The Executive budget proposes an education funding increase of $769 million over 2017-18, $651 million of which consists of traditional formula-based school aid. In addition to the full-funding of expense-based aids and other categorical aids ($317 million), the proposal includes a $338 million increase in Foundation Aid. The Executive proposes an additional $50 million in set-asides, restricting the use of a portion of the Foundation Aid increase for community schools. The proposal also includes $64 million in a “Fiscal Stabilization Fund”. This proposed funding for school districts includes no specific purpose nor distribution method. A detailed breakdown of the $769 million proposal is as follows:

- **Foundation Aid Increase**: $338 million
  - **Community Schools Set-Aside**: $50 million
- **Reimbursement for Expense-Based Aids and Other Categorical Aids**: $317 million
- **Fiscal Stabilization Fund**: $64 million
- **Expanded Prekindergarten for Three- and Four-Year Olds**: $15 million
- **Empire State After-School Programs**: $10 million
- **Early College High Schools**: $9 million
- **Other Education Initiatives**: $16 million

NYSSBA called for a $2.0 billion school aid increase in 2018-19 - with $1.4 billion to be funded through Foundation Aid - to help support existing programs and services and additional investments. A property tax cap that will limit local revenue means school districts will continue to be dependent on sufficient state aid. NYSSBA calls for Foundation Aid to be dramatically increased, starting with the reprogramming of the proposed Fiscal Stabilization Fund into Foundation Aid. NYSSBA supports resources for school districts that wish to create community schools; however, we are opposed to districts effectively being mandated to create community schools, or any other program, through restrictions on the use of their general operating aid by way of “set-asides.”

This proposal also fails to include a number of notable NYSSBA budget priorities including:

- Dedicated funding to support emerging student needs, including student health services, increasing ELL populations and districts with growing enrollments.
- An increase in the outdated cap on the BOCES CTE aidable salary amount, paired with an increase in special services aid for non-component districts.
- An improved tuition rate methodology and creation of a fiscal stabilization reserve for special act school districts.
- School district access to budgetary tools that improve fiscal planning, including a Teachers Retirement System (TRS) reserve and an adjustment to the current limit on fund balances.

For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.
2018 Capital Conference
School Based Budget Approval

The Executive proposes a requirement that certain school districts be directed to create school building-level spending plans, which would be subject to approval by the State Division of the Budget and State Education Department.

In 2018-19, the Big 5 city school districts (New York City, Buffalo, Rochester, Syracuse and Yonkers) would be required to submit their school building-level spending plans. Such spending plans would be examined considering factors such as student demographics, per pupil funding and source of funds. This requirement would expand in 2019-20 to include any school district that had at least nine school buildings and received at least fifty percent of its total revenue from state aid. Current data indicates this could impact ten additional districts: Binghamton, Brentwood, Elmira, Hempstead, Jamestown, Newburgh, Niagara Falls, Rome, Schenectady and Utica.

Impacted districts that do not obtain approval of their spending plans would be ineligible to receive their state aid increase for the applicable year. Plan review and approval would be contingent upon DOB and SED determination that the district distributed its funding equitably among students and schools.

NYSSBA is strongly opposed to this proposal. It threatens the authority and autonomy of locally elected and appointed school boards and the voters who put them in those roles. School boards and other local school district leaders best know the needs of their districts.

District financial transparency has never been greater. As part of the Every Student Succeeds Act (ESSA), school districts will already be required to report on school building-level spending, subjecting that information to even greater levels of public scrutiny. In addition, recent changes in state law require reporting on the minutia of school district finances, including reserve levels, how they are funded and how the monies are expended.

NYSSBA anticipates numerous potential timing and logistical issues between when a district finds out the level of state aid it will receive, puts their budget up for a public vote, submits spending plans to the state for approval and begins their fiscal year. NYSSBA is also deeply concerned about the potential this proposal has to subvert the will of the voters that approve district budgets. NYSSBA will advocate for the removal of this proposal from the Enacted budget.

For additional information please contact NYSSBA Governmental Relations at 518-783-0200.
2018 Capital Conference
Cap on School District Reimbursements

The Executive proposes full funding of expense-based aids in 2018-19, including BOCES, building, transportation and special education aids. Using current data, this would generate an additional $317 million over 2017-18 levels. Expense-based aids are reimbursements for school districts for a portion of standard operational and educational costs that have already been incurred by the district.

However, the Executive also proposes a cap on future growth in some expense-based aids, beginning with payments in 2019-20. For BOCES aid and transportation aid, annual growth in these specific categories, for each district, would be capped at a 2% increase over the prior year. For building aid, total statewide growth would be limited to 2%. If statewide growth were to exceed the 2% cap, all districts statewide would be reduced, regardless of their individual growth.

NYSSBA recommended full funding of expense-based aids for 2018-19. We support continued funding of such aid streams and are therefore opposed to any arbitrary restriction on growth in expense-based aids. While the cap would not necessarily affect every district, in each category, every year, the impact would be broad enough to have a significant statewide influence. Such a plan would also disproportionately burden high-need districts, as they are most dependent on state aid.

The Executive proposal argues that the “savings” generated by this cap could then be used to increase other aid categories, including Foundation Aid. However, the proposal includes no guarantees to do so. Moreover, such a change would not lead to an increase in overall school aid, but rather a redistribution of aid. In addition, the proposal could drastically affect the funding of school district construction projects, including those that have already been approved by voters, as well as the incentive that currently exists for school districts to share services through BOCES. Such a proposed cap should be rejected, as all prior proposals to cap reimbursable aids have been.

For additional information please contact NYSSBA Governmental Relations at 518-783-0200.
2018 Capital Conference
Property Tax Cap

Since 2012, the property tax cap has limited the ability of school districts to meet the needs of their students. The two percent allowable growth factor in 2018-19 is expected to generate approximately $400 million statewide, or just 20% of the projected costs school districts face in order to preserve current programs and services. The following are recommendations that, if enacted, would help school districts more effectively navigate the tax cap; to the benefit of taxpayers and students alike.

Count BOCES capital costs in the capital exclusion

The current tax cap formula allows an exclusion for district capital obligations but does not include a comparable exclusion for school district costs related to BOCES capital. BOCES construction costs should be counted as part of the tax cap’s existing exclusion for local capital expenditures.

Include PILOT properties in the tax base growth factor

New construction should be recognized in the tax base growth factor in the cap calculation as soon as the PILOT begins. This would allow the entire community to benefit from new development and support the school district in meeting any cost increases associated with the property.

Address instances where a district’s tax cap is negative

A district’s maximum allowable tax levy limit can result in a negative change from the prior year. The law should provide for a floor of zero percent change of the levy. Legislation has been introduced that would accomplish this change (A.226, Lupardo / S.3969, Seward).

Make the allowable growth factor a consistent 2 percent

The state should remove the restrictive volatility of the CPI and allow school districts to plan around a minimum two percent allowable growth factor. Legislation has been introduced to make the allowable growth factor a consistent two percent (A.3799, Jaffee / S.1707, Marchione).

Reform the tax cap override process

Voter-submitted propositions can impact the need for supermajority support of an otherwise tax cap compliant budget, even if the proposition fails. In such cases, school district budgets should be decided on their own merits. Legislation has been introduced that would accomplish this goal (A.2082, Thiele/S.903, Croci).

Account for enrollment growth in the tax cap calculation

There is no mechanism within the tax cap calculation to adjust for enrollment growth when more than a quarter of districts have experienced such growth at some point in recent years. The tax cap calculation should include a student growth index, similar to the tax base growth factor.

For additional information, please call NYSSBA at 518-783-0200.

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1 Permissive language to make this change was enacted in 2015. Legislation requiring the change was passed, and vetoed, in 2017.
2018 Capital Conference
No Student Goes Hungry

The New York State School Boards Association (NYSSBA) supports the Executive’s intent to establish and improve programs that provide hungry students with access to healthy meals in a supportive and shame-free environment. However, NYSSBA does have some concerns with the details of the proposals as currently drafted.

The Executive budget includes the following proposals:

- **Ban School Lunch Shaming:** School districts would be required to develop plans that outline steps to address students with unpaid meal fees. Policies would include various attempts to check students’ eligibility for free or reduced-price lunch, as well as procedures to decrease student distress and embarrassment when that student is unable to pay for his/her meal. These policies would need to ensure that students would not be part of any debt collection conversations.

- **Breakfast after the Bell:** Schools with 70 percent or more students eligible for free or reduced-price meals would be required to offer all students a school breakfast after the instructional day had begun. Each school would choose its delivery model. Options include breakfast in the classroom, grab-and-go breakfast and breakfast in the cafeteria.

- **25 Cents for 30 Percent:** School food authorities that purchase at least 30 percent of their total food products from New York State farmers, growers, producers or processors would be eligible for a school lunch reimbursement of 25 cents per meal. This would be a 19 cent increase from the current 6 cent lunch reimbursement.

- **Farm-to-School:** The Farm-to-School program would double in size from its current $750,000 appropriation to $1.5 million.

The proposed ban on school lunch shaming would require school districts to provide unlimited meals to students without payment, but leaves no reasonable recourse for recouping the debt from parents or guardians. In addition, changes in the school breakfast program could lead to significant costs to the district including capital costs, costs related to the meals themselves and staff-related costs associated with the delivery and supervision of the breakfast after the bell program.

NYSSBA has no objection to the expansion of Farm-to-School grants. However, NYSSBA would prefer to see an overall increase in school meal reimbursement rates, rather than having those increases limited to programs in the logistical and financial positions to secure locally grown foods.

For additional information, please contact NYSSBA Governmental Relations at (518) 783-0200.
2018 Capital Conference
Standards & Curriculum

The New York State School Boards Association (NYSSBA) supports the Executive’s proposals for the creation of model resources and guidance that would serve as useful aids to school districts wishing to implement certain programs for which resources or information are lacking.

The Executive budget includes the following proposals:

• **K-12 Computer Science Standards**: A working group made up of educators, industry experts and institutions of higher education would convene and consult with teachers, school administrators and others in the field to establish model K-12 computer standards. The working group would submit its findings and recommendations to the State Education Department by March 1, 2019.

• **Healthy Relationships Program**: Referred to as the “Be Aware, Be Informed” program, the Executive proposes that the State Education Department in consultation with the Department of Health develop age-appropriate K-12 curricula, lesson plans and instructional resources on healthy relationships that would be made publicly available online or provided at no cost to any school district upon request. Resources would be divided into two subgroups. For K-4, the healthy relationships curriculum would include topics on self-esteem and self-worth, friendship, and empathy. For grades 5 through 12, curriculum would include teen dating violence, age-appropriate definitions of affirmative consent, and medically accurate information on sexual health.

• **Respect for Diversity Program**: The Commissioner of Education in cooperation with the State Division of Human Rights would develop age-appropriate model curriculum, lesson plans and instructional resources on respecting diversity. Such resources would include respect for diversity of race, color, religion, weight, disability and gender.

As the proposals are currently written, NYSSBA is supportive. The creation of model resources and guidance can serve as useful aids to schools wishing to implement certain programs for which resources or information are lacking. Respecting diversity, maintaining healthy relationships, and developing computer science skills are all important and relevant topics in schools today.

It is important to note that these three Executive proposals relating to standards and curriculum do not impose any additional mandates on school districts.

For additional information, please contact NYSSBA Governmental Relations at (518) 783-0200.
The New York State School Boards Association (NYSSBA) supports the Executive in addressing women’s health and well-being in our schools, work places and communities. However, NYSSBA does have concerns about the manner in which the Executive has approached school district implementation of these processes.

The Executive budget includes the following proposals:

- **Mediation or Arbitration Protections:** All employers, including school districts would be prohibited from forcing an employee into a non-disclosure agreement as terms on employment. The use of such contract would limit an individual’s ability to pursue future litigation.

- **Use of District Funds in Settlements:** Public entities, including school districts who have adopted Section 18 of the Public Officers Law would be prohibited from using district funds to cover settlement costs on behalf of their employees.

- **Creation and Adoption of Sexual Harassment Policies:** School districts would be required to develop sexual harassment prevention policies that set forth uniform complaint and investigation procedures that protect the confidentiality of the victim.

- **Access to Free Feminine Hygiene Products:** School districts would be required to provide feminine hygiene products, at no cost, in restrooms in buildings serving students grades 6-12.

NYSSBA supports the Executive’s intent to reduce sexual harassment in the workplace and provide clear recourse and protections for victims in the event such harassment occurs. However, NYSSBA believes that the drafting and adoption of district policy should remain the purview of the Board of Education, and not be delegated to school attorneys, the majority of whom are third party contractors, not district staff. In addition, the New York State School Boards Association (NYSSBA) will work with the Executive and Legislature to ensure that investigation procedures are consistent with and reflective of current requirements and limitations on school districts under section 3020-a.

NYSSBA further supports the Executive’s intent to ensure that lack of access to needed feminine hygiene products should cease to be a barrier to students participating in educational activities. However, NYSSBA will also seek an appropriation to ensure that districts do not have to divert resources from other programs to pay for this.

For additional information, please contact NYSSBA Governmental Relations at (518) 783-0200.
2018 Capital Conference
Reform the BOCES District Superintendent Salary Cap

The New York State School Boards Association (NYSSBA) calls upon the Governor and the legislature to amend the current cap on salaries for BOCES district superintendents.

Current law caps a BOCES district superintendent’s salary at 98 percent of the commissioner of education’s 2003-04 salary or 106% of the salary cap applicable in the previous school year, whichever is less. The cap, first enacted in 1993, was intended to be regularly updated. However, attempts to adjust the cap since the initial adjustment in 2003-04 have stalled.

By law, district superintendents are the State Education Commissioner’s representatives in the field. They are considered state employees, and cannot negotiate fringe benefits in the way traditional employees can as a part of their total compensation.

A critical part of their role is to provide important leadership and to guide implementation of complex state initiatives. They are also CEOs of regional school service agencies, coordinating shared-services, efficiencies, training, and exceptional educational programs within their component districts. They also often assist those districts in choosing their own school superintendents. As the education community hears continued calls for more sharing of services and additional career and technical education opportunities, the demands placed on our BOCES only continue to grow.

The current decade-old cap is making it increasingly difficult to recruit and retain District Superintendents, leaving this highly important position vacant in some areas. In addition, the current DS salary cap undermines local authority and prohibits school boards from being able to decide a salary they feel is appropriate for their District Superintendent. It is important to note that this does not mandate that a DS receive a salary up to the cap, it simply authorizes it.

BOCES serve as an increasingly vital part of New York’s education system. As the education community hears continued calls for more sharing of services and consolidation of programs, the demands placed on our BOCES only continue to grow. Candidates for these critical positions should not have to choose between serving a larger population of students and their own financial well-being.

The Governor and legislature should update the cap and we call on them to do so immediately. For additional information, please call NYSSBA at 518-783-0200.
Special act school districts are a vital part of our state’s educational system. The state and local school districts depend on these school districts. The students they educate and rehabilitate depend on them even more. In many instances these schools represent a critical opportunity for students who have emotional and educational challenges, some of whom have been victims of abuse or neglect and cannot be served elsewhere. For others these schools provide a last opportunity, a vehicle to rehabilitate out of the juvenile justice system before age and time place them on a more difficult path.

For a number of years, during the worst of the recession, the Division of the Budget allowed for zero growth in tuition rates, despite the recommendations of the state Education Department to provide modest increases. We understand that this was a necessary part of the adjustments that needed to be made, at a time when the state was grappling with a significant crisis.

During those years, all school districts were asked to find efficiencies and help the state close a significant budget gap. Special acts did their part, renegotiating vendor contracts, teacher and employee contracts and reducing costs wherever they could, while still providing a safe and productive learning environment.

However, since then there has been an improvement in the state financial picture. We recognize and appreciate that in recent years, there have been moderate increases allowed in the tuition rates. For special act school districts, those increases were vital, in some instances allowing them to maintain services.

Though appreciated, the recent increases have not been enough to stabilize the finances of these districts. Special act districts do not have local taxing authority and are not funded through the same formulas and funding mechanisms as other traditional districts. Instead, these districts are assigned a rate each year by the state. This rate is based on costs and service days from 2 years prior and is not reflective of either the current population of the school, or the costs associated with the services needed by those students. Even if the rate setting process drives an increase, the tuition rate must still be approved by the Division of the Budget, who can then reduce the rate increase or hold it at zero.

Special act school districts face not just underfunding, but serious cash flow issues. Because their rate is low and they are not permitted to carry any undesignated year to year fund balance, they frequently have to take out revenue anticipation notes (RANs). These short term loans allow the districts to cover their immediate costs, but then result in their limited resources being diverted to pay interest on the RANs.

As the 2017 budget process proceeds, NYSSBA urges all parties to include equitable support for special act school districts, including a tuition rate for 2018-19 that is reflective of the public school costs that these districts incur.

For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.