



New York State
Association of School
Business Officials

Advancing the Business of Education

2017-18 State Budget and Legislative Update

For School Business Professionals

Spring 2017



2017-18 school year enacted budget

- Budget extender passed on April 2, 2017
- NYSASBO and others advocated for final budget
- Finalized April 9, 2017
- \$1.1 billion increase, including a \$700 million increase in Foundation Aid, bringing the new Education Aid total to \$25.8 billion or an increase of 4.4 percent.



2017 Enacted Budget–School Aid Changes

	2016-17	2017-18	Change	Percent Change
Formula Aids				
Foundation Aid	16,474,226,647	17,174,244,793	700,018,146	4.2%
Building including Reorganization Incentive	2,937,151,703	3,078,446,018	141,294,315	4.8%
Transportation Aid	1,740,321,991	1,836,716,706	96,394,715	5.5%
BOCES and Special Services Aids	866,545,096	893,846,962	27,301,866	3.2%
Special Education Aids	988,114,191	999,500,071	11,385,880	1.2%
Universal Pre-Kindergarten Grant	411,324,986	415,560,878	4,235,892	1.0%
Other	833,072,785	847,841,758	14,768,973	1.8%
General Support for Public Schools Total	24,250,757,399	25,246,157,186	995,399,787	4.1%
Grant Programs			104,600,213	
Formula Aids and Grants Total			1,100,000,000	4.4%

General Support for Public Schools Increased \$995 million



Find Your District's Data

- 2017 State budget information
 - 2017 State Budget Webinar PowerPoint 4/28/17
 - 2017 State Budget Webinar, 4/13/17
 - 2017 State Budget Webinar PowerPoint, 4/13/17
 - 2017 Community School Set Aside Amounts
 - Comparison of School Aid Changes by District (NYSASBO's New Webtool)
- <https://www.nysasbo.org/page/state-budget--672.html>



Expense-based aids

- Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice.
- These aids increased \$295 million statewide
- Transportation Aid increased 5.5 percent and Building Aid increased 4.8 percent.



Foundation Aid

- The Legislature rejected the executive's proposal to eliminate the full phase in of the formula.
- Provides \$17.2 billion in aid to school districts, or two-thirds of total school aid.
- An increase of \$700 million was appropriated for Foundation Aid.
- This leaves approximately \$3.4 billion in Foundation Aid Still Due for full implementation of the formula.



Foundation aid details

- Base year funding of \$6,340 per student.
 - This amount is then increased by inflation and each district's pupil needs and regional costs and reduced by each district's expected local contribution.
- A minimum increase of 2.74 percent.
- No district will receive less than 44.75 percent of their Total Foundation Aid.
- Increases targeted to districts with concentrations of English language learners, small cities and high poverty
- The law specifies an amount of \$100 million in Foundation Aid for 2018-19 above the amount that would be increased under the Chapter 97 cap on State Aid linked to the growth in personal income, estimated by DOB to be \$996 million.



Community schools setaside

- The Community Schools Aid setaside continues as the sum of the \$100 million appropriated for 2016-17 and \$50 million proposed in the executive proposal.
 - Purposes remain the same
 - School districts must set aside amounts set forth by the executive and the 2016-17 enacted budget to be used for community hubs to deliver co-located or school-linked academic, health, mental health services and personnel, after school programming, dual language programs, nutrition, counseling, legal and/or other services to students and their families.
 - This includes providing a community school site coordinator and programs for English language learners, or other efforts to maximize students' academic achievement.
 - Requirements for Large Setasides
 - School districts whose community schools increase exceeds \$1,000,000 shall use an amount equal to the greater of \$150,000 or 10 percent of such community schools increase to support such transformation at schools with extraordinarily high levels of student need as identified by the commissioner of education, subject to the approval of the director of the budget.



Community Schools Setaside Amounts

- Visit <https://www.nysasbo.org/page/2017-state-budget--672.html> for individual district amounts



2017-18 Foundation Aid

The 2017-18 Foundation Aid is the sum of

1. the 2016-17 Foundation Aid Base (FAB)
plus
2. a Phase-in Foundation Increase plus
3. an Additional Increase with a minimum increase equal to the Selected Minimum Increase.



Phase-in Foundation Increase

- New York City School District, 17.77 percent;
- Buffalo City School District, 12.69 percent;
- Rochester City School District, 10.60 percent;
- Syracuse City School District, 19.108 percent;
- Yonkers City School District, 10.78 percent;
- For school districts with a Census 2000 poverty rate greater than or equal to 26 percent, 10.3 percent;
- For all other districts, 4.87 percent.



Additional increase

- Amounts are calculated with formulas favoring:
 - Tier A—districts with English language learners
 - Tier B—an amount for districts with a CWR greater than 1.0 that ran up against a 25 percent maximum increase in 2007-08.
 - Tier C—small city school districts
 - Tier D—districts with selected poverty greater than 18 percent (uses SAIPE data)



Selected minimum increase

- The greater of:
 1. the increase in Foundation Aid under the 2017-18 Executive Budget Proposal (BT1718) multiplied by 118 percent,
 2. a 2.74 percent increase over 2016-17 Foundation Aid, or
 3. for districts with a Census 2000 poverty rate greater than or equal to 11.9 percent, a 3.35 percent increase over 2016-17 Foundation Aid.
- The 2017-18 Foundation Aid can be no less than Total Foundation Aid multiplied by 44.75 percent.
- Selected minimum increase applies only to the additional increase for eligible districts; however the 2.74 percent minimum increase applies to all

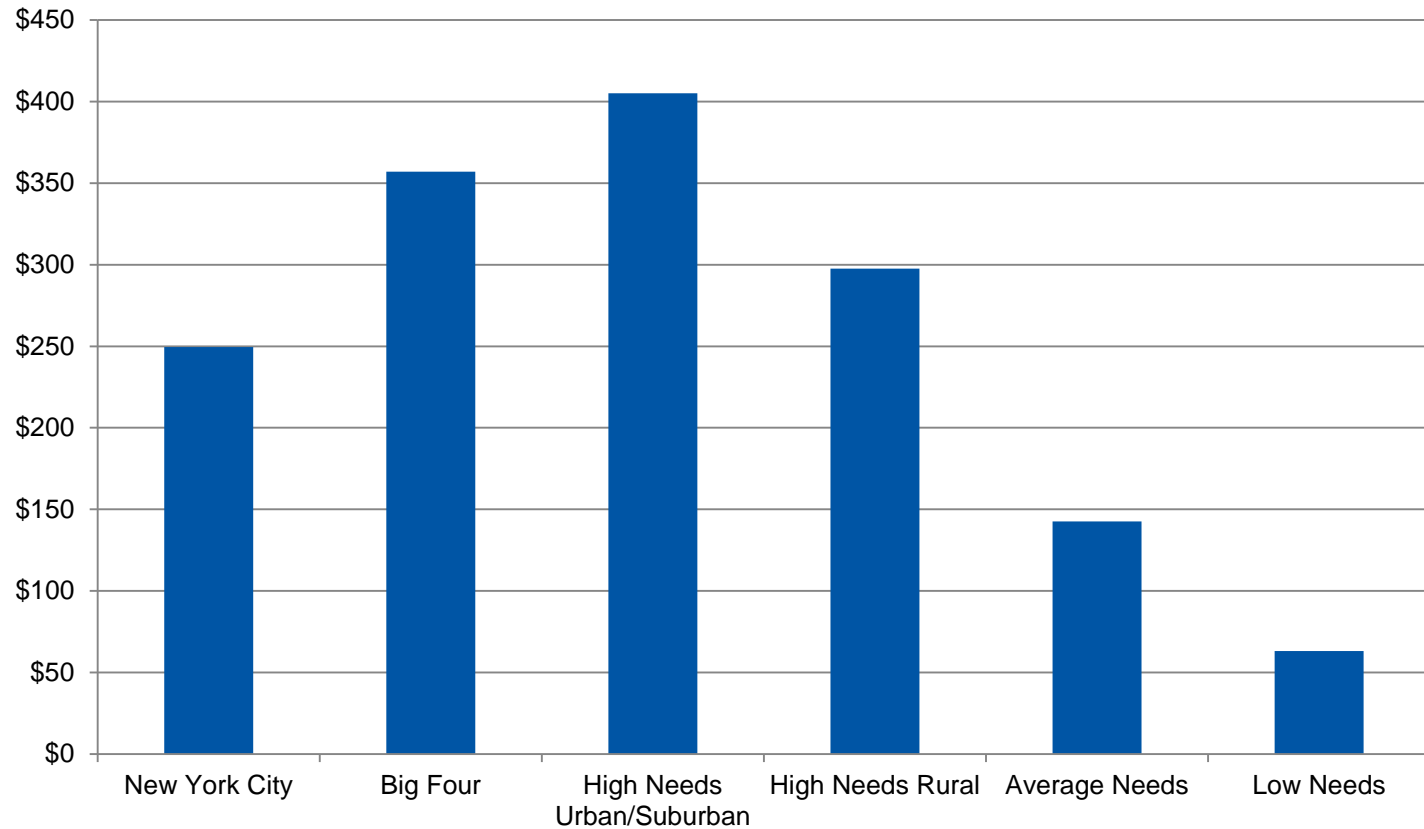


Selected Foundation Aid

- Selected Foundation Aid is the greater of
 - \$500 or
 - Formula Foundation Aid or
 - Formula Foundation Aid is the positive result of
 - (a) the district-adjusted foundation amount
 - » which is the basic foundation amount for 2016-17 (\$6,340) multiplied by the consumer price index (1.013) multiplied by a phase-in foundation percent (1.0000) multiplied by a Regional Cost Index (RCI) multiplied by a Pupil Need Index (PNI) less
 - (b) an expected minimum local contribution
 - Alternate Foundation Aid.
 - Alternate Foundation Aid is the result of the State Sharing Ratio (SSR) for Foundation Aid multiplied by the district-adjusted foundation amount.

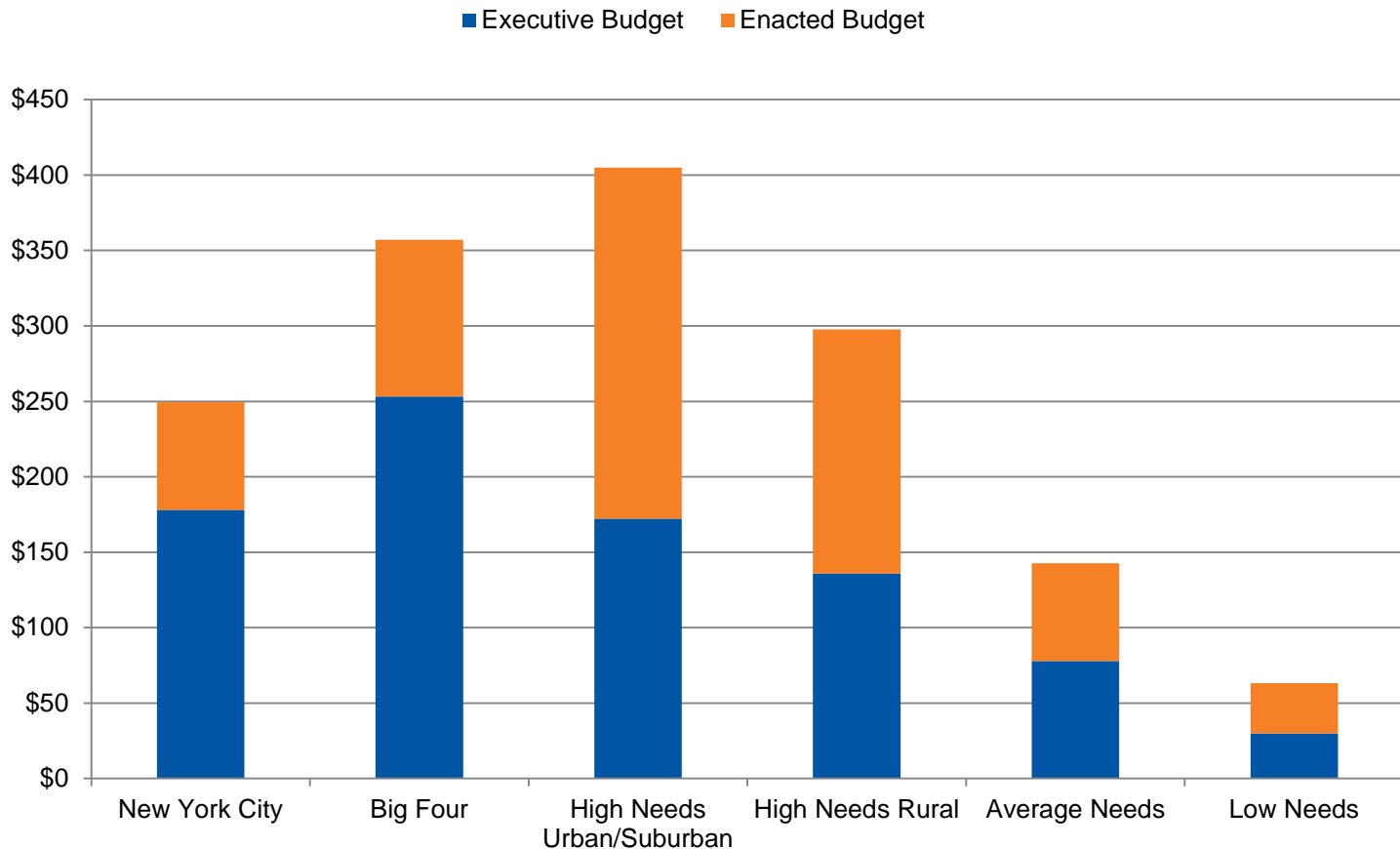


2017-18 Foundation Aid Increase Per Pupil



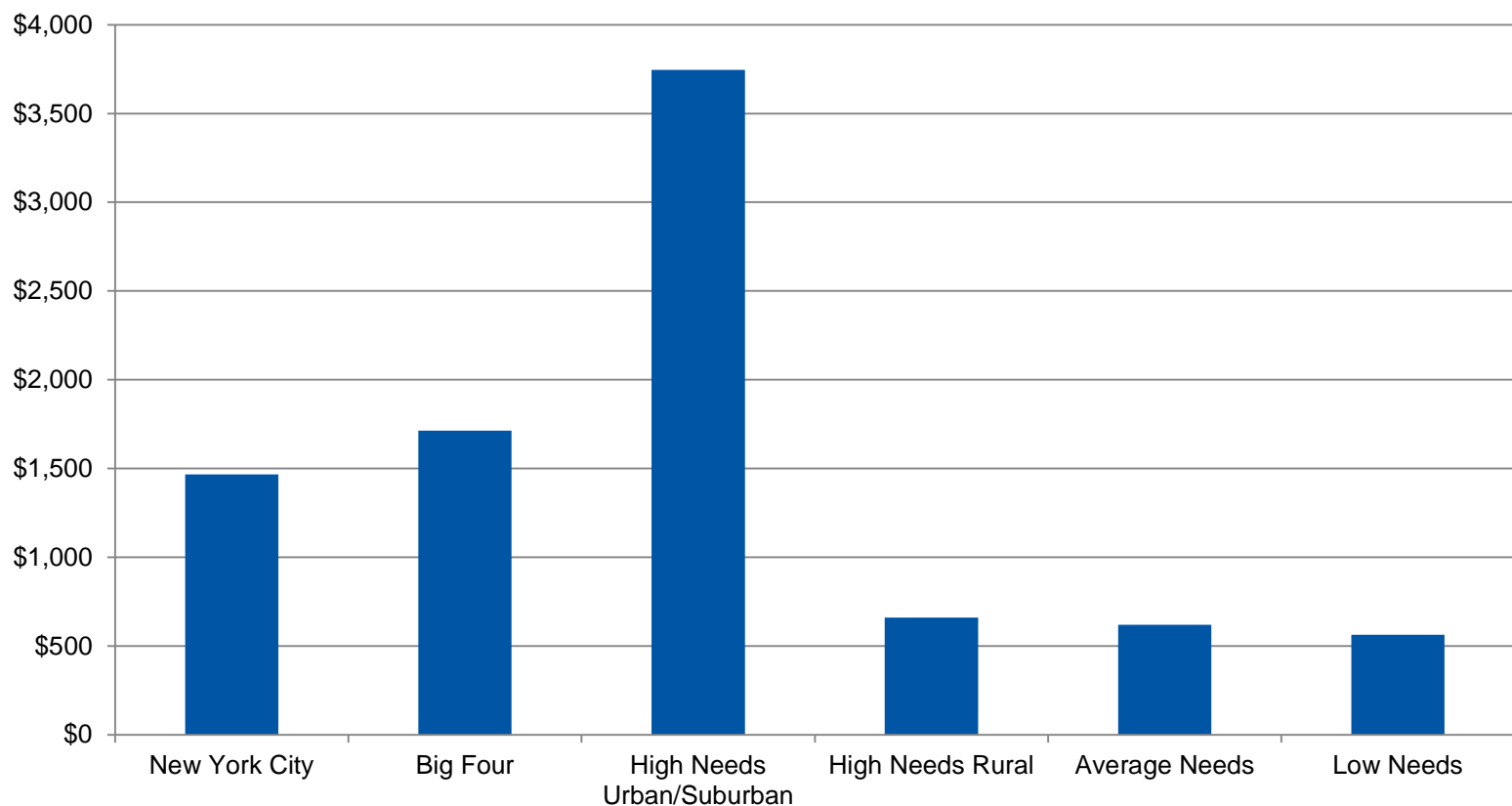


Foundation Aid Increase Per Pupil Enacted Budget Vs Executive Proposal





Foundation Aid Still Due Per Pupil





	Foundation Aid Increase Per Pupil	Increase in Foundation Aid
Capital District	\$200.55	4.37%
Central Region	\$237.11	3.75%
Finger Lakes	\$207.87	3.42%
Hudson Valley	\$156.92	4.33%
Long Island	\$151.68	4.15%
Mohawk Valley	\$294.19	4.30%
North Country	\$256.59	3.49%
Southern Tier	\$234.21	3.48%
Western Region	\$222.98	3.45%
New York City	\$249.46	4.73%



Pre-kindergarten

- Includes the executive proposed increase of \$5 million for new competitive grants for Pre-K for three and four-year olds
- Consolidates six programs into a single program over several years
- Requires districts to adopt quality indicators
- Requires SED to adopt a new methodology for preschool special education integrated classes



State Education Department

- Includes \$2 million to update data systems related to state aid, facilities management and special education providers.²⁰
- Continues \$8.4 million for the release of standardized test questions and reducing field testing
- Maintains monitors and provides \$2 million in funding for the East Ramapo Central School District
- Requires the Commissioner to provide to the Director of the Budget and chairs of the Assembly Ways and Means Committee and Senate Finance Committee federal spending and budget plans concerning grants administered by the Department.



Nonpublic schools

- Allows nonpublic schools to access Smart Schools Bond Act funding for connectivity projects
- Grants for STEM teachers
- Reimbursement for state mandated immunizations



Partial Payment of Taxes

- School districts may authorize partial payment of taxes
 - Entity in charge of tax collection must follow board of education's decision to allow or not allow
 - School board can set conditions
 - Maximum service charge is \$10
 - Entirely voluntary
- NYSASBO urges districts to carefully consider issue before adopting partial payment



2017-18 Charter School Tuition

2016-17 Charter School Tuition

+

2016-17 Charter School Supplemental Tuition
(\$500)

+

\$500 in new 2017-18 Supplemental Charter
School Supplemental Tuition



Charter School Tuition Reimbursement

Supplemental tuition will be reimbursed the following year by the State.

- For example, in 2018-19 schools can expect to be reimbursed \$1,000 for the 2017-18 supplemental tuition outlays.
- In 2018-19 and after school districts will continue to receive the \$1,000 in supplemental tuition, reimbursed by the state, and will pay out of district resources a tuition increase percent equal to a multi-year average of the growth in Approved Operating Expense per pupil.



STAR Credit

The Legislature rejected the Executive's proposal to cap the growth of STAR payments.

STAR Credit program remains largely the same.

- STAR Credit Checks will now be mailed prior to school taxes being due
 - Check Amounts are estimated based on last year's STAR Credit multiplied by the tax levy growth factor
 - Discrepancies between estimate and actual can be resolved in following year's STAR Credit or NYS Income Tax Return
 - Taxpayers will not pay interest on overpayment by State
 - State will pay 3% interest on underpayments



STAR Property Tax Rebate Checks

STAR Property Tax Rebate Program

- STAR Property Rebate Checks automatically sent to homeowners who:
 - Have an income of less than \$275,000
 - Enrolled in STAR or Enhanced STAR
 - School district and local municipality remained tax cap compliant



Workers' Compensation Reform

- Employees now have 2.5 years to claim temporary benefits
- Requires the Workers' Compensation Board to issue new medical impairment guidelines by the end of the year
- The Workers' Compensation Board is instructed to create a prescription drug formulary.
- Employers can expect to receive a rebate at the end of the year as they have been paying premiums that were based on the old workers' compensation system.
- Extended permanent benefits have been expanded to include any worker that is more than 75% injured.
- Allows those workers who receive permanent benefits to remove themselves from the labor market while still receiving said benefits.



Grants

- \$35 million: After-school programs in the state's 16 Empire State Poverty Reduction Initiative cities
- \$5 million: Expand pre-kindergarten programs for three- and four-year olds in high-need school districts
- \$5.3 million for Early College High School programs in high need districts
- \$2 million: Expand master teacher program to include a Computer Science Master Teacher award



Grants

- \$2 million: Cover Advanced Placement exam fees for all low-income students
- \$40 million: Senate education grants
- \$300,000: Anti-cyberbullying initiative
- \$400,000: Empire state excellence in teaching awards



Other provisions

- The budget continues to link school aid increases for 2017-18 and 2018-19 with teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law section 3012-d.
- Provides an optional 10-year “stretch out” for districts facing state aid penalties for failure to submit a final cost report for a school construction project
- Increases the threshold for school districts to purchase food from farm collectives from \$25,000 to \$50,000
- The budget allows the executive to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature has 90 days to approve the Executive’s plan.



Commentary

- Preserves formula and maintains phase in
- Commitment to go beyond the increase in personal income growth in 2018-19
- Beginning to make progress on improving the measurement of poverty
- Level is not adequate; lowest level in four years
- Did not eliminate the .65 floor to the income wealth index used for one of the two optional local share calculations
- Level and method of paying charter school supplemental in subsequent year will stress some school districts
- Uncertain future



Additional Issues

- Tax cap flexibility:
 - BOCES capital exclusion, PILOTs incorporated in the property change factor, no negative tax caps, meaningful carry over provision (see report at www.nysasbo.org)
- Flexibility with community schools funding
- Increase for career and technical education
- Demographic changes, associated costs and formula implications
- What are your concerns?



References

- Bills
 - State operations (S2000-D/A3000D)
 - Aid to Localities (S2003-D/A3003-D)
 - Budget Bill (S2006-C/A3006-C)
 - Revenue (S2009D/A3009D)
- NYSED State Aid Office
 - [District specific projections of aid](#)
 - [Formula components and aid runs](#)
- NYSASBO State Updates
 - [2017 State Budget and Legislation](#)
 - [2016 Foundation Aid Task Force](#)
 - [Tax Cap Flexibility](#) (with ECB)



Questions?

- [Michael J. Borges](#), Executive Director
- [Deborah H. Cunningham](#), Director of Education and Research
- [Andrew Van Alstyne](#), Deputy Director of Education and Research
- [Tom Tatum](#), Research and Communications Coordinator