



New York State  
Association of School  
Business Officials

*Advancing the Business of Education*

# Joint Legislative Budget Hearing on Education

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# School Business Officials are the Education CFOs

## Who We Are

- 2300 Members Statewide
- Increase of 40% since 2012
- 100% BOCES are Members
- 95% Districts Are Members
- 51% Members are Female
- Assistant Superintendents for Business or Finance
- School Business Administrators
- Treasurers
- District Clerks

## What We Do/Oversee

- Budgeting
- Payroll
- Purchasing
- Workers Comp
- Health Insurance
- Tax Cap Implementation
- Transportation
- Food Service
- Facilities and Capital Projects
- Contract Negotiations



# Executive Budget Inadequate To Meet Increases in Costs & Growth of High Need Students

- The proposed increase of \$338 million in Foundation Aid only represents an 8% reduction in the \$4.2 billion Foundation Aid Still Due
  - At this rate, it will take 14 years to reach full phase-in
- Distribution (81% to high need districts) is good but doesn't go far enough
  - 51% of high-need urban/suburban districts have at least 25% of their overall Foundation Aid amount still due (unchanged from 2017-18)
- The Foundation Aid formula is designed to ensure school districts have sufficient resources to educate their students. If it's not funded, then schools can't fulfill this commitment.



## High need urban and suburban school districts continue to be farthest from full funding

	Foundation Aid Increase	Share of Foundation Aid Increase	Foundation Aid Funded 2017-18	Foundation Aid Funded 2018-19	Change
<b>NYC</b>	2.5%	55.1%	82.5%	84.5%	2.1%
<b>Big Four</b>	1.6%	6.6%	81.8%	83.1%	1.3%
<b>Urban-Suburban High-Need</b>	2.4%	13.1%	66.6%	68.2%	1.6%
<b>Rural High-Need</b>	1.5%	6.5%	90.2%	91.5%	1.3%
<b>Average-Need</b>	1.4%	17.4%	85.1%	86.3%	1.2%
<b>Low-Need</b>	0.5%	1.3%	77.6%	78.0%	0.4%



## High-Need Urban/Suburban School Districts and Foundation Aid Still Due

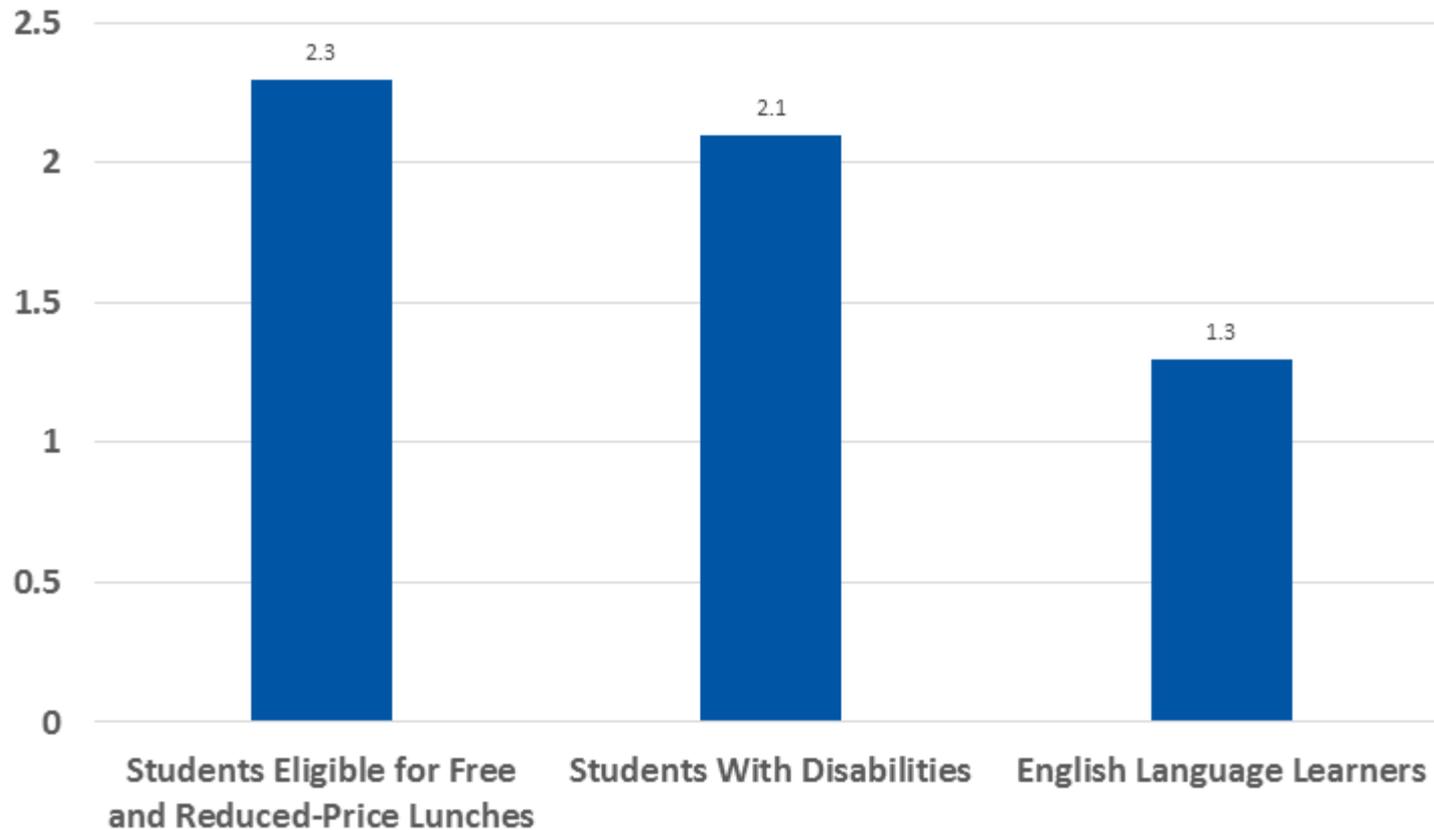
	<b>Foundation Aid Still Due as Percent of Overall Foundation Aid Before Phase-in</b>	<b>Foundation Aid Still Due Per Pupil</b>
Uniondale	57%	\$6,444
Port Chester	55%	\$5,043
Westbury	53%	\$7,192
Freeport	47%	\$6,686
Central Islip	46%	\$8,594
Copiague	44%	\$5,604
East Ramapo	42%	\$2,941
Wyandanch	40%	\$7,707
Brentwood	40%	\$6,917
Amityville	39%	\$3,507
Hempstead	39%	\$5,891
Middletown	38%	\$5,302
Roosevelt	37%	\$5,836
Lackawanna	31%	\$4,474
Schenectady	31%	\$4,373
Utica	31%	\$3,969
Peekskill	31%	\$3,845
Albany	30%	\$2,852
Lansingburgh	29%	\$3,400
Rensselaer	29%	\$3,184
Johnson City	28%	\$2,644
Newburgh	28%	\$3,900
Solvay	26%	\$2,292

- These 23 districts have a combined \$766 million in Foundation Aid Still Due, which is 35% of overall Foundation Aid still due for non-Big 5 Districts.



# Increasing Student Need

Five-Year Change in the Rate of:





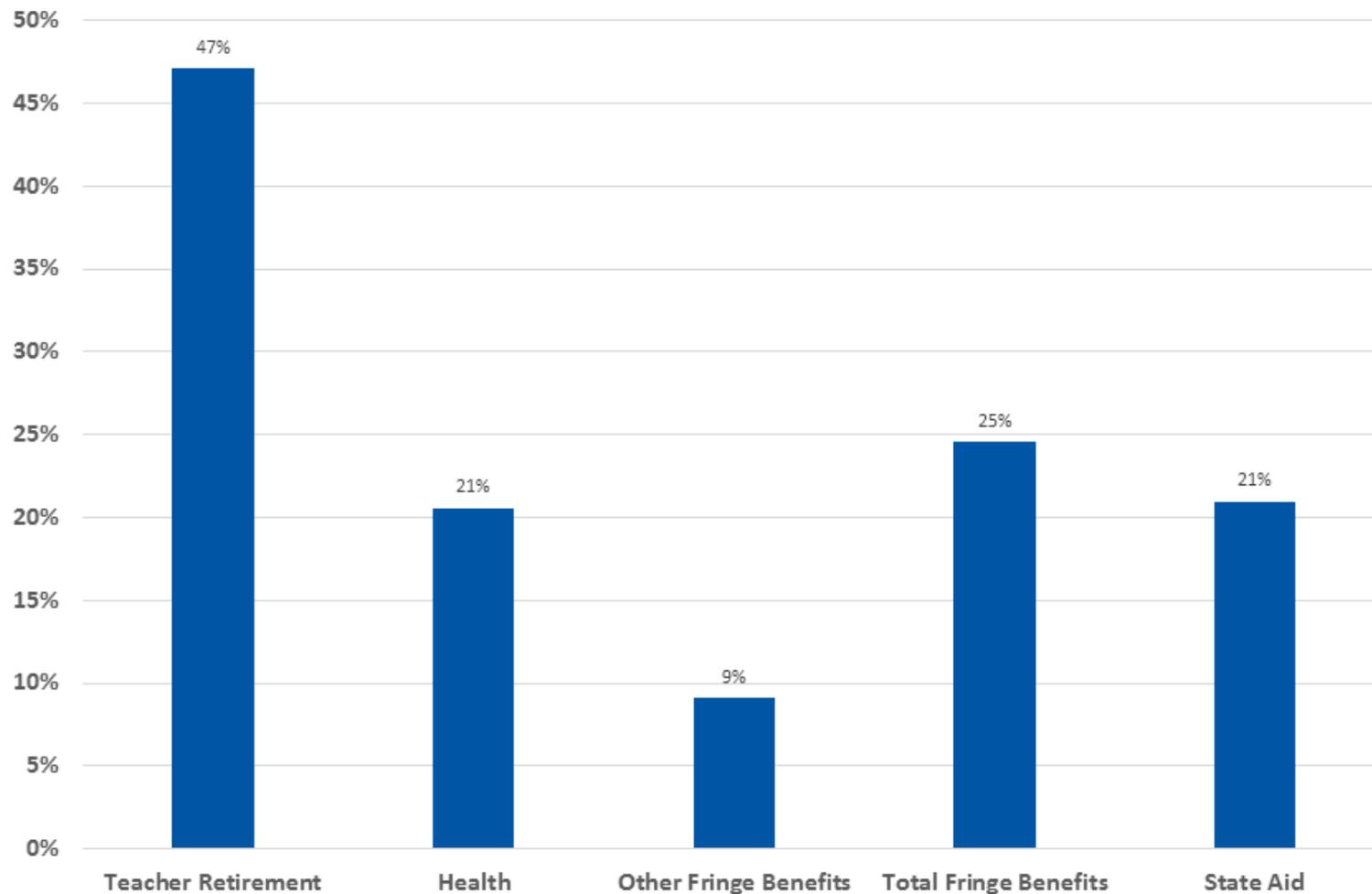
# Increasing Student Need

	Five Years Ago	Current
Economic Hardship (FRPL)	50.4%	52.7%
Students with Disabilities	12.8%	14.9%
English Language Learners	7.5%	8.8%



# Costs Continue to Rise

Five-Year Increase





# TRS Increase

- Estimated increase for 2018-19 is 10.63%
- This will cost school districts an additional \$170 million
- Which amounts to 50% of proposed Foundation Aid increase

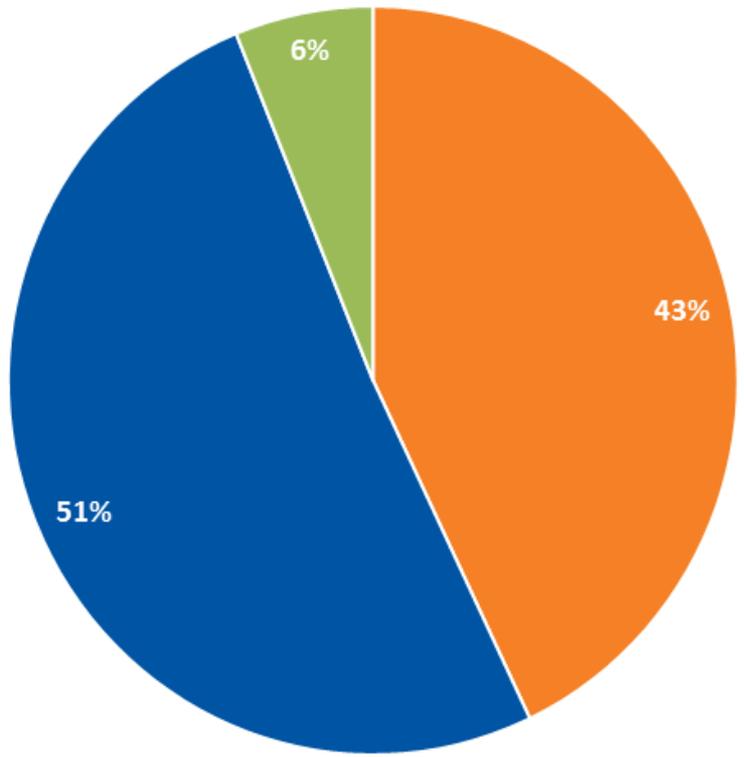
	Estimate of Employer Dollars Contributed	ECR
Fall 2015	\$2.6 billion	17.53%
Fall 2016	\$2.0 billion	13.26%
Fall 2017	\$1.9 billion	11.72%
Fall 2018	\$1.6 billion*	9.80%
Fall 2019	\$1.7-1.8 billion*	10.5%-11.0%

\*Estimate



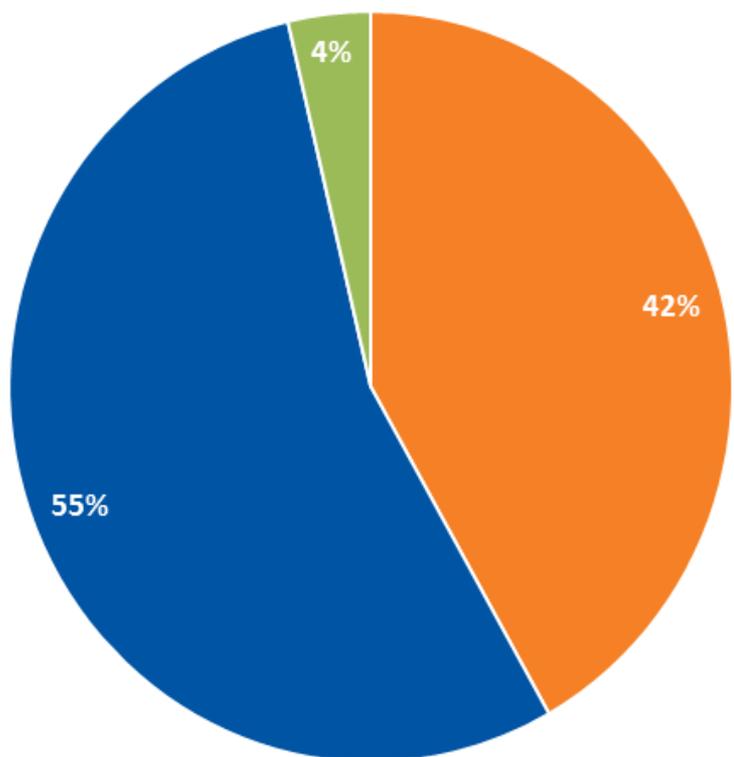
# Changing Revenue Sources

Ten Years Ago



State Local Federal

Now



State Local Federal



# Executive Proposal Shifts Costs to School Districts

## Estimate of Cost Shifts from 2018-19 Executive Proposal

Aid	Type of Cap	Cap/Change	Cost Impact
Building	statewide	2%	\$ 62,047,320
Transportation	district specific	2%	\$ 52,210,445
BOCES	district specific	2%	\$ -
Summer Special Education	district specific	Expense equalized with district wealth	\$ 70,000,000
<b>Total</b>			<b>\$ 184,257,765</b>

*Data Sources* : 2018-19 executive budget database, NYS Assembly estimates and NYSASBO calculations

NYSASBO opposes any cost shifts that will increase local tax burden.



# Executive Budget Proposal

## Overreach

- Withholding aid increases for large districts until plans for school level allocations are approved by SED and DOB
- Using \$200 million in general purpose, unrestricted Foundation Aid for a restricted Community Schools setaside

## Lack of Flexibility

- Offers little flexibility, mandate relief, or incentives for sharing or cost reduction



# NYSASBO Approach

- More funding for schools, distributed using the best data and in a manner that yields a return on our investment of public dollars
- More flexibility for school districts to make the task of deploying resources to educate students a more effective one



# Realizing the Promise of Foundation Aid

- A full phase-in
  - Beginning with \$1.4 billion in 2018-19, commit to full funding over the next three years
- Strengthen the formula
  - Better address poverty:
    - Annual small area income and poverty estimates (SAIPE) are more current and accurate than the 2000 Census
    - Provide full funding to districts with high levels of poverty
    - Use direct certification data instead of applications for Free and Reduced-Price Lunches



# Foundation Aid

- Strengthening Foundation Aid (cont.)
  - Make the formula more effective
    - Remove the 0.65 income wealth index floor
    - Eliminate the 2.0 cap on the income wealth index
  - Convert Community Schools Aid to categorical aid
  - Until there's a full phase-in, provide categorical aid for school districts with large numbers of ELLs
  - Conduct research to update pupil weightings for students in poverty, students with disabilities, and English language learners



# More Flexibility to Invest in Learning

- Tax cap flexibility
- Incentive for shared pupil transportation
- Help in purchasing electric buses
- Stagger Building Condition Survey deadline to reduce costs & backlog
- Allow school districts to establish a Extraordinary Need Reserve Fund to help meet the cost of unanticipated high-need students that move into the district mid-year
- Allow school districts and other municipalities to access a statewide prescription drug plan
- Allow all school districts to participate in regional high schools
- Streamline the internal audit function
- Allow school districts to establish a TRS Reserve Fund



# Final Cost Report Amnesty

- Providing Building Aid forgiveness to districts that would lose aid due to unintentional/minor errors
- NYSASBO working with 12 impacted districts
- \$76.5 million in aid penalties
- Previous precedent for aid forgiveness (2012-13)



# Prior Year Aid Adjustments

NYSASBO opposes Executive proposal to eliminate of Prior Year Adjustments

- Currently \$334 million owed to school districts
- Money school districts owe to the state is paid in a timely manner
- Money the state owes to school districts should likewise be paid over a reasonable time frame
- NYSASBO recommends paying prior-year adjustments over 5 years
- The state appropriates roughly \$18 million/year to pay prior year aid claims
  - Adjustments approved today would take approximately **19 years** to be paid
  - Increase annual appropriation from \$18 million to \$75 million



# Farm to School

Executive budget proposes: 25 cent lunch reimbursement for 30% of total food purchased

## NYSASBO Recommends:

- 25 cent reimbursement for 25% of total lunch purchased.
- Include dairy in the 25% threshold.
- The 25% threshold should be measured annually.



# Other Issues Needing Attention

## CTE Teacher Salary Cap

- Increase from \$30,000 to \$66,000 (for BOCES and noncomponents)

## Small group employer definition

- Need Permanent Fix to Prevent Rate Hikes for School Districts in Health Insurance Consortiums

## Districts Losing Out on Millions in Medicaid Funding

- Contract with Central NY RIC expired in June 2017 with no replacement for service that matches students eligible for Medicaid



# More Information

- See [www.nysasbo.org](http://www.nysasbo.org) for
  - State Aid and legislative proposals
  - Reports on the condition of education released throughout the year
  - Professional development opportunities to help each school business professional advance their career
  - Daily news on education and media coverage