



Testimony of the New York State School Boards Association Presented to the New York State Senate Committee on Finance and the New York State Assembly Committee on Ways and Means

January 29, 2025

My name is Brian Fessler and I am the Chief Advocacy Officer for the New York State School Boards Association (NYSSBA). I appreciate the opportunity to offer our response and reactions to the executive budget proposal before the Senate Committee on Finance, the Assembly Ways and Means Committee, Chair Krueger and Chair Pretlow, and all committee members on behalf of the 676 member school boards we serve.

Our testimony addresses:

Executive Proposals

- School Aid
- Universal School Meals
- Student Use of Smart Devices
- School Aid Database Freeze
- Staff Recruitment and Retention
- Early Childhood

NYSSBA Requests for Additional Budget Action

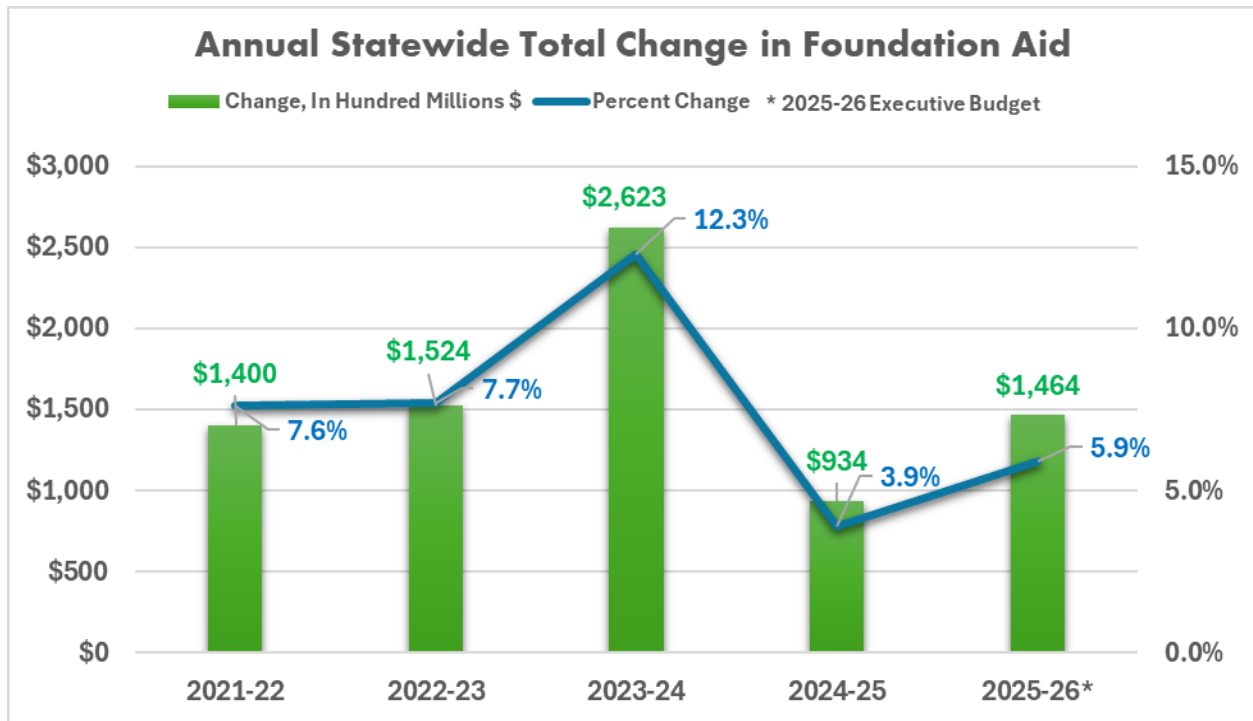
- Zero-Emission School Buses
- Career and Technical Education
- Prior Year Aid Claims
- Medicaid in Schools
- Local Budget Management

Executive Proposals

School Aid

The executive budget proposes a formula-based school aid increase of \$1.69 billion, or 4.8%, over 2024-25 levels. The aid increase would be driven through a \$1.46 billion increase in Foundation Aid and a \$230 million increase (2.2%) in expense-based and other traditional categorical aids (such as transportation and BOCES aid).

The proposal’s Foundation Aid package would include a \$1.46 billion increase, or 5.9%, over 2024-25 levels, for a total of \$26.4 billion. This includes a guaranteed minimum 2% increase in Foundation Aid for all districts. Approximately 380 (or more than 55%) of the state’s school districts would receive the minimum increase under the executive’s proposal.



The executive budget also proposes to change two elements of the Foundation Aid formula which attempt to reflect low-income student enrollment: replacing 2000 Census poverty data with the most recent Census Small Area Income and Poverty Estimates (SAIPE) data, and replacing the usage of Free- and Reduced-Price Lunch (FRPL) data with economically disadvantaged data. The proposal also slightly adjusts support for high-need districts, by shifting upward the maximum state sharing ratio within the formula.

NYSSBA is pleased and encouraged to see a proposal that returns to meaningful funding increases, following last year’s proposed repeal of save harmless and lower than expected increases for all remaining districts. When adjusting for student-need data adjustments, this year’s proposal fully-funds all districts, with crucial guaranteed minimum increases included. While it is important to acknowledge that this proposal will not alleviate budgetary challenges for all districts, NYSSBA is appreciative of these proposed increases.

Further, replacement of sorely outdated 2000 census poverty data and imperfect FRPL data is consistent with recommendations NYSSBA has stressed in recent years. While these initial formula updates are limited in their scope, we hope that this is simply the first step in a thoughtful and meaningful process of comprehensive formula improvements.

The Rockefeller Institute’s December 2024 report on Foundation Aid offers a thoughtful and detailed “menu of options” with regard to additional formula updates, adjustments and improvements. However, it is important to note that while the report offers dozens of

recommendations, such recommendations are made independently of one another. One recommendation does not assume or incorporate the impact of other recommendations. Further, the report states that a “more complete analysis” could have been done if more time were allowed.

Over the next few years, we encourage lawmakers to consider continued revisions to the formula. Notable items not addressed in the executive’s proposal include updates and improvements to the assumed or actual cost of educating students in successful schools (or the “Foundation Amount”), how the property tax cap interplays with Foundation Aid, elimination of set-asides, reviewing student-need weightings, adjustments to local wealth methodologies and alternative regional cost methods, among others. Such work should also include how best to determine an accurate special education cost formula, whether within or outside of the Foundation Aid formula.

Universal School Meals

The executive budget proposes an additional \$160 million to ensure school districts are fully reimbursed for all meals served, putting total state support at \$340 million in the upcoming year. The new Universal Free School Meals Program would require all schools that participate in the National School Lunch and Breakfast Program to offer free breakfast and lunch to each student, regardless of their family’s income.

NYSSBA has been a strong supporter and advocate of full expansion of free school meals for all students in New York State. The benefits of a statewide free school meals program will be wide-ranging and include financial relief for families, reliable access to nutrition for students across all income levels, reduction in socio-economic stigma, elimination of future school meal debt and more streamlined administrative processes. We are very pleased to see this proposal in the executive budget and applaud the Governor, Legislature, and all stakeholders who have advocated for this full expansion over the past few years.

Student Use of Smart Devices

The executive budget proposes the “Distraction-Free Schools Initiative,” which would require schools to adopt a policy by August 1, 2025, prohibiting the use of “internet-enabled devices,” including smart phones, during the school day on school grounds.

The policy must include a method for students to store their internet-enabled devices on-site during the school day, as well as one or more methods for parents and guardians to contact students during the day, and provide written notification to parents and guardians of those methods at the beginning of each school year.

This prohibition would not apply to: cell phones that do not have the ability to access the internet; devices provided by the school district or BOCES that are used for educational purposes; personal devices when authorized by a teacher, district or BOCES for a specific educational purpose; usage for managing a student’s health; usage in the event of an emergency; usage for translation services; usage pursuant to an IEP or 504 plan; or usage where otherwise

required by law. In addition, the executive budget proposes to require schools, on an annual basis beginning September 1, 2026, to publish a report detailing enforcement of the policy in the prior school year.

The plan also includes a proposed \$13.5 million appropriation to support districts and BOCES in the implementation of such plan. The executive budget directs the state Division of Budget to determine distribution of funds, with no additional details at this time.

NYSSBA has been part of numerous conversations throughout the past year with the Governor's office and other stakeholders, discussing the topic of student use of cell phones in schools. In those discussions, we have consistently expressed support for the Governor's focus on addressing mental health challenges and improving educational opportunities and outcomes for students.

At the same time, NYSSBA has stressed that we believe local districts and BOCES are best able to reflect the needs and priorities of their local communities when it comes to student use of cell phones and related issues. To that effect, following the Governor's public intention in early 2024 to address this specific issue, NYSSBA has held multiple conference sessions and workshops on the topic and distributed other supportive materials, working to ensure that school board members have all the information and resources necessary to make informed local decisions.

While we acknowledge attempts to provide some degree of local decision making, flexibility and funding, we continue to believe that any prohibition of student use of cell phones and other internet-enabled devices should be determined locally. We also note that the proposed reporting requirement further adds to the administrative burden of school personnel.

School Aid Database Freeze

Similar to past executive budgets, this budget includes a proposal to freeze payments on a permanent basis to a maximum payment of those included in the school aid runs supporting the executive budget proposal based on the November database.

NYSSBA remains strongly opposed to this proposal and hopes to see it omitted in the final budget, as has been the case in past years. As with any budgeting process, cost projections can be volatile. Such volatility does not reflect poor budgeting practices, and should not be treated as such. It is important for school districts to be reimbursed for legitimate, actual costs.

Staff Recruitment and Retention

NYSSBA supports the executive's proposals to continue the current waiver of civil service exam fees through June 2026 and to expand continuous recruitment, two proposals to improve the civil service system. NYSSBA has advocated for common sense changes to the civil service system to help school districts meet the challenges associated with staff shortages. These steps represent some easing of that process and will help to facilitate hiring. However, NYSSBA was hopeful to see another extension of the waiver of the \$35,000 retiree earnings cap and will advocate for either an extension of the waiver or a permanent increase to the cap.

Early Childhood

NYSSBA notes the executive's multiple proposals related to childcare needs of families across the state. As part of these efforts, we encourage the Governor and legislature to consider legislative and regulatory changes that would authorize school districts and BOCES to directly offer childcare, as automatically licensed providers, if there is a demonstrated community need for such care. Current law requires daycare providers to be licensed or registered with OCFS. Meanwhile, school districts must abide by SED rules and regulations. Streamlining administrative requirements could better allow school districts to fill early childhood needs in areas with childcare shortages, and would help districts in recruiting staff who might otherwise be limited by lack of access to suitable childcare.

NYSSBA Requests for Additional Budget Action

Zero-Emission School Buses

NYSSBA members continue to believe in supporting action in the best interests of the global environment. However, there remains too many serious transition challenges in both the short and long-term, some of which have no current technological or statutory remedy. The numerous challenges have even led to many school boards expressing support for a full repeal of the law.

The state made worthwhile progress in 2024 in attempting to respond to some of these challenges. Adjustments over the past year included budget provisions to increase state aid on ZEB purchases by excluding funding from the state Environmental Bond Act in the calculation of transportation aid, directing NYSERDA to establish a ZEB Resource Center, requiring the state to create a statewide charging need evaluation system and adjusting state transportation aid to better match the expected useful life of ZEBs. But even with these, the fact remains that the transition as currently required is not achievable for a significant number of districts.

In response, NYSSBA has joined our Educational Conference Board (ECB) partners in offering nine specific recommendations with regard to the current law:

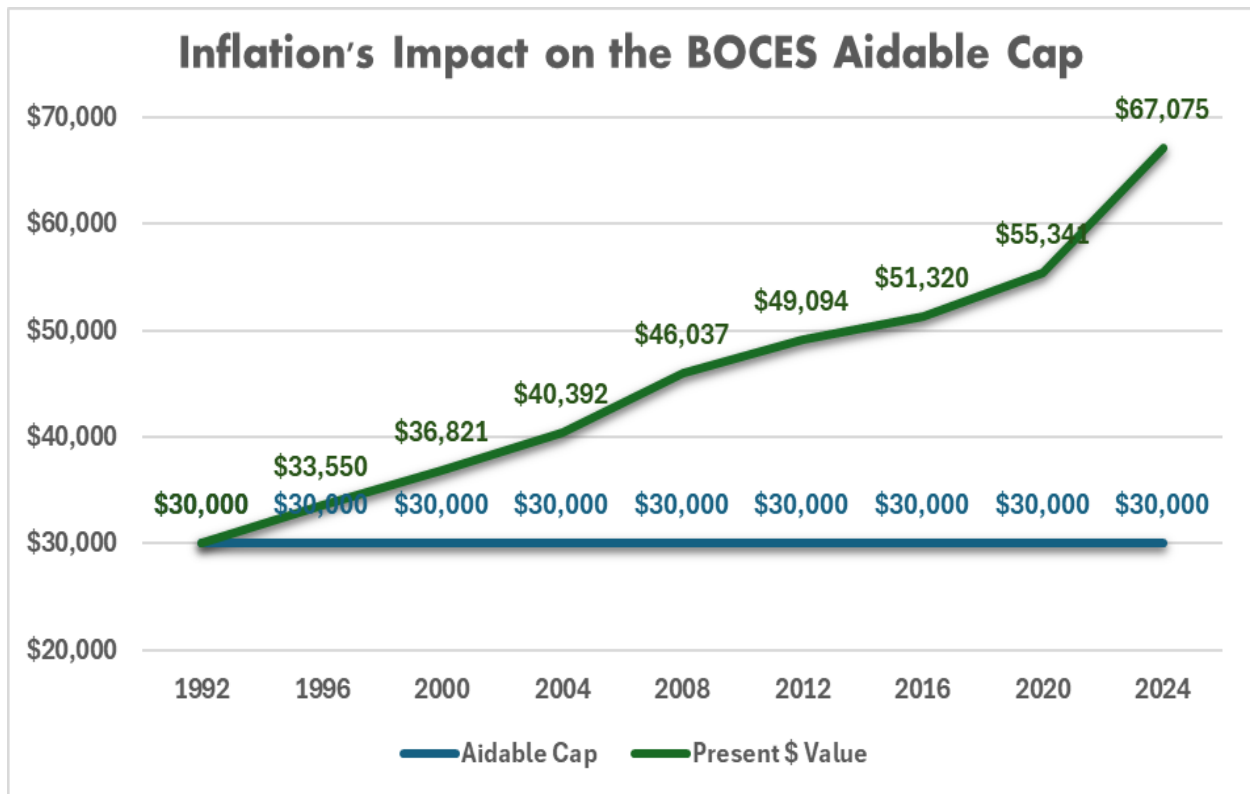
- Increasing and Unexpected Costs Means the State Should Cover the Cost of the Transition
- State-Funded District-Specific Fleet Implementation Plans Should Guide Each District
- Allow for Increased Transportation Storage Facility Costs to be Aidable
- Allow for Hybrid and Low-Emission Buses for Districts Facing Additional Challenges
- Require Certified Range Estimates from Manufacturers
- Require Utilities to Provide Specialized Rate Structures for School Districts and Contractors
- Ensure Third-Party Transportation Providers Have Equitable Access to Funding
- Maintain Voter Control Over School District Operations
- Regular Stakeholder Engagement

Additional details on these recommendations can be found [here](#).

As the Rockefeller Institute stated in their Foundation Aid report, “School districts face enormous costs from this policy, including approximately double the expense for each electric bus versus that of a traditional diesel bus, infrastructure overhauls at many district bus garages to guarantee sufficient charging power for electric vehicles, and ensuring adequate numbers of trained maintenance staff in each district. New York should fully underwrite the costs of this state initiative to transition each local school district to an all-electric school bus fleet.”

Career and Technical Education

School district and BOCES Career and Technical Education (CTE) programs have proven highly effective in helping provide students with the essential skills they require to successfully transition to college and career. The growth in popularity of such programs reflects their success. The skills learned and developed in CTE programs both provide a worthwhile path towards adulthood for students, and also help meet a clear and persistent need for skilled workers as part of our state’s economy. However, the state reimbursement formula for these BOCES programs has not been changed in more than 30 years. This effectively increases both the absolute and proportional costs absorbed by districts every single year.



It is well past time for the state to agree to increase the aidable cap on BOCES salaries for career and technical education instructors. Such programs grow student interest and provide a worthy path to successful employment for thousands of students. At the same time, a proportionate increase in special services aid should be made for similar CTE programs in the Big 5 and other non-component districts.

Prior Year Aid Claims

For many years, the state allocated approximately \$20 million annually to pay against the outstanding prior year aid claims list. However, funding was stripped out of the 2021-22 enacted budget, and has yet to be restored. Thousands of individual claims that have been submitted by districts, and approved by the state, still exist, representing millions of dollars that are owed to school districts. The majority of these funds are owed to high- and average-need districts. There are more than 2,000 individual approved claims on the list that have gone at least 10 years without being paid. Further, while NYSSBA was extremely supportive of the building aid and transportation aid forgiveness that was included in the 2022-23 state budget, much of the financial benefit of that action resides on this prior year aid claim list. Without an appropriation to fund them, this important state action is left mostly hollow.

NYSSBA calls on the state to restore funding to pay down the \$300 million outstanding prior year aid claims list. In addition, the state could and should use state aid overpayment claw-backs as a funding source to further paydown claims. This would speed up the payment process without leading to an additional net cost to the state.

Medicaid in Schools

NYSSBA strongly supports the state's decision to submit a State Plan Amendment (SPA) to its Medicaid plan, allowing for Medicaid reimbursement for certain mental health services provided in schools to Medicaid-enrolled students. Prior to 2014, districts could only seek reimbursement for health services specifically listed in the Individualized Education Program (IEP) for a student with a disability.

While this action is an important first step in the midst of a mental health crisis, NYSSBA joins partners in education and children's healthcare in urging the state to allocate sufficient funds and submit a SPA to the Centers for Medicare and Medicaid Services to allow providers to bill for all medically necessary Early and Periodic Screening, Diagnostic, & Treatment (EPSDT) services which are provided in schools to Medicaid-eligible students. If New York makes this change, school districts would have an opportunity to leverage federal funds for services they already provide.

Local Budget Management

Balancing the need for strong academic programs with keeping local property taxes stable and affordable is one of a school board's most important responsibilities.

Currently, districts may maintain a maximum of just 4% fund balance per year. Any amount in excess of 4% must be used to offset property taxes or be placed in an authorized "reserve fund," to be restricted for specific future expenses. The current restrictions leave districts with little room for error to meet unplanned costs. In fact, the Government Finance Officers Association (GFOA) recommends that local governments – including school districts – maintain no less than two months' worth of operating expenses on hand. The Governor has recognized the importance of such a safety net by committing 15% of the state's operating spending to be placed in a rainy-

day fund. Further, in their Foundation Aid study, the Rockefeller Institute recommended “increas(ing) the current ceiling on allowable year-end fund balances, providing districts with greater ability to plan for near-term expected and unexpected expenses.” The Institute offered the idea of a 10% fund balance limit, with certain guardrails. An increase to the fund balance limit is both needed and fiscally responsible.

School districts are further limited by constraints imposed upon use of their own reserve funds. At present, districts may not borrow from their own reserve funds to cover short term expenses, even when these funds will be promptly paid back. NYSSBA calls on the policymakers to adopt reasonable short-term flexibilities that will better allow districts to meet an ever-changing fiscal environment.

NYSSBA and our 5,000+ school board members stand ready to work with you on these, and other, important issues – in support of our school districts and BOCES, and the millions of students they educate every day. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.