Senate Budget Proposal Makes Funding of NY City Programs a Priority: Funding for Charters Also a Higher Priority than Reducing Gap Elimination Adjustments

The New York State Senate once served as the one reliable New York political institution that could be counted on to advocate for fair funding for upstate and Long Island school districts. That fact is apparently no longer true based upon the Senate’s one house budget resolution that was enacted after midnight last Thursday evening. Ignoring resolutions passed by hundreds of upstate and Long Island school district calling for full restoration of Gap Elimination Adjustments, the Senate resolution instead provides more than five times the amount of funding for NYC UPK and After School programs as was asked for in Governor Cuomo’s Executive Budget proposal. The Senate proposal is actually more favorable to NY City than the Assembly’s one house bill that calls for granting NY City authority to tax wealthy city residents to provide new UPK opportunities for city four year olds.

The Senate proposal offers a meager $217M addition to money that the Governor targeted for Gap Elimination Adjustments in his Executive Budget. At the same time the Senate proposal provides over $250 million dollars in new tax credits for individuals who choose to donate to charter or parochial schools.

Continued in page 2...
Details in the Senate resolution remained sketchy but many Albany experts have characterized the Senate resolution as increasing State Aid by $812M. That total compares to the Regents State Aid Proposal that called for a $1.3B increase in state funding. The Education Conference Board estimated that a $1.5B increase in school aid would be necessary to assure further program, and personnel cuts would not be necessary. No district by district data was provided based upon the resolution that the Senate adopted.

Assembly Budget Resolution Calls for $402M Aid Increase Above Governor’s Proposal: Majority of Proposed Increase is to be Foundation Aid

The New York Assembly, which opened the legislative session with sixty-three members signing on to a letter requesting a $1.9B increase in educational aid to local districts adopted a one house budget that reflects an increase of only $970M in formula aids. No details on how that aid would be allocated to school districts (State Aid Runs) accompanied the Assembly one house bill. The Assembly bill was accompanied by an election year promise of future aid increases of approximately $1B during each of the next three school years. The RSA remains concerned that the Assembly’s intention of distributing increased funding primarily through Foundation Aid will disproportionally benefit school districts that have already had a significant portion of their GEA’s restored.

The Assembly one house resolution would provide authority for NY City to increase the resident income tax for high income individuals. Revenue raised from that tax increase was to be earmarked to support an expanded New York City funded UPK initiative.

Assembly Speaker Sheldon Silver

Final Call for Advocacy: Mobilize Your Community

We cannot let passage of two very disappointing one house budget resolutions discourage us! The time is short but we need to stay on message and continue to work local legislators in both houses of the legislature. Two weekends ago, I attended a Town Hall meeting hosted by an upstate Senator. In response to questions from the audience he assured those in attendance that the Senate “got the message on GEA” and that the majority caucus would make it their highest priority to find every possible dollar they could to reduce the GEA. How that turned into a Senate one house resolution more favorable to New York City than the one passed by the Sheldon Silver’s Assembly is hard to fathom—but we cannot let that discourage us at this critical point!

The time is short and the stakes are critical—how we finish remains critical to the outcomes we achieve. During election years legislators are very attuned to the volume of messages they receive expressing concerns upon any issue. It is too late for letters—but we ask that RSA members join NYSSBA, NYSCOSS, the Statewide School Finance Consortium, the PTA and other groups concerned about education in mobilizing your community to contact legislators and express deep reservations about the inadequacy of funding targeted for public schools!

Call your Member of Assembly at (518) 455-4100
Call your Senator at (518) 455-2800

I am deeply appreciative of all the advocacy efforts we have witnessed to date. Let’s not let that effort be lost by not finishing strongly!
A Word from the Executive Director…Dr. Bruce Fraser

Cuomo’s Charter School Romance: Governor Talking Out of Both Sides of his Mouth

After failing to mention Charter Schools in his State of the State and Budget proposal, Governor Cuomo is suddenly making Charter Schools one of his highest budgetary priorities. Press accounts indicate that the Governor inserted himself into discussions leading to the Senate one house resolution pushing very hard to have the Senate grant significant rights to use public school space for hosting charters. The Governor is also reported to have pressured the Senate to increase charter tuition amounts over the next two years and to make charters eligible for building aid. Additionally, the Senate budget resolution promotes a plan that permits significant tax credits be provided donors to charter operations.

These actions seem hypocritical coming from a Governor who frequently screams that “If you don’t do something about the 10,500 governments and the duplication and the waste, property taxes will continue to go up and the property taxes are what make this state unaffordable, period.” With 80% of rural school districts receiving less state aid in the Governor’s 2014-15 proposed budget than they received in 2008-09, and, while all school districts are operating under tight local revenue limits after the tax cap was adopted, it is frustrating to hear the Governor to promoting charters. Many rural school districts have gone through the very difficult process of closing a school building to make district operation more efficient. While NY charters schools are now predominantly located in urban settings—states that have broadly expanded charters are now seeing charters moving into rural settings. How would your school board feel if an entrepreneur chose to open a publicly funded charter school—siphoning off 20-30% of students and a significant amount of revenue—in the building your school district just agonized over closing to allow you to operate more efficiently? I can foresee that becoming a real possibility!

Why can’t our Governor, or his costly policy advisors, grasp that every charter school that opens contributes to “the proliferation of governments” that he claims is the underlying cause of high property taxes in NY State? The truth is New York’s education costs are high despite the fact that we have reduced the number of school districts from more than 10,000 to fewer than 700. Maybe Governor Cuomo would better focus upon pension costs, new mandates and changes to the Taylor law—not promoting Charters!

Our Governor is a master of controlling the news stories that end up being the media’s focus. Remember when the Governor promoted media focus on Superintendent salaries—to take the focus off of Gap Elimination Adjustment cuts. Why doesn’t our Governor focus the media upon the sixteen charter school operators in NY City that pay themselves salaries much higher (often more than double) New York’s Chancellor? Since January the Governor has been constantly stirring up controversy around the Common Core, UPK, and charters. I strongly believe the governor chuckles each day he wakes up and sees that the media’s focus remains on those topics! I also believe Governor Cuomo has manipulated the media to cover these stories because he does not want to face one pressing question from the media. That question is, “How can you declare a surplus and promote tax cuts while denying school districts funds promised under a court settlement by keeping Gap Elimination Adjustments at $1.3B for 2014-15?”

Associate Director Gary Mix Engages Governor Cuomo

While in Albany attending the NY State Council of School Superintendents Mid-Winter Advocacy Conference, RSA Associate Director Gary Mix went to dinner with a number of Wayne-Finger Lakes region Superintendents. The group was surprised when Governor Cuomo came over to their table and initiated a conversation. The Governor’s focus during the conversation was Common Core implementation. I deeply appreciate that Gary stood up to the Governor by clearly and directly pointing out that school funding adequacy and equity were more critical issues. Some surprisingly frank public observations were made by the Governor during the course of his exchange with Gary. The Governor observed that the shares agreement is the fundamental issue that keeps New York from moving to a more equitable approach to funding schools. The Governor went on to observe that the shares agreement had prevented his father from addressing school funding equity and, that the shares agreement will continue to prevent school funding reform. Accounts I received from Superintendents who witnessed this exchange expressed appreciation that Gary had taken on the Governor as directly and articulately as he did!
Farm Bureau and RSA Send Joint Communication to Leaders Opposing Gap Elimination Adjustments

The New York Farm Bureau and the NY State Rural Schools Association have collaborated on a letter to Governor Cuomo and the leadership of the Senate and Assembly that calls for ending Gap Elimination Adjustments in the 2014-15 state budget. The correspondence notes that over the past decade the state has reduced the percentage share of the total costs of education it is funding—shifting the burden for supporting public schools back onto local property tax payers. The impact of that shift of burden has been most immediate and of greater impact in low property wealth districts—contributing to a significant increase in property taxes placed upon agricultural property. Stating the obvious—agriculture is tied to the land—and cannot move their operation in response to high taxes and a decline in quality of local educational programs. The letter also makes reference to the negative impact Gap Elimination Adjustments have had upon economic development prospects in low property wealth regions of the state. The RSA deeply appreciates the Farm Bureau, the state’s largest general interest agricultural advocacy organization, partnering with us on this important message to NY’s leaders. While this letter was only sent to the Governor and Legislative leaders we encourage RSA members to print out copies of this joint communication for support in any advocacy efforts focused upon local legislators!

Final Reminder: RSA Award Nominations Due April 7th.

One final reminder-- our Awards Committee has moved up their nomination deadline to early April. The Awards Committee would like to complete selection of recipients during the April 25th Board of Directors Meeting. Moving the nomination deadline to April 7th makes it more likely that recipients can be informed on a timely basis and make plans to receive their award in person. Materials for nomination appear on P. 9 of this newsletter. Submission of nominations can be handled electronically—or mailed into the RSA office.

Previous Year’s Rural Schools Association Award Winners

Douglas Ann Land Award Winner 2012
Deborah Cunningham Award Winner 2012
Senator Patrick Gallivan Award Winner 2013
Michael Rebell Award Winner 2012

RSA Faces Leadership Transition

I am disappointed to share with you that a recurring medical issue will result in my leaving the position of Executive Director of the New York State Rural Schools Association as of September 1, 2014. I have thoroughly enjoyed working in this capacity for the past two and one half years. The organization is doing important work—and I have been provided tremendous support by the Board of Directors. When you take over leadership of an organization like the RSA there is a steep learning curve. Each day you serve in this position you develop background that makes you more valuable as a leader. I had hoped to continue to serve this organization for at least four more years. The last few years have been challenging times for rural school districts. With continuing challenges facing the RSA, I hate to depart at this time, but I pledge that I will do everything I can to help the next Executive Director get up to speed on critical issues. In a separate section of this newsletter I have included information regarding some of the important considerations that the Executive Committee of the RSA has already discussed as they move forward in identifying a successor.
As planning proceeds for the NY State Rural Schools Association’s Annual Conference two outstanding individuals have been selected to be featured as our main Dinner Speakers. Dean Norton, the President of the New York State Farm Bureau will open the Conference with a keynote address on Sunday, July 13th. On Monday evening, the featured speaker will be Dr. Rick Timbs, Executive Director of the New York State School Finance Consortium.

Dean Norton has served as the President of the New York Farm Bureau, the state’s largest general agricultural advocacy organization, since 2008. Prior to his election as NYFB President, Dean served on the Farm Bureau Board of Directors for four years and also served as the Genesee County Farm Bureau President.

Dean Norton’s family owns Oak Orchard dairy farm in Elba, NY, along with a custom tucking operation for forage and commodity harvesting. Dean and his wife also operate the DMCK Cattle Company. Dean is employed by Freed, Maxick & Battaglia as a Senior Agricultural Consultant.

Dean is a graduate of Genesee Community College with an AS degree in Business Administration, and is a 2003 graduate of Cornell University’s Empire State Food and Agriculture Leadership Institute (LEAD New York). Dean and his wife Melanie, and their two children reside in Elba, NY.

As the Executive Director of the Statewide School Finance Consortium, Dr. Rick Timbs has tirelessly advocated for fair school funding for all New York State school districts. Dr. Timbs’ extensive analysis of New York’s school funding formulas indicates that they contribute to unacceptable differences in the opportunities provided students—and to large differences in property tax rates paid across communities. Dr. Timbs has also documented evidence that recent legislative actions are increasing—rather than decreasing funding equity. Based upon his studies Dr. Timbs has reached the conclusion that only an independent Commission of school finance experts, or a further legal victory can reform New York’s school funding issues.
Dr. Timbs previously served as District Superintendent for the Erie 2-Chautauqua-Cattaraugus BOCES, a region made up of many Rural Schools Association member districts. Before assuming his BOCES leadership position, Dr. Timbs served as Superintendent of the Spencerport and Oriskany school districts. Dr. Timbs gained further experience working in a rural setting serving as the Assistant Superintendent for Business for Union Springs CSD, the district where he began his administrative career serving as an Assistant Principal. Dr. Timbs began his education career working in a rural setting serving as a Social Studies teacher, coach, and Athletic Director for the Bloomfield Central School District. The combined background Dr. Timbs has developed in school business management and curriculum leadership permits Dr. Timbs to astutely analyze the relationships between educational inputs and student outcomes. In appreciation of Dr. Timbs’ statewide efforts to promote funding equity he was selected to receive the RSA’s 2011 Appreciation Award.

Plans for the balance of the conference program are being finalized. We had thirty strong proposals submitted by those interested in presenting at this year’s conference. With only twelve slots available for presenters during the program selection of presenters was a great challenge. Based upon the competitiveness of this year’s judging we are confident the presentations making up the balance of the conference will be of high interest! Please look for details on presenters and registration materials in the next newsletter!

Why New York Needs a Berger Commission Approach to Solve the Problem of School Funding Inequity

This past November, respected public finance expert Dr. John Yinger, from Syracuse University’s Maxwell School of Public Policy provided testimony to Governor Cuomo’s Education Reform Commission. Addressing the problem of funding disparities, Dr. Yinger stated,

“With one important but seemingly temporary exception (the implementation of Foundation Aid), the policy choices made by New York State over the last fifteen years have made funding disparities worse. Moreover, without dramatic changes in education finance policy, these disparities are on track to widen substantially over the years ahead.”

The final report of the Reform Commission noted that there was no topic they had heard more testimony on than the need for school finance reform. Despite that observation the Commission chose to avoid making any recommendations in this area. The Commission “kicked the can down the road” while observing in their report that there was a need for a separate Task Force to be convened to address that single topic.

The Berger Commission: A Model For Education Funding Reform

Precedent exists in New York for the state to utilize neutral, outside expertise to take on politically “hot” issues that demand a timely solution. When the legislature recognized that the issue of hospital closure and repurposing needed to be addressed to control health care costs they empaneled a group of health system experts to make recommendations deciding which facilities would be impacted. The panel operated independently of political influence and the recommendations in their report were automatically enacted into law unless they were rejected through a vote of both houses of the legislature by a defined date.

New York is a diverse state, the large number of school districts in our state makes equitable funding allocations a challenge. Unfortunately that challenge has become highly politicized. Incumbent legislators run for re-election telling constituents that their prowess and stature resulted in local school districts obtaining favorable funding. Implied in their message to local constituents is, “I brought home the bacon for the school districts that I represent.” Right now RSA member school districts can only dream that someday a politician would campaign on the message, “I assured that kids across the state are being treated fairly, and that taxpayers are paying relatively equal local taxes to provide kids in each zip-code equal opportunities to learn.” So long as funding allocation decisions remain in the hands of politicians we will see no progress towards funding equity. We feel very strongly that only a politically independent Commission can implement reforms that are needed.

Why Would A Legislator Relinquish Their Authority for Allocating School Aid

At this time, there are only two reasons politicians would relinquish their decision making role on school aid allocation.
The first is that a court decision requires the necessary changes be made to assure all students in New York have an opportunity to receive a sound basic education. Several legal challenges are working their way through New York’s court system at this time. Most rational people recognize that the least beneficial way to expend public money is for one division of government to bring legal actions against another. New York State is currently defending itself against legal actions brought by multiple small cities, by the state’s largest teacher union, and by the same legal consortium that prevailed in the historic Campaign for Fiscal Equity legal challenge. In the CFE case the state’s strategy was to exhaust every appeal—driving up legal costs for all parties involved in the litigation and hurting children by delaying implementation of a solution. New York residents concerned about school finance equity should make clear to their legislators that they prefer a Berger Commission solution to the state continue to bear the legal costs of defending a flawed educational funding system! This Fall’s election campaigns is the perfect time for RSA members, and editorial boards of major newspapers to ask legislators why the state is spending so much tax money delaying a necessary solution regarding fundamental equity for kids and taxpayers!

The second reason that legislators might prefer to empower a Berger style Commission is because they understand and grasp the results of Dr. Bruce Baker’s most recent analysis comparing our nation’s school funding system. Dr. Baker compares New York to fifty other states on these three critical measures related to funding equity:

1. **Adequacy**—As measured by per pupil spending (adjusted for regional cost differences and district size).
2. **Effort**—Utilizing a measure comparing statewide K-12 spending to the value of the state’s Gross State Product,
3. **Funding Distribution**—Compares per pupil spending in school districts with varying levels of students from impoverished backgrounds.

Results for New York State for these three comparisons are summarized in the following Chart.

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Rank (of Fifty States)</th>
<th>Letter Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequacy</td>
<td>2nd</td>
<td>A</td>
</tr>
<tr>
<td>Effort</td>
<td>3rd</td>
<td>A</td>
</tr>
<tr>
<td>Funding Distribution</td>
<td>42nd</td>
<td>F</td>
</tr>
</tbody>
</table>

Baker’s analysis points out that New York’s legislators are generous in the level of support they provide our schools—and that New York residents are willing to commit a high level of our state’s Gross State Product to support public schools. Baker’s analysis also points out that we have serious issues in the way New York allocates revenue to school districts. **For New York to spend large amounts of money but distribute those funds to school districts in through indefensibly inequitable allocation schemes is simply folly.** When tremendous criticism is focused upon legislators for spending inefficiently we can hope that the legislature would prefer receiving credit for the generosity and effort our state makes supporting public schools while recognizing outside experts can do a much better job than they have in devising funding schemes. It may not earn our organization friends in the legislature initially, but only when legislators take a relentless pounding for their indefensible allocation of revenue to school districts will they begin to recognize the need for a Berger Commission. Solid data exists that should result in a sense of outrage over how inequitably school funding is allocated to school districts. Dr. Rick Timbs, our colleague with the Statewide School Finance Consortium’s research has made him a sworn enemy of many state legislators. In truth, those legislators should understand that Dr. Timbs is calling for a rational, depoliticized allocation of state funds. Instead of hysterically and defensively attacking Dr. Timbs thorough research our legislators should embrace his call for solutions!

> “Nothing is more powerful than an idea whose time has come.”
> Victor Hugo

It may take several years to force a solution to inequitable school funding onto our political leaders. That being said, the fight to move towards depoliticizing the funding of our schools must begin right now! Referring back to Dr. Yinger’s comments, “**without dramatic changes in education finance policy… disparities are on track to widen substantially over the years ahead**” NY taxpayers need to understand that the costs of a necessary (and inevitable) solution to New York’s school funding inequity issues go up each year our politicians fail to address the problem. **It remains a political reality that solutions will only come when people speak up loudly expressing their outrage. Advocating for school funding formulas devised by neutral experts makes sense. If not now—when?**
Please see the text below for the nomination details:

**RSA Annual Conference Awards**

We ask that you submit nominations for our annual awards. You may nominate someone in any of the three categories defined below. Depending upon your reaction, the Committee will determine the recipient(s), or may decide to withhold any or all awards.

**Anne Z. Paulin Distinguished Service Award:** person(s) has made a significant contribution(s) in the interest of New York State’s rural schools through their work with the Rural Schools Association of New York State. (School Board Member)

**Appreciation Award:** person(s), not necessarily directly related to RSA, who warrants recognition for specific contributions to New York State rural schools.

**William Deming Recognition Award:** person(s) recognized for long and meritorious service to education. (School Administrator)

---

I nominate these individuals for consideration by the RSA Awards Committee

Anne Z. Paulin Distinguished Service: ________________________________

RSA Appreciation Award: ________________________________

William Deming RSA Recognition Award: ________________________________

_______________________________________    __________________ 
(Your Name)     (Date)

---

PLEASE RETURN by April 7, 2014 to: Jim Loomis: loomis@htva.net

Or

Awards Committee
Rural Schools Association of NYS
113 Kennedy Hall
Cornell University
Ithaca, NY 14853

Thank you!
New York, you have done your part ... with a great bill, S5525C, passed August 1, 2012, that gives school districts and municipalities greater purchasing flexibility. A new bill, S3766A, was passed November 13, 2013, which makes it even easier to take advantage of the savings available by using national cooperative contracts.

The Cooperative Purchasing Network (TCPN) is pleased to be a part of it too, with purchasing strength that helps New York government organizations save time, cut costs, and avoid compliance worries. TCPN’s contracts leverage the purchasing power of over 37,000 actively engaged government entities. All contracts are competitively bid and awarded by a single government entity – Region 4 Education Service Center. TCPN monitors contracts through third-party audits and regular reviews to ensure vendor accountability. You can rely on the ISO certified process of TCPN’s lead agency, 100+ combined years of government purchasing experience, and 50+ combined years of auditing experience.

It’s up to you, New York. Learn how you can use TCPN contracts in New York by visiting us online at www.tcpn.org/pages/new-york.aspx.
Note: The information above is from Governor Cuomo’s Initial Budget. Note carefully that this document shows that GAP Elimination Adjustments were to be “zeroed out” by 2012-13. For 2014-15 the Governor proposed that GEA’s continue while he promises a wide range of tax cuts. We should be outraged—Schools have done enough to solve the State’ Budget deficit!

Keep reminding the Governor and Legislators that no surplus exists until GEA’s are eliminated.
Executive Committee Lays Groundwork for Selecting New RSA Leader

During a March 7th teleconference the Executive Committee held an extended conversation related to how to proceed in selecting the organization’s next Executive Director. Among the topics that were considered were the following questions:

1. Is this the time to consider merging the NY State Rural Schools Association and the NY State Center for Rural Schools? The RSA has always worked closely with Cornell Professor, Dr. John Sipple, and the NY State Center for Rural Schools. When the Center for Rural Schools was obtaining state funding for operation merger was not an option. Over the past two years the Rural Schools Association has supported the updating and expansion of the Center’s data tools. Dr. Sipple’s technological abilities would prove most valuable to the RSA in areas such as web-site development and continued expansion of data analysis tools.

2. If the Rural Schools Association were to merge with the NY State Center for Rural Schools the question arises would the next Executive Director of the RSA need to work from an office at Cornell? With communication tools like teleconferencing, fax machines, smart phones and e-mail available could the interests of the RSA be advanced by having an Executive Director working from another region of the state?

3. Finally, the organization needs to determine if it can benefit from expanding its use of regional representatives. As a part of his duties as Deputy Director, Tom Marzeski also provides member district support, promotes membership, and regularly meets with legislators from the Central NY region. This year we expanded use of regional representatives with Gary Mix working the Rochester-Western Finger Lakes Region, and Dick Rose handling similar duties in the Mohawk Valley-Capitol Region. The Executive Committee recognizes that this regional representative approach has contributed to increased RSA visibility and impact in these regions and has contributed to growth in membership for the organization. Expanding the use of RSA regional representatives to include a person working in the Far West, North Country, and Catskill-Hudson Region could provide a cost effective alternative to working from offices in Ithaca.

The Rural Schools Association is interested in hearing input from member school districts related to the alternatives being considered at this time. Please forward comments you might have regarding how the organization proceeds to either Board Chair Ed Engel at edanneengel@gmail.com or to Executive Director Bruce Fraser at btf27@cornell.edu. Due to the importance of this topic we ask that as many RSA Board Members as possible attend the April 25th Board Meeting at Cortland.

The New York State Rural Schools Association represents approximately one of every eight public school students enrolled in NY State. We believe every one of those students has a right to a sound basic education. We are committed to equitable funding for all students who attend New York school districts.