

Anita Murphy

Good afternoon, everybody. I'd like to welcome you to the fourth of our five public hearings on the New York State Foundation Aid formula. My name is Anita Murphy. I previously served as the District Superintendent at Capital Region BOCES, as well as a Superintendent of Schools, and I have worked all over the state in my career.

I'm joined today by our panel: the President of the Rockefeller Institute of Government, Robert Magda; Dr. Brian Backstrom, Director of Education Policy Studies for the Rockefeller Institute; and Dr. Lisa Parshall, Distinguished Professor of Political Science at Damon University and a Rockefeller Institute Fellow.

As a reminder, this hearing is being live-streamed, and a recording will be posted directly after the meeting today on the Rockefeller Institute website. Because we are live-streaming, some audience members may be recognizable in the footage. By staying in this auditorium, you are consenting to the possibility of being in the background of some of today's recordings.

A couple of other housekeeping notes before we start: We have an ASL interpreter providing services to the right of the stage. Although we do not have simultaneous interpretation services on-site today, a transcript will be provided in multiple languages and posted on the Rockefeller Institute website. If you have any questions about the Foundation Aid study or this hearing, please talk to one of our wonderful event staff members, who are sitting at the tables out there.

Emergency exits are located in the back and to the side, and the restrooms are out that door and directly to the right. Before we begin, I ask everyone to please silence your cell phones. We would like to maintain quiet in the room so that the panel can hear the testimony being provided clearly.

Importantly, on behalf of the Rockefeller Institute, we would like to express our sincere appreciation today to Principal John and the staff of the Laurens Central School District, who welcomed us here today. It is not a small thing to have something like this happen, and we are very appreciative. Joel, thank you. Thank you all for being incredibly gracious hosts.

We'd also like to thank you all for being here. We know that it's not easy to get out and travel, and we are very appreciative that you are here to provide testimony and to listen to testimony.

Just some background: The purpose of these hearings is to hear voices from across New York State on the Foundation Aid formula. As you all know, the budget for 2024-25 called for the Rockefeller Institute to conduct a study on the state's Foundation Aid formula and discuss potential modifications to how the formula works. As part of this study, researchers at the Rockefeller Institute are conducting these hearings and collecting feedback from across the state.

If you are not speaking today but would like to provide testimony, you can do so on the Rockefeller Institute website. It's easy—there's a form. If you are providing testimony and would also like to submit it in writing, please upload it directly to the website. Feedback from these hearings will be incorporated into the Foundation Aid study and used to inform the final report on the findings and discussion of policy options, which will be presented to the Governor in early December of this year, 2024.

I will now turn it over to Bob Magda to provide some introductory remarks.

#### **Robert Magna 4:36**

Hi, thank you. I'll be very brief because we want to hear from the folks who have traveled here to give testimony. Again, I want to thank the folks at Laurens for inviting us. Some folks in New York should make the trip to a place like Laurens; it's a beautiful journey from Albany. I always think traveling to this part of the state is a pretty trip no matter the time of year. So again, thank you for having us here.

Today, we'll try to get right to where we want to go. Let me give you just a few slides that will take five seconds to go through. Anita covered some of this, but I want to highlight a few points. Please pre-register for our final hearing in Guilderland, which is next week, and use the written comment submission form that Anita mentioned. This will give you an idea of the time frame we're working under. I'll say it's a tight time frame. We're in the middle of the public hearing phase, which will end next week, and then we'll continue to accept written submissions for some time after that. We will produce a written report by December 1st for the Governor and the Legislature.

School aid is complicated. The way we allocate money through the formula and many elements in this graphic were appropriate maybe in the years 2000, 2007, or 2014, but they are not necessarily appropriate anymore. The need to update the formula has likely been overdue for some time. Based on the comments we're hearing and the research we're

doing, we aim to come up with reasonable, feasible ways to simplify, make more transparent, and address fairness issues where possible with the Foundation Aid formula. It's a challenging process to complete by December 1st, but we are working on it and value your input.

With that, I'll let Brian and Lisa introduce themselves, and we should get started.

### **Brian Backstrom 7:41**

I am Brian Backstrom I'm the Director of Education policy studies at the Rockefeller Institute

### **Dr Lisa Parshall**

Good afternoon, everyone. My name is Dr. Lisa Parshall. I'm a professor of Political Science at Damon University, which is in Amherst, Erie County, in the western part of the state.

Thank you all for being here. We're going to start our testimony. A couple of things for folks: You will have six minutes. There is a timer at the podium, and we ask you to come up to it. The timer will be right in front of you. Halfway through your time, the timer will turn color, and when you have one minute left, it will turn color again. At the six-minute mark, I will politely say thank you very much and stop your testimony.

Please keep your remarks to six minutes. We have a long list today, and we want to ensure that everyone has the time they deserve to speak.

I also want to remind everyone that this hearing is specifically about the Foundation Aid formula, not a discussion on broader education policy. It's critically important to stay focused on the Foundation Aid formula, as that's what Rockefeller was tasked with reviewing.

I'll call you up to the podium, and we'll start the timer when you begin.

Our first speaker is David Little, Executive Director of the Rural Schools Association of New York State.

## **David little 9:17**

Thanks, Anita. Thank you, Bob. And thank you all for being here. You've made it challenging for me—I'm colorblind, so I won't be able to tell when the timer is up, and I can't fit my middle name into six minutes. I won't use notes and will just speak from the heart. You've already received my written testimony.

In a perfect world, New York State would have already figured out how it wants to educate the next generation, including assessments, pathways, and professional development needed for good results. Then, they would ask you how to fund that. However, you're tasked with handling both aspects simultaneously.

I want to focus on what's shared by both of these efforts, which is regionalism. Regionalism was supported in the state budget by increasing merger and consolidation aid. It was also supported by the State Education Department's requirement for BOCES to discuss regional efforts across the state. We have fallen short, particularly in rural areas, in providing the expanded programming necessary for success after high school.

Everybody graduates from rural high schools, and we have the best graduation rates in the state. The problem is what happens afterward. Fully 34% of our high school graduates never get a credential beyond the diploma. This doesn't have to be the case, but the fact is that preparatory and advanced coursework provided as a matter of course in suburban and urban areas must be paid for through remediation in community colleges for rural students. By the time they complete remediation, they've often had enough and never get to study what they truly want. The jobs they once had, which they returned to after the Great Recession, no longer exist. We owe them more than leaving them to sit in Mom's basement playing Call of Duty.

If we're going to address this, the state is well-positioned to make a few small adjustments that can make a significant difference. First, we need a legitimate process for determining whether to pursue a merger and consolidation within communities. Currently, we expect every community involved to have a positive vote before they've even seen the results of a study detailing the educational or financial implications. This is unacceptable. We need each Board of Education to vote on the study first. After the public has been educated, there should be a total vote from the entire community.

We also need an incentivized program for the option—not a mandate. Rural schools are the lifeblood of their communities, and studies show the impact of removing a school on a community. We don't want to do that, but regionalized high schools have been proven to work in neighboring states that outperform us academically. To be successful at the secondary level, we need to expand the curriculum to include AP, dual enrollment, IB, and other advanced coursework. Rural schools simply can't afford to offer these opportunities on their own.

New York State is well-positioned to address this. You don't have to travel more than 30 miles to find a community college or SUNY campus that is struggling for students. They have the space and faculty to offer advanced courses. We also have a BOCES system already incentivized to provide regionalized instruction and transportation. By utilizing existing high school faculty across regional schools, we can expand the curriculum without needing multiple chemistry teachers at every high school.

To reverse the trend of declining population—second only to Massachusetts—we need to educate our kids better and attract people with what we offer them. We've always been known for that, and it's time we do it again.

Lastly, I suggest fixing the regional cost index, as it is inequitable. The sparsity factor currently depresses aid. You can be twice as poor as the poverty index allows for in our current formula. All of these issues need addressing. Additionally, we need more support for community schools. Only by partnering with the community can we offer a better future for our students and address the outward migration we've seen.

Thank you.

**Anita Murphy 15:28**

I'm sorry you're going to correct me when you come up here I hope uh Robert uh Bren brightenstein brightenstein yes Robert brightenstein executive director of the New York State Association of small City school districts

**Robert Breidenstein 15:47**

Thank you, ladies and gentlemen of The Institute and our guests. I'm Robert Breidenstein, Executive Director of the New York State Association of Small City School Districts. We represent 57 small city districts and educate nearly 250,000 students each and every day. Our districts are spread across New York State, and our mission is clear: to ensure that every student in these districts receives the constitutionally mandated sound basic education necessary for their success as citizens and professionals. We also seek to guarantee that the state properly funds districts to access critical resources to educate every child and achieve this constitutional standard.

We advocate for a funding formula that is deeply rooted in rigor and relevance, providing the necessary resources. For the past 16 years, since the Foundation Aid formula was implemented—with good intentions—New York State has dramatically missed the mark. As an association, it is our primary objective to dedicate our advocacy to representing the unique interests and challenges of these 250,000 students in 57 very different systems. As a natural consequence of our advocacy, this will positively affect every child, every system, every classroom, and every region in New York State.

Although our districts are diverse, we share a common goal: finding successful solutions to funding hurdles, resource allocation, and educational outcomes. Our vision is a system that equitably distributes resources for students regardless of their economic status or district size and achieves high-quality education throughout the state. Specifically, the Foundation Aid formula, as it currently stands, is outdated and has been politically manipulated. It no longer resembles the solution originally intended to correct the state's constitutional requirement from the legal case in New York City, the Campaign for Fiscal Equity.

Our entire generation of students over the past 16 years has spent their public education careers in a system that has not funded the necessary requirements to improve education and meet these objectives. A sound basic education should be the foundation and bedrock of The Institute's work to correct the Foundation Aid formula. Our world has dramatically changed, but the form upon which we base all educational decisions has not. This gap in funding is partly a bureaucratic oversight from Albany that impacts every community. It is a critical lapse in our state's duty to its young citizens, and we must seize this opportunity—with the support of data, the wisdom of the Rockefeller Institute, and comments from the field—to enact generational change.

To fix the formula, we must free it from the winds of political change and forever open the doors of opportunity for every child in New York State, and for every generation that follows. A sound basic education in the state must provide adequate resources for meaningful education. Such preparation must include access to qualified teachers, adequate

facilities, and essential learning materials to set up students for their future roles as citizens in our great state. All of these factors must be included in the Foundation Aid formula. Currently, the cost to provide a sound basic education is not met, particularly in our 57 small city school districts, but also in rural, suburban, and urban communities.

There is an urgent need to change the formula. When it was first implemented, it was based on successful school models emphasizing bottom-line spending and ignoring professional judgment inputs. We, along with other statewide organizations, call for a comprehensive costing-out study to address these shortcomings. The Foundation Aid formula was determined based on school models that no longer meet current criteria but still serve as the basis for measuring Foundation Aid. This must change.

Moreover, the formula must be freed from political whims that occur in Albany or during election years, such as the CPI adjustment that was arbitrarily substituted. This has caused tremendous concern and anxiety in the field and impacted education. In summary, the Foundation Aid formula must include these three attributes: We must remove political influences from funding decisions by creating a transparent and reliable funding formula for every system in the state. We must ensure predictability and consistency in funding allocations so that districts can commit to long-range planning both within the educational community and their own communities, where they know their needs best. We must recognize and adequately fund schools according to their regional needs, local capacity, and demographic diversity.

Models from states like New Jersey and Kansas, which have successfully reformed their educational funding structures, should guide our reforms. As I conclude, I encourage The Institute and elected officials to embrace this opportunity to fix the formula fully. Small city schools will be with you every step of the way to ensure we get it right this time.

Thank you.

Thank you very much, Alysa Hardy, President of the BBER Guilford Teachers Association. Are you bringing someone with you?

Yes, come on up.

And Eric O'Riley, President of the Deposit Teachers Association.

**Alyssa Hardy 22:12**

Hello, my name is Alyssa Hardy. I teach art at Bainbridge-Guilford, a small rural district about 30 minutes from here. We love our students and are always looking for ways to make things work. I think we do a pretty good job, but having proper funding would absolutely help our students.

In a rural district like ours, we naturally have more students from economically disadvantaged backgrounds who come in needing extra support. This need has increased in the past several years, and we require more interventions to help close the widening gap that often separates these students from their peers in wealthier districts.

I will briefly touch on three areas that would benefit from better funding.

First is the physical space at our district. Our classroom space varies in quality, but increased funding would help bring us all into the 21st century. We don't have actual walls between many of our elementary classrooms, just temporary walls that separate a large room into quadrants. This severely limits both teaching and learning due to noise levels and raises major safety concerns. Our high school science labs have furniture that is rotted or falling apart but can't be replaced due to budget constraints. There are safety issues with securing equipment and chemicals, but those upgrades cost money. We request new equipment, but it is repeatedly bumped off the list behind other priorities, and we're told to ask again next year. Both elementary schools and our art and technology building at the high school lack air conditioning. This used to not be a big deal, but in recent years, the situation has worsened. Many classroom temperatures reached near 90°F this May and June, and we had no way to cool them down. Students, especially the younger ones, are regularly sent home sick during this time due to overheating, and I've received pictures of crayons that have literally melted in these buildings.

Second is academic support. We are losing vital academic support roles, such as Response to Intervention (RTI). Over 25% of students at our elementary school qualify for Tier 2 or Tier 3 math intervention, and our data proves that these services work. Yet, we had just one individual in this role, and the position was recently cut due to lack of funding. Another example is our special education department. Our 11 special education teachers do their best but are spread very thin, making it difficult to provide the necessary amount of time for each student. These students often need more involved support and interventions than they used to. With regard to mental health, we have an increase in students requiring counseling and other mental health services, and there isn't enough time in the day to provide these services. Students today are coming to us with more severe traumas than in the past, and families are dealing with complex issues like unstable housing and drug use.



Staffing more counselors and social workers across the district would help us better serve our students.

These are just a few ways that the current outdated Foundation Aid formula prevents our schools from reaching their full potential. Updating that formula would have an immediate positive impact on both teaching and learning. Students at Bainbridge-Guilford and across New York State deserve nothing less.

Thank you.

### **Aaron Worley 25:10**

Good afternoon. My name is Aaron Worley. I'm a teacher with 29 years of experience at a very rural school district, Deposit Central School District, which has 548 students from Pre-K through 12th grade.

Let me explain what I mean by "rural." Families in our community need to drive 35+ miles for work, medical care, grocery stores, entertainment, and more. Our internet and cell service are spotty at best. There is no public transportation, so if you do not own a car, your choices for employment, shopping, and other necessities are extremely limited. Fifty-eight percent of our families live below the poverty level. Because of these circumstances, the school is much more than just a school; it's a lifeline for our students and community.

We hold monthly food banks that benefit over 50% of our families. We provide dental, medical, and mental health services. We offer prom attire for students who can't afford it or don't have the means to shop for it. We have paid for students' class rings and senior trips so their circumstances don't limit the joys of graduation. We provide field trips and enrichment activities that they would never experience otherwise. We help students find employment and take them to interviews. The impact of these additional experiences is enormous.

This year, I took a group of special education boys to the Museum of the Earth in Ithaca, New York. We had been studying dinosaur legends, such as Nessie, Champ, and Chessie. We read the myths, theorized about what the creatures could be, wrote our own legends, and then consulted the experts. For weeks, these boys came to school every day, asking about the trip and fearing they might miss it. On the day of the trip, the boys were in their glory and learned so much. Afterwards, we stopped at McDonald's for lunch. The following day, when I asked them what they thought and what they had learned, I discovered that this

was the first time they had ever been to a museum or eaten at McDonald's. Can you imagine being 13 years old and it's your first time at a museum or McDonald's?

We've also taken students to New York City to see Broadway shows. I recently had a student who graduated several years ago reach out to me, saying how much of an impact that trip made on their life and that it was the only time they had ever been able to travel to the city or see a Broadway show.

Transporting these students to cultural events is an additional cost, amplified by our district's size and location. When we can't provide in-person experiences, we have to bring the resources to them. Because of our geographic isolation, this costs much more for schools with sparse populations and high poverty levels, even if the land wealth is high. Recently, our school saw an increase in our ELL population, jumping from 0% to 2% in one school year. We do not have the funding or resources to adequately train teachers to communicate with these students or their parents, or to support their successful learning.

I urge you to do what is right for the students who are in greater need of resources due to their rural isolation. They shouldn't be punished or overlooked just because of where they live.

Thank you.

Thank you, Jennifer Avery, Deputy Superintendent of UHO Northern Catskill OC's.

### **Jennifer Avery 28:33**

Good afternoon I'm Jennifer Avery the deputy superintendent of OWC basis I thank you for Making Lauren Central School and OWC BOCES Regional District a stop on your tour of the state to hear about the realities facing rural schools today, I'm honored to represent the Association of School Business Officials of New York. I've been fortunate to serve as their president, and I'm currently serving as the chair of the Government Relations Committee. During my 25-year career, I've gained experience working in schools from Long Island to Cattaraugus County. I've been among the few who remember the transition from Operating Aid to the Foundation Aid formula. We celebrated the work because the formula was believed to be fair, equitable, and predictable. Since that time, we've seen the impact of economic downturns, inequitable funding schedules, changes to education requirements,

the impact of the property tax cap, and an increasing push to make schools community centers with responsibilities for safety, nutrition, mental health resources, and more.

Due to these significant changes, it's time to study this extremely important tool for funding our schools. I urge The Institute to dig deeper into the analysis of what a successful educational program looks like for schools across our state and refigure the base Foundation amount to include the full range of expenses required to ensure every student can meet the new graduation requirements. I also encourage you to study the factors within the Pupil Needs Index to ensure the formula captures the appropriate weighting for students in poverty and that we have the most up-to-date information about the percentages of students falling under the poverty line. What additional resources does it take for a district to ensure their population of students, with more than 60% living in poverty, have equal access to educational opportunities as their peers in schools with less than 10%?

A serious look at the cost of sparsity is also of critical importance. We have yet to capture the true additional cost of the particular issues facing our most rural schools. The average number of students per square mile in this BOCES region is four. The sparsity indicator in the current formula is 25 students per square mile. Until you spend a day trying to schedule very few school psychologists over 1,660 square miles, you can't fully understand the true hardships of just getting there and providing the service.

In addition, I cannot accept that the funding for our special education services is adequate. If the Foundation Aid formula will continue to be the first line of funding, the weighting matrix must be re-evaluated. Perhaps the answer is to re-evaluate whether it's even most appropriately placed in the Foundation Aid formula. I would be remiss if I did not also address the Income Wealth Index as part of the calculation for the expected local contribution. The index is intended to capture the income of a community compared to the average. Unfortunately, the Income Wealth Index is kept at the lower amount of 0.655 and the upper at 2. Among our 19 component schools in this region alone, 12 have an IW lower than 0.655, and not a single one has one greater than 2.

While talking about local contribution, I'll mention that the property tax cap legislation was implemented long after the Foundation Aid formula was introduced. In the days before the cap, if a school district had a significant increase in property value, it could leverage that change to increase the tax levy while maintaining low increases in the tax rate, therefore offsetting any impact of an increased CWR in their school aid formulas. This is no longer the case. No one will be surprised when I note that rural schools across the state are declining in enrollment. I've heard the rationale for reducing the aid going to schools with fewer students. I understand how a general person might think that makes sense, but I

know those with more understanding of school operations should be wary of such a simplistic approach. When a district with an enrollment of 400 students has 60 students move away over the next six years, that's 10 students in 13 grades. That may be a 15% loss in enrollment, but they cannot sustain a 15% reduction in aid.

Since I only have two minutes left, I'll mention that I am also a taxpayer and a parent. I have an incoming first grader at the Cooperstown Central School District, going into first grade this fall. Cooperstown might be famous for all kinds of things—baseball, the arts, medicine, Glimmerglass—but it serves around 800 students K-12. If that sounds small to you, know that it's our second-largest school district in this region. I'm concerned about the opportunities for her and her classmates. What paths are we giving school leaders to combat the issues so they can make regional efficiencies? What is the state planning to do to ensure that we're reducing, not enhancing, the barriers to opportunities for rural school students? At this moment, I don't see those tools in our toolkit. Therefore, I encourage The Institute to take a hard look at the value of safe, harm-free policies until there are legislative changes to give school leaders and their students more pathways to success. By investing in education, we're investing in our children's future.

Thank you.

Thank you very much, Rick Tims, Executive Director of the Statewide School Finance Consortium.

Thank you. Thanks.

### **Rick Tims 34:20**

Hello, my name is Rick Tims. I'm the Executive Director of the Statewide School Finance Consortium, a consortium of almost 400 school districts in various regions of upstate New York. Thank you for the opportunity to testify today and for all your efforts to hold these sessions to learn how the Foundation Aid formula affects school districts and how it can be improved.

Our organization is really interested in four things: equity, adequacy, predictability, and sustainability. We need to further develop a more equitable distribution of funds among school districts based on adequate representations of fiscal capacity and poverty, as well as the demographics of students and their population relative to the educational mission. We need adequacy of funds within the formula based on the actual cost of education for each school district. We also need a definite phase-in plan, because I don't think this is going to be achieved all at once over the next few years. For an improved Foundation Aid formula to accomplish the equity and adequacy we need, we require a sound financial plan to sustain, evaluate, and improve state aid for school districts across the state.

I'm not going to dwell on some of the things that have been said in previous sessions, so I'll try to highlight key points to avoid redundancy. The first thing I want to point out is the Foundation Aid regarding "safe-harmless" school districts. Any diminishment of safe-harmless funds would be financially catastrophic. Over 300 school districts would be affected if this funding were withdrawn over a five-year period. I've attached a spreadsheet that shows how all the school districts would be affected and how much they would lose. It would be seriously financially catastrophic and culturally disastrous. I believe we would end up with educational insolvency before we face financial insolvency. Students and communities would be severely impacted.

We are here in Lauren Central School District, a safe-harmless district. Currently, they receive almost \$602,000 in safe-harmless funding, and this amount could potentially grow. If this amount were reduced, all things being equal, over a five-year period, they would lose at least about \$120,000 each year. I see this as two teachers per year for five years. If the safe-harmless funding were reduced, in three years, they would lose over \$200,000 each year. I see this as three teachers and other instructional support staff for each of three years. Ignoring the ability of any school district to alter their structures in any meaningful way without massive educational, financial, and political upheaval is simply absurd.

Next, we need to look at the adjusted Foundation Aid amount, the first number in the formula. It came out of nowhere. I watched when it was devised; it was artificially created and does not meet the needs of the school districts. I don't even want to get into where the 2.8% inflation factor came from this year. What we really need is a costing-out formula. Costs have changed, our mission has changed, and we need to examine this. School district costs are increasing faster than inflation. We are competing for the same resources, and we have a constitutional test, so we need to be cautious.

You already know about the Regional Cost Index, so no further discussion is needed there. You also know that the weightings for Free and Reduced Price Lunch (FRPL), Direct Certification Census, Students with Disabilities, and sparsity need to be increased. The

calculation of the CWR, basing an average simply by adding New York City to a state average, is ridiculous. Right now, everyone lost BOCES Aid, Building Aid, and Transportation Aid due to loss of property values in New York City. If you have a trout stream nearby, exempt properties, or picturesque views, you're in trouble. We need more accurate measures of poverty and regional costs, which you've heard before. We should get rid of the community school size set of restrictions; Foundation Aid should be unrestricted. That's why we have boards of education, as mentioned earlier.

The IWA calculation is problematic. A floor of 0.65 actually makes poorer districts look wealthier, and using the 2.0 ceiling is the antithesis of equity, so that should be removed. The sparsity factor is a major problem. If you look at some data I've provided, you'll see that using a numerator of 25 and a denominator of 50.9 cuts the ability of rural schools to survive and helps them in no way. I've spent decades examining this issue, and so far, there's no correlation between square miles enrolled per student or the count that makes sense. Having a large denominator diminishes the count, and lowering the denominator would certainly help, but there's still no correlation between the variables and the sparsity index. Three hundred fourteen districts with fewer than 1,000 students are suffering dramatically because of this inadequacy, especially rural schools.

The local tax factor is a made-up number. We should use tax on TRS as accurately as possible. The use of the 2003-2008 need resource category is outdated. It's too old. Additionally, the state sharing aid ratios simply reconstitute the shares agreement from the 1980s. This eliminates all the demographics and the progress we've made in understanding our students and schools, simply using income and wealth measures and abandoning the entire formula. Therefore, I suggest reviewing the data I've provided.

Thank you for the opportunity to speak today. I am available if you need any additional information.

Thank you very much.

Thank you.

Terry Joe Snider, Superintendent of the Cherry Valley-Springfield Central School District.

**Terry Joe Snider 40:37**

Good afternoon. I am Terry Joe Snider, the proud superintendent of Cherry Valley-Springfield Central School, a PreK-12 building with an enrollment of 452 learners. I thank you for making Lawrens a stop on your tour of the state to hear about the realities facing schools. I speak today on behalf of my school district and the 19 component school districts that make up the ONC BOCES.

Thank you for considering the specific challenges faced by rural schools like ours. Since the inception of the New York State Foundation Aid formula, our schools have faced increasing financial demands as we work to respond to heightening expectations for programs and services to meet the needs of our learners. We are focused on issues of regionalization, collaborative services and opportunities, workforce development, and career connections, in alignment with the recommendations of the Blue Ribbon Commission.

Today, I want to speak about the Free and Reduced Lunch Price Program (FRPL), which is a key component of the Foundation Aid formula used to determine funding for our schools. Specifically, the formula uses a three-year average of the FRPL percentage for grades K-6, multiplied by 65, to calculate funding. Our district annually reaches out to families each September to complete the FRPL forms. These forms request information about household members' income and their relationships. In addition, we receive data from the Direct Certification Matching Process, which includes families receiving SNAP and Medicaid benefits. Accurate FRPL data relies on both these submitted forms and direct certification data.

However, in recent years, many schools, including ours, have participated in the Community Eligibility Provision (CEP). Under CEP, all students receive free breakfast and lunch, and schools are relieved from collecting household applications for FRPL. As a result, we are seeing a significant decrease in the return rate of the FRPL forms, which are crucial for capturing the complete picture of eligibility beyond those directly certified. This shift has led to inaccuracies in the FRPL data, as the decrease in form submissions means that our FRPL data is no longer accurate and does not reflect our students who qualify for free and reduced lunch meals. This, in turn, affects the funding received under the current formula. We need to address this issue to ensure that the Foundation Aid formula accurately represents the needs of CEP schools like ours.

I ask you to continue to evaluate how education and all associated needs and mandates are funded. The Free and Reduced Lunch Program is only one of those components, but it is essential to the conversation. By investing in it, we are investing in our children's future.

I'd like to take a moment to address the impact of the Foundation Aid formula on my district, particularly in light of the government's recent proposal to eliminate the Hold Harmless Provisions. Without this protection, my district would have faced a 14.7% reduction in Foundation Aid, which is a significant reduction. The current Foundation formula's reliance on enrollment figures to determine school aid is problematic for districts experiencing declining enrollment. My district, like many others, depends heavily on state aid to maintain our budget and deliver a quality education.

In 2008, our district served about 600 learners with three sections per grade level in the elementary and four teachers per core subject in the secondary. As enrollment has declined, we've had reduced staffing, resulting in two sections per grade level in the elementary and three teachers per core subject in the secondary. When I arrived in CVS in 2016, our PreK enrollment was 56 learners. We finished this past school year with 452 learners. This is a decline of approximately 54 students over eight years. It's significant, yet we cannot further reduce our staffing to accommodate this drop without severely impacting the quality of education that we provide. We must maintain our staffing levels to offer the same support and service to our students, who have increasing academic, social, emotional, and mental health needs.

In summary, using enrollment as a sole predictor for Foundation Aid is too simplistic and doesn't account for the complexities of maintaining educational quality in districts with declining enrollment. The formula needs to reflect the broader needs of our students and the realities of operating schools in these challenging conditions.

Thank you for letting me share my concerns. Thank you very much.

Ed Ferish  
President of the Board of Education  
Roxbury Central School District

### **Ed Ferish 45:39**

My name is Ed Ferish, and I represent the Roxbury Central School Board of Education, where I've served for the past 24 years. I would like to address one specific variable used in determining Foundation Aid: the Combined Wealth Ratio, which combines property values and gross income. I submit to you today that the present Combined Wealth Ratio is flawed



and needs to be replaced. I say this for two reasons. First, property value and gross income have no relation to the lives being lived by the students in our school. Second, the tax cap has made the Combined Wealth Ratio largely irrelevant due to the limit it places on our ability to raise revenue through property taxes.

I was first elected to the Roxbury Central School Board of Education in 2000. In the first budget I helped prepare, our state aid was based on a Combined Wealth Ratio of 1.08, which was slightly above the state average of 1. In the same year, the USDA reported that 28% of our students qualified for free or reduced meals. In preparing our budget for this year, our Combined Wealth Ratio was 1.52. At the same time, 42% of our students qualify for free or reduced meals. This is enough for us to participate in the USDA's Community Eligibility Provision and provide free meals to our entire student body.

New York State says that our community has increased in wealth over the past 24 years. Our Combined Wealth Ratio has gone from 1.08 to 1.52. This is a significant increase. Over the same 24-year period, the USDA says that the percentage of our students living in poverty has increased from 28% to 42%. This is also a significant increase. How can the Roxbury Central School see both wealth and poverty go up during my time on the board? It wasn't my fault. The simple explanation is that Roxbury, like many rural areas in the state, has seen its economy change from one based on agriculture to one based on tourism. This has brought a spike in property values, as many vacationers purchase homes or property on which to build vacation homes. Many of these individuals then claim Roxbury as their primary residence, even though they do not live here full-time.

In recent years, we have also seen homes purchased solely for the income they can produce as short-term rentals. Over the last 24 years, both the property value and the apparent income of our residents have increased. These are the only two factors used in determining the Combined Wealth Ratio, so ours has gone up, and the increase in second home ownership and property values has been well underway since before 2000. In fact, if you go back to 1993, Roxbury's Combined Wealth Ratio was 0.695. As property values have increased, the availability of well-paying jobs for those who actually live here has not. In fact, it probably decreased. These high property values mean that only those with substantial assets can afford to buy property in Roxbury. Most of them are not sending their children to our school. At the same time, many residents needed to move away as they could no longer afford to live here. The result is that our student population has declined, and the poverty level of our students has increased.

According to the State Education Department's primer on state aid, and I quote: "School districts serving concentrations of children from poverty backgrounds have a greater educational burden to bear, resulting in a greater need to fund programs that provide extra

time and help to educate students, thus increasing educational costs.” End quote. Roxbury has a high concentration of children from poverty backgrounds. We provide extra time and resources to these children, thus increasing our educational costs. The Foundation Aid formula, using the Combined Wealth Ratio, says we are a wealthy community and that we can raise sufficient funds from our local taxpayers, so New York State does not provide us with the extra resources we need to meet the needs of our students. Meanwhile, the tax cap essentially prevents us from increasing our property taxes to meet these needs. This is not a problem unique to Roxbury.

I know you can't change the tax cap, so I'm asking you to replace the Combined Wealth Ratio with something that more accurately measures a community's ability to raise revenue locally. The results of a formula are dependent on the accuracy of the variables plugged into the formula. When inaccurate data are used in a formula, the result will, by necessity, be inaccurate. If you are building a bridge, an airplane, or a rocket to go to the moon, such an error will likely be catastrophic: the bridge will collapse, the plane will crash, the rocket will fail to get off the launchpad. If you are providing funds for the education of children, inaccurate variables can also be catastrophic. Children will not receive the educational opportunities to which they are entitled, and they will not gain the skills they need to be productive members of society. The Combined Wealth Ratio for Foundation Aid is an inaccurate variable in the Foundation Aid formula, so the results of the formula are inaccurate.

In order to be accurate, any calculation of a district's wealth must include the percentage of students who live in poverty. There are many parts in the Foundation Aid formula, and the poverty count is included in other places, but the way in which poverty is presently factored into the formula does not give enough weight to the needs of children in our schools who come from poverty backgrounds. The way to fix that is to include poverty as a factor directly in the Combined Wealth Ratio.

The state's responsibility is to provide each and every student with the resources they need in order to become successful members of our democratic society. The Foundation Aid formula is supposed to ensure that districts have the funds necessary to meet the educational needs of their students. It doesn't. The reason it doesn't is that the Combined Wealth Ratio is an inaccurate measure of a district's wealth. This can be corrected by adding a poverty index to the Combined Wealth Ratio.

I thank you for your time today and for the work you are doing to update the Foundation Aid formula so every school district will have the funds they need to meet the needs of their students.

Thank you. Thank you.

Sandy Ruffo

President of the New York State School Boards Association and a Board Member of BOCES  
Goddard of Education

### **Sandra Ruffo 51:51**

I'm Sandra Ruffo, currently serving as the President of the New York State School Boards Association, which represents over 5,000 public school board members from 678 rural, suburban, and urban districts, 37 BOCES, and 2.4 million students. I also currently serve as President of the Broome-Tioga BOCES Board and am a former President and member of the Susquehanna Valley Board of Education. I thank you for this opportunity to provide input.

As school board members, school budget development is one of the fundamental functions we have. Ensuring that all decisions are based on the needs of the students, are educationally sound, and are fiscally responsible, we look for predictability in our fiscal resources to allow us to do long-range planning. Over the past 40 years that I've served as a board member, I have witnessed the evolution of achieving a Foundation Aid formula intended to fund a sound basic education for each and every student. It was hailed as a marked improvement from the 30 or so separate formulas it replaced. However, its sporadic implementation, related to, among other factors, a recession, a global pandemic, interventions by Governor Spitzer, and finally Governor Hochul, has led to incomplete funding.

I thank you for all your efforts to gather input and make recommendations for modifications. As this is the fourth hearing you are holding, I believe the issues our districts are dealing with have been clearly articulated. Those areas that are in need of adjustment—whether it's updated data, adjustments to student weighting, or determining if the base Foundation Aid amounts are reflective of what it costs to educate an average student—need to be addressed. This work remains your charge.

Factors beyond the scope of this work but relevant to our needs for adjustments in our largest source of funding include the tax levy limit, supermajority votes, reserve fund

limitations of unassigned fund balance, and collective bargaining obligations. These issues make the restructuring of the Foundation Aid formula critical. Although the size and demographics may differ, our obligations to educate all our students remain the same.

When money is being allocated as the budget development process transpires, the legislative tinkering that happens to adjust for special circumstances in a particular district creates unpredictability and uncertainty. When carve-outs from the Foundation Aid allotments are made, it diminishes the funds needed most relevant for our students. The allocated time to improve the formula is universally felt to be insufficient to conduct an adequate deep dive and make comprehensive fixes. Although this is in no way a criticism of the work you have been assigned, and it was even referenced as “magical” this afternoon (a reference I hadn't heard before but found interesting), the efforts to gather input are commendable.

Predictability, flexibility, accountability, adequacy, and equitable distribution are foundational to our ability to fulfill our obligations. Every district has its own story, which speaks to the reasons for revisions. We cannot wait another 17 years for a formula to meet the needs of the current student population. This will certainly change an entire generation of students. Despite New York State spending the most per pupil in the country, I'd like to reference my home rural district, Susquehanna Valley, located in the Southern Tier near the Pennsylvania border. Not dissimilar from the majority of districts in the state, our district has lost population over the past three decades due to multiple factors, including an aging population.

These students didn't all come from the same grade level, having the same educational needs, or the same economic backgrounds. Unique to this district, however, were two catastrophic floods in 2006 and 2011, which destroyed homes and other buildings, leaving many parcels uninhabitable and never to be rebuilt. This resulted in a loss of student population as well as a loss of taxable properties. It is myopic to equate fewer students with less cost, pointing to a clear lack of understanding of this formula and the students it serves. Residents who could afford to move to areas and other districts not prone to flooding did so, and home values plummeted. This resulted in an increase in the percentage of students who come from impoverished households.

The cost of educating students has increased. For example, the number of aides providing academic intervention services necessitates hiring additional staff, without those students counting in the number of special education services. More students in the building require the support of special education services and aides, and BOCES services to meet student needs. We know the impact of mental health services. With no additional funding, we hire fewer new teachers, making the experienced educators we have more costly to employ.

The Susquehanna Valley District struggles with chronic absenteeism. As others have articulated, replacing average daily enrollment with average daily attendance in the formula would be a better modifier. Neither the Foundation Aid formula nor the tax cap considers increases in minimum wage and their impacts on districts.

The challenge is allocating money so that making changes to positively address concerns in one area will not result in taking resources from another. This is key to any modifications. I thank you for your thoughtful attention.

Thank you.

Tarkan Ceng  
Superintendent of the Jefferson Central School District

### **Tarkan Ceng 57:42**

Good afternoon. I want to start by thanking the Rockefeller Institute for welcoming all these voices and thank all the participants for being the voices of your community. I stand here before you today as the Superintendent of Jefferson Central School District, a rural school in Skary County, with an enrollment of just under 150 students, to emphasize the critical importance of Foundation Aid for our rural schools.

In our small, close-knit community, our school is more than just a place of learning; it is the heart of the town, fostering future leaders, providing essential services, and being a source of pride and unity. Foundation Aid we receive is not a luxury; it is a necessity. If Foundation Aid is reduced, it will directly translate into fewer teachers and cuts to essential programs. These programs include special education, extracurricular activities, and advanced courses, all of which are vital to a well-rounded education. Our students deserve the same opportunities as those in other areas. Without the additional support of Foundation Aid, we risk widening the achievement gap, limiting students from accessing their full potential, and stifling their dreams. Education is the great equalizer, and for our rural community, it is the key to breaking negative cycles such as poverty.

Last year, our total budget was just over \$7.7 million. The district is Safe Harmless for Foundation Aid, and we've received approximately \$2.7 million. Thankfully, Safe Harmless was maintained, and we received the same amount for the current year. Unfortunately, according to the current formula, the district would generate just over \$1 million in Foundation Aid. The difference is over \$1.6 million, or 22% of our total budget.

When reviewing the enrollment and poverty data for Jefferson Central School from 2007 to 2023, you can see that our enrollment declined during that time by 138 students, or 48%. That is less than nine students on average per year for a kindergarten through 12th-grade district. During that time, student poverty increased to reach 60%. We are not a wealthy community, and our community does not have the means to make up for \$1.6 million.

Maintaining full Foundation Aid is not just an investment in our schools; it is an investment in our community's future. It ensures that every child, regardless of their zip code, has access to quality education and the opportunity to succeed. Maintaining Foundation Aid will help to protect our rural schools and provide the bright futures our students deserve.

Thank you.

Mark Place,  
Superintendent of the Middleburg Central School District

### **Mark Place 1:00:40**

Good afternoon. My name is Mark Place. I serve as the Superintendent of the Middleburg Central School District, which is located 8 miles south of Kobas Skill and serves approximately 650 students. I'm proud to be here today, as this is the place where my father and grandfather both graduated—a once-in-a-generation opportunity. That is how today's forum and the review of New York State's Foundation Aid formula have been described, and I would like to thank you for the opportunity to share my thoughts as you embark on this incredibly important work.

You have heard testimony from many individuals over the course of the past three forums. Their observations and recommendations address many of the inequities of the current formula to better meet the needs of today's students. I come before you today not with recommendations for subtle tweaks to the formula, but rather with two out-of-the-box recommendations that will redefine and simplify the Foundation Aid formula so that it is easily understood and provides greater predictability. My written testimony includes a fully prepared new draft formula, which, due to time constraints, I will not be able to go through fully with you in oral testimony but has been provided to you beforehand.

My first recommendation is to redefine the purpose of Foundation Aid. If you were to ask educational leaders throughout the state of New York to define the purpose of Foundation Aid, I am confident that you would not get a succinct and consistent definition. I would like to recommend that we redefine Foundation Aid as the aid necessary to staff the instructional program throughout the state of New York. This definition aligns well with our district-level budgetary process. When districts throughout New York State prepare their budgets, they are required to present the budget in three components: administrative, program, and capital. The program component is the portion of the budget that is focused on funding positions for teachers, teaching assistants, aides, school counselors, social workers, school psychologists, nurses, and principals.

My second recommendation is a full-scale overhaul of the formula—truly starting from scratch—with a focus on answering this question: What is the level of staffing required to deliver an equitable instructional program in every district throughout New York State? When we consider the diversity of students being served and the diversity of districts serving those students, we need to recreate a formula that calculates the level of staffing needed to implement an equitable instructional program. My recommendation is that our efforts be centered around defining and funding a model instructional program. This approach accomplishes two things: first, it acknowledges the reality of economies of scale, which you have heard from many of the presenters; and second, it addresses the mandated positions that all school districts are required to have. Exhibits 1 and 2 that were provided to you lay out the proposed basis for the staffing calculations.

Let me be clear that this is my own work and it is meant to be a starting point, not an endpoint. Positions, formulas, and rules were generated based on my own experience, and I expect that they would be modified with additional input. My proposal relies on just four primary points of data easily gathered from the New York State Education Department: the number of buildings with BEDS codes, enrollments by grade level, enrollments of ENL students, and enrollments of special education students.

Would this proposal actually work? The calculations were run for a total of nine districts, as shown in Exhibits 3 through 11. These districts were selected because of my personal familiarity with them, and the draft calculation had a variance of just 3.3% from the actual values that were reported to the New York State Department of Education in the 2022-2023 school year. I believe that with only minor modifications and updated data on special education enrollments, this proposed calculation could align very well and serve as a basis for a new Foundation Aid formula.

Once the model instructional program is finalized and is able to generate consistent staffing counts, our efforts need to turn to simplifying the actual formula so that it can be

easily understood by the field and the public. Exhibit 12 is my best attempt at demonstrating how this could be done. Exhibit 12 is a fully prepared draft Foundation Aid formula for the 2025-2026 school year using the data from Exhibits 3 through 11, along with hypothetical staffing runs for the 2023-2024 school year and a hypothetical 2.6% increase in state aid. The output follows the format of the current state aid runs and includes mathematical formulas to derive each value.

After working on this proposal and underlying formulas for several weeks, it has become clear to me that it is impossible to generate a new Foundation Aid formula that can address the past inequities and at the same time move the discussion forward. A recommendation from this body to implement cuts like those that were proposed this past spring will result in widespread pushback and likely dismantle any work put forward. My recommendation is that the 2024-2025 Foundation Aid become the base moving forward.

I appreciate the opportunity to speak with you today and to present some ideas that are outside the box, which I think could help move the conversation forward. I look forward to answering any questions you may have. Thank you.

**Tim Gonzales 1:06:09**

Good afternoon. My name is Tim Gonzalez, the proud superintendent of the Worcester Central School District, a small rural school with an enrollment of 328 fantastic PreK through 12th grade learners. I speak today on behalf of my district, the 19 component school districts that make up the Onc BOCES, as well as a member of the NCUS Legislative Committee representing our greater region at large. First, I'd like to thank you for listening to and considering my testimony regarding the challenges faced by rural schools and school funding. Since the inception of the New York State Foundation Aid formula, our schools have faced increasing financial demands as we work to respond to heightened expectations for programs and services to meet the many needs of our diverse learners. I can further attest that in my past 25-plus years in education, the expectations and responsibilities put on schools are unlike ever before. My students come from a 61-square-mile rural area where poverty has increased, and currently, 54% of my students live in poverty. In my district, like others around the state, we are doing far more for our students and families beyond the traditional academic basics. We have become a source of meals, social-emotional support, after-school and summer care, as well as a place for mental, medical, and dental services. While it's no secret that rural schools are seeing a decline in enrollment, I shudder when hearing the possibility that the new state aid formula may include a reduction in aid going to schools with fewer students. Our district depends on



state aid for 64% of our budget, so this is a cause for concern. If we are dealing with widgets or units and not students, that might seem logical; however, I can't divide a student in half to fit a cost calculation analysis. I can't have a student opt out of chemistry because this year we have five fewer high school students than last year, resulting in less funding to pay teacher salaries. The regulations, requirements, and mandates don't change when you have a smaller population. For the upcoming 2024-25 school year, I anticipate a decline in student enrollment starting with eight students lower than last year's BEDS day, leading to an approximate future reduction of \$90,000 in aid. However, inflation will not decrease for goods and services, mandates will not change, and teacher and support staff salaries will still require negotiated raises. I worry that at some point, for example, when we are required to buy electric buses at \$350,000 more than a current diesel bus, I will be forced to decide between student programs and meeting mandates with even less aid because of a loss of a handful of students. Conversely, this year, when our enrollment peaked at 344 students, there were no additional funds available to offset the unbudgeted services and programming necessary to educate those new students. We speak of diversity, equity, and inclusion as pillars in our educational system, and I ask the Institute, as you take on this important work of looking at school funding, to please consider the existing inequities present in our rural schools across the state. My colleagues and I in this region fight a daily battle to overcome the persistent poverty of our students. Nevertheless, despite our most diligent efforts, we cannot match the diverse programs and academic opportunities available to our neighboring suburban and urban school districts. This leaves our students' academic transcripts quite different and at times inferior to those of their peers across the state. As a result, I strongly encourage the Institute to seek future funding for schools that will recognize and address the disparity challenges and the ebbs and flows of rural schools so that it does not add to the inequity that rural students face. A student who is no less deserving of a robust educational experience simply because of their geographic location. I would like to also offer the following areas for further investigation that could assist all schools. First, the income wealth index should be reevaluated. While its intent is to capture the income of a community compared to the average, it is currently capped at the lower and upper ends of 655 and 2. I can confidently say that in our area, the majority of us have an income wealth index much lower than 655, and I feel those caps should be removed. Second, there should be a mechanism to address variations in enrollment. I would suggest that part of the formula take into consideration the changes in student enrollment within a school year—one that assists in real time when districts have sudden increases in enrollment. This could be done by taking more consistent, perhaps monthly, accounting of enrolled students as opposed to a one-time snapshot that drives funding. I would also encourage the continuation of the current hold harmless provision so that no districts are monetarily penalized if enrollment declines, as the educational requirements for the

remaining students never diminish. Third, I ask the Institute to consider the current weighting of students in the formula for English language learners and special education students. We are all seeing an increase in ELL students, and the requirements to assist those students have increased significantly since the original formula's inception. The current formula weight for ELL students is 0.5 and should be reexamined to provide adequate services for present-day ELL students. Additionally, the current weighting for special education students is another area to reconsider. I know that I am not alone in saying that our special education students and services have increased over the years. For example, one student who enrolls in our district can instantly add over \$50,000 in unbudgeted expenses that must be paid immediately to ensure the child gets the services and education they deserve, so any increase in the weighting of special education students would be welcome. In conclusion, I humbly ask the Institute to continue to carefully evaluate how education and all associated needs and mandates are funded. Every school leader wants to provide their students with the absolute best educational experience—one that will ensure student success now and into the future. I implore you to think of the funding and formula components not simply as numbers and calculations, but as the investment in the tens of thousands of amazing students across New York State. We need to ensure that whether we are a district of 300 or 3,000 students, a one-size-fits-all model is not the outcome. Future funding must have the flexibility and security to meet the diversity of each district so that every student in New York receives an equitable education, regardless of their demographics or geography. I thank you again for this opportunity to speak to you today and very much appreciate your time and efforts in examining school funding. Thank you.

**Jeremy Belfield 1:12:50**

Good afternoon. I'm Jeremy Belfield, and I'm the Superintendent for the Lafayette Central School District. I've had the honor and privilege of serving in Lafayette since July 1st, 2017. Lafayette is a small rural district serving 750 students. We're located 8 miles south of Syracuse. Lafayette has the honor and privilege of serving Indigenous students from the Onondaga Nation, and we operate the Onondaga Nation School. I would like to take a moment to respectfully acknowledge that we are meeting on the ancestral and contemporary grounds of the Haudenosaunee. Thank you to the Laen Central School District for hosting today's event, and thank you to The Institute for providing this listening session on the vital topic of Foundation Aid.

The New York State Constitution states as follows: "The legislature shall provide for the maintenance and support of a system of free common schools wherein all children of the state may be educated." Current law sets forth that the foundation amount shall reflect the average per-pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of the cost of special education and general education in successful school districts, provided that the foundation amount shall be adjusted annually to reflect the percentage increase in the Consumer Price Index.

The promise of the 17-year-old funding formula was a great victory for schools in New York State. I commend those who were the original crafters of the formula. The impact of additional school funding has greatly benefited students; however, not all students. We've seen improvements in graduation outcomes, new educational opportunities where students can earn college credits, advanced courses, and richer educational experiences.

Increases in Foundation Aid in Lafayette resulted in Principal Susan Hart starting the Lafayette Big Picture School in 2008. This is a small school focused on personalized learning, internships, and college and career preparation. Big Picture students participate in internship experiences in local businesses and area nonprofits, and students take courses on campus at SUNY OCC. Lafayette maintains a high graduation rate thanks to innovative programs, the dedication of our staff, the incredible efforts of our students, and the support of family and community members. Lafayette relies heavily on state resources to provide opportunities for our students, and given the economic challenges that our families face, many rely on our school system to enact the promises outlined in our state constitution, which offers all students, regardless of zip code, the chance to earn an equitable education.

Lafayette borders two affluent, high-performing school districts which could be considered the exemplars referenced in the Foundation Aid formula as successful schools. Both of these successful schools, due to their larger size, larger tax base, and larger receipts of state funding, offer comparatively more courses such as Advanced Placement courses, business courses, computer science, programming, and the arts. Wouldn't it be great if the promise of equitable educational opportunities referenced in the Foundation Aid formula became a reality for all students, especially rural students living in minority communities that have been historically mistreated by our institutions?

The reality is that economics drive a lot of what happens for our students. The Foundation Aid formula, number one, needs to be reflective of current data and should be updated to account for the true economic circumstances that exist in a school district and the costs of providing an education to students. Factors such as an improved regional cost index should be considered to help determine how aid should be distributed. The property tax

cap did not exist when the original formula was introduced, and the state has not adequately investigated how this cap limits the local contribution referenced in the current Foundation Aid formula.

Number two: School boards, superintendents, and school business officials need school funding formulas to have predictability. Lafayette floats between being a “save harmless” district and a fully funded district. Enrollment has changed between 725 students and upwards of 900 students in my seven years as a superintendent. We need a way to make sure that we can provide equitable opportunities for students despite the unpredictability that enrollment changes can cause.

Number three: Districts have taken on a considerable number of new roles and mandates related to school security, mental health, social and emotional learning, and providing more resources to families. Lafayette has had to hire social workers and not fill vacant science positions to address the mental health crisis. Special education costs are climbing, and the Foundation Aid formula needs to provide additional resources to meet those student needs.

Number four: The state is undertaking a dramatic change to graduation requirements, and unfortunately, the legislature has not afforded The Institute the necessary time to fully analyze the changes to the current formula or how changes in graduation requirements would impact school funding. Any recommendations should come with the caveat that the state should revisit the funding formula in a comprehensive manner on a more frequent basis.

Thank you for your time, attention, and consideration of these important issues for our current and future students. Thank you for your efforts on their behalf.

Thank you very much.

Michelle Osterhoudt

Superintendent of the Margaretville Central School District

**Michelle Osterhoudt 1:19:17**

Good afternoon. I'm Michelle Osterhoudt, a 25-year educator. I have proudly served as a teacher, vice principal, principal, and am now the proud Superintendent of the Margaretville Central School District, nestled in the beautiful Catskill Park, with an enrollment of 330 learners, PreK through 12.

Thank you for making Laurens a stop on your tour of the state to hear about the realities facing our schools. I speak today on behalf of my school district and the other component school districts that make up ONC BOCES. I'm honored to address the specific challenges faced by rural schools like ours.

Since the inception of the New York State Foundation Aid formula, our schools have faced increased financial demands as we work to respond to heightened expectations for programs and services to meet the needs of our learners. We are focused on issues of regionalization, collaborative services, workforce development, college and career connections, and alignment with recommendations of the Blue Ribbon Commission.

Running a school of our size comes with unique challenges and added expenses. In a small rural district like Margaretville, our school serves as a vital community hub and solver of issues for our students and their families. Our school is often the central point for various services and activities, including health care, mental support, social services, and recreational activities. These roles extend beyond traditional education and are crucial for the well-being of our entire community. However, they also bring significant costs that are not always adequately covered by current funding formulas.

Today, I want to speak about the critical need for appropriate weighting of English Language Learners (ELLs) in the funding formula, access to opportunities for rural students, and how equity guides all that we strive to do for our learners. Our ELL students bring rich diversity to our classrooms and communities, and it is vital that the funding formula reflects the additional resources they require to succeed. This includes specialized instruction, language support services, and cultural integration programs. By ensuring that ELL students are properly weighted in the aid formula, we can provide them with the tools they and their families need to overcome language barriers and achieve academic success.

Thirty percent of students at Margaretville Central School are Hispanic, and many of them are ELL learners. The increase in our ELL population has brought new challenges and significant costs. We've invested in specialized staff training for our existing teachers and resources to support the unique needs of these students. It is crucial that we address these needs adequately to provide an equitable education for all of our students. Therefore, I suggest the committee take a deep dive into the proper weighting for ELLs within the pupil needs index.

Moreover, our rural students face unique challenges that often limit their access to the same opportunities available to students in more urban areas. These include advanced coursework, extracurricular activities, modern technology, and infrastructure to support access to the internet. All of these are crucial for preparing them for college and careers. The funding formula must address these disparities to ensure equity in education across the state.

Additionally, providing a strength of schedule that meets the needs of all of our students is particularly challenging in a small district. We strive to offer a broad range of courses, but the limited resources and smaller student body sometimes make it difficult to maintain a robust curriculum. Furthermore, the current formula incorporates outdated data and statistics. For example, student poverty rates in each school district are currently measured based on data from the 2000 U.S. Census, and labor costs in the formula are based on information from 2007. These outdated metrics do not accurately reflect the current needs and costs associated with educating our students today.

Equity is a fundamental principle that must guide our funding decisions. Despite the remoteness of our location, our students deserve access to quality education in their programming. Every child, regardless of where they live, should have the opportunity to succeed and reach their full potential. Ensuring equitable funding for rural schools is essential to achieving this goal.

I want to highlight the importance of predictability and sustainability in our funding. These are strong arguments for maintaining a “save harmless” provision. Predictable and sustainable funding allows us to plan effectively and ensure that we can continue to support all of our students, including our growing ELL population, without interruption.

In conclusion, I ask that you continue to evaluate how education and all associated needs and mandates are funded. The proper weighting of ELL students and access to opportunities for all of our rural students are only two of these components, but they are essential to ensuring equity and crucial to the conversation. By investing in them, we are investing in our children’s future.

Thank you very much.

Uh, that now can um end our uh first session. We're going to ask that folks um exit the auditorium. The public part of the session will begin sharply at 5:30, and we will reopen the doors at 5:00. We want to give the staff time to take a break and have something to eat. So, thank you very much for coming, and thank you very much for your testimony.

Thank you, and welcome to the fourth of five public hearings that we are having on the New York State Foundation Aid formula. My name is Anita Murphy. I previously served as the District Superintendent at Capital Region BOCES. I was a superintendent in a rural district and worked in large cities for the majority of my career. I'm happy to be here. I'd like to introduce our panelists: Bob Magna, who is the President of the Rockefeller Institute of Government Brian Backstrom, who is the Director of Education Policy at the Rockefeller Institute Dr. Lisa Parall, who is a distinguished Professor of Political Science at Damon University and a Rockefeller Institute Fellow.

Just a reminder: some housekeeping notes. The hearing is being live-streamed, and a recording of this meeting will be available online shortly after this evening. Because we are being live-streamed, some audience members may be recognizable in the footage. By staying in the auditorium, you are consenting to the possibility of being in the background of today's recordings.

A couple of other housekeeping notes: today we have an ASL interpreter with us, to the right of the stage. Although we do not have simultaneous interpretation services on site, a transcript of today's hearing will be translated into multiple languages and will be posted on the Rockefeller Institute's website. If you have questions about the Foundation Aid study or about this hearing, or if you are in need of assistance, please talk to one of our wonderful staff members who are sitting at the table and at the edges of the auditorium. They would be happy to help you. Emergency exits are located to the back and to the side. Hopefully, we won't need them.

Before we begin, I'm going to ask if everybody would please silence their cell phones. We want to make sure that the panel can hear everyone who is providing testimony tonight, so if people would silence their cell phones, that would be great.

A quick thank you, and I apologize for this afternoon. On behalf of the Rockefeller Institute, we would like to thank Superintendent Bill Dhy for all of their help here at Laurens. This is not easy; it takes a lot of planning, and we are extraordinarily grateful for Laurens' help and support in this process. Thank you all for being here. We are very interested to hear what you have to say, and we appreciate the fact that you've taken your time out to come out tonight in the rain and speak or listen to what folks have to say.

Just some background and context: the purpose is to hear the voices of the New York State community on the Foundation Aid formula for state education funding. As you know, in 2024, the budget called for the Rockefeller Institute to conduct a study to assess the state's Foundation Aid funding formula and discuss potential modifications to how the formula

works. As part of the study, the researchers at the Rockefeller Institute are collecting feedback from all of you and folks from across the state.

I just want you to know that if you would like, and you're speaking tonight and you would like to provide written testimony of what you say, or if you don't have enough time, please provide feedback at the Rockefeller Institute of Government. It's right up on the screen: [RockInstitute.org/FAA](http://RockInstitute.org/FAA). Feedback from both portions of the hearing this afternoon and tonight will be incorporated into the study and will be used to inform the Institute's final report.

I'm going to turn it over to Bob Magna to provide some introductory remarks about the Foundation Aid formula and the study.

Thanks, Anita. Again, thank you all for being here. It was a wonderful trip down from Albany to be here today, and we're looking forward to hearing from folks. We had a lot of interesting testimony this afternoon, and we're really looking forward to what folks have tonight. I will tell you, we have one more hearing left after this in Guilderland, which is, as all of you know, in the Capital District. And, again, to repeat what Anita said, use our written comment submission form if you have comments that you want us to include in the final report. We will do our best to make sure all comments are included.

This is the schedule that we're working through, and it's a very tight schedule. Again, it takes us from when the enacted budget happened, and I got a call the next day, to the end of, you know, to the beginning of December. So, it is a tough timeline. We have a lot to do. We have tried to reach out to as many folks as we could, and this is part of that process, but it's not the only part. So, people have other opportunities to communicate with us, and we're here talking about the Foundation Aid formula, which, you know, is not the easiest thing in the world to digest, but it's responsible for distributing billions of dollars to school districts across the state. In many places, it's a little creaky and older and needs to be refined, and so we're here to hear from you about what your thoughts are on this subject.

So, you don't need to hear from me. We're here to hear from you. Let's get started. Brian, just to introduce...

**Brian Backstrom 1:32:44**



I'm Brian Backstrom, Director of Education Policy Studies for the Rockefeller Institute of Government. Thanks again. Good evening. My name is Dr. Lisa Parshall. I am a professor at Damon University, which is in Amherst, New York, in the western part of the state.

Thank you. For tonight's portion, speakers will have two minutes. Excuse me if I stop you after two minutes. We want this to be fair across the state. We ask you to come up in groups of 1 to 5, and then I'll say, "6 to 10, come up." You'll come to the microphone, where there is a clock timer right in front of you. At the halfway mark, it will turn color, and then when you have 30 seconds left, it will turn color again. At the two-minute mark, I will put my microphone down and say, "Thank you."

So, can I have speakers 1 to 5 come up? While you're getting up and doing that, please tell us who you are and where you're from when you speak. That is very helpful to us.

Speakers 1 to 5, you can go right ahead.

#### **Bill Dhy 1:34:14**

Good evening, everyone. I'm Bill Dhy, the Superintendent of the Lawren Central School District. I'd like to thank the Rockefeller Institute for making our district the host site for one of your statewide forums on the Foundation Aid formula. I speak today on behalf of my school district, of which I am a proud 1991 alumnus, and the 19 component school districts that make up the ONC BOCES region. Thank you for considering the specific challenges faced by rural schools like ours, which my colleagues have eloquently spoken about in the first part of the hearing.

Today, I want to speak about one specific part of the current Foundation Aid formula: the Income Wealth Index (IWI). Part of the current Foundation Aid formula is a calculation of the expected local contribution using the IWI. This is the ratio of a district's adjusted gross income per pupil to the statewide average. For example, an Income Wealth Index of 2 would mean that the district has an adjusted gross income that is twice the state average, and therefore, that district would be expected to contribute twice as much as the average school district. This would seemingly be a logical and fair method of calculating local contribution, but there are limitations to the Income Wealth Index that are problematic.

The formula limits the maximum IWI to 2 and the minimum IWI to 0.655. These are artificially created floors and ceilings and limit the ability to truly compare communities' ability to pay. A district like Lawren, for instance, which has an IWI of 0.486 in the 2024-25 Foundation Aid projections, is treated the same as a district with an IWI of 0.655, which makes poorer districts look richer. Conversely, a district with an IWI of 3 is treated the same

as a district with an IWI of 2, which makes the wealthiest district seem poorer. Mr. First from Roxbury Central School hit the nail on the head when he talked about the impact of vacation and rental home purchases on the perceived wealth of the districts in our region, as a product of the rise of travel and tourism as its primary economic driver.

While it may look as if our district wealth is increasing, I can assure you that the wealth of the families of the students sending students to our districts is not. To truly capture the community's ability to pay the expected local contribution, the floor and ceiling should be removed.

Thank you very much.

### **Bridget Collins 1:36:20**

Hello, I'm Bridget Collins. I'm the proud Superintendent of Andes Central School District. Andes is a very small hamlet in the heart of the Catskills. Last year, our enrollment was 82 students, PreK to 12. We are optimistic about the growth in our enrollment due to younger families moving into Andes. However, what we are most proud of is that we sell out all of our events at Andes due to the attendance by our elderly alumni and community members, making the school, as mentioned before, the heart and soul of our rural district.

I would like to say that while we are one of the smallest in the state, like other rural districts, we are what we like to call a small school with a big impact. I also like to say that we're a small school with a big heart. This is my first year as superintendent, and I can attest that the school is certainly the heart of the community.

Thank you for making Lawrence a stop on your tour of the state to hear about the realities facing schools. I too speak today on behalf of my own school district and the 19 component school districts that make up the ONC BOCES region. Thank you for considering the specific challenges faced by rural districts like ours.

Today, I want to speak about the curricular demands on schools. Since the inception of the Foundation Aid formula, in addition to the rollout of the new Next Generation Standards and the new aligned assessments in core content areas, the Science of Reading, which has been much talked about, serves as an example of an initiative that will require schools to incur additional expenses for aligned curriculum materials.

Thank you very much. Remember, everyone, you can submit your written testimony online as written testimony.

**Stacy Ward 1:38:36**

Good evening. I am Stacy Ward, the Superintendent of Roxbury Central School, a rural district in Delaware County with 220 PreK through Grade 12 learners. Thank you for making Lawrence a stop on your tour today. I will speak about the sparsity factor, one component of the pupil need index. Sparsity is based on enrollment per square mile. Our district covers 84 square miles, and my district's enrollment per square mile is 2.6 children.

There are many challenges inherent in educating students with this sparsity. I will share two examples. Rural schools face additional transportation costs. No one wants a 5-year-old to ride a school bus for 75 minutes, so we work hard to provide efficient and timely runs to transport students to and from school. Our buses collectively travel over 240 miles each day just to bring the kids to and from school. This does not include late runs, special education runs, athletics, or field trips. I recognize that we receive transportation aid, but this does not support all of the unique rural needs.

Secondly, I'd like to discuss related services. Our district might have two students who need occupational therapy and six students who need physical therapy. Many rural districts provide these related services through a shared service agreement. Shared services can be costly, especially when serving a large geographic area. A therapist will likely travel more than 45 minutes between our school districts. We also face a limited number of providers. Transportation and shared services are just two examples of the costs that impact large rural schools. A fair and thoughtful weighting of the sparsity factor in the formula will allow rural schools to ensure that all student needs are met.

Thank you very much.

**Chris shear 1:38:36**

Good evening, I'm Chris Shear, and I have the privilege of serving as the Superintendent at Milford Central School, a rural district in Otsego County with an enrollment of 348 amazing learners in grades PreK through 12. Thank you for this opportunity. I'm here today to discuss the critical issue of funding special education.

My district has a special education classification rate of 18%. The Foundation Aid formula is designed to ensure that all schools receive necessary funding to provide a quality education for every student. However, there is a significant concern regarding how special education is impacted by the current weighting in the formula. The reimbursement provided is simply not enough to meet the needs of our students and students within our region. Special education requires a high level of resources, including specialized staff, tailored instructional materials, and additional support.

According to a report by the Office of the State Comptroller in 2020, the cost to educate a student with a disability is, on average, 84% more expensive than that of a general education student and is rising faster each year. Yet, the current formula does not adequately reflect this reality. The weighting for special education in the formula is insufficient, leading to a shortfall in funding that directly impacts the quality of education and support that our students receive.

We must acknowledge that the increase in the cost to educate a student with an IEP or a 504 plan has outpaced the adjustments made in the formula. This discrepancy places a significant strain on our school district and those around us, forcing us to make very difficult decisions that can compromise the educational experience of our most vulnerable students. I urge the Institute to take a closer look at how the formula is currently calculated. We need a formula that accurately reflects the true cost of educating our most vulnerable students.

Thank you so much. Thank you very much. Before we go, can I have speakers 6 to 10 come on up and go ahead?

**Jeffrey Bennett 1:42:50**

Good evening, I'm Jeffrey Bennett, the proud Superintendent of SCA Central School, which has 150 PreK to 12 students and is part of the ONC BOCES. Thank you for considering the specific challenges faced by rural schools.

Tonight, I want to address a matter that affects all of us: the ongoing efforts to maintain and improve our school facilities. Unfortunately, the proposed reductions in Foundation Aid have strained our budget process, forcing us to carefully evaluate every dollar spent as we struggle with added expenses and unfunded mandates. This reduction comes at a time when costs are steadily increasing, particularly in maintenance contracts. Yearly repair costs have become increasingly burdensome, and these financial strains directly influence our ability to maintain our school buildings effectively.

My school has needed a roof project for many years. We continually need to take the time and expense to stop the leaks, and the additional repair costs need to come from our yearly budget. The significant challenge we are facing this year is the unexpected cost of repair and replacement. We discovered substantial damage and a scarcity of parts needed for our 40-year-old boilers. As a result, we have submitted an emergency project to replace the boilers, which will cost nearly \$1 million—approximately 10% of our school budget.

In response to these challenges, we have been forced to make difficult decisions. While never easy, these measures are taken to prioritize the long-term financial health of our schools. Despite these challenges, we remain dedicated to the upkeep of our school buildings. It is imperative that we continue to invest in the safety and functionality of our facilities. Our students deserve an environment that supports their learning and growth, free from the distractions of disrepair.

In conclusion, I ask that you continue to evaluate how education and all associated needs and mandates are funded. Maintenance of our school buildings is one of these components, but it is essential and quite costly. By investing in this, we are investing in the future of our children.

Thank you. Thank you.

### **Douglas W Jr 1:44:59**

Good evening. My name is Douglas W. Jr. I'm proud to be the Superintendent of South Court R. Central School District. We're a small, rural school district of approximately 320 lifelong learners. I speak tonight on behalf of my school district and the 19 component school districts that make up the ONC BOCES region. I want to thank you for considering the specific challenges that face rural schools like ours.

I want to speak briefly about poverty weighting as part of the pupil need index and its importance in the formula for our Foundation Aid. The percentage of students in poverty must continue to be a significant component of the formula. We utilize these funds to foster stronger relationships with families and communities, which is crucial for creating a supportive environment for all of our students.

Students in poverty face additional challenges outside of school, such as unstable housing, food insecurity, and limited access to healthcare. Schools with adequate funding

can provide or coordinate support services to help mitigate these barriers. Breaking down these barriers helps improve student attendance, decrease disruptive behaviors, and increase student achievement. Ensuring that all students, regardless of their socioeconomic status, have access to quality education is a matter of equity and social justice. Adequate funding helps bridge the gap between wealthy and impoverished communities, promoting equal opportunities for all students.

In conclusion, I ask that you continue to evaluate how education and all associated needs and mandates are funded. Poverty weighting is only one of those components, but it is essential to the conversation. By investing in it, we are investing in our children's future.

Thank you.

### **Eric Whipple 1:47:05**

Good evening. My name is Eric Whipple, Superintendent of Charlotte Valley Central School District, with an enrollment of 370 students, PreK through 12. Recently, the NYS Board of Regents passed new graduation measures that will hopefully provide students with more equitable ways to show academic proficiency. We applaud the department for taking these steps.

What is important to understand about small rural schools is how we are forced to maximize the use of our teaching staff to simply meet current requirements and regulations. Our staff teaches multiple grade levels and courses to fulfill these requirements. For example, my ELA teacher teaches two sections of English 7, one section of English 9, two sections of English 11, and one AIS class, leaving no room for additional course load or elective classes. This example is the norm throughout our district.

The proposed graduation measures call for the "Portrait of a Graduate" to be the framework for every student, which involves expanding learning opportunities to develop equity among our schools and students. However, if the goal is to provide equity, then providing our rural schools with the funding to implement these changes must occur. Each year, I am challenged with deciding how to improve, but mostly maintain, our student programming through rising costs, regulations, and mandates. Do I allocate funds to our AIS program or to building and student security? The margin of financial and programmatic flexibility is razor-thin.

These new measures will undoubtedly necessitate hiring more staff or making major regulatory changes. Charlotte Valley's budget is dependent on 61% state aid. Each year that we receive level state aid is a year our tax base needs to close the gap. A 1% increase in our tax levy will only generate \$31,000 of new money, which is sometimes equivalent to the increase in electric and gas expenses for a single year. I implore you to remember the students in our rural districts who need leaders to advocate for their equity.

Thank you.

**James Ean 1:49:13**

Good afternoon. I'm James Ean, Business Manager at Stanford Central School District, which has 260 students and is extremely reliant on state aid and the Save Harmless provision. Half the districts in New York State are on Save Harmless. Comparing the 2000 Census to now, it has taken 20 years for enrollments to have changed. It is unfair to have the enrollment change impacts on these districts. Stanford's Save Harmless amount is \$1.9 million, which is close to 20% of our entire budget. To offset these losses, we would have to increase our taxes by 45% for the local share. This would be completely unrealistic for any community to bear this type of increase in a one- to two-year period. If Save Harmless is eliminated, the formula for the tax cap should be applied so that no reduction in state aid is greater than the tax cap each year. Of the 19 school districts in the ONC BOCES region, 17 are on Save Harmless. That amounts to \$19.95 million; eliminating that would mean a 25% reduction in our local BOCES alone in Foundation Aid. Schools have been right-sizing over the past 20 years, sharing with BOCES and neighboring districts for transportation, teachers, sports, CBO, and so on. There's only a certain level of right-sizing that can happen to maintain a fair and equitable education for all students.

It is important to note that Stanford's special education budget is \$1.5 million, which is 15% of the total budget. One family moving in or out can wipe out our 4% fund balance. The reduction of the Save Harmless would mean a reduction of 17 full-time teachers, which would be 20% of our staff. When considering the Foundation Aid formula, please consider how changes would impact rural districts and our students. Thank you.

**Kai Deliva 1:51:22**

My name is Kai Deliva. I am the proud Superintendent of the Watkins Glen Central School District, and I am joined today by our Assistant Superintendent for Business, Kyle Percy. Each day, we serve approximately 950 students in the picturesque Southern Finger Lakes region. Our enrollment has decreased by 40% since the graduating class of 2000. Conversely, just last year, our property valuations increased by \$245 million. Our scenic views, award-winning wines, and famous racetrack draw tourists from all over the world, leading to a lack of affordable housing and a highly taxed constituency. We are a proud Save Harmless School.

Our district has not sat idly by, hoping that our enrollment would increase. In 2013, we consolidated our schools into a PreK through 2 campus, reducing our facilities' size by approximately 35% through the closure of our historic middle school building. Although this decision has been challenging in many ways, it has enabled our district to utilize resources more efficiently, maintaining rigorous opportunities for our students. The Save Harmless provision has allowed us to maintain our academic program while strategically adjusting to our declining enrollment.

The 2025 Executive Budget proposal reduced our funding by \$1.9 million. In order to close that gap, the district would have had to increase our tax levy by 177%. This cut would have necessitated eliminating much-needed faculty and staff, undermining our ability to offer vital programming to support our students. Our recommendations include revising the formula by incorporating the most recent and accurate enrollment figures along with poverty data, ensuring that they reflect the district's actual economic landscape. This will provide a more precise measure of wealth, aligning state aid with the district's true needs.

Lastly, the multi-million-dollar lake homes lining Seneca Lake, the yachts that move across it, and the race cars that drive through our village streets are not representative of the students walking through the hallways of our single campus. Thank you for your time.

### **Lyn Chase 1:53:33**

Good evening. I'm Lyn Chase, Assistant Superintendent for Business and Human Resources at SEO Northern Catskills BOCES. I've been with Owy BOCES for over 18 years and appreciate the chance to share my insights for your study. One key aspect of the Foundation Aid study is the government stipulation to examine district fund balances and reserves. District leadership and governance teams are transparent about these through



budget documents, tax cap reports, reserve plans, and external audit reports that can be found on their websites.

Here's a brief overview of why understanding fund balance and reserves is crucial when adjusting state aid formulas. School districts face a 4% cap on unassigned fund balance. For instance, a district with a \$10 million budget can only hold a maximum of \$400,000 in unassigned fund balance. Unexpected costs, such as special education services or new mandates, can quickly deplete this limited unassigned fund balance, which can also lead to borrowing costs until tax revenues are received.

Beyond unassigned fund balance, districts may have reserves for specific future expenditures, like capital projects, unemployment, retirement contributions, or repairs, to name a few. These reserves must be clearly documented and only used for designated purposes. Districts must follow certain rules for each reserve's creation, funding, and usage. Some reserves, such as the capital reserve fund, require voter approval, adding oversight and potential delays. Additionally, reserves are subject to state reporting requirements. Despite their importance, fund balances and reserves are constrained by these rules. Thank you.

#### **Nate Jones 1:55:43**

Good afternoon. I am Nate Jones, the proud Assistant Superintendent of ONC BOCES and previously the Superintendent of Hunterville Central School, with an enrollment of 325 learners in grades K-12. I thank you for making Lauren a stop on your tour of the state to hear about the realities that our schools face.

Since the inception of the New York State Foundation Aid formula, our schools have faced increased financial demands as we work to respond to heightened expectations for programs and services to meet the needs of our learners. Today, I want to discuss the effects of the New York State property tax cap on our school districts. In the past, school districts had a degree of flexibility when property values increased. They could leverage this growth to raise a tax levy while keeping tax rate increases minimal. This balancing act allowed districts to offset the impact of the increased Commonwealth ratio.

However, the implementation of the property tax cap has changed this. The cap limits the ability of school districts to increase their tax levies beyond a certain threshold, regardless of significant property value increases, which our region has faced. While this cap aims to provide taxpayers with predictability and control over rising property taxes, it inadvertently

restricts the financial flexibility of school districts. This restriction means that even if property values rise significantly, districts cannot correspondingly increase their tax levy to maintain or improve services without potentially exceeding the cap. Consequently, our schools are faced with a double-edged sword: higher property values raise their cost, which reduces state aid, while the cap limits their ability to compensate for this loss through local taxes.

In conclusion, I ask that you continue to evaluate how education and all associated needs and mandates are funded. By investing in it, we are investing in our children's future. Thank you.

### **Sarah Spross 1:57:48**

Good evening. I am Sarah Spross, the Superintendent of the Cooperstown Central School District, a district with an enrollment of 787 learners, K through 12. I speak today on behalf of my school district and the 19 component districts that make up the ONC region. Thank you for considering the specific challenges faced by rural schools like ours.

We are faced with increasing financial demands and are focused on issues of regionalization, collaborative services, workforce development, college and career connections, in alignment with the recommendations of the Blue Ribbon Commission. Tonight, I want to speak about the Regional Cost Index, which is a key component of the Foundation Aid formula. The Regional Cost Index is based on the wages and salaries of workers in jobs requiring credentials similar to those of teachers. New York State is divided into nine regions, with index values ranging from 1.0 in the North Country and Mohawk Valley to 1.1425 in New York City and Long Island. Our Regional Cost Index is 1.124.

A primary concern with the current model is the overwhelming size of the regions. The size disparity may create dramatically different Regional Cost Indices for neighboring districts and does not recognize the unique circumstances of a district. For example, Cooperstown often faces higher wages than other districts due to the cost of living. However, the current model requires us to use the same Regional Cost Index. Knowing that the Regional Cost Index has not been updated since 2007 and that the regions are too large and disparate, the boundaries and size need to be reexamined.

In conclusion, I ask that you continue to evaluate how education and all associated needs and mandates are funded. The Regional Cost Index is just one aspect. Thank you, thank you, thank you so much.

**Michelle Jacobson 1:59:56**

Hi, my name is Michelle Jacobson. I'm the School Board President from Hamilton Central School. Our school consists of 540 students and 113 staff in a pre-K through 12 building. Thank you for the opportunity.

I have a few points to mention. The ever-changing student needs and the cost of special education to our district are factors that need to be evaluated in this formula. I hope that this formula can address the students' needs and the cost of educating them with predictability. We need to ensure that we have the ability to know what we are getting from the state in a timely manner to help our budget process and to ensure that community members know what they are voting on when it comes time for the school vote.

Declining enrollment is something that will not necessarily mean cost savings in our district. A 20% decline in students wouldn't change our staffing needs; we would still need two teachers per grade for our students. Please keep this in mind as well. Thank you for considering and for being here tonight. Thank you so much.

**Dr Dave Richards 2:01:03**

Good evening. Thank you for the opportunity to speak on this very important topic. My name is Dr. Dave Richards, Superintendent of Schools at Nearby Uno, a merged district in the DCMO BOCES, with about 850 students. Two minutes is really not enough time to comment on such a complex formula, but I will try to address a couple of points.

First, the Combined Wealth Ratio needs to be calculated differently than it is now to give equal value, as we've heard earlier, to property values and income. More emphasis needs to be placed on income.

Second, we've also heard about the need for a revamped Foundation Aid formula that uses more recent and accurate measures of poverty and regional costs. Using data such as the

Small Income and Poverty Estimates to measure true poverty levels in a district would be beneficial.

Ultimately, though, it's more than just numbers—our numbers have names. Schools in this region are an important part of the community. We are all inexorably dependent on Foundation Aid to continue operating. Most of us receive around two-thirds of our revenue in Foundation and State Aid. In my district, a 2% increase in the tax levy will generate \$140,000—about enough to pay for one teacher with fringe benefits. Our district received no increase in Foundation Aid this year, even though our expenses increased by more than 3%. Fewer students does not mean lower expenses; student needs have increased greatly. We continue to do more for our students while facing uncertain funding. Ultimately, our schools cannot provide our children with the education they deserve without the Foundation Aid formula.

Thank you again. I would encourage you, if you're reading testimony, to please submit your testimony as written testimony. Everything will be read and reviewed. Before you start, can I have speakers 16 to 20 please? You're up.

### **Corey Duos 2:03:36**

Hello. My name is Corey Duos. I'm a board member in the Hamilton Central School District, so I know what it's like to spend your evening listening to people give their opinions on how education should be run. I would ask that, whatever your recommendations are to the legislature, you encourage them to adopt a Foundation Aid formula that is more predictable, more equitable, and more generous.

It needs to be predictable because our business teams and administrators need time to prepare the budget. Board members need time to consider it, and our voters need time to give their input. This did not happen this year and rarely does.

It needs to be more equitable because there are so many needs, and our needs are only growing. This year, we saw a record 30% increase in our K through 12 students with IEPs or 504 plans. Those costs are not being met. As a member of NISA's DEI committee, I know that these same needs exist all across the state and affect the most vulnerable people in our society.

This leads me to my final point: the formula needs to be more generous. Far too often, we fail to act as a society in a way that supports our children, whether it's gun safety, mental

health issues, food insecurity, or, in this case, school funding. When we don't tackle these tough issues, our kids are the ones who suffer. So, whatever you come up with, someone might not like it. But why not err on the side that doesn't put the burden on our kids? I'd rather take the burden than make the kids suffer.

So please, whatever your recommendations are, make sure they are more predictable, more equitable, and more generous. Thank you. Thank you very much.

### **Lurel Ducher 2:05:15**

Hi, my name is Lurel Ducher. I am the odd bell here. I'm a teacher and have been teaching for over 30 years in the primary grades at Franklin Central School. For me, underfunding rural schools is a civil rights issue. Our rural children deserve to attend schools in their own communities and to access the same quality education as other children throughout New York.

Under the governor's proposed budget, we were cut well over a million dollars in Foundation Aid. We experienced cuts even with what was restored to nearly every department, resulting in a loss to an already very sparse faculty and staff. The difficulties with the formula include the wealth ratio, which currently lists Franklin as a wealthy district.

Here are some facts: our per capita income is \$37,000; 23% of our children are living in poverty; and 33% of the households are living below the ALICE threshold. Our school, and most of the schools represented here, qualify for the Community Eligibility Program for free and reduced lunch. We are not wealthy; our students are not wealthy.

Additionally, we are a very small, agriculturally based town with less ability to produce revenue. Our tax base is small. The Foundation Aid formula is currently using 24-year-old data from the Census of 2000. Reducing funding for us creates a lack of equity for our rural New York students. We have fewer teachers, fewer academic programs, and fewer opportunities for our kids. Uncertain funding has resulted in excessive teacher and administration turnover rates in an atmosphere where finding teachers is already difficult.

Please find a formula that recognizes that wealthy people in our district are not the ones walking in our hallways. Thank you very much.

**Jeremy Zik 2:07:21**

Good evening. My name is Jeremy Zik, and I'm the Northeast Representative for the National Energy Management Institute. I'm also testifying today on behalf of the Sheet Metal and Air Conditioning Contractors National Association of New York State.

Today, I'd like to talk to you about the importance of indoor air quality in school buildings and how including funding for indoor air quality (IAQ) in the state education funding formula can provide significant benefits for students, faculty, and taxpayers in New York. In my written testimony, I've provided some highlights and links to research on the benefits of proper ventilation in schools.

I want to emphasize that proper ventilation is crucial. Building codes adopt minimum ventilation standards, which are based on ASHRAE standards. These standards set the minimum amount of ventilation air each person and room must have. However, in practice, once a building is built, tested, and turned over, these ventilation rates are almost never verified or adjusted as the building's needs change. This can, and in my experience as a technician, nearly always does result in a significant shortage of ventilation air being provided to classrooms and schools in general.

One thing that always stands out to me is that not having the proper amount of ventilation air has the same detrimental effect on a student's level of attention as missing breakfast. The studies I've provided show that this can lead to decreases in student and staff performance and attendance, and in many cases, lead to an increase in energy use by schools and districts due to HVAC equipment not performing as designed.

Improving the performance of school HVAC systems is one of the most reliable ways to enhance public health and academic excellence. This is why I'm asking you today to consider implementing the funding necessary for a school ventilation and energy efficiency assessment, repair, and verification program, as recommended by ASHRAE Technical Committee 9.7 on Educational Facilities. The professionals at ASHRAE estimate that it would cost between 35 and 75 cents per square foot to perform ventilation verification assessments and determine the specific needs of each school. Utilizing a portion of the

state funding formula to ensure that every school's HVAC system gets the attention it deserves will provide equitable care for every student across the state, regardless of their school location.

Thank you.

### **Jamie Maos 2:09:29**

I am Jamie Maos, the proud Superintendent of the Morris Central School District. I speak today on behalf of my 320 learners, my own five children, and the 19 component districts that make up the ONC BOCES region. I want to talk about mental health.

It is no secret that in this post-pandemic environment, folks are struggling. These increasing needs, coupled with an unimaginable lack of resources in our region, mean that the costs districts are facing in order to adequately address the demands of our population are skyrocketing. My students don't have access to mental health support; the nearest mental health clinic is 20 minutes away, and there is no public transportation.

While we partner with Bassett Hospital to run an in-house clinic, they are unable to hire and retain qualified social workers, having cycled through more than half a dozen providers in four years. The 2023 Youth Risk Behavior Survey showed that nearly one in five regional youths have had someone make unwanted sexual advances; 25% of our children have felt hopeless for at least two weeks; and 14% of my learners have purposely hurt themselves in the last year. Our children are suffering, and this formula has the potential to help us help them.

My school budget includes two counselors, and for a period of time, a grant allowed us to have a social worker on staff. When that grant ended, those dozens of students receiving care were dropped instantly—not because we didn't try, but because there is nowhere to send them. In my first year as Superintendent, we had six suicide attempts; almost all were reported to my teachers as the first line of defense.

As a school district that relies heavily on state aid, I cannot afford the salaries needed to provide appropriate mental health care. Without adequate mental health support, trying to educate children is like attempting to soothe an infant with a wet diaper—it is an exercise in futility.

You, like us, are tasked with balancing two of the most important things to people: their money and their children. Although mental health is only one of these components, it is essential to the conversation, and I hope you keep it at the forefront.

Thank you. Thank you. Before you start, I have no more registered speakers, correct? We're done? Good. Okay.

### **Brian Earth 2:11:34**

Good evening. My name is Brian, and I am the Superintendent at Franklin Central School. I want to thank you for the opportunity to speak with you today. I am here to advocate for a revised formula that reflects the true economic conditions of our district. This includes revisiting the use of adjusted gross income (AGI) and other wealth factors to develop a different approach that considers the economic diversity in our district.

The AGI fails to capture the true diversity of Franklin. Our AGI jumped from \$49 million to \$146 million in one year. Franklin's wealth indicators are five times higher than neighboring districts with the same demographics. Franklin's wealth income index is 2.29, compared to the other 15 DCMO districts, where the average income wealth index is 4.48.

I will leave you with a few examples of the negative impact of the current aid formula and the proposed elimination of hold harmless on Franklin. First, the initial aid run in January 2024 showed Franklin losing nearly \$1 million in Foundation Aid. If hold harmless wasn't restored, the district had two options: Ask local taxpayers for a 40% increase in taxes to balance the budget (a 1% increase nets about \$25,000).

Eliminate all of our secondary teachers, as well as other essential staff, and send our 7th through 12th grade students to attend the neighboring district.

There is transcript inequity in New York State. Students in surrounding schools have the ability to graduate with up to an associate's degree, while students at Franklin have no access to college courses, except possibly online. Franklin receives over \$3 million in Foundation Aid; the elimination of hold harmless would cut aid by \$2 million, or 65%. We simply have no way of surviving cuts of this magnitude.

Our school vision is to provide an innovative, world-class education that propels each student to grow and succeed. Under the current formula, this simply isn't possible. We are fighting to survive, not to excel.



We thank you for considering modifications to the formula. Thank you very much.

### **Ramona Wink 2:13:38**

My name is Ramona Wnk. I am a former superintendent of this school district for 23 years. Since retiring, I have been an interim superintendent at three of our local schools, and I also serve with OWC BOCES doing labor relations for multiple other schools in this area.

I'm incredibly proud of the work that we did at Lauren Central School when my children attended here. We offered what I thought were a wide variety of elective courses and activities for students, and that's what I wanted to speak to you about. I think you have already heard wonderful amounts of data and information from the people who spoke; I think they were all well-prepared. I'm so impressed to say that they were my peers. I also want to thank you for hiring him because he was one of my favorite students when he was here at Lauren Central School, and that's true.

In any event, what I want to talk to you about is how we think we're doing so much work here for our students. We are trying to offer them so much. When my youngest son went away to school—he just graduated from medical school, by the way—he is now in his first year of residency. He said to me, “Mom, you have no idea the advantages these other kids have had in the programs and opportunities that have been available to them.” I said, “Josiah, you had so much here at Lauren. We did this, this, and this for you.” But he would stop me, and the next year he would talk again and say, “Mom, you have no idea the benefits that children in more wealthy suburban districts have.”

Josiah, but we offered this and this here in our area. I can hear all the other parents saying the same thing. Finally, I started to listen to him. I stopped saying, “Josiah, you had to do this, this, and this at Lauren,” and instead, I said, “You need to just persevere because I can't change the fact that those other kids had so much offered to them. You persevere.”

Thank you. Thank you.