

**Senate Standing Committees on Education and Budget and Revenues**

**Prepared Statement**

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Good morning/afternoon Senator Mayer and Members of the Committee. Thank you for your invitation to participate in this hearing.

**Introduction**

My name is Peter Cookson and I am a Senior Researcher with the Learning Policy Institute (LPI). The Institute conducts and communicates independent, high-quality research to improve education policy and practice. Working with policymakers, researchers, educators, community groups, and others, we seek to advance evidence-based policies that support empowering and equitable learning for each and every child.

Today, I will share research that demonstrates how and why money matters for empowering students to achieve academic success and maximize their talents, which benefits them and all of us. Furthermore, with a focus on why money matters for student success specifically in New York State, I provide evidence of the consequences of inequitable funding for those students most in need of adequate and equitable resources. I briefly touch on an example from another state that has leveraged school funding reforms to improve student outcomes, and conclude with recommendations to help ensure that all New York students receive a sound basic education.

I should add from the outset that the Foundation Aid Formula is one of the most progressive in the country in terms of ensuring the equitable distribution of educational resources.

Unfortunately, because it is currently underfunded, and because wealthy local districts can add

significant amounts of funding to school budgets from their local property tax base, the actual distribution of revenues across the state to schools is regressive. It is highly unequal, and it does not ensure that funding is related to pupil needs, spending far more in affluent districts than in districts that serve much needier students. As a result, high-need school districts serving students from low-income families do not have the resources they need to enable and empower their students to reach their academic and creative potentials.

Disparities between school district per-pupil spending in New York are dramatic. Average per-pupil spending data camouflage serious funding inequities. In 2015, revenues per pupil varied from less than \$15,000 per pupil to more than \$70,000 per pupil. The author of a 2019 study of New York education finance reform found, “Had funding been distributed according to the foundation formula that was specified by the education finance reform legislation passed in 2007, high-poverty districts would have received more funding and disparities in funding across districts with similar characteristics would have been reduced.”<sup>1</sup>

A recent study by Education Trust found the following:

- In 2018, New York ranked 48th out of 50 states in gaps in state and local revenues per student between districts serving the most and fewest students in poverty.
- New York ranked 44th out of 50 states in gaps in state and local revenues per student between districts serving the most and fewest students of color.<sup>2</sup>

### The Consequences of Inequitable Funding in New York

We have, in effect, not one but two public school systems in New York: one for students living in stable communities with sufficient resources to provide a sound basic education and another located in communities of concentrated poverty, which are quite often also communities of color.

Recent research makes it evident that districts with the highest percentages of students of color consistently have the lowest median salaries for teachers in the state. Less funding results in less qualified and fewer teachers. The turnover rate of teachers in high-poverty districts serving Black students is double that of low-poverty White districts.<sup>3</sup>

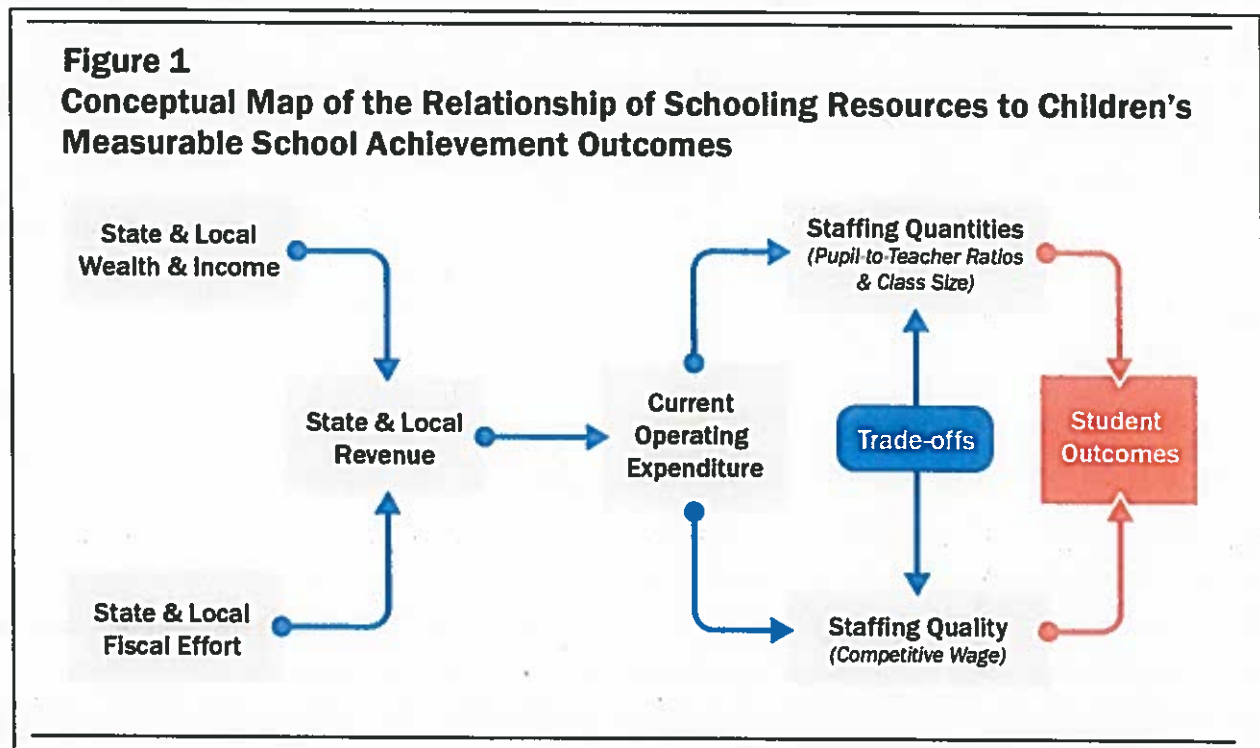
These are the types of disparities the Foundation Aid Formula was meant to address. This comes to the heart of the puzzle: How is it that New York, with its commitment to quality education, still does not provide adequate funds so that all districts in the state are able to offer their students a sound basic education? The short answer is that the current Foundation Aid Formula is underfunded, and the lack of funding disproportionately impacts those districts educating students of color and students from low-income families. Special education and supports for English learners are also underfunded.

According to the Alliance for Quality Education, two thirds of the districts in New York State are still owed Foundation Aid. By contrast, 100% of high-need school districts with majority Black and Latino/a students are owed Foundation Aid. There are 25 school districts that are both high-need and majority Black and Latino/a. The students in these 25 districts represent 80% of the Black and Latino/a students in the state and 69% of the economically disadvantaged students in the state. These 25 school districts are owed 62% (\$2.6 billion) of all Foundation Aid.<sup>4</sup>

According to the Education Law Center, the state remains \$4 billion in arrears on its funding obligation to New York school children.<sup>5</sup>

### How and Why Money Matters

The common explanation for failure to act on these kinds of inequities is that money doesn't actually matter for the quality of education. However, a growing number of national and state studies show that investments in education—particularly in the education of children from low-income families—reap very large benefits for achievement, graduation rates, educational attainment, employment, and later life earnings.<sup>6</sup> How this happens is not a mystery.<sup>7</sup>



Source: Baker, B. D. (2017). *How money matters for schools*. Palo Alto, CA: Learning Policy Institute.

Many scholars have demonstrated empirically that more equitable and adequate school funding results in improved achievement, especially for students from low-income families. As just one example, one recent study of school finance reforms examined the long-term outcomes for more than 15,000 children born between 1955 and 1985 who were followed through 2011. For students from low-income families who had 20% more spent on them over their 12 years of schooling, graduation rates increased by 23 percentage points, their household incomes as adults increased by 52%, and their odds of living in poverty were greatly reduced.<sup>8</sup>

Studies of states and nations that have dramatically improved achievement have found that wise use of funds results in teaching and learning systems that can provide excellent education for all students.<sup>9</sup> As described by Linda Darling-Hammond, this includes:

- equitable funding focused on pupil needs;
- investments in a stable, diverse, high-quality workforce that is equitably distributed and ensures strong educator training and ongoing support for all teachers and leaders;
- thoughtful standards, curriculum, instruction, and assessments that are well aligned with each other and with the demands of a 21st-century society and economy;
- high-quality early childhood education that is widely available and freely accessible to all children from low-income families; and
- supports for children's health and welfare (food and housing security; before and after school care; and extended learning time where needed).

### Evidence That Money Matters in New York

A recent study focused solely on New York uncovered the same relationship— funding is associated with higher student achievement in both math and English, even after controlling for many other factors that typically influence school performance. Looking at the variation in per-pupil expenditures associated with the state's "hold harmless" provisions that maintain prior levels of total state aid even when student enrollment declines, the authors found that school resources matter, and that sustained financial investments help districts maintain and improve quality of public education.<sup>10</sup>

In addition, a study of teachers in New York City after the courts required increases in state funding for teacher salaries found gains in student achievement associated by the hiring of more qualified teachers. Researchers found that growth in student achievement in elementary and middle school mathematics was most enhanced by having a fully certified teacher who had graduated from a university-based preservice teacher education program, who had a strong academic background in math, and who had more than two years of experience.<sup>11</sup> Students'

achievement was hurt most by having an inexperienced teacher on a temporary license—a teaching profile most common in high-minority, low-income schools.

### The New Jersey Story in Brief

Other states have recognized the role of school funding in advancing learning for all.<sup>12</sup> One such state is nearby New Jersey, which spends almost the same amount per student as New York, but do so much more equitably. After 3 decades of litigation regarding deeply inequitable funding, New Jersey made a major investment in “parity” funding for low-wealth, high-minority districts beginning in 1996–97. By 2007, New Jersey had sharply increased its standing on reading and mathematics assessments nationally and reduced achievement gaps—ranking in the top five states in all subject areas and grade levels on the National Assessment of Educational Progress. It maintains these levels of achievement today, ranking 2<sup>nd</sup> in the nation in reading and 4<sup>th</sup> in math, even as students of color have become a majority in the state.

### Recommendations

These findings and research suggest three considerations for the Committee in your efforts to ensure equal educational opportunities for the children in New York State, especially those that have historically been furthest from opportunity:

1. The Foundation Aid Formula, which is based on student need and allocates greater state funding to districts serving higher proportions of high-need students, should be fully funded.
2. The Foundation Aid Formula principle, which is that funding is aligned with need, should be extended to provide adequate and equitable funding for special education students.
3. Funding provided to districts should be sufficient to enable them to hire and keep well-prepared educators by coupling funding increases that support improved salaries and working conditions in previously under-resourced districts with high-quality educator preparation, induction and mentoring for novice teachers, and ongoing professional learning.

The evidence is clear: The return on investment of educating all the state’s children so that they reach and exceed their potential will result in a larger tax base, lower crime rates, and less dependency on public assistance.

But there is an even deeper reason to invest in the state’s children: Democracy requires a high level of civic participation and knowledge from its citizens to thrive. As Chief Justice Warren noted in the *Brown* opinion, education “is the very foundation of good citizenship,” and that the

opportunity to access education, “where the state has undertaken to provide it, is a right which must be made available to all on equal terms.”<sup>13</sup>

Education is the only and best way to build a democracy that works on behalf of all. Children who are deprived of a sound basic education make democracy smaller, less inclusive, and ultimately more fragile. The stakes are very high, and the solution is at hand.

Thank you for this opportunity; I would be happy to answer members’ questions.

## Endnotes

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<sup>1</sup> Atchison, D. (2019). Forgotten equity: The promise and subsequent dismantling of education finance reform in New York State. *Education Policy Analysis Archives*, 27(143). <https://doi.org/10.14507/epaa.27.4422>.

<sup>2</sup> Morgan, I., & Amerikaner, A. (2018). *Funding gaps: An analysis of school funding equity across the U.S. and within each state*. Washington, DC: Education Trust. <https://edtrust.org/resource/funding-gaps-2018/>.

<sup>3</sup> Gais, T., Backstrom, B., Malatras, J. & Park, Y. J. (2018). *The State of the New York Teacher Work Force*. New York, NY: Rockefeller Institute of Government.

<sup>4</sup> Marcou-O’Malley, M. (2018). *Educational Racism*. New York, NY: Alliance for Quality Education. [http://www.aqeny.org/wp-content/uploads/2018/09/educationalracism\\_final.pdf](http://www.aqeny.org/wp-content/uploads/2018/09/educationalracism_final.pdf).

<sup>5</sup> Education Law Center (2019, March 15). *ELC calls for NY legislature to phase in foundation aid, restore contract for excellence*. <https://edlawcenter.org/news/archives/new-york/elc-calls-for-ny-legislature-to-phase-in-foundation-aid-restore-contract-for-excellence.html>.

<sup>6</sup> Jackson, C. K., Johnson, R.C. & Persico, C. (2016). The effects of school spending on economic outcomes: Evidence from school finance reforms. *Quarterly Journal of Economics*, 131(1), 157–218.

<sup>7</sup> Baker, B. D. (2017). *How money matters for schools*. Palo Alto, CA: Learning Policy Institute.

<sup>8</sup> Jackson, C. K., Johnson, R.C. & Persico, C. (2016). The effects of school spending on economic outcomes: Evidence from school finance reforms. *Quarterly Journal of Economics*, 131(1), 157–218.

<sup>9</sup> Darling-Hammond, L. (2019). *Investing in student success: Lessons from state school finance reforms*. Palo Alto, CA: Learning Policy Institute; Darling-Hammond, L. (2010). *The Flat World and Education: How America’s Commitment to Equity Will Determine of Future*. New York, NY: Teachers College Press.

<sup>10</sup> Gigliotti, P., & Sorensen, L. C., (2018.) Educational resources and student achievement: Evidence from the Save Harmless provision in New York State. *Economics of Education Review*, 66(C), 167–182.

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<sup>11</sup> Boyd, D., Lankford, H., Loeb, S., & Wyckoff, J. (2006). How changes in entry requirements alter the teacher workforce and affect student achievement. *Education Finance and Policy, 1*(2), 176–216.

<sup>12</sup> Darling-Hammond, L. (2019). *Investing in student success: Lessons from state school finance reforms*. Palo Alto, CA: Learning Policy Institute.

<sup>13</sup> *Brown v. Board of Education of Topeka*, 347 U.S. 483 (1954).