

A GEA BY ANY OTHER NAME....

A “glass half full” optimist would say that we’re in the midst of a traumatic social and financial situation and despite the loss of astronomical amounts of state revenue, the state budget did not cut school aid (retaining public education as its top funding priority.) A “glass half empty” pessimist would say that the state is borrowing anyway and should have helped districts that are now at the mercy of their individual community’s economy (or lack thereof.) The truth is that the glass is on the edge of the table and exactly one year from today, the state has set it up to fall and break in dramatic fashion.



State aid runs https://www.nyscoss.org/img/uploads/2019-20_Advocacy/2020-04-School-Aid-Runs.pdf show that the state has provided the same aid as last year, minus the federal relief provided in the CARES Act. (The legislature’s rejection of reimbursable aid category caps and consolidations results in a reimbursed aid increase total of \$95 million overall.) There was no Maintenance of Effort language in that act and so the states are free to reduce funding by the amount of the federal aid without suffering an actual cut in revenue to districts. So our optimist would say that despite the fact that state education aid is the largest state expenditure and we have no current economy to speak of, the state has preserved level funding. It’s a reasonable approach, given that New York had mere days to come up with a way to address the massive shortfall (unlike 46 states that have until their July 1 fiscal year start dates.)



Given our current circumstances, that’s hard to criticize. Where were they going to take the losses; the health care providers in the midst of the fight of their careers? On the other hand, we’ve been here before. From a financial standpoint, what the administration is calling Pandemic Adjustment on your aid runs used to be called a Gap Elimination Adjustment. Think back. The recession hit. The feds came to the rescue. When that money ran out, the state was left at a much lower funding level than schools received with the federal stimulus money. It took us a decade to get back to the state’s former funding level. Fiscally challenged schools took the hit in a regressive grab that we’re still recovering from.

The approach is pragmatic. No one gets cut; everyone stays the same for now. We implement it quickly and given the health crisis, without much political grief. People understand. We’re broke and staying level isn’t as harsh as it could have been. Then comes next year and districts that got the most federal help (i.e. financially challenged districts) see that money removed from their spending plan. They’re left with state funding that is two years behind the district’s actual costs. Take a look at your wealthy neighbors’ aid runs. They’re losing a few thousand dollars, because they don’t get a large percentage of funding from the state. They’ll go to their voters for a little extra and assuming all hell doesn’t break loose in society, they’ll be fine. But once again, districts that rely heavily on state aid and would normally receive a larger percentage of their budget from the state each year will now see no help whatever. Making matters worse, their communities have no ability to pony up the difference. The result? The achievement and opportunity gaps get wider. Much wider.

Two things can help bring us out of this muck next year (assuming the economy rebounds in

time.) The first would be for the state to learn from its own success in restoring the GEA last time. While it made the mistake (as its doing now) of taking the aid away from needy districts at the outset (because they receive most of the aid) it did in fact restore GEA aid losses to needy districts first. It will need to do that again by not simply adding a normal aid increase again next year, but by adding it to what needy districts should have received this year. Do it before the wealthy districts get a penny more. They have the ability to survive quite nicely on their own for a year or two. Otherwise, the state will once again rob from the poor because it's fiscally convenient and politically safer.

The second way the state can learn from history is by taking the lessons from the current crisis to heart. What have we learned in the last few weeks? We've learned that schools are amazingly adaptable in providing a quality education! We've learned that we can be much more flexible, efficient and effective using different formats. There's nothing stopping schools from holding class on campus three or four days a week, sending meals home for the off days and having students work remotely. We've answered the call in this crisis and in so doing, we've answered the eternal (infernally) questions as well. How would kids get fed? How would they get their work done? Would the four day week just mean a day off? How would that affect learning?

The kids can do this! Teachers can do this! WE can do this! This budget is a clarion call for our advocacy over the next year. We need to start from today to drive home the message to leaders that our schools absolutely cannot lose federal money and have the state provide aid under the same outdated formulas that are eviscerating our challenged districts. Next year the aid MUST start with full restoration from this year's freeze before there is any "across the board" funding. We have once again taken funding regressively. We must restore it progressively if the state is to fulfill its constitutional duty of providing a sound, basic education to every child. And we MUST allow districts the flexibility they've now proven they can handle.



One final note: During the remainder of this legislative session, you are likely going to be asked by (hoping to be re-elected) local legislators for ideas of mandate relief. I wish I had a dollar for every time over my 37 years in public education that I've been asked "which mandates are you talking about? Can you get me a list?" Get ready. They know they've put you in a hard place and they think they can ease the tension by providing flexibility instead of funding. Here's a couple of ideas: Ask for the authority to use your reserves as you see fit, TRS, ERS, EBALR, Tax Cert, Transportation. They demanded your innovation and leadership during this health crisis. Demand to keep it during the ensuing fiscal crisis!

This budget gives the State Budget Director the unprecedented authority to revise the spending plan at various points throughout the year, making planning even more difficult than usual. Use the delay in school budget voting wisely. Look for revisions in either the state plan, or an additional federal bail-out bill to alter your expectations.

In order to get you this initial reaction, we are unable to provide you an analysis of any policy changes included in the budget. There is no briefing book as of now-only the aid runs. We'll keep you posted!