State Aid & New York State Public School Districts

Session 3

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
Executive Director
Statewide School Finance Consortium
rtimbs@statewideonline.org

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# The Foundation Aid Formula

<table>
<thead>
<tr>
<th>2018-19 Foundation Aid Total</th>
<th>2017-18 Foundation Aid Base</th>
<th>Increase from 2018-19 Executive Budget</th>
<th>Increase from 2018-19 Leg. Budget</th>
<th>Total Increase (Winners &amp; Losers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,792,041,314</td>
<td>$17,173,695,750</td>
<td>$337,626,024</td>
<td>$280,719,540</td>
<td>$618,345,564</td>
</tr>
<tr>
<td>Actual Totals</td>
<td>96.52%</td>
<td>1.90%</td>
<td>1.58%</td>
<td>3.48%</td>
</tr>
</tbody>
</table>

Prepared By David Nylen: Jamesville DeWitt CSD
### Executive Budget For 2018-19: Tier A

**Tier A Total Increase**

\[
\text{Tier A Total Increase} = \frac{\text{Phase-In Factor} [0.9095 \text{ for NYC; } 1.616 \text{ for others}]}{\text{Total $\$$}} \times \text{Selected Total Aidable Foundation Pupil Units} \times \text{Selected Foundation Aid per Pupil} - \text{2017-18 Foundation Aid Base}
\]

\[
= \frac{0.0356}{26911} \times 13,124.34 - 271,731,423
\]

**Phase-In Factor (All Districts Except NYC)**

\[
= 0.0356 \div 1.0000
\]

**Sliding Scale Ratio**

\[
= \frac{1.616}{1.0000} - (\frac{1.05}{0.307})
\]

**Selected Foundation Aid Per Pupil**

\[
= \text{Min [$500.00]}
\]

\[
= \frac{13,124.34}{13,124}
\]

**Formula Foundation Aid**

\[
= \text{Adjusted Foundation Amt. Per Pupil} - \text{Expected Minimum Local Contribution}
\]

\[
= 12,322.16 - 14,582.61 - 2,260.45
\]

**Alternative Foundation Aid**

\[
= \text{Adjusted Foundation Amt. Per Pupil} \times \text{Selected Foundation State Sharing Ratio}
\]

\[
= 13,124.34 \times 0.000
\]

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<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Foundation Amt. Per Pupil</td>
<td>6557</td>
</tr>
<tr>
<td>Phase-in % [1.0000]</td>
<td>1.1000</td>
</tr>
<tr>
<td>Regional Cost Index</td>
<td>1.103</td>
</tr>
<tr>
<td>Pupil Need Index</td>
<td>1.833</td>
</tr>
<tr>
<td>Adjusted Cost Amount</td>
<td>6,422</td>
</tr>
<tr>
<td>CPI [1.021]</td>
<td>1.021</td>
</tr>
<tr>
<td>=</td>
<td>6557</td>
</tr>
<tr>
<td>Pupil Need Index</td>
<td>1.833</td>
</tr>
<tr>
<td>Extraordinary Needs Percent</td>
<td>Extraordinary Needs Pupil Count</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Extraordinary Needs Pupil Count</td>
<td>0.833</td>
</tr>
<tr>
<td>3-Year Average Free/Reduced Lunch (K-6)</td>
<td>21,965</td>
</tr>
<tr>
<td>0.65</td>
<td>0.8024</td>
</tr>
<tr>
<td>3-Year Average Students in Poverty (Age 5-17)</td>
<td>21,965</td>
</tr>
<tr>
<td>0.65</td>
<td>0.3503</td>
</tr>
<tr>
<td>Number of ELL Pupils</td>
<td>3,686</td>
</tr>
<tr>
<td>0.50</td>
<td>0.5</td>
</tr>
<tr>
<td>Sparsity Count</td>
<td>855.73</td>
</tr>
<tr>
<td>Min [0]</td>
<td>21,965</td>
</tr>
</tbody>
</table>

Prepared By David Nylen: Jamesville DeWitt CSD
### Executive Budget
#### For 2018-19

**Tier A**

**Detail**

<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,260.45 \times 3$</td>
<td>( \text{Sel. Actual Valuation \times 3} )</td>
</tr>
<tr>
<td>$4,549,889,217 \times 21.195 \times 0.0105$</td>
<td>( \text{Adjusted Tax Rate} \times \text{Income Wealth Index} )</td>
</tr>
<tr>
<td>$1,866,613,767 \times 21.195$</td>
<td>( \text{District 2015 Adjusted Gross Income} \times \text{Statewide Average TWPU} )</td>
</tr>
</tbody>
</table>

**Foundation State Sharing Ratio**

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.042</td>
<td>( \frac{1.370 - 1.230}{0.307} )</td>
</tr>
<tr>
<td>0.844</td>
<td>( \frac{1.000 - 0.640}{0.307} )</td>
</tr>
<tr>
<td>0.715</td>
<td>( \frac{0.800 - 0.390}{0.307} )</td>
</tr>
<tr>
<td>0.479</td>
<td>( \frac{0.510 - 0.173}{0.307} )</td>
</tr>
</tbody>
</table>

**Combined Wealth Ratio for Total Foundation Aid (FACWR)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.307 \times 0.287$</td>
<td>( \text{Sel. Actual Valuation \times 0.5} )</td>
</tr>
<tr>
<td>$0.287 \times 4,549,889,217$</td>
<td>( \text{Pupil Wealth Ratio for Foundation Aid} \times \text{Sel. Actual Valuation} )</td>
</tr>
<tr>
<td>$0.328 \times 4,549,889,217$</td>
<td>( \text{Alternate Pupil Wealth Ratio for Foundation Aid} \times \text{Sel. Actual Valuation} )</td>
</tr>
</tbody>
</table>

**Prepared By David Nylen: Jamesville DeWitt CSD**
### Executive Budget
**For 2018-19**

**Tier B**

<table>
<thead>
<tr>
<th># of Districts</th>
<th>Total $$</th>
<th>Tier B Total Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>357</td>
<td>$63,522,104</td>
<td>= (EN Percent Base Increase + EN Percent Sparsity Increase + EN Percent Growth Increase + Scaled Per Pupil Amount)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>= (EN Percent Base Increase + 0 + 0 + 69.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>= 2,582,644 + 48.58 + 0 + 69.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>= 2,582,644</td>
</tr>
</tbody>
</table>

#### EN Percent Base Increase
- (Only for Districts with CWR < 1.0)
- EN Index \(x\) [32.50]
- Only for Districts with EN > 25%
- > 25.00%

#### EN Percent Sparsity Increase
- (Only for Districts with EN > 25% & Sparsity Factor > 0)
- EN Index \(x\) [9.42]
- Only for Districts with Sparsity
- > 0

#### EN Percent Growth Increase
- (Only for Districts with EN > 25% & EN Growth > 3.25%)
- EN Index \(x\) [30.00]
- Only for Districts with EN Growth (16'-17 to 18'-19)
- > 3.25%

**EN Index**
- Extraordinary Needs Percent / 55.7%

**Scaled Per Pupil Amount**
- = Sliding Scale Ratio \(x\) [69.00]
- $69.00

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Executive Budget
For 2018-19
Tier C

<table>
<thead>
<tr>
<th># of Districts</th>
<th>=</th>
<th>[190]</th>
<th>Total $$</th>
<th>=</th>
<th>[$2,559,086]</th>
</tr>
</thead>
<tbody>
<tr>
<td>183</td>
<td></td>
<td></td>
<td>$2,366,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tier C Total Increase

<table>
<thead>
<tr>
<th>Tier C Total Increase</th>
<th>=</th>
<th>[0.25%]</th>
<th>X</th>
<th>2017-18 Foundation Aid Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>$679,328</td>
<td></td>
<td>0.25%</td>
<td>X</td>
<td>$271,731,423</td>
</tr>
</tbody>
</table>

Prepared By David Nylen: Jamesville DeWitt CSD
Legislative Budget
For 2018-19
Phase-In Increase

Prepared By David Nylen: Jamesville DeWitt CSD
Legislative Budget For 2018-19
Phase-In Increase

Prepared By David Nylen: Jamesville DeWitt CSD
### Legislative Budget For 2018-19

**Additional Increase**

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<table>
<thead>
<tr>
<th># of Districts</th>
<th>[400]</th>
<th>Total $$</th>
<th>[57,841,181]</th>
<th>Individual District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>[71,053,488]</td>
<td><strong>SYRACUSE</strong></td>
</tr>
</tbody>
</table>

**Selected Additional Increase** = The Greatest of A, B or C

- A: $1,684,578
- B: $1,684,578
- C: $1,684,578

**Additional Increase A** = Public Enrollment $ \times $ ELL Factor $ \times $ [28.92] $ = $28.92

**Additional Increase B** = Public Enrollment $ \times $ FACWR Factor $ \times $ FRPL Factor $ \times $ $137.97 = $137.97

**Additional Increase C** = Public Enrollment $ \times $ [121.75] $ = $121.75

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**BEDS CODE**

- **421800**

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**Notes:**

- **Public School Enrollment**
- **ELL Factor**
- **FACWR Factor**
- **FRPL Factor**
- **Selected FRPL Rate**
- **% of Total Aid**

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**Conditions for Calculation:**

- **Public School Enrollment**
- **ELL Factor**
- **FACWR Factor**
- **FRPL Factor**
- **Selected FRPL Rate**
- **% of Total Aid**
# Legislative Budget For 2018-19

## Due Minimum Increase

Prepared By David Nylen: Jamesville DeWitt CSD

<table>
<thead>
<tr>
<th># of Districts</th>
<th>Total $$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[160] $130</td>
</tr>
</tbody>
</table>

Selected Due Minimum = The Greatest of A or B

$1,111,674

Due Minimum A = 2017-18 Foundation Aid Base x [1.9%] - Executive Foundation Aid Increase

$1,111,674 x 271,731,423 = $12,093,630

Due Minimum B = Executive Foundation Aid Increase x [18%]

$729,220 x 271,731,423 = $19,947,034
Changes to Foundation Aid Weighting Example

CWR- Selected?

FRPL- Greater Weight?

ELL- Greater Weight?

Sparsity- Change Formula and Weight?

Adjusted Foundation Aid Amount- Greater Phase-In?

IWI- Zero Floor?

Others?
Other Considerations

- **High Tax Aid** – $223.30 million; frozen at 2013-14 amounts for the 2018-19 school year. (Expand and recalculate!)

- **Charter School Transitional Aid** Stop: ($48.41 million (increase of $9.79 million) 2018-19 Executive Proposal). Formula elements target aid to districts based on the percentage of resident pupils enrolled in charter schools and the percentage of payments made to charter schools compared to a district's total general fund expenditures.

- **Prior Year Claims Forward** Stop: Beginning with claims for the 2017-18 aid year, and thereafter, there will be no prior year adjustments. Any changes to state aid data would have to be submitted by November 1st of the year in which the aid is paid.

- **Expense Driven Aid Cap** Stop: Beginning in 2019-20 a cap in growth for expensed based aids such as Building, Transportation, and BOCES Aid at 2% for each district within NYS would be applied. The calculated cap would impact each of the three aid categories separately.

- **Proposed Changes to STAR** Stop: The Governor proposed to Cap the annual growth in Basic and Enhanced STAR exemption at 0% (currently 2%) for STAR and Property Tax Collections.

- **Special Education Summer School** Stop: The Governor proposed to transfer of cost to school Districts. (Eliminate 80% reimbursement for summer school special education, (tied to public excess cost ratio and CWR with max at 90% for the poorest districts, 49% for average wealth and 25% for districts with CWR over 1.47) potential cost addition to districts is ~$70 million (NYSCOSS)

- **Prior Year Claims and Aid Penalties Issues** - that currently exist; reimburse with Phase-In
Foundation Aid - A Rationale: The School District Expenditure Considerations:

Poverty is not poverty-
- local governmental service levels and other supports, historical issues, cost of living issues, concentration of poverty.

Cost escalations faced by all districts-
- health insurance, contractual obligations, and mandates

Less students does not translate into automatic savings-
- student demographics, student learning needs, special education, ELL
  - Class sizes
  - Grade level sizes
  - “Neighborhood” schools/Attendance Zones
  - Increased educational expectations - AP, IB, P-Tech, etc.
  - State assessments, remedial courses, changing standards, Professional Development

The increased mission of the school district-
- Before school Programs
- After School Programs
- Summer Programs
- Extracurricular activities
- Cocurricular activities
- Breakfast Programs
- Health care
- Social Services
- Education for 3 year old’s?
Foundation Aid Recommendations:

For Foundation aid to work a number of elements must be in place:

1. Regional Cost Index needs to updated- and hopefully changed to something more rational
2. CWR should be used as a selected CWR with two other options besides a 50/50 split between PWR and APWR. Perhaps weighting each in a different ratio (for instance 70/30 to 30/70; 60/40 to 40/60)
3. Increased weighting of all of the following Foundation Aid formula factors: CWR, FRPL, CENSUS, ELL
4. There needs to include a more inclusive use of Direct Certification to other programs (HEAP)
5. Eliminate the Income Wealth Index floor (IWI floor = zero)
6. Also, some reasonable accommodation must be made for district that have entered programs that grant all children free lunch/breakfast
7. There must be an increase in the Adjusted Foundation Aid Amount (AFA) to reflect more realistic cost of educating a single child (Adequacy) ($6,340 2017-18 to $6,422 (+2%) Executive Budget 2018-19)
8. Corral the increased loss of funds to charter schools
9. Maintain all new initiatives as unrestricted aid
10. Rationally determine the level of support for save harmless districts based on wealth and demographics of students (Equity)
11. Begin a legitimate Phase-in of an updated and repaired Foundation Aid Formula immediately
12. Caps within the formula would sparingly be used a part of a legitimate phase-in plan
13. Pay Prior Year Claims with designated Phase in
14. Remove penalties for late Capital Project Submissions (retroactive)
15. State Government seems unable or unwilling to improve or update the Foundation Aid Formula; how about a “Blue Ribbon Commission” for such a purpose?
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.
NEXT…State Aid & New York State Public School Districts PLUS…
Budget Considerations, Long Range Planning, Comptroller’s Audits, Capital Project Issues & Interaction with Legislators

Questions?

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Executive Director
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