



c/o Eastern Suffolk BOCES, 201 Sunrise Highway, Patchogue, New York 11772

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#### MEMORANDUM

TO: Members of the Long Island Delegation to the New York State Senate  
Members of the Long Island Delegation to the New York State Assembly

FROM: Gary D. Bixhorn, Legislative Chairperson

DATE: March 7, 2013

RE: Updated 2013-14 Executive Budget Analysis

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On behalf of the Suffolk County School Superintendents Association (SCSSA), I wish to thank the members of the Long Island Assembly and Senate Delegations who attended the Tri-Region Coalition of School Superintendents meeting on Tuesday, March 5<sup>th</sup>. The meeting provided us with the opportunity to share our immediate priorities with regard to state aid:

- Restore high tax aid to all districts experiencing a reduction
- Increase funding for Gap Elimination Adjustment (GEA) restoration
- Modify the GEA restoration formula to provide significant relief for all districts
- Maximize the amount of school aid distributed through formulas
- Establish new, wealth-sensitive expense-driven aid formulas to partially reimburse districts for ERS, TRS, health insurance, RTTT, and school security expenses

Beyond these immediate priorities, we support a complete overhaul of the Foundation Formula. We believe that the formula, as currently configured, fails to recognize the level of economic need within our region and across the state. Work on a new formula, with broad-based input from a diverse group of stakeholders, should begin immediately so that it can be implemented next year. A formula that works, without a GEA, would benefit all involved. The SCSSA's principles for the reform of the Foundation Formula have been widely publicized and are summarized in our 2013 Legislative Program "Advocating for Sustainable, Secure, High-Quality Schools" (go to [www.suffolksuperintendents.org](http://www.suffolksuperintendents.org)).

Attached is an updated "2013-14 Executive Budget Analysis." The "Analysis" serves as the basis for the priorities outlined above. Many of the points were included in the version that was distributed in early February; however, some new information regarding the distribution of funds within the region has been added.

Thank you for your attention to the information.

GDB/jc

Attachment

c: SCSSA Members

Maureen Bright, President, Nassau County Council of School Superintendents

Louis Wool, President, Lower Hudson Council of School Superintendents

Regent Roger Tilles

Long Island Education Coalition Member Organizations



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## Executive Budget Analysis February 2013

- The Executive Budget proposes that Long Island school aid be increased by \$67.9 million (2.8%). However, even with this increase, our schools will receive over \$137 million less state aid in 2013-14 than was received in 2008-09 (\$2.48 billion vs. \$2.62 billion).
- Forty-five (45) school districts will lose aid while another twenty-one (21) will receive less than a 2% increase. Seven (7) low-wealth (CWR <1.0) school districts enrolling approximately 50,000 students are in this group.
- Long Island schools have lost over \$1 billion between 2011-12 and 2013-14 as a result of the Gap Elimination Adjustment (GEA).
  - This represents a 17% loss of aid during that period.
  - Over one-half (\$539 million) of the loss was incurred by the 28 low-wealth school districts (CWR<1.0) on Long Island.
- The GEA and its partial restoration have a disproportionately severe impact on Long Island schools.
  - The GEA reduces aid to Long Island schools at a **higher** rate than schools across the rest of the state (11.8% vs. 9.4%).
  - The GEA Restoration restores aid to Long Island schools at a **lower** rate than the rest of the state (9.2% vs. 15.9%).
  - **If Long Island lost aid and had aid restored at the same rate as the rest of the state, our schools would receive \$78.2 million more than projected.**
- Nearly 75% of the statewide reduction in High Tax Aid is absorbed by Long Island schools (\$37M of \$50M).
  - Over one-half (65 of 124) of Long Island school districts experienced a 70% cut in High Tax Aid (28 in Suffolk and 37 in Nassau).
  - Nearly one-half (13 of 28) of Long Island's low-wealth school districts lost High Tax Aid. Nine (9) of the 13 experienced a loss in excess of 20%. The total loss for these districts is \$8.3 million.
  - **This \$37 million must be restored.**

(over)

- Foundation Aid remains frozen in the Executive Budget. This aid comprises nearly 75% of all Formula Aid. **The Foundation Formula must be overhauled.** Projected 2013-14 Foundation Aid per pupil on Long Island is \$3,436, which is 31% less than the per pupil allocation for the rest of the state (\$4,941). The formula has shortchanged Long Island from the day it was implemented. Due to this formula:
  - Long Island schools continue to educate 17% of the state’s students yet receive only 12% of the aid.
  - Seventy-seven (77) Long Island school districts receive less than 20% of their revenues from New York State. Forty-three (43) receive less than 10%, while another thirty-four (34) receive between 10% and 20%.
  - Regional cost differences are underaccounted for in the distribution of aid.
  - **If Long Island received a share of Foundation Aid equal to the share of students (17%) educated in our schools, an additional \$740 million would be directed to the region.**
  
- Current (2012-13) patterns of state aid distribution to Long Island school districts result in the following:
  - Long Island’s 35 “high-wealth” (CWR > 2.0) school districts receive only 4.4% of all aid to the region. These districts enroll approximately 13% of the students on Long Island.
  - If every penny of aid directed to Long Island’s 35 “high-wealth” school districts was distributed across the rest of the state, it would generate a \$33 per pupil increase.
  - Twenty-one (21) of thirty-five (35) high-wealth districts on Long Island receive less than 5% of their revenues in state aid while thirteen (13) others receive between 5% and 9%. Only one (1) receives more than 9% of revenues from state aid.
  - Over half of the students in Suffolk County are enrolled in low-wealth (CWR < 1.0) school districts. These 20 districts receive 70% of the County’s school aid.
  - Approximately 20% of the students in Nassau County are enrolled in low-wealth (CWR < 1.0) school districts. These eight school districts receive 35% of the County’s school aid.
  
- The Executive Budget includes \$203 million for “Fiscal Stabilization” funding provided “in recognition of extraordinary fixed costs including pension contributions.” The SCSSA proposes that a share of these funds be allocated to schools through the introduction of new wealth-sensitive, expense-driven formulas. Expenses for ERS, TRS, RTTT compliance, school security, and health insurance could be partially reimbursed through such formulas.