





- Sixty one percent (61%) of our districts have 1000 or less students, with the majority of these districts having less than 700 students.
- Our districts are located in communities that are very constrained by the amount of revenue that can be generated locally due to the tax cap.
- Although most of the districts are considered of "average" wealth because they have a Combined Wealth Ratio (CWR) of 1.0, many have a high percentage of students with special needs: they are poor, in foster care, and/or are homeless.
- Many of our districts have more than 50% of their students that qualify for the Free and Reduced Lunch Program (FRLP), with some significantly higher.
- We also have several districts that appear wealthier because they have a high CWR, due to the presence of expensive lake-front property located within their district boundaries despite the number of residences that are of low income. Because the formula gives equal weight to both income and property wealth, these districts appear wealthier than they are and as a result, they receive less aid.
- Over the past several years, our districts received only a relatively small amount of Foundation Aid. These factors, combined with the inability of districts to generate revenue locally based on the tax cap, has continued to impose significant financial constraints on our districts. The Governor's proposed 2018-19 budget will do little, if anything, to address the challenges our districts face.

It is for these and other reasons, we urge the Legislature to implement the following recommendations:

#### **Aid to Education:**

The Governor's proposed 2018-19 budget only includes \$338 million for Foundation Aid which is inadequate funding to support our schools and more importantly our students. The Governor's budget also includes \$50 million in community school funding as a Foundation Aid set aside which is included in the \$338 million Foundation Aid number, further reducing the amount of Foundation Aid to \$288 million. Again, it must be underscored that this is NOT adequate funding to support our schools and students. This is true statewide but is particularly problematic for our districts because as indicated, many of our districts are classified as "average need" despite the growing and significant needs our students face. As a result, our districts continue to be disproportionately hit by the Foundation Aid formula. The Governor's proposed 2018-19 budget is no exception.

Based on these factors, we recommend the following:

#### **A. Fund and Adjust the Foundation Aid Formula:**

The Foundation Aid formula was put in place over a decade ago as part of an effort to provide for a transparent, equitable, and reliable funding stream for school districts. While it is essential that the Foundation Aid formula continue, it is important to note that several key factors have changed—specifically the enactment of local tax cap. With the implementation of the tax cap, it is critical that the Foundation Aid formula be adequately funded and modified in the following manner:



**Recommendation:**

- Review and Update the Foundation Aid Amount which currently is \$6,340.00 per pupil.
- Since the great recession, area school districts have seen a notable increase in the number of students who qualify for the Free and Reduced Lunch Program for School Lunch (the FRLP count) each year. The Foundation aid formula was designed prior to the "great recession" and the tax cap. To this end, the formula must adjust the weighting factor for the FRLP to reflect large increases in this population.
- Reduce the Income Wealth Index (IWI).
- Maintain the "SAVE Harmless" provision. While many districts have lost enrollment, the decrease is generally not sufficient to reduce staffing.
- Provide a minimum increase in Foundation Aid to all school districts.

**B. Eliminate the Provision Which Caps Expense Aids:**

As indicated, the Governor's proposed 2018-19 budget proposes to cap expense aids at 2% of the base year. These are expenditures that districts incur for the delivery of essential programs and services and for which they are reimbursed.

Capping these expenditures at 2% growth each year will only create additional significant financial strain on our districts and will mean that districts will not have the resources they require to meet their legal obligations. This will impact their ability to serve students with disabilities, transport students and meet other obligations. It also reduces the incentives that have been put into place statutorily and fiscally to encourage districts to collaborate through BOCES to provide services to students including those who are disabled as well as those who participate in highly successful career and technical education (CTE) programs.

This change, coupled with the tax cap would be very problematic for districts.

**Recommendation:**

- This proposed change should be rejected.

**C. Eliminate the Provision That Changes the Way Summer School Special Education is Reimbursed:**

Under current law, all districts providing Summer School Special Education are reimbursed 80 percent for eligible expenditures. The Governor's 2018-19 budget proposes to change the reimbursement methodology for Summer School Special Education by imposing a wealth-equalized aid ratio. This will result in further aid reductions for many of our districts.

**Recommendation:**

- This proposed change should be rejected.



**D. Increase the \$30,000 Threshold on BOCES Aid for Career and Technical Education (CTE) programs:**

Career and Technical Education (CTE) Programs provide students with essential skills that prepare them for college and careers. However, the existing state aid formula for CTE programs operated by BOCES only provides aid for the first \$30,000 of a BOCES' instructors salary, although the average salary is now \$65,000.

**Recommendation:**

- Increase the aidable salary for CTE instructors to 100%.

**E. Building Aid for Small Capital Projects:**

Current law allows school districts to be reimbursed for base year capital outlay expenses *for one project each year* that has a total cost of \$100,000 or less without being subject to the lengthy assumed amortization schedule that otherwise exists. This helps districts to undertake smaller, but important capital projects, receive aid much quicker, while saving the State money on interest payments. The threshold amount of \$100,000 was established in 2002 and not increased since that time.

**Recommendation:**

- Raise the threshold amount to \$250,000 which will assist districts in making critical improvements.

In closing, we urge the Legislature to implement these recommendations as part of the 2018-19 budget process to ensure that all districts have the resources to provide our students with the programs, opportunities and skills they require to graduate and enter college or the workforce. On behalf of the WSWHE BOCES and all the 31 school districts, we thank you for your time and consideration of these most important recommendations.