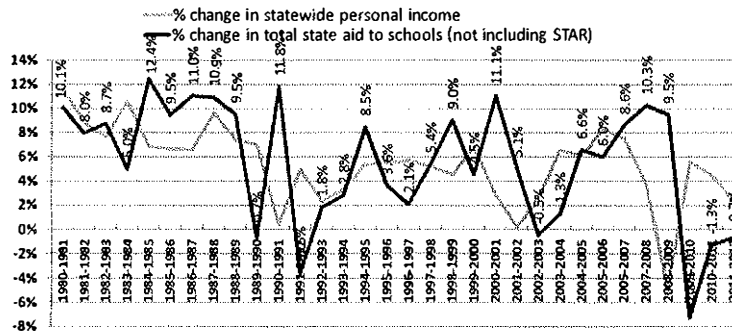


ALBANY UPDATE

OCM BOCES
December 12, 2013



One chart that explains a lot about school finance in New York State



- Average state aid increase: 5.6%
- Average in even (election) years: 7.1%
- Average in non-election years: 4.4%
- Average in gubernatorial election years: 6.3%

NOTE: 1989-90 and 1990-91 figures reflect the impact of one-time legislation deferring pension payments in 1989-90 and offsetting district savings that year through an equivalent reduction in School Aid; 2009-10 and 2010-11 state aid figures do not reflect federal stimulus aid.

SOURCE: NYSED, Analysis of School District Finances, 2011-12 and U.S. Department of Commerce, Bureau of Economic Analysis.



2013-14 School Aid – both the Governor’s proposal & enacted budget exceeded the growth cap

	Change (in millions)	% Change
Growth Cap	\$610	3.0%
Governor’s Proposed Budget	\$804	4.0%
Enacted State Budget	\$992	4.7%

Proposed and enacted budget figures...

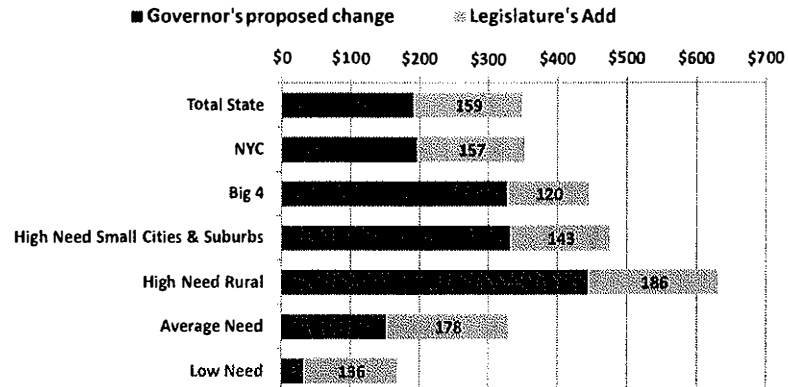
- **do include** \$203 million “Fiscal Stabilization Fund” (proposed by the Governor, allocated by the Legislature),
- **do not include** \$75 million in new competitive grant funding for Education Reform Commission initiatives (with this funding % change in proposed and enacted budget would be 4.4% and 5.3%)



SOURCE: Compiled by Council staff from NYS Division of the Budget documents

Distribution of 2013-14 School Aid

Change in total aid per pupil, by Need/Resource Capacity (NRC) category



SOURCE: Council analysis of NYSED School Aid data

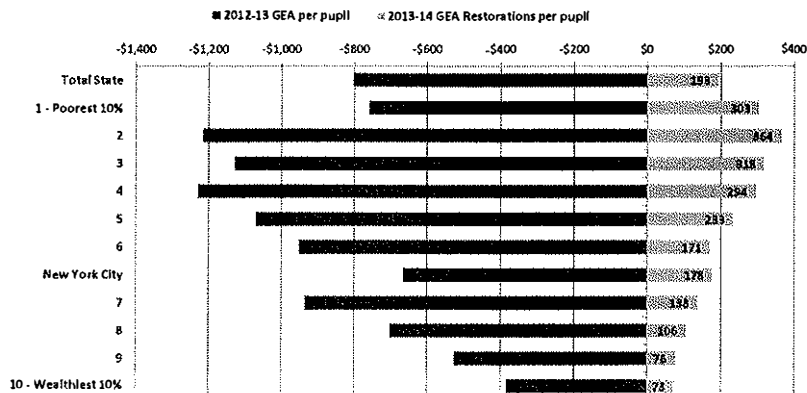
Despite 2 respectable state aid (3.9%, 4.7%) increases...

- 71% of districts are still receiving less state aid than in 2008-09 (91% if Building Aid is excluded).
- At this year's rate, it would still take at least 3 years to phase out the GEA (\$1.639 billion).
- We are \$2.9 billion below the level planned for Foundation Aid for 2010-11, without accounting for aid loss to the GEA



The GEA: Recent restorations have reduced regressivity, but remain small compared to aid losses.

This year's restoration reduced GEA by about 25% on average (districts grouped by property wealth per pupil)



SOURCE: Council analysis of NYSED School Aid data

Governor's Budget Division projections
-- possible tax relief initiatives not accounted for

(\$ in millions)				
	2013-14	2014-15	2015-16	2016-17
General Fund Surplus/Deficit	-	(1,742)	(2,889)	(2,948)
Surplus/Deficit as % of Expenditures	0.0%	-2.7%	-4.2%	-4.1%
Projected School Aid Change*	992	722	834	1,253
% Change	4.9%	3.4%	3.8%	5.5%

* Out-year School Aid change reflects growth cap based on projected change in statewide personal income; State Financial Plan also assumes continuation of \$75 million each year for education reform initiatives (e.g., Full-day PreK, Community Schools, Extended Learning Time, etc.)

SOURCE: New York State Division of the Budget, Fiscal Year 2014 Financial Plan Mid-Year Quarterly Update, November 2013.

Gov publically stating 5%



Tax Relief Commission Recommendations

Recommendation 1:
Freeze property taxes for two years.

Year 1: Freeze residential property taxes for taxing jurisdictions that that keep levy growth at or below the 2 percent property tax cap.

Year 2: Freeze is contingent on adoption of concrete steps toward structural reforms by sharing services or consolidating governments in their entirety.



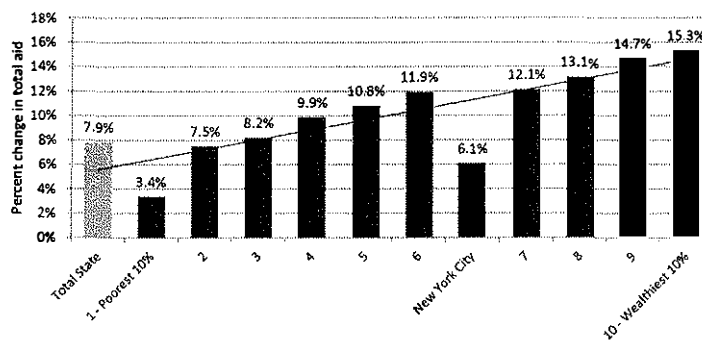
Tax Relief Commission Recommendations, *continued*

- Year 3: A “circuitbreaker”:
“The Commission recommends that the State develop a program that would target real property tax relief based on an individual homeowner’s ability to pay ... The parameters that determine the amount of credit can be adjusted to provide more tax relief to heavily burdened families or significant relief to a larger number of taxpayers.”
- Also recommendations for reductions in business taxes and the estate tax.
- Total estimated relief/revenue impact by 2017-18: \$2 billion.



What would you think of a School Aid increase with a distribution like this?

Districts grouped by property wealth per pupil

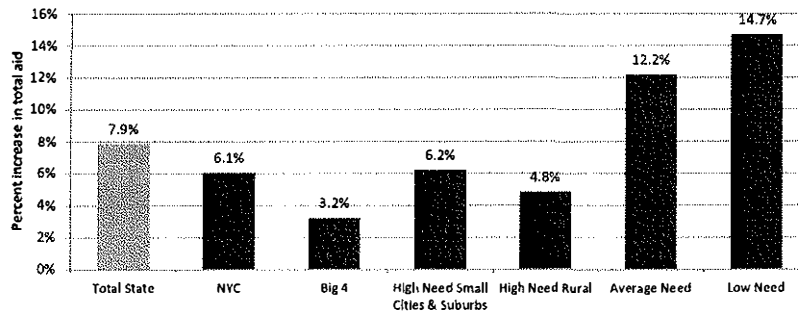


SOURCE: Council analysis of NYSED School Aid data



Or this?

Districts grouped by Need/Resource Capacity Category



SOURCE: Council analysis of NYSED School Aid data

Eliminating GEA only



11

Focus should be how is money distributed.

Other issues...

- Regents Reform Agenda
 - "Moratorium" on high stakes attached to state tests
 - P-2 standardized testing
 - Data privacy
 - Common Core
- Governor's Education Reform Commission???
- NYC Full-Day PreK



12

Siena College Research Institute Poll

November 11-14, 2013; 806 New York State Registered Voters

Question	Responses	Total	Region			Demographics		
			NYC	Suburbs	Upstate	Age 35-54	African-American	White
Based on what you do know, do you think the Common Core standards are too demanding, about right, or not demanding enough?	Too demanding	34%	24%	37%	42%	40%	28%	36%
	About right	23%	25%	17%	24%	24%	20%	24%
	Not demanding enough	27%	33%	28%	21%	20%	43%	22%
How confident are you that implementing the Common Core in New York's schools will make students more college or career ready upon graduation?	Very	9%	13%	8%	6%	9%	18%	7%
	Somewhat	36%	38%	39%	30%	31%	45%	33%
	Not very	28%	27%	19%	35%	25%	23%	30%
	Not at all	21%	14%	27%	25%	28%	9%	23%
...do you think there is too much testing, not enough testing, or the right amount of testing?	Too much	52%	43%	53%	60%	55%	57%	37%
	Not enough	12%	17%	9%	10%	9%	11%	17%
	Right amount	28%	30%	28%	25%	29%	23%	40%
...would you say that efforts to improve the quality of public education in New York State have moved New York in the right direction or had little impact at all?	Right direction	28%	34%	26%	23%	29%	29%	27%
	Wrong direction	22%	17%	27%	24%	29%	16%	24%
	Little impact	44%	43%	42%	28%	37%	50%	44%



13



www.nyscross.org

Check out our blog: blog.nyscross.org

Follow us on Twitter: <https://twitter.com/NYSchoolSupts>

14