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State Aid & New York State Public School Districts

Oswego County School Boards Association

In education, there is a golden triangle of quantity, quality and equity. You can't just ignore one while strengthening the others.

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Executive Proposal for 2022-23: Save Harmless and Under-Funded

01/17/22	E(FA0198) 00 2021-22 FOUNDATION AID	E(FA0197) 00 2022-23 FOUNDATION AID	\$ Difference	% Difference	Save-Harmless Increase	Under-Funded Increase	Hypothetical 2023-24 Increase @ 3%	Hypothetical 2024-25 Increase @ 3%
ALTMAR PARISH	\$17,311,310	\$17,830,649	\$519,339	3.00%	\$519,339		\$534,919	\$550,967
CENTRAL SQUARE	\$33,532,722	\$34,538,703	\$1,005,981	3.00%	\$1,005,981		\$1,036,161	\$1,067,246
FULTON	\$36,604,834	\$38,606,431	\$2,001,597	5.47%		\$2,001,597	\$2,001,597	\$1,218,241
HANNIBAL	\$16,823,099	\$17,577,903	\$754,804	4.49%		\$754,804	\$754,804	\$549,981
MEXICO	\$21,878,943	\$22,535,311	\$656,368	3.00%	\$656,368		\$676,059	\$696,341
PHOENIX	\$19,104,572	\$19,677,709	\$573,137	3.00%	\$573,137		\$590,331	\$608,041
SANDY CREEK	\$11,610,394	\$11,958,705	\$348,311	3.00%	\$348,311		\$358,761	\$369,524

“February Run” Executive Proposal for 2022-23: Save Harmless and Under-Funded

01/17/22	E(FA0198) 00 2021-22 FOUNDATION AID	E(FA0197) 00 2022-23 FOUNDATION AID	\$ Difference	% Difference	FOUNDATION AID February 2022 Run	Difference Exec Vs. Feb Run	February Run % Increase	Save-Harmless Increase	Under-Funded Increase	Hypothetical 2023-24 Increase @ 3%	Hypothetical 2024-25 Increase @ 3%
ALTMAR PARISH	\$17,311,310	\$17,830,649	\$519,339	3.00%	\$17,680,763	-\$149,886	3.0%	\$519,339		\$546,003	\$551,300
CENTRAL SQUARE	\$33,532,722	\$34,538,703	\$1,005,981	3.00%	\$34,068,171	-\$470,532	3.0%	\$1,005,982		\$1,052,225	\$1,067,728
FULTON	\$36,604,834	\$38,606,431	\$2,001,597	5.47%	\$38,871,550	\$265,119	6.2%		\$2,266,716	\$2,266,716	\$1,234,148
HANNIBAL	\$16,823,099	\$17,577,903	\$754,804	4.49%	\$17,528,169	-\$49,734	4.2%		\$705,070	\$705,070	\$546,997
MEXICO	\$21,878,943	\$22,535,311	\$656,368	3.00%	\$21,878,943	-\$656,368	3.0%	\$656,368		\$676,059	\$696,341
PHOENIX	\$19,104,572	\$19,677,709	\$573,137	3.00%	\$19,104,572	-\$573,137	3.0%	\$573,137		\$590,331	\$608,041
SANDY CREEK	\$11,610,394	\$11,958,705	\$348,311	3.00%	\$11,610,394	-\$348,311	3.0%	\$348,312		\$358,761	\$369,524

Foundation Aid 21-22 \$19,816,470,010	Hypothetical Estimation of the Potential Growth of State Aid			
Remaining Underfunded for 2021-22	Half Payment of Underfunded for 22-23	Half Payment of Underfunded for 23-24	Half Payment of Underfunded for 24-25	Half Payment of Underfunded for 25-26
(\$3,037,581,938)	(\$1,518,790,969)	(\$1,518,790,969)	\$0	\$0
Foundation Aid to Save-Harmless	Scenario 3.0% Increase in Save-Harmless Foundation Aid for 22-23	Scenario 3.0% Increase in Save-Harmless Foundation Aid for 23-24		
\$2,711,579,692	\$2,792,926,933	\$2,874,274,174		
	\$81,347,241	\$83,787,808		
	Scenario Foundation Aid for 2022-23	Scenario Foundation Aid for 2023-24	Scenario 3.0% Increase in Foundation Aid for 24-25	Scenario 3.0% Increase in Foundation Aid for 25-26
	\$21,416,608,220	\$23,019,186,997	\$23,709,762,607	\$24,421,055,485
	\$ Increase Foundation Aid	\$ Increase Foundation Aid	\$ Increase Foundation Aid	\$ Increase Foundation Aid
	\$1,600,138,210	\$1,602,578,777	\$690,575,610	\$711,292,878
Cumulative Total	% Increase Foundation Aid	% Increase Foundation Aid	% Increase Foundation Aid	% Increase Foundation Aid
	8.07%	7.48%	3.00%	3.00%
*Executive Budget Proposal with 3% Increase Scenario after 2023-24				
			Foundation Aid 26-27 \$25,153,687,150 26-27 Increase by 3.0% \$732,631,665	

All State Aid 21-22				
\$28,676,517,897				
Foundation Aid 21-22	Scenario Foundation Aid for 2022-23	Scenario Foundation Aid for 2023-24	Scenario 3.0% Increase in Foundation Aid for 24-25	Scenario 3.0% Increase in Foundation Aid for 25-26
\$19,816,470,010	\$21,416,608,220	\$23,019,186,997	\$23,709,762,607	\$24,421,055,485
Non-Foundation Aid 21-22	Scenario Non-Foundation Aid 22-23 (5.3%)	Scenario Non-Foundation Aid 23-24 (+3.0%)	Scenario Non-Foundation Aid 24-25 (+3.0%)	Scenario Non-Foundation Aid 25-26 (+3.0%)
\$8,860,047,887	\$9,330,914,714	\$9,610,842,155	\$9,899,167,420	\$10,196,142,443
All State Aid 21-22	Scenario All State Aid 22-23	Scenario All State Aid 23-24	Scenario All State Aid 24-25	Scenario All State Aid 25-26
\$28,676,517,897	\$30,747,522,934	\$32,630,029,152	\$33,608,930,027	\$34,617,197,928
Increase Over Previous Year	\$2,071,005,037	\$1,882,506,218	\$978,900,875	\$1,008,267,901
Cumulative Total	\$2,071,005,037	\$3,953,511,255	\$4,932,412,130	\$5,940,680,031
	% Increase All State Aid 22-23	% Increase All State Aid 23-24	% Increase All State Aid 23-24	% Increase All State Aid 25-26
	7.22%	6.12%	3.00%	3.00%
All State Aid 26-27				
\$35,655,713,866				
Increase by 3.0%				
\$1,038,515,938				
*Executive Budget Proposal with 3% Increase Scenario after 2023-24				

State Aid and Related Recommendations for 2022-23



For Foundation Aid to work several elements must be in place:

1. **There must be an increase in the Adjusted Foundation Aid Amount (FA) to reflect more realistic cost of educating a single child (Adequacy) Increased Phase-In of Foundation Amount (It is only moving by inflation; we need a new with a phase in number larger than 1. $(\$6,835 \times 1.0120 \times 1) = \$6,917$**
 - The old Successful Schools Model cannot be sued to determine a primary aid amount; a costing out study is needed.
 - Mission of school districts has increased beyond simply inflation (Phase-in factor)
 - Due to the natural politics of a representative government, State Government seems unable or unwilling to improve or update the Foundation Aid Formula; how about a “Blue Ribbon Commission” for such a purpose? (Ala Burger Commission)

2. **Update revise and data base for the Regional Cost Index; The Regional Cost Index is too broad!**
 - The regions are too large and disparate.
 - It is just a labor index and does not contain other factors that affect school district finances.

3. **Increased weighting of the following Foundation Aid formula factors: CWR, FRPL/Direct Certification, Census/SAIPE, ELL, SWD and expand the Sparsity formula elements into different degree levels.**
 - Add more weighting to this item in the formula to promote equity and adequacy

4. Revise the calculation of the CWR

- The arbitrary calculation of the CWR should be used as a “selected” CWR with two other options besides a 50/50 split between PWR (Property Values) and APWR (Income Values). Perhaps weighting each in a different ratio (for instance 70/30 to 30/70; 60/40 to 40/60)

5. Create and use Better and more accurate Measures of Poverty and Regional costs

- Replace the 2000 Census with SAIPE
- Replace FRPL with Direct Certification
- Expand Direct Certification to Include more measures of poverty such as SNAP, HEAP, Medicaid)

6. Remedy the problems due to inaccuracies and Community Eligibility Provision (CEP).

- Also, some reasonable accommodation must be made for district that have entered programs that grant all children free lunch/breakfast (Lack of FRPL documentation); there must be a transition to Direct Certification.

7. Maintain all new initiatives as unrestricted aid (Community Schools Set-Aside)

8. Rationally determine the level of support for save harmless districts based on wealth and demographics of students (Equity)

9. Caps within the formula must be altered as a part of a legitimate phase-in plan (IWI and PNI)

Other Related Aid issues:

1. Corral the increased loss of funds to charter schools and related aid.

Charter School Transition aid has always been seriously underfunded and must be address independently.
Claw-back provisions must be added to law to protect district finances.

2. Increase Pre-K aid

3. BOCES Aid, Building, and Transportation Aid are expense driven aids. School districts have already paid expenses relative to these services and await reimbursement in the form of aid. They must be protected.

Further, any proposed use of enrollment data in the calculation of these aids is inappropriate.
Increase significantly the \$30,000 1992 salary limit on BOCES Aid (Ramp in to \$60-65,000)

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

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

6. Increase RPTL §1318 to at least 10% 4% is SIMPLY TOO LOW!!!

Foundation Aid Questions

1. What good comes from funding a flawed formula?
2. What happens in 2022-23 and 2023-24 to the Save Harmless Districts?
3. What happens in 2022-23 and 2023-24 to the ALMOST Save Harmless Districts?
4. What happens when all districts reach “Full Funded” status.
5. “Costing Out”- The Foundation Amount- will it be done? By whom? How? By when?
6. How will all of this inform Long Range Financial Analysis and Plans?

NYSED Related Issues

Due to grant and district time limitations and restrictions, cashflow issues and the potential negative affect of reimbursements on the tax cap, there is an immediate and significant need for additional funding for greater resources at NYSED:

- **Federal Funds Division**
- **Office of Facilities Planning**
- **State Aid Division**
- **Smart Schools Program Operations**

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.