



The following is the New York State School Boards Association’s analysis of key proposals in the 2016-2017 State Budget.

State Aid:

The final budget includes nearly \$1.5 billion in additional school aid, representing a 6% increase over 2015-16 levels. More than \$1.4 billion of that amount is comprised of traditional school aid, including increased Foundation Aid, full elimination of the Gap Elimination Adjustment (GEA) and full-funding of expense-based aids. Formula-based school aid now stands at nearly \$24.3 billion statewide. This year’s school aid increase is the largest since the 2008-09 school year.

Gap Elimination Adjustment (GEA)

The enacted budget includes a full elimination of the Gap Elimination Adjustment (GEA), which results in a \$434 million increase in state aid. On the school aid runs, this is accomplished by adding the “GEA Restoration” and the “Final GEA Payment.”

Full elimination of the GEA can be confirmed by reviewing section six of the “Education, Labor and Family Assistance” (ELFA) budget bill. The enacted language states:

“The gap elimination adjustment for the two thousand sixteen--two thousand seventeen school year and thereafter shall equal zero.”

NYSSBA Analysis:

NYSSBA advocated for a full elimination of the GEA in the 2016-17 budget and were gratified to achieve this important goal. With the state in a healthy budgetary position, there was no justification to have a remaining “gap elimination” in place.

Foundation Aid

The enacted budget includes an increase of \$627 million in Foundation Aid for school districts. Foundation Aid now provides school districts with nearly \$16.5 billion statewide. All districts will receive at least as much Foundation Aid in 2016-17 as they did in 2015-16. \$100 million of the increase will be designated for use by high-needs school districts for the creation and expansion of community schools.

View: [District Foundation Aid Set Asides for Community Schools](#)

NYSSBA Analysis:

With the GEA now gone, the state is in a position to move towards a plan to return toward a functioning Foundation Aid formula, representing many of the state aid principles for which NYSSBA continues to advocate for.

This year NYSSBA called for a nearly \$1.5 billion increase in Foundation Aid, coupled with a plan to fully-fund the formula within three years. The additional \$627 million in Foundation Aid provided this year drove much needed aid to high needs school districts. However, the state still owes more than \$3.8 billion in

Foundation Aid. While the increase is less than what we advocated for, it includes the hold harmless provision we requested and still, by far, represents the largest year-to-year increase in Foundation Aid since funding was originally frozen in the 2009-10 school year. NYSSBA supports this investment, as well as the concept of community schools. However we do have concerns about the practice of limiting the use of Foundation Aid, which is meant to be unrestricted operating aid.

Community Schools:

In addition to the \$100 million of their Foundation Aid that 225 high needs school districts have to reserve to create or expand community schools, the enacted budget also provides \$75 million for similar purposes specifically for districts with schools identified as “struggling” or “persistently struggling” through the 2016-17 school year. Allocations for this funding were not set forth in the budget and will be subject to a plan to be produced by the State Education Department.

NYSSBA Analysis:

NYSSBA supports community schools and we applaud policy makers for including a separate allocation of \$75 million specifically for struggling and persistently struggling schools.

View: [Districts with schools eligible for \\$75 million community schools grants](#)

Expense-Based Aids:

The enacted budget fully funds all expense-based aids, including building, BOCES, transportation and special education. These categories serve as reimbursements the state makes for expenditures made by school districts in the previous year. The funding results in a \$341 million increase over 2015-16 levels.

NYSSBA Analysis:

NYSSBA consistently advocates for the state to fully-fund expense-based aids each year, based on existing formulas and reimbursement rates. These are costs associated with delivering essential programs and services to our students. School districts have already incurred these costs and count on the state to provide full and timely reimbursements.

Prior Year Claims:

The enacted budget includes \$18.6 million to be applied towards the state’s prior year claims list. The amount represents flat funding from the previous year.

NYSSBA Analysis:

NYSSBA called on the state to fully pay-down the list, which includes more than 4,000 individual claims totaling more than \$300 million. Prior year claims are school district expenses from previous year that the state has approved for state aid. Based on current funding, it will take more than 15 years for the state to pay an approved claim submitted today.

High Tax Aid:

The enacted state budget maintains high tax aid for school districts at their 2015-16 levels.

NYSSBA Analysis:

NYSSBA advocated for the state to maintain this aid category at this funding level. High tax aid is provided by the state to school districts whose residents pay a comparatively high percentage of their income in property taxes and often helps support districts with otherwise relatively low state aid levels.

Educator Evaluations (APPR):

The proposal to delink state aid increases from compliance with the new annual professional performance review (APPR) law was not included in the enacted budget.

NYSSBA Analysis:

NYSSBA had recommended that in the absence of an agreement to completely delink aid increases from compliance with APPR that, alternatively, school district should be allowed to, at local option, agree to evaluate teachers and principals under either education law sections 3012-c or 3012-d. This could ensure that school districts would not lose significant funds if they failed to negotiate new evaluations plans throughout the school year. Instead, the vast majority of districts are at risk of losing two years of aid increases unless they have an approved APPR agreement in compliance with 3012-d by September 1. NYSSBA will continue to work with policy makers to address this issue before the end of the legislative session.

View: [Annual Professional Performance Review and State Aid](#)

Education Investment Tax Credit/Parental Choice in Education Act:

The enacted budget did not include any version of the Education Tax Credit.

NYSSBA Analysis:

NYSSBA is strongly opposed to all proposals to establish this kind of tax credit. If enacted these proposals would divert hundreds of millions of dollars each year from the state general fund in the form of tax credits for contributions to private schools and some public schools. These proposals would also provide state tax credits for tuition to private schools. NYSSBA will continue to oppose any future efforts to pass related proposals.

View: [NYSSBA's Memorandum of Opposition to Governor's Budget Proposal – Parental Choice in Education Act](#)

Charter Schools:

The enacted budget allocates \$54.8 million in state funds to charter schools that will be distributed on a per pupil basis and maintains a more generous facilities aid formula for charter schools in New York City. No changes were made to basic and supplemental tuition methodologies and no reforms relating to transparency and accountability were adopted.

NYSSBA Analysis:

NYSSBA continues to support investment in traditional public school districts serving the vast majority of students rather than diverting limited financial resources to privately run schools. NYSSBA worked hard to ensure the rejection of proposals that would have required public school districts to divert more local funding to charter schools, but remains disappointed with resistance to enacting common sense measures that would increase financial and institutional accountability for charter schools.

View: [NYSSBA Memo on Financial Support for Charter Schools](#)

School Safety:

The enacted budget included changes to current provisions of law dealing with school safety including staff training and emergency response plans. New district employees, already required to receive training on the building emergency response plan, must now receive that training within 30 days of hire.

School districts consisting of only one building will now have to develop both district wide and building level safety plans. However, the law also provides the commissioner of education with the authority to develop an appeals process. School districts will have now until December 31 to complete eight evacuation drills, four of which will now be lockdown drills.

In addition, the budget also authorizes the commissioner to release a district's school aid without penalty if the district is in session fewer than 180 days due to a credible safety threat, and extends the 10% school safety building aid enhancement for an additional year.

NYSSBA Analysis:

Parents, students and staff should be assured that their school is safe and secure and NYSSBA is supportive of measures that ensure student safety. However, the initial proposals would have been administratively burdensome and difficult to implement. The final budget makes a number of improvements to the original proposals that addressed many of NYSSBA's objections and added back additional local flexibility.

Receivership:

The final enacted budget included no changes to the receivership law. Changes to give schools currently under the authority of a superintendent receiver additional time to make demonstrable improvement had been advanced. There was also a proposal to provide struggling and persistently struggling schools with additional building aid. Then in the final days of negotiation a new proposal was advanced that would have reclassified those schools that were removed from the federal priority schools list as struggling and persistently struggling school, to place them back into receivership.

NYSSBA Analysis:

NYSSBA supports the final agreement. We will continue to advocate for more time for to turnaround struggling schools and for additional funding.

View: [Final Budget Recommendation - Receivership](#)

Career and Technical Education (CTE):

The final budget did not include an increase in the aidable cap on BOCES salaries for CTE teachers or an increase in special services aid. \$1 million in funding was provided to help support CTE programs eliminate barriers to underserved populations and increase gender diversity.

NYSSBA Analysis:

NYSSBA supports funds for the expansion of CTE programs in order to increase student access and participation. NYSSBA has repeatedly called for both an increase in the aidable cap on BOCES salaries for CTE teachers to be raised above \$30,000 and an increase in special services aid for similar programs serving non-component districts and the Big 5.

Pre-Kindergarten:

The enacted budget provides a \$22 million grant to create half-day and full-day pre-kindergarten programs for three-year olds.

NYSSBA Analysis:

NYSSBA believes districts need a stable and reliable funding stream for pre-K, and that all districts should have the option to offer a program for four year olds before the state shifts resources to three year olds. NYSSBA supports the rejection of the initial proposal to establish a politically appointed board to distribute pre-K grant funding. NYSSBA will continue to advocate for the streamlining of the state's multiple pre-kindergarten funding categories and to fund pre-K in the same manner that all other grade levels are funded.

Building Aid Recalculation

The enacted budget extends the moratorium on building aid recalculation for one year. Originally scheduled to take effect beginning in the 2013-14 school year, each subsequent state budget has delayed its implementation by one year.

NYSSBA Analysis:

NYSSBA supports the elimination or continued postponement of this provision.

Uniform School Bond Vote:

The proposal to establish the school district budget vote day as a universal bond vote day, absent an emergency and commissioner approval, was not included in the enacted budget.

NYSSBA Analysis:

NYSSBA strongly opposed this proposal. Such a change could lead to construction project delays, cost increases and construction occurring during times that are inappropriate for students and school staff.

View: [NYSSBA Memo on the Universal Bond Date](#)

Mayoral Control:

The final budget did not include an extension for mayoral control in New York City.

NYSSBA Analysis:

NYSSBA supports extending mayoral control for the New York City school district. We oppose the expansion of mayoral control to other school districts absent the support of local education leadership.

My Brother's Keeper:

The enacted budget includes \$20 million in funding for the My Brother's Keeper Initiative. The budget did not include any of the programmatic language requested.

NYSSBA Analysis:

NYSSBA is supportive of the My Brother's Keeper Initiative and efforts to close the achievement and opportunity gap for young men and boys of color.

Aid Forgiveness

The enacted budget did not provide broadbased relief for school districts from transportation and building aid penalties. However, five school districts are authorized to amortize previously accrued building aid penalties over five years.

NYSSBA Analysis:

NYSSBA supports providing transportation aid forgiveness for school districts for contracts that were denied by the State Education Department due to inadvertent, minor or technical errors as well as relief from building aid penalties imposed because of the late filing of final cost reports. NYSSBA will continue to work with legislators to address these issues.

Curriculum Mandate:

"Erin Merryn's Law" was not included in the final budget. If enacted, it would have required the Board of Regents to review the need for instruction in the prevention of child sexual abuse and exploitation for students in grades kindergarten through eight. This proposal also asked the Board to consider mandating such curriculum following the review.

NYSSBA Analysis:

NYSSBA opposes all proposals dealing with curriculum mandates. Curriculum is the purview of local boards of education and should not be mandated by the state.

Additional Notable Items included in the Final Budget

STAR:

The enacted budget did not include the Governor's proposed 0% cap on growth in STAR benefits. The cap remains at 2%. The budget did include language to begin the conversion of STAR from a school property tax exemption to a state income tax credit. New homeowners applying for STAR will be required to take the income tax credit. Existing homeowners will have the option to either take the income tax credit or remain with the existing program.

Minimum Wage:

The enacted budget provides a significant increase in the state's hourly minimum wage which will be phased in across the state according to different timelines based on geographic region:

- New York City: \$15 per hour by December 31, 2018
- Long Island and Westchester: \$15 per hour by December 31, 2021
- Rest of State: \$12.50 per hour by 2020. After that date, the Division of Budget is authorized to increase the Rest of State minimum wage until it reaches \$15 per hour based on certain economic indicators.

Paid Family Leave:

The enacted budget establishes a paid family leave program for all employees. When fully phased-in, employees will be eligible for 12 weeks of leave at 67% of their weekly salary, but not more than 67% of the statewide average weekly salary. Employees will be eligible after 26 weeks of employment and may receive paid family leave for certain reasons such as birth of a child or to care for a family member with a serious health condition. The entire program will be employee funded. We are continuing to research the exact implications for school district.