

2019-20 Enacted Budget for Aid to Education

The New York State Legislature and Governor reached an agreement on the 2019-20 state budget. The enacted budget provides for \$27.34 billion in computerized aids, an increase of \$960.89 million or 3.64%.

District specific data will soon be available on the SED State Aid Unit website at www.stateaid.nysed.gov. SED will also be mailing school districts detailed descriptions and “backup” data that explains how the proposed State Aid estimates were calculated for your district. Please remember that the aid estimates are based on the 2018-19 school year estimates of expenditures and pupil data submitted with your aid claim this past winter. Therefore, it is important to review for accuracy the backup data provided in this mailing. **The information will be sent with a cover memo from SED to your district superintendent.**

The following is a summary of the major elements of the 2019-20 Enacted Budget for State Aid to public schools.

Foundation Aid

Foundation Aid – \$18.409 billion (increase of \$618.41 million). The 2019-20 Enacted Budget uses a modified Foundation Aid formula to distribute additional aid to school districts.

In 2019-20, school districts will receive Foundation Aid equal to:

2018-19 Foundation Aid Base (FAB) + the increase in Foundation Aid under the 2019-20 Executive Budget Proposal + the Difference between 2018-19 Foundation Aid as of The Executive Proposal less the FAB (*see the last page for districts impacted) + the Maximum of Tiers A through J

Foundation Aid Remaining is equal to the positive difference of **Total Foundation Aid** less the **FAB**. **Total Foundation Aid** equals the product of a district’s Selected Foundation Aid per Pupil and the Selected TAFPU.

- (A) Tier A is equal to the maximum of:
- $(0.0075 \times \text{FAB}) - \text{Executive Foundation Aid Increase}$ Or
 - $\text{The Executive Foundation Aid Increase} \times 0.05$

(Tier A = 163 Districts)



2019-20 Enacted Budget for Aid to Education

(B) Tier B is equal to the Phase-in Factor x Foundation Aid Remaining. The Phase-in Factor for Tier B is equal to:

- for the New York City School District, 0.09011;
- for the Buffalo City School District, 0.10000;
- for the Rochester City School District, 0.06000;
- for the Syracuse City School District, 0.08000;
- for the Yonkers City School District, 0.13050; and
- for all other school districts, 0.01370.

(Tier B = 109 Districts)

(C) Tier C = (Total Foundation Aid x 0.50) – FAB

A district is eligible if:

- the $FAB \div Total\ Foundation\ Aid < 0.50$;
- and
- the **Foundation Aid Pupil Wealth Ratio (FAPWR)** < 1.1 or the CWR declined by more than 0.025 from 2018-19 to 2019-20.

(Tier C = 13 Districts)

(D) Tier D = $0.025 \times$ Foundation Aid Remaining

A district is eligible if:

- Public enrollment increased $>$ than 0.10 from 2008-09 to 2018-19
- and
- English Language Learners increased $>$ than 0.10 from 2012-13 to 2018-19,
- and
- the Combined Wealth Ratio decreased $>$ than 0.10 from 2014-15 to 2019-20, and the FAPWR $<$ than 1.4.

(Tier D = 4 Districts)

(E) Tier E= to $0.0205 \times$ Foundation Aid Remaining.

A district is eligible if:

- Public enrollment decreased from 2013-14 to 2018-19
- and
- the **3-year Average Direct Certification** percentage is > 0.36
- and
- English Language Learners increased > 0.34 from 2013-14 to 2018-19 or increased > 100 pupils from 2017-18 to 2018-19.

(Tier E = 13 Districts)



2019-20 Enacted Budget for Aid to Education

(F) Tier F = $(FAB \times 0.0238)$ - Executive Foundation Aid Increase

A district is eligible if:

- the $FAB \div \text{Total Foundation Aid} < 0.75$
and
- the 3-year Average Direct Certification percentage > 0.44
and
- the K-6, 3-year Average Free and Reduced Lunch percentage > 0.55

(Tier F = 7 Districts)

(G) Tier G = $0.0277 \times \text{Foundation Aid Remaining}$

A district is eligible if:

- the FAPWR < 0.7
and
- Public enrollment increased ≥ 0.01 from 2015-16 to 2018-19.

(Tier G = 15 Districts)

(H) Tier H = $0.1124 \times \text{Foundation Aid Remaining}$

A district is eligible if the district's boundaries include all or a portion of a small city

(Tier H = 34 Districts)

(I) Tier I = $FAB \times 0.02$

A district is eligible if the district's boundaries include all or a portion of a small city.

(Tier I = 30 Districts)

(J) Tier J = Maximum of the Foundation Aid Remaining $\times 0.048$ or $FAB \times 0.0075$

A district is eligible if:

- the sparsity factor > 0
and
- **Foundation Aid Combined Wealth Ratio** ≤ 1.5 .

(Tier J = 286 Districts)



2019-20 Enacted Budget for Aid to Education

Community Schools Aid Set-aside: Each school district shall set aside from its total 2019-20 Foundation Aid an amount equal to the sum of 2018-19 Community Schools Set-aside plus the “Community Schools Increase” amount (if any) displayed on the Executive Budget proposal.

Each district shall use the amount of 2019-20 Community Schools Set-Aside to support the transformation of school buildings into community hubs to deliver co-located or school-linked academic, health, mental health services and personnel, after-school programming, dual language programs, programs for English language learners, nutrition, **trauma informed support**, counseling, legal and/or other services to students and their families, including but not limited to providing a community school site coordinator, or to support other costs incurred to maximize students’ academic achievement.

However, a school district whose “Community Schools Increase” amount exceeds \$1,000,000, shall use an amount equal to the greater of \$150,000 or 10% of such “Community Schools Increase” amount to support such transformation at schools with extraordinary high levels of student need as identified by the commissioner, subject to the approval of the director of the budget.

Other Aid Categories

High Tax Aid – \$223.298 million; frozen at 2018-19 amounts.

Public High Cost Excess Cost Aid – \$623.96 million (decrease of \$34.55 million); no formula changes enacted.

Private Excess Cost Aid – \$409.42 million (increase of \$13.34 million); no formula changes enacted.

Supplemental Public Excess Cost Aid – \$4.31 million; frozen at 2009-10 amounts for the 2019-20 school year; no formula changes enacted.

BOCES Aid - \$983.96 million (increase of \$34.82 million); no formula changes enacted.

Special Services Aid- \$253.87 million (decrease of \$3.34 million); no formula changes enacted.

Transportation Aid – \$1.998 billion (increase of \$86.92 million); no formula changes enacted.



2019-20 Enacted Budget for Aid to Education

Reorganization Incentive Operating Aid - \$6.24 million (decrease of approximately \$219,000); no formula aid changes enacted.

Building Aid/ Reorganization Incentive Building Aid – \$3.237 billion (increase of \$214.95 million); no formula changes enacted.

NOTE: Districts should review their tax cap exclusion calculation to ensure Building Aid amounts are accurate.

NOTE: Due to Chapter 97 of the Laws of 2011, projects with Commissioner's approval on or after July 1, 2011 with a SA-139 submitted in time for the November database may have Building Aid projected for 2019-20 despite a Final Cost Report not having been submitted. If you do not anticipate completing and filing a Final Cost Report for such project(s) by June 15, 2019, you must adjust 2019-20 Building Aid projections. Our office can help determine if a district may be in this situation.

Textbook, Software, Library and Computer Hardware Aid – \$277.07 million (increase of approximately \$440,000); all aid continued as under current law.

- Textbook - \$58.25 per pupil
- Software - \$14.98 per pupil
- Library - \$6.25 per pupil
- Computer Hardware - \$24.20 per pupil x current year RWADA aid ratio

Universal Prekindergarten Aid – Projects a state total of \$833.71 million (increase of \$29.16 million). Enacted budget includes additional \$15 million for high quality half and full day instruction for 3 to 4-year-old children.

Full Day K Conversion Aid – \$4.002 million (decrease of approximately \$652,000); Districts converting to Full Day K in 2019-20 will be eligible for additional 65% of first year aid in year two and 35% of first year aid in year three.

Charter School Transitional Aid – \$42.770 million (increase of \$1.645 million); no formula change.



2019-20 Enacted Budget for Aid to Education

Charter School Basic Tuition –

Lesser of:

A.
$$\text{Basic Tuition (Base Year)} \times \frac{\text{Average* Total AOE}}{\text{Total AOE (year prior to base year)}}$$

*For years starting 3 years prior to base year, ending with year prior to base year.

or

B.
$$\frac{\text{Total General Fund Expenditures (year prior to base year)}}{\text{Estimated Public Enrollment (year prior to base year)}}$$

Reimbursement of Supplemental Basic Tuition Payments to Charter Schools – \$151 million; To reimburse districts for the Supplemental Basic Tuition Payments paid to charter schools in the 2019-20 school year.

Contract for Excellence – School districts that participate in the Contract for Excellence program in the 2019-20 school year will continue operating approved academic intervention programs consistent with Contract for Excellence requirements, unless all schools are in good standing. School districts that remain would be required to maintain funding for Contract for Excellence programs at the same level as was required in 2018-19.

STAR Changes – The Enacted Budget holds an individual's STAR Exemption to the prior year level. However, the STAR Credit will continue to grow by a maximum of 2% for both the Basic and Enhanced STAR. Additionally, the income eligibility threshold for only the STAR Exemption will also decline from \$500,000 to \$250,000.

Other Non-Aid Items

School Level Funding Plans – The 2018-19 Enacted Budget included language which required school districts to submit their School Level Funding Plans to the Division of Budget (DOB) for approval before any future State Aid increases are provided. All districts that submitted these plans in 2018-19 will be required to do so again in 2019-20.



2019-20 Enacted Budget for Aid to Education

School Districts required to submit School Level Funding Plans:

2018-19: districts which have at least 4 schools and which received at least 50% of their total revenues from State aid in 2015-16 and NYC

2019-20: districts which have at least 4 schools in 2016-17

2020-21: all districts eligible for Foundation Aid

The format of the statement was developed by DOB in consultation with the Commissioner of Education. Districts for whom this is applicable are required to submit to DOB and post on their website.

Submission is required by on or before the Friday prior to Labor Day (August 30, 2019). Failure to submit an approved plan could result in the loss of the Foundation Aid increase from the prior year.

New Legislation in the 2019-20 Enacted Budget

School Equity Plan - A variation of the original Executive Budget Proposal regarding School Equity plan reporting was approved. The legislation directs the Director of the Budget to produce a list of districts by May 1st with schools that are identified as high need and underfunded (5% below district average). Such districts will be required to file a report with SED by September 1st each year to identify how they will “effectuate prioritizing equity” for those schools.

Establishment of TRS Reserve - The Enacted Budget allows school districts and BOCES to establish a reserve fund for NYS Teachers’ Retirements Contributions effective April 1, 2019. BOE and/or trustees should approve a resolution establishing the reserve which is a sub-fund of the ERS Reserve fund. Contributions into the TRS Reserve in a fiscal year may not exceed 2% of the total compensation or salaries of the teachers employed by the school district or BOCES (those who are members of the NYS teachers’ retirement system) paid during the prior fiscal year. Additionally, the balance of the TRS Reserve may not exceed 10% of the total compensation or salaries of teachers employed and who are members of the NYS teachers’ retirement system paid during the prior fiscal school year. This reserve is authorized under GML §6-r.

Property Tax Cap – The Enacted Budget has made the Property Tax Cap permanent without any modifications.



2019-20 Enacted Budget for Aid to Education

Authorization of “Piggy-back” Transportation Contracts – School districts will now be allowed to enter into “piggyback” contracts for transportation services with other school districts. This will allow districts to share services at any point in the contract of the initiating district.

Building Condition Surveys (BCS) – School districts are required and must conduct building condition surveys every five years in accordance with Commissioner’s Regulations Part 155.4. Beginning January 1st, 2020, in lieu of all districts submitting the BCS during the same year NYSED will stagger the surveys. Districts will be notified by NYSED when they will be required to complete the BCS. Priority in the first 2 years of this schedule will be given to those school districts with the greatest amount of buildings which previously received relatively low overall condition ratings.

School Aid Growth Changes: Current law aligns school aid growth to the personal income growth for that single year. The Enacted Budget proposes language to align the school aid growth cap to the 10-year average of State personal income growth.

BOCES District Superintendent Salary Increase: The Enacted Budget allows for a salary increase for BOCES District Superintendents. It authorizes a maximum 6% increase above the salary in the preceding school year or 98% of the salary earned by the Commissioner of Education in the 2013-14 state fiscal year – whichever is less.

Proposed Legislation Rejected in the Enacted Budget

Expense- Based/Services Aid – The Enacted Budget does not change the calculation of the following aid categories: Textbooks, Library Materials, Computer Software, Instructional Hardware and Technology, BOCES, Supplemental Public Excess Cost, Transportation, Special Services, Academic Enhancement, High Tax, or Transitional Aid for Charter Schools, nor does it combine them into a single aid category as originally proposed in the Executive Budget.

Building Aid – The Enacted Budget does not institute any of the Building Aid changes proposed in the Executive Budget.

Prior Year Adjustments – The Enacted Budget does not change aid eligible for prior year adjustments.

***Districts impacted in the formula on p. 1:** Hempstead, Roosevelt, Lawrence, West Hempstead, Westbury, Haldane, Jasper-Troupsburg, Hendrick Hudson, Greenburgh

