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1. Assemblymember Jonathan Jacobson (D-104)

I represent the 104th District, which goes from Beacon to the City of Newburgh, up the Hudson and includes the Towns of Newburgh, Marlboro, Lloyd, and Plattekill over to the City of Poughkeepsie. As everybody knows in this room, our budget last year called for the Rockefeller Institute to assess the State's Foundation Aid formula and to consider modifications. As part of their review, the Rockefeller Institute had public hearings across the State. Unfortunately, they left out the Hudson Valley. And because of this omission, we're holding this forum so that school officials and others can express their opinions.

Given the shock of last year's proposed budget by the Governor, I am sure that school administrators, school board members, teachers, legislators, and taxpayers alike are fearful of a "results-oriented" report that could be used to make cuts in Foundation Aid. One of the shocks in that budget was the elimination of the "hold harmless" provision, which guarantees that a district receives at least as much State aid as it did the year before. Now, the Legislature restored it, and both Chris and I voted for the budget. We restored the hold harmless clause and cuts to Foundation Aid, but many school districts still received less funding than expected.

On average, Foundation Aid amounts to 40% of the revenues that a district gets, 56% is from local taxes — which in our area means property taxes — and 4% from the Federal government. These averages vary based on the wealth in the district and the application of this crazy and complicated formula known as the Foundation Aid formula.

In fiscal year 2022, State lawmakers including myself, committed to fully phasing-in Foundation Aid over three years, and by fiscal 2024 Foundation Aid was fully funded. In my opinion, it's wrong to base school funding on property taxes. It's unfair to students, because it means that the quality of their education is based on the property wealth of the district. It's also unfair to

taxpayers, since property taxes have nothing to do with one's ability to pay. This especially applies to retired homeowners. Funding from the State, which primarily gets its revenues from income taxes, is a much fairer way to go.

When making decisions about Foundation Aid, it's important to look at the results on the ground, not from 10,000 feet up with preconceived positions.

We know that lower school enrollment does not necessarily mean lower costs for a school district. There are built-in costs, whether the average class size is 25 or 30. Ongoing payments of loans for infrastructure and capital improvements do not go down if there are less students. And less students do not mean less teachers. That's not that's not something that should be used to decrease State aid.

And while the hold harmless clause may seem like an easy response to reduced enrollment or an attempt at fairness, eliminating this assurance of State aid will mean more reliance on property taxes, which is no solution at all.

It is also important to remember that school districts have to plan their budgets in a timely manner. School budgets are voted on in the middle of May. Districts need certainty in Foundation Aid and State funding to make those plans.

There is one note of optimism: The State Legislature has the final say on any recommendations from the Rockefeller Institute.

Although traditionally your lobby day is in February, I would advise you to begin lobbying as soon as you analyze the Governor's proposed budget. And this year, I would suggest to start lobbying as soon as the Rockefeller Institute report comes out, which will be before the Governor's budget. The budget process condenses the calendar, as most of you know. The budget from the Governor comes out the last week of January. The Assembly and the Senate have hearings in February, and each House comes up with its own budget by the first week in March, and the final State budget is due April 1. Early advocacy will ensure that the Legislature fully understands your positions. And don't forget to lobby the Governor's Office.

I appreciate all of you for participating in this forum. I realize this is a busy time for all of you, with school starting next week, but we had a deadline of September 6, when all the testimony and documentation must be submitted to Rockefeller Institute.

2. Assemblymember Chris Eachus (D-99)

I'm the Assemblymember representing the 99th District, which goes from New Windsor, just south of Newburgh, into Rockland County. I have one municipality down there, Stony Point.

I was 40 years in the classroom, I taught right here in the Hudson Valley. I ended my career in the beautiful area that you're sitting in right now, Newburgh, and I retired in 2015. I very much got involved because there were a lot of issues I knew that needed to be addressed.

This is the second hearing that I'm participating in. We had one down in Rockland County. I'm absolutely disgusted with the Rockefeller Institute that they did not have a public hearing anywhere in the Hudson Valley. As I had mentioned, being in the classroom and knowing schools, this is the area where we have the widest variety of schools — from very large school districts to very rural school districts. And the type of comments I'm sure that we're going to hear today, these are the type of comments that the Rockefeller Institute has to hear.

Every school district in my district, and every school district across New York State, has their own individual needs and what services they have to have. In the Rockland one, we heard all kinds of comments. And I hope you, even if you've heard them before or again today, that you reiterate them. Because the more times that we hear them, the more important we know they are.

We've heard about unfunded mandates from the state as a problem. We know about the Regional Cost Index as a problem, as well as the Community Wealth Factor. And the lack of transparency, where I don't know if there's anybody in all of New York State that can actually understand the entire formula that is there now. We've talked to experts, and they know parts of it, but not necessarily all of it, and that's kind of scary. And so that certainly would be one thing under transparency that I would be seeking to be sure is there.

My final comment is that I have, in every circumstance and every instance, requested to be on the committee that comes up with this final formula. Because, as Jonathan mentioned, in 40 years of teaching, if I had 28 kids in my class last year and I only have 24 kids this year, just because there is a drop in kids doesn't mean there's a drop in cost. That's ridiculous. That was one of two suggestions that the Governor made. And the other one, which I heard mentioned, was this business with reserves — those districts that happen to have been really good over the last couple of years, and built up their reserves. We're going to punish them now? That is another one of the absurd things that the Governor comes out with sometimes. And those are the things that we want to be sure she understands, and that the Rockefeller Institute understands are not acceptable.

I know I have school districts in my district which have no reserves at all, really. My district was beaten to death, to say the least, almost a year ago on July 9, when huge storms came through. Ever since, we've been getting inundated with these climate change storms. And so there's extra costs there, and nobody's even talking about those costs. So I am really happy to be here.

3. Superintendent Dr. Eric Rosser (Poughkeepsie City School District)

Thank you very much for providing us with an opportunity to speak on behalf of the children of the Poughkeepsie City School District. Our testimony will cover the implications of any changes in the Foundation Aid formula that will have a greater adverse impact on the Poughkeepsie City School District. Our testimony will also provide insight into the challenges Poughkeepsie currently faces and how the current formula misses the mark in providing adequate funding to support the varying and evolving needs of our children. We support changes that will provide greater financial support, and oppose any changes that will lessen the financial support.

The City of Poughkeepsie, the county seat of Dutchess County, is a small metropolitan community, approximately 5 square miles. It is located on the Hudson River, about 70 miles south of Albany and 70 miles north of New York City. The estimated population is approximately 32,000 residents. The racial composition is primarily made up of three major groups: white, 44-45%; black, 34%; and Latino, 21%. The median citywide household income is approximately \$48,000 and the percentage of people in poverty is approximately 19%.

It is well established that the city of Poughkeepsie and other small cities throughout New York like it, share the exact effects of concentrated poverty. Having resided over 20 years in Buffalo, NY, and having worked in the school district, I will share with you that the tax base of the city of Poughkeepsie is harmful in our ability to provide for our children. The implications of poverty in Poughkeepsie, and due to the size of the city, there are far fewer resources and avenues of economic mobility. The sheer concentration of poverty has a more significant impact on the residents, as well as city and county governments. Concentrated poverty is a significant contributor to poor housing, higher crime rates, higher school-dropout rates, health issues, food insecurities and meaningful employment opportunities. Low Income black males that grow up in the city of Poughkeepsie's poorest neighborhoods have a median household income of \$14,000 as adults. This is on par with the worst neighborhoods in the entire USA for intergenerational mobility for low-income black males.

Socioeconomic status continues to be the leading determinant of educational attainment in the United States, and the same holds true for Poughkeepsie. Research shows that $\frac{2}{3}$ of the variance of student achievement can be explained by out-of-school factors, such as the home environment, health issues, poverty, and food insecurity. Children in impoverished communities enter school with fewer academic skills than peers growing up in other communities. These children tend to be at least one grade level behind their peers in other communities. These disparities translate into lower academic achievement, childhood mental health challenges and alarming high school graduation rates, which are predictors of low economic mobility and the lack of financial stability in adulthood, which serves as a precursor to intergenerational poverty.

The Poughkeepsie City School District is comprised of 84% economically disadvantaged students. 20% of the student population has been classified as Students With Exceptionalities, and 15% of the student population has been identified as English Language Learners (ELLs), and that number increases each year. Historically, the Poughkeepsie City School District has yielded a 20% dropout rate, with an annual graduation rate of 54%. In Poughkeepsie, our largest growing population in our school district is our Latino population. The vast majority of our

Latino population are coming in as English Language Learners or students with interrupted formal education. This is a great challenge for the school district to be able to meet the Commissioner's regulation and provide services for them. We've had to be very creative in how we place our students in our seven schools to make sure that we're able to meet the compliance regulations related to the Commissioner's regulation. When we look at our graduation rates, our pitiful graduation rates, we see that we are not graduating many students who have been classified as former ELLs or currently classified as ELLs. They, neck-and-neck with our students with exceptionalities, are the biggest strugglers when it comes to our graduation rate, and also represent a large number of students who drop out, unfortunately. Far too many students in grades 3-8, in state testing, indicate that they are below grade level.

While city and school district efforts employed since 2020 have increased student success, the challenges associated with the absence of adequate state funding annually threaten these efforts to provide students with high-quality educational experiences. Thus the city's intergenerational poverty challenges continue.

We support changes that will provide greater financial support to all school districts that have great need. We vehemently oppose any changes that will reduce financial support. 80% of the students' waking hours between kindergarten and 12th grade is spent in the community, whereas 20% is spent in schools. However, based upon my colleague's articulation, school districts are seen as the epicenter to provide the social emotional supports, food insecurity supports, and academic supports that our children need in order to find success. We appreciate the opportunity to provide testimony on behalf of the Poughkeepsie City School District. Our community's viability depends on our ability to address the needs of our future citizens and leaders, which is our children.

4. Assistant Superintendent for Business Ken Silver (Poughkeepsie City School District)

This is my 58th year in public education, one way or another. I've seen wealthy school districts, I've seen poor school districts. For the last 11 years, including this year in Poughkeepsie, I worked in the poorest conditions that could possibly be. The infrastructure is horrible in city school districts and school districts where there's very little money and high poverty.

The charter schools have taken over from us. We have to pay a fortune to the charter schools, and there's not \$1 less in expenses, as was stated earlier. Instead of 28 kids, we still have 24 kids in a classroom, and the costs do not go down. We do not have the money to take care of the infrastructure as we need to. Our taxes are only 25%, not the state average or the average locally. So we rely on Foundation Aid, on the old "hold harmless" formulas for us to stay alive and try to help our kids.

The public schools in this type of environment are much more than just education. They are social institutions, where we provide food for families that don't have food, we provide clothing, we provide dinner. We provide so much more than just the educational basics, and yet the

thought is to take away some of this money, and it will hurt our kids even more than they are already hurting.

5. Superintendent Joel Freer (Highland Central School District)

As Superintendent of Highland Central School District, I appreciate this opportunity to provide input on the ongoing review of the New York State Foundation Aid formula. This formula has long been a cornerstone of equitable education funding in our state, and its refinement is crucial to ensuring that all students, regardless of their background, their geographic location, or their parents abilities to provide supports to them, get a high-quality education, and we are all responsible for doing that on a daily basis.

The Foundation Aid formula was designed to address disparities in funding across school districts by allocating state resources based on need. It considers factors such as student poverty, English Language Learners, and regional cost differences. However, our state's demographics and economic conditions have evolved. So, too, must the approach to school funding. While the Foundation Aid formula has made significant strides toward equity, gaps remain. Many districts, particularly those in rural and urban areas, continue to struggle with insufficient funding to meet the diverse needs of their students.

I urge the committee to consider adjustments that more accurately reflect the true cost of educating students in high-need areas. The data and metrics used in the current formula are outdated. The committee should consider incorporating more recent data on student enrollment, poverty levels, cost-of-living variations. Additionally, the formula should include provisions for rapidly changing district demographics, to ensure that funding levels are responsive to the current needs.

School districts require predictability, as was mentioned earlier, and stability in funding to plan effectively and maintain our educational programs. The current fluctuations in Foundation Aid create challenges for long-term planning. A revised formula should include mechanisms to provide districts with greater certainty regarding future funding levels. The increasing number of English Language Learners and students requiring special education services necessitates additional support. The Foundation Aid formula must be adjusted to better reflect the higher costs associated with educating these students, ensuring that they receive the resources that they need to succeed and we should be providing.

The cost of living and operating schools varies significantly across New York State. The formula should be recalibrated to ensure that districts in higher cost areas receive adequate funding to cover their expenses without penalizing those in lower cost regions. The "save harmless" policy has been a vital safeguard for districts facing declining enrollment, such as my district, or other demographic shifts. This policy ensures that no district receives less aid than in previous years, providing essential stability. Eliminating or reducing the safeguards could have devastating consequences for districts that are already struggling to meet the needs of their students. So I

encourage the committee to preserve the “save harmless” policy within Foundation Aid to protect educational opportunities for the students in vulnerable districts.

And I know this was mentioned already, but there has been a narrative within the state suggesting that schools are sitting on large fund balances. But this assumption does not reflect the reality for districts such as Highland Central School District. Our district has been fiscally conservative, keeping taxes at state-mandated tax caps, leaving little room to reserve or to fund reserves beyond what is necessary for immediate needs. By no means are we maintaining large amounts of reserves, as one politician put it this past year. In fact, we cannot afford to do so. The limited reserves we do have are carefully managed and ensure that we can address unexpected costs without compromising educational quality. I urge the committee to consider the financial constraints faced by districts like ours and to challenge the misconception in Albany that schools are hoarding funds.

This is my 33rd year in education, and I've seen good years. I've seen bad years. The worst year for me was this year, when I had to put 22 staff members' names up on a slide presentation in early March, making them sit on pins and needles from March until the budget passed, until the “save harmless” money was brought in. That is unreasonable, to make these educators live day-to-day, thinking that their livelihood is in jeopardy. I've seen it in years past, and then we had a couple of years where it was great, where we could roll our budget forward. We really couldn't make lots of changes and positive gains for our students, we couldn't change a lot of programs, because we knew that that day was coming where that money was going to dry up and we were going to have to fund things that maybe were a little easier at one point.

I see tears in my teachers' eyes. I've seen tears in my custodial workers' eyes. I've lost a Data Coordinator in my school district. All my data is now being done by yours truly. Most superintendents would say, “Absolutely not. I'm not doing the data in the district because I have other important things to do.” But I'm working 24 hours a day making sure that the data that goes to the state truly reflects what's going on in my school district, so that we don't somehow adversely get impacted by wrong data being recorded. I had to let people go this year. I was able to bring a few back with the \$80,000 of “save harmless” money that was brought to my district. \$80,000 doesn't do much.

I really wanted to talk about the mental health of our faculty, our staff, and that has to be impacting our students. Many of the people that work in my district are also parents of the students that are sitting in our schools, and they're having a difficult time trying to figure out how they're going to pay their bills, because we are one of the lowest-paid school districts in Ulster County. Probably our own fault — over 50 years of contract negotiations, there wasn't a lot of money, the tax base isn't there. I feel like I'm a training ground — staff trains, and then they move along. I just lost one last week. I have to open school next Tuesday. It's hard to put someone in there if you don't know that they're going to be quality.

The Foundation Aid formula is critical. It's a critical tool in our mission to provide equitable education to all students. I commend you for undertaking this important review and urge you to

consider taking these recommendations back to the Rockefeller committee to help refine this formula. Our collective goal must be to ensure that every child in New York State, regardless of zip code, has access to the resources and opportunities they need to succeed.

We are having more and more students. I have two ESL teachers for my entire school district. They are stretched. We are having a very difficult time in providing the number of hours that are recommended, and I know I'm not alone in that. So those are grown, not probably as big as other districts. I know some of my surrounding neighbors — I believe Walkill is one of them — their numbers are much larger than Highland's. But it is a cost that is coming, and we see it on the horizon as our population does change. But every time you add 10 more kids, I need another ESL teacher. Because depending on whether they come in at what level, I have to provide a certain number of mandated hours to make sure they're meeting the needs. And those families also come with us needing to take responsibility in how to translate things for the parents. And so that is an unfunded mandate that we take on. I had a Spanish teacher that worked in my district for 30 years. For the last 10, we paid her a stipend to help translate for families. She was on call 24-7, everybody had her phone number. Well, she was 10 years beyond retirement, and she isn't doing it any longer. I have nobody to replace those services. It's very unfair and unprofessional to say to a parent when they come to your door and they have a question, and you don't know Spanish, "Hold on a second. Let me take out my cell phone. Could you tell the cell phone what it is that you're trying to tell me so that I can understand it in English?" And then I speak in English to my cell phone and give it back to them so they hear in Spanish. How degrading.

6. Superintendent Dr. Manning Campbell (Newburgh Enlarged City School District)

This forum is a way for school district leaders to share important information related to this important topic. We've heard a lot from my colleagues about much of what we share in terms of our needs. On behalf of the Newburgh Enlarged City School District, I want to express our deep appreciation for the state's commitment to fully funding Foundation Aid. This funding is essential to our efforts and the efforts of districts across New York State to provide sound basic education, as required in our State Constitution, to all of our students — particularly those who are most vulnerable.

However, to fully address the needs of districts across New York state, it is crucial that the Foundation Aid formula is regularly reviewed and updated. The current formula, as established in 2007, has not been comprehensively revised to reflect the significant changes for our educational and economic landscape, much of what you heard the previous superintendents speak about earlier. We're not talking about the students who we now have to teach, the loss of compensatory services — not only students with disabilities, our exceptional learners, but also our ENL students who lost services during our very troubled time during the pandemic. So we have all of those services to make up and we do not have enough staff members or services to support our scholars. That leads to higher dropout rates and lower graduation rates.

We strongly advocate for a modernization of this formula that accurately accounts for the rising cost of education, regional cost variations, and the specific challenges faced by high-need districts. This includes adjusting the base per-student amount to accurately reflect inflation, and ensuring that districts receive fair and adequate funding. Targeted support for high-needs students is another critical area that requires our immediate attention. The formula must be required to incorporate the most up-to-date data, ensuring that it accurately reflects the current demographic realities of all of our communities.

In Newburgh, we serve a large number of students living in poverty, English Language Learners, and students with disabilities. It is essential that the formula includes adequate weighting for these factors, enabling districts to provide the specialized services and resources these students need to succeed. Accurate data is the backbone of equitable funding, and it is imperative that the state uses the most current data available to inform its decisions.

We have a lot of students who are arriving alone. We are having to provide supports and services to our scholars and their families. We have to ensure that they have appropriate housing. We have to ensure that they have appropriate transportation. We have a lot of unhoused students who are located across the county, and we have to make sure that we are providing services and transporting them to and from our schools. Newburgh transports all 12,000 students and so it's a big undertaking, but we have an obligation to ensure that our students get to school and get what they need, because we also have a high-poverty district. We do have one homeless liaison, we probably could use three or four more. We look for services for our families, and we continue to update and speak to our police, providing additional resources to get the support that they need.

The population of families that speak English as a second language is also absolutely growing. What we are seeing is that we have a lot of immigrant students coming to our district, particularly in our secondary area, with interrupted education. We have tried to catch these students up when they're in our high school grades, and we don't necessarily have all the ENL supports that we need in place because we have reduced staff — another thing that we didn't long-term plan for.

The importance of sustained and predictable funding cannot be overstated. We urge the state to commit to multi-year budget planning and that removes the uncertainty and fluctuations that have historically plagued school funding. A stable and predictable funding stream allows us to engage in long-term planning, retain a qualified staff, and maintain vital educational programs without the disruption caused by year-to-year budget changes. It is crucial to insulate school funding from political influence, ensuring that allocation of resources is based on student needs, rather than political considerations. By removing politics from funding processes, we can focus on what truly matters — providing a consistent and high-quality education to every scholar in our districts.

We also strongly advocate for the elimination of set asides in Foundation Aid. These set asides often constrain how funds can be used, limiting the flexibility of districts to allocate resources in

ways that best meet the needs of their students. We know what our students need. We don't need a formula to tell us or to restrict how we spend these monies. Districts have a deep understanding of their unique challenges, and should have autonomy to decide how these funds are used to achieve the best outcomes for their students. Eliminating set asides will empower districts to make the most effective decision for their communities.

Modernizing the Foundation Aid formula, ensuring the use of accurate up-to-date data, providing sustained, predictable and politically neutral funding, and eliminating set asides are all vital, meeting the needs of students across New York State.

7. Superintendent Michael McElduff (Highland Falls School District)

First, thank you to both of you for holding this forum. The Hudson Valley was not even a consideration, so for us to sit here for a couple of hours and just talk about our issues and our concerns is greatly appreciated.

While it's not feasible for New York State to evaluate every district in terms of funding they're entitled to receive, it is important to emphasize that districts cannot be treated uniformly, solely based on geographic proximity. Districts that share borders with multiple counties may exhibit distinct characteristics that differentiate themselves from neighboring districts. My district borders Putnam, Westchester and northern Rockland County. However, the uniqueness of our district is probably more in a Columbia County. So we cannot compete with these districts that can offer more money. Like Joel said, we get poached on the regular. We are a training site for school districts. We actually just negotiated one of our best contracts ever, and we still lost six people this summer, really good teachers. We only have 1,000 students in our district, so six teachers is impactful and it hurts.

It's concerning to penalize districts that have demonstrated fiscal responsibility and maintained surplus reserves over the years. It's something else that was brought up that we've talked about. How can we be penalized for doing what's right, really just saving money? And I think they look at it as, *Well, they have a savings account*. But it's not like my house has a savings account and I can just pull \$100 to pay a bill here and there. There's things that we have to go through, and that money is really set for capital project improvements. We've had two natural disasters in the last 12 months, where we had to pull millions and millions of dollars out of that, so we are hemorrhaging money in our district. If we were not able to put that money in our reserves, I don't know if we would have been able to open our district last September, when we were flooded out. So that money is needed.

The people in this room are doing the right thing, and the people across the district are doing the right thing by saving, because rainy days do happen. Facilities are failing. Schools across the state, including my own, our buildings are not five and six years old. We have a 100-year-old building, an 80-year-old building, and a 60-year-old building. They're failing. Turning lights on,

getting heat running each and every day during the wintertime — it is not ideal. It is a struggle for all of us.

The other thing I want to talk about is the decline in enrollment. That should not directly correlate to a reduction in funding, unless we take into account the other associated costs, such as special education and transportation, our ELL services. So, broad statements by politicians that should constitute money being taken away is not justifiable.

Our special ed costs are on the rise. We're a small district, like I've stated. We can't provide all the services in-house, so we have to send out. And we're located next to Putnam, Westchester, Rockland, County, so those services are not cheap. And we have an obligation to our students and their families to give them what they need on a daily basis. Those costs continue to rise, and that's including just getting them to and from. We have kids on buses from 45 minutes to an hour-and-a-half just to get them what they need, and they deserve it. But those costs continue to escalate, just like everybody else's.

When we talk about the uniqueness of all of our districts — our students with disabilities, our special needs students, that's on the increase. We're over 22% at this point and climbing. Economically disadvantaged students make up over 45%. In such a small district, that's a lot. Our homeless students are on the rise, as well as our English Language Learners. So these are challenges we're facing all the time.

What separates us is that I can only tax 7% of my land, because 93% of it is owned by the federal government and the state. I fight with the federal government every year to get money that is owed to me, and we don't always get it. Now I have to turn my attention and battle with the state to get what is owed to our district, but most importantly, what is owed to our students. That, I think, sometimes gets lost.

At the end of the day, if money is taken away from us, yes teachers are going to lose jobs, but kids are not going to graduate school. They're not even going to get a basic education. Everybody in this room is putting together programming to enhance our students, to push them, so when they graduate high school, they can go to college, they can serve in our military, they can get a job and be productive. By taking away money, we are unable to provide them the opportunities to grow and challenge themselves. I really hope that the Rockefeller Institute gets the point across that this is not a one-stop shop. We can't just fix this.

The last thing I'll say is it's important to emphasize that any potential modifications to the current Foundation Aid formula will require proper planning. And I'm concerned about proper planning when there's a deadline of December 1 and a proposed budget is going to get rolled out in January. So a well-thought-out, extended timeline and communication to our district leaders is what we expect. It's what we need. Changes implemented any other way will trigger significant setbacks to districts who rely heavily on the Foundation Aid that they currently received from New York State. Simple redistribution of funding is not a sustainable solution, given that increasing burden is being placed on us as school districts. Compound this with the challenges

of the 2% tax cap, and schools become even further debilitated in providing essential services and the quality education that the state demands of us.

I just hope that, at the end of the day, we do the right thing. We need to not make rash decisions in this because it will impact us. We're all going to get impacted in one way or another. I just hope that they realize that if they make a sudden and hammer-down change, top to bottom, our kids are going to suffer.

8. Superintendent Michael Rydell (Marlboro Central School District)

Thank you for hosting this event. I'll start my comments with the central point of the concept of a sound basic education. That's the minimum that we're expected to provide, and this term became frequently used in the 1990s, following the Campaign for Fiscal Equity and their landmark case. And the concept I'd like to bring out is, how has education shifted or changed since that time when that concept came out?

I actually began my career at about the same time as that landmark case. At that time, textbooks in your classroom was probably the most expensive item you had. I was a science teacher, so maybe some of the science equipment. But let's talk about how things have changed. School Safety and school resource officer programs are funded almost exclusively in all school districts by our general fund or budget. Most schools in the 90s didn't have school resource officers. I'm not sure of any school in New York State, off the top of my head, that does not have that and could function without that type of program.

Special education costs have escalated dramatically over the past several years. There is concern about sustainability of that based on our current level of funding, let alone if we were to reduce the amount of funding the school districts received. New York State Council of School Superintendents does an annual survey. In that survey, they asked about the perception of school superintendents and how special education costs would impact their financial outlook. Across the state, 93% of the superintendent stated that it would. Remarkably, since both of you [Assemblymembers Jacobson and Eachus] represent the -MidHudson Valley, 100% of the superintendents that responded in the Mid-Hudson Valley responded that it is a very big concern moving forward for their financial outlook.

One part that wasn't brought up was also, either the lack, deficiency, or complete absence of services for our special education preschool students, when it comes to things such as speech, occupational therapy, etc. Those expenses or those costs are intended to be borne by the counties at that level. However many — I would actually go as far as saying most of the students in my district — that are in that age group that would be getting early intervention and preschool services are not receiving it. So what happens? Less efficacy, because the earlier you provide those services, the more effective they are. But when you start looking at it from the financial perspective, that burden now shifted to the schools, where we had to have increases in

speech teachers, speech therapists, occupational therapists, etc. And I'm sure that goes across all districts.

Also, things that have changed are that I would consider part of what is a sound basic education. Those are the related services that we do provide in our school setting. It's also the amount of social workers each of us have to have on our faculty in order to provide those supports to our students, at a minimum. And I couldn't agree more, that we could use more. But we do what we can do with what we have.

I also want to point out that many school districts, myself included, part of our local share comes in the form of PILOTs — Payments In Lieu Of Taxes. In my particular district, I have a dueling battle going on now because state regulations have changed, which have prevented the peaker plants [power plants that generally run only when there is a high demand for electricity] in my district from upgrading. They basically said, "You cannot upgrade because we don't agree with the source of your fuel." Well, that's going to lead to that company ultimately saying at some point, "Costs are not matching profits, we're out." What happens at that point? So my point with the PILOTs is not to complain about my situation with that, because that is a pretty sizable portion of my local share. It further accentuates the need to have stable and equitable state funding mechanisms, because we have in our districts, in various forms, inherent volatility. The state portion of that portion, that 40% or so, that is huge to know that that is stable and not one of the variables that we already contend with.

When it comes to enrollment, we all know that they're using the outdated poverty measures and the outdated census. That's going to be corrected, I'm sure. But I do want to accentuate what some of my colleagues said when it comes to the declines in enrollment. If you do it exclusively by a per-pupil basis, that's not equitable, either. Because when you have the school districts at either end of the spectrum — the very large school districts, the smaller, mid-sized school districts — they paint different narratives and they come with different impacts on financial impacts.

If you use my school district: If we were to lose 15 students in a grade level, that is not going to impact the number of sections. It's going to decrease the number of students in a class by about 2-3 students. It's not going to drive class numbers down into the teens, you're still talking low 20s. I still need the same number of custodians, still need the same number of principals. The heat is going to cost exactly the same. And all those factors. So just sticking it to numbers is not not appropriate.

Also I'll point out that there's a weighting of about 0.5 additional for an ELL student in the current formula. That is also inequitable, because look at different size districts: If I have two students in 2nd grade, for example, that are ELL and they're entering. It's not a recommendation, it's a mandated service, they get a prescribed number of minutes of instruction. So if I have two, and another district has five, that's going to take the same proportion of an FTE of a teacher to provide those services, but now you have a 60% difference in funding, if you want to look apples to apples.

The expected local contribution is in a very big battle with the tax cap concept that's out there. We've heard about that. And when you ask someone, "What is the tax cap?" They'll say it's 2%. It's been completely mislabeled and misidentified, and it is as complicated as the Foundation Aid formula. So when someone goes out at a 2.25 and their tax cap actually was a 3.1, which could exist, they still run the risk of having community members think that they're exceeding the tax cap and thereby getting no votes because you're now going above 2%. So that's kind of a dueling concept that I think really should be in consideration. My recommendation there is to advocate for revisions to the expected local contribution that would align it most closely with a district's financial realities and reduce the risk of budget failure. Because that's what's going to happen when you have increases in tax levies.

The regional cost index adjustments, what I would recommend there is to push for a more accurate RCI that reflects real cost differences across the state and provides funding adjustments for districts that are currently underserved by the formula, as opposed to sticking to that regional concept that they're following.

As part of our sound basic education that we're charged with providing: That expands and extends continuously, including by statements by politicians about our role in providing education that prepares students for what comes after high school. So that comes with career and technical education, that comes with college courses, opportunities for work-based learning. Those all come with an expense, and when you keep adding on, and you're not adding on to the funding, there's concern. This same concept can be applied to when you look at my aforementioned example of textbooks in the 1990s. Now look at what we need to provide our students to have that sound basic education: one-to-one devices, the licenses and software fees that we have to pay in order to provide our students with that authentic learning experience that is necessary. And these are just some of the staples of education.

We all know that we all have to heat our buildings. Some of us are fortunate enough to have air conditioning, so we have to cool our buildings. All of those expenses have increased over the years, disproportionately to what the funding has. But I'll also point out something that folks may not be aware of, is large expenses. Like our insurance premiums, which have gone up dramatically. Again, no one's fault. Some of it can be attributed to the litigation that took place through the Child Victims Act, and insurance companies had to pay large amounts of money in settlements. But their expenses then get passed on to consumers. There are very few insurance companies that provide insurance to school districts. Some of my colleagues have had 20% increases in insurance premiums from last year to this year. That's a significant difference. School districts didn't find out until late June, their budgets had already passed, but that's the volatility that school districts face that not everyone necessarily recognizes exist in the state.

9. Superintendent Dr. Matt Landahl (Beacon City School District)

My family resides in Beacon, I'm a parent of a 7th grader in our middle school, I try to see this from all lenses. Beacon is a very diverse district. One of our district belief statements is *Diversity is our Strength*. So, much like my colleagues who have spoken before me, I strongly suggest that the new formula takes into account the true diversity in our districts. While we obviously welcome and embrace our diversity, as pointed out earlier, the formula doesn't even take into account the regulations regarding English Language Learners students.

Also students with disabilities and their needs have grown over the years in our district and others. It needs to take that into account. The formula for poverty also needs to be reviewed. I also want to mention some of the rhetoric from Albany, specifically the Governor.

First I'll speak about the tax cap. We do have to have a conversation about that. Beacon was one of the districts that had flat state funding this past year. We had many districts speaking tonight who had the same experience. The only thing that does is it just impacts our local ability to keep our district going, whether staying within the tax cap or trying to decide to go over it. In Beacon, we have a beautiful Main Street. We now have houses that are going for hundreds and hundreds of thousands of dollars. We also have people who've lived in a family home for generations. We have multi-generational poverty in our community. Going over the tax cap, while it might make sense for some of our residents, would put a huge burden on folks who have lived in our community for generations. And that's what this last round of funding from the state has done to us.

Beacon, much like Highland, we get it done every year. We are not putting a ton into reserves. However, some of the rhetoric from the Governor around reserves was just honestly insulting. I thought NYSSBA said it well when they said: "The recent rhetoric around Foundation Aid and fund balance is not only unfair to districts, but it's counterproductive. As threats to state aid push districts to rely on the few tools they have in order to ensure their students continue to receive the programs and services they require and deserve."

So I ask you, keep pushing back on that. We spend all of our time trying to figure out every year how to keep our districts moving forward, how to keep being innovative, how to keep embracing all of the diversity in our district. And when that language comes back to us, it is insulting. I don't get insulted easily, but it's insulting to the hard work that we do every day.

Just to point out a couple of other things: The current formula really does foster a "haves and have-nots" sort of experience in New York. I have been in Beacon for 8 years as the Superintendent, I am proud to have my son in the district, I am proud of the education we give all of our students. However, we also border Putnam County. It's gotten a little bit better, but every year we lose teachers to Putnam, Westchester, Rockland, some parts of Orange County. So we are also a training ground district. We've made some improvements there, we've settled some contracts that make us more competitive. But that is a huge issue.

When I look at new thinking, new programming, I never want to approach it in a negative stance. As an educator and as a parent, I always want the best for all the kids in our district.

But when we see things like the Blue Ribbon Commission for graduation requirements, which I'm really embracing, one of my biggest worries with that is that "haves and have-nots." A larger district or wealthier district may be able to immediately create multiple graduation pathways for their students, with lots of different course offerings. A smaller district like Beacon, that maybe doesn't have some of the resources that some of the other districts have, might not be able to compete. And so I never want to appear negative about the really positive work that's come out of that, and I know it's not officially in place yet. But I really worry and I don't know how to factor that into Foundation funding. But I want them to think about it.

As we've all said, the state appears to be (or the Governor appears to be) moving towards an elimination of the "save harmless" provision. We really take our budgeting seriously, like all of my colleagues do. We're just trying to put it all together every spring, but the immediate impact of last year's state budget on us was basically no new movement on any programming in the district, no further expansion of our pre-K program. Probably one of the bigger impacts for us is no additional mental health folks. We had to keep all of our staffing flat. We did reduce our staffing, we were able to do it on attrition.

When the superintendent spoke about having names up at a board meeting in March, we were able to avoid that this year. If this keeps going in that direction, we may have a board meeting like that in our future, either this year or next. To Jonathan [Jacobson] specifically, since you're our Assemblymember: I don't know every district you represent, but I think a majority, or perhaps all, were negatively impacted by last year's budget in the spring. So we will work with you. I love that you're hosting this hearing tonight, and let's really try to unite around that, because it's starving us out basically. We're just not able to keep up with districts that maybe aren't as reliant on state funding as we are in Beacon and many others who spoke tonight.

10. Superintendent Dr. Janet Warden (Red Hook Central School District)

Thank you for having us, especially me, because my district is way up in the north. I'm going to start with basic tenants that I think the whole formula should be for the state. But I also then just want to talk about Red Hook, because we are definitely different than most of the districts here.

Three tenants that I would say are absolutely necessary is to be predictable, to be equitable, and be understandable. First and foremost, it needs to be predictable. I think some of my colleagues spoke about how we need to know multiple years in advance. I'm trying to prepare my programs, my services, and every year, from December all the way to May, is *What if this happens? What if this happens?* when my time should really be spent doing other things, as well as my administrative team. So we can't handle dramatic year-to-year swings upward or downwards based on the state's fiscal climate for the Government's offices.

If and when a new Foundation Aid formula is created, one of the most important elements should be to avoid drastic swings for individual school districts and to phase the changes in slowly.

Secondly, again, is to be equitable. It's almost impossible to argue against an equitable formula, even if it means less funding for your district. A formula that adequately captures all school districts' ability to pay. It's important to reiterate here that, to the extent that formula modifications create dramatic changes for districts, that change needs to be phased in to let us accommodate the state funding changes.

Lastly, every year we have to get up in front of many constituents and groups of people and to try to explain the Foundation Aid is nearly impossible. People who work in the district, unless you're in the business department for about 10 years, it's very difficult to explain that to our community members.

Things that are just facing Red Hook: Red Hook has become a "hold harmless" district in the last few years, but from 1997-2007, Red Hook Central School was subject to what they call the "transition adjustment." So this was basically underpaying us for the formula that we should have gotten for Red Hook. This transition adjustment ranged from about a half-million to \$750,000 per year. So we are actually due \$11 million. Although Red Hook was slightly "save harmless" in 2021-22, only in the most recent three years have we been moved to the firmly "save harmless" category. It seems like some accommodations should be made for districts that have lost millions of dollars over the years for the future.

If you're not familiar with Red Hook, we are in the northern part of Dutchess County. We have about 1,600 students and serve the towns of Clermont, Tivoli, Red Hook and Rhinebeck. A portion of my district does go into Columbia County. If you've ever been there, you know it's a rural place to go, and that's what people want to keep.

So what I find myself doing as a superintendent is, sometimes, not even really relying on this and saying to myself, *How can I bring revenue into my school district?* So that's where I'm spending most of my time as a superintendent, is talking about where those revenue sources can come from. So we are putting a lot of time and effort into trying to get tuition-paying students, which seems strange to do, but they can bring in about \$20,000 per student. So my job has significantly changed from focusing completely on education, but now looking at revenue sources.

We are also creating special education programs in our district, because we're so north that a lot of our surrounding district parents don't want to send their students to Dutchess BOCES. So we're creating programs, special education programs, and taking that money from other districts. So we are doing everything possible to create revenue for our school district, and we've actually been successful. We also know that this is not reliable, so we've also hired a grant writer, so we are now looking to subsidize the things that we're not getting, such as mental health services, by hiring a grant writer. We were able to secure an \$800,000 mental health grant to have support for the next two years for our students with most needs.

We also have to look to our local foundations. We no longer receive free breakfast, and we are so lucky to have a family that has a foundation in our school district, and they pay for students to have breakfast all year long. So that's what I feel like I'm doing. I feel like I'm searching for people in the community to support us more than ever, and I understand that's important. But at the same time, they're telling me, "Aren't I paying taxes?"

So another thing that we're really lucky to have in Red Hook is we have something called the tax base growth factor. So for the past two years, we've had a lot of building and a lot of additions put on homes, which has increased the property of taxpayers. So this coming school year, our school taxes will not go up. So another thing I find myself doing is going to town meetings and speaking to supervisors to say, Please build subdivisions. In a place that people want to keep the Scenic Hudson routes, want to look at the river, want to have all those spaces. However, if we don't have that building. Of the top 10 taxpayers in the school districts, the top two are businesses, everything else are homeowners. So we don't have any business to really rely on, and that is not what the taxpayers want in that town.

We're constantly trying to search for other revenue sources, which seems very odd for a superintendent to be doing. But it's almost become part of our job to say, "How can I sustain? How can I deal with these needs that I have? How can I make sure that our students receive free breakfast for years that we didn't reach the poverty cap?" So that's really what we've turned to. I feel like I'm relying less and less on the government to come in and help us, and really looking at our community and saying, "How can we all work together to try to figure out how to get these programs and hire grant writers and do those things?"

In the future, I think we need to make sure we have those three tenants, but also to understand that superintendents are doing things that they've never done before. We're all teachers, still. We went to school to be teachers, we went to school to be administrators. And now I'm sitting at board meetings, I'm a politician in some respects. But it's really important, because in order to build all these programs and to make our district a place where people want to move, I have to consider, continue to evolve and put money into programs and keep that going. There's a lot of superintendents that are looking at alternative ways to pay for this, but that does take human capital to do that, it takes grant writers to do that. I implore you to understand that we are trying to seek other places, because we know that this is not reliable, and that shouldn't be what we're doing every year — worrying about whether our kids are going to eat, whether we have enough social workers. I appreciate you listening.

So it'll be outside agencies that will help us with psychiatrists, but you know, we don't have a means to hire those people, so we know that after two years where we may need to bring that into the school district, but we're hoping that this will we have a lot of students who have significant anxiety that won't even come to school. So those are the students that we're going to be targeting for this program to bring them back into the school district. So we are relying on this grant for that. So if we don't know how sustainable that will be, just to let you know

When we met with the Dutchess County Behavioral Health Department, they had said that they would help us partner to create these mental health clinics. However, they wanted us to do some of the phone calls with healthcare providers — like us to find the Optum department. I just had a little bit of a hard time understanding that I have to navigate the healthcare system, which is another thing that the school district's already doing.

The kids spend such a small amount of time with us, but now our responsibilities have grown so tremendously. I'd have a mental health clinic, if you gave me the money, in the space! Of course, who wouldn't? But I also think that at some point, there's too many things that are our responsibility, and our main thing is teaching, learning.

11. NYSSBA Senior Governmental Relations Representative John Daley

Thank you to Assemblyman Jacobson and Assemblyman Eachus for the opportunity to offer commentary on the Foundation Aid study, on behalf of NYSSBA and the 678 member school boards, which we represent.

Last year, while continuing to advocate for a state study, NYSSBA joined with our partner organization and the Educational Conference Board to develop and release a detailed set of our own recommendations, reflective of what we had seen and learned since the formula was enacted in 2007, as well as what we continue to hear from our respective memberships. Released in the fall this past year, we organized our recommendations between shorter-term update priorities and longer-term study priorities.

You've already heard about many of these items during the hearings, including identifying more up-to-date census and poverty data, Free and Reduced Price Lunch counts, regional cost index, and costing out study, to name a few. These are issues that are addressed in detail in our submitted written testimony. But we instead wish to highlight just a few conceptual or overarching challenges tonight and questions that NYSSBA strongly encourages you to consider.

First we need to decide who and what we want a foundation aid formula to capture. Currently, the formula counts K-12 students, even though the state has justifiably placed a significant focus on the importance of pre-kindergarten. Also, a recent court decision has newly required school districts to provide educational services to certain special education students until the age of 22. Might it be appropriate to include such students in our basic operating aid formula? The student count used in the formula is also generally fixed once the school year begins, but we know that students can enroll mid-year. In some cases, those mid-year enrollment additions can have a tangible impact on a school district budget after aid has been determined. We believe school districts should be supported in these situations, but prefer the reestablishment of a separate growth aid so as not to unnecessarily complicate Foundation Aid.

Conversely, the state has occasionally used existing Foundation Aid to pay for new priorities, rather than providing additional funding to support those new issues. These set-asides, which we heard quite a bit about tonight, which total hundreds of millions of dollars annually — about \$250 million — reduce local control and give the false impression that additional investments are being made. School board leadership, with approval by the voters, must have the ability to determine operating funds are most needed within their communities. It's absolutely critical.

Second is “save harmless.” Within the context of Foundation Aid, you do need something better than a formula that is simply not being applied to nearly half the districts in the state. But the answer can't be to just slash their funding. We all know that districts on “save harmless” are overwhelmingly high in average need. We also know that many of those districts have experienced varying levels of enrollment compliance. But, if what might make sense in a vacuum or in a formula on paper, ends up being so disconnected from the reality that our students, staff and school board members are seeing each and every day, then we need a different answer.

We need a system that better recognizes economies of scale, and how districts are able to account for enrollment changes and how they cannot.

Third, which we saw inartfully grappled with this past year, is inflation. While imperfect, including inflation in an operating aid formula acknowledges the broad cost pressures that districts face. But if we are including it, we can't only include when inflation is low and stable, which it most certainly is not right now. A formula that dismisses inflation when it's challenging, such as in these times, will tie districts' hands in a way that creates structural and harmful imbalances.

At the same time, much of what we hear about Foundation Aid from school board members ties both directly and indirectly into other parts of the broader school funding equation. We believe it is prudent for your work to consider the interplay of these other factors:

- First is the property tax cap. Under current law, the Foundation Aid formula and the tax cap do not recognize the existence of one another. The general concept is true for both fiscally dependent districts, who are directly subject to the tax cap, but also fiscally dependent districts relying on their municipalities for local funding. This is unsound policy, as it would limit the ability of a district to reach the expected local contribution portion of the formula, while the disconnect also ignores the fact that districts must lean more on property taxes when Foundation Aids is insufficient.
- The other factors, which we heard a lot about tonight, are fund balance and reserves. Reserve funds are essentially restricted savings accounts, which allow for districts to plan for expenses that are uneconomical to pay for in a single year. The capital reserve for school building construction is a common example of that. Whereas fund balance is a small, positive budget margin that school districts can end a budget year with, the fund balance is a natural result of annual budgeting, and it's also a critical tool to address the unpredictable nature of public budgets. The recent rhetoric around Foundation Aid and fund balances is not only unfair to districts, but it's counterproductive, as threats to state

aid push districts to rely on the few tools they have in order to ensure students continue to receive the program services they require and deserve.

For NYSSBA, our advocacy when it comes to Foundation Aid and, in fact, all funding for schools, is centered around five principles: adequacy, equity, flexibility, predictability and clarity. We are hopeful and optimistic that the Rockefeller Institute's recommendations will address all five of these equally important ideals, and we stand ready to support you and state policymakers in that effort.

I'll just add, I know we've seen a lot of support in the Legislature on these exact points, and I know that you do all you can to help us out.

12. Assistant Superintendent Anthony White (Wallkill Central School District)

I just wanted to say, sitting in the audience and listening to everyone speak, I hope you hear the passion that everyone is talking with about their district, because we're all passionate about kids. And we get into education because we really care what happens to the students' education, regardless what district we're in. Obviously, we're focused on the district we work in, live in, but we care about the state and the United States as a whole.

Thank you for hosting this forum. Here in the Hudson Valley, we weren't going to have a voice, and the local district didn't have that voice until you guys set this up. So I really do appreciate that. I'm not here to tell you how to rewrite the formula, and I don't think anyone here is to tell you how to rewrite it. However, we want to make recommendations that we feel would be best for kids and for districts.

But before I get into the recommendations, I just wanted to give a quick numerical example. In Ulster County, two districts out of the nine received an increase in Foundation Aid last year. One was Kingston, which received a significant increase, and we were the other fortunate district. We received a minimal increase of \$212,000 in Wallkill. The other seven districts, that's including Marlboro, which kind of goes between Orange and Ulster, received no increase. Highland received no increase. So we were one of the fortunate ones, and it was \$212,000. To put that in perspective, that increase: That only covers 15% of the increase of our total salaries. Let me say that again: We have our budget for one year, and that increase of \$212,000 only covers the 15% increase to our salaries from one year into the next. Meanwhile, just to name a few, we have increases in transportation, BOCES, benefits, tuition for out-of-district placement of students with disabilities, utilities costs that you've heard from other superintendents and other community members. And the minimal costs cannot be sustained.

We do have a good amount of reserves, and we have been fortunate because we have stable leadership in Wallkill. Superintendent Castle was the Assistant Superintendent for Business, and so he was in the budgeting part for 11 years prior to becoming superintendent. And he's been superintendent for the last 13 years. So he was able to forecast out, and he's good at

planning. So we do have nice reserves, and we're able to sustain it. But I don't know how much longer we'll be able to sustain it. Then hearing from the other districts about what disasters have happened and where they had to use their reserves. Where are we saving for a rainy day, because we never know when that rainy day is going to come.

Foundation Aid is about 60% of our total aid that we receive in Walkill. So just we're asking to consider the following recommendations:

- Guarantee at least a 3% increase each year. Whatever the factors in the formula are, there should be a guarantee that needs to be at least a 3% increase each year. That's going to help with predictability, it's going to help with our calculations, with forecasting future expenses. The last time that we were able to really forecast out is back in 2007, and then the Foundation Aid froze. It can't be a guessing game.
- It's important not to link state aid and school district reserves. School districts that have been effectively managing their finances would be punished, and those who have not would be rewarded.
- Consider making adjustments that would provide more funding to address the rising cost of educating students with disabilities, as well as the ENL students or ELL students.
- There needs to be adjustment of how the free and reduced lunch cost impacts the formula. Since many schools are now offering free lunch to students, which may result in less applications being submitted, this will result in less students being identified. We understand that the county does identify families through Direct Certification. However, it doesn't identify all the students and all the families.
- Lastly, adjustments to the Regional Cost Index should include more regions, and updated data to calculate the index value. I believe it was last updated approximately 2006.

13. Dutchess County BOCES Board Member Gully Sanford

There are two things I would like to address. It occurs to me that this conversation is not just about tweaking the Foundation Aid in order to satisfy some concerns from the second floor. But absurdity, the adoption of which Voltaire says leads to the commitment of atrocity. And I think, for instance, the suggestion of eliminating the "hold harmless," the way the inflation figure was tweaked so that it actually was less than a reflection of true inflation, are atrocities.

We in the Dutchess County School Boards Association actually put out a survey in which we asked our school districts: How has your Foundation Aid changed, and by how much? As a result of the state's 2024-25 budget, what adjustments would you be forced to make in your budgets? And finally, what are your top three unfunded mandates which insufficient state funding prevents you from implementing? And these stories are horror stories, because they are removing the potential, the future, from our students. And they are discouraging the best people from entering the profession.

I'll just give you one figure from Arlington schools. Arlington got a 0.82% increase. For perspective, inflation for wages, materials and supplies, and benefits increased by 6%. Do the math. This is unsustainable, absent a predictable, sustained Foundation Aid. A definition should be that Foundation Aid should cover the cost of delivering some basic education for all of our students.

So thank you for hosting this forum. But also, thank you to you and your fellow Legislators for having assured that there was some sanity restored to public education this last year. Thank you for the 2022 decision that there should be full funding of Foundation Aid. But the way it came out, it really wasn't. It reflected back to 2007 or 2006, but Foundation Aid was meant to reflect inflation and adequacy. I do hope you in the Legislature, when you receive this report from the Rockefeller Institute, will look very hard on a definition of adequacy.

I had the honor of helping to work on a new formula for the equivalent of Foundation Aid when I worked in another state. Other states have excellent examples of addressing adequacy. There is an effort by certain people to resist discussions of adequacy.

Point two is that there has to be a consideration of all those unfunded mandates. And this is something we hear an awful lot about in the BOCES. Let me thank you particularly, Assemblymember Jacobson. I think we've grappled with the whole issue of the special education of preschool students, which is a mess. The so-called 4410s, the mandate that we should be delivering this special education. The logic of starting special education as early intervention as we possibly can for these young people, and get rid of the idiocy with which it has failed to be funded. And I think the people in Beacon know more than anybody else here how difficult it is to be able to arrange the delivery of those services. These unfunded mandates, and from the point of view of our BOCES, we turn to our superintendents and boards every year, we encourage them to send along students who can gain those skills to enter the workforce or move on to college. And yet, for 30 years, the cap on the ability of faculty in career technical education has been stuck at \$30,000 a year, which is an unfunded mandate on the superintendent. This money they have to find in their budgets if they want to send their students to get that career technical education.

So I would urge you, as you receive this report, to insist on a focus on adequacy, a study on how we can flexibly respond to the changing needs of our school districts in a sustained and predictable way; but also to take a real look at the unfunded mandates that are out there that are draining away the resources of our school districts. Thank you so much for taking this on, and greatly appreciate your willingness in the Legislature to see that this job is done properly.