

Summary of Budget Proposed by Governor from NYSCOSS  
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## GOVERNOR'S 1999 EXECUTIVE BUDGET

### Schools Take a Beating

The Governor advanced an ambitious agenda of educational change for the 1999 session with his 1999-2000 State Budget proposal. The document fleshes out a number of the State of the State proposals as well as providing somewhat detailed information about spending initiatives for the upcoming state fiscal year.

Overall education spending is projected to increase by \$154 million, \$80 million less than the rate of inflation and \$531 million less than what the Regents said would be necessary just to continue the education formulas enacted by the Legislature last year. Even the Governor's public relations documents described his budget as "reducing the growth in education costs by \$325 million."

To sell this parsimonious budget, the Governor has relied on previous increases enacted by the Legislature to note that "the past 3 years of school aid increases total \$1.64 billion" and that including \$1.2 billion in STAR, "the state will support 45.3% of total local education costs in 1999-2000."

### State Aid Changes

=>Operating Aid — Would provide for a minimum increase of 1.25% and a maximum increase of 3% of (likely) "Aids subject to Transition";

=>Limited Building Aid Increase — Building Aid

grows by \$120 million, significantly less than the \$200 million predicted by SED. Initiatives include elimination of save-harmless for future building projects, Dormitory Authority funding (Wicks law exemption);

=>BOCES Aid Phase-out — Proposes cutting BOCES Aid by \$80 million (20%) as the first step in phasing out BOCES Aid altogether;

=>Educational Improvement Block Grant — Numerous categorical programs totaling more than \$ are eliminated. In their place is a block grant for \$200 million.

=>Small Cities Aid Phase-out — Save-Harmless phase-out for small city schools is reinstated, cutting \$6 million;

=>Special Education “Reforms” — 1999-00 Aid would be capped at 1998-99 levels. Starting in 2000-01 aid would be based on a strict percent of enrollment adjusted for poverty (similar to what the Regents proposed 2 years ago). Summer program costs would be reimbursed under the same formula. Schools would be responsible for conducting evaluations of preschool disabled children and would bear the local cost if a provider is selected as the evaluator;

#### Property Tax Initiatives

=>Cap on School Spending — Based on a 2-year average not to exceed 4% or 140% of the CPI, whichever is less. Growth for such budgets would be limited to 4% or 120% of the CPI (the text refers to the “levy”) unless voted affirmatively in a referendum where 50% of eligible voters participate or voted affirmatively by 2/3 majority where less than 50% of voters participate.

Exclusions for growth, certiorari, etc. (as per current contingency budget cap) would continue.

=>Contingency Budget Disclosure — School budget documents would have to compare the proposed budget to the potential contingency budget;

=>Property Tax Report Card — Property tax increases, spending growth, and enrollment changes would have to be reported to SED to be compiled into a “property tax report card” which would be distributed prior to the vote day;

#### Program Initiatives

=> Charter Schools — \$1 million added to stimulus fund, \$10 million in Federal pass-through funds available. \$275,000 for SED staffing;

#### Program Initiatives Cont'd

=>Public School Choice — SURR school students would be able to “opt-out” of their current school after 2 years;

=>“Literacy First” — This program would provide 6 weeks of intensive summer study to 4th graders who performed poorly on the ELA test; \$30 million for an 80% state share is anticipated for the 2000-01 school year.

=>“Advantage Schools” — The budget proposes “\$10 million for after school programs.

=> English Immersion Program — Would provide intensive English language instruction in the summer months for non-native speakers of English.

=>Elimination of Principal Tenure — Couched in the rhetoric of accountability, the Governor proposed elimination for principals and assistants.

=> Task Force on School Violence/Discipline — The new Lt. Gov. Mary Donohue is be charged with chairing a group comprised of parents, teachers, students, and law enforcement officials to examine the issue of school violence.

=> Teacher Centers — The Governor proposes to eliminate Teacher Centers after remaining obligations for 1998-99 are met.

=> Regents Accountability Measures — “Legislation will be advanced to curtail the Regents’ powers to unilaterally impose costly regulatory mandates on school districts.”

## Analysis

The previous state budget increased at a rate 3 times that of inflation, earning the Governor an easy reelection victory while endangering support from his fiscal conservative allies. Eager to make amends, this spending proposal holds all funds (General, State, and Total) to growth at less than the 2% rate of inflation. General Fund spending (of which education is a part) increases by only 1.3%, total spending increases by only 1.8%. Education, which represents 37% of General Fund spending and which the Citizen's Budget Commission estimated would account for 58% of the total anticipated General Fund increase, obviously had to bear a disproportionate share of the belt tightening.

The conservative focus adds fuel to the speculation that the Governor intends to run for national political office. Conventional wisdom dictates that the primary process is controlled by the more extreme elements of each party. Successful Republicans must first generate enthusiasm among the party's influential right wing.

One of the few new ideas relates to circumscribing the Regents' regulatory authority. Unsuccessful previous efforts to eliminate the Regents altogether have resulted in an agenda to severely limit their powers, particularly in the face of growing concern among fiscal conservatives over the cost of the new graduation requirements, Academic Intervention Services, professional development and LEP instruction. Similarly, school facilities oversight would be shifted to the Dormitory Authority upstate and to the new Moreland Act Commission in NYC.

Moreland Act Commission Created

In what some are describing as an escalating war between NYC Mayor Rudy Guiliani and Governor Pataki, the Governor appointed a special commission under authority contained in the 1907 Moreland Act to investi-gate allegations of corruption and mismanagement at the NYC School Construction Authority. The Commis-sion is further empowered to investigate the administration of the City school system at large. The move is an affront to both the Mayor and NYC Schools Chancellor Rudy Crew, a Guiliani ally.

The animosity between the Governor and the Mayor has been sharp ever since Guiliani crossed party lines to endorse then-Governor Mario Cuomo's unsuccessful reelection bid against newcomer Pataki. Their current ill will has been ascribed to the fact that both are prominent moderate Republicans with ambition for higher office. As such they constantly vie for attention in the national spotlight.

The last Moreland act investigation of education took place in 1993 when Cuomo created a panel to investi-gate schools and BOCES after the embarrassing retirement of a BOCES superintendent who received a mil-lion dollar pay-out of accumulated sick and vacation leave. The Commission's findings, totaling 4 volumes, were downplayed because they primarily showed that most of the growth in education spending in the 1980s was the result of runaway increases in special education costs and that new state resources were channeled into increasing the salaries of teachers, particularly experienced teachers with seniority.