

**No Funding, No Fairness:
The State of Our Schools in 2004**

A Report By the Public Policy and Education Fund, Inc.

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This report is the third in a series of reports that analyze the impact of state policy decisions on school districts and school children across the State of New York.

This report was written by Bob Cohen of the Public Policy and Education Fund, Inc. (PPEF) based on data, tables, and charts provided by Frank Mauro, the Executive Director of the Fiscal Policy Institute (FPI). PPEF supports community organizing, research, and public education on issues of concern to low and moderate income New Yorkers. FPI is a nonpartisan research and education organization that focuses on a broad range of tax, budget, economic and related public policy issues that affect the quality of life and economic well-being of New York State residents. Both PPEF and FPI are members of the Alliance for Quality Education.

The Alliance for Quality Education (AQE), formed in 2000, is a coalition of over 230 organizations statewide dedicated to ensuring that the constitutional right to a quality education becomes a reality. Local AQE affiliates presently exist in Western New York, the Finger Lakes, the Southern Tier, Central New York, Westchester, New York City, and Long Island.

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SUMMARY OF MAJOR FINDINGS

The Legislature passed a 2004-05 budget that not only failed to implement the court order in the *Campaign for Fiscal Equity* case, but actually moved school aid backward.

1. **School districts statewide received \$1.7 billion (78%) less of an Operating Aid increase than they would have received had the first year of the CFE "Adequate Foundation for All Plan" ("CFE Proposal" or "CFE Plan") been implemented. New York's local school districts received an Operating Aid¹ increase of \$475.4 million, or 4.3% in the 2004-05 school year. Under the CFE Plan, they would have received a \$2.1 billion increase in 2004-05, as first step in a four-year plan. This amounts to a "constitutional funding gap" of 78%.²** A constitutional funding gap is the percentage difference between what a school district should have received in the 2004-05 school year under the CFE Proposal and what it actually received in the enacted budget.
 - ✓ **New York City and 55 of the other 57 counties in the state all had constitutional funding gaps.** The only exceptions were Hamilton County with 549 students and Putnam County with 17,103 students.
 - ✓ **Each of the state's five biggest cities had constitutional funding gaps.** New York City had a funding gap of 76.9%, Buffalo, 75.0%, Rochester, 71.0%, Syracuse, 69.0%, and Yonkers, 68.3%
2. **Despite the CFE court order mandating that a greater share of state school aid dollars be distributed to needy school districts, the additional aid in the enacted budget was not distributed to school districts based on the relative student needs of each district. Nor was this additional aid distributed on the basis of the relative ability of the various districts' taxpayers to pay for education.**
 - **Free and Reduced Price Lunch Measure (Poverty):**
 - The wealthiest 20% of school districts (Poverty Deciles 9 & 10, encompassing the 136 school districts in the state with the lowest percentages of poor children) received Operating Aid increases of 3.7% and 3.2%, a larger increase than the school districts in Poverty Deciles 2 through 8 (whose increases ranged from 1.8% to

¹ This study uses the terms "State Aid for Basic Educational Operations" and "Operating Aid" interchangeably. As explained in the full report, since "Total State Aid" contains additional items such as building aid that do not reflect the funds available for school districts for basic school operations, we consider the Operating Aid measure the more appropriate one for the purpose of comparisons. The Total School Aid Increase for 2004-05 was \$740.5 million, or 5.3%.

² CFE only proposed to give school districts in 2004-05 roughly 25% of the incremental increases they would have needed in 2004-05 to meet the requirements of the state constitution.

3.1%). (Poverty Decile 1, which includes New York City, received a 5.7% increase.)

- ***SED "Need/Resource Category" Measure (SED Classification Based on School District Taxpayers' Ability to Pay for Education Relative to the Needs of the Children in Their District's Schools):***
 - The five biggest cities in the state, all "high-need" districts, individually and collectively received higher funding increases than the state average of 4.3%. New York City (its own need/resource category) received an increase of 5.8%, and the "Big Four" Cities (Buffalo, Rochester, Syracuse and Yonkers), received an average increase of 6.6%.
 - However, the "high-need" districts in the state other than the "Big 5" collectively did worse than the state average. The 43 high-need urban and suburban districts other than the Big 5 received a 3.6% increase, and the 159 high-need rural districts received a 3.2% increase – both less than the state average of 4.3%.
 - The 135 districts with the most wealth relative to their student need (*i.e.*, the SED "Low-Need/Resource Category") collectively received a 3.5% increase -- similar to what the poor urban and suburban districts received (3.6%).
 - Average-need districts did the worst with a 2.3% increase.
- ***SED "Combined Wealth Ratio" Measure (Combination of Income and Property Wealth in the School District):***
 - The third, fourth and fifth poorest 10% of districts in the state by ability to pay for their children's education (CWR Deciles 3-5) received smaller average school aid increases (ranging from 1.6% to 2.3%) than the wealthiest 50% of the districts in the state (CWR Deciles 6-10; ranging from 2.6% to 5.3%).

3. Under the CFE Plan, the distribution of aid would have been radically different, and the overwhelming majority of districts would have received greater funding than in the enacted budget.

- ✓ **A comparison between the 2004-05 enacted budget and the first year of CFE Proposal -- a plan that rationally directs state funding based on student needs and district capacity -- reveals that the enacted budget did not direct the additional funding based on relative student needs in each district and the relative ability of district taxpayers to pay for education. High-need and average-need districts suffered from a "constitutional funding gap." However, wealthy districts generally fared better off under the enacted budget than they would have fared had the CFE Plan been enacted: a "negative" constitutional funding gap.**

- ***Free and Reduced Price Lunch Measure (Poverty):***
 - Each of the 8 deciles with the most needy children had a large "constitutional funding gap." The gap ranged from 68% (Poverty Decile 8) to 88% (Poverty Deciles 3, 4, 5, 6). The wealthiest 10% of school districts received 10% more on average in the 2004-05 budget than they would have received under the CFE Proposal, and the second wealthiest 10% received 65% more.

- ***SED "Need/Resource Category" Measure (SED Classification Based on School District Taxpayers' Ability to Pay for Education Relative to the Needs of the Children in Their District's Schools):***
 - Only the 135 "low-need" districts fared better under the enacted budget than they would have under the CFE Plan, collectively receiving 6.9 times the increase (\$23.0 million versus \$2.9 million, or 688.2%) than they would have received under CFE.
 - The high-need districts as a whole had a constitutional funding gap of 77.9%, slightly higher than the state average.
 - Average-need districts had a gap of 82.4%.

- ***SED "Combined Wealth Ratio" Measure (Combination of District Income and Wealth):***
 - The 7 deciles representing the 70% of school districts with the lowest combination of income and property wealth all had large "constitutional funding gaps," ranging from 66.4% (CWR Decile 7) to 90.6% (CWR Decile 5).
 - Only the wealthiest 30% of districts fared better under the current budget than they would have under the CFE Proposal.

INTRODUCTION

This report³ examines what really happened to state school aid in 2004-05, the school year that followed the state Court of Appeals' landmark June 2003 *Campaign for Fiscal Equity (CFE)* decision. **We look at the funding in 2004-05 from two broad perspectives: the increases in state aid provided to school districts throughout the state, and the critical issue of adequate funding underlying CFE:** the need to base state aid on the relative needs of children in school districts around the state, and on the relative revenue-raising capacity of local districts.⁴

In order to address the adequacy issue, we compared the increase in education aid actually provided by the Governor and the Legislature for the 2004-05 school year (\$475 million) with the amount of increased state aid that would be necessary to provide children with their constitutional rights: the \$2.1 billion recommended by the "Sound Basic Education Task Force" ("SBE Task Force") created by the Campaign for Fiscal Equity.⁵ The \$2.1 billion figure is the best benchmark we have available of how a rational and fair state funding formula would allocate our state aid dollars, as the proposal resulting from the Task Force, the "Adequate Foundation for All Plan," was designed to fully comply with the requirements of the *CFE* decision. We call the percentage difference between what a school district would have received in the 2004-

³ This is the third of a series of reports analyzing the impact of state educational policy decisions on school districts and children throughout New York State. The first two are: "The State of Our Schools: The Effect of the 'Bare Bones' Budget on New York School Districts" (January 2002), and "The State of Our Schools (Part II): The Combined Effect of the 2001-02 'Bare Bones' Budget and the Proposed 2002-03 State Aid 'Freeze'" (April 17, 2002). Both reports are available at www.allianceforqualityeducation.org.

⁴ The *CFE* litigation prevailed on the issue of *adequacy* rather than *equity*, namely the claim that education for New York City schoolchildren fell below the minimum standards mandated by the state constitution. Nevertheless, the plaintiffs raised as a central concern that New York City was being underfunded in comparison to other districts in the state.

⁵ The Campaign for Fiscal Equity, Inc. is a non-profit organization of educational advocates that brought the landmark lawsuit of the same name.

05 school year under the Task Force plan and what it actually received as the "constitutional funding gap."

In *CFE v. State*, New York State's highest court held that New York City schoolchildren had been denied a "sound, basic education" in violation of the Education Article of the state constitution.⁶ In a case brought by New York City parents in response to the historic underfunding of City schools, the Court agreed with the parents -- following a lengthy trial in the lower court -- that "tens of thousands of students ... [had been] placed in overcrowded classrooms, taught by unqualified teachers, and provided with inadequate facilities and equipment." In response, the Court of Appeals ordered the Governor and the Legislature (effectively through legislation) by July 30, 2004 to: (i) determine the "actual cost" of providing a sound, basic education in New York City, (ii) ensure that every school has the resources necessary for providing the opportunity for a sound, basic education, and (iii) ensure a system of accountability to measure whether the reforms actually provide this opportunity.

The *CFE* lawsuit was in part a response to the overarching deficiencies in New York State's education finance system, sometimes known as the education funding "formula," which has been recognized by 30 years of state commissions, educational advocates, and now, the courts.⁷ Most significantly, the present system is extraordinarily "unfair to pupils and taxpayers in school districts with lower than average revenue-raising capability and/or higher than average needs... fails to provide adequate consideration to students with special needs; and does not recognize regional and/or

⁶ *Campaign for Fiscal Equity v. State*, 100 N.Y.2d 893 (2003). More specifically, the court held that the state constitution required that students from kindergarten through grade 12 receive a "meaningful high school education" that will provide them with the necessary skills to be capable citizens and obtain "competitive employment." The web page of the plaintiffs (www.cfequity.org) contains extensive materials on the background of the case, including the briefs and other submissions of the parties. CFE's web site, and AQE's (www.allianceforqualityeducation.org) both contain extensive information about the legislative struggle for a new school aid formula, including the major reform proposals of advocates and state leaders.

⁷ See Campaign for Fiscal Equity, Inc., "Sound Basic Education Task Force: Ensuring Educational Opportunity for All: Final Report," (May 2004), at 16-20 ("CFE Sound Basic Education Task Force Report," "CFE SBE Task Force Report" or "SBE Task Force Report.") The report is available at <http://www.wfequity.org/SBETaskForceFinalReport.pdf>.

local cost differences."⁸ The politics of the Legislature and the Governor, including a desire to give certain "shares" to certain regions of the state, year-to-year fiscal problems, and the creation of "categorical" programs, all have contributed to an irrational and unfair school aid system in which student needs and school districts' ability to pay for education are not the primary determinants of how much a district receives from the state.⁹

The Public Policy and Education Fund (PPEF) is a member of the Alliance for Quality Education (AQE), a statewide coalition of over 230 organizations around the state that was established in part to coordinate the efforts of an increasing chorus of organizations and individuals concerned about the state's failure provide adequate funding to all of its schools, and poor urban, rural and suburban districts in particular. Past reports by AQE members have helped to document this failure, and the positive statewide impact of funding reform. A 2001 PPEF report found that enactment of a comprehensive educational funding reform plan with many of the central features of the CFE Plan would provide increased state aid to roughly 2 of 3 school districts in the state.¹⁰ Further, a March 2003 PPEF report determined that the 65 school districts in the state with at least one school listed as "in need of improvement" under the federal No Child Left Behind Act -- generally districts with larger than average numbers of poor children and those with greater educational needs -- were spending roughly \$2000 or

⁸ CFE SBE Task Force Report, at 16-17.

⁹ As the trial court said in the *CFE* case:

The evidence at trial demonstrated that the formulas do not operate neutrally to allocate school funds---at least with respect to annual increases in State aid. *Rather the formulas are manipulated to conform to budget agreements reached by the Governor, the Speaker of the State Assembly, and the Senate Majority Leader.*" *CFE v. State of New York*, 187 Misc.2d 1, 93 (S.Ct, N.Y. Co, 2001) (emphasis added).

See also, for example: State Comptroller. "A \$3.4 Billion Opportunity Missed: Despite Four Years of Large Increases State School Aid Formulas Still Don't Provide Equitable, Predictable or Efficient Funding," November 2000.

¹⁰ "Upstate, Downstate: Schools Throughout New York Will Benefit From Funding Reform," Public Policy and Education Fund, March 12, 2001. The report found that the rest of the districts would not be cut, however, due to the "save harmless" feature of the plan prohibiting districts from receiving less than the amount received prior to the inception of the plan.

18% less per-child than the other school districts in the state.¹¹ This report documents that the state is continuing to shortchange its neediest children, and that a rational school aid system would economically benefit the overwhelming majority of schoolchildren in the state.

Due to the *CFE* decision, the annual fight over the 2004-05 state budget began with some hope of reforms to the system of unequal school funding in the state. However, the 2004 legislative session ended in monumental failure with a small increase in school aid and no fundamental reform of the state's irrational and unfair school aid formula.¹²

Early in the session, there appeared to be a consensus of our state leaders on the need for systemic statewide reform. While the remedies ordered in *CFE* only applied to New York City, where the case arose, the Governor, Assembly Speaker and the Senate Majority Leader all repeatedly called for statewide reforms after the decision. The Governor, who had fought the Campaign for Fiscal Equity's claims in court for years, changed his rhetoric after the Court of Appeals decision, declaring that the decision presented a "historic opportunity" for reform. He appointed a 20-member Commission on Education Reform, known as the "Zarb Commission," to address the decision and other related issues.¹³

However, the "historic opportunity" for reform was ultimately missed. The billions of additional dollars required to comply with the court decision did not materialize, because the Legislature and the Governor were unable to agree on reforms that complied with the decision by the July 30th court deadline.

¹¹ "Separate and Unequal: Pataki's Budget Cuts Hit Struggling Schools the Hardest," Public Policy and Education Fund, March 19, 2003.

¹² Although the state fiscal year begins each year on April 1st under the state constitution, in 2004, the state budget was passed in August. The primary reason for the delay was the failure of state leaders to agree on the school aid budget.

¹³ AQE's analysis of the reform proposals of each of the three state leaders, including the Governor's plan that was roughly based on the recommendations of the Zarb Commission, is available at www.allianceforqualityeducation.org.

Instead of formula reform, Operating Aid for education statewide was increased by only \$475 million over the previous year, or 4.3%.¹⁴ Although this increase was an improvement over the Governor's Executive Budget, which would have provided \$101 million¹⁵ in increased Operating Aid aid, less than what was required to keep up with inflation, the final budget at best enabled many districts to maintain current programs, and some school districts have had to make program cuts this school year. The \$475 million amount was provided despite the fact each of the studies done in anticipation of or in response to the decision found that billions of additional dollars had to be appropriated for school districts around the state to secure the constitutional rights of the schoolchildren of the state.

What this report found is extremely disturbing, but unfortunately not surprising: the state continues to shortchange its school districts, particularly its "high-need" districts. We found in this report that school districts statewide received \$1.7 billion less in Operating Aid this year than they would have received under the CFE Proposal: a constitutional funding gap of 77.7% statewide.

Secondly, we document beyond any doubt that the state in 2004-05 utterly failed to address the mandate of the Court of Appeals. The additional aid provided to the Legislature in the enacted budget was not distributed to school districts based on the relative student needs of each district. Nor was this additional aid distributed on the basis of the relative ability of the various districts' taxpayers to pay for education. Our analysis showed that the 207 "high-need" districts in the state -- districts with larger proportions of poor and other needy children -- had a "constitutional funding gap" of 77.9%, slightly higher than the state average. Funding for poorer districts shouldn't be

¹⁴ The \$475 million figure excludes certain items such as building aid and BOCES aid to enable better comparisons between districts; it is the number used in the text of this report for the purposes of comparison with the CFE "Adequate Foundation for All" Plan. The "Total Aid" increase was \$740.5 million. See the "Methodology and Findings" section of this report for a fuller explanation of the difference between the \$475 million and \$740 million figures.

¹⁵ The Governor's proposed increase in "Total Aid" was \$147 million.

keeping pace with the rest of the state. We should be closing the funding gap for these districts.

Further, we found that the 43 "high-need" urban districts in the state other than the "Big 5" (New York City, Rochester, Buffalo, Syracuse, and Yonkers) received only a 3.6% increase in Operating Aid, and the 159 high-need rural districts received a 3.2% increase, both less than the state average of 4.3%. The Big 5 received more of an increase than the state average this year, but these cities, with large numbers of needy children, still had "constitutional funding gaps" ranging from 69% to 77%. Only the 135 "low-need" districts in the state fared better under the enacted budget than under the CFE Plan.

The Governor has conceded in court that nothing was done to modify the existing school aid formula that was the basis of the *CFE* decision.¹⁶ The analysis in this report confirms this, and demonstrates that the 2004-05 budget if anything exacerbated the existing inequities.

The simple message of this report is that high-need districts, with large numbers of poor children, English Language Learners and disabled children, continued to be shortchanged by the state in 2004 -- despite a landmark court decision calling for a reversal of this trend. However, our study also shows that even "average-need" districts would significantly benefit from funding reform. These districts, roughly half the school districts in the state, suffer from a "constitutional funding gap" of 82.4% -- the highest gap of any of SED's six "need/resource categories" of districts. Given the shocking failure by our state leaders to comply with the state constitution, and to enact common-sense reforms that would benefit nearly every schoolchild in the state, the public must continue to speak out forcefully on behalf of public education.

¹⁶ See, Memorandum of Attorney General Eliot Spitzer on Behalf of State of New York, *CFE v. State*, Before the Panel of Special Masters, at 2. (September 1, 2004) This brief is available at <http://www.cfequity.org/StateBrief.9.1.04.pdf>.

METHODOLOGY AND FINDINGS

I. Methodology: This study compares the amount of formula-based or computerized aid in the enacted 2004-05 state budget to the CFE Adequate Foundation for All Plan for the 680 school districts in the state. For the enacted state budget, we use data from the State Education Department's "school aid runs." The "runs" use two measures: "Total School Aid," and a smaller number, that is used as the basis for this study: "State Aid for Basic Educational Operations," or simply "Operating Aid."¹⁷ The Operating Aid figure excludes from Total School Aid a number of items (building aid, BOCES, transportation, full day kindergarten, special services, reorganization incentive aid, and growth aid) which either fluctuate widely or are otherwise unrelated to the amount actually available for school operations so as to distort year-to-year comparisons, or comparisons between districts.¹⁸

The Operating Aid figure is also used in this study to compare school aid in enacted budgets with school aid figures proposed in the CFE Adequate Foundation for All Plan as a means of determining the extent that the state aid actually provided compares with a solid plan that addresses the requirements of the *CFE* decision and the state constitution (see Section II below for an explanation of this plan, and why we used it rather than other data sources).¹⁹

In order to determine the distribution of Operating Aid increases throughout the state for 2004-05, this study also aggregates the district-by-district data in regard to Operating Aid increases by decile (each decile has 10% of the total districts) based on

¹⁷ An example of a school aid run for one district (Albany City School District), with each of the aids listed, and the Total and Operating Aid figures provided for the district: is at: <http://www.nysed.gov/stateaid/dist/legis04/cb/010100.HTML>.

¹⁸ The use of the term "Operating Aid" in this report is more all-encompassing than the "Operating Aid" category in the present funding formula.

¹⁹ The two numbers are directly comparable because the CFE Proposal numbers also exclude virtually the same items: building aid, BOCES, transportation, and growth aid.

three standard school district measures used by the State Education Department (SED): (i) "SED Need/Resource Categories;" (ii) numbers of students eligible for free and reduced price lunch (a measure of poverty); and (iii) the "combined wealth ratio (CWR)."²⁰

Each school district is placed in one of six SED "Need Resource" categories based on SED's "N/RC Index," a measure of a district's ability to meet the needs of its students with local resources. Specifically, school districts are classified based on school district taxpayers' ability to pay for education locally as compared to the needs of the children in their district's schools. The Need/Resource categories are: (1) New York City public schools; (2) "Large City" or "Big 4" Districts (all high-need: Buffalo, Rochester, Syracuse and Yonkers: the biggest 4 school districts in the state other than NYC); (3) High-Need Urban-Suburban Districts; (4) High-Need Rural Districts; (5) Average -Need Districts; and (6) Low-Need Districts. This study also sometimes combines the data for the four high-need categories to enable comparisons between high-, average-, and low-need districts (see, for example, Figure 7).

The free and reduced price lunch measure is determined by the number of students in kindergarten through grade 6 participating in the free-and-reduced-price lunch program divided by the enrollment in full-day kindergarten through 6, expressed as a percentage.

Finally, the CWR is a measure of a combination of the income and property wealth in any particular school district. Specifically, the CWR for any district is an average of two ratios: the ratio of the district's property wealth per pupil to the statewide average property wealth per pupil, and the ratio of the district's income per pupil to the statewide average income per pupil. This study also aggregates certain data by county.

²⁰ For a more complete explanation of these three concepts, see the definitions of "Need/Resource Capacity (N/RC) Code," "Percent Free/Reduced Price Lunch," and "CWR" in the glossary contained in SED, "New York: The State of Learning: A Report to the Governor and the Legislature on the Educational Status of the State's Schools: Submitted July 2003" (available at www.nysed.org).

We also compared the enacted school aid numbers for 2004-05 with the district-by-district increases in school aid for 2004-05 developed by the SBE Task Force in the CFE "Adequate Foundation for All Plan." The Plan was developed by the SBE Task Force, under the leadership of CFE, the New York State School Boards Association, and the Fiscal Policy Institute; the Task Force's membership included representatives of over 20 education organizations and governmental entities.²¹ The Plan utilizes a "foundation formula" that determines how much each school district in the state would receive based on a statewide "Sound, Basic Education Foundation Amount" that includes virtually all school district educational expenses, and then adjusts this figure for any district – and the resulting breakdown between the local and state share of aid – based on a number of factors relating to the relative needs of children in the school district and property taxpayers' ability to pay for education locally. The Plan, in summary:

- begins the calculation of each school district's allocation of state aid by determining a "Sound Basic Education foundation amount" statewide consisting of virtually all school district education expenses except for transportation, facility construction costs, debt service, and high cost public and private special education placements;
- determines each district's SBE foundation based on a statewide average foundation amount per pupil by adjusted by a) "needs index" reflecting poverty, disability levels, numbers of English language learners and a small school size factor; and b) a geographic cost of education index;
- determines the responsibility for financing each district's SBE foundation amount between the local district and the state government on the basis of the district's relative "ability to pay" as measured by poverty-weighted property and income wealth ratios; and
- phases in the Plan over a four-year period, appropriating roughly 25% of the new allocation for each of the next four years to reach the full amount.²²

²¹ CFE SBE Task Force Report, at 21. The list of the organizations and governmental entities appears at Appendix A of the Task Force Report. Membership on the Task Force does not imply endorsement of the proposal by the organization that any task force member represents.

²² CFE SBE Task Force Report at 21-23. The formula used to calculate any district's state funded Operating Aid is summarized by the SBE Task Force as follows:

- (a) The State Per Pupil SBE Foundation Amount TIMES
- (b) The District's Enrollment TIMES

The Plan (and specifically, the SBE foundation amount, the needs index, and the geographic cost of education index in the Plan) are derived from the New York Adequacy Study. This independent study was undertaken to comply with the mandates of the trial court and the Court of Appeals in *CFE* that the state determine the "actual cost" of providing the opportunity for a sound, basic education. Performed by two highly experienced firms, the New York Adequacy Study is the most comprehensive costing-out study ever performed in the United States. Therefore, the "district-by-district" numbers used in the Plan are based on the "actual cost" of providing a "sound, basic education," one of the main requirements of *CFE*.

Under the CFE Plan, the full amount each school district is required to ultimately receive to meet the constitutional standard would be phased-in in a four-year period, with each district receiving roughly 25% of the full amount in 2004-05, the Plan's first year.²³ The CFE Proposal, based on the findings of the New York Adequacy Study, estimated that school districts statewide would need \$8.5 billion more in Operating Aid if fully implemented in the 2004-05 year. However, due to the four-year phase-in feature of the plan, CFE only proposed a \$2.1 billion increase for 2004-05.²⁴ Therefore, our assignment of a "constitutional funding gap" for any district (or category of districts) in this study involves comparing current funding levels to a plan which itself does not purport to give school districts the spending levels they are constitutionally entitled to in the first year. Simply put, it is arguable that the "constitutional funding gap" numbers should be significantly higher than in this study.

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- (c) The District's Educational Needs Factor TIMES
 - (d) The District's Geographic Cost Index Factor LESS
 - (e) The District's Local Operating Aid Contribution
- (Based on the District's Relative Poverty-Adjusted Property Wealth and Income Wealth Per Pupil). *Id.*, at 15.

²³ The intent of the CFE SBE Task Force in making this proposal was to "fairly balance[] the urgent need to ensure all children their constitutional right for a sound basic education with the practical need for time for planning and implementation to ensure that the additional funds are spent efficiently and effectively." CFE SBE Task Force Report, at 37.

²⁴ *Id.*, at 36.

To calculate the "constitutional funding gap" for any school district, we divided the increase received by the district by the increase the district would have received for Operating Aid in 2004-05, and expressed it as a percentage. The result was subtracted from 100%, so a minus number means that a district has a "constitutional funding gap."²⁵ A positive number (for example, the 688% figure for the low-need resource category districts in Figure 2) means that the category of districts would do better under the current enacted budget than under the CFE Plan.

II. Why the Adequate Foundation for All Plan Was Used in this Study: The reason PPEF used the district-by-district recommendations from the "Adequate Foundation for All Plan" is that it is the only reliable measure available of how much each school district in the state should have received in the 2004-05 school year. As already stated, this independent study, the most comprehensive costing-out study ever performed in the United States, was undertaken to comply with the mandate of the *CFE* courts that the state determine the "actual cost" of providing the opportunity for a sound, basic education. The educational model used in the Adequacy Study "is the first in New York State to directly confront the critical issue of the precise level of resources needed to provide *all* students in the state the opportunity to meet the Regents Learning Standards..."²⁶

In this report, we rejected using the two additional "studies" that have been purportedly undertaken to measure the cost of providing a "sound, basic education" for each school district in the state. The first was performed by the New York State Regents as part of their 2004-05 Proposal on State Aid to School Districts. The Regents' study was not used for this report because it was an:

²⁵ For example, a figure of -70.0% in the charts, which we refer to in the text as a "constitutional funding gap of 70%", means that the category of districts received 70% less of an increase under the 2004-05 enacted budget than it would have received had the CFE Plan been in effect in 2004-05.

²⁶ CFE SBE Task Force Report, at 7.

in-house analysis, based on available data, that was undertaken on an expedited basis ... to provide an analytical basis for the Regents' annual state aid proposal. The published description of its methodology and findings is brief and offers only partial data and limited analyses that, on its face, does not purport to be a full-scale study.²⁷

The second was performed by Standard and Poor's for the Zarb Commission to assist it with developing its school aid proposals to resolve *CFE v. State*, but is not a true costing-out study:

According to the S&P researchers, their mission was to provide a range of data, based on a variety of assumptions and estimates, "to inform the Commission's deliberative process, not to determine its outcome." In other words, the S&P researchers did not purport to be conducting a comprehensive costing out study that would determine the actual cost of providing a sound basic education.²⁸

III. Findings: The major findings of our analysis are as follows.

1. School Aid Increases, School-Year 2004-05: The 680 school districts in the state received an Operating Aid increase of only \$475.4 million, or 4.3% in 2004-05 (Figures 1, 2). This is compared to a Total State Aid increase of \$740.5 million, or 5.3%.²⁹

2. Distribution of School Aid Increases, School Year 2004-05: In a year following a court decision mandating that a greater share of state school aid dollars be provided for "high-need" districts, the additional aid was not distributed according to districts with the greatest needs, measured by the percentage of pupils in the district eligible for free or reduced price lunch. While the 68 districts in the poorest poverty decile (Poverty

²⁷ Memorandum of the Campaign for Fiscal Equity, Inc., *CFE v. State*, Before the Panel of Special Masters (September 1, 2004), Appendix, at 10 ("Appendix to CFE Memo Before Special Masters").

²⁸ Appendix to CFE Memo Before Special Masters, at 5-6.

²⁹ School Aid Runs, Adopted Budget, available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>.

Decile 1) did receive the highest percentage increase of any decile (5.7%), this is heavily influenced by the fact that New York City, which received a total increase of 5.8%, is included in this decile. There is little or no correlation between the numbers of students eligible for free and reduced price lunch and the percentage increase the district received. For example, the wealthiest two deciles (Poverty Deciles 9 and 10) received Operating Aid increases of 3.7% and 3.2% respectively, while deciles 2 through 8 had increases ranging from 1.8% to 3.1% -- less than that the amount received by the 20% of school districts with the lowest concentrations of poor students (Figures 2-4).

Nor was the additional aid distributed to school districts on the basis of the relative ability of taxpayers of school districts to pay for education locally. This can be shown by examining the distribution of the operating aid received by SED need/resource categories -- a SED classification of districts based on local taxpayers' ability to pay for their children's education. New York City (its own SED need/resource category) received an Operating Aid increase of 5.8%, and the "Big Four" Cities (Buffalo, Rochester, Syracuse and Yonkers), received an increase of 6.6%, both more than the 4.3% increase for the state as a whole. (The individual increases for the "Big 4" are as follows: Buffalo, 5.0%; Rochester, 8.3%; Syracuse, 6.9%; Yonkers, 6.9%.) However, the 43 districts in the "Other Urban and Suburban High Need/Resource Category" received a 3.6% increase, and the 159 high-need rural districts received a 3.2% increase -- both less than the state average of 4.3%. The 135 districts with the most wealth compared to their district needs (the "Low Need/Resource Category") received a 3.5% increase -- similar to what the poor urban and suburban districts received (3.6%). Average-need districts did the worst, at 2.3% (Figures 5-7).

The "combined wealth ratio" measure -- a combination of wealth and income -- shows no little or no correlation between these factors and the school aid distribution in the 2004-05 enacted budget. For example, school districts in CWR Decile 3 (the third poorest 10% of districts) received a 2.3% increase, districts in CWR Decile 4 received a 1.9% increase, and districts in CWR Decile 5 received a 1.6% increase. However,

CWR Deciles 6-10 -- representing the wealthiest 50% of the districts in the state, all had higher Operating Aid increases (respectively, 5.3%, 3.6%, 3.0%, 3.3%, and 2.6%) than Deciles 3-5 (Figures 8, 9).

3. The "Constitutional Funding Gap" Statewide: The \$475.4 million Operating Aid increase (4.3%) in the enacted budget for school districts statewide is \$1.7 billion or 78% less of an increase than they would have received had the first year of the CFE Proposal been implemented. (The CFE Proposal recommended a \$2.1 billion increase.) This amounts to a "constitutional funding gap" of 77.7% (Figures 1, 2).³⁰

4. Distribution of the Constitutional Funding Gap: A comparison between the 2004-05 enacted budget and the first year of CFE Proposal reveals that the enacted budget did not direct the additional funding based on relative student needs in each district and the relative ability of district taxpayers to pay for education. High-need and average-need districts suffered from a "constitutional funding gap." However, wealthy districts generally fared better off under the enacted budget.

This pattern is shown by an examination of SED's free and reduced price lunch measure, the main measure used to gauge poverty levels of students. Each of the 8 deciles with the most needy children had a large "constitutional funding gap." The gap ranged from 88% (Poverty Deciles 3, 4, 5, 6) to 68% (Poverty Decile 8). The remaining 20% -- the wealthiest 1/5th of districts (Poverty Deciles 9 and 10) -- fared better under the current budget than they would have under the CFE Proposal -- a "negative" constitutional funding gap. The wealthiest 10% of school districts (Poverty Decile 10) -- with 0% to 3.3% of their students eligible for free or reduced price lunch -- received 9.5% more on average in the 2004-05 budget than they would have received under the CFE Proposal. The second wealthiest 10% (Poverty Decile 9), with 3.3% to 8.9% of their students eligible for free and reduced price lunch, received 64.8% more. By way of comparison, districts in Poverty Decile 3 (39.3% to 45.6% eligible for free and reduced

³⁰ As already stated, even the CFE \$2.1 billion figure provides school districts in 2004-05 with roughly 25% of the incremental increases they would have needed that year to meet the requirements of the state constitution.

price lunch) received an average increase of 2.2%, and districts in Poverty Decile 4 (34.4% to 39.3% free and reduced price lunch eligible), received an average increase of 2.0% (Figures 3, 4).

Of the six SED need/resource categories, a SED classification based on school district taxpayers' ability to pay for their children's education, only the 135 "low-need" districts fared better under the enacted budget than they would have under the CFE Plan. These districts collectively received 6.9 times the increase (\$23.0 million versus \$2.9 million, or 688.2%) than they would have received under the CFE Plan. By contrast, New York City had a "constitutional funding gap" of 76.9% (\$1.1 billion aid increase proposed by CFE versus \$259.4 million increase received in 2004-05, a difference of \$864.0 million), the Big 4 Cities had a gap of 71.7% (a difference of \$130.3 million between CFE and the enacted budget), the 43 other high-need urban and suburban districts had a gap of 83.9%, the 159 high-need rural districts had gap of 82.1%, and the 338 average-need districts had a gap of 82.4% (Figures 5-7).

The 207 high-need districts as a whole (combining these four SED need/resources categories: New York City, "Big-4" Cities, high-need urban and suburban, high-need rural) had a constitutional funding gap of 77.9%, slightly higher than the state average (Figure 7).

The 7 deciles that represent the 70% of school districts with the lowest combination of income and property wealth -- using the SED's "combined wealth ratio" measure -- all had large "constitutional funding gaps," ranging from 66.4% (CWR Decile 7) to 90.6% (CWR Decile 5). For example, CWR Decile 1, containing the poorest 10% of districts, received \$251.6 million less than CFE proposed -- a constitutional funding gap of 76.8% (Figures 8, 9).

Only the wealthiest 30% of districts fared better under the current budget than they would have under the CFE Proposal, using the CWR measure. Specifically, the wealthiest 10% (CWR Decile 10) received 7 times as great an increase under the

enacted budget (702.3%; \$3.3 million versus \$412 thousand), the second wealthiest 10% (CWR Decile 9) received 73 times as great an increase under the enacted budget (7250%; \$11.0 million vs. \$149 thousand), and the third wealthiest 10% (CWR Decile 8) received 89% more (\$18.3 million vs. \$9.7% million) (Figures 8, 9).

5. The Constitutional Funding Gap on a Regional Basis. The "constitutional funding gap" is widely distributed throughout the state. Students in virtually every county in the state were economically hurt by the Governor's and the Legislature's failure to enact comprehensive school aid reform. New York City and 55 of the other 57 counties in the state all had constitutional funding gaps. The only exceptions are Hamilton County in the Adirondacks, with only 549 students, and Putnam County with 17,103 students (Figures 10, II).

Even the wealthier downstate suburban counties would benefit financially under the CFE Proposal. Nassau County had a "constitutional funding gap" of 40.0%, Westchester, 52.3%, Suffolk, 53.7%, and Rockland had a funding gap of 59.3%. Nassau County schools received \$13.9 million less in 2004-05 than they would have received under the CFE Plan, Westchester schools received \$15.1 million less, Suffolk schools received \$43.1 million less, and Rockland schools were shortchanged by \$3.8 million (Figures 10, II).

CONCLUSION

This study demonstrates that the Legislature and the Governor did nothing in 2004-05 to address one of the most critical issues facing our educational system: the failure to adequately tie state school aid funding levels to student needs and district funding capacity. Eleven years after the plaintiffs in *Campaign for Fiscal Equity* brought a lawsuit over the inadequate funding of New York City schools, and two months after the expiration of a deadline set by the state's highest court for the deficiencies identified in the decision to be corrected, the promise of quality education for all of the state's children, particularly its poor children, remains unfulfilled.

This report debunks several of the myths surrounding the educational funding reform movement. Perhaps most prominent is the myth that only a small number of districts, or limited regions of the state, would benefit from funding reform. Our analysis demonstrates that 55 of the 57 counties in the state in addition to New York City would have received more state education funding if the CFE Plan had been enacted than they actually received in 2004-05. Even the limited number of districts that would not receive higher funding under the CFE Plan would not be cut, due to the "save harmless" feature in the Plan providing that no district would receive funding than the year before the Plan was enacted.³¹

And despite the efforts by some to portray the funding battle as a clash of cities versus suburbs and rural areas, our study found that high-need rural districts had the second highest constitutional funding gap of any of the six categories of school districts established by SED (average-need districts had a gap of 82.4%, versus 82.1% for high-need rural districts). Our analysis found that even wealthier suburban downstate counties have significant constitutional funding gaps, although not as great as most upstate counties. Average-need districts, as we've just seen, would also benefit from funding reform in the form of significantly increased state aid. Although the *CFE* lawsuit

³¹ CFE SBE Task Force Report, at 14.

was undoubtedly heavily driven at its inception by the shortchanging of "high-need" districts, this report demonstrates that a rational legislative resolution of the case would financially assist the overwhelming majority of schoolchildren in the state.³²

The ultimate real life consequences of the failure of our state leaders to agree to an adequate school aid plan are clear. The schoolchildren of the state will continue for the foreseeable future to suffer from constitutionally inadequate schools -- including crumbling buildings, out-of-date textbooks, computers and other educational resources, and unqualified teachers -- and the real life consequences: high drop-out rates, low rates of college attendance, and inadequate preparation for skilled employment and meaningful participation in civic life.

³² Even wealthier districts subject to "save harmless" under the CFE Plan would benefit from the predictability of a foundation formula. CFE SBE Task Force Report, at 16, 24.

Figure 1

Statewide Constitutional Funding Gap in Dollars

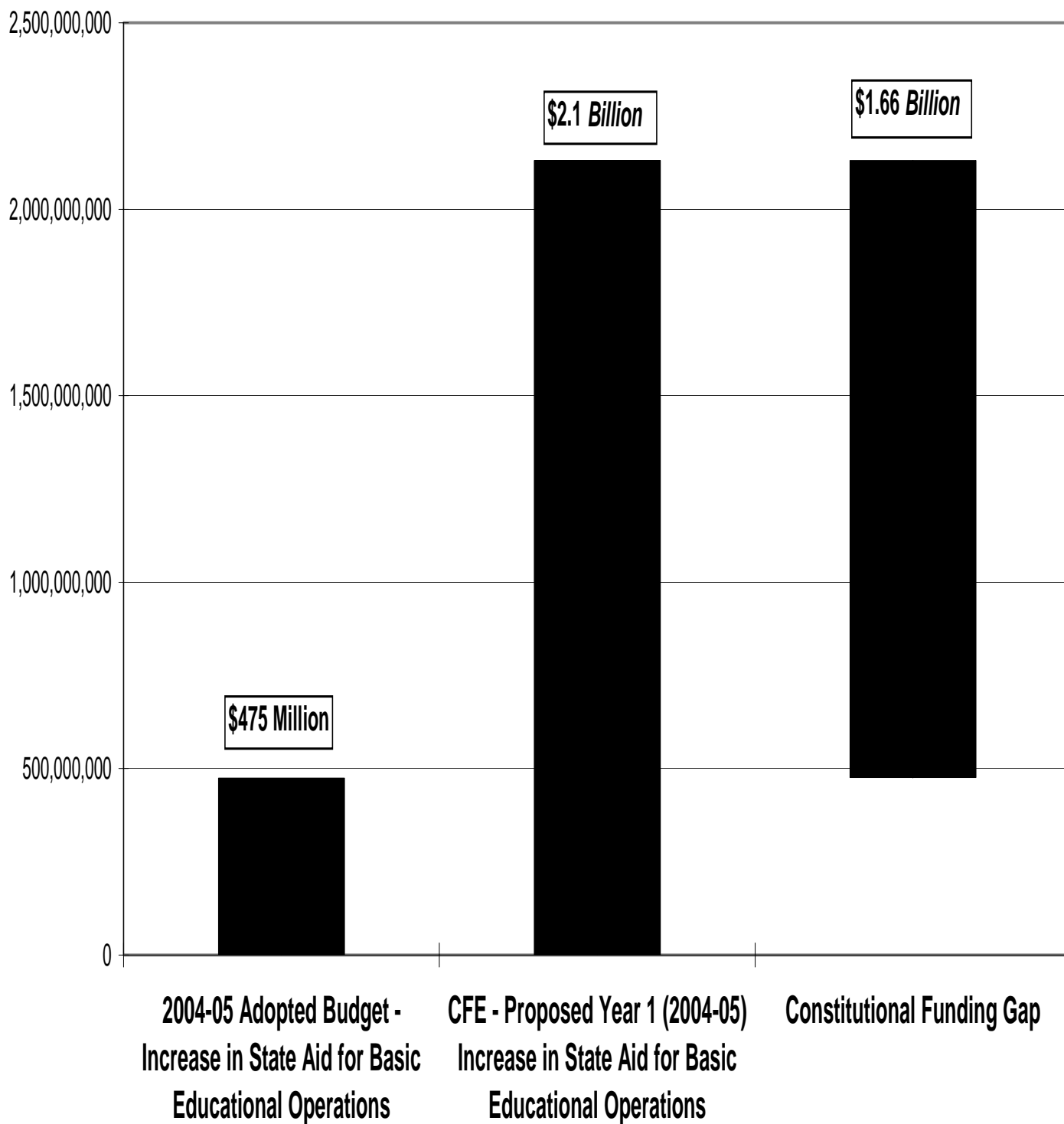


Figure 2

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by State Education Department's Need/Resource Categories

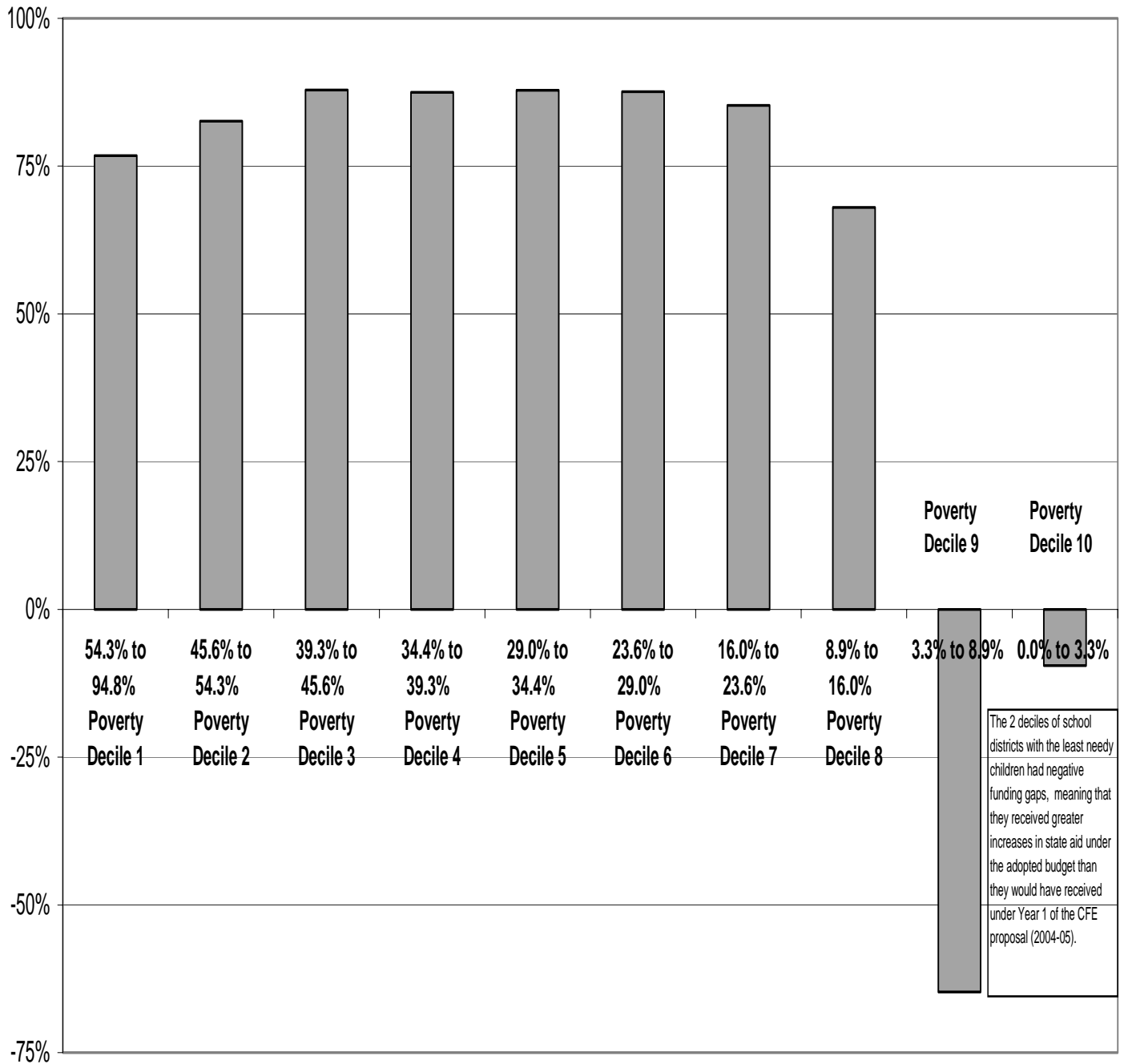
State Education Department's Need Resource Categories (NRC)	Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
			\$ increase	% Increase		\$ Difference	% Difference
New York State - Total	680	2,864,439	475,440,857	4.3%	2,131,776,093	-1,656,335,236	-77.7%
New York City	1	1,039,124	259,395,944	5.8%	1,123,378,393	-863,982,449	-76.9%
Big Four Cities (Buffalo, Rochester, Syracuse and Yonkers)	4	131,235	51,480,406	6.6%	181,774,043	-130,293,637	-71.7%
Other Urban and Suburban High NRC Districts	43	223,916	41,217,228	3.6%	255,675,638	-214,458,410	-83.9%
High NRC Rural Districts	159	177,534	31,879,832	3.2%	178,502,994	-146,623,162	-82.1%
Average NRC Districts	338	884,326	68,596,873	2.3%	389,543,476	-320,946,603	-82.4%
Low NRC Districts	135	408,304	22,870,574	3.5%	2,901,549	19,969,025	688.2%

Notes:

*From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>

** From CFE Operating Aid Proposal available at <http://www.cfequity.org/SBETaskForceFinalReport.pdf>

Figure 3
Constitutional Funding Gaps (in % Terms) by
Poverty Deciles of School Districts



Percent of Children Eligible for Free or Reduced Price Lunch by Deciles of School Districts (from Districts with the Highest Concentrations of Needy Children to the Districts with the Least Needy Children)

Figure 4

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by Poverty Deciles

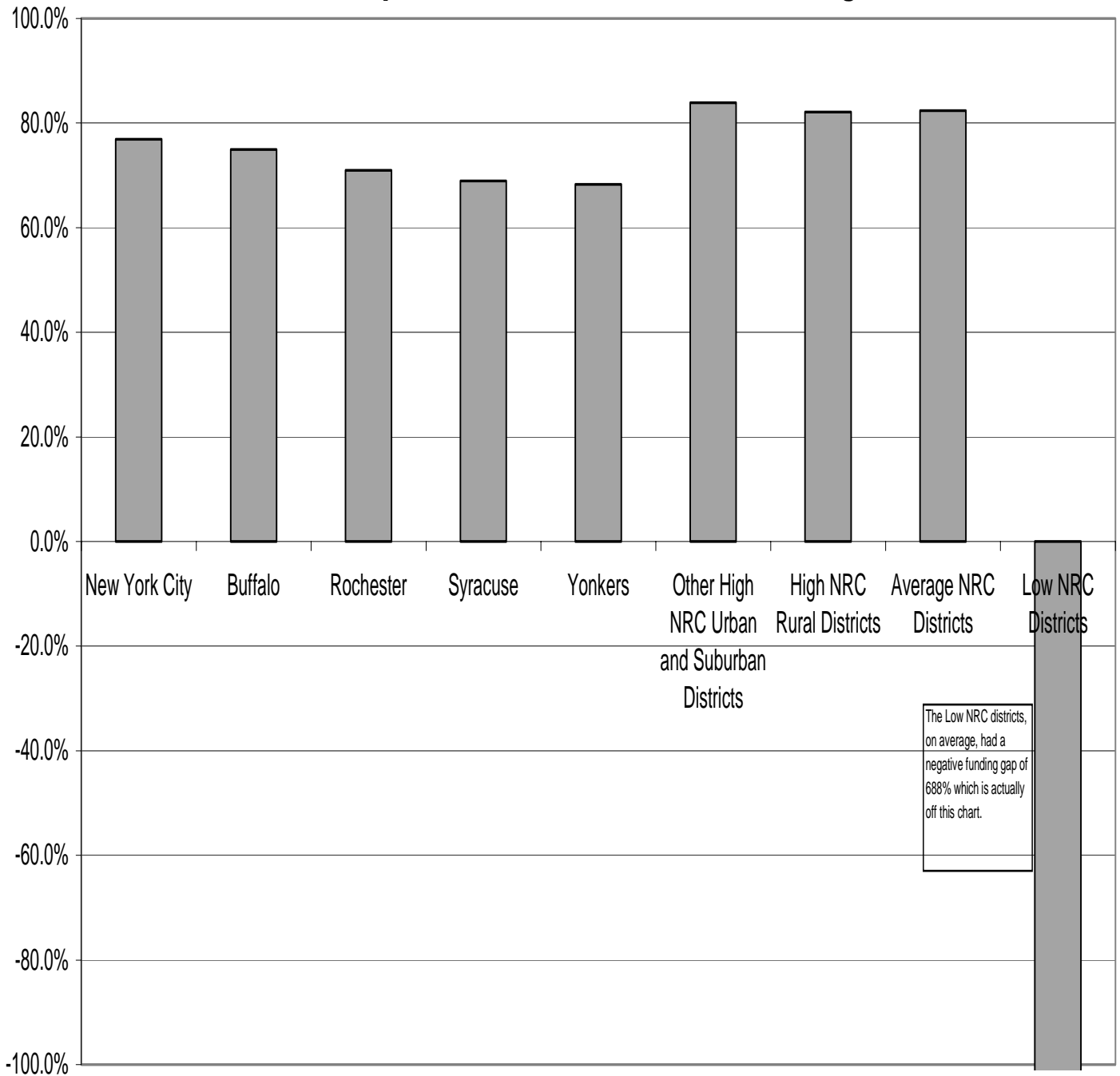
Poverty Decile (from the decile with the most needy children, #1, to the decile with the least needy children, #10)	Percentage of Pupils Eligible for Free or Reduced Price Lunch		Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
	From	To			\$ increase	% Increase		\$ Difference	% Difference
New York State - Total	0.0%	94.8%	680	2,864,439	475,440,857	4.3%	2,131,776,093	-1,656,335,236	-77.7%
Poverty Decile 1	54.3%	94.8%	68	1,365,729	358,258,087	5.7%	1,542,737,961	-1,184,479,874	-76.8%
Poverty Decile 2	45.6%	54.3%	68	117,998	17,583,792	3.1%	101,122,862	-83,539,070	-82.6%
Poverty Decile 3	39.3%	45.6%	68	108,098	11,030,791	2.2%	90,958,347	-79,927,556	-87.9%
Poverty Decile 4	34.4%	39.3%	68	116,834	9,533,610	2.0%	76,137,052	-66,603,442	-87.5%
Poverty Decile 5	29.0%	34.4%	68	118,828	9,417,262	1.9%	77,307,152	-67,889,890	-87.8%
Poverty Decile 6	23.6%	29.0%	69	171,254	11,452,240	1.8%	92,235,983	-80,783,743	-87.6%
Poverty Decile 7	16.0%	23.6%	67	163,208	11,658,798	2.1%	79,190,944	-67,532,146	-85.3%
Poverty Decile 8	8.9%	16.0%	68	250,550	16,159,892	2.2%	50,506,105	-34,346,213	-68.0%
Poverty Decile 9	3.3%	8.9%	68	266,767	20,014,677	3.7%	12,147,764	7,866,913	64.8%
Poverty Decile 10	0.0%	3.3%	68	185,173	10,331,708	3.2%	9,431,922	899,786	9.5%

Notes:

*From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>

** From CFE Operating Aid Proposal available at <http://www.cfequity.org/SBETaskForceFinalReport.pdf>

Figure 5
Constitutional Funding Gaps (in % Terms) for the Big 5 School Districts and for the State's Other Districts by the State Education Department's Need/Resource Categories



Note: Under the State Education Department's Needs/Resource Classification System, New York City is its own category while Buffalo, Rochester, Syracuse and Yonkers are combined into a "Big 4 Cities" Category

Figure 6

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by State Education Department's Need/Resource Categories, with Big 4 Cities Shown Separately

State Education Department's Need Resource Categories (NRC)	Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
			\$ increase	% Increase		\$ Difference	% Difference
New York State - Total	680	2,864,439	475,440,857	4.3%	2,131,776,093	-1,656,335,236	-77.7%
New York City	1	1,039,124	259,395,944	5.8%	1,123,378,393	-863,982,449	-76.9%
Buffalo	1	44,028	15,240,147	5.0%	60,879,345	-45,639,198	-75.0%
Rochester	1	40,247	20,601,978	8.3%	70,935,459	-50,333,481	-71.0%
Syracuse	1	21,918	9,713,932	6.9%	31,287,043	-21,573,111	-69.0%
Yonkers	1	25,042	5,924,349	6.9%	18,672,196	-12,747,847	-68.3%
Big Four Cities (Buffalo, Rochester, Syracuse and Yonkers)	4	131,235	51,480,406	6.6%	181,774,043	-130,293,637	-71.7%
Other High NRC Urban and Suburban Districts	43	223,916	41,217,228	3.6%	255,675,638	-214,458,410	-83.9%
High NRC Rural Districts	159	177,534	31,879,832	3.2%	178,502,994	-146,623,162	-82.1%
Average NRC Districts	338	884,326	68,596,873	2.3%	389,543,476	-320,946,603	-82.4%
Low NRC Districts	135	408,304	22,870,574	3.5%	2,901,549	19,969,025	688.2%

Notes:

*From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>

** From CFE Operating Aid Proposal available at <http://www.cfequity.org/SBETaskForceFinalReport.pdf>

Figure 7

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by State Education Department's Need Resource Categories, with the Four High-Need Categories* Combined

State Education Department's Need Resource Categories (NRC)	Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations**		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations***	Difference Between Enacted Budget and CFE Proposal	
			\$ increase	% Increase		\$ Difference	% Difference
New York State - Total	680	2,864,439	475,440,857	4.3%	2,131,776,093	-1,656,335,236	-77.7%
High NRC Districts*	207	1,571,809	383,973,410	5.2%	1,739,331,067	-1,355,357,657	-77.9%
Average NRC Districts	338	884,326	68,596,873	2.3%	389,543,476	-320,946,603	-82.4%
Low NRC Districts	135	408,304	22,870,574	3.5%	2,901,549	19,969,025	688.2%

Notes:

*The four high-need categories are New York City; the Big 4 Cities (Buffalo, Rochester, Syracuse and Yonkers); the Other High NRC Urban and Suburban Districts; and the High NRC Rural Districts.

**From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>

*** From CFE Operating Aid Proposal available at <http://www.cfequity.org/SBETaskForceFinalReport.pdf>

Figure 8

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by "Combined Wealth Ratio" (CWR) Deciles

Combined Wealth Ratio (CWR) Decile (from the poorest decile #1 to the wealthiest #10)	Percentage of Pupils Eligible for Free or Reduced Price Lunch		Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
	From	To			\$ increase	% Increase		\$ Difference	% Difference
New York State - Total	0.1952	29.1525	680	2,864,439	475,440,857	4.3%	2,131,776,093	-1,656,335,236	-77.7%
CWR Decile 1	0.1952	0.4306	68	234,172	75,961,035	5.1%	327,531,925	-251,570,890	-76.8%
CWR Decile 2	0.4306	0.4976	68	117,017	22,758,536	3.4%	127,444,177	-104,685,641	-82.1%
CWR Decile 3	0.4976	0.5715	68	119,395	13,659,485	2.3%	124,564,088	-110,904,603	-89.0%
CWR Decile 4	0.5715	0.6591	68	119,717	10,482,686	1.9%	97,391,074	-86,908,388	-89.2%
CWR Decile 5	0.6591	0.7825	68	164,183	10,970,435	1.6%	116,617,337	-105,646,902	-90.6%
CWR Decile 6	0.7825	0.9242	68	1,296,388	286,226,044	5.3%	1,260,270,041	-974,043,997	-77.3%
CWR Decile 7	0.9242	1.1952	68	210,037	22,767,844	3.6%	67,703,961	-44,936,117	-66.4%
CWR Decile 8	1.1952	1.5434	68	262,213	18,339,331	3.0%	9,691,761	8,647,570	89.2%
CWR Decile 9	1.5434	2.4537	68	208,541	10,965,885	3.3%	149,196	10,816,689	7250.0%
CWR Decile 10	2.4537	29.1525	68	132,776	3,309,576	2.6%	412,533	2,897,043	702.3%

Notes:

*From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at <http://www.assembly.state.ny.us/comm/WAM/20040809/>

** From CFE Operating Aid Proposal available at <http://www.cfequity.org/SBETaskForceFinalReport.pdf>

Figure 9
Constitutional Funding Gaps (in % Terms) of New York State's
School Districts by "Combined Wealth Ratio" Deciles

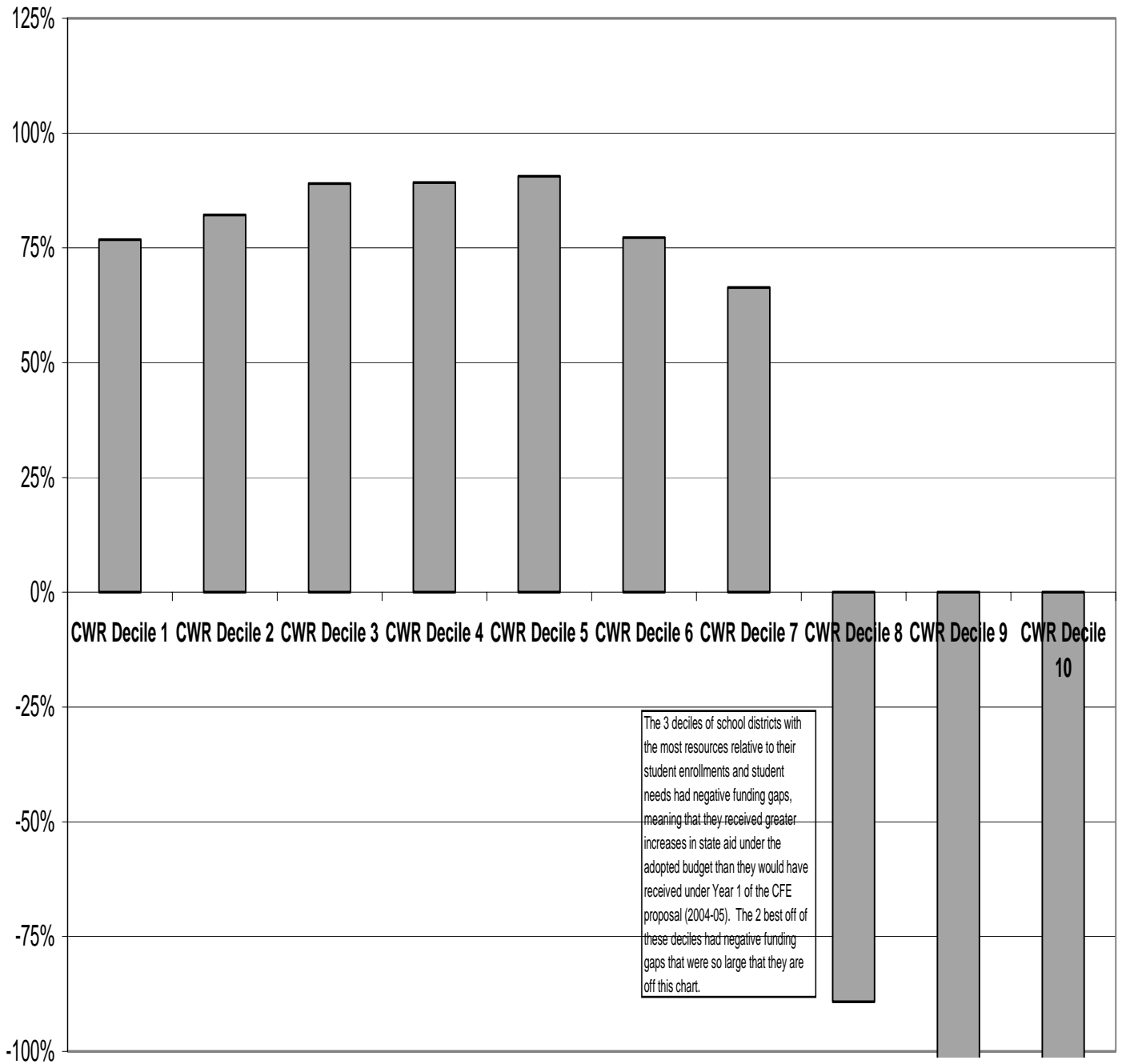


Figure 10

Constitutional Funding Gaps (in % Terms) for New York City and the 55 of the 57 Other Counties with Constitutional Funding Gaps

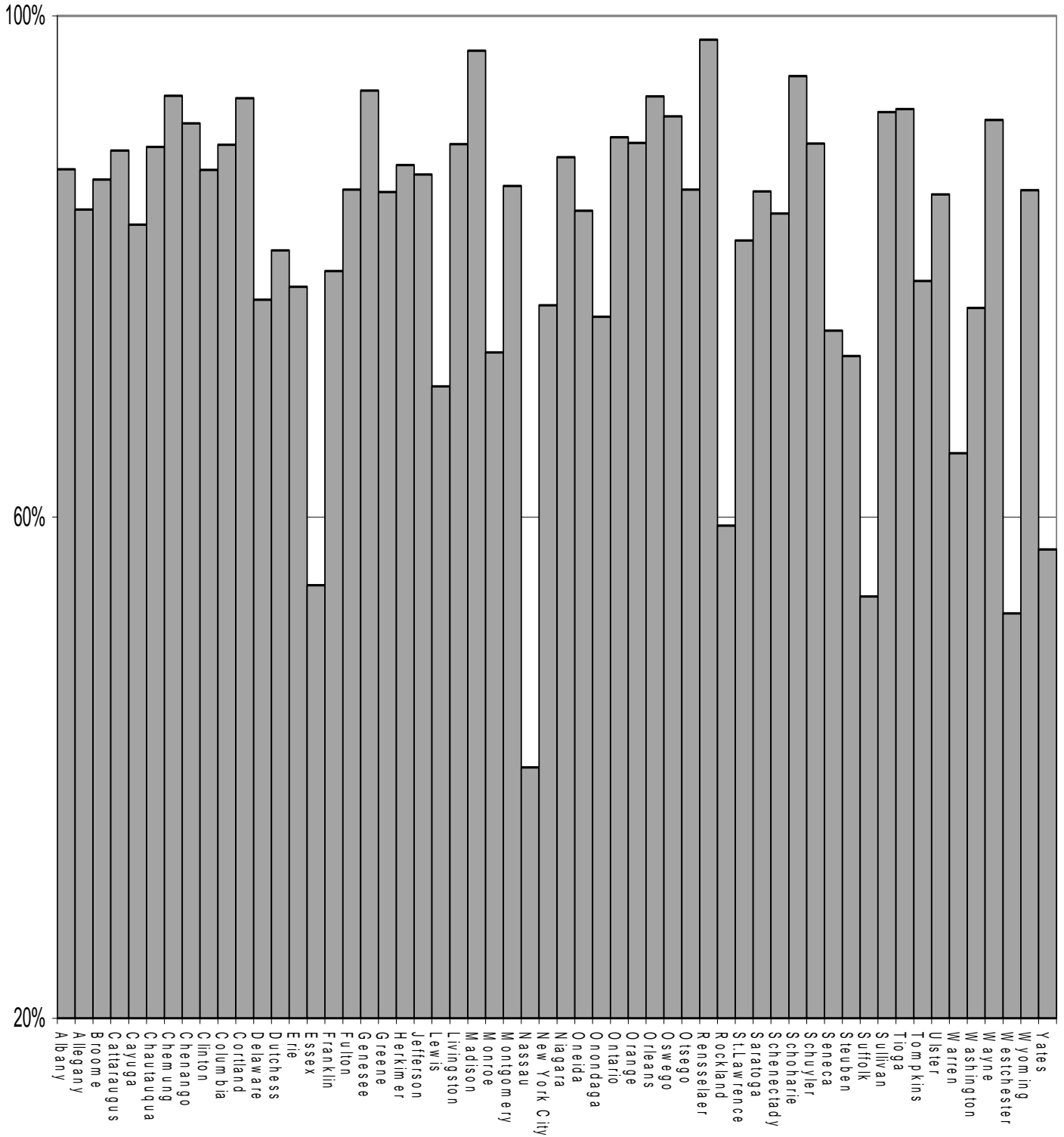


Figure 11, Page 1

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by Big 5 Cities and All Counties

Area	Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
			\$ Increase.	% Increase		\$ Difference	% Difference
New York State - Total	680	2,864,439	475,440,857	4.3%	2,131,776,093	1,656,335,236	-77.7%
New York City	1	1,039,124	259,395,944	5.8%	1,123,378,393	-863,982,449	-76.9%
Buffalo	1	44,028	15,240,147	5.0%	60,879,345	-45,639,198	-75.0%
Rochester	1	40,247	20,601,978	8.3%	70,935,459	-50,333,481	-71.0%
Syracuse	1	21,918	9,713,932	6.9%	31,287,043	-21,573,111	-69.0%
Yonkers	1	25,042	5,924,349	6.9%	18,672,196	-12,747,847	-68.3%
COUNTIES							
Albany	13	41,018	2,406,699	2.1%	19,667,222	-17,260,523	-87.8%
Allegany	12	8,178	1,225,291	2.4%	7,925,532	-6,700,241	-84.5%
Broome	12	33,025	3,483,696	2.6%	26,662,300	-23,178,604	-86.9%
Cattaraugus	12	16,068	1,718,814	1.8%	15,990,448	-14,271,634	-89.3%
Cayuga	7	11,849	1,339,316	2.4%	8,034,170	-6,694,854	-83.3%
Chautauqua	18	23,453	2,254,703	1.8%	21,581,204	-19,326,501	-89.6%
Chemung	3	12,585	591,730	0.9%	9,278,721	-8,686,991	-93.6%
Chenango	8	9,834	827,339	1.5%	9,651,230	-8,823,891	-91.4%
Clinton	8	13,424	1,025,387	1.5%	8,347,412	-7,322,025	-87.7%
Columbia	6	9,436	519,843	1.6%	5,053,704	-4,533,861	-89.7%
Cortland	5	7,922	413,849	1.0%	6,297,268	-5,883,419	-93.4%
Delaware	12	7,277	1,290,382	3.6%	5,696,579	-4,406,197	-77.3%
Dutchess	13	48,498	4,484,472	3.3%	23,955,211	-19,470,739	-81.3%
Erie	28	142,253	22,926,889	3.8%	106,014,711	-83,087,822	-78.4%
Essex	11	4,903	1,292,863	6.7%	2,845,658	-1,552,795	-54.6%
Franklin	7	8,900	1,481,587	2.9%	7,274,143	-5,792,556	-79.6%
Fulton	7	9,488	1,100,903	2.2%	7,943,416	-6,842,513	-86.1%
Genesee	8	10,622	489,267	0.9%	8,197,518	-7,708,251	-94.0%
Greene	6	7,877	869,237	3.5%	6,188,218	-5,318,981	-86.0%
Hamilton	4	549	33,019	2.7%	- 0 -	33,019	- 0 -
Herkimer	11	11,160	1,091,907	1.9%	9,171,083	-8,079,176	-88.1%
Jefferson	11	18,365	2,494,571	2.6%	19,700,724	-17,206,153	-87.3%
Lewis	5	4,706	1,401,996	5.3%	4,743,671	-3,341,675	-70.4%
Livingston	8	9,771	739,584	1.5%	7,213,376	-6,473,792	-89.7%
Madison	10	12,128	265,871	0.5%	9,531,588	-9,265,717	-97.2%
Monroe	18	126,441	26,602,682	5.5%	99,084,734	-72,482,052	-73.2%
<p>Notes: *From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at http://www.assembly.state.ny.us/comm/WAM/20040809/</p> <p>** From CFE Operating Aid Proposal available at http://www.cfequity.org/SBETaskForceFinalReport.pdf</p>							

Figure 11, Page 2

2004-2005 Enacted Budget: Increases in State Aid for Basic Educational Operations, by Big 5 Cities and All Counties

Area	Number of Districts	Number of Pupils	2004-2005 Enacted Budget: Increase from Prior Year in State Aid for Basic Educational Operations*		CFE Proposed 2004-2005 Increase in State Aid for Basic Educational Operations**	Difference Between Enacted Budget and CFE Proposal	
			\$ Increase	% Increase		\$ Difference	% Difference
New York State - Total	680	2,864,439	475,440,857	4.3%	2,131,776,093	-	-77.7%
COUNTIES, Continued							
Montgomery	5	7,885	1,028,873	2.5%	7,582,702	-6,553,829	-86.4%
Nassau	56	214,203	20,845,935	4.8%	34,760,411	-13,914,476	-40.0%
Niagara	10	34,850	3,132,569	2.0%	27,741,155	-24,608,586	-88.7%
Oneida	15	37,899	5,539,008	3.1%	35,597,387	-30,058,379	-84.4%
Onondaga	18	77,113	13,320,179	4.2%	55,472,788	-42,152,609	-76.0%
Ontario	9	18,436	992,004	1.4%	10,249,621	-9,257,617	-90.3%
Orange	17	67,198	5,685,425	2.3%	56,014,084	-50,328,659	-89.9%
Orleans	5	8,011	523,209	1.3%	8,158,364	-7,635,155	-93.6%
Oswego	9	25,222	2,215,031	1.9%	27,619,081	-25,404,050	-92.0%
Otsego	12	9,358	1,011,206	2.2%	7,289,053	-6,277,847	-86.1%
Putnam	6	17,103	731,968	1.8%	- 0 -	731,968	- 0 -
Rensselaer	11	23,746	290,871	0.3%	15,242,533	-14,951,662	-98.1%
Rockland	8	43,187	2,586,026	2.8%	6,355,728	-3,769,702	-59.3%
St. Lawrence	17	17,450	2,867,899	2.8%	16,005,555	-13,137,656	-82.1%
Saratoga	12	36,236	1,760,769	1.5%	12,563,220	-10,802,451	-86.0%
Schenectady	6	22,812	2,332,636	3.1%	14,796,637	-12,464,001	-84.2%
Schoharie	6	5,479	217,785	0.7%	4,519,695	-4,301,910	-95.2%
Schuyler	2	2,316	144,240	1.1%	1,415,855	-1,271,615	-89.8%
Seneca	4	5,277	1,078,867	4.3%	4,295,917	-3,217,050	-74.9%
Steuben	14	18,558	4,162,398	4.2%	15,333,596	-11,171,198	-72.9%
Suffolk	67	266,756	37,235,892	3.8%	80,352,745	-43,116,853	-53.7%
Sullivan	8	11,960	980,407	1.9%	12,744,892	-11,764,485	-92.3%
Tioga	6	8,986	623,327	1.3%	8,380,445	-7,757,118	-92.6%
Tompkins	6	12,784	1,312,603	3.0%	6,206,703	-4,894,100	-78.9%
Ulster	9	28,849	2,775,270	2.9%	19,484,341	-16,709,071	-85.8%
Warren	9	11,345	1,888,094	4.8%	5,410,356	-3,522,262	-65.1%
Washington	11	10,630	2,054,870	3.8%	8,812,966	-6,758,096	-76.7%
Wayne	11	18,225	1,296,868	1.5%	15,623,210	-14,326,342	-91.7%
Westchester	40	145,174	13,763,820	5.1%	28,871,213	-15,107,393	-52.3%
Wyoming	5	5,533	507,151	1.7%	3,644,627	-3,137,476	-86.1%
Yates	2	3,004	767,816	6.4%	1,802,979	-1,035,163	-57.4%
<p>Notes: *From data on "increase over base without selected aid categories" from Adopted Budget school aid runs available at http://www.assembly.state.ny.us/comm/WAM/20040809/</p> <p>** From CFE Operating Aid Proposal available at http://www.cfequity.org/SBETaskForceFinalReport.pdf</p>							