

School spending rises as enrollment and staff drop

Nina Schutzman and Joseph Spector Gannett New York 6:16 a.m. EDT May 11, 2016



(Photo: AP)

POUGHKEEPSIE -- Why does school spending increase as student enrollment drops?

The number of students in New York's 669 districts -- excluding the so-called "Big Five" school systems -- has dropped nearly 6 percent since the 2010-11 year, from about 1.6 million to an estimated 1.5 million for the upcoming 2016-17 year.

But overall spending has climbed 13 percent in that time: from \$31.8 billion to \$36 billion for the upcoming school year, state records show. (<http://rochester.nydatabases.com/database/school-tax-levy-report-cards>)

The disparity has been at the heart of a debate in New York over school funding amid a drop in enrollment as taxpayers head to the polls Tuesday to vote on their school budgets.

State data also shows another discrepancy: Enrollment is up in urban districts, but those same districts are spending less than the wealthiest districts.

Moreover, the battle over school aid is still in the courts.

School officials cited several reasons for the rising costs and shrinking enrollment. The "Big Five" districts -- Buffalo, Rochester, Syracuse, Yonkers and New York City -- don't hold public budget votes because their spending plans are included in their cities' budgets.

"Pension costs, health care and special education typically are the three largest drivers behind school spending increases," said Michael Borges, executive director of state Association of School Business Officials. "Even when overall student population drops, those costs still continue to rise."

While backing additional school aid, Gov. Andrew Cuomo has also questioned the push from school advocates -- who are typically funded by powerful teachers' unions -- for more money each year.

"The most sophisticated lobbying, politicking is done around the education budget," Cuomo said in January 2015 as he sought to tie aid to school performance. "And the answer to education has always been the same: more money, more money, more money."

Debate over restraint

Districts said they have shown a "trend of restraint" since the recession in 2008 and 2009. For the coming school year July 1, proposed spending is expected to increase 2.2 percent, state records show.

But some groups said schools aren't doing enough to curb costs. Districts plans to spend 2.8 percent more per student than they did this year -- well above the inflation rate, according to the Empire Center for Public Policy (<http://www.empirecenter.org/>), a fiscally conservative think tank in Albany.

Over the past 10 years, state aid to school districts has increased \$6 billion to \$23.3 billion in 2015-16, according to state Comptroller Thomas DiNapoli.

School aid represents the largest part of the state budget, and school taxes are the biggest piece of a homeowner's tax bill.

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"School aid is the largest single state-funded expenditure within the budget," DiNapoli said in a statement.

Spending up

For the school budget vote Tuesday, per-pupil tax levies would increase by an average of 1.3 percent – even as the proposed tax levy overall would grow by 0.7 percent, the Empire Center said.

Meanwhile, the group pointed out last fall that the number of teachers and administrators earning more than \$100,000 grew 55 percent between the 2008-09 school year and the 2014-15 year: to nearly 50,000 employees.

"Teacher pay is the largest component of school spending, and schools account for the biggest share of local property tax bills across New York," said Tim Hoefer, executive director of the Empire Center.

But schools and fiscal watchdogs agree on one point: Rising expenses -- many of which are mandated -- coupled with an ever-shrinking property tax cap, which limits the revenue a district can collect in property taxes, or its levy, have left many schools struggling financially over the past few years.

Districts plan to use more than \$9 million of its reserves to cover operating expenses for the coming year, about 6 percent of the total they have in the bank.

Wappingers Central School District father Jeff Gartner is hopeful about the future and thinks his own district is starting to stabilize, saying he will support the budget on Tuesday.

"So much has been neglected and trimmed for so long," Gartner said. "Now, we have an opportunity to bring programs back and do some much-needed improvements" by way of capital projects around the district.

Districts get relief

Education Commissioner MaryEllen Elia said districts are digging themselves out of the recession that led to state aid cuts and significant layoffs.

New York has nearly 13,000 fewer educators than it did five years ago, [records reviewed by Gannett showed. \(/story/news/politics/politics-on-the-hudson/2016/02/24/cuomo-cfe-school-aid-case-no-mandate/80855280/\)](#)

"We have a long history of community school districts here. We need to support them," Elia said. "I think it's important for people to ask the right questions, to know what they are voting on and why that's going to support students."

Retirement systems for teachers and many other state employees rely heavily on stock-market success and employer contribution rates are "fluctuating and unpredictable," the New York State School Boards Association has said.

But the upcoming school year is the second in a row that [state Teachers' Retirement System pension contribution costs will drop. \(/story/news/education/2015/08/25/teachers-pension-costs/32343011/\)](#)

In 2006 in Poughkeepsie, for instance, teachers contributed 5 percent of their health insurance costs while the district paid 95 percent, according to the union contract. By the 2013-14 year, the district's contribution had dropped to 89.5 percent.

The reduction in mandatory pension costs wasn't the only good news to the district and others across the state.

GEA gone

The 2016-17 state budget approved April 1 [eliminated the \\$434 million Gap Elimination Adjustment \(/story/news/politics/politics-on-the-hudson/2016/03/31/five-things-know-nys-budget-deal/82463052/\)](#), or GEA, that was enacted cuts to schools during the recession.

The battle over school aid continues.

There's a "Small Cities" lawsuit, also known as Maisto v. State of New York, has been seeking to provide more state aid to some districts.

The lawsuit includes Jamestown, Kingston, Mount Vernon, Newburgh, Niagara Falls, Port Jervis, Poughkeepsie and Utica.

The districts are contending that they have "intense poverty" and low property wealth – and thus are constitutionally eligible for more state aid after a similar lawsuit was initially successful in New York City.

A ruling in state Supreme Court is pending.

A Campaign for Fiscal Equity ruling in 2006 mandated New York provide funding for a "sound, basic education" for its students. A decade later, though, the union-backed group has argued that the state hasn't fulfilled the case's aid requirements.

Cuomo has contended that the case never specifically included a dollar figure for school funding, citing the record aid provided to schools during his administration.

"The final product simply does not get the job done," said Billy Easton, executive director of the Alliance for Quality Education, a union-backed group, after the state budget was approved and included a 6.5 percent increase in school aid.

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