



NYSSBA 2022-23 Executive Budget Fiscal Recommendations

State Aid

A year ago, as 2021-22 state budget proposals were being considered, school districts were staring at the face of 20% midyear state aid cuts and were facing the prospects of another year of incredible budgetary challenges. But in December 2020, Congress passed the CRRSA Act with nearly \$4 billion for New York's schools. The ARP Act in March 2021 provided another \$8 billion for the state's school districts and, importantly, significant general funding for the state's own budget. This allowed the state to adopt one of the most promising school aid budgets in years.

As school districts continue to put those funds to use — by continuing to respond to the pandemic, investing in student health and mental health needs, addressing learning gaps that have emerged and growing important academic programs and services — it is important that the opportunities created are not prematurely stunted. As such, NYSSBA is in full support of the state's financial plan projection of a \$2.4 billion school aid increase in 2022-23.

Foundation Aid

It is a top priority of NYSSBA that the Foundation Aid full-funding commitment included in the 2021-22 enacted state budget be maintained in years two and three of the plan and beyond. Following the agreement, we were pleased to see the executive settle the NYSER funding case, signaling the intent to fund year two of the plan. Continuing the funding plan also provides school districts with the confidence to spend their federal stimulus allocation in the short term, as designed. Using updated data, the 50% funding commitment would provide for an additional \$1.5 billion in Foundation Aid. In addition, NYSSBA believes strongly that all districts currently on hold harmless should receive a due minimum increase in Foundation Aid, recognizing that all districts face increasing costs — particularly in response to the current higher than usual inflationary pressures. The vast majority of these districts are average and high need. For example, a minimum 3% increase for these districts would total only approximately \$60 million.

With a plan to finally fund the existing formula now in place, NYSSBA also calls on the state to look to the future of the formula by formally reviewing the impacts over the past two decades and the changes to the educational environment since the formula was first constructed. As an important part of that process, NYSSBA believes strongly that the state should conduct a new costing-out study to determine the current cost of educating a student. The Foundation Aid formula is rooted in the basis of the standard cost to educate a student, based on a calculation of such costs in “successful schools.” However, the data used in that formula is, in some cases, upwards of two decades old. In addition, school districts and the state continue to adjust to changing educational standards, additional new programs and changing technology, as well as growing student need. All these factors should be reconsidered in a new costing out study.

Further, the following additional adjustments and improvements should be made:

- **Review and adjust the weightings for high-need students**

The number of high-need students continues to rise across the state. English language learner students now total nearly a quarter million statewide. Statewide special education enrollments increased by more than 16% from 2012-13 to 2019-20, even as total student enrollment decreased over that same period of time. In addition to increasing populations, services provided to these high-need students are often required to be more comprehensive, and therefore, more costly, than

a decade ago. The current formula includes limited weightings for these and other high-need students that require review and adjustment.

- **Improve data collection for measuring student poverty**

There are numerous examples of why the formula’s measure of student need requires adjustment. The state acknowledged this issue in the 2017-18 budget by including the use of the modern “Small Area Income and Poverty Estimate” (SAIPE), as an alternative to the out-of-date 2000 census poverty count. However, the state failed to extend the use of SAIPE beyond that single year, effectively restoring the use of data that is now more than 20 years old. NYSSBA calls on the state to restore the use of SAIPE as a full replacement of the 2000 census poverty data. In addition, the state required the collection of “direct certification” student counts. This measurement is an alternative to the traditional Free and Reduced Priced Lunch (FRPL) figure, which is known to undercount children in districts with the greatest need. NYSSBA calls on the state to use the direct certification as a replacement for FRPL data in state aid formulas. Further, the cost and effect of high concentrations of poverty (not just the counts) and inclusion of a poverty concentration factor should be considered.

- **Update the Regional Cost Index**

The formula recognizes that it costs more to educate students in some parts of the state than others. However, the Regional Cost Index (RCI) has not been changed since it was included with the original formula in 2007. The State Education Department already conducts these reviews for data purposes every few years. The RCI should be updated in the formula periodically, to ensure that regional cost differences and boundaries are representative and up-to-date.

- **Review impact of student-based district wealth factor**

Because Foundation Aid is a per student operating aid, declining enrollment suppresses the amount of aid the formula generates for the district. However, many district wealth factors within the Foundation Aid formula are also adjusted by student count. When enrollment declines, the district will seem “wealthier,” even when actual wealth measures such as property value and gross income remain flat. These processes are understandable when viewed on their own, but when combined, the loss of enrollment can result in a “double hit” on a district’s Foundation Aid. Nearly all districts currently on save harmless under the Foundation Aid formula have experienced declines in enrollment, despite increases in student need and inflationary costs. The calculation of student-based district wealth factors should be reviewed to ensure that districts with declines in enrollment are not unduly punished by the formula.

- **Account for the property tax cap in a district’s expected local contribution**

When the Foundation Aid formula was enacted in 2007, a central component was the measure of how much the local community should be expected to cover of the total cost of educating a student, based on the resources in that community. That figure would then be subtracted from the total educational cost to determine the state’s portion (Foundation Aid per pupil). The local contribution would, theoretically, be generated through the local property tax levy or other local revenue streams. Since then, the state enacted a property tax cap that places additional limits on a district’s ability to generate revenue at the local level. In most years since the cap was enacted, the annual median growth in the local contribution figure within the formula — the amount expected of the district to raise locally — exceeds the allowable growth under the property tax cap. Therefore, the expected minimum local contribution calculation should be reconsidered to recognize the fact that a district may not be able to realize that full amount.

- **Eliminate the use of “set-asides,” or restrictions, on the use of operational funding**

While funding is critical, how those resources can be used is often just as important. Under the 2021-22 state budget, a quarter billion dollars in Foundation Aid is restricted to be spent only on community school programs, regardless of whether a school district runs, or wants to run, a

community school program. NYSSBA supports the concept of community schools, but is firm in its stance that funding for such initiatives should be separate from Foundation Aid. Foundation Aid was designed to be, and should remain, unrestricted. Set-asides reduce local control and give the false impression that additional investments are being made, whether it be for community schools, contracts for excellence or other needs. School boards and other district leadership, with approval by voters, must have the ability to determine where funds are most needed within their community. Should policy makers wish to provide funding for a specific purpose, it should be done through a separate appropriation to be used at local discretion.

Expense-Based Aids

NYSSBA requests the continued full-funding of expense-based aids, which provide school districts with reimbursement of approved expenses. These funds, already expended in prior years, cover transportation, special education, capital and facilities, BOCES and instructional materials. School districts expended these funds, in many cases to provide mandated services, with the understanding that the state would meet their obligation to reimburse them based on set formulas. Proposals have been made in recent years to cap or otherwise limit expense-based aids at arbitrary levels. Not only would such proposals erode the important state and local educational partnership, but they would also disproportionately harm high and average need districts - those who are most dependent on state aid. Based on the most recent database, reimbursement of these aids would require an increase of approximately \$450 million over 2021-22.

Transportation Aid

During the shutdown in spring 2020, school districts used buses and transportation staff to deliver meals and instructional materials to residences, serve as Wi-Fi access points and provide other support to students and families during the height of the pandemic. While districts did this because of the importance of keeping students safe, fed and educated, it was also done because the Governor mandated many of these services through Executive Orders. The eventual inclusion of March 2020 through May 2020 transportation costs as an aidable expense was appreciated, but it left six weeks of transportation expenses as unaidable. Further, as school districts managed both short-term and longer-term shifts to remote education in the 2020-21 and 2021-22 school years, transportation costs incurred by districts during those periods of time generally continue to be unaidable. As districts continue to respond to the challenges of the pandemic, it should be made clear that these expenses are eligible for transportation aid.

While many school districts kept transportation staff on the payroll after schools closed, that did not prevent the current issue of bus driver shortages. Many districts across the state are facing serious challenges in filling these positions and some have resorted to paying parents to drive their children to school. These actions are unsustainable. NYSSBA calls on the state to help school districts fill these positions and incentivize new drivers to enter the workforce so that schools do not face these issues again.

Further, Child Safety Zones also play a crucial role in school safety. Child Safety Zones are a designated area within a school district in which students who live a short distance from the school building may receive transportation because walking could be dangerous. NYSSBA has advocated for the expansion of this definition to include high crime areas and the presence of vacant and abandoned structures. NYSSBA was very pleased to see legislation (S.1925 (Jackson) / A.3093 (Fahy)) aimed at this signed in late 2021 — but more work remains to be done. This includes expanding Zones to cover other foreseeably dangerous conditions and ensuring the capacity to transport students in Child Safety Zones is appropriately reimbursable through transportation aid.

Lastly, NYSSBA calls for prekindergarten transportation expenses to be eligible for transportation aid. While commendable investments have been made to expand the number of pre-k seats throughout the state, the costs of providing transportation for pre-k students remains ineligible for state reimbursement.

This effectively increases pre-k program costs for all districts and can make pre-k programs cost prohibitive in districts that lack enough local resources to absorb the cost.

Building Aid and Transportation Aid Forgiveness

The 2021-2022 enacted budget provided forgiveness for four school districts facing state aid penalties due to the late filing of final cost reports or transportation contracts. NYSSBA has continually advocated for the state to forgive significant financial penalties a handful of districts have incurred due to clerical errors. While we were pleased last year's budget provided forgiveness for a select few districts, we continue to support a more long-term solution, recognizing that there are only a limited number of existing capital projects that still fall under pre-2011 rules. For such projects, aid could be held until all applicable forms and materials have been correctly submitted, rather than a simple clerical error immediately leading to permanent loss of funding. On the transportation side, the reporting system could be made more efficient, including by transitioning away from hard copy submissions and to an online-based system.

Prior Year Aid Claims

NYSSBA was pleased that the list of more than \$300 million in outstanding approved aid claims was ultimately maintained in the 2021-2022 enacted budget. However, we were disappointed that the nearly \$20 million annual appropriation to pay down those claims was stripped from the budget agreement. Thousands of individual claims that have been submitted by districts, and approved by the state, still exist. The majority of these funds are owed to high and average need districts.

NYSSBA calls on the state to restore the annual funding provided to pay against this list, representing millions of dollars that are owed to school districts. In addition, the state could and should use state aid overpayment claw-backs as a funding source to further paydown claims. This would speed up the payment process without leading to an additional net cost to the state.

Career and Technical Education (CTE) Programs

School district and BOCES based Career and Technical Education (CTE) programs have proven highly effective in helping to provide students with the essential skills they require to successfully transition to college and career. And the growth in popularity of such programs reflects their success. However, the state reimbursement formula for their BOCES programs has not been changed in nearly 30 years. This effectively increases the costs absorbed by districts every single year. It is well past time for the state to agree to increase the aidable cap on BOCES salaries for career and technical education instructors. Such programs grow student interest and provide a worthy path to successful employment for thousands of students. At the same time, a proportionate increase in special services aid should be made for similar CTE programs in the Big 5 and other non-component districts.

Further, NYSSBA calls for the state to provide local school districts greater latitude to choose, from an array of options, a set of graduation requirements they believe will best demonstrate their students' academic competencies. Additionally, we request an option of modified requirements for students completing a BOCES career or technical education program and the reinstatement of the Regents Competency Tests. Lastly, recognizing the value of a wider variety of student opportunities, NYSSBA calls on the state to continue and grow investments in P-TECH and other early college high school programs, Advanced Placement (AP), International Baccalaureate (IB) and other initiatives that allow for project-based learning.

Bridging the Digital Divide and Virtual Learning

Virtual learning and hybrid-style teaching are here for the foreseeable future. The COVID-19 pandemic forced public schools across the state to make a dramatic shift from classroom to virtual instruction, whether by providing completely remote instruction or a hybrid model. Research indicates that between 15 and 17 million students nationwide have inadequate online access to properly engage in virtual learning platforms. This greatly impedes school districts' efforts to properly meet the academic, social, and emotional needs of students when physically unable to educate them in person, resulting in educational inequities among students.

School districts may choose to move classes online even after the pandemic is over, for myriad reasons. Therefore, broadband access must be expanded so that students throughout New York State are granted the opportunity to access high-speed internet. The state and federal governments must invest in a multi-billion dollar increase to support school districts' distance and remote learning programs for students who do not have proper broadband access at home. It is critical that such funds cover a wide range of expenses including Wi-Fi hotspots, modems, routers, connected devices, at-home internet devices for students, and more. Flexibility for use of these funds is necessary.

In addition to the physical limits of broadband technology, many families face cost barriers to internet access. Funding, such as stipends for families, should be made available to low-income households who cannot afford high speed broadband in order to ensure equitable access to education.

Student Health and Mental Health

After more than a year of remote learning, in-person schooling has fully resumed for students across the state. School leaders are working hard to address learning loss and are assessing student well-being in the wake of the collective trauma brought about by the COVID-19 pandemic. As a result, schools are prioritizing both academics and socio-emotional health as they navigate this frequently changing landscape. Even when school facilities are closed, schools continue to provide student health and mental health services either virtually or by means of complex, costly delivery services.

NYSSBA calls on the state to adequately fund programs that support students' physical and mental health. That includes funding for community schools as a separate aid category and dedicated funding for school-based health and mental health services, including infrastructure. Finally, assistance should be consistently provided to school districts to ensure they can safely keep their doors open to students as the pandemic persists.

School Nutrition

Throughout the pandemic, school districts have continued to ensure students across the state have access to nutritious breakfasts, lunches, and sometimes even dinners. Meals have been served in classrooms, central pick-up locations, and even delivered to students' front doors. School leaders recognized that first and foremost, students need proper nourishment to be productive learners. The U.S. Department of Agriculture (USDA) provided districts much flexibility in this arena to allow them to flexibly feed all students, in a wide range of settings. As a result of this flexibility and guaranteed federal funding, school districts have noted great success in feeding their students. However, these allowances are slated to expire after June 30, 2022.

NYSSBA calls on New York State to fund a statewide universal school meals program that would ensure all public school students are offered breakfast and lunch, free of charge. California and Maine will launch such programs starting in the 2022-23 school year. Universal school meals programs reduce the stigma for students unable to afford meals, increase the number of students fed during the school day, reduce paperwork for school staff and assist districts in streamlining their meal service operations.

School Safety

NYSSBA does not believe there is a one-size-fits-all solution for addressing school safety. Some communities may choose to have a school resource officer employed by a law enforcement agency assigned to one or more of their school buildings. Another district may feel better served by a security officer or team that is not affiliated with law enforcement, but rather selected and hired by the district. Others may determine their greatest need is to provide mental health services, while yet another may focus on security systems, access and hardening of entrances. While the options vary, one thing remains true – each will best serve students if adopted with local stakeholder input and support.

School safety and the health and wellbeing of students and staff have taken on many new nuances due to the COVID-19 pandemic. This includes considerations related to social distancing, testing, and capital upgrades. These provisions will have a cost impact for districts, especially if they are required by governments - local, state or federal. It is important that adequate funding, including capital project funding, be made available and readily accessible to allow districts to comply with these needs.

NYSSBA calls on state and federal policymakers to make available flexible grant funding to support the development and implementation of many of these school safety programs.

Environmental Sustainability and Adaptation

Environmental sustainability and adaptation to climate change is an increasingly important issue for school districts. With natural disasters and inclement weather becoming more frequent, schools must be prepared to adjust. NYSSBA calls on the legislature and the governor to provide dedicated funding for assistance to school districts to address the areas of facilities improvements, transportation, and sustainability.

Notably, retrofitting or construction of buildings, energy efficiency, and other facilities maintenance of schools through environmentally sustainable practices is in line with the current environmental policies of the state. However, beyond general building aid, there is no dedicated funding source for these sorts of environmentally-focused projects for schools. NYSSBA supports policies to increase and dedicate funding to these initiatives similar to the New York State Energy Research and Development Authority's (NYSERDA) P-12 Schools Initiative.

The initiative encourages schools to lower energy use and utility bills while reducing greenhouse gas emissions, the leading contributor to climate change. Of the more than 6,000 public and private schools in New York State, they spend roughly \$1 billion in annual energy costs while producing approximately 5.6 million metric tons of carbon dioxide or other harmful greenhouse gases. Working with NYSERDA, P-12 schools can lower emissions.

This initiative promotes clean energy efforts by educating, guiding, and assisting schools that implement clean energy projects and commit to sustainability-focused principles at their facilities and in the classroom. In addition, it helps schools adapt to current issues related to climate change and global warming. However, this program does not provide maintainable funding sources for schools to undertake significant facilities updates. NYSSBA calls on the state to fund more programs like this to help schools adapt to climate change and further protect students of both today and tomorrow from its harmful impacts.

We look forward to our continued work together. Should you require additional information, please do not hesitate to contact NYSSBA Governmental Relations at 518-783-0200.