

Testimony of  
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Thank you, Director Francis, for this opportunity to address you and your colleagues from the Division of the Budget.

My name is Lawrence M. Cummings. I am the executive director of the Central New York School Boards Association, a regional association comprised of elected school board members from 47 local school districts and 4 BOCES (Boards of Cooperative Education Services) in the Central New York region.

Our Association was also the founder of what is now called the Statewide School Finance Consortium (formerly called the Midstate School Finance Consortium), which has advocated a dramatic overhaul of the state's education funding system for more than fifteen years.

The Consortium is supported by nearly 300 school districts statewide, a number of very dedicated volunteers, and two part-time staff persons.

We had hoped that our quest for a more equitable, predictable school aid formula would have been achieved by now. We were especially heartened when Governor Spitzer took office pledging not only to comply with the Campaign for Fiscal Equity court decision, but also to implement statewide reform of school funding.

Last year's executive budget proposal represented a very positive step in that direction. The Governor's plan was a bold departure from the past, with welcomed changes in regard to simplicity and transparency. But our analysis of the enacted budget found the results were dramatically less than promised for the poorest districts.

Statewide School Finance Consortium executive director Rick Timbs' analysis found that the districts that benefited most from the enacted budget were ***nearly twice as wealthy*** as the average district in the state. They had fewer students receiving free and reduced lunch, and had property tax rates ***below*** the state average.

Had the Statewide School Finance Consortium's plan been enacted instead, the districts benefiting most would have had ***one-half the wealth*** of an average school district, meaning the poorest districts in the state would have received the greatest benefit. They possess on average, ***one quarter the wealth*** of those districts helped by the enacted budget. They have 38% of their students receiving free and reduced lunch, one-third more poor students than those that benefited from the enacted budget. Another disparity involves property taxes. Districts that would have been most favored under the SSFC proposal have tax rates ("tax on true") nearly twenty-five percent higher, while the districts that

faired the best under the enacted budget have tax rates below the state average.

The 100 districts with the largest per pupil aid increases in the 2007 state budget had wealth almost 4 times greater than the average school district in New York State, and more than 7 times greater than the school districts that would have been most favored under the SSFC proposal.

While the Governor and Legislature can (and did) take credit for the major accomplishments of last year's school aid budget, what was actually achieved was less than claimed. We simply got a school aid distribution that was along the very same inequitable lines that we always have. It came in an expensive package.

As has happened before in the past, at the time of enactment, these inequities were largely masked by the amount of the overall spending increase. Equity was once again overwhelmed by excess. When enough money is allocated, everyone "does better", which tends to dampen criticism and discourage critical analysis.

There's no question that had less money been appropriated the consequences for the poorest districts would have been much worse. But the State spent lavishly without structurally repairing a broken system.

There is a central truth to this school aid issue that bears repeating today. ***How aid is distributed is more important than the overall amount of aid.***

Many poor school districts, especially upstate districts, have previously experienced years of "record school aid increases" where their own district's aid increased only nominally if at all.

It is imperative to realize the cost to fix this problem continues to rise with every passing year. Greater equity could be achieved without spending much more money. But that would require taking existing funds away from districts, and that's neither a practical solution nor one that we have advocated. So every year that you get it wrong by giving more money to the wealthiest districts – money that's really needed elsewhere – it drives up the base. Because of what's called "save harmless", no district ever gets less aid than it got the year before.

The core issue is this: low wealth school districts typically spend less money per pupil, and they spend much of that money on remediation. Their students enter school less well prepared, often lack a supportive home environment, are struggling in school, and cost more to educate. Wealthier districts typically have students who enter school well prepared, have a property tax base that allows them to spend much more per pupil, and that money provides enrichment rather than remediation.

There is also a critical economic development aspect to this, which is especially evident in areas of the state that are struggling. Inequitable school aid results in inequitable property tax bills. Taxpayers in less wealthy, low spending school districts are often burdened with much higher tax rates than their wealthier counterparts, yet the students in their schools receive nowhere near the same educational opportunities. This is affecting not just our kids, but also our economy, and it's a cause for serious concern.

Every district wants to do the best it can for its students. Few of the wealthiest districts in the state are struggling to attain minimal academic achievement or reduce dramatic dropout rates. But that is job one in most low wealth districts.

You're here seeking suggestions. In light of all the facts including the State's diminished resources, there is only one option. Rather than repeat past mistakes, including last year's, I urge you to submit a school aid proposal to the Legislature in January that adequately funds public education based on student needs and which recognizes the ability of local taxpayers to support their schools.

The Statewide School Finance Consortium's proposal, which was first put forth more than ten years ago, is a model of how this can be done. It differs from last year's executive proposal in several significant ways:

First, our basic foundation amount is significantly higher. The Consortium was the first to propose using a foundation amount. We applaud the Governor for adopting that approach, but the amount is simply insufficient for low wealth, poor performing schools to meet the needs of their students.

Second, the SSFC proposal would use a district-by-district cost index, which more precisely recognizes cost differences and results in more equitable aid distribution.

Third, we would require a minimum local tax effort that is simpler and more equitable than the complex and confusing method included in last year's budget. The SSFC plan would require a minimum local effort of \$13 per thousand of tax on true. Communities would remain free to spend as much per pupil as their local community would allow, but each would be required to make that minimum local effort in order to receive additional state aid. (I would note that districts that could afford to educate their students with a smaller local effort would be free to do so, and they would continue to receive their present foundation aid.)

Finally, the SSFC proposal weights metrics of a school district's poverty more realistically, thus providing additional resources to districts based on the

percentage of its students in poverty. As the ratio of extraordinary needs students rises, so does their per pupil state aid, providing struggling districts with the resources they need and cannot generate locally.

Our analysis of last year's budget and our comprehensive state aid proposal have been shared with the Governor's office and representatives from the Division Of Budget. All of the information I have shared with you today and more is available on the Statewide School Finance Consortium's website:  
<http://statewideonline.org/>

Having been engaged in this effort for fifteen years, my colleagues and I know firsthand what a challenge fixing this system presents, and how resourceful the opposition is. The insidious school aid "shares agreement", which was given birth a generation ago in an unbridled regional grab for power and money, continues to undermine the ability of the state to allocate resources based on need. It has distorted the property tax structure of our education system, and led some to believe that state aid for education exists to subsidize every community with little or no regard for local need or capacity.

Education remains in large part a local responsibility, with state aid to education ensuring that every community is able to educate its children.

It is unrealistic to expect the state to enable every district to spend what the wealthiest school districts can afford to spend per pupil. But we can certainly do better than to perpetuate a state aid system that layers on hundreds of millions of dollars to the highest spending districts in the state while those districts with the highest rates of poverty and greatest challenges lack the essential resources they need to have any realistic chance of succeeding.

I urge you to look at the model proposed by the Statewide School Finance Consortium. We simply cannot afford the alternative, which is failing both our high needs students and the property taxpayers in so many districts across the state who are treated unfairly by the status quo.

Thank you.