

Wayne-Finger Lakes Superintendents' Association, Inc.
Mailing Address: 131 Drumlin Court, Newark, New York 14513

Robert Megna, President
Rockefeller Institute of Government
411 State Street
Albany, NY 12203

September 5, 2024

Re: Wayne - Finger Lakes (WFL) Superintendents' Association Legislative
Committee Comments on Foundation Aid Reform

Dear Mr. Megna,

On behalf of the 25 superintendents leading the districts that make up the Wayne – Finger Lakes BOCES region, we offer the following thoughts and suggestions for your consideration as you continue your work studying New York State's Foundation Aid formula.

Over the last 7 months, there has been significant conversation about the importance of “updating” the foundation aid formula to reflect current data and circumstances. However, throughout the budget process, that conversation was limited to only one hard data update, the current year enrollment. Our superintendents welcome a full conversation about the formula, one that considers all components and obligations of the district to their students.

The New York State Constitution holds that students are entitled to a free, sound, and basic education. As educators, we argue that they are entitled to more than just the basics, and the State must ensure the availability of a baseline. The State has delegated the delivery of that entitlement to school districts, but as a part of that delegation, the State must ensure that all school districts have the resources needed to provide that education, in an equitable manner.

To effectively meet this obligation, school districts need to be funded in such a way that considers several key factors and influences:

Predictability: State funding needs to provide school districts stability and predictability to effectively plan on behalf of their students. Districts cannot effectively plan strong academic programs if their funding fluctuates wildly from year to year.

Adequacy: The State funding provided to school districts must be adequate to ensure that, in combination with an appropriate local contribution, the total funding is sufficient to support the education of all students.

District Wealth: The concept of district wealth, in determining the expected local contribution, made sense when the Foundation Aid formula was adopted. Today, district wealth as it applies to a district's ability to pay for the students' education has been made irrelevant by the tax cap. Districts no longer have the ability to increase local tax efforts to ensure programs are added or maintained when state funding does not adequately meet cost increases. The tax cap has limits built into the system to limit tax growth beneath the Consumer Price Index (CPI). In addition, the tax cap imposes a voting bar that has proven impossible for districts to exceed. The cap artificially suppresses the collection of property taxes with no aligned adjustment to the calculation of property wealth as a measure of a community's ability to pay. Inflation has increased an average of 4.76% since the COVID pandemic. Yet, even if the formula uses the full calculation of inflation, the tax cap formula districts to a maximum growth factor of a 2% growth. The combination of a 4.76% inflation rate, limited tax support, and increased complexity of needs, justifies an updated calculation.

To ensure that future funding is distributed equitably, adequately meets the State's obligations, and give students proper opportunities and education, we encourage you to consider incorporating the following in your final recommendations:

- 1. Update the calculation of the cost to educate a successful student.** In the decades since the initial base calculation was conducted, the increases in the cost of education have been more than inflationary. Changes to graduation requirements, advents in technology, and an increasingly diverse population in the state needs to be considered and incorporated into that base. Moreover, the formula should be adjusted to revisit that calculation automatically and regularly to ensure that the base does not fall this far behind again.
- 2. Student weights and measures.** While the current formula does provide some weighting and therefore increased funding for students with disabilities and English language learners, it still does not address that the needs of students have become increasingly complex, and the weights do not always provide adequate support for this student population. Additionally, targeted populations are in need of recognition and financial support. The current weighting for students with disabilities and English language learners, should serve as a floor for funding for those populations with increased weights available for higher need students that do not quite trigger excess cost aids. Further, weighted funding should be made available to support students in need of mental health services and those with interrupted formal education.
- 3. Update the calculation of the district's ability to pay.** In its original incarnation, the formula considered two prime factors in determining district wealth or "ability to pay": income wealth of permanent residents and real property wealth located in the district. However, since then, the state has adopted a property tax cap. The cap means that the presence of existing or new real property in the district is no longer reflective of the district's ability to generate revenue based on that property. The available funds that can be generated are roughly locked at a point in time when the cap was adopted, with only nominal yearly increases. This reality must be incorporated into the calculation of what a

district can generate locally to limit any district contribution or contribution growth expectations to that which they can generate without an override of the cap, not the property value they could formerly levy against with more flexibility.

4. Update student poverty measures. Many things have changed since the original creation of the Foundation Aid formula, and many of the metrics being used to measure poverty, and therefore student need, are outdated and inefficient. Free and reduced-price lunch counts are notoriously inaccurate, and increasingly so each year. As more and more districts transition to community eligibility for school meals, the fewer eligible families are turning in eligibility forms and therefore one significant input is compromised. At the same time, the formula requires the use of a census poverty measure that is no longer collected and has not been updated since 2000. The formula should transition to updated and validated datapoints, including a weighted direct certification number in lieu of FRPL counts, and Small Area Income and Poverty Estimates (SAIPE) which are updated regularly and are more accurate measures.

5. Enrollment and fixed costs. Enrollment is a factor that should be considered in calculating and distributing Foundation Aid, however it should not be the **only** factor. Our region has a diverse make-up with districts that are and are not on hold harmless. For those districts that have experienced enrollment loss and therefore are receiving more funding that the formula generates, their enrollment loss may not have resulted in actionable cost reductions. If a district loses 2 kids from each grade, that could appear to be a significant percentage of the student body. But that is likely not enough to result in fewer teachers. Many small districts do not have multiple buildings at each level so a reduction in population does not lead to building closures. And all districts, regardless of size or enrollment have mandated cost drivers such as the increase in minimum wage which must be complied with, regardless of enrolment numbers.

At the same time, we represent districts that just achieved their full statutory funding in 2023 – before once again seeing their districts and students denied full funding in 2024.

We want to see all our districts, and therefore students, have equitable opportunities and access to the high-quality education they deserve. For that to happen, the formula must find a balance that does not devastate districts losing enrollment but does not protect them by taking funding away from other districts maintaining enrolment or experiencing growth. For these districts, it is important that the Foundation Aid formula consider increases beyond those generated by the consumer price index (CPI). Since 2007, during an initial, delayed phase in, the years of the DRP and GEA and years of off-formula increases, however generous the investments in schools have been, over decades they have not kept pace with inflation and other cost drivers such as health insurance and other employee benefits.

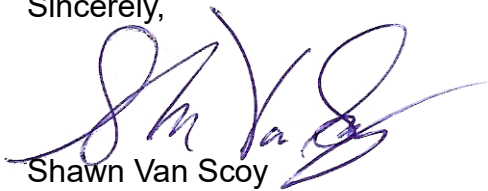
Modernizing Foundation Aid is not the only piece of the funding puzzle. As the educational environment continues to change and evolve, our districts know that they have to evolve as well and consider opportunities that may help stabilize, maintain, and grow their programs and opportunities. Regionalization and collaboration are one tool. By cooperating across districts, through BOCES, with higher education partners and community partners, we have the ability to increase access to programs and services without independently funding and staffing nearly 700 different programs.

This is especially true in certain programmatic areas, especially career and technical education and dual enrollment programs. By collaborating within the educational community and our communities at large, we not only maximize the resources available to school districts but provide opportunities for our students to reduce college costs, experience rigorous coursework, and also be exposed to careers, all before completing high school. This is not just good for our students and districts, but also for our communities and employers. All districts should be utilizing these tools for partnership and exposure to different opportunities, even if they do not need to conserve resources.

Simply put, to provide adequate programs for students, our districts and communities need a foundation formula that is predictable and responsive to changing student

needs. Thank you for considering our thoughts and recommendations. Do not hesitate to reach out if you would like any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shawn Van Scoy', written over a printed name.

Shawn Van Scoy

Chair, Wayne - Finger Lakes (WFL) Superintendents' Association Legislative Committee
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Cc: Assemblymember Jeff Gallahan
Assemblymember Brian Manktelow
Assemblymember Phil Palmesano
Assemblymember Marjorie Byrnes
Assemblymember Will Barklay
Senator Pam Helming
Senator Tom O'Mara
Senator Rachel May