

Education

This year's Executive Budget attempts to appear generous to education funding despite the budget deficit. There are some proposals that continue from last year, including a paltry increase in K-12 school aid, another small expansion of the Universal Pre-Kindergarten program, additional funding for after-school program slots for some communities, and the second phase-in of the Excelsior Scholarship, which provides extra funds for certain full-time SUNY and CUNY students. On top of that, the governor proposed new legislation and funding for students to access healthy, locally sourced school meals to address child hunger. However, beneath the surface woes of the deficit and the half-hearted attempts to tackle educational inequity, there is still a perpetuation of educational poverty and economic inequality.

Insufficient Funding for K-12 Education

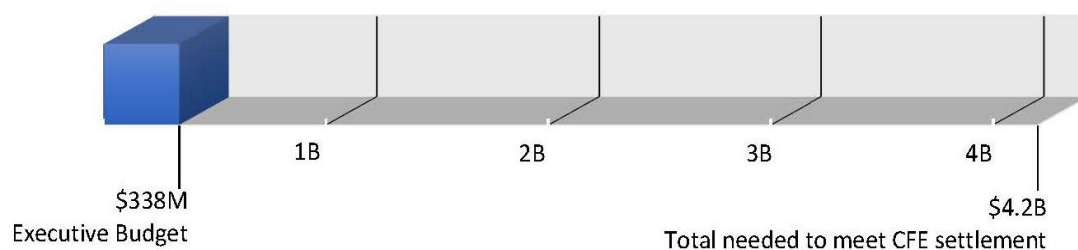
The Executive Budget proposes a \$769 million increase in school aid this year, totaling to approximately \$26.4 billion or a three percent increase compared to last year. That amount breaks down to \$338 million in Foundation Aid, \$317 million in Expense-Based Aid, \$64 million in the Fiscal Stabilization Fund, and \$50 million in Competitive Grants (Universal Pre-Kindergarten Expansion at \$15 million, Empire After School Program at \$10 million, Early College High Schools at \$9 million, Smart Start Computer Science Program at \$6 million, Breakfast After the Bell at \$5 million, Test Fee Assistance at \$2.5 million, Master Teacher Program at \$1 million, Gang Prevention Education Programming to At-Risk Students at \$500,000, and \$400,000 for Excellence in Teaching Awards).³

This is a less ambitious step toward closing the needed funding gap than last year's increase for K-12 education, which totaled to nearly \$1 billion in school aid and included \$428 million in Foundation Aid. This year's allocation, while still a three percent increase, is still nowhere near enough to guarantee adequate resources for all students, especially for poorer districts. Once again, additional state support remains critical, as the property tax cap will allow limited growth in schools' primary local revenue source. To get closer to meeting the constitutionally mandated minimum funding level required, the state would need to invest an additional \$1.5 billion to continue school services, based on current projections for school costs and the tax cap and another \$500 million to address priorities such as supporting schools in receivership, college and career pathways and professional development.⁴

³ New York State Department of Education, "State Aid Overview," January 2018.

⁴ New York State Educational Conference Board, "Public schools remain the best investment in the future," January 2018.

Fig 10. School Aid Funding Falls Far Short of Promise of Campaign for Fiscal Equity Settlement



Sources: Board of Regents, “State Aid - Review of the 2018-19 Executive Budget Handout,” January 2018; New York State Educational Conference Board, “Public Schools Remain the Best Investment in the Future,” January 2018; FPI Calculation, NYS Financial Plan, January 2018.

The Campaign for Fiscal Equity (CFE) lawsuit was a 2003 landmark court case which upheld that the state must 1) “ascertain the actual cost of providing a sound basic education;” and 2) “[ensure] that every school... would have the resources necessary for a sound, basic education;” and 3) “ensure system of accountability to measure whether the reforms actually provide the opportunity for a sound, basic education.”⁵ The court ordered the governor and the legislature to determine an actual cost level, which became the Foundation Aid formula.

The Foundation Aid formula determines how much Foundation Aid each school district requires to provide students with an adequate education, and offers a total amount of Foundation Aid that the state must provide for each district. The formula uses a series of factors and weightings based upon local income levels, property values, number of English Language Learners, student poverty, and other criteria. The Board of Regents has calculated that \$4.2 billion more is owed to school districts statewide since the implementation of the formula. The \$338 million allocated for Foundation Aid in this year’s budget still leaves an approximate \$3.9 billion shortfall.

State Support for Schools Has Declined While Property Tax is Capped

Since 2011, state aid as a percent of total spending has been at historic lows. Inadequate state aid not only hampers the ability of disadvantaged students to catch up, but also places pressure on local property taxes as school districts attempt to compensate for the unmet commitment of state funds.⁶ However, housing values, which are the base for the property tax, are often lower in low-income neighborhoods. This goes a long way toward explaining why the 10 percent of school districts with the highest need relative to resources raises less than one-sixth the amount of taxes per student than the top 10 percent.⁷

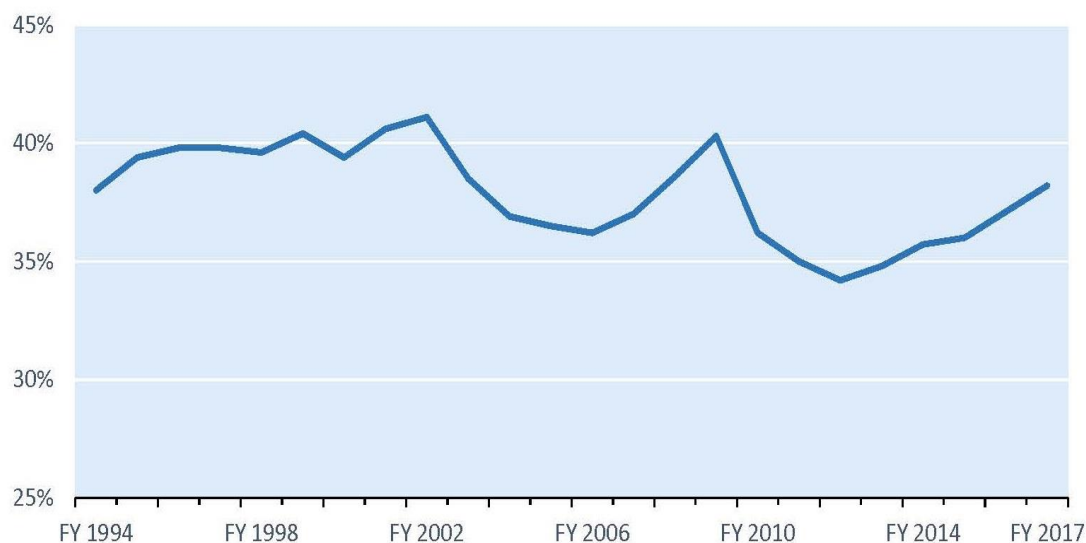
⁵ Michael Rebell, “Students Constitutional Rights Are Obligatory, Not ‘Symbolic’ or ‘Aspirational’,” <https://educationalequityblog.org/2017/01/26/students-constitutional-rights-are-obligatory-not-symbolic-or-aspirational/>, January 26, 2017.

⁶ Rajashri Chakrabarti, Max Livingston, Joydeep Roy, “Did Cuts in State Aid During the Great Recession Lead to Changes in Local Property Taxes?,” Staff Report No. 643, Federal Reserve Bank of New York, October 2013. See also section of this briefing book on Local Government.

⁷ Analysis of School Finances, New York State Education Department, January 2015. The need to resource index is designed to measure each district’s student need in relation to its capacity to raise local revenues, indexed to state averages. See page 14 of the Analysis of School Finances report for a more detailed explanation.

Fig 11. State Support of Schools Has Not Returned to Pre-Great Recession Levels

STATE AID AS A PERCENT OF SCHOOL SPENDING



Note: State aid excludes School Tax Relief (STAR) Program

Source: NYS Department of Education, Analysis of School Finance, January 2017.

Moreover, the state-imposed property tax cap makes it very difficult for school districts to use their own resources to make up for the shortfalls in state aid. For the upcoming school year, minimal growth in property taxes will be allowed under the cap. Current projections are that the property tax cap will allow growth of just 1.26 percent, resulting in the loss of hundreds of millions of dollars in funding for New York's schools.

Universal Pre-Kindergarten Funding Continues and Still Falls Short

Research indicates that high-quality early childhood education is crucial to reach goals of educational equity and excellence. Early childhood programs often result in better educational outcomes for children by promoting cognitive, social, emotional and physical development in all settings. The Universal Pre-Kindergarten program (UPK) for four-year-old children was first enacted in FY 2016 and expanded in FY 2017 to include three-year-old children. This year, funding for UPK continues with a modest increase of \$15 million on top of the \$822 million annual funding level.

The expansion of UPK throughout the state over the last few years is a step in the right direction toward ensuring that the youngest New Yorkers develop learning skills and have better overall educational outcomes. However, more than 81,000 four-year-old children outside of New York City are without full-day pre-kindergarten services despite growing demand from school districts and parents.⁸ In contrast, New York City now offers Pre-K for all and is now rolling out Pre-K to all its three-year-old children. The New York City UPK program supports more than 70,000 four-year-old children. This progress is groundbreaking but of course it does not resolve the lack of UPK funding and slots for children elsewhere in New York. Additionally, since Governor Cuomo boldly pledged to make full-day UPK

⁸ Alliance for Quality Education, "Opportunities Foreclosed Equity Denied New York's Youngest Learners Still Left Out!" January 2018.

available to every four-year-old in New York in 2014 and agreed to invest \$1.5 billion in it, the expansion has been scaled back every year.⁹ Last year saw a meager \$5 million investment, less than 500 seats, for four-year-old children. For this reason, this year's \$15 million in additional funding for UPK still falls far short of the amount needed to fulfill need across the state.¹⁰

Rising poverty, changing state demographics, and an increasing number of English Language Learners throughout the state are all signs that New York must invest in the success of its children.¹¹ Many school districts already have waiting lists and/or are forced to use lotteries to award seats to eligible children. Maintaining all current funding levels for UPK and investing an additional \$150 million would help expand access to both three- and four-year old children outside of New York City and ensure programs have sufficient resources and technical assistance to meet the quality standards.¹²

Investing in the Empire State After-School Program Helps to Address Child Poverty

After-school and summer programs provide safe, educational spaces for children to go after the school day ends and during the summer in all communities throughout the state. Successful high-quality after-school programs increase student engagement and attendance, as well as improve test scores and reduce negative behaviors among other benefits. Last year, the Enacted Budget invested \$35 million in public after-school programs in the state's sixteen Empire State Poverty Reduction Initiative (ESPRI) communities. This year, the Executive Budget proposes an additional \$10 million to fund more after-school program slots in ESPRI communities. The new funding will create an additional 6,250 slots for students in high-needs districts on top of the 22,000 slots created last year.

The \$35 million for after-school and summer programs that was included in the SFY 17-18 Enacted Budget is a necessary investment and clearly displays the effectiveness of these programs, which is why the additional \$10 million proposal for this year is encouraging. Continuing to build on the combined \$45 million proposals would help sustain these programs and provide meaningful support and technical assistance.¹³ Investing in after-school and summer programs does not only prepare children for success in school and life but it also supports New York's workforce, decreases child abuse and neglect, increases health and educational outcomes, and builds the economy.

⁹ Alliance for Quality Education, "Opportunities Foreclosed Equity Denied New York's Youngest Learners Still Left Out!" January 2018.

¹⁰ Winning Beginnings NY, "Keep the Promise of Quality Pre-K for All New York's Children," January 2018.

¹¹ Ibid.

¹² Ibid.

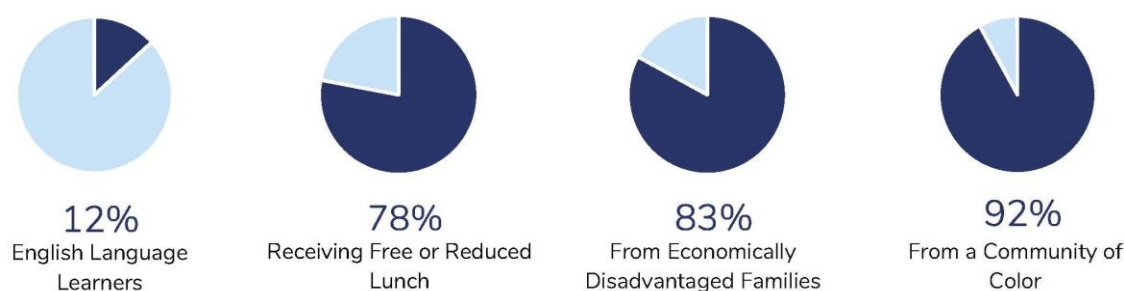
¹³ Winning Beginnings NY, "Afterschool Programs," January 2018.

Priority Schools Face Uphill Battles

Priority Schools are schools that the New York State Department of Education (NYSED) identified as failing and/or high-needs. The students at these schools generally score in the bottom five percent in student proficiency tests and/or have low graduation rates. Throughout the state, Priority Schools are generally constrained by inadequate funding because they are generally located in areas with high rates of poverty.

FPI found in an analysis of the original list of priority districts in 2015 that three times as many school-age children live in families below the poverty line than those in non-priority districts. Over three-fourths of the students in Priority Schools are eligible for the federal free or reduced lunch program, another indicator of economic hardship. More than nine out of ten are students of color, compared to 52 percent in non-priority schools, and over 12 percent of children do not speak English as their first language.¹⁴

Fig 13. Students in Priority Schools Face an Uphill Battle



Sources: FPI Calculation of Census Data, "The State of New York's Failing Schools," Office of Governor Cuomo, January 2015.

Poverty, School Performance, and Why We Need to Do Better for New York's Students of Color

In New York State, as in the rest of the nation, structural racism has left schools with majority black and Latino students inadequately funded. Structural racism refers to a system in which public policies, institutional practices, cultural representations, and other norms work in various, often reinforcing ways to perpetuate racial group inequity.¹⁵ It identifies dimensions of our history and culture that have allowed privileges associated with "whiteness" and disadvantages associated with "color" to endure and adapt over time.¹⁶

¹⁴ NYSED released a new list of Priority Schools in December 2017, which removed 27 schools from Priority School Status. One school each from Albany, Buffalo, and Wyandanch, and the remaining 24 in New York City were removed from the list. Districts with current Priority Schools include schools in New York City, Yonkers, Buffalo, Rochester, Syracuse, Hempstead, Binghamton, Gloversville, East Ramapo, Mount Vernon, Poughkeepsie, Troy, Schenectady, Salamanca, Utica, Central Islip and Wyandanch. In 2016-17, Binghamton, Gloversville, East Ramapo, and Salamanca were added to the list, while Roosevelt, Amsterdam, and Newburgh were dropped.

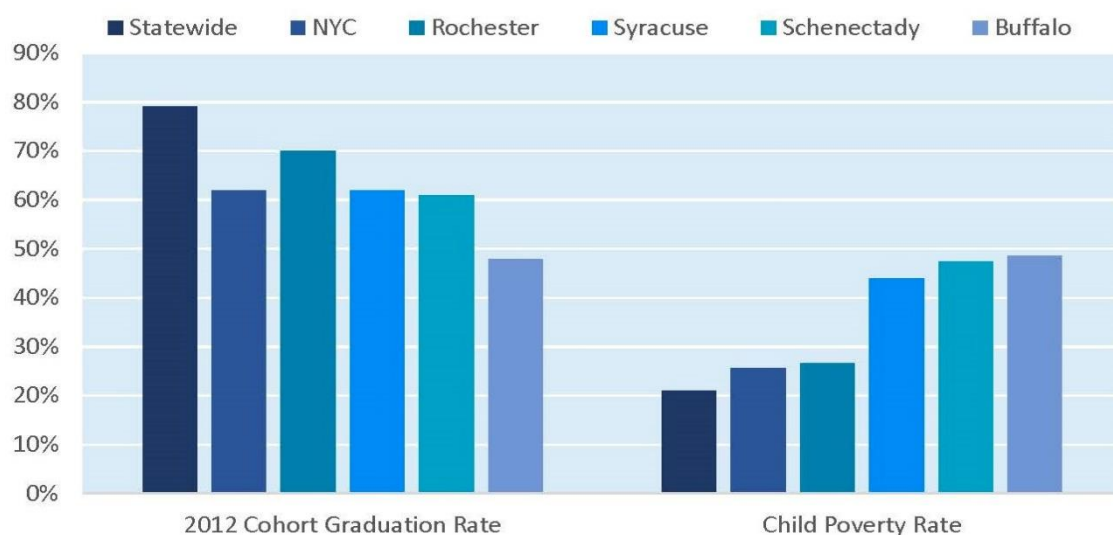
¹⁵ The Aspen Institute, "Glossary for Understanding the Dismantling Structural Racism/Promoting Racial Equity Analysis," July 2016.

¹⁶ Ibid.

Educational inequity is often the result of housing, income, and labor inequities among other reinforced barriers that prevent families of color from reaching economic opportunity. New York’s students of color have been and continue to be shortchanged even fifteen years since the decision of the Campaign for Fiscal Equity (CFE) case, which determined that the state was violating the New York State Constitution by underfunding schools in low-income communities.

The perpetuation of educational inequity ties directly to high levels of child poverty. Research shows that students in low-performing schools often come from low-income households and often do not perform as well in school as those from more advantaged households.¹⁷ In large school districts in upstate New York, those including Priority Schools, have lower high school graduation rates than the state average, and a much higher proportion of children in poverty.

Fig 14. Large Upstate School Districts Have Lower Graduation Rates and Higher Poverty Than Average



Sources: FPI Calculations

of U.S. Census, 2016 American Community Survey 1-Year Estimates, January 2018; New York State Education Department, Graduation Rates: Students Who Started 9th Grade in 2012, December 2015.

According to Helen Ladd, a noted education policy expert, school performance by students from low-income households is heavily affected by “poor health, limited access to home environments with rich language and experiences, low birth weight, limited access to high-quality preschool opportunities, less participation in many activities in the summer and after-school that middle-class families take for granted, and more movement in and out of schools because of the way the housing market operates for low-income families.” New York has long ignored the ill effects of poverty on student learning and despite some new reforms, continues to drag its feet in addressing the barriers that disadvantaged children face.

However, these barriers can be broken. For example, poor health and nutrition can be corrected by further investment in high-quality early childhood and UPK programs. Additionally, low-income families cannot always give children

¹⁷ See, for example: “The Long Reach of Early Childhood Poverty,” Greg Duncan and Katherine Magnuson, *Pathways* (Winter 2011); and “Education and Poverty: Confronting the Evidence,” “Whither Opportunity? Rising Inequality and the uncertain life changes of low-income children,” Greg Duncan and Richard Murnane, Russell Sage, New York, 2011. Helen F. Ladd, *Journal of Policy Analysis and Management*, Vol. 31, No. 2, 1-25 (2012).

the enrichment experiences privileged families routinely provide. High-quality after-school and summer programs mitigate this issue and give students a safe place to learn and succeed.¹⁸

In the end, money matters the most to low-income communities and to communities of color. Students are more likely to graduate high school, and attend college if per pupil spending is increased by just 10 percent.¹⁹

Higher Education

Educating students, contributing to groundbreaking academic research, enriching the state's cultural environment, and robustly contributing to the state's economy are all reasons for New York to take immense pride in SUNY and CUNY. Unfortunately for these institutions, the state has starved them of resources, forcing them to make do with less and pass along burdens to the students.

The twin needs of SUNY and CUNY are quality and affordability. Investment in New York's higher education system make it possible for colleges and universities to maintain and expand on a high level of quality. Funding must make it possible to hire and retain great professors, keep student-faculty ratios at a reasonable level, and provide for the buildings and equipment that make for good learning environments. At the same time, higher education must be affordable to students, irrespective of their family income or life circumstances.

An Update on the Excelsior Scholarship

Last year, the Excelsior Scholarship caused a stir because it was a “conceptual breakthrough,” elevating the idea of free college tuition and suggesting that free public college is a realistic goal. The program helps make college more affordable for some working- and middle-class students whose families earn up to \$110,000 beginning this year.²⁰

To qualify, students must be residents of New York State and complete their chosen degree in two or four years. Students must also maintain good academic standing and be enrolled full-time in their program. Upon graduation, there is a post award state residency requirement of up to four years (one for each year of the scholarship), which will convert to a zero-interest loan if the recipient moves out of New York State or fails to complete the degree. Students who attend graduate programs afterwards can go out of state but then must return after they complete their degree. There is a 10-year loan repayment term if the student does not meet the requirements. The funding for the scholarship covers the cost of tuition after TAP, Pell grants, and other financial aid awards and tuition credits are applied, limiting the group of students who could become eligible for the scholarship.²¹

Approximately 45,000 students applied for the scholarship, of which 23,000 were fully covered by TAP and Pell grants, leaving 22,000 students benefiting directly from the program. Last year's financial plan estimated a total cost of \$163 million, breaking down to \$41 million to cover the first year of the program in FY 2018 and \$118 million for FY 2019.²²

¹⁸ Helen Ladd,

https://www.scholarstrategynetwork.org/sites/default/files/ssn_key_findings_ladd_on_education_and_poverty_1.pdf, 2013.

¹⁹ Alliance for Quality Education, <http://www.aqeny.org/wp-content/uploads/2017/02/NYS-Perpetuates-educational-inequity-on-Long-Island-final-2.pdf>, 2017.

²⁰ Fred Floss, “Excelsior Scholarship,” Fiscal Policy Institute, January 2018.

²¹ Fred Floss, “Excelsior Scholarship,” Fiscal Policy Institute, January 2018.

²² Ibid.

Affordability and Quality Go Together

The Excelsior Scholarship only addresses part of the need to make college affordable, since it does not address the many needs of lower-income, part-time, or non-traditional students, and it explicitly excludes the undocumented students who have for years been advocating for the NYS Dream Act (see immigration section). New York ranks 5th among the states when it comes to the average amount of cumulative student debt borrowed by its students. In 2014, the average amount of debt was \$14,000 for undergraduate students. Part of the reason for the high debt is the number of private schools with higher tuition and fees.²³

As with other loan programs, students who drop out before they complete their degree or are not full-time students, will be saddled with a loan and an increase to their debt. Luckily, this does not happen under the current TAP program, which allows students to take 12 credit hours per semester instead of 15 credits. For many students who pay for college, the choice will be to take the Excelsior Scholarship and try to go full-time with a high probability they will not perform well in their classes versus not taking the scholarship and going to school part-time.

Adequate Funding for SUNY and CUNY Would Enhance the Quality of Public Higher Education

Affordability is just one half of the need; the other half is quality. The Executive Budget does not provide a corresponding investment in expanding capacity or ensuring quality education at the state's chronically underfunded universities. Inflation-adjusted operational funding for SUNY and CUNY has declined for some time (measured on a per student, full-time equivalent basis). Both university systems need a restoration of public funding to address the systematic disinvestment in academic quality.

For both SUNY and CUNY, the most immediate step in restoring public funding is covering the "TAP gap" caused by the legal requirement that CUNY provide eligible students with a "TAP waiver credit," covering the difference between the rate of tuition and the maximum TAP award.²⁴ CUNY currently requests \$59 million in covering their "TAP gap"²⁵ and SUNY requests \$65 million.²⁶ Closing the "TAP gap" would go a long way in relieving some of the financial stresses on SUNY and CUNY campuses.

Additionally, it is critical to preserve the quality of education by reducing student-faculty ratios, making needed capital improvements, and improving working conditions for underpaid adjunct and part-time faculty. As enrollment continues to grow at both SUNY and CUNY, state support has decreased, leaving decreased numbers of full-time faculty, larger class sizes, and limited courses due to budget cuts. In 2000, SUNY employed more than 10,000 full-time faculty to instruct 185,000 students, and today there are just over 8,000 full-time, tenure-track faculty to teach over 222,000 students.²⁷ Today at CUNY, there are 7,600 full-time faculty and 274,000 students compared to 11,500 full-time faculty and 250,000 students in 1975.²⁸

For both institutions, there is the persistent problem of fair pay for adjunct faculty. Both CUNY and SUNY, like many other academic institutions across the country, have tried to cope with the decrease in per-student funding and growth in enrollment through relying on adjunct faculty. Adjunct faculty are paid less than half the rate of full-time faculty,

²³ U.S. Department of Education, National Center for Education Statistics, 2011-12 Beginning Postsecondary Students Longitudinal Study, First Follow-up (BPS:12/14).

²⁴ Professional Staff Congress, "Testimony of the Professional Staff Congress/CUNY," January 2018.

²⁵ Ibid.

²⁶ United University Professions, "Testimony on the 2018-19 Executive Budget," January 2018.

²⁷ United University Professions, "Testimony on the 2018-19 Executive Budget," January 2018.

²⁸ Professional Staff Congress, "Testimony of the Professional Staff Congress/CUNY," January 2018.

despite many adjuncts having the exact same qualifications as their full-time, tenure-track colleagues.²⁹ In 2000, CUNY employed 7,800 adjunct faculty and in 2016, it employed 14,400 adjuncts.³⁰ This staggering increase in adjunct faculty signifies the lack of state support and difficult decisions forced by budget cuts.

It is deeply inequitable and shameful to expect part-time, underpaid, and contingent faculty to be able to provide the same level of opportunities for mentorship, individual attention, and access to resources as people who are paid as full-time permanent employees. Many adjuncts rely solely on their adjunct teaching for their entire income. Teaching as a full-time lecturer at CUNY, for example, nets about \$25,000 in annual income.³¹ To put that into perspective, the ALICE report, mentioned in the Human Services section of this report, says that the average annual household survival budget for a single adult in Kings, Queens, and New York counties is approximately \$27,300.³²

Further stories in the media about adjuncts living in their cars and enrolling in public assistance programs like Medicaid show the plight of a highly educated workforce living in poverty.³³ Institutions like SUNY and CUNY should be able to continue to provide the quality education that they are known for without having to compromise on faculty, students, and their infrastructure because of the lack of funding.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² United Way of New York, ALICE Report, 2016.

³³ The Guardian, “Facing poverty, academics turn to sex work and sleeping in cars,” <https://www.theguardian.com/us-news/2017/sep/28/adjunct-professors-homeless-sex-work-academia-poverty>, September 2017.