



Shawn Van Scoy, ED. D
Superintendent, GCSD

GANANDA CENTRAL SCHOOL DISTRICT
1500 Dayspring Ridge, Walworth, NY 14568
Phone: 315.986.3521
Fax: 315.986.2003
Website: www.Gananda.org

Greg Giles
President, BOE

PRACTICE SELF-CONTROL RESPECT OUTSTANDING UNITY DRIVEN

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

September 5, 2024

Re: Gananda Central School District Comments on Foundation Aid Reform

Dear Mr. Megna,

I write to you on behalf of the Gananda Central School District Board of Education and the students entrusted to them. The purpose of this brief is to share the impacts of the current formula on the Gananda Central School District which is a unique school district in the state of New York. The brief will share specifics about the Gananda School District to explain the challenges faced by our community. Inequities in treatment will be identified and specific areas in the formula that would address these inequalities will be provided. Ultimately, the purpose of this brief is to highlight opportunities to provide greater equity between districts.

Background

In 1972 developers working with financial backing from the U.S Department of Housing and Urban Development (HUD) purchased 10,000 acres in Wayne County with the intent to create a planned community for an anticipated 85,000 residents. The development was to include housing tracts, malls and commercial property. On November 27, 1972 the Wayne Central School District residents and the Palmyra-Macedon Central School District residents voted to cede portions of their districts located within the Gananda Development. This action was due to fears of increased costs associated with educating the anticipated population. Specifically, they were concerned about the cost of new school buildings and taxes. In January of 1973 through a special act of the NYS legislature the Gananda School District was formed from the land ceded. On September 5, 1974 students began attending school in the Gananda Central School District. On October 5, 1974 the developers revealed they were out of money and that \$2 million in expected funding had been frozen by the HUD. On February 6, 1975 HUD announced that it would stop funding the Gananda Development

project. For years the Gananda development languished as developers, towns and the federal government engaged in legal battles to determine responsibility and fate of the community. Today there is no Gananda Development project, the developers went bankrupt as a result of HUD's refusal to fund further development. All that is left of the initial plan is the Gananda Central School District. There are no malls, our biggest commercial property, and taxpayer, is the NYSEG transmission lines that split the middle of the district. We have a yellow blinking light, two gas stations, a pizza shop and a golf course. Currently we have approximately 5,000 residents and they send 840 students in PreKindergarten through 12th grade to the school district to be educated.

The Problem

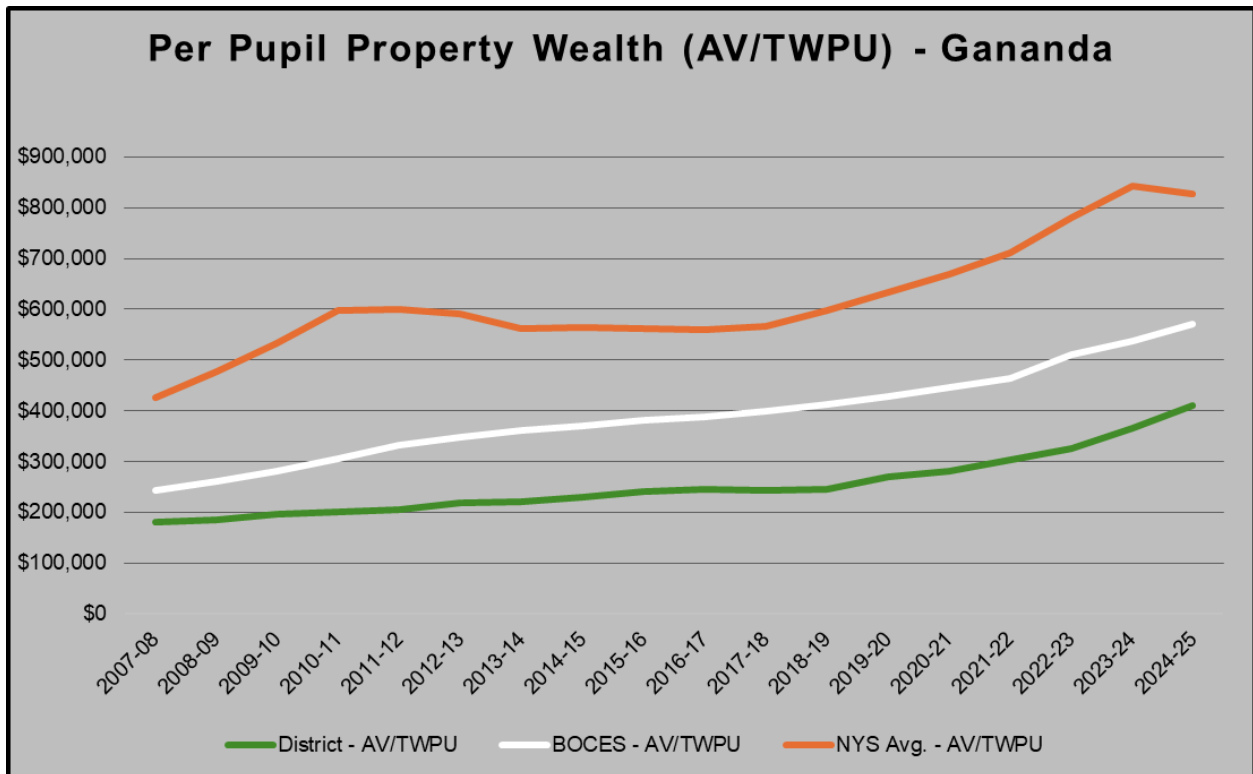
The **“2023 State Aid to Schools - A Primer”** issued by The University of the State of New York, THE STATE EDUCATION DEPARTMENT, Fiscal Analysis and Research Unit, states that a key concept is of school aid is Wealth Equalization (<https://www.nysed.gov/sites/default/files/programs/fiscal-analysis-research/primer-2023.pdf>). The primer explains that the intent of Wealth Equalization is “To distribute State Aid in inverse proportion to fiscal capacity to offset dramatic differences in the ability of school districts to raise local revenues.” In its current format the Foundation Aid Formula is not offsetting Gananda's inability to raise local revenues. Specifically:

- Gananda's Per Pupil Property Wealth (AV/TWPU) is below the state average,
- Gananda's Per Pupil Income Wealth (AGI/TWPU) is below the state average,
- Gananda's Combined Wealth Ratio is below the state average, and
- Gananda's local tax effort is higher than the state average.

At the same time the average per-student foundation aid funding in Gananda is lower than the state average.

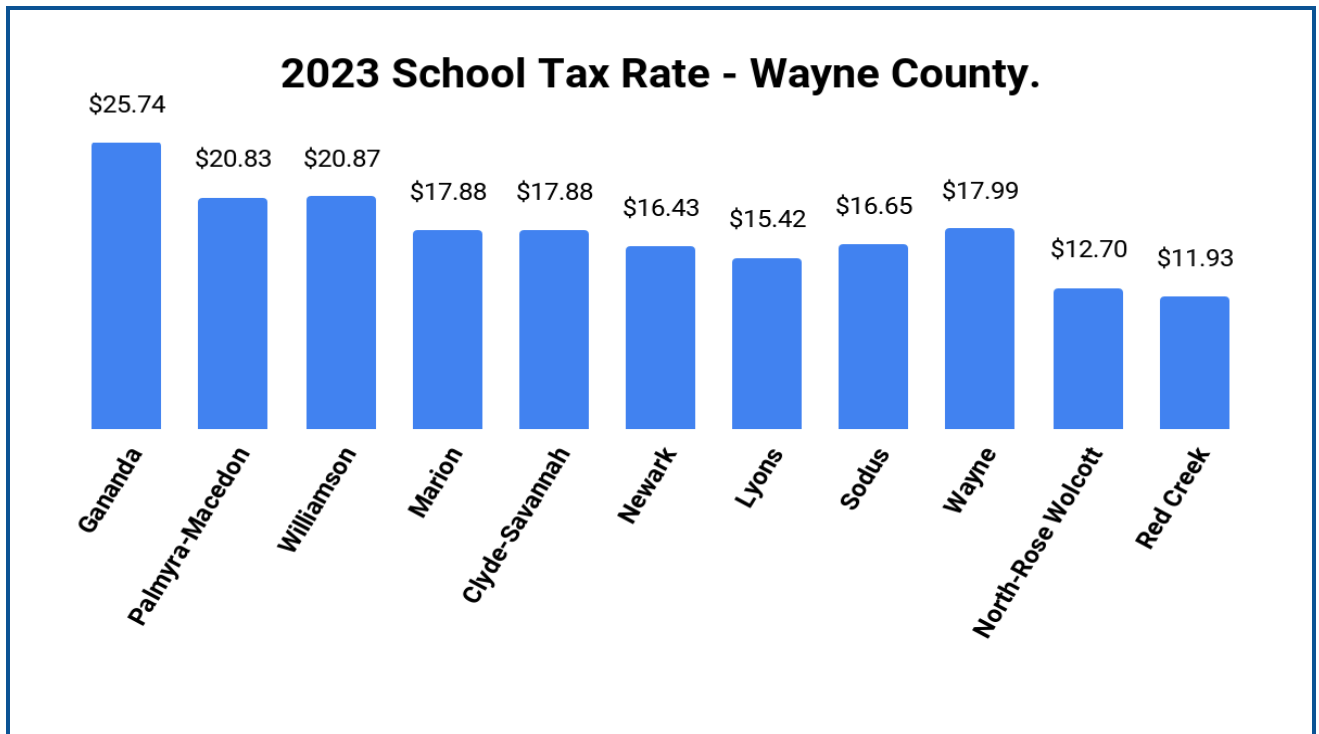
District Specifics:

Per Pupil Property Wealth (AV/TWPU): Gananda is a planned community and its tax base is primarily composed of residential housing. The per pupil property wealth for Gananda is significantly lower than both the BOCES average and the New York State average. This indicates that Gananda has a lower capacity to generate local revenue through property taxes when compared to other districts in the region and state. Gananda's 2022-23 Property Wealth per student was \$325,293.



New York State’s reliance on property wealth to fund a portion of our educational system disadvantages communities with low property wealth. While the Foundation Aid formula was originally intended to account for low property wealth, the addition of funding tiers and tweaks to the system during the existence of the Gap Elimination Adjustment (GEA) have shifted aid to districts with low pupil income. This shift in funding assumed a correlation between property wealth and income wealth in a district. In Gananda, the property wealth of the area does not match the income of its residents.

High Tax Rates: For the last 20 years Gananda has regularly maintained its place as one of the 20 districts with the highest Full Value tax rate. Gananda has been as high as #5 in the state and as low as #21. In October of 2023 the NYS Comptroller’s office listed Gananda with the 13th highest Full Value Tax Rate, <https://www.osc.ny.gov/files/local-government/data/excel/2023-school-districts.xlsx>. This means Gananda’s Full Value Tax Rate was **higher than 98% of school districts**.

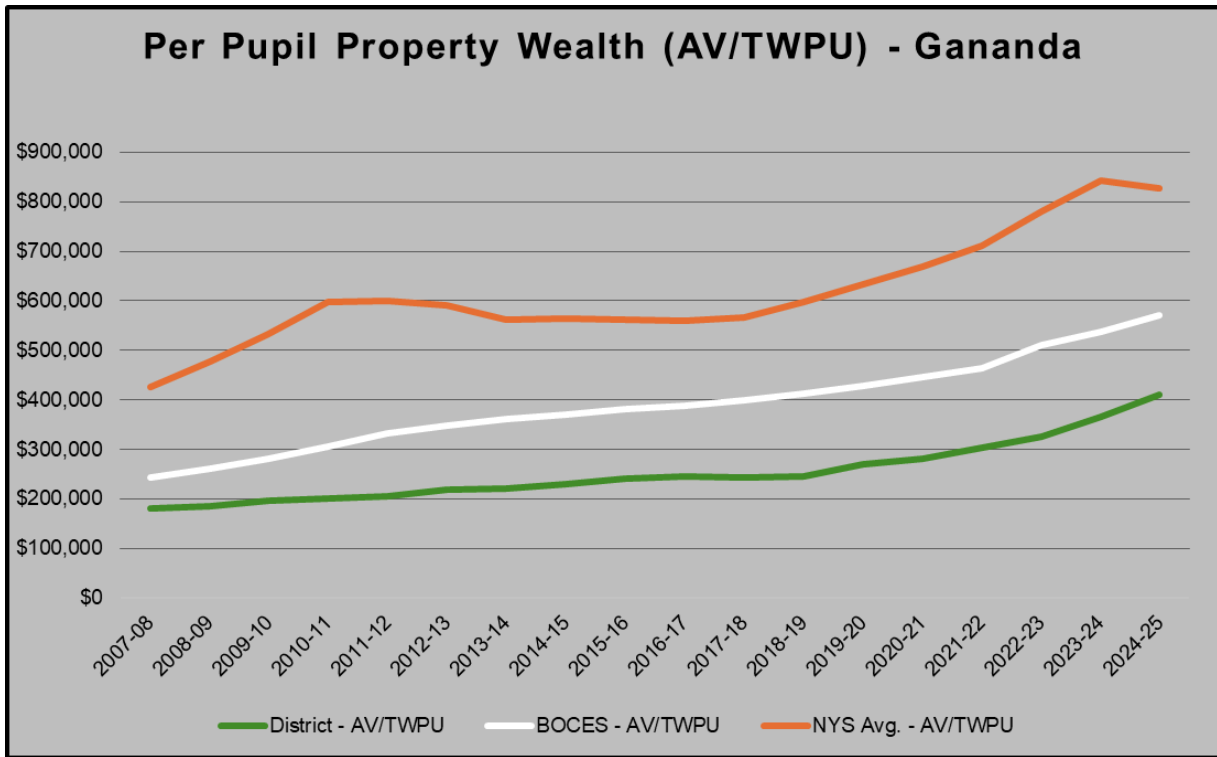


Our low property values and lower foundation aid per pupil has necessitated that our district maintain a Full Value tax rate that is higher than districts in our county, our BOCES and the state.

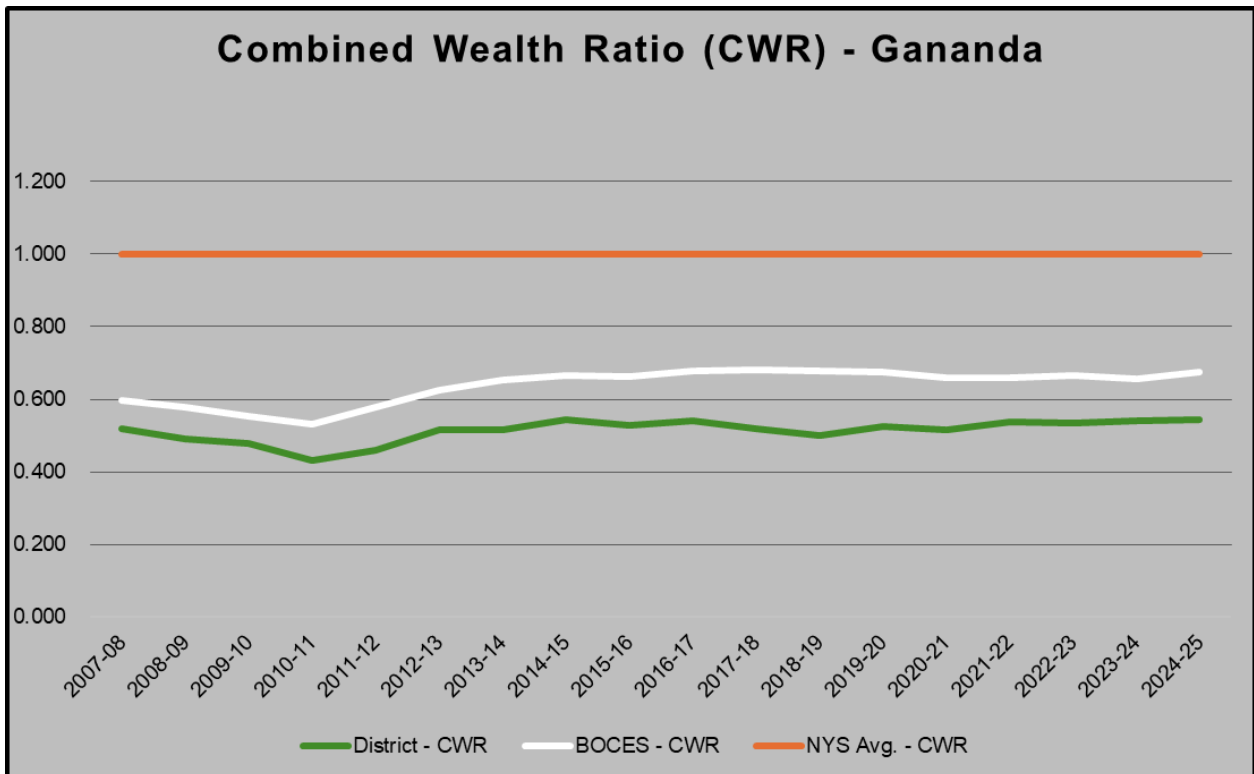
Further compounding this issue is that some of the districts that received the greatest increases in aid for the 2024-25 school year didn't use their increase to increase programs to support their students. Instead, some of the districts in our region used their Foundation Aid increases to provide a zero percent (0%) tax increase.

Local Revenue Effort Rate: The Foundation Aid Formula calculates each district's Local Revenue Effort Rate. Gananda's Local Revenue Effort Rate was 28.2 in 2023, the average was 18.25. Only 19 districts in NYS had a higher effort rate, which means Gananda's Local Revenue Effort Rate was **higher than 97% of school districts.**

Per Pupil Income Wealth (AGI/TWPU) The per pupil income wealth in Gananda is also lower than both the BOCES average and the New York State average. This highlights that the aggregate adjusted gross income in Gananda is lower, affecting the district's ability to support its schools financially through local contributions. Gananda's 2022-23 Income Wealth per student was \$199,875.

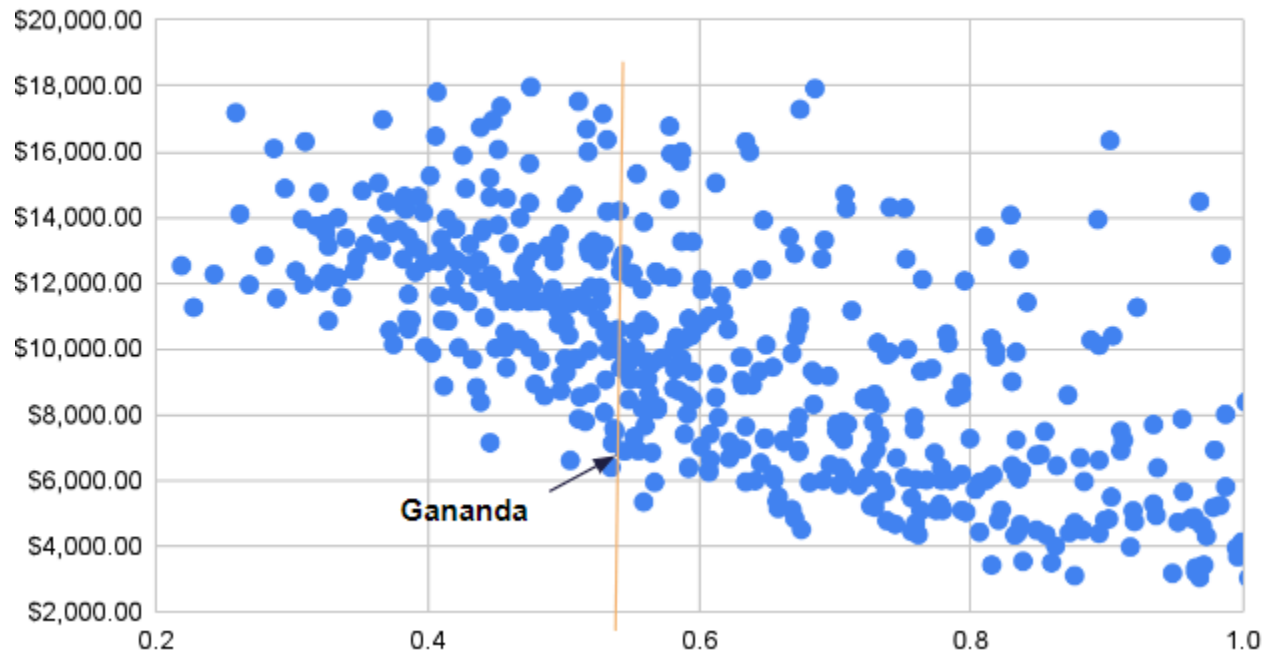


Combined Wealth Ratio (CWR) Gananda's Combined Wealth Ratio (CWR) is 0.54, which is lower than the average CWR for our BOCES and New York State. A lower CWR reflects a limited local ability to support education, indicating that Gananda is less wealthy compared to other districts and thus should theoretically qualify for more state aid to balance the disparities.



In actuality, when we compare CWR to Foundation Aid per pupil in a scatterplot we see that Gananda is an outlier. When compared to districts with similar wealth, as defined by the CWR, we see that Gananda does not receive foundation aid in the same manner as districts with a similar CWR.

2021-22 Foundation Aid per Student vs CWR



Student Needs: Gananda has a lower-than-average count of students eligible for free and reduced lunch, which currently impacts the district foundation aid calculation and qualifications for grants.

Gananda	STUDENT NEED INDICATORS					BEDS Code	650902
	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025		
2000 Census Poverty %	0.0452	0.0452	0.0452	0.0452	0.0452		
3-Year Average Free and Reduced Price Lunch % (FRPL)	0.3081	0.3168	0.3217	0.3355	0.3340		
Extraordinary Needs %	0.2360	0.2430	0.2460	0.2530	0.2560		

When examining the need indicators of the students in Gananda, 33% of students qualify for Free and Reduced Lunch and 25% of students are quantified as having Extraordinary Needs. We acknowledge that our student population does not face some of the wealth and economic challenges that other students in the state face. We recognize that other schools should get support to assist their students in need. The distinction we seek to make is that this does not mean that their school district is poor, it means the students are poor. This information should not replace an analysis of a

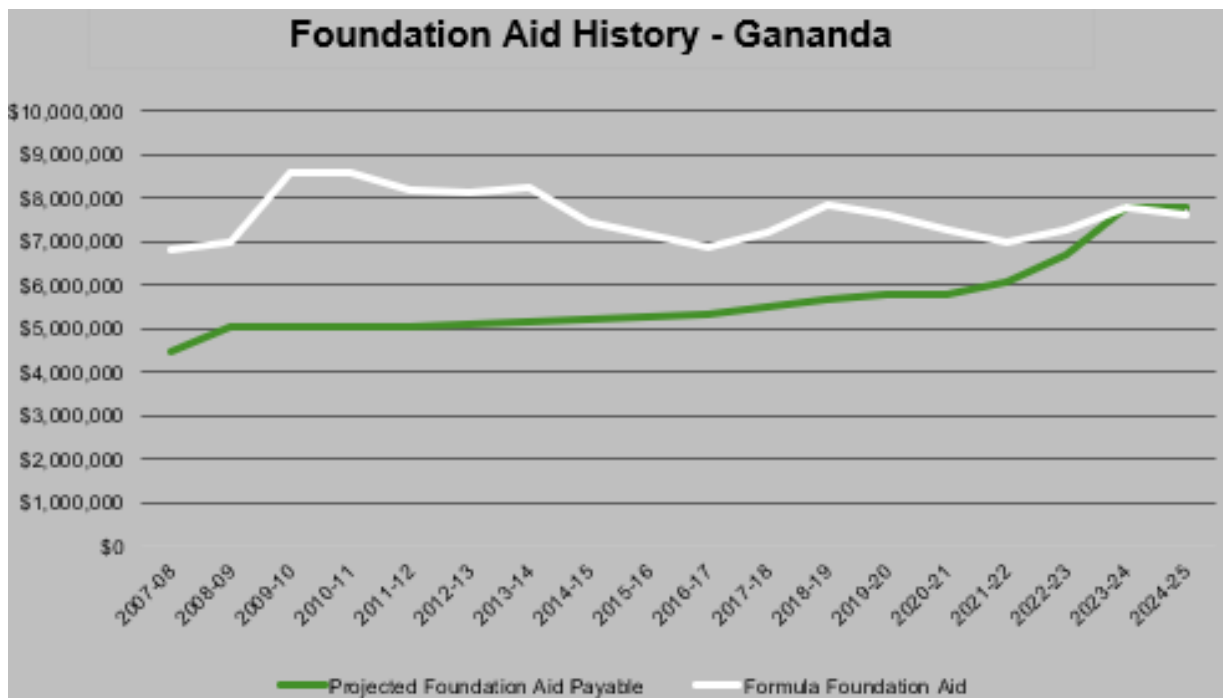
district's ability to fund their local share. During the 2024 budget process several of the districts that received state aid increases greater than 9% had tax levy increases of 0%. These districts did have students that were poorer than Gananda students, but these districts are wealthier than the Gananda School District and the Aid supplied by NYS benefited tax payers in these districts, not students.

Also, it is important to note that in addition to receiving higher foundation aid amounts many of the neediest districts receive significant financial grants. Governor Hochul provided two \$100 million grants during the 2023-24 school year

1. <https://www.governor.ny.gov/news/governor-hochul-awards-100-million-50-school-districts-support-efforts-combat-pandemic>
2. <https://www.governor.ny.gov/news/governor-hochul-announces-100-million-grants-new-after-school-program>

These grants are not accounted for in the Foundation Aid formula, they provide targeted funding that ultimately increases the disparity in funding.

Underfunding and hold harmless issue: Gananda has been underfunded for Foundation Aid since 2010-11 and has been held harmless for the 2024-25 school year. Over the course of 14 years, the District has been underfunded by \$28,173,241 due to the introduction of multiple funding tiers that shifted funding from the formula. For example, Gananda was supposed to receive \$8,557,087 in 2010 but actually received \$7,794,221 in 2023-24.



The impact on a district can be seen in the chart below. This comparison between two neighboring districts, with almost identical wealth measurements and enrollment trends, illustrates how the timing of their hold harmless status resulted in significantly different foundation aid per student. District B

has benefited from “hold harmless” provisions since the 2014-15 school year, ensuring consistent and adequate funding. In stark contrast, Gananda has only recently become fully funded and achieved “hold harmless” status in the 2024-25 school year. This disparity has left Gananda severely underfunded for years, compromising the quality of education and resources available to our students.

	Gananda			District B		
	Calculated Foundation Aid	Paid Foundation Aid	Difference	Calculated Foundation Aid	Paid Foundation Aid	Difference
2010-11	\$8,557,087	\$5,064,385	-\$3,492,702	\$9,324,124	\$7,655,161	-\$1,668,963
2011-12	\$8,163,368	\$5,064,585	-\$3,098,783	\$8,324,448	\$7,655,161	-\$669,287
2012-13	\$8,102,357	\$5,116,030	-\$2,986,327	\$8,410,910	\$7,701,091	-\$709,819
2013-14	\$8,240,189	\$5,131,716	-\$3,108,473	\$7,846,641	\$7,724,194	-\$122,447
2014-15	\$7,470,616	\$5,232,522	-\$2,238,094	\$7,369,515	\$7,789,849	\$420,334
2015-16	\$8,150,083	\$5,251,873	-\$2,898,210	\$6,429,383	\$7,818,671	\$1,389,288
2016-17	\$6,899,182	\$5,323,162	-\$1,576,020	\$6,251,832	\$7,907,803	\$1,655,971
2017-18	\$7,205,837	\$5,519,501	-\$1,686,336	\$6,251,104	\$8,124,476	\$1,873,372
2018-19	\$7,837,455	\$5,649,741	-\$2,187,714	\$6,961,917	\$8,318,997	\$1,357,080
2019-20	\$7,611,886	\$5,782,206	-\$1,829,680	\$6,986,831	\$8,463,798	\$1,476,967
2020-21	\$7,288,175	\$5,782,046	-\$1,506,129	\$6,796,065	\$8,463,799	\$1,667,734
2021-22	\$6,981,338	\$6,075,048	-\$906,290	\$6,236,589	\$8,717,712	\$2,481,123
2022-23	\$7,270,357	\$6,672,703	-\$597,654	\$5,998,271	\$8,979,243	\$2,980,972
2023-24	\$7,794,221	\$7,794,221	\$0	\$6,118,158	9,248,620	\$3,130,462

District B has been able to maintain programs, maintain lower tax rates and place money in reserves. During the same time period Gananda has staffed enrollment, sought fiscal efficiencies through energy conservation projects and consumed existing reserves. This inequity is both unjust and unacceptable, and it necessitates action to rectify the funding disparities and ensure fair and equitable support for Gananda. Gananda students and residents are left asking: When is our turn?

Per Student Funding: Simply, the average per-student foundation aid funding in our district is lower than the state average, while multiple wealth factors collected and calculated by NYS show or wealth is below average.

Proposed Changes:

The following changes are suggested to resolve the formula’s inability “To distribute State Aid in inverse proportion to fiscal capacity to offset dramatic differences in the ability of school districts to raise local revenues.”

1. **Fiscal Capacity Consideration:** The state funding formula must determine the state and local share based on each school district's capacity to generate revenue. The state share of funding should be highest in low-wealth districts like ours to ensure we do not face an unfair tax burden. More weight in the formula should be given to a district's inability to generate additional resources through taxes.
2. **Artificial Caps and Floors:** The formula currently includes artificial caps and floors to limit aid to some districts while artificially providing a minimum aid amount to wealthy districts. We ask that the Artificial Caps on aid be removed that limit aid to the poorest districts. We are not asking that minimum floors are removed.
3. **Additional Foundation Aid for Underfunded Districts:** The Foundation Aid formula must account for the cumulative underfunding over the years. Priority should be given to districts that have been underfunded throughout the existence of the formula. It is crucial to ensure equitable funding for districts that were consistently underfunded for decades, compared to those that were held harmless and received percentage increases for multiple years.
4. **Consideration of District Size:** The formula should take into account the size of the district. Smaller districts like Gananda face challenges in maximizing class sizes and providing a diverse range of offerings for students. This adjustment would ensure we receive adequate funding to meet these challenges.
5. **Adjustment for Student Need Metrics:** Revisions should include more comprehensive metrics for student needs, potentially reducing the current reliance on free and reduced lunch counts along with other wealth characteristics such as per pupil property wealth and per pupil income wealth. This adjustment would better reflect the true economic conditions of our district.
6. **Grants:** All forms of state funding need to be captured in the system. The NYS system of grants allows for additional disparities in funding.

These changes aim to create a more equitable distribution of educational resources across New York State, potentially providing significant benefits to districts like Gananda that face unique economic challenges. We urgently need your support to ensure our students receive the education they deserve.

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". The signature is fluid and cursive, with a large initial "S" and "V".

Shawn Van Scoy, Superintendent
Gananda Central School District
(315) 986 3521 x84313