



PORT WASHINGTON Union Free School District

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The Superintendent and the Board of Education of the Port Washington Union Free School District thank the Rockefeller Institute of Government for taking the time to review testimony on the topic of the Foundation Aid formula. The Port Washington Union Free School District (Port Washington) is situated on the North Shore of Long Island. Although some consider Port Washington a wealthy community based on the property wealth of a few, the economic diversity of our population tells a very different story. For example, approximately 20% of our students qualify for Free and Reduced lunch, and many who do not fall within that parameter nevertheless live in homes that do not meet the minimum living wage standard. The current Foundation Aid Formula does not properly take either that diversity or that reality into account.

In recent years, many school districts throughout Long Island have experienced decreased student enrollment. By contrast, Port Washington has experienced a considerable and steady increase in student enrollment, maintaining that increase within about 200 students since 2017. Port Washington, however, never qualified for hold harmless and due to the higher property values of a few very wealthy residents and the way the formula is structured, Foundation Aid represented only about 6% of the District's revenue. Even after being fully funded, Foundation Aid represents only about 9% of the District's revenue, with the overwhelming bulk of our funding being shouldered by the taxpayer. For the 2024-2025 school budget, due to inflation and costs beyond our control, coupled with the tax cap and our inadequate state funding, our community went above and beyond by supporting piercing the tax cap so that the District could continue to deliver a first-class education that all students deserve. However, this is not a sustainable model.

We felt it important to provide some background on our community so you could understand some of the challenges we face. Yet, we understand the focus of your study is not to create a unique formula for each district but, rather, to create one that ensures the State adequately provides funding for all students to have a sound basic education.

Therefore, we propose that as you examine the aspects of the foundation aid formula, you take into consideration the following enhancements:

1. Update the outdated indices

If nothing else changes within the formula, the indices that are not static should be updated to reflect current conditions, and thereafter should be updated annually. The specific indices include the Consumer Price Index (CPI), Regional Cost Index (RCI), and Census information. Additionally, the indices used in the calculation should not be adjusted at a whim. This year, the Governor unilaterally, and against statute, changed the rate of inflation from 4.1% to 2.8%. This change shortchanged school districts' funding significantly, with the remaining funding needing to be shouldered by the taxpayer. Moreover, when factors established by statute are arbitrarily and capriciously changed, such changes make it challenging to adequately and properly budget.

2. Recalibrate the base amount for funding and include multipliers

When the Foundation Aid formula was first crafted, the elements of a sound basic education were very different from today. The world has changed, and with it, education has also changed and evolved. At its core, providing a sound basic education for today's student includes, but is not limited to, enhanced curriculum, mental health needs, special education needs, technology needs (hardware, software, broadband, WiFi, etc., for the delivery of curriculum, and "administrative" needs and, with that, expensive maintenance and cybersecurity needs), building security (including security personnel and "hardening" of buildings), and demographic changes. At a minimum, a study should be conducted to determine an accurate base amount for every student, taking the above criteria into account. That base-per-pupil amount, which has not been updated since 2016, should then be increased annually based on inflation.

Once the base amount is established, multipliers should be used to adequately account for varying categories of students, such as students with a disability, English Language Learners, Career and Technical Education (CTE), gifted and talented students, and low-income students. **See Appendix A for an example.**

New York City has been operating under the Fair Student Funding Formula and in 2022, this formula underwent a study to make sure the data utilized represented the current climate for New York City schools. In addition to adjusting for the changing climate, that formula incorporates weighted multipliers based on differentiated needs for the various student categories. At a minimum, this formula and the recent work put into it to accommodate for the changing climate should be considered as a starting point. **See Appendix B.**

3. Recalibrate the mechanism for determining poverty rates

To determine the rate of poverty, the current formula utilizes decades-old 2000 Census numbers and Free and Reduced Lunch Program data. Using woefully stale census numbers does not accurately take into account our change in demographics. Moreover, poverty does not impact only those who submit the necessary paperwork for Free and Reduced Lunch; using only that data fails to account for families who qualify for that program but who nevertheless do not submit the necessary paperwork, and also fails to account for families who fall very close to the poverty line but do not qualify for the Free and Reduced Lunch program, resulting in underfunding to those school communities. We propose that when measuring poverty rates, you examine the structure outlined in either New York City's Fair Student Funding Formula or United Way's measure, "ALICE" (Asset Limited, Income Constrained, Employed). The ALICE method is an analysis used to create a threshold for poverty levels in communities and is updated annually, so no additional work from the State would be needed.

4. Use the median property rate versus the mean when calculating wealth index

Using the mean value of property values in a given community – as is currently being done – fails to provide an accurate picture of property values in the community as a whole, resulting in underfunding to those communities. The reality under the current formula is that a small group of high-value property owners will cause an imbalance that makes a district look wealthier than it is in reality, thereby negatively skew that community's funding need. We propose using the median property rate to more accurately account for and reflect the wealth of a community (or lack thereof), without penalizing a district.

5. Update the Regional Cost Index

The Regional Cost Index is one of the elements that needs to be updated annually. As a suggestion, BOCES should be included in the calculation process. Each region has its assigned BOCES – an entity that understands the character and needs of its respective area. Furthermore, utilizing regional BOCES to update the Regional Cost Index might allow for an analysis of the formula by region to identify the distinction and methods that can be implemented in future formulas to account for those distinctions.

6. Establish a process for assessment every 3-5 years

As a school district, we expect that for any new initiative we roll out, there will be a defined process to review and modify it as needed. We propose the Foundation Aid Formula is an initiative that should have a defined review and assessment process, and that it be done every three to five years. The formula should be reviewed for accuracy of current (and changing) conditions, indices, and to determine if it is meeting its intention.

In the event the Institute is willing/able to consider other aspects of the formula, we ask that the formula be easier to compute so school districts can more accurately input information to establish more accurate assumptions for fiscal

planning over the course of many years. The formula should be predictable, stable, and provide school districts with the ability to accurately forecast future revenue to fund their budgets.

We understand that no one formula will be the best for all school districts, and that a unique formula per district is not realistic. We appreciate you taking into consideration the above suggestions and hope they will serve as aspects of a formula that will work for the whole.

APPENDIX A

Example of an Improved Funding Formula:

Base Amount Calculation:

- Start with a base-per-pupil amount derived from successful school cost studies, adjusted annually for inflation.

Weighted Student Funding:

- Apply additional weights to the base amount for specific student groups:
- Low-Income Students: Base Amount x 1.5
- ELLs: Base Amount x 1.3
- Students with a Disability: Base Amount x 2.0 (with variation based on the severity of needs)
- Gifted and Talented students: Base Amount x 1.2

Regional Adjustments:

- Apply a Regional Cost Index (RCI) to the weighted per-pupil amount:
- High-Cost Area (e.g., Urban): Base Amount x RCI (e.g., 1.2)
- Moderate-Cost Area (e.g., Suburban): Base Amount x RCI (e.g., 1.1)
- Low-Cost Area (e.g., Rural): Base Amount x RCI (e.g., 1.0)

APPENDIX B

Fair Student Funding Report 2022

Fair Student Funding Primer