

Q&A:

New York State's Gap Elimination Adjustment

New York's Gap Elimination Adjustment may be one of the most reviled provisions of the state's school aid formula. But what is it exactly, and how has it impacted school districts across the state?

The New York State School Boards Association has provided the answers to some frequently asked questions to help explain it.

Q: What is the Gap Elimination Adjustment?

A: The Gap Elimination Adjustment, or GEA, was first enacted by the Legislature for the 2009-10 school year under its original name, the Deficit Reduction Assessment. In 2011-12, the GEA was made a permanent part of state aid allocations. Its purpose was to reduce state support to public schools in order to help close the state's budget gap.

Q: How has the GEA impacted schools?

A: The Gap Elimination Adjustment has meant a reduction in state aid to schools over the four-year period from 2010-11 through 2013-14 of nearly \$8.5 billion. That is an average of nearly \$12.6 million per district over the four-year period – an average of \$3.1 million per year. These cuts in state aid to schools have caused many districts to cut educational programs and staff. For instance, according to a 2012 survey NYSSBA conducted with the state Association of School Business Officials, 64 percent of districts cut teaching positions in their 2012-13 budgets, while two-thirds of them cut non-teaching positions. Large percentages of districts also said they had to increase class sizes (53 percent of districts), reduce electives (44 percent) and reduce or eliminate extracurricular activities such as athletics (36 percent).

Q: How does the GEA work?

A: In a process that has become an annual ritual, the state budget allocates aid to school districts, then takes away a portion of that aid through the GEA. If the amount of state aid that flows to schools exceeds the projected growth in the state's personal income, the GEA is increased. This serves to contain overall growth within legislated limits. If programmed state aid increases are less than the limit established by growth in the state's personal income, or if lawmakers want to exceed the state aid cap, they may lower the GEA. Generally, unless the Legislature and governor enact a provision, the GEA continues at the previous year's levels.

Q: Will the GEA ever be phased out?

A: That decision is up to state lawmakers. The GEA is a permanent part of state law. Thus, it remains in effect unless amended by state lawmakers. The state Senate and Assembly called for phasing out the GEA in their respective state budget resolutions in March 2013, but neither initiative was adopted as part of the enacted state budget. The State Education Department estimates that based on limits on projected state aid increases under the state's personal income growth index, it could take at least five years to fully eliminate reductions attributable to the GEA.