



NYSSBA 2020-21 Executive Budget Analysis

State Aid - The Executive proposed an education funding increase of \$826 million over 2019- 20 levels. Specifically relevant to individual school districts, the proposal includes a \$579 million (2.1%) increase in traditional formula-based school aid. Within that amount, the budget proposal would provide a \$504 million increase in Foundation Aid, of which \$50 million would be restricted for an increase in the Community Schools set-aside. The proposal includes nearly \$75 million in expense-based and other reimbursement aids. The total education funding increase also includes \$200 million in what is described as “targeted high need district foundation aid,” but without any specific details or clarity as to distribution methods.

NYSSBA Position/Response - The Executive’s proposal represents less than half of NYSSBA’s education funding request of \$2.1 billion. NYSSBA calls for a dramatic increase in school aid over the Executive’s proposal, with a particular focus on additional Foundation Aid.

Foundation Aid - The Executive budget provides a \$504 million increase in Foundation Aid. As in previous years, the proposed increase is based on a one-time distribution formula and not on a renewed phase-in of the statutory formula. The distribution formula uses factors such as free and reduced price lunch (FRPL), Combined Wealth Ratio, the Regional Cost Factor, pupil need and sparsity. The minimum Foundation Aid increase for districts would be 0.25%. In addition, approximately \$10 million of the proposed increase is attributable to the consolidation of some expense-based aids, as detailed further below.

NYSSBA Position/Response - The Executive’s Foundation Aid proposal is approximately \$1 billion less than the amount proposed by NYSSBA, the Board of Regents and the Educational Conference Board. In addition to failing to include a plan to phase-in the formula, the Executive budget also makes no adjustments or improvements to the formula itself. NYSSBA has requested updates to the formula, including adjustments to weightings used for high-need students, updates to the Regional Cost Index and improvement of student poverty data collection methods. NYSSBA also requests the \$200 million in unallocated proposed funding be distributed through the Foundation Aid formula.

Community Schools Set-Aside - The Executive budget includes a \$50 million increase in the Community Schools Foundation Aid set-aside. The increase would push the total set-aside to \$300 million statewide and would be directed towards districts with schools under Comprehensive Support & Improvement (CSI) status, districts with certain growth in ELL enrollment and districts with below average wealth.

NYSSBA Position/Response - NYSSBA continues to be opposed to districts effectively being mandated to create community schools, or any other program, by way of restrictions on the use of their Foundation Aid through “set-asides.” Regardless of the laudable merits of community schools, a set-aside is a state-mandated restriction on how funds can be spent. Foundation Aid was designed as a general operating aid of which a school district has the ability to decide how and where it is used. In order to maintain full flexibility and local control under Foundation Aid, community

schools should be supported by the state through a separate dedicated funding stream, to be used if the district determines that a community school model is what their district needs.

Consolidation of Aid Categories - The Executive budget includes the consolidation of ten separate expense-based and categorical aids, into a new Foundation Aid base amount for 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. The ten aid categories would then effectively be eliminated after 2020-21.

NYSSBA Position/Response - 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. The proposal would also increase the level of unpredictability when it comes to state aid for school districts.

Building Aid Adjustment - The Executive budget includes proposed changes to building aid for school district construction projects approved 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. The minimum reimbursement rate for such projects would be 5%, down from 10%. In addition, the formula used to determine aidable costs for construction projects would be adjusted to restrict the allowance for athletic fields, unless they were necessary to meet physical education requirements.

NYSSBA Position/Response - 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.

Transportation Aid Adjustment - The Executive’s proposal includes 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 some districts. 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 Position/Response - 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 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.

Charter Schools - The Executive budget would increase state support for charter schools in New York City by 5.3%. In addition, the executive budget would authorize the reissuance of charters that have recently been surrendered, revoked or terminated, and would not count these reissuances against the charter cap.

NYSSBA Position/Response - NYSSBA continues to oppose any growth in state financial support for charter schools while hundreds of school districts across the state remain underfunded. As a comparison, the proposed formula-based aid increase for districts is only 2.1%. While the proposal would not make a statutory change to the charter cap, NYSSBA opposes the de facto increase that would occur through the reissuance of revoked charters.

Funding for Non-Public Schools - The Executive budget includes a 3.0% increase in state support for non-public schools. This funding would be used to reimburse non-publics for certain state-mandated services. The proposal also would increase funding for non-public STEM instruction by \$5 million, to \$35 million.

NYSSBA Position/Response - NYSSBA continues to oppose any growth in state financial support for non-public schools while hundreds of school districts across the state remain underfunded. The Executive's proposed increase in funding of 3.0% for mandated services reimbursement for non-publics exceeds the proposed formula-based aid increase for public schools (2.1%).

Pre-Kindergarten - The Executive budget proposal includes an additional \$15 million for prekindergarten expansion for more than 2,000 three and four year olds in half and full-day programs. The proposal also continues to invest in QUALITYstarsNY, a system designed to help ensure prekindergarten programs are of the highest quality.

NYSSBA Position/Response - NYSSBA continues to support recent investments in high quality pre-kindergarten programs so that all communities can offer seats to their students. However, NYSSBA recommends that funding be made available to all districts wishing to offer pre-kindergarten to four year old students before funding is diverted to three year olds. In addition, funding should be annual and formula-based. NYSSBA also recommends making transportation for pre-k students aidable in the same way K-12 transportation is currently funded.

CSE Special Education Placements - The Executive budget proposes to eliminate the state share of costs related to Committee on Special Education (CSE) placements for districts outside of New York City. Currently, the state covers 18.424% of the cost, with school districts covering 38.424% and the locality assuming the remainder. Elimination of the state share would move the school district cost to 56.848%.

NYSSBA Position/Response - NYSSBA is strongly opposed to this proposed cost shift. Initial estimates suggest this would cut funding by upwards of \$25 million for non-NYC school districts. At a time when hundreds of districts are already underfunded and facing increasing costs related to special education enrollments and services, the state should not be reducing their share of support for special education students.

Civic Service Curriculum - The Executive budget proposes to expand the current civic service school curriculum by requiring instruction on civic education and values, the history of diversity and the role of religious freedom. The budget includes \$1 million for the state education department for development of the curriculum.

NYSSBA Position/Response - NYSSBA fully recognizes the importance of the issues addressed by this proposal and appreciates the proposed investment of state resources to support its development. However, as drafted, this proposal adds to current curriculum mandates which

encroaches upon the autonomy of both the State Education Department and local boards of education throughout the state. NYSSBA supports the periodic review of educational standards by the Board of Regents, but believes the details of the day-to-day lessons and curriculum should remain with districts.

After-School Programs - The Executive budget includes an additional \$10 million in after-school grants to expand such programs to an additional 6,250 students. Of this funding, at least \$2 million will be reserved for high need school districts on Long Island. In order for other districts to be eligible for the grant, they must either be located in a school district with high rates of gang violence, homelessness or other factors of high student need.

NYSSBA Position/Response - NYSSBA is supportive of funding for the creation or expansion of after-school programs. However, we recommend changes that would allow for wider eligibility. The need for after-school programs exists in districts across the state.

Early College High Schools - The Executive budget includes an additional \$6 million to support the creation of at least 10 new Early College High School programs. The new grants would be targeted to serving students in schools with below average graduation rates or low college access rates.

NYSSBA Position/Response - NYSSBA supports the expansion of Early College High Schools and other programs that allow for students to earn college credit. However, NYSSBA prefers the state reduce the reliance on grants for such purposes, as existing programs have no security at the end of their grant terms and the gains that have been made could be jeopardized if grants are not renewed.

Student Mental Health Services - The Executive budget continues funding of \$1.5 million to support mental health programs in schools. Up to \$500,000 of this funding can be used to support the school mental health technical assistance center.

NYSSBA Position/Response - NYSSBA supports investments in student health and mental health services. However, while we are pleased with any investment, this allocation is likely inadequate to make a meaningful impact on mental health for students and school districts across the state. As student mental health needs grow across the state, significant additional investments are needed to help meet those needs.

Vaping and E-Cigarettes - The Executive budget includes a variety of proposals meant to address the vaping and e-cigarette epidemic, with a focus on protecting youth. Proposals include 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 Position/Response - NYSSBA strongly supports the Executive's efforts to protect students and other minors from the growing vaping and e-cigarette 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, and they continue to evaluate and implement practices and procedures to deter their students from engaging in such activities. These proposals are an important part of those efforts.

Employee Organization Protections - The Executive budget proposes to require employers, including school districts, provide employee organizations (unions) access to new employee

orientations. This access would be in addition to the requirement approved in 2018 for all public employers to allow new employees and certain newly promoted employees who have changed collective bargaining units to meet with a representative of the union during work hours, without charging leave.

NYSSBA Position/Response - NYSSBA recognizes that this proposal primarily concerns the relationship between employees and their union(s). However, as school districts are already required to allow new employee time during the school day to meet with their union, it would seem to be unnecessary to also provide access to new employees during the employer's new employee orientation.

Styrofoam Ban - The Executive budget proposes to ban the sale and use of certain polystyrene (styrofoam) products, including disposable food service containers and loose fill packaging. The ban would take effect January 1, 2022 and would apply to school districts, restaurants, grocery stores and hospitals, among others.

NYSSBA Position/Response - NYSSBA continues to evaluate the impact on school districts of a ban on styrofoam products. While it is important for school districts to be positive environmental stewards, we must also be cognizant of the potential cost for districts that would be required to replace styrofoam with other products.

Net Neutrality - The Executive budget would establish net neutrality principles for all internet service providers in the state.

NYSSBA Position/Response - NYSSBA strongly supports the re-establishment of net neutrality protections. Equitable access to online educational resources helps school districts save money while exposing students to the most innovative and effective instructional content.

STAR - The Executive continues to propose changes to STAR benefits and eligibility. Notably, for homeowners receiving the STAR exemption, the income eligibility limit would be lowered from \$250,000 to \$200,000. Anyone above the income limit would only be eligible for the STAR credit.

NYSSBA Position/Response - These STAR changes would not have a direct net impact on school district finances. However, it is important for districts to be aware of such proposals as taxpayers often direct questions regarding STAR to their school district.