



BUDGET UPDATE GOVERNOR'S 2019-20 STATE-AID PROPOSAL

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Governor's State Aid Proposal (1 of 2)

Some Highlights:

- **Total Education Aid Increase:** \$956 million education aid, or 3.6% increase
- **Foundation Aid:** \$338 million increase (1.9%) but this includes more funding for Community Schools programming which has restricted uses and functions like a grant.
- **Community Schools:** increase of \$50 million included in Foundation Aid to support the continued transformation of high-need schools into community hubs. This funding supports before-and-after school programs, summer learning activities, medical and dental care, and other social services.
- **Equity in Funding:** Stated that funding poor districts doesn't translate into those districts allocating funds to most needy schools. Proposes that designated schools present equity plans to SED by 7/1/19 for SED approval by 9/1/19. Designated schools devote a portion of their aid to highest needs schools. This may result in further restrictions on the use of Foundation aid.
- **Expense-Driven Aids:** Merge 11 major expense-base aid categories to a new aid category "Services Aid." Examples of expense-base aids include transportation, special education, BOCES, and capital projects.

Governor's State Aid Proposal (2 of 2)

Highlights (continued):

- **Computer Science Ed. For Teachers:** \$6 million annual investment.
- **High Student Suspension Rates:** \$3 million for districts to offer teacher training and promote alternate forms of discipline.
- **Property Tax Cap:** make permanent.
- **APPR:** revert back to local measures of student performance instead of state tests.
- **STAR Exemption:** exemption would apply to incomes under \$250,000 rather than \$500,000. For the basic STAR rebate check, it would be \$500,000.

Proposed 2019-20 State-Aid vs. CSDA's Current Budget

The Governor's State-Aid Proposal vs. CSDA's Current Budget

Governor's State-Aid Proposal Description	State-Aid Proposal 2019-20	2018-19 CSDA Budget Current	Dollar Change	Percent Change
Totals	\$ 119,122,345	\$ 112,277,193	\$ 6,845,152	6.10%
Less: Universal Pre-K to S.A. Fund	(5,306,481)	(2,965,582)	(2,340,899)	-78.94%
Subtotal Applicable to General Fund	113,815,864	109,311,611	4,504,253	4.12%
Less: Set-aside for Community Schools	(4,449,735)	(3,890,053)	(559,682)	14.39%
Unrestricted State-aid for General Fund	\$ 109,366,129	\$ 105,421,558	\$ 3,944,571	3.74%

**The totals have been reduced by universal Pre-K funding which is accounted for in the Special Aid Fund. In the coming weeks more information will become available and may change some assumptions used for this presentation.*

Proposed 2019-20 State-Aid vs. CSDA's Current Budget

Building-Aid Allocations Must be Considered in the Overall State-Aid Package

The Building Aid Factor	State-aid Proposal 2019-20	Current CSDA Budget	Dollar Change	Percent Change
Unrestricted State-aid for General Fund	\$ 109,366,129	\$ 105,421,558	\$ 3,944,571	3.74%
Less: Building Aid	(14,274,900)	(10,550,042)	(3,724,858)	35.31%
Subtotal Applicable to the General Fund After Building Aid	95,091,229	94,871,516	219,713	0.23%

As indicated above, most of the unrestricted increase in projected State-Aid falls within the building aid category. This indicates that either the bond payments for capital projects will escalate proportionately in 2019-20 and/or the building aid projection on the State-Aid run is overstated. Both possibilities are currently being investigated.

Next Steps

- Pursue additional information on the State-Aid proposal
 - Concerns on Funding:
 - ✓ Change in building aid
 - ✓ Change in Special Services BOCES non-component aid
- Continue the development of the 2019-20 draft budget
- Plan the 2019-20 Community Schools program
- Review and update the Academic Plan
- Review all budget submissions from district staff
- Deliver the First Draft Budget on 1/31/2019

