



New York State  
Association of School  
Business Officials

*Advancing the Business of Education*

# Governor's 2018-19 Budget Proposal

January 24, 2017



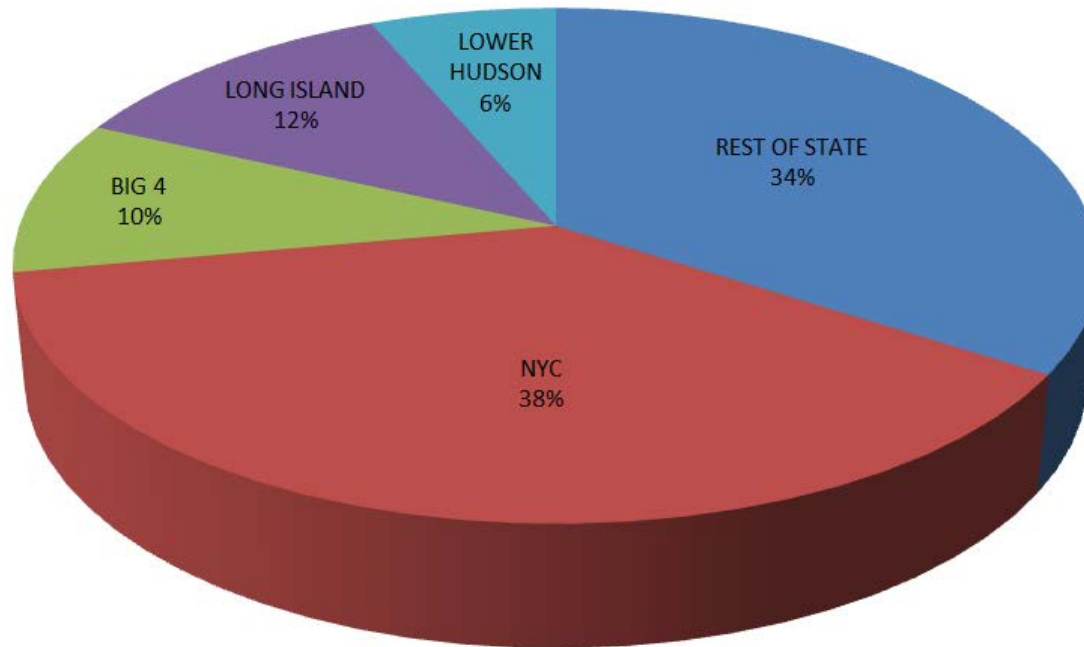
# Aid Increases

## 2018-19 Executive Proposal

FOUNDATION AID	\$337.6 million
(INCLUDES COMMUNITY SCHOOLS INCREASE)	\$50 million
BUILDING AID/REORG. INCENTIVE	\$174.8 million
TRANSPORTATION AID	\$97.2 million
BOCES AID	\$17.4 million
PUBLIC HIGH COST AID	(\$12.4 million)
PRIVATE EXCESS COST AID	\$22.4 million
INSTRUCTIONAL MATERIALS AID	\$4.9 million
FULL DAY CONVERSION AID	(\$1 million)
UPK AID	\$2.4 million
CHARTER SCHOOL TRANSITIONAL	<u>\$9.7 million</u>
TOTAL INCREASE IN COMPUTERIZED AIDS	\$651 million
FISCAL STABILIZATION FUND	\$64 million
EXPANDED PRE-K FOR 3 AND 4-YEAR OLDS	\$15 million
EMPIRE STATE AFTER-SCHOOL PROGRAM	\$10 million
EARLY COLLEGE HIGH SCHOOLS	\$9 million
SMART START	\$6 million
BREAKFAST AFTER THE BELL	\$5 million
EXPANDED AP ACCESS	\$2.5 million
OTHER EDUCATION INITIATIVES	<u>\$2.5 million</u>
TOTAL GSPS INCREASE	\$769 million



# Regional Breakdown of Aid Increases Under the Executive Proposal Maintain Status Quo





# History of Aid Increases

## State Formula Aids Not Including Categorical Grants

Year	Executive Budget	Enacted Budget	Increase (\$)	Increase (%)
2012-13	\$551.8 M	\$751.8 M	\$200.0 M	36%
2013-14	\$550.3 M	\$936.6 M	\$386.6 M	70%
2014-15	\$702.8 M	\$1,120.1 M	\$417.3 M	59%
2015-16*	\$1,063.0 M	\$1,299.9 M	\$236.9 M	22%
2016-17	\$961.1 M	\$1,400.8 M	\$439.7 M	46%
2017-18	\$768.4 M	\$995.4 M	\$227.0 M	30%
2018-19	\$651.4 M			

\* Amount appropriated in Executive Budget; no aid runs produced



# Foundation Aid

- Does not repeal the phase-in or any part of the formula
- \$338 million increase
- Each district guaranteed increase of 0.25% over the 2017-18 Foundation Aid amount
- \$50 million would be added to the set-aside for Community Schools
  - Dual language and ELL programs would be eligible expenses



# Foundation Aid Increase 2018-19 Executive Proposal

High Need Urban and Suburban School Districts Continue to be the Farthest from Full Funding

	Foundation Aid Increase	Share of Foundation Aid Increase	Foundation Aid Funded 2017-18	Foundation Aid Funded 2018-19	Change
<b>NYC</b>	2.5%	55.1%	82.5%	84.5%	2.1%
<b>Big Four</b>	1.6%	6.6%	81.8%	83.1%	1.3%
<b>Urban-Suburban High-Need</b>	2.4%	13.1%	66.6%	68.2%	1.6%
<b>Rural High-Need</b>	1.5%	6.5%	90.2%	91.5%	1.3%
<b>Average-Need</b>	1.4%	17.4%	85.1%	86.3%	1.2%
<b>Low-Need</b>	0.5%	1.3%	77.6%	78.0%	0.4%



# Foundation Aid Increase to High-Need Districts

- High-Need Districts:
  - Receive 81% of Foundation Aid increase
  - Account for 58% of enrollment
  - \$1,744 Foundation Aid Still Due per Pupil (10% decrease from 2017-18 Enacted Budget)
  - 51% of high-need urban/suburban districts have at least 25% of their overall Foundation Aid amount still due (unchanged from 2017-18 Enacted Budget)



# Foundation Aid Increase Calculation

**2018-19 Foundation Aid =**

2017-18 Foundation Aid Base + Base Increase +  
Community Schools Setaside Increase

Definitions:

**Base Increase equals the greater of A, B, or C:**

A.) **Phase-In Factor** x Positive difference of

a. TAFPU x Selected Foundation Aid minus

b. 2017-18 Foundation Aid Base

Phase-In Factor:

NYC: 9.905%

All Other Districts: 3.56% x Sliding Scale Ratio

Sliding scale Ratio:  $1.616 - (1.05 \times \text{FACWR})^2$

Maximum = 1, minimum = 0



# Increase is the better of three options

B.) [EN% Base Increase + EN% Sparsity Increase + EN% Growth Increase + Scaled/Pupil Increase]  
x 2017-18 Estimated Public Enrollment

Districts are eligible for Per Pupil Increase if FACWR < 1.0

EN% Base Increase:

For districts whose EN% > 25%: EN Index x \$32.50

EN% Sparsity Increase:

For districts eligible for the EN% Base Increase & whose sparsity factor > 0:

EN Index x \$9.42

EN Percent Growth Increase:

For districts eligible for the EN% Base Increase & whose positive difference, if any, between their 2016-17 and 2018-19 EN% > 3.25 percentage points: EN Index x \$30.00

Scaled Per Pupil Amount: \$69.00 x by the sliding scale ratio calculated for the phase-in increase

C.) **0.0025** x 2017-18 Foundation Aid Base



# Expense-Based Aids

- No change to formulas
- Fully funded for 2018-19 (\$317 million increase)
- 2019-20:
  - Caps growth in BOCES and Transportation Aid at 2%
  - Caps growth in Building Aid
    - For all districts besides NYC, Building Aid is multiplied by an efficiency factor
    - Limits future Building Aid increases to two percent statewide, prorating each district's share of the reduction within the statewide cap.



# Special Education

- Reimbursement for Summer Special Ed Programs
  - Programs beginning July 1, 2018, tuition payment amount will be:
    - Approved tuition expense x State Sharing Ratio
      - State Sharing Ratio: Minimum of .25, Maximum of .9
      - Reduces the rate for the majority of districts
- Waivers from Certain Special Education Duties
  - School districts & BOCES can submit waiver from such requirements in order to implement alternative innovative special education programs



# Child Nutrition

- **Ban on Lunch Shaming Plans**
  - Districts will need to develop and submit a plan to the Commissioner ensuring students who have unpaid school meal fees are not treated differently than other students
- **Breakfast After the Bell**
  - Districts with at least 70% of its students eligible for reduced price meals will be required to offer all students a school breakfast after the instructional day has begun
    - \$7 million in capital funds will support equipment to develop the program
    - \$5 million will be available to reimburse schools for the increased costs in meals
- **Increases the school lunch reimbursement rate**
  - .25/meal for districts that purchase at least 30% of total food product costs from in-state farmers, growers, producers or processors



# School Bus Safety

- Purchases and installation of school bus safety cameras
  - Camera expenses are not Transportation Aidable
- School Bus Safety Camera Program
  - Impose monetary liability on drivers who illegally pass school buses
  - Partner with local law enforcement and may receive all or a portion of the \$250 fine resulting from violations
  - Revenue received for fines can pay for the cameras
  - Requires an annual report by June 1st



# Camera Program Requires Annual Report by June 1

1. Description of the number of buses and routes where school bus safety cameras were used;
2. Aggregate number of annual incidents of violations of illegally passing a school bus within the district;
3. Number of violations recorded by school bus safety cameras in the aggregate and on a daily, weekly and monthly basis;
4. Total number of notices of liability issued for violations recorded by such systems;
5. Number of fines and total amount of fines paid after first notice of liability issued for violations recorded by such systems;
6. Number of violations adjudicated and results of such adjudications including breakdowns of dispositions made for violations recorded by such systems;
7. Total amount of revenue realized by such school district from such adjudications;
8. Expenses incurred by such school district in connection with the program; and
9. Quality of the adjudication process and its results



# Early Learning

- Full day K increase to incentivize remaining districts to implement full-day kindergarten programs
- Begin implementation of the Comprehensive First 1,000 Days Plan including developing a model of pediatric primary care to assess child development upon entry into kindergarten
- Providing \$15 million to expand quality pre-kindergarten to three and four year olds in high need school districts (the Regents and NYSASBO recommended \$20 million).
- Establish the child care availability task force to examine access to affordable child care



# Child Victims Act

- Extend the statute of limitations for bringing civil claims in sexually related cases from 3 years from the victim's 18th birthday to 50 years from the date of offense.
- The proposed law also eliminates the need to file a notice of claim before filing a lawsuit against a public entity.



# Additional Budget Proposals

- Charter Schools
  - For the New York City School District
    - Increases Charter School Tuition by 3%
    - Eliminates supplemental basic tuition beginning with aid for 2019-20 school year
    - Allows payment for lease payments, costs of capital improvements, costs of occupancy, maintenance and repairs, utilities, custodial, security, insurance and real property taxes, of an alternative privately owned site selected by the charter school
- “Respect for Diversity” Program
  - Instructional Program for 8<sup>th</sup> & 9<sup>th</sup> graders to promote awareness of and respect for diversity



# Additional Budget Proposals

- Per Building Reporting
  - 2018-19 applies to Big Five; 2019-20 applies to school districts with at least 9 schools receiving at least ½ their revenue from State Aid
  - Must submit & publish breakdown of total funding allocation for each school to be approved by the Commissioner and DOB
  - Must explain methods for allocating funds to different schools and include school-level specific details
  - Districts can submit revisions to disapproved submissions
  - Districts are **ineligible for any aid increases** over previous aid year without an approved report



# Other Proposals

- Freezes STAR to amounts from the previous year beginning in 2018-19
- Makes the STAR income verification program mandatory
- Applies Minority and Women-owned Business Enterprise requirements from the state to the local level



# Other Proposals

- Recovery High Schools:
  - Secondary schools designed specifically for students in recovery from substance use disorder or dependency
  - Non-component districts (including the Big Five) can contract with BOCES to create BOCES-run Recovery High Schools
  - Agreements can run a maximum of five years
- Allow the Budget Director to reduce certain General Fund and limited other appropriations and funding by a uniform percentage not to exceed 3% in the event that estimated tax receipts are reduced by \$500M or more compared with the 2018-19 Executive State Financial Plan. This proposal excludes school aid.



# Prior Year Adjustments

Claims 1997-98 through 2017-18:

- Commissioner shall certify no payment to a school district based on a claim submitted later than 1 year after the close of such school year

Claims for payments to be made in 2017-18 and thereafter

- Commissioner shall certify no payment to a school district based on a claim submitted later than November 1st of such school year

No payments will be reduced where such payment is required as a result of a final audit of the state



# NYS's Proposals to Mitigate Impact of Federal Tax Changes

- Complementing or replacing a state income tax with payroll tax
- Establishing State-operated charitable funds to receive taxpayers' contributions for healthcare, homelessness and public education.
  - Legislation establishing these new funds would specify the allowable uses of donations to each fund.
- Tax and Finance's Preliminary Report on the Tax Cuts & Job Act of 2017:

[https://www.tax.ny.gov/pdf/stats/stat\\_pit/pit/preliminary-report-tcja-2017.pdf](https://www.tax.ny.gov/pdf/stats/stat_pit/pit/preliminary-report-tcja-2017.pdf)



# References

## Budget bills

AB 9505 / SB 7505 - Public Protection and General Government

AB 9506 / SB 7506 - Education, Labor, Housing and Family Assistance

AB 9508 / SB 7508 - Transportation, Economic Development and Environmental Conservation

AB 9509 / SB 7509 - Revenue

[www.nysasbo.org/budget](http://www.nysasbo.org/budget)



# Questions

Please ask your question or send your question to [info@nysasbo.org](mailto:info@nysasbo.org).