



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
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TO: Subcommittee on State Aid
FROM: Ken Slentz
SUBJECT: Implementation of 2012-13 Regents State Aid Proposal
DATE: January 4, 2012
AUTHORIZATION(S):

SUMMARY

Issue for Discussion

What are key State Aid topics and considerations for the coming months as the State and school districts develop their respective budgets?

Reason(s) for Consideration

Implementation of policy.

Proposed Handling

This question will come before the Subcommittee on State Aid at its January 2012 meeting.

Procedural History

The Regents approved their State Aid proposal for the 2012-13 school year at their December meeting. The Governor will submit his Executive budget recommendation in January and the Legislature will work to enact a budget by April 1.

Background Information

This January meeting, after adopting the Regents State Aid proposal, and before action by the Governor and Legislature, is a time to reflect on the coming months and to identify topics and issues the Regents wish to explore.

Attachment 1 describes the topics and issues that staff propose for Regents consideration.

Timetable for Implementation

This discussion will help identify areas of interest to the Regents and give direction for additional work related to State Aid proposal implementation and preparation for the next Regents proposal.

Regents Proposal for State Aid to School Districts for School Year 2012-13

Highlights of the Proposal—The Regents advanced a proposal that uses limited new State resources in a manner that provides balanced support for school operation, special education, construction, transportation and shared services in a manner that recognizes school district fiscal capacity and the need to provide all students an adequate education. It recommends eliminating the Gap Elimination Adjustment, and implementing a new streamlined Foundation Aid starting with State Aid school districts received in 2011-12 and phasing in the full Foundation Formula by 2018-19. It recommends changes in expense-based aids for school construction, pupil transportation and shared services in future years to direct more State support to support school operation and maintenance. The Regents recommend an increase for education of \$805 million with 73 percent of the increase in General Support to Public Schools for high need school districts.

I. Transition to New Support for School Construction

- A. Based on discussion at the December meeting, the Subcommittee acknowledged that if the State adopts the changes the Regents recommend on Building Aid, the needs and circumstances of individual school districts should be considered in the transition to the new funding system. A focus on transition is key to the success of the proposal. Among the things that should be considered are:
1. Clarify that the changes proposed by the Regents would apply to projects "approved on or after July, 1, 2012."
 2. Consider extending Building Aid incentives for districts that have not yet taken significant advantage of them or have projects in the pipeline and still have buildings in need of critical facility upgrades.
 3. **Action requested:** Affirmation by the Regents Subcommittee on State Aid

II. Key Topics for the Coming Months

- A. *State Support for Universal Pre-K:* The Regents 2012-13 proposal recommends an additional \$53 million to expand the implementation of universal pre-kindergarten to serve more students in more school districts.
- B. *Return on Investment.* What factors contribute to school districts achieving higher proficiency with the same resources as other districts? Are there key inputs (common planning time, resources for meaningful professional development) that have a greater impact on student learning than other expenditures? Do management efficiencies positively affect student learning

by freeing up resources to enhance student learning? What framework should be used to measure educational return on investment?

- C. *Financial Update* – School district response to the property tax cap (June 2012): How many school districts were successful in seeking to override the cap with a supermajority voter approval? How many budgets failed? How much did spending, levy and enrollment change? What happened to school district reserves? Should school districts engage in multi-year financings?
- D. *Assessment of Programs and Services Available*. How can dollars that school districts receive best be translated into programs and services that each district provides to its students? How does this compare with the vision of (1) a basic education and (2) a world class education?
- E. *School Finance Symposium II* – Research informing policy and practice to improve student learning (September 2012): What are key investments that improve student learning? What are common cost pressures that have little if any measurable impact on student learning? What are actions that can be taken to enhance student proficiency at the State, regional and district level? What can research tell us about State and local policies that encourage and support student proficiency?