

New NY Commission on Education
Testimony of

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“Education is the only sure path out of poverty and the only way to achieve a more equal and just society.”
Arne Duncan

The Education Law Center at Rutgers University recently ranked states in regard to their funding of schools. New York received an “A” for the amount of support to districts, something that is laudable. However, the same study issued New York a grade of “D” for the lack of equity in state aid distribution. The study’s principle researchers found six states – including New York – where combined state and local resources and revenues are “considerably lower in high-poverty settings.” This is the crux of our problem in low-wealth, state aid dependent school districts.

Massive state aid cuts since 2008 have left New York’s poorest schools fighting for their very existence. A ceiling on state aid growth and property tax caps, the “Gap Elimination Adjustment”, and the depletion of reserve funds in our neediest districts have accelerated the gutting of capacity in schools serving poor children. This loss of programs and services has taken place against a backdrop of multiple new mandates, including: A new teacher evaluation system; the adoption of the Common Core Curriculum; and proposed PARCC assessments and the attendant costs associated with needed technology infrastructure to administer those examinations.

In July the Board of Regents stated, “many school districts across the State are at risk of fiscal and/or educational insolvency due to being unable to meet their financial obligations and, consequently, having to eliminate critical academic programs and personnel.” Additionally, the Board of Regents acknowledged that, “When adjusted for regional costs and pupil needs, New York’s High-Need districts spend significantly less per pupil than Low-Need districts” (over \$3000 less per pupil).

Between 2010 and 2012, state support for schools decreased by over 2 billion dollars. When the finance reforms of 2007 are taken into account, the figure balloons to \$4.8 billion dollars in promised increases not realized. The 22 school districts of the Genesee Valley Educational Partnership in Livingston, Genesee, Steuben and Wyoming Counties lost over 38 million dollars in state aid in the past several years. Over 450 school positions were eliminated. Each lost position represents diminished capacity to serve children. Advanced placement, summer school, and programs in academics, the arts and athletics have been lost. The last two years are the first in my 33 years as an educator when gains made for young people in our poorest communities were reversed.

I keep hearing the phrase “unsustainable” used when discussing current public school practices. What is less frequently heard is the fact that the caps on state aid growth and property taxes, the Gap Elimination Adjustment and depletion of reserve funds have made equitable educational opportunity *unattainable* for children in our low-wealth schools. More alarmingly the gap between the “haves and have-nots” is growing. No one has demonstrated the political courage and will to address this issue that threatens entire communities, particularly in rural centers looking to attract young families and employers.

Children are being consigned to a lesser future. New York is, through its refusal to address issues of inequity, complicit in the perpetuation of a bimodal public school system. The Brookings Institute recently found that more than 2/3 of children growing up in households with below average family incomes earned below average wages as adults. Only 6% of those youngsters ever made it to the top 20% of wage earners. Even in these difficult economic times, college graduates enjoy an employment rate of 95%. Those without a high school diploma are suffering with near-depression era unemployment rates of 16%.

Some have argued that last year’s budget was an improvement for children educated in poor communities. While the death spiral for low-wealth schools may have slowed, make no mistake, it is a death spiral nonetheless. The promise of the fully funded Foundation Aid Formula of 2007 is a distant memory. Dr. Richard Timbs of the Statewide School Finance Consortium found the following:

- Based on last year’s increase of state aid and the current rate of “improvement” in funding, it will take at least 6 years to eliminate the regressive Gap Elimination Adjustment - which currently stands at over 2 billion dollars.
- What about Foundation Aid? If Foundation Aid saw increased funding at the same level as last year (an unlikely event since the cap on State Aid Growth means schools will see a smaller increase than one year ago), it would take *fifty years* to fully fund the formula.

What can be done? In the short term, there are several things that can be addressed now by legislative leaders:

- The establishment of regional high schools has been proposed. Regional high schools could be viable, but only if they include incentives in the form of additional state aid. Communities are loath to give up their high schools as they are tightly coupled with their very identity. Regional high schools operated by districts or BOCES, with aid, could provide the incentive communities need to combine their high schools. We have already seen this model work on a more limited basis in BOCES Career and Technical Education Centers.
- School district mergers, despite state aid incentives, have ground to a standstill. This lack of success can be attributed to many factors. Districts contemplating mergers currently are required to first gain board approval for a study, then the impacted communities vote in a non-binding “straw poll.” If that vote gains support in both districts, a third binding vote is held. However, even if the majority of the voters approve the referendum, if the majority of the voters in *one* of the districts defeat the proposal, the referendum fails. The total combined vote in *both* communities should determine the outcome of the merger referendum. The same holds true for the proposed establishment of regional high schools.
- The cap on state aid growth is short-sighted. In the 2013/14 school year, the legislature should provide categorical aids beyond the formula increase that districts would have the flexibility to use for costs associated with the implementation of APPR, Common Core, PARCC and other expensive unfunded mandates.
- Create a new categorical aid, beyond the formula, to promote online and “blended” learning in low-wealth schools. This new funding would be used to promote AP, college and credit recovery opportunities in low-wealth schools.
- Eliminate the Dickensian competitive grants. Use those dollars instead to reduce the Gap Elimination Adjustment.
- Eliminate legislator “bullet aid” and use the over 40 million dollars to reduce the Gap Elimination Adjustment.

What can be done in the next few years?

- If two small, low-wealth districts merge, a larger poor district results with many of the same problems experienced prior to the merger once incentive aid is phased out. The Foundation Aid formula is now 7 years old and needs to be changed to a *new Foundation Aid formula* – one that would include measures of district fiscal capacity and community poverty.
- Appoint a panel of school finance experts to create a new Foundation Aid Formula immediately. Time is short. Under the current formula, a growing number of districts will be unable to meet their financial obligations over the next several years as their reserve funds are completely depleted and the full impact of the property tax cap and ceiling on state aid growth are realized. This crisis is systemic in nature and it will not be fixed through a band aid approach. Sweeping reform is called for and needed.
- Eliminate the cap on state aid growth. It was a mistake – and very probably unconstitutional.
- Stop sending state aid to wealthy districts. Districts with Combined Wealth Ratios two, three, *five* times greater than the average wealth community should not receive state aid.

Jonathan Kozol wrote, “...the public schools themselves in neighborhoods of widespread destitution ought to have the rich resources, small classes, and well prepared and well rewarded teachers that would enable us to give every child the feast of learning that is now available to the children of the poor only on the basis of a careful selectivity or by catching the attention of empathetic people like the pastor of a church or another grown-up whom they meet by chance. *Charity and chance and narrow selectivity are not the way to educate the children of a genuine democracy.*”