



## NYSSBA: 2015 BUDGET ANALYSIS

The following is the New York State School Boards Association's analysis of key proposals in the 2015-16 Executive Budget.

**1. State Aid:** During the Governor Cuomo's State of the State address, he proposed a \$1.06 billion increase in state aid. However, that figure comes with one big caveat and one big catch.

The caveat is that while the Governor dangled a billion dollar school aid increase, he did not actually include any state aid proposals. There is no distribution language, no formula methodology and, most importantly, no aid runs. So, for school districts, the aid increase cited is simply a hypothetical number.

The catch is that any aid increase cited by the Governor is contingent upon the legislature agreeing to the multiple education reform initiatives he proposed, which are described in detail below. In fact, his budget proposal includes language that says districts would not be eligible for *any* aid increase in 2015-16 and beyond unless his reforms are adopted. The result is effectively a 0% aid increase.

In contrast, the Governor offered a possible \$377 million aid increase should the legislature not agree to his proposed education reforms. That figure is directly tied to a statutory cap in the growth of school aid each year, based on annual growth in personal income. That cap, however, is not, nor ever has been, connected to funding formulas or individual district aid estimates. So in terms of relevancy, this \$377 million figure seems to be an asterisk, at best.

**NYSSBA Position/Response:** NYSSBA joined its fellow Educational Conference Board organizations in immediately calling for the Governor to release an actual state aid proposal and associated aid runs. Unless and until that is done, school districts have no information as to what their 2015-16 state aid might look like. There are no provisions for funding the Foundation Aid formula and no mention of GEA Restoration. NYSSBA is also fully opposed to connecting school aid increases to the education reform proposals.

View the following:

- [ECB Request on School Aid Runs](#)

**2. Teacher Certification and Preparation:** This bill would deregister any teacher preparation programs where 50% of the students have failed a teacher certification exam for three consecutive years, and add statewide admission requirements for institutions of higher education teacher preparation programs. This bill would require that teachers must re-register their teaching certificate with the State Education Department every five years, and requires professional development as a condition of re-registration.

**NYSSBA Position/Response:** NYSSBA supports efforts to increase teacher certification standards. In addition, NYSSBA supports programs that hold teacher preparation programs accountable for the performance of their candidates.

**3. Probationary Teachers and Tenure Awards:** This bill would change the tenure process to require that all new teachers remain on probation until they receive five consecutive effective or highly effective ratings on the state teacher evaluation system. This change would apply only to those educators beginning their probationary period in the 2015 school year. This bill would also clarify that a probationary teacher can be dismissed at any time for any legally permissible reason (including performance), and provides that a probationary teacher may be terminated during pendency of an appeal.

**NYSSBA Position/Response:** NYSSBA has long supported the extension of the probationary period of educators to 5 years. Moreover, we strongly support the clarifications surrounding the right to terminate probationary educators. However, we do have concerns about the over reliance on APPR.

We want to see a longer probationary period. We want to see an emphasis on performance. However, the factors included in tenure determinations should be a management decision. Further, we have concerns about tying additional programs to APPR while the design of the system is still in flux.

View the following documents:

- [NYSSBA 5 Year Probationary Period Bill Draft](#)
- [NYSSBA 5 Year Probationary Period Sponsor's Memo](#)

**4. Teacher Discipline and Dismissal:** This bill would immediately revoke the teaching certificate of any person who is convicted of a violent felony against a child, as well as requiring suspension without pay for any teacher accused of abuse of a child. This bill would also require that prospectively, all disciplinary hearings be held before a single hearing officer, and allow children to testify by video. This bill would significantly reduce the burden for a district to remove a teacher that receives two ineffective ratings in a row by establishing that multiple ineffective ratings are prima facia evidence of incompetence. This bill would establish that a hearing officer entering a finding of guilty must accept the penalty recommended by the employing board unless the severity “shocks the conscience.”

**NYSSBA Response/Analysis:** NYSSBA supports this kind of change to the 3020-a disciplinary process. While our specific recommendations are slightly different, many of the same goals would be accomplished by these changes. Districts have long been discouraged by the cost associated with 3020-a proceedings. However they are equally discouraged by the poor outcomes that result from the process. Requiring the hearing officer to honor the wishes of the employing board is a welcome solution.

View the following documents:

- [NYSSBA 3020-A Report](#)
- [NYSSBA 3020-A Bill Draft](#)
- [NYSSBA 3020-A Sponsor Memo](#)

**5. Educator Evaluation:** This bill would change the components of the teacher evaluation system to remove the local test portion, and provides for statewide scoring bands. This bill would require the weightings of the score components to be 50% state tests and other comparable measures and 50% allocated to observations. Thirty-five of the observation points would be determined by an independent observer conducting classroom observations, at least one of which would be unannounced. The final 15% would be left to local discretion, though subject to collective bargaining. This bill would also disallow students from having an ineffective teacher for two consecutive years. Changes to APPR would apply to evaluations starting in the 2015-16 school year.

**NYSSBA Response/Position:** NYSSBA supports moving to statewide scoring bands. NYSSBA also supports eliminating the need to bargain performance evaluations. However, there are serious concerns with linking 50% of the evaluations to state test scores.

**6. State Intervention:** This bill would authorize the Commissioner of Education to designate failing schools and failing districts. The commissioner would be empowered to appoint a receiver for the school or district after designation as failing. The commissioner would be required to designate all schools (not districts) that have been designated priority schools for three years or more.

The receiver shall assume all operational and managerial rights over the district or school. The receiver would create and enact a plan to rapidly improve student achievement, which shall include (but not be limited to) the implementation of community schools, the alteration of curriculum, and the provision of financial incentives to recruit and retain staff.

The receiver would have broad powers to override collective bargaining agreements, and remove staff without allowing staff to bump in other areas of the district, and eliminate Last In First Out in failing schools.

The period of receivership would be three years with an option for renewal. The board of education could petition for removal of the receiver, and the receiver would be subject to annual review.

The cost of the receiver would be paid by the district or the state, at the discretion of the commissioner.

**NYSSBA Position/Response:** This district intervention plan is in some ways an improvement over previous proposals, as it considers all of the components of the district and does not single out the board of education, nor does it remove the board of education from any district.

However as constructed, this proposal is too sweeping and takes too much control away from local school officials.

Some of the authority offered to receivers in this plan mirror the kind of changes sought by NYSSBA for many years. The authority to alter collective bargaining agreements, to make staff decisions based on performance rather than seniority, and to limit “bumping” rights are all flexibilities that NYSSBA has sought for our member boards.

If the state believes that these operational flexibilities are what is required for a district to succeed, they should be offered to boards of education before intervention is required.

The proposal for school intervention is even more concerning. It gives the commissioner no flexibility in the appointment of a receiver and, instead, inserts the receiver in all schools in priority status for three years or more with no evaluation and no regard for the factors relating to the poor performance.

View the following:

- [NYSSBA Memo on Executive Proposal for State Intervention](#)

**7. Charter Schools:** This bill would increase the statewide cap on the number of charters issued by the Board of Regents and the State University of New York by 100 schools. This legislation would also remove specific limits on the numbers of charters issued by region, and remove specific limits on the number of charters each authorizer can issue under the cap. Under this measure the Charter School Supplemental Basic Tuition would increase to \$425 per pupil in 2015-16 and \$575 in 2016-17, which is a state expense.

This bill would also alter reporting requirements surrounding charter school enrollment of high need populations. Finally, lottery preferences for charter schools would be given to students currently attending failing schools.

**NYSSBA Response/Analysis:** NYSSBA opposes lifting the charter school cap. At this time, there is room under the existing cap for new schools to open. Charter schools should only be created with the support of the district in which they are located. NYSSBA would support raising the cap for New York City if the Panel on Educational Policy supports an increase.

NYSSBA agrees with the premise that charter schools should serve populations that mirror those around them.

Finally, while it is preferable to have a tuition increase come from the state, rather than local districts, limited state funds should not be redirected to charter schools.

**8. Mayoral Control:** This bill would extend the current system of mayoral control of New York City public schools for three years.

**NYSSBA Position/Reaction:** NYSSBA supported the 2009 version of this legislation. Absent local objection, we have no reason to oppose. We would, however, oppose expansion to other cities absent the affirmative support of the local school district.

**9. Prekindergarten:** This bill would provide for \$340 million in prekindergarten funding in 2015-16 and again in 2016-17. Same as the current year, \$300 million of that total would be set aside for New York City, with the remainder reserved for the rest of state. Under the proposal, \$12.5 million would be allocated in 2015-16 and again in 2016-17 to fund a pilot program for three year-olds. Districts with existing pre-K programs could apply for such funds.

**NYSSBA Position/Reaction:** NYSSBA supports continued state investment in prekindergarten and early childhood education. However, we are calling for an increase in total pre-K funding and a more equitable geographic distribution of funds. In addition, NYSSBA opposes the continued separation of the multiple pre-K funding streams, instead wanting to see all such programs combined for greater simplicity and efficiency.

**10. Education Investment Tax Credit:** This bill would create a state income tax credit for donations to educational organizations. Up to \$100 million per year would be made available by the state to provide tax credits for such contributions, with 50% of the credit set aside for local education funds, school improvement organizations and public schools. The other 50% would be set aside for contributions to educational scholarship organizations. Under the proposal, contributions to “educational scholarship organizations” would include those used to support students attending non-public schools. The credit for an individual donor would be equal to the lesser of 75% of the donation or \$1 million.

***NYSSBA Position/Reaction:*** NYSSBA opposes this proposal. While somewhat toned down from the version passed by the State Senate the day of the Governor’s State of the State Address, this proposal would still divert millions of state tax credits in support of non-public schools. At a time when the state is nearly \$5 billion below full-funding of the Foundation Aid formula and more than \$1 billion in Gap Elimination Adjustment reductions are still being applied, the state should be using its general fund dollars to fulfill its commitment to public education. In addition, the proposal would be inequitable in its effect. While some funds can be donated to public education under the proposal, the vast majority of such donations would very likely come to wealthy schools from wealthy residents. Low wealth school districts would lose out on the funds they desperately need, in order to provide public support to public and private schools under far less fiscal pressure.

View NYSSBA’s Memo of Opposition

- [S.1976 \(Golden\) Education Investment Tax Credit](#)

**11. Circuit Breaker Rebate Proposal:** This bill would provide property tax relief in the form of a state credit, based on the percentage of total income paid in property taxes. For homeowners with a household income of \$250,000 or less that pay more than 6% of their income in property taxes, a percentage of the property taxes paid over the 6% threshold would be sent from the state to the taxpayer in the form of a rebate. The lower the household income, the greater that rebate percentage would be. There are similar provisions for renters, but at lower income levels and with the state assuming 13.75% of rent paid would be attributable to property taxes.

In order for taxpayers to be eligible for this credit, their taxing jurisdiction (i.e. school district) must remain within their tax cap limitation. This proposal would begin in 2015-16 and would be phased-in by the state over four years. When fully implemented, the state estimates a cost of nearly \$1.7 billion per year.

***NYSSBA Position/Reaction:*** NYSSBA supports the need for local property tax relief and has historically been in favor of circuit breaker proposals. However, NYSSBA continues to believe that the most effective and efficient way to provide property tax relief is through adequate state aid to schools and by relieving school districts of selected mandated cost drivers. NYSSBA is also opposed to the concept of tying this and other property tax relief plans to tax cap compliance.

**12. STAR:** This bill includes two proposals that directly affect the STAR program. The first would cap the annual growth in STAR savings for an individual homeowner at 0%. This follows a 2% savings cap that was originally enacted in 2011-12. This proposal would marginally shift the revenue received by a school district from state STAR payments to local property taxes.

The second proposal would begin to transition the STAR program from its current property tax exemption structure to a personal state income tax credit. For new homeowners going back to March 2014, a credit would be applied to personal state income taxes in place of the traditional property tax exemption. The credit would equal the average STAR tax savings amount within each school district.

***NYSSBA Position/Reaction:*** The 0% STAR savings cap should have little to no net impact on school district finances. But as with the previous cap, districts will need to be aware of the change when estimating STAR savings during the budget development process.

The transition from STAR as a property tax exemption to a personal income tax credit would begin to shift the STAR payments districts receive from the state to the local taxpayer. This would mean districts should receive such revenue with the rest of school tax payments, instead of waiting for the value of the STAR exemption to be sent by the state to the district in January. However, this would also mean that new homeowners would see their school tax bill go up, only to later receive a credit from the state. This could lead to taxpayer confusion and frustration, especially with their school district.

### **Conclusion**

As the state budget process develops, NYSSBA will continue to provide you with updates and information on these proposals, as well as our advocacy efforts. If you have any questions about the above proposals, how they affect your school district, or about NYSSBA's positions please reach out to our governmental relations staff at 518-783-0200