

# New York State Educational Conference Board



## OPPOSE “Equity Plans” – State-Mandated School-Funding Redistribution

March 2019

The Executive Budget proposes to impose state-control over how funding is distributed among schools within school districts.

### How the mandate would work

Districts would be required to use part of their increase in Foundation Aid to raise per pupil expenditures in schools determined by a state formula to be “high-need” and “underfunded” relative to other schools within the district at the same level (i.e., elementary, middle, secondary). This would be phased-in over three years. Eventually, *any district* with at least two buildings at any level could be subject to the requirement.

Affected districts would be required to spend 10 percent of their Foundation Aid increase, times the number of identified schools, up to a cap – 50 percent of the total increase for districts receiving at least half their total revenue from state sources; 75 percent for all other districts.

### Problems

There are legitimate reasons for differences in spending and not every disparity is an inequity:

- Differences in building size could result in a school being deemed “underfunded” – generally, a building with six classes per grade level will have lower per pupil expenditures than one with only three.
- Insignificant differences in teacher seniority between schools could also trigger the mandate. Teacher salaries are the largest single school budget expense.
- The distribution of special needs children and the configuration of specialized programs could also increase costs in some schools, leaving others to appear “underfunded.”
- In some districts, *all* schools are essentially “high need.”

A report by the New York City Independent Budget Office estimated that, after application of this proposed mandate and set-asides, the City schools would be left with only \$22 million in unrestricted Foundation Aid to pay for basic cost increases under the Governor’s proposals.

Conversely, for many districts, the state formula would require reallocating sums inadequate to make any meaningful impact, just to comply with a state mandate. As one district leader said, “Compliance exercises do not encourage innovation, they do not support excellence.”

The proposal distracts attention from crucial discussions about the adequacy of overall state funding and for individual districts.

The proposal would require districts to redistribute funds among schools solely to comply with a state mandate, entangling state lawmakers in reallocations likely to upset some parents and satisfy no one.

### Recommendation

***For all these reasons, the Educational Conference Board and its member organizations strongly urge the Legislature to reject this proposal for state control over school funding allocations.***

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