



February 1, 2024

Testimony to

Joint Legislative Budget Hearing

**Executive Budget Proposal and Legislation:
*Elementary and Secondary Education***

Presented by

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The Business Council of New York State, Inc. is the states largest statewide employer association, representing approximately 3,500 employers across New York. Our membership is a diverse group of businesses from all sectors of the economy ranging from large scale employers, minority and women-owned businesses, entrepreneurs, and small business owners. Presently, seventy percent of our 3,500 members would be defined as a small business.

Like many other states, New York is facing a workforce shortage. As a direct result of lacking a strong and at-capacity workforce, businesses are unable to grow, and these effects are being seen in our economy. This shortage also makes New York State less competitive when it comes to business attraction, retention, and growth. At the Business Council we are working to help businesses grow and to help individuals join the workforce in capacities that best serve them. At the Business Council we have always advocated that workforce development is one of the biggest factors in economic growth. With this we must prioritize legislation and budget investments that are going to shape our workforce. This starts with prioritizing Elementary and Secondary Education investments. Below we have detailed considerations for the members of the NYS Senate and Assembly.

The Impact of AP Courses and Funding for Low-Income Students S.2713 (Chiu)/A.7836 (Eachus)

Advanced coursework in high schools sets a standard of providing early college opportunities for diverse students across the nation. Over the past year, there has been a commendable surge in AP participation by low-income students, supported by federal and state funding. ***In 2023, the number of low-income U.S. students taking AP Exams increased by 14%, surpassing the growth in non-low-income students.*** This increase is especially significant given the challenges schools and students have faced as a result of the pandemic. New York's commitment to supporting low-income students in AP endeavors is evident through the \$40 per AP Exam funding provided in 2023. This investment led to a notable 9% increase in low-income students taking AP Exams, outpacing their non-low-income counterparts.

New York's dedication is underscored by the fact that 37% of 2023 AP examinees in the state were low-income. The impact of this investment goes beyond academic achievement. ***Since most four-year colleges grant credit or placement based on AP Exam scores, the estimated potential tuition savings for low-income students in New York who scored 3 or higher in 2023 amounts to \$46 million and \$182M for all students.*** This not only eases the financial burden on students but also aligns with the state's commitment to fostering equal educational opportunities. Looking ahead, various funding sources, including Title IV, Part A, ESSER funds, Title I, and state and local funds, are poised to continue supporting AP Exam fees for low-income students in 2024. These sources play a vital role in maintaining accessibility and reducing financial barriers for students seeking advanced coursework. Investing \$8.53 million in AP and IB exam fee assistance can further amplify access to advanced coursework for low-income students in New York.

School Aid Funding Budget Proposal

With all school districts in New York State at risk of receiving less funding by proposals in the FY2025 Executive Budget proposal, we must ensure that the voice of business is heard. ***The Business Council does not support the proposals for cutting school aid funding including removing the 'Hold Harmless' language from the school aid funding formula.*** These proposals will lead to a hinderance in the state's ability to educate and graduate students to be successful in the workforce. It will lead to less work-based learning opportunities, less early college in high school opportunities, and less programs that expose our students to the realities of careers and opportunities beyond high school.

Many schools and districts have depended on pandemic funding to cover operational costs, program expenses, and beyond. This temporary financial support has been a lifeline, enabling educational

institutions to face unprecedented challenges. NYS must plan and invest in our school to ensure that our districts, school, educators, students, and programs are not struggling to succeed due to the lack of financial support once this funding is no longer. By not fully funding school aid we risk cuts to essential programs, like after-school, staff, and support services that are integral to the holistic development of students.

The economic future of the state is tied to the investments made in K-12 education, as supported by compelling data from many sources highlighting the vital role education and skills play in labor market outcomes. As we know, educational attainment continues to be significant driver of labor market outcomes, with workers who completed more education and training experiencing lower unemployment and higher earnings. ***Recent labor market outcomes show us that by 2031, 70 percent of jobs in New York will require education and training beyond high school.*** The students of today are the workforce of tomorrow, and the effects of the pandemic have resulted in significant learning loss. Urgent legislative action and executive budget investments are necessary to equip students with the necessary resources, support, and educational infrastructure to overcome these challenges and prepare for post-secondary education and successful careers.

The Business Council hopes that our advocacy for advanced coursework and school aid will be considered in on going decision-making this legislative session. We welcome the opportunity to discuss our testimony further with all members of the legislature. Thank you for allowing us to have the voice of business heard.