



Campaign for Fiscal Equity, Inc

110 William Street–Suite 2602, New York, NY 10038

Tel (212) 867-8455 Fax (212) 867-8460

www.cfequity.org



Alliance for Quality Education

94 Central Avenue, Albany, NY 12206

Tel (518) 432-5315 Fax (518) 432-9498

www.aqeny.org

NEW YORK STATE LEGISLATURE: Fulfill Your Commitment to Our School Children Restore \$350 million in missing foundation aid to the 2008 budget

- **No Cuts in New York's Historic Commitment to School Children: Restore the \$350 million in foundation aid**
- **Meet the Scheduled 2008 Phase-In for Foundation Aid Increases as Committed to in Law in 2007**
- **Do Not Lower the Cap on Maximum Increases for School Districts from 25% to 15%**
- **Fine Tune the Foundation Aid Formula to Ensure Predictability**
- **Tie Restored Funding to the Accountability of the Contract for Excellence**

I. No Cuts in Historic Commitment to School Children: In 2007, the legislature joined the governor in enacting historic school funding reform legislation committing New York State to phase-in a four-year \$5.5 billion increase in foundation aid (basic classroom operating aid). That legislation committed the state to increase foundation aid in 2008—the second year of the phase-in -- by \$1.25 billion. The Executive Budget is \$350 million short. Now the responsibility rests with the legislature to restore this \$350 million in foundation aid in order to fulfill its commitment to school children across the state.

II. No Delays, No Excuses: Meet the Phase-In Schedule: Last year's commitment came after 14 years of delays and excuses in creating a statewide settlement to CFE. Over the years, the Assembly Majority consistently adopted legislation to fully fund our schools statewide and settle CFE statewide. Again and again, Speaker Silver and his colleagues played a key leadership role in advocating for a fair statewide solution. What made the 2007 education reform legislation historic was that the legislature and governor agreed to provide New York's students with the funding resources they need regardless of year-to-year economic fluctuations. The lawmaking branches of New York State's government all committed to phase-in a specific schedule of annual funding increases. In 2007, the legislature and the governor increased foundation aid by \$1.1 billion, 20% of the four-year \$5.5 billion commitment. In 2008, the commitment is to add \$1.25 billion -- an additional 22.5% of the \$5.5 billion for a two-year total increase of 42.5%. The executive budget proposal significantly reduces the phase-in amount to only 17.5%--a two-year total of 37.5%. In order for the legislature to fulfill its commitment to New York's school children, the full 22.5% increase must be added in 2008.

III. Do Not Lower the Cap on Maximum School District Increases from 25% to 15%: Under the foundation aid formula adopted in 2007, school districts' foundation aid increases are capped at 25%. (For instance, if a district previously received \$1,000,000 in foundation aid from the state, under the cap they would be unable to receive more than a \$250,000 increase in one year). The Executive Budget proposal would reduce this cap to 15%. This lower cap will have a devastating impact on dozens of districts around the state that the reform legislation prioritized to support. Among the biggest losers are Binghamton, Utica, Lansingburgh, Schenectady, Hudson Falls, Westbury, Freeport, and Uniondale.

IV. Fine Tune the Foundation Aid Formula: The foundation aid formula was designed to be fair, predictable, transparent, and linked to accountability. The new formula, though not fully funded, has proven to be more effective at meeting these goals than the amalgamation of old formulas it replaced. Not surprisingly, when moving from the drawing board into formula implementation, there are some glitches that need to be fine-tuned. The formula proved to be overly sensitive to various year-to-year fluctuations in property values and student enrollment. As a result, some districts from every part of the state will see disproportionately large reductions in their committed foundation aid this year unless the formula is fine-tuned. These districts include Jamestown, Syracuse, New York City, Middletown, Newburgh, Brentwood, Ilion, Auburn, and William Floyd, among others. The formula should be fine-tuned to ensure that year-to-year fluctuations do not undermine the fundamental objectives of driving increased education dollars to our highest-need, low performing students and schools and ensuring predictability so school districts can plan ahead and implement successful multi-year school reforms.

V. Tie Funding Restorations to the Accountability of the Contract for Excellence: Across New York State, one in three students do not graduate on time and in many districts the rate is only one in two. The Contract for Excellence legislates opportunities for parents and the community to have direct input on school reform. The legislation requires districts to prioritize research based best practices which include: class size reduction; more time on task -- including extended day, extended week, and after school programs; programs and strategies to improve teacher and principal quality; middle school and high school reforms to get students on track for college and today's job market; full-day pre-kindergarten or kindergarten; programs for English language learners (our most at-risk students); and innovative local research-based reforms. Tying funding to the accountability of the Contract for Excellence is necessary to ensure adequate public input into decision-making about classroom reform and to ensure that funding is targeted to these best practices in lower performing school districts. The Contract is currently applicable to foundation formula funds in districts with low performing schools receiving substantial increases. All operating aid restorations must be treated as foundation aid to ensure accountability under the Contract.