



THE COUNCIL'S INITIAL 2017-18 EXECUTIVE BUDGET SUMMARY

School Aid

- Governor Andrew Cuomo proposes a \$961 million increase in School Aid comprised as follows:

Aid Category	Change (in millions)
Additional Foundation Aid	\$428
\$50 Million Community Schools Set-aside	
Reimbursement for Expense-Based Aids / Other	\$333
Fiscal Stabilization Fund	\$150
Empire State After-School Program	\$35
Expanded Prekindergarten for Three- and Four-Year-Olds	\$5
Early College High Schools	\$5
Other Education Initiatives	\$5
Total School Aid	\$961

- School Aid runs:** Runs are available [here](#). The link has now been updated to a site where the runs are presented in the traditional format.
- Categorical Funding/Aid to Support Current Services:** Of the total increase, \$50 million is directed to new categorical programs, including After-School, Prekindergarten, and Early College High school programs. In addition, \$50 million from an increase in Foundation Aid would be set-aside for Community Schools initiatives.

Excluding funding for the above categorical initiatives, the increase available to support ongoing basic services would be \$861 million, just over half the \$1.5 billion increase the Education Conference Board identified as needed to enable schools to maintain current services.

- **Foundation Aid:** The budget would repeal much of the existing Foundation Aid formula and instead provide that districts would receive a sum equal to what they received in 2016-17, plus a *base increase*, plus a *Community Schools increase*, if eligible.
 - The base increase would vary reflecting differences in pupil needs, local ability to fund education, and a regional cost index, with a guaranteed minimum increase of 1 percent.
 - Eligibility for the Community Schools increase would be limited to districts with one or more schools designated as struggling or persistently struggling, or with concentrations of English Language Learners. This aid would be restricted in use as a set-aside to funding Community Schools services.
 - The budget would replace Free and Reduced Price Lunch data with Census data on children in poverty.
- **Fiscal Stabilization Fund:** The \$150 million Fiscal Stabilization Fund is to be allocated through negotiations and is *not* included in district totals on aid runs.
- **Expense-based aids:** appear to be funded according to current law formulas.
- **Prekindergarten:** The budget proposes consolidating into one program the Universal Prekindergarten and Priority Full-Day and Expanded Half-Day Prekindergarten Programs, giving districts 2017-18 aid equivalent to the sum of aid they received from the programs in 2016-17.

The budget also provides an additional \$5 million to be allocated through competitive grants to expand high-quality half-day and full-day prekindergarten for three- and four-year-old children in high-need school districts.

Districts would only eligible for funding if they adopt prescribed quality indicators.

- **After School Programs:** The budget would provide \$35 million to fund 22,000 new slots in after-school programs in 16 communities designated as sites for the Empire State Poverty Reduction Initiative.
- **Early College High Schools:** At least 10 new Early College High Schools would be funded through an additional \$5.3 million, with priority given to programs that lead students to a career in computer science.

Other State Aid to P-12 Education

- **AP Fee Waivers:** \$2 million to offset the fee for Advanced Placement exams that is not covered by Federal funds or other sources of local funding.
- **Online Materials Incentive:** Districts would be given an incentive to use existing instructional materials aids to purchase online materials; any resulting savings could then be used to fund professional development.
- **Empire State Excellence in Teaching Awards:** \$400,000 to fund awards of \$5,000 for high-performing teachers in each region of the state to continue their professional development and educational endeavors.

- **Expand Master Teacher Program:** \$2 million to fund awards of \$15,000 annually over four years to high-performing teachers in any grade in the field of computer science or a related subject.
- **Public Campaign to Stop Cyberbullying:** \$300,000 to fund the prevent cyberbullying initiative.
- **Smart School Bond:** \$17 million to pay debt service related to smart schools bond act. Only \$170 million/\$2 billion has been provided to school districts.

Article VII Legislative Proposals

- **Charter Schools:**
 - Eliminates NYC specific cap.
 - Eliminates cap on charters that may be restored after the closing or revocation of an existing charter school.
 - Increases costs to the NYC school district to reimburse charter schools that are denied co-location.
 - Strengthens the ability of charter schools in NYC to request space within their preferred grade level bands.
 - Unfreezes charter school tuition.
 - Authorizes new formula to partially offset increase in charter school tuition as a result of the unfreezing of the tuition formula. The offset would phase down from 90%, to 60%, to 30% and then no offset is proposed for the 21-22 SY and thereafter.
- **Charter School Transition Aid:** Authorizes a new formula to offset increase in
- **Special Education:** Authorizes districts to apply for waivers from certain special education requirements.
- **Mayoral Control:** Extends mayoral control of the NYC school district for three years.
- **Homeless Students:**
 - Removes “awaiting foster care placement” from the definition of a homeless student.
 - Expands the definition of “school district of origin” to include preschool and include schools that the student was eligible to attend, or where a sibling attending, when circumstances arose which caused a student to become homeless.
 - Expands the right of homeless students to attend certain schools.
 - Establishes a process for a school placement decision to be made based on the best interests of the homeless student.
 - Provides that school districts will be reimbursed for transportations provided to homeless students in certain circumstances.
 - Includes numerous other changes to homeless student education laws necessary to conform with recently amended federal laws.

- **Recovery High Schools:**
 - Authorizes BOCES to establish two “Recovery High Schools” for students with substance abuse disorders provided that they have demonstrated a commitment to recovery.
 - Provides aid to school districts sending students to a Recovery High School and authorizes non-component districts to send students to such school pursuant to a Memorandum of Understanding.
- **Human Rights Jurisdiction Over Public Schools:** Expands jurisdiction of the Division of Human Rights over public school districts and BOCES.
- **Student Safety:** Extends enhanced building aid for certain school safety improvements.
- **State Education Department Inspector General:** Establishes an Inspector General to oversee the State Education Department and receive and investigate complaints from any source, or upon own initiative, regarding fraud and other ethical misconduct.
- **Specialized High School Notification:** Requires score reports for NYC students that receive a score of “advanced” on the 8th grade state assessment in ELA or math to inform the student of opportunities to apply to attend the Specialized High Schools.
- **School Food Purchasing Flexibility:** Authorizes school districts to directly purchase certain foods from New York farmers provided that the total order is less than \$100,000, instead of current law limit of \$25,000.

Other Major Budget Provisions

- **Federal Funding Contingency:** The Cuomo Administration and others have warned that federal government actions, including repeal of the Affordable Care Act, could have a drastic impact on state finances. Many large appropriations included in the proposed state budget, including School Aid, provide language authorizing the Governor’s Budget Director to reduce amounts available for payment by a uniform in the event that receipts, including for federal aid, are less than budgeted.
- **Personal Income Tax:** The Governor would retain the so-called “millionaire’s tax” for three years, to the end of calendar year 2020. Higher personal income tax rates for New Yorkers with incomes above \$1 million are due to expire after December 31, 2017 (the beginning of the final quarter of the 2017-18 state fiscal year). Retention of higher rates would generate an additional \$700 million for state government in 2017-18 and \$3.4 billion in 2018-19.
- **STAR:** Freezes increases in STAR reimbursement.
- **Partial Payment of Taxes:** School districts must accept partial payment of taxes unless they expressly prohibit such partial payments.