

March 2004

School Budgets

From the NYS Assembly • Sheldon Silver, Speaker
Herman D. Farrell Jr., Alexander B. Grannis, RoAnn Destito, Susan John, Members, Joint Legislative
Conference Committee on Budget Reform
Steve Sanders • Chair, Education Committee

Assembly's "Step Ahead" School Budgeting Plan Would End School Aid Uncertainty

Annual guessing game replaced with a reliable year-in-advance formula

The Assembly proposes a common sense solution to provide schools with the resources they need to plan ahead for the first time. School officials across New York have voiced concern over the annual budget uncertainty. It's often a guessing game for school boards if their state aid amounts will increase or decrease from one year to the next. Complicating matters is the fact that local schools often have to prepare their budgets – and submit them for voter approval – well before state education aid numbers are finalized.

To remedy this situation, the Assembly has proposed setting up a two-year school aid formula to give schools the information they need to plan timely budgets and prepare programs that meet high standards ([A.9711](#)). The Assembly plan, which was first introduced in 2001, helps remove the annual fiscal uncertainty and guards against unnecessary education cuts that could force school districts to raise taxes.

In the first year of the Assembly's "Step Ahead" school budgeting plan, the Legislature would adopt an education budget for the next two fiscal years. Thereafter, the Legislature would adopt the education budget for the following fiscal year. That way, school

What the experts are saying...

"Funding stability and predictability for our school districts is long overdue. We endorse 'advance funding' school aid on an annually updated two-year cycle because it will enable longer range planning and efficiencies that save taxpayer money."

- *New York State School Boards
Association*

"School funding should be more predictable.... Schools need to plan for more than one year at a time. Effective planning saves taxpayer dollars in the long run."

- *The Midstate School Finance
Consortium*

"We also need a predictable funding system.... School districts and the public demand a stable state assistance system that allows for the proper and consistent planning of local school budgets."

- *Robin Rapaport, President, National
Education Association of New York*

"...The Assembly has taken a surprising new approach to education funding, offering a two-year proposal that would be

districts will know how much state aid they're getting renewed every year." a full year in advance.

- *New York State Council of School Superintendents*

Assembly pushes budget reforms and investments in education

The Assembly doesn't just focus on reforming the education formula. The Assembly continues to fight for real investments in New York's education system. While the governor proposes \$369 million in education cuts, the Assembly is fighting for a spending plan that invests – not undermines – state support for local schools. In fact, New York schools would have \$3.8 billion less if the Assembly had gone along with the governor's previous budget proposals. The governor's latest school aid cuts would force school boards to choose between cutting programs and raising property taxes to make ends meet.

"Effective education requires a planned multi-year approach where what is taught this year builds on earlier experience and teaching. This multi-year planning approach can only be effective when funding streams are stable, predictable, and sustainable."

- *New York State Association of School Business Officials*

The Assembly also recently unveiled a comprehensive reform plan to make the state's budget process more open, accountable and efficient. The budget reform plan overhauls how the budget is negotiated and enhances accountability by making more expenditures subject to checks and balances.

The Assembly firmly believes that meaningful reforms – whether it's bringing greater public scrutiny to state spending or creating a new education aid formula – will improve New York's ability to deliver efficient, cost-effective services to working families and taxpayers.

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