
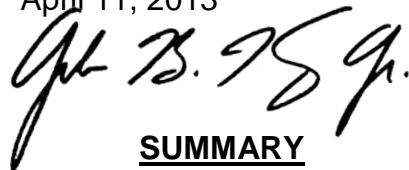




TO: Regents Subcommittee on State Aid
FROM: Ken Slentz 
SUBJECT: Legislative Action on State Aid to School Districts as the Context for the 2013-14 Regents State Aid Proposal

DATE: April 11, 2013

AUTHORIZATION(S):


SUMMARY

Issue for Discussion

Does the Board of Regents have any questions concerning Legislative Action for 2013-2014? How does this year's budget affect the approach for the development of the 2014-2015 Regents State Aid Proposal?

Reason(s) for Consideration

Review of policy.

Proposed Handling

Questions about the State budget as related to School Aid will come before the Subcommittee on State Aid at its April 2013 meeting.

Procedural History

The Regents adopted their State Aid Proposal for 2013-2014 in December 2012. The Executive Budget was released on January 22, 2013. The legislative budget was approved on March 29, 2013.

Background Information

Each year the chair of the Regents Subcommittee on State Aid requests a review of the enacted budget with regard to legislative action on State Aid to school districts. This is done in order to define the context for school districts and begin the planning process for the development of the Regents proposal on State Aid to school districts for the next year. This year's school aid was increased by \$942 million, a 4.7 percent increase compared to the prior year. Attachment 1 provides narrative highlights of the Enacted Budget and Attachment 2 provides fiscal details of the budget and a comparison with the 2012-2013 budget.

Recommendation

For information purposes.

Timetable for Implementation

This discussion will inform the development of the Regents State Aid proposal to occur from now until the Regents approve their State Aid proposal in late 2013. As part of this process, the Subcommittee will meet with New York State educational associations that comprise the Department's Education Finance Advisory Group, which advises the Regents and Department on school aid issues. The purpose of this consultation is to get a broad reaction from educators to school aid and educational issues.

HIGHLIGHTS OF THE 2013-2014 ENACTED BUDGET

(2013-2014 School Year Compared to the 2012-2013 School Year)

SCHOOL AID PROPOSAL

Overview

The 2013-2014 Enacted Budget includes \$21.1 billion in funding for General Support for Public Schools (GSPS). This is a year-to-year increase of \$942 million, or 4.7 percent, compared to 2012-2013. The major components of the increase are a Gap Elimination Adjustment Restoration (+\$517 million), Foundation Aid (+\$171 million) and High Tax Aid (+\$19 million).

The Enacted Budget fully allocates the amount available under the School Aid growth cap for GSPS which, for the 2013-14 school year included an additional fiscal stabilization amount of \$382 million. Although proposals to use a ten year average of personal income for the growth cap were included in initial legislative budgets, the final budget agreement did not include any adjustment to the cap for future school years.

In addition, the Enacted Budget provides that \$25 million of the School District Performance Improvement Awards program and \$25 million of the School District Management Efficiency Awards be awarded during the 2013-14 school year. \$75 million in new competitive grants to support full day Universal Prekindergarten (\$25 million), Extended Learning time (\$20 million), Community Schools (\$15 million), Improved Math and Science Instruction (\$11 million), and Early College High Schools (\$4 million) are also included in the Enacted Budget.

Key Formula Provisions for the 2013-2014 School Year

Foundation Aid

The Enacted Budget includes a \$171 million increase in Foundation Aid for the 2012-2013 school year, which will bring total Foundation Aid to \$15.2 billion. It should be noted that under legislation enacted along with the 2011-2012 budget, Foundation Aid is carried forward at prior year levels, unless specific legislation designating a portion of the allowable growth under the school aid growth cap is enacted. This year's increase of \$171 million was the result of such specific legislation.

Gap Elimination Adjustment

The Enacted Budget includes a Gap Elimination Adjustment of \$1.6 billion, a restoration of \$517 million, or 24 percent, over 2012-2013. The restoration formula includes a maximum per district restoration of 43 percent and a minimum per district restoration of \$100,000.

High Tax Aid

The Enacted Budget includes \$223 million in High Tax Aid, an increase of \$19 million, or 9.3 percent, over 2012-2013. Each district will receive the greater of its 2012-2013 High Tax Aid or the High Tax Aid proposal in the Executive Budget.

Support for Early Childhood Education

The Enacted Budget caps Universal Prekindergarten funding at current levels for existing programs. The Enacted Budget also includes a new \$25 million competitive grant program to create new, high quality full day Universal Prekindergarten programming.

Support for Pupils with Disabilities

The provisions for apportioning both Public High Cost Excess Cost Aid and Private Excess Cost Aid remain unchanged. Public Excess High Cost Aid increases by \$19 million from \$497 million to \$517 million, a growth rate of 3.8 percent. Private Excess Cost Aid will increase from \$321 million in 2012-2013 to \$356 million in 2012-2013, an increase of \$35 million or 10.9 percent.

Career and Technical Education Aid

The Enacted Budget continues existing provisions for these aid categories. BOCES Aid is estimated to increase by \$30 million or 4.3 percent, to an overall level of \$729 million. Special Services Aid (which provides aid to the Big Five and other districts that are not components of BOCES for career education activities, administrative computer services and academic programs) is estimated to be \$204 million, a decrease of 2 percent, or \$4 million, over 2012-2013 levels.

Aid for Instructional Materials

The Enacted Budget continues the preexisting allocation formulas for Textbook Aid, Library Materials Aid, Computer Software Aid and Computer Hardware Aid. Funding of \$285 million represents an increase of \$2 million or 0.7 percent.

Building Aid

For 2013-14 Building Aid and Building Reorganization Incentive Aid are estimated to total \$2.8 billion, an increase of \$65 million, or 2.4 percent, over 2012-2013.

Transportation Aid

Transportation Aid for operating expenses will be calculated under the existing formula. Transportation Aid and Summer Transportation Aid are estimated to total \$1.7 billion, an increase of \$60 million, or 3.6 percent, over 2012-2013.

2013-2014 Enacted Budget

NEW YORK STATE

(all figures in millions)

Program	2012-13 School Year	2013-14 School Year	Enacted Budget Increase
General Purpose Aid	<u>\$13,508</u>	<u>\$14,238</u>	<u>\$729</u>
Foundation Aid	\$15,005	\$15,177	\$171
High Tax Aid	\$205	\$223	\$19
Academic Enhancement Aid	\$27	\$27	\$0
Supplemental Public Excess Cost Aid	\$4	\$4	\$0
Gap Elimination Adjustment	(\$2,156)	(\$1,639)	\$517
Charter School Transitional Aid	\$35	\$36	\$2
Reorganization Incentive Operating Aid	\$3	\$8	\$6
Aid for Early Childhood Education	\$386	\$401	\$15
Support for Pupils with Disabilities	<u>\$819</u>	<u>\$873</u>	<u>\$54</u>
Private Excess Cost Aid	\$321	\$356	\$35
Public High Cost Excess Cost Aid	\$497	\$517	\$19
BOCES\Career and Technical Ed.	<u>\$907</u>	<u>\$933</u>	<u>\$26</u>
BOCES Aid	\$699	\$729	\$30
Special Services Aid	\$208	\$204	(\$4)
Instructional Materials Aids	<u>\$283</u>	<u>\$285</u>	<u>\$2</u>
Hardware & Technology Aid	\$38	\$39	\$0
Library Materials Aid	\$19	\$19	\$0
Software Aid	\$46	\$46	\$0
Textbook Aid	\$179	\$180	\$1
Expense-Based Aids	<u>\$4,377</u>	<u>\$4,502</u>	<u>\$125</u>
Building Aids	\$2,715	\$2,780	\$65
Transportation Aids	\$1,662	\$1,722	\$60
Other GSPS	<u>\$292</u>	<u>\$298</u>	<u>\$6</u>
Total GSPS	<u>\$20,186</u>	<u>\$21,128</u>	<u>\$942</u>