NYSSBA 2017 Enacted Budget Analysis

The following is the New York State School Boards Association’s analysis of key components included in the enacted 2017-2018 State Budget.

State Aid:

The final budget includes $1.1 billion in additional education funding, representing a 4.4% increase over 2016-17 levels. More than $995 million of that amount is comprised of traditional school aid, including increased Foundation Aid, and full-funding of expense-based aids. Formula-based school aid now stands at more than $25.2 billion statewide, a 4.1% increase over last year.

The enacted budget includes an increase of $700 million in Foundation Aid for school districts. Foundation Aid now provides school districts with nearly $17.2 billion statewide. The statutory Foundation Aid formula was retained in law. However, the increase in Foundation Aid was distributed with a one year, off formula distribution and there was no move towards a restart of the phase-in of the formula. In addition, $50 million of the new Foundation Aid is set aside for certain districts, who must use that money to fund community schools.

NYSSBA Analysis:

This year NYSSBA called for a $1.4 billion increase in Foundation Aid, coupled with a plan to restart and fully-fund the formula within three years. The additional $700 million in Foundation Aid provided this year drove much needed aid to high needs school districts. However, many districts remain underfunded, and the state remains $3.7 billion behind full phase in of the formula.

While the increase is less than what NYSSBA advocated for, it includes the requested hold harmless provision, provides a minimum level of additional Foundation Aid for all districts and targeted funding for districts with enrollment growth and increased ELL enrollment, all of which were distribution factors recommended by NYSSBA. NYSSBA supports this investment, as well as the concept of community schools. However, we do have concerns about the practice of limiting the use of Foundation Aid, which is meant to be unrestricted operating aid. $150 million in Foundation Aid is now restricted in this way (the $100 million set aside from 2016-17 was also continued).

View: Memorandum on State Financial Support for Public School Districts

Memorandum on Preserving the Foundation Aid Formula

Community Schools:

The enacted budget includes a set-aside of $50 million for community school programs in school districts. The set-aside acts as a restriction on the use of Foundation Aid. This brings the total community school set-aside to $150 million, as the $100 million originally approved in 2016-17 is
continued into 2017-18. The final budget language amends the executive’s proposal by allowing the additional $50 million to be spent on “activities to raise student achievement.”

**NYSSBA Analysis:**

NYSSBA is supportive of the concept of community schools. However, we are opposed to any restriction on the use of Foundation Aid, which, by design, is intended to be flexible operating aid for school districts. While NYSSBA continues to have concerns about the growth in the community school set-aside, we acknowledge the increased flexibility included in the final budget.

**View:** [Community School Set-Asides by District](#)

**Expense-Based Aids:**

The enacted budget fully funds all expense-based aids, including building, BOCES, transportation and special education. These categories serve as reimbursements the state makes for expenditures made by school districts in the previous year. A total of $295 million was allocated for these reimbursements.

**NYSSBA Analysis:**

NYSSBA consistently advocates for the state to fully-fund expense-based aids each year, based on existing formulas and reimbursement rates. These are costs associated with delivering essential programs and services to our students. School districts have already incurred these costs and count on the state to provide full and timely reimbursements.

**Charter Schools:**

The enacted budget included significant changes to the way that charter schools are funded in New York. In 2017-18, the per pupil charter school tuition amount will be the amount paid in 2016-17 plus $500 in additional supplemental basic tuition. The $500 will be fully reimbursed by the state in the subsequent year, as would previously existing supplemental basic tuition. Beginning in 2018-19, the annual adjustment in the charter school tuition amount will be tied to growth in school district spending, based on the lesser of two different measures of spending. The enacted budget provides for continued state reimbursement to school districts of up to $1,000 per pupil, accounting for the supplemental tuition payments in 2016-17 and 2017-18. The final budget also increases facilities funding for non-co-located charter schools in New York City.

The final budget also rejected a number of charter school proposals, including adjustments to the current cap on charter schools and statewide charter school building aid.

**NYSSBA Analysis:**

NYSSBA continues to support investment in the traditional public school districts serving the vast majority of New York’s students rather than diverting limited financial resources to the charter school industry. NYSSBA worked hard to ensure the rejection of proposals that would have required public school districts to divert more local funding to charter schools, but remains
disappointed with resistance to enacting common sense measures that would increase financial and institutional accountability for charter schools.

View: Memorandum on the Charter Industry

Prekindergarten:

The enacted budget included language that will begin the process of merging the state’s many prekindergarten programs and funding streams into universal prekindergarten (UPK). That process will start by merging priority full-day prekindergarten and expanded half-day prekindergarten for high needs students into UPK in the 2017-18 school year. In the 2018-19 school year the federal preschool development expansion grant will be merged into UPK. Both the expanded prekindergarten program for three and four year olds and the expanded prekindergarten program for three year olds in high need districts will be merged by the 2019-20 school year. Each of these programs will be fully merged into UPK by the 2020-21 school year, excluding the statewide full-day prekindergarten program.

The final budget also included requirements that state funded programs adopt the state’s early learning standards and quality measures. The approved quality measures must be adopted within two years in order to receive funding. These quality measures will include factors such as environmental quality, teacher and student interactions and child outcomes. The enacted budget also extended the deadlines for certain prekindergarten teachers who are employed by an eligible agency to become certified until June 30, 2020.

Finally, the enacted budget provides $5 million in new grant funding to add new three and four year old prekindergarten seats.

NYSSBA Analysis:

NYSSBA believes districts need a stable and reliable funding stream for pre-K. As existing grant streams run out that funding should be consolidated into predictable streams like Foundation Aid. The merging of programs this year is a good first step towards that goal. NYSSBA will continue to advocate for consolidation and streamlining of programs and funding processes in the years to come, as well as having expenses association with prekindergarten transportation be aidable to the same extent as K-12 transportation.

View: Memorandum on Prekindergarten Proposals

Prior Year Claims:

The enacted budget includes $18.6 million to be applied towards the state’s prior year claims list. The amount represents flat funding from the previous year.

NYSSBA Analysis:

NYSSBA called on the state to fully pay-down the list, which includes more than 4,000 individual claims totaling approximately $350 million. Prior year claims are school district expenses from previous year that the state has approved for state aid. Based on current funding, it will take more
than 15 years for the state to pay an approved claim submitted today. NYSSBA will continue to promote ways to address this growing issue.

**High Tax Aid:**

The enacted state budget maintains high tax aid for school districts at their 2016-17 levels.

**NYSSBA Analysis:**

NYSSBA advocated for the state to maintain this aid category at this funding level. High tax aid is provided by the state to school districts whose residents pay a comparatively high percentage of their income in property taxes and often helps support districts with otherwise relatively low state aid levels.

**Education Investment Tax Credit/“Education Affordability Act”:**

The enacted budget did not include any version of the Education Tax Credit.

**NYSSBA Analysis:**

NYSSBA is strongly opposed to all proposals to establish this kind of tax credit. If enacted, these proposals would divert hundreds of millions of dollars each year from the state general fund in the form of tax credits for contributions to private schools and some public schools. NYSSBA will continue to oppose any future efforts to pass related proposals.

**View:** [Memorandum of Opposition to Public Funding for Non-Public Schools](#)

**Career and Technical Education (CTE):**

The final budget did not include an increase in the aidable cap on BOCES salaries for CTE teachers or an increase in special services aid.

However the enacted budget did provide support for the state’s early college high school program. The enacted budget includes $5.3 million in competitive grants for early college high schools that will be directed towards programs focused on computer science. In addition, the enacted budget included approximately $1.5 million in general support for early college high schools directing aid, in part, to schools based on the number of college credits their students acquire.

**NYSSBA Analysis:**

NYSSBA supports the expansion of early college high schools and other programs that allow for students to earn college credit, while also attaining important job skills.

In order to help further increase student access and participation in technical programs, NYSSBA has consistently supported funding for the expansion of CTE programs. NYSSBA has repeatedly called for both an increase in the aidable cap on BOCES salaries for CTE teachers to be raised above $30,000 and an increase in special services aid for similar programs serving non-component districts and the Big 5. NYSSBA will continue working on this important issue throughout the remainder of the legislative session.
**Mid-Year Budget Adjustment Authority**

The Director of the Division of Budget is authorized, if federal aid to the state is reduced by $850 million dollars to either Medicaid funding and/or other programs, to propose a plan to reduce state spending. In the event of federal cuts, the Director will be required to specify the total amount of the federal aid being reduced and outline the programs and appropriations that will be affected. Proposed reductions would have to be proportional to the programs impacted by the federal reductions in funds.

Once this plan is submitted, the legislature will have 90 days to propose their own plan or the Division of Budget plan automatically take effect. The legislative plan may be adopted by concurrent resolution, which is not subject to executive approval. This authority expires March 31, 2018.

**NYSSBA Analysis:**

NYSSBA had significant concerns over the Executive’s initial proposal that would have empowered the Division of Budget to make unilateral mid-year budget cuts without legislative input. School districts have limited ability to retain funds, and therefore have limited ability to adjust to significant changes in funding mid-year. Therefore, NYSSBA supports a transparent budgeting process with appropriate checks and balances. The enacted budget language gives the legislature clear authority to override decisions made at an administrative level, as is appropriate for our elected officials to do. That oversight, in combination with the limits placed on what the Division of Budget may propose are an improvement. However, NYSSBA prefers that any changes in any year to be made through the traditional budgeting process.

**Homeless Students**

The enacted budget makes a number of changes in state law to comply with federal updates to the McKinney-Vento Homeless Assistance Act. These changes include providing access to prekindergarten, requirements that homeless students receive services on a comparable basis with all other students, clarification of which district is responsible for transportation of a student and the reclassification of student addresses as education records to afford a higher level of privacy. In addition to the federal updates, the enacted budget adds language to allow a homeless student enrolling in school for the first time to attend the same school as his or her sibling.

**NYSSBA Analysis:**

The enacted budget makes many necessary changes to ensure New York’s compliance with the McKinney Vento Act. NYSSBA supports changes that keep the state compliant with federal law, and will direct future advocacy on the changes at the federal level, as we have done in the past. One exception is the language allowing siblings to attend the same school. Federal law does not specifically address or require this provision; however the reauthorized McKinney Vento does include language that requires all determinations be made “in the best interest of the student.” Given that guidance, NYSSBA has no objection to siblings being able to attend the same school while the family works to address their housing needs.
**Division of Human Rights Oversight**

The enacted budget did not include language to expand Division of Human Rights oversight to students attending public school districts and BOCES.

**NYSSBA Analysis:**

NYSSBA supports the rights of all students. However, public schools and their students are governed by a myriad of existing state and federal laws that provide substantial protections for students from acts of harassment, bullying and discrimination. Expanding the jurisdiction of the Division of Human Rights could have led to confusion as to which law takes precedence as well as increased liability, without offering students additional protections.

**Recovery High Schools:**

The final budget did not include language for the creation of Recovery High Schools. If enacted these schools, run by BOCES, would have served students diagnosed with substance abuse disorders.

**NYSSBA Analysis:**

NYSSBA supports the creation of programs to aid students that have been impacted by the state’s opioid epidemic.

**Empire State After-School Program**

The enacted budget includes $35 million in new funding for after-school programs to be located in the state’s 16 Empire State Poverty Reduction Initiative (ESPRI) communities and in counties with high levels of child poverty. The ESPRI communities include Albany, the Bronx, Binghamton, Buffalo, Elmira, Hempstead, Jamestown, Newburgh, Niagara Falls, Ononta, Oswego, Rochester, Syracuse, Troy, Utica and Watertown. This new funding would allow for the creation of 22,000 seats for students in after-care programs. School districts must be participants in the applications for these new grant funds.

**NYSSBA Analysis:**

NYSSBA supports the provision of additional funding for districts that wish to offer or expand after school programs. However, student need exists in districts across the state, and we would encourage continued expansion of the eligibility for such funds to ensure that all districts and their students can benefit.

**My Brother's Keeper:**

The enacted budget includes $18 million in funding for the My Brother's Keeper Initiative.
NYSSBA Analysis:

NYSSBA is supportive of the My Brother’s Keeper Initiative and efforts to close the achievement and opportunity gap for young men and boys of color.

Mayoral Control

The enacted budget did not include an extension of New York City Mayoral Control.

NYSSBA Analysis:

NYSSBA supports extending mayoral control in New York City so that the Mayor, the Chancellor and the educational system have certainty regarding the future. NYSSBA would, however, oppose expansion to other cities absent the affirmative support of the local educational leadership.

Aid Forgiveness

The enacted budget includes limited building aid penalty relief for districts by providing an option for a penalty recovery schedule over a 10 year period. This relief is limited to districts in very specific situations, including those whose total penalty exceeds 6% of the district's total general fund expenditures and for penalties arising from late final cost reports.

NYSSBA Analysis:

NYSSBA supports the provision of broad based transportation and building aid forgiveness for school districts whose claims were denied by the State Education Department due to inadvertent, minor or technical errors. While we are appreciative of the relief this will provide some districts, there will be others who will remain without relief. NYSSBA will continue to work with legislators to address the issues the remaining districts face.

Curriculum Mandate:

“Erin Merryn’s Law” was not included in the final budget. If enacted, it would have required the Board of Regents to review the need for instruction in the prevention of child sexual abuse and exploitation for students in grades kindergarten through eight. This proposal also asked the Board to consider mandating such curriculum following the review.

NYSSBA Analysis:

NYSSBA opposes all proposals dealing with curriculum mandates. Curriculum is the purview of local boards of education and should not be mandated by the state.

School Meal Purchasing Flexibility

The enacted budget increases the threshold from $25,000 to $50,000 for school districts to purchase food from an association of farmers without having to apply for a waiver.
NYSSBA Analysis:

NYSSBA is supportive of programs that help school districts offer healthy meals to their students, including increased purchasing power from farm collectives. However, the increased purchasing power that may be created by this act is blunted by the low reimbursement rates that districts receive for their school meal programs. NYSSBA will continue to work with state and federal legislators to improve these rates.

Additional Notable Items included in the Final Budget:

STAR

The enacted budget did not include the executive’s proposed 0% cap on growth in STAR benefits to property taxpayers. The annual cap remains at 2%.

Partial Payment of Property Taxes

The enacted budget authorizes the collection of partial tax payments. Municipalities would be authorized to assess a service fee for each payment and interest and penalties would still apply. This program is opt-in, as opposed to the executive’s original proposal to make it opt-out.

Cyberbullying

The enacted budget provides $300,000 to provide an array of resources for school districts to use (at local option) to implement school-based cyberbullying prevention strategies. These resources include but are not limited to professional development for school counselors and school-based public awareness campaigns.