



## NYSSBA School Funding Priorities

### **Current Year State Aid and Federal Stimulus**

As nearly nine months have passed since the COVID-19 pandemic led to the closure of schools across the state this past spring, the financial challenges associated with the pandemic have only continued to grow. In early 2020, school districts were advocating for significant increases to Foundation Aid, full funding of expense-based aids and targeted funding to address student health and mental health, increasing student need, career and technical education and school safety. As the pandemic continued to grow, that advocacy shifted towards simply preserving the financial support they already had.

The federal CARES Act helped support the preservation of districts' resources, but almost immediately it became clear that additional federal funding would be critical simply to help districts get through the current year. NYSSBA agrees with our state leaders on this point and has advocated throughout the summer, fall and now winter for another round of stimulus. We continue to push our congressional delegation for action.

Immediately upon passage of the state budget in late March, school districts began to hear about the possibility of further midyear cuts in state aid, perhaps as much as 20% of total aid. A cut of that size – more than \$5 billion statewide – would knock school aid to amounts of nearly a decade ago and reduce the state share of school districts' expenses to a level not seen since before World War II. NYSSBA joined with the Educational Conference Board (ECB) in November to stress that a 20% reduction in state aid would devastate schools and students, no matter how the cut was distributed. While NYSSBA continues to believe that any reductions should recognize district wealth and student need, as noted in the ECB release, a 20% reduction would require eliminating every single dollar of state aid for nearly half the districts in the state, simply in order to prevent cuts to districts with more than 44% of their students in poverty. At the same time, school districts saw more than \$300 million in state aid withheld during the summer. The funding has not yet been released. That amount alone represents roughly the total statewide expense-based aid increase in an average year.

As we all continue to push for additional federal stimulus, NYSSBA implores the state to use the tools at its disposal, including rainy day reserves and monetary settlements, to at least mitigate what would be completely destructive cuts to our state's public education system.

### **Pandemic Adjustment**

While there is little we know for sure as we head into 2021-22, it is clear that we approach the new year with at least a \$1.1 billion hole in school aid. CARES Act funding was critical to plug the state's reduction in state aid in 2020-21 to hold school district aid essentially flat. As we navigate the financial challenges in the current year and look ahead towards 2021-22, NYSSBA urges the state to make a point to fill that gap.

Because CARES Act funding was allocated through the Title I distribution formula, the Pandemic Adjustment mirrored that formula by way of reductions in state aid. That means some of the neediest districts in the state will begin 2021-22 with the largest holes in state aid. NYSSBA understands one of the inherent challenges with state aid – because it generally flows to the districts that need it the most, pullbacks in aid will almost always disproportionately impact those districts. Therefore, we must make a concerted effort to mitigate those negative impacts.

### **Expense-Based Aids**

School district budgets are based on an understanding that certain costs – capital, transportation, special education, etc. – are partially reimbursed by the state in the subsequent year. Such expense-based reimbursements are often what make many of these necessary costs affordable for districts. It is critical these aid categories be fully funded each year. While this year is more volatile than normal, full funding of these reimbursements would provide slightly more than \$400 million over current 2020-21 levels. That increase would represent approximately one and a half percent against total state aid in the current year.

### **Transportation Aid**

NYSSBA was pleased to hear recent comments from the state Division of Budget regarding a desire to ensure that some of the transportation costs districts incurred while school buildings were forced to close last spring will be aided. While such comments are appreciated, we believe strongly that all normal transportation costs, including the preservation of staff, should be aided. During the spring, districts were using buses and transportation staff to deliver meals and instructional materials to residences, serve as Wi-Fi access points and provide other supports 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 state should, at a minimum, grant financial support for the services they specifically required districts provide.

The potential loss of hundreds of millions of dollars in state aid is incredibly harmful by itself, but not receiving any meaningful information on this issue until November prevented districts from making any budgeting decisions at a time when savings could have been more manageably achieved. In addition to attempting to prevent harmful layoffs, many districts kept transportation staff on the payroll after schools closed in March so that they would retain the capacity to transport students if it did become possible to reopen schools later in the spring. In addition, the federal CARES Act directed any school district and other entity receiving assistance, “...to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to Coronavirus.” Many school districts believed at the time that continuing to employ bus drivers and other transportation staff fell within that directive.

### **Digital Divide**

State funding is limited and most discussions are unfortunately focused on reductions rather than increases. However, if there is an issue deserving of meaningful new investments in this budget, NYSSBA believes it should be access to technology. The Digital Divide has existed for years, but the pandemic has highlighted the issue and turned a frustrating challenge into one of the state’s most significant and pressing barriers to success. According to a report produced by Common Sense in collaboration with the Boston Consulting Group, 27% of students and 9% of teachers in New York State have inadequate connection to the Internet for purposes of remote learning. The Digital

Divide's impact on the state's educational system is painfully obvious, but investments in connectivity and infrastructure would also serve other industries and sectors throughout the state, including health care, economic development and commerce.

Broadband must be expanded so that students throughout New York State are granted the opportunity to access high-speed internet. As part of that effort, the state should adopt higher standards for high speed broadband. The federal standard of download speeds of at least 25 Mbps and upload speeds of at least 3 Mbps is simply inadequate for participating in a virtual classroom – especially in a household with two or more learners. Additionally, NYSSBA calls on the state to invest in a multi-billion dollar increase to programs that provide necessary funding for school districts to support distance and remote learning for students who do not have proper broadband access at home. There cannot be true equity in our education system when certain students are forced to bring their Chromebooks to parking lots to do a day's worth of homework in a car, while other students sit behind desks in their rooms free of distraction.

### **Foundation Aid**

The pandemic, and its associated budget challenges, has understandably dominated the short-term conversations about school aid. While some previous funding issues have taken the back seat to the here and now, it does not mean they have disappeared. With frozen Foundation Aid in 2020-21, before applying the Pandemic Adjustment and any potential further mid-year reductions, more than 425 districts are nearly \$4 billion below full-funding under the statutory formula.

As the funding side of Foundation Aid is mostly on pause, we should take this opportunity to make the necessary updates and improvements to the formula itself, with an eye towards greater equity, so that we are better prepared when opportunities for sufficient funding reemerge. NYSSBA continues to advocate for the following adjustments to the Foundation Aid formula:

- Conduct a new costing out study to determine the current cost of educating a student
- Review and adjust the weightings for high-need students
- Improve data collection for measuring student poverty
- Update the Regional Cost Index
- Review impact of student-based district wealth factors
- Account for the property tax cap in a district's expected local contribution
- Eliminate the use of set-asides

NYSSBA stands ready to work with you on these important issues. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.