



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** State Aid Subcommittee

**FROM:** Elizabeth R. Berlin *Elizabeth R. Berlin*

**SUBJECT:** Discussion of Priorities for the 2018-2019 Regents State Aid Proposal and 2018-2019 Budget and Legislative Priorities

**DATE:** October 16, 2017

**AUTHORIZATION(S):** *MaryEllen Eis*

### SUMMARY

#### Issue for Discussion

#### Part I – Discussion of Priorities for the 2018-2019 Regents State Aid Proposal

The Subcommittee will discuss critical elements to include in its 2018-2019 Conceptual Regents State Aid Proposal for the November meeting. This discussion provides an opportunity to review and consider important topics, including investments the Board has recommended in the past, stakeholder input, and current policy priorities that should be advanced in the proposal this year.

Among the questions to be discussed are:

What will the Board priorities be for the coming year?

- Foundation Aid Phase-in: Should a fixed Foundation Aid phase-in schedule be proposed over a particular period?
- Formula Structure: Are there any structural changes to the Foundation Aid formula that should be considered?
- Weightings: Should any of the current weightings in the Foundation Aid formula, such as for SWD, ELL or poverty status, be adjusted, or additional weightings be added?
- Categorical Funds: Are categorical aid funds aligned to a specific purpose and being used in a consistent manner?

What other policies should be considered?

## **Part II – Update on 2017-2018 Regents Budget and Legislative Priorities**

Staff will review general policy goals identified based on work and discussions of the Board of Regents with which to frame the Board's Budget and Legislative priorities, as well as provide a status update on the progress made on 2017-2018 Regents Priority proposals.

### **Reason(s) for Consideration**

Review of Policy.

### **Background Information**

Each year the Board of Regents, through its State Aid Subcommittee, develops a proposal on State Aid to support public education. In its deliberations, the Subcommittee considers information gathered from advocates and practitioners in the field, the needs of school districts and an examination of various State Aid models.

As a lead-in for the development of the proposal for the 2018-2019 school year, the Subcommittee reviewed some important State aid history and stakeholder feedback. The focus on important concerns for the upcoming school year will provide invaluable context for the development of the Conceptual Proposal to be presented to the Subcommittee in November.

### **2017-2018 State Aid Proposal Review**

In December 2016, the Board of Regents proposed an overall increase in state support for public education of \$2.1 billion, including an increase of \$1.47 billion in Foundation Aid, \$335 million in other expense-based aids, and \$290 million in investments in priority areas.

<b>Program</b>	<b>2017-2018 Regents Proposal</b>	<b>2017-2018 Executive Proposal</b>	<b>2017-2018 Enacted Budget</b>
Foundation Aid	\$1.47B	\$0.43B	\$0.70B
Expense-based Aids	\$335M	\$333M	\$288M
Other Operating Aid	\$0	\$150M	\$0
Prekindergarten	\$100M	\$5M	\$5M
English Language Learners	\$100M	\$0	\$0
College and Career Pathways	\$60M	\$0	\$0
Professional Development	\$30M	\$0	\$0
Other Grants	\$0	\$45M	\$45M
<b>Total</b>	<b>\$2.1B</b>	<b>\$1.0B</b>	<b>\$1.0B</b>

- **Foundation Aid (\$1.47B):** The proposed increase in Foundation Aid represented the first year of a three-year plan to fully phase-in the formula by the 2019-2020 school year. Included within this increase were modifications to the formula components that

would bring some out-of-date student need and district wealth measurements into alignment with more current data.

**2017-2018 Result:** The Governor and Legislature increased Foundation Aid by \$700 million, but did not make any adjustments to the underlying components of the components nor establish a specific phase-in schedule.

- **Expense-based Aids (\$335M):** The proposed increase was consistent with the statutory increases in aid for which school districts were eligible at the time of the proposal. It did not propose any additional reforms for these aid categories, which include Building Aid and Transportation Aid.

**2017-2018 Result:** The Enacted Budget also made no changes to the expense-based aid formulas. The Enacted Budget increase was less than the increase proposed by the Board of Regents due to changes in school district claims for these aids. **Priority Investments (\$290 million):** In addition to the above \$1.8 billion in formula aid increases, the 2017-2018 proposal included requests for the following priorities:

- **Consolidated and Expanded Universal Prekindergarten:** The proposal called for the seven existing prekindergarten programs to be consolidated into one, with a further expansion of \$100 million in funding.
- **English Language Learners:** \$100 million was requested for support for appropriate programs and opportunities for students who are learning English, including access to dual-language programs and age- and language-appropriate materials and supports.
- **College and Career Pathways:** To increase support for career and technical education through BOCES and in large city and other districts that do not belong to BOCES, the proposal requested a \$60 million increase in these areas.
- **Professional Development for Teachers and Principals:** The proposal also included \$30 million to create an Instructional Development Fund. This Fund would have built upon the existing work of districts and BOCES and leverage lessons learned from the implementation of previous teacher and leader initiatives.

**2017-2018 Result:** A multi-year plan to consolidate six of the seven prekindergarten programs was enacted, in addition to a \$5 million expansion to the Universal Prekindergarten program. None of the other priorities were adopted in the final negotiated budget.

### **Stakeholder Input**

The Co-Chairs have met with numerous education advocates and stakeholders since the summer, gaining insight into the most pressing issues facing them in the coming 2018-2019 school year. Themes that emerged in the following areas:

- **State Aid formula changes, including those addressed in the 2017-2018 proposal:** including prekindergarten transportation aid; foster care transportation;

funding to support efforts to increase the pathways to graduation; funding to support recovery high schools; aid increases; retaining the Foundation Aid save harmless; raising the aidable salary cap on BOCES teachers; phasing-in Foundation Aid; concern for rural areas due to their unique loss of population and employment opportunities and the accompanying loss of tax base.

- **Improved educational access for high need students:** greater consideration for diversity and integration; providing students with equitable access to CTE programs; more funding for students to access STEM programs; support for returning to the “whole child” approach to teaching and learning; expanded opportunities and funding for family engagement.
- **School district budget flexibility, including items not normally carried within the State Aid proposal:** appropriate funding of state mandates; greater access to reserve funds for districts; create opportunities for regional high schools; expansion of professional development funding; more funding for human services, such as child and health care, perhaps in collaboration with community services.
- **Other issues to be addressed in budget and legislative contexts:** provide greater predictability for the tax cap levy limit; eliminate the delay in reimbursement for certain charter school tuition; more funding for the department to provide support to school districts in accessing state aid funds; greater flexibility for teacher and principal performance evaluations; better understanding of the status of Federal Title II funding and how it can be used; increase the salary cap on BOCES District Superintendent salaries.
- **Other considerations:** provide concrete ideas when approaching legislators.

### **Timetable for Implementation**

The discussion in Part I of the presentation is meant to inform the conceptual framework of the 2018-2019 Regents State Aid Proposal that will be presented to this Subcommittee at the November meeting. A final State Aid Proposal will be presented to the Board of Regents for approval at its December meeting.

Part II of the presentation is meant to inform the 2018-2019 Budget and Legislative priorities conversations moving forward. Consideration of the continuation or modification of previous Board Legislative and Budget priorities as well as new proposals for the Regents to consider for discussion in the 2018 priorities development process will be brought to relevant committees in November or December for discussion and adoption as appropriate.