TO: The Honorable the Members of the Board of Regents

FROM: Elizabeth R. Berlin

SUBJECT: 2017-2018 State Budget Initiatives

DATE: October 14, 2016

AUTHORIZATION(S):

SUMMARY

Issue for Discussion

The Regents advance state budget priorities every year. At the October meeting, the relevant committees of the Board will discuss the proposals to be advanced during the 2017-2018 budget cycle, other than State Aid to school districts and other Aid to Localities programs, which are handled separately through the Regents Subcommittee on State Aid.

Reason(s) for Consideration

Review and update of the Regents budget priorities.

Recommendation

Affirm support for last year's proposals as well as consider and approve amended and new priorities for the 2017-18 state budget cycle (See Attachment).

Discussion of Potential State Budget Initiatives

Category	Concept	Approx. Cost	History/Notes
	P-12 Education		
		5% Setaside to Support Implementation of Key Education Programs	TBD/ Undetermined	Following years of agency funding constraints, the Department has lost significant capacity to provide districts with implementation support and technical assistance. During the past several budget cycles, the enacted state budget has created or expanded several significant education programs, including pre-kindergarten, P-TECH, community schools, and receivership. As districts are faced with implementation of these various programs, they rely more and more on the expertise and support of the Department.

However, there have been no new administrative resources provided to the Department to perform any of this work. As a result, last year the Regents proposed the creation of a 5% setaside within all new programs for administrative oversight and technical assistance, as is common in federal grants and programs. |
| **Internal Capacity** | Modernized IT Systems to Improve Services to Districts and Stakeholders, including:
 • State Aid Modeling (TBD)
 • Facilities Planning (TBD)
 • Special Education and Related Services Oversight and Reporting System (TBD) | Approximately $7M | The Department has requested funding in the past for state aid modeling and facilities planning, and this year the Regents could consider a new budget initiative to expand to include development of a new special education and related services oversight and reporting system in order to provide greater oversight and reporting capabilities.

These budget priorities reflect critical infrastructure development in key areas of Department functions:

• Over $23 billion in state aid to public schools districts is distributed annually using an outdated COBOL system at risk of becoming obsolete
• The Department oversees facilities planning and distribution of building aid to school districts, and tracks more than 100,000 projects on DOS platform developed in 1987; and
• The Department collects extensive data directly from placing school districts, special education providers, and municipalities, much of which is collected and stored in paper form and none of which is consolidated or easily accessible to the public. |

P-12 Education			
Category	**Concept**	**Approx. Cost**	**History/Notes**
Internal Capacity, continued	Enhanced Department Support and Oversight in Targeted School Districts, including: • Continued monitors in East Ramapo ($225,000) • State Capacity to Address Emerging Issues ($450,000)	$675,000	Last year, the Department worked with the local representatives of the East Ramapo school district to secure funding for continued appointment of monitors to the school district. The appointment of monitors to the district has resulted in gains in public trust and the appropriation of funding to restore critical programming in the public schools. However, the funding was limited to a one-time appropriation and would expire if it is not extended in next year's budget. In addition, it is recommended that the Regents consider a budget initiative for a new appropriation to support internal capacity to address emerging issues in other districts within the state. This would allow the Department to have available resources to dispatch support to any district where a crisis may emerge.
	Charter School Office	$1.5M	The Regents are one of two state charter entities in the state, however, we are the only entity which does not receive direct state support to oversee, monitor and support charter schools. It is recommended that the Regents consider a budget initiative for dedicated state resources to operate a charter schools office, much like the SUNY Charter Schools Institute is funded directly by the state.
Rate Setting	Expand the Excessive Teacher Turnover Prevention Grant for Special Acts, 853s and center-based 4410 (preschool) programs	$4M increase	Data have indicated a shortage of Special Education and Bilingual Special Education Teachers throughout the regions of the state. This shortage is impacting the recruitment and retention of qualified staff to serve high-needs students. In some regions of the state, salary differentials between public school staff and comparable staff in approved special education programs range from approximately 20% to 50%. It is recommended that the Regents consider a budget initiative to expand the Excessive Teacher Turnover Grant to address this issue.

P-12 Education			
Category	**Concept**	**Approx. Cost**	**History/Notes**
Curriculum/ Professional Development	Professional Development to Support Implementation of the New Learning Standards, including: • Establish regional networks to create optional professional development opportunities, including support during the implementation of revised standards ($3M) • Teacher-developed instructional resources for ELLs and Students with Disabilities ($2M)	$5M	Teachers and principals deserve to have support as they work to help our students meet higher standards. The Regents have for several years recommended investments to support the capacity building work of all districts that are prepared to work in collaboration with their educators to bring about systemic change to the human capacity of the district workforce. In December 2015, the governor's task force report acknowledged the importance of professional development as the state transitions to new standards. Last year's budget provided $1 million from the Assembly to support this work. It is recommended that the Regents consider a budget initiative to support the development of regional professional development opportunities so that educators have the support they need to prepare for implementation of the revised standards. This request should include targeted investments for high-needs student populations, so they are not left behind during the transition.
Assessment	Modernize the State's Assessment Program, including: • Translation of Math 3-8 and Regents exams (up to $10M) • Native Language Arts ($11.4M) • Reinstate LOTE foreign language exams ($5M) • Project-based Assessments ($8M) • Erasure Analysis ($500,000)	Approximately $34.9M	The Regents and the Department have made several adjustments to the state testing program in the past year, including reducing the number of questions on every test and releasing 75% of the questions on the grades 3-8 tests. It is recommended that the Regents consider a budget initiative that would make targeted investments in the assessment program so that it can be responsive to the needs of the state's diversity, including by phasing in translation of the math 3-8 exams, developing a native language arts test (beginning in Spanish), reinstating the foreign language Regents exams, laying the groundwork for project-based assessments, and ensuring the integrity of test results.

Higher Education		
Concept	**Approx. Cost**	**History/Notes**
Expansion of Vouchers for Teacher Certification Candidates	TBD based on the scope of the expansion.	The cost of the required teacher certification exams is approximately $700. Currently, Pell-eligible teacher certification candidates receive vouchers towards that cost. However, there is concern in the field that this threshold is not capturing all candidates with a demonstrated need. It is recommended that a proposal be developed to expand the voucher program by examining factors that could be used to reach even more teacher certification candidates.
Opportunity and Access Programs, including: • STEP +$1M to increase the number of projects for students in STEM-based research, internships or exploratory career opportunities (this would not be an increase in students served). • CSTEP +$2.5M to fully fund partial awards and fund 6 new programs. • Liberty Partnerships +$3.6M to fund additional students and programs in the new RFP cycle. • HEOP +$4.5M to supplement and enhance current activities and services.	Approximately $11.6M	The state's higher education opportunity programs are available to students attending colleges and provide access to higher education to students who might not otherwise have the opportunity. The various programs currently serve over 30,000 underrepresented and disadvantaged students and have been effective at increasing graduation rates. The Regents have historically requested increases for these programs.

Higher Education		
Concept	**Approx. Cost**	**History/Notes**
Early College High Schools options: • Create equitable funding for all ECHS Cohort 2 and 3 (Cohort 1 was rolled into Cohort 3) projects (an average award of $1,035 per student) without funding any new programs; **OR** • Issue a new competitive RFP which would increase average award of $1,035 per student, allow current programs to earn bonus points if they demonstrate that they have adhered to design model standards and provide an opportunity for new projects, especially from regions currently not served by ECHS program, to apply for a grant.	The first option would require an increase from $2.93M to $3.37M in 2017-18; $6.3M in 2018-19; and $6.11M thereafter. The second option would require $7 M (increasing annually with program growth).	Early College High Schools (ECHS) are partnerships between high schools and institutions of higher education that allow students to simultaneously obtain their high school diploma and earn up to 60 transferable credits as part of an organized rigorous 4-year course of study toward a postsecondary degree or credential at no cost to the student or the student's family. There are currently 24 ECHS programs to which the Department administers funding. The Regents have historically requested funding to support these programs and it is recommended that the Regents consider options to fully-fund existing programs, or make a request to fully-fund programs and expand to new areas of the state.
P-TECH options: • Issue a new RFP for Cohort 1 projects (that meet all design model standards) for continued funding in the last year of their grant cycle that allows students enrolled in the program to finish with funding and the recruitment of new freshman students for as long as funding is available; **OR** • Option 1 PLUS a second RFP that would provide funding for up to 7 new projects after that 2020-2021 school year when SED program staff has the ability to analyze and evaluate the performance data of all three Cohorts.	Option 1 would require $17.1M starting in 2021-2022. Option two would require that the total amount would increase starting in 2021-2022 to a projected $18.9M and grow to $21.5M in 2024-2025 (amounts would increase if additional Cohorts, beyond Cohort IV, are added).	Pathways in Technology Early College High Schools (P-TECH) schools are partnerships between high schools, institutions of higher education, and businesses that create individual pathways for students to simultaneously obtain their high school diploma, earn a cost-free associate's degree, obtain workplace learning/experience as well as be first in line for a job with the program's industry partner. The Regents have historically requested funding to support these programs and it is recommended that the Regents consider options to fully-fund existing programs, or make a request to fully-fund programs and expand to new areas of the state.

Professions		
Request	**Approx. Cost**	**History/Notes**
Development of an E-Licensing System	Increased spending authority of $4.3M	In 2009, the state legislature approved a 15% registration fee increase so that the Department could replace a 35 year old COBOL-based licensing system and enhance our customer experience. However, there was an effort to create a statewide licensing solution, and unfortunately those efforts have resulted in a product that cannot meet our complex needs. Last year, the Department requested authority to spend $4.3 million in existing funds we have on hand in the Professions account to develop our own system, but unfortunately that authority was not provided in the budget.

Cultural Education		
Concept	**Approx. Cost**	**History/Notes**
Public Library Construction	$6M increase	The Department has historically requested funding increases for this program to better ensure that all New Yorkers continue to have access to state-of-the-art libraries.
		Last year, the Department requested $4.2M and the enacted budget increased funding by $5M. Despite the successes of the library construction program, there continues to be a need for new construction, renovation, and expansion of public libraries.
		It is recommended that the Regents consider a budget initiative to increase funding for public libraries by $6M.
Create Statewide E-Book Platform	Approximately $2.5M	In response to a law passed in 2015, the State Library conducted a study of access to electronic books in public libraries. As demonstrated by this report, there continues to be a rising demand for e-books from local libraries.
		As a result, it is recommended that the Regents consider a budget initiative to address this need by developing a statewide e-book platform at the State Library to provide cost savings to libraries and make resources available in multiple languages.

ACCES		
Concept	**Approx. Cost**	**History/Notes**
Bridge Programs	$10M	Bridge programs enable out-of-school youth and adults to obtain critical basic skills, high school equivalency diplomas, and industry-recognized credentials. In order to better serve this sector, the Regents last year requested $10M to create bridge program partnerships between adult education programs and college or training providers in each of the seven Regional Adult Education Network regions of the state.
Independent Living Centers	$5M increase	Independent Living Centers (ILCs) serve people with disabilities and their families by providing an array of services to help these individuals live a fully integrated and self-directed life. ILCs currently receive approximately $13.3M in state funding. It is recommended that the Regents consider supporting the sector's budget request and support accountability mechanisms to ensure that new funding creates improved services and results for this population of New Yorkers.