

# **THE STATEWIDE SCHOOL FINANCE CONSORTIUM**

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## **SSFC Releases Report: “The Numbers Don’t Lie: The Current Crisis of New York State School District Finances”**

**\* Analysis details how the long-term, politically-driven process of distributing state aid continues to thrive and has driven public education to the brink of disaster**

**East Syracuse, NY (September 26, 2012):** The Statewide School Finance Consortium (SSFC), a coalition representing over 400 of New York State’s public school systems, has issued a new report that explores both the long-standing disparities in state education aid funding and the impacts that recent Albany decision making has had on the sustainability of a viable public education system.

**The report is divided into two parts.**

\* Part I provides a deep and data-driven examination of state financial support of public school funding over the past six years, with the creation of the Foundation Aid formula spearheaded by the Spitzer Administration in 2007. Critical observations of the controversial “Bullet Aid” program and the lack of meaningful mandate reform are also explored in this section.

\* Part II is an analysis of the current dilemma faced by school districts, drawn from actual school district reports about fund balances, budget changes and tax levies. A thorough analysis of the Tax Cap Law and its impacts on school districts and communities is also included.

**TO READ THE FULL REPORT, CLICK HERE.**

Among the report's conclusions:

- While the 2007-08 Foundation Aid formula was acclaimed as the state’s answer to the constitutional responsibility to provide a meaningful and “sound, basic education” for all students, it has been incessantly and undeniably found to be inequitable, unfair, unreliable and fiscally unsustainable from its inception.
- Unfair state aid distribution is not a geographic issue that pits Upstate vs. Downstate. Over three dozen Downstate school districts, many on Long Island, share similar wealth and poverty factors as those Upstate. The inequities in the distribution of the Foundation Aid formula and the massive state aid cuts over the past several years were an intentional, politically-motivated redirection of money to wealthier school districts at the expense of the

less wealthy. Indeed, the needs of these school districts are as underrepresented as SSFC school districts.

- With no changes in the education aid formula, a significant number of school districts will not have the cash reserves to sustain themselves over the next two years as they face state-created mandates, contractual obligations, and health insurance and pension costs. Simply put, in many locales residents will not be able to fund their school district.
- The Tax Cap Law guarantees that school districts with less wealth, fiscal capacity and the greatest poverty will not prosper educationally or fiscally. When coupled with past state aid freezes and cuts, it is nearly impossible for many school districts to survive fiscally or educationally over the next few years. Many are in fiscal and educational jeopardy. The quality of life in these communities – as well as economic development opportunities – will severely diminish as the school district diminishes. New residents or businesses are not attracted by a school district that is in fiscal or educational decay.
- “Bullet Aid” is a wrong-minded process that is an extension of political authority at its most cynical. Data suggest that the distribution of these funds is mixed at best. It is distributed to both the wealthiest and the poorest schools. There is no identifiable statistical correlation between indicators of need, such as poverty or wealth. The details of the distribution of these funds run the gamut from politically calculated to haphazard by any measure. Bullet Aid is beyond a flawed system; it is wrong – and should be redirected to provide an equitable distribution of such funds.

“As the title of this paper asserts, the numbers indeed don’t lie in identifying that public education in New York State is rapidly deteriorating into a ‘have and have-not’ reality,” said SSFC Executive Director, Dr. Rick Timbs.

“As schools and communities with higher levels of poverty and low fiscal capacity continue to get less help from our leaders in Albany, the opportunities for their children also diminish. Our hope is that this study will provoke serious discussion and – more importantly – lead to quick and definitive action. The future of New York, in many ways, depends on this,” said Dr. Timbs.

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SSFC Executive Director Dr. Rick Timbs is available to speak with reporters and editors about the report. Contact him at [rtimbs@statewideonline.org](mailto:rtimbs@statewideonline.org) or call Margaret McCormick at 315-373-8047 to arrange an interview.

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The Statewide School Finance Consortium (SSFC) is an organization of over 400 New York public school districts whose mission is to bring equity to the distribution of New York State educational aid. SSFC membership is largely comprised of school districts from average and low-wealth communities that receive a disproportionate share of state funding in comparison to

high-wealth regions of New York. The reform of the state aid process will help ensure that all of New York's children receive the same educational opportunities regardless of the wealth or location of their community.

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