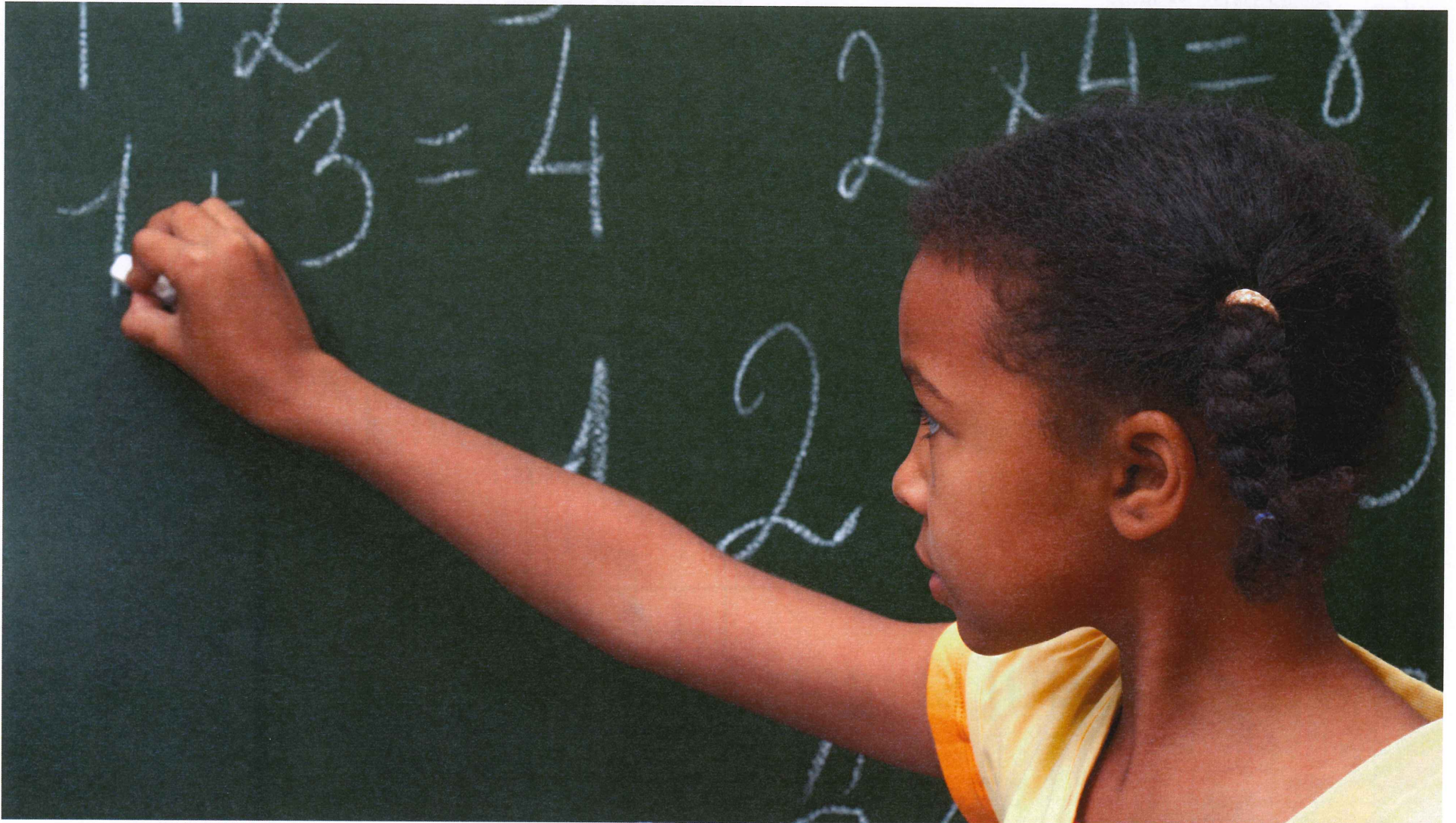




Fulfilling the Education Promise

**Michael J. Borges, Executive Director,
New York State Association of School Business Officials
*Joint Legislative Budget Hearing on Education – January 27, 2016***





Executive Proposal is Inadequate

A Comparison of State Aid Proposals for 2016-17

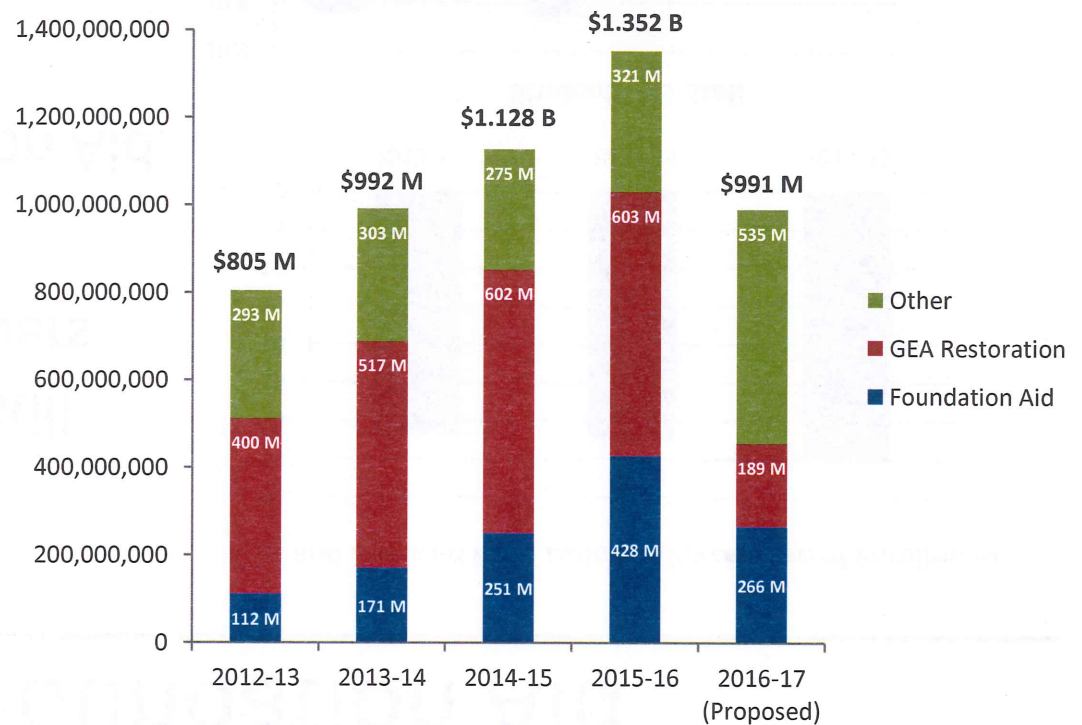
Item	NYSASBO	ECB	Regents	Executive
Foundation Aid	\$800 million in Foundation Aid increase and \$211 million in save-harmless aid in 2016-17, followed by \$1.2 billion in each of the next three years	Groups Foundation Aid, GEA Restoration (\$434 million), Property Tax Cap compensation money (\$700 million), and expense based aids (\$200 million) for a total of \$1.7 billion in state aid for 2016-17	\$1.3 billion in 2016-17	\$266 million in 2016-17
GEA	\$434 million (completely gone)	\$434 million (completely gone)	\$434 million (completely gone)	\$189 million in 2016-17 for a two-year elimination
Career and Technical Education	\$75 million	\$500 million collectively for CTE, UPK, Struggling Schools, ELL education, and professional development	\$65 million reimbursed in 2017-2018 for expenses incurred in 2016-17	\$4 million to expand early college high school and CTE
Struggling Schools	\$75 million	\$500 million collectively for CTE, UPK, Struggling Schools, ELL education, and professional development	\$75 million	\$100 million in community schools aid, \$75 million of which will go to struggling and persistently struggling schools



Putting School Aid Increases In Perspective

- Governor presents the 2016-17 education budget as a \$2.1 billion increase over two years
- Of this, \$991 million is for 2016-17, and only \$266 million of that is a Foundation Aid increase

School Aid Increases

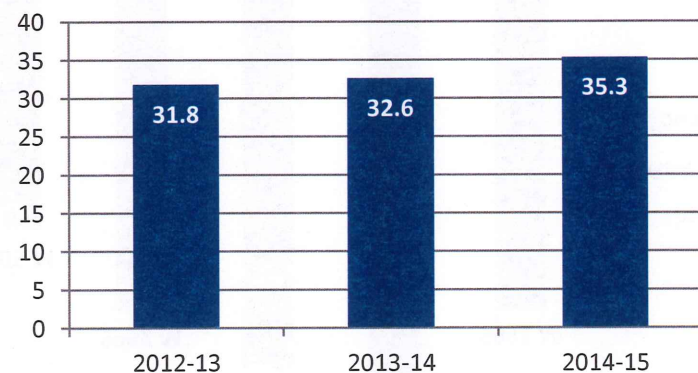




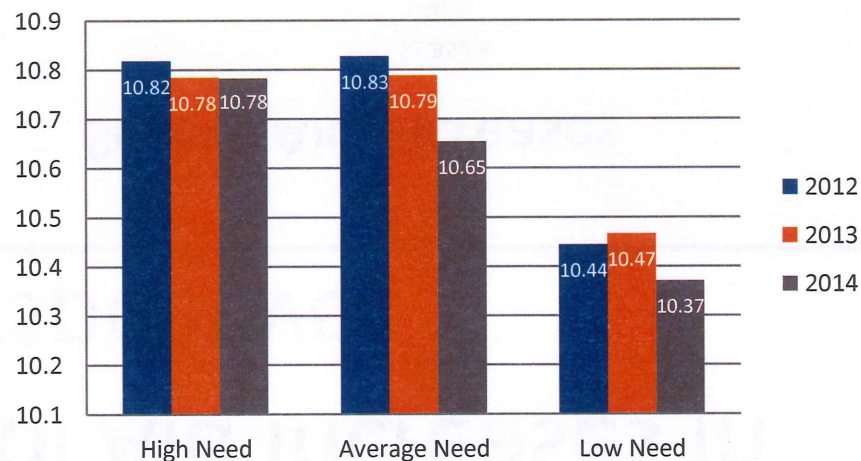
Commit to Full Funding of Foundation Aid

- Poverty is on the rise
- High-need schools are still lagging in staffing numbers
- Schools are still owed \$4.4 billion in Foundation Aid
- Foundation Aid targets funding toward the students that need it most

Free and Reduced Price Lunch as Percentage of Enrollment



Students Per Staff

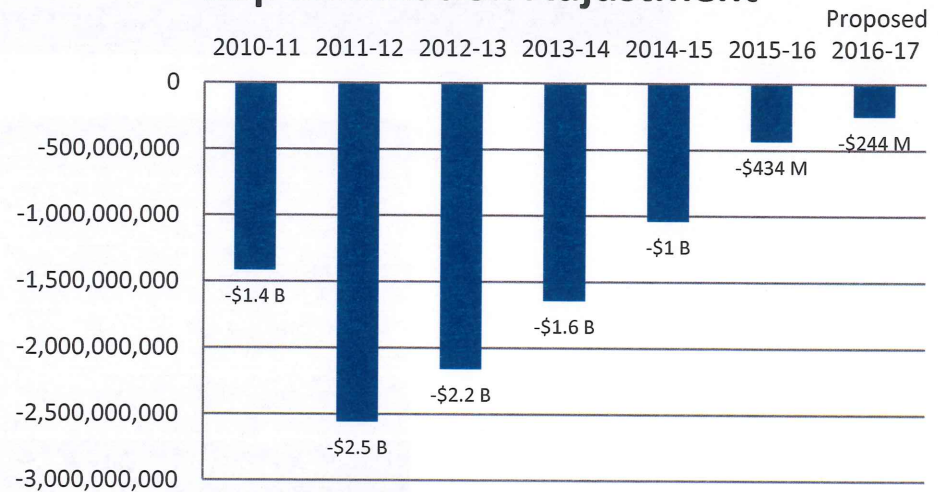




Eliminate GEA Completely

- Governor’s briefing book says NYS finance is in “best shape in decades”
- With the economy improving, there is no need for this unjustifiable education cut

Gap Elimination Adjustment



	Spending	Remaining GEA		Foundation Aid Still Due	
		Total	%	Total	%
New York City	23,735,344,461	87,281,046	0.4	1,959,214,202	8.3
Big 4	2,595,258,064	5,766,224	0.2	304,398,875	11.7
High-Need Urban/Sub	4,614,737,314	4,502,798	0.1	904,053,044	19.6
High-Need Rural	3,302,496,593	3,661,892	0.1	267,418,757	8.1
Average-Need	16,105,029,277	233,368,339	1.4	725,101,854	4.5
Low-Need	9,794,211,363	99,019,366	1.0	277,734,047	2.8
State Total	60,147,077,072	433,599,665	0.7	4,437,920,779	7.4



Tax Cap Impact

- Last week, the final data on inflation was published: New York's Tax Cap will allow growth of .0012.

Allowable Levy Growth Factor	
2016-17	0.12%
2015-16	1.62%
2014-15	1.46%
2013-14	2%
2012-13	2%

Impact of Low Tax Cap Growth on School District Types			
	Low Need	Average Need	High Need
Budget	\$50,000,000	\$50,000,000	\$50,000,000
Local share %	80%	59%	20%
Local share \$	\$40,000,000	\$29,500,000	\$10,000,000
.12 increase	\$48,000	\$35,400	\$12,000
2% increase	\$800,000	\$590,000	\$200,000



Make Adjustments to the Tax Cap

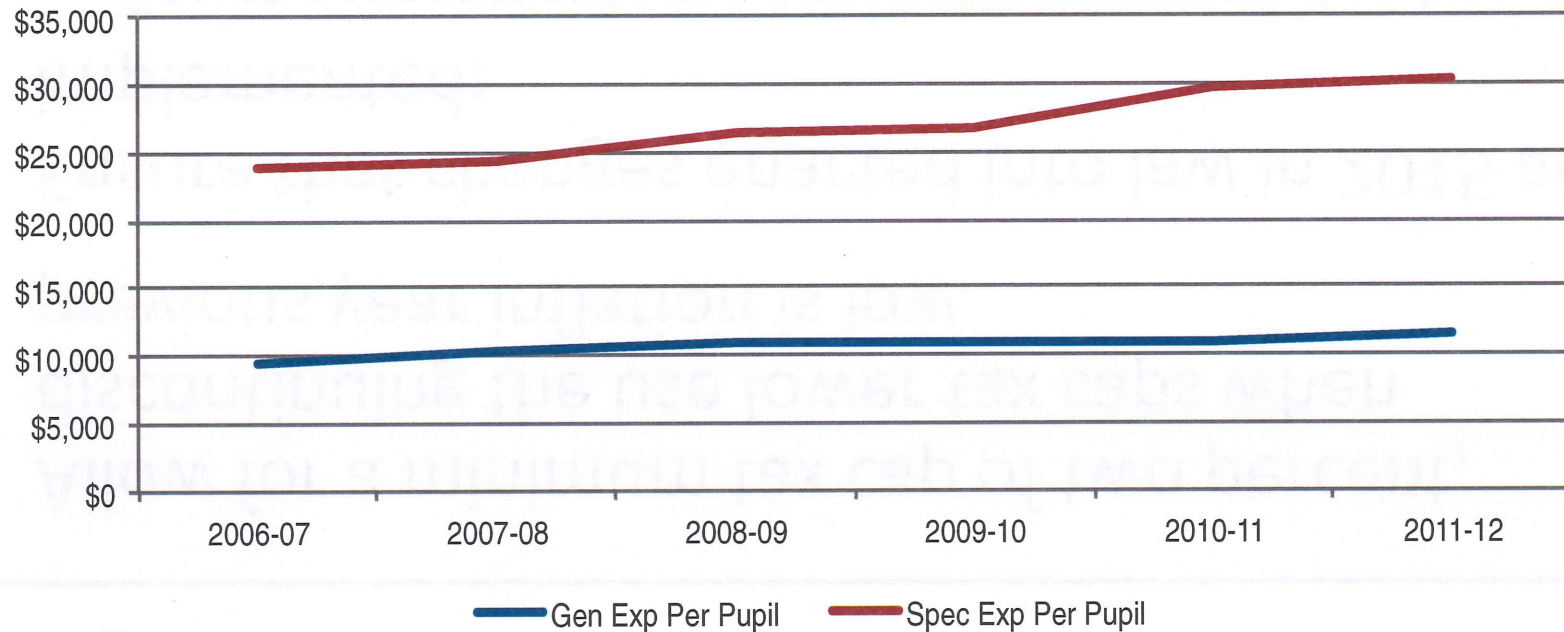
- Allow for a minimum tax cap of two percent, discontinuing the use lower tax caps when previous year inflation is low.
- Ensure that changes enacted into law in 2015 are implemented:
 - Count assessments for properties exempt due to PILOTs when calculating allowable tax base growth
 - Allow local revenues for capital construction for instructional space at BOCES to be excluded from the Tax Cap, as with school district construction



Costs are Increasing

Special Education Enrollments And Spending are Growing at a Faster Pace Than General Education

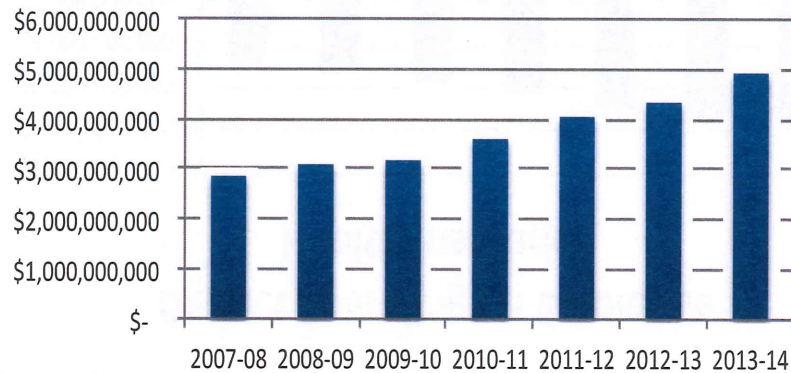
General vs Special Education Expenditures Per Pupil





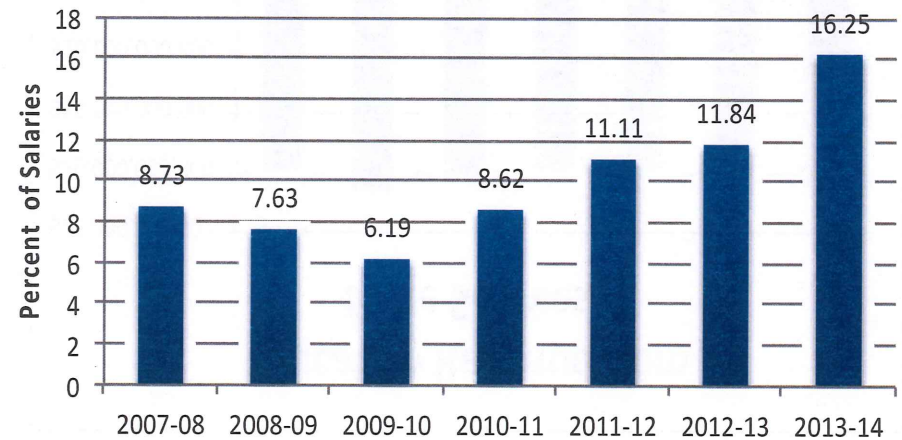
Spending on Teacher Retirement Grows Despite Rate Declines

NYS School Districts Spending on Teacher Retirement



SOURCE: NYSED Fiscal Profile Data

NYSTRS Employer Contribution Rates

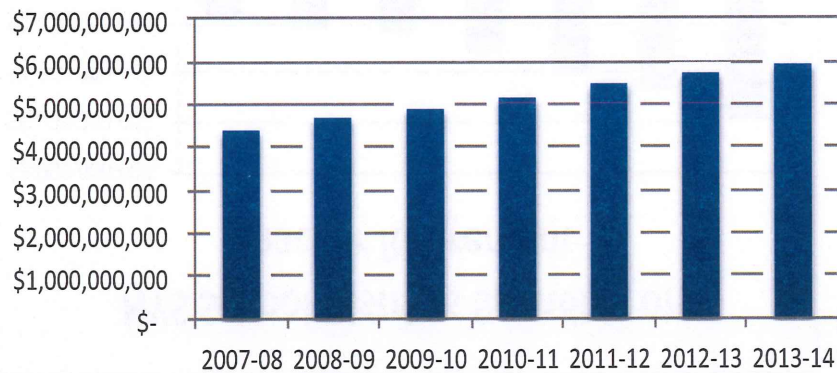


SOURCE: NYSTRS Administrative Bulletin, Issue No. 2015-1, February 2015.



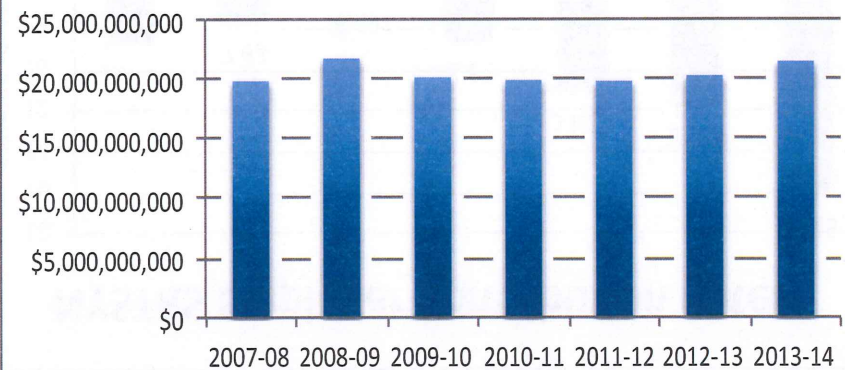
District Spending on Health Insurance Continues to Rise Despite State Aid Reductions

District Spending on Employee Health Insurance



SOURCE: NYSED Annual Financial Report (ST3) Data

Education Revenue from State Sources

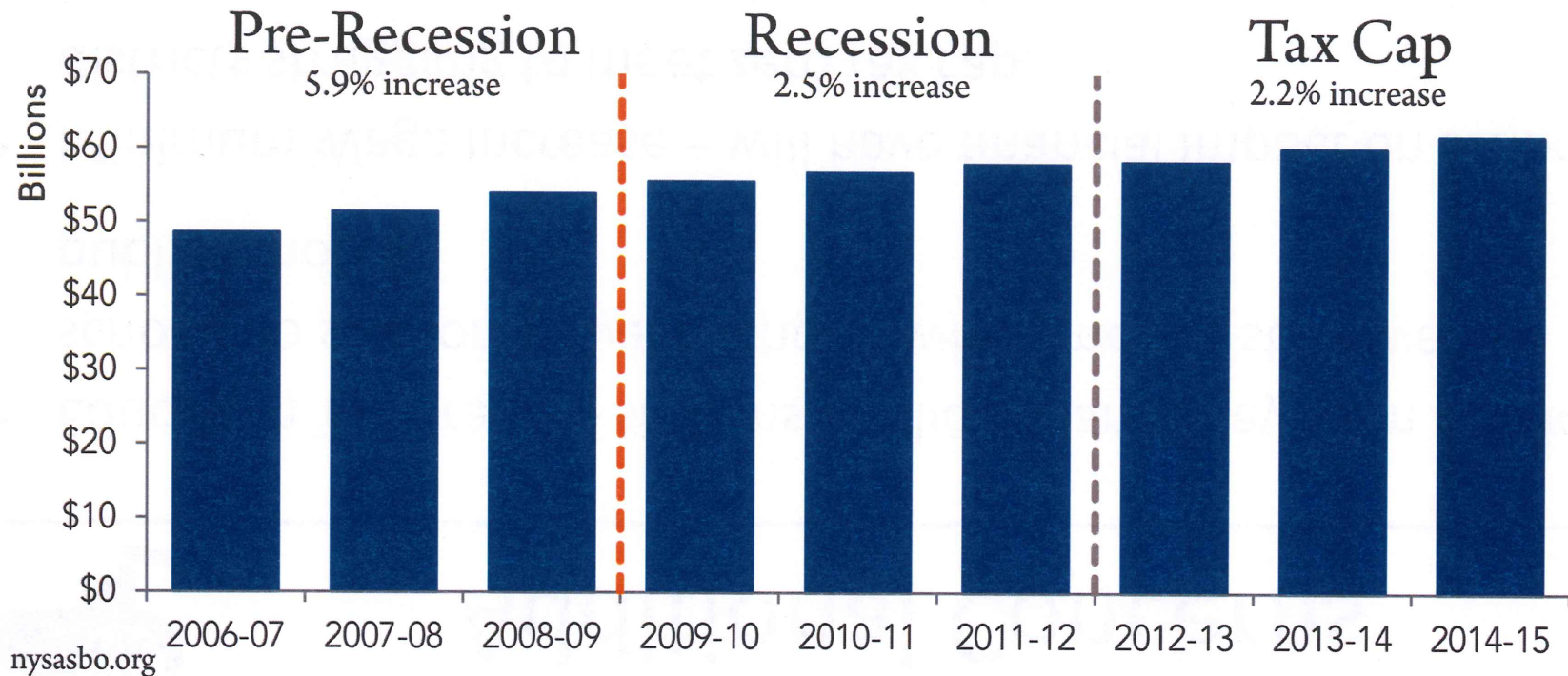


SOURCE: NYSED Analysis of School Finances January 2015



Has School Spending Changed?

NYS School District Spending





Additional Concerns

- Education Tax Credit - siphons public dollars away from public schools to support private schools when money still owed to public schools.
- Minimum Wage Increase – will have financial impact on school districts struggling to meet zero tax cap.
- MWBE Requirement for Local Governments – another mandate that will drive up costs for school districts.
- STAR Changes – will result in higher tax bills for district residents who have to wait until the following year to receive their STAR deduction.



Mandate Relief

- Sharing of Fingerprinting & Background Checks of Bus Drivers between SED and DMV
- Providing Incentive for Shared Busing of Students out of District.
- Allow districts to evaluate pre-school students with disabilities without prior approval from SED.
- Charge SED with further streamlining of school district planning and reporting requirements.
- Allow school districts to collect their own taxes without having to seek permission from towns.



2016 NYS School Factbook

- Designed for use by state policymakers
- Includes maps and data about 674 districts including Big 5
- Data include spending per pupil, state operating and building aid, GEA, Foundation Aid, and more
- Access this and other reports at nysasbo.org/reports

