Introduction

Each year, school districts around the state take on new and increasingly complicated challenges. From addiction, health and wellness and school safety to declining enrollment and more, New York’s public school districts must address issues that extend far beyond the walls of their buildings.

The state’s public school districts are grappling with a devastating opioid epidemic. Students are surrounded by addiction, either their own or at home. And it’s causing illness and death of family and friends. All of this uncertainty and instability impacts their education.

While across the state enrollment has declined, many communities are navigating losses of local tax bases and increasing levels of poverty. In districts where enrollment is increasing, the new students are disproportionately poorer and needier. And universally, districts are finding themselves serving more and more students with physical health and mental health issues.

School districts are facing safety issues the likes of which most board members could not have contemplated even a decade ago. District leaders must take steps not just to keep kids safe, but make them feel safe.

State and federal policymakers show continued and in some cases, increasing support for non-public schools and the charter school industry. This is unfortunate because these schools lack critical accountability measures, do not vote on their budgets, nor have public input on board member composition. Yet, they are given a much more flexible operating environment and a significant amount of public funds.

Locally selected boards of education are up to meeting these challenges. They make the tough choices every day to do everything in their collective abilities to keep their students safe, healthy and academically successful. But school districts need state and federal policymakers to join forces in a meaningful way with locally selected boards of education to focus on providing the students in our districts’ schools with everything they need and deserve.
NYSSBA’s positions on school funding are guided by **five main principles**:

**Adequacy** – to provide sufficient resources to assure the opportunity for a sound basic education for all students.

**Equity** – to distribute a foundation level of state aid for every student that is based on the actual cost of providing a sound basic education that fairly compensates for differences in community costs, needs and resources. The Legislature should preclude municipalities from using state aid to replace local education resources.

**Flexibility** – to increase the percentage of operating aid so that boards of education retain the discretion to determine what educational programs best address local needs. Local communities should not be restrained from determining the level of funding they will expend to support educational programs.

**Predictability** – to provide timely passage of the state budget and stable funding distributed through a consistent, uniformly applied formula that would not require annual manipulation by the Legislature and that would facilitate long-term planning by school districts.

**Clarity** – to establish a funding formula that is easily explained and understood.
NYSSBA’s 2019 Calls to Action

Financial Support for Schools

The P-12 education system in New York State is a multi-billion dollar endeavor that prepares more than two and a half million students in 700 school district communities for a successful life in college, career and civic engagement. State aid, local resources and federal funding are, individually and collectively, necessary elements of that noble pursuit. When needs arise or new challenges emerge, our state, local and federal leaders must work together to ensure school districts have the means to provide their students with access to the programs and services they deserve.

State Aid

The Foundation Aid formula, as enacted in 2007, embodies many of NYSSBA’s state aid principles. When fully funded and allowed to run as intended, this operating aid formula measures the cost of educating a successful student, adjusts for regional and student differences and accounts for the local wealth of a district.

Originally enacted with a planned four year phase-in, Foundation Aid was frozen after just two years due to the Great Recession. Foundation Aid increases resumed in 2012, but those increases have been provided based on year-to-year, short-term distribution methods with no predictability and little stability. Ten years later, school districts still aren’t able to depend on a functioning operating aid formula. For nearly two-thirds of the districts in the state, Foundation Aid remains billions of dollars below full-funding. For the scores of districts experiencing meaningful enrollment growth each year, recent Foundation Aid investments have done little to account for their increased student populations. For the remaining districts, they are losing faith in a formula that can effectively penalize them for loss of enrollment and suggests that no additional funding is necessary, despite many of them being high-need, low-wealth districts.

School districts need a state aid system that is dependable, predictable and responsive to the existing educational environment, with minimal manipulation by political processes. The further school districts are removed from such a system, the harder it is to return. NYSSBA calls on the state to establish and follow a plan to fully fund the Foundation Aid formula.

POSITION: The New York State School Boards Association supports fully funding the Foundation Aid formula.
**State Aid, cont.**

Adequate and equitable funding is important, but flexibility is also a necessary part of the equation. School boards and other district leadership, with approval by voters, must have the ability to determine where funds are most needed within their communities. NYSSBA calls on the state to refrain from the increased reliance on “set-asides,” or restricted use of state funding. Set-asides reduce local control and give the false impression that additional investments are being made, whether it be for community schools or other needs.

While Foundation Aid makes up nearly two-thirds of traditional state aid, New York’s school districts rely on a wide variety of state funding mechanisms. Whether it be for improved tuition methodologies for special act districts, expense-based aids that serve as reimbursements for previously incurred costs or high tax aid for districts unusually dependent on property taxes, school districts depend on the state to maintain proper funding of these categories. At the same time, additional investments must be made to address neglected areas such as prior year aid claims, where districts are forced to wait up to 15 years for owed state aid.

**Federal Aid**

NYSSBA calls for federal support that maximizes investments in special education, Title I grants for disadvantaged students, Title II grants to support professional development and Title IV grants to support a variety of academic programs. While overall federal funding levels are small when compared to state and local support, the dollars help ensure school district budgets work, particularly for districts with the most needy students. NYSSBA also calls for flexible investments to help support school safety programs and maintenance of impact aid funding for districts with non-taxable federally owned land.
Property Tax Cap

More than half of school district spending statewide is sustained by local revenue, the overwhelming majority of which is generated through property taxes. School boards strive to balance restraint in property tax growth with their mission to deliver the programs and services their students need in order to successfully compete in a 21st century world. The enactment of the property tax cap in 2011 has forced school boards to adjust their budgeting practices to first fit the constraints of the tax cap, instead of placing the greatest priority on the needs of their school district and students.

School boards continue to oppose the loss of local control imposed by the property tax cap. School districts exist as the only level of government in the state whose annual budget is directly controlled by local voters. But under the tax cap, a minority of voters can have the ability to control the outcome of a district’s budget and resulting tax levy. As long as the tax cap is in place, it is necessary to learn from the inequities and unintended consequences the cap has created.

While there has been some limited legislative action in attempt to make important adjustments and improvements to the tax cap, ultimately no changes have been put in place. Notably, legislation was enacted in 2015 to count districts’ costs for BOCES capital in the tax cap’s capital exclusion and to include properties under payment-in-lieu-of taxes (PILOT) agreements in the tax base growth factor, but those changes were permissive and the state has not implemented them. In 2017, the legislature approved two bills to force the changes, but both provisions were vetoed. We must continue to work towards addressing these two issues, as well as:

- Making the allowable growth factor a minimum of 2 percent;
- Prohibiting negative tax caps;
- Reforming the tax cap override process;
- Accounting for enrollment growth in the calculation.

If enacted, these reforms would help school districts more effectively navigate the tax cap to the benefit of taxpayers and students alike.

POSITION: The New York State School Boards Association supports meaningful reforms to the Tax Cap
School Safety

Providing students with a safe and secure learning environment is one of the most important responsibilities of a school district. Now more than ever, school boards and other district leaders are evaluating their current resources and plans to determine if there are additional or different programs or policies needed to keep our students and staff safe.

Our communities, including school districts, parents, law enforcement, students and other stakeholders, all have ideas about the best way to ensure that school buildings are safe places for students and staff. Consensus in one community may be different from consensus among stakeholders in a neighboring community.

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 the hardening of entrances, access policies and security systems. This is not an exhaustive list. However, these and other options have one thing in common. Each will best serve students if adopted with local stakeholder input and support.

NYSSBA calls on state and federal policymakers to make available flexible grant funding to support the development and implementation of school safety programs. NYSSBA also calls on policymakers to give school districts greater control over access to their students and buildings by allowing boards of education to determine whether or not school district buildings are used as polling places, allowing district leaders to determine if such utilization jeopardizes student and staff safety.
Student Health

Children need more than just educational services to be successful. They need to be physically and mentally healthy, well-nourished and nurtured. In some cases, a school needs to serve as more than an educational environment, but also as the source for these other supports. More than ever, school district leaders find themselves in a position where they both want and need to provide school based health and mental health services, increased school meals and other community based programs.

NYSSBA calls on the state and federal governments to adequately fund programs that support students’ physical and mental health, including school nutrition programs, real funding for community schools (not Foundation Aid set-asides) and dedicated funding for school based health and mental health services, including infrastructure. Further, NYSSBA calls on the federal government to protect Medicaid payments to school districts.

POSITION: The New York State School Boards Association shall take a leadership role in encouraging school boards to develop successful strategies for integrating respect for cultural differences into the educational experience. In carrying out this mission, NYSSBA shall:

a. Encourage school boards to ensure that the importance of acceptance of others who are unique and different because of racial, ethnic, gender, sexual orientation, disability and religiously related reasons is part of the curriculum.

b. Encourage school boards to invite discussion among students, parents, staff and the community regarding how hatred and bigotry based on race, ethnicity, gender, sexual orientation, disability and religion endanger the pluralistic and diversity principles for which this nation stands.

c. Encourage school boards to involve students, parents, staff and the community in developing and supporting education which invites understanding and acceptance of others’ differences and which aims to eradicate hatred and bigotry.
English Language Learners

Students who are English language learners (ELLs) have a unique set of educational needs. These needs require schools to provide enhanced services to ensure they acquire necessary English language skills. In some instances, remediation may be needed if there has been a break in formal education. The depth of these needs has been exacerbated as schools increasingly enroll students whose families were displaced by hurricanes and other natural disasters. State support is critical as districts continue to struggle logistically and financially in implementing state requirements on reporting and delivery of ELL and bilingual education services. Adjustments to the way the Foundation Aid formula accounts for ELL students could assist school districts in meeting their obligations. However, adjustments to the Foundation Aid formula will take time to be fully implemented and reach all students. Supporting students and families who are recent arrivals means more than providing instruction in English language acquisition. It is essential that school district staff is in a position to also help families acclimate to the community while at the same time teaching children already in the district to be open and respectful of their new peers.

NYSSBA calls on the state to provide immediate, dedicated funding to serve these students so that districts can hire the skilled educators and other support staff necessary to assist all students and their families.
Local Revenue and Resources

In recent years, there has been increased growth in the number of property tax exemptions created or expanded for select groups of individuals, organizations and companies. For individuals, specifically, these have included the alternative veterans’ exemption, the Cold War veterans exemption and a variety of additional exemptions that have been proposed, but not yet enacted. While laudable in their goal, property tax exemptions work by simply shifting a larger portion of the tax burden onto other taxpayers within the school district, many of whom are unable to afford such increases. Many of these exemptions are technically offered at local discretion, but place board members in the untenable position of offering tax exemptions to certain groups while raising the taxes of others or forgoing important educational programs. NYSSBA believes the state should offer such benefits through state-funded mechanisms.

Tax incentives can also impact school district budgets, both directly and indirectly. Industrial Development Agencies (IDAs) routinely offer payments-in-lieu-of-taxes (PILOT) and other tax abatement deals to encourage economic development. But by their design, PILOT agreements reduce the amount of property tax revenue that would have otherwise been received by school districts and other local governments. In addition, these incentives have an initial negative impact on a district’s tax cap calculation. In some cases, this can force school districts to require supermajority approval of their budgets just to keep property taxes flat. The objective of such agreements is to improve and develop the local economy, but they are not always negotiated with meaningful input from school districts and are not subject to school district approval.

NYSSBA calls for legislative changes to the PILOT process that would promote greater communication, openness and transparency between IDAs and school districts, including advanced notice and disclosure of IDA activities that could impact school district finances. In addition, NYSSBA believes strongly that school districts should have a formal role in the PILOT process, through representation on IDA boards and/or the authority to disallow such tax deals from applying to school property taxes.
School District Financial Planning

One of the most important responsibilities of school boards is balancing the need for strong academic programs while keeping local property taxes stable and affordable. But school districts need access to tools that can help them navigate those dual priorities. In some cases, state law prohibits school districts from effectively planning ahead during the budget development process. Budget savings generated in one year are too often lost, due to the lack of an ability to preserve those funds to address future costs. To help support school districts and taxpayers in this process, NYSSBA seeks legislation authorizing school districts and BOCES to establish and fund reserves for future obligations associated with payments to the Teachers’ Retirement System (as they currently are permitted to do for the state and local Employees’ Retirement System) and other post-employment benefit obligations.

In addition, school districts are currently limited to maintaining undesignated fund balances of no more than four percent of their general budgets to address revenue shortfalls and unanticipated costs throughout the school year. This level is significantly less than the minimum amount recommended by the Government Finance Officers Association (GFOA) and is well below the amount permitted by nearly all other levels of government across the state. NYSSBA supports a reasonable increase to that limit.

Often standing in the way of progress on these important issues is a lack of clarity and uniformity in audits and other assessments of school district budget management. Under various sections of Education Law and General Municipal Law, school districts have the authority to create, fund and expend from certain reserve funds – in essence, dedicated savings accounts to plan for future financial obligations. Each reserve fund is governed under state law by its own set of restrictions on usage and funding levels. In addition, recently enacted legislation requires school districts to annually report on each reserve fund, including a description of its purpose, the balance of the reserve at the end of the third quarter of the fiscal year and an explanation of any plans for its use during the ensuing fiscal year. Despite these restrictions and requirements, audits conducted by the Office of the State Comptroller too often critique district budget practices – not based on statutory guidelines or provisions of state law, but rather subjective standards and preferences. Such audits confuse the issue of reserves and fund balances. NYSSBA seeks the use of principles that are clearly defined and rooted in state law when reviews of school district budgets are conducted.

NYSSBA calls on the state to enact these sensible policies to support efficient school district budgeting and fiscal planning.
Modernizing Learning Environments

Students enrolled in school today will face a different world and workforce than encountered by policymakers, school board members and their parents. Our districts owe it to these students, and those who will come after them, to provide an education for the world ahead of them, not the one behind them. To do so, parents, communities, school districts and policy makers will have to re-envision what a school looks like and invest in programs that will grow in the future.

To help move towards this goal, NYSSBA calls on the state to invest in:

- Career and technical education (CTE), through increases in BOCES aid for CTE teachers’ salaries and special services aid;
- P-TECH and other early college high school programs;
- Advanced Placement (AP), International Baccalaureate (IB) and other programs that allow students to best prepare for life after secondary school;
- Innovative programs that allow for project-based learning.

Moreover, NYSSBA calls for state support to explore alternative organizational models and educational delivery systems that will allow students access to richer programs than they would otherwise have through centralized high schools, use of technology and other options.
The New York State School Boards Association believes that proposals affecting public education should:

- provide access to programs that prepare students to be college and career ready;
- achieve equity and adequacy in funding;
- promote efficiency and cost-effectiveness;
- advance high expectations for all students;
- embrace innovative approaches and assessments; and
- foster community engagement and regional cooperation.

School District Elections

School board members, like other municipal officials, are publicly elected. And school districts are proud to be the only level of government in New York State whose budget is directly approved by voters. But unique rules by which school district elections are conducted complicate this process. In addition to general procedural complexities, the process is not uniform. For example, small cities have different rules than other school districts.

To ensure school board elections are clear and transparent to voters and conducted in a way that does not disrupt daily operations, school districts should be given greater authority to determine how their elections are run.

NYSSBA calls for the following changes:

- Uniform election rules and timelines;
- Ease of access to an absentee ballot;
- Appropriate time to verify the validity of all petitioners before finalizing the ballot;
- Limiting special elections to fill vacated board seats, not expansions of the board;
- Aligning legal requirements for small city school districts with those of common, union free and central districts.