



Champlain Valley Educational Services

Clinton - Essex - Warren - Washington BOCES

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CENTRAL ADMINISTRATION

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CVES MISSION

Champlain Valley Educational Services is committed to being a valued and trusted partner by supporting students, schools, and communities to excel through high-quality education, training, and shared services.

September 5, 2024

Subject: Recommendations for the Foundation Aid Formula Study

Dear President Megna and Esteemed Researchers,

We, the superintendents of the CVES BOCES region in Clinton and Essex County, New York, are writing to you in response to the recent delegation by New York State for a study of the Foundation Aid formula to be conducted by the Rockefeller Institute. Our goal is to provide insights and recommendations from the perspective of school districts in upstate New York, highlighting the unique challenges we encounter.

Context and Unique Challenges

Our rural districts encounter distinct obstacles compared to urban and suburban areas. Geographically isolated, we face significant issues such as sparsity, which affects the allocation of resources and accessibility to a wide range of educational opportunities. The cost of providing essential services, including healthcare, is considerably higher in rural areas. Additionally, the harsh cold and winter weather conditions prevalent in many parts of rural New York State exacerbate costs associated with maintaining our educational facilities and managing transportation challenges.

The state's tax cap limitations further strain our financial resources, limiting our ability to generate sufficient local revenue to meet our students' needs and putting a greater reliance on the annual state aid allocations. Any modifications to the Foundation Aid formula must consider the constraints imposed by the current tax cap formula.

Providing diverse student opportunities, such as advanced coursework, extracurricular activities, and implementing recommendations from initiatives like the Blue-Ribbon Commission, is also more challenging in rural districts due to limited funding, fewer available programs, and scarcity of qualified staff. The mental health needs of students are another critical concern, as rural areas like ours lack sufficient mental health services and professionals to adequately support students facing mental health challenges.

The Foundation Aid formula must consider these unique circumstances to ensure equitable education for all students in New York State. Addressing these issues requires a targeted approach that acknowledges and compensates for the inherent difficulties faced by rural districts, ensuring that every student has access to high-quality education and the necessary supports to thrive.

## **Key Recommendations**

### **1. Utilization of Updated, Accurate Data**

The reliance on outdated data within the Foundation Aid formula critically undermines its efficacy. The demographic shifts in student populations, including significant increases in students with disabilities (SWD) and English language learners (ELL), necessitate a recalibration of the data used in the formula. Fluctuations in student needs, require current data to be used when determining equitable funding levels. The special education needs of our region, coupled with the associated costs for district integration, represent a significant and continually fluctuating financial challenge.

### **2. Revisions to the Base Per-Pupil Formula Calculation**

The base per-pupil amount must be recalibrated to accurately reflect the true cost of providing a sound basic education. The current amount inadequately accounts for the rising costs associated with mental health services, technology, security, and the distinctive rural challenges we have previously delineated.

### **3. Updated Poverty Measures**

The reliance on Free and Reduced Price Lunch (FRPL) data as an indicator of poverty is increasingly outdated and fails to capture the full extent of economic hardship experienced by families. Many of our districts are classified under the Community Eligibility Provision (CEP) for school meals, which obviates the need for families to complete FRPL paperwork. This results in underreporting and a failure to accurately reflect the true levels of poverty within the district.

An alternative metric, such as the United Way's ALICE (Asset Limited, Income Constrained, Employed) data, offers a more nuanced and comprehensive understanding of economic hardship. This approach better encapsulates the realities faced by working families who, despite being employed, struggle to meet basic needs. The incorporation of such comprehensive poverty metrics is essential to effectively address the complex socio-economic challenges faced by students and their families. By adopting more accurate and holistic poverty indicators, we can ensure that funding and policy interventions are better aligned with the actual needs of our communities, ultimately leading to more equitable educational outcomes.

### **4. Addressing Mental Health Needs**

The growing mental health needs of students is demanding significant resources within our school districts. Funding allocations should reflect the critical necessity of mental health services, recognizing their profound impact on educational outcomes. Psychological and educational research consistently demonstrate the strong correlation between mental health and academic performance.

## **5. Consideration of Enrollment and Attendance Impact**

The formula should account for the nuanced impacts of student enrollment and attendance on funding. Districts experiencing fluctuating or declining enrollment should not be penalized, particularly when remaining students have increased needs. A reduction in enrollment from year to year does not directly correlate into cost savings. Reducing critical State Aid based on year-to-year enrollment fluctuations, would impact the financial stability required to provide quality education.

## **6. Revising the Combined Wealth Ratio**

The Combined Wealth Ratio (CWR) often misrepresents the true economic capacity of districts, particularly in areas with high property values but low resident wealth. The formula should be adjusted to better reflect the actual financial capacity of districts. Adjusting the CWR to reflect real economic conditions would promote a more equitable funding landscape, addressing disparities between affluent and economically challenged districts.

*Examples of CVES Districts with below average income wealth but due to high property values have an above average CWR:*

Boquet Valley: Income Wealth: .639, CWR 1.062

Keene: Income Wealth: .911, CWR 2.602

Schroon Lake: Income Wealth: .625, CWR 2.141

Ticonderoga: Income Wealth: .478, CWR 1.058

Willsboro: Income Wealth: .679, CWR 1.2

## **7. Inclusion of Differentiated Weights for Student Needs**

The inclusion of tiered weights for Students with Disabilities (SWD) and English Language Learners (ELL) is imperative to effectively address the diverse levels of need within these populations. This differentiated approach ensures that funding is appropriately aligned with the specific services required by these students. Importantly, the allocation of these weights should be based on enrollment figures rather than attendance rates. Even in the absence of a student, school districts incur costs associated with maintaining the requisite personnel and support systems necessary to provide specialized services. By basing funding on enrollment, the formula more accurately reflects the ongoing financial commitments needed to meet the educational needs of SWD and ELL students, thereby promoting a more equitable and responsive educational environment.

## **8. Accounting for New and Increased Costs**

New expenses related to school safety, cybersecurity, and technology must be factored into the Foundation Aid formula. These costs are essential to providing a secure and modern educational environment. Integrating these new expenses into the funding formula ensures that schools can maintain safe and up-to-date learning environments, crucial for student success in the 21st century.

## **9. Separation of Foundation Aid and District Reserves**

Foundation Aid should be distinct from district reserves, surpluses, and deficits to allow for long-term financial planning and stability. Separation of annual operational funding and reserves is needed to ensure fiscal stability and strategic planning. The current 4% limit on undesignated reserves should be revisited to provide districts with greater financial flexibility. Increasing the reserve limit would enable districts to better navigate financial uncertainties, promoting sustainable educational practices.

## **10. Regionalization**

Regionalization presents a vital opportunity for rural districts to optimize resources, share services, and collaborate on educational initiatives, thereby enhancing the efficiency and efficacy of fund utilization. By fostering inter-district collaboration, regionalization can generate economies of scale, enabling districts to collectively access specialized services and programs that would otherwise be financially unattainable on an individual basis. To actualize the potential benefits of regionalization, it is crucial to ensure sufficient funding for these collaborative efforts. This financial support will incentivize and facilitate increased participation by all districts, ultimately fostering a more cohesive and resource-rich educational landscape.

## **11. Importance of “Save-Harmless”**

The principle of "save-harmless" in school funding is vital to maintaining the financial stability and educational quality of districts, especially in the context of ongoing fiscal challenges. New York State has a longstanding tradition, dating back to the 1970s, of safeguarding districts from year-to-year cuts in foundation aid. While the financial outlay for save-harmless in Foundation Aid for 2024-25 is relatively modest—totaling \$374 million, which represents just 1.0% of total School Aid and less than 0.3% of state operating fund disbursements—the potential impact of eliminating this provision would be disproportionately severe. For instance, offsetting proposed cuts this year would have necessitated average local tax increases of 5.1%, exacerbating the financial burden on communities already striving to cover rising costs. Importantly, 78% of save-harmless funding is allocated to average or high-need districts, where abrupt funding reductions could significantly undermine educational opportunities for students, particularly in districts facing steep enrollment declines. Therefore, any structural changes to school aid must be approached cautiously and as part of a comprehensive reform package, ensuring that vulnerable districts are not subjected to destabilizing financial shocks that could diminish the educational prospects of their students.

## **12. Addressing Regional Specific Needs**

Each region presents distinct challenges and opportunities that must be considered in the Foundation Aid formula. Customizing funding and policy interventions to address the specific needs of individual regions can significantly enhance their effectiveness. In the North Country, our challenges are particularly pronounced and multifaceted. We contend with sparsity, which complicates access to essential services and resources. The elevated cost and limited availability of rural healthcare places additional financial strain on our budgets. Harsher winter weather

conditions further exacerbate operational difficulties and increase maintenance costs. Employee shortages, particularly in specialized fields, hinder our ability to provide a comprehensive educational experience. Moreover, limited community resources restrict our capacity to support our students adequately. Addressing these unique regional factors in the Foundation Aid formula is imperative to ensure equitable and effective education across New York State.

## Conclusion

We strongly urge the Rockefeller Institute to incorporate the proposed recommendations into its ongoing study of the Foundation Aid formula. Integrating these recommendations is essential for creating a funding system that is more equitable, responsive, and effective in meeting the diverse needs of students throughout New York State. Given the significant recalibration required, we propose adopting an implementation timeline that affords New York State school districts adequate time to plan and adapt to the economic implications. This phase-in period should also be leveraged to incorporate educational research, best practices from successful national models, insights from other states that have effectively reformed their Foundation Funding Formulas, and expertise from educational policy advisors and distinguished higher education scholars to ensure the long-term reliability and validity of the system.

To facilitate the evaluation and implementation of the many recommendations received by the institution, we propose the establishment of a dedicated foundation aid reform committee like the initiatives addressed by the Blue-Ribbon Commission (BRC). This committee should include representatives from North Country school leaders who possess a deep understanding of educational finance. Such representation will ensure that the perspectives and needs of all regions are considered, fostering a more balanced and comprehensive approach to funding reform.

We appreciate your attention to these critical issues because all NYS students must have access to a comprehensive, high-quality education program with breadth and depth, regardless of their zip code, to support our students' success as graduates and contributing citizens in the future.

Sincerely,

Dr. Mark C. Davey  
District Superintendent  
CVES BOCES

Dr. Eric G. Bell  
Assistant Superintendent  
CVES BOCES

On behalf of the 16 Superintendent of Schools in the CVES BOCES region.

Mr. Michael Francia, AuSable Valley CSD  
Mr. Dustin Relation, Beekmantown CSD

Mr. Joshua Meyer, Boquet Valley CSD  
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