



NYSSBA 2022-23 Executive Budget Analysis

State Aid - The executive budget proposal would increase traditional formula-based school aid by \$2.07 billion, or 7.1%, over current 2021-22 levels. The aid increase would be provided through a \$1.6 billion increase in Foundation Aid and a \$471 million increase in expense-based and other categorical aids.

NYSSBA Position/Response - The executive budget proposal includes most of the school aid recommendations NYSSBA made to the Governor in late November 2021. As part of those budget recommendations, NYSSBA expressed support for the \$2.4 billion education funding assumption included in the state Division of Budget's midyear state financial plan update in October 2021. The \$2.1 billion in traditional school aid included in the budget proposal, plus funding availability for other new programs, puts the overall education funding number close to the figure originally projected by the Division of Budget.

Foundation Aid - The executive budget proposal continues with year two of the Foundation Aid phase-in plan, originally included in the 2021-22 state budget. That plan provides districts who are below full-funding with an increase equal to 50% of their remaining phase-in. All districts, including the nearly 300 districts currently on hold-harmless, would be guaranteed a minimum 3% increase. In total, the executive budget proposal would provide a \$1.6 billion increase in Foundation Aid over current 2021-22 levels. The proposal also provides for additional allocations that are necessary to fulfill federal stimulus maintenance of equity requirements.

NYSSBA Position/Response - NYSSBA is pleased to see the executive's commitment to the Foundation Aid phase-in plan that was included in last year's state budget. Continuation of that three year plan is NYSSBA's top school funding priority. The minimum 3% increase for all districts is also consistent with NYSSBA's goal of ensuring all districts receive a Foundation Aid increase to help districts with standard cost increases, particularly in today's inflationary environment.

Unfortunately, the executive budget proposal includes no updates or other changes to the statutory Foundation Aid formula. NYSSBA continues to call on the state to look to the future of the formula by formally reviewing impacts over the past two decades and the changes to the educational environment since the formula was first constructed, including a new costing out study, improving data collection for measuring student poverty and updating the Regional Cost Index.

Aid Forgiveness - The executive budget would allow for aid forgiveness for building and transportation costs that were properly expended, which would otherwise be subject to penalties for late filing of forms due to inadvertent administrative or ministerial oversight. Further, in an attempt to prevent future transportation contract filing complications, the submission of contracts through electronic form would be permitted.

NYSSBA Position/Response - NYSSBA is strongly supportive and appreciative of these proposals, as they are reflective of many years' worth of advocacy efforts on this issue. Changes to the building aid process made in 2011 have effectively prevented such penalties for capital projects since then, but

multiple building aid projects were approved prior to the change, but completed after. NYSSBA has supported multiple district-specific bills in an attempt to allow for aid forgiveness, with limited success. A comprehensive solution, like this proposal offers, is the most effective way to address the problem.

Further, NYSSBA has noted that many transportation contract submission errors have been at least partially attributable to the requirement for hard copy submission. Allowing electronic submission should assist many districts who face aid penalties due to technical errors related to the hard copy process.

Community Schools Set-Aside - The executive budget proposal makes no changes to community schools set-asides. While no increases were made, \$250 million of total Foundation Aid funding will again be restricted to be used by districts for services and programs that further community schools initiatives.

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.” While we continue to support the repeal of set-asides, we are pleased that the total restricted amount is not proposed to increase this year. 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. School districts should be granted full flexibility in their funding decisions.

Aid Claims Restriction and Database Freeze - Similar to past executive budgets, this budget includes a proposal to freeze payments on a permanent basis to a maximum payment of those included in the school aid runs supporting the executive budget proposal based on the November database.

NYSSBA Position/Response - NYSSBA opposes this proposal and hopes to see it omitted in the final budget, as has been the case in past years. As with any budgeting process, cost projections can be volatile. Such volatility does not reflect poor budgeting practices, and should not be treated as such. It is important for school districts to be reimbursed for legitimate actual costs.

Recover from COVID School Program (RECOVS) - The executive proposal appropriates \$100 million for the 2022-23 and 2023-24 school years for the Recover from COVID School Program, or RECOVS. The program would support school district efforts to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. Eligible costs would include employment of mental health professionals, expansion of school-based mental health services, and the creation or expansion of summer, after-school, and other extended-day programs. Awards would prioritize the highest need students and schools, as well as services being delivered within school buildings. State awards would seek to match federal pandemic relief funds dedicated for these purposes.

NYSSBA Position/Response - NYSSBA is aware of the myriad investments school districts across the state have made to address learning gaps and social/emotional wellbeing and is appreciative of the executive proposal to match federal funds to allow districts to expand these programs further and/or hire more mental health professionals. According to a recent U.S. Surgeon General’s Advisory, before the COVID-19 pandemic, mental health challenges were the leading cause of disability and poor life outcomes in young people. According to Surgeon General Vivek Murthy, “the pandemic further altered their experiences at home, school, and in the community, and the effect on their mental health has been

devastating.” The funds proposed in the executive budget should help school districts respond to various academic, social and emotional issues students are currently facing.

Continuation of Existing Programs - The executive budget maintains multi-year investments in prekindergarten, after-school programming, early college high schools and P-TECH (Pathways in Technology Early College High School) programs, as well as other competitive grants such as the \$10 million student mental health supports grant, first enacted in 2020.

NYSSBA Position/Response - NYSSBA appreciates that the executive proposes to preserve funding for these important programs, but recognizes that work must continue after budget negotiations have settled to ensure all money appropriated is made available to school districts. Additionally, NYSSBA continues to advocate for statutory amendments to make prekindergarten transportation eligible for state aid, thereby enhancing pre-k funding opportunities.

Committee on Special Education Placements - The executive budget would permanently eliminate the state share of costs related to Committee on Special Education (CSE) placements for districts outside of New York City, and transfer the state’s responsibility for maintenance costs of state-operated schools for the blind and deaf onto school districts. This change was first adopted in the 2020 enacted budget with annual extenders. This new proposal would create a permanent cost shift. Prior to the shift, the state covered 18.424% of maintenance costs for CSE placements, with school districts covering 38.424% and the locality assuming the remainder. Elimination of the state share moved the school district cost to 56.848%.

NYSSBA Position/Response - NYSSBA is opposed to making these cost shifts permanent. The state estimates that the cost shift would result in a nearly \$30 million burden on school districts, effectively reducing opportunities to invest in other valuable programs and services for students. Particularly at a time when the state is in such a strong budget position, school districts should not be forced to absorb an unnecessary cost shift such as this.

Master Teacher and School Counselor Awards - The executive budget includes a new competitive award of \$2 million to support individual, high-performing teachers and school counselors. The awards would prioritize supporting teachers of color, CTE teachers, and guidance counselors.

NYSSBA Position/Response - The current Master Teacher Program has proven to provide participants with valuable professional development and networking opportunities. Master Teachers have, in turn, become leaders within their school buildings. NYSSBA is pleased to see the program expand to prioritize teachers of color, CTE teachers and school counselors.

School Climate Grants - The executive budget appropriates \$2 million in grants to school districts to support programs designed to improve school climate. The grants would prioritize schools with high levels of suspensions.

NYSSBA Position/Response - NYSSBA recognizes that programs designed to improve school climate may effectively address the needs of students’ social and emotional wellbeing. NYSSBA is pleased to see this new investment in school climate grants.

Charter Schools - The executive budget proposes to double New York City charter school facilities aid from just over \$51 million to \$100 million.

NYSSBA Position/Response - NYSSBA supports prioritizing sufficient funding for traditional public schools over generous increases in state aid to charter schools.

Nonpublic School Aid - The executive budget includes \$55 million to support nonpublic school STEM programs. This would equate to a \$15 million year over year increase. There is also a proposal to increase services and expenses on nonpublic health and safety projects by \$30 million, for a total appropriation of \$45 million.

NYSSBA Position/Response - NYSSBA believes that public dollars should prioritize public school investments.

Expansion of Broadband Coverage via the ConnectALL Initiative - The executive budget proposes several changes to the state's approach to building broadband infrastructure in order to streamline the process. This includes removing fees for right-of-way access; previously, state subsidies were being used to pay this fee back to the state. The proposal also allows the New York Power Authority to lease or otherwise dispose of interests to other state instrumentalities in furtherance of the initiative. In addition to programmatic changes, the executive budget proposes to allocate a massive investment, resulting in more than \$1 billion when combined with private funds and other revenue sources.

NYSSBA Position/Response - NYSSBA is fully supportive of this proposal. Addressing the digital divide is an issue of equity that our members have recognized for years, which has only become more profound in this era of remote learning. With some areas of the state having no high speed internet, students in those areas are automatically behind others that have the ease of access elsewhere. This gap is most pronounced in rural communities, low-income families, and households with Black, Latinx, and Native American students. While past efforts to address this divide provided short-term supports, enabling this comprehensive statewide infrastructure will help ensure equal access for future generations.

Temporary Teaching Certification - The executive budget includes a proposal to authorize an individual to teach in a public school with a temporary professional teaching permit. The permit would need to be issued within 5 days of request, upon the individual's attestation that he/she has met all certification requirements. Such a permit would be valid for one year.

NYSSBA Position/Response - NYSSBA recognizes the dire situation many districts are currently facing due to shortages of teaching staff. We welcome the executive's proposal as one step in addressing the immediacy of our schools' needs to put qualified teachers in classrooms.

Earnings Cap Waiver for Retirees - The executive budget would authorize public sector retirees to work for a public school without a waiver and without reduction in their retirement benefits, regardless of the amount earned. If adopted, this provision would remain in effect until June 30, 2024.

NYSSBA Position/Response - NYSSBA strongly supports this executive proposal. As school districts faced and continue to face teacher, bus driver and other staff shortages, NYSSBA sought solutions in the short and long term. Prior to the start of this session, we had advocated for raising the public retiree

earnings cap as we had noticed the cap act as a disincentive for retirees who could otherwise fill much needed positions.

NYC Mayoral Control - The executive budget proposes extending mayoral control in New York City for an additional 4 years, expiring June 30, 2026.

NYSSBA Position/Response - NYSSBA is supportive of continued mayoral control for the New York City Department of Education, based on the local district's desire for continuation of the current system.

Transfer of the National School Lunch Program (NSLP) - The executive budget allocates \$1.33 million from the general fund to transfer oversight and operation of the NSLP from SED, where it is currently housed, to AGM. The proposal would transfer staff, along with the program, from SED to AGM.

NYSSBA Position/Response - NYSSBA is continuing to review this proposal. In general, we have not heard concerns expressed with regard to the State Education Department's current oversight and administration of the program. While NYSSBA traditionally does not take positions on proposed state agency transfers like these, we do note multiple potential complications and procedural challenges should such transfer occur, including those associated with school needs, established payment systems and other relevant data. It is also our understanding that a federal waiver would be necessary to transfer the administration of child nutrition programs from the State Education Department to the Department of Agriculture and Markets, as federal law provides for such programs to be administered by state education agencies – a waiver that only five states currently have. We think it is important for these issues to be reviewed and clarified before the transfer of SED's decades long oversight is considered.

Zero-Emission School Buses - The executive budget proposes that all newly purchased school buses be zero-emission by 2027, and all school buses on the road be zero-emission by 2035. The proposal allows for state transportation aid for the lease or purchase of zero-emission buses, charging stations, and related equipment. The proposal would also authorize school districts to lease zero-emission buses for up to 10 years (schools are currently authorized to lease traditional school buses for up to 5 years).

NYSSBA Position/Response - At NYSSBA's 2020 annual Business Meeting, voting delegates approved a resolution directing NYSSBA to support state funding to assist school districts in implementing decisions in the best interest of the global environment, particularly in areas of facilities improvements and transportation. This proposal would seem to be generally consistent with that position. NYSSBA will stress the importance of appropriate funding and logistical feasibility for districts under this proposal.

Access to the Clean Water State Revolving Loan Fund - The executive budget proposes to expand the definition of "municipality" to include school districts for the purpose of accessing this fund, which provides access to interest-free or low-interest rate financing for wastewater and sewer infrastructure projects.

NYSSBA Position/Response - NYSSBA supports access to this program, especially in light of the infrastructure changes that school districts will be required to make to meet the state's climate change resiliency goals.

Clean Water, Clean Air, and Green Jobs Bond Act of 2022 - The executive budget proposes to ask voters to approve the issuance of \$4 billion dollars in bonds at the November election for the purpose of realizing the state's climate change resiliency goals. Along with other entities, school districts would be able to access this funding for a wide range of projects, in the areas of flood risk reduction, open space land conservation and recreation, climate change mitigation, and water quality improvement and resiliency.

NYSSBA Position/Response - NYSSBA is supportive of the establishment of this funding stream. Our members recognize the existential threat climate change poses to our state and communities. With this funding, the climate change goals outlined in the 2019 New York State Climate Leadership and Community Protection Act would become funded. This funding would allow school districts to make long-term plans as we make this green transition, knowing that there will be consistent funding available.

Update to Building Codes in Response to Climate Change and the Building Benchmarking Act of 2022 - The executive budget proposes to empower the State Fire Prevention and Building Code Council, in conjunction with the New York State Energy Research & Development Authority (NYSERDA) to update and overhaul the statewide building code. In addition, the budget proposes to enact the Building Benchmarking Act of 2022, which would require all owners of buildings with more than 25,000 gross square feet to report various metrics of energy use, water use, and greenhouse gas emissions, and for NYSERDA to publicly post that information. These changes are proposed to achieve the emissions targets laid out in the 2019 New York State Climate Leadership and Community Protection Act.

NYSSBA Position/Response - NYSSBA continues to review and evaluate the potential impact of this proposal. While NYSSBA is supportive of enhancing resilience to climate change, appropriate funding is critical. We are reviewing the applicability of funds from the Clean Water, Clean Air, and Green Jobs fund towards these changes. We are also conscious of the additional administrative burdens this could place on school districts

Homeowner Tax Rebate Credit - The executive budget proposes creating a new homeowner tax rebate credit, effectively reviving the since-expired property tax relief credit program from 2016-19). The credit would be against personal income tax, and not property taxes.

The credit would be available to property owners on their primary residence if the property is receiving the basic or enhanced STAR credit or exemption for the 2021-22 school year, with certain household income limits applied.

NYSSBA Position/Response - NYSSBA has historically not taken a position with the prior property relief tax credit, and accordingly does not have a position with this very similar new credit. The proposed credit would be applied against personal income taxes and therefore would not negatively impact school districts. It is key to note that eligibility for this credit is not tied to compliance with the property tax cap.

STAR Process Changes - The executive budget proposes several changes to the process surrounding the STAR credit/exemption.

First, it would allow direct payment of the STAR exemption to late registrants, subject to state approval. Second, it would extend the deadline to switch from the STAR exemption to the STAR credit from 15 days prior to the filing of assessment rolls to 45 days. Additionally, it would authorize the state to share

STAR credit recipient information with other states to identify fraud and to share lists of decedents with local assessors to better update their records.

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 districts.

Applying State Ethics Rules to Local Public Officials - The executive budget proposes applying certain ethics requirements for state officials and employees to local officials and employees, including school board members and school district employees.

The proposal is threefold. First, it would prohibit local officials or employees from accepting any gift above nominal value (\$15) when doing so could be reasonably viewed as a conflict of interest. The current limit is \$75. Second, it would expand the scope of “interest” for purposes of determining a conflict to include interest in a contract of a family member. Family members currently include spouses and children. Under this proposal, family members would be expanded to mean a person who lives in the same house, the descendant of a grandparent (grandparent, parent, sibling, child, grandchild, aunt, uncle, nephew, niece, and first cousin), or the spouse of any of the same. Third, the proposal would apply the expanded definitions of family member and interest to existing disclosure requirements. This means the municipal officer or employee would be required to disclose any interest in a contract or other agreement the municipality has with these family members publicly.

NYSSBA Position/Response - While NYSSBA is not aware of specific evidence that suggests any school board malfeasance that would necessitate such changes, we certainly respect the desire to ensure that all school board members conduct themselves in an ethical manner, protect taxpayer dollars, and refrain from using their elected positions to enrich themselves or their families.

We continue to review and evaluate this proposal. Of particular importance, we hope to ensure that such proposals do not make it unnecessarily difficult for school districts to entertain and enter into contracts, especially in areas of the state with limited vendors and the increased potential for familial connections under the proposed expanded definition of family.