

Back to the Future: Where Has the Money Gone?

Deborah H. Cunningham
Director of Education and Research
New York State Association of
School Business Officials
dcunningham@nysasbo.org
October 4, 2013

1

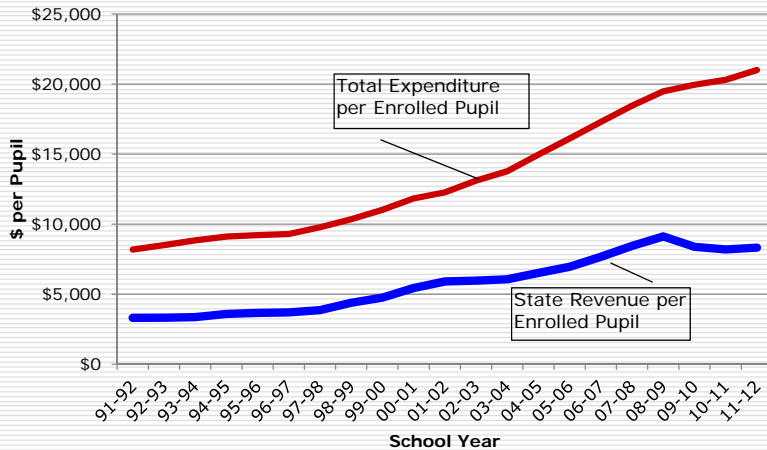
Overview

- Past—steady increases in education revenues
- Present
 - Overview of the 2013 budget
 - Recovering from depressed economies
 - How to balance education and finance
- Future
 - What goals should lead an educationally sound, fiscally responsible school finance system?

2

A Steady Increase in Education Spending

Revenues from State Sources and Total Expenditures per Enrolled Pupil

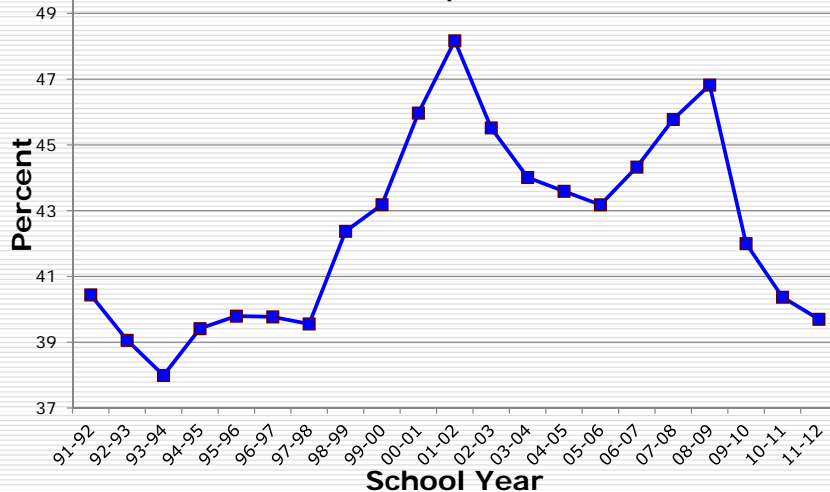


SOURCE: Analysis of School District Finances, 2010-11, NYSED, 2013.

3

State Revenues Show Stress

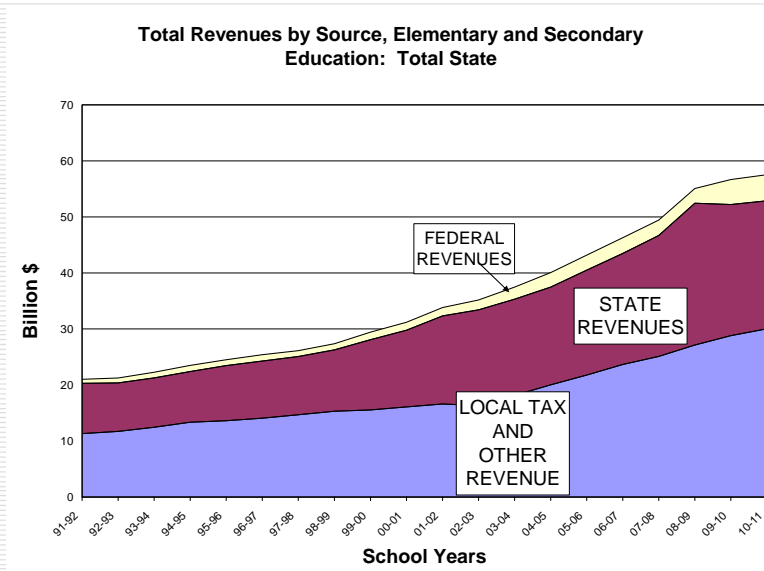
Revenues from State Sources As a Percent of Total Expenditures: Total State



SOURCE: Analysis of School District Finances, 2010-11, NYSED, 2013.

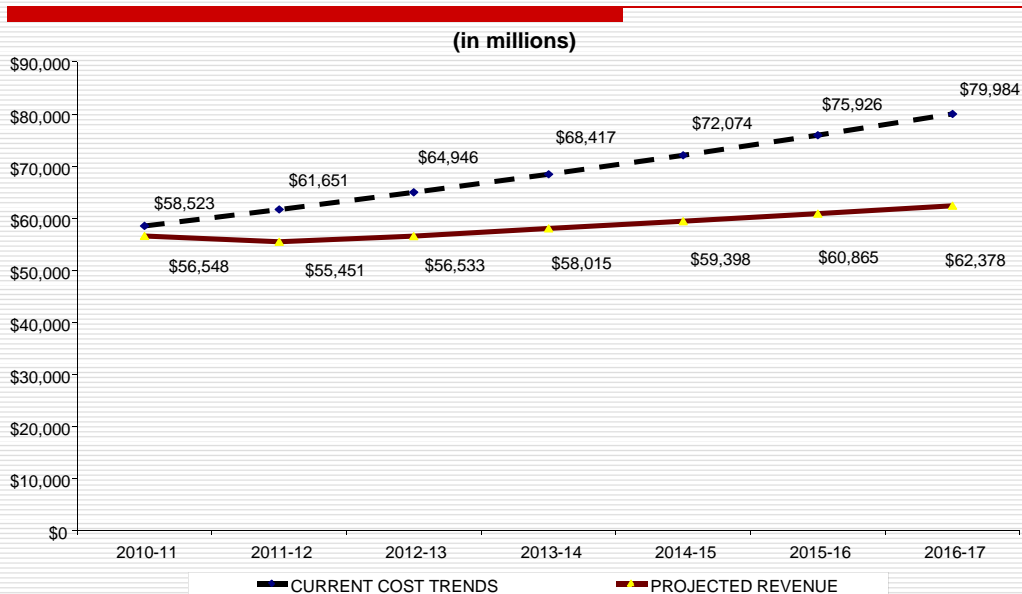
4

Federal Revenues Provided Temporary Relief



SOURCE: Analysis of School District Finances, 2009-10, NYSED, 2012.

Impact of Caps on Local and State Revenues for New York School Districts



Source: New York State Board of Regents Item. "Development of 2012-13 Regents State Aid Proposal."
<http://www.regents.nysed.gov/meetings/2011Meetings/October2011/1011sad1.pdf>

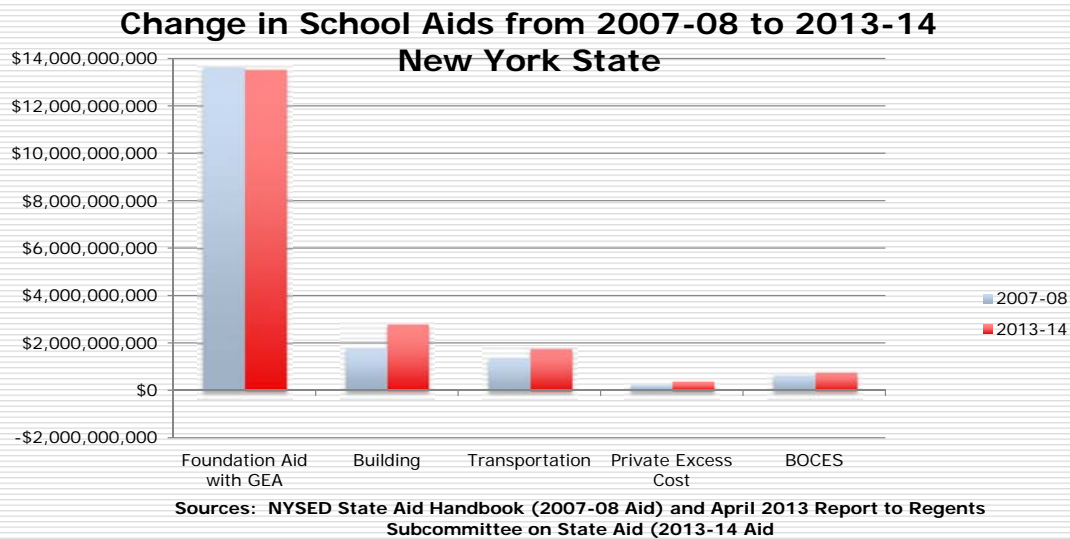
Overview of the 2013 Budget

- \$21.1 billion in General Support to Public Schools
- Increase of \$942 million, or 4.7 percent, compared to 2012-2013
 - Foundation Aid (+\$171 million)
 - Gap Elimination Adjustment Restoration (+\$517 million)
 - High Tax Aid (+\$19 million)
- Continuing competitive grants
 - \$25 million for management efficiency
 - \$25 million for performance improvement were funded for the 2013-14 school year
- \$75 million in new competitive grants
 - to support full day Universal Prekindergarten (\$25 million)
 - Extended Learning Time (\$20 million)
 - Community Schools (\$15 million)
 - Improved Math and Science Instruction (\$11 million)
 - Early College High Schools (\$4 million)

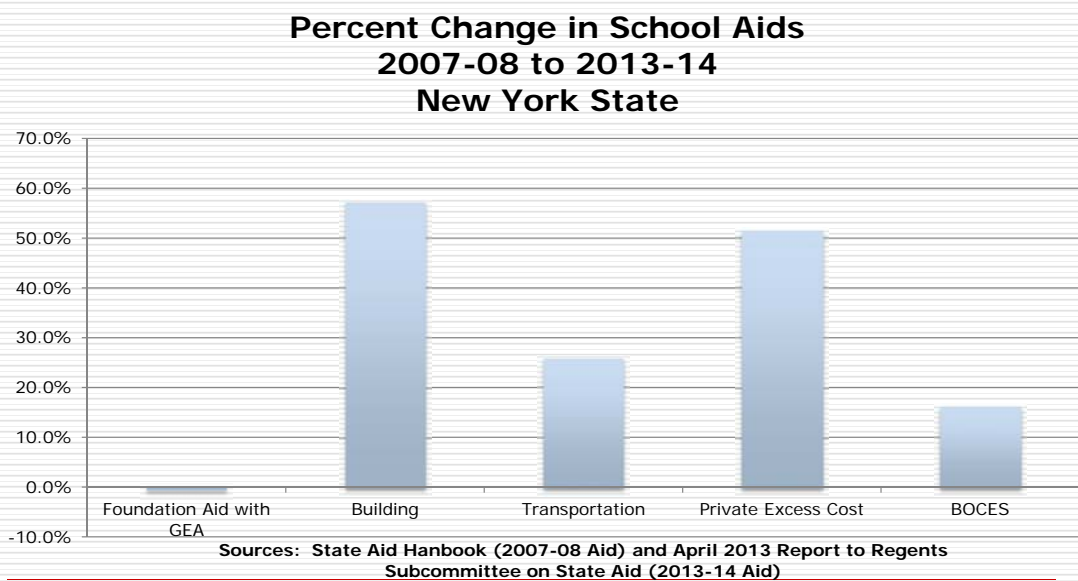
Aid Increases Under the 2013 State Budget Are Modest, for the Most Part

Aid	2013 Funding	Increase/Decrease
Public Excess High Cost Aid	\$517 million	3.8%
Private Excess Cost Aid	\$356 million	10.9%
BOCES Aid	\$729 million	4.3%
Special Services Aid	\$204 million	-2%
Instructional Materials: Textbook, Library Materials, Computer Software and Hardware aids	\$285 million	0.7%
Building Aid	\$2.8 billion	2.4%
Transportation Aid	\$1.7 billion	3.6%

Foundation Aid is the largest aid by far but has not grown as intended



Foundation Aid (with GEA) has Declined While Other Aids Have Grown Consistently



Future

- An economy with constraints
- The challenge: how to provide the education children need for success for the resources the public is able to provide
- What are the goals of an educational sound, fiscally responsible finance system?

School Finance Goals

Audience participation:

What goals should lead an educationally sound, fiscally responsible school finance system?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Possible Goals for Discussion

- Equity
 - Adequacy
 - Finance linked to student success
 - Sustainability
 - Incentives for productivity
 - Predictability
 - Transparency
 - Accountability
 - Support for organizational change
-

13

Let's keep the conversation going!

dcunningham@nysasbo.org

14