



2020 Capital Conference Talking Points

Education Funding and District Budgeting

- Increase the 2020 Foundation Aid proposal to \$1.6 billion over 2019-20
 - Adopt a plan to fully phase in Foundation Aid over the next 3 years
 - Adopt common sense updates and adjustments to the Foundation Aid formula
- Reject attempts to limit local budget authority and dictate how Foundation Aid is spent
 - Eliminate Community School Set Aside and create a dedicated funding stream
- Reject attempts to consolidate or eliminate certain expense-based aids
- Rejects attempts to adjust or reduce building aid and transportation aid
- Provide dedicated aids for the following items
 - Districts with ELL and enrollment growth
 - School safety
 - Student mental health
- Reject attempts to shift certain CSE special education costs from the state to school districts
- Establish a new period of building and transportation aid amnesty
- Fund Special Act school districts equitably
- Adopt important reforms to the property tax cap

Additional Items

- Support increased regulation of vaping products and advertising
- Enact voting and school election reforms
 - Allow school districts to decline assignment of school buildings as a general election polling locations
 - Allow school districts to move district budget votes and board elections to non-instruction buildings within the district
 - Restore the four hour qualifier for automatic paid leave for school district employees to vote in elections
 - Provide supports to school districts who will not have access to electronic voting machines due to the change in general primary dates



2020 Capital Conference State Aid for Public School Districts

The Executive budget proposes an education funding increase of \$826 million over 2019-20, \$579 million of which consists of traditional formula-based school aid. In addition to the full-funding of expense-based aids and other categorical aids, the proposal includes a \$504 million increase in Foundation Aid. The Executive proposes an increase of \$50 million in set-asides, restricting the use of a portion of the Foundation Aid increase for community schools. The proposal also includes \$200 million for “targeted high-need district Foundation Aid.” This proposed funding for school districts includes no specific distribution method and is not listed on school aid runs. The \$826 million proposal breaks down as follows:

- Foundation Aid Increase: \$504 million
 - Community Schools Set-Aside Increase: \$50 million (\$300 million total set-aside)
- Reimbursement for Expense-Based and Other Categorical Aids: \$75 million
- “Targeted High-Need District Foundation Aid”: \$200 million
- Expanded Prekindergarten for Three- and Four-Year Olds: \$15 million
- Empire State After-School Programs: \$10 million
- Early College High Schools: \$6 million
- Other Education Initiatives: \$16 million

This is far lower than the \$2.1 billion in additional education funding NYSSBA recommended for 2020-21. NYSSBA calls for the final budget to dramatically increase this allocation, appropriating \$1.6 billion in new Foundation Aid with a new plan to implement and update the formula. NYSSBA also calls for the elimination of restrictions on the use of Foundation Aid, including for community schools. NYSSBA supports community schools, but opposes what is in effect a mandate to establish them.

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

- Dedicated funding to support growing student needs, including health services, increasing ELL populations and districts with growing general and special education 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
- Amnesty for districts facing building or transportation aid penalties due to administrative or clerical errors
- An improved tuition rate methodology and creation of a fiscal stabilization reserve for special act school districts.

NYSSBA urges inclusion of these changes in the final 2020-21 budget. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.



2020 Capital Conference Consolidation of Expense-Based Aids

The Executive proposes fully funding expense-based aids for 2020-21. However, in doing so, the budget proposal includes the consolidation of ten separate expense-based and categorical aids into Foundation Aid, beginning in 2020-21. The ten aids include BOCES Aid, Special Services Aid, Charter School Transitional Aid, High Tax Aid, Supplemental Public Excess Cost Aid, Academic Enhancement Aid and the four Instructional Materials Aids (library, textbook, software and computer hardware). The aids would “run” as designed in 2020-21 - generating an increase of approximately \$10 million statewide - but would be paid as Foundation Aid, creating a new Foundation Aid base amount. The ten aid categories would then effectively be eliminated after 2020-21.

NYSSBA has serious concerns with this proposal. While the Executive has represented the consolidation of these ten aid categories as a way to free up funding for additional Foundation Aid increases, there is nothing in the proposal that would achieve that goal. Without that assurance, it is possible that this proposal could lead to a comparative reduction in school aid for many districts in any given year. In particular, this could negatively impact districts that share services through BOCES and those who see significant growth in charter school costs/enrollment. For example, in the current year, more than 450 school districts were projected to receive nearly \$70 million in additional BOCES Aid over last year. If this consolidation proposal were in place at the time, there would be no guarantee that those districts received any of that funding.

The proposal would also increase the level of unpredictability when it comes to state aid for school districts. Currently, districts know that if they spend a certain amount within a certain aid category, they will receive a certain amount in reimbursement from the state through a set formula. By increasing the amount of aid being paid as Foundation Aid, districts will be further subjected to annual political negotiations in Albany - especially as long as foundation aid is not operating as a functional formula.

NYSSBA is ***strongly opposed*** to this proposal and urges its rejection from the final budget. For additional information, please contact NYSSBA Governmental Relations at 518-783- 0200.



2020 Capital Conference Support Special Act School Districts

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 two 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 2020 state budget process proceeds, NYSSBA urges all parties to include equitable fiscal support for Special Act school districts, including a tuition rate for 2020-21 that is reflective of the public school costs that these districts incur.

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



2020 Capital Conference Building Aid and Transportation Aid Adjustments

Building Aid

The Executive proposes changes to building aid for school district construction projects approved by voters on or after July 2020. For some districts, a new building aid tier could lead to a lower reimbursement ratio for approved project costs, therefore generating less building aid. A new tier would eliminate the aid ratio “look-back” provision that benefits hundreds of districts statewide. In addition, the minimum reimbursement rate for capital projects would be lowered from 10% down to 5%. Lastly, the formula used to determine aidable costs for construction projects would also be adjusted to restrict the allowance for athletic fields, unless they were necessary to meet physical education requirements.

NYSSBA is concerned about the negative financial impact these proposals would have on school districts pursuing construction projects. Decreased state support for school district capital projects would lead to two possible outcomes - less investment in modernizing and improving facilities for students and/or increased costs for local taxpayers. The higher levels of annual growth in building aid in recent years have already been addressed through an improvement by the State Education Department with how building aid projected for districts. With that important reform, building aid is projected to decrease by nearly \$6 million from 2019-20 to 2020-21.

Transportation Aid

The Executive proposes multiple adjustments to the existing transportation aid formula. The transportation aid ratio calculation would be adjusted to allow for a less generous reimbursement rate for more than 200 districts, by removing one of the wealth measurement calculations within the formula. In addition, the approved transportation expense - the amount spent by a district that is eligible for reimbursement - would be limited by general inflation and change in district enrollment.

NYSSBA is concerned about the negative impact these changes would have on a wide range of districts. Transportation is a basic operational requirement that is a necessary cost for nearly all districts across the state. School districts have limited ability to control these expenses, which often follow strict state mandates. A comparative reduction in transportation aid would have a disproportionate impact on districts that most rely on sufficient state reimbursement in order to provide transportation services to their students.

NYSSBA is ***strongly opposed*** to these proposals and urges their rejection from the final budget. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.



2020 Capital Conference Voting and Elections

School Buildings as Polling Places

Under current law, if a local board of elections designates a school as a polling place, the district must make space available. Increasingly, school districts are concerned about the impact on school safety when they are required to suspend normal security procedures and allow members of the public unrestricted access to school buildings and their students. Some districts choose to address this concern by closing on polling days.

With the adoption of early voting, closing on voting days to keep school buildings safe and secure is an even less reasonable option. Early voting now expands the number of potential voting days to a universe that could be as high as 10-12 times per year. In November 2019, multiple school buildings in New York City were assigned as early voting locations for that month's general election.

To allow the recent voting reforms to be implemented in a safe way for students, NYSSBA believes further legislation must be enacted that would allow districts to move all voting, including school board elections and budget votes, out of school buildings, if that is what is necessary to keep our schools secure and our students safe.

Paid Leave for Voting

Last year's state budget included a provision expanding the entitlement of employees to take up to 3 hours of paid leave to vote (an increase from 2 hours). In addition, the budget eliminated the qualifier in the law that limited the ability to take this leave to those employees without "adequate" time to vote, defined as those without 4 consecutive hours in which they not required to be at work while the polls are open. While NYSSBA supports participation in elections, the majority of school district employees have 4 hours when they are not required to be at work and the polls are open.

School districts cannot properly serve our students without our teachers and other staff being available during regular school hours. With the adoption of early voting, combined with a school day that generally affords staff more than 4 hours of work while polls are open on elections days, school district employees are very well positioned to participate in the voting process. NYSSBA believes that restoration of the 4 hour qualifier for school district employees protects voters while allowing districts to maintain operations on election days.

Access to Voting Machines

With the move of New York's primary dates to April and June, an increasing number of school districts are being informed by their local board of elections that electronic voting machines will not be available for some school district votes, including the statewide May budget vote and school board election. That leaves many districts with paper ballots as the only legal way to conduct their votes. NYSSBA requests state action to help school districts maintain secure and modern elections.

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



2020 Capital Conference Property Tax Cap

Last year's state budget repealed the property tax cap's sunset clause, effectively making the cap permanent. But that does not mean the issues surrounding the tax cap have gone away. In fact, in some cases, they have only grown.

NYSSBA is pleased to see, after many years of advocacy, state action to implement an important clarification within the tax cap formula. The state Department of Taxation and Finance recently issued regulations that would count school district costs related to BOCES capital in the same way as costs for a district's own capital projects. All of these costs are now appropriately part of the tax cap's capital exclusion. While this was an important action, we ask our state leaders to work to address the other problems, inconsistencies and unintended consequences of the cap. NYSSBA continues to offer the following recommendations to help school districts more effectively navigate the tax cap; to the benefit of taxpayers and students alike.

Make the allowable growth factor a minimum of 2 percent

Basing the main tax cap growth factor on a volatile indicator that does not accurately reflect the actual costs school districts face is unsound policy that ignores the needs of students. In 2020-21, the tax cap growth factor will be below two percent for the fifth time in nine years. School districts should be allowed to plan around a minimum two percent allowable growth factor.

Prohibit negative tax caps

Under the current tax cap formula, a district's maximum allowable tax levy can result in a negative change from the prior year. This does not fit the intent of the tax cap and is unnecessarily confusing to voters. The law should provide for a floor of zero percent change of the levy.

Include PILOT properties in the tax base growth factor

When new construction and development occurs within a district, the tax cap is adjusted to account for the growing tax base. But when the property enters into a PILOT agreement, the growth is ignored by the cap. The tax base growth factor calculation should incorporate those properties under a PILOT deal. This proposal was vetoed in 2017.

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.

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 contact NYSSBA Governmental Relations at 518-783-0200.



2020 Capital Conference School Safety

The safety of our students, faculty, staff, and stakeholders is of paramount importance to the New York State School Boards Association (NYSSBA) and the school districts we serve. School boards and other district leaders are regularly evaluating their current resources and plans to determine if there are additional or different programs, policies or procedures needed to keep our students and staff safe.

Each school district has its own unique safety needs and is in the best position to determine its safety strategy at the local level. These strategies may include school resource officers, security personnel, mental health services, or a combination of these. Regardless, it is imperative that the state provide the tools and resources necessary to help school districts meet the safety and security needs of their community.

NYSSBA does not believe there is a single right answer to these important issues. One size or style does not fit all. Therefore, we recommend the following be included in the 2020-21 state budget:

- Include dedicated resources in the 2020-21 budget to support locally determined school safety measures
- Ensure that any resources provided can be used flexibly and are available to all school districts and BOCES
- Ensure that school districts maintain control over who enters their buildings by allowing them to decline use of instructional buildings for voting

Each district knows its own needs best, and NYSSBA firmly believes that safety programs are best developed in an environment that provides flexibility to school districts. To that end, we call on our leaders in government to provide the flexible funding to allow districts to meet their security needs.

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



2020 Capital Conference Student Mental Health Services

The New York State School Boards Association (NYSSBA) strongly supports investments in student mental health services.

Mental health is not only a key component of school safety; it is a cornerstone of childhood development. NYSSBA has long supported increased funding to address the shortage of psychologists, social workers and other mental health professionals in schools across the state. Member districts have frequently expressed the need for additional direct mental health services for students. NYSSBA strongly supports making the necessary investments to give our children the best mental health services possible.

NYSSBA appreciates and supports the continuation of \$1.5 million being included in the 2020-21 executive budget for enhanced mental health and school climate support services. However, more needs to be done. To that end, NYSSBA offers two additional paths for the state to consider which could assist school districts in supporting students who have mental health needs.

First, a new expense-based aid could be established that would reimburse districts for a percentage of the dollars spent on approved services and the staff necessary to provide them. These could include but would not be limited to primary and preventive medical care, reproductive health care, dental, vision, nutrition counseling, and other mental health services. Such a reimbursement could be a “last dollar” reimbursement, limited to those expenses not covered by Medicaid or other dedicated sources.

Of equal importance is providing the facilities necessary to deliver direct and comprehensive mental health services to students. Therefore, NYSSBA recommends capital costs associated with creating school health and mental health facilities be fully building-aid eligible. By supporting districts in establishing the infrastructure to provide these services, more students may be served, especially in rural areas in which access to community based providers may be limited.

NYSSBA supports the provision of additional resources in the 2020-21 budget to deliver much-needed mental health programs and services to students. For additional information, please call NYSSBA Governmental Relations at 518-783-0200.



2020 Capital Conference Vaping and E-Cigarettes

The Executive budget includes a prohibition on the sale and distribution of flavored e-cigarette products, restrictions on advertising that targets youth and increased penalties on the sale of such products to minors.

NYSSBA strongly supports these efforts to further regulate the consumption, manufacturing, distribution and advertisement of vaping products, as well as the adoption of additional penalties for businesses or individuals who sell or provide vape products to anyone underage.

NYSSBA has increasingly heard from school board members across the state about the health concerns and classroom distractions vaping creates in schools. The vaping epidemic continues to grow among students while the repercussions associated with vaping are only recently beginning to be fully understood.

Studies show that vaping, or e-cigarette use, among teens has risen dramatically in recent years, increasing among high school students by 900% from 2011 to 2015. These products deliver nicotine through a tobacco-free approach and were developed to help adult smokers cut their tobacco-use. Unfortunately, students are beginning to use these products without having previously smoked traditional cigarettes. Over 30% of adolescents start smoking traditional tobacco within six months after beginning the use of vape products. Advertising that portrays vaping in a positive light, as well as the wide variety of flavors such as bubble gum, mango, coconut and cotton candy, are enticing to youth and exacerbate this epidemic.

School districts across the state are vigorously educating their students about the dangers associated with the use of e-cigarettes and other vaping products. They continue to evaluate and implement practices and procedures to deter their students from engaging in such activities. NYSSBA ***strongly supports*** these state efforts to help protect our students and youth across the state.

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