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Executive Budget Summary Regents State Aid Subcommittee

February 9, 2015



Overview

- **Review of the Regents State Aid Proposal**
- **Context**
 - **Overview of the Budget Cycle**
 - **School Aid Database Updates**
 - **School Aid Growth Cap**
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- **Next Steps**

Regents State Aid Proposal

- **\$2 billion proposed increase, targeting multiple priority areas**
- **Major Components:**
 - **Transition Operating Aid: \$1.1 billion**
 - **Expense-based Aid Increases: \$306 million**
 - **Consolidation and Expansion of Prekindergarten Programs: \$251 million**
 - **Aid for English Language Learners: \$86 million**
 - **Strengthening Teacher and Leader Effectiveness: \$80 million**
 - **CTE Enhancements and Special Services Aid: \$65 million (with expansion of BOCES Aid impacting 2016-17 school year)**
 - **Instructional Materials Aids: \$51 million**
 - **Aid for Enrollment Growth and Surges: \$40 million**

Regents State Aid Proposal

- Provides for the following use on one-time settlement funds:
 - \$260 million in School Aid “Prior Year Claims”
 - \$100 million in special education aid claim backlog (payments to counties)
 - \$238 million to accelerate the new pre-k programs to a standard “70/30” payment schedule, providing districts funding upfront rather than waiting a year
 - \$50 million for a new CTE capital facilities fund
 - \$30 million to offset district costs for converting to optical scanner voting machines (currently required to switch after July 1, 2015)

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

School Aid Growth Cap

- Enacted in the 2011-12 Budget
- Ties future aid increases to the annual growth in NYS personal income
- Calculates a set dollar amount increase, regardless of base year amount
- Sets aside \$50 million for Governor's competitive grants programs
- The 2012-13 enacted budget adhered to the cap, but the 2013-14 and 2014-15 enacted budgets exceeded the cap
- 2015-16 Calculation: 1.7%; \$376 million

School Aid Growth Cap

School Year	Statutory Growth Cap	Enacted Aid Increase
2012-13	4.1%; \$805M	4.1%; \$805M
2013-14	3.0%; \$610M	4.9%; \$992M
2014-15	3.1%; \$658M	5.3%; \$1.13B
2015-16	1.7%; \$376M	???

Executive Budget Summary

- Proposed a minimum and alternative School Aid increase, subject to enactment of the Education Opportunity Reform package in its entirety
- Minimum, if not enacted: \$377 million or 1.7%
- Alternative, if enacted: \$1.1 billion or 4.8%
- Totals represent a statewide amount; no individual district amounts are known because there are no specific aid formulas
- Budget language signals Academic Enhancement Aid, High Tax Aid, and UPK will be carried at their 2014-15 levels.

Executive Budget Summary

- **No specific proposals = no runs; SED is unable to produce runs even if requested;**
- **Unknowns about potential expense-based aid (Building, Transportation, etc.) changes mean the November database, while the best available data, may not accurately reflect true aid estimates.**

Executive Budget Summary

- **Other initiatives:** The Executive Budget also provides \$50 million for the following initiatives:
 - **Three-year-old Prekindergarten (\$25 million):** Provides funding for a new grant program for full-day and half-day programs for three year-olds;
 - **Turnaround Strategies (\$8 million):** Provides funding for turnaround strategies based on a plan developed by the Commissioner;
 - **Teacher Residency Program (\$3 million):** Provides funding to establish resident teachers with professional development and training through a plan developed by the Commissioner and administered through a non-profit third party;

Executive Budget Summary

- **Other initiatives, continued:**
 - **Masters-in-Education Incentive Scholarship (\$3 million):** Provides funding for awards to eligible teachers to receive scholarship support for their master's degree, to be administered by the Higher Education Services Corporation;
 - **QUALITYstarsNY (\$3 million):** Provides funding, which may be suballocated to the Office of Children and Family Services, for administration of the state's early childhood education quality rating system;
 - **P-TECH (\$3 million):** Provides funding for an additional round of this existing grant; and
 - **Master Teacher Program (\$5 million):** Provides funding for an additional round of this existing grant.

Executive Budget Summary

- **\$340 million Statewide Full-Day Prekindergarten**
 - No new funding for additional rounds for rest-of-state districts
 - In NYC only, \$48 million of last year's award was for one-time start-up costs; the Executive Budget would allow this funding to be re-awarded for NYC pre-k slots

Executive Budget Summary

- Use of Settlement Funds
 - No proposed use of funding for education-related initiatives
 - No proposed \$500 million fund for local government consolidations

Next Steps

- **State Aid staff will update the November aid estimates on February 13**
- **Historically, with on-time budgets, this data will be the basis of the final enacted budget**
- **One-house budgets are expected in early March, with final enactment by April 1**