

**WIDENING THE FUNDING GAP:
RACE, POVERTY
AND
GOVERNOR CUOMO'S
EDUCATION CUTS**

**A Budget Analysis Prepared for the Black, Puerto Rican,
Hispanic and Asian Legislative Caucus
On March 2, 2011**



**PUBLIC POLICY AND
EDUCATION FUND OF NEW YORK**

Summary of Findings

Funding Gap Widens by 14% Under Governor's Budget Proposal

- If enacted Governor Cuomo's budget would result in a 14% growth in the funding gap between the state's lowest performing schools known as *Schools in Need of Improvement (SINI)* and schools in the state's highest income districts.
- The current gap of \$1,712 per student would grow to \$1,960 per student under the Governor's budget proposal. If the Governor's proposed cuts are enacted *SINI* schools would need \$900 million in additional funding to match the high income schools despite the fact that there is much greater need in the *SINI* schools.
- In the *SINI* schools, 69% of students are African American and Hispanic, compared with 9.73% in the higher income school districts.

High Minority Districts Face Cuts More Than Double Those in Low Minority Districts

- High need small city, suburban and rural schools with the highest concentration of Black and Hispanic students face cuts per pupil that are more than double the cuts in comparable low need districts with the lowest concentration of Black and Hispanic students. Under Governor Cuomo's budget thirty high need districts with a student population that is 71% Black and Hispanic face cuts of \$773 per pupil compared to \$333 per pupil in thirty low need districts with 3% Black and Hispanic student enrollment.
- Four out of the five large cities in the state, Buffalo, New York City, Syracuse and Yonkers face cuts per pupil far exceed the cuts in the low minority districts analyzed.

Impact of Governor's Budget on the Campaign for Fiscal Equity

- Out of the Governor Cuomo's \$1.5 billion in proposed cuts, 79%, or \$1.2 billion constitute cuts to the foundation aid funding that was increased as a result of the Campaign for Fiscal Equity (CFE) lawsuit. Coupled with last year's cut of \$1.1 billion to foundation aid (basic classroom operating aid), this year's budget would take back the remaining foundation aid funding increases that were provided to school districts in 2007 and 2008 as a result of the legislative resolution of the CFE lawsuit.
- In 2007 the legislature and the governor agreed to increase foundation aid (basic classroom operating aid) by \$5.5 billion over four years. Over 70% of this foundation aid goes to high need schools and districts in order to ensure every student has access to educational opportunity.

Widening the Funding Gap

Introduction

This budget analysis was prepared by the Alliance for Quality Education and the Public Policy & Education Fund of New York for a March 2, 2011 briefing for the New York State Black, Puerto Rican, Hispanic and Asian Legislative Caucus. The main body of the analysis contains three sections. The first section looks at the how the funding gap widens between the state highest need schools, the *Schools in Need of Improvement*, and the lowest need schools as a result of Governor Cuomo’s budget proposal. The second section compares the proposed budget cuts for high need school districts with the highest concentrations of Black and Hispanic students with low need districts with the lowest concentration of Black and Hispanic students. The third section shows the impact on the Governor’s budget proposal on Campaign for Fiscal Equity funding. The Governor’s budget proposal includes a proposed record-setting \$1.5 billion in cuts to school aid. We conclude this report with some alternatives to budget cuts.

Section I:

Funding Gap Widens by 14% under Governor’s Budget Proposal

In January of 2011 AQE and PPEF issued a report titled *Unequal Opportunity = Unequal Results*. This report examined the gap in funding between the 532 schools in the state that are classified as *Schools in Need of Improvement (SINI)* and the 86 school districts that are considered *Low Need* (higher income and property wealth) by the New York State Education Department. This report showed that the state’s *Low Need* schools spend \$1,712 more per pupil than the *SINI* schools despite much greater student need in the *SINI* schools.

The average cut per pupil in the *SINI* schools is \$596¹, the average cut per pupil for the *Low Needs* districts is \$348—a difference of \$248. The funding gap between *SINI* school districts and *Low Needs* districts prior to the proposed cuts was at \$1,712. After applying the executive proposed cuts, the funding gap increases by 14% to \$1,960.

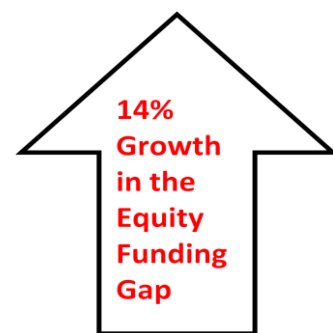
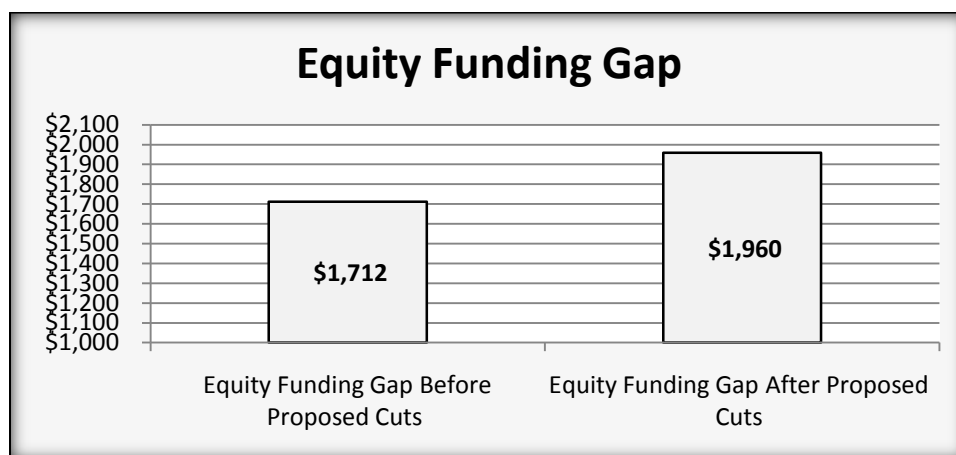


Figure 1

¹ For a description of the methodology of calculating the average per pupil gap please look at [Unequal Opportunity=Unequal Results](#).

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If *SINI* school districts spent as much per pupil as the *Low Needs* schools, the funding gap would increase by \$900.5 million dollars.

What if SINI schools spent as much per pupil as the high income school districts?

Total students In SINI Schools		Difference in Funding Per Pupil		Total Funding Gap
459,525	X	\$1,960	=	\$900.5 million

In *SINI* schools 69% of students are African American or Hispanic, while less than 10% of students in *Low Need* schools are African American or Hispanic

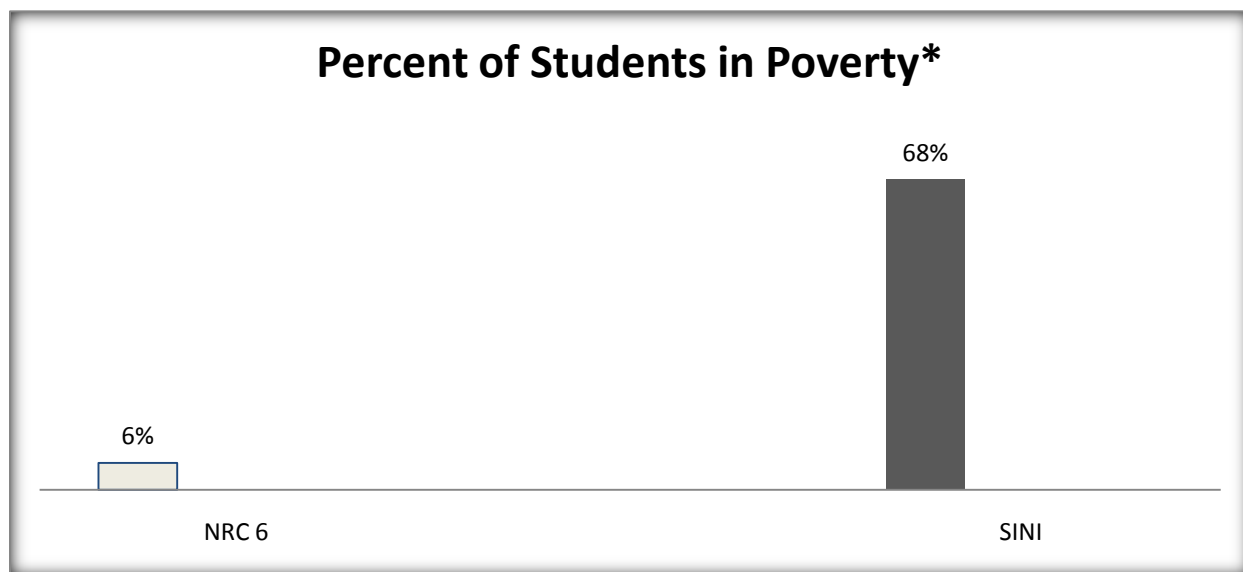


Figure 2 Source of Data: NYSED

*Students in Poverty as measured by Free and Reduced-Price Lunch Percentage

Another round of large budget cuts will disproportionately impact African American and Hispanic students because large numbers of these students are in the neediest schools that suffer the most as a result of education cuts.

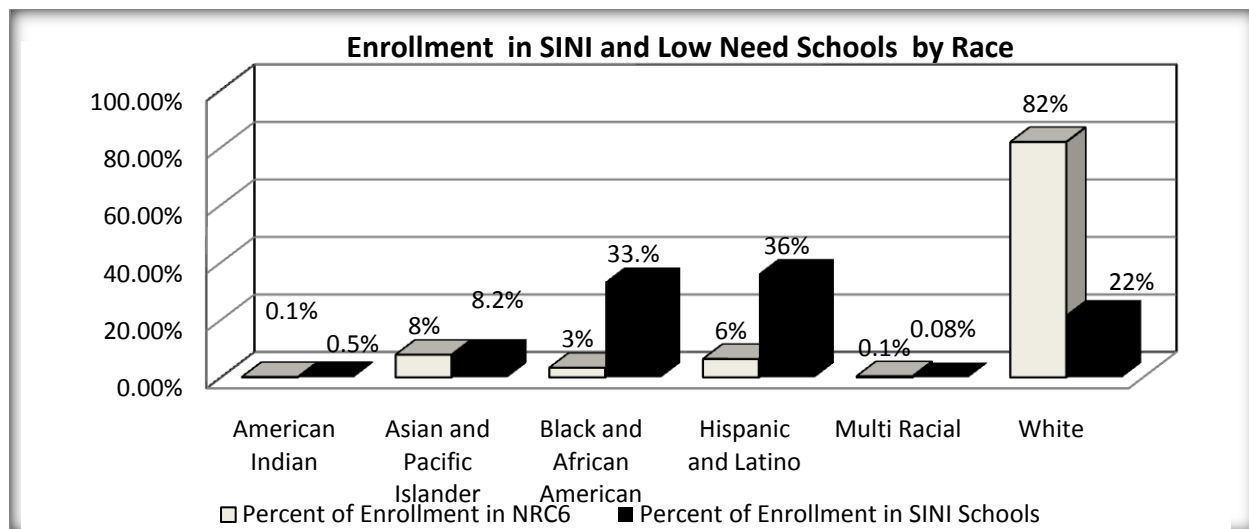


Figure 3 Source of Data: NYSED

SECTION II: High Need, High Minority Districts Face Larger Cuts

This section examines the nexus of poverty and race in looking at the Governor’s proposed cuts. It compares the proposed cuts per pupil in the 30 high need small city, suburban and rural school districts with the highest concentrations of Black and Hispanic students the cuts in 30 low need small city, suburban and rural school districts with the lowest concentration of Black and Hispanic students.² In order to compare comparable districts, the Big 5 Cities are examined separately. The high concentration minority districts have 71% Black and Hispanic enrollment, while the low concentration minority districts have 3% Black and Hispanic enrollment. The cuts in the high minority districts average \$773 per pupil compared to \$333 per pupil in the low minority districts. Four out of the five Big 5 cities face cuts that are 1.6 to 2.5 times as large as those in the low minority districts, low need districts.

² Please look at the Methodology section for a description of the calculations

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Table 1 THE BIG FIVE SCHOOL DISTRICTS

SCHOOL DISTRICT	ENROLLMENT	PERCENT BLACK _HISPANIC	PROPOSED SCHOOL AID CUT	PROPOSED CUT PER PUPIL
NEW YORK CITY	1,031,958	71%	\$ (565,667,424)	\$ (548)
ROCHESTER	33,186	87%	\$ (5,271,784)	\$ (159)
YONKERS	24,579	77%	\$ (20,774,134)	\$ (845)
BUFFALO	39,577	72%	\$ (24,613,225)	\$ (622)
SYRACUSE	21,167	65%	\$ (14,274,349)	\$ (674)

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Table 2

HIGH NEED DISTRICTS WITH THE HIGHEST CONCENTRATIONS OF BLACK & HISPANIC STUDENTS

SCHOOL DISTRICT	ENROLLMENT	PERCENT BLACK _HISPANIC	PROPOSED SCHOOL AID CUT	PROPOSED CUT PER PUPIL
ROOSEVELT	2,905	100%	\$ (2,650,419)	\$ (912)
WYANDANCH	2,119	99%	\$ (2,426,050)	\$ (1,145)
HEMPSTEAD	6,644	99%	\$ (4,002,825)	\$ (602)
WESTBURY	4,326	97%	\$ (3,053,912)	\$ (706)
MOUNT VERNON	8,610	93%	\$ (8,743,539)	\$ (1,016)
FREEPORT	6,665	91%	\$ (6,357,116)	\$ (954)
CENTRAL ISLIP	6,425	90%	\$ (5,733,162)	\$ (892)
AMITYVILLE	2,888	88%	\$ (2,469,102)	\$ (855)
BRENTWOOD	16,951	88%	\$ (11,287,467)	\$ (666)
PEEKSKILL	2,891	85%	\$ (2,601,675)	\$ (900)
EAST RAMAPO	8,274	83%	\$ (6,861,915)	\$ (829)
POUGHKEEPSIE	4,595	83%	\$ (3,427,496)	\$ (746)
PORT CHESTER	4,108	80%	\$ (2,328,410)	\$ (567)
COPIAGUE	4,920	75%	\$ (1,308,553)	\$ (266)
ALBANY	10,065	73%	\$ (9,561,359)	\$ (950)
MIDDLETOWN	6,995	73%	\$ (5,599,802)	\$ (801)
NEWBURGH	11,353	69%	\$ (11,811,919)	\$ (1,040)
SCHENECTADY	9,914	49%	\$ (6,972,381)	\$ (703)
DUNKIRK	2,109	48%	\$ (1,638,711)	\$ (777)
BEACON	3,269	47%	\$ (2,482,338)	\$ (759)
TROY	4,477	43%	\$ (3,636,036)	\$ (812)
UTICA	9,711	43%	\$ (2,757,921)	\$ (284)
FALLSBURGH	1,375	42%	\$ (1,331,453)	\$ (968)
MONTICELLO	3,380	42%	\$ (2,854,424)	\$ (845)
HUDSON	1,861	39%	\$ (1,991,951)	\$ (1,070)
NIAGARA FALLS	7,356	39%	\$ (5,635,904)	\$ (766)
ELLENVILLE	1,767	37%	\$ (1,408,170)	\$ (797)
AMSTERDAM	3,672	37%	\$ (2,343,604)	\$ (638)
LIBERTY	1,529	34%	\$ (1,413,645)	\$ (925)
GENEVA	2,253	34%	\$ (1,588,808)	\$ (705)
TOTALS	163,407	71%	(126,280,067)	\$ (773)

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Table 3

LOW NEED DISTRICTS WITH THE LOWEST CONCENTRATION OF BLACK AND HISPANIC STUDENTS

SCHOOL DISTRICT	ENROLLMENT	PERCENT BLACK _HISPANIC	PROPOSED SCHOOL AID CUT	PROPOSED CUT PER PUPIL
BETHLEHEM	4,987	4%	\$ (2,245,402)	\$ (450)
COMMACK	7,619	4%	\$ (3,164,047)	\$ (415)
BELLMORE	1,124	4%	\$ (409,959)	\$ (365)
PITTSFORD	6,030	4%	\$ (2,147,024)	\$ (356)
PLAINEDGE	3,474	4%	\$ (1,101,446)	\$ (317)
PORT JEFFERSON	1,273	4%	\$ (395,739)	\$ (311)
JERICO	3,001	4%	\$ (759,533)	\$ (253)
NORTHPORT	6,307	4%	\$ (1,552,475)	\$ (246)
SOMERS	3,441	4%	\$ (722,012)	\$ (210)
EDGEMONT	1,891	4%	\$ (351,759)	\$ (186)
NORTH SALEM	1,327	4%	\$ (244,599)	\$ (184)
FAYETTEVILLE	4,538	3%	\$ (3,053,597)	\$ (673)
KINGS PARK	4,009	3%	\$ (2,319,560)	\$ (579)
WEST ISLIP	5,345	3%	\$ (3,091,834)	\$ (578)
WANTAGH	3,536	3%	\$ (1,313,542)	\$ (371)
SYOSSET	6,743	3%	\$ (1,468,363)	\$ (218)
CHAPPAQUA	4,116	3%	\$ (815,069)	\$ (198)
KATONAH LEWISB	3,813	3%	\$ (707,295)	\$ (185)
BLIND BROOK-RY	1,542	3%	\$ (216,222)	\$ (140)
BRONXVILLE	1,538	3%	\$ (201,601)	\$ (131)
CLARENCE	5,127	2%	\$ (2,693,078)	\$ (525)
ORCHARD PARK	5,291	2%	\$ (2,693,798)	\$ (509)
EAST AURORA	1,955	2%	\$ (685,120)	\$ (350)
PLAINVIEW	4,987	2%	\$ (1,210,263)	\$ (243)
MASSAPEQUA	8,168	2%	\$ (1,538,083)	\$ (188)
COLD SPRING HA	2,033	2%	\$ (348,735)	\$ (172)
GARDEN CITY	4,105	2%	\$ (624,556)	\$ (152)
VOORHEESVILLE	1,211	1%	\$ (546,977)	\$ (452)
SKANEATELES	1,633	1%	\$ (645,265)	\$ (395)
BYRAM HILLS	2,728	1%	\$ (358,606)	\$ (131)
TOTAL	112,892	3%	(37,625,559)	\$ (333)

SECTION III: Impact of the Governor's Budget Proposal on the Campaign for Fiscal Equity

The Campaign for Fiscal Equity is a lawsuit filed by Robert Jackson³ and other New York City parents in 1993. In multiple court orders state courts at every level, including the top court, the New York State Court of Appeals, ruled in CFE that the state was failing in its constitutional obligation to provide students “sound basic education” or a “meaningful high school education.” While the courts limited the jurisdiction of the CFE case to New York City, the plaintiffs consistently sought a statewide resolution. In 2007, Governor Spitzer and both houses of the legislature agreed to a four-year \$7 billion statewide settlement of CFE. The plan included a four-year phase-in of \$5.5 billion in additional foundation aid, which provides basic classroom operating funds. The funding increases were tied, in lower performing schools, to implementing research-backed school reforms including: expanded pre-kindergarten, more student time on task, smaller class sizes, programs for English language learners, teacher and principal professional development and training, and middle school and high school reform. Seventy percent of new foundation aid was designed to be delivered to high needs school districts in every region of the state based on a formula factored in student need. New York State has consistently been ranked as having the largest funding gap between rich and poor school districts.⁴ The CFE funding was designed, in part, to help close this gap. Recently New York State has led the nation in closing the achievement gap based on poverty and race.⁵

The graph below illustrates the course of the CFE investment. In 2006-07, the year considered as the CFE base year, foundation aid statewide was at \$12.5 billion. In 2007-08, after the statewide settlement of CFE foundation aid was increased by \$1.1 billion to reach \$13.6 billion. The following year, 2008-09, Foundation Aid was increased by \$1.2 billion to reach \$14.8 billion. This funding investment begun to show results as achievement of all students across the state increased.⁶ Due to the fiscal crisis, foundation aid was frozen for the following year 2009-10. Governor Paterson's budget made \$1.4 billion in cuts to education in 2010-11--\$1.1 billion of which was to Foundation Aid. This year, Governor Cuomo's budget includes \$1.5 billion in education cuts, \$1.18 billion of which is to foundation aid.⁷ The cuts of these last two years amount to erasing the CFE investment which is also likely to result in erasing the progress that was made during the first two years.

³ Robert Jackson has since gone on to become a New York City Councilman and is the Chairman of the New York City Council Education Committee

⁴ The Education Trust, *Funding Gaps*, 2006

⁵ www.edweek.org/go/qc11

⁶ For a chart detailing the progress made in the first two years of CFE look at [Unequal Opportunity=Unequal Results](#)

⁷ Governor Cuomo's budget follows the methodology for cuts used by Governor Paterson by applying a *Gap Elimination Adjustment (GEA)* in order to implement the cuts. While both of these budgets assert that they make no cuts to foundation aid, in reality foundation aid constitutes 79% of the Gap Elimination Adjustment cuts.

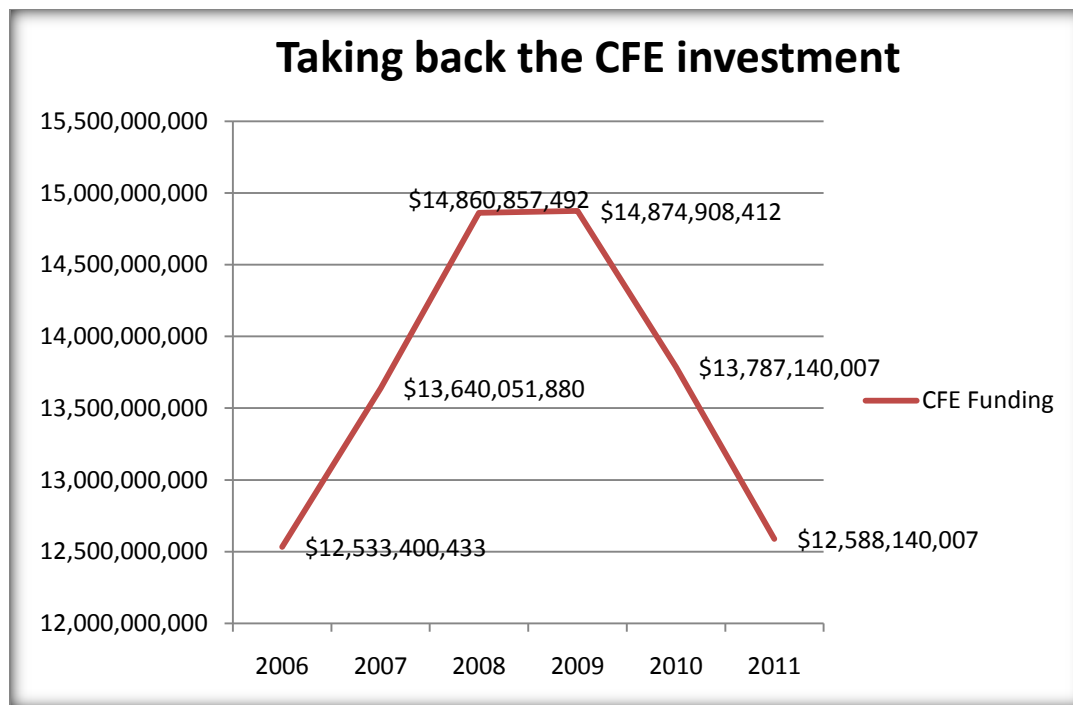


Figure 4. Source of Data NYSED School Aid Runs 2006-2011.

Alternatives to Budget Cuts

There are alternatives to budget cuts, one of which is maintaining the income tax surcharge on high income earners. This surcharge is set to expire at the end of 2011. In the fiscal year 2011, the income tax surcharge will raise approximately \$3 billion. If the surcharge were renewed it would produce an additional \$1.1 billion in revenues this fiscal year. Eliminating the surcharge will cost the state \$4.6 billion annually beginning in 2012-13. In addition, we estimate that the state could find \$1.5 billion in cost savings through closing corporate loopholes.

Methodology

All data calculations and classifications of schools were based on information published by the State Education Department or by the New York State Division of Budget.

Section 1

This section updates a report issued by AQE and PPEF in January 2011 titled *Unequal Opportunity = Unequal Results*. The funding gap number was calculated based on the Executive School Aid Runs released on February 1. The cut per pupil was calculated by dividing the total district cut, excluding Building and Building Reorganization Incentive Aid, by the total 2010 enrollment for each school district. This was done for the SINI and the Need Resource Category 6 (*Low Needs*) school districts. The difference in the cuts per pupil was then added to the

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funding gap calculated for the original *Unequal Opportunity = Unequal Results* report. Five school districts with schools on the SINI list for which the State Education Department has provided no expenditure data were excluded from the calculations. In addition there one district for which there was no information available in the Executive School Aid Runs and was therefore also excluded. As a result the student count in the *SINI* schools was 459,525 rather than the count of 460,074 used in the report release in January, 2011. For a full description of the methodology from original report:

[Unequal Opportunity = Unequal Results \(http://www.aqeny.org/ny/wp-content/uploads/2011/02/Unequal-Opportunity-Equals-Unequal-Results-2.pdf\)](http://www.aqeny.org/ny/wp-content/uploads/2011/02/Unequal-Opportunity-Equals-Unequal-Results-2.pdf).

Section 2

The data for the comparison between high needs school districts with high concentrations of minority students and the low needs school districts with less than 5% minority students was derived from SED data found in the school report cards. For a description of the calculation to derive the cut per pupil under the Executive Budget, look at paragraph above.