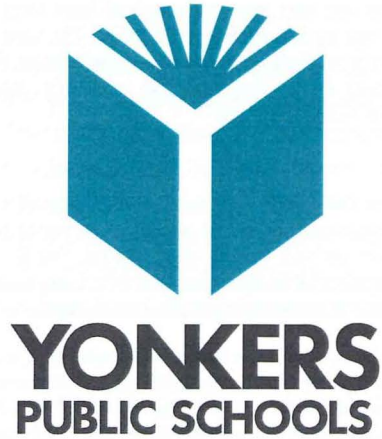


city of YONKERS



**City of Yonkers Presentation to the
Rockefeller Institute of Government for
New York State's Formula Aid Study**

Mike Spano
Mayor

John Liszewski
Commissioner of Finance

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Foundation Aid Regional Cost Index, is it fair to Yonkers?

INTRODUCTION

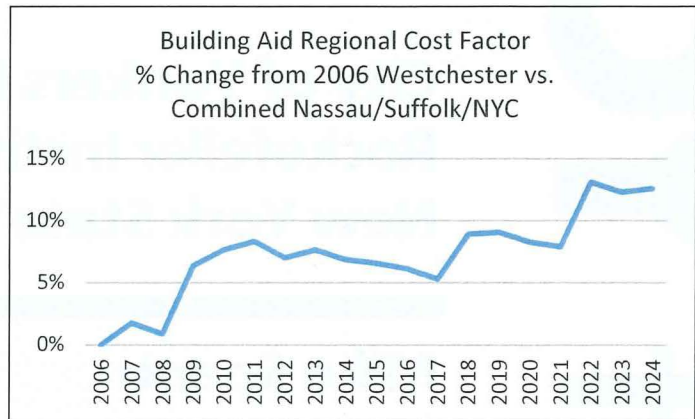
The Foundation Aid Formula modifies a general baseline per pupil cost of education into a specific top line gross amount (1st calculation "G") for each district based on district attributes and then further allocates this cost into a bottom line split (2nd calculation) between local ("L") and state share ("M") according to wealth. Higher wealth statistics relative to state wide averages puts more of the financial burden of the top line gross cost on the local taxpayer rather than state aid. The inputs for wealth measurement are clear, quantifiable, and current. Full market value of real property and taxable income are two distinct data points collected by the state annually. However, the main input to determine the top line gross cost to educate a pupil prior to the bottom line allocation split relies on a regional cost index that is from 2006 and that is not district specific grouping districts together into very broad geographical labor force regions established many years ago by the department of labor. The table at right illustrates the calculation for the Yonkers school district for FY24.25. For each 1% move (ceteris paribus) in the Regional Cost Index (D), there is a commensurate 1% move in Foundation Aid \$.

		FY24.25
		Adopted Runs
A	Foundation Amount (Successful School Study)	\$ 7,821
B	CPI Projected	2.80%
C = A x B	Foundation Amount adjusted for CPI	8,040
D	Regional Cost Index (RCI) for Westchester	1.314
E	Extraordinary Needs %	73.00%
F = E + 1	Pupil Need Index = 1 + Extraordinary Needs	1.7300
G = C x D x F	Adjusted Foundation Amount/ Pupil (AFA)	\$ 18,277
H	Projected FAPWR (income wealth)	84.40%
I	Projected FAAPWR (real property wealth)	73.00%
J = (avg of H & I)	Projected FACWR (combined wealth)	78.70%
K = J x multiple formulas	Projected FASSR (state share)	52.10%
L = G x (1-K)	Projected Minimum Local Contribution (b)	\$ 8,755
M = G - L	Foundation Aid Per Pupil	\$ 9,522
	New York State Rank	#222
N	TAFPU (pupil units)	29,880
O = M x N	Foundation Aid Formula	\$ 284.52M

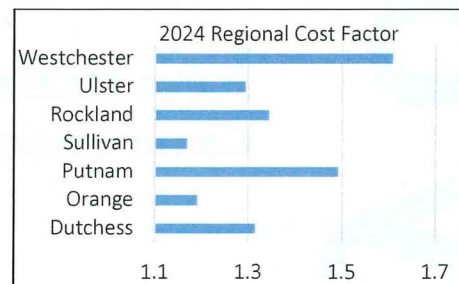
FACTS

- The FY24 Adopted New York State budget established new hourly minimum wage rates starting January 1, 2024 with amounts rising by \$0.50 per year for two years with subsequent increments based on the rate on inflation. In the legislation, NYC counties, Long Island counties, and Westchester County were lumped together and required to pay \$1.00 more per hour than all other counties. The \$1.00 amount difference between this high cost of living counties and others will grow as inflation increases. **The FY24 Adopted NYS Budget 1) lumped NYC, Long Island, and Westchester together, indicating a similar cost of hiring and 2) mandated minimums higher than other counties acknowledging that costs are higher in these counties as compared to all other parts of the state.**
- New York City & Long Island labor force regions were considered a single area in 2006 with their index results combined because there was "evidence that these two areas actually function as a single labor force market region with professionals, especially in the education professions, moving to jobs across the lines between New York City and Long Island." **Yonkers borders New York City with 70% to 80% of experienced teacher hires coming from the New York City school district indicating that Yonkers competes directly with New York City for teachers which is evidence of a single labor force region.**

▪ A more recent 2012 Regional Cost Index calculation by NYSED (not being used) indicated that the Hudson Valley labor force region that includes Yonkers had become more expensive in comparison to NYC/Long Island region than as assessed in 2006. The Hudson Valley region went from 1.314 in 2006 to 1.407 in 2012, a 7.1% increase while the NYC/Long Island region went from 1.425 in 2006 to 1.488 in 2012, a 4.4% increase - Another way to examine how the cost of hiring professionals has changed in Yonkers & Westchester is to reference the change in Building Aid Regional Cost Factor ("BARCF") which is **calculated and implemented annually** by NYSED based on the cost to employ the high paying positions of carpenters, electricians, and plumbers, in each county. The graph to the right measures the relative change in BARCF of Westchester County vs. the combined NYC & Long Island counties. Relatively, it now costs 13% more to hire these professionals in Westchester as compared to NYC/Long Island regions in 2024 than it did in 2006. **Doing business and hiring in Westchester County is relatively more expensive than calculated in 2006.**



▪ Yonkers, a downstate city, ranked 3rd in population in the state according to the 2020 decennial census, and bordering NYC, is lumped into the Hudson Valley labor force region RCI with Counties as far as 100 miles away where costs of livings are lower. The graph at the right shows the current 2024 Building Aid Regional Cost Factors by county inside the Hudson Valley labor force region. **The cost of hiring professionals is clearly higher in Westchester County than in the other counties grouped in the "one size fits all" Hudson Valley labor region. In addition, the Westchester County 2024 1.61 factor was higher than both Nassau and Suffolk's' 1.58.**



BOTTOM LINE

Yonkers is ranked 222th in Foundation Aid per Pupil Unit out of 673 districts receiving Foundation Aid in FY24.25 Adopted School Runs. Located in the expensive downstate region, it is hurt by gross income and property values specific to Yonkers but not credited with an accurate assessment of what it costs to run a district downstate. Grouping Yonkers, where over 70% of the students live in poverty, with the NYC/Long Island RCI region, would bring approximately \$22 million more to the district annually but still leave it ranked only 198th in Foundation Aid per Pupil Unit.

Good afternoon,

Thank you for the opportunity to give the City of Yonkers an opportunity to discuss the State's Foundation Aid Formula. For the past 13 years, Mayor Spano has lobbied Albany about the fundamental flaws in the formula. While we appreciate that the existing Foundation Aid Formula has been fully funded, it doesn't compensate for the fact that it is a flawed formula.

On behalf of Mayor Spano, I respectfully submit the challenges the City of Yonkers faces, on how the Formula is currently calculated.

We all know that the Foundation Aid Formula is "supposed to disperse state aid in such a way as to eliminate inequities among school districts" with different abilities to raise local taxes adjusted for unique local challenges. During the past 13 years, Mayor Spano's administration has raised the city's contribution to education each and every year for a cumulative amount of \$498 million dollars. This has added 135% to the citizens' property tax increases over these years. Additionally, ten years ago the City assumed \$10 million dollars in administrative costs of the Board of Education annually, freeing up in excess of \$100,000,000 dollars to be invested back into the classroom. When the state temporarily increased AIM Aid this year, \$5 million dollars was immediately awarded to the BOE maintenance of effort in perpetuity. The taxpayers of Yonkers have done more than their fair share in contributing to the education of children.

When federal funds become available, although there were warnings against using the money on recurring expenses, the Board of Education had no choice, but to spend the money to address the social and emotional needs of the children. The ratios of guidance counselors, social workers, psychologists, and support staff were inadequate to begin with and became even more stretched during the COVID pandemic. That money had been utilized over 3 years. But now that money has run out. Despite the budget shortfalls, Yonkers is proud of its many successes; highest urban graduation rates in the State, national recognition for our MBK Program and the list goes on.

The folks in Albany ask us each year, "why are you back with the same old problem?" "Why are you looking for a handout?" The reason we are forced to come back year after year with the same old problem is because the Board of Education's budget is structurally imbalanced due primarily to a lack of recurring state aid. The Foundation Aid Formula does not address the needs of our Yonkers children. Yonkers is situated in affluent Westchester County and borders N.Y.C., which means our property values are relatively high. That works against us in the Foundation Aid Formula. Our regional cost index groups us with upstate N.Y. where the cost of living is much lower, but our expenses are more in line with N.Y.C. and Long Island considering that we share a common labor force pool. Our special education costs, especially when considering "High Cost" students, far out surpass most districts and continue to grow faster than other expenditures. There are a number of unique circumstances affecting Yonkers that need to be addressed while amending the Foundation Aid Formula.

The majority of our children are black and brown children. Greater than 70% of our student population is below the poverty level. Many of our children are immigrants and require ESL Classes. Approximately 20% of students receive special education services. The fact that Yonkers, the third largest district in the state, with all the challenges of a large urban city, ranks 222nd in the state in Foundation Aid per pupil unit is clear evidence that the formula is failing in its efforts to provide equity.

Our children deserve to have the same educational opportunities as every other child in the State. Despite them being chronically underfunded, they continually achieve the highest graduation rate of any big city. Imagine what they can do if they were given equity and fairness? They deserve to have art, music and sports. They deserve to have the emotional and social resources that every other child has in Westchester County and beyond. As I previously laid out, the taxpayers of Yonkers are doing their share. It's time for the State to fix this formula and give Yonkers children what they deserve and are entitled to.



MAYOR MIKE SPANO