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Testimony before the Senate Finance and the Assembly Ways and Means Committee on the Executive Budget 2016-17

Chairwomen Nolan and Young, Chairmen Farrell and Marcellino, thank you for giving me the opportunity to testify before you on the 2016-17 Executive Budget. My name is Jasmine Gripper, I am the legislative director of the Alliance for Quality Education. Our organization is a coalition of parents, teachers, students and community members all across the state. We are here today to say that the governor's budget is grossly inadequate. \$961 million sounds like a lot of money, but, it's really not when you consider there are 2.7 million students in the state. It is not enough to make sure that all our students have the opportunity to be in state of the art schools and receive the excellent education they deserve.

This year marks the 10 year anniversary of the final court order in the Campaign for Fiscal Equity lawsuit. It has been ten years since New York State's highest court, the Court of Appeals, ordered the state to adequately fund our schools and found that the state was failing to fulfill its constitutional obligation. Yet, ten years later, thereby perpetuating educational inequality, and continuing to defer the dream for hundreds of thousands of students. We know what is necessary to lift up our children by ensuring that they are all provided their constitutional right to "a sound basic education." It requires sound investment in effective programs and supports; this takes funding. That's what the Campaign for Fiscal Equity funding was supposed to do. The state even tells us how much it still owes to schools: \$4.8 billion, with 72% of it owed to schools in high need communities.

The Executive budget ignores the court's ruling, ignores the fact that we continue to underfund our neediest schools. How many more years have to pass to finally have adequate funding for our schools, for our children?

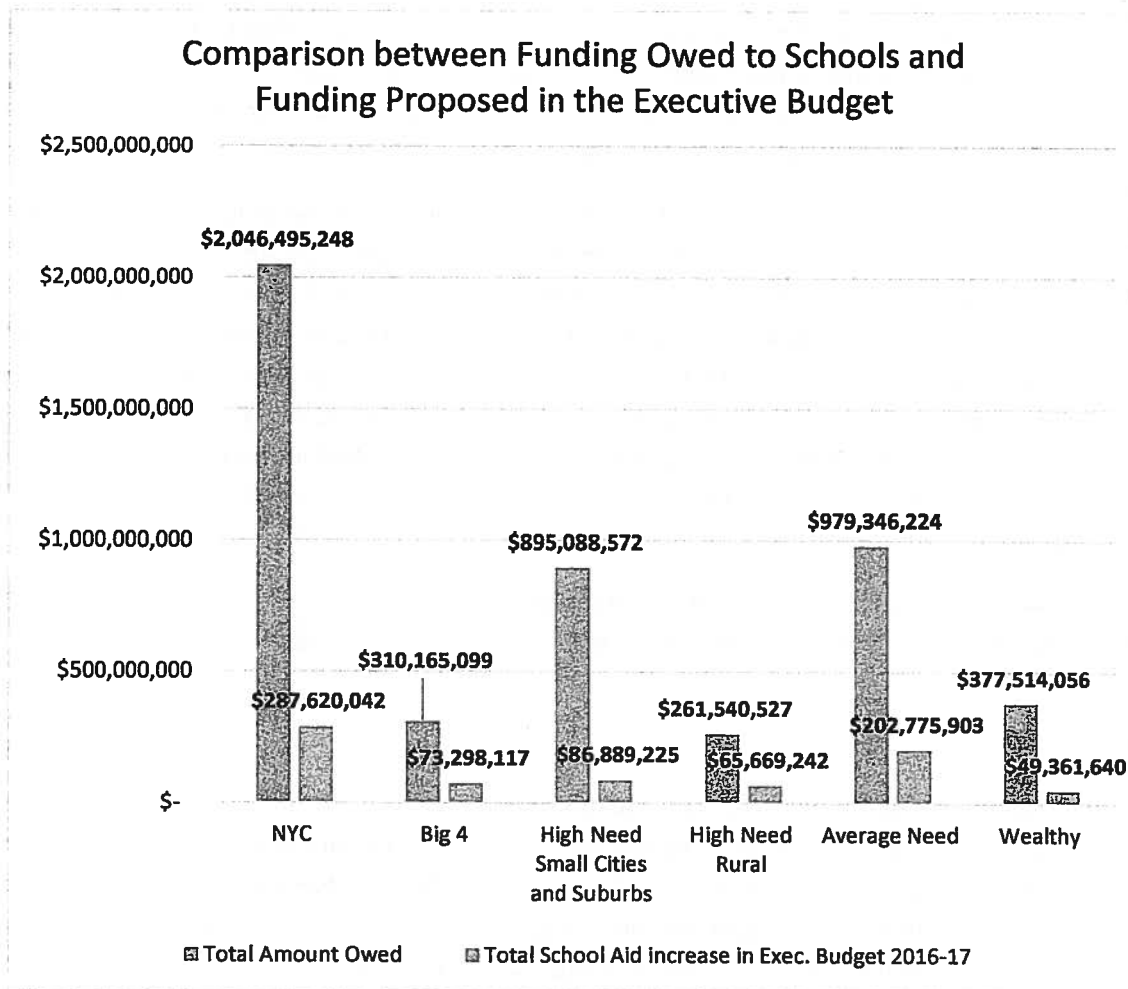
School Aid increase:

The \$266 million in Foundation Aid that the Executive budget includes will do nothing for school programming. Foundation aid needs to be the state's number one priority for schools. The Foundation Aid formula is designed to be funded with at least \$1.1 billion so that high need schools, which have been chronically underfunded, begin to close the funding gap with the wealthier schools. When Foundation Aid was enacted in 2007, after the statewide settlement of the Campaign for Fiscal Equity lawsuit, it was supposed to phase in over 4 years delivering to schools \$5.5 billion in new classroom operating aid. Each year, the Foundation Aid funding was supposed to be increased. The first year, which was also the smallest amount that Foundation Aid was supposed to have was \$1.1 billion. Based on the law of 2007, the minimum amount of Foundation Aid going through the foundation aid formula is \$1.1 billion. Clearly, the \$266 million the governor's budget is proposing seems to be a bad joke, aimed only having the talking point of increasing the Campaign for Fiscal Equity funding, not to actually improve schools or close the funding gap between poor and wealthy districts which now stands at over \$8,733 per pupil and growing.

The proposed school aid increase for 2016-17 of \$961 million is simply not enough. The Educational Conference Board estimates that at least \$1.7 billion is necessary to maintain services. The Board of Regents recommended a \$2.4 billion increase in order to improve schools, not just maintain services. The Alliance for Quality Education is recommending an increase of \$2.9 billion. This amount is necessary

to maintain services and to provide vital programs for Pre-K through 12th grade. This funding would bring smaller class sizes to schools, engaging and challenging curriculum and curriculum material, Advanced Placement and other higher level electives, music, art, 21st century career and technical education programs, programs for English Language Learners, restorative justice programs that keep students in school instead of pushing them out, more school psychologists and social workers, and many more that will make sure that students needs are addressed.

Below is a chart that shows the amount that school districts are owed from Foundation Aid and the Gap Elimination Adjustment as compared to the amount proposed in the executive budget.¹



Small city districts are owed millions. Jamestown is owed over \$14 million. Utica is owed over \$46 million. Albany is owed \$37 million. High need suburban districts are also owed a lot Brentwood is owed \$120 million, Westbury is owed \$41 million. And high need rural districts such as Gloversville is owed \$6.5 million, Indian River is owed \$12 million and so it goes. Large cities are owed a lot, NYC is owed \$2 billion, Rochester is owed \$105 million, Buffalo is owed \$96 million, Syracuse is owed \$63 million and Yonkers \$45 million. The list goes on. This is the year when the state makes good on the Campaign for Fiscal Equity and provide adequate school aid.

¹ The amounts do not include Building and Building Reorganization Aid.

It is now up to you to make sure that our schools have a large enough school aid increase, \$2.9 billion that is fairly distributed to begin to comply with the court order and finally provide each and every child with their constitutional right to “a sound basic education.” This funding should be distributed fairly, with at least 72% going to high need districts.

Community Schools:

We are pleased to see that the Governor proposed funding for community schools. Unfortunately, the funding he proposed is insufficient to create college ready community schools. His budget includes only \$100 million (\$99,998,093) for turning schools labeled as “struggling” and “persistently struggling” into community schools. Contrary to years prior, this funding is not allocated via a competitive grant, which is a step in the right direction. Seventy five out of the \$100 million is allocated to the 17 school districts that have “struggling” and “persistently struggling” schools. Twenty five million goes to other districts that have high need students. Some of these school districts will be receiving funding as low as \$17,000 which is completely inadequate to implement a community school.

If the state is serious about turning these schools into community schools that have engaging academic program and services to meet students’ needs, then the funding needs to be adequate. Last year the governor and the legislature determined that \$75 million was required for 20 schools or \$3.75 million per school on average. **Based on that, the state should be providing least \$535 million for 144 schools.**

In addition to increasing the funding for community schools, you should also repeal the receivership law, which unfortunately the governor’s proposed budget does not do. Receivership is not working for schools, students, teachers and parents. Funding has been slow to reach schools, the fact that 50% of teachers are replaced casts a very negative cloud on the process and keeps teachers away from the schools that need them the most; the planning time period was not long enough, effectively rendering it meaningless for parents and community members. And, since we already know what strategies work, and as we saw in the executive budget, then why not fund them and ensure that struggling and other schools are turned into community schools because that is the way to address students’ and their families’ needs. We have brought parents to Albany to talk about their experience. They have said time and time again that this law and its process have not worked for schools or the communities. It’s time to repeal this receivership law, it’s not working.

Prekindergarten and child care:

We support expansion of prekindergarten for four- and three-year olds. Governor Cuomo in 2014 made a promise to our young children across the state that he will pay for pre-K if districts wanted it. Yet, since then, he has only provided funding for full day universal pre-K for New York City. Even in this year’s proposed budget, the amount earmarked for pre-K is only a fraction of what is necessary to make the promise of prekindergarten truly universal for every child that needs it. The Executive Budget includes \$22 million for pre-K for three year olds. The funding will be available to districts that already have a pre-K program. Districts will have to apply for the competitive grant. If they get it, they will be able to create new half or full day seats for three year-olds. So, not only is the funding inadequate, but it is also distributed through competitive grants, which is a burdensome process for districts that have limited

resources to devote to grant writing. In 2014, New York State promised to provide full day pre-K to every four year old in the state. This promise was fulfilled for New York City, but there are 115,000 four year olds without access to full-day pre-K spread throughout every region of the state. This budget proposal does nothing to fulfill this promise to four year olds. If I were an upstate or suburban legislator I would be asking, "Where's my pre-K?"

The governor's budget also includes \$2 million for QUALITYstarsNY, the state's voluntary quality rating and improvement system. This is a step in the right direction as the state is trying to ensure quality in early care and education facilities. The total funding for QUALITYstarsNY now comes to \$5 million. AQE is recommending at least \$25 million to ensure that there is adequate funding to not only rate early care and education facilities but for quality improvements. The Ready for Kindergarten, Ready for College campaign, which AQE, Citizen Action of New York and the Center for Children's Initiatives also recommended \$125 million for pre-K and another \$25 to ensure quality programs.

We urge you to add funding for pre-K for three- and four- year olds, at least \$125 million, an amount similar to the recommendation of the NYS Board of Regents, to meet the state's promise to our youngest citizens.

The governor's proposal also includes the creation of the Empire State Pre-K board which would be comprised by three people appointed by the governor- one recommended by the Assembly and one recommended by the Senate. This board will be approving all new grants, under all the pre-K programs. The board must be unanimous in its decisions to grant funding. **At a time when out state needs to consolidate the six different pre-K programs into one coherent, continuous system early education system, this budget proposes to create its seventh program.** The proposal also changes significantly the way pre-K funding is administered, taking it away from the State Education Department and putting into the hands of political appointees making such important funding susceptible to political manipulations. **We urge you to reject the idea of creating a seventh pre-K program and instead to consolidate this program into existing programs.**

As part of a coherent early care and learning system, we also urge you to include \$190 million for child care, of which \$90 million would be allocated toward meeting new federal health and safety regulations, and \$100 million toward creating new child care subsidy slots so that 13,000 more children have access to child care programs.

Private School Voucher/ Tax Credit

The governor's proposal also includes a set of private school voucher and tax credit proposals. The proposal would add new tax credit programs that would amount to \$150 million which will only benefit rich donors and they private schools they donate to, when our public schools are in need for more resources. Corporations and individual donors would receive a tax credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of \$1 million

In exchange for \$150 million and give away to millionaires, there is a \$10 million set aside for teachers. Teachers would receive a reimbursement of up to \$200 for the purchase of classroom supplies. But, if our schools were fully funded teachers wouldn't need to purchase classroom supplies out of pocket.

This proposal is not new. It's the same proposal that was rejected in last year's enacted budget. While our schools and our students are being shortchanged, hedge fund billionaires are being given more tax credits and a free pass to enjoy public resources at the expense of us, the tax payers. We urge you to do the same this year: reject the tax credit proposal that would divert precious public resources into the pockets of the wealthy individuals that do not need any more breaks. Instead, adequately fund our schools. **We urge you to reject this proposal.**

This is a slush fund for hedge fund managers and other wealthy private school donors. We would use our taxpayer money, your taxpaying constituents would reimburse millionaires and billionaires for these donations.

Charter Schools:

The executive budget includes increasing direct aid for charters and unfreezing tuition for NYC, as well as making NYC facilities aid permanent for NYC. At a time when public schools are owed \$4.8 billion, and there are ongoing investigations in charter schools discipline processes, we should not be spending any more public dollars until there is transparency, accountability and due process.

The governor's proposal includes:

- Unfreezing the basic tuition for NYC Charter schools. This would increase the amount of funding NYC must transfer to charter schools for basic tuition by \$12.4 million.
- Increasing Charter school supplemental tuition aid by \$150 to \$500 per pupil and is estimated to cost \$63 million in FY 2017
- Adding \$2 million for per pupil funding given directly to charter school schools, bringing the amount spent to \$27.4 million.
- Making NYC facilities aid to charters permanent requiring NYC DOE to pay rent for new or expanding NYC charter schools

Currently, both the SUNY board of trustees and the US DOE, Office of Civil Rights have open investigations on discipline practices involving young students and students with disabilities at Success Network's schools. Here's the track record: 44 suspensions to just 11 kindergarteners and first graders; 12 suspensions of a single student; 101 suspensions given to 32 students; "got to go" lists of students in various schools. It is an atrocious track record, but the head of the Success Network holds it up with pride. Until we can determine that students in these schools are receiving equal protection under the law, we are calling for a freeze in funding and in any expansion proposals for any charter network with an open investigation. **We urge you to reject additional funding for charters there is accountability for public dollars being invested in privately run charter schools.**

Dream Act:

The executive budget enacts the Dream Act to allow undocumented immigrants to access state aid for higher education. Unfortunately the Governor's budget does not allocate any funding to support this initiative in 2016. There will be \$27 million available in 2017. **We urge you to include the Dream Act in the enacted budget.**

Paid Family Leave:

The Governor proposes a new paid family leave program for New York workers. New York State's Paid Family Leave Program will provide twelve weeks of job-protected, employee funded leave to be used as

parental leave or to care for a sick relative. The governor's proposal includes paying into a system that will allow employees to take out 35% at first and over years 50% of their wages when they take time to care for their loved ones. This is a rate too low for low-income workers, who would struggle to survive on that portion of their paycheck. We urge to ensure that any final version of paid family leave is fair for lower income workers, that it modernizes the Disabilities Benefit system (TDI) which has not risen since the 1980's.

Tax Cap:

This year the property tax cap is nearly zero at 0.12 percent above current levels for the 2016-17 fiscal year. This means that school districts will not be able to raise any revenue locally to supplement state aid, including in districts with plenty of local capacity and will. **Voters were promised a two percent property tax cap, not a zero percent cap. The flaws in the property tax cap should be fixed so that it is not allowed to go lower than two percent.**

Cap on spending:

The governor imposed this two percent spending cap for the budget without any justification other than his desire to have to talking point of "reigning in spending," regardless of the damage it causes to the safety net of our state and the services that need to be cut to adhere to it. This arbitrary cap is not written in law. It is self-imposed. There is absolutely no reason that either the Assembly or the Senate must adhere to it. We urge to disregard this cap and create a budget that works for all of us and more importantly, for our children.

Conclusion:

It's been ten years since New York State's highest court ruled that the state was violating the state's constitution by not providing students with a "sound basic education." It's been ten years and a couple of millions of students have graduated and hundreds of thousands have not, all without having access to resources that the Campaign for Fiscal Equity was intended to provide. With these resources, more opportunity can be given to our students so they could graduate. Our state is now at a good fiscal condition, with a sizeable recurring surplus. This is the year to make that we get back on track with the Campaign for Fiscal Equity. This is the year to provide \$2.9 billion in new school aid, with 72% of it going to high need districts and to the students that need it the most. This is the year, when finally our state stands up for kids.

Alliance for Quality Education Stand Up For Kids Campaign

As we stand in the midst of an ongoing education crisis in New York State and across the nation, we propose to advance the educational initiatives that both research and practice show makes a difference. With nearly 50% of all students living in poverty, it's imperative that as we work to better educate our students we take into account the needs of the child and their family, holistically. The Stand Up for Kids Campaign aims to do just that, by advocating for initiatives that have a proven track record of making strides in the success of our students;

We aim to expand that success from birth to college.

Proposed Initiatives & Cost

Early Childcare Programs - \$390 Million

- **We know that care and education must start early. This initiative includes:**
 - \$50 million for home visiting programs that benefit babies, parents, and caregivers,
 - \$190 million for quality child care
 - \$125 million for quality pre-k to fulfill the promise of full day pre-k for the entire state
 - \$25 million for childcare and pre-k programs to meet quality standards.

Innovative K-12 Reforms - \$1.2 Billion

- **The following initiatives have proven, locally and nationwide, to benefit ALL students and their community:**
 - \$200 million for STEAM (Science, Technology, Engineering, Arts and Math) programs
 - \$183 million for the expansion and improvement of Career and Technical Education (CTE)
 - \$50 million for expansion of restorative justice practices and school climate reforms
 - \$91 million for programs for unaccompanied minors, English language learners (ELL), and ELL students with interrupted formal education (SIFE)
 - \$535 million for Community Schools
 - \$100 million for quality after school programs
 - \$50 million for parent and family engagement initiatives

Expanding Higher Education Opportunities and Quality - \$710 Million

- **College should be affordable and accessible for every student:**
 - \$500 million state funding for SUNY and CUNY
 - \$70 million for Community Colleges
 - \$100 million for Tuition Assistance Program
 - \$20 million for opportunity programs
 - \$27 million for DREAM Act

With all of these asks we can improve educational quality in NY for \$2.3 Billion

How Do We Pay For This?

As little as a 1% tax increase could provide the revenue to pay for all the initiatives our students need. However, the loopholes, tax breaks, & sweetheart deals the 1% benefit from are contributing to increasing inequality in New York State, while disproportionately impacting low-income children of color. The **Stand up For Kids Campaign** demands that elected officials stand up for all students in New York, regardless of race, family income or zip code, by asking the 1% to contribute their fair share to education funding.

Fair Share for Billionaires Revenue Menu

- **Personal Income Tax**—Set up new tax brackets for the 1%, would generate **\$2.4 Billion**
- **Hedge Funders**—Eliminate the carried interest tax loophole, tax the income of hedge fund managers at the same rate as the rest of us, and stop special tax breaks for hedge fund managers, which could provide **over \$2 Billion**
- **Corporate Welfare**—There are several small taxes for large corporations that would provide **over \$1 Billion**

Baseline School Funding

- Schools need \$1.7 billion in order to avoid cuts

Tell Politicians: Stand Up for Kids, NOT Billionaires

