



2016-17 BUDGET PRIORITIES

State Aid

- 👍 THE COUNCIL *supports* fully ending the Gap Elimination Adjustment (GEA) in 2016-17 and increasing Foundation Aid by at least \$1.1 billion.
- 👍 The COUNCIL *supports* additional funding for Struggling Schools, Career and Technical Education, prekindergarten, professional development and services to English Language Learners.

Education Tax Credits

- 👎 THE COUNCIL *opposes* the authorization of education tax credits.

Annual Professional Performance Reviews (Teacher and Principal Evaluations)

- 👍 THE COUNCIL *supports* a change to assure districts receive full state aid so long as they are evaluating teachers and principals under a state approved plan, whether or not they have gained approval for a plan in compliance with the evaluation law enacted a year ago.

Property Tax Cap

- 👍 THE COUNCIL *supports* amending the property tax cap to
 - set 2 percent as the threshold for over-ride votes for a tax levy increase, not the lesser of 2 percent or inflation over the preceding calendar year;
 - make the minimum tax cap *zero* percent – eliminate negative tax caps;
 - permit districts to submit to voters both an over-ride request and a budget within the cap, requiring a simple majority vote to approve each;
 - include properties covered by payments in lieu of taxes (PILOTs) in the tax base growth factor; and
 - include BOCES capital expenses in the capital exclusion, as district capital expenses are.

Legislation enacted last session authorized the final two items, but the Tax Department has not adopted regulations needed for implementation.

Charter Schools

- 👎 THE COUNCIL *opposes* increasing state or local funding for charter schools, including Building Aid.
- 👍 The COUNCIL *supports* accountability requirements for charter schools similar those applied to district schools.

State Education Department Operating Budget

- 👍 THE COUNCIL *supports* funding to enable the State Education Department to carry out the recommendations of the Governor's common Core Task Force.

BOCES

- 👍 THE COUNCIL *supports* raising the aidable salary ceiling to provide greater state support for Career and Technical Education. The COUNCIL also *supports* a commensurate increase Special Services Aid for non-BOCES districts, including the Big 5 cities.

Special Act School Districts

- 👍 THE COUNCIL *supports* authorizing a 2 percent increase in tuition rates for special act school districts.

Community Schools

- 👍 THE COUNCIL *supports* Community Schools *but* adequate funding for regular school operations must also be assured.

Prekindergarten

- 👍 The COUNCIL *supports* additional funding for prekindergarten.
- 👎 THE COUNCIL *opposes* shifting authority for administration and grant approval from the State Education Department to a three-member board and the Office of Children and Family Services.

Struggling and Persistently Struggling Schools

- 👍 THE COUNCIL *supports*:
 - Targeted funding for Struggling and Persistently Struggling Schools;
 - Building Aid to support conversion to a Community Schools; and
 - Extending the timeline before an external receiver is imposed.

School Construction

- 👍 THE COUNCIL *supports* repeal of the assumed interest rate re-set in Building Aid.
- 👎 THE COUNCIL *opposes* requiring all school district bond votes to take place on the same date.

Safety Plans

- 👍 THE COUNCIL *supports*:
 - authorizing use of four out of 12 required annual fire drills for lock-down drills; and
 - authorizing a district to receive full state aid if it falls short of the 180 required school days due to credible threats to student safety.

New York City Mayoral Control

- 👍 THE COUNCIL *supports* a seven-year extension of Mayoral control for the New York City public schools.



SUPPORT

Annual Professional Performance Reviews for Teachers and Principals

In December, pursuant to recommendations of the Governor's Common Core Task Force, the Board of Regents adopted regulations providing for a four-year transition period in the conduct of teacher and principal evaluations, while the state reviews, revises and implements new state learning standards and assessments.

During this transition period, Annual Professional Performance Review (APPR) ratings are to be calculated by excluding any evaluation measures tied to grades 3 through 8 state assessments in English language arts or mathematics, or state provided growth scores derived from Regents Examinations.

This transition period allows the state and schools to make careful revisions in requirements and related compliance efforts. The period also provides a time for state policymakers to assess the need for further refinement in requirements prescribed for schools.

During the current school year, the transition regulations permit school districts to conduct evaluations under either the APPR statute enacted in 2015, Education Law section 3012-d, or the prior law, §3012-c.

However, districts must negotiate APPR plans compliant with the new §3012-d with their local unions and gain approval for those plans by the State Education Department by September 1, 2016. If a district does not meet this deadline, it is to lose eligibility for any increase in state aid in the 2016-17 school year. Prior aid penalty deadlines for APPR plans led to forced local decisions not in the best interest of schoolchildren.

THE COUNCIL strongly recommends that districts be permitted, at their option, to conduct teacher and principal evaluations pursuant to approved plans under §3012-c or §3012-d through the 2018-19 school year.

Districts should be permitted to receive full aid as enacted in the state budget, so long as they continue to fully implement professional evaluations pursuant to a state-approved plan.

Adoption of these amendments would allow school districts to avoid another forced shift and potentially contentious approval process while state policymakers consider next steps. Students would be hurt more by their districts' loss of state aid than by continuing to conduct educator evaluations under plans that have previously been approved by the State Education Department.



OPPOSE

Parental Choice in Education Act

2016-17 Executive Budget – Education, Labor and Family Assistance

THE COUNCIL OPPOSES the proposals to create income tax credits for school tuition, donations to education organizations, and for teacher purchases of classroom supplies.

These proposals would diminish the state's capacity to support its public schools at a time when the Gap Elimination Adjustment (GEA) is reducing state aid by \$434 million, the 2007 Foundation Aid formula is underfunded by over \$4 billion, and the property tax cap forecloses almost any increase in local revenue for school districts. Public schools educate 85 percent of all students and are obliged by the state constitution to educate all children, whatever their circumstances, wherever they come from, whenever they arrive.

The proposal included in the 2016-17 Executive budget, though modified from last year, continues to pose a risk to the financial foundation of public education in New York. If enacted, the proposals in total would direct up to \$150 million towards initiatives that fail to address the underfunding of the state's public schools. The fact that the 2016-17 Executive budget continues to withdraw state aid support through the GEA is an acknowledgement of intentional underfunding. The state has yet to fully meet its commitments to the public schools it holds accountable for educating all children.

Further, the impact of these proposals would provide financial assistance to parochial schools. Under the New York State Constitution, the state is expressly prohibited from providing funds, directly or indirectly, to aid any institution where religious tenets are taught or in any way under the control or direction of a religious denomination. While aspects of the proposals have the ability to support those providing private funds to public education, we question: Is it not better to directly support public education programs through transparent and accountable policies designed to further the state's objective to provide all students the opportunity to be career and college ready?

Private schools, their curriculum, and their funding structures are an individual choice. Public schools are the creation of state government, fulfilling its constitutional promise of "... a system of free common schools, wherein every child of this state may be educated.". It is not in the public's best interest to divert public funds from public schools to the benefit of those who choose to support private education foundations or institutions.

THE COUNCIL OPPOSES this proposal and encourages lawmakers to reject it.

FIX THE PROPERTY TAX CAP

THE COUNCIL urges changes to the school property tax cap.

New York's school district property tax cap is commonly referred to as a "2 percent tax cap." But the actual calculation is more complicated. The base is the lesser of 2 percent or the average increase in the national Consumer Price Index over the preceding calendar year. For the 2016-17 school year, this base is nearly zero – 0.12 percent, the third consecutive year below the popular conception of a 2 percent.

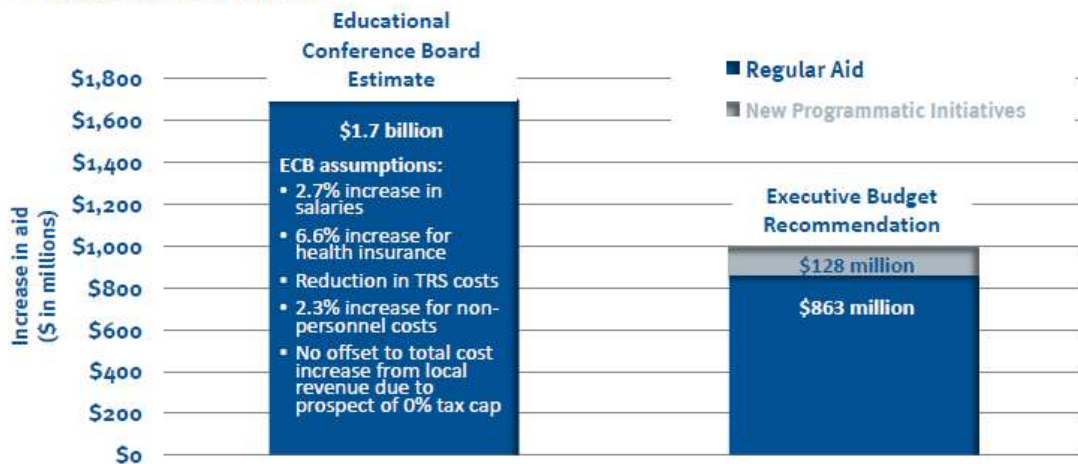
With a 0.12 percent tax cap, school districts would raise an average of only \$17 per pupil. The sum would support an average increase in total school spending of only 0.07 percent – less than a tenth of a percent. With a 0.12 percent tax increase, well over 50 percent the state's districts would *not* be able to raise \$25,000 in additional revenue and less than 20 percent of the state's school districts could raise enough funding to preserve the position of even one first-year teacher receiving typical compensation.

THE COUNCIL supports the following recommendations as changes that would retain the tax cap but provide for more predictable and sustainable funding, benefiting both students and taxpayers:

- Make the allowable growth factor 2 percent, not the lesser of 2 percent or the prior year change in the CPI. It is doubtful anyone conceived the possibility of a near zero tax cap.
- When a district seeks to over-ride the tax cap, allow it to present two budget proposals, one within the cap and one to over-ride, allowing voters to approve or reject either, each by a simple majority vote.
- Provide that the minimum tax cap shall be zero percent. Under current law, some districts face a negative cap, requiring a 60 percent over-ride just to continue the current tax levy.
- Include properties covered by payments in lieu of taxes (PILOTs) in the tax base growth factor that allows districts to exclude from their cap revenue generated by actual additions to their tax base which may necessitate increased service demands.
- Include BOCES capital costs in the local capital expense exclusion from the tax cap, as district capital costs are excluded. The local share of expenses for *district* capital projects is excluded from the cap. Districts rely on BOCES to provide shared services enabling them to provide opportunities for students that might otherwise be impossible to offer.

Legislation was enacted last session to authorize the Tax and Finance Department to adopt regulations providing for the PILOT and BOCES exclusions, but the Department has failed to act.

1. The proposed state budget falls far short of providing an adequate level of support to enable schools to maintain current services.

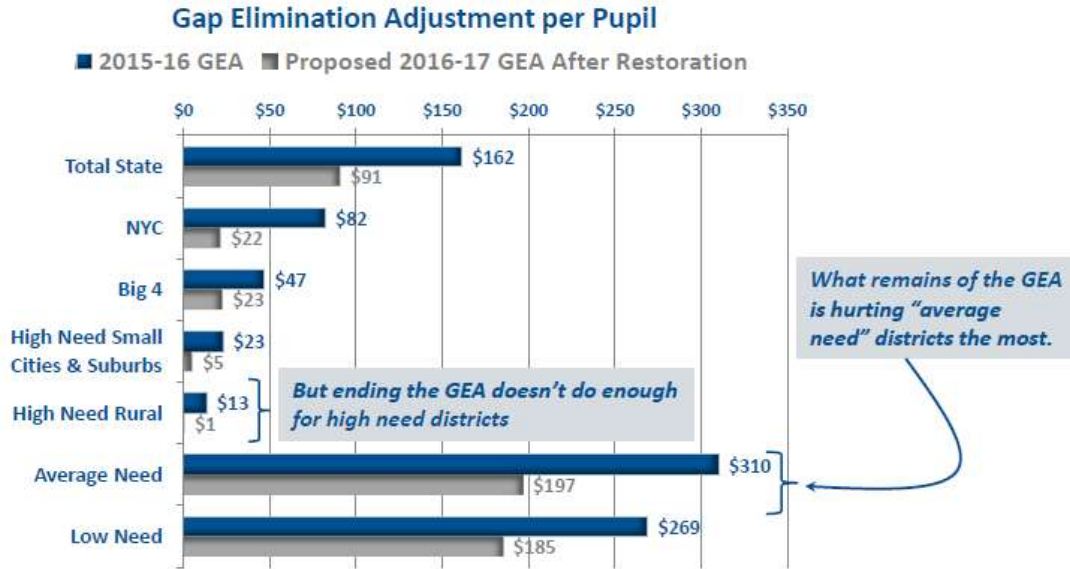


SOURCE: ECB estimates and Division of the Budget publications

2. The property tax cap allows only minimal increases in local revenue, necessitating significantly increasing state aid.

- The “2% cap” isn’t 2% – the “allowable levy growth factor” for 2016-17 will be 0.12%.
- The tax cap is based on the average monthly change in the Consumer Price Index for 2015. But most economic forecasts predict the CPI will rise between 1.5% and 2.0% in 2016.
- How much would a 0.12% tax increase yield?
 - On average, districts would raise only \$17 per pupil, or enough to support only a 0.07% increase in spending
 - More than 50% of districts would not raise \$25,000
 - Less than 20% would raise enough to preserve the job of a single first-year teacher receiving typical compensation
- **The bottom line: For all districts – rich, poor, and in-between – state aid is essentially the only source of additional revenue for 2016-17.**

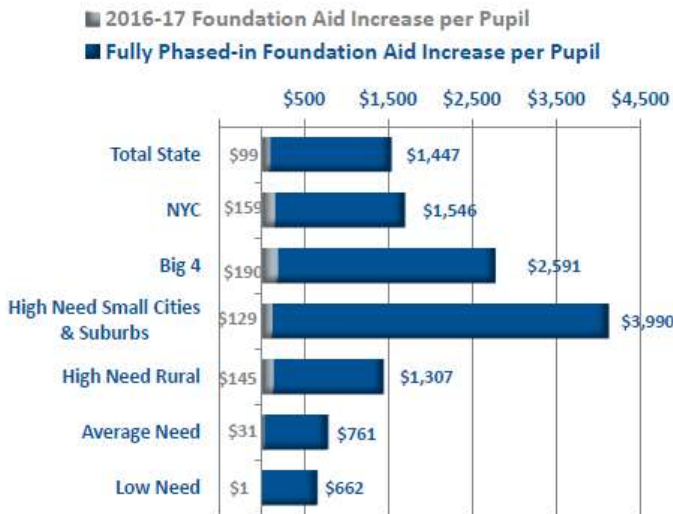
3. State budget gaps have been eliminated, the Gap Elimination Adjustment must end as well – this year.



SOURCE: Council analysis of NYSED School Aid data



4. Eliminating the GEA is not enough, the state must commit to increasing and updating the Foundation Aid formula.



SOURCE: Council analysis of NYSED School Aid data

Increasing Foundation Aid is imperative for many of the poorest districts this year.

Updating the Foundation Aid formula is essential to providing a sustainable financial future for all districts – especially given the restrictive tax cap.

The 2007 Foundation Aid formula generally provided the greatest aid per pupil to the neediest districts while promising all districts greater predictability in state support going forward.

Read the full report – Four Key Points About School Aid and the 2016-17 New York State Executive Budget – here: www.nyscoss.org/advocacy.



