



*Long Range Financial Considerations and Advocacy Topics and Strategies
for
School Boards*

Four County School Boards Association

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

*Dr. Rick Timbs
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CRRSA Act - Overview

- **Period of Fund Availability: 3/13/20-9/30/22* (*Extended to 9/30/23 with Tydings Amendment period)**

Tydings Amendment - the Tydings Amendment, Section 412(B) of the General Education Provisions Act, 20 U.S.C. 1225(B), authorizes that any funds not obligated at the end of the initial federal funding period shall remain available for obligation for an additional period of 12 months.

General data about these Federal Grants on many of the slides that follow are condensed from a presentation by the State Aid Planning Office, Questar III BOCES and are noted as such

- **By 9/30/23:**
 - Obligate funds
 - Expense goods and/or services
 - Complete FS-10F
- To be accounted for in the Special Aid Fund... NOT the General Fund as the CARES Act was...
Account for each grant separately

CRRSA Act – Sources of Funds

- Governor’s Emergency Education Relief (GEER) Fund
 - Elementary and Secondary Emergency Relief Fund (ESSER)

CRRSA – Allowable Expenditures

- See CARES Act – same allowable purposes
- Funds do not have a “supplement vs. supplant” requirement
- Funds awarded are for the public school district
 - Districts do not provide equitable services to non-publics – done through State this time

ARP Act - Overview

- Period of Fund Availability: 3/13/20-9/30/23* (*Extended to 9/30/24 with Tydings Amendment period)

Tydings Amendment - the Tydings Amendment, Section 412(B) of the General Education Provisions Act, 20 U.S.C. 1225(B), authorizes that any funds not obligated at the end of the initial federal funding period shall remain available for obligation for an additional period of 12 months.

- By 9/30/24:
 - Obligate funds
 - Expense goods and/or services
 - Complete FS-10F

• ARP Act — Source of Funds

- Funding from one federal source:
 - Elementary and Secondary Emergency Relief Fund ([ESSER](#))

Two allocations of the ARP funds to NYS schools:

- 90% directly to districts based on 2020 Title I counts
- 10% that went to NYS was distributed by formula in the State budget to individual districts

State Aid Planning Office, Questar III BOCES

General Fund Budget Implications: Supplement vs. Supplant

Supplement Example

DON'T- Hire additional staff or purchase programs that Will need to exist with money from the district's General Fund after the end of grant support to the Special Aid Fund that originally borne the cost. Such as, but not limited to:

- Teachers, aides, teacher assistants, or special duty personnel who will be needed by the district in a time period that will extend past the end of Grant fund support.
- New or enhanced programs such as those for reading, math, remediation, teacher supports, professional mentoring, professional development- that require continuous costs to be added to the General Fund that extend past the end of the Grant support.

Supplement Example

DO- Hire additional staff or purchase programs that WILL NOT need to exist with money from the district's General Fund after the end of grant support to the Special Aid Fund that originally borne the cost. Such as but not limited to:

- Teachers, aides, teacher assistants, or special duty personnel who WILL NOT be needed by the district in a time period that will extend past the end of Grant fund support.
- New or enhanced programs such as those for reading, math, remediation, teacher supports, professional mentoring, professional development- that WILL NOT require continuous costs to the General Fund that extend past the end of the Grant support.

Supplant Example

- Fund current staff or initiatives with Grant funds but keep the costs that were associated with these items in the General Fund during all or most to the grant time period.
- When grant funds end, reallocate the expense for these staff and initiatives back to the General Fund.
- Make sure that annually, the costs reallocated to the Grants escalates within the General Fund to the rate and degree needed, should there be a need to reallocate these staff or initiatives back into the General Fund at any time before the Grants funds cease to be available.
- Fund Balances secured through supplant mechanisms could be used to fund reserves; particularly Capital Reserves.

The Q & A issued by the Office of Facilities Planning (OFP) at SED (9/1/21) notes that:

- Capital project building permits will be issued in the same way as all other capital projects in terms of basic procedure.
- It also notes that a Board Resolution will be needed, no public vote is needed for projects funded entirely with CRRSA/ARPA funding. However, that projects using a combination of federal funding and other funding sources would still require voter approval for the other sources. The portion that receives voter approval would also be eligible for building aid. The source of funds would be broken out on project submission documents.

We could use guidance on:

- A SEQRA designation remains a requirement for a building permit from OFP.

Other Unresolved Issues:

- With the support of their school attorneys, it must be determined the required contents of a Board resolution approving the project acceptable to OFP and/or one that meets the requirements of the grant.
- Exactly how does a district:
 - Apply for the project through the grant (FS10 or FS10A?) What criteria and level of detail must be present?
 - Secure funds (FS25) from the grant? Includes:
 - Preplanning phase? Submission of Plans and specifications to SED OFP Phase? Bid Phase? Construction Phase(s)? What will be the role of the Final Cost Report regarding securing funds? What other reporting requirements will there be and in what level of detail?

■ http://www.oms.nysed.gov/cafe/guidance/documents/FiscalGuidelinesforFederalandStateFundedGrants_UGG_Updates_062218_Bronze.pdf.

The Role of the Tax Cap as a Major Revenue Source

Original	
Tax Cap Calculation - Estimate	
<u>2021-2022</u>	
Tax Levy - 2020-21	\$10,000,000
x Tax Base Growth Factor	1.0041
Net	\$10,041,000
+ PILOTs 2020-21	\$170,999
- Capital Levy 2020-21	(\$417,037)
Net	\$9,794,962
Allow. Growth Factor (CPI) - Est.	1.0123
	\$9,915,440
- Est. PILOTs 2021-22	(\$182,999)
+ Available Carryover	\$0
Levy Before Adjustments	\$9,732,441
+ Capital Levy 2021-22	\$516,560
Levy Limit 2021-22	\$10,249,001
Change	2.4900%
Potential Yield	\$249,001

The Role of the Tax Cap as a Major Revenue Source

Original

Tax Cap Calculation - Estimate 2021-2022				Tax Cap Calculation - Estimate 2022-2023			
Tax Levy - 2020-21		\$10,000,000		Tax Levy - 2021-22		\$10,249,001	
x Tax Base Growth Factor		1.0041		x Tax Base Growth Factor		1.0041	
	Net	\$10,041,000			Net	\$10,291,022	
+ PILOTs 2020-21		\$170,999		+ PILOTs 2021-22		\$182,999	
- Capital Levy 2020-21		(\$417,037)		- Capital Levy 2021-22		(\$516,560)	
	Net	\$9,794,962			Net	\$9,957,461	
Allow. Growth Factor (CPI) - Est.		1.0123		Allow. Growth Factor (CPI) - Est.		1.0123	
		\$9,915,440				\$10,079,938	
- Est. PILOTs 2021-22		(\$182,999)		- Est. PILOTs 2022-23		(\$182,999)	
+ Available Carryover		\$0		+ Available Carryover		\$0	
Levy Before Adjustments		\$9,732,441		Levy Before Adjustments		\$9,896,939	
+ Capital Levy 2021-22		\$516,560		+ Capital Levy 2022-23		\$516,560	
Levy Limit 2021-22	\$10,249,001			Levy Limit 2021-22	\$10,413,499		
Change	2.4900%			Change	1.6050%		
Potential Yield	\$249,001			Potential Yield	\$164,498		

9

The Role of the Tax Cap as a Major Revenue Source

Original		
Tax Cap Calculation - Estimate 2021-2022		
Tax Levy - 2020-21		\$10,000,000
x Tax Base Growth Factor		1.0041
	Net	\$10,041,000
+ PILOTs 2020-21		\$170,999
- Capital Levy 2020-21		(\$417,037)
	Net	\$9,794,962
Allow. Growth Factor (CPI) - Est.		1.0123
		\$9,915,440
- Est. PILOTs 2021-22		(\$182,999)
+ Available Carryover		\$0
Levy Before Adjustments		\$9,732,441
+ Capital Levy 2021-22		\$516,560
Levy Limit 2021-22		\$10,249,001
	Change	2.4900%
Potential Yield		\$249,001

Recalculation		
Tax Cap Calculation - Estimate 2021-2022		
Tax Levy - 2020-21		\$10,000,000
x Tax Base Growth Factor		1.0041
	Net	\$10,041,000
+ PILOTs 2020-21		\$170,999
- Capital Levy 2020-21		(\$417,037)
	Net	\$9,794,962
Allow. Growth Factor (CPI) - Est.		1.0123
		\$9,915,440
- Est. PILOTs 2021-22		(\$182,999)
+ Available Carryover		\$0
Levy Before Adjustments		\$9,732,441
+ Capital Levy 2021-22		\$516,560
Levy Limit 2021-22		\$10,249,001
	Change	1.9900%
New Potential Yield		\$199,000
New Levy		\$10,199,000
Loss compared to could have		(\$50,001)

The Role of the Tax Cap as a Major Revenue Source

Recalculation			
Tax Cap Calculation - Estimate 2021-2022		Tax Cap Calculation - Estimate 2022-2023	
Tax Levy - 2020-21	\$10,000,000	Tax Levy - 2021-22	\$10,199,000
x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041
Net	\$10,041,000	Net	\$10,240,816
+ PILOTs 2020-21	\$170,999	+ PILOTs 2021-22	\$182,999
- Capital Levy 2020-21	(\$417,037)	- Capital Levy 2021-22	(\$516,560)
Net	\$9,794,962	Net	\$9,907,255
Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0123
	\$9,915,440		\$10,029,114
- Est. PILOTs 2021-22	(\$182,999)	- Est. PILOTs 2022-23	(\$182,999)
+ Available Carryover	\$0	+ Available Carryover	\$0
Levy Before Adjustments	\$9,732,441	Levy Before Adjustments	\$9,846,115
+ Capital Levy 2021-22	\$516,560	+ Capital Levy 2022-23	\$516,560
Levy Limit 2021-22	\$10,249,001	Levy Limit 2021-22	\$10,362,675
Change	1.9900%	Change	1.6048%
New Potential Yield	\$199,000	New Potential Yield	\$163,675
New Levy	\$10,199,000	New Levy	\$10,362,675
Loss compared to could have	(\$50,001)	Loss compared to could have	(\$823)

Tax Cap Calculation - Estimate 2021-2022		Tax Cap Calculation - Estimate 2022-2023		Tax Cap Calculation - Estimate 2023-2024		Tax Cap Calculation - Estimate 2024-2025		Tax Cap Calculation - Estimate 2025-2026	
Tax Levy - 2020-21	\$10,000,000	Tax Levy - 2021-22	\$10,249,001	Tax Levy - 2022-23	\$10,413,499	Tax Levy - 2023-24	\$10,580,702	Tax Levy - 2024-25	\$10,750,657
x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041
Net	\$10,041,000	Net	\$10,291,022	Net	\$10,456,194	Net	\$10,624,083	Net	\$10,794,734
+ PILOTs 2020-21	\$170,999	+ PILOTs 2021-22	\$182,999	+ PILOTs 2022-23	\$182,999	+ PILOTs 2023-24	\$182,999	+ PILOTs 2024-25	\$182,999
- Capital Levy 2020-21	(\$417,037)	- Capital Levy 2021-22	(\$516,560)	- Capital Levy 2022-23	(\$516,560)	- Capital Levy 2023-24	(\$516,560)	- Capital Levy 2024-25	(\$516,560)
Net	\$9,794,962	Net	\$9,957,461	Net	10,122,633	Net	\$10,290,522	Net	\$10,461,173

Allow. Growth Recalculation

Tax Cap Calculation - Estimate 2021-2022		Tax Cap Calculation - Estimate 2022-2023		Tax Cap Calculation - Estimate 2023-2024		Tax Cap Calculation - Estimate 2024-2025		Tax Cap Calculation - Estimate 2025-2026	
- Est. PILOT		- Est. PILOT		- Est. PILOT		- Est. PILOT		- Est. PILOT	
+ Available Carryover		+ Available Carryover		+ Available Carryover		+ Available Carryover		+ Available Carryover	
Tax Levy - 2020-21	\$10,000,000	Tax Levy - 2021-22	\$10,199,000	Tax Levy - 2022-23	\$10,362,675	Tax Levy - 2023-24	\$10,529,043	Tax Levy - 2024-25	\$10,698,147
x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041
Net	\$10,041,000	Net	\$10,240,816	Net	\$10,405,162	Net	\$10,572,212	Net	\$10,742,010
+ PILOTs 2020-21	\$170,999	+ PILOTs 2021-22	\$182,999	+ PILOTs 2022-23	\$182,999	+ PILOTs 2023-24	\$182,999	+ PILOTs 2024-25	\$182,999
- Capital Levy 2020-21	(\$417,037)	- Capital Levy 2021-22	(\$516,560)	- Capital Levy 2022-23	(\$516,560)	- Capital Levy 2023-24	(\$516,560)	- Capital Levy 2024-25	(\$516,560)
Potential Yield	Net \$9,794,962	Net	\$9,907,255	Net	10,071,601	Net	\$10,238,651	Net	\$10,408,449
Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0123
	\$9,915,440		\$10,029,114		\$10,195,482		\$10,364,586		\$10,536,473
- Est. PILOTs 2021-22	(\$182,999)	- Est. PILOTs 2022-23	(\$182,999)	- Est. PILOTs 2023-24	(\$182,999)	- Est. PILOTs 2024-25	(\$182,999)	- PILOTs 2025-26	(\$182,999)
+ Available Carryover	\$0	+ Available Carryover	\$0	+ Available Carryover	\$0	+ Available Carryover	\$0	+ Available Carryover	\$0
Levy Before Adjustments	\$9,732,441	Levy Before Adjustments	\$9,846,115	Levy Before Adjustments	\$10,012,483	Levy Before Adjustments	\$10,181,587	Levy Before Adjustments	\$10,353,474
+ Capital Levy 2021-22	\$516,560	+ Capital Levy 2022-23	\$516,560	+ Capital Levy 2023-24	\$516,560	+ Capital Levy 2024-25	\$516,560	+ Capital Levy 2025-26	\$516,560
Levy Limit 2021-22	\$10,249,001	Levy Limit 2021-22	\$10,362,675	Levy Limit 2023-24	\$10,529,043	Levy Limit 2024-25	\$10,698,147	Levy Limit 2025-26	\$10,870,034
Change	1.9900%	Change	1.6048%	Change	1.6055%	Change	1.6061%	Change	1.6067%
New Potential Yield	\$199,000	New Potential Yield	\$163,675	New Potential Yield	\$166,368	New Potential Yield	\$169,104	New Potential Yield	\$171,886
New Levy	\$10,199,000	New Levy	\$10,362,675	New Levy	\$10,529,043	New Levy	\$10,698,147	New Levy	\$10,870,034
Loss compared to could have	(\$50,001)	Loss compared to could have	(\$823)	Loss compared to could have	(\$836)	Loss compared to could have	(\$850)	Loss compared to could have	(\$864)
Reoccurring Loss from 20-21	\$0	Reoccurring Loss from 20-21	\$0	Reoccurring Loss from 20-21	\$0	Reoccurring Loss from 20-21	\$0	Reoccurring Loss from 20-21	\$0
Reoccurring Loss from 21-22	(\$50,001)	Reoccurring Loss from 21-22	(\$50,001)	Reoccurring Loss from 21-22	(\$50,001)	Reoccurring Loss from 21-22	(\$50,001)	Reoccurring Loss from 21-22	(\$50,001)
		Reoccurring Loss from 22-23	(\$823)	Reoccurring Loss from 22-23	(\$823)	Reoccurring Loss from 22-23	(\$823)	Reoccurring Loss from 22-23	(\$823)
				Reoccurring Loss from 23-24	(\$836)	Reoccurring Loss from 23-24	(\$836)	Reoccurring Loss from 23-24	(\$836)
						Reoccurring Loss from 24-25	(\$850)	Reoccurring Loss from 24-25	(\$850)
								Reoccurring Loss from 25-26	(\$864)
Total Reoccurring Lost this year	(\$50,001)	Total Reoccurring Lost this year	(\$50,824)	Total Reoccurring Lost this year	(\$51,660)	Total Reoccurring Lost this year	(\$52,509)	Total Reoccurring Lost this year	(\$53,373)
								Grand Total Loss	(\$258,367)
								Levy Difference	(\$53,373)
								Compound Loss	(\$311,740)

Single Year Dip in Levy with Stable Capital Exclusion

Original		Over 2 % Inflation	
Tax Cap Calculation - Estimate 2021-2022		Tax Cap Calculation - Estimate 2022-2023	
Tax Levy - 2020-21	\$10,000,000	Tax Levy - 2021-22	\$10,249,001
x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041
Net	\$10,041,000	Net	\$10,291,022
+ PILOTs 2020-21	\$170,999	+ PILOTs 2021-22	\$182,999
- Capital Levy 2020-21	(\$417,037)	- Capital Levy 2021-22	(\$516,560)
Net	\$9,794,962	Net	\$9,957,461
Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0200
	\$9,915,440		\$10,156,610
- Est. PILOTs 2021-22	(\$182,999)	- Est. PILOTs 2022-23	(\$182,999)
+ Available Carryover	\$0	+ Available Carryover	\$0
Levy Before Adjustments	\$9,732,441	Levy Before Adjustments	\$9,973,611
+ Capital Levy 2021-22	\$516,560	+ Capital Levy 2022-23	\$516,560
Levy Limit 2021-22	\$10,249,001	Levy Limit 2021-22	\$10,490,171
Change	2.4900%	Change	2.3531%
Potential Yield	\$249,001	Potential Yield	\$241,170
Recalculation			
Tax Cap Calculation - Estimate 2021-2022		Tax Cap Calculation - Estimate 2022-2023	
Tax Levy - 2020-21	\$10,000,000	Tax Levy - 2021-22	\$10,199,000
x Tax Base Growth Factor	1.0041	x Tax Base Growth Factor	1.0041
Net	\$10,041,000	Net	\$10,240,816
+ PILOTs 2020-21	\$170,999	+ PILOTs 2021-22	\$182,999
- Capital Levy 2020-21	(\$417,037)	- Capital Levy 2021-22	(\$516,560)
Net	\$9,794,962	Net	\$9,907,255
Allow. Growth Factor (CPI) - Est.	1.0123	Allow. Growth Factor (CPI) - Est.	1.0200
	\$9,915,440		\$10,105,400
- Est. PILOTs 2021-22	(\$182,999)	- Est. PILOTs 2022-23	(\$182,999)
+ Available Carryover	\$0	+ Available Carryover	\$0
Levy Before Adjustments	\$9,732,441	Levy Before Adjustments	\$9,922,401
+ Capital Levy 2021-22	\$516,560	+ Capital Levy 2022-23	\$516,560
Levy Limit 2021-22	\$10,249,001	Levy Limit 2021-22	\$10,438,961
Change	1.9900%	Change	2.3528%
New Potential Yield	\$199,000	New Potential Yield	\$239,961
New Levy	\$10,199,000	New Levy	\$10,438,961
Loss compared to could have	(\$50,001)	Loss compared to could have	(\$1,209)

What happens when Inflation stays high?

Related Issues:

- The Concern for a State Funding Cliff
 - The State's Expenses for Foundation Aid coupled with growth in Expense Driven Aids creates a significant escalation in state costs.
 - The State's significant escalation in state costs are rapid and exist until at least 2023-24.
 - What happens in 2024-25 and beyond relative to the State's willingness to continue at this escalating level of support with state funds?
 - In the same time periods as above, it is quite likely that School District fixed costs and contractual obligations will also have escalated, perhaps significantly.
 - In the same time period, there are likely to be increases in the expectations of communities to create, provide and maintain additional services and amenities.
 - What will be the size of the difference between School Districts costs coupled with community expectations and the State's ability to continue support on an escalating level?
 - Are there are similar ramifications related to the Federal Funds?
- The Existence of a Tax Cap
 - Inflation, Changing PILOTs, Changing Capital Exclusion

Related Issues:



- Further guidance is needed at least in some critical areas:
 - What can and can't be done with the Federal Funds, particularly with Capital Projects?
 - To what degree will supplement vs. supplant exist in School District operations?
 - To what degree will the presence of Federal funds allow the reallocations of General Fund Monies?
- As a practical matter:
 - With presence of increased state aid, should School District plan to tax under the cap? If so, is there a downside to the practice?
 - With all these funds coming to School Districts will there be need to increase taxes at all in the near term and particularly if outside funds are exhausted ?
 - Even though certain expenses are permissible with Federal funds is there a downside to their possible use?
 - What investments of Federal funds will also save money in the long-term and allow School Districts to maintain a healthy fiscal condition after the Federal funds have expired?
 - What is the process and timing of the receipt of Federal funds and how will they be audited?

01/17/22	E(FA0198) 00 2021-22 FOUNDATION AID	E(FA0197) 00 2022-23 FOUNDATION AID	\$ Difference	% Difference	Save-Harmless Increase	Under-Funded Increase
CANANDAIGUA	\$19,315,511	\$19,894,976	\$579,465	3.00%	\$579,465	
DUNDEE	\$8,151,490	\$8,396,034	\$244,544	3.00%	\$244,544	
EAST BLOOMFIEL	\$6,664,850	\$6,967,044	\$302,194	4.53%		\$302,194
GANANDA	\$6,075,048	\$6,575,878	\$500,830	8.24%		\$500,830
GENEVA	\$21,523,101	\$23,358,196	\$1,835,095	8.53%		\$1,835,095
GORHAM-MIDDLES	\$10,910,952	\$11,238,280	\$327,328	3.00%	\$327,328	
HONEOYE	\$5,853,580	\$6,029,187	\$175,607	3.00%	\$175,607	
LYONS	\$11,261,524	\$12,193,510	\$931,986	8.28%		\$931,986
MANCHSTR-SHRTS	\$6,882,534	\$7,930,511	\$1,047,977	15.23%		\$1,047,977
MARION	\$8,717,712	\$8,979,243	\$261,531	3.00%	\$261,531	
N. ROSE-WOLCOT	\$13,284,577	\$13,683,114	\$398,537	3.00%	\$398,537	
NEWARK	\$23,026,235	\$25,081,266	\$2,055,031	8.92%		\$2,055,031
PENN YAN	\$11,089,909	\$11,422,606	\$332,697	3.00%	\$332,697	
PHELPS-CLIFTON	\$14,762,811	\$16,155,702	\$1,392,891	9.44%		\$1,392,891
SENECA FALLS	\$9,893,207	\$11,363,260	\$1,470,053	14.86%		\$1,470,053
SODUS	\$12,524,582	\$12,900,319	\$375,737	3.00%	\$375,737	
SOUTH SENECA	\$8,890,580	\$9,157,297	\$266,717	3.00%	\$266,717	
WAYNE	\$11,533,638	\$12,249,204	\$715,566	6.20%		\$715,566
WILLIAMSON	\$8,208,125	\$8,577,751	\$369,626	4.50%		\$369,626

I
AID PROGRAMS
A. FOUNDATION AID

[NYSEL §3602 (2 and 4), and §211-d]
(2021-22 Estimated Total - \$19,811.8 Million)

Foundation Aid, first enacted in 2007-08, is the largest unrestricted aid category supporting public school district expenditures in New York State. This year it represents approximately 67.5% of the total State Aid received by districts statewide.

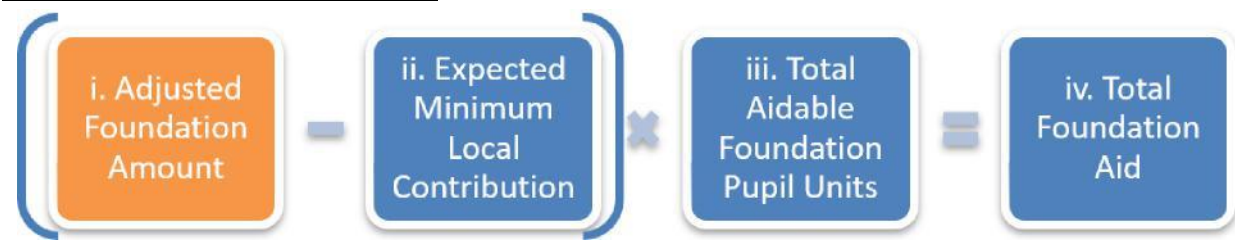
1. TOTAL FOUNDATION AID CALCULATION

Total Foundation Aid has three main components:



- i. A State-specified expenditure per pupil, called the Adjusted Foundation Amount, to which the State and school districts will contribute.
- ii. A State-specified Expected Minimum Local Contribution per pupil (based on a computed tax rate or local share formula) representing each district's contribution to the Adjusted Foundation Amount per pupil.
- iii. The number of Selected Total Aidable Foundation Pupil Units (TAFPU) in the district.
- iv. A calculation of Total Foundation Aid based on the previous components

i. Adjusted Foundation Amount



The Adjusted Foundation Amount (AFA) is the per pupil level of spending as determined by statute to be provided through the state and local partnership. This amount is adjusted for student need, regional cost differences, and annually adjusted for inflation. The formula is as follows:

$$AFA = \text{Foundation Amount} \times \text{CPI change} \times \text{Phase-in Foundation Percent} \times \text{Regional Cost Index (RCI)} \times \text{Pupil Need Index (PNI)}$$

For the 2021-22 aid year, the AFA before districts' RCI or PNI is applied = \$6,835 × 1.012 × 1.0 = \$6,917.

This is a problem

¹ The asterisked amounts are those based on updated statistical analysis of the costs of general education instruction in successful school districts

$$AFA = \text{Foundation Amount} \times \text{CPI change} \times \text{Phase-in Foundation Percent} \times \text{Regional Cost Index (RCI)} \times \text{Pupil Need Index (PNI)}$$

Foundation Amount (FA) and Phase-in Foundation Percent

The Foundation Amount reflects the average per pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of the costs of general education in successful school districts which is periodically updated. In years when it is not updated, it is adjusted annually to reflect the percentage change in the consumer price index. The second to the last column of the table below shows the CPI-adjusted Foundation Amounts for each year, with the last row containing the amounts for the current aid year.

	Foundation Amount	1 + CPI change	Foundation Amount X CPI chg.	Phase-in Foundation Percent
2007-08	4,695 ¹	1.120	5,258	1.0768
2008-09	5,258	1.029	5,410	1.0526
2009-10	5,410	1.038	5,616	1.0250
2010-11	5,708 ¹	0.996	5,685	1.0768
2011-12	5,685	1.016	5,776	1.1314
2012-13	5,776	1.032	5,961	1.1038
2013-14	5,926 ¹	1.021	6,050	1.0768
2014-15	6,050	1.015	6,141	1.0506
2015-16	6,141	1.016	6,239	1.0250
2016-17	6,334 ¹	1.001	6,340	1.0000
2017-18	6,340	1.013	6,422	1.0000
2018-19	6,422	1.021	6,557	1.0000
2019-20	6,557	1.024	6,714	1.0000
2020-21	6,714	1.018	6,835	1.0000
2021-22	6,835	1.012	6,917	1.0000

Regional Cost Index (RCI)

The Regional Cost Index reflects an analysis of labor market costs based on median salaries in professional occupations that require similar credentials to those of positions in the education field, but not including those occupations in the education field. The 2006 Regional Cost Index specified by statute for the nine labor force regions is as follows:

Labor Force Region	Index
Capital District	1.124
Southern Tier	1.045
Western New York	1.091
Hudson Valley	1.314
Long Island/NYC	1.425
Finger Lakes	1.141
Central New York	1.103
Mohawk Valley	1.000
North Country	1.000

This is a problem:

- 2006?
- The regions are too broad

AFA = Foundation Amount × CPI change × Phase-in Foundation
Percent × Regional Cost Index (RCI) × Pupil Need Index (PNI)

Pupil Need Index (PNI)

= 1 + Extraordinary Needs (EN) Percent (Min = 1, Max = 2)

EN percent = $\frac{\text{Extraordinary Needs (EN) Count}}{\text{Base Year K-12 Public School Enrollment}} \times 100$

EN Count = Poverty Count + (English Language Learner Count × 0.5) + Sparsity Count

Poverty Count = (0.65 × Lunch Count) + (0. 65 × Census Count)

Lunch Count=

$\frac{2017-18 + 2018-19 + 2019-20 \text{ K-6 Free \& Reduced Price Lunch Applicants}}{2017-18 + 2018-19 + 2019-20 \text{ K-6 Public School Enrollment}} \times$
Base Year K-12 Public School Enrollment

Census Count = Based on the 2000 Census as tabulated by the National Center on Education Statistics, the number of persons age 5-17 enrolled in the public school district and whose families had income below the poverty level divided by the number of persons age 5-17 in the school district × Base Year K-12 Public School Enrollment.

English Language Learner (ELL) Count = Base year enrollment of pupils who speak a language other than English at home and demonstrate English language proficiency below the “Commanding (Proficient)” level.

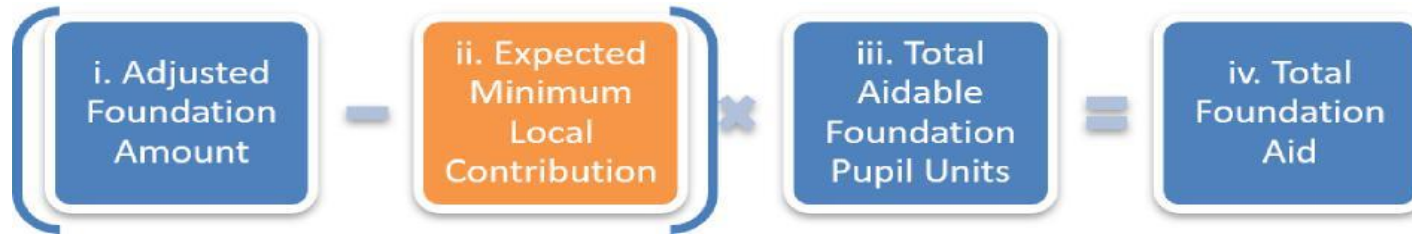
Sparsity Count = For school districts operating grades K through 12, base year public school enrollment multiplied by a sparsity factor calculated as follows:

$\frac{25.0 - \text{Base Year Enrollment per Square Mile}}{50.9}$

This is a problem:

- .65. .5, 50.9 Where did these metrics come from (and they are all multipliers!)?
- Min and Max limitations?
- FRPL?

Expected Minimum Local Contribution per Pupil



The lesser of a per pupil amount based on a computed tax rate (A) or a per pupil amount based on a calculated state sharing ratio (B).

This is a problem:

- **.0161** Where did this metric come from (and it is a multiplier!)?
- **Min and Max limitations?**
- **.65 min and 2.00 Max?**

$$\left(\frac{\text{Selected Actual Value}}{\text{TWFPU}} \right) \times \text{Local Tax Factor (LTF)} \times \text{Income Wealth Index (IWI)}$$

Selected AV

The lesser of 2018 Actual Value or the average of 2018 and 2017 Actual Value.

Total Wealth Foundation Pupil Units (TWFPU)

The sum of the (i) average daily membership for the year prior to the base year, plus (ii) the full-time equivalent enrollment of resident pupils attending public school elsewhere, less the full-time equivalent enrollment of nonresident pupils, plus (iii) the full-time equivalent enrollment of resident pupils with disabilities attending a Board of Cooperative Educational Services full time.

Local Tax Factor (LTF): For the 2021-22 aid year, the LTF is 0.0161.

Income Wealth Index (IWI)

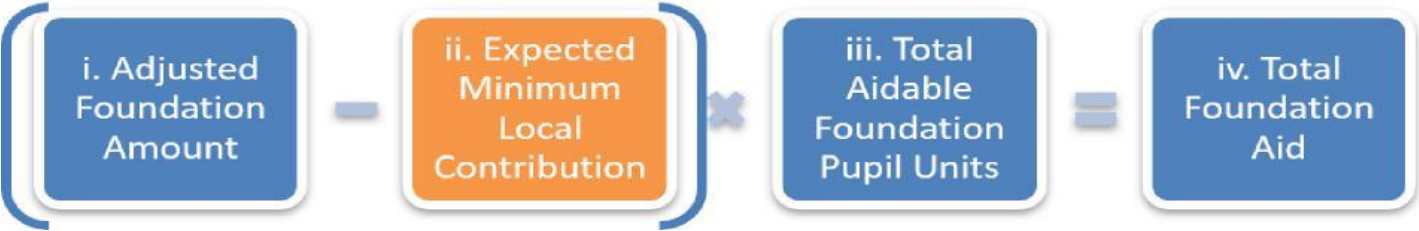
IWI (min = 0.65, max = 2.00) =

$$\frac{\text{2018 Adjusted Gross Income AGI}}{\text{2019-20 TWFPU}}$$

\$306,100

The IWI divisor is the statewide average AGI per TWFPU, defined as the 2017 State Total AGI divided by 2019-20 State Total TWFPU.

Expected Minimum Local Contribution per Pupil



The lesser of a per pupil amount based on a computed tax rate (A) or a per pupil amount based on a calculated state sharing ratio (B).

B. Expected Minimum Local Contribution per Pupil =

$$\text{Adjusted Foundation Amount} \times (1.00 - \text{Foundation Aid State Sharing Ratio})$$

Foundation Aid State Sharing Ratio (FASSR) = the greatest of the four following ratios (max = 0.900):

1.37	–	(1.23	× FACWR)
1.00	–	(0.64	× FACWR)
0.80	–	(0.39	× FACWR)
0.51	–	(0.173	× FACWR)

For high need/resource-capacity districts, the Foundation Aid State Sharing Ratio is multiplied by 1.05.

Foundation Aid Combined Wealth Ratio (FACWR) =

FACWR = 0.5 ×	<u>District Selected AV/2019-20 TWPU</u>	+ 0.5 ×	<u>District Selected AGI / 2019-20 TWPU</u>
	\$689,800		\$231,300

- This is a problem:**
- **State Sharing Ratio Ranges...Where did these metrics come from (and they are all multipliers!)?**
 - **Note the 50/50% CWR??**

Selected Total Aidable Foundation Pupil Units (TAFPU)



This is a problem:

- **.12, 1.41** Where did these metrics come from (and they are all multipliers!)?

Selected TAFPU: For the purposes of computing Foundation Aid, districts may select the TAFPU calculated for the current aid year, or the average of the TAFPU calculated for the current year and the TAFPU calculated for the base year. In determining the average TAFPU, current year TAFPU definitions are used for both years.

Weighted Foundation Pupils with Disabilities (WFPWD) =

1.41¹ multiplied by the full-time equivalent enrollment of pupils with disabilities determined by a school district committee on special education to require any of the following services, and who receive such services **from the school district of attendance** during the year prior to the base year:

- A. Placement for 60% or more of the school day in a special class, or
- B. Home or hospital instruction for a period of more than 60 days, or
- C. Special services or programs for more than 60% of the school day, or
- D. Placement for 20% or more of the school week in a resource room or requiring special services or programs including related services for 20% or more of the school week, or in the case of pupils in grades seven through twelve or a multi-level middle school program as defined by the Commissioner or in the case of pupils in grades four through six in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or
- E. At least two hours per week of direct or indirect consultant teacher services

PLUS

0.5 multiplied by the full-time equivalent enrollment of declassified pupils. Declassified pupils are pupils in their first year in a full-time regular education program after having been in a special education program.

Total Aidable Foundation Pupil Units (TAFPU) =
(2019-20 Average Daily Membership (ADM)

× Base Year Enrollment Index)
+ (2019-20 Summer ADM × 0.12)
+ (2019-20 Weighted Foundation Pupils with Disabilities)

Foundation Aid 21-22 \$19,816,470,010		Hypothetical Estimation of the Potential Growth of State Aid		
Remaining Underfunded for 2021-22	Half Payment of Underfunded for 22-23	Half Payment of Underfunded for 23-24	Half Payment of Underfunded for 24-25	Half Payment of Underfunded for 25-26
(\$3,037,581,938)	(\$1,518,790,969)	(\$1,518,790,969)	\$0	\$0
Foundation Aid to Save-Harmless	Scenario 3.0% Increase in Save-Harmless Foundation Aid for 22-23	Scenario 3.0% Increase in Save-Harmless Foundation Aid for 23-24		
\$2,711,579,692	\$2,792,926,933	\$2,874,274,174		
	\$81,347,241	\$83,787,808		
	Scenario Foundation Aid for 2022-23	Scenario Foundation Aid for 2023-24	Scenario 3.0% Increase in Foundation Aid for 24-25	Scenario 3.0% Increase in Foundation Aid for 25-26
	\$21,416,608,220	\$23,019,186,997	\$23,709,762,607	\$24,421,055,485
	\$ Increase Foundation Aid	\$ Increase Foundation Aid	\$ Increase Foundation Aid	\$ Increase Foundation Aid
	\$1,600,138,210	\$1,602,578,777	\$690,575,610	\$711,292,878
Cumulative Total				
	% Increase Foundation Aid	% Increase Foundation Aid	% Increase Foundation Aid	% Increase Foundation Aid
	8.07%	7.48%	3.00%	3.00%
*Executive Budget Proposal with 3% Increase Scenario after 2023-24				Foundation Aid 26-27 \$25,153,687,150 26-27 Increase by 3.0% \$732,631,665

<div> <div>All State Aid 21-22</div> <div>\$28,676,517,897</div> </div>				
Foundation Aid 21-22	Scenario Foundation Aid for 2022-23	Scenario Foundation Aid for 2023-24	Scenario 3.0% Increase in Foundation Aid for 24-25	Scenario 3.0% Increase in Foundation Aid for 25-26
\$19,816,470,010	\$21,416,608,220	\$23,019,186,997	\$23,709,762,607	\$24,421,055,485
Non-Foundation Aid 21-22	Scenario Non-Foundation Aid 22-23 (5.3%)	Scenario Non-Foundation Aid 23-24 (+3.0%)	Scenario Non-Foundation Aid 24-25 (+3.0%)	Scenario Non-Foundation Aid 25-26 (+3.0%)
\$8,860,047,887	\$9,330,914,714	\$9,610,842,155	\$9,899,167,420	\$10,196,142,443
All State Aid 21-22	Scenario All State Aid 22-23	Scenario All State Aid 23-24	Scenario All State Aid 24-25	Scenario All State Aid 25-26
\$28,676,517,897	\$30,747,522,934	\$32,630,029,152	\$33,608,930,027	\$34,617,197,928
Increase Over Previous Year	\$2,071,005,037	\$1,882,506,218	\$978,900,875	\$1,008,267,901
Cumulative Total	\$2,071,005,037	\$3,953,511,255	\$4,932,412,130	\$5,940,680,031
	% Increase All State Aid 22-23	% Increase All State Aid 23-24	% Increase All State Aid 23-24	% Increase All State Aid 25-26
	7.22%	6.12%	3.00%	3.00%
<div> <div>All State Aid 26-27</div> <div>\$35,655,713,866</div> <div>Increase by 3.0%</div> <div>\$1,038,515,938</div> </div>				
*Executive Budget Proposal with 3% Increase Scenario after 2023-24				

State Aid and Related Recommendations for 2022-23



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

1. **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](#). $(\$6,835 \times 1.0120 \times 1) = \underline{\$6,919}$

 - 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)

2. **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.- 3. **Increased weighting of the following Foundation Aid formula factors: CWR, FRPL/Direct Certification, Census/SAIPE, ELL, SWD and expand the Sparsity formula elements into different degree levels.**
 - Add more weighting to this item in the formula to promote equity and adequacy

4. Revise the calculation of the CWR

- 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)

5. Create and use Better and more accurate Measures of Poverty and Regional costs

- Replace the 2000 Census with SAIPE
- Replace FRPL with Direct Certification
- Expand Direct Certification to Include more measures of poverty such as SNAP, HEAP, Medicaid)

6. Remedy the problems due to inaccuracies and Community Eligibility Provision (CEP).

- Also, some reasonable accommodation must be made for district that have entered programs that grant all children free lunch/breakfast (Lack of FRPL documentation); there must be a transition to Direct Certification.

7. Eliminate the Income Wealth Index floor (IWI floor = zero)

8. Maintain all new initiatives as unrestricted aid (Community Schools Set-Aside)

9. Rationally determine the level of support for save harmless districts based on wealth and demographics of students (Equity)

- The distribution of any funds of significance to districts with CWR above 1.75 promotes inequity

10. 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. Annual attempts to combine, alter, supplant funding streams with multiple financial schemes has not provided remedy to the state's financial obligations to school districts. The creation of any "Combined Services Aid" notion is totally unacceptable: In the past such attempts to consolidate aid categories have included:

- BOCES Aid, Textbook Aid, Software Aid, Library Materials Aid, Computer Hardware and Technology Aid, Supplemental Public Excess Cost Aid, Transportation Aid including Summer Transportation Aid, Special Services Aid, Academic Enhancement Aid, High Tax Aid, Charter School Transitional Aid

Other Related Aid issues:



- 4. 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 on BOCES Aid (Ramp in to \$60-65,000)
- 5. 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.**
- 6. 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.**
- 7. All Smart School Bond Act monies should be released in expedited fashion.**
- 8. All aid due to school districts in the "Prior Year Aid Queue" must be paid on an accelerated basis.**
- 9. Increase RPTL §1318 to at least 10% 4% is SIMPLY TOO LOW!!!**
- 10. The state must reevaluate its state aid initiatives every 2 years for equity, adequacy, and sustainability**

Foundation Aid Questions

1. What good comes from funding a flawed formula?
2. What happens in 2022-23 and 2023-24 to the Save Harmless Districts?
3. What happens in 2022-23 and 2023-24 to the ALMOST Save Harmless Districts?
4. What happens when all districts reach “Full Funded” status.
5. “Costing Out”- The Foundation Amount- will it be done? By whom? How? By when?
6. How will all of this inform Long Range Financial analysis and Plans?

Other Aid Questions

1. Will there be changes to Expense Driven Aids?
2. If so, how and when?
3. How much notice will be given for any changes to other aid categories?
4. How will all of this inform Long Range Financial analysis and Plans?

NYSED Related Issues

Due to grant and district time limitations and restrictions, cashflow issues and the potential negative affect of reimbursements on the tax cap, there is an immediate and significant need for additional funding for greater resources at NYSED:

- **Federal Funds Division**
- **Office of Facilities Planning**
- **State Aid Division**
- **Smart Schools Program Operations**

Let's Talk Advocacy Strategy:

- 1. Advocacy is not an event; it is a process**
- 2. Don't go it alone, bring key communicators and influencers**
- 3. Practice the Advocacy Process... Who says what and when**
- 4. Many Hands Make Light work**

Legislative Asks:

Equity, Adequacy, Predictability, Sustainability

Preamble: School Districts consider the 2007-08 Foundation Aid formula, its general concepts, construct and promulgation sacrosanct.

School districts believe that the Foundation Aid formula must be quickly improved in the following areas:

- 1) The further development of more equitable distribution of funds among school districts based on accurate representations of fiscal capacity and poverty as well as the demographics of the student population relative to our educational mission.
- 2) The adequacy of funds within the formula based on the actual costs of education for each school district that allows it to achieve their educational mission, under the obligations contained in state law and regulation.
- 3) The development of a distinct phase-in plan over the next few years for an improved Foundation Aid formula to accomplish equity and adequacy so that state aid is significantly more predictable for each school district.
- 4) The development of a sound financial plan to sustain state aid to school districts by the state.

Questions? Comments?