

UNION SPRINGS CENTRAL SCHOOL DISTRICT

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To Whom It May Concern:

Thank you for your continued interest in and support of the Union Springs Central School District. Just knowing that you are committed to learning more about the challenges and issues facing our school district is incredibly appreciated and reassuring. I will try my best to outline some of the concerns and considerations facing our school district in the upcoming school year.

Foundation Aid:

The Governor's Executive Budget proposal for 2024-2025 sought to reduce the amount of foundation aid to Union Springs from \$7,815,636 for 2023-2024 to \$6,788,052 in 2024-2025. This proposed reduction represented a proposed \$1,027,584 loss of revenue for our school district in the upcoming school year. Further, the Governor's proposal did not include any additional financial supports to help our district confront a myriad of inflationary factors facing us including, but not limited to: salaries, healthcare, pension contributions, energy expenses, student needs, and new curricular initiatives being mandated by the state, etc. All of which must be covered by our budgetary plan and only compound our financial difficulties.

To share with you some perspective, if the district were to go to the taxpayers and ask them to cover just the proposed loss of the \$1,027,584 in foundation aid, that would require a 13% increase on the tax levy, as a 1% increase on our levy is approximately \$82,000. Then, we'd have to add on the additional expenses of running our district next year as mentioned above, necessitating a tax levy increase that would be even higher. Of course this is not feasible, practical, or realistic. Thus, if the proposal to eliminate "save harmless" holds in place when the final formula is adopted the district would have to cut a significant amount of staff and expenses. To put it another way, \$1,027,584 is the financial equivalent of our entire transportation expense for the district for a school year, or the entire annual salary expense of all the teachers in our middle school. The district cannot sustain a cut of that magnitude and remain a strong and healthy place for students to learn and grow.

The challenge with the Governor's proposal is that it only addresses 1/3 of the foundation aid formula. Think of foundation aid as a three legged stool, with student enrollment, regional cost index, and the student need index making up the three legs. Her proposal only adjusts for student enrollment revising downward from 2007's enrollment to today. Ostensibly, we have fewer students today than 2007, and I agree with the Governor that we have fewer students. However, by only looking at one of the three legs of the formula, the Governor is disregarding the impact and weight of the other two elements of the formula. The Regional Cost Index has remained the same since 2006 and has not been adjusted. Clearly, the cost index has changed as nearly everything has changed in price since 2006. Another way to think about it is, you do not have the same cell phone you had in 2006, and you have replaced it many times over since then, each time costing more than you anticipated. The Regional Cost Index part of the formula has remained static, with a number derived from 59 (non-educational professions) median salaries from 2006. It is evident the numbers have changed as the cost of living has changed since 2006, but the Governor's adjustment makes no attempt to compensate for that. Further, the third leg of the formula, the student need index is predicated on a host of variables that also require some attention.

The student or pupil needs index is comprised of outdated information that I will attempt to explain below. Hang in there, as it is not super easy to follow:

- Essentially the Pupil Needs Index is the number 1 + a district's extraordinary needs percentage. For Union Springs our index number is 1.66.
- To get the extraordinary needs percentage you take the extraordinary needs count and divide by the K-12 school enrollment of a given district.
- The extraordinary needs count is equal to: Poverty County+ (# of English Language Learners in a school district *.5) + a sparsity count.
- A Poverty Count is equal to (0.65 x Lunch Count)+ (0.65 x Census Count).

Here is where the first bit of trouble comes in:

The lunch count is (2020-21)+(2021-22)+(2022-23) **K-6 Free Lunch Applicants** / by the (2020-21)+(2021-22)+(2022-23) K-6 Public School Enrollment multiplied by the school year student enrollment.

Notice that the numerator **only counts students in grades K-6** and notice also that it says **Free Lunch Applicants**. Since universal free lunch has become a thing during these school years, the number of "Applicants" has decreased because no one fills out a form to qualify for something that they are already going to get for free. So, the need of students grows, but remains largely undocumented in the "applications" for free lunch, leading to a number that is not truly

demonstrative of the need in the school district. Additionally, the state only counts 65% of those who apply when the number is entered into the formula. Further, this count completely disregards student need at the secondary level where many of our foster students, emancipated minors, and students without stable family environments live.

Next is the census count, for which we receive funding for our 2023-2024 enrollment multiplied by 65% of the percentage of students aged 5-17, in poverty as a result of the 2000 census. Our student poverty rate has change substantially since the year 2000, but the foundation aid formula has not changed the data that it references in its calculations. Our percentage of students in poverty has grown from 8% in the year 2000 to north of 40% this school year. However, we only receive funding for 65% of the 8% we had in the year 2000.

Thus, the outdated formula that relies on applications when the school lunch system has shifted to universal free lunch, disregards secondary student needs, relies on the 2000 census, and ignores the fact that, again, school needs and student support concerns have changed since the foundation aid formula was adopted.

The number of ELL students we serve is 22 in Union Springs. This number has grown substantially in just the last few school years. Under the formula we get funded for ½ the number of English Language Learner students below the commanding/proficient level. To give you some perspective, we have two teaching assistants (one at the elementary level and one at the secondary level) who speak Spanish to support these students in our classroom settings, plus one full-time ELL teacher in the district.

The sparsity count is a formula that comes from the state education department that takes the number 25 – 2023-2024 Public School Enrollment per square mile/50.9 We are an 80 square mile school district therefore our sparsity count will show that we are sparsely populated, but it doesn't really make much sense, as regardless of where a child lives in our district, they still need to come into the Village of Union Springs to be educated, and just because there are fewer children than in 2007 doesn't mean a bus has to drive any less farther than they did before to pick up a student on the outskirts of the district.

As you can see, the Governor's proposal reduces funding based solely on student head counts and does not adjust for the needs of those who still remain in the district who are in greater poverty, have needs for which the costs have gone up since 2006, and for whom 2000 census data does not reflect their current demographics. Adjusting 1/3 of the stool legs just doesn't acknowledge the district's current reality, and if left unchecked, will truly limit our ability to exist as a quality school district.

Some people look at Union Springs and say it's a lake school district, and that they have revenue and resources; however most of the folks who have houses on the lake do not live here full time.

They visit. When winter comes to a summer town, the economic condition returns to a much different situation for those of us who actually live here.

In short, I am scared for what is to come for our district if we lose this revenue. I have been the superintendent of schools here for a decade and have worked with our community to make the hard decisions to conserve resources and be prudent with our dollars. We closed an elementary school in 2017, reduced administration, worked hard to leverage BOCES to find and identify regional cost savings, and have done all that we could to remain academically strong for the students we serve, partnering with Cayuga Community College so students can earn an associate's degree and a high school diploma, expanding pre-k for our students, building meaningful interventions around student reading needs, and supporting our students with access to the special education programming they need to find success when they leave our school walls. All of that and more is on the line.

To further compound our troubles this year, we are facing additional external challenges to our financial condition: the loss of our gas well, the development of a housing neighborhood that is being built at the site of our now closed former elementary school, a proposed charter school, and the school bus electrification mandate.

Gas Well:

The Union Springs Central School District gas well sits upon land located at North Cayuga Street property (Tax Lot 134.17-1-1.51), which the United States recently acquired in trust for the Cayuga Nation. For decades, the District has relied on gas produced from the well located on the property to heat our high school complex.

The gas well located on the property has been a source of fuel for the District since the 1980s. In 1978, Frederick and Kenneth Gable, the prior owners of a larger 340-acre parcel of land that included the property, granted an Oil and Gas Lease to Pioneer Resources, Inc., to explore and produce oil and gas. In 1981, the District entered into a Farm-Out Agreement with Pioneer's successor, Devonian Energy Corp., which granted the District the right to earn an assignment of the oil and gas lease for a portion of the Gables' land, including the property.

The District earned an assignment by drilling productive wells, according to the terms of the Agreement. In 2004, B.E.P. Properties, Inc., obtained the property in a foreclosure sale and subsequently sold the property to the Cayuga Nation. ***The deed, recorded on March 3, 2005, excepts from the property the Oil and Gas lease granted to Pioneer from Gable in 1978.*** When the Nation applied to have the property acquired in trust in spring 2005, the District promptly contacted the Nation to discuss the terms of the Oil and Gas Lease and Farm-Out Agreement.

On July 12, 2005, the Nation advised the District that it did not wish to receive royalty payments. On June 12, 2009, the District submitted comments to the Department of Interior/Bureau of Indian Affairs regarding the Nation's proposed trust acquisition. In addition to outlining its rights in the property and the Nation's decision not to receive royalty payments, the District sought confirmation that its gas production could continue uninterrupted when the oil and mineral rights were transferred to the United States as part of the trust process. Concerned that an interruption in or loss of production could cost the District at least \$60,000 or more per year, the District requested the opportunity to address the issue with the United States through a cooperative agreement. The Department of Interior never responded to the District's request.

The trust application was granted in April 2023. Soon after the April 4, 2023, trust decision, the Nation contacted the District demanding an explanation of the District's need to access the property to conduct necessary monitoring and maintenance of the well, as well as royalty and other payments allegedly due the Nation since 2005. The Nation offered to "release" the District from its "responsibility to pay over the escrowed royalties" by terminating the lease. The Nation also blocked the access road the District uses to access the gas well. Ultimately the District's gas well **was turned off involuntarily by the Cayuga Nation on February 9, 2024**, for the first time since it was installed in the 1980's. We believe strongly that the well had another 15 to 20 years of life left in it which at an annualized cost of at least \$50,000 a year represents the loss of approximately \$750,000 to \$1,000,000 to the district that we will now have to come up with to cover energy expenses incurred by the loss of access to the gas well, plus legal fees as the Nation has interfered with our lease agreement.

Keep in mind again that a 1% increase on the tax levy in Union Springs is \$82,000. Any help you can afford us in regard to revenue so that we do not have to find even more things to cut in the coming school year would be very much appreciated. Further, aid as it relates to Native American Reservations is tied to student enrollment. The vast majority of Cayuga's do not live in Union Springs, but the Nation is buying property throughout the school district and petitioning to place that land into trust, thereby shifting the tax burden. Accordingly, even if our tax levy increase was 0%, folks would pay more money because of this shift in tax responsibility. Once again we receive no aid to offset this shifting reallocation of the tax burden.

Housing Project:

Not only is the district facing a potential \$1,000,000 reduction in Foundation Aid if the Governor's proposal becomes the basis of the new Foundation Aid Calculations, inflationary and special education factors that will increase our spending by about \$600,000 (3% of 22 million dollar budget-nothing fancy) with no aid increase to help offset them, and losing access to our gas well, but at the site of our former elementary school the Ithaca Neighborhood Housing Association has begun construction of a housing project that will open in the middle of the 2024-2025 school year. Their website (<https://www.ithacahs.org/wheatstreetapts>) states:

“The proposed redevelopment includes converting the existing school building into 31 apartments and constructing **16 new 3 bedroom** units in three new townhouse buildings adjacent to the elementary school. Included in the total unit count are 15 one bedroom apartments, **16 two bedroom apartments**, and **16 three bedroom apartments**. The property is designed to meet the New York State Housing Opportunity Project **policy goal serving large families in a high performing school district**. The project site is adjacent to municipal recreation fields and a playground.”

As you can see this project will cause an influx of students into our district during an already tight budget year. One has to imagine that with a policy goal of “serving large families in a high performing school district” that a significant number of students will arrive when the neighborhood opens. Construction is already underway on Wheat Street in Cayuga, NY and it is anticipated that families will begin to move in, around November of 2024.

A rough projection of the 47 units being proposed is that 16 are two bedroom and 16 are three bedroom. Assuming that families making between \$18,000 and \$40,000 a year are not going to rent more space than they need, these bedrooms will probably house families and not sit vacant. At a minimum then, one could reasonably infer that 16 students would come to the district out of the two bedroom apartments and 32 could come out of the three bedroom apartments. Meaning 48 students, at a minimum, and that is if no one shares a room, which I did for most of my childhood. So, the number could go as high as 70. But a fair estimate is between 48 and 70 new students showing up in November of 2024. That would be between a 7% and 10% student population increase for our district, which we know of, but can't really predict. These students, like all students, will need teachers, transportation, supports, access if necessary to special education programming, and we will need to have the funds available to provide for this mid-year next year. But note the date of their proposed arrival comes after BEDS day and these students will not be counted when aid formulas are derived meaning we will have to outlay capital with no aid recognition for potentially a year and a half until these students are acknowledged in our school district.

A witty response will be that more students will mean more foundation aid, so problem solved. But that is unfortunately not the case. Since the students will arrive November of 2024, they will not be included in our foundation aid count for the 2024-2025 school year or the 2025-2026 school year because the date that NYSED uses for population count is in October, so no aid will come to offset these new expenses for at least a year and half to two school years. Meaning we will have to absorb them with already limited dollars further depleting our reserves and putting us that much closer to not being a functioning school district. We are not like Auburn, or Ithaca, or Geneva who have the ability to absorb a population increase of this size that quickly; we are a small, rural district, an hour from Ithaca, Syracuse, and Rochester, and every student to us represents both an opportunity but also a need for staffing and support needs.

To give you some examples of what base tuition prices are for special education students in our district per child:

A student in an 8:1:1 classroom base price next year is \$69,666 dollars. A student in a 6:1:1 classroom is \$82,862 dollars. A student in a 12:1:1 classroom is \$44,172 dollars. Each of these is a per student cost. A 1:1 aide costs \$44,172 per student. If 15% of the new students who come to us fit in one of these programs, which would not be atypical based on our classification rate as a district, we are looking at potentially upwards of \$500,000 of new expenses for which aid will not follow in any form, for a year and a half to two years. In addition, it takes place in a year when expenses are already increasing, the foundation aid proposal has us losing \$1,000,000, we lost our gas well, and now have to confront student needs that we simply cannot afford without some support.

In short we need your help. I do not know where else to turn for the State to hear our story as the funding formula is being revised. We are a great school district. We can accomplish anything asked of us, but we need support, some time to make the adjustment, and more resources than we currently have. I genuinely appreciate your time and interest in our challenges. I know that together we can do great things on behalf of the students of Union Springs.

School Bus:

If something doesn't change with foundation aid and our overall funding picture, I do not know if we will exist as currently configured come 2027 when the bus mandate comes into effect, and honestly, this is not my biggest worry this upcoming school year. Staying open and teaching children is, but I thought I would share some data regarding what it would take to transition to electric school busses for Union Springs, this is the information I have to share:

We are an 80 square mile school district. We currently operate 16 big and 4 small school busses.

To transition to all electric busses:

- 16 full size busses: \$7,600,000.00 (\$475,000 per bus)
- 4 small size busses: \$1,200,000.00 (\$300,000 per bus)
- 16 chargers plus installation: \$576,960 (\$28,848 per charger)

Total cost today: \$9,376,960

This, of course, assumes that the busses can meet our range, and we do not need to add more busses to the fleet because of charging time considerations. This also does not include the cost

to train people to drive and repair these busses. We tried to get an electric bus and had the State and EPA grants complete, but then were told we were not allowed to stack the two grants on top of each other, meaning we'd still be paying hundreds of thousands for one bus. If we could have stacked the grants from the State and the Federal government, we would have had at least one bus by now.

These costs are obviously a concern, and 2027 is fast approaching. I do not see how my community votes for this if they are going to be asked for ongoing significant tax increases just so their students have teachers, a warm building, and access to programming to make up for the loss in foundation aid.

Charter School:

Further, to compound the situation, the District has received notification of a proposed charter school to be opened in Auburn, NY in 2025. This charter school, named, *Finger Lakes Classical Academy* has a proposed opening enrollment for grades K-4 with a long-term effort to open K-12. It appears as though this school will appeal to a currently homeschooled student population. We presently have 35 home school students. If even a handful elect to attend this school once it opens, that will represent an additional loss of revenue to fund our school district's operating expenses.

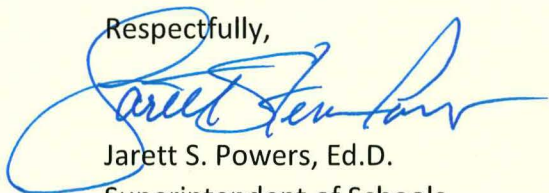
Overall:

Union Springs is an incredible school district. We are responsible with our dollars, prudent in our expenditures, and certainly are not wasteful. These challenges (inflationary pressure with no aid increase to offset, the loss of \$1m in Foundation Aid, the loss of the gas well, and the arrival of 7 to 10 percent more students with no aid to support their arrival for two years) collectively could result in *an extinction level event* for our district in relatively short order. That cannot happen. The work of our community, teachers, and students is something that is truly special. We need help and attention. The "save harmless" cut is perhaps the most devastating thing that could happen to us, immediately followed by the other challenges as outlined in this letter.

If you had to take a million dollars from Union Springs CSD because the formula you proposed necessitates that, it would be better for us if we just did not get a state aid increase of any percentage for multiple school years until that million dollar value was obtained. Taking it from us all at once, would devastate our district and necessitate that we do not exist in our present form. That would be an extraordinary tragedy, predicated on a formula that does not recognize our students' needs, our district's economic realities, or the mandates that are being placed upon us.

I sincerely, thank you, your teams, for your attention. It means more than you know. Please feel free to reach out, visit, and come see Union Springs in action! I am incredibly proud of our school district, and I think if you looked at our budgeting, reserves, and programmatic offerings you would see a school district do all it can for students within a very tight funding window.

Respectfully,



Jarett S. Powers, Ed.D.

Superintendent of Schools