

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



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Educational Conference Board report calls for \$2 billion increase for schools

New paper from leading education groups emphasizes need for progress on Foundation Aid and tax cap changes

New York’s major statewide education organizations issued a report today that outlines the need for a \$2 billion state school aid increase in 2017-18 and a concerted effort to realize the promise of the Foundation Aid formula that was enacted a decade ago but is not yet fully funded.

In the report, the Educational Conference Board (ECB) also calls for changes to the state’s tax cap, as schools again face the prospect of a limit on local revenue that is significantly below the “2 percent” limit widely associated with the law due to its reliance on the Consumer Price Index (CPI).

The paper, titled “New York’s Students Need a Foundation for Success and Opportunity,” contains three key recommendations:

- **Provide a \$2.0 billion state aid increase in 2017-18, with \$1.5 billion to preserve current school services and \$500 million to support a series of critical needs and state education priorities;**
- **Renew the commitment to Foundation Aid, including providing full funding within three years; and**
- **Address issues with the tax cap formula, including using a consistent “2 percent” for the allowable levy growth factor instead of subjecting it to the volatility of CPI.**

Based on recent projections for education costs and broader economic trends, the education groups estimate that total school spending statewide will need to increase by \$1.7 billion, or 2.6 percent, in 2017-18 to continue all current services for students. However, the ability of schools to raise revenue locally will again be limited due to the use of the Consumer Price Index as a pivotal factor in the tax cap formula. The change in CPI has averaged 1.14 percent based on 10 months of data for 2016.

If growth in tax revenues is capped at that level, districts would only be able to raise approximately \$200 million in additional local funds to pay for rising costs. The ECB report recommends that the state provide the balance, \$1.5 billion, needed solely to continue current services for students.

ECB recommends an additional \$500 million to address critical priorities to strengthen student learning, such as supporting struggling schools and English language learners, opening new pathways to graduation and careers, and strengthening early childhood education.

The education groups are also calling for a concerted effort to realize the promise of the Foundation Aid formula that has remained largely stalled in recent years. Schools are still owed \$3.8 billion in Foundation Aid based on the formula written into state law, and ECB calls for full funding within three years.

The report notes that nearly a decade has passed since Foundation Aid was enacted and much has changed since that time, from learning standards to student needs and new regulations. ECB is calling for a new Foundation Aid cost study based on all current conditions and regulations and says that the formula's weightings for factors such as poverty, students with disabilities, English language learners, and geographic sparsity must be revisited.

“As the economy pulled out of recession, New York State deserves credit for making education funding a priority,” said ECB Chair John Yagielski. “Schools are making progress, but more must be done. This requires adequate state aid for next year, along with broader action on issues such as Foundation Aid and the tax cap to provide a more stable, more sustainable future for our schools. We all have a stake in ensuring that today’s students are prepared to contribute to our economy and be active citizens tomorrow.”

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For more information, please contact ECB Chair John Yagielski, chair@newyorkecb.org.

The New York State Educational Conference Board is comprised of the Conference of Big 5 School Districts; New York State Council of School Superintendents; New York State PTA; New York State School Boards Association; New York State United Teachers; and the School Administrators Association of New York State.