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Senate Analysis Exposes Rifts with Cuomo On Outside Income, School Aid

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The Republican-led Senate's riposte to Gov. Andrew Cuomo's proposed budget laid bare some of the biggest points of contention in their education agendas — restoring cuts in school aid and the creation of a tax credit for school donations.

But the governor's proposals on education weren't the only ones criticized in the “White Book” the Senate issued Wednesday evening. That analysis, which will lay the groundwork for upcoming budget discussions, also questioned the constitutionality of Cuomo's proposal to cap lawmakers' outside income at 15 percent of their base salary, or \$11,925, and make it a misdemeanor for them to adhere to the limit.

“While the legislative history surrounding such qualifications are ample, it is clear from reading these provisions that the Constitution does not contemplate any prohibition on outside employment,” according to the analysis.

The Democratic-led Assembly also issued its own analysis, the “Yellow Book,” but didn't so much as take a stance on the governor's proposals so much as review them.

Days earlier, the Senate already had stepped up, with Majority Leader John Flanagan saying it would not pass the budget without fully eliminating the Gap Elimination Adjustment, a formula established during the 2008 recession that distributed cuts to school districts as the state grappled with deficit. Lawmakers have been working to eliminate the GEA, since the state no longer has a deficit.

The Senate reiterated its stance in its analysis, after Cuomo called in his school aid proposal for eliminating the total \$434 million over a two-year period instead of one, with \$189 million going toward it in 2016-2017.

“While the executive's proposal falls far short of eliminating the GEA in [fiscal year] 2017, it will likely be looked at as inequitable because some districts had their GEA eliminated and some did not,” the Senate analysis said.

Eliminating the GEA favors wealthy districts, whereas running the state's Foundation Aid Formula — created to more equitably distribute funding to districts — benefits high-need districts.



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Like the Senate, the Assembly also has expressed the need to eliminate the GEA in 2016-2017, but in the first day of session remarks, Speaker Carl Heastie focused more on increasing overall funding for districts.

The Citizens Budget Commission said in its analysis of the governor's proposal that Cuomo "fails" to improve school aid formulas and favors wealthier districts.

Another issue on which Cuomo and the Republican Senate diverge is a proposed education tax credit that last year passed in the Senate but failed in the Assembly, whose majority Democrats are backed by teachers' unions that have strongly opposed the credit.

Opponents have said the idea of giving resources to privately-run schools undermines public schools, and the legislation would unfairly favor the wealthy.

Cuomo's proposal would establish a \$150 million credit providing incentives for donations made to public schools, local education funds, school improvement organizations or private education scholarship organizations. It also includes a refundable credit of up to \$200 for teachers who buy instructional materials or supplies, with a cap of \$10 million annually.

Among other changes, the Senate's proposal would include donations made to charter schools and would provide a credit for home-school supplies. The Senate also wouldn't cap the supply credit amount. Its bill looks to expand the pool of available credits, capping it at \$150 million for calendar year 2017, \$225 million for 2018 and \$300 million for 2019 going forward.

The Senate already has passed bills on eliminating the GEA and establishing the tax credit this session.

Read the Senate's White Book here: <http://bit.ly/1PlisQd>

Read the Assembly's Yellow Book here: <http://bit.ly/1PlinMj>

Read the Citizens Budget Commission Report Card here: <http://bit.ly/1nBmzv7>