



Money Matters- The Need for Equity & Adequacy Foundation Aid Considerations

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

Foundation Aid Issues Outdated, Inaccurate, Arbitrary and the Wrong Metrics Other State Aid Issues

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Foundation Aid issues:



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

- **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. ($\$7,242 \times 1.0792$ (7.92%)) = ~\$7,815) ??
- 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)

Foundation Aid Elements in Need of Revision:

1. **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.

Foundation Aid Elements in Need of Revision:

- 2. Create and use Better and more accurate Measures of Poverty and Regional costs.**
 2. Replace the 2000 Census with SAIPE (Small Area and Income Poverty Estimate)
 3. Replace FRPL with Direct Certification
 4. Expand Direct Certification to Include more measures of poverty such as SNAP, HEAP, Medicaid)
- 3. Maintain all new initiatives as unrestricted aid (eliminate Community Schools Set-Aside and now High-Impact Set a side requirements)**

Foundation Aid Elements in Need of Revision:

- 4. Increased weighting of the following Foundation Aid formula factors: CWR (Combined Wealth Ratio) , FRPL (Free and Reduced-Price Lunch)/Direct Certification, Census/SAIPE (Small Area and Income Poverty Estimate), ELL (English Language Learners), SWD (Students with Special Needs) and expand the Sparsity (Rural) formula elements into different degree levels.**
 - Add more weighting to this item in the formula to promote equity and adequacy.
- 5. Revise the calculation of the Combined Wealth Ratio.**
 - 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)
- 6. Rationally determine the level of support for save harmless districts based on wealth and demographics of students (Equity)**
- 7. 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 salary limit (from the 1990s) on BOCES Aid (Ramp in to \$60-65,000)

Other Related Aid issues:



- 4. Excess Cost Aids, 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 addressed for equity and adequacy.**
- 5. 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.**
- 6. All aid due to school districts in the "Prior Year Aid Queue" must be paid on an accelerated basis.**
- 7. Increase RPTL §1318 to at least 10% 4% is SIMPLY TOO LOW!!!**
- 8. The state must reevaluate its state aid initiatives every 2 years for equity, adequacy, and sustainability**

Zero-Emission Buses-Quick thoughts on the transition



To Determine Budget Impact

Budget implications can include:

1. Determine the difference is the price of a Zero-Emission bus and the buses you currently purchase
2. Calculate your bus replacement schedule with inflation or cost increases in mind as best you are aware of them
3. If you pay cash for your buses now, determine how the cost of a Zero-Emission bus affect your budget
4. If you buy more than one bus per year now, and need to continue with that trend, determine how these continued purchases, if they will now be for Zero-Emission buses, affect your annual budget and long-term budget plans and goals
5. If you purchase buses now using Bond Anticipation Notes (BANs) renewable over 5 years, compare the cost of interest and issuance costs from your current bus replacement schedule to the purchase of Zero-Emission buses.
6. If you purchase buses now using Serial Bonds (SBs) compare the cost of interest and issuance costs from your current bus replacement schedule to the purchase of Zero-Emission buses.
7. For school districts that partially or completely contract for busing, determine what can the school district expect for pricing over the initial five-year ramp up period and the seven-year compliance timeline?

Zero-Emission Buses-Quick thoughts on the transition



We need a Q & A With Answers

A sample of questions in need of answers can include:

1. Is there assurance by energy companies across the state the “the Grid” will be able to charge all the Zero-Emission buses on demand? And will the upgraded Grid get to your School District?
2. Will there be any acceptance of late-filed transportation contracts and waiver of penalties due to administrative oversight?
3. Will there be funding for the School Bus Driver Instructor’s program for the State Education Department?
4. Will there be a temporary suspension of the retiree earnings cap to help address school staff shortages to include school bus drivers?
5. Is there sufficient state funding for infrastructure and bus purchase considering the potential for projected state budget deficits?
6. To what degree is school bus funding separated from public transit funding in the upcoming Environmental Bond Act?
7. Is there any assurance that aid and grants provided to transition to Zero-Emission buses will not jeopardize Foundation Aid or other Expense driven aids in the future?

Zero-Emission Buses-Quick thoughts on the transition



We need a Q & A With Answers

A sample of questions in need of answers can include:

7. Will Building Aid be available to turn the current Transportation Facility into a Zero-Emission bus facility?
8. With approximately 50,000 buses to replace beginning in at least five years, in about a seven-year period, what is the anticipated rate within which vendors can produce and deliver Zero-Emission buses?
9. Will there be any state aid or grants available for the training of staff for the repair and maintenance of the Zero-Emission buses?
10. Are there any special safety considerations needed for Zero-Emission buses (storage, fire safety (including interface with local fire departments))
11. Will there be changes to the Fire Code and Fire and Safety Reports to the state Education Department because of the acquisition of Zero-Emission buses?
12. What grants will be available to school districts, what is the value of those grants, what are the eligibility requirements for the grants, how often will they be available and how long will they last?

Zero-Emission Buses-Quick thoughts on the transition



We need a Q & A With Answers continued

A sample of questions in need of answers can include:

13. Is there any assurance that other aid and grants provide to transition to Zero-Emission buses will not jeopardize Foundation Aid or other Expense driven aids in the future?
14. Is deference granted to smaller or less wealthy school districts or school districts in general, as they compete to secure Zero-Emission buses from vendors and the ability to create infrastructure to support them?
15. What will be the amount of state investment is needed in the statewide “Grid” infrastructure and how long will it take?
Will statewide infrastructure upgrades occur simultaneously as the complete transition to Zero-Emission buses is required to occur in 2035?
16. Notwithstanding the investment needed in statewide “Grid” infrastructure, the transition to Zero-Emission buses is purported to include state support in the form of grants, Building Aid and Transportation Aid. Has there been a study on the actual state contribution in dollars over time to fund this initiative and does the state have sufficient resources to produce that support beginning now through at least 2035 and beyond as financing for these buses could continue for over a decade?

Zero-Emission Buses-Quick thoughts on the transition



We need a Q & A With Answers continued

A sample of questions in need of answers can include:

13. Will there be the formation of a statewide task force to include New York's school transportation industry stakeholders to guide transition to electrification?
14. Will there be support of the school bus dealership model to provide service and technical support to bus operators as innovative technology transitions into bus fleets?
15. Will the state allow for diversified Near-Zero Emissions fleet where a Zero-Emission electric bus is not practical due to safety, environmental and economic factors?
16. What will be the conditions by which a waiver for school districts to delay transition to electric buses granted?
17. How will the State Education Department Office of Facilities Planning aid in the approval process and acquisition of Building Permits between now and 2035 to ensure that capital projects for facilities upgrades are completed in time?
18. If school Districts renovate facilities in the near future, how long will the will the technology installed still be appropriate and viable?

Zero-Emission Buses-Quick thoughts on the transition

Capital Construction Matters

Creating a Zero-Emission Transportation Facility:

1. What changes are required to transform the current at the transportation facility for a Zero-Emission bus fleet?
 - Will Storage or Maintenance area size alterations be needed? (Battery Storage, Safety features. Lift?)
2. Depending on the characteristics of each school district's transportation program, what will it cost in total project size and related financing to turn the current Transportation Facility into a Zero-Emission bus facility?
3. How long will it take to turn the current Transportation Facility into a Zero-Emission bus facility?
4. What are the anticipated issues that can arise as you plan, seek voter approval and to turn the current Transportation Facility into a Zero-Emission facility? (Cost inflation, escalations, contingencies, and availability of items in the capital project; voter rejection)
5. To what degree are charging stations uniform between based on District needs (Trickle Charge vs. Full Charge, Portable or stationary, AC or DC)?
6. If a vendor is not able to provide Zero-Emission buses as needed by school districts, is there a downside to having multiple buses from different manufacturers?

Zero-Emission Buses-Quick thoughts on the transition

Practical Matters



Consider the following practical matters about Zero-Emission buses as the school district plans replacement schedules to begin in 2027 and end with a full Zero-Emission fleet in 2035:

1. Length of routes in topography, time, and miles
2. Road conditions and terrain to include traffic, road conditions and special conditions such as low weight threshold culvert covers bridges and roads
3. The time it takes to recharge the batteries for the next day or a return trip to the school district
4. What will be the process for charging “out of district buses” and what invoicing structure will be created to provide the invoice to recoup the cost of charging?
5. Are there additional safety or security issues with the transition to Zero-Emission buses and related infrastructure?
6. Will there be additional costs related to transporting a bus that breaks down on a route?
7. Should a Transportation Facility have backup generators in case of power failure?
8. Is your local Fire Department ready for this transition?
9. Are your voters/residents ready for this transition; and what happens if they vote “no” on a bus proposition?

Foundation Aid:

- Outdated
- Wrong Metrics
- Arbitrary
- Potentially Every District Save-Harmless?
 - Enrollment
 - Reevaluation of the amount/need?
 - Political Will for Change
 - Fear of Change
 - Unintended Consequences
 - Equity Adequacy
 - Perception of School Finances

Fixed Costs:

- Labor force
 - Collective Bargaining Agreements
 - Employee shortages
 - Employee Pipeline
- Community Expectations
 - Student Performance Issues
 - Safety and Security
 - Mental Health
- Loss of Federal Grants (CRSSA and ARPA)
- Capital Needs
- Loss of Enrollment deteriorates efficiency and economy of scale

Legal and Political Issues/ State and Local:

- Leadership Turnover
 - Boards of Education
 - Administration
 - Legislators
- Comptroller Audits
 - Fund Balance amounts/
Reserve amounts
 - Tax Cap
 - RPTL§1318

Zero Emission Buses and Vehicles:

- Key dates 2027 and 2035
- 12 Years of BANs?
- Infrastructure?
 - Statewide
 - Local
- State Aid?
 - Building Aid?
- Grants?
 - NYSERDA?
 - NYS \$4.2 Billion Bond Issue
- There are ~50,000 non-zero-emission buses in NYS
- Size of the replacement issue:
 - (50,000 buses X \$400,000 per bus = \$20,000,000,000)
 - Availability?



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