

Port Washington prides itself on its cultural and economic diversity and has become a magnet for drawing new people to the community. There are more than 40 languages spoken within the district and the number of students enrolled in our public schools has been steadily increasing over the last 20 years. While positive, these factors, among others, also present financial challenges. Our Superintendent and Board of Education Members welcomed the opportunity to be part of the recent Long Island Roundtable to discuss how the Foundation Aid Formula may be altered to better address funding the needs of the students in communities like ours and others in our region.** Based on the information gained there, as well as examining our own data, we have identified three types of factors to consider when evaluating and updating the current formula.

Through our understanding of the issue, the main consideration in revising the Foundation Aid Formula is updating the indices that are used to measure the needs of each school district. In the current formula, the wealth index and regional cost index are fixed indicators that have not varied. During the Long Island Roundtable, the discussion of those indicators concluded that the current data used to construct them is outdated and does not adequately take into account the changes in demographic and economic markets. At a minimum, if those indicators remain, the data used to construct them must be in accordance with present day factors and conditions and reviewed annually. Additionally, the formula evaluates the needs level based on old census data and includes the number of students with special education needs, as well as, the number who are enrolled in the free and reduced lunch program. One aspect that was glaringly obvious throughout the roundtables is that the measurement of students in need, whether due to poverty or special education, cannot be assessed with only one number per category. Hence, after a review of the suggested Fair Student Funding Formula, adopted in New York City, we are interested in crafting a formula that weights each student's need attribute. By weighing the levels of higher support needs for both ELL and special education students, the Foundation Aid Formula can better capture the changes in populations and adequately account for those students who require more funding based on the higher cost of their educational needs.

The second factor to consider is that the Foundation Aid Formula was passed before the Tax Cap Formula was enacted and the addition of the Tax Cap Formula has an impact on communities. As school districts and boards of education, there is a responsibility to be mindful of the financial burden that is put onto the taxpayer. The lack of funding by the state and a change in demographics, coupled with out of date regional cost differentials, has put a burden on the taxpayer to shoulder the majority of funding for many school districts. With property taxes soaring and incomes not, the taxpayer's ability to pay is

compromised. Therefore, the evaluation of the property tax formula should account for increases in enrollment and use the median not the *mean* of income. While the property Tax Cap Formula is not formally up for discussion, when evaluating the Foundation Aid Formula and equitable distribution of funding, the Tax Cap Formula must be considered because it encompasses factors absent from the Foundation Aid Formula. The absent factors of median wealth and size of enrollment create a significant impact on communities where there is extreme economic diversity and increased student populations.

The final factor we recommend for evaluation when reviewing the Foundation Aid Formula includes an examination of the state mandates that are imposed upon the school districts. For example, with the advent of increased needs in security, cybersecurity and mental health, the state mandates should not be a one size fits all option for every district in the state. Instead, perhaps, a regional group of districts should be included in the conversation about mandates from the outset and have the opportunity to review and comment on the proposed mandates. Additionally, since not all mandates fit all school districts, looking at the opportunity to incorporate waivers into the mandates under specific parameters will offer flexibility to establish requirements that are fiscally responsible and work within the parameters of the varying school districts.

In closing, the Port Washington School District appreciates the opportunity to submit these propositions and that the State Education Committee and the Senate Committee on Budget and Revenues are taking the time to review them. As outlined above, we have three suggestions that we believe will help to modify the Foundation Aid Formula in a manner that more closely reflects the goal of equitable funding across the state and meets the needs of all students. Those goals are :

- *Include indices that are more reflective of current conditions and based on the variations of students' needs in a more drill down weighted category (like Fair School Funding Formula);*
- *Adjustment of the Tax Cap Formula calculation to account for increased enrollment and to rely on median of wealth; and*
- *Consider convening regional discussions on mandates before they are finalized and where applicable, the inclusion of waivers to lessen the economic pressures. In concert with these three suggestions is a process of evaluating the formula annually to make sure that the numbers do not remain static and capture a more realistic snapshot of demographics.*

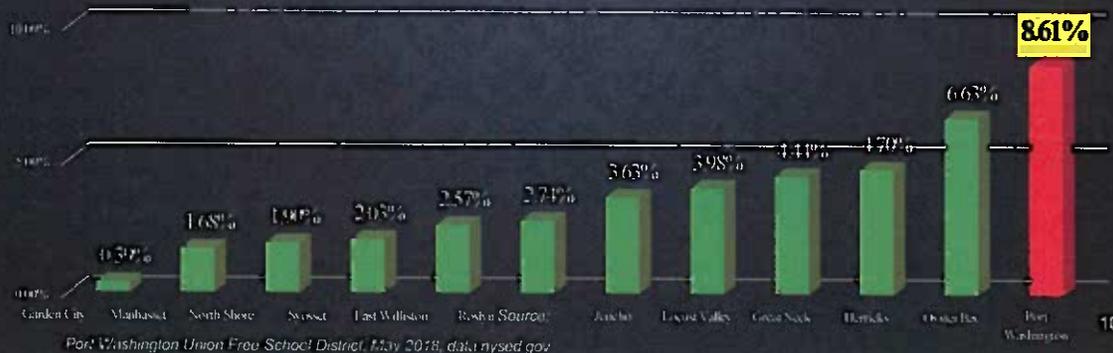
Thank you for your consideration of this testimony. If further discussions arise following the December 3rd hearing, representatives of our school district would gladly participate.

****For more information about the Port Washington School District and the impact of the Foundation Aid Formula on the community, please review the following documents.**

Port Washington Is a Vibrant and Diverse Community

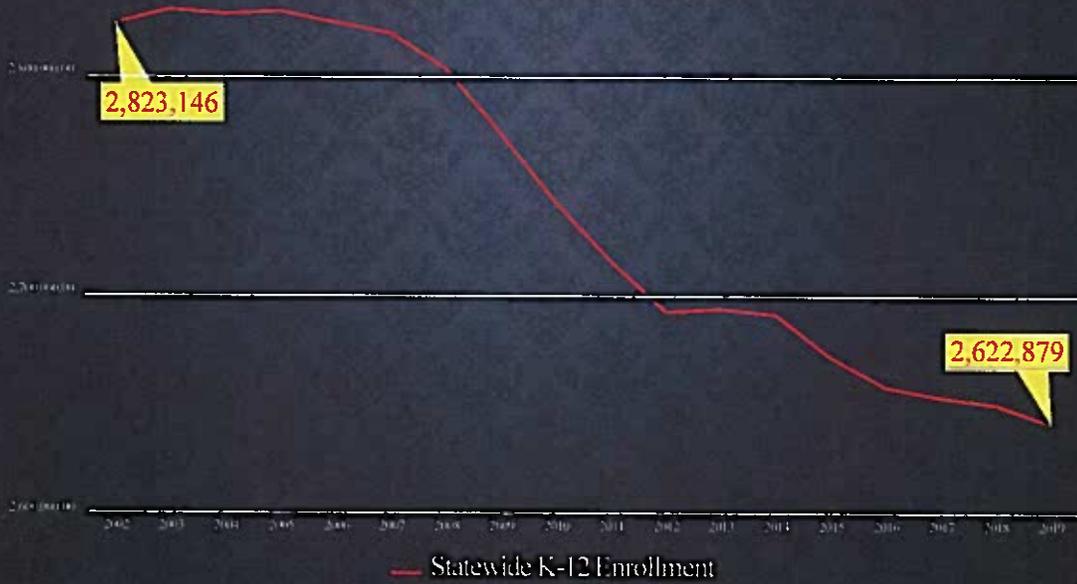
- 41 languages are spoken in Port Washington.
- 19 percent of our students qualify for free or reduced lunch.
- 14.8 percent of Port Washington students receive special education services as mandated by law.
- More than 20 languages are serviced by our schools' English as a New Language (ENL) departments.

Percent of Pupils Who Are English Language Learners, 2018



Statewide Enrollment Has Declined

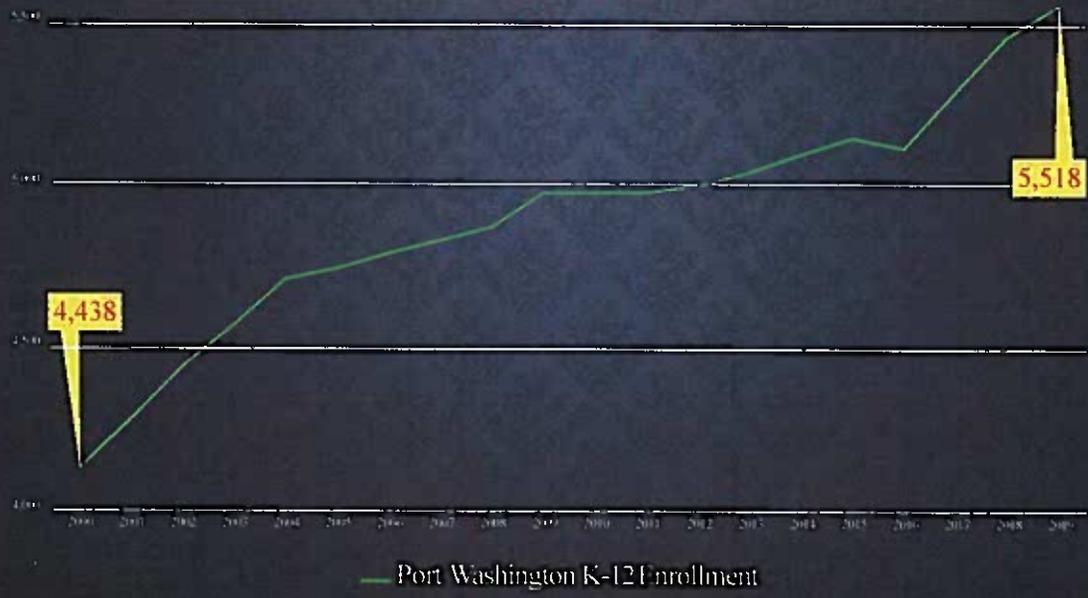
200,267 Fewer Students Statewide – 7.0% Decrease



Source: data.nysed.gov

... While District Enrollment Is Growing

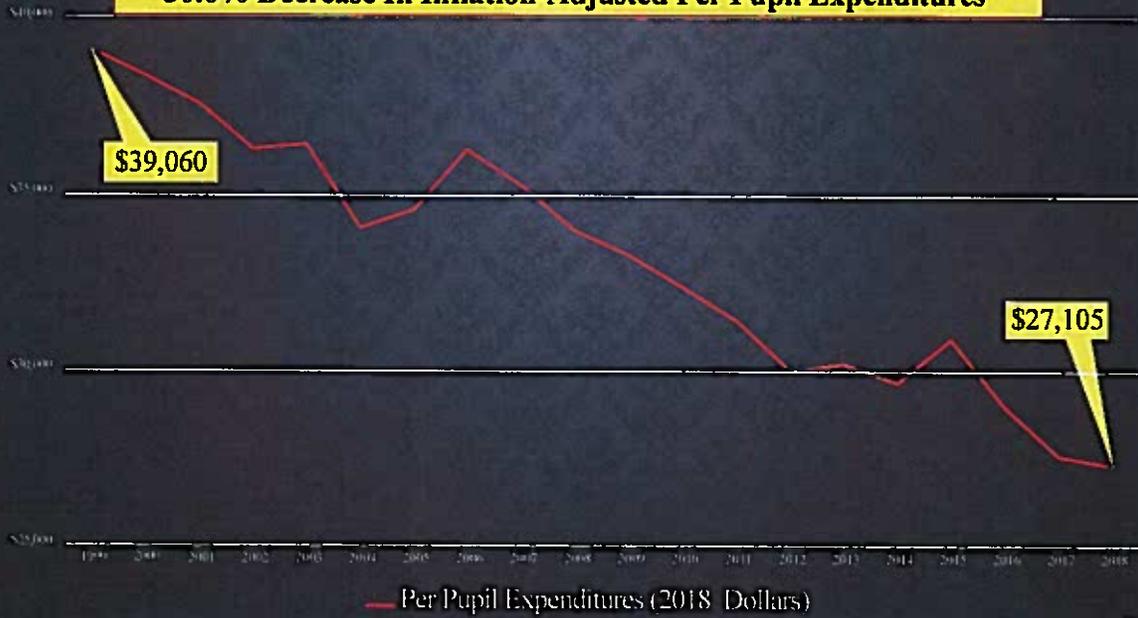
1080 More Students in Port Washington – 24.3% Increase



Source: data.nysed.gov

Port Washington Has Reduced Per Pupil Spending

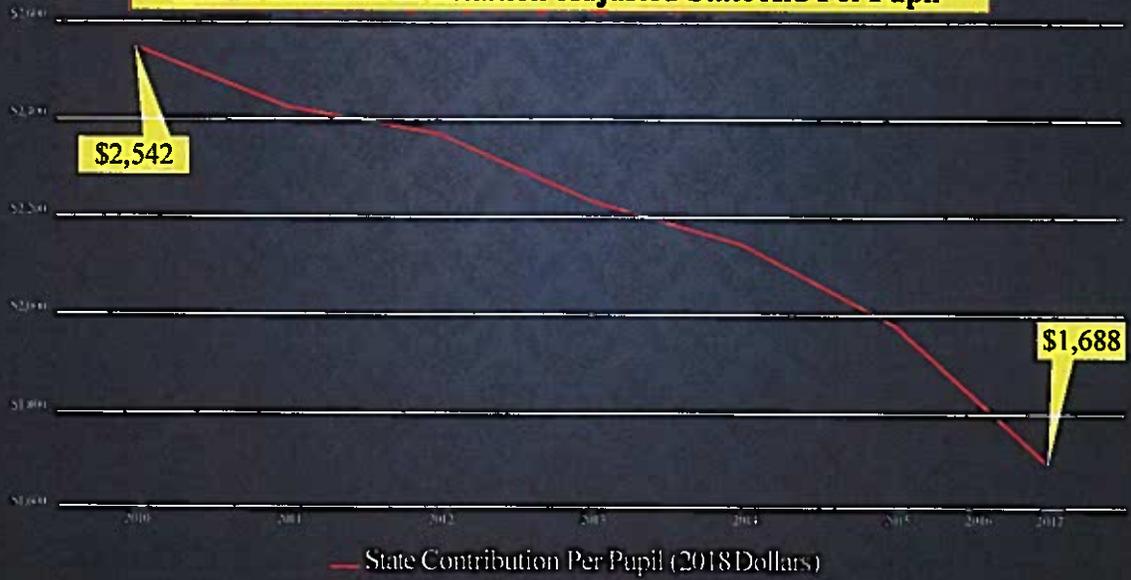
30.6% Decrease In Inflation-Adjusted Per Pupil Expenditures



Source: data.nysed.gov, Port Washington UFSD, www.portnet.org. 2018 dollar calculation based on SEA (Education) CPI index from data.bls.gov

Decreasing State Aid Puts Additional Pressure on District Finances

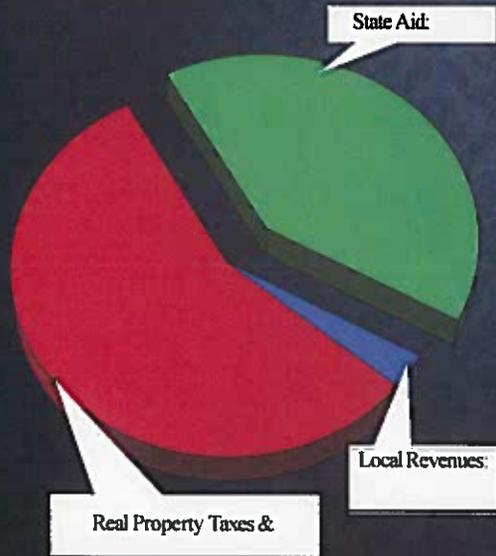
33.6% Decrease In Inflation-Adjusted State Aid Per Pupil



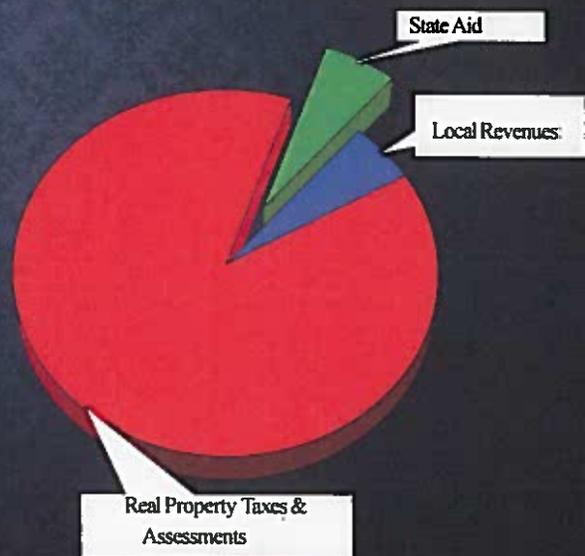
Source: data.hysed.gov; www.portnet.org. 2018 dollar calculation based on SEA (Education) CPI index from data.bls.gov

Port Washington Residents Bear More Than Their Fair Share of the Tax Burden

Statewide: 36.2% State Aid



Port Washington: 6.6% State Aid



Source: data.ny.gov

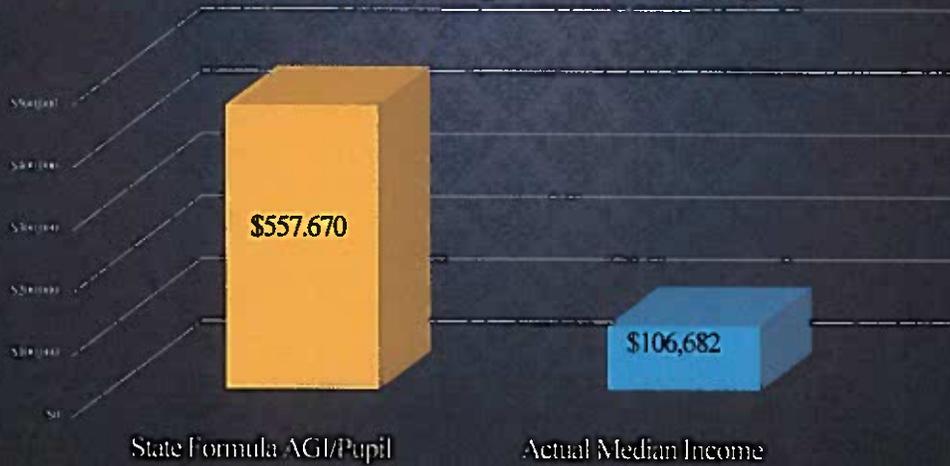
Goal: Fully Implement Foundation Aid

- The state has delayed the full implementation of the Foundation Aid formula.
- Currently, Port Washington schools receive approximately **\$5.5 million** in Foundation Aid.
- If the Foundation Aid Formula was allowed to run as current law instead of being manipulated at the state level, Port Washington's Foundation Aid would be **just over \$9 million**.



Goal: Revise the Foundation Aid Formula To Measure Median Wealth (Not Mean)

- Foundation Aid Formula uses the “mean” wealth per pupil to calculate aid.
 - Mean: Adds up total wealth of all residents, then divides by the number of residents.
 - Median: The midpoint (50th percentile) of all district residents’ wealth.
- The formula does not account for Port Washington’s economic diversity.



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Source: data.nysed.gov; factfinder.census.gov; 2011-2018 American Community Survey (Estimates for zip code 11050; 2018 numbers)

Goal: Adjust the Tax Cap Calculation To Account for Enrollment

- The tax cap formula does not account for changes in enrollment.

