

# CNYSBA NEWS

#### Train, Empower, Advocate, and Mobilize for Students

## 2024 CNY STEM WINNERS

The CNY STEM Scholarship Program was designed in conjunction with Partners for Education & Business, Inc. (PEB), and affiliate of MACNY, the Manufacturers Association, and the CNY STEM Hub, to support CNY high school seniors who plan to pursue a college degree in a STEMrelated field. The program aims to build an inclusive and equitable STEM workforce in our community, create awareness among students and their families of the rewarding STEM career opportunities with local companies, and keep our hometown talent local after college graduation. Each scholarship also provides an internship.

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# Governor's Plan to Review the Foundation Aid Formula

by Dr. Rick Timbs SSFC, RGTimbs Inc.

In last Month's newsletter, I mentioned my concern about the Future of Foundation Aid and The Changes in the way in which Reorganization Operating Incentive Aid will be calculated.

This month, the focus is on The Governor's plan for a review of the Foundation Aid formula.

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#### **STEM WINNERS**

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When asked about the impact of the program to local companies and our community, Maddie DiGristina, Director of Diversity, Equity, and Inclusion, and Community Relations at SRC, Inc. states, "the financial support and internship opportunities offered through the CNY STEM Scholarship Program empower our region's next generation of innovators and problem-solvers to pursue their passions in STEM. SRC is proud to play a role in cultivating these students' potential. We look forward to their positive impact on our communities as they shape a better future for Central New York and beyond."

Haley Harblin, a 2024 SRC CNY STEM Scholarship recipient says, "the CNY STEM scholarship program is a great opportunity to step foot into the professional world of STEM and gain work experience through local companies as well as offsetting college education expenses."

Congratulations to this year's CNY STEM Scholarship recipients!

The following students will receive \$5,000 per year as they complete their undergraduate degree:

· SRC, Inc. – Ethan Harbinger (East Syracuse Minoa), Hayley Harbin (Fayetteville-Manlius), and Yandel Valdes (East Syracuse Minoa)

The following students will receive \$2,000 per year as they complete their undergraduate degree:

- · King+King Megan Reymond (Chittenango)
- Novelis Elijah Haga (Cato-Meridian) and Gavin Nichols (Cicero-North Syracuse)
- · TTM Technologies Ahmad Alawaad (SCSD) and Brooke Kirkpatrick (East Syracuse Minoa)
- · WestRock Evan Gray (New Hartford).

The following students will receive \$1,500 per year as they complete their undergraduate degree:

· Beardsley Architects + Engineers – Sophia Synborski (Cazenovia)

The following student will receive \$1,000 per year as they complete their undergraduate degree:

· INFICON - Kelsey Dwyer (Baldwinsville)

#### The Governor's plan for a review of the Foundation Aid formula

The Governor finally agreed, and we have suggested it for years, to study the Foundation Aid formula. Here is how the Governor framed the next steps:

"So, while schools and working-class communities are limited to no reserves, others are doing just fine. So, now's the right time, to take this on, and to begin to fix the way we fund schools – to make sure they're equitable, fair and are doing the right thing. So, I'm really glad that in conversations with our leaders, we've agreed to take a significant step this year to improve the school aid formula, and to adjust the unsustainable built in rate of growth with our Foundation Aid formula."

"To accomplish this, the Rockefeller Institute of Government, in collaboration with the State Education Department, will conduct a comprehensive study on school funding with a focus on Foundation Aid. They'll track down where the money is going to waste and how we can get every student the resources they need to learn, to thrive, to succeed."

With a significant detail that should alarm school districts, the Governor further asks the Rockefeller Institute for Government to investigate:

"school districts' overall financial condition, including annual operating deficits or surpluses and accumulated fund balances and reserves," and possible offsets to the formula's expected contribution from local sources (i.e., property taxes), including "...unexpended surplus in excess of the [4%] limit established by section 1318 of the real property tax law."

According to Michael Rebell, Director of the Center for Educational Equity located at Teachers College, Columbia University:

"This disingenuous proposal does no more than delegate the Rockefeller Institute to prepare the governor's education budget proposal for 2025-2026. The effort may tweak the current formula to meet the governor's budget goals, but it will certainly not be an objective attempt to "ascertain the actual cost of providing a sound basic education" and ensure that "every school [will] have the resources necessary for providing the opportunity for a sound basic education," as is required by the state constitution and the Court of Appeals' ruling in CFE v. State of New York."

The continuous gyrations of Foundation Aid in particular and the presence of a growing school district mission coupled with expensive and expansive new mandates (Think Zero-Emission buses and their related costs for capital improvements to transportation facilities) make the need for reserves and rainy-day funds more important.

Further, the presence of reserves and fund balances has never been included in any funding formula nor should they. The Governor's assertion that these items are simply "surplus" funds is far from the truth and reveals a lack of understanding of educational finance. It is no secret that costs to run a school district, with their expanded primary educational mission, have escalated. School boards of education are stuck between intensified scrutiny of the distribution of funding for services and the need for enhanced programs and initiatives. All of this deserves and requires long-range financial analysis and planning.

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#### School districts in the most immediate jeopardy

In particular, the future of Save-Harmless school district is precarious. Foundation Aid underfunding and missteps are expensive academically and financially. Even if a school district has adequate reserves now, the inability to replenish them and the extraordinary inflationary costs school districts face now and into the near future are daunting. Communities will find, the decimation of their finances through just about any strategy to end Save-Harmless, will quickly lead to some level of education insolvency.

#### An Interesting Addition to the New York State 2024-25 Budget Package

Included in the state budget for 2024-25 is a new method of computing Reorganization Operating Incentive Aid for school districts that merge. The difference between the previous Reorganization (merger) financial incentive and the new one is significant.

The starting point for the previous method of calculating Reorganization Operating Incentive Aid was the 2006-7 Operating Aid amount. A new starting point for the calculation will now begin with the 2023-24 Foundation Aid Base which is significantly higher with few exceptions.

According to the 2024-25 State Aid Handbook, published by the state education department (<a href="https://stateaid.nysed.gov/publications/handbooks/handbook\_2425.pdf">https://stateaid.nysed.gov/publications/handbooks/handbook\_2425.pdf</a>):

Incentive Operating Aid is calculated as follows: Incentive Operating Aid for the first 5 years of operation as a reorganized district = 0.40 × (Selected Operating Aid × Total Aidable Pupil Units) After receiving Reorganization Incentive Operating Aid for five years, the additional 40 percent apportionment will be reduced by four percentage points each year until the apportionment reaches 0 in the fifteenth year of reorganization. The sum of Selected Operating Aid per pupil multiplied by TAPU plus Incentive Operating Aid may not exceed 95 percent of the district's Approved Operating Expenditure used for aid calculations in the current school year.

The "cap' noted in the last part of the handbook quote could alter the amount of Reorganization Incentive Aid depending on who merger partners are. We will seek clarification on this computation and try to determine if that calculation source data is static or changes annually. Non-static data in these instances tends to be problematic.

#### There are several wrinkles that remain.

Politically, mergers have never been popular. Local district residents generally value their school district through long tern loyalty, due it its importance and presence in the community perhaps as a community anchor, for nostalgic reasons and often a concern over unintended or undesired consequences of a merger.

Additionally, there are concerns among staff as to loss of work and the uncertainty of their positions, work locale and other items. (Continued on next page)

#### The Good Part (if School Districts wish to merge)

With a few exceptions the Total Foundation Aid Base (the amount of Foundation Aid paid to a district in the prior year), as of this writing, is a larger amount than the calculated 2006-07 Operating Aid amount. In most cases it is significantly more. Thus, Reorganization Operating Incentive Aid (merger operating aid) provided to school districts that merge would generally be significantly greater than the previous method.

#### The Not So Good Part (if School Districts wish to merge)

The ending phrase of the new statute: "CALCULATED AS OF THE EFFECTIVE DATE OF THE REORGANIZATION." is very problematic.

First, the Foundation Aid Base amount changes every year except when school districts have their Foundation Aid "frozen" as was the case with Save-Harmless school districts this year for 2024-25.

Second, the merger process requires a formal "Merger Study," overseen by the State Education Department. That study is usually completed about a year or so ahead of the date of a proposed merger. Based on the date when the Reorganization Operating Incentive Aid is to be calculated how would any consultant to a "Merger Study" provide accurate data as to the amount and schedule of payments of Reorganization Operating Incentive Aid over the first 15 years of the merger?

Third, as a practical matter, how would a school district Board of Education, whose vote is required to put a merger proposal before the voters of the affected school districts, know the amount of Reorganization Operating Incentive Aid that would be received during the first 15 years of the merger, before a merger vote, if the amount won't be calculated until the date of the merger?

Fourth, how could voters who will determine the fate of a merger proposal be unaware of what amount of Reorganization Operating Incentive Aid they could anticipate if they agree to the merger proposal?

Fifth, Foundation Aid itself is under review by the Rockefeller Institute for Government for proposed changes. It is unknown what if any changes will be embraced by the legislature and Governor due to the Rockefeller report and recommendations or any other ideas that appear. Any change to the Foundation Aid formula will change the future of the Foundation Aid Based going forward.

Sixth, this state of flux is further complicated by remarks by the Governor that suggest that the continuation of Foundation Aid Save-Harmless is undesirable. If, even if over time, the Save-Harmless status is eradicated, the resultant Foundation Aid base would be eroded for Save-Harmless School Districts, with various decrees of diminishment, some of which are in the millions of dollars. Then, in many cases, a significantly lower benchmark Foundation Aid Base will be created and used in the computation of the Reorganization Operating Aid.

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Lastly, that phrase, "CALCULATED AS OF THE EFFECTIVE DATE OF THE

**REORGANIZATION**" appears to be a bit of a poison pill. Without a "date certain" for the computation of the Reorganization Operating Aid, in verbiage and law such as "the Foundation Aid base as of July 1, 2024", the amount of Reorganization Operating Incentive Aid for an eligible merged school district would be difficult to t impossible to calculate accurately. For this new law to work, more refinement is necessary.

We will monitor how all of this might play out so that school district leaders and communities can see the financial differences in the potential ways Reorganization Operating Incentive Aid could be calculated. It is hoped that the statute will be improved so there is a specific benchmark amount or an amount "date certain" so that the school districts considering reorganization will have a concrete calculation of their Reorganization Operating Incentive Aid as they weigh whether Reorganization Operating Incentive Aid appeals to them.

Again, I won't even address in this writing the financially unachievable Zero-Emissions Bus mandate. (This is going to cost our school districts and the state a fortune.)

Be well,

Rick



# www.SSFCdata.org

Get the latest data and school finance information from Dr. Rick Timbs.

The Statewide School Finance Consortium (SSFC) is an organization of more than 400 New York State public school districts whose mission is to bring equity to the distribution of New York State educational aid. SSFC membership is largely comprised of school districts from average and low-wealth communities that receive a disproportionate share of state funding in comparison to high-wealth regions of New York. The reform of the state aid process will help ensure that all of New York's children receive the same educational opportunities regardless of the wealth or location of their community.

June 20, 2024 www.CNYSBA.org



## Register for In-Person Training w/ CNYBSA

\*Governance Training \*Child Abuse/ Mandatory Reporter Training \*Finance Training

#### **Important** Dates:

#### **CNYSBA Child Abuse**

#### **Mandatory Reporter Training**

will be held on September 18th, 2024 from 6p-9p.

#### **CNYSBA Governance Training**

will be held on September 21st, 2024 from 9a-3p.

### **CNYSBA Finance Training** to be held on October 26th, 2024 from 9a-3p.



**CLICK HERE TO REGISTER** 



CLICK HERE TO READ WINNER BIOS FROM THE DINNER PROGRAM





# You Do What for a Living?

Watch our video segment, You Do What for a Living? to learn about David Goodness of WDI. (Click on the video below to view)



Video Presentation

#### YOU DO WHAT FOR A LIVING?

David Goodness WDI

Click on the Video Above to View

Sponsored by



# Senator Griffo Honors Community Advocates with Commendation Awards, Including SSFC Director, Dr. Rick Timbs

Story by Andrew Derminio, WIBX Radio



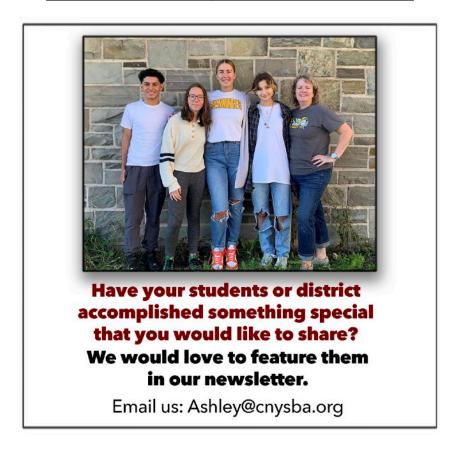
Each year Senator Joseph A. Griffo (R-Rome) selects several individuals as recipients of his Senate Commendation Awards. Today he once again honored eight community advocates for their hard work in several areas and specialties. From educators to area business owners, those honored have one important thing in common. They are passionate about the growth and progress in Central New York.

These Commendations are one of the highest honors that the Senate can use to recognize people who have served and made lasting contributions to their community. Senator Griffo says, "These honorees are certainly worthy of recognition. They have demonstrated a remarkable commitment to helping others and have worked selflessly to improve the wellbeing of area residents, children, families, businesses, schools and communities. Each has truly made a difference and should be applauded and commended for their efforts."

Read the complete story on WIBX 950AM/92.3FM



For More Information, Visit the NYSSBA website



# 2024-2025 CNYSBA Board of Directors

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Vacant Seat TBD Vacant Seat TBD Vacant Seat TBD

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Term Expires: 6/30/26

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Term Expires: 6/30/25

Gwendolyn Raeford (Syracuse City)

Term Expires: 6/30/25

#### **OSWEGO SBA**

Nicole Nadeau (APW) Term Expires: 6/30/25 Connie Douglas (Mexico) Term Expires: 6/30/26 Tom Ciappa (Oswego-City) Term Expires: 6/30/26

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