



ALBANY UPDATE

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Longwood School District's
Regional Legislative Breakfast

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School Aid—The Big Picture

Budget proposes an \$824 million (2.4%) increase in total School Aid:

- \$507 million (2.1%) increase in Foundation Aid
- \$318 million (3.2%) increase in expense-based and other aids
- Foundation Aid is reduced by \$420 million below what current law formulas would generate (a 3.9% increase).
- Half the state's school districts would experience year-over-year cuts in Foundation Aid.
- Other aids are funded in accordance with current law

Some Foundation Aid Concepts

- **Foundation Aid** = [(Foundation Amount X Pupil Needs Index X Regional Cost Index) – Expected Local Contribution] X Selected TAFPU (a weighted pupil count)
- **Full Funding Amount/Target** – the result of the above calculation
- **Save-Harmless** – for decades, the state has ensured that, whatever formula calculations might produce, districts will not receive a reduction from prior year funding in Foundation Aid—or any of the general-purpose operating aid which preceded it

We speak of districts as being “on the formula” or “on save-harmless.”

- **Save-Harmless Amount** – For districts on save-harmless, the difference between its full funding amount and what it received the year before

Proposed Foundation Aid Changes

1) Apply a lower inflation adjustment:

- Current law calls for the per pupil “**Foundation Amount**” to be increased by 4.1% based on average monthly change in the Consumer Price Index over the last calendar year.
- The budget would substitute an adjustment based on the average annual change in the CPI over the last 10 years, excluding the highest and lowest years—lowers adjustment to 2.4%.
- For districts not on save-harmless, this typically reduces Foundation Aid increases by 1.4 percentage points from State Education Department November estimates (e.g. from 3.9% to 2.5%).*

2) Reduce Save-Harmless:

- The budget would reduce each affected district’s **save-harmless amount** through a wealth-adjusted calculation; maximum reduction would be 50%, the minimum would be 9%.
 - Half the state’s school districts would experience year-over-year reductions in Foundation Aid (46% of Long Island districts).
 - 54% of those districts would face the maximum 50% reduction in save-harmless funding (all but one Long Island district).
- The lower CPI adjustment increases the size of the save-harmless cut—it lowers the full funding target for all districts; for save-harmless districts, that increases the difference between that sum and prior year aid (i.e., the save-harmless amount).

Distribution and Impact of the Save-Harmless Reductions

Impact of Proposed Save-Harmless Reduction Districts Grouped by State Education Department Need/Resource Capacity Category

	Share of Proposed Reduction	Reduction in Foundation Aid	Reduction as % of 2023-24 Total General Fund Expenditures	Reduction as % of 2023-24 Tax Levy
High Need Small Cities & Suburbs	3.0%	-2.1%	-0.5%	1.3%
High Need Rural	16.4%	-6.8%	-1.7%	5.1%
Average Need	55.3%	-5.7%	-1.3%	2.4%
Low Need	25.3%	-8.0%	-0.7%	0.9%
All Save-Harmless Districts	100.0%	-5.9%	-1.1%	1.7%

Source: NYSCOSS analysis of NYSED School Aid data

Rationale for the cuts... and rebuttal

Recent increases were not sustainable

- Increases moderated on their own with full-funding complete and lower inflation (3.9% under current law)
- This was not raised as a concern a year ago when Foundation Aid increased 12.3%

Schools have been benefiting from large increases

- True for many, and we are grateful
- But not all—for 40% of districts, Foundation Aid increases did not keep up with inflation over the last 3 years

Schools have built up reserves

- Policymakers should hope so, with federal COVID-relief aid expiring
- Municipalities have no percentage limit on unrestricted fund balance
- Schools seek to build reserves for the same reason the state does

Districts have lost enrollment causing them to fall on to save-harmless

- This was not raised as an issue the last 2 years—save-harmless was preserved and a 3% minimum increase was provided
- Schools may be serving fewer students, but they are doing more for students and families than ever before
- Cutting aid does nothing to improve opportunities for students in districts with significant enrollment declines

Other Funding Items

- **School Meals:** \$11 million increase to continue state subsidy for schools participating in Community Eligibility Provision, but would not fund universal free meals.
- **Zero-Emission School Buses:** Budget would exclude funds from Environmental Bond Act in calculating Transportation Aid for districts participating in a NYSERDA program, increasing state support.
- **Health and Mental Health Initiatives:** Budget increases funding for school-based health clinics and for loan repayment for child mental health practitioners. Funding has not been identified for Governor's Pledge to support a school-based mental health clinic for any school desiring one. There are other mental health-related initiatives.
- **Residential Placement Cost Shift:** Budget would continue elimination of state share of room and board costs for residential special education placements; estimated impact of \$28.6 million on districts outside of New York City.
- **Career and Technical Education:** Budget would provide no increase in BOCES or Special Services Aid to support career and technical education.

Executive Budget Policy Proposals

➤ Science of Reading

- State Education Department would develop best practices and schools must align curriculum with best practices by 9/1/25
- No specific funding except \$10 million to train 20K teachers using NYSUT teacher centers
- Curriculum mandate

➤ FAFSA Completion

- Require all schools to ensure seniors complete FAFSA beginning in the 2024-25 SY
- Students that are 18 or guardians may waive this requirement.

➤ 35K income waiver for retirees is NOT included

The Council's Top 10 Legislative Priorities for 2024

Fix APPR

Fix Civil Service

Increase Capital Outlay Authority

Extend Suspension of Retiree Earnings Limitations

Enhance Student Safety

Overhaul Zero-Emission Bus Mandate

Expand Reserve Fund Flexibility

Authorize Late August Instructional Days

Support Career and Technical Education

Modify the Tax Cap

Annual Professional Performance Reviews (APPR)

There were extensive discussions among public school groups on how to change APPR, going from December 2022 to the end of the legislative session. Later discussions included the State Education Department. Came close to an agreement.

➤ **Basic components:**

- Restore local control through negotiated plans with limited state-required elements—e.g., specify number of observations, use criteria aligned with state teaching/leadership standards;
 - No requirement to include student performance measures; could use all rubric components;
 - Mandated linkages to high stakes decisions would be repealed.
- Some points of discussion: Should SED approve plans? What data, if any, should districts be required to report to SED?

Zero Emission Buses

- Current law must be significantly adjusted
- Only requires ZEB's for routes that are feasible. Remove 100% by 2035 requirement
- Independent verification of range
- Additional funding
- State funded feasibility studies
- Amortization period of 7-years instead of 12

Civil Service Reform

- System is not just antiquated, it is broken
- Too few names on lists, too few testing opportunities, tests that don't assess proper skill set, etc.
- Provisional employees that have provided competent service for 9 months should convert to probationary or permanent employees after 9 months if no test has been offered.
- List of top 5
- Committee to evaluate reforms and recommend them to the Legislature

Student Safety

- School safety top priority for school leaders, educators, and parents
- State should provide specific allocation for school safety with broad allowable uses
- Promote collaboration between school and law enforcement through the implementation of “handle with care” programs.
- Allow long term waivers for retirees working as SRO’s
- Exempt certain expenditures from the tax cap.

CTE Aidable Salary Limit

- We and other statewide organization have advocated increasing the aidable salary limit to \$60K over a number of years.
- This provision is never included in the Executive budget but the one-houses budgets have supported it.
- Big lift again this year given proposed school aid cuts.

Capital Outlay

- Increase capital outlay from \$100,000 to between \$250,000 and approximately \$450,000 depending on regional construction index. Downstate counties would get higher annual limit to draw legislative support and reflecting cost of living realities.
- We also support allowing the outlay to be combined into one project by using up to 5 years worth of dollars in one project and allowing the outlay to be spread across multiple buildings.
- Similar story as the situation with the CTE aidable salary cap. Legislative support, but no final agreement due to cost issues and priorities.

Reserve Fund Flexibility

- Increase unrestricted fund balance from 4% to something more realistic

Suspension of Retiree Earning Limitations

- Executive budget did not extend this provision which has been in effect almost continually since March 2020.
- 810 TRS retirees earned over 35K during the 2023 calendar year. Awaiting ERS data (SRO's and bus drivers)
- NYSCOSS supports an extension through the 24-25 SY to provide employees with certainty, but would be pleased with a one-year extension.

Tax Cap Reform

- Prohibit negative tax caps.
- Include PILOTs in the tax base growth factor so that district may receive revenue to fund demands for services that tax base additions create. The 2023 State of the State book and Executive Budget briefing book alluded to potential adjustments for PILOTs for housing developments but no action was taken.