

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



ASSOCIATION
OF SCHOOL
BUSINESS OFFICIALS



Rising to the Occasion: Investing in Student Success in Extraordinary Times

Education Organizations Support the Planned \$2.4 Billion State Aid Increase for 2022-23

This is an extraordinary time for New York's public schools. As the impact of the global COVID-19 pandemic extends into a third academic year, schools are working to make up for lost instructional time and meet a range of student needs, from mental health services to childhood nutrition. The impact of the pandemic on our state's young people has been profound, but schools and policymakers are rising to the occasion. The momentous commitment New York's lawmakers made in the fiscal year 2022 state budget to fully fund the Foundation Aid formula by 2023-24, reinforced by Governor Hochul in announcing the recent settlement of the New Yorkers for Students Educational Rights' (NYSER) case, provides great optimism that schools will have the resources needed to ensure that all students receive an education that prepares them for a successful future. It is critical that Foundation Aid is fully funded on the promised timeline, and that state lawmakers continue to recognize the investments that are necessary to address the challenges and opportunities our schools face.

In this spirit, the New York State Educational Conference Board (ECB), made up of the seven leading educational organizations representing parents, classroom teachers, school-related professionals, school boards, building administrators, superintendents, and school business officials have joined together to release this paper. In doing so, our organizations support the \$2.4 billion state aid increase for 2022-23 that is projected in the state Division of Budget's most recent update to the state's financial plan. We commend lawmakers for their commitment to Foundation Aid and also highlight three critical areas of need – student mental health, career & technical education, and prekindergarten. This paper's recommendations are designed to ensure that despite the pandemic, the state and its schools continue to work in partnership to provide all of New York's students with a quality education.

Educational Conference Board School Finance Recommendations

The seven member Educational Conference Board (ECB) member organizations support the **planned \$2.4 billion increase in school aid for 2022-23** that is included in the New York State Division of Budget's Financial Plan. This investment in education would enable progress toward the three recommendations outlined below.

Recommendation #1: Continue the Full Phase-In of Foundation Aid

Continue to phase-in full funding of Foundation Aid on the promised timeline (by 2023-24) and ensure at least a minimum level of Foundation Aid increase, consistent with inflationary trends, for all school districts.

Recommendation #2: Preserve and Fully Fund Expense-Based Aids

Preserve the expense-based aid structure and fully fund these essential reimbursements.

Recommendation #3: Invest in Three Areas of Critical Need and Opportunity

Address the student mental health crisis; strengthen career & technical education by increasing the outdated caps on BOCES salaries and special services aid; and make prekindergarten truly universal for all four year olds.

Support for the State's Plan for a \$2.4 Billion State Aid Increase for 2022-23

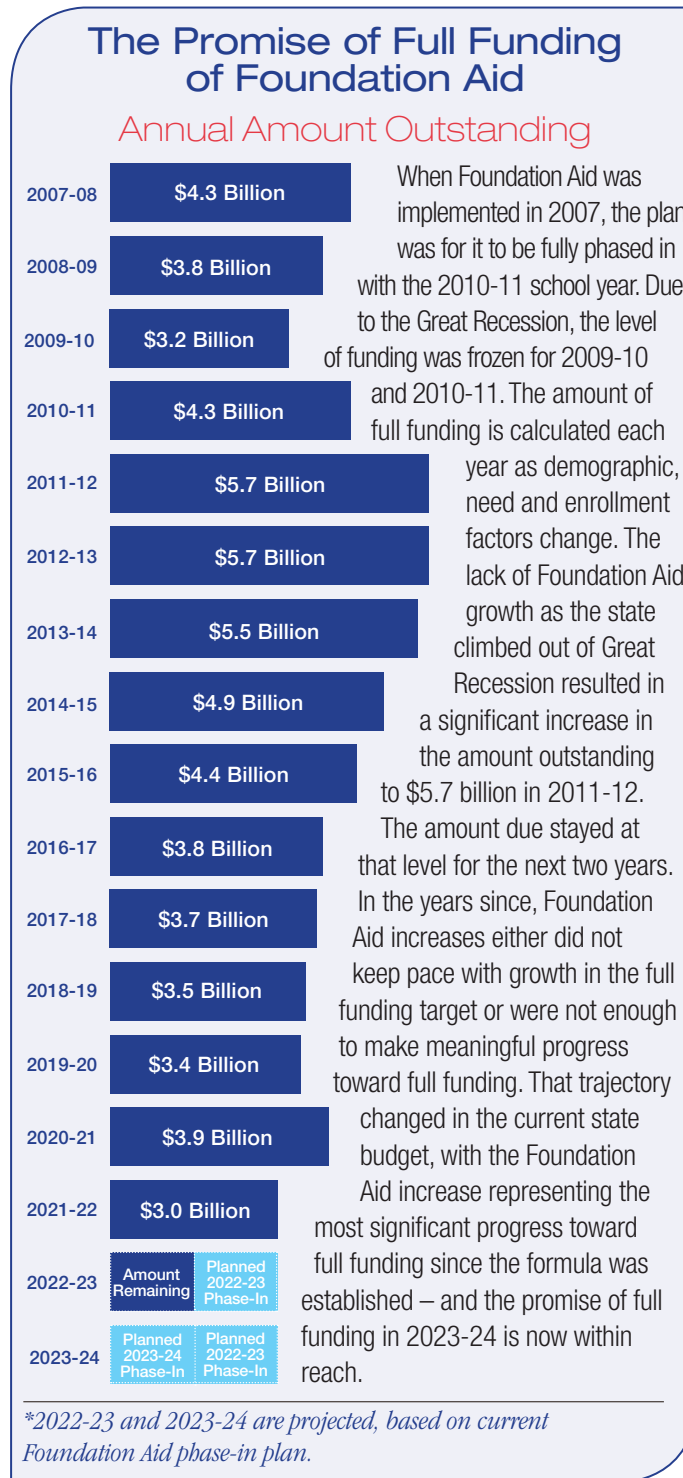
In projecting a \$2.4 billion increase in overall education funding for 2022-23, the New York State Division of Budget, in its most recent financial plan, states, "In both SY 2023 and SY 2024, growth in School Aid largely reflects the final two years of the three-year phase-in of full funding of the current Foundation Aid formula. The SY 2023 and SY 2024 projections also assume growth in expense-based aids under current law

and additional aid to provide a minimum annual increase and extra support to high-need districts.”

Given the critical effort to fund Foundation Aid, the need to preserve expense-based aid for schools, and the range of programs and services that students depend on, ECB members support the planned \$2.4 billion increase and the broader promise of fully funding the formula within the next two state budgets. In the fall of 2019, just a few months before the pandemic began, ECB highlighted a “decade of growing student needs,” including double-digit growth in the number of students who qualified for free or reduced price meals, students with disabilities, and English language learners in the state. It is critical that investments in education keep the Foundation Aid effort on track, preserve and fund expense-based aids, meet extraordinary needs, and address targeted priorities like student mental health, career and technical education, and prekindergarten. The state’s planned increase in school aid for 2022-23 will enable significant progress in these areas, as detailed in the three recommendations below.

Recommendation #1: Continue the Full Phase-In of Foundation Aid

At its core, the Foundation Aid formula enacted in 2007 was an effort to ensure that every school district has the



resources to provide a high quality education for all students. The formula took into account the amount needed to successfully educate students on a per pupil basis, a variety of student need factors, regional variations in cost, and local fiscal capacity.

After many years in which the level of Foundation Aid lagged far behind what the formula said was due to the state’s schools, the agreement to full funding that legislators made in the current year budget represents the most significant step forward in achieving the promise of Foundation Aid. The phase-in plan agreed to this year is needed to make it happen. It calls for districts to receive 50% of what is still due to them in 2022-23 and the remaining amount in 2023-24 so that all districts are at full funding.

History is within reach, but more importantly, so is an approach to school funding that will provide schools with the sustainable, predictable and adequate resources they need to support student success year after year.

All School Districts Should Receive Foundation Aid Increases

ECB calls for all districts to receive a Foundation Aid increase in 2022-23. While many school districts have a “save harmless” status with respect to the formula, this is not an accurate indicator of their resources or needs. Consider that half of the state’s high-need rural districts

are in a save harmless status for 2021-22, as are 45% of average need districts, according to a fall 2021 report from the New York State Council of School Superintendents. While many of the save-harmless districts have seen some loss of enrollment, they are also experiencing growing student needs. The formula has not been updated to account for the cost of this to all schools.

Further, schools are contending with costs influenced by a current rate of inflation that is far greater than the state tax cap's allowable levy growth factor will be for 2022-23.

Preserve the Intent of Foundation Aid: Adequate, Flexible Funding for Schools

There should be no more Community Schools “set asides” as part of Foundation Aid increases. We are supportive of Community Schools efforts that integrate comprehensive services for students and families within the school setting. This should come as a separate, dedicated Community Schools funding stream. It's inappropriate for Community Schools funding to be set aside as part of Foundation Aid, as that runs counter to the purpose of Foundation Aid, which is to provide schools with sufficient funding and flexibility to best determine how to support academic success.

Additionally, in keeping with the intent of Foundation Aid to ensure schools have adequate funding to meet student needs, the benefit of phasing in Foundation Aid should not be negated by marked increases in charter school tuition rates.

Half of high-need rural districts are in save harmless status, as are 45% of average-need districts. State aid-dependent Big 5 Districts have no ability to raise revenue on their own.

All schools need a Foundation Aid increase to help keep pace with inflation.

In any year, the state's approach to school aid must account for the fact that many schools, including the Big 5 School Districts who have no ability to raise funds on their own, are dependent on state aid to keep pace with costs. All school districts will require some level of state aid increase, consistent with inflationary trends, to allow them to maintain programs and services for students.

Recommendation #2: Preserve and Fully Fund Expense-Based Aids

For New York to have a stable and sustainable approach to school funding, two things must work in tandem: Foundation Aid and expense-based aids. Foundation Aid is flexible operating aid and expense-based aids support costs in specific areas such as transportation, BOCES, special education, library materials, and technology. The expense-based aid system works: It gives schools the ability to obtain necessary resources and services for students and to have a stable source of revenue to support these investments. For example, the role that safe and reliable student transportation plays in schools has never been more apparent, nor has the importance of technology to the learning process, or the value BOCES provides to help schools join together to meet needs and solve problems in a cost-effective manner. Expense-based aid is key to the sustainability and success of New York's schools and ECB calls for them to be preserved and fully funded for 2022-23 and beyond.

Important Context for Federal Aid

Federal education aid available to schools through coronavirus relief packages is helping schools stave off the worst fears of the impact the pandemic would have on school finances. This support is helping schools provide valuable learning opportunities, targeted interventions, and meet some urgent needs, such as safely reopening for in-person learning. However, all stakeholders and policymakers must recognize that this federal aid is one-time funding that is coming at a moment of extraordinary need. It cannot be confused with the long-term imperative of having a stable and sustainable system of state education funding for New York's schools and students. That effort must endure – and appears poised to do just that with the commitment to Foundation Aid that New York state officials have made.

Recommendation #3: Invest in Three Areas of Critical Need and Opportunity

Of all of the challenges and opportunities our educational system faces, three stand out as especially pressing in this moment: student mental health, career & technical education and prekindergarten. The overall \$2.4 billion state aid increase for 2022-23 and a long-term commitment is needed to invest in these areas.

(1) Student Mental Health: A Growing Crisis

Prior to the pandemic, a survey conducted by the New York State Council of School Superintendents showed that the mental health of students was the most widely cited concern among chief school officers. Sixty-seven percent of superintendents at that time said that improving student mental health services was one of their top three priorities for additional funding. According to a national poll conducted by the JED Foundation in the fall of 2020, as reported by Education Week, 28% of teens had experienced feelings of anxiety within the month prior to being surveyed, 21% reported difficulty concentrating, and 20% had feelings of social isolation. All of this impacts student learning. Some schools have been able to begin responding to this by increasing mental health staff and training, but the need far outweighs the resources currently available. Adequately addressing the student mental health crisis will carry a cost and state funding for 2022-23 and future years must recognize the scale and intensity of this need.

(2) Career & Technical Education

New York has been a leader in identifying the importance of pathways to the workforce and higher education through career & technical education (CTE) opportunities. However, the state's funding structure has not kept up. While CTE programs prepare students for the workforce of the future, the caps on the salaries of BOCES teachers and Special Services Aid for Big 5 school districts have not been updated in many years. This prevents school districts from receiving much

Even prior to the pandemic, educators were worried about an emerging student mental health crisis.

Investments must reflect the scale and intensity of the need so students can succeed in school and life.

needed revenue to continue to provide these opportunities for students. The continued shortage of skilled workers will only get worse if critical investments in CTE and other workforce development programs are not made.

(3) Universal Prekindergarten

Early childhood education is widely recognized for its critical role in supporting students' academic success and personal development as they advance through school. Our state has made progress toward implementing universal prekindergarten for all four year olds. Yet, funding mechanisms have not enabled all districts to establish programs or meet all of the needs that exist. Prekindergarten is generally funded through state grants that don't often keep pace with the growth in costs, which can lead to cuts in service or pressure on other areas of the budget that meet student needs. It is time to consider the potential for a recurring, allocation-based method for funding prekindergarten to ensure the sustainability of this critical investment in success.

Conclusion

A popular graphic making its way around social media lists grade levels with the last time that grade level experienced a "normal" school year (defined as one not impacted by the pandemic). As an example, the non-pandemic school year for a current eighth grade student was fifth grade. The point is clear: Students still only get one opportunity to go through our schools. Giving them the very best chance at success requires providing resources to address needs that were present before the pandemic and to respond to changing conditions. Investments in the success of students today will pay dividends in the strength of our economy and society as we look to a brighter tomorrow. We applaud the work done in the current budget to commit to the goals of Foundation Aid, and support the state's planned investment in the coming year.

The New York State Educational Conference Board is comprised of the Association of School Business Officials New York; the Conference of Big 5 School Districts; the New York State Council of School Superintendents; New York State PTA; the New York State School Boards Association; New York State United Teachers; and the School Administrators Association of New York State.