



State Budget Includes New Building Level Reporting Requirement First Round of Districts Must Comply in 2018

The 2018 budget enacted last month includes a new mandate that will require every school district to submit planned budget allocations for each school building to the state. Beginning with the 2018-19 school year, any district with at least four schools, which receives at least 50 percent of its total revenue through state aid, will be required to annually report its budgeted support for individual schools within the district. This report will be required to follow a format, to be developed by the state Division of Budget and in consultation with the State Education Department.

In 2019-20, this requirement will expand to all districts with at least four schools, regardless of state aid. In 2020-21, the requirement will apply to all districts in the state. This report will be due to the state by the beginning of the school year, and the state will have 30 days to respond, or the district report will be deemed approved.

While DOB or SED will not formally approve districts' school-based budget allocations, DOB and SED will have authority to determine whether or not the information was provided in a timely and sufficient manner. The reporting must include demographic data, per pupil funding, source of funds and "uniform decision rules regarding allocation of centralized spending to individual schools from all funding sources."

Should either agency determine that a district did not meet this requirement, the district's state aid increase can be withheld for the applicable year until compliance is determined by both agencies. If either agency determines that a district has not properly complied, the district will have 30 days to "cure" the problem. In the event the problem is not cured in 30 days, the city comptroller or chief financial officer, and in the event a school district located outside a city, the chief financial officer in the municipality where the school district is most physically located, will be authorized, at his or her discretion, to gather information and submit on behalf of the district. NYSSBA and the Council fought strongly against these requirements.

It is worth noting that the federal Every Student Succeeds Act (ESSA) will require school-based expenditure reporting, beginning in the fall of 2019 for the 2018-19 school year. This new state report will be on allocations, not expenditures, and is a separate, independent report. The first state publication of this data is not expected until fall 2019. There is no assurance that the formats of the two reports will be compatible.

At this time, additional information about the DOB/SED report and its format is not available. The new law says that reports will be due to the state by the start of the school year. In state law, that typically refers to July 1. But at least for this first year of the new state reporting, the deadline is likely to be interpreted as later, perhaps the start of the instructional year (e.g. September 1).

Ultimately, all districts will be subject to reporting of school building funding allocations, under both ESSA and the new state law. We suggest that you begin to consider issues that this reporting might present for your district and how you will explain those issues to your community.

For example, in advocating against the state reporting requirement, we observed that "not every disparity is an inequity." Small schools - schools with fewer class sections per grade level - will

tend to have a higher cost per pupil than larger schools. Some districts concentrate special education services in particular schools, increasing their cost. A few years difference in average or median teacher experience across schools can have a significant impact on per pupil costs. If one school has a concentration of inexperienced teachers, that may require more explanation.

We will continue to advise you of new developments on these reporting requirements as they arise. However, if you have any questions or concerns please feel free to contact either NYSSBA or The Council. A list of those districts that will be required to report in year one can be viewed below.

[Districts Effected in Year 1](#)

If you have any questions please contact NYSSBA at 518-783-0200 or NYSCOSS at (518) 449-1063.