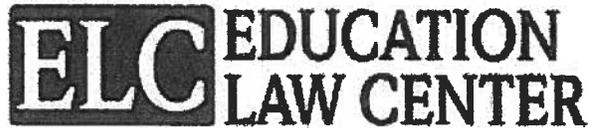




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TESTIMONY REGARDING 2013-2014 EXECUTIVE BUDGET

On behalf of New York schoolchildren, the Campaign for Fiscal Equity presents this testimony on the 2013-2014 Executive Budget proposals for elementary and secondary education.

We support the renewed attention in the Executive Budget to prekindergarten. Decades of research prove that high quality preschool is essential for preparing all children for success in school and life. No other program is as universally acknowledged to close the achievement gap as high quality early education. The proposal for \$25 million in grants to support full-day preschool programs must be viewed as the beginning of a long term investment to ensure access to well planned, high quality early education for all New York three- and four-year old children, with priority for low income children and children in the state's high poverty communities.

We are, however, deeply concerned over proposal for state school aid in the Executive Budget.

As we made clear in our November 27 letter to you, the continuing failure of the State to meet its constitutional obligation to adequately fund our public schools has left too many New York school districts without the resources essential for their students to achieve state academic standards, and is pushing a growing number of districts to the brink of financial and educational insolvency.

Unfortunately, the increase in state school aid proposed in the 2013-2014 Executive Budget is insufficient to reverse this dangerous trend.

In 2007, after almost fifteen years of litigation, New York State acknowledged its constitutional duty to provide all children with a sound basic education, and enacted the Foundation Formula. This formula, for the first time, established a relationship between state aid, student need and a district's ability to raise revenue; thus ensuring the possibility of adequate and equitable school funding. With adequate school funding directed to the highest need districts, every school would be able to provide the resources the Court of Appeals in the landmark case, CFE v. State, found to be essential for all students to achieve a meaningful high school education, the benchmark of a constitutionally sound basic education. Those resources included an adequate number of qualified teachers, reasonable class size, adequate facilities and sufficient books, computers and other instrumentalities of learning. C.F.E. v. State, 100 N.Y.2d 893 (2003).

Unfortunately, while fulfilling its commitment for the first two years of the Foundation Formula phase-in, the State then reneged on its duty. In 2009, aid was frozen at 37.5% of the four-year target, and then cut by 2.7 billion in 2010 and 2011 through the Gap Elimination Adjustment. The GEA was regressive by

imposing larger cuts in higher need school districts, resulting in a widening of the resource gap with students in wealthy districts. These cuts were further exacerbated by the highly restrictive Tax Cap Levy enacted in 2011. Furthermore the Personal Income Growth Index (PIGI) Cap relegates moderate and high need districts to long term underfunding and cements the inequities between high and low need districts. Together, these mechanisms delay full funding of the 2007 Foundation Formula until at least 2028.

The 2012-13 Budget widened the gap between the 2007 Formula and actual state funding for New York's schools. The shortfall now tops \$5.5 billion. As the Board of Regents noted in its November 2012 State Aid Conceptual Proposal, this shortfall, together with the accumulated GEA cuts, brings the total funding gap to over \$7.7 billion. Current school funding is below 2008-09 levels. As Chancellor Walcott noted, the gap in state aid for New York City alone is over \$3 billion.

The chasm in state school funding translates to devastating losses in the classroom. The increase in state school aid last year did not prevent districts from eliminating programs and services that are vital to a sound basic education. Thousands of teaching positions have been lost, resulting in historically large class sizes. Services for children most at-risk for academic failure have been drastically reduced or completely cut. School districts have lost music, art, AP courses, world languages, sports and extra-curricular activities, as well as the ability to upgrade technology and maintain basic supplies.

Unfortunately, the 2013-2014 Budget proposes a level of school aid that is – once again -- inadequate to stop the trend of cuts to essential educational resources in our schools. The Budget proposes an \$889 million dollar, or 4.4%, increase. This increase is similar to last year's, which did not prevent deep cuts in the classroom. Moreover, of the \$889 million, \$125 million are in competitive grants. As we argued last year, now is not the time to allocate state aid through a competition, no matter how laudable the purpose. We strongly oppose competitive grants in light of the current substantial shortfall in basic state aid that so many school districts need to continue providing basic educational services. Further, it is unrealistic at this juncture to expect our struggling school districts to have the capacity to take advantage of the competitive grant program, and sustain those initiatives over multiple years.

An additional \$203 million of the \$889 million in the proposed Budget represents a one-time Fiscal Stabilization Fund allocation, and therefore districts cannot rely on that amount to become part of their base funding. Only approximately 2.7% of the proposed increase, therefore, represents an actual increase to state foundation aid.

The vast majority of school districts in New York predict that, at the current rate of state funding, within four years they will be unable to meet state and federal educational mandates. Many are at that point now. Thus, at the level of funding currently proposed in the 2013-2014 Executive Budget, most school districts will be unable to provide students with the sound basic education to which they are constitutionally entitled.

The current budget proposals will result in continuing cuts to core educational programs and services. If school districts cannot retain the most basic resources, they cannot possibly attain the goal articulated

in the Executive Budget of “sustained student growth.” To the contrary, as the Court of Appeals held in CFE v. State, inadequate and inequitable state school funding is a recipe for declining student outcomes.

We cannot hope to move our students forward by consistently depriving them of the fundamental tools they need to learn. It is therefore incumbent upon the Legislature, to revive its constitutional commitment to our children. We urge you to move proposed competitive grant monies into base funding and put the 2007 Foundation Formula back on a four-year cycle to phase in full funding.

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