

2024-25 Foundation Aid Study

The State of New York has made significant progress in recent years in delivering fiscal equity for the students, families and taxpayers in high-needs school districts like the City School District of Albany. The fulfilled promise to fully fund Foundation Aid for all New York districts by the 2023-24 school year closed an annual shortfall of more than \$26 million for our school community,

As one of New York's urban school districts that was underfunded for years due to the state's school funding inequities, we were grateful to be starting from that newly leveled playing field as we planned for the future needs of our students, families and community. We continue to be grateful for the state's support and recognition of our community's unique needs as we prepare to begin the 2024-25 school year.

We cannot afford to go backward now.

Broadly, a new school funding formula must be transparent, predictable and sustainable. It must be implemented gradually over a period of years, with incremental adjustments for 2025-26 and a commitment to a more complete restructuring in the years to come that remains committed to equity and access for every student, as well as accountability for every district.

As the state takes on the critically important work of building a new school funding formula to ensure a strong future for public education across New York, the City School District of Albany emphasizes the fiscal imperative of remaining true to the principles of equity and access for all, and to identifying and meeting the unique needs of individual school districts and communities. A new formula must take into account local considerations such as current economic realities and rates of poverty; rapid growth in the enrollment of English-language learners; the diverse needs of every student, including students in special education programs; students' social-emotional and mental health needs; access to a range of career and technical education and graduation pathways; charter school growth; limitations imposed by the state's tax cap; and high percentages of tax-exempt property that further strain taxpayer resources in communities like Albany.

Examples of some of these unique local factors in our school district include:

- **ENL growth** – Albany is one of 34 federally designated resettlement cities nationwide, a fact in which our city and our school district take great pride. Our school district's population of ENL students more than tripled from 2012-17. While that growth slowed for several years due to the

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VISION STATEMENT

The City School District of Albany will be a district of excellence with caring relationships and engaging learning experiences that provide equitable opportunities for all students to reach their potential.

MISSION STATEMENT

We will work in partnership with our diverse community to engage every learner in a robust educational program designed to provide the knowledge and skills necessary for success.

federal government's immigration policies from 2017-20, leadership changes since the start of 2021 have resulted in a renewed and significant increase in refugee and immigrant families moving to Albany. In 2023-24, we enrolled approximately 700 new English-language learners, double the highest annual enrollments of the 2012-17 peak years. Organizations that serve refugee and immigrant families in our community have advised us to anticipate similar enrollment growth during the 2024-25 school year as well. Currently, more than 17% of our total student population is comprised of students in our robust ENL programs.

- **Tax-exempt property** – 63% of Albany's property is tax-exempt, leaving remaining properties to bear a high tax burden. Despite this, and despite our low state-aid ratio for many years, our school district has held the line on property taxes. Over the last decade, we have had an average tax-levy increase of less than eight-tenths of a percent, including zero increases for the last two years and four times overall during that period. Nonetheless, Albany's property taxes continue to be higher than suburban communities in our region. We ask that the state recognize these economic impacts on districts like ours in considerations of future school funding mechanisms. We need the state's continued commitment to equitably fund the education that our students, families and community need and deserve while keeping our tax burden manageable.
- **Poverty** – The state's reliance on Free and Reduced Price Lunch data is an inaccurate measure of poverty in a school community and must be revisited as part of this work. We are fortunate that all of our students are eligible for free breakfast and lunch through the Community Eligibility Program. However, this makes our free-and-reduced data unreliable as a measure of our families' economic needs. Additionally, community poverty data embedded in the state's current school funding formula is badly outdated. It is critical that the state address this glaring problem in building a next-generation formula that holds up equity and access for every student as a fundamental right.
- **Social-emotional and mental health needs** – The social-emotional and mental health impacts of the pandemic were and continue to be severe throughout society. In cities nationally and statewide, families were disrupted by health and economic hardships, and beset by isolation and loss. Violent crime statistics soared during the pandemic. Student learning was severely disrupted and fragmented. These impacts were felt most acutely in poor communities and communities of color. This has increased the pressure on city school districts in New York to provide additional academic, social-emotional and mental health supports. Our school district has for many years, even prior to the pandemic, leaned in to these critical needs. The state's school funding formula must recognize and account for these unique local needs.
- **Charter school growth** – In part because we are host to state government, Albany has been a center of charter school activity. The percentage of charter students in our city is among the highest in the state and nation. As a result, our annual charter costs are about \$40 million annually and continue to grow as charters are allowed to proliferate in our community and region. Many urban communities across the state also are faced with this fiscal and programmatic challenge. We urge the state to address charter growth and funding mechanisms in its planning.

We ask the state to focus on assessing and meeting the unique needs of individual school districts and communities in planning for the future so that we can assure that, when they walk through our doors, every student has the resources and support they need – every year – to succeed, irrespective of the broader and complex challenges that their community may face.