



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
NYC	2.5%	55.1%	82.5%	84.5%	2.1%
Big Four	1.6%	6.6%	81.8%	83.1%	1.3%
Urban-Suburban High-Need	2.4%	13.1%	66.6%	68.2%	1.6%
Rural High-Need	1.5%	6.5%	90.2%	91.5%	1.3%
Average-Need	1.4%	17.4%	85.1%	86.3%	1.2%
Low-Need	0.5%	1.3%	77.6%	78.0%	0.4%



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

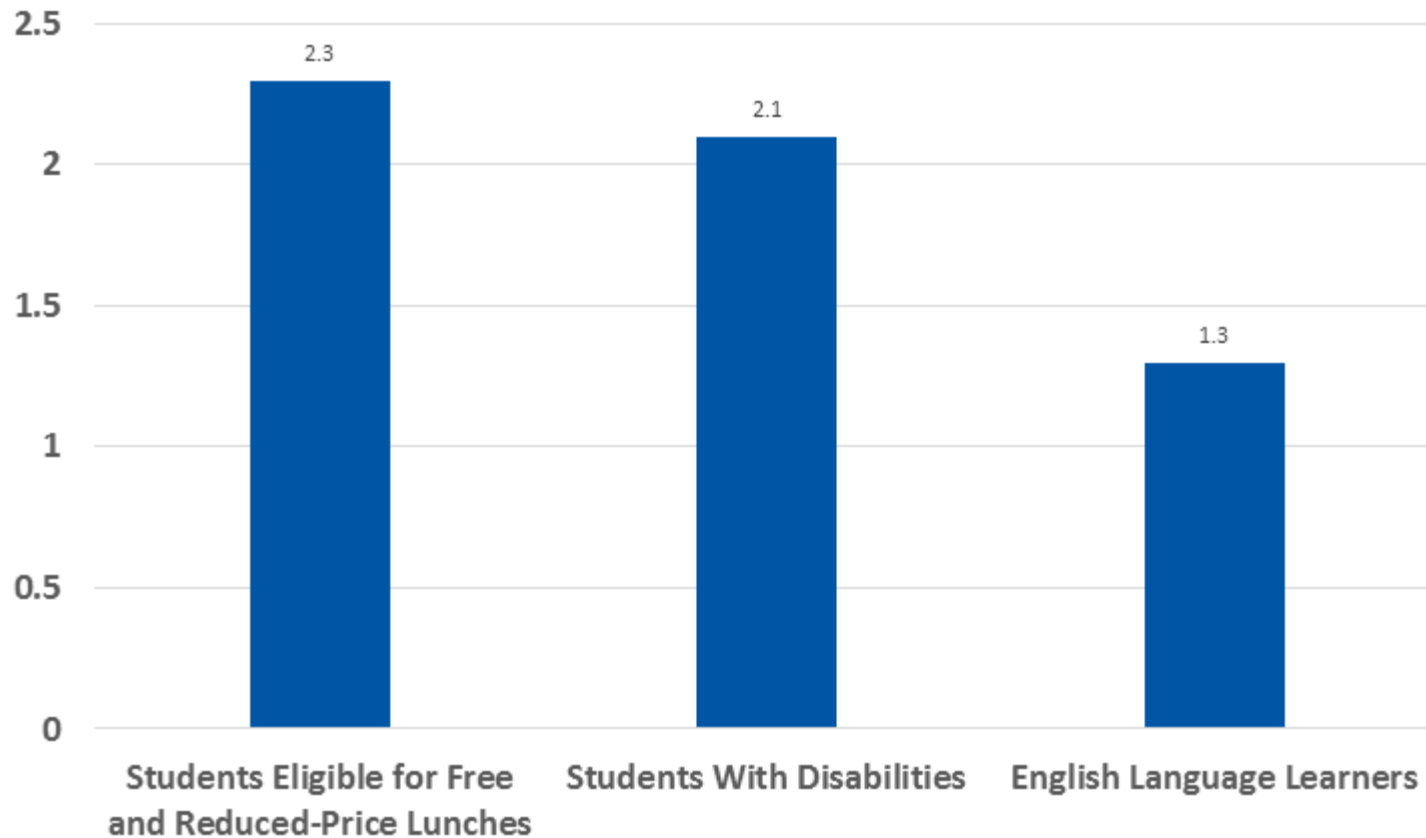
	Foundation Aid Still Due as Percent of Overall Foundation Aid Before Phase-in	Foundation Aid Still Due Per Pupil
Uniondale	57%	\$6,444
Port Chester	55%	\$5,043
Westbury	53%	\$7,192
Freeport	47%	\$6,686
Central Islip	46%	\$8,594
Copiague	44%	\$5,604
East Ramapo	42%	\$2,941
Wyandanch	40%	\$7,707
Brentwood	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:





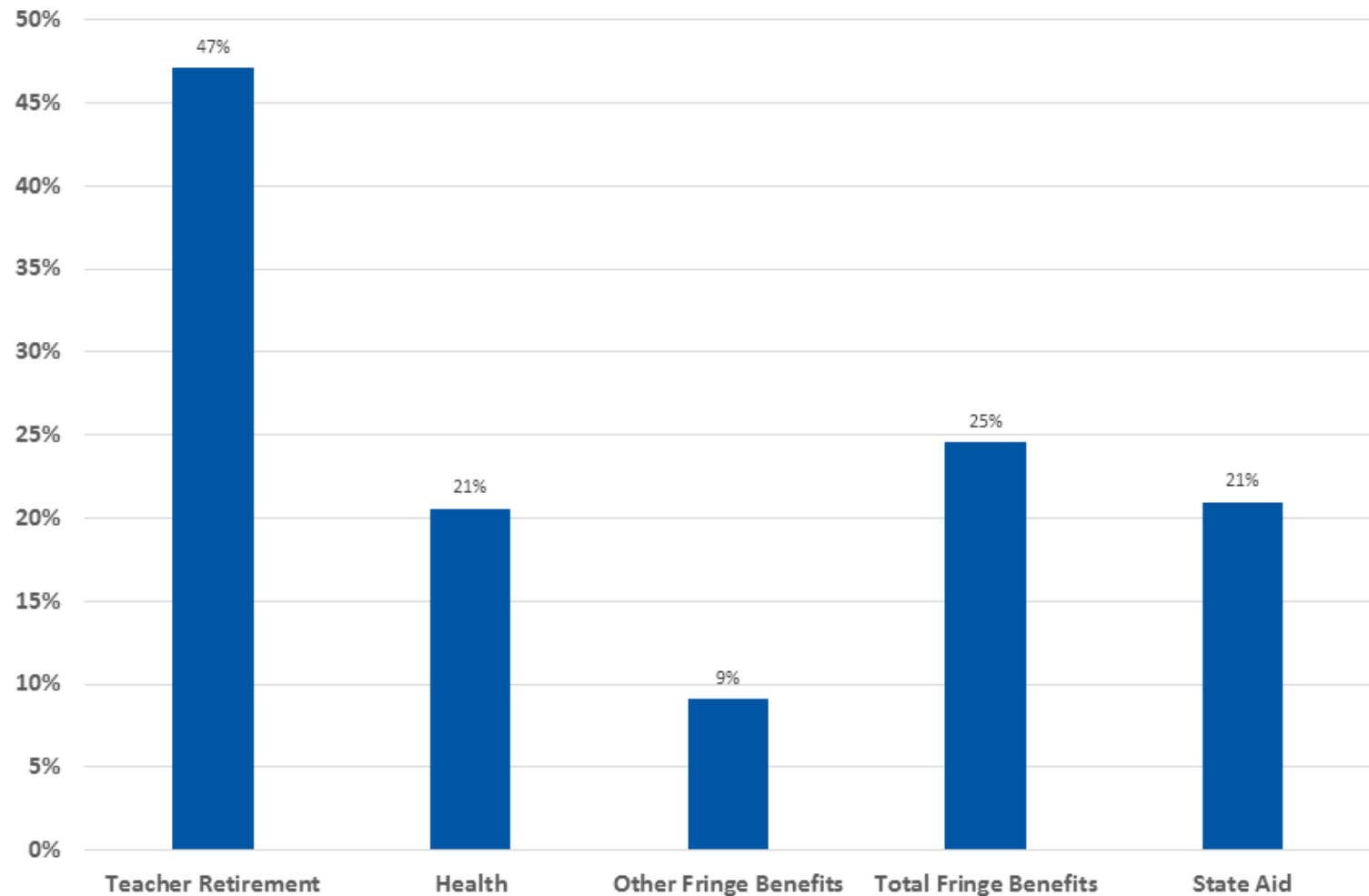
Increasing Student Need

	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

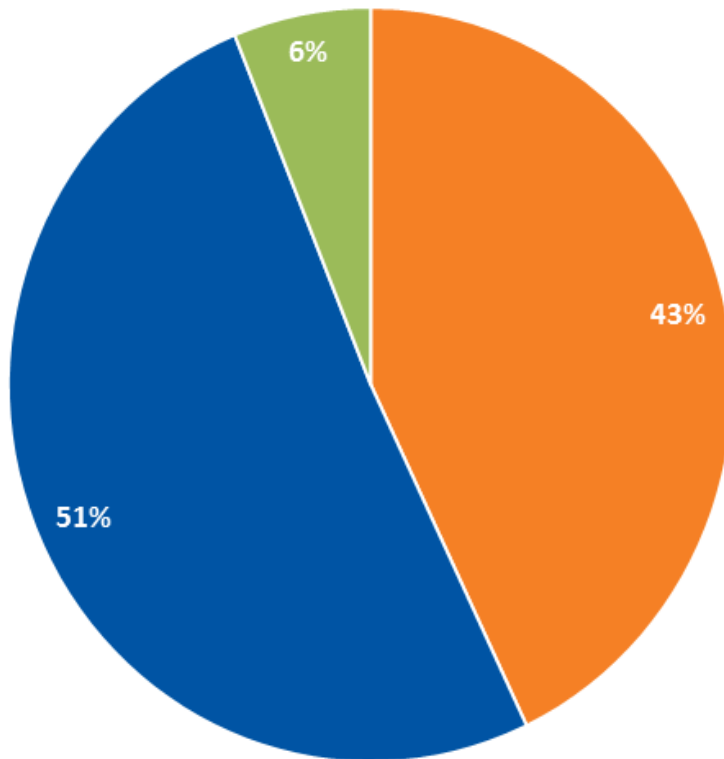
	Estimate of Employer Dollars Contributed	ECR
Fall 2015	\$2.6 billion	17.53%
Fall 2016	\$2.0 billion	13.26%
Fall 2017	\$1.9 billion	11.72%
Fall 2018	\$1.6 billion*	9.80%
Fall 2019	\$1.7-1.8 billion*	10.5%-11.0%

*Estimate



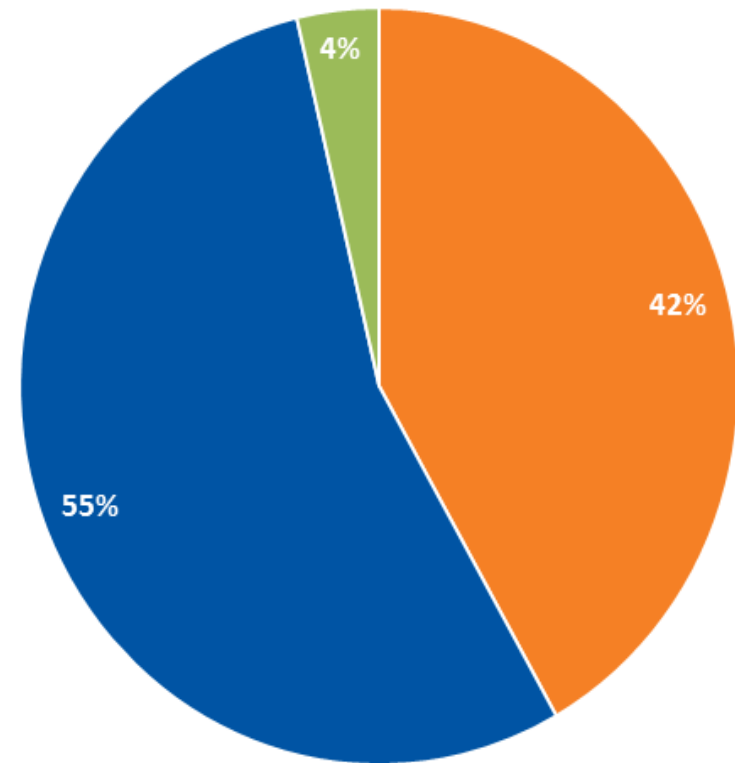
Changing Revenue Sources

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
Total			\$ 184,257,765

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 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