



TESTIMONY

School District Use of Foundation Aid Increases and American Rescue Plan Funding

Senate Committees on Education,
New York City Education, and Budget and Revenues
September 30, 2021

Senator Mayer, Senator Liu, other Senators:

Thank you for this opportunity to testify today and for your work on the 2021-22 state budget.

I am Robert Lowry, Deputy Director of the New York State Council of School Superintendents.

Almost from its enactment in 2007, we have described Foundation Aid as an under-appreciated accomplishment in public policy. As our report on the status of Foundation Aid elaborates, this year's budget resurrects the promise of that formula, providing a \$1.4 billion increase for 2021-22 and committing to finally achieve full funding by 2023-24. Thank you.

We have also emphasized to our members the careful work you and your staffs did to assure that the federal COVID relief funding directed to schools can be used to supplement and not supplant regular state and local funding.

Governor Cuomo's proposed budget would have used over \$2 billion in federal aid to offset reductions in state support—for expense-based aids and the STAR property tax relief program. In contrast, under the enacted budget, only \$35 million in federal education funding is applied toward offsetting a reduction in state support (reimbursement for New York City charter school costs).

We also appreciate budget language provisions designating the funds as grants-in-aid to be accounted for in the special aid fund—these support the efforts of districts to effectively plan and manage use of the federal assistance over multi-year periods.

The requirement for districts to develop multi-year plans prioritizing use of American Rescue Plan funds for “non-recurring costs” reinforced leaders who were seeking to avoid having their schools take on expenses which could not be sustained when federal aid expires.

Every summer between 2011 and 2019 our organization conducted a survey of superintendents on school district finances. We skipped doing a survey in 2020—to avoid imposing our own demands upon our members on top of what was required as they led the work that summer in complying with requirements for safe school openings in September 2020.

For similar reasons, we have not yet conducted a survey this year, but we will. Now that school is underway. It will repeat some past questions on overall school district fiscal condition and local funding priorities. It will ask new questions on hiring shortages and the effects of the pandemic upon the learning and well-being of students. Pertinent to this survey, we will also ask about district plans for the use of Foundation Aid and federal COVID relief funding.

That survey will give us better information to answer some of your questions. We will send reports on our findings to you.

Context

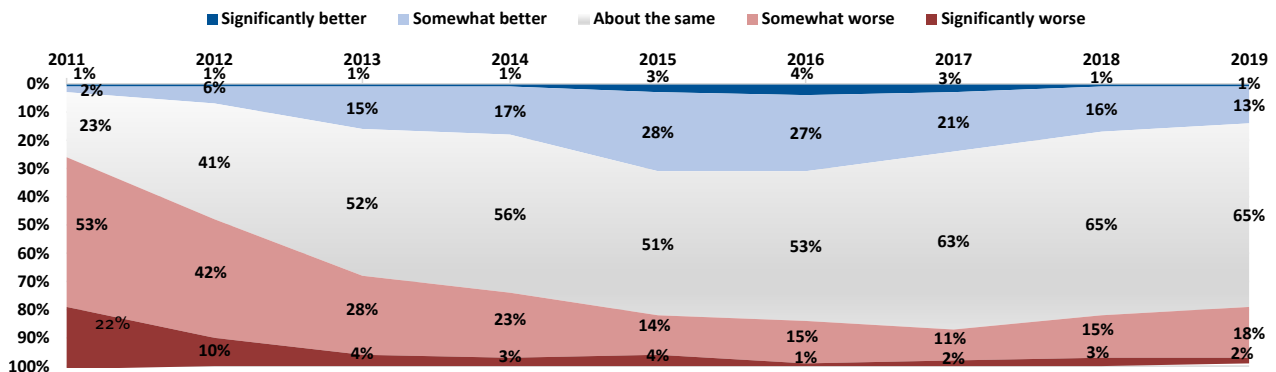
But our past surveys revealed that even before the pandemic came to command so much of all our attention, many of our schools and our students were already struggling.

In our first survey in 2011—the year of the largest total dollar reduction in state aid—75% of superintendents reported that their school district’s financial condition had deteriorated over the year past, only 3% foresaw improvement, 25% said their schools’ financial condition was unchanged. It’s worth recalling that that year—2011-12—was the third straight year of austerity in state aid for schools.

As the state’s finances improved, so did school financial condition as reported by superintendents. But the pace of improvement stalled after 2015. By 2019, only 14% of superintendents said that their district financial condition had improved over the prior year.

Never in the nine years of our surveys did more than 31% of superintendents respond that their district’s financial condition had improved. It seems probable, therefore, that many school systems experienced little or no recovery from all the damage they suffered in the three years ending with 2011-12.

NYSCOSS Surveys: Compared to one year ago, how has the financial condition of your district changed, in terms of its ability to fund services meeting expectations of parents in the community?

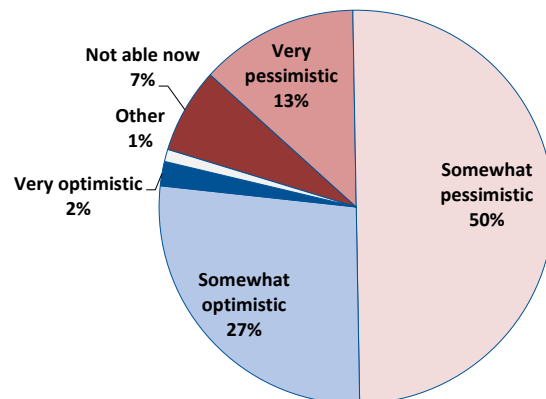


In the last four annual surveys (2016 through 2019) we asked superintendents to look ahead:

“Thinking ahead three years or so, how optimistic or pessimistic are you about whether your district will be able to fund programs and services adequate to the needs of your students?”

Results have been stable over that time, but never have more than 31% of superintendents professed optimism. In 2019, 7% responded that their districts were not able to fund adequate programs now—the equivalent of 50 school districts perhaps in a state of educational insolvency.

NYSCOSS 2019 Survey: Thinking ahead 3 years or so, how optimistic or pessimistic are you about whether your district will be able to fund programs and services adequate to the needs of your students?



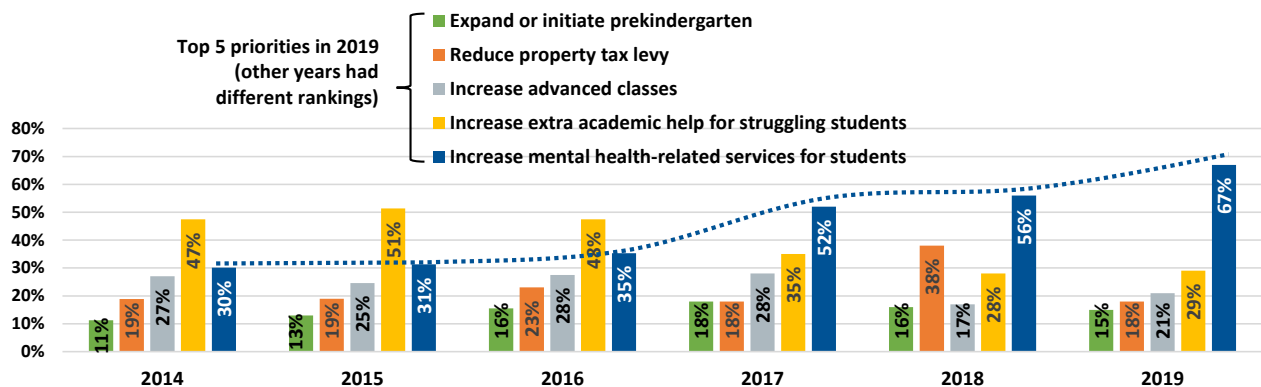
A theme of our recent reports was that increases in school revenues had not kept pace with mounting student needs, particularly in the area of mental health services. Each year, we asked superintendents what their top three priorities for new funding would be. In the first six years, expanding extra academic help for struggling students was the most widely cited priority. But in 2017, it was supplanted by increasing student mental health services.

The share of superintendents who identified improving mental services as a top priority climbed from 35% in 2016, to 52% in 2017. In 2018, the share seemed to be stabilizing, climbing just four points, to 56%. But it jumped again in 2019, to 67%—more than double the next highest option. That year, it was most widely cited by all district categories we examined, whether grouped as urban, suburban, or rural, or by region, or by percentages of students in poverty.

Disruptions in the lives of students brought on by the pandemic have compounded concerns about their academic progress and personal well-being. It may prove easier to help students regain lost ground in learning that to help them recover from the social-emotional effects of the last 18 months. We will explore that in our next survey.

Improving student mental health-related services has surged as a priority

If your district were to receive an increase in funding beyond what would be needed to fund mandates and your current level of services, what would be your top three priorities for the use of that funding?



District Planning

Your hearing notice asked how districts engaged the school community in planning the use of funds. Common approaches were to hold at least one community forum, hold stakeholder meetings, post a draft plan for public comment, and present the plan for consideration at a public board meeting. Some districts made it a point to include students in their consultations and some created special committees to contribute to planning.

I will add some observations about the state budget requirement for ARP plans which districts were required to post on their websites by July 1, after first obtaining public and stakeholder input. Requiring a plan is entirely reasonable public policy. But the July 1 deadline was incompatible with either effective planning or in-depth public engagement.

First, actual allocations to districts have changed multiple times since the state budget was enacted.

Second, a frequently asked questions guidance document was not issued by the U.S. Education Department until May 27 and districts are still waiting for some clarifications on using federal aid for construction projects and for a state application for the ARP funding allocated as Learning Loss Grants.

Third, school leaders were managing all the usual demands of the April through June period, including finalizing and passing a budget and planning for the end of the school year. They were also dealing with exceptional uncertainties—unresolved state guidance on permissible arrangements for commencement ceremonies and controversy over mask requirements.

Finally, and most important, we are all going to learn a lot in the months ahead. With students back in school, in-person, educators will be better able to judge the effects of pandemic disruptions upon students and their needs than they could last spring.

Accordingly, the plans should be regarded as living documents, subject to change and susceptible to improvement as our knowledge grows.

District Funding Uses

The hearing notice asked how districts plan on using funds to meet specific needs of students and what programs are planned to help students who are struggling, academically, socially, emotionally?

At this stage, our information is entirely anecdotal and may not be representative of the state as a whole or of districts in particular circumstances. But common themes are that districts have used funds to expand summer school and to extend the school day or add after-school programs. Some are reducing class sizes, expanding literacy support, and adding mental health-related professionals. It also appears to be common for districts to invest in professional development, either to support improved instruction, or to better recognize and help schoolchildren struggling with emotional issues, or both.

I will share some specific examples of what we have heard.

A Long Island superintendent told us,

At a time when our schools need to be at our absolute best, the increases in Foundation Aid coupled with the ARP funding has enabled us to provide targeted support for our students with the greatest need. This includes our first ever ENL [English as a New Language] summer program and additional AIS/RTI [Academic Intervention Services/Response to Intervention] teachers to support learning recovery in all our school buildings. Our district was able to add an additional mental health professional to better support the mental health well-being of our students at a time when we have seen dramatic increases in the social and emotional needs of our students.

A Finger Lakes region superintendent wrote,

The funding sources will enable us to provide greater support for our students in all areas: academic, social, emotional. We were able to provide summer school to students grades K-8 for the first time in approximately 10 years as a result of the funds. In addition, we have been able to secure multi-year targeted literacy professional development for teachers UPK-5.

A Mohawk Valley superintendent said his district,

Added sections of classes that had the most course failures and testing results the year prior.” [It also added] AIS teachers to focus on students who struggled last year and who have a need for remediation plus a summer enrichment program for grades K-6 and after school tutoring for students who need additional help.

A North Country superintendent wrote,

Funds have been used to mitigate loss of in-person time experienced by students given our hybrid model from last school year. We've reduced some elementary class sizes, added additional literacy support to our primary grades, increased after-school transportation so more students can engage in additional instructional support as well as extra-curricular activities. The district also piloted summer support programs at our middle school and high school. We used funds to support the pupil services team. An additional school social worker and school psychologist have been added to the team to increase social emotional supports for students.

A Mid-Hudson Valley superintendent told us,

Because students will return to us with a wider range of starting places than ever before, we will focus a multi-year effort to accelerate the design our own version of personalized learning. This had been the intention of our Strategic Plan adopted in 2018, but now, thanks to additional funding, will receive a more focused and accelerated effort. The funds will specifically allow us to partner with a consultant (Education Elements) with 10 years of experience helping districts like ours do this work.

A Western New York superintendent said,

We have been able to create a Family Support Center in our district, a partnership between families, schools, and community-based agencies... Our goal is to enhance families' physical, mental, and emotional health by providing support, referrals, and linkages to area services. The mission of the center is to strengthen families, remove barriers to services, and offer opportunities for improved resiliency.

We also know that some districts will use federal funds to make improvements in their facilities, including better ventilation. Also, with the abrupt shift to remote-only instruction in March 2020, many districts needed to purchase new tablets and laptops to give their students internet access and to make much fuller use of the tools they had on hand. Some have used the new federal aid to replace devices that no longer work.

Preliminarily, we are surprised by the extent to which some districts are using federal aid to support costs which could continue past the life of those funds. But they are anticipating that increased Foundation Aid will be available to help sustain those initiatives.

The hearing notice also asked how districts will assess the impact of the programs they adopt.

First, districts will continue using measures that have employed in the past. These allow for historical comparisons. They include standardized assessment results, credit accumulation, grades, attendance data, and referrals for special help, for both academic and other needs.

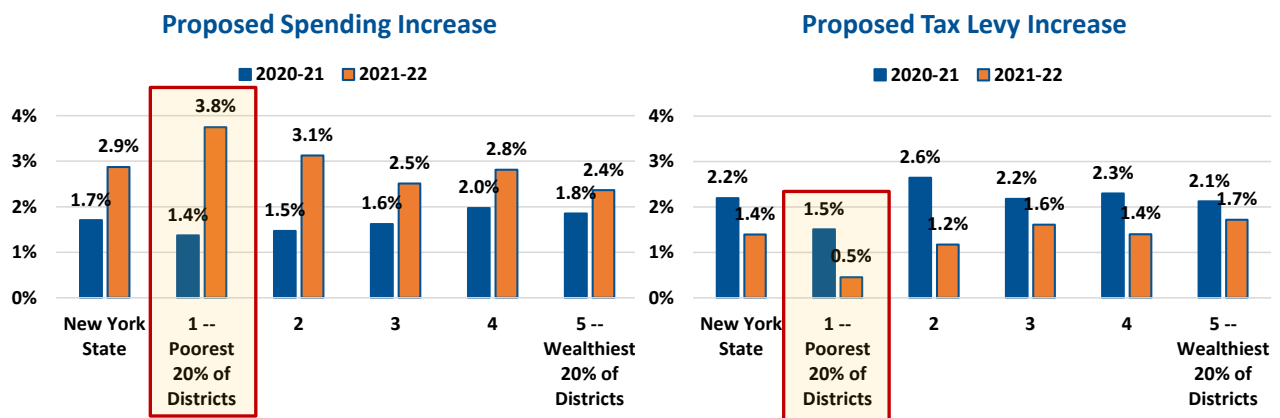
It is common for educators to say that computer-adapted assessments they purchase from vendors are more useful than state tests in measuring the learning of individual students—they require less time of students, provide better information, and deliver faster results. State assessments, on the other hand, are valuable in gauging curriculum alignment—how what schools are teaching matches what state standards prioritize.

We also know some districts are using federal aid to purchase more and better assessments, for both academic and social-emotional learning. Some have also spelled-out plans for how they will use their assessments to trigger extra help for students in either domain.

Conclusion

Again, we will be conducting a survey and anticipate it will give us more systematic and refined data to share. For now, we can provide some broad-brush evidence of the impact of the state budget upon the budgets that districts asked outside the “Big 5” cities asked their voters to approve. This year, in the aggregate, the poorest districts were able to propose budgets with the largest spending and lowest tax increases. A year ago, when Foundation Aid was frozen, results on both measures were more random.

Proposed School District Budgets – 2020-21 vs. 2021-22
Districts Grouped by Ability to Pay (Combined Wealth Ratio)



SOURCE: NYSCOSS analysis of NYSED School Aid and Property Tax Report card data

The additional support given to our schools through the efforts by you and your counterparts in Washington is truly exceptional. But the experiences of our students over these last 18 months have been exceptional as well, and so are the challenges still before our schools. We are grateful for your support.