



Executive Summary and General Explanation of Graphs Depicting the Effects of the Allocation of \$805 Million of New State Aid in the Executive Budget Proposal for 2012-13

The series of graphs presented in the following report demonstrate the potential impacts of the 4.1 percent increase (\$805 M) in state aid proposed in the 2012-13 Executive Budget have on public school districts in New York State.

The data illustrated in these graphs reveal a number of critical findings that paints an alarming picture of how the use of all of these dollars in the proposed budget increase is not targeted to provide direct and critical financial support for the high need school districts that desperately need any and all assistance possible.

In summary, key findings of these data reveal that:

- 1) The use of the \$265 million of expense driven aids and the distribution of \$290 million of the high needs GEA reduction (\$555 M total) will help needy school districts only partially ameliorate the impact of continuous state aid cuts on their budgets and tax levies.
- 2) The \$555 million of expense driven aids and the GEA reduction results in an average of only a 2.8% increase in state aid support to school districts; as opposed to the claim of a 4.1% increase cited in the Executive Proposal.
- 3) Further, the \$555 million represents only 68.8% of the promised \$805 million of new aid to school districts.
- 4) The Executive budget has allocated \$250 million of new funding for a Performance Grants program in FY 2012-13. This is problematic because:
 - a. The grants were originally supposed to be applied for and awarded in the 2011-12 school fiscal year based on the state FY budget for 2011-12. Thus, all funds for the grants should have been budgeted in the 2011-12 state FY. Should this initiative be found to be presently unbudgeted it is incumbent on state leaders to secure resources from another source rather than from funds designated for school district operations.
 - b. While the focus on improved performance is commendable, not a single grant has yet been awarded, initiated, or evaluated to assess its relative efficacy, the need for revision of grant eligibility, application, award, goal setting, and metrics of results processes or standards.
 - c. Until such issues are resolved the withholding of \$250 million in state support for school district mechanisms is counterproductive to the continuance of efforts by all school districts to improve student performance. The allocation of \$250 million for a Performance Grants program therefore appears to be premature and arbitrary.
 - d. If and when the merit of Performance Grants is ascertained and modifications made as needed, and if the continuance of the program is desired, state leaders must then fund them within the school year and in an amount that is appropriate to ensure reasonable accommodation within a school budget process.
 - e. Additionally, the source of such finds must be outside of normal operation funds of school districts as they are clearly experimental in nature to the current configurations of school districts.



- 5) Due to the anticipated \$7 Billion loss of state support to school districts through GEA cuts of state aid since the 2010-11 school year, it is critical that funds be reallocated from the proposed \$250 million for Performance Grants to a distribution of funds on an equitable basis to school districts. These funds are critically needed to offset the rapid and consistent escalation of state mandates, labor, medical and pension costs. This is especially critical as the new Tax Levy Cap law takes effect.
- 6) Even if the \$250 million currently targeted for a Grants Program by the Executive budget were to be reallocated to school district operations, the net result would still be insufficient for a significant number of low wealth and/or high needs school districts to continue desired and required programs and services as in previous years.
- 7) To be sure, the equitable distribution of every penny of the \$250 million of state support is nevertheless insufficient and will still result in the further loss of student programs, school district staff, union concessions, community-centered buildings, diminishment of services and will also likely undercut a significant number of initiatives aimed at improved student performance at every grade level, as well as readiness for post high school educational or job and career readiness.