



**TESTIMONY BEFORE THE  
JOINT LEGISLATIVE BUDGET COMMITTEE HEARING  
ELEMENTARY & SECONDARY EDUCATION  
FEBRUARY 1, 2024  
LEGISLATIVE OFFICE BUILDING  
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**TESTIMONY PROVIDED BY**

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Madame Chairs and honored members of the committee, I am David Little, the Executive Director of the Rural Schools Association of New York State. We represent over 300 of the state's school districts. I am grateful for the opportunity to speak to you about the devastating effect the Executive Budget proposals for education would have on rural school districts, many of which are on the now threatened Hold Harmless.

Year after year for over a generation, Education Week and Quality Counts magazines have ranked all states on the sufficiency and the equity of their state education aid distribution methodologies. In each of those years New York was ranked at or near the top in sufficiency of funding and dead last, I repeat dead last in the equitable impact of how it distributes those funds. This proposal would make it worse; much worse. The problematic portion of the plan would eliminate the Hold Harmless provision from the (now fully funded) Foundation Aid formula, as well as to randomly recalculate (and lower) the inflationary figure used in the formula. The resulting reductions in aid would be temporarily and partially offset by a Transition Adjustment. Roughly half of our state's school districts are currently on Hold Harmless. Despite claiming that these changes are needed to free up funds for truly high need districts, there is no provision to actually shift funds and increase funding to any high need school district. It is a disingenuous proposal that has no more effect than to reduce the state's court ordered and agreed upon support for public education at its very first opportunity to do so.

Make no mistake; this is a blow to all rural school districts, most of which have lost significant enrollment that without reform of the formula would result in a loss of state aid. Coupled with the governor's steadfast refusal to adjust the tax cap (despite the significant loss of local tax base in upstate rural communities) the result could be catastrophic. Such proposals used to be an annual occurrence during prior administrations. Aid proposals would be lowered during the mid year of the governor's election cycle, knowing that if there was a public outcry aid could be increased in time for the next gubernatorial election. Motivation is a mystery here; having fully funded the formula, the governor has taken the very first opportunity to deconstruct it and withhold payments sorely needed for 17 years. Having waited the full length of a child's educational career to provide what the courts ordered and the state agreed to provide, it is unconscionable to immediately reverse course. A child's education is sequential and builds from year to year. To have established critically needed services and courses needed for rural children to compete with the courses offered their suburban counterparts as a matter of course, the governor would now withdraw those courses; often in the middle of an academic sequence. The discouraging impact is obvious. While the pandemic harmed and isolated all children, rural children were in solitary confinement. Now the governor would walk away from attempts to restore them to health and provide them the education they need to compete with their peers in other demographic categories

Of course, the proposal could merely be a bargaining point to encourage the legislature to provide support for other aspects of the Executive Budget. It could be an attempt to restrain the calls for

reform of the now generation old formula, with its omission of student mental health and other current needs. (Rather than the public calling for reform of the aid formula, the education community will now be forced to focus on simply saving Save Harmless - rather than call for more substantive changes to the now decades old distribution scheme.) Now that aid runs have been released, the full impact is known for this year. It is tremendously damaging to rural school districts but what is even more untoward is its future impact when (once Hold Harmless has been removed) the Transition Adjustment can simply be phased out or reduced, leaving the formula meaningless and further endangering our most vulnerable districts. To neither authorize regional high schools nor institute a workable means of inter-district collaboration, while systematically defunding rural districts, the state would enter into a vicious (but sadly, not unfamiliar) means of starving rural schools.

By contrast the Regent's plan was simply an extrapolation of current enrollment and inflation figures, the statutory reimbursement for BOCES, Transportation, Building and Special Education Aids, Save Harmless and an across the board inflationary adjustment. However the impact of the governor's plan may be calculated among districts, the total result would be a whopping \$500 million reduction in a proposed aid plan that was itself merely an inflationary extension of full funding for the coming year. The governor's Division of the Budget has always been attuned to local reserve levels, believing that the existence of reserves at the infinitesimal statutory maximum is justification for reduced aid. In reality, the amounts in reserve and the resulting reliance on local taxes adversely affects small rural districts that have seen unprecedented loss of local businesses during the tenure of the current aid formula. Many rural districts have reported that their reserves are insufficient to withstand the amount of their proposed cut in aid for this year alone, let alone future years under a new "ratcheted down" approach to funding.

For the governor to claim credit for full Foundation Aid funding and then make a mockery of the formula by eliminating a vital component of that formula (Hold Harmless has been part of the formula from its inception) and to delegitimize it further by simply choosing to ignore the formula's inflationary level and choose to use an arbitrarily selected (but fiscally more advantageous to the state) average instead shows a disingenuity on the part of the executive. It makes a mockery of claims that equity is important, that the intent is to expand opportunity for all children. To be clear, this plan will exacerbate the state's already brutal approach to its rural children. Statistically almost all rural students graduate. Then, by the state's design, they fail to achieve any level of academic success afterward as fully three quarters of all rural students never receive even a certificate, let alone either a two or four year degree. Why? Because they are forced to take remedial courses at the outset of college; coursework they pay for that were provided free of charge to the state's urban and suburban children. Rural students go to college for up to a year before ever touching the courses they are interested in.

The move may be an attempt (much akin to Andrew Cuomo's budget negotiating tactics) to force advocates to focus on eliminating a negative proposal, rather than fighting for affirmative (but from their perspective, costly) change. It may again be the governor's traditional mid cycle

attempt to recalibrate the tremendous cost of public education. It may be political strategy to allow legislators to rescue schools by rejecting the proposal. Then again, it may be a sincere attempt to force changes to the current formula, knowing full well that the impact of truly letting it run as proposed would be “Armageddon” for so many districts. I hope not, but it is hard to ignore the fact that the governor keeps \$35 billion on hand in state reserves and then seeks to decimate the meager 4% local school districts are allowed to retain from year to year. Worse, they (the governor and state budget director who seems to have supplanted the executive’s policy staff) make the proposal safe in the knowledge that local districts are allowed a maximum 2% increase in the local tax levy this year. This and reserves might partially buffer the initial year of eliminating Save Harmless for some districts.) What it doesn’t factor in, though is the fact that small districts have very little local tax base and local tax increases won’t put a dent in the deficit the move would likely generate. Many rural districts report that the proposed cuts amount to 10% of their entire school budget.

To provide absolute clarity, this is a return to the draconian approach taken by the prior administration, with apparent political overtones of opportunism as New York City and large urban areas (the governor’s political power base) would reap the benefit of this approach, given their increased enrollments. The question the governor leaves unanswered is how the state can (with a clear conscience) justify operating so many of its school districts, increase educational expectations (such as her proposed new reading program) while decimating small school funding for half of its schools. By keeping the current school structure (neither allowing regionalism nor a viable process for consolidation) and lowering the funding even further (in what has long been called the nation’s most inequitable distribution methodology) the governor has proposed a plan that would further devastate rural schools. Without reassessing poverty measures, including student mental health and other more current and pressing concerns into the formula, the governor walks away from this generation of children and minimizes their opportunities in New York State.

The Executive Budget would take the roughly \$500 million from public education and give it almost dollar for dollar to the City to cope with the influx of migrants. This is of course, a worthy use of state funds as well, but just as assuredly thwarting the future of some children to address the needs of others is a cruel zero sum game not worthy of this state. This is nothing short of an attack on rural education-indeed public education in at least half of all school districts. Avoiding a prompt return to underfunding of rural schools and the diminished future of rural children in our state will require rejection by the legislature. In past years and prior administrations this legislature has risen to the task of rejecting untoward gubernatorial proposals and keeping education (indeed the state itself) moving toward a brighter future. The cost of doing so this year is no more difficult than in those years. The predicted deficit for this year is no more than in those prior years. Yes, funds must be “found” to buy back the damaging cuts. The difference between this incendiary proposal and the Regents Plan (which would retain Hold Harmless and provide a true inflationary level increase) is half a billion dollars.

Simply put, this plan would revert the state to a plan that has already been ruled unconstitutional by the state's highest court. You, as the legislature, fixed it. You funded it. Please don't now allow it to be immediately manipulated and torn asunder. Reject the proposal to eliminate Hold Harmless and bastardize the inflationary adjustment. In so doing you will give meaning to having fully funded Foundation Aid by not making the gap between haves and have nots in this state a chasm.

Respectfully submitted,

*David A. Little*

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