



**TESTIMONY OF THE RURAL SCHOOLS ASSOCIATION
BEFORE THE JOINT LEGISLATIVE BUDGET COMMITTEE
ELEMENTARY AND SECONDARY EDUCATION PUBLIC
HEARING**

January 29, 2025

Chairs Kreuger and Pretlow, I am David Little, Executive Director of the Rural Schools Association of New York State. We represent over 300 (roughly half) of the schools and one third of the students in our state. It is my honor to once again have the opportunity to address you regarding the unique needs and opportunities facing and afforded to our schools this year. Before I do that, please accept our heartfelt appreciation for your role in what would have been a fiscal disaster and a public policy misstep in last year's Executive Budget. Hard on the heels of fully funding the Foundation Aid formula, the proposal would have dismantled that effort for one half of the school districts in the state and harmed all with the reduction in the inflationary adjustment. You prevented that and we are truly grateful.

New York State has embarked on a nation-leading effort to align its graduation pathways, requirements and assessments to the needs of this unique generation of learners. While our state will likely never be the cheapest or easiest in which to conduct business, this effort may well make our state unique in its ability to provide business with a workforce capable of performing in a way that business has long requested. We may in fact be the only state to give business staff who are capable of continuous learning throughout their careers, have the ability to communicate and problem solve effectively and across diverse cultures; to work collaboratively and have the "soft skills" necessary to advance effective and productive business.

The only factor standing in the way of this effort (that our state is fast becoming known for across the nation) is that our upcoming education funding would not match or support our goals. While the Executive Budget is largely a simple extrapolation of current law, if taken "as is" our state will have missed a generational opportunity to create a new and nation-leading business climate heading into the next generation. Today's learners are like no other, with social, emotional and learning deficits stemming from the isolation of the pandemic and the anxiety generated by regular mass school violence. Our state's new approach is targeted to address these needs but we are at a critical juncture for the methods by which we provide appropriate resources. The old formula is fully funded but its criteria are largely irrelevant to today's needs. In fact, many are actually so far removed from today's reality that they are detrimental.

Our schools need greater resources for the same reason that state budgets increase every year. While some may ask why schools need more when they have fewer students than a generation ago, the answer is that their spending depends on identical factors to state spending (that also increases despite having fewer residents); namely that the needs of those who remain are greater and our costs are higher. This year's state budget negotiations are a unique opportunity to align resources with mission. They have the chance to save school districts from the "fiscal cliff" created by the withdrawal of federal covid rescue funding and to preserve vital student programs and services necessary for their mental health, physical safety and educational development. Beyond this, we have the chance to advance the interests of our state by creating a uniquely skilled future workforce that can attract business despite our historical taxation, debt and bureaucratic burdens.

We would be wise to optimize this historic opportunity, when our economy is strong enough for the governor to propose tax rebates, prepayment of state debt and ever increasing state reserves and prepare our residents for a future of opportunity and promise.

POTENTIAL IMPACT ON RURAL SCHOOLS

RSA ANALYSIS OF THE EXECUTIVE BUDGET

According to State Budget Director Blake Washington's briefing, school aid would increase 4.7% in total this year. Highlights include changing the measure of the poverty index in Foundation Aid (moving away from Free and Reduced Price Lunch) and a proposal to move money into Foundation Aid for Save Harmless districts that would otherwise lose funding, so that each district receives at least a 2% Foundation Aid increase. That of course doesn't mean that each district receives an overall aid increase, as some districts lose categorical funding from expired payments for capital projects and reductions in other reimbursable aid categories, but it is a proposal largely emanating from figures generated by existing law.

Last year's argument that we can't afford to pay for decreased total numbers of students rings hollow this year in the midst of a strong economy, increased state reserve funds, prepayment of state debt and a rosy economic outlook for future years. As a result, the governor's education proposal largely funds the existing formula, adds in additional aid to Save Harmless so that every district gets at least a 2% Foundation Aid increase and adds two helpful programs for schools (fully implementing Universal School Meals and increasing college level course opportunities in high schools.)

What's not included? Most notably, any funding source for zero emission buses or direction on how school districts should attempt to comply with the state's timeline absent that funding. No need to caption the obvious here but with power producers claiming a present inability to transmit sufficient energy, sky high costs for transfer stations, cabling and charging stations, buses at three to four times the cost of traditional buses and (notably) the emergence of fuel cell technology that may make electric vehicle technology obsolete before it really gets going, the absence of any direction may be telling. As it stands, the issue places districts on a collision course with local voters over compliance with competing state laws. It also places the state at odds with the new federal administration that seems less inclined to provide significant assistance in transferring to zero emission vehicles of any kind. Rural schools, with typically low tax cap rates, a diminished local tax base and traditionally lower state assistance, will be more than hard pressed to meet this mandate, if unaltered. Without legislative leadership, zero emission buses (getting kids to school and back) will be directly at odds with schools' ability to provide a worthwhile education once they arrive. The Executive Budget also omits language on the earnings exemption for retirees, ignoring districts' plight in attracting and retaining staff. Neither is there additional funding for the recently enacted mandates like the temperature control legislation and a school day ban on student cell phone use. All of these areas need resources to implement existing state goals and should take precedence over any newly proposed initiatives.

These omissions may of course be rectified by the legislature in negotiations, but initially, what jumps out are the number of new programs offered; feel good programs that sit well with the public, without including funding for previous feel good programs already decreed but not funded. The Executive Budget education aid proposal offers desired stability but does little for a historically inequitably funded system and makes few of the fundamental (common sense) changes recommended by her own think tank. In essence, it's a negotiating peace treaty with dollar signs attached.

It's also one of the best starting points for negotiations that we've seen in a long time. How many states wouldn't love to start negotiations with a \$1.7 billion increase? The disappointment lies in the lost opportunity to tailor funding to the state's new graduation initiatives and do more wholesale revisions to update the formula to the needs of this specific generation of learners. As Rockefeller Institute President Bob Megna says, we're going to spend more money anyway. Why not do it wisely?

Thank you for this opportunity to relay the challenges and aspirations of our rural schools and to inform you of the generational opportunity available if we work toward the state's goals of developing a generation of future-ready and capable learners.

Respectfully submitted,

David A. Little

DAVID A. LITTLE, Esq.

Executive Director