

Regents want spending boost

Additional \$2.4 billion sought to help districts deal with fixed costs

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ALBANY - New York's education policymakers want the state to put another \$2.4 billion toward schools next year as districts face "many financial challenges," including increases in health-care costs and the minimum wage. The state Board of Regents on Monday discussed the big boost in aid, which would push the amount the state spends on education past \$26 billion for the fiscal year beginning April 1. A Regents committee introduced the framework proposal at its Monday meeting, with the full board to authorize a more specific plan in December. The Regents' plan would be a 10 percent hike over the current year and comes as school districts sound the alarm over the state's property-tax cap, which may prevent them from raising local taxes next year to fund their budgets. But it would need approval from Gov. Andrew Cuomo and state lawmakers, who have to fit the spending into a roughly \$142 billion state budget for the fiscal year that starts April 1. "Unless additional state aid is provided, because of increases in fixed costs such as contractual obligations and legacy costs, school districts, particularly high needs districts, may struggle to maintain a full range of quality educational services for their students," according to a memo from state Deputy Education Commission Elizabeth Berlin. "To address this concern and avoid program cuts, we recommend that the state provide the full amount of projected cost increases."

Among the financial concerns for schools highlighted by Berlin's memo are costlier teacher contracts, increasing healthcare costs and a boost in the minimum wage.

As it stands, New York's minimum hourly wage for workers is \$8.75 an hour and slated to increase to \$9 on Dec. 31. But Cuomo is pushing a \$15 hourly wage by July 2021, and his proposal is likely to be among the dominant issues facing the state Legislature when it returns to the Capitol in January.

"Though school district costs have grown an average of less than 3 percent in recent years, they face many financial challenges, including increases in teacher contracts, health care costs, and the minimum wage," Berlin wrote.

The state already outpaces the nation when it comes to spending on schools.

New York spent about \$19,818 per pupil in 2013, according to the U.S. Census Bureau, which includes state, local and federal money. The national average was \$10,700.

Overall, the state-aid hike proposed by the Regents would cover an expected 3.3 percent increase in costs next year for school districts, which may be limited to keeping their property-tax levies flat under the state's tax cap because inflation has been slow over the past year.

About \$2.1 billion would go toward "formula aid" — money that is distributed to individual school districts based on a complicated state formula. About \$434 million of that would go toward ending the Gap Elimination Adjustment, or GEA, an oft-criticized series of school-aid cuts that were first implemented in 2009 following the financial crisis.

James Tallon, a Regent representing much of the Southern Tier, said the state needs to work on eliminating the GEA.

"I think we have to get this thing down to zero," Tallon said.

The remaining \$300 million would go toward specific programs, including \$75 million reserved for schools that are struggling academically and facing a takeover by a state-approved monitor.

The state-takeover program for struggling schools was first created in the current year's state budget by Cuomo and state lawmakers. Regent Judith Johnson, who represents much of the mid and lower Hudson Valley, said it's too soon to say whether that program will work.

"The struggling schools are so new that we're not quite sure what we are producing and how the money is being used," she said. "So, in addition to seeking additional funding, what do we know about the funding that is currently being provided? What will it accomplish?"

The Regents' proposal outpaces the boost sought by the Educational Conference Board, a coalition of groups representing various education interests, including the state School Boards Association and the New York State United Teachers union. Last week, the

coalition proposed a \$2.2 billion boost next year, pointing to the challenges presented by the tax cap.

At the time, Cuomo spokesman Rich Azzopardi noted education spending is at an all-time high in New York. "Work on the 2016-2017 executive budget is ongoing," he said in a statement last week. Wade Norwood, a Rochester-based Regent, said the state needs to make sure it is providing schools with the resources they need to properly implement the Common Core education standards and ensure all students have "effective teachers and leaders and stimulating curriculum."

"We believe this is a proposal that is going to help us get it done," he said.

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