

# Why We Need Education Funding Reform in New York State

## **Students in New York State are not receiving a “meaningful high school education,” as mandated by the state constitution. Poorer districts get shortchanged the most.**

- Class size: Smaller class sizes improve student performance, by permitting more individualized instruction. Yet, average Kindergarten class sizes in the “Big 4” (Buffalo, Rochester, Syracuse, and Yonkers) actually increased in the 1999-2000 to 2003-2004 period, even though a limited state program had been put into place to reduce early grade class size.
- Teacher quality: Qualified and experienced teachers are critical to raising student achievement. Yet, 15% of New York State teachers and 25% of New York City teachers leave within 1 year.
- Pre-Kindergarten programs: High quality early learning experiences have been shown to have a wide range of positive effects on young children, including on school readiness, maturation and socialization, and later school performance. Despite this evidence, three-fourths of New York's 220,000 four-year olds do not have access to pre-Kindergarten.
- School buildings and learning resources: Tens of thousands of students statewide continue to attend classes in outdated school buildings, with conditions like poor ventilation and heating, broken and leaky roofs, and inadequate wiring, impeding children's ability to learn.
- The education funding gap: New York has the biggest gap in funding between high and low income school districts of any state in the nation.

## **Due to inadequate resources, students are not achieving.**

- State tests: As of 2004, 38% of 4th graders and 53% of 8<sup>th</sup> graders statewide failed the state English Language Arts test, and 21% of 4<sup>th</sup> graders and 42% of 8<sup>th</sup> graders statewide failed the state Math test.
- Graduation and drop-out rates: In 2005, 36% of high school students didn't graduate in 4 years. More than 1 in 10 dropped out: 13% of poor rural students, 15% of NYC students, and 22% of kids in the "Big 4" Cities (Buffalo, Rochester, Syracuse, and Yonkers).
- College attendance: Only about one-half (50.9%) of students plan to attend 4-year colleges; the figure is one-third (33.4%) for poor rural students.

## **Investing in schools improves achievement, especially if spent on programs that work.**

- Increasing our investment in schools improves student performance: State Education Department statistics show that more money leads to higher test scores. This is true for urban, suburban, and rural schools alike.
- Class size reduction: Tennessee students who had been placed in smaller classes in grades K-3 had higher standardized test scores five years after the smaller classes were disbanded. African-American children had double the gains of white children.

- Teacher quality and retention: Teachers with less than 3 years of experience have been found to be less effective than those with more experience. A Texas study found that high school students who had been taught in the early grades by teachers with high scores on a standard teacher examination scored remarkably higher than those who had low-scoring teachers.
- Literacy programs: 83% of New York City first-graders below grade level that had been placed in a reading program that provides one-on-one and small group instruction by specially trained teachers performed at or above grade level after completing the program.
- Pre-school programs: Chicago children who participated in pre-kindergarten programs ultimately had lower dropout rates, more years of completed education, and were less likely to be involved in crime than children who didn't.

**Statewide reform to make the funding formula more fair is constitutionally mandated, and the right thing to do.**

- The court decision: In its 2003 Campaign for Fiscal Equity (CFE) decision, the Court of Appeals, New York's highest court, determined that the state had unconstitutionally underfunded New York City schools. In March 2006, the courts decided that City schools were entitled to an increase of at least \$4.7 billion in operating funding, phased-in over a 4 year period, in order to provide its students with the "meaningful high school education" (also called a "sound, basic education") that is required by the state constitution.
- What we support: We support comprehensive reform of the state school aid system based on the principles of CFE that provides New York City and other districts with large numbers of poor and other needy children with their fair share of existing state education funding. Other school districts have the same kind of resource deficiencies as New York City. Addressing the court decision by providing constitutionally adequate funding only to City schools would be morally unacceptable and politically unthinkable. Providing all children statewide with a sound, basic education will require large increases in the total amount of state funding on a multi-year basis: under a proposal we support, \$8.7 billion after 4 years. These increases will also alleviate the significant burden currently placed on property taxpayers to fund local schools.

**If we funded schools fairly, we would have enough money to give our kids a quality education, while taking the burden off local property taxpayers:**

- New York schools receive almost half their funding from the state (46%), and almost half from local taxes (47%). The bulk of the local share comes from property taxes. (About 7% comes from federal sources.)
- Property taxes have been increasing almost 3 times faster than people's income in recent years.
- The state has cut the income tax rate paid by the wealthiest New Yorkers by more than 50% in the last 25 years.
- Corporate taxes in 2005 accounted for 4% of the state budget, down from 10% in 1977.
- Raising taxes on the 5% of New Yorkers with the highest income by reinstating New York's 1972 tax structure would raise about \$7.8 billion a year, while reducing income taxes for the other 95%.
- Plugging some of the loopholes in New York's corporate income taxes would raise about \$1 billion a year.