



Educating Students to be College and Career Ready

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New York State Association of School Business Officials

Joint Legislative Budget Hearing on Education - February 3, 2015





Executive Budget Proposal

- **\$1.1 billion increase contingent on implementing education reforms**
 - The proposed **4.8 percent increase** is a good starting point in getting school funding back on track, but the lack of details and transparency undermines school districts' ability to develop accurate budgets and retain public trust.
 - The consensus among education experts on a school aid increase is between **\$1.9 and \$2.1 billion** to phase out the GEA, phase in the Foundation Aid formula, fund reimbursement aids (Building, Transportation and BOCES) and other educational priorities.
 - Educational Conference Board (ECB) Proposes - \$1.9 billion increase
 - NYS Board of Regents Proposes - \$2 billion increase
 - NYSASBO Proposes - \$2.1 billion increase
 - Money withheld from school districts since 2010-11 is a **cumulative \$8.8 billion** in GEA. **\$4.7 billion** is still outstanding for full phase in of the Foundation Aid urgently needed and promised in 2007.



Executive Budget Proposal

- **Education Tax Credits**
 - Providing \$100 million in tax credits benefits the financially savvy and would do little to improve struggling students access to greater academic opportunities.
 - The public resources that would be siphoned away by the tax credits should instead be invested back into underperforming schools so every student could benefit from enriched educational programs and not just the select few.
 - Not fiscally responsible to divert funds from public schools when so much is still owed (GEA \$1 billion, \$4.7 billion in Foundation Aid, \$259 million in Prior Year Adjustments).
- **Charter school expansion**
 - The charter school cap has not yet been reached with 150 slots still remaining.
 - Instead of creating a duplicative and parallel school system that drains resources from underperforming schools in need of help, free those schools from the regulations and mandates that inhibit them from succeeding.
- **Property Tax Credit Program and STAR Changes**
 - The proposed circuit breaker is a good use of valuable state resources to provide tax relief
 - However, the state will pay approximately \$5.5 billion this year for STAR, the Tax Freeze credit and the new circuit breaker.
 - The state should better balance education and tax relief through technical amendments to the Tax Cap and by reducing the amount of state support for tax relief that is regressive.



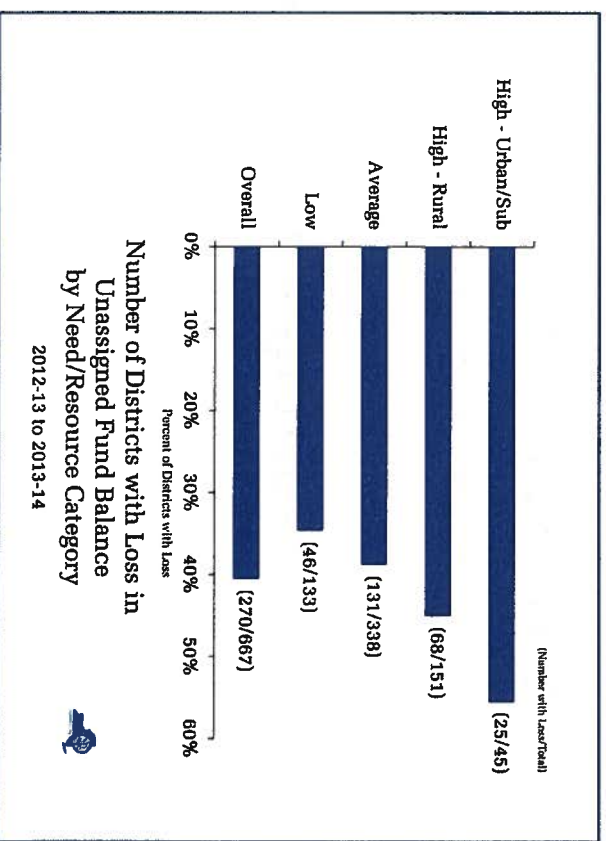
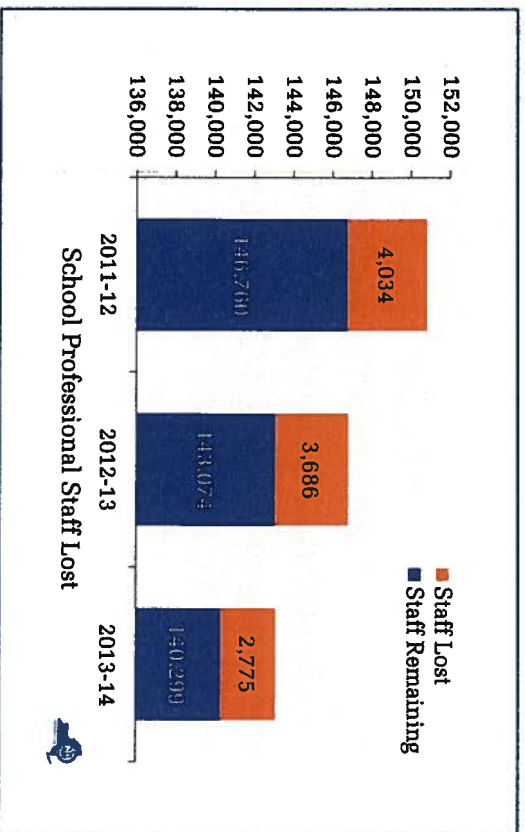
Current status of school district financial condition

- Comptroller released his annual report of school district fiscal stress:
 - 90 school districts are in fiscal stress, up from last year
 - “...the same problems persist, including increased deficits and dwindling fund balances...”
 - More than half of the school districts identified as fiscally stressed this year appeared on the list last year.
 - 17 districts had increases of 25 percentage points or more in their total fiscal stress scores.
- “Districts in fiscal stress are more than twice as likely as other districts to have low graduation rates and nearly twice as likely to have high poverty—and these disparities are more pronounced than last year”



Symptoms of Insolvency

Many School Districts Continue to Lose Either Fund Balance or Staff, Threatening Their Ability to Maintain Educational Programs



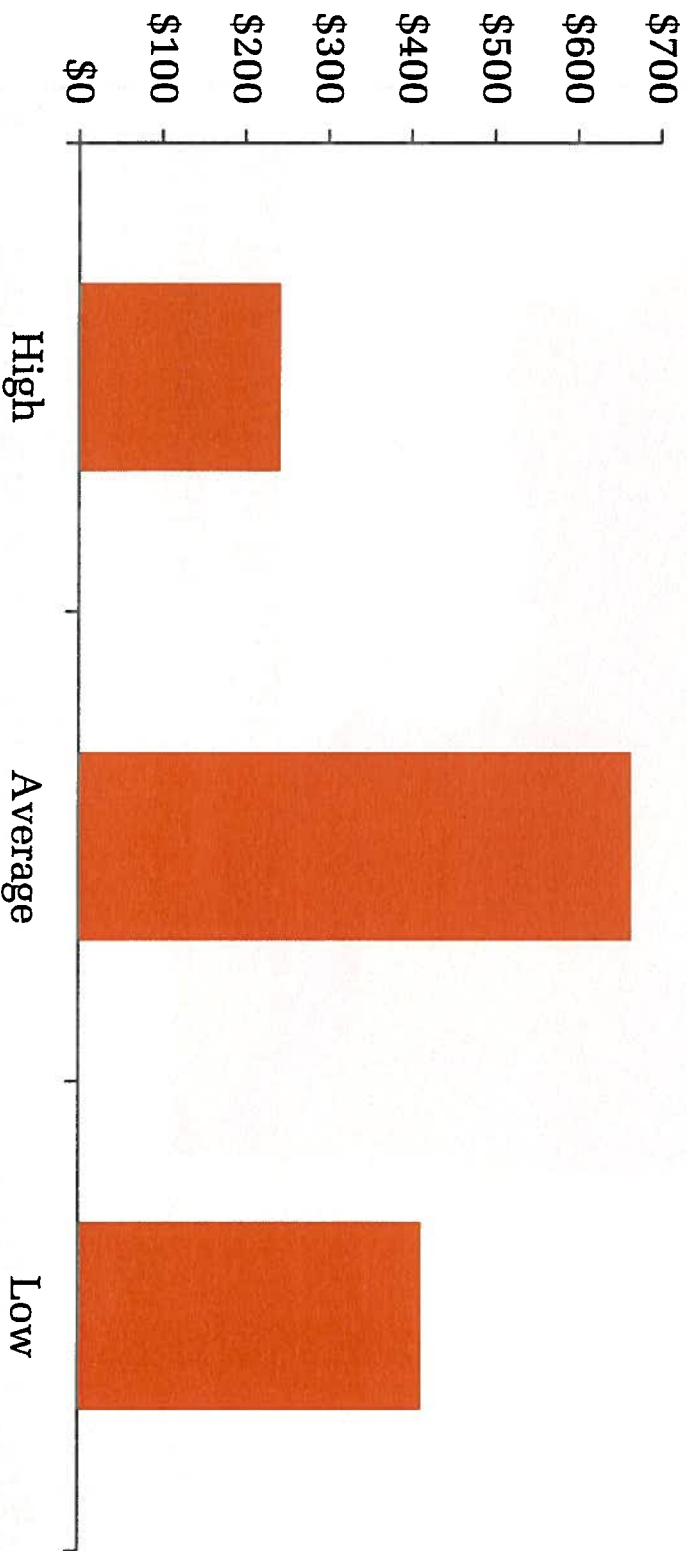


NYSASBO Proposal

- \$2.1 billion increase to get schools back on track
 - Phase out remaining \$1.06 billion in GEA over two years (\$500 million each year)
 - Phase in \$4.7 billion in Foundation Aid Formula over 4 years (\$1.2 billion each year)
 - Target aid to high and average need districts
 - Maintain support for expense-based aids (\$310 million)
 - Continue moratorium on recalculating interest rate on building aid – preventing \$23 million cut.
 - Allow regional high schools to provide opportunity to students in small districts (\$5 million)
 - \$384 million for one-shots: prior year adjustments dating back to 2010 and growth aid to help school districts respond to the influx of unaccompanied minors
- Tax Cap technical amendments
 - Allow school districts to carry over unused amounts under the maximum allowable tax levy limit and bank these for three years
 - Count assessments for properties exempt due to PILOTs when calculating allowable tax base growth
 - Allow local revenues for capital construction for instructional space at BOCES to be excluded from the Tax Cap, as with school district construction



Remaining GEA Impacts Average Need Districts Most



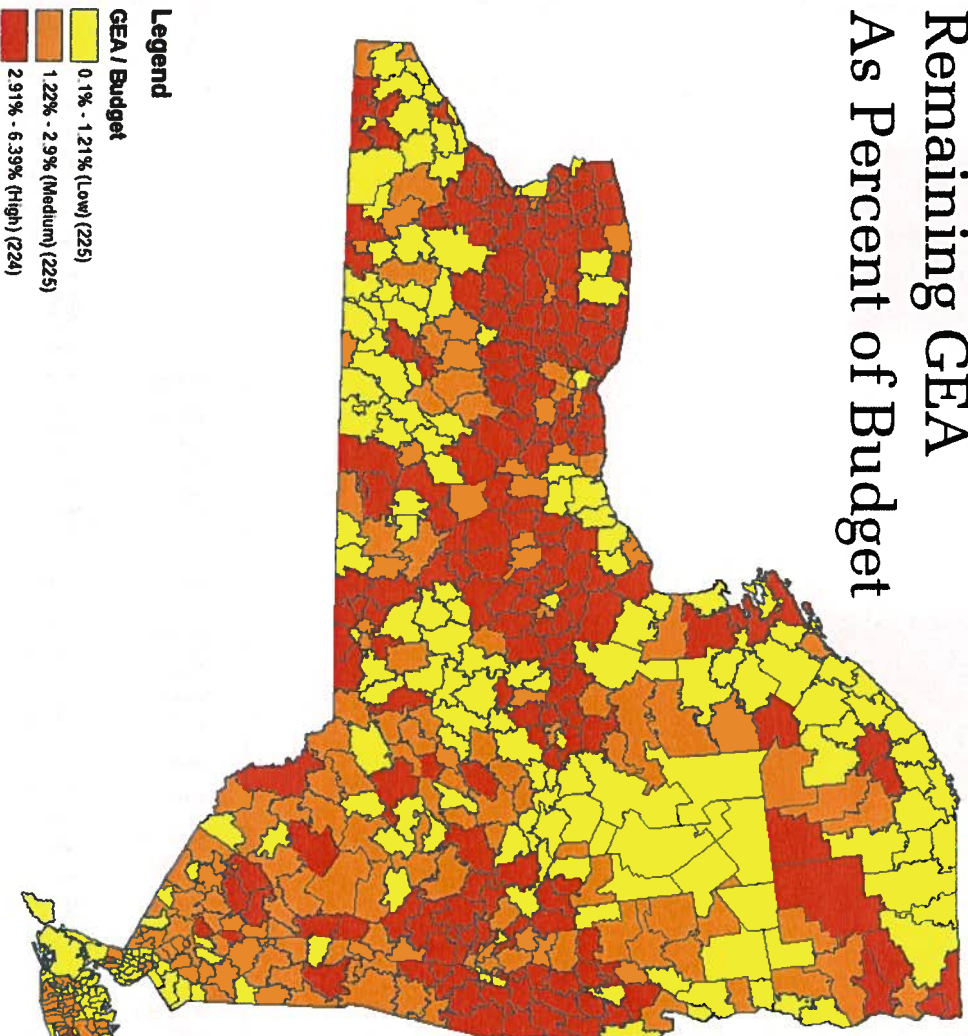
Gap Elimination Per Pupil by Need/Resource Class Type



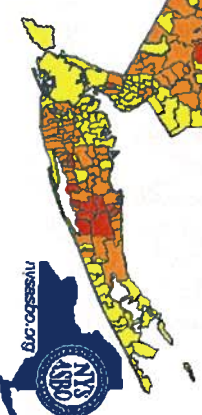


Significant amounts of GEA are still owed to many school districts—224 districts are owed between 2.9 and 6.4 percent of their budgets

Remaining GEA As Percent of Budget

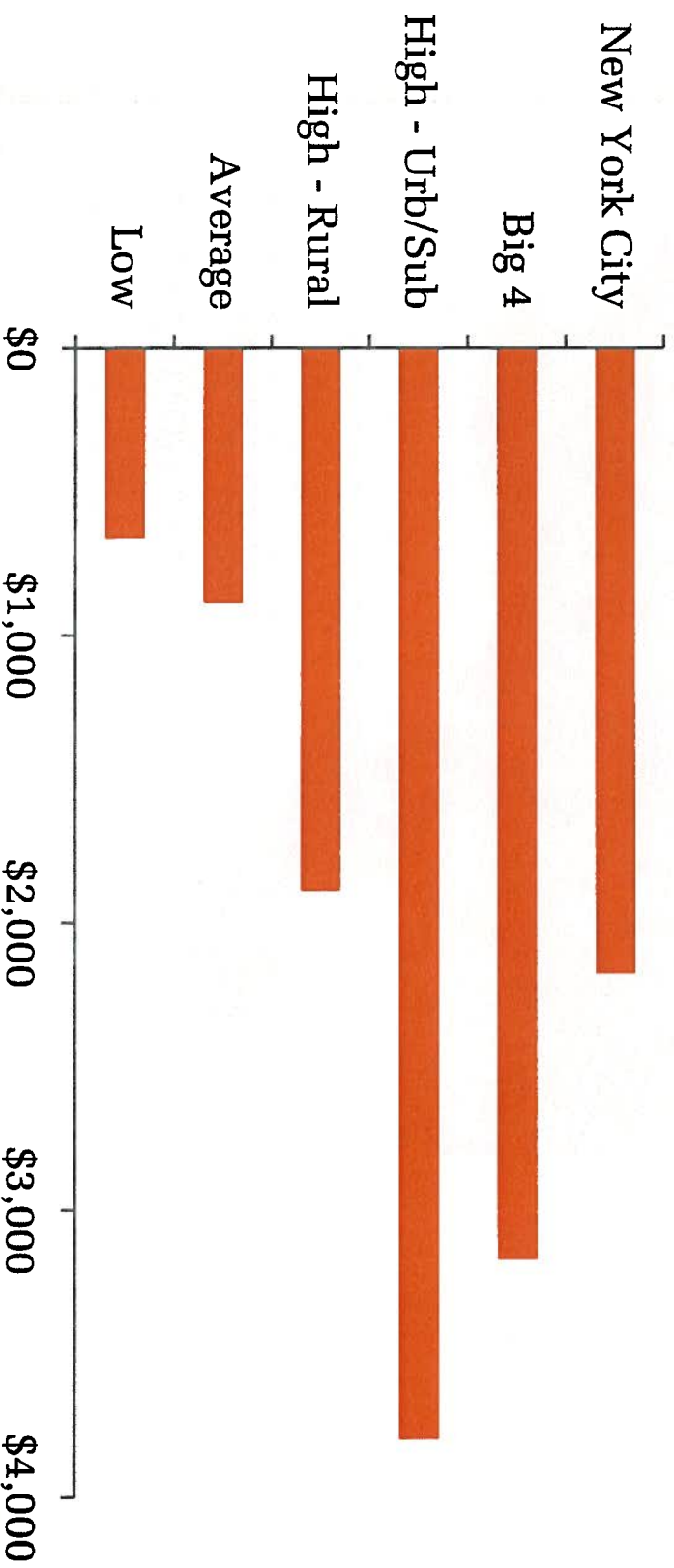


Legend
GEA / Budget
0.1% - 1.21% (Low) (225)
1.22% - 2.9% (Medium) (225)
2.91% - 6.39% (High) (224)





\$4.7 billion is still owed for full phase in of the Foundation Formula as enacted in 2007



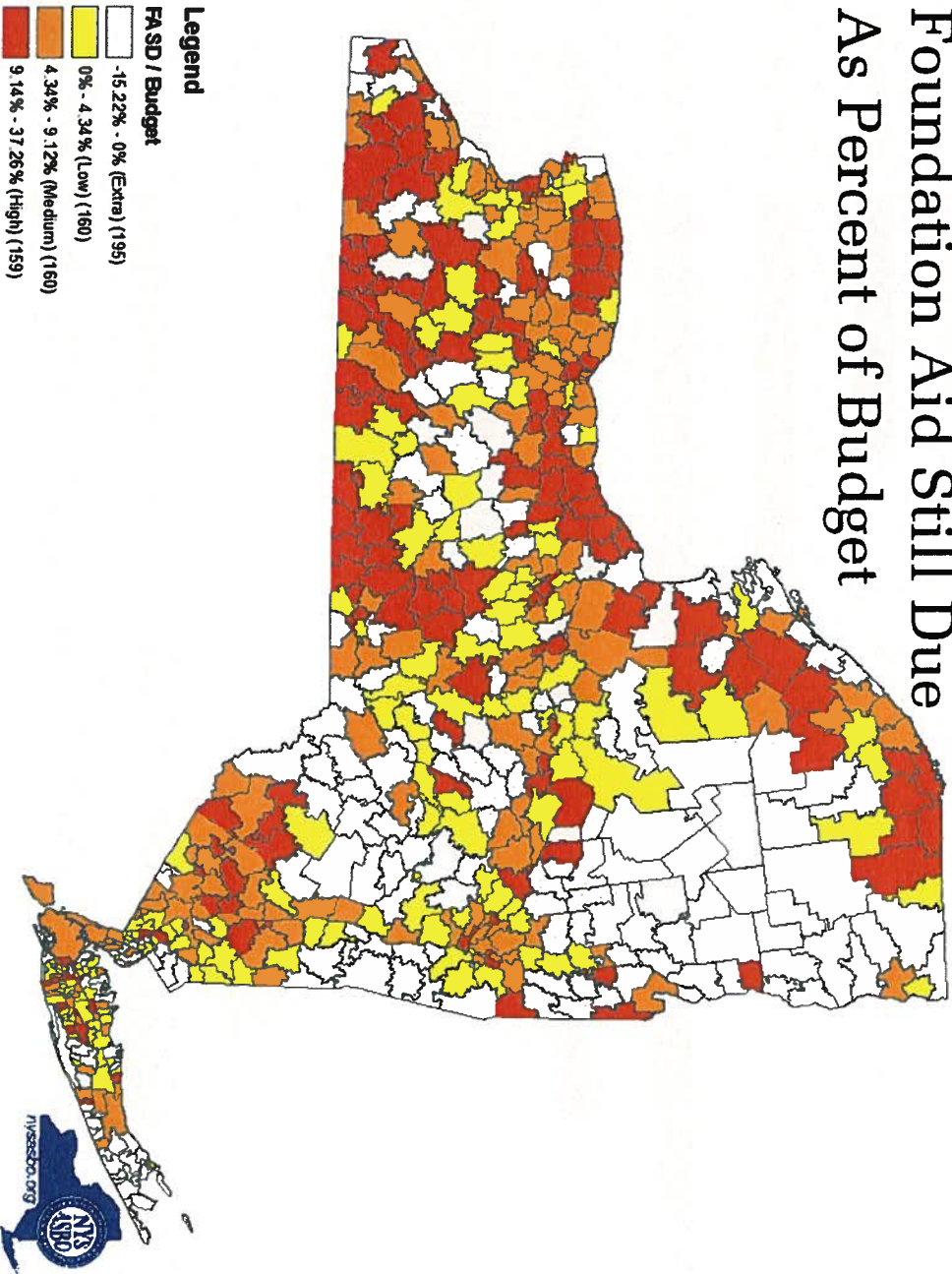
Foundation Aid Still Due Per Pupil by Need/Resource Classification





160 school districts are due between 9 and 37 percent of their budgets for full phase in of Foundation Aid

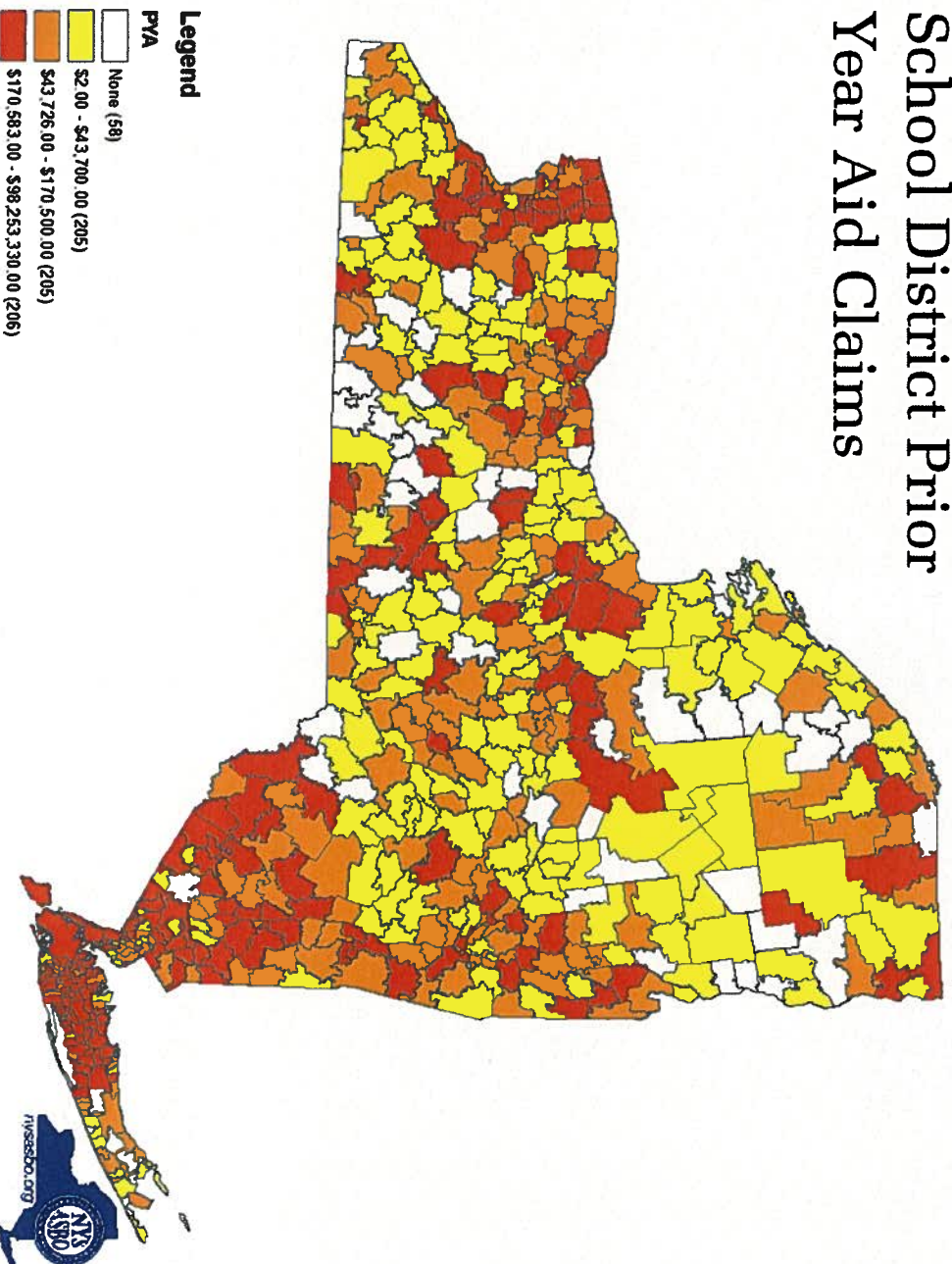
Foundation Aid Still Due As Percent of Budget





Most school districts are owed aid related to past years. This one-shot expense totals \$259 million.

School District Prior Year Aid Claims





Foundation Aid Still Due, GEA and Prior Year Adjustments by City Group and BOCES and as a Percent of Total Budget (December 2014)

BOCES	Budget	Pupils	Budget		Gap Elimination		Adjustment		Foundation Aid Still Due		Prior Year Adjustment	
			Per Pupil	Total	Budget %	Per Pupil	Total	Budget %	Per Pupil	Total	Budget %	Per Pupil
NYC	\$25,900,000,000	1,046,806	\$24,742	\$249,354,648	0.966%	\$238	\$2,279,577,648	8.80%	\$2,178	\$98,253,330	0.38%	\$94
Big 4	\$2,493,065,704	120,946	\$20,613	\$23,323,019	0.94%	\$193	\$383,829,481	15.40%	\$3,174	\$1,541,590	0.06%	\$13
B-T	\$638,951,437	32,123	\$19,891	\$17,949,743	2.81%	\$559	\$55,208,043	8.64%	\$1,719	\$1,815,666	0.28%	\$57
Capital	\$1,477,146,825	77,296	\$19,110	\$37,782,522	2.56%	\$489	\$144,219,977	9.76%	\$1,866	\$8,973,832	0.61%	\$116
C-A	\$385,556,046	17,663	\$21,828	\$5,866,202	1.52%	\$332	\$38,169,052	9.90%	\$2,161	\$1,215,112	0.32%	\$69
C-O	\$242,562,621	12,522	\$19,371	\$8,544,717	3.52%	\$682	\$9,888,813	4.08%	\$790	\$1,425,753	0.59%	\$114
CV	\$320,889,436	13,936	\$23,026	\$9,014,507	2.81%	\$647	-\$5,704,444	-1.78%	-\$409	\$1,060,141	0.33%	\$76
D-C-M-O	\$302,274,341	12,698	\$23,805	\$4,532,107	1.50%	\$357	\$9,228,796	3.05%	\$727	\$1,663,790	0.55%	\$131
Dutchess	\$913,882,280	42,192	\$21,660	\$21,395,417	2.34%	\$507	\$60,663,275	6.64%	\$1,438	\$4,602,284	0.50%	\$109
E Suffolk	\$4,067,482,800	161,413	\$25,199	\$95,521,312	2.35%	\$592	\$212,907,508	5.23%	\$1,319	\$19,819,636	0.49%	\$123
Erie 1	\$1,240,240,642	69,178	\$17,928	\$45,724,786	3.69%	\$661	\$80,871,591	6.52%	\$1,169	\$6,017,996	0.49%	\$87
Erie 2-C-C	\$729,058,141	37,364	\$19,512	\$20,412,428	2.80%	\$546	\$52,381,758	7.18%	\$1,402	\$3,238,104	0.44%	\$87
F-E-H	\$181,707,196	8,058	\$22,550	\$2,746,658	1.53%	\$346	\$5,718,171	3.15%	\$710	\$937,197	0.52%	\$116
GV	\$456,812,732	21,831	\$20,925	\$16,446,844	3.60%	\$753	\$29,568,430	6.47%	\$1,354	\$1,408,739	0.31%	\$65
GST	\$628,709,033	30,599	\$20,547	\$14,056,424	2.24%	\$459	\$40,172,234	6.39%	\$1,313	\$1,640,169	0.26%	\$54
H-F-M	\$315,734,128	15,803	\$19,979	\$5,428,842	1.72%	\$344	\$3,129,728	7.33%	\$1,464	\$366,732	0.12%	\$23
H-F-H-O	\$197,354,144	9,737	\$20,268	\$2,584,446	1.31%	\$265	\$13,479,936	6.83%	\$1,384	\$508,738	0.26%	\$52
J-L	\$447,734,731	23,946	\$18,698	\$6,452,261	1.44%	\$269	\$36,999,495	8.26%	\$1,545	\$534,478	0.12%	\$22
M-O	\$306,879,585	15,420	\$19,901	\$6,945,748	2.26%	\$450	\$19,166,962	6.25%	\$1,243	\$855,786	0.28%	\$55
Monroe 1	\$866,047,585	44,193	\$19,597	\$27,811,719	3.21%	\$629	\$50,827,082	5.87%	\$1,150	\$1,491,028	0.17%	\$34
Monroe 2-O	\$662,689,287	33,713	\$19,657	\$25,406,270	3.83%	\$754	\$52,500,348	7.92%	\$1,557	\$2,098,152	0.32%	\$62
Nassau	\$5,552,207,481	202,376	\$27,435	\$80,227,394	1.44%	\$396	\$306,497,411	5.52%	\$1,514	\$19,508,751	0.35%	\$96
O-H-M	\$411,593,528	23,356	\$17,623	\$11,123,372	2.70%	\$476	\$51,375,168	12.48%	\$2,200	\$996,329	0.24%	\$43
O-H-M	\$1,042,283,599	56,764	\$18,362	\$35,755,692	3.43%	\$630	\$61,891,209	5.94%	\$1,090	\$2,514,149	0.24%	\$44
O-U	\$1,395,534,144	63,024	\$22,143	\$29,381,991	2.11%	\$476	\$142,295,840	10.20%	\$2,258	\$13,117,354	0.94%	\$208
O-N	\$614,666,622	33,659	\$18,262	\$19,429,851	3.16%	\$577	\$57,905,855	9.42%	\$1,720	\$2,737,608	0.45%	\$81
Oswego	\$419,354,043	20,095	\$20,869	\$8,767,957	2.09%	\$436	\$32,713,433	7.80%	\$1,628	\$1,844,622	0.44%	\$92
O-NC	\$215,221,031	8,698	\$24,744	\$4,040,464	1.88%	\$465	-\$3,227,043	-1.50%	-\$371	\$949,707	0.44%	\$109
P-NW	\$1,503,722,676	54,417	\$27,633	\$21,886,441	1.46%	\$402	\$51,732,262	3.44%	\$951	\$6,130,925	0.41%	\$113
Quester III	\$724,104,567	33,659	\$21,513	\$20,274,648	2.80%	\$602	\$18,304,631	2.53%	\$544	\$3,286,031	0.45%	\$98
Rockland	\$1,044,711,139	40,867	\$25,564	\$16,195,683	1.55%	\$396	\$55,195,293	5.28%	\$1,351	\$4,204,780	0.40%	\$103
S Westchester	\$2,227,306,052	81,893	\$27,198	\$22,748,914	1.02%	\$278	\$93,728,888	4.21%	\$1,145	\$10,908,134	0.49%	\$133
SL-L	\$338,686,922	15,443	\$21,931	\$4,993,203	1.47%	\$323	\$24,558,717	7.25%	\$1,590	\$1,399,748	0.41%	\$91
Sullivan	\$269,975,618	9,689	\$27,864	\$5,015,720	1.86%	\$518	\$11,258,380	4.17%	\$1,162	\$2,839,708	1.05%	\$293
T-S-T	\$279,271,660	12,441	\$22,448	\$8,202,597	2.94%	\$659	\$7,887,426	2.82%	\$634	\$2,063,983	0.74%	\$166
Ulster	\$531,057,939	21,663	\$24,441	\$14,730,831	2.77%	\$679	\$15,667,502	2.95%	\$722	\$2,505,960	0.47%	\$166
W-S-W-H-E	\$777,890,233	39,442	\$19,782	\$23,839,461	3.06%	\$604	\$4,452,941	0.57%	\$113	\$3,791,371	0.49%	\$96
W-FL	\$734,291,349	36,126	\$20,326	\$19,997,224	2.72%	\$554	\$52,224,201	7.11%	\$1,446	\$5,651,785	0.77%	\$156
W Suffolk	\$2,126,429,852	85,698	\$24,813	\$42,713,563	2.01%	\$498	\$122,674,032	5.77%	\$1,431	\$14,484,765	0.68%	\$169



School District Budgeting

A Data Driven, Transparent Process

- **October 2014**
 - Present 2015-16 budget calendar and budget development procedures to the BOE for adoption
- **November 2014**
 - Meet with budget builders and distribute budget guidelines
- **December 2014**
 - Meet with finance committee (preliminary budget presentation by budget builders)
- **January 2015**
 - Meet with finance committee and/or BOE (on parameters)
 - Meet with budget builders various times throughout the month
 - Executive budget proposal and aid runs released used as estimate of 2015-16 aid
- **February 2015**
 - Budget builders submit program budget composite to business office
 - Present 2015-16 preliminary budget forecast and budget assumptions to the BOE
- **March 2015**
 - Submit 2015-16 calculation for tax levy limit to Office of Comptroller, Tax and Finance and SED
 - Present 2015-16 operational and general support budget to the BOE for review and comment
 - Present 2015-16 debt service and employee benefits budget to the BOE for review and comment
 - Present 2015-16 instructional and special education budget to the BOE for review and comment
- **April 2015**
 - Legal notice of school budget hearing and budget vote. Must advertise four times within seven weeks of the vote with first publication 45 days before date of budget vote.
 - Finalize 2015-16 educational plan and budget (including BOCES budget) before April 26, 2015 due date for Property Tax Report Card
 - Prepare absentee ballot applications, absentee ballot, related envelopes, and locked ballot box for absentee ballots
 - Deadline for submission of petitions for nominations of BOE candidates (30 days before election, 20 days in small cities)
 - Final draft of budget presented to BOE, appointment of clerks and inspectors of elections for budget vote
 - Date for drawing by District Clerk for determination of order for listing Board Candidates on ballot or voting machine
 - Property tax report card must be submitted to local newspaper of general circulation
 - Deadline for submission of petitions for propositions to be placed on ballot (30 days preceding budget vote)
 - Inform candidates for election to BOE and Library Board to file sworn statements of campaign contributions and distribute informational material (April 24, 2015)
 - Budget adoption by the BOE
 - Budget document available to the public
 - Arrange for the pickup and return of voting machines with the Board of Elections contractor
 - Property tax report card must be submitted to SED within 24 hours of budget adoption, but no later than April 27, 2015



School District Budget Process Builds Community Trust and Support

May 2015

- Conduct voter registration with board of registration (if applicable)
 - Mail district newsletter (include full disclosure information)
 - Prepare voting machine inserts and transmit to county Board of Elections. Physically examine voting machines for ballot placement and sign statement at the board of elections
 - Budget hearing – budget statement and required attachments available 7 days prior to budget hearing
 - Budget notice must be mailed to eligible voters after the budget hearing but no later than six days prior to the vote
 - District clerk must maintain a list of names of those residents who were given absentee ballots and make such a list available for public inspection the five days prior to the annual meeting except Sunday.
 - Second sworn statement of campaign contributions or loans by candidates for membership on the BOE and Library Board to be filed with the District Clerk and Commissioner five days prior to vote date
 - Statewide annual meeting/board election/budget vote day
- June 2015
- Last date to file final sworn statement of campaign contributions by candidates for membership on BOE and Library Board
 - Statewide budget revote day June 16
- July 1, 2015
- Implement 2015-16 Budget

Adapted from Questar III BOCES State Aid Planning Service Sample Budget Development Calendar



New York State Association of School Business Officials

Using Resources to Improve Student Achievement

For Further Information and Proposals,

See www.nysasbo.org

- The Road Ahead: School District Insolvency
- Educating Students To Be College and Career Ready - *Proposal on State Aid to School Districts For School Year 2015-16*
- NYSASBO 2015 Legislative Priorities





Appendix: BOCCES

NYC	New York City	GV	Genesee Valley	Oswego	Oswego
Big 4	Buffalo, Rochester, Syracuse, and Yonkers	GST	Greater Southern Tier	O-NC	Otsego-Northern Catskills
B-T	Broome-Tioga	H-F-M	Hamilton-Fulton-Montgomery	P-NM	Putnam-Northern Westchester
Capital	Capital Region	H-F-H-O	Herkimer-Fulton-Montgomery-Otsego	Questar III	Questar III
C-A	Cattaraugus-Allegany	J-L	Jefferson-Lewis	Rockland	Rockland
C-O	Cayuga-Onondaga	M-O	Madison-Oneida	S Westchester	Southern Westchester
CV	Champlain Valley	Monroe 1	Monroe 1	SL-L	St. Lawrence-Lewis
D-C-M-O	Delaware-Chenango-Madison-Otsego	Monroe 2-O	Monroe 2-Orleans	Sullivan	Sullivan
Dutchess	Dutchess	Nassau	Nassau	T-S-T	Tompkins-Seneca-Tioga
E Suffolk	Eastern Suffolk	O-H-M	Oneida-Herkimer-Madison	Ulster	Ulster
Erie 1	Erie 1	O-C-M	Onondaga-Cortland-Madison	W-S-W-H-E	Washington-Saratoga-Warren-Hamilton-Essex
Erie 2-C-C	Erie 2-Chautauqua-Cattaraugus	O-U	Orange-Ulster	W-FL	Wayne-Finger Lakes
F-E-H	Franklin-Essex-Hamilton	O-N	Orleans-Niagara	W Suffolk	Western Suffolk