

August 28, 2024

**Foundation Aid Study: Rockefeller Institute  
Testimony Submitted by Capital Region BOCES, Superintendents' Legislative Committee**

New York's education system stands at a pivotal moment, tasked with preparing students for a dynamic and rapidly evolving global economy. Ensuring all students from early childhood through high school have access to robust educational programs is crucial for them to excel in college, advanced training, and careers. In the Capital Region BOCES region, which spans four counties, our school leaders are keenly aware of the importance of using our limited resources wisely to maintain and improve these essential programs.

Our commitment to equity and sustainability forms the core of our strategic priorities, emphasizing collaboration, smart investments, and innovation to ensure the success of every student in our school systems. We also recognize that the effectiveness of our collective efforts is compromised when any one district is underfunded. Foundation Aid, originally designed as a robust and flexible operating aid program, is crucial for supporting this interconnected system.

As you evaluate potential modifications to the Foundation Aid formula, it is critical to endorse a framework that not only provides all students access to contemporary academic programs but also guarantees predictable and reliable funding. Consistency is vital for district leaders to effectively allocate resources and address unique local challenges. Moreover, we recommend that any substantial changes to the formula be implemented gradually. This strategy is crucial to meet current educational needs without disrupting student learning or undermining academic programs, and it allows for careful and thoughtful budget planning.

We urge you to consider these elements—opportunities and access for all students, predictable funding, and thoughtful implementation timing—as you develop your recommendations.

In addition to these key priorities, we also ask that you remember that each school community and region of the state has differences, and the primary funding formula must be responsive enough to incorporate those differences. These include student demographics, local funding limitations and local geography. We offer the following recommendations for you to consider in your final report:

**Funding should align with student needs and actual educational costs**

School funding must be tailored to effectively address the diverse and complex needs of all students, including English language learners and those with disabilities. While the current funding formula does allocate additional resources for students with disabilities, it falls short of encompassing the full spectrum of student needs. Since the establishment of the formula, there has been significant evolution in the educational sector's understanding of a comprehensive education. This includes a focus on social-emotional learning and mental health services, in addition to the traditional standards for a sound basic education.

It is crucial that the Foundation Aid formula be revised to provide sufficient funding for a full range of programs across all districts, thereby promoting educational equity and ensuring adequate support for every student. This

revision should include an update to the base cost of educating students in today's environment and a reassessment of the additional costs for high-need populations, such as students with disabilities and English language learners, as well as incorporating provisions for students requiring mental health services. Furthermore, the funding must be sufficiently flexible to adequately adapt to the changing and immediate needs of districts, particularly those that involve supporting high-needs students, homeless students, and others facing unique challenges.

Regrettably, funding for crucial services such as these often relies on grants or other inconsistent sources of funding that may not reach all districts equally. The same is true for programs like prekindergarten, meaning there is tremendous inequity among districts and their ability to provide a full continuum of educational opportunities for students. As the cornerstone of funding for all schools in our state, it is imperative that the Foundation Aid formula be revised to ensure robust support for these critical programs and services. Our districts need adequate funding to provide a comprehensive range of educational programs, promoting equity and ensuring support for every student.

### **Realistic representation of local funding sources**

While the Foundation Aid formula accounts for regional and local wealth, these factors must continue to be realistic and updated regularly. The distribution of school funding should reflect changes in local economic conditions and wealth, as well as more accurate – and updated – measures of local poverty. We also urge you to revisit how districts' ability to generate local revenue is assessed, especially considering the property tax cap that was introduced after the funding formula was established. This reassessment should accurately reflect the limitations imposed by the tax cap and limit anticipated local revenue to the level reasonably achievable under the tax cap.

In addition, while we understand the need to remain transparent to both taxpayers and government officials, it is important to remain clear about how undesignated fund balances and reserve funds protect students and communities from unexpected financial fluctuations and fixed costs. For example, by allocating funds to reserves for retirement contributions or certain capital expenses, these funds can only be used for their designated purposes. This safeguard ensures there are resources available for emergency repairs or significant increases in pension contributions, which are beyond district control, thereby preventing potential program cuts or tax increases.

### **Support regionalization and address modern education practices**

To address modern educational challenges and promote regional efficiency, we are actively collaborating across our region to prepare students for academic success and meaningful post-graduation pathways. We request that your recommendations for revising the Foundation Aid formula include provisions that allow districts to centralize functions and improve operational stability. These changes should also help districts adapt to an evolving educational landscape, which now includes a greater reliance on virtual learning, updated graduation and assessment criteria, and diverse college and career-building programs such as internships, Early College High School (ECHS), Pathways in Technology Early College High School (PTECH), and college courses offered in high schools. Additionally, we recommend emphasizing workforce development opportunities that align educational programs with labor market needs, and advocate for the prioritization of these essential programs to enhance student success and meet global economic challenges.

### **Recognize changes and challenges**

As mentioned, school leaders require predictable funding to ensure the availability of programs and services for students both now and in the future. Fluctuations in school funding can also adversely impact taxpayers. We stress the need for stable funding to facilitate effective financial planning, especially in light of declining enrollments in some communities. Additionally, we recommend implementing mechanisms that automatically and regularly review and update the inputs of the Foundation Aid formula. This would ensure the formula remains accurate and responsive to current student needs, educational demands, district financial capabilities, and cost factors.

We strongly urge you to recommend updates to the Foundation Aid formula that reflect the current educational landscape and account for the varying capacities of communities across the state to support their schools effectively. Any adjustments should prioritize the long-term fiscal stability of our education system and the best interests of our students and communities.

Sincerely,

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