



TO: The Honorable the Members of the Board of Regents
FROM: Elizabeth Berlin *Elizabeth Berlin*
SUBJECT: Review of the 2018-19 Executive Budget
DATE: January 19, 2018

Below please find a summary of the 2018-19 Executive Budget.

SCHOOL AID OVERVIEW

Aid Category	Regents Proposal	Executive Budget
Foundation Aid	\$1.25 billion	\$338 million
ELL Setaside	\$85 million	\$0
Community Schools Setaside	\$0	\$50 million
Reimbursement-based Aids*	\$314 million	\$317 million
Fiscal Stabilization Fund	\$0	\$64 million
Prekindergarten Expansion	\$20 million	\$15 million
Career and Technical Education	\$25 million	\$0
Empire After School	\$0	\$10 million
Early College High Schools	\$0	\$9 million
Smart Start	\$0	\$6 million
Breakfast After the Bell	\$0	\$5 million
AP & IB Low-Income Student Test Fee Waiver	\$0	\$2 million
Increase Advanced Course Offerings**	\$3 million	\$500,000
Promoting Positive School Climate and Bullying Prevention**	\$10 million	\$250,000
Other initiatives	\$0	\$2.5 million
Total	\$1.6 billion	\$769 million

*Difference is due to minor accounting differences between the proposals

**Proposed outside of the Regents State Aid Proposal as Regents Budget Priorities

Overall Increase- Year-to-year increase of \$769 million, or 3%, from \$25.6 billion to \$26.4 billion for the 2018-19 school year. Major components include:

- \$338 million in Foundation Aid;
- \$317 million in statutory reimbursement-based aids, consistent with current law;
- \$64 million in a Fiscal Stabilization Fund to be distributed through the budget process; and
- \$50 million in additional competitive grants.

School-level Spending Data- The Executive Budget would make receipt of state aid increases for districts in a city with more than 125,000 inhabitants and nine or more schools that receive more than 50 percent of their funding from state sources is contingent upon the submission and approval by the Commissioner and Budget Director of a plan demonstrating how state and local funds are spent at individual schools within the district. Covered districts would also be required to make this information publicly available on their website.

*No additional resources were provided to the Department to do this work.

Community Schools Setaside- This one-year per pupil increase also includes a \$50 million tier that is targeted to failing schools and those with high ELL populations. This \$50 million is added to the community schools setaside requirement, bringing that up to \$200 million statewide. Additionally, the minimum Community Schools set-aside amount would be increased from \$10,000 to \$75,000.

Reimbursement-based Aids Beginning in 2019-20- The Executive Budget would limit year-to-year growth in BOCES and Transportation Aid for individual school districts to 2% annually, as well as limiting statewide growth in Building Aid to 2%. The limitation in Building Aid will be prorated across all school district allocations.

Full Day Kindergarten- The Executive Budget would reform the Full Day Kindergarten Conversion Aid program to incentivize the six remaining districts with half-day kindergarten by increasing the number of years a district can receive the aid from one to two years; the second year would be at 50%.

Charter Schools- The Executive Budget would:

- Cap charter facilities aid to NYC at \$10 million.
- Increase per pupil NYC charter School Aid (\$22.6 million, not available until 4/1/19) and exclude NYC from receiving Charter Supplemental Basic Tuition payments in the 2019-20 school year and thereafter.
- Clarify the calculation of rental assistance for new and expanding charter schools located in privately owned space in New York City by defining the expenditures to be included in actual rental cost to include lease payments, costs of capital improvements, costs of occupancy, maintenance and repairs, utilities, custodial, security, insurance and real property taxes.

Contracts for Excellence (C4E)- Continues the Contract for Excellence program requirements for school districts still in the program, unless all schools within the district are in good standing.

Summer School Special Education (4408)- Beginning in 2018-19, the Executive Budget would conform district reimbursement for 4408 programs (currently 80%) to a wealth-adjusted aid ratio used for other school-age school year special education costs (decrease of \$34 million).

Possible Budget Reductions- The Executive Budget would allow for the Budget Director to reduce certain General Fund and limited other appropriations and funding by a uniform percentage not to exceed three percent in the event that estimated tax receipts are reduced by \$500.0M or more versus the 2018/19 Executive State Financial Plan.

STATE OPERATIONS

The Executive Budget continues all state operations, special revenue account support, and FTE level at 2017-18 levels with the following exception:

- Establish a Special Revenue account with \$570,000 spending authority level to support **Institutional Accreditation** work at the Department through staffing and related expenses. (**Regents Budget Priority Proposal*)

AID TO LOCALITIES

The Executive Budget would eliminate the following Legislative Adds:

- Adult Literacy Aid, decrease of \$1 million;
- Aid to Public Libraries, decrease of \$4 million;
- Collegiate Science and Technology Entry Program, decrease of \$2 million;
- Foster Youth Initiative, decrease of \$3 million;
- Higher Education Opportunity Program, decrease of \$5.9 million;
- Liberty Partnerships Program, decrease of \$3 million;
- Science and Technology Entry Program, decrease of \$2.6 million;
- East Ramapo Supplemental Funding, decrease of \$2 million;
- SUNY Center for Autism, decrease of \$500,000; and
- Workforce Education, decrease of \$1.5 million.

The Executive Budget contains the following additional changes to programs:

- Chapter 853, 4410, 4201 and Special Act schools/providers to Support the Minimum Wage Increase- an increase of \$10.98 million; and
- Non-Public Schools, increase of \$5.4 million, including an increase of \$3.2 million in Mandated Services Aid and an increase of \$2.2 million in Comprehensive Attendance Policy (CAP) funds.

The Executive Budget includes a total of \$50 million for the following competitive grants:

- \$15 million for **Expanded Prekindergarten** for 3- and 4-year olds, targeted to high-need districts that currently have no prekindergarten programs, and focusing on including students in integrated or community-based organizations. (**Regents State Aid Proposal- \$20 million to expand prekindergarten; Regents Budget Priority Proposal- \$6 million for inclusion prekindergarten programs*).
- \$10 million for **Empire After School** to fund a second round of awards targeted at districts with high rates of homelessness. \$2 million will be directed to schools and community partners identified in at-risk areas.
- \$9 million **Early College High Schools/P-TECH** to create 15 new programs targeting communities with low graduation or college access rates, and align with in-demand industries.
- \$6 million **Smart Start Computer Science Program** to provide grants to schools for teacher development in computer science and engineering, starting with highest-need schools first.
- \$5.75 million to support enhanced school nutrition:
 - \$5 million for additional meals served under **Breakfast After the Bell**; and
 - \$750,000 to expand the **Farm to School Program** (total of \$3 million).
- \$2.5 million **Expanded Access to Advanced Coursework**:
 - \$2 million to subsidize the cost of Advanced Placement (AP) and International Baccalaureate (IB) exam costs for low-income students; and
 - \$500,000 in grants for technical assistance for school districts wishing to start advanced courses that do not currently offer any courses, or very limited advanced course offerings. (**Related to Regents Budget Priority Proposal- \$3 million to increase advanced course offerings*).
- \$250,000 to create **Enhanced Mental Health Support Grants** for Community Schools programs to include mental health activities in wrap-around services. Funds can also be used to improve school climate, combat violence and bullying, and support social-emotional learning (**Related to Regents Budget Priority Proposal- \$10 million for promoting positive school climate and bullying prevention*).
- \$1 million to support teachers in high-need school districts through the **Master Teacher** program.
- \$500,000 to support a **Gang Prevention Education Program** and resistance initiatives for middle- and high-school students in at risk communities.

The Executive Budget does not include funding for Aid to Independent Colleges (or Bundy Aid) for the 2018-19 school year. This program is being replaced with a \$30 million Higher Education Facilities Capital Matching Grant Program. Grants will support strategic investments at independent colleges to improve programs, enhance student life or provide economic development benefits to the college community.

The Executive Budget does not add new funding for the following programs:

- Teacher Centers;
- Independent Receivers;
- Prevent Cyber Bullying; and

- State School Immunization Program.

The Executive Budget maintains \$18 million for My Brother's Keeper.

CAPITAL

The Executive Budget would eliminate the following Legislative Add:

- Public Library Construction, decrease of \$10 million

The Executive Budget includes the following new programs:

- \$4.3m in spending authority to support the development of an Electronic Licensing System. (*Regents Budget Priority Proposal)
- \$7 million to schools for equipment such as coolers and vending machines to support expanded **Breakfast After the Bell**.

The Executive Budget does not include the Regents funding requests for:

- Early Education and Early Care Programs- \$11 million
 - Conduct a cost study to validate the actual cost of a high-quality prekindergarten program for all 4-year-old children - \$300,000;
 - Establish Early Learning Regional Technical Assistance Centers (TAC) to provide support to early care and educational settings- \$2 million;
 - Provide family and community engagement coordinators in identified school communities- \$2 million;
 - Expand the availability of QUALITYstarsNY throughout the State- \$3 million;
 - Ensuring that all teachers are prepared to teach all students, especially as the student population continues to increase in diversity- \$2.5 million;
 - Support the development of a data system to track screening and assessment services- \$500,000; and
 - Development of a comprehensive developmental screening process for all children ages zero to eight- \$700,000.
- Spanish Language Arts Test Development and Exam Translations - \$4.43 million
- PD, Technical Assistance & Compliance Support for ELLs/MLLs- \$1.6 million
- Supporting Struggling Schools Identified as a Result of the NYS ESSA Plan- \$3.5 million
- Transition Services to NYS Students at Neglected and Delinquent Facilities- \$300,000
- High-Quality Professional Learning- \$2.9 million
- Creation of a Parent-Friendly Data System- \$2.5 million
- Regents Exams in World Languages - \$950,000
- NYS Access and Opportunity Programs - \$10 million
- Supports & Services for Postsecondary Success of Students with Disabilities- \$15 million

- Teacher Opportunity Corp II Expansion- \$500,000
- Clinically Rich Intensive Teacher Institute- \$770,000
- Shanker Grant - \$500,000
- Public Library Construction - \$6.0 million
- Museum Education Act- \$5 million
- Public Broadcasting Education Programs- \$5 million
- Bridge to College and Careers Pilot Program - \$10 million
- Independent Living Services - \$5.0 million
- Oversight and Support Capacity at SED – 5% set-aside
- Webcasting of Regents Meetings- \$200,000

ARTICLE VII CHANGES

P-12 Education

School Nutrition- The Executive Budget would:

- Ban “**Lunch Shaming**” by prohibiting school districts, charter schools and nonpublics participating in School Lunch or Breakfast program and who do not currently offer universal free meals, from shaming or treating differently students who have unpaid meal charges and/or cannot pay at the point of service and requires them to develop and submit plans to the Commissioner that, among other things:
 - Ensure students who have unpaid meal charges are not shamed, and receive the school meal of their choice for the day if requested;
 - Explain how staff will be trained to carry out the school's plan/policies;
 - Establish communication procedures to, among other things, notify a student's family when their child's school meal account balance is low;
 - Provide an explanation of policies designed to decrease student distress or embarrassment;
 - Explain the school's unpaid meal charge policy;
 - Facilitate families' enrollment in free or reduced-price meal programs; and
 - Ensure that homeless, foster, and migrant students receive free meals, as required by Federal law.

*No additional resources were provided to the Department to do this work.

- Require public elementary and secondary schools (not charter schools) with more than 70 percent of students eligible for free or reduced-price lunch to provide breakfast after the school day has begun (after the bell), which could include breakfast in the classroom, grab-and-go breakfast or breakfast in the cafeteria. Time spent by students consuming breakfast would be considered instructional if instruction is being provided while students are consuming breakfast. The State Education Department would be required to develop guidelines, provide technical assistance, and annually report on schools participating in **Breakfast After the Bell** programs.

*No additional resources were provided to the Department to do this work.

- Increase the reimbursement to certain school food authorities, including public schools, charter schools and non-public schools receive for lunches from the current 5.9 cents per meal to 25 cents per meal (\$10 million total) for any school food authority that purchases at least 30 percent of its total cost of food products from New York farmers and growers, beginning with the 2019-20 school year. The State Education Department would be required, in cooperation with the Department of Agriculture and Markets, to develop an application for school food authorities seeking reimbursement and to annually report on the program.

*No additional resources were provided to the Department to do this work.

Student Safety- The Executive Budget would authorize school districts to enter into agreements with third parties to install or operate school bus cameras. The school district would be entitled to receive a fine of \$250 for those found liable for violations of passing a stopped school bus captured by the school bus cameras. In addition, the range for fines for passing a stopped school bus would be increased to \$500-750 for those convicted of a violation for the first time and \$1,000-1,250 for those convicted of a second violation within 3 years.

Computer Science Education- The Executive Budget would have the Governor convene a working group of educators and industry partners to create model computer science standards and deliver a report to the Commissioner by March 1, 2019.

Diversity Education Program- The Executive Budget would require the Commissioner, in cooperation with the Commissioner of the Division of Human Rights, to develop a diversity program for 8th and 9th grade students consisting of age appropriate model curriculum, exemplar lesson plans, and best practice instructional resources designed to promote awareness and respect for diversity, including diversity of race, color, weight, national origin, ethnic group, religion, religious practice, disability, sexual orientation, gender, and sex.

*No additional resources were provided to the Department to do this work.

Healthy Relationships Curriculum- The Executive Budget would require that the Department, in consultation with the Department of Health, create a K-12 curriculum on healthy relationships. Such curriculum would include age appropriate information on confronting and avoiding sexual harassment; assault and teen dating violence; and medically accurate sexual health, and would be posted on the Department's website and provided at no cost to school districts, BOCES and nonpublics upon request.

*No additional resources were provided to the Department to do this work.

Access to Feminine Hygiene Products in Schools- The Executive Budget would require all public schools serving students in grades 6 through 12 to provide feminine hygiene products, free of charge, in restrooms.

Special Education Waivers- As in prior years, the Executive Budget would authorize school districts, approved private schools, and BOCES to apply to the Commissioner for waivers from certain Special Ed Requirements under 4402 and 4403 of the Education Law for a school year in order to implement an innovative special education program.

*No additional resources were provided to the Department to do this work.

Recovery High Schools- The Executive Budget would authorize non-component school districts, including the Big Five city school districts, to enter into a MOU with BOCES to participate in recovery high schools operated by BOCES or up to 5 years. Costs of the participating non-component school district would be eligible for BOCES aid in the same manner as a component district.

Anti-Discrimination Provision- The Executive Budget would extend the Human Rights Law's anti-discrimination provisions, governed by the Division of Human Rights- which afford protection against discrimination, harassment, and bullying for members of protected groups- to public educational institutions.

Standardized Testing and Student Records- The Executive Budget would extend the prohibition on putting standardized test scores on permanent records until 2019.

Higher Education

Teacher Preparation Program Student Data- The Executive Budget would require institutions with graduate-level teacher and leader education programs to report to the Department demographic data on students participating in and completing their programs.

NYS DREAM Act- The Executive Budget would enact the DREAM Act, similar to the Regents proposal, that would eliminate citizenship and residency requirements for students to receive general awards, including Tuition Assistance Program (TAP), academic performance awards, scholarships or other financial assistance through higher education opportunity programs. Additionally, this proposal would allow undocumented immigrants and their families, who have a taxpayer identification number, to open a New York 529 family tuition savings account.

Excelsior Scholarship Program- The Executive Budget would continue the 2nd Phase of the Excelsior Scholarship Program- starting in 2018-19 School Year (SY), household income eligibility for this program increases up to \$110,000 (estimated fiscal- \$118 million).

Enhanced Tuition Awards- The Executive Budget would continue the 2nd Phase of these awards- starting in the 2018-19 SY, household income eligibility for this program increases up to \$110,000 (fiscal- \$22.8 million). The amount of the award under this program is the sum of the award plus a student's TAP award plus the institutions' matching award- for a total of \$6,000.

Student Loans- The Executive Budget would:

- Require student loan servicer companies to be licensed by the Department of Financial Services (DFS) and meet standards consistent with the mortgage industry.
 - Prevent student loan servicers or debt consultants from misleading a borrower or engaging in predatory act or practice, misapply payments, and provide credit report agencies with inaccurate information.
 - Protections would also include banning upfront fees, requiring fair contracts and clear and conspicuous disclosures to borrowers, and providing penalties for failing to comply with these requirements.
- Establish minimum operating standards and practices for student debt consultants.

Oversight of SUNY and CUNY- The Executive Budget would expand the definition of a “covered agency” under the State Inspector General’s jurisdiction to include the affiliated nonprofit organizations and foundations of SUNY and CUNY and require the implementation and enforcement of financial control policies.

Professions

Corporate Practice and Accountancy- The Executive Budget would allow public accounting firms to offer up to 49 percent of ownership by individuals who are non-licensees.

Psychology, Social Work, and Mental Health Practitioner Licensure Exemption- The Executive Budget would not extend the exemption but would:

- Provide that persons who have been employed or obtain employment on or before July 1, 2020 in programs regulated, operated, funded or approved by OMH, OPWDD, OASAS, DOH, SOFA, OCFS, DOCCS, OTDA, and/or local governmental units or social services districts could continue to benefit from the existing exemption.
- Further the proposal would authorize the provision of the following services without licensure:
 - Counseling individuals regarding the appropriateness of benefits they are eligible for; providing general counseling that is not psychotherapy and assisting individuals or groups with difficult day to day problems such as finding employment, location sources of assistance, and organizing community groups to work on specific problems; peer services; and to select for suitability and provide substance abuse treatment services or group re-entry services to incarcerated individuals in state correctional facilities;
 - The creation, development and implementation of a service plan or recovery plan that is not a behavioral health diagnosis or treatment plan;
 - Continued participation the development and assist in the implementation of non-behavioral health treatment plans in certain settings provided appropriately

licensed professionals are also members and they directly observe each patient prior to diagnosis;

- The Department would be required to consult with the captured agencies and develop and issue formal guidance for services providers to identify the tasks and functions that do and do not require Psychology, Social Work, and Mental Health Practitioner Licensure by December 31, 2019. Other impacted agencies may also issue guidance, to which the Department would have the opportunity to issue a statement of disagreement and engagement in a collaborative process with input from stakeholders would be required to resolve the issues.

Community Paramedicine- The Executive Budget would create community paramedicine program, under the direction of a physician, in which emergency medical personnel would be authorized to provide non-emergency care in residential settings.

Certified Registered Nurse Anesthetists- The Executive Budget would authorize Certified Registered Nurse Anesthetists (CRNAs) to practice nurse anesthesia (which includes the administration of anesthesia and anesthesia related care to patients; preanesthesia evaluation and preparation; anesthetic induction, maintenance and emergence; post anesthesia care; perianesthesia nursing and clinical support functions; and pain management) in collaboration with a licensed physician who is qualified to determine the need for anesthesia services and in accordance with a written practice agreement and protocols.

Comprehensive Medication Management- The Executive budget would allow physicians, nurse practitioners (NPs) and pharmacists (those pharmacists with an unrestricted license, a minimum of two years of experience in patient care within the last five years, demonstrated competency in medication management, and have completed one or more accredited medication management for a chronic disease or diseases) to establish written protocols to provide comprehensive medication management to patients with a chronic disease or diseases who have not met clinical goals of therapy, are at risk for hospitalization, or whom the physician or nurse practitioner deems to need comprehensive medication management services. Pharmacist would be authorized to:

- Adjust or manage patient drug regimen (strength, frequency, route of administration, discontinuation);
- Perform routine patient monitoring functions or disease state laboratory tests for purposes of carrying out specific duties;
- Collect and review patient histories and order and check vital signs; and
- Access complete patient medical records of physician or NP with whom they have established written protocols.

Reproductive Health- The Executive Budget would:

- Authorize midwives to prescribe or order non-patient specific regimens of and nurses to dispense and administer emergency contraception.

- Codify the Supreme Court's Roe v. Wade decision and subsequent rulings into State and ensures that health care professionals can provide these services without criminal penalty.
- Eliminate the class A misdemeanor penalty, under the pharmacy practice statute, for any person other than a pharmacist, to sell or distribute any instrument or drug for the prevention of conception to a minor under sixteen; and for the advertisement or display of any instrument or drug for the prevention of conception, within or without the premises of such pharmacy, would be authorized. (*note- this provision was already declared unconstitutional by the Supreme Court for non-prescription contraceptives and has not been enforced since.)

Telehealth- The Executive Budget would expand Medicaid coverage for telehealth services to include a patient's residence, and make credentialed alcoholism and substance abuse counselors (CASACs), authorized early intervention (EI) providers, and other providers as determined in regulation by OMH, OASAS, and OPWDD, in consultation with DOH, eligible telehealth providers.

Design-Build- The Executive Budget would expand the set of authorized entities that may utilize design-build contracts to a single entity, as established in the Infrastructure Investment Act, to include the Dormitory Authority, the New York State Urban Development Corporation, the Office of General Services, the Department of Health, and New York State Olympic Regional Development Authority.

Student Loan Default & Professional Licenses- The Executive Budget would prohibit state agencies (such as SED) from disapproval of a professional license application or the suspension or revocation of professional licenses of individuals behind or in default on their student loans. (*note- SED does not do this).

State Board for Medicine Membership Requirement Changes- The Executive Budget would require that the State Board for Medicine be composed of at least one physician appointee to (of the total twenty physicians) be an expert on reducing health disparities among demographic subgroups and one be an expert on women's health.

Other

NYS Chief Procurement Officer- The Executive Budget would appoint an overall Chief Procurement Officer for the entire State who would be tasked with oversight of all State procurements.