BUILDING AID SHORTCHANGES THE BIG CITIES:

The Distribution of Building Aid to New York State School Districts, 1992-1999

Educational Priorities Panel

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Introduction

For independent school districts in New York State, Building Aid does a fairly good job of progressively distributing funds for equipment and capital outlays. But the same is not true for the five big cities with dependent school districts.[1] Consistently, over the last seven years, all of the "big five" school districts have received less Building Aid than the average district in the state and far less than other districts of similar wealth.

This study uses data for individual New York State School districts including Combined Wealth Ratio, debt, equipment and capital outlays, Building Aid (BA), and Building and Reorganization Incentive Aid (BRIA). The data was provided by the Fiscal Analysis United of the Department of Education and by the Office of Real Property Services. The data covers the period beginning with the 1992-1993 school year and ending with the 1999-2000 school year—the longest period for which the data was available. All of the data for each district was averaged for the seven school years in this study and all of the figures reported are seven-year averages.

Seventy-four districts were deleted from the study to avoid either incomplete data or duplication of data, or because data from the two sources could not be properly matched up or because district boundaries changed over the period in question.[2] Another district (Fire Island) was deleted because its average combined wealth ratio over the seven years period was nearly twice as high as the next wealthiest district.[3] Six hundred fifty-eight districts were included in the study. These were divided into the big five and the 653 independent school districts. The big five were examined separately because of their special legal status and because their size would make it difficult to apply the analysis used on the major districts.

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[1] Buffalo, Rochester, Syracuse, Yonkers, and New York.

[2] The deleted districts are Abbot School, Angelica, Bellmore-Merrick, Belmont, Berkshire, Border City, Brunswick, Brunswick Center, Brunswick Comm., Brookhaven-Comsewogue, Campbell, Cheektowaga-Maryvale, Cheektowaga-Sloan, Cobleskill, Cobleskill-Richmond, Cohocton, Connetquot, Delaware Valley, Edwin Gould Academy, Eastpoint-S. Manor, Genesee Valley, George Junior Republic, Glens Falls, Glens Falls Co., Greenburgh Eleven, Greenburgh North Castle, Greenburgh-Graham, Hawthorne-Ceder Knolls, Hopevale, Inlet, Island Park, Jeffersonville-Youngsville, Laurel, Limestone, Little Flower, Maryvale, Mayville, Monroe Woodbury, Narrowsburg, New Berlin, New Suffolk, North Greenbush, Northern Adirondack, Piseco, Raquette Lake, Randolph Academy, Rhinecliff, Richburg, Richmondville, Rotterdam-Mohonasen, Sagaponack, Savona, Sewanhaka, Sloan, So. New Berlin, South Mountain-Hickory, Sugarloaf, Sullivan West, Sylvan-Verona Beach, Tuckahoe, Tuckahoe Common, Unadilla, Unadilla Valley, Valley, Valley Stream, Valley Stream CHS, Valley Stream UF, Valley Stream Thirty, Valley Montgomery, Wainscott, Wayland, Wayland-Cohocton, West Park, and Syosset.

[3] Fire Island's CWR is so much higher than other districts largely because it is a resort community with very few children.

The Independent School Districts

The 653 major school districts were ranked by CWR and divided into five, approximately equal-sized quintiles in terms of the number of pupils in each. These were ranked from the first, or wealthiest, to the fifth, or least wealthy, quintile. The average values for each quintile over the seven years are presented in table 1.

Table 1: Debt and Building Aid for the five quintiles, per pupil simple averages, 1992-1999

	CWR	Out-standing debt	Eqpmt. and capital outlay	Debt Service: Principal	Debt Service: Interest	Debt Service: Total	Per pupil Bldg Aid	Per Pupil BRIA	Bldg. Aid plus BRIA
Quintile 1 (Wealthiest)	2.62	$2,958.69	$698.65	$249.13	$197.84	$446.97	$80.14	$1.12	$81.26
Quintile 2	1.13	$2,690.30	$628.35	$224.97	$155.53	$380.50	$206.35	$7.68	$214.03
Quintile 3	0.84	$3,357.70	$694.94	$297.62	$200.80	$498.42	$305.64	$9.28	$314.92
Quintile 4	0.63	$3,502.94	$696.83	$384.85	$206.08	$590.94	$422.68	$15.56	$438.24
Quintile 5 (Least Wealthy)	0.44	$3,450.19	$864.30	$428.70	$186.32	$615.01	$533.96	$15.32	$549.28
State average (excluding big 5)	1.10	$3,239.85	$741.11	$335.07	$190.63	$525.70	$337.39	$10.35	$347.74

Table 2: Debt and Building Aid for the five quintiles, per pupil weighted averages, 1992-1999

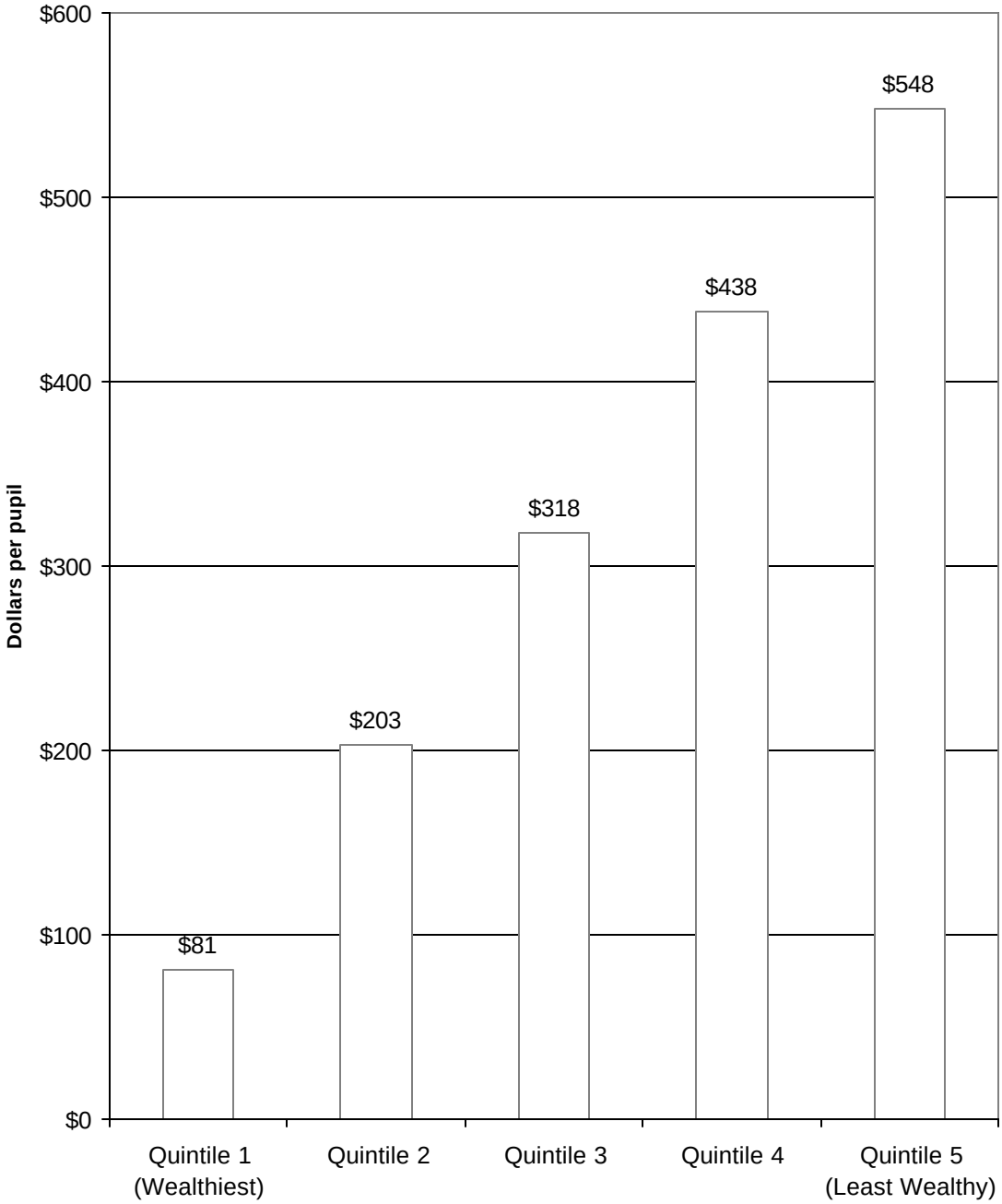
	CWR	Out-standing debt	Eqpmt. and capital outlay	Debt Service: Principal	Debt Service: Interest	Debt Service: Total	Per pupil Bldg Aid	Per Pupil BRIA	Bldg. Aid plus BRIA
Quintile 1 (Wealthiest)	2.12	$2,823.63	$603.68	$253.00	$193.25	$446.25	$101.59	$1.57	$103.16
Quintile 2	1.13	$2,575.86	$567.45	$224.83	$152.47	$377.30	$189.15	$3.16	$192.31
Quintile 3	0.84	$2,895.45	$596.75	$264.22	$181.01	$445.23	$267.39	$5.03	$272.42
Quintile 4	0.65	$3,002.91	$639.02	$343.64	$181.81	$525.45	$369.22	$14.47	$383.69
Quintile 5 (Least Wealthy)	0.45	$3,288.16	$828.73	$410.26	$178.93	$589.18	$482.13	$14.40	$496.54
State average (excluding big 5)	1.04	$2,917.19	$647.03	$299.15	$177.53	$476.67	$281.73	$7.72	$289.45

Tables 1 and 2 show that districts in the fifth quintile tend to have relatively high debt, but they also tend to have higher equipment and capital outlays. These observations are the same whether one looks at a simple or a weighted average. Building Aid is quite progressive over the period in question, rising from barely more than $100 per pupil in the first quintile to nearly $500 per pupil in the fifth quintile. The same observation is true if Building Reorganization Incentive Aid (BRIA—a much small form of aid also intended to help school districts meet

building expense) is added to the Building Aid total. The sum of the two (BA+BRIA) will be the focus of this essay.

Figure 1 shows a simple average of the sum of Building Aid and Reorganization Incentive Aid for the five quintiles. Notice that a less wealthy quintile always received more than a more wealthy quintiles, showing that Building Aid helps reach the states goals of reducing the differences in funding between more and less wealthy districts.

Figure 1: Building Aid plus BRIA by Quintile:
Per pupil, simple average, 1992-1999



The Five Big Cities

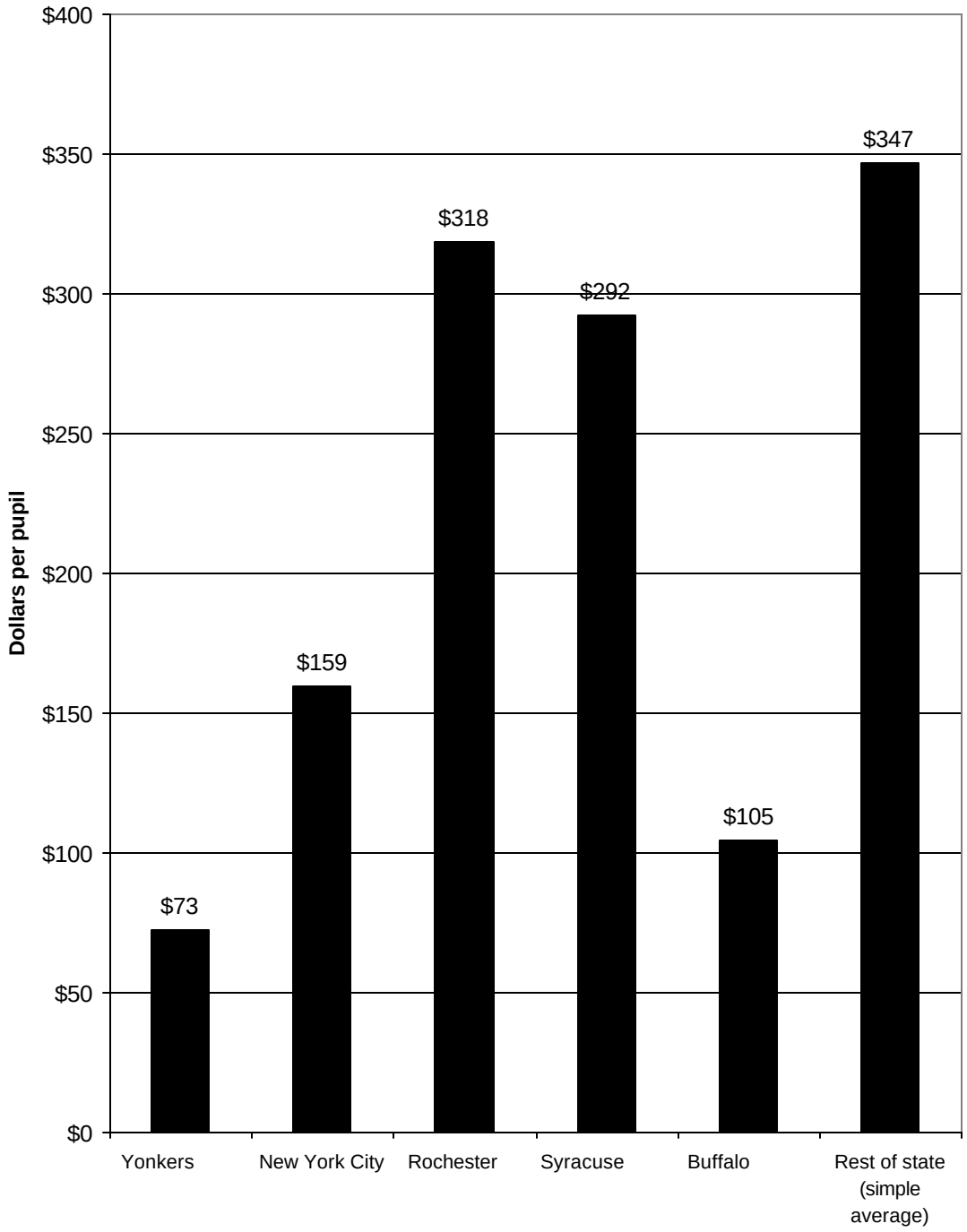
One would expect a program that is designed to help less wealthy districts would help the big cities as well, because the big cities are mostly among the poorer districts. But instead, the big five tend to receive less than the state average level of building aid and significantly less than other districts with similar wealth.

Table 3: Debt and Building Aid for the Five Big Cities, 1992-1999

	CWR	Out-standing debt	Eqpmt. and capital outlay	Debt Service: Principal	Debt Service: Interest	Debt Service: Total	Per pupil Bldg Aid	Per Pupil BRIA	Bldg. Aid plus BRIA
Yonkers	1.21	$3,289	$562	$244	$167	$410	$73	$0	$73
New York City	0.95	$5,102	$70	$56	$271	$327	$159	$0	$159
Rochester	0.58	$3,406	$1,012	$330	$147	$476	$318	$0	$318
Syracuse	0.51	$3,638	$515	$306	$204	$510	$292	$0	$292
Buffalo	0.49	$1,715	$433	$101	$81	$182	$105	$0	$105
Rest of state (Simple average)	1.10	$3,237	$741	$334	$190	$524	$336	$10	$347

As table 3 and Figure 2 show, all of the big five receive below average levels of Building Aid and none receive any Building Reorganization Incentive Aid.

Figure 2: Building Aid plus BRIA for the Five Big Cities:
Per pupil, 1992-1999



Rochester and Syracuse received only slightly less than the state average, but when compared to just to districts of similar wealth, they receive significantly less. Table 4 shows how each of the five big cities would rank in terms of Building Aid plus BRIA received if they were ranked with their respective quintiles.[4] The last column makes it clear that all five of the big cities would rank near the bottom if they were included in the five quintiles.

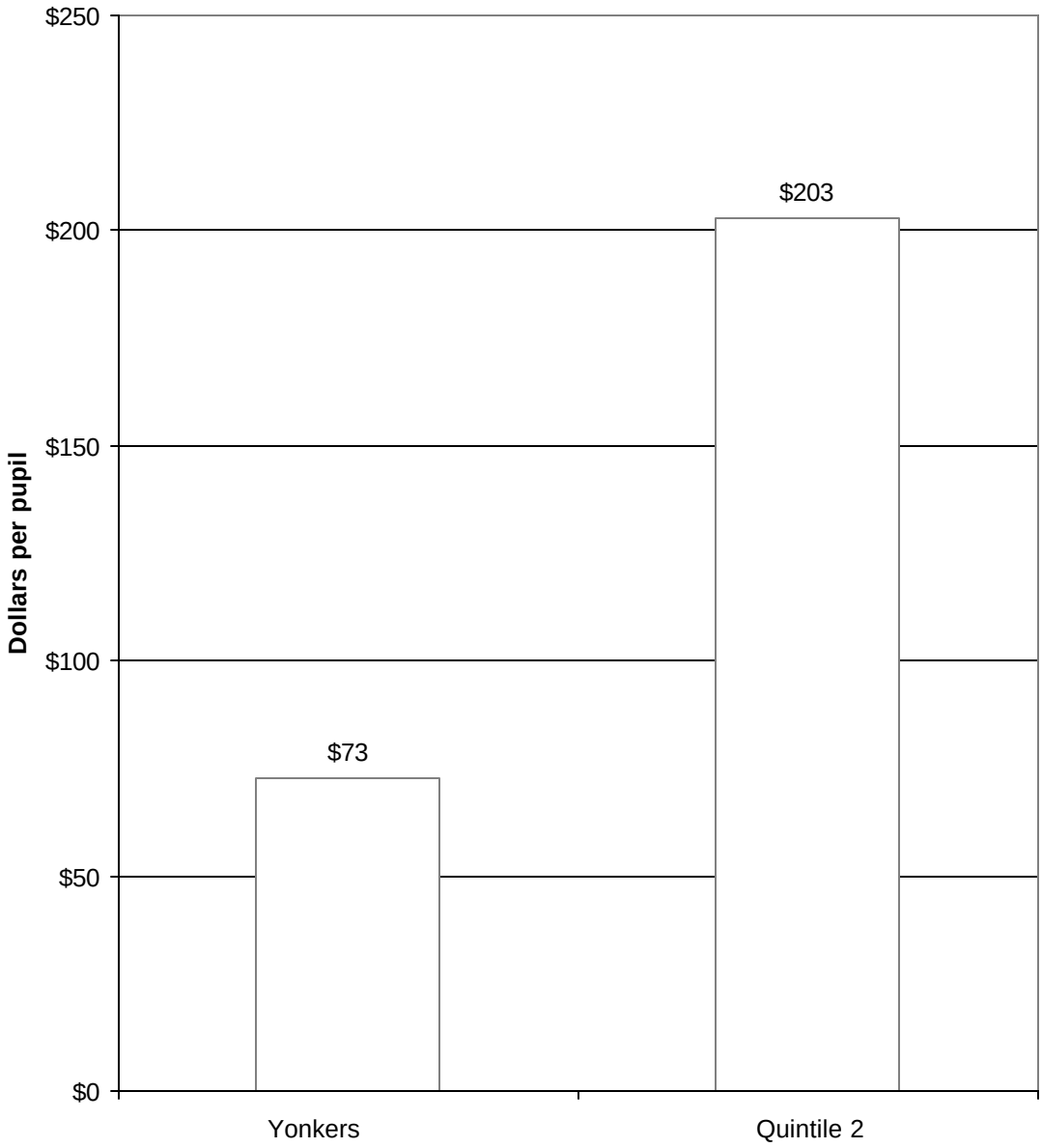
Table 4: Building Aid plus BRIA for the five big cities and other districts of similar wealth

	CWR	Quintile CWR Range	Building Aid Plus BRIA	City's rank by BA+BRIA in the corresponding quintile
Yonkers	1.21		73	**70th out of 83 Districts**
Quintile 2 (Simple average)	1.13	0.95-1.37	203	
New York City	0.95		159	**81st out of 102**
Quintile 3 (Simple average)	0.84	0.74-0.95	318	
Rochester	0.58		318	**82nd out of 120**
Quintile 4 (Simple average)	0.63	0.55-0.74	438	
Syracuse	0.51		292	**154th out of 208**
Buffalo	0.49		105	**202nd out of 208**
Quintile 5 (Simple average)	0.44	0.19-0.55	548	

[4] The big cities cannot be included in the five quintiles because of their size. New York City for example has more pupils than any two quintiles.

Figure 3 compares average per pupil Building Aid plus BRIA to the per pupil, simple average for the second quintile. Yonkers, which would rank 70th out of 83 districts (in terms of BA+BRIA received) in the second quintile, receives a little more than one-third of the quintile average. Table 3 and chart 2 show that Yonkers receives that Yonkers received barely more than one-third of the average for the second quintile.

Figure 3: Average Yonkers Building Aid plus BRIA 1992-1999, compared to the average for Quintile 2



As figure 4 shows, New York City received approximately half of the average for the 3rd quintile. It would rank 81st out of 102 districts if it were included in the 3rd quintile.

Figure 4: Average per pupil Building Aid plus BRIA for New York City, 1992-1999, compared to the average for the third quinitle.

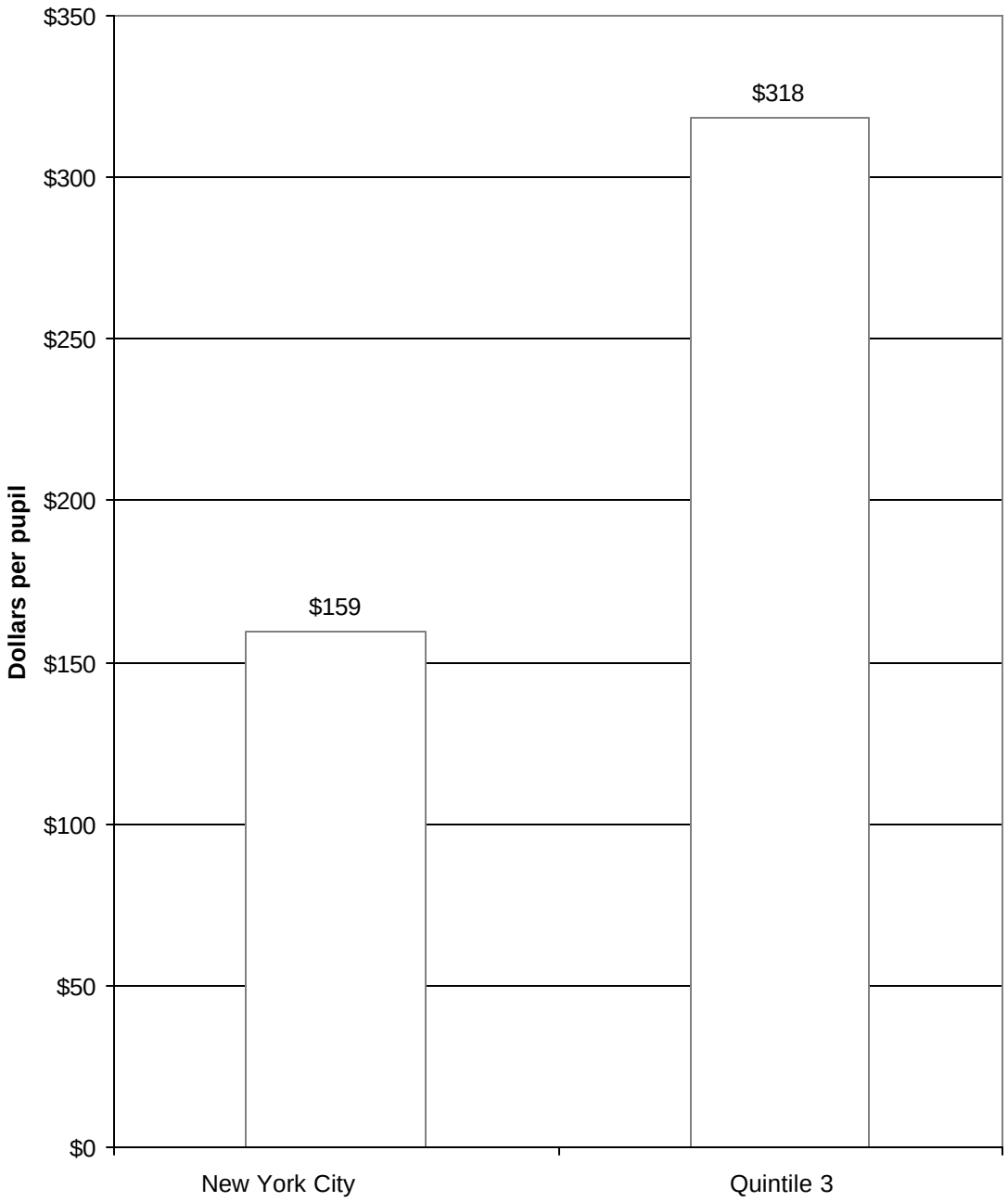
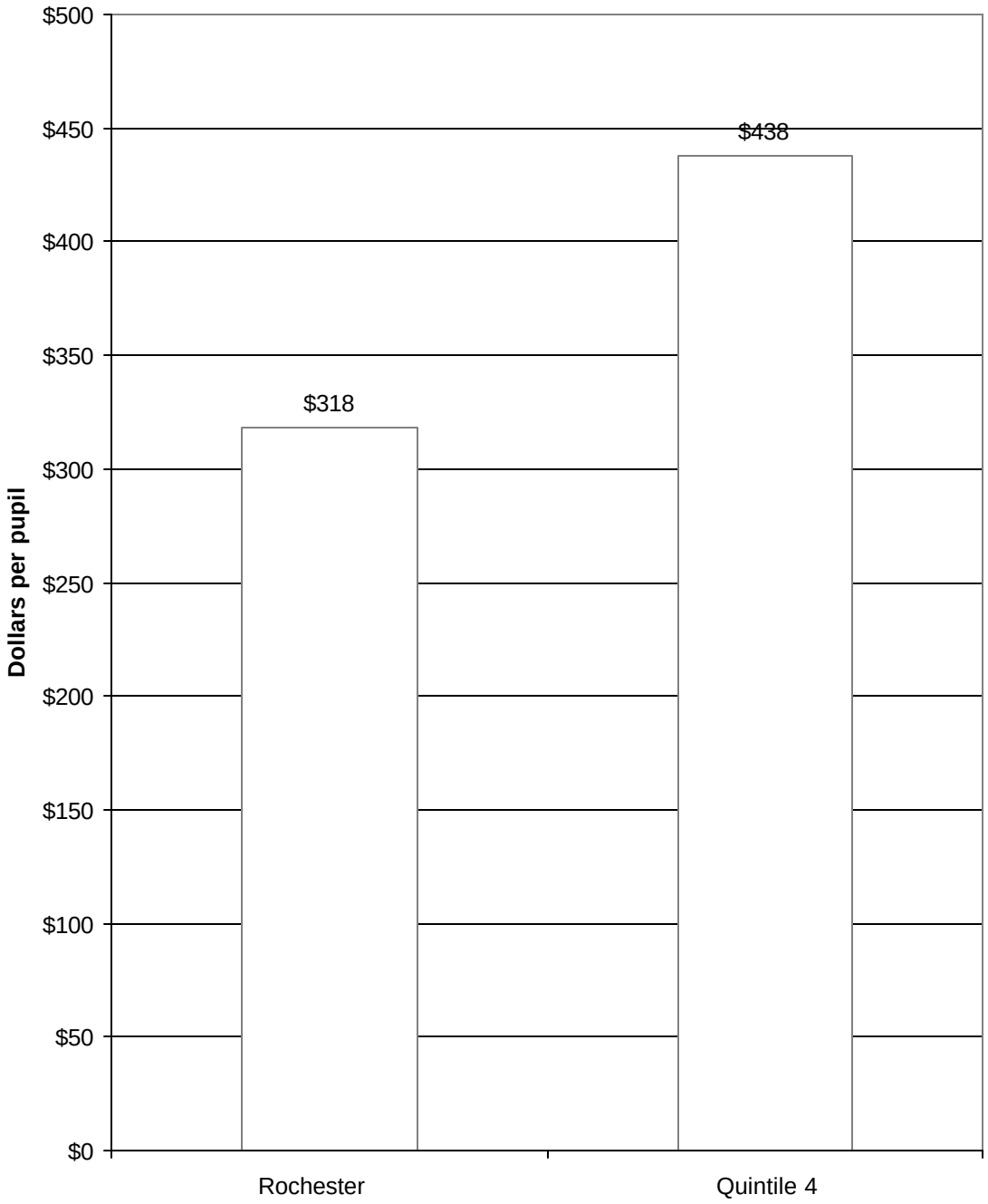


Figure 5 shows that Rochester received more than 27 percent less than the average for the 4th quintile. It would rank 82nd out of 120 districts.

Figure 5: Average per pupil Building Aid in Rochester, 1992-1999



Both Syracuse and Buffalo have CWRs that would put them in the fifth quintile. Figure 6 shows that Syracuse receives barely more than half the average for the fifth quintile and Buffalo receives less than one-fifth of the average. If they were ranked they would be 154th and 202nd out of 208 districts in the fifth quintile.

Figure 6: Average per pupil building aid in Syracuse and Buffalo, 1992-1999, compared to the average for the fifth quintile

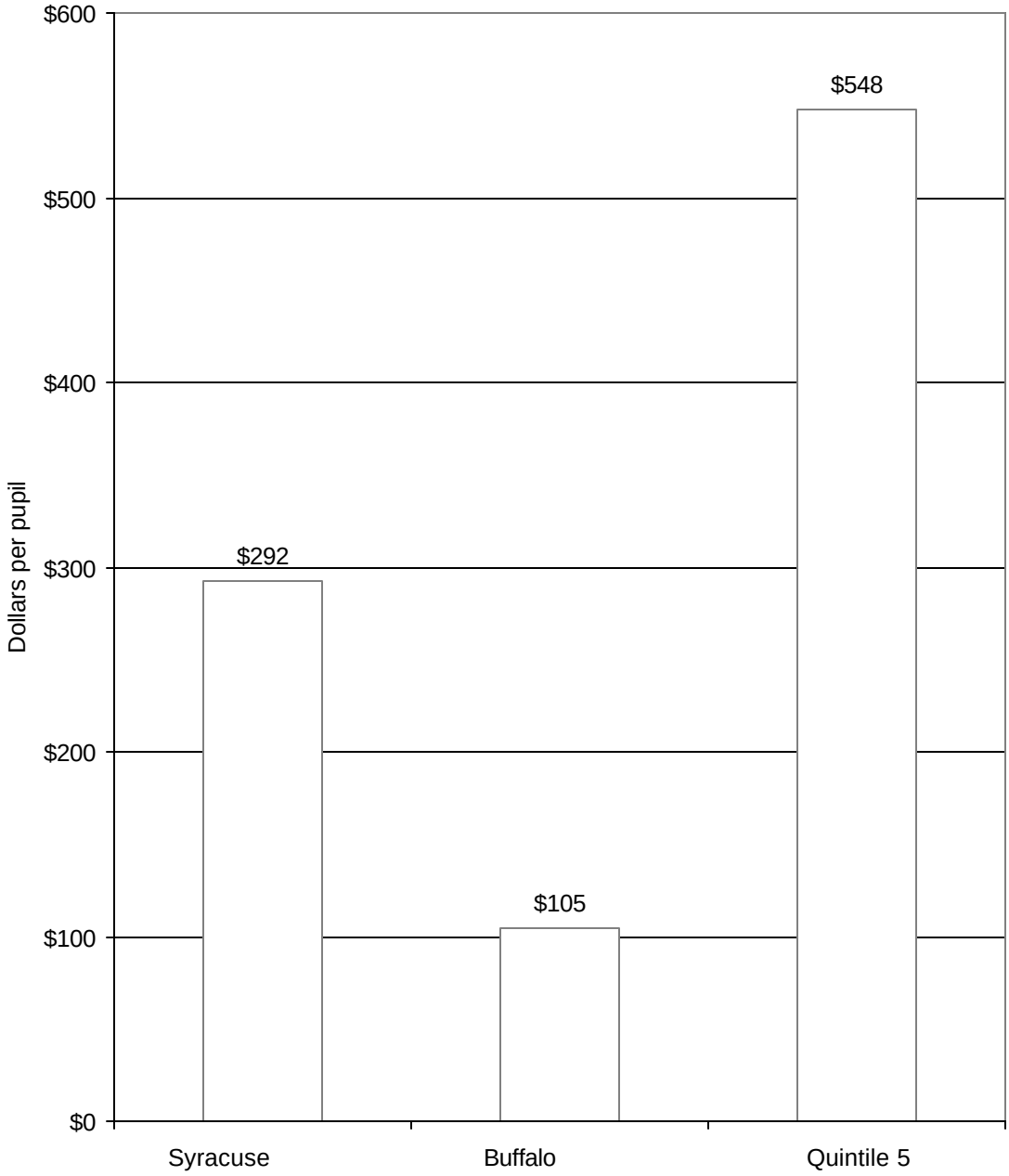
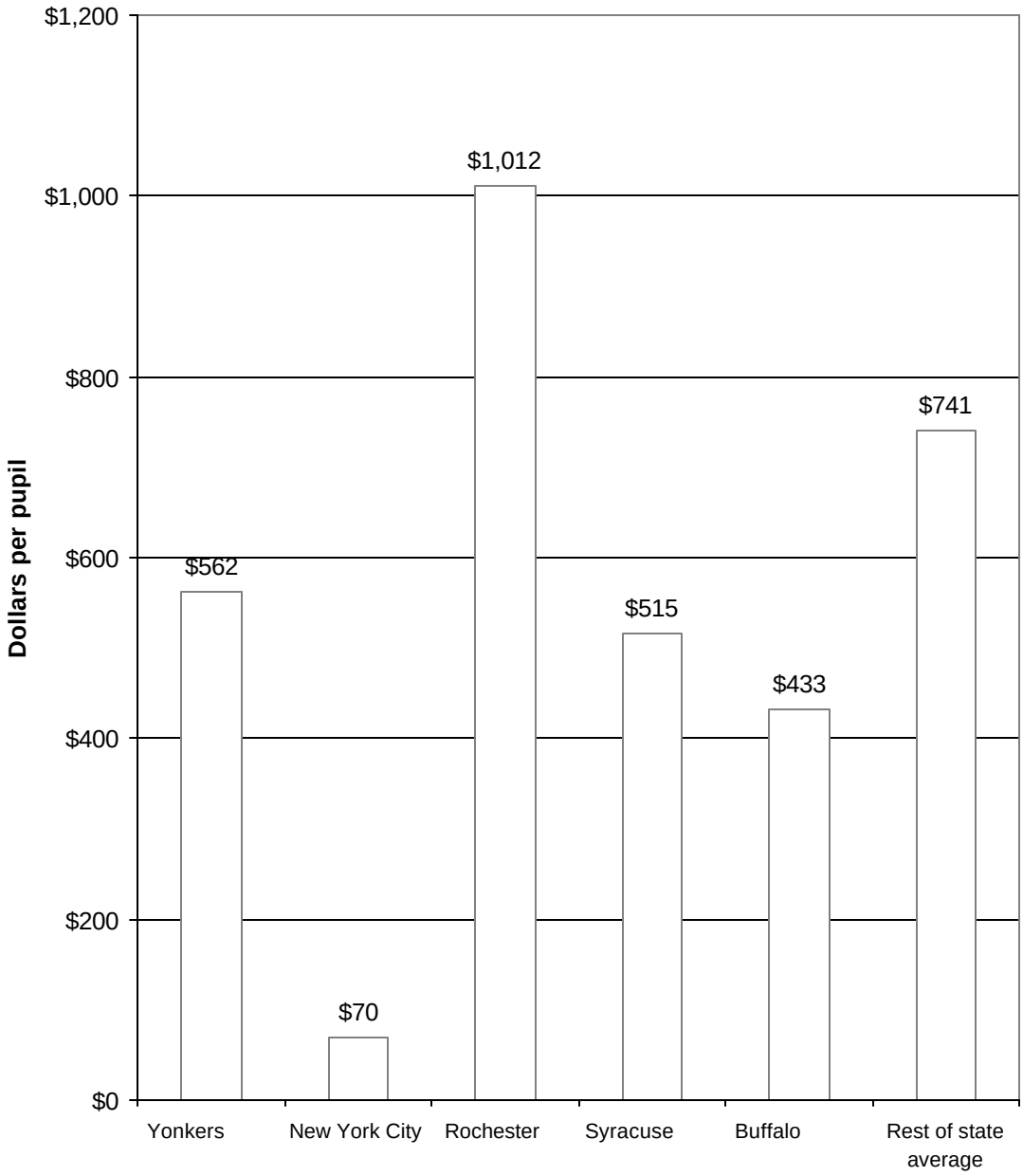


Figure 7 shows that the lack of Building Aid is reflected in lower capital spending. Rochester managed to spend well above the state average, but all of the rest of the big five have spent significantly below the average. The most striking example is New York, which spends less than one tenth of the state average on equipment and capital.

Figure 7: Average per pupil Equptiment and Capital Outlay of the Five Big Cities, 1992-1999



Conclusions

This report has shown that the five big cities all receive significantly less Building Aid than other districts in the state and, as one might expect, they also spend significantly less on equipment and capital. Part of the reason for this could be that the big cities are dependant school districts and funds for building schools must compete with funds for many of the other pressing demands cities have on their budgets. Whatever the cause the lack of building funds for the big cities is a significant problem because they have forty percent of the state's student population and on the whole they are in need of better facilities.