Testimony of Joseph C. Dragone - July 30, 2024
Rockefeller Institute Public Hearing - Farmingdale, NY

My name is Joseph Dragone. I have recently retired as a School Business Official after 54 years in public education. Thank you for the invitation to speak today.

In 1995, the Court of Appeals issued a landmark decision holding that the Education Article of the state Constitution *"requires the State to offer all children the 'opportunity' for a sound basic education."* After several additional years of litigation by the Campaign for Fiscal Equity, this resulted in the Foundation Aid Formula being created in 2007.

There are two components to the formula: an adjusted base amount per pupil and a weighted pupil count. I want to focus my comments on the base amount which was first determined following a study of what were then (nearly 20 years ago) considered to be "Successful Schools."

In 2007-08, the base amount was set at $4,695 per pupil. For 2024-25, the base amount is $8,040. Each year, the base amount was increased by a measure of inflation (CPI) with the exception of 2024-25 when the legislature and governor agreed to reduce the calculated CPI increase of 4.1% to a negotiated amount of 2.8%. There were several years in which the Foundation Aid base amount was also "recalibrated" according to this "Successful Schools" model. The last full update was 2012-13. In other words, for the past 12 years, despite tremendous new challenges faced by public schools, the base amount has not been "recalibrated" in order to reflect the cost of these new challenges including but not limited to cybersecurity, new instructional technology, student mental health needs, and the physical

security of our instructional facilities. This means that schools face new and greatly increased costs not reflected in the foundation base amount.

One of the problems with recalibrating the cost of a "Successful School" is that the original criteria are no longer applicable for one reason or another. For example, one criterion was a passing rate of 80% on certain student tests. The opt-out movement and the new scoring rubric using score points of 1 - 4 make it nearly impossible to replicate the original study.

With that in mind, I propose that we redefine a "Successful School" to be one in which at least 90% of the students in a 4-year cohort graduate on time. After we have identified these school districts, we can collect expenditure information for those school districts and "back out":

1. The expenses for debt service, transportation and any other non-instructional expenses that do not directly contribute to the provision of a "sound basic education,"
2. The expenses for special education and English Language Learners since those expenses are accounted for in a weighting given to the number of pupils for whom aid is payable
3. The weightings provided by the "Regional Cost Index (RCI)" and the "Pupil Needs Index (PNI)."

The reason to "back out" the weightings provided by the RCI and the PNI is that the Formula itself uses them to adjust the Foundation Base Amount for each individual district.

The next step would be to divide the resulting adjusted expenditure by the K-12 enrollment in the district. The foundation aid base amount could then be established by averaging the adjusted expenditures per pupil in successful schools. As was done in the original "Successful Schools" study, a decision could be made to consider only those districts whose expenditures per pupil fall below the median since it can be assumed that some successful schools spend more than is absolutely necessary for a "sound basic education."

One advantage of this new methodology is that it can be easily replicated each year using current data that is already collected and available in NYSED public databases including the School Report Card and the ST-3 (Annual Financial Statement).

A second advantage of this methodology is that it is easily "manipulated" as necessary to fit the fiscal climate in the state. For example, you could consider a successful school to be one in which 85% of the cohort graduates on time or you could count the expenses incurred in the bottom quartile of successful schools instead of the bottom half.

A third advantage is that the methodology is understandable and transparent.

Using data readily available on public websites, I have calculated The average adjusted expenditure of the bottom half of school districts with at least 90% of children graduating on time as $11,367.

		Definition of Success	
		90% Graduating Within 4 years	85% Graduating Within 4 years
Averaging Expenditures	Lowest 50%	11,367	10,973
	Lowest 25%	10,289	10,020

Regardless of the definition of success, it seems obvious to me that $8,040 as a base amount is wholly inadequate to provide a sound basic education. It would be my recommendation to set the base amount at $11,367 or at the very least put in place a process that would adjust the base amount from $8,040 to $11,367 over a short period of years.

Respectfully submitted

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