

# Four-year State Budget Outlook

## Governor's Budget Division – Mid-Year Update

	2011-12	2012-13	2013-14	2014-15
General Fund Surplus/Deficit				
— In dollars (billions)	-\$0.350	-\$3.250	-\$3.274	-\$4.798
— As % of Projected Expenditures	-0.6%	-5.4%	5.2%	-7.3%
Projected School Aid Change (School Year)	-\$1.283	\$0.805	\$0.879	\$0.831
Percent Change	-6.1%	4.1%	4.3%	3.9%

**SOURCE:** NYS Division of the Budget, Mid-Year Financial Plan Update for Fiscal Year 2012, November 15, 2011

### **Key Points:**

- 1. Governor has not yet abandoned \$805 million increase.**
- 2. Governors must propose balanced budgets.**
- 3. If \$3.25 billion gap were closed entirely by proportionate spending cuts, School Aid would be reduced by roughly \$500 million, year-over-year.**

# Additional budget forecasts

## Legislative “all funds” revenue projections

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### Variance from Governor’s Mid-Year Update forecast

	2011-12	2012-13
Assembly Democrats	+\$48 million	-\$235 million
Senate Republicans	+\$286 million	+\$17 million

- Concern about “free-fall” – continuing deterioration in revenue forecasts as in 2008-09.
- Governor said yesterday, “the numbers are collapsing and collapsing quickly.”
- Still, a December special legislative session is not anticipated.

# Current Law School Aid estimates

**Total Aid for 2011-12 down \$143 million from enacted budget**

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**Size of decline is unprecedented in my experience**

<b>Selected Aid Categories</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Building Aid</b>	-\$38 million	-1.3%
<b>Transportation Aid</b>	-\$48 million	-2.9%
<b>Private Excess Cost Aid</b>	-\$32 million	-9.2%
<b>BOCES Aid</b>	-\$15 million	-2.1%

**SOURCE:** Council analysis of NYSED School Aid data on file 11/14/2011.

# Current Law School Aid estimates, continued...

## Total Aid for 2012-13 projected to rise \$268 million, 1.4%

*Growth in expense-based aids far below expectations: \$253 million vs. \$350-400 million.*

Selected Aid Categories	\$ Change
*Foundation Aid	\$0
High Tax Aid	\$0
Universal PreK	\$0
Expense-Based Aids	\$253 million
Competitive Grants	\$50 million
All Other	\$13 million
*Gap Elimination Adjustment	\$0
<b>Subtotal</b>	<b>\$316 million</b>

*Assuming \$805 million total increase, would leave \$489 million to be allocated.*

\* Subject to negotiation

SOURCE: Council analysis of NYSED School Aid data on file 11/14/2011

# Current Law School Aid estimates, continued...

## % change in expense-based aids 2011-12 to 2012-13, by group

REGION		PROPERTY WEALTH PER PUPIL	
Long Island	7.2%	Poorest 20%	5.7%
New York City	4.5%	Next 20%	1.7%
Lower Hudson Valley	8.5%	Middle 20%	3.3%
Mid-Hudson Valley	3.6%	New York City	4.5%
Capital Region	1.0%	Next 20%	5.0%
Mohawk Valley	7.9%	Wealthiest 20%	6.0%
Central New York	3.1%	TOTAL STATE	4.3%
North Country	2.0%		
Southern Tier	0.3%		
Finger Lakes	1.8%		
Western New York	5.3%		
Total State	4.3%		

*Mostly Building Aid to Buffalo and Syracuse.*

**SOURCE:** Council analysis of NYSED School Aid data on file, 11/14/2011