Testimony of Billy Easton, Executive Director
Alliance for Quality Education
Governor Cuomo's Education Commission
September 24, 2012
Utica

New York State is at an educational crossroads. Will our high need schools sink into 'educational insolvency' or will New York State fulfill its commitments to educational excellence and opportunity?

That is the challenge before this Commission.

Specifically the Commission is charged with "comparing best practices and services that will meet the needs of our high-risk students; and prioritizing spending in high-need school districts."

It is silly to suggest money does not matter. The massive inequity in spending and associated educational opportunities in New York State based on wealth is proof positive that money matters.

In 2009 the state froze Campaign for Fiscal Equity funding and then in 2010 and 2011 it made massive classroom cuts which were much larger in high need schools than in wealthy ones.

Our recommendations are as follows:

1. You should state unambiguously that there is a tremendous inequity in educational opportunities between school districts based on inequitable resources. This is in keeping with your charge.

2. Acknowledge that two of the premises underlying the Governor's new competitive grants program are right:

First, it is appropriate to expect high quality programs for state investment is appropriate

Second, without the state's investment, few schools can be expected to expand these programs.

However, the grants program is unfair to high need schools and students should not be forced to compete for educational opportunity. For these reasons the competitive grants program should be discontinued.

3. Recommend a set of cost savings where we can build consensus, there is too much focus on the ones that divide us and nothing gets done.

4. Recommend that the state uses cost savings and adequate state aid to invest in high quality programs including: full day kindergarten, more time for student learning and growth, high quality curriculum ranging from arts to AP to computer technology. But at least 72% of these funds should go to high need districts as was enacted into the formula when CFE was settled.

5. Recommend that the state removes the cap on state aid or phases it out. If the current inflation-only cap on state aid remains then inequities will be locked in place and will actually widen. The cap itself renders the progressive foundation aid formula meaningless and fundamentally guts the state's CFE resolution. This cap is not the same as the property tax cap—which also produces inequities.

6. Recommend that the state expands pre-kindergarten which has lost funding every year since 2008 due to a state budget loophole. Pre-kindergarten funds should be exempted from the state school aid cap because it is highly unlikely it will ever expand as long as it is under the cap. There should also be a full-day option for state funded pre-k.

7. Recommend that the state expands the Quality Stars New York (QUALITYstarsNY) pilot program. In New Jersey this program increased the number of good or excellent early childhood programs from 14% to 63% which produced gains in language, literacy, and math, closing the readiness gap, and cutting second grade repetition in half.[1]

Graphs and details supporting my testimony are attached.

[1]Steve Barnett, PhD , Investing in Effective Early Education: Getting New York Back on a Path to Success, National Institute for Early Education Research, Rutgers Graduate School of Education

Thank you for holding these hearings and for soliciting the input of New Yorkers across the state. Many, many New Yorkers have come before you and reported on the damaging educational consequences of the current direction of New York State's school finance policies.

We hope that the Commission includes in its report our recommendations to ensure that all students have access to a sound basic education, the opportunity to learn, and are on a path towards college and career success. The following provides data and details to underscore our recommendations.

Invest in programs that work

New York State has raised the bar for all students by adopting the Common Core standards and by aspiring to have students be college and career ready, since the 21st century global economy requires so. Students, regardless of the location of their school should have access to:

- **Extended learning time**, either through a longer day and year, or through a well structured after school program;
- **Advance placement and college prep courses** which allow students to be college ready, be accepted into the college of choice and not require remediation;
- **A challenging curriculum** which would include the Arts, Music and Physical Education, Career and Technical Education, as well as enrichment and extracurricular activities so that students get the experiences they need to be admitted into college.
- **Early childhood education** including expanded pre-kindergarten with a full-day option, guaranteeing full day kindergarten for all five year olds and implementing QualitystarsNY to improve the quality of early childhood programs.

These types of programs are correctly identified as necessary for college and career readiness in the competitive grants program the state has enacted into law.[2] However, every student, regardless of where she or he resides should have access to these programs. Under the competitive grants the state requires that schools spend the dollars awarded on high quality programs including AP courses, career and technical education, middle school improvement, and increasing passage of Advance Regents diplomas. By recognizing that in order to create these high quality programs, the winner school districts must receive state aid, state policy itself recognizes that expanding these programs will require additional state aid. The new

[2] For greater description and discussion on this issue please look at attached report **New York State Competitive Grants: Creating a system of education winners and losers** published by the Alliance for Quality Education

programs will be created only for students in schools that win the competition. The state should instead ensure all students have access to these programs.

Over the past three years state budget cuts and caps have forced schools to cut back significantly. There are many school districts that have cut or reduced Kindergarten, Advanced Placement courses, electives, sports, arts and music, foreign languages, after school, tutoring and summer school programs, all of which help students stay in school and on a college or career path.

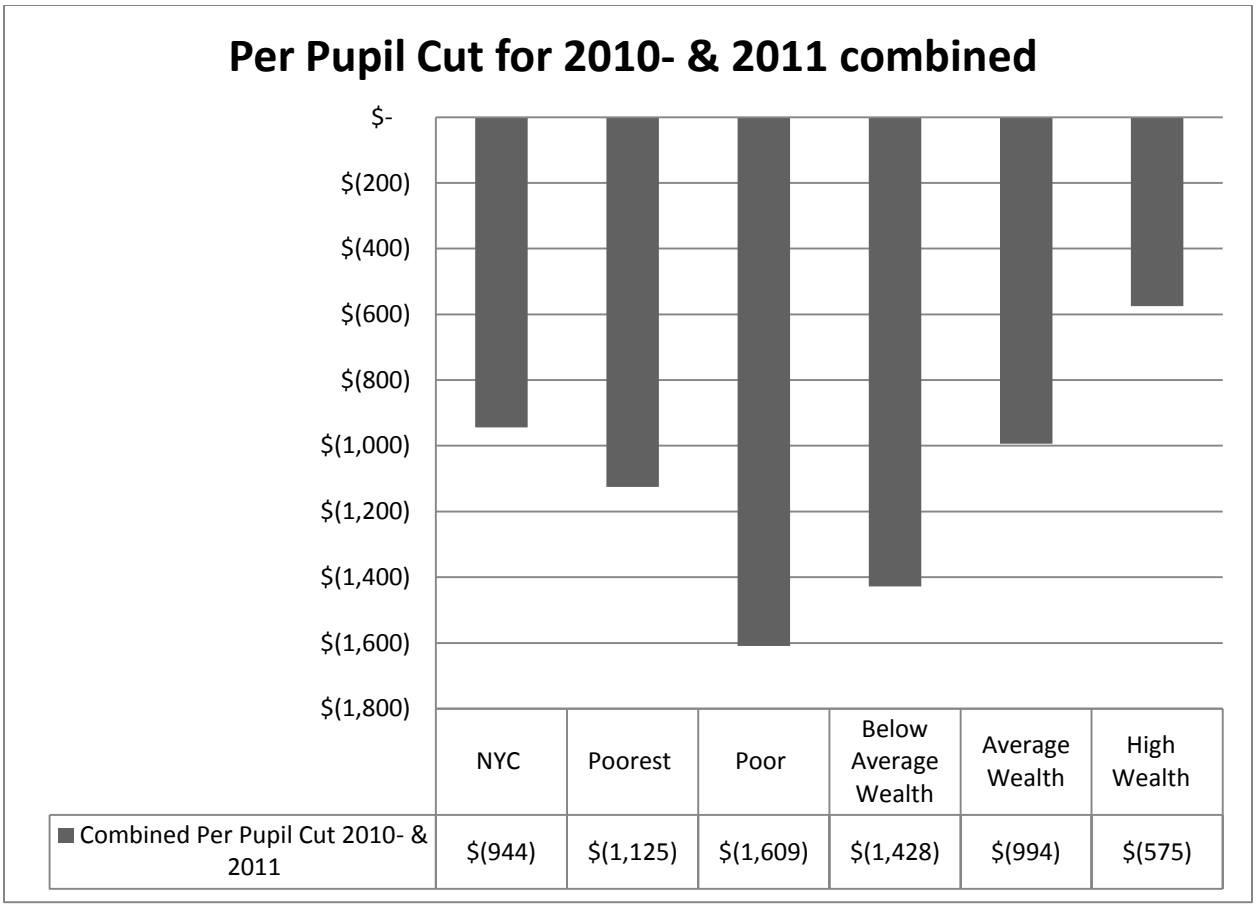
Fix Broken State Aid Policies that are Moving Schools towards Educational Insolvency

As Commissioner King has warned many high need school districts are headed towards "educational insolvency."[3] A recent valedictorian of one rural upstate district was unable to gain admission to their nearest SUNY School because they lacked the breadth of curriculum needed to successfully compete against other applicants. Which polices have led us towards educational insolvency?

Devastating cuts have hurt the classroom and have increased inequity

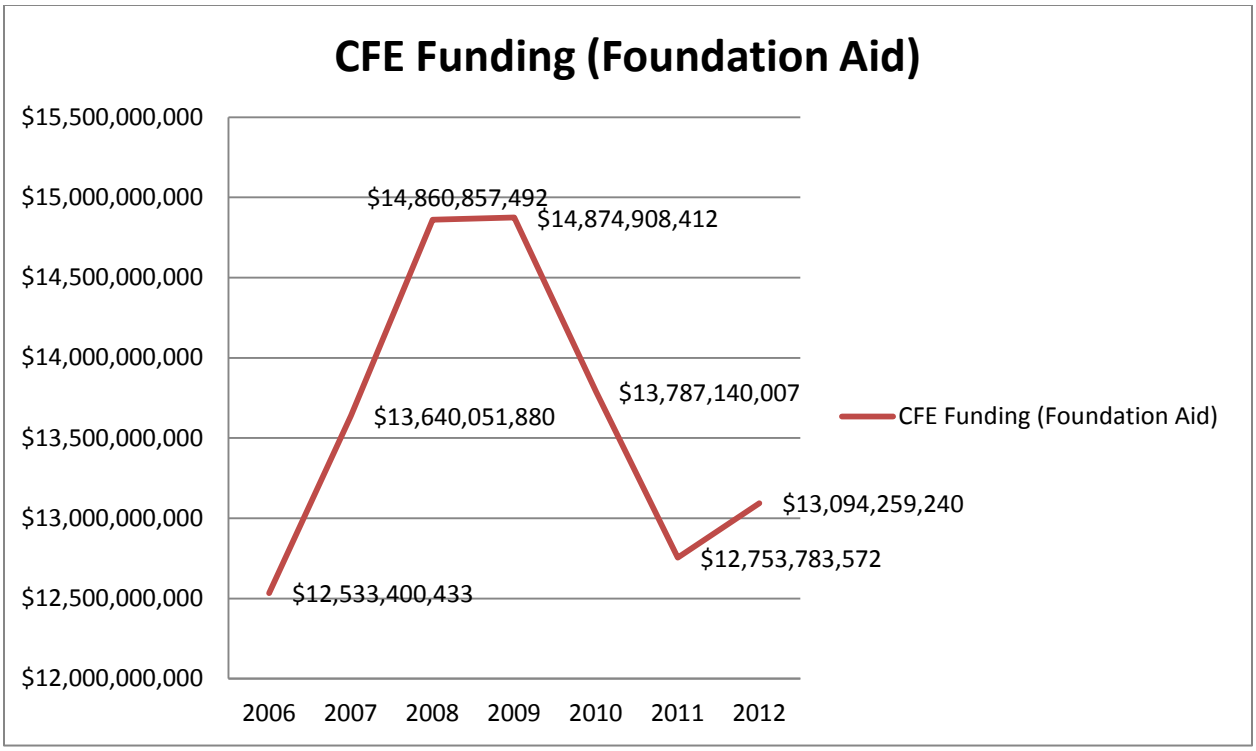
The devastating state budget cuts of 2010 and 2011 have significantly damaged the quality of education. Not only was $2.7 billion cut from classrooms, these cuts were made in a reverse equity fashion. Poor schools received cuts that were two to three times larger per pupil than wealthy schools.

[3] http://www.timesunion.com/local/article/4th-R-Running-out-of-money-2680574.php



The CFE Promise has Been Broken: It Should be Restarted

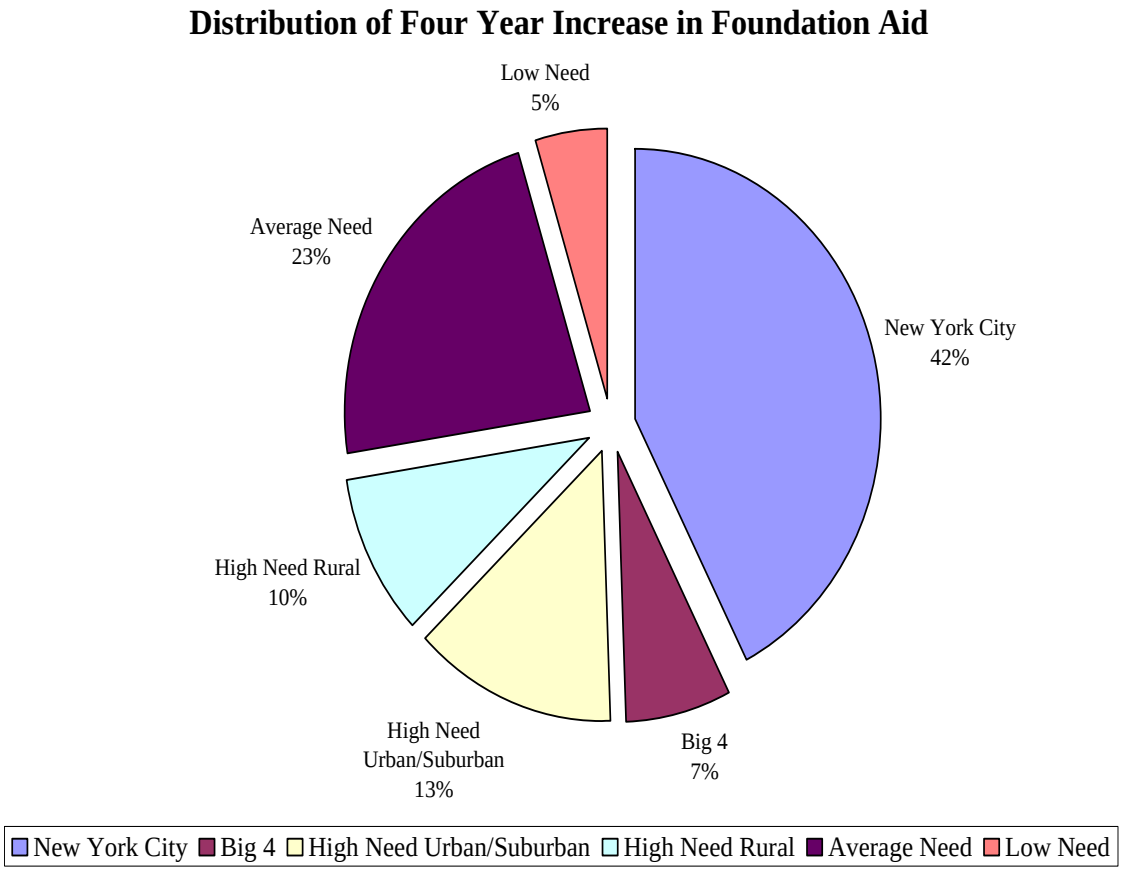
In 2007, after 13 years of appeals and delays the state finally settled the Campaign for Fiscal Equity lawsuit. The state committed to increase foundation aid—basic classroom operating aid—by $5.5 billion over four years. The first two years of the promise were kept, but then the fiscal crisis came. First the state froze funding, then the state cut funding over two years by $2.7 billion. In 2011 this was done while simultaneously cutting taxes on millionaires and billionaires. The graph below illustrates the complete reversal of CFE, while showing that the $110 million that was put through the Foundation Aid formula- also known as basic classroom operating aid- neither come close to covering any inflation increase nor does it make up for the cuts.



The Foundation Formula is not perfect, but overall it is fair and equitable; but the state has stopped using it

When the foundation aid formula was enacted into law back in 2007, it directed 72% of funds to high needs districts as the graph below shows. [4]

[4] Alliance for Quality Education. (2007). *Summary of Governor Spitzer's Reform Legislation as Adopted by the Legislature*. http://www.aqeny.org/cms_files/File/Microsoft%20Word%20-%201Summaryoffinal2007budgetdealFINALnj--be.pdf

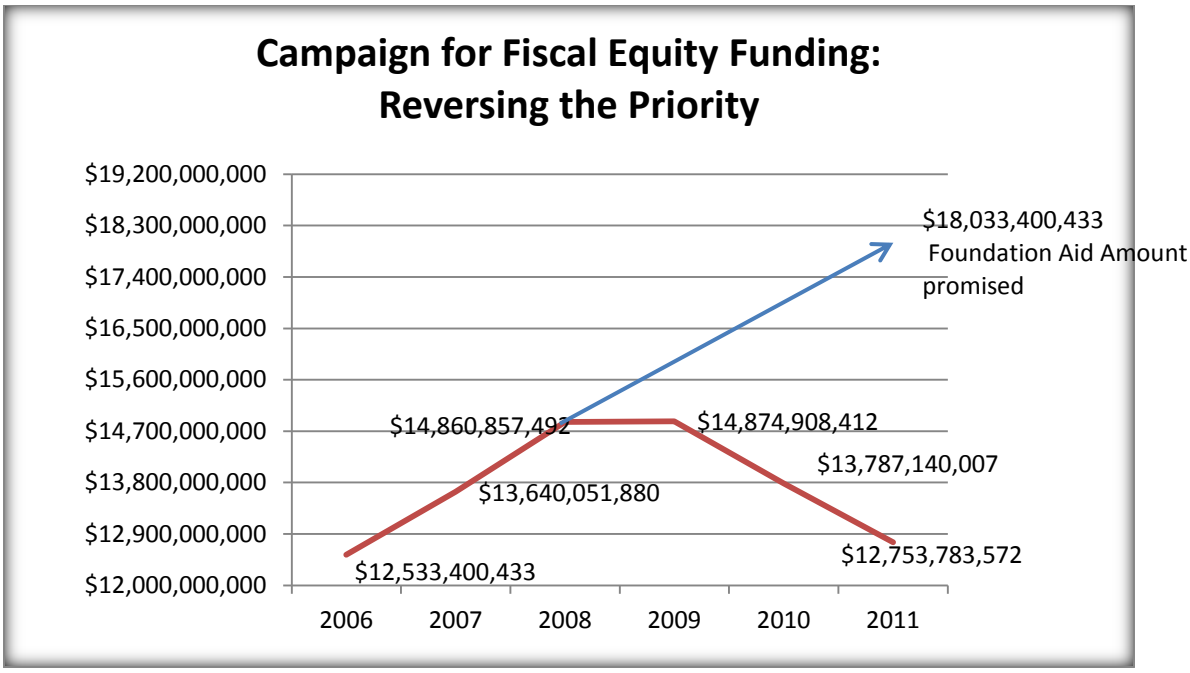


The foundation formula is imperfect, but its biggest imperfections are:

i. The state stopped using it and created a cutting formula (the GEA). No funding formula works without money.
ii. The state continues to do what the Court of Appeals found to be political manipulation to meet regional shares by adding formulas outside the formula.

But the formula should be updated to give even greater priority to high need districts. One specific recommendation affects high need rural and some high need suburban schools. If you are an extremely poor as a community you are penalized because even though you may be at 35% of average school district income wealth, your rate of aid is calculated as if you are at 65% of average. This is known as the Income Wealth Index and it should be adjusted.

If the state had maintained its obligations under CFE the following graph shows where school funding levels would be. Instead the state has taken back all the funds provided under CFE.



Aid to schools should go through the foundation formula and towards Gap Elimination Adjustment (GEA) restorations—which are the state's now two classroom support formulas. However, this Commission should recommend that in no case should less than 72% of these aids go to high need districts.

The State Aid Cap Locks in Inequities and Will Continue to Result in More Classroom Cuts: It should be Eliminated or Phased Out

On top of the multiyear cuts, the state has made it harder for school districts to get more money. A new statewide cap on how high local revenues can be raised is further exacerbating educational inequities. The cap limits property tax hikes to 2 percent, which may sound fair but actually contributes to school inequality: the permitted tax increase raises a lot more revenue from million-dollar homes for wealthy schools than it raises on $100,000 homes for poorer schools. And a newly implemented cap on increases in state education aid means that even with a slight restoration of state aid this past year; schools were still forced to make cuts. The state aid cap is tied to an inflation factor which does not keep pace with the actual costs of education. The combination of the two caps guarantees that schools will be forced to continue to make annual classroom cuts in a slow, or not so slow, march to educational insolvency. The Commission should recommend the elimination or phase out of the state aid cap.

Greater access to quality prekindergarten programs and implementation QUALITYstarsNY.

The importance of quality prekindergarten has been extensively documented over the years. Quality pre-k can prevent students from falling behind, which in turn close the achievement gap, ensure that students graduate high school and successfully complete college, and be on a career path that is better compensated. [5]

Prekindergarten is perhaps the surest way of closing the achievement gap

Years of research shows that when children attend quality early childhood programs, including quality early care and prekindergarten, have:

- Greater chance of succeeding academically.
- Greater chance of successfully graduating high school and going to college.
- Greater chance getting a higher paying job on the career path of their choice

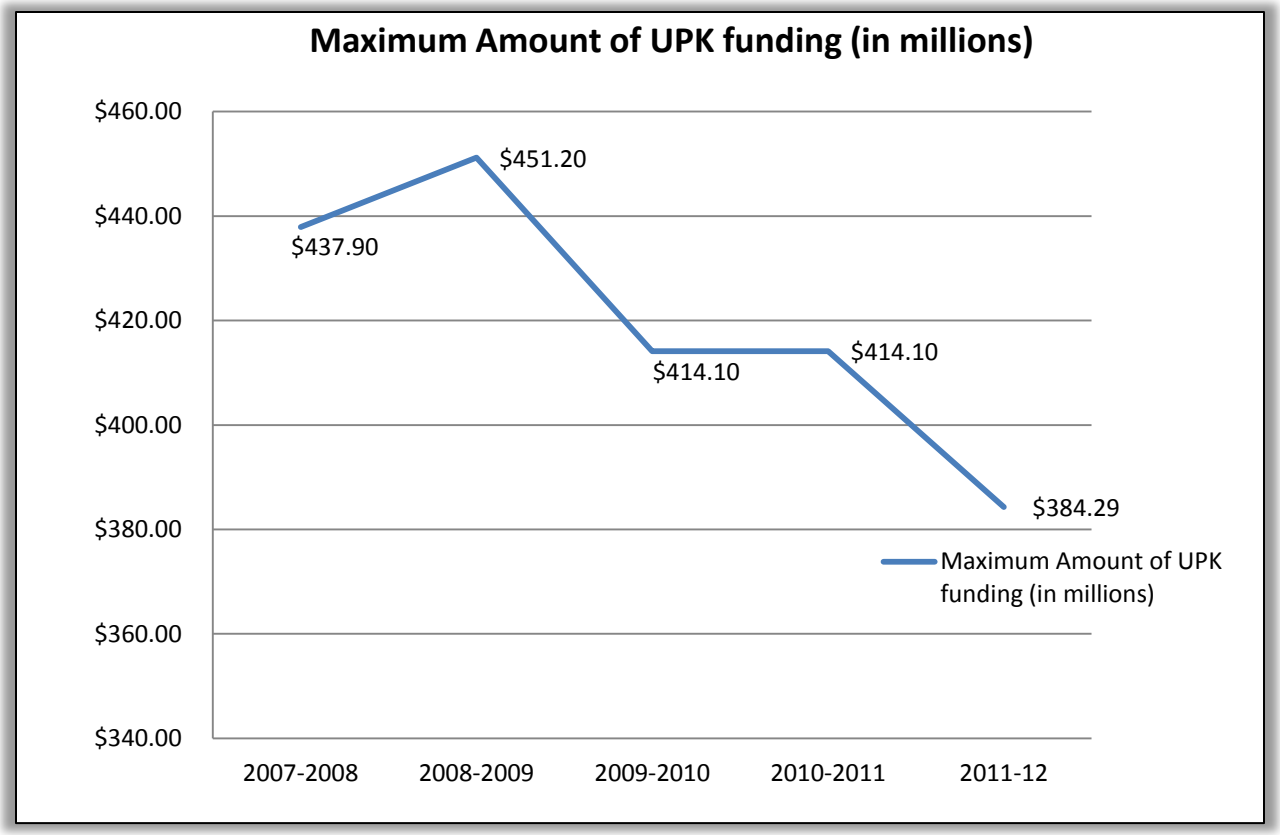
Students who attend high quality prekindergarten also are less likely to become incarcerated, become teen parents, and drop out of school.

Even though the effectiveness of prekindergarten as a means towards closing the achievement gap has been extensively substantiated by years of research, our state has been steadily decreasing its investment[6] as the chart below shows.

---

[5] Highscope Perry Preschool Study http://www.highscope.org/Content.asp?ContentId=282 ; Groginksy, S, Christian, S. and McConnell, "Early Childhood Initiatives in the States: Translating Research into Policy," State Legislative Report – Vol. 23, No-14, June 1998. Avaliable at www.ncsl.org/issues-research/...**report-early-childhood**-initiati.aspx Hull, Jim, "Starting out Right: Pre-K and Kindergarten." Center for Public Education, November 2011. Available at www.centerforpubliceducation.org.
Karoly, L.A. and Bigelow, J.H., have published several studies on the costs and benefits of public preschool programs, which document the long-term gains for children who have access to high-quality programs. See, for example "Early Childhood Interventions, Proven Results, Future Promise" and "The Costs and Benefits of Universal Preschool in California," both published in 2005. Available at www.rand.org
The National Institute for Early Education Research has also published a range of multi-state studies on the short-term and long-term benefits of public Prekindergarten, as well as analysis of the costs and benefits of state Pre-K programs which can be found at www.nieer.org.
Belfield, Clive R. (2004) "Early Childhood Education: How Important are the Cost Savings to the School System?" Winning Beginning NY and Teachers College, Columbia University. Available at www.winningbeginningny.org
Heckman, James J., http://www.heckmanequation.org/content/heckman-101 provides multiple studies, see especially: http://www.heckmanequation.org/content/resource/presenting-heckman-equation#.T_dhoGFrRuE.email [4] Yonkers Public Schools (2009). "Prekindergarten Participation Advantage" available at http://www.yonkerspublicschools.org/docs/candi/data-and-reporting/ThePreKAdvantage.pdf [5] Regents Policy Statement on Early Education for Student Achievement in a Global Community, adopted January 2006

[6] Marcou-O'Malley, Marina, "Early Childhood Education: Frozen Funding Leads to Cracks in the Foundation." Public Policy and Education Fund, February 2012. Available at http://www.aqeny.org/ny/wp-content/uploads/2012/02/Frozen-Funding-Leads-to-Cracks-in-the-Foundation-2.8.12.pdf



Data Source: NYSED

This disinvestment in prekindergarten leads to increased costs in students' later academic life. With less than 50% of NYS' students having access to state funded prekindergarten, students that may need interventions early on go unnoticed, which in turn leads to higher special education and remediation costs. School districts can realize up to $28 million in cost savings when students have access to prekindergarten.[7]

We ask the Commission to include the following recommendations in regards to expanding access to quality prekindergarten:

1. Expand pre-kindergarten and include a full-day option for state funding
2. The reason that the state funding for pre-k has been cut by 15% since 2008 is because when the state makes pre-k funds available not every district takes advantage of the program. However, instead of reinvesting those funds in pre-k for other four years in New York, they are lost to a budget loophole that allows the state Division of the Budget to divert those funds into the general fund. Then those pre-k funds are lost forever. The Commission should recommend closing the pre-k funds loophole. Any funding that is

[7] 2 Belfield, Clive R. (2004) "Early Childhood Education: How Important are the Cost Savings to the School System?" Winning Beginning NY and Teachers College, Columbia University. Available at www.winningbeginningny.org

not used by school districts should be reapportioned to school districts that would like to implement it.

Take Prekindergarten out of the State Aid Cap

Provide Prekindergarten funding a way that does not compete with K-12 funding. Currently, Pre-k funding is included in the state aid cap and will is unlikely to expand under that construct.

Expand QUALITYstarsNY

The best way to ensure that pre-k and other early childhood programs are of high quality is by fully implementing QUALITYstarsNY, the state's quality rating and improvement system for early childhood programs. QUALITYstarsNY provides an assessment for programs and a path and supports towards improvement, something that ensure that students will have access to the programming the need to be ready for kindergarten and ready for college. In New Jersey this program increased the number of good or excellent early childhood programs from 14% to 63% which produced gains in language, literacy, and math, closing the readiness gap, and cutting second grade repetition in half.[8]

Cost Savings for College and Careers

There is a variety of options throughout the education system on which all stakeholders can agree and which will produce important cost savings without diminishing educational quality. The savings from these options should be used to prioritize high needs districts

1. **Revise Building Aid** to Eliminate Incentive Aid (was put in place to boost capital projects) and Selected Building Aid ratio (school districts can choose their most favorable ratio), discontinue state support for excessive incidental costs (incidental loophole allows school districts to get an allowance of 20-25% for incidental costs on capital projects: eliminating the incidental cost loophole will save approximately $100 million or more annually.)

2. **Increase school energy conservation**
    - Pro-active program of conducting energy audits through the New York Power Authority (NYPA) and NYSERDA to identify energy conservation initiatives.
    - NYPA currently provides discounted electricity rates or cash rebates to 475 business and non-profits statewide. The State should allocate lower cost New

[8]Steve Barnett, PhD , Investing in Effective Early Education: Getting New York Back on a Path to Success, National Institute for Early Education Research, Rutgers Graduate School of Education

York Power Authority energy to schools that commit to energy reduction targets and should require the NY Power Authority to accept all school district applications for power.

- Finance school district energy conservation projects through New York Power Authority.
- Provide seamless, one stop technical assistance from audits to installation and financing through NYPA and NYSERDA.
- Exempt school districts from payment of the systems benefit charge (SBC) on energy bills. This cost is passed through on to local real property tax payers in the form of higher school taxes.
- Explore energy purchasing consortia; this could be done via the existing BOCES system.

3. Greater use of regional health consortiums between school districts and local government

4. Allow reverse bid auctions for contracts and purchases in order to provide school districts with competitive leverage

5. Review and revise laws governing transportation to private schools especially out of state

6. Allow school districts to make greater use of BOCES administrative and support services such as for telecommunications and other equipment and services and claims auditing.

7. Enable the state to employ "pension smoothing" through amortization of pension benefits in order to avoid the consequences of sudden spikes in pension obligations.

8. Eliminate the competitive grants program and invest those funds in effective programs prioritizing high need schools. ($100 million)

ADDENDUM

New York State Competitive Grants

September 24, 2012

Alliance for Quality Education and the Public Policy and Education Fund

PUBLIC POLICY AND EDUCATION FUND OF NEW YORK

During this prolonged recession school districts throughout New York State are increasingly under financial pressure to do more with less. Districts in high poverty communities are under even greater stress as they struggle to meet the learning needs of the students they serve. It is unwise and unfair for the State of New York to provide funding to schools on a competitive basis when it is already clear that many schools are desperate for support.

Dr. Pedro Noguera,

Peter L. Agnew Professor of Education

This study highlights the significant downside of the introduction of competitive grants into the New York school finance system. It makes a strong case that these grants have actually been substituted for aid programs, such as the Foundation Formula, which distribute school aid based on student need and district wealth. The sad irony is that these grants are diverting resources away from high need school districts and are unlikely to produce the innovation, which is their primary justification.

Dr. William D. Duncombe

Professor, Public Administration and International Affairs
Maxwell School Syracuse University

I tell my students, "A great thing about teaching is that we do not choose our students. We teach everyone before us." Neither should the state choose among its school districts. New York has the shameful distinction of being a leader in educational inequality in terms of shortchanging students in high-poverty schools. Let's address this resource-based problem, not exacerbate it through competitive grants.

Sue Books, Professor, Secondary Education
SUNY New Paltz

The Alliance for Quality Education would like to thank Leigh Dingerson, a consultant with the Annenberg Institute for School Reform for the research done regarding the School District Performance Improvement competitive grant program and for the edits in text.

New York State Competitive Grants

Creating a System of Education Winners and Losers

Key Findings

- Competitive grants create a system of educational winners and losers among students, instead the state should be guaranteeing all students access to high quality programs.
- Competitive grants are inequitable. Only 19 out of 202 high needs school districts even applied for funding through the competitive grants, whereas 100% of them would receive funding had this money been put through the foundation aid formula.
- While the competitive grants do prioritize high quality educational programs including academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation, these exact types of programs have been cut from schools statewide as a result of state budget cuts.
- Test scores are the single largest factor in awarding competitive grants meaning that when students take tests they are competing with each other for access to high quality educational opportunities. Making schools compete for funding based upon test scores will result in more teaching to the test.

Recommendations

- There is $100 million in funding that is earmarked for additional competitive grants this year and next, that money should instead be invested directly in schools based on student need, without a winner and loser competition between students. Over three years the amount of competitive grant funds that should instead be invested in schools based on student need is $300 million.
- In order to ensure high quality programs, the state should distribute these funds to schools based on student need and could require that school districts use this money for academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation.

Making Students Compete for a Shrunken Pot of Classroom Resources?

None of New York's public school students should be denied the opportunity for a high quality education, and all the resources it takes to provide it. In 2007, the New York State Governor and Legislature enacted a statewide resolution to the Campaign for Fiscal Equity (CFE) lawsuit and CFE's call for a new way to parcel out state money to New York's school districts. The resolution converted over 30 different school aid formulas into one formula based on student need and school district wealth. The state committed to billions in new classroom operating aid over four years—but broke that promise. The purpose of the CFE resolution was explicitly to address the significant gaps in educational resources between school districts across the state. Because the program had strings attached to funds, CFE funding was invested in successful programs focused on pre-kindergarten, high school and middle school reform, quality teaching initiatives, class size reduction, and programs for English language learners. Several of the programs implemented were very similar to the programs promoted by competitive grants including career and work study programs, middle school technology programs, and early college programs.

Now, through the competitive grants programs students in different school districts compete with each other for test scores to let a few of them win back some of the same programs that were cut. The rest lose

For two years the state met its obligations and effective reforms were being implemented across the state. But in 2009, as a result of the fiscal crisis, school aid was frozen. Over the following two years the state enacted $2.7 billion in cuts--reversing the progress made by the Campaign for Fiscal Equity. In a waste of government resources, the very programs that were created had to be cut. Now, through the competitive grants programs students in different school districts compete with each other for test scores to let a few of them win back some of the same programs that were cut. The rest lose out.

Competitive Grants: Widening the Opportunity Gap

The dramatic state school cuts have hurt almost all students across New York, and the opportunity gap between students with access to resources, and those without has grown even larger as a result. The competitive grants are furthering widening the funding gap. The opportunity gap widened as cuts were as much as 10 to 20 times larger per pupil in poor districts than in wealthy ones.[9]

[9] http://www.aqeny.org/policy/

Only 19 out of 202 high needs school districts even applied for funding through the competitive grants, whereas 100% of them would receive funding had this money been put through the foundation aid formula.

The School District Performance Improvement Competitive Grant Program

The "School District Performance Improvement Competitive Grant Program" will award $25 million to a limited number of school districts to receive three-year grants to develop or expand programs for middle and high school students. All school districts would have had access to funding had it been distributed through the foundation aid formula. Of the 677 school districts in the state, only 73, or 10% competed for this funding. The remaining 90% determined they were either ineligible to secure funding or that they did not have the necessary grant writing capacity to respond to the competition.

According to the State's "Request for Proposals" (RFP)[10] which lays out the purposes for the grant, and the rubric through which district applications are scored, competitive grant funds can be used to create or maintain effective educational programs in four areas:

1. *A Focus on Middle Schools*
2. *Increasing Access to College level or Early College Programs*
3. *Increasing the Number of Students who Graduate with a Regents Diploma with Advanced Designation, and*
4. *Expanding Career and Technical Education (CTE) Programs*

These are critical and important areas that are documented in research, to be effective for preparing students for college and beyond. In designing these program areas the New York State Education Department relied on educational research to prioritize quality educational programming. For example, research cited in grant programs shows that:

- Middle grades programs have tremendous impact on student's success in high school and beyond.[11]
- Students who successfully complete college-level courses increase their readiness for college study.[12]

---

[10] Available at: http://www.p12.nysed.gov/funding/2012-15perfimp/

[11] Robert Balfanz, 2009, "Putting Middle Grades Students on the Graduation Path: A Policy and Practice Brief," http://www.amle.org/portals/0/pdf/research/Research_from_the_Field/Policy_Brief_Balfanz.pdf
Michael E. Wonacott, "Dropouts and Career and Technical Education," in Myths and Realities, ERIC Clearinghouse on Adult, Career, Vocational Education (Columbus, OH: Center on Education and Training for Employment, 2002). James Kemple, Career Academies: Impacts on Labor Market Outcomes & Educational Attainment (New York: MDRC, 2004). Marsha Silverberg, et al., National Assessment of Vocational Education: Final Report to Congress (Washington, D.C.: U.S. Department of Education, Policy and Program Studies Service, June 2004).

- A strong high school program, including completion of at least Algebra 2 and three years of laboratory science is the strongest predictor of success in college.[13]
- Career and Technical Education courses can dramatically cut dropout rates and increase future earnings for students taking these courses.[14]

- Middle grades programs have tremendous impact on student's success in high school and beyond.
- Students who successfully complete college-level courses increase their readiness for college study.
- A strong high school program, including completion of at least Algebra 2 and three years of laboratory science is the strongest predictor of success in college.
- Career and Technical Education courses can dramatically cut dropout rates and increase future earnings for students taking these courses.

The idea of investing state education dollars in programs that have a strong record of success based upon educational research is exactly what was intended by the Contract for Excellence. The State Education Department deserves credit for identifying proven high quality educational initiatives for the competitive grants. However, as a matter of state policy, and in fulfillment of our constitutional responsibility to educate every child, *all* students should have access to robust programs in these areas—not only those whose school districts are winners in a grant writing competition.

---

[12] Picucci, A., & Sobel, A. (2002). Executive Summary: Collaboration, innovation, and tenacity: Exemplary high-enrollment AP Calculus programs for traditionally underserved students. Austin, TX: Charles A. Dana Center.

[13] Adelman, C. The Toolbox Revisited: Paths to Degree Completion from High School Through College, Washington, D.C.: U.S. Department of Education, 2006. http://www2ed.gov/rshstat/research/pubs/toolboxrevisit/toolbox.pdf , p. 36

[14] Michael E. Wonacott, "Dropouts and Career and Technical Education," in Myths and Realities, ERIC Clearinghouse on Adult, Career, Vocational Education (Columbus, OH: Center on Education and Training for Employment, 2002). James Kemple, Career Academies: Impacts on Labor Market Outcomes & Educational Attainment (New York: MDRC, 2004). Marsha Silverberg, et al., National Assessment of Vocational Education: Final Report to Congress (Washington, D.C.: U.S. Department of Education, Policy and Program Studies Service, June 2004).

Creating a System of Winners & Losers

Competitive grants, by definition, create winners and losers. There are 677 school districts in New York State (708, if you count New York City's 33 community school districts separately, as we have below). Under the competitive grants program, the size of grant awards for winning districts varies based on enrollment:

Enrollment Range	Maximum Size of Annual Grant	Total 3-year Maximum Award per District	Number of NYS Districts in this size range	Cost of Maximum Funding for Each District (one year)
100,000 plus	$10,000,000	$30,000,000	1*	
17,500 – 99,999	$1,500,000	$4,500,000	31	$46,500,000
7,500 – 17,599	$1,200,000	$3,600,000	36	$43,200,000
5,000 – 7,499	$900,000	$2,700,000	51	$45,900,000
2,500 – 4,999	$600,000	$1,800,000	131	$78,600,000
1,500 – 2,499	$400,000	$1,200,000	126	$50,400,000
750 – 1,499	$200,000	$600,000	184	$36,800,000
Fewer than 750	$100,000	$300,000	149	$14,900,000
Cost for one-year full-funding for all districts: $316,300,000				

** In the table above, we assume full funding, based on enrollment, for each of NYC's community school districts, therefore, in accordance with the RFP rules we assume no separate funding for NYC Department of Education as a whole.*

The State Education Department deserves credit for identifying proven high quality educational initiatives for the competitive grants. However, as a matter of state policy, and in fulfillment of our constitutional responsibility to educate every child, *all* students should have access to robust programs in these areas—not only those whose school districts are winners in a grant writing competition

However, the state is offering grants of $25 million this year and $37.5 million next year. The total of the two grant cycles would be $62.5 million. If it requires $316 million to serve all 2.7 million students in the state, $62.5 million only provides only 20% of the necessary resources. In other words while up to 20% of the students will be winners, at least 80% will be losers who are denied access to the high quality education programs promoted by the grants. This money is better spent through the foundation aid formula, which guarantees that everyone is winner.

In addition, NYS announced in last April a Request for Proposals (RFP) for the **District Management Efficiency** competitive grants. This program, through a competitive process, reimburses school districts for finding ways to reduce cost without jeopardizing educational quality. Specifically, these grants require school districts to show savings in non-personnel, administrative, and transportation without causing a decrease of student achievement. Each school district must calculate its cost per pupil amount to help determine whether current activities are hurting students. This year the state plans to award $25 million a year for three years under this program, though no funds have yet been awarded. Next year the state has proposed to add another round of grants funded $37.5 million a year. While the RFP has been issued, no funding has been awarded to any school district yet--this funding should instead be redirected to all school districts through the foundation aid formula.

The three years of $25 million in annual funding that the state will likely be awarding this month through competitive grants should not be taken back from the school districts shall be awarded them shortly. However, the $25 million that has yet to be awarded in the management efficiency grants and the $75 million in additional competitive grants funds ($37.5 million in each of the two competitive grant programs) should instead be invested directly in high needs schools without a competition. This $100 million annually, $300 million over three years, could have strings attached in order to require that school districts use this money for academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation. However, it should be awarded to school districts based on students' constitutional right to a quality education. Rather than distributing these funds through a competition that creates winners and losers, they should be distributed through the CFE funding formula which is based on student need and grants all students with the constitutional right to a sound basic education.

Test Scores First, Student Need Last

According to the rubric for awarding competitive grants the single largest area in which districts can score points are test scores and graduation rates—and seventy percent of these "student performance" points are based solely on test scores.[15]

Points awarded for:	Test Scores and Graduation Rates	District Need	Program Description	Budget Form and Budget Narrative	Total
Maximum points	50	10	35	20	115

[15] http://www.p12.nysed.gov/funding/2012-15perfimp/home.html

Standardized tests are designed for the sole purpose of determining whether students are on pace with their learning, and to identify areas where they might need extra help. However test scores are currently being used for a range of high-stakes decisions: whether whole schools will be labeled as "failing," school closings, to determine which principals and teachers are fired and to decide which schools should receive state funding and which should not. The increased emphasis on test scores has resulted in more teaching to the test. This approach is out of synch with the approaches of those nations that lead the world in educational outcomes.

> "Teachers who teach complex skills to their students that are not measured on the standardized test they must give are sometimes penalized because they are not sticking to the schedule for teaching much lower basic skills. These are all examples of perverse incentives, that is, positive incentives for lowering, not raising, achievement. Our education system is rife with such perverse incentives. High-performing education systems typically have far fewer perverse incentives than the American system."
>
> --Marc S. Tucker, *Standing on the Shoulders of Giants: An American Agenda for Education Reform,* National Center on Education and the Economy
>
> http://www.ncee.org/wp-content/uploads/2011/05/Standing-on-the-Shoulders-of-Giants-An-American-Agenda-for-Education-Reform.pdf

Under the competitive grants program, test scores play an out-sized role in determining which districts receive funding. **Now, when students sit down to take state tests, rather than simply assessing how they are doing and identifying where they might need additional help, they are competing against students in other districts across the state for access to guidance counselors, AP courses, career and technical education, more highly trained teachers or extended learning time.**

New York State should identify more effective measurements of whether schools are preparing students for college and careers. By themselves, test scores are simply inadequate. Among the additional measurements should be:

- Actual college enrollment rates of graduates
- College remediation rates of graduates
- Access to and enrollment in Advance Placement courses,* high quality electives including the arts, college prep courses, and Career and Technical Education
- Access to high quality educational pre-kindergarten programs
- Access to quality extended learning time opportunities including longer school day and school year and/or after school programs
- Access to and participation in extracurricular activities that improve college acceptance rates
- Access to guidance counseling focused on students' post graduation plans
- School attendance rates and school suspension rates

Grant Writing Skills Count: Program Description and Budget Sections

The ability to write a good program description that complies with the guidelines of a competitive grants program is not the same as the ability to design and successfully implement high quality education programs. The former requires strong grant writing skills; the latter is a measure of educational leadership and which requires hands-on observation to assess. In addition, creating budgets and budget narratives are core skills of any successful grant writer. Competitive grants programs naturally reward skilled grant writing. Lower wealth school districts, which have borne the brunt of the budget cuts of the last two years, often cannot afford to hire costly grant writers. Thirty-five points are based upon the program description and another twenty are based upon the budget and budget narrative. When the differences between a winning a losing application is based upon only a few points difference in scoring there is no way to be confident that the difference is based upon the quality of programming as opposed to the quality of the grant writing.

Student Need is the Least Significant Factor Determining which Schools Receive Funding

Schools districts across New York State are struggling to build or maintain high quality programs for their students. The challenge is much greater in high need districts, whether they are rural, suburban or urban. New York State has the fourth largest gap nationally in spending between rich and poor districts.[16] While student need is the largest factor in determining funding under the foundation formula, it is the least significant factor in determining which districts receive competitive grants funding accounting for only 10 points.

[16] * http://www.parcconline.org/sites/parcc/files/PARCC%20CCR%20paper%20v14%201-8-12.pdf

Competing to Replace Programs that Have Been Cut

While promoting high quality educational programs must be a high priority for state educational policies, recent state cuts have actually reduced the very programs that the competitive grants seek to promote.

- Advance Placement (AP) Courses are a key mechanism for providing students with college-level course work, one of the education priorities outlined in this grants program. But 41% of NY school districts report that budget cuts have resulted in "some negative impact" or "severe negative impact" on the availability of Advanced or Enrichment Courses.[17] 43.5% of school districts report cutting high school electives.[18]
- While career and technical education (CTE) is recognized as a critical component in helping prepare students for careers, 17% of school districts have reduced career and technical education courses due to budget shortfalls.[19]
- Professional Development for Teachers—Districts must outline a robust program of professional development for teachers in order to score well in the competitive grant program. But 59% of school districts cut teacher professional development due to state budget cuts, the third consecutive year that budget cuts have resulted in cuts to professional development.[20]
- The competitive grants program scores district applications higher if the district is prepared to provide students with a range of additional supports they need to meet state standards in English Language Arts, math and science. But as a result of budget cuts, 59% of districts report that "extra help for students who need it" was cut back. Specifically 33% reported reducing extra help for students during the regular school day or year and 36% reported reducing summer school. In New York City 56% of the schools reduced Academic Intervention Services and 21% of schools reduced services to English Language Learners. Statewide, 63% of districts reported increasing class sizes just this school year. Larger classes mean less personal attention for struggling students.[21]
- Academic and Guidance Services to prepare students for college are worth points in the grant program, but have been cut back in many districts. Rural schools reported that they have eliminated an average of 10.8% of non-teaching student support positions. In urban districts, that figure is around 9%.[22]

In fact, budget cuts to education in New York State over the past few years have resulted in programs like these being severely restricted or eliminated. The grants program correctly identifies these areas as priorities. Research provides abundant support that these strategies produce sustainable student success. Instead of funding just a few districts to implement (or re-implement) programs that work, the

---

[17] "At the Edge," NYSCOSS, page 12
[18] NY State School Boards Association and NYS Association of School Business Officials survey*99% of School Districts Tap Reserves*, May 7,2012 *99% of School Districts Tap Reserves*
[19] ibid
[20] "At the Edge," NYSCSS, page 11
[21] "At the Edge," NYSCSS, page 12
[22] "At the Edge," NYSCSS, page 11

State must fund all districts adequately so they provide all students with the opportunity to learn and with access to a sound basic education.

APPENDIX

Applicants

2012-2015 School District Performance Competitive Grant Program

DISTRICT NAME	DISTRICT NAME
AKRON CSD	NORTH BABYLON UFSD
AUBURN CITY SD	PINE PLAINS CSD
BARKER CSD	PITTSFORD CSD
BEAVER RIVER CSD	PORT CHESTER-RYE UFSD
BERNE-KNOX-WESTERLO CSD	QUEENSBURY UFSD
BOLIVAR-RICHBURG CSD	RAVENA-COEYMANS-SELKIRK CSD
BRENTWOOD UFSD	ROCHESTER CITY SD
BRIGHTON CSD	ROCKY POINT UFSD
BROOKHAVEN COMSEWOGUE	ROTTERDAM-MOHONASEN CSD
BRUSHTON-MOIRA CSD	RUSH-HENRIETTA CSD
CAMPBELL-SAVONA CSD	RYE NECK UFSD
CAZENOVIA CSD	SACHEM CSD
CLEVELAND HILL UFSD	SCHODACK CSD
DEER PARK UFSD	SHENENDEHOWA CSD
DUNKIRK CITY SD	SHERMAN CSD
EDMESTON CSD	SMITHTOWN CSD
ELBA CSD	SOLVAY UFSD
ELDRED CSD	SOUTH ORANGETOWN CSD
FARMINGDALE UFSD	SPENCERPORT CSD
FREWSBURGH CSD	SPRINGS UFSD
FULTON CITY SD	STARPOINT CSD
GALWAY CSD	UFSD OF TARRYTOWNS
GENEVA CITY SD	UNADILLA VALLEY CSD
GREENBURGH-GRAHAM UFSD	UNIONDALE UFSD
GREENWICH CSD	VALLEY STREAM UFSD #30
HAMBURG CSD	VESTAL CSD
HOLLAND PATENT	WAPPINGERS CSD
IROQUOIS CSD	WARWICK VALLEY CSD
ITHACA CITY SD	WEST HEMPSTEAD UFSD
JORDAN-ELBRIDGE CSD	WHITE PLAINS CITY SD
LONG BEACH CITY SD	WHITEHALL CSD
LYNDONVILLE CSD	YORKSHIRE-PIONEER CSD
MAYFIELD CSD	
MCGRAW CSD	
MIDDLETOWN CITY SD	
MILFORD CSD	
MILLER PLACE UFSD	
MONROE-WOODBURY CSD	
MORRIS CSD	
NEW YORK CITY DEPT OF EDUC	
NEWFANE CSD	
NEWFIELD CSD	

Scoring

Districts and applications will be scored as follows, out of a potential total of 115 points:

1. **Academic Performance (50 points)**

The gains districts have made between the 2009-10 and 2010-11 schools years in increasing performance of elementary and middle school students in English language arts, mathematics and science and in increasing the percentage of students who graduate with a local or Regents diploma within four years of their first entry into Grade 9. (See Appendix 2 for an explanation of how the scores for Academic Performance are computed).

For purposes of this RFP, the metrics for measuring student performance are:

a. Elementary and Middle Level English Language Arts Performance Index
b. Elementary and Middle Level Mathematics Performance Index
c. Elementary and Middle Level Science Performance Index
d. Four Year High School Graduation Rate, defined as the percentage of the annual graduation rate cohort that earns a high school diploma (with or without a Regents endorsement) by August 31st of the fourth calendar year after first entering grade 9.

2. **Priority Area Programs** (**35 points)**

Districts must submit a program narrative containing a high quality plan in one or more of the following priority area(s) based upon practices that have been demonstrated to be effective in, or show the most promise for, increasing student performance, narrowing the student achievement gap, and increasing academic performance among students with the greatest educational needs.

The priority areas are:

a. Middle School Programs
b. College Level or Early College Programs
c. Increased College Admission Rates, Measured by Graduation with Regents Diplomas with Advanced Designation
d. Career and Technical Education Programs

For purposes of this RFP, a high-quality plan is defined as one that describes in detail

how the funds received will be expended to support activities and strategies to improve student achievement, demonstrates how these activities will enhance teaching and learning for all students enhance teaching and learning for all students, especially those with the greatest educational needs, and provides evidence that the district has the capacity to fully and effectively implement the activities in the plan.

Districts may apply for funding for any one or combination of the above programs. A separate program narrative must be completed for each priority area addressed. An applicant's score for this section will be based upon the average of the scores for the programs for which the applicant applies. Applicants submitting a well-developed comprehensive proposal for one priority area will receive a higher score than an applicant submitting less developed proposals for several areas.

3. **District Need (10 Bonus Points)**

The district's need as measured by its Need Resource Capacity Category and the Percentage of Students in the district who are free or reduced lunch eligible. See Appendix 3 for how bonus points are computed.

4. **FS-10 Budget Form and Budget Narrative (20 Points)**

The applicant must complete the FS-10 budget form, including the original signature of the Superintendent. In addition, a budget narrative explaining the relationship between the proposed expenditures and project activities and goals must be submitted. Please include a description of how the funds will be expended in each Priority Area for which the applicant applies. The budget narrative and FS-10 budget will be reviewed and scored.

The FS-10 Budget Form and information about the categories of expenditures, general information on allowable costs and applicable federal costs principles and administrative regulations are available in the Fiscal Guidelines for Federal and State Aided Grants (http://www.oms.nysed.gov/cafe/guidelines.html)