

Number 08-06

January 2008

2008-09 Executive Budget — Pre-K–12 Education

Overall School Aid Increase of 1.46Billion –

- ▶ \$250 million below expected levels
- ▶ 77 districts receive less aid than 2007-08

Foundation Aid—

- ▶ Increase in Foundation aid of \$899 million for a total of \$14.54 billion
- ▶ \$350 million below expected levels by reducing second year phase in from 42.5% to 37.5%
- ▶ Guaranteed minimum increase reduced from 3% to 2%
- ▶ Maximum increase is reduced from 25% to 15%
- ▶ New sharing ratio adjustment to ensure high needs districts receive greatest increases

BOCES Aid—

- ▶ Reduces aid for BOCES expenses by \$31 million to \$594 million; a \$67 million cut from expected levels
- ▶ New formula using the combined wealth ratio and a reduced state share for operating expenses
- ▶ Continues old formula for capital and rental aid

Special Services Aid—

- ▶ Increases BOCES like aid for non-component school districts and the Big Five School Districts by \$39 million

Universal Pre-K—

- ▶ Increased funding for UPK by \$78 million for a total of \$452 million

Teacher Programs—

- ▶ Teacher Centers maintained at \$40 million
- ▶ Mentor Intern Teacher Program maintained at \$10 million
- ▶ National Board for Professional Teaching Standards maintained at \$500,000

High Tax Aid—

- ▶ New Formula targets higher tax aid to high needs school districts
- ▶ Funded at \$100 million

STAR—

- ▶ Expansion of Middle Class STAR Rebate Program delayed for all taxpayers except senior citizens

Property Tax Cap Commission—

- ▶ Governor will appoint a Moreland Act Commission to:
 - develop reforms that address the major costs driving local school district property taxes
 - develop proposals to increase the fairness and effectiveness of New York's property tax relief system for middle class taxpayers
 - develop a fair and effective property tax cap for school districts that controls property taxes while providing for needed educational investments
 - commission chaired by Nassau County Executive, Tom Suozzi
 - Members include: Regents, Vice Chancellor, Meryl Tisch, Former Onondaga County Executive, Nicholas Perro, Former Assembly Majority Leader and current Registered Lobbyist, Paul Tokasz, Former State Senator, Basil Patterson, SUNY Stony Brook President Shirley Strum Kenny and Merrill Lynch Director Michael Solomon.

Pre-School Special Education—

- ▶ Caps the increase in County costs at 4 percent except for New York City; capped at 3 percent in future years
- ▶ Shifts costs of evaluations and administration to school districts, worth an estimated \$46 million in 2008-09

Contracts for Excellence—

- ▶ Continues to apply to districts receiving a foundation aid increase of \$15 million or 10 percent or receiving an educational improvement grant and having a school in need of improvement
- ▶ Includes programs for English Language Learners as a sixth category of allowable programs
- ▶ Requires school districts to continue developing contracts for 3 years unless all schools in district meet AYP

Excess Cost Aid—

- ▶ Basic excess cost aid is continued in the foundation amount
- ▶ High cost aid is continued and increased by \$25 million
- ▶ Private excess cost aid is continued and increased by \$12 million
- ▶ Supplemental excess cost aid is eliminated, a cut of \$19.6 million from last year's

Charter School Transition Aid—

- ▶ Aid for school districts impacted by charter schools is continued

Transportation Aid—

- ▶ Funded at current law level of \$1.52 billion, an increase of \$108 million

Building Aid—

- ▶ Change NYC Building Aid claims to an 18 month lag similar to the rest of the state
- ▶ Funded at \$20 million an increase of \$74 million