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**THE LEAGUE
OF WOMEN VOTERS**
of New York State

**JOINT LEGISLATIVE PUBLIC HEARING
ON 2021-22 EXECUTIVE BUDGET PROPOSAL
ELEMENTARY AND SECONDARY EDUCATION
JANUARY 28, 2021**

Good afternoon. I am Marian Bott, Education Finance Specialist for the New York State League of Women Voters. We thank you for the opportunity to testify at these hearings.

These are our organization's germane positions, in brief:

The League supports greater equity in education financing and the full funding of court-ordered school aid increases. We oppose the property tax cap. We oppose "hold harmless" provisions in state aid formulas. We advocate for the property tax circuit breaker in lieu of the STAR property tax relief program. We oppose education tax credits for private schools, and we support research for better definitions of students with special needs and their equitable participation in charter schools.

In prior years, the League has crafted this testimony by reviewing multiple sources, culling opinions from traditional stakeholders, and putting together data tables to illustrate the rationale for our recommendations and observations. This year's testimony may be supplemented at a later date with such tables, but as of less than a week after receiving the budget materials, it is now only possible for me to provide reactions to the main document entitled "Description of 2021-22 New York State Executive Budget Recommendations for Elementary and Secondary Education," published January 19, 2021.¹

As in prior years, a perusal of this publication starts with the most important question—what policies is the Executive trying to pursue in crafting this budget? In a particularly horrible year in terms of the state's own financial condition, it is important to understand what mechanisms are employed in balancing the budget and keeping stakeholders at least partially happy with the impact of the budget on the school districts, students or employees with who they are most concerned. I will address the two major apparent policies, then go into more specifics.

¹ <http://www.budget.ny.gov>. See Publications/Archive, Descriptions of School Programs.

CONTROVERSY OVER THE SOURCE OF FUNDING: This year, the headline seems to be “Governor once again plugs State hole with Federal one-shot funding.” This happened in 2008-09, and there was a similar round of criticism. Many advocacy groups say that New York State should raise, through its own taxpayers, the amount of money that represents the funding shortfall, variously estimated at between \$6 and \$15 billion. The League does not have a position on the various state-level taxes being imposed. However, when we did our major education study in 2004-5, we enumerated principles of taxation that we thought were appropriate for the funding of education expenditures in our state. One of these principles was progressivity, and another was exportability of burden. Thus, without getting into further detail, the League has no reason to oppose the use of federal funds when they are offered to New York State. At a later date, I would hope to bring some historic data on Title I allocations to the 50 states in order to bolster my claim herein that New York State has long been shortchanged on Title I allocations, and it is long overdue that federal policymakers address this inequity. In short, if a large part of the funding gap were to be filled with federal funds, I see no reason that the League would object, particularly if it were as part of a permanent adjustment to a prior inequitable allocation formula.

CONTROVERSY OVER ALLOCATION WITHIN THE STATE

Usually we are pleased that the Executive is endeavoring to break from prior year’s fixed geographic shares, and once more we find that, generally speaking, the Executive Budget attempts to do so. It was an improvement to see the actual percentage shares of the various regions broken out in a chart in this document. That said, a number of descriptive paragraphs in the document bear further questioning.

Services Aid: The Executive likes to merge categories of funding, leaving those of us reading the document to have to discern which districts will be the winners or losers by the merger. The categories recommended for this year are BOCES, Computer Software, Transportation including Summer, Computer Hardware, High Tax, Library Materials, Charter School Transition, Academic Enhancement, Textbook, Supplemental Public Excess, and Special Services. There are two sentences explaining this proposed consolidation. The first sentence says the aggregate combined amount will decrease by \$392.53 million. The second sentence is incomprehensible, reading ‘this largely reflects a scaled per pupil reduction of -\$692.74 million, which is fully backfilled by federal CRRSA Act² funds.’ The reader is left to conclude that the words “fully backfilled” mean that no district will lose any category of the so-called Services Aid. But that would not make sense. We don’t have a position on all of the sub-categories, but as in prior years I would point out that High Tax Aid is given to a very odd panoply of districts. They are listed in my last year’s testimony based on last year’s data, and I assume the allocations would be the same this year, but it is hard to say how the proposed caps on Services Aid would impact individual districts and time did not allow me to perform any more detailed analysis. As to Computer hardware and software, particularly during the COVID on-line learning era, any proposed cutbacks in such aid would be highly undesirable.

² Coronavirus Response and Relief Supplemental Appropriations Act. Signed December 27, 2020, providing \$81.88 billion nationwide in a second Education Stabilization Fund, of which \$54.3 billion is for a second Elementary and Secondary School Emergency Relief (ESSER) Fund to support local educational agencies including charter schools, and \$4.05 billion for a second Governor’s Emergency Education Relief (GEER) Fund. New York State has been allocated \$4 billion under ESSER, and \$322.9 million under GEER. See New York State Education Department memorandum from Phyllis D. Morris, Chief Financial Officer to various school leaders dated January 15, 2021 at www.nysed.gov.

Education of Homeless Children: We would be very interested to know how the Executive is able to project \$33.23 million in claims for homeless children. As legislators, we think you should inquire how many children are estimated to be homeless in 2021 and what services are being provided for them, and by which agencies. How much per child, and what does this provide? We would have appreciated a much better explanation rather than this simple projection. We anticipate much more homelessness due to COVID but have no means of estimating its impact on New York State's school population.

STAR: The League continues to oppose STAR (School Tax Relief) on the grounds that it is an inefficient way to grant tax relief by comparison to a property tax circuit breaker which would more specifically address the needs of individual families. The appropriate committees within the Senate and Assembly should look into where STAR payments are going and re-evaluate the efficiency of the program.

Local District Funding Adjustment: Over the years there have been many names for this means of reducing state aid to districts. Most of you remember the Gap Elimination Adjustment, but for those who have no idea what I am referring to, it was a means of reducing aid "across the board" but using a reduction formula that was devilishly hard to discern. The good news with the proposed Local District Funding Adjustment is that it is "only" \$1.352 billion, much less than the Gap Elimination Adjustment was years ago. The problem with these adjustments is that New York City and other large districts in the state must be adjusted downward proportionally more in order to get any meaningful savings from the policy. These districts must then remain vigilant for years to come when they have bought into the notion that the aid will all be made whole "very soon" because usually it is not.

NYC Fiscal Stabilization Grant: As a logical segue, the Executive proposes, one assumes just to save the money, to eliminate the \$26.4 million fiscal stabilization grant to New York City which, as I recall, was initially introduced to even out "shares" perhaps 8-9 years ago. But New York City legislators should be asking what these funds were used for in the past and what the impact of eliminating them will be.

Elimination of NYC Charter Facilities Aid: The League originally opposed charter schools over twenty years ago. Once they became part of the state's education landscape, we took a position in our 2004-05 study that basically said we would monitor them and not pass judgment on the sector. When co-location started in New York City we had already concluded that any facet of the charters' operations per se would not be met with either praise or criticism, but rather we would continue to monitor. When I reviewed my testimony from last year, given just before COVID hit, it was filled with concern and data about the possible unfair operation of some charter schools with respect to their intake of students with disabilities and students whose first language is not English. Now, however, the concern that all educators and parents share is safety in the schools, if they are to re-open for classes during COVID's existence. So, it seems a poor time to start jamming more students into buildings in an attempt to save money on facilities costs. This strikes me as a proposal by someone who has not done a survey of school building conditions in New York City, but if it is based on such a survey my New York City League colleagues and I would be extremely interested to read it to discern where the "inefficient" space is located within the city's schools.

Smart Schools Bond Act: We heartily agree with the Executive that “expediting” as proposed should be done. We are not certain what was taking so long to get these funds distributed, and we would hope the legislature would conduct such an inquiry.

Two Formula Tweaks from the Appendix:

Extraordinary Needs Pupil Count: Sadly, the Executive Budget is still using 2000 Census numbers for poverty counts. We have testified about this before and will be happy to work with the legislature to find an alternative measure of poverty IF the 2020 census numbers are deemed worthy of use for this purpose. However, this may need to be an adjustment made to the budget at the last minute.

Pupils with Special Educational Needs: This metric is apparently still being taken from tests administered in the Spring of 1985 and Spring of 1986. We do not understand why this is the case, and hope that the legislature can ascertain the answer.

This concludes our comments on the Executive Budget. We welcome your questions and comments and will look forward to being in touch with you, remotely, during this legislative session.