

Strategic Investments to Support College and Career Readiness for All Students

Regents State Aid Subcommittee
September 2013

Strategic Approach to the Future

- Over the next five years, New York State school districts will spend over a quarter trillion dollars on education;
- Race to the Top – a \$696.6 million investment in the Regents Reform Agenda, is expiring in June 2015; and
- How can new investments be structured to ensure continued improvement?

Strategic Plan for State Aid

- In current environment, achieving the Regents Reform Agenda may require reallocation of resources;
- The scope of the reform agenda requires a multi-year approach to educational investment; and
- This October we will be holding a Symposium to explore opportunities.

State Aid to Schools

2013-14 Enacted State Budget

- Included \$21.1 billion in funding for General Support for Public Schools (GSPS).
- This represented a year-to-year increase of \$942 million, or 4.7 percent, compared to 2012-2013.

Current Fiscal Environment

- Despite recent increases in State Aid, many school districts continue to show signs of fiscal stress;
- Fund balances remain low;
- Growth in spending has moderated; and
- Although state aid has grown over last two years, it remains below 2008-09 levels.

District Spending Growth has Moderated

Districts remain sensitive to taxpayer concerns:

- The total average annual increase in local tax levy (outside the Big Five cities) was 3.1 percent;
- Considering exclusions, such as increases in pension costs and capital expenditures, school districts could have increased their local levy by an average of 5.1 percent;
- 96 percent of districts proposed budgets that were at or below their tax cap amounts;
- Overall, 644, or 95.4%, of local school budgets passed;
- However, for districts that sought to exceed the tax cap levy limit, pass rates were much lower (21 of 28 of these budgets failed to gain local voter approval).

Key Concepts in School Aid

- **State and Local Partnership:** Public education is a state and local partnership. Even the wealthiest districts receive some state aid.
- **Wealth Equalization:** State aid is a mechanism to compensate for differences in local capacity to support schools. School districts with greater income and property wealth receive less State Aid.

In State aid formulas, district wealth is generally measured using property and income wealth per pupil, compared to the statewide average.

- **Pupil Need:** State aid formulas recognize that some students may require additional services and therefore cost more to educate.

State aid formulas consider students living in poverty, students with disabilities, English language learners, and geographic sparsity.

Strategic Investment Options

- College and Career Readiness
- Early Childhood Education
- Leveraging Technology for Teaching
- Regionalization and Sharing Services