

# ABOUT THE STATEWIDE SCHOOL FINANCE CONSORTIUM

The Statewide School Finance Consortium (SSFC) is a statewide organization of public school districts allied to reform New York State's dysfunctional school aid system.

Formerly known as the Midstate School Finance Consortium, its name was changed in 2006 to better reflect the broad geographic representation of its members.

It is comprised of over 250 districts from 29 counties. Consortium districts from New York's rural, suburban, small city, and urban communities are joined together to promote equitable and adequate educational opportunities for all New York children. It was formed and is organized under the management auspices of the Central New York School Boards Association.

In 1991, the development of the Consortium was conceived as an organized way to inform community stakeholders of the inequities of the New York State school funding system and to work with the Governor and State Legislature for reform.

To improve the method of funding public schools, the Consortium calls upon the State to:

1. Provides a more equitable school aid formula that addresses the disparities between wealthy and poor school districts.
2. Bring real fairness to school taxes.
3. Find a new method for funding education that relies less on the property tax.
4. Make school funding more predictable, so school districts can plan long term.
5. Make the new method easy to understand and manage.

One part of the challenge of reform is offering an alternative or framework upon which to build change. In 1997 the Consortium developed a simple one-page funding formula designed to provide equitable school aid funding across New York State.

In June 2003, the New York State Court of Appeals declared the State's school aid system unconstitutional in the Campaign for Fiscal Equity lawsuit and ordered the State to devise a remedy by July 2004. The State's highest court validated what Consortium members already knew; the dismal reality that New York's current school aid formula is horribly unjust to children and property taxpayers all over the State.

The Statewide School Finance Consortium has monitored state aid proposals and updated their "State Aid Runs" in January 2007 to accurately demonstrate how the attributes of the recently determined CFE case and an "equity formula" will work to the benefit of the school children of New York State. Now is the time for the State to implement true statewide reform. The Statewide School Finance Consortium will work tirelessly to ensure this outcome for the benefit of all students and taxpayers in New York State.

# STATEWIDE SCHOOL FINANCE CONSORTIUM PROPOSAL

The following pages present a district-by-district analysis of the impact of the Statewide School Finance Consortium's simplified school aid proposal.

The Statewide School Finance Consortium, formerly the Midstate School Finance Consortium, was formed in 1991 and, at the time of publishing, includes over 250 school districts from 29 New York counties.

The Consortium speaks with one voice in joining with overburdened taxpayers throughout New York to ask the Legislature and Governor to drastically reform the system of financing schools primarily by property taxes.

This proposal used New York State Education Department 2005-06 state aid data and 2004-05 student counts, the most recent years for which school district information was available.

Basic Operating Aid is calculated at \$9,000 per pupil, adjusted for regional cost differences on a district-by-district basis. The regional cost index used is the Geographic Cost of Education Index (GCEI), developed by Dr. Jay G. Chambers for "The New York Adequacy Study: Determining the Cost of Providing All Children in New York an Adequate Education" (March 2004.)

Extraordinary Needs Aid is \$3,150 per pupil. The minimum local tax effort is calculated at \$13.00 per thousand of assessed true valuation.

For further information about the Statewide School Finance Consortium's proposed new school aid formula and campaign to improve the State's public school funding system, please contact us at:

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# COMMON-SENSE PRINCIPLES FOR A BETTER WAY OF FUNDING OUR SCHOOLS

The proposed new school aid formula developed by the Statewide School Finance Consortium (formerly the Midstate School Finance Consortium) has always embodied four key principles necessary for any true reform:

1. There must be fundamental equity... *an equal starting point for funding every child's education no matter where they live* in New York State.
2. Bring *real fairness to school taxes*. Equalize the tax burden for taxpayers receiving similar services. Find a new method for funding education that relies less on the property tax. Property taxes in New York are devastating to both homeowners and businesses.
3. School funding *must be more predictable*. The State's dysfunctional annual budget process demonstrates forcefully that schools must plan for more than one year at a time. Public schools have no control over property value reassessments, tax equalization rates, tax exemptions, corporate tax incentives, and state aid. Presenting school budgets for voter approval based on "guess-work" is unfair and fiscally irresponsible. Effective planning saves taxpayer dollars in the long run.
4. Make the new method *simple and easy to understand and manage* by citizens, school boards and school administrators. The current system is unfathomable.

No rational argument has yet arisen to dispute or disprove these four principles. Everyone who considers them thoroughly has always agreed; they unarguably describe the right thing to do, morally, legally and ethically.

# PROPOSAL COMPONENTS

## **1. Basic Operating Aid: \$9,000 Per-Pupil Foundation**

Aid calculated based on establishing a “foundation” of \$9,000 per-pupil to pay for their education. This foundation to be adjusted to reflect regional “cost of doing business” differences using the Geographic Cost of Education Index (GCEI). Funding sources for Basic Operating Aid would be local, state and federal.

## **2. Extraordinary Needs Aid: \$3,150 Per pupil**

Second category of aid augments Basic Operating Aid, specifically recognizing the higher costs of educating State-classified “at risk” students who reside in families of below-average wealth, have limited English language skills and/or are living in sparsely populated areas.

## **3. Tax Fairness and Local Effort**

A major feature of the SSFC proposal is tax fairness via an equitable local contribution. A uniform local effort equal to \$13.00 per thousand of assessed [true] property value is applied. If it generates the [\$9,000 per pupil] foundation, no additional state aid is received. If it generates more than the foundation, districts may impose a lower tax rate or spend more as they prefer. Wherever the \$13.00 local effort does not generate the foundation amount, state aid makes up the full difference.

## **4. BOCES, Building, Transportation and High-Cost Special Education Aid Remain Unchanged from Present Formula**

Under the SSFC proposal, four expenditure-driven categories of aid would remain as they are now. Basic Operating Aid funds the fundamental instructional costs of educating a child. These categorical aids, while vital to education, are above and beyond basic classroom instruction and should be funded separately.

## **5. Save Harmless Provision**

Implementing the SSFC proposal might mean less state aid than current for some districts. Incorporating a “Save Harmless” provision, as has frequently been done in the past when aid formulas were modified, protects districts from the sudden loss of Basic Operating Aid.