



## School District Numbers Point to Looming Crisis

### More Equitable State Aid Cuts Essential

- School Districts Are Rapidly Depleting Their Reserve Funds Because of Escalating Costs and State Aid Cuts:

**\$229 million** of School District cash funds were used to offset tax increases for 2010-11.

Where did this money come from? It came from districts reserves and cash used to meet long term obligations and daily operational costs.

What is the implication of this action? **Over a quarter of a billion dollars** normally used to meet future district obligations and operational needs was instead exhausted as a one shot to offset raising expenses and declining state aid to school districts and minimize tax increases

- School districts are facing financial instability as expenses increase, tax levies are mitigated and state aid is diminished.

**151** school districts are projected to run out of cash within next fiscal year and will then need to borrow money just to meet routine operating expenses.

**220** school districts will probably run out of cash within the next two fiscal years.

**276** school districts will most likely run out of cash within 30 months.

- **5%** The 5% State Aid Cuts Would Have Resulted in Dramatic Tax Increases If Schools Hadn't Cut Staff and Shed Programs

A **15%** Tax Increase in **275** Districts

A **10%** Tax Increase in **380** Districts

A **4%** Tax Increase in **420** Districts

- A Tax Cap Without Spending Controls Will Cripple Public Education

Pension Costs are Going Up **40% and more**  
Health Insurance Costs are escalating **12 to 16%**

Salaries Are rising **2 to 4% and more downstate** Data Source: School District Report Card for the 2010-11 School District Budgets Prepared by the Statewide School Finance Consortium November 2010 Data does not include Syracuse City School District, Rochester City School District, Yonkers City School District, Buffalo City School District (the Big 4) and the New York City School System.

Yet with a 2% School Tax Cap, 70 of the poorest school districts in the State would only be allowed to increase spending less than 1/2 of one percent.

343 school district budgets could increase spending less than 1%

540 school districts could increase spending less than 1.5%.

617 school district budgets could increase less than 1.75.

NO school district in Allegheny, Cayuga, Chemung, Chenango, Clinton, Cortland, Fulton, Genesee, Lewis, Montgomery, Orleans, Oswego, Schuyler, Seneca, Tioga, Wayne,

Wyoming or Yates Counties could increase spending as much as 1% if a 2% tax cap was in place.

ONLY 1 school district in Cattaraugus, Franklin, Herkimer, Livingston, Schoharie, St. Lawrence or Washington Counties could increase its spending more than 1% if a 2% tax cap was in place.

ONLY 2 school districts in Broome, Jefferson, Madison, Niagara, Steuben or Tompkins, Counties could increase spending more than 1% if a 2% tax cap was in place.

.8% is the actual average percent increase that would be permitted in school district spending if a 2% tax cap were in place.

## □ Current State Aid Distributions and Cuts Would Be Even More Unfair With a Tax Cap In Place

100% of school district budgets in Greene, Putnam, Rockland, Sullivan, Ulster, Warren and Westchester Counties could increase more than .8% if a 2% tax cap was in place.

94%, 97%, 98% are the percent of school district budgets in Orange, Suffolk, and Nassau Counties respectively, which could increase more than .8% in 2011-12 if a 2% tax cap was in place.

5,150 additional layoffs that would have been needed to balance 2010-11 school district budgets had a 2% tax cap been in place this year.

4,900 additional layoffs that would be needed to balance next year's school district budgets if a 2% tax cap is in place.

\$196 million in salaries would be lost based on those additional layoffs.

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