

2018-19 EXECUTIVE BUDGET FOR AID TO EDUCATION

On January 16th, Governor Cuomo presented his proposal for the 2018-19 State Budget. The Governor is proposing a total of \$26.4 billion in state support for public schools. This represents a year-to-year increase of \$769 million (3%), as compared to the approved 2017-18 budget. The total increase represents a \$655 million increase in formula aids, \$64 million for Fiscal Stabilization Fund, \$15 million for Expanded Prekindergarten for Three-and Four-Year-Old's, \$10 million in Empire State After School Program, \$9 million for Early College High Schools, \$6 million for Smart Start, \$5 million for Breakfast After the Bell, \$2.5 million for Expanded Advanced Placement Access, and \$2.5 million for other education initiatives.

District specific data is available on the SED State Aid Unit website at www.stateaid.nysed.gov. SED will be mailing school districts detailed descriptions and "backup" data that explains how the proposed State Aid estimates were calculated for your district. Please remember that the aid estimates are based on the 2017-18 school year estimates of expenditures and pupil data submitted with your aid claim this past fall. Therefore, it is important to review for accuracy the backup data provided in this mailing. The information will be sent with a cover memo from SED to your district superintendent.

The following is a summary of the major elements of the Governor's 2018-19 proposal for State Aid to public schools.

Foundation Aid – \$17.5 billion (increase of \$338 million).

2018-19 Foundation Aid =

(2017-18 Foundation Aid + Foundation Base Increase + Community Schools Set-Aside Increase)

A detailed description of the proposed Foundation Aid formula can be found at the end of this summary.

Community Schools Aid Set-Aside - \$200 million (increase of \$50 million) is provided to continue the Community Schools initiative and support the transformation of schools within certain high need districts into community hubs.

2018-19 Community Schools Aid =

(2016-17 Community Schools Aid + 2017-18 Community Schools Increase + 2018-19 Community Schools Increase)

A detailed description of the proposed Community Schools Aid formula can be found at the end of this summary.

High Tax Aid – \$223.30 million; frozen at 2013-14 amounts for the 2018-19 school year.

Public High Cost Excess Cost Aid – \$626.07 million (decrease of \$12.42 million); no formula change proposed.

Private Excess Cost Aid – \$415.75 million (increase of \$22.42 million); no formula change proposed.

Supplemental Public Excess Cost Aid – \$4.31 million; frozen at 2010-11 amounts for the 2018-19 school year; no formula change proposed.

Summer School Special Education (4408) - \$330.50 million. Changes were proposed to use a wealth-equalized aid ratio for reimbursement of the summer 4408 program similar to the ratio used during the school year. Summer school transportation and maintenance costs would continue to be funded by the state at current rates.

Preschool Special Education (4410) – \$1.04 million; no formula change proposed.

BOCES Aid - \$922.41 million (increase of \$17.44 million); no formula change proposed.

Special Services Aid- \$249.17 million (decrease of \$2.02 million); no formula change proposed.

Transportation Aid – \$1.91 billion (increase of \$97.21 million); no formula change proposed.

Reorganization Incentive Operating Aid - \$6.46 million (decrease of \$.88 million); no formula aid change proposed.

Building Aid/ Reorganization Incentive Building Aid – \$3.13 billion (increase of \$175.76 million); no formula change proposed.

Textbook, Software, Library and Computer Hardware Aid – \$281.77 million (increase of \$4.96 million); all aid continued as under current law.

- Textbook - \$58.25 per pupil
- Software - \$14.98 per pupil
- Library - \$6.25 per pupil
- Computer Hardware - \$24.20 per pupil x current year RWADA aid ratio

Universal Prekindergarten Aid – Projects a state total of \$415.56 million (this does not include the \$340 million grant provided for innovative full-day pre-kindergarten programs). Additional aid in the amount of \$15 million is included towards the Expanded Prekindergarten program for Three-and Four-Year-Old's to provide high quality half-day and full-day prekindergarten instruction for 3,000 pupils within high-need school districts.

Full Day K Conversion Aid – \$.65 million (decrease of \$1.00 million). Districts implementing full-day kindergarten in 2018-19 would be eligible for additional aid in 2019-20 equal to 50% of the district's 2018-19 Full-day Kindergarten Conversion Aid.

Charter School Transitional Aid – \$48.41 million (increase of \$9.79 million). Formula elements target aid to districts based on the percentage of resident pupils enrolled in charter schools and the percentage of payments made to charter schools compared to a district's total general fund expenditures.

Aid Caps

- For 2018-19, each district's state aid, exclusive of Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid, would be capped at the total listed on the 2018-19 Executive Budget Aid Run (BT 181-9 dated 1/16/18).

- For 2017-18, each district's state aid (also exclusive of Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid) would be capped at the total listed on the same aid run.
- In 2019-20 and beyond, state aid, (other than Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid) would also be capped at the total amount listed on the Executive Budget aid run for that year.
- Beginning with claims for the 2017-18 aid year, and thereafter, there will be no prior year adjustments. Any changes to state aid data would have to be submitted by November 1st of the year in which the aid is paid.
- Beginning in 2019-20 a cap in growth for expensed based aids such as Building, Transportation, and BOCES Aid at 2% for each district within NYS would be applied. The calculated cap would impact each of the three aid categories separately.

Proposed Changes to STAR – The Governor proposes to Cap the annual growth in Basic and Enhanced STAR exemption at 0% (currently 2%) for STAR and Property Tax Collections.

Other Proposals with Fiscal Implications –

Statewide Ban to Lunch Shaming - Included under the Executive Budget is legislation which would ban lunch shaming practices in all districts throughout NYS. This would prevent districts from serving alternative lunches to students who cannot afford pay for lunch. In place of current policies which place barriers in the way of these students receiving a full lunch daily, schools would be required to provide students with a regular meal. Schools would also be required to provide a plan which includes a notification process to parent's if their child's school meal account balance is low, communication procedures to support families' enrollment in free or reduced-price meal programs for their children, and with details outlining the districts unpaid meal policies.

Breakfast After the Bell – This legislation would impact districts which have more than 70% of their student population listed as eligible for free or reduced-price lunch. Schools would be required to provide breakfast after the school day has begun in an effort to improve access to breakfast for low income students.

Proposal Impacting BOCES -The Governor's Proposal would allow non-component districts of BOCES and Big Five city school districts to participate in recovery high schools which are operated by the BOCES.

Proposed Financial Reporting Changes

School-Level Funding Plans - The Executive Budget includes language which would require school districts with 9 or more schools receiving over 50% of their total revenue from State aid to submit school level funding plans outlining how the aid is being distributed to its individual schools. These funding plans would need to be approved by the State Education Department (SED) and the Division of Budget (DOB) before any future State aid increases are provided.

2018-19 Foundation Aid

2018-19 Foundation Aid =

$$\text{Foundation Aid Base} + \text{2018-19 Base Increase} + \text{Community Schools Set-Aside Increase}$$

Foundation Aid Base = 2017-18 Foundation Aid

2018-19 Base Increase = Greatest of A, B, or C

A. Tier A =

$$[\text{Phase-in Factor}] \times [(\text{Selected TAFPU} \times \text{Selected Foundation Aid}) - \text{Foundation Aid Base}]$$

Phase-in Factor: NYC = 9.905%

All Others = Sliding Scale Ratio \times 3.56% (.0356)

Sliding Scale Ratio (**Max = 1, Min = 0**):
[1.616 – (1.1025 \times FACWR \times FACWR)]

B. Tier B (for districts with FACWR < 1.0) =

$$[(\text{EN\% Base Increase} + \text{EN\% Sparsity Increase} + \text{EN\% Growth Increase} + \text{Scaled Pupil Amount}) \times \text{2017-18 Estimated Public Enrollment}]$$

- 1) EN% Base Increase (for districts with EN% >25) =
(EN Index \times \$32.50)

$$\text{EN Index} = \frac{\text{EN\%}}{.557}$$

- 2) If eligible for EN% Base Increase AND EN% Sparsity Factor > 0:
EN Sparsity Increase = EN Index \times \$9.42

- 3) If Eligible for EN% Base Increase AND (2018-19 EN% - 2016-17 EN%) is greater than 3.25%
EN % Growth Increase = EN Index \times \$30.00

- 4) Scaled Per Pupil Amount (for all Tier B Eligible Districts) =
Sliding Scale Ratio (from Tier A) \times \$69.00

C. Tier C =

$$(.0025 \times \text{2017-18 Foundation Aid Base})$$

*EN = Extraordinary Needs

*FACWR = Foundation Aid Combined Wealth Ratio

2018-19 Community Schools Set-Aside

2018-19 Community Schools Set-Aside =

2016-17 Community Schools Aid + **2017-18 Community Schools Increase** +
2018-19 Community Schools Set-Aside Increase

2018-19 Community Schools Set-Aside Increase =

Greater of: ***Community Schools Formula Increase*** or ***Community Schools Level-Up Increase***

Community Schools Formula Increase =

$[1 - (0.64 \times \text{FACWR})]^* \times \$83.17 \times 2017-18 \text{ Est. Public Enrollment}]$
***Min = 0, Max = 0.9**

School Districts Eligible for Community Schools Formula Increase:

a) District with at Least One School Designated as Failing or Persistently Failing

Or

b) District with growth in ELL population between 2012-13 and 2017-18 is greater than both 10% and 100 pupils and ELL pupils make up more than 5% of public enrollment and the districts FACWR is less than 1.0

Or

c) A district's growth in the homeless student population between 2012-13 and 2016-17 exceeds 40% and the district served more than 100 homeless pupils in 2016-17 and Homeless pupils make up more than 5% of 2016-17 public enrollment

****Minimum for Community Schools Formula Increase is \$75,000***

Community Schools Level-Up Increase =

(\$75,000 – 2017-18 Community Schools Aid Set-Aside)

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