the Supermajority Requirement:** To address the problem of high property taxes, the state selected an artificial and arbitrary formula to establish a "cap" on any increase in the tax levy (there is no economic theory or principle to justify the selection of the "2% or less" limit on tax increases). Local districts cannot exceed this cap unless a supermajority of residents approve a greater increase in their annual tax levy. This supermajority requirement means that in a local grass roots vote of all eligible citizens, a simple majority of "Yes" votes is not sufficient to approve a budget. 41% of "No" votes count more than 59% of "Yes" votes. ***In no other situation in our nation is a grass roots vote of the people not decided by a simple majority vote.***
4. **False Issues about spending on education in NYS:** New York's education system is often criticized because more is spent per student here than in most states. New York State, however, is only exceeded in its cost of living by Hawaii and requires more mandated services than any other state in many areas. Blaming school districts for the state's average cost per student is disingenuous criticism in that it disregards these facts and the legitimate concern that the state is grievously shortchanging education. In fact, the actual cost per student varies widely across the state, from less than \$14,000 per student to well over \$30,000, \$40,000, \$50,000 per student and more. ***Our MCSBA districts average \$18,982 per student, less than the state median of \$22,552, despite these significant cost drivers.***
5. **Real Issues about education spending in NYS:** 72% of the states provide a greater percentage of the cost of public education than New York. 36% of the states pay more than half the cost of education as a percentage of the total spent.

Our students deserve better!