NYS PTA Summer Leadership Conference

“Money and Your School District”

July 23, 2017
School Funding

- School districts spend more than $65 billion statewide.
- New York State supports slightly less than 45% of school expenditures (with STAR).
  - Without STAR, state support is just under 40%.
  - High of 48% in 2001-02 (with STAR).
- Local revenue supports nearly 55%.
  - Mainly property taxes.

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School Budget Timeline

- **July 1** – School Year Begins
- **Late Summer/Early Fall** – Property Taxes Levied
- **Late Summer/Early Fall** – Districts submit end of school year spending information and projections for the upcoming year
- **Late Fall** – Initial Budget Development Begins
  - District Staff, Board Committees, Community Input
- **November/December** – Board of Regents release State Aid Proposal

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School Budget Timeline

- **January** – Governor releases Executive Budget proposal, with school aid
- **March 1** – Property Tax Cap Calculation Due
- **April 1** – State Budget Deadline
  - School Aid Estimates
- **Late April** – Board of Education Approves Budget Proposal
- **Third Tuesday in May** – School Budget Vote
- **Third Tuesday in June** – School Budget Revote

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State Aid for Schools

$25.2 billion allocated in 2017-18 state budget
- Largest total dollar amount ever
- $17.2 billion paid as Foundation Aid

Total 2017-18 state budget is approximately $160 billion
- Health and education are the two largest components

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Formula-Based State Aid for Schools

$21.1  $21.4  $20.1  $19.3  $19.9  $20.7  $21.8  $23.1  $24.3  $25.2


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State Aid Process

- **Executive State Budget Aid Runs**
  - Based on estimates (expenditures, enrollment, etc.) from October
  - District budget development

- **Enacted State Budget Aid Runs**
  - Based on estimates (expenditures, enrollment, etc.) from January
  - District budget vote

- **State Aid Payments**
  - Based on revised data throughout the year and year-end financial reporting
  - Cash flow

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State Aid Factors

- **Free and Reduced Priced Lunch Count (FRPL)**
  - Rolling three year average of students receiving free and reduced price lunches; student need measure

- **Poverty Count**
  - Students aged 5-17 in families below poverty line, based on the 2000 census; student need measure
  - Beginning use of Small Area Income and Poverty Estimate (SAIPE)
State Aid Factors

- **English language learners (ELL)**
  - Used in some student need counts, recognizing additional services required

- **Students with Disabilities (SWD)**
  - Provides additional weighting in some student count-based aids (ex. Foundation Aid)

- **Combined Wealth Ratio (CWR)**
  - Measurement of district wealth using property value, income and pupil count – relative to all other districts across the state

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Foundation Aid

- **Cost to educate a successful student**
  - Adjusted for changes in the Consumer Price Index (CPI), regional cost factors, sparsity and local student need (poverty, ELL, etc.)

- **Local ability to pay**
  - Calculated by district property value and income

- **Pupil Count**
  - Additional weighting for students with disabilities
Foundation Aid – Statewide

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Expense-Based Aids

- Building Aid
- Transportation Aid
- Instructional Materials Aid
  - Software, Computer Hardware, Textbook and Library
- BOCES Aid
- Excess Cost Aid
  - Public and Private

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Additional Aids

- Full-Day Kindergarten Conversion Aid
- Universal Pre-Kindergarten
- Special Services Aid
- Charter School Transitional Aid
- High Tax Aid
- Reorganization Incentive Aid
  - Operating and Building
- Grants
Aid Payments from the State

- General Aid
  - Foundation, building, transportation
- Excess Cost Aid
- Instructional Materials Aid
- BOCES Aid
  - Sent directly to BOCES for distribution
- Lottery Aid and VLT Aid
  - General, instructional material and TRS
  - Not aligned with aid categories
Bullet Aid

- Included in each year’s state budget; appropriated by resolution at the end of session
- Not formula-based
- Received by districts with Senators or Assemblymembers in the “majority” of each house
Wealthier districts tend to be more dependent on property taxes vs. state aid.

The property tax cap, enacted in 2011, has limited the ability of districts to raise funds locally.

School Tax Relief (STAR) program is calculated as part of the property tax levy, but is paid for by the state.
Property Tax Cap

Prior Year Tax Levy
\times\text{Tax Base Growth Factor} 
+ \text{PILOTs Received in Prior Year} 
- \text{Prior Year Exclusions (Capital and Court Orders/Judgments)} 
\times \text{Allowable Growth Factor} 
- \text{PILOTs Receivable in Coming Year} 
+ \text{Available Carryover} 
= \text{Tax Levy Limit} 
+ \text{Coming Year Exclusions (Capital, Pension and Court Orders/Judgments)} 
= \text{“Tax Cap”}
Property Tax Cap

Allowable Growth Factor

2012-13: 2.00% (CPI – 3.16%)
2013-14: 2.00% (CPI – 2.07%)
2014-15: 1.46%
2015-16: 1.62%
2016-17: 0.12%
2017-18: 1.26%
Any Questions?
Contact

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