Overview: Predictable and Equitable School Funding

Public school districts across New York State are funded using a combination of federal and state aid and local taxes. Potential shifts in support for public schools coming from the federal government, unpredictable methodologies for allocating state aid to school districts, and shifting demographics have added challenges to the ability of local leaders to engage in long-term fiscal planning.

School district leaders on Long Island are thankful for three years of relatively strong increases in state aid, which have enabled some school districts to begin to restore services that were eliminated during years of reduced aid to schools through legislation, such as the Gap Elimination Adjustment. The elimination of the GEA and increased school aid have assisted school districts to provide required services to new students and in other cases allow for the restoration of services cut during lean times.

The current system does not have a base formula that allows for future planning and/or reserves for high costs such as teachers' retirement obligations. In addition, the foundation formula is not predictable from year to year, which is a hindrance to long-term financial planning. We advocate for the following changes which will allow school districts to develop predictable budgets while providing educational programs for all students.

Teachers Retirement System (TRS) Reserve

We recommend allowing school districts to establish a reserve for future TRS obligations. We encourage support of the bill put forth during the 2017 legislative session (S.4563 - (Golden)/A.7353-B (Buchwald)) that passed in the Assembly.

The New York State Comptroller’s 2010 report, covering five years of school district audits, recommended giving school districts more ways to place funds into reserve. School districts are limited to an unrestricted fund balance equal to no more than four percent of budgeted appropriations. Municipalities have no such limit, and the national Government Finance Officers Association recommends a ten percent unrestricted fund balance for school districts. While municipalities are able to set aside funds for pension obligations on behalf of all of their employees, schools may do so only for the approximate 20% who are covered by the Employees Retirement System (ERS), not for the teachers and certificated administrators in the TRS. School districts, while not having this flexibility, are subject to more disclosure requirements and a tougher tax cap.
We recommend giving schools access to reserves comparable to those already available to municipalities. Reserves are still one tool left for school districts to exert some control over their financial future.

**Tax Levy Cap Modifications**

To maintain the tax benefits of controlled school spending, while providing more effective multi-year financial planning by schools, we recommend the following:

- **Make the tax levy cap a fixed two percent**, not an amount tied to the Consumer Price Index (CPI). This lack of predictability makes it difficult for school districts to plan and is confusing to taxpayers.

- Provide for an **exclusion of security expenses** from the tax cap calculation similar to debt service and pension exclusions.

**Foundation Aid Formula**

We strongly encourage the continuation of the Foundation Aid Formula. A significant public policy accomplishment was having a predictable formula to drive foundational aid to schools. It generally drove the greatest aid to the school districts that needed it the most. It also allowed for much needed predictability. It is clear that elements of the Foundation Aid Formula need to be updated, including the weightings to account for pupil needs, and the amount needed to prepare students for success. We recommend updating the formula. As it stands now, it does not work for many school districts. Having something that resembles the Foundation Aid Formula as a cornerstone to a school finance system will facilitate more effective multi-year planning.

**FARMINGDALE SCHOOL DISTRICT RELATED CONCERNS**

**Funding to Support Educational Mandates**

As school district leaders, we work diligently with our stakeholders to create and implement school budgets that are fiscally sound and responsive to the needs of our community. We provide educational programs and services driven by complex laws and regulations. We are limited in the amount we can increase our budget by the tax levy cap. With these constraints, it is imperative that any new mandates that are put in place for our schools/district be subject to a full fiscal impact analysis prior to their implementation AND be fully funded (i.e. Ban on meal shaming funding). Any new mandates imposing new costs should not take effect until the next local fiscal year succeeding its adoption.

**School Safety**

The primary mission of providing our children with a high-quality, free and appropriate public education is dependent on a safe and secure learning environment. This includes giving school districts authority over who enters their buildings and when they may enter, and enacting policies for school districts that deter threats. It also includes proper funding of school safety programs. To maintain a safe and secure learning environment, while providing more effective multi-year financial planning by schools, we **recommend** the following:

- **Polling places off school ground** - Schools have spent large sums of money on safety measures aimed at restricting and controlling access to their buildings. We have put policies and procedures in place that drastically limit anyone from entering the school building during the school day, yet we are required to keep them wide open on Election Day. This requirement is undermining efforts aimed at bolstering school security and keeping our student and staff safe.
● Waive the $30,000 retirement cap for police officers to work security - Schools across NYS are finding it extremely challenging to hire high qualified security officers to meeting school safety needs. Retired police officers are well-qualified to protect our students as school resource officers. Currently, retired public employees must apply for a "211 Waiver" in order to earn more than $30,000 per year. This process, can often become burdensome and is usually temporary. The cap on earnings can deter those best qualified to protect our children from becoming school resource officers. We support Bill S3357A that would allow school districts to hire retired police officers without needing a "211 Waiver."

● Provide for an exclusion of security expenses from the tax cap calculation similar to debt service and pension exclusions - School boards know that nothing is more important to parents than the safety of their children. Many districts throughout the state included funding for enhanced school security measures in their 2018-19 budgets. Much of that funding is for hiring school resource officers, staff training, and installing new security technology such as video surveillance, emergency notification systems and physical access controls. These large-scale safety measures aimed at restricting and controlling access to their buildings can be extremely difficult to fund. We are recommending the Governor provides for an exclusion in the tax cap calculation of these security related expenditures which help to ensure that students, staff and community are kept safe at all times.

**Support Shifting Student Needs**

There have been well-documented increases in the number of students in Farmingdale with shifting and more challenging needs. This is reflected in increases in the number of students who are English language learners; have had interruptions in their formal education; are living in poverty; and/or have special learning needs.

● Farmingdale Public Schools have seen a 44% increase in its McKinney-Vento Homeless Assistance Act population over the last five years (2012-2018).

● According to federal guidelines, more than **24%** (1,318 out of 5,543 students) of the students enrolled in Farmingdale qualify for free or reduced-price lunch. This is a **118%** percent increase over the **11%** from 2007-08.

● Since 2010, there has been an **10%** increase in the number of students with disabilities in Farmingdale schools, compared to a **3.7%** increase statewide. The average cost to educate a student with disabilities in New York is three times that of a general education student.

● Farmingdale Public Schools have seen a **300%** increase in its ELL population over the last six years (2012-2018). Our ELL population has consistently grown by double digits within each school year between September and June. These increases within the school year have ranged between **10%** and **30%**.

● Farmingdale schools have embraced these challenges and provide the required supports and services for this students, although this comes at a significant cost. We are recommending future financial funding to support our efforts.
Develop Meaningful Teacher and Principal Evaluations

As school district leaders, we know that reliable assessment results are needed to improve education. We also know that multiple measures of assessment provide more reliable information about a student’s performance than any individual assessment. During the past several years, we have worked within our community to address the misunderstanding surrounding the grades 3-8 assessments. However, the percentage of parents who are choosing to opt their children out of state testing remains steady. This is impacting an important source of information regarding how our schools are doing. The Every Student Succeeds Act includes an ongoing requirement for schools to meet the 95% participation rate for required assessments. In an effort to address the divide between the requirements and the lack of trust in the grades 3-8 assessments, we advocate for the following actions:

- Return the responsibility of evaluating teachers and principals to the Farmingdale Board of Education.

- Create a stakeholder group to revise APPR-3012d in a timely manner.

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