

Foundation Aid

Having been in education for over 39 years, seven plus years as a School Business Official; ten years as a Superintendent; and presently a School Board member, I would have to agree the Foundation Aid formula is in need of "fixing", and has been in need of "fixing" for years.

My concern is, in its inception, the Foundation Aid (2007-08) was touted as the "fix" to State Aid. In theory, maybe, but it was never given a real chance. Unfortunately, that was short lived and then we suffered through the GAP Elimination (2010).

Foundation Aid was supposed to have annual "increases" that were predetermined for future years so school districts could properly plan accordingly, budgeting, programing, and level out the impact to the local taxpayers. The increases usually fell short leaving the local communities to pick up the slack. Then came the Campaign for Fiscal Equity (started in 1993). After a court ruling, school districts received a one-time infusion of monies called Sound Basic Education a "grant in aid".

More affluent communities were able to weather the shortfalls. They usually can. Some even able to offer electives across the spectrum, for example, Elementary Mandarin Chinese, Equestrian, etc., while less affluent communities struggled to offer the basic courses or even have to cut programs.

Education in NYS became one where it was depended on where you lived for the course offerings above and beyond the core subjects.

Too many people who do not understand finances, and don't even balance their own checkbooks, and they are individuals that have, can, and will continue to "control" the funding of education in NYS. The youth of NYS need to be a higher priority than to burden the shortfall when State revenues do not materialize; unfunded mandates; or other special interests.

Most school districts were not funded at 100% of their allotment of Foundation Aid when the GAP Elimination was sprung on school districts in 2010.

School district again became the collateral damage (thus the children) in a shortfall miscalculation of the revenue portion of the NYS Budget which took almost a decade for school districts to recover at funding levels close to the 2010 level (not accounting for inflation).

My experience was one in which my school district's Real Property Values increased at such a rapid rate after 9/11/2001 (Actual Values went from \$292 to \$606 million) that it affected our CWR (Combined Wealth Ratio) .534 to .788 in five years. While at the same time our IWI (Income Wealth Index) went from .553 to only .601. When we were affected by the GAP Elimination reduction we were viewed as a wealthier district than we really were. As a result, I had to lay off 36 staff members (which was 20%), affecting program and students. It even reached the point that bill was introduced at the NYS Legislature (# A04391) to help with the real property value of the school district.

But State Aid has been an issue for years. Especially when taken from school districts. Dr. John Zeis, PhD, retired Superintendent for over 20 years, wrote a paper back in the '90's, on Savage Inequities

(attached). I believe this was in response to NYS withholding the May State Aid payment the prior year. In it he showed how poorer school districts suffer worse when NYS cuts State Aid to school districts. State Aid is not given as an even percentage to all school districts, so why is it when a reduction takes place? Even though Dr. Zies' paper may be 30+ years old the message remains the same and shows how the funding of education is not just a Foundation Aid formula problem. Issues concerning the funding of education have been around for decades.

That all being said, the Foundation Aid formula, at a minimum, needs to account for the following factors (but not limited to the following factors):

- there needs to be a "base" amount for all schools. This can be base by size, with the realization that there is a minimum cost of overhead to providing an education even if the student population decreases. You do not turn the heat down or turn the lights off just because you have fewer students.;
- an emphasis on the Income Wealth Index (IWI) of a community. The Combined Wealth Ratio (CWR) is important BUT with the recent increase in real property it has, or could have, a negative impact on the formula, as it did in my example above. Free and Reduced Lunch eligibility list was even a better indicator of household wealth, but with lunches being free for more schools there should be another way to get that info.;
- a regional fact that takes into consideration an area's Cost of Living (there is for construction costs, so why not for education); and local economic impacts (such as the closing of Great Meadows Correctional Facility); and,
- a schedule of future increases in state aid that school districts can plan on (similar to the increases that were promised and never materialize in the original Foundation Aid formula).

Other items that need consideration with State Aid that are not part of the Foundation Aid Formula BUT do have an impact on state aid to school districts:

- an adjustment in the current fiscal period for unbudgeted Public and Private Excess Cost Aids for changes in placement due to mid-year transfer students or a change in placement. School districts vote on a fixed budget for a year. Even though Excess Cost Aid is on a year lag, sometimes it can be a budget buster;
- increase the limits for Revenues Generating Expenses to reflect more appropriate current values. For example: the maximum amount of salary for a BOCES individual (\$30,000), BOCES Aid in general, annual budgeted \$100,000 projects, etc.;
- increases in Building Aid. Construction project stimulate the business economy, industry wide and locally (restaurants, gas stations, local sub-contractors, etc. – if I remember my economic professor correctly, "a dollar spends a minimum of three times in a community"); AND,
- put in place a formula when (on Rare occasions) reducing State Aid that it does not have a greater impact on less affluent school districts creating more of a disparity than already exists.

By no means do I think this is all inclusive, the perfect solution, or even simple. I think we all agree what came before the Foundation Aid Formula needed to be fixed, thus the Foundation Aid Formula. That was deemed unfair by the Campaign for Fiscal Equity. Attempts to "fix" it then was stop gap at best, so I think it is correct in having the formula reviewed again and hopefully adjusted.

I realize that NYS is not able to provide each student with the same educational offering at each school district but students only go through K-12 once in their lifetime and no one should be at a disadvantage because of where they live.

The “new” formula cannot, and must not, be a “one and done” fix, history shows that does not work. It needs to evolve as time goes on, but please do not allow it to be a factor in a political game. Our children are not the pawns in that chess game. They deserve the best opportunities we can give them, not should never be used to balance a budget.

We cannot make up for past mistakes but let us never again allow the children of NYS suffer as collateral damage and shoulder the burden to balance a State Budget because of someone’s miscalculation.

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