

# Poverty measures could be first step to Foundation Aid revamp

By [Zachary Matson](#) September 25, 2016



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poverty rates from the 2000 census.

When the state aid formula – known as the Foundation Aid formula – was developed a decade ago, lawmakers called for the use of poverty data from the decennial federal census. But in the 2000's the Census Bureau moved to an annual count of school district poverty rates, leaving New York education officials stuck using the 2000 data. And unless the Legislature updates the formula statute, the situation will persist.

The wrinkle means Burnt Hills' childhood poverty rate is stuck at less than 1 percent, for the purposes of calculating state aid. And even that figure may be the result of a mistake in the census data, district officials said.

"It's something the state is either unable or unwilling to fix, and we're kind of locked in on that designation," Burnt Hills Assistant Superintendent of Support Services Chris Abdoo said during a budget presentation in March.

Either way you slice it, Burnt Hills has a relatively low poverty rate, compared with other districts in the region. And most districts – all but five out of 33 districts in the region – had a higher childhood poverty rate in 2014 than they did in 2000.

But Abdoo argued that comparable districts – like Shenendehowa, Schalmont and South Colonie – are all categorized as average-need districts. Moreover, comparisons to affluent downstate low-need districts are even more stark in terms of how Burnt Hills' relative wealth stacks up – or doesn't, he said.

"At the end of the day, we are not sure what this would do for our overall state aid, but I do think the new numbers better reflect who we are right now," said Abdoo, who added he thinks the more recent 6-percent poverty rate would move Burnt Hills into the average-need category.

"It's pretty likely that you have a greater chance of being seen more favorably in terms of state aid as an average-need district," he said.

Poverty rates aren't the only measure of district need in the state formula used to calculate school aid. The state also considers a district's free and reduced lunch rates – often used as a proxy for poverty. But as some districts, like Schenectady, have adopted a federal program

To determine state aid amounts for school districts each year, state officials rely on a handful of poverty measures and other factors that may not be as reliable as they could be.

Take Burnt Hills-Ballston Lake schools, for example. The district has a less-than-1-percent childhood poverty rate, according to the state education aid formula. But according to 2014 census data, the district has a 6 percent childhood poverty rate.

The discrepancy leaves the school categorized as a low-need district.

Burnt Hills school officials argue they would be classified as an average-need district – like many similar districts in the Capital Region – if the state weren't using childhood

that allows certain schools to provide free meals to all of their students, the ability to count those who meet the free and reduced meal eligibility has diminished.

Some districts have said that, as a result, their free and reduced rates are being underreported, resulting in less state aid than they would otherwise receive.

State officials are considering using “direct certification” to figure out each district’s free and reduced eligibility by using information from Medicaid and other assistance program rolls.

Schenectady Superintendent Larry Spring said the state Education Department already works with Schenectady to count eligible students. For his part, Spring said he is less concerned with counting the number of students living in poverty than he is with measuring the intensity and duration of the poverty students face – a factor he says is more reflective of student need than a poverty count alone.

“My fingers would be crossed that, if they are going to start tinkering with the Foundation formula, they would put an effort in to make it right,” he said. “And intensity of poverty and length of poverty are important. If all they are looking at is frequency of poverty and not the intensity, it’s a weak formula.”

Education Commissioner MaryEllen Elia is required to make recommendations to the governor and Legislature by the beginning of October as to how lawmakers should update the poverty measures in the Foundation Aid formula. While an early memo took a stronger stand in favor of updating the poverty data, state officials eventually landed on a “menu of options” that also includes maintaining the status quo or requesting families fill out income verification forms.

### **Just the beginning**

When state lawmakers’ last session finally ended the Gap Elimination Adjustment – a series of budget cuts dating to the recession and a political hot potato – education policymakers and watchers turned their attention to changing the Foundation Aid formula.

At its September meeting, the Board of Regents kicked off a broader conversation about the aid formula by discussing the specifics of the poverty measures. Regent Jim Tallon, who leads the board’s state aid committee, said he expected the Regents to offer suggestions for how to improve the formula, but he added it ultimately depends on lawmakers putting any changes into law.

“Nothing is going to happen as a result of this report because this is really up to the Legislature – put this in the quiver where you are already going to have a bunch of other arrows dealing with Foundation Aid,” Regent Tallon told reporters during last week’s Regents meeting. “To me, this is just the beginning of the 2017-2018 discussion on Foundation Aid.”

Michael Borges, executive director of the New York State Association of School Business Officials, said his association has convened a task force to recommend changes to the aid formula; they are expected to release the recommendations in October.

Borges said those recommendations were likely to include the removal of different “thresholds” that effectively limit or overstate how much state aid some districts receive under the formula.

“We are removing the artificial barriers to school districts getting the aid they are entitled to,” Borges said. “This update or tweaking of the Foundation formula is the first step in a long process to make sure the formula is driving funds to the districts that need it the most.”

### **Up to lawmakers**

Ultimately, it’s up to the Legislature to make any substantive changes to the Foundation Aid formula – even one as simple as using more recent poverty data. Lawmakers in the region widely agree that the formula will be a part of the education discussion at the capitol next year, but it’s too early for specifics on how that might shake out.

And just as lawmakers have the power to rewrite the state aid formula, they often find the ability to disregard it.

“The distribution of school aid is a political process first and foremost,” Borges said. “So despite what a formula may direct or say, ultimately, how much and who gets the aid is a political decision.”

Assemblymen Phil Steck, D-Colonie, Angelo Santabarbara, D-Rotterdam, and Jim Tedisco, R-Glenville, seemed to agree that the formula should use updated census data. They also pointed out that data should be averaged, so a single year’s fluctuation won’t have a major impact on a district.

The older data, Tedisco said, “is biased against those districts who have increased need in the past 16 years.” He called for “parity for schools,” and fairness to both “high-needs, low-wealth districts” and those “doing better economically.”

The Democrats focused on increasing overall state education aid to fully fund the formula. Sanatabaraba said he wants to “reform the school aid formula to provide a more fair distribution of resources.”

Steck said he often hears about the need to fix the formula, but solutions are less forthcoming.

“All I’ve ever heard is that people acknowledge the formula needs to be improved, but specifics have not come forward,” he said. “I think it is an appropriate time to address the formula.”

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