2021-22 Executive Budget Observations & Findings
Oswego School Boards Association and Citi BOCES

“The Future depends on what we do in the Present”
Mahatma Gandhi

Dr. Rick Timbs
Executive Director
Statewide School Finance Consortium
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Let’s start with how to read the NEW state aid run

<table>
<thead>
<tr>
<th>Services Aid includes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. BOCES Aid</td>
</tr>
<tr>
<td>b. Textbook Aid</td>
</tr>
<tr>
<td>c. Software Aid</td>
</tr>
<tr>
<td>d. Library Materials Aid</td>
</tr>
<tr>
<td>e. Computer Hardware and Technology Aid</td>
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<tr>
<td>f. Supplemental Public Excess Cost Aid</td>
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<tr>
<td>g. Transportation Aid including Summer Transportation Aid</td>
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<tr>
<td>h. Special Services Aid</td>
</tr>
<tr>
<td>i. Academic Enhancement Aid</td>
</tr>
<tr>
<td>j. High Tax Aid</td>
</tr>
<tr>
<td>k. Charter School Transitional Aid</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020-21</th>
<th>2021-22</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>450102</td>
<td>460102</td>
<td>102101</td>
</tr>
<tr>
<td>01/20/21</td>
<td>ALTMAR PAI</td>
<td>ALTMAR PAI</td>
<td>Difference</td>
</tr>
<tr>
<td>E(FA0197) 00 2020-21 FOUNDATION AID</td>
<td>$16,807,098</td>
<td>$16,807,098</td>
<td>$0</td>
</tr>
<tr>
<td>G(FL0102) 00 2020-21 SERVICES AID</td>
<td>$4,110,412</td>
<td>$4,110,412</td>
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<tr>
<td>Q(FA0074) 00 2020-21 BUILDING AID</td>
<td>$2,997,475</td>
<td>$2,688,291</td>
<td>$(219,184)</td>
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<tr>
<td>H(FA0078) 00 2020-21 BUILDING REORG INCENTIVE AID</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>I(FA0082) 00 2020-21 OPERATING REORG INCENTIVE AID</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>J(FA0091) 00 2020-21 PUBLIC EC HIGH COST AID</td>
<td>$682,784</td>
<td>$1,004,385</td>
<td>$321,501</td>
</tr>
<tr>
<td>K(FA0100) 00 2020-21 PRIVATE EXCESS COST AID</td>
<td>$161,953</td>
<td>$3,179</td>
<td>$161,953</td>
</tr>
<tr>
<td>L(FA0121) 00 2020-21 FULL DAY K CONVERSION AID</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>M(FA0125) 00 2020-21 PRE-K PREKINDERGARTEN AID</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>N(FL0020) 00 2020-21 PANDEMIC ADJUSTMENT</td>
<td>$(392,929)</td>
<td>$392,929</td>
<td>$0</td>
</tr>
<tr>
<td>O(FA0178) 00 2020-21 STAR</td>
<td>$893,283</td>
<td>$839,492</td>
<td>$(53,791)</td>
</tr>
<tr>
<td>P(FL0023) 00 2020-21 LOCAL DISTRICT FUNDING ADJ.</td>
<td>$392,929</td>
<td>$(392,929)</td>
<td>$(392,929)</td>
</tr>
<tr>
<td>Q(FL0066) 00 2020-21 FEDERAL CARES ACT RESTORATION</td>
<td>$25,246,776</td>
<td>$26,004,113</td>
<td>$757,337</td>
</tr>
<tr>
<td>R(FA0019) 00 2020-21 TOTAL WITH STAR &amp; FEDERAL</td>
<td>$25,634,705</td>
<td>$27,177,010</td>
<td>$1,542,305</td>
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<tr>
<td>S(SE0011) 00 2020-21 COMMUNITY SCHOOLS SET ASIDE</td>
<td>$154,393</td>
<td>$154,393</td>
<td>$0</td>
</tr>
<tr>
<td>T(FL0035) 00 2020-21 STATE SUBTOTAL</td>
<td>$26,004,113</td>
<td>$26,004,113</td>
<td>$0</td>
</tr>
<tr>
<td>U(FL0102) 00 2020-21 FEDERAL CARES ACT RESTORATION</td>
<td>$392,929</td>
<td>$392,929</td>
<td>$0</td>
</tr>
<tr>
<td>COVID-19 Suppl. Stimulus: The sum of the Base Federal Allocation and 30% of the funds provided by the Elementary and Secondary School Emergency Relief (ESSER) Fund within the Federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA). ESSER funds are allocated in the same proportion as 2019-20 Title I funds. The Base Federal Allocation is equal to the product of 2020-21 public enrollment multiplied by $892.15 less 90% of the ESSER funds, with a minimum of $0. Central High School districts and districts with a Combined Wealth Ratio greater than 1.5 are not eligible for the Base Federal Allocation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local District Funding Adj.: The Local District Funding Adjustment is the lesser of (1) the projected amount of the COVID-19 Supplemental Stimulus or (2) the STAR Payment.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Will there be Federal Aid in the next year?

How will the state make up for the constant use of Federal funds?

Will Foundation Aid ever reach maturity?

(Foundation Aid underfunded over ~$4 billion)
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<table>
<thead>
<tr>
<th>Year</th>
<th>2020-21</th>
<th>2021-22</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Aid</td>
<td>$21,241,693</td>
<td>$21,241,693</td>
<td>$0</td>
</tr>
<tr>
<td>Services Aid</td>
<td>$7,099,569</td>
<td>$6,571,675</td>
<td>$(527,894)</td>
</tr>
<tr>
<td>Building Aid</td>
<td>$4,019,901</td>
<td>$2,538,065</td>
<td>$(1,481,836)</td>
</tr>
<tr>
<td>Building Reorg Incentive</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Private Excess Cost Aid</td>
<td>$51,807</td>
<td>$34,116</td>
<td>$(17,691)</td>
</tr>
<tr>
<td>Full Day K Conversion Aid</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>University Prekindergarten Aid</td>
<td>$338,395</td>
<td>$338,395</td>
<td>$0</td>
</tr>
<tr>
<td>Pandemic Adjustment</td>
<td>($592,781)</td>
<td>$0</td>
<td>$592,781</td>
</tr>
<tr>
<td>STAR</td>
<td>$2,018,651</td>
<td>$1,969,364</td>
<td>$(49,287)</td>
</tr>
<tr>
<td>Local District Funding Aid</td>
<td>$1,969,364</td>
<td>$(1,969,364)</td>
<td>$(3,938,728)</td>
</tr>
<tr>
<td>City Total</td>
<td>$14,791,696</td>
<td>$12,968,160</td>
<td>$(1,823,536)</td>
</tr>
<tr>
<td>COVID-19 Supplemental Stimulus</td>
<td>$2,067,961</td>
<td>$2,067,961</td>
<td>$0</td>
</tr>
<tr>
<td>Total With STAR &amp; Federal</td>
<td>$33,277,863</td>
<td>$(1,823,536)</td>
<td>$(35,101,399)</td>
</tr>
<tr>
<td>Community Schools Set Aside</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
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Foundation Aid - A Rationale: The School District Expenditure Considerations:
Local governmental service levels and other supports, historical issues, cost of living issues, concentration of poverty. Cost escalations faced by all districts-
  • COVID (Costs, loss of aid etc.)
  • health insurance, contractual obligations, renovations, buses, mandates…
Less students do not translate into automatic savings-
  • Student demographics, and student learning needs influence:
    • Class sizes
    • Grade level sizes
  • Other Expectations:
    • “Neighborhood” schools/Attendance Zones
    • Increased educational expectations- remedial courses, advanced courses
The increased mission of the school district- “when schools fully reopen”
  • Before school Programs
  • After School Programs
  • Summer Programs
  • Extracurricular activities
  • Cocurricular activities
  • Breakfast Programs
  • Health care
  • Social Services
  • Mental Health Services
  • Resources to combat Opioids, Vaping, etc.
  • Security
Aid Considerations

1. Foundation Aid remains frozen for second year in a row (Same as 2019-20 for 2020-21, 2021-22) There has been no attempt to update or use appropriate metrics in any of the portions of the formula to create greater equity in the distribution and funding amount for this aid. (It would take over $4 billion to fully fund the Foundation Aid formula)

2. The creation of Services Aid is totally unacceptable: Services Aid is equal to the sum of 11 aid categories for the 2020-21 school year. These aids include:
   a. BOCES Aid
   b. Textbook Aid
   c. Software Aid
   d. Library Materials Aid
   e. Computer Hardware and Technology Aid
   f. Supplemental Public Excess Cost Aid
   g. Transportation Aid including Summer Transportation Aid
   h. Special Services Aid
   i. Academic Enhancement Aid
   j. High Tax Aid
   k. Charter School Transitional Aid
• BOCES Aid, Special Services Aid and All Transportation Aid are expense driven aids. School districts have already paid expenses relative to these services and await reimbursement in the form of aid. Further, any proposed use of enrollment data in the calculation of these aids is inappropriate.

• Supplemental Public Excess Cost Aid, Academic Enhancement Aid and High Tax Aid are aid categories that have not been updated in years and continue to be unrealistically frozen. These aids categories should be address for equity.

• Charter School Transition aid has always been seriously underfunded and must be address independently.

• The remaining categorical aids have specified use and an aid allotment per student is provided based on enrollment appears appropriate and should not be altered.
3. The inclusion of STAR as if it is state aid is a state financial gimmick that misrepresents the state’s required contribution to financial support to school districts, and further, that and alterations to the STAR program require greater analysis.

4. All Smart School Bond Act monies should be released in expedited fashion.

5. Reimbursement for Pandemic Related Transportation costs for the 2019-20 and the 2021-21 school years must be made eligible for state aid.

6. All aid due to school districts in the “Prior Year Aid Queue” must be paid on and accelerated basis.

Summary:

New York State has consistently failed to provide the funding levels needed to equitably support a sound basic education for all school districts. Annual attempts to combine, alter, supplant funding streams with multiple financial schemes has not provided remedy to the state’s financial obligations to school districts.

The unmistakable question in the Executive budget the goes unanswered is:

*If the state remains dependent again on huge amounts of Federal funds in 2021-22, what happens to state aid in 2022-23 and beyond?*
Your To DO List:

1. Budget Building-Be cautious, communicate widely and reasonably
   a) Underestimate state aid (spend time in analysis of aid)
   b) Watch expenses- Mission Critical Only
   c) Keep track of COVID costs too
   d) Track the following deltas monthly (regardless of encumbrances):
      i. Actual Revenue vs. Budgeted Revenue
      ii. Actual Expenditures vs. Budgeted Expenditures

2. RPTL §1318 is SIMPLY TOO LOW!!!-Advocate, regionally and with State organizations (8% to 10%)

3. Keep and eye on your cashflow

4. Advocate Individually and Regionally about state aid Calculation and Distribution Issues
Legislative Asks:
*Equity, Adequacy, Predictability, Sustainability*

Preamble: School Districts consider the 2007-08 Foundation Aid formula, its general concepts, construct and promulgation sacrosanct.

School districts believe that the Foundation Aid formula must be quickly improved in the following areas:

1) The further development of more equitable distribution of funds among school districts based on accurate representations of fiscal capacity and poverty as well as the demographics of the student population relative to our educational mission.

2) The adequacy of funds within the formula based on the actual costs of education for each school district that allows it to achieve their educational mission, under the obligations contained in state law and regulation.

3) The development of a distinct phase-in plan over the next few years for an improved Foundation Aid formula to accomplish equity and adequacy so that state aid is significantly more predictable for each school district.

4) The development of a sound financial plan to sustain state aid to school districts by the state.