

LI schools keep getting shortchanged

Midyear aid cuts were avoided last week, but this funding system can't continue

BY GARY D. BIXHORN

The special session of the State Legislature ended last week without the midyear reductions in state aid proposed by the governor. But given the current economic status of the state — and our past experience with deficit-reduction plans — we can expect that the 2010-11 Executive Budget to be released next month will also propose a significant reduction in state aid to schools. And that the proposal will include a disproportionately severe cut to our region.

The proposal will be rationalized by pointing to the “wealth” of Long Island. But the facts don't justify such a position.

Efforts to further reduce the already inadequate share of aid coming to Long Island will take many forms, but heavier reliance on the foundation formula — which has shortchanged Long Island schools since the day it was introduced — and efforts to eliminate high tax aid are the most dangerous.

Albany provides \$21.1 billion

in aid to school districts across the state, covering an average of 41 percent of school district expenses. But because of higher regional costs and unreliable wealth measures, the \$2.6-billion share directed to Long Island covers only 24 percent of our school expenses. So Long Islanders dig far deeper into their pockets to make up the difference with property taxes.

Unfortunately, because of the way the state allocates funds to school districts, the support gap between Long Island and the rest of the state will only grow. This is a direct result of the foundation formula to allocate 70 percent of all state aid. The formula is so unresponsive to Long Island needs that a separate aid category, high tax aid, has to be used to backfill some of the shortfall.

As long as the foundation formula is used to drive such a large share of state support, Long Island will fall further and further behind. This is critically important right now. Along with shrinking state support, we also face the loss of the federal stimu-

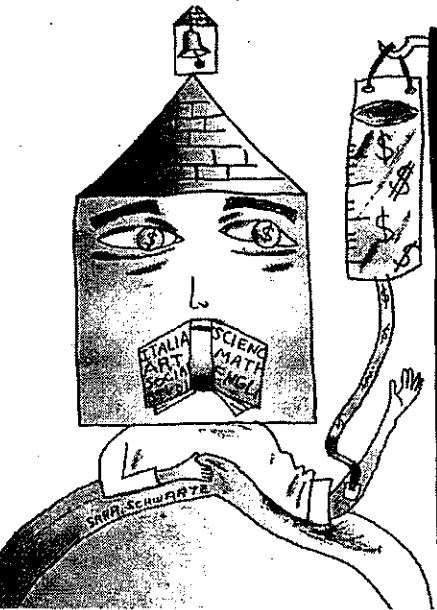


ILLUSTRATION BY SARA SCHWARTZ

lus funding that offset the state shortfall, and increased costs for pension contributions, due to ongoing difficulties in the financial markets. Although legislators took action to rein in costs of the retirement system by establishing a new pension tier, it will take time before savings begin to accrue.

The state must restructure the way it supports schools, and it needs to be done immedi-

ately to limit the growth of inequities. A recent proposal developed by the Long Island Education Coalition offers a basis for an alternative.

The plan calls for the state to fund 50 percent, rather than 41 percent, of the statewide cost of education, by partially reimbursing schools for the cost of special education services, pension contributions and employee health insurance. These three budget categories constitute about 30 percent of all school costs. The cost of implementing this plan isn't much greater than the existing foundation aid commitment.

Due to the growing state budget deficit, it's unrealistic to expect Albany to raise its share at this time. Therefore, a variation on the LIEC plan offers an alternative for the upcoming years. First, establish current levels of state aid as a base and apply any future decreases on an across-the-board basis, making adjustments for district

wealth differences within regional appropriations. Such an approach would assure that Long Island will maintain its current share of aid and not suffer a disproportionate loss.

Second, when money to increase state support becomes available, allocate these funds using new formulas that reimburse schools for special education expenses, pension contributions and health insurance premiums. These major cost categories are heavily rooted in state and federal mandates and directed to state-managed programs. All schools incur these expenses, and reimbursement should go to the schools proportionately. As a result, Long Island schools would be assured of receiving a fairer share of new aid than the existing system would generate.

There is a lot of work to do in this area, and a tremendous urgency to get it done. This approach is just one of many that could be used. The most important thing now is to start a serious effort to fix the problem.



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