



The Governor's Budget and New York's Public Schools"

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**Longwood Central School District's
Regional Legislative Breakfast
Co-sponsored by Eastern Suffolk BOCES
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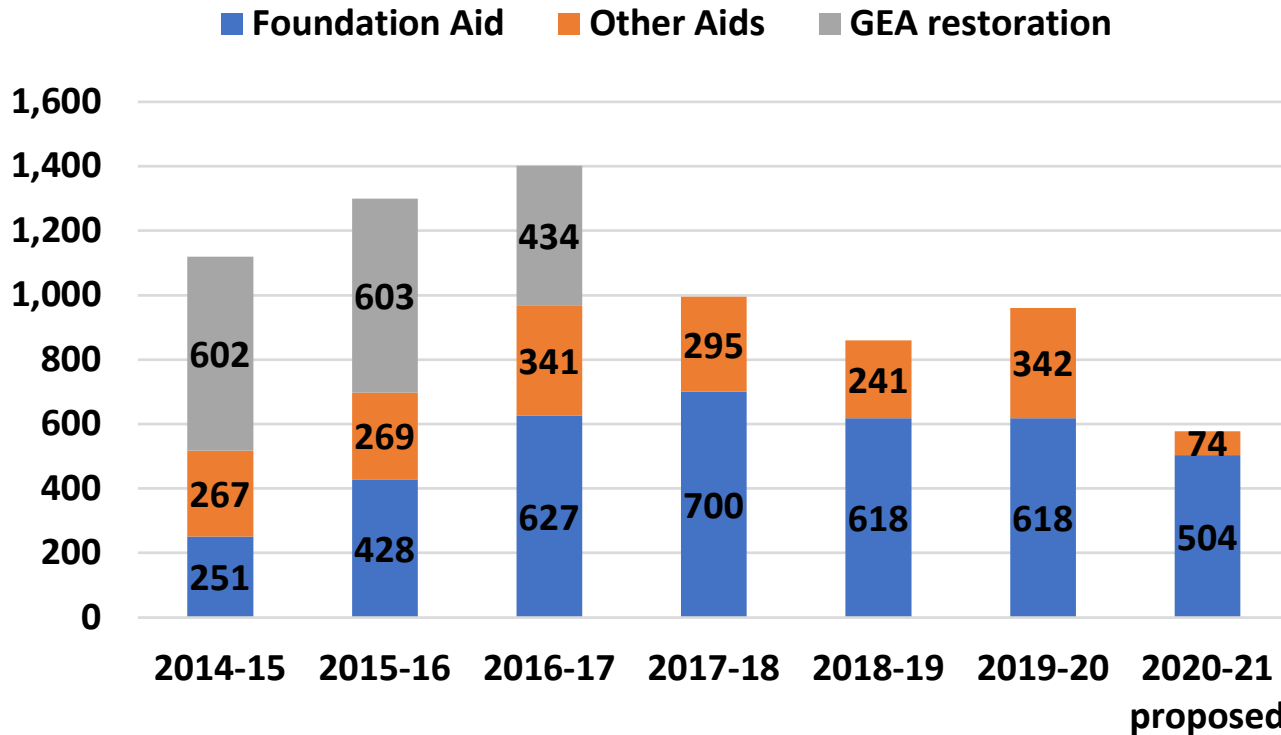
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Shell Games Continue

Magically
Turning
Expense
Based Aids
into
Foundation
Aid

Composition of Total Aid Increases, 2014-15 to 2020-21 (\$ in millions)



NOTE: 2020-21 Foundation Aid increase includes \$10 million attributable to increases in expense-based aids proposed to be consolidated into Foundation Aid. \$200 million is unallocated for high need school districts

SOURCE: Compiled by Council from NYSED School Aid data.

The Big Picture — Funding

- \$826 million (3%) increase in total School Aid; includes:
 - \$504 million increase in Foundation Aid
 - Net \$74 million increase in other aids on run
 - \$200 million lump sum for “additional Foundation Aid to high-need school districts”
 - \$15 million increase for Prekindergarten
 - \$10 million increase for After-School Programs
 - Net \$23 million increase for other programs counted as School Aid
 - State financial plan projected a \$1.1 billion (4.0%) increase
- New tier of Building Aid for projects locally approved on or after 7/1/2020
- Changes to Transportation Aid applicable to 2021-22 and thereafter
- Cost shift for residential placements
- Changes to STAR program
- Very little new policy

The Big Picture — Funding

- \$956 million increase in “School Aid” – exactly matches projection in Budget Division’s mid-year financial plan update (November 2018)
 - Includes \$749 million (2.8%) increase in formula aids appearing on runs
 - Foundation Aid: \$338 million (1.9%) increase
 - Expense-based and Other Aids: \$410 million (4.8%) increase
 - \$157 million “Fiscal Stabilization Fund” – to be allocated in final budget
 - \$50 million for categorical programs
- New tier of Building Aid for projects locally approved on or after 7/1/2019
- For 2020-21 aid – consolidate 11 formulas into “Services Aid”
- Districts would be required to increase funding for “underfunded high-need schools”
- Changes to STAR program
- Make property tax cap permanent

Foundation Aid—\$504 million increase

- 10 “Expense-Based Aids” would be consolidated into Foundation Aid
 - BOCES
 - Special Services
 - High Tax
 - Charter School Transition
 - Supplemental Public Excess Cost
 - Textbook
 - Library Materials
 - Computer Software
 - Hardware and Technology
 - Academic Enhancement
- Predictability-Out the Window
- Fairness-Hasta la vista
- BOCES Opportunities-Fuggedaboutit

Foundation Aid—Consolidating the Expense-Based Aids makes the full funding shortfall appear smaller

- Under current law, 2020-21 Foundation Aid is \$3.839 billion below the full phase-in amount (assuming save-harmless is continued).
- The Executive Budget would increase Foundation Aid by \$504 million, so the full funding shortfall would drop to \$3.335 billion, right?
- Wrong. The consolidation of the 10 expense-based aids increases total Foundation Aid by \$1.851 billion.
- Adding the expense-based aids also increases the amount of save-harmless required under full funding by \$515 million—districts already on save-harmless go deeper into save-harmless and more districts fall on to save-harmless.
- The total full-funding shortfall under the Executive Budget would drop to \$1.999 billion.
- Without the consolidation of the Expense-Based Aids, the shortfall would be \$3.345 billion.

Counting expense-based aids as Foundation Aid puts more districts into save-harmless

| | Districts on Save-Harmless | Total Save-Harmless Funding |
|--------------------------|----------------------------|-----------------------------|
| 2019-20 Enacted Budget | 275 | \$315 million |
| 2020-21 Executive Budget | 428 | \$783 million |

64 Long Island districts would receive \$156 million in save-harmless funding.

SOURCE: Council analysis of NYSED School Aid data

Charter Schools-YOU need to care

- Direct support for charter schools has been growing rapidly since 2014.
 - Supplemental tuition-\$161 million
 - Facilities Aid-\$50 million
 - NYC Charters-\$24.9 million
- Budget would revive 18 charter school in NYC.
- This impacts the state budget and this impacts YOUR budget.

On our website:

www.nyscross.org

An easy to read School Aid run for any district

Top section:

➤ 2018-19 and 2019-20 aids side by side

➤ Total Change, with and without Building Aid

| | | |
|--|--------|---|
| Enter 6-digit "BEDS" Code here→ | 999999 | For a list of codes, use your mouse to click on "CODE LIST" at the bottom of the screen |
| Hit "CTRL P" (i.e., control P) to print a report scroll to bottom for some additional information | | |



School Aid

2020-21 Governor's Proposed Budget

District: TOTAL STATE

County: --

| Aid Category | 2019-20 | 2020-21 | Change | % Change |
|--|-----------------------|-----------------------|----------------------|-------------|
| Foundation Aid* | 20,255,506,906 | 20,759,305,396 | 503,798,490 | 2.5% |
| Reorganization Incentive Operating Aid | 6,245,156 | 5,368,202 | (876,954) | -14.0% |
| Building Aid | 3,035,175,210 | 3,028,644,658 | (6,530,552) | -0.2% |
| Reorganization Incentive Building Aid | 20,897,539 | 20,004,702 | (892,837) | -4.3% |
| Transportation Aid (including summer) | 1,992,643,001 | 2,094,524,645 | 101,881,644 | 5.1% |
| Private Excess Cost Aid | 394,789,480 | 422,472,670 | 27,683,190 | 7.0% |
| Public Excess Cost High Cost Aid | 659,813,942 | 612,598,987 | (47,214,955) | -7.2% |
| Full Day-Kindergarten Conversion Aid | 4,336,681 | 2,481,816 | (1,854,865) | -42.8% |
| Universal Prekindergarten Aid * | 846,104,225 | 848,613,111 | 2,508,886 | 0.3% |
| TOTAL AID | 27,215,512,140 | 27,794,014,187 | \$578,502,047 | 2.1% |
| Total Aid without Building Aids | 24,159,439,391 | 24,745,364,827 | \$585,925,436 | 2.4% |

*The Executive Budget proposes to consolidate 10 "expense-based aids" into Foundation Aid. The table below illustrates how Foundation Aid would be calculated under the proposal.

Lower sections:

➤ Computation of Foundation Aid

➤ Comparison of proposed Foundation Aid with full funding amounts

**The Executive Budget proposes to consolidate 10 "expense-based aids" into Foundation Aid. The table below illustrates how Foundation Aid would be calculated under the proposal.*

| Foundation Aid Calculations | 2019-20 | 2020-21 | Change | % Change |
|--------------------------------------|-----------------------|-----------------------|--------------------|-------------|
| Current Law Foundation Aid | 18,404,769,721 | 18,404,769,721 | NA | NA |
| Charter School Transition Aid | 46,035,880 | 45,363,171 | (672,709) | -1.5% |
| High Tax Aid | 223,298,324 | 223,298,324 | - | 0.0% |
| Non-BOCES Special Services Aid | 263,547,159 | 260,485,776 | (3,061,383) | -1.2% |
| BOCES Aid | 1,012,265,807 | 1,023,295,816 | 11,030,009 | 1.1% |
| Computer Software Aid | 44,502,011 | 45,192,606 | 690,595 | 1.6% |
| Library Materials Aid | 18,408,620 | 18,855,470 | 446,850 | 2.4% |
| Textbook Aid | 173,456,360 | 174,786,033 | 1,329,673 | 0.8% |
| Hardware and Technology Aid | 36,638,025 | 36,978,167 | 340,142 | 0.9% |
| Supplemental Public Excess Cost Aid | 4,313,167 | 4,313,167 | - | 0.0% |
| Academic Enhancement Aid | 28,271,832 | 28,271,832 | - | 0.0% |
| Subtotal—"Expense-Based Aids" | 1,850,737,185 | 1,860,840,362 | 10,103,177 | 0.5% |
| Community Schools Increase | NA | 50,000,781 | 50,000,781 | NA |
| Most Favorable of Tiers A-E | NA | 443,694,532 | 443,694,532 | NA |
| Foundation Aid | 20,255,506,906 | 20,759,305,396 | 503,798,490 | 2.5% |

Including the 10 Expense-Based Aids in Foundation Aid makes progress toward fully-funding appear greater. Under current law, 2020-21 Foundation Aid is \$3.839 billion below full funding for the state as a whole (assuming continuation of save-harmless, so that no district would lose aid). Statewide, Foundation Aid would increase by \$504 million under the Executive proposal. But by folding \$1.851 billion in expense-based aids into Foundation Aid, the proposal appears to further reduce the gap between proposed and fully funded Foundation Aid correspondingly. The table below illustrates these calculations for this district.

| Proposed Foundation Aid Compared to Full Funding Foundation Aid | |
|---|------------------------|
| Current law full funding Foundation Aid, including save-harmless, if applicable: | 22,243,550,738 |
| Current law 2020-21 Foundation Aid: | 18,404,769,721 |
| Current law 2020-21 full funding shortfall: | (3,838,781,017) |
| Executive Budget proposed Foundation Aid (includes consolidation of expense-based aids): | 20,759,305,396 |
| Additional save-harmless toward full funding needed under Executive proposal: | 514,772,314 |
| Full-funding shortfall as proposed in Executive Budget: | (1,999,017,656) |
| Proposed Foundation Aid <i>without consolidation of Expense-Based Aids</i> : | 18,898,465,034 |
| Full funding shortfall as proposed in Executive Budget <i>without Expense-Based Aids</i> : | (3,345,085,704) |

SOURCE: Council analysis of NYS Education Department School Aid data.

Building Aid

For projects locally approved after July 1, 2020:

- The incidental cost allowance would no longer be allowed to be used for space deemed by SED as not critical to instruction, health or safety, or other appropriate uses (specifically mentions athletic fields)
- The choice of aid ratios would be eliminated
- The 10% “incentive decimal” would be wealth-adjusted
- The minimum aid ratio would be lowered from 10% to 5%
- Promises about state aid to taxpayers could no longer be made!

Transportation Aid

- Aid for transportation operating expense would be capped at the lesser of expense for the base year, or expense for the year prior to the base year multiplied by an inflation-enrollment index (1 + change in CPI, but not less than 1, + 5-year change in public-nonpublic enrollment)
- The RWADA aid ratio option (1 of 3 options now) would be eliminated
 - Statewide, 183 districts would be affected; average reduction in reimbursement rate = 3.9 percentage points
 - 65 Long Island districts would be affected; average reduction in reimbursement rate = 3.5 percentage points
- McKinney Vento, Special Ed, Bus Driver Sh

Residential Placement Cost Shift

STAR Changes

Residential Placements

- The budget would eliminate an 18.42% state share toward the room and board costs of students with disabilities in residential placements
- Estimated to cost districts outside New York City \$26.4 million (New York City already has no state share)

STAR

- The budget would lower the eligibility threshold for the STAR basic exemption program from \$250,000 to \$200,000, requiring these taxpayers to move to the STAR credit program

Very little new statewide policy

- No new school-level funding transparency requirements
- Require curriculum for students over the age of eight to include instruction on civic education and values, New York’s shared history of diversity, and the role of religious freedom in this nation—provide \$1 million for development of the curriculum
- Vaping/E-Cigarettes
 - prohibit the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor;
 - prohibit the sale of tobacco products, including e-cigarettes, in all pharmacies;
 - restrict the delivery of e-liquid products only to New York State licensed retailers;
 - restrict the advertising of vapor products in periodicals targeting youth, limit production of audio and video advertising, and restrict claims of safety and efficacy for vaping as a smoking cessation device without Food and Drug Administration approval;

Council “Top 10” Legislative Actions

Increase capital outlays limit to \$250,000

School safety initiatives (including polling place issue)

Repeal paid time off for voting

Zoning conflict

Special education litigation reform

Authorize August instructional days

Amend tax cap for PILOTs, pension exclusion, and carryovers

BOCES Aidable Salary Limit

Small City Debt Limit

Authorize regional high schools

5½ achieved in 2019!



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