



Our Students. Their Moment.

2016-17 Executive Budget Summary

Board of Regents State Aid Subcommittee

February 22, 2016



Overview

- **Review of the Board of Regents State Aid Proposal**
- **Context**
 - **Overview of the Budget Cycle**
 - **School Aid Database Updates**
 - **February 2016 Update**
 - **Property Tax Cap**
- **2016-17 Executive Budget Summary**

Board of Regents State Aid Proposal

- **\$2.4 Billion total increase**
 - **\$2.1 Billion** in formula aids, fully restoring the Gap Elimination Adjustment and a significant phase-in of Foundation Aid
 - **\$345 Million in additional investments**
 - Expanding Universal Prekindergarten
 - Support for Struggling Schools
 - Education of English language learners
 - Professional Development
 - Family and Community Engagement
 - **Additional reimbursement in 2017-18 for new expenses**
 - College and Career Pathways
 - Digital Learning

Overview of Budget Cycle

In recent years, the budget cycle has followed this schedule:

- **November Database:** Provides first estimates for aid in the upcoming year
- **December:** Regents State Aid Proposal
- **January:** Executive Budget
- **February Database:** Updates aid estimates; typically used for Enacted Budget
- **Early March:** One-House Bills
- **April 1:** Enacted Budget, release of enacted aid runs

School Aid Database Updates

- Initial November estimates based on a combination of preliminary data (estimated by districts) and certain assumptions and/or other estimates
- Districts refine data submissions up until one year after the close of the school year

February Database Update

- Growth in expense-based aids shrunk from \$407 million to \$341 million (resulting in \$66 million potentially available for operating aids)
- Overall estimate for 2016-17 decreased by nearly \$8 million

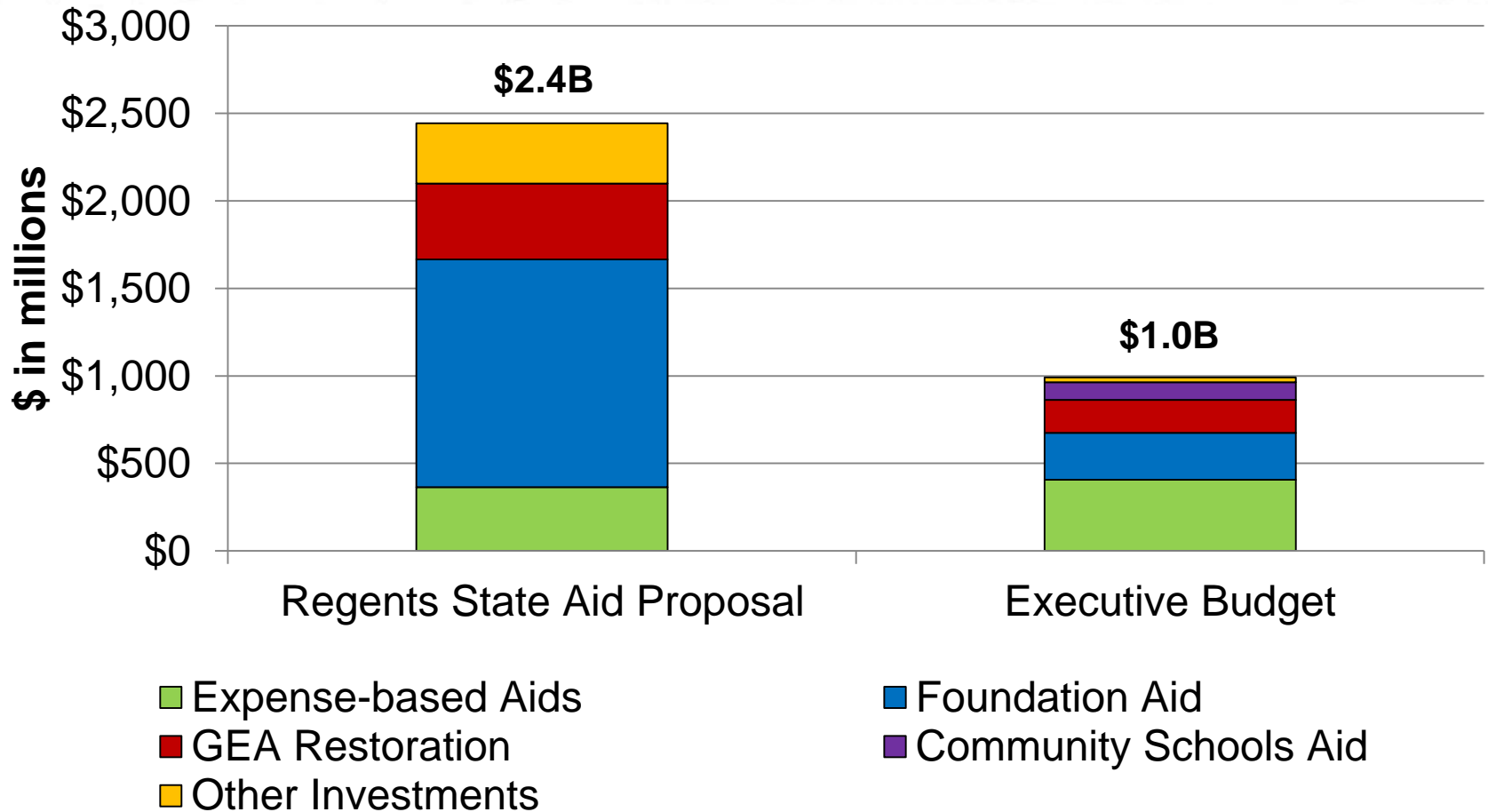
Property Tax Cap

- Regents State Aid Proposal assumed a 0% Levy Cap, meaning that absent voter overrides all additional school funding would need to come from State Aid in districts whose budgets are subject to voter approval.
- The official calculation is 0.12%.

Executive Budget Summary

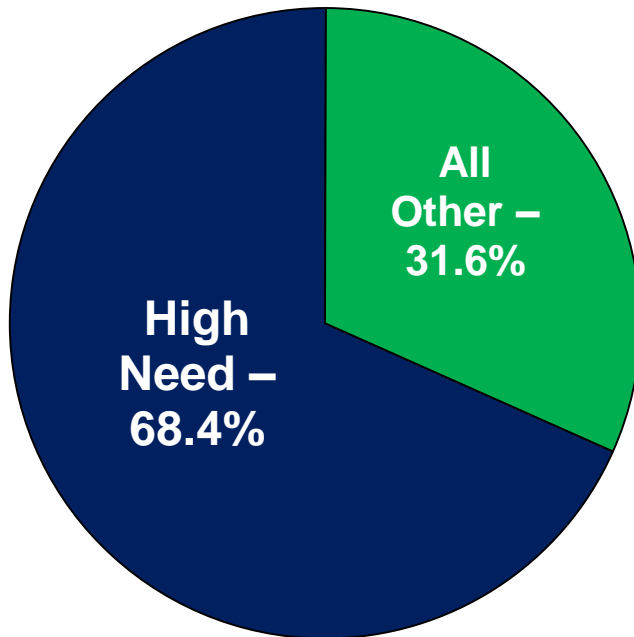
- **Governor Cuomo proposed a \$990 million increase in state aid for 2016-17, including:**
 - **Foundation Aid Increase: \$267 million**
 - **Partial Restoration of the GEA: \$189 million**
 - **New Community Schools Aid: \$100 million**
 - **New Prekindergarten for 3-year-olds: \$22 million**
 - **New round of Early College High School/CTE Program Grants: \$4 million**
 - **Statutory Expense-based Aid Increase: \$407 million**

Executive Budget Summary

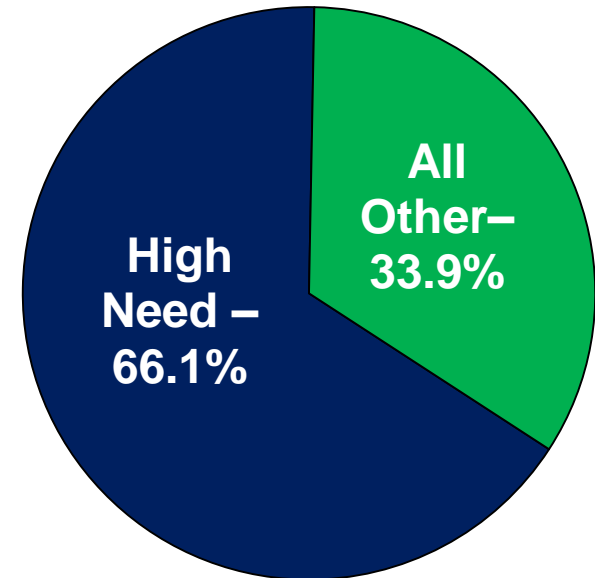


Executive Budget Summary

**Regents Formula
Increase - \$2.1 Billion**



**Executive Budget
Formula Increase -
\$961 million**



engage^{ny}

Our Students. Their Moment.

Use of One-time Settlement Funds



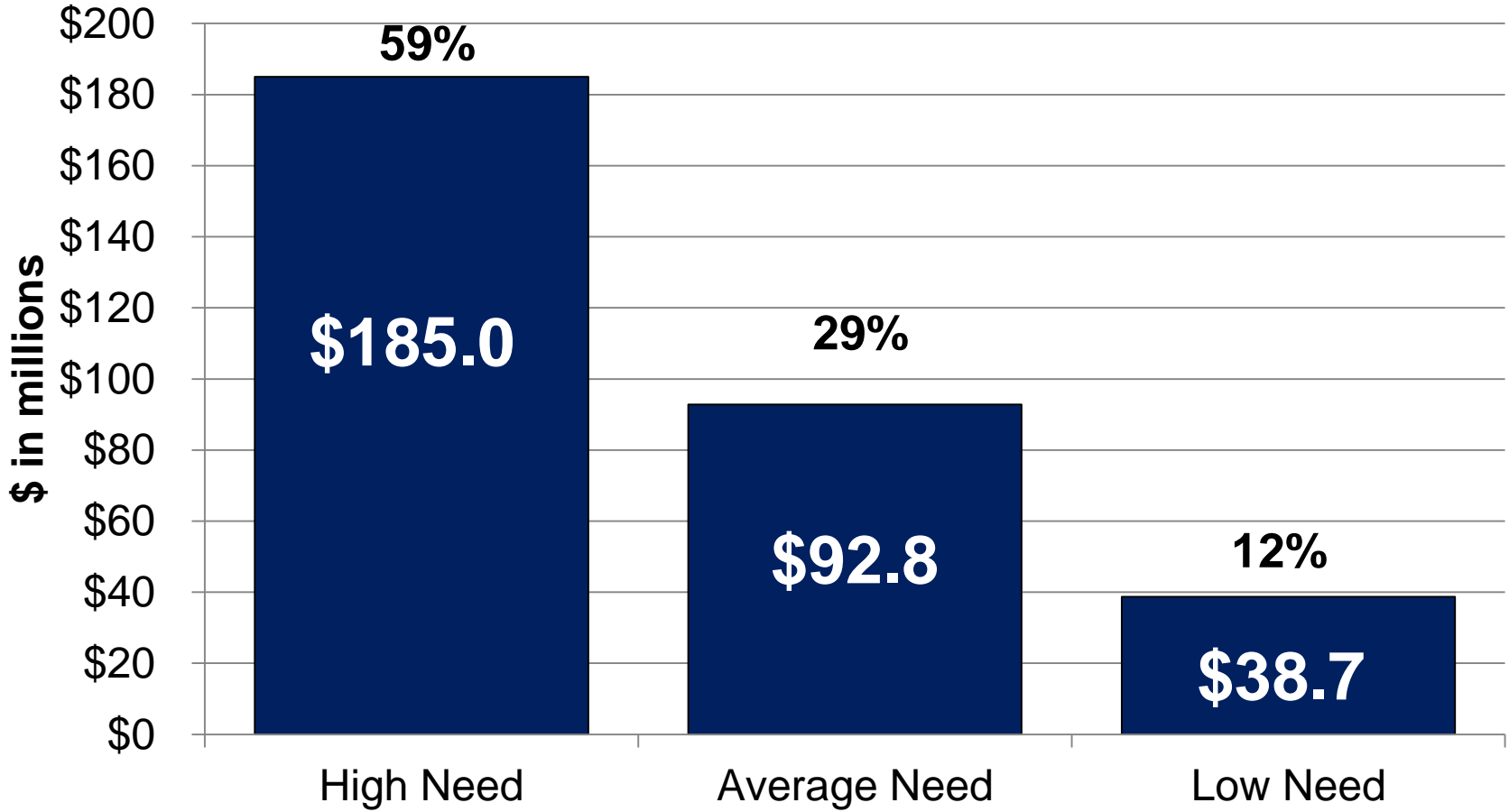
Aid Adjustments Owed to Districts are Growing Every Year:

Claim approvals are outstripping funds appropriated, growing the deficit.



If funding remains constant for the coming years, new claims approved in November 2015 will not be paid until the 2032-33 school year—**17 years from now.**

The vast majority of outstanding aid adjustments go to High & Average Need Districts



Aid Adjustments

- As of the February Database, the total pool has grown from \$317.9 million by **\$7.5 million** to \$325.4 million.
- The Executive Budget did not include any additional funding beyond the annual appropriation for this purpose.