LEAGUE OF WOMEN VOTERS® OF NEW YORK

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Testimony submitted to the Joint Committees on

Elementary and Secondary Education and Finance

January 29, 2025

My name is Marian Bott. I am the Education Finance specialist for the League of Women Voters of New York State. The League is a nonpartisan organization devoted to promoting active and informed involvement of individuals in government. It is a multi-issue political organization that influences public policy through advocacy and education.

Today I will concentrate only on the Poverty aspect of the Education section of the Executive Budget due to the short interval between budget issuance and this hearing date. We testified before the Rockefeller Institute this past July; I herewith reference the recommendations we made about the Poverty Index and the Regional Cost Index.[1]

Since the Governor's budget unfortunately did not make any changes to the Regional Cost Index, changes made to the Poverty Index, while helpful, will result in a piecemeal improvement to overall Foundation Aid formula equity and adequacy. We trust that many other testifiers will comment on issues with the other Foundation Aid features: the base (an estimated $8,000), and the weightings for other Pupil Needs adjustments (English Language Learners and Sparsity).

What is the Poverty Index?

Our State's poverty index estimates and then weights the contribution of family poverty to the challenge of educating a particular student. The Rockefeller Institute's December report on Foundation Aid[2] provided a nationwide survey of how other states account for poverty. There is no consensus on how this is to be done, but generally speaking, states recognize the relationship between family poverty and educational outcomes, and policymakers attempt to adjust per pupil budgets to benefit poorer families. For example, a per pupil expenditure of $10,000 per non-poor student might be adjusted to be $15,000 per poor student. In this Executive Budget, both the

[1] Testimony at July 16 hearings in New York City. See www.lwvny.org, advocacy testimony.
[2] A Review of New York State's Foundation Aid Education Funding Formula With Recommendations for Improvement, December 2024, www.rockinst.org.

Rockefeller Institute's recommendations and other organizations were finally taken to heart, discarding both flawed poverty measures that had been used for far too long.

What Were the Executive Budget's Changes to the Poverty Index?

The Executive Budget substituted one poverty measure, Economically Disadvantaged ("ECDIS"), a term widely used in New York State PreK-12 education statistics for another, Free and Reduced Price Lunch for students in K-6th grade) ("FRPL"), which had obvious long-standing flaws . No one will miss FRPL, especially since the advent of Community Eligibility which disincentivized families from filling out the forms to apply for the meals. ECDIS may undercount students from undocumented families but it is far more robust than FRPL.

NYSED defines "Economically Disadvantaged" (ED) students as "those who participate in, or whose family participates in, economic assistance programs, such as the free or reduced price lunch programs, Social Security Insurance (SSI), Food Stamps (SNAP), Foster Care, Refugee Assistance (cash or medical assistance), Earned Income Tax Credit (EITC), Home Energy Assistance Program (HEAP), Safety Net Assistance (SNA), Bureau of Indian Affairs (BIA), or Family Assistance: Temporary Assistance for Needy Families (TANF). If one student in a family is identified as low income, all students from that household (economic unit) may be identified as low income."[3] Homelessness is not an ED category although it is a reality for many high-poverty families.

The second change to the Poverty Index was to substitute newer census data for the 2000 census data that had been used for over two decades. This newer census data has its flaws, but there was widespread agreement that the state could not continue to use such old data. The newer data, Small Area Income and Poverty Estimate data ("SAIPE") relies on both data collected from the Annual Community Surveys and modeling at the micro (census tract) level. This allows the Census Bureau to provide poverty statistics at a school district level. SAIPE was a project that began in the 1990s in recognition of the problem of distributing federal aid to students in poverty using only decennial census data.[4] SAIPE remains the source of data for the distribution of Title I (poverty) aid to the nation's schools. Ironically, this poverty data generates about $18 billion of Title I aid,[5] but the distribution methodology does not adjust for cost-of-living differences within the United States.

While the Rockefeller Institute report on Foundation Aid ("Rockefeller")[6] recommended that our state switch to the use of SAIPE (Small Area Income and Poverty Estimate) data,[7] it did not recommend that the Executive Budget should use it in such a way that Foundation Aid would be a smaller number than for the prior fiscal year. Rockefeller calculated that if poverty alone is considered in the Foundation Aid formula, it contributes $2.16 billion to total Foundation Aid for the

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[3] Primary source: "Glossary of Terms," New York State Education Department, https://data.nysed.gov/glossary.php?report=enrollment. Secondary source: Rockefeller Institute Foundation Report. See footnote 3.

[4] https://www.census.gov/programs-surveys/saipe/about/origins.html

[5] https://nces.ed.gov/fastfacts/display.asp?id=158

[6] Page 184, www.rockinst.org, A Review of New York State's Foundation Aid Education Funding Formula With Recommendations for Improvement, December 2024.

[7] SAIPE poverty is federal poverty. Using an example of a family of four for 7/1/24-6/30/25, it is $31,200. This is distinguished from "free lunch" poverty @ 1.3X poverty or $40,560, and "reduced lunch" poverty @ 1.85X poverty or $57,720. SOURCE: 89 Federal Register 12812, publication 2024-03355.

year 2024-25. It calculated that if updated 3-year-average SAIPE data were simply substituted for the 24-year old census data, the poverty contribution would be $1.79 billion, or $367 million less than the current formula generates. It further calculated that policymakers would need to use a more heavily weighted SAIPE poverty factor (.78 as opposed to .65) to cause the poverty contribution to break even at $2.15 billion.

Rockefeller recommends varying the SAIPE weight to adjust for concentrations of poverty at various levels (school districts with 30% or greater SAIPE poverty would receive SAIPE * .95; 20% up to 30% would receive SAIPE * .80; districts with 10% up to 20% would receive SAIPE * .70; districts with less than 10% would receive SAIPE * .60. Clearly Rockefeller went to a great deal of trouble providing simulations that would allow these break points to result in a similar break even at $2.16 billion. However, the concept has some logic flaws.[8] One case is New York City, showing a SAIPE poverty rate of .23 (as a % of the 5-17 school-aged population) but a .76 rate of poverty by using Economically Disadvantaged students as a % of the public school enrollment.

Attached is a worksheet that I compiled using this year's "back-up runs", and specifically using schedule DABTE1, but extracting only those columns that deal with poverty and English Language Learners. I extracted only the top 25 school districts ranked by their SAIPE count. New York City, which has 39% of the state's public school enrollment (961,366/2,466,061) accounts for 149,098 out of 274,495 students (54%) who are now included in the SAIPE count.

Here is the problem with Rockefeller's recommendation: New York City is estimated to have a 3-year average age 5-17 "population" of 1,215,719 and a 2024-25 public school enrollment of 961,366. New York City has a SAIPE "count" of 290,020. The way SAIPE "rate" is calculated, the numerator is 290,020 and the denominator is the total population of 1,215,719, including the 254,353 students who are presumed either to be in private school or not in school. Therefore, the SAIPE "rate" is .2386. This is a very low rate as compared with the .7587 % of "economically disadvantaged" students in New York City. SAIPE only estimates the current population, using a variety of metrics including the Current Population Survey and their own projections within census tracts. When the same 290,020 is divided into the public school enrollment of 961,366, the result is 30%. Bottom line: New York City, with a substantial private school enrollment (anecdotally with many wealthier parents sending their children to expensive schools), looks less "poor" than it would look if only public school enrollees were considered.

There was not time to explore private school data for this testimony, but no other district other than New York City could possibly have so many private school enrollees as to result in millions of dollars of difference in state aid. It seems as though, in choosing to use the SAIPE data in this way, rather than making adjustments for the high percentage of non-public students, the Executive Budget may have deliberately short-changed New York City. Simply put, using .65 of Economically

[8] Rockefeller Institute Foundation Aid Report, December 2024, p. 173. "SAIPE is not a perfect metric. Rather than direct counts or estimates from sampled survey responses, SAIPE is an economic model, and only aggregate, not individualized, data sets used by the US Census Bureau for its calculations are publicly available. SAIPE also does not adjust for nonpublic school students in a community to exclude them from the modeling estimates. Nonetheless, both the breadth of SAIPE's view of community poverty and its ability to be updated annually make the use of SAIPE as a poverty-rate driver of supplemental Foundation Aid attractive and practical."

Disadvantaged counts together with .65 of SAIPE counts disadvantages any school district where the private school count is a large percentage of the total. Further, and as we have testified many times, it was never logical to use the same weighting for three separate and distinct "levels" of poverty (1.0 = poverty, 1.3 = "free lunch", 1.85 = "reduced price"). Moving away from FRPL data and to Economically Disadvantage data is an improvement, but the ratio also needs to be amended.

The total Poverty weighting of 1.3 has research evidence to support it, as Rockefeller's survey of other states showed. The Executive Budget crafters clearly accepted 1.3 as it has for many years, since it used (.65 + .65) for its weightings. However, the Pupil Needs Index formula has an upside limit of 1+1, so no student in poverty ever gets more than double the base aid (for a student not in poverty).

Attachment 1 to this testimony shows several different ways that updated poverty indicators could be used. Starting with the top 24 districts ranked by their SAIPE Count for Extraordinary Needs (Column AE, starting with 149,098 for New York City and ending with Haverstraw-St with 696), I did trial calculations for how the poverty count would vary from the Executive Budget poverty count for these districts.

1) POVERTY COUNT IN EXECUTIVE BUDGET
2) ECONOMICALLY DISADVANTAGED ONLY using 1.3 weight
3) SAIPE ONLY using 1.3 weight
4) ECONOMICALLY DISADVANTAGED ONLY using 1.0 weight
5) NEW BLEND TOTALLING 1.3 of Economically Disadvantaged @ .8 and SAIPE @ .5.
6) NEW BLEND TOTALLING 1.3 of Economically Disadvantaged at .75 and SAIPE @ .45.

Conclusions: Using these districts' aggregate poverty count and the Executive Budget methodology, 820,316 students were counted as poor.

Alternative 2: 1,317,236

Alternative 3: 420,728

Alternative 4: 1,013,259

Alternative 5: 972,425

Alternative 6: 905,581

Attachment 2 illustrates an anomaly that I noticed when examining details in the back-up runs: instances where public school enrollment actually exceeds the "3 year average 5-17 population" (based on 2021-2023 data) calculated by SAIPE. This points to a census undercount which should not occur except in instances where the school enrollment in 2024-25 rose dramatically. It is troubling that these undercounts occur with extremely poor districts such as Brentwood, Hempstead and William Floyd.

Attachment 3 provides the current levels of poverty from the U.S. Census Bureau for varying sizes of families with varying numbers of dependent children.

We hope to call on members of your committee after these hearings to explore further examples of a better ratio to use for the Extraordinary Needs poverty count, as we believe some districts are put at a disadvantage by the current method of using SAIPE.

Thank you for your time in considering this testimony.

01/21/25	F(PC0257) 00 2024-25 PUBLIC ENROLLMENT EST.	L(CF0160) 00 4 3 YEAR ECONOMICALLY DISADVANTAGED RATE	M(CF0099) 00 ECONOMICALLY DISADVANTAGED COUNT FOR EN	R(K10130) 00 2024-25 EST. UNWTD ELL PUPILS	S(PC0273) 00 ELL COUNT FOR EN%	X(CF0193) 00 3 YEAR AVG 5-17 POPULATION	AC(CF0194) 00 3 YEAR AVG OF EST RELEVANT CHILD IN POV 5-17	AD(CF0195) 04 3 YEAR SAIPE RATE	AE(CF0197) 00 SAIPE COUNT FOR EN	AF(CF0198) 00 EXTRAORDINARY NEEDS COUNT	AG(PC0410) 05 EN % = EN COUNT/24-25 ENROLLMENT	**POVERTY COUNT IN EXECUTIVE BUDGET** using (.65 * Column L * Column F) plus (.65 * column AD * Column F)	**ECONOMICALLY DISADVANTAGED ONLY** POVERTY COUNT using (1.3*Column L * Column F)	**SAIPE ONLY** POVERTY COUNT using 1.3*Column AD*Column F	ECONOMICALLY DISADVANTAGED ONLY POVERTY COUNT using 1.0 weighting	NEW BLEND TOTALLING 1.3 of ECONOMICALLY DISADVANTAGED @ .8 and SAIPE @ .5
STATE TOTALS	2,466,061	297.6623	924,067	272,484	136,357	2,954,507	522,745	84.3375	274,495	1,409,663	369.123					
NEW YORK CITY	961,366	**0.7587**	*474,102*	151,000	75,500	1,215,719	290,020	**0.2386**	*149,098*	698,689	0.726	623,200	948,205	298,197	729,388	698,202
BUFFALO	40,133	**0.8282**	*21,605*	6,317	3,159	44,953	15,387	**0.3423**	*8,929*	33,694	0.839	30,534	43,210	17,859	33,238	33,459
ROCHESTER	28,914	**0.9012**	*16,937*	3,875	1,938	32,109	12,135	**0.3779**	*7,102*	25,978	0.898	24,039	33,874	14,205	26,057	26,309
SYRACUSE	19,773	**0.8541**	*10,977*	3,550	1,775	21,771	8,332	**0.3827**	*4,919*	17,672	0.893	15,896	21,955	9,837	16,888	17,294
YONKERS	24,249	**0.7703**	*12,141*	3,199	1,600	30,494	5,852	**0.1919**	*3,025*	16,767	0.691	15,166	24,283	6,049	18,679	17,270
EAST RAMAPO	10,787	**0.8480**	*5,946*	7,500	3,750	37,520	13,010	**0.3468**	*2,432*	12,128	1.124	8,378	11,892	4,863	9,147	9,188
UTICA	10,244	**0.8403**	*5,595*	1,825	913	11,356	3,688	**0.3247**	*2,162*	8,671	0.846	7,757	11,190	4,324	8,608	8,550
ALBANY	11,098	**0.7122**	*5,138*	1,600	800	11,667	3,283	**0.2814**	*2,030*	7,969	0.718	7,168	10,275	4,060	7,904	7,885
SCHENECTADY	9,572	**0.7875**	*4,900*	451	226	10,421	3,083	**0.2958**	*1,840*	6,967	0.727	6,740	9,799	3,681	7,538	7,446
BRENTWOOD	18,745	**0.8651**	*10,541*	7,800	3,900	16,016	1,974	**0.1233**	*1,502*	15,944	0.850	12,043	21,081	3,005	16,216	14,129
NIAGARA FALLS	6,706	**0.7765**	*3,385*	152	76	7,584	2,505	**0.3303**	*1,440*	4,902	0.730	4,825	6,769	2,879	5,207	5,273
NEWBURGH	10,784	**0.6227**	*4,365*	1,950	975	11,400	2,207	**0.1936**	*1,357*	6,698	0.621	5,722	8,730	2,714	6,715	6,416
HEMPSTEAD	9,159	**0.7086**	*4,219*	2,980	1,490	8,005	1,595	**0.1993**	*1,187*	6,897	0.753	5,406	8,437	2,373	6,490	6,105
BINGHAMTON	5,004	**0.7733**	*2,515*	230	115	6,236	1,899	**0.3045**	*990*	3,621	0.723	3,505	5,030	1,981	3,870	3,858
ELMIRA	5,797	**0.7113**	*2,680*	33	17	6,632	1,699	**0.2562**	*965*	3,663	0.631	3,645	5,360	1,931	4,123	4,041
GREECE	10,156	**0.6157**	*4,064*	700	350	12,072	1,763	**0.1460**	*964*	5,380	0.529	5,028	8,129	1,928	6,253	5,744
JAMESTOWN	4,202	**0.8242**	*2,251*	190	95	4,611	1,601	**0.3473**	*949*	3,296	0.784	3,200	4,502	1,897	3,463	3,500
MIDDLETOWN	7,374	**0.7539**	*3,614*	1,240	620	7,538	1,344	**0.1783**	*855*	5,090	0.690	4,469	7,227	1,709	5,559	5,105
WILLIAM FLOYD	9,630	**0.6010**	*3,762*	1,675	838	8,540	1,144	**0.1339**	*838*	5,439	0.564	4,600	7,524	1,676	5,788	5,275
MOUNT VERNON	7,092	**0.7274**	*3,353*	580	290	10,396	1,874	**0.1802**	*831*	4,475	0.630	4,184	6,706	1,661	5,159	4,766
NEW ROCHELLE	9,789	**0.5807**	*3,695*	1,155	578	11,515	1,466	**0.1273**	*810*	5,084	0.519	4,505	7,390	1,620	5,684	5,171
TROY	4,280	**0.7059**	*1,964*	186	93	4,921	1,325	**0.2693**	*749*	2,807	0.655	2,713	3,928	1,498	3,021	2,993
ROME	5,039	**0.5894**	*1,930*	94	47	5,567	1,200	**0.2155**	*706*	2,685	0.532	2,636	3,861	1,412	2,970	2,919
HAVERSTRAW-ST	8,134	0.5637	*2,980*	1,459	730	8,352	1,099	**0.1316**	*696*	4,407	0.541	3,676	5,961	1,392	4,585	4,203
												820,316	1,317,236	420,728	1,013,259	972,425

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STATE TOTALS	2,466,061	297.6623	924,067	272,484	136,357	2,954,507	522,745	84.3375	274,495	1,409,663	369.123	
NEW YORK CITY	961,366	**0.7587**	*474,102*	151,000	75,500	1,215,719	290,020	**0.2386**	*149,098*	698,689	0.726	254,353
BUFFALO	40,133	**0.8282**	*21,605*	6,317	3,159	44,953	15,387	**0.3423**	*8,929*	33,694	0.839	4,820
ROCHESTER	28,914	**0.9012**	*16,937*	3,875	1,938	32,109	12,135	**0.3779**	*7,102*	25,978	0.898	3,195
SYRACUSE	19,773	**0.8541**	*10,977*	3,550	1,775	21,771	8,332	**0.3827**	*4,919*	17,672	0.893	1,998
YONKERS	24,249	**0.7703**	*12,141*	3,199	1,600	30,494	5,852	**0.1919**	*3,025*	16,767	0.691	6,245
EAST RAMAPO	10,787	**0.8480**	*5,946*	7,500	3,750	37,520	13,010	**0.3468**	*2,432*	12,128	1.124	26,733
UTICA	10,244	**0.8403**	*5,595*	1,825	913	11,356	3,688	**0.3247**	*2,162*	8,671	0.846	1,112
ALBANY	11,098	**0.7122**	*5,138*	1,600	800	11,667	3,283	**0.2814**	*2,030*	7,969	0.718	569
SCHENECTADY	9,572	**0.7875**	*4,900*	451	226	10,421	3,083	**0.2958**	*1,840*	6,967	0.727	849
BRENTWOOD	18,745	**0.8651**	*10,541*	7,800	3,900	16,016	1,974	**0.1233**	*1,502*	15,944	0.850	-2,729
NIAGARA FALLS	6,706	**0.7765**	*3,385*	152	76	7,584	2,505	**0.3303**	*1,440*	4,902	0.730	878
NEWBURGH	10,784	**0.6227**	*4,365*	1,950	975	11,400	2,207	**0.1936**	*1,357*	6,698	0.621	616
HEMPSTEAD	9,159	**0.7086**	*4,219*	2,980	1,490	8,005	1,595	**0.1993**	*1,187*	6,897	0.753	-1,154
BINGHAMTON	5,004	**0.7733**	*2,515*	230	115	6,236	1,899	**0.3045**	*990*	3,621	0.723	1,232
ELMIRA	5,797	**0.7113**	*2,680*	33	17	6,632	1,699	**0.2562**	*965*	3,663	0.631	835
GREECE	10,156	**0.6157**	*4,064*	700	350	12,072	1,763	**0.1460**	*964*	5,380	0.529	1,916
JAMESTOWN	4,202	**0.8242**	*2,251*	190	95	4,611	1,601	**0.3473**	*949*	3,296	0.784	409
MIDDLETOWN	7,374	**0.7539**	*3,614*	1,240	620	7,538	1,344	**0.1783**	*855*	5,090	0.690	164
WILLIAM FLOYD	9,630	**0.6010**	*3,762*	1,675	838	8,540	1,144	**0.1339**	*838*	5,439	0.564	-1,090
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ROME	5,039	**0.5894**	*1,930*	94	47	5,567	1,200	**0.2155**	*706*	2,685	0.532	528
HAVERSTRAW-ST	8,134	0.5637	*2,980*	1,459	730	8,352	1,099	**0.1316**	*696*	4,407	0.541	218

Poverty Thresholds for 2024 by Size of Family and Number of Related Children Under 18 Years

(In dollars)

Size of family unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual):									
Under 65 years.....	16,320								
65 years and over.....	15,045								
Two people:									
Householder under 65 years.....	21,006	21,621							
Householder 65 years and over.....	18,961	21,540							
Three people.....	24,537	25,249	25,273						
Four people.....	32,355	32,884	31,812	31,922					
Five people.....	39,019	39,586	38,374	37,436	36,863				
Six people.....	44,879	45,057	44,128	43,238	41,915	41,131			
Seven people.....	51,638	51,961	50,849	50,075	48,631	46,948	45,100		
Eight people.....	57,753	58,263	57,215	56,296	54,992	53,337	51,614	51,177	
Nine people or more.....	69,473	69,810	68,882	68,102	66,822	65,062	63,469	63,075	60,645

Source: U.S. Census Bureau, 2025.