



CNYSBA NEWS

Train, Empower, Advocate, and Mobilize for Students

IMPORTANT 2025 DATES TO REMEMBER

APRIL 21-
Petitions must be
filed in order to run
for school board -
City School
District Deadline is
April 30th

May 20 - Budget
Vote and Election
Day

June 17- Budget
Revote (in the
event budget
doesn't pass)

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News Alert: Dr. Timbs on Rockefeller Center’s Report on Foundation Aid, Plus, Critical Recommendations

By Dr. Rick Timbs

The Rockefeller Institute of Government report on Foundation Aid recommended reforms and key findings and conclusions that reinforce the claims made by SSFC for the last ten years, but it added a few unwelcome surprises we find problematic.

As wisely noted in the report...many of the recommendations in this report are developed and priced-out in isolation from each other. In most cases, each component of the Foundation Aid formula is examined for improvement opportunities on its own, and an impact is measured as if only that element is changed. It is recognized, of course, that elements in the Foundation Aid formula, at the very least, interact with each other and sometimes even may be fully dependent on one another. There also is no way to know which recommendations state policymakers might eventually approve and enact, or how districts may behave after having been given revised options, so there is simply no practical and reliable way to predict the final outcome of the reform proposals or to calculate every permutation of their collective impact.

The report recognized the Outdated Formula Components: The current formula uses old data and outdated methods to assess pupil needs and district wealth, failing to account for changes in demographics, costs, and educational expectations.

Key Findings:

1. **Outdated Data and Assumptions:**
 - The formula uses decades-old metrics for poverty, regional costs, and district wealth. These measures no longer reflect the realities of modern student populations or district needs.
2. **Disparities in Spending and Resources:**
 - The state also faces declining enrollment, with a 10% drop over the past decade, while costs continue to rise.
3. **Student Needs:**
 - The number of English Language Learners (ELLs) and students with disabilities has grown significantly. However, funding weights for these groups fail to account for varying levels of need.
 - High-poverty districts are disproportionately underfunded, impacting their ability to meet the constitutional mandate for a “sound, basic education.”

Recommendations:

1. **Base Foundation Aid Adjustments:**
 - Update the "Successful School Districts" model to include the top 50% of districts based on state math and English Language Arts (ELA) exams, rather than outdated performance metrics. **(SSFC is not convinced that this is the way to go and favors a more “costing out” approach.)**
 - Example: Remove the "efficiency filter," which penalizes districts with high per-pupil costs, to reflect a more realistic funding baseline. **(SSFC has always advocated this.)**
2. **Poverty Measurement and Weighting:**
 - Replace outdated poverty metrics with Small Area Income and Poverty Estimates (SAIPE) from the Census Bureau, averaged over three years for stability. **(SSFC has supported a change such as this.)**
3. **ELL Adjustments:**
 - Example: Students requiring intensive services could receive a weight of 0.65, while those needing less assistance might receive 0.40. **(SSFC has supported a change like this.)**
4. **Regional Cost Index:**
 - Replace the current index with the federal Comparable Wage Index for Teachers (CWIFT), allowing for district-specific cost adjustments. **(It appears to SSFC that this change is certainly more appropriate than the previous model, but the full merits of it are yet to be discerned.)**
 - Example: Districts within the same county would share a uniform index, reflecting local
5. **Addressing Enrollment and Sparsity:**
 - Support rural districts with declining enrollment by enhancing sparsity aid. **(SSFC is not confident that this issue is appropriately addressed in the report. The Scarcity Index conundrum remains unresolved.)**

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6. **Special Needs Funding:**
 - Move funding for students with disabilities into categorical aid programs rather than including it in the general Foundation Aid formula. This would allow scaling aid to specific service levels required by students. (SSFC believes that this is an appropriate move, but the NYSED “cost screens” for high-cost students with special needs require significant and simultaneous reforms if these funding streams are to be combined.)
7. **Eliminating Inefficient Set-Asides:**
 - Remove set-asides and maintain Foundation Aid as unrestricted aid. Convert mandated spending categories into separate categorical aid programs to give districts flexibility. SSFC has supported a change such as this.)
8. **Save Harmless and Flat Grants:**
 - Gradually phase out the “Save Harmless” provision, which protects districts from funding reductions despite enrollment drops, and reallocate the \$41 million currently spent on \$500-per-pupil flat grants. (SSFC is in opposition to this Save-Harmless remedy, but we have no opinion on the Flat Grant recommendations. More information about how the report suggested the elimination of Save-Harmless will occur at the end of this missive.)
9. **Inflation Adjustments:**
 - Use a five-year average of the Consumer Price Index for the Northeast Region to update funding levels annually, smoothing out economic volatility. (SSFC believes this appears logical; that is until inflation runs rampant in any given year and funding is averaged out and we are unable to secure the funds needed to battle it.)

Examples of Specific Solutions:

1. **Mental Health Services:**
 - Stakeholders emphasized the growing need for student mental health resources. The report suggests expanding school-based health centers (SBHCs) and using shared services through Boards of Cooperative Educational Services (BOCES) to provide mental health support in underserved regions. **(SSFC likes the idea, but details are missing)**
2. **Electric Bus Transition:**
 - To meet the state mandate for electric school buses by 2035, the report calls for full state underwriting of costs, including infrastructure upgrades and staff training. **(SSFC believes the state has no notion about the cost of this initiative for districts or the state. This recommendation is long overdue.)**
3. **Redistribution of STAR Savings:**
 - Cap the School Tax Relief (STAR) credit and redirect future increases to school districts, with larger shares allocated to high-need areas. **(SSFC is not familiar with nor studied this idea. We have no recommendation.)**

Implementation Strategies:

- **Phased Rollout:**
 - Introduce changes over three to five years to mitigate fiscal impacts on districts and ensure a smooth transition.
 - Example: Gradually adjust weights for poverty and ELLs while phasing out outdated provisions like Save Harmless. **(SSFC believes there is a real disconnect between these two ideas. They are not equivalents)**

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Frequent Revisions:

- Commit to revisiting the formula every three to five years to incorporate updated data and reflect evolving educational standards. **(SSFC believes and has recommended this for as long as I can remember.)**
- **Transparency:**
 - Ensure all formula changes are transparent, with clear communication to districts to facilitate planning.

Conclusions:

Key Conclusions for Save Harmless Districts:

1. **Disproportionate Funding:**
 - Save Harmless guarantees that districts receive no less funding than in prior years, regardless of declining enrollment. This has resulted in substantial aid flowing to wealthier districts with shrinking student populations. **(SSFC believes that the wealthiest districts should not be Save-Harmless. “Wealthy or Low Need district” needs a better definition.)**
 - Example: Nearly one-fifth of Save Harmless funding benefits low-need districts, even as higher-need districts struggle to meet educational requirements.
2. **Enrollment Decline:**
 - Over the past decade, New York has seen a 10% drop in student enrollment, with 88% of districts now serving fewer students than they did ten years ago. Save Harmless does not adjust adequately for this trend, creating inefficiencies in resource allocation. **(SSFC believes that any amount of “inefficiency” has not been adequately studied or evaluated across the state. Therefore, a blanket reduction of Save-Harmless is unwarranted. Until the relative needs of districts are evaluated the total elimination of Save-Harmless should not be undertaken. We also believe, to be fair, the brief time allotted to the Rockefeller Institute to make such a comprehensive study possible was not provided.)**

Recommendations for Reform:

1. **Phase-Out of Save Harmless:**
 - Reduce Save Harmless funding by 50% over five years, allowing for gradual adjustment while reallocating resources to higher-need districts. **(SSFC believes this will be a financial disaster over time to a sizable portion of Save-Harmless districts. We repeat: a blanket reduction of Save-Harmless is unwarranted. Until the relative needs of districts are evaluated the total elimination of Save-Harmless should not be undertaken. We also believe, to be fair, the brief time allotted to the Rockefeller Institute to make such a comprehensive study possible was not provided.)**
 - Districts could retain varying portions of Save Harmless funds during the phase-out period, based on their calculated wealth and needs. **(SSFC believes while this appears to be a helpful caveat, the recommended phase in of the wealth and needs portions of the formula will not occur fast enough compared to the possible reductions of Save-Harmless funds. The result will be financially problematic for many Save-Harmless districts and probably reduce services to the students they serve, as costs escalate, and revenues are reduced.)**

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1. **Enrollment-Based Adjustments:**

- Establish thresholds for enrollment decline. Districts experiencing significant enrollment losses would see reductions in Save Harmless allocations.
- Example: Save Harmless payments would be scaled down for districts retaining excessive funds despite serving fewer students. **(SSFC believes the concept of “excess funds” has not been properly understood or researched in the study. It appears to SSFC that “fund balances,” “reserves,” “excess funds” and “the 4% limit” have been treated as similar “pots of money” without a clear understanding of issues and long-range plans of school districts. The importance of some of these funds are the product of significant long-range planning, the need to maintain high bond ratings, and the limitations imposed on districts by the tax cap in the face of escalating costs. To be fair, the understanding of these mechanisms of school finance appears to be marginally understood or acknowledged within the study, perhaps because of the scope of the study and the time allotted to it. and importantly without guidance from the field to the researchers about the nuances of school finance.)**
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2. **Fund Reallocation:**

- Redirect the \$41 million spent on flat per-pupil Save Harmless grants to the general Foundation Aid formula. This would help districts experiencing enrollment increases or higher concentrations of disadvantaged students. **(SSFC has never studied the Flat grant issue.)**
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3. **Surplus Offset Requirement:**

- Require districts holding more than 10% of their annual budget in surplus funds to use the excess as an offset against their Save Harmless allocations. **(SSFC would refer you to our comments under the Enrollment Based Adjustment section above. But additionally, the exhaustion of funds of any nature from a school district of the magnitude to replace the loss of Save-Harmless will ultimately end in its educational and financial demise. For many districts such a notion is an existential threat.),**

Implications for Save Harmless Districts: (The following is our summary of the study followed by quotes specifically from the study. SSFC has already commented on these items.)

- Wealthier districts and those with declining enrollments may face reduced funding, prompting adjustments in budgeting and resource allocation.
- High-need districts would gain access to redistributed funds, enabling them to better address student needs, especially in areas of concentrated poverty or with increasing ELL populations.
- The phased approach provides a buffer for districts currently reliant on Save Harmless funding, offering time to adapt to the new formula.
-

Quoting from the Rockefeller Institute study:

**Establish a per-pupil local income and property wealth threshold above which districts would not be eligible for full Save Harmless aid payments. Similarly, establish an enrollment-loss threshold at which school districts would face reductions in Save Harmless allocations. Reinvest these funds in lower-wealth districts experiencing enrollment growth.*

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** Require districts retaining more than 10 percent of their budget as a year-end balance to apply the excess as an offset to Save Harmless allocations.*

** Require districts with a 10-year reduction in total student enrollment of 15 percent or more and year-end fund balances of greater than 4 percent to apply the excess balance as an offset against Save Harmless payments.*

** Enact elements of the Save Harmless modifications proposed in the 2024-25 executive budget, such as a cap on the size of Save Harmless aid reduction any district would face and a progressive local wealth-based schedule that varies the size of such reductions. Policymakers could establish a three- or five-year “phase-out schedule” for any planned reductions in Save Harmless allocations.*

POLICY CONSIDERATIONS :

Reserve Funds

In testimony at the Rockefeller Institute’s public hearings, stakeholders called on the state to relax the current 4 percent limit on the amount of unrestricted year-end fund balances districts may retain. Noting that municipalities typically are given greater allowance and that the state faces no restrictions on the size of budget surpluses it maintains, school districts advocated for raising the current limit to allow for better long-term planning and to allow for easier coverage of unexpected costs. Discussions surrounding the 2024-25 executive budget proposal to modify the state’s approach to Save Harmless Foundation Aid allocations included questions about the amount of unrestricted funds being retained by school districts.

Several reform options pertaining to the retention of unrestricted year-end fund balances are proposed. Recommendations entwined with Save Harmless policies are envisioned to apply after Save Harmless reforms as recommended earlier in this report have been made. Reserve Fund reforms for consideration include:

** Allow school districts to temporarily retain an additional 6 percent (for a total of 10 percent) of their budgets as an unrestricted year-end fund balance if they have a plan for spending these funds that is: (1) approved by local voters; (2) has a spend-down plan no longer than five years; and, (3) is approved by NYSED.*

** Once recommended reforms to the state’s Save Harmless practice have been made, require school districts to use any excess above 4 percent as an offset to Foundation Aid allocations made in accordance with the state’s Save Harmless funding practice, ensuring that surplus revenue is first used to fill Foundation Aid gaps from one year to the next; and/or,*

** Require school districts to use any excess above 4 percent as property tax relief in the current or next school year.*

RECOMMENDATION

Reserve Funds

In 2022-23, one-third of all school districts retained a portion of their year-end fund balances greater than the 4 percent allowed under current law. Districts would be well-served by policies that allow flexibility on this cap, providing a greater ability to address unanticipated costs and to enact longer-term financial plans.

School districts retaining excess unrestricted funds also should be asked to apply some of that surplus to Save Harmless allocations (if eligible). Such requirements are envisioned here to apply once Save Harmless reforms proposed earlier in this report have been implemented.

For school districts not on Save Harmless:

** Allow districts to temporarily retain an additional 6 percent (for a total of 10 percent) of their budgets as an unrestricted year-end fund balance if they have a plan for spending these funds that is: approved by local voters; has a spend-down plan no longer than five years; and, is approved by NYSED.*

For school districts on Save Harmless:

** Require any excess year-end fund balance retained above 4 percent to be applied as an offset against Save Harmless allocations.*

(SSFC believes that this wholistic approach to Save-Harmless is naïve as to how school finance works. What about districts that have plans for “fund balances” of all types; or by contrast districts that have few of any funds to be used to offset the loss of Save-Harmless financial support as the report contends? Once “fund balances” of any variety are gone, their replacement is in serious trouble, even under the best of circumstances looking forward. In the for what it is worth category, the number of districts above the “4% limit” has been drastically reduced as evidenced by submissions by districts into the 2024-25 Property Tax Report Card)

Further on this topic, Susan Arbetter, anchor of the news interview program *Capital Tonight*, mentioned in her recent article about these issues, noted the following from Governor Hochul’s office:

But a spokesperson for Gov. Kathy Hochul sent an emailed statement to Capital Tonight in which the governor said she doesn’t want to phase out the “save harmless” policy.

“Governor Hochul has delivered more funding to public schools than any governor in State history, and she’s committed to continuing that support. As we craft the upcoming Executive Budget, the Governor believes we should avoid proposals that would negatively impact school budgets, such as eliminating the hold-harmless provision of the Foundation Aid formula.”

In the view of SSFC, this is obviously a refreshing tone compared to the Governor’s last foray into the Save-Harmless issue. We will look forward to the Executive budget proposal to see how the Governor addresses Foundation Aid.

Don’t be shy about starting lobby efforts soon!

Be Well,
Rick

Watch Dr. Rick Timbs' appearance on Spectrum Cable's Capital Tonight with host, Susan Arbetter. Dr. Timbs discusses the long awaited Rockefeller Report which is focused on fixing Foundation Aid for New York Schools once and for all. Unfortunately, as Dr. Timbs explains to Arbetter, overall the report touches on some really positive improvements, however in other areas it's naive and that could ultimately be problematic if the Legislature simply adopts the entire report.



[Click here or on the video to watch](#)

STATE OF POLITICS Read up on New York politics with our Capital Tonight team.

The video player shows a split-screen interview. On the left is Susan Arbetter, the host, with blonde hair and large hoop earrings, wearing a dark top. On the right is Dr. Rick Timbs, an older man with glasses and a blue sweater over a light blue collared shirt. The background behind them is a cityscape at night.

SPECTRUM NEWS **FUNDING NEW YORK'S SCHOOLS**

According to most of the experts Capital Tonight has spoken with, the Rockefeller Institute's Foundation Aid report is both thorough and thoughtful. (AP Photo/Brynn Anderson, File)

CAPITAL TONIGHT



THE BUDGET PROCESS

Refresher Roundtable Event for All

CNYSBA ROUNDTABLE EVENT

This roundtable is designed to be an open conversation for our members to ask questions, share thoughts, and hear budget process information from our guest speakers.

We are encouraging registrants to submit questions prior to the event. All questions submitted with registrations will be sent to the guest speakers prior to the roundtable.



ROUNDTABLE EVENT INFO:

January 13th, 2025

6:00pm - 7:30pm

Vitrual / Zoom

REGISTRATION INFO



<https://cnysba.org/cnysba-events/>



Zoom Information sent to email on registration



ashley@cnysba.org



DID YOU MISS OUR ROUNDTABLE EVENT...

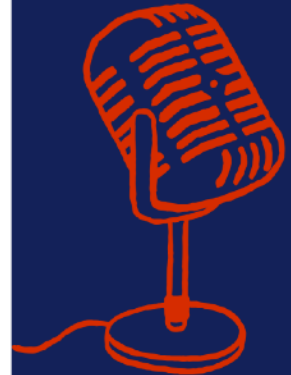


Tax Cap / Tax Levy

w/ Dr. Rick Timbs (SSFC)



REC



A RECAP OF THE EVENT INCLUDING THE ZOOM
RECORDING AND COPY OF THE PRESENTATION IS
AVAILABLE ON OUR WEBSITE.

WWW.CNYSBA.ORG

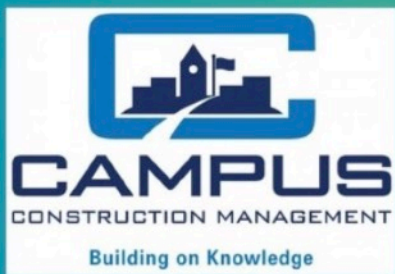
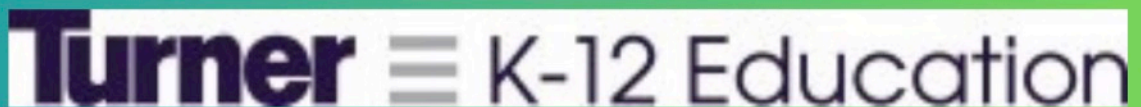


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TESTIMONY FROM TAYLOR HODGE

“Derrick participated in our monthly Coffee & Careers session for the Auburn P-TECH students at Cayuga Community College. The students are college freshmen and sophomores, pursuing degrees and work experience in mechanical engineering technology. Derrick facilitated an engaging conversation around professional boundaries and got the students thinking about their goals. He quickly got them engaged by asking the thought-provoking questions of what Mechanical Engineering Technology means to them and what would we do with our time if resources were not an option. It was a conversation that we will all remember!

Thank you again, Derrick!”



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Upcoming CNYSBA Events:

*****DISCLAIMER: DATES MAY BE SUBJECT TO CHANGE. PLEASE BE SURE TO CHECK THE WEBSITE PERIODICALLY FOR ANY UPDATES.*****

January 2025

- **January 13th, 2025** – Round-Table Event –The Budget Process Refresher – (Virtual)
– 6:00pm-7:30pm - [Click Here to Register](#)

February 2025

- **February 6th, 2025** – TST BOCES Legislative Forum – 6:00pm – 8:00pm – *Date Subject to Change – (In-Person)* – **REGISTRATION COMING SOON.**

February 8th, 2025 – OCM BOCES Legislative Forum – 9:00am – 11:00am – *Date Subject to Change – (In-Person)* **REGISTRATION COMING SOON.**

February 13th, 2025 – CiTi BOCES Legislative Forum – 6:00pm – 7:30pm – *Date Subject to Change – (Virtual)* **REGISTRATION COMING SOON.**

February 15th, 2025 – Cayuga-Onondaga BOCES Legislative Forum – 9:30am – 11:00am – *Date Subject to Change – (Virtual)* **REGISTRATION COMING SOON.**

March 2025

- **March 26th, 2025** – Round-Table Event – Mental Health Awareness - *Time TBD – Date Subject to Change – (Virtual)*

April 2025

- **April 2nd, 2025** – Round-Table Event – Recruiting/Retention/Staffing Difficulties - *Time TBD – Date Subject to Change – (Virtual)*

May 2025

- **May 21st, 2025** – CNYSBA 42nd Annual Dinner – *Time TBD* – The Lodge in Skaneateles – In-Person.

PAST CNYSBA Events:

September 2024

September 18th, 2024 (6p-9p) & September 21st, 2024 (9a-3p) – Governance & Child Abuse Mandated Reporter Training – CNYSBA Offices / In-Person

October 2024

October 2nd, 2024 – Round-Table Event – Refresher Board Member Expectations & Responsibilities - Time 6:30pm -7:30pm – (Virtual) – **RECAP/RECORDING OF THIS EVENT - [CLICK HERE](#)**

October 26th, 2024 (9a-3p) – NYS Mandated Finance Training for New Board Members – CNYSBA Offices / In-Person

November 2024

No Events

December 2024

December 4th, 2024 – Round-Table Event – Tax Cap / Tax Levy Informational Session – (Virtual) - **RECAP/RECORDING OF THIS EVENT - [CLICK HERE](#)**



FLASHBACK: [CLICK HERE FOR PHOTOS FROM THIS YEAR'S DINNER in MAY](#)

SAVE THE DATE: Next Year's Annual Dinner will be on May 21, 2025

!!! SAVE THE DATE !!!

**2025 CNY SBA
LEGISLATIVE
FORUMS**



TST BOCES

OCM BOCES

C/O BOCES

CiTi BOCES

IN-PERSON
02/06/2025

IN-PERSON
02/08/2025

VIRTUAL
02/13/2025

VIRTUAL
02/15/2025

Happy Holidays

From all of us at

Central New York School Boards Association
and the
Statewide Schools Finance Consortium

