

School advocates find major fault with Cuomo's proposed budget



Cuomo, center, with Flanagan, left, and Heastie, right. (AP Photo/Mike Groll)

By KESHIA CLUKEY 5:46 a.m. | Jan. 15, 2016

ALBANY — One day after Gov. Andrew Cuomo unveiled [his 2016 education budget](#), along with district-by-district aid figures, some education advocates voiced their displeasure, calling the proposals “disappointing,” “insufficient” and in some ways “disingenuous.”

Cuomo's education proposals, announced during his State of the State address on Wednesday, include a \$2.1 billion increase in aid over a two-year period, elimination of the Gap Elimination Adjustment, the conversion of “struggling” schools to community schools, increased funding for higher education, and the creation of an education tax credit, a proposal he backed last year.

The GEA is a formula established during the 2008 recession to help the state close a multi-billion-dollar deficit. A portion of the state's funding shortfall is divided among all school districts based on set formula and each district's state aid is reduced accordingly.

Michael Borges, executive director of the New York State Association of School Business Officials, said \$434 million of the GEA remains, with most of that owed to average and wealthy districts.

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“The fact that [Cuomo] said \$2.1 billion over two years was to address everybody's call for an at least \$2 billion increase,” Borges said, referring to proposals such as one from the state Board of Regents calling for a \$2.4 billion increase. “By saying, ‘oh, over two years,’ it sounds like he was responding to those requests.”

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The state is trying to balance where it puts its funding so it's not leaving anyone out, Timbs said, something that could be done much more easily if the aid formula were tweaked to be more equitable and then fully run. The state also needs to get rid of the GEA completely, he said.

"The act of not actually taking care of the Foundation Aid over the last seven years is coming home to roost," Timbs said. "In some ways the wealthy districts feel like they've been ignored and the poor districts feel like they won't have enough."

There are also growing expenses.

In addition to the projected zero property tax cap and typical expenses that arise every year, the state's public schools will face other challenges this year that Cuomo did not address.

Cuomo's call to raise the statewide minimum wage to \$15 an hour could cost districts hundreds of thousands of dollars, according to the New York State Association of School Business Officials. Aides, bus drivers and cafeteria workers are hired for minimum wage and an increase would impact 33,422 employees statewide at an average cost of \$283,463 per district, [according to a survey the association conducted of its members](#).

Districts would see some relief in the teacher and employee retirement systems. The Teachers' Retirement System is projected to decrease from a 13.26 percent employer contribution rate to between 11.5 percent and 12 percent. The Employee Retirement System is expected to go from an 18.2 percent contribution rate to about 15.5 percent.

Though investing in pre-kindergarten and early college programs are important, some of Cuomo's proposals further take away from the ability to put more in the Foundation Aid, or to eliminate the GEA, Borges said.

Cuomo once again proposed an Education Tax Credit that would create a \$150 million credit providing incentives for educational donations. Opponents, including teachers unions have said the legislation undermines public schools and unfairly favors the wealthy.

"The tax credit would diminish state revenues, which is the source of funds for public schools," Timbs said.

The tax credit proposal includes a reimbursement credit for teachers, providing up to \$200 for public, private or charter school educators who purchase their own school supplies and materials.

Cuomo's proposal to increase the opportunity for minority- and women-owned business enterprises would also have an impact on district budgets, Borges said. Currently, districts are required to select the lowest bidder on projects. Under the new proposal, they would have to select minority- and women-owned business, which are not always the lowest bidder, Borges said, adding that it's still unclear how the process would work.

Another proposal includes a \$27 million for charter schools, funding not going to public schools, Timbs said.

And some proposals, such as the \$100 million pledged to turn "failing" schools to

community schools take away from the funds that could be going to Foundation Aid but aren't enough to accomplish what they set out to, he said.

The proposal earmarks \$25 million for any school in the state and specifically \$75 million for the state's 144 "struggling" and "persistently struggling" schools to instead use the community school model, providing wraparound services for students and their parents. Schools would have to apply to the State Education Department and state Division of Budget to do so.

It is unclear how this money would be divided, but there likely is not enough money in the fund, Borges said.

"We're adding community schools, we're adding pre-kindergarten, we're adding 3-year-olds ... Before you embark on new stuff, you have to pay off your old debt," Borges said.

Cuomo's proposal is not the last word. The Assembly and Senate will be holding their budget hearings and then release their one-house budgets. Then the negotiating begins.

The Senate, led by a Republican majority, already has passed a bill to restore the GEA. The Democrat-led Assembly also has called for restoration of the GEA, but is expected to discuss changes to the Foundation Aid formula as well.

In the final tally last year, school aid increased by \$1.4 billion. Borges said he expects this year's proposal to increase to about \$1.9 billion, including funds to offset the tax cap. "I'm projecting the Senate will get its GEA. The Assembly will ... (put) another \$500 million to 600 million more on school aid," he said, adding that it's even more likely given that it's an election year.

Timbs said the proposal leaves much to be desired. "It's insufficient, it's inadequate," he said. "We're going to have to rely on the Legislature to fill in the blanks."

The New York State Association of School Business Officials compiled a comparison of Cuomo's budget proposal with the Board of Regents and other education advocacy group budget proposals here: <http://politi.co/1JNvOSL>

Read the full aid runs released by the state education department here:

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