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JOINT LEGISLATIVE PUBLIC HEARING  
ON 2024-2025 EXECUTIVE BUDGET PROPOSAL ELEMENTARY AND SECONDARY  
EDUCATION TESTIMONY TO THE JOINT FISCAL COMMITTEES OF THE NEW YORK  
STATE SENATE AND NEW YORK STATE ASSEMBLY

February 1, 2024

Good afternoon. I am Marian Bott, the Education Finance Specialist for the League of Women Voters of New York State. The League publishes its positions with respect to the state financing of education in its Impact on Issues (<https://lwvny.org/wp-content/uploads/2024/01/Impact-on-Issues-2024-LWVNYS.pdf>.<sup>1</sup>)

These positions result from a series of organization studies of school finance. During my tenure since 2004, the League has testified each year at this hearing and has customarily concentrated on specific issues. Before the existence of Foundation Aid, we advocated for a regional cost index (some may not remember that we did not always have one). When Governor Pataki introduced STAR in the early 2000s, we studied the policy then fought for a property tax circuit breaker in lieu of STAR because STAR was, comparatively speaking, regressive and initially not even income limited. For several years we fought vigorously against the education tax credit. Throughout all these advocacy efforts, we supported, as court amici and as advocates, the Campaign for Fiscal Equity. Since the CFE settlement, along with the Alliance for Quality Education and many other education advocates, we have advocated many much-needed technical changes in the Foundation Aid funding formula.

POVERTY DATA:

It is appalling how little has changed, vis-à-vis the outdated student in poverty formula. The use of 2000 census data is particularly egregious; K-6 lunch counts are also known to be flawed and better data are available through schools' local sources. The Legislature should correct these formula components using alternative available student poverty data before finalizing the budget. It might be appropriate to consider the use of school districts' student count projections rather than using only averaged prior years. Hard data on school aged populations will remain a problem in the foreseeable future unless the immigrant population in our state stabilizes, and that is unlikely. Given no national census until 2030, the state should act on its own to count its student population more accurately in the interim.

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<sup>1</sup> See pages 148-160.

#### INFLATION ADJUSTMENT:

This year the Executive Budget has, as Melinda Person of NYSUT aptly stated, started a conversation by elongating the range of years for the Consumer Price Index calculation, thus reducing aid by over \$400 million via the Foundation Aid formula's operation. This Executive action not only started a conversation but introduced a threat to the security that school districts had felt that over \$1 billion in the calculated final installment of increased Foundation Aid would be forthcoming under this friendly Executive administration. We do not know whether this would have been received less negatively had the Executive staff given fair warning of the intent, but at this point the action has united both sides of the aisle in the Legislature. That may be a good result, energizing all interested parties. The League supports the use of cost adjustments for inflation that realistically reflect changes in cost year to year. A ten-year (even with removing high and low figures) retrospective does not allow school districts to keep up with cost increases that have occurred more recently than during an entire decade. This methodology should be rejected.

#### HOLD HARMLESS FEATURE OF THE FORMULA:

The League's 2006 study was largely about how schools should be financed. In short, the League found that progressive taxation should be used (a blend of the taxes our State now uses), and that the method of distribution of school funding should favor the highest need districts. League participants had a healthy debate on the topic of holding districts harmless, meaning the policy of reducing aid due to population declines. We knew it added cost to the State, and often skewed aid away from the neediest districts. This year's budget precisely demonstrates that fact. At the same time, our study results indicated that a move toward district consolidation was needed. Unfortunately, due to local resistance and a plethora of excuses, the State has not done a very good job in this regard. The State Education Department now remains saddled with the administrative responsibility not only for nearly 700 districts but also hundreds of charter schools. The League favors consolidation and efficiencies in the operation of our state's schools and encourages the Legislature to work with the State Education Department, implementing Regents' recommendations which are badly needed to modernize the system.

#### CHARTER SCHOOLS:

While the League does not oppose charter schools, it did warn that the administration and oversight was going to present problems and challenges for the state, which indeed it has. The League has called for increased accountability, particularly with respect to service to students with disabilities. The charter school lobby continues to insist that all disabilities are the same, and thus the percentage of students with disabilities does not differ from the percentage in traditional schools. These students drive up the per pupil cost dramatically. With the Executive's proposed cuts in Foundation Aid, particularly small school districts will be forced to

make difficult decisions with respect to serving families whose children have more severe disabilities. Charter schools should at the very least not present test results, when coming for charter renewal, which misrepresent data by using comparative cohorts of students that are not actually comparable.

In the early 2000s, the League advocated strongly for “charter school transition aid” because of the negative financial impact charter schools were having in the Buffalo, Albany, and Rochester school districts. The League did not push for similar aid for New York City at that time as charter school enrollment was a small fraction of total New York City enrollment. That is no longer the case, and it is unfair to exclude New York City from receiving this transition aid, since so many of our state’s charter school students are educated there.

## TITLE I

The federal Elementary and Secondary Education Act’s Title I provision has a feature that disadvantages New York State. Our State is denied full funding for our students in poverty due to a cap whereby we only receive 80% of what the formula would drive to New York State without a cap. This cap has been in existence for fifty years and needs to be removed in fairness to New York State. However, we have been advised that no action will be taken at the federal level toward a re-authorization of the ESEA prior to the next federal elections.

## TAX CAPS, FOUNDATIONS AND OTHER MEANS OF RAISING LOCAL REVENUE

When the Executive Budget negotiations are completed our local school districts will find means to fill their budget gaps. Everyone has their local knowledge base but to my knowledge there is no common database on the use of Education Foundations around our state. Nor is there a common database on other taxes that localities are using to fill budget holes. Therefore, I can only speak from local knowledge in a school district in Rye, New York. Rye, a wealthier community, has both a utility tax and an Education Foundation. Anecdotally I hear parents complain about budget cuts and cuts to services, but it is all relative. Neighboring Port Chester, a much poorer school district, cannot raise funds in the way Rye can at the local level. I am by no means suggesting that Rye should not be free to raise these revenues, but I am suggesting that when the State implemented a property tax cap (which the League opposed) it should have realized that the impact, ultimately would be detrimental in terms of equity to students in the poorest districts. This makes the role of correct poverty indicators and robust, current student enrollment counts even more important during the current immigration crisis.