

NYS Assemblymember John T. McDonald III, RPh Comments

Thank You for the opportunity to present comments in regard to the future of Foundation Aid for our schools throughout New York State. The task is by no means easy, but it is important due to the diversity of our state and the needs of our students to gather the proper information to work towards appropriate solutions. The good news is that I highly doubt anyone will advocate for no changes at all and I believe we can all agree that today's situation is by no means perfect.

As one who represents urban, rural and suburban districts, I share the following comments keep in mind as we evaluate modernizing the foundation aid formula.

First and foremost, I believe any solution has to lead to predictability for school districts and by that, allow for multi-year planning. As a former Mayor I always followed a three-year financial planning budget; however, school districts have always been left in the dark about what the future holds for education funding. Predictable funding is a must to help lead to financial stability and planning.

Secondly, I do believe we need to have a discussion about fund balance. This past year the NYS budget conversation took a turn to look at school districts fund balances as a means to address the funding challenges. This is driven by the antiquated benchmark of NO MORE THAN a 4% fund balance for school districts which I understand in part as state funds should be invested in education however at the same time as a former municipal official, it would be considered financial inadequacy to not strive for a 20% fund balance. My point is that due to the unpredictable funding as mentioned prior, districts have exceeded the 4% threshold to protect the districts. I expect that there will be an attempt to address the excessive fund balances again and I suggest we look at a multi-year effort to allow districts to raise that 4% threshold without penalty and a provision be put in place to help districts spend that excess in an agreed upon responsible measure, once again underscored by the unpredictable past funding mechanisms.

Related to the paragraph above, it is imperative that we review the PILOT exclusion in the state tax cap calculation. The tax cap is here to stay and was not present when the formula was last considered, and the impacts of pilots on school districts and local governments have to be part of the discussion. The 2023 legislative session witnessed broad bipartisan support for this proposal in both houses, as well as the local government and school district partners, and labor to correct the impact of PILOTS and its impact on growth factor. The time is now to address this item that saw no opposition from any entity involved in education yet was vetoed.

In line with the above-mentioned comments, school districts will need time to respond to a new formula. Change cannot be immediate but phased in over a multi-year period. This is consistent with multi-year budget planning as well.

There is a tremendous opportunity due to technology advancements over the past two decades and from the COVID-19 experience to expand distance learning where appropriate. There are some districts now that may offer for example multiple languages as an option and other districts may not. It is logical that instead of trying to replicate that effort to instead support regionalization of programs. Programs such as virtual learning, updated graduation and

assessment criteria, diverse college and career building programs, as well as workforce development programs that are in line with labor market needs all should be part of this large discussion.

Funding should be structured to meet the needs of the students. Traditionally wealth of a district played a role but today I believe we can all agree that wealth is not the more critical factor as students' needs transcend all socioeconomic norms. Whereas there has been support for individuals with disabilities, special needs, and English language learners, it is very evident that mental and emotional health play a significant role as well with student achievement. Another factor to consider that is not with certainty is what we have experienced here in New York State and also the Capital Region which is the sudden influx of students who are refugees or seeking asylum. Districts throughout our region witnessed significantly higher increased enrollment and with that brought about increased costs to districts as well. This leads to my final point that the new formula needs to be able to respond in a timely manner to sudden changes districts experience with enrollment. I recognize that this is a difficult balance especially with my comments above about predictability but I believe we all agree that changing the formula and putting it aside for 20 years is not suitable as well.

These are just some thoughts that I am sharing as part of the larger conversation. In closing, it is no secret that we have survived a very challenging time with the pandemic which has opened up many other issues and has in a way caused a delayed onset of hopelessness in many circles. This has also bled into society's examination of what I capture under the title of civilization or civility for sure. I therefore close my comments with two President Dwight D Eisenhower quotes that I intercepted that underscore the importance of our collective work on updating the foundation aid formula and education in general:

"I see no hope for the world except through education."

"The true purpose of education is to prepare young men and women for effective citizenship in a free form of government."

Thank You

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108th Assembly District