



2017-18 SUMMARY OF NEW YORK STATE ENACTED BUDGET

Pre-K-12

School Aid

- The Enacted Budget includes an increase of \$1 billion in school aid, which includes an increase of \$700 million in Foundation Aid and fully funds expense based aids.

Foundation Aid Formula

- The proposal to eliminate the Foundation Aid Formula was defeated. NYSUT will continue to fight to protect the formula as well as advocate for progressive changes and a full phase-in.

State Revenue

- The Enacted Budget includes a two-year extension, but not an expansion, of the millionaires' tax.

Fiscal Flexibility

- The Enacted Budget includes language that grants the executive and the division of the budget the power to develop a plan of uniform spending restrictions to address a potential reduction of funding from the federal government, and the Legislature has ninety days to pass their own plan. If after ninety days, the Legislature has not acted, the plan developed by the governor and the division of the budget will be put into place.

Receivership

- The Enacted Budget did not address Receivership. NYSUT will continue to seek the repeal and/or modification of this punitive statute.
- The Enacted Budget includes \$2 million to pay for the costs of receivers.
- The \$75 million appropriated in the 2015-16 Enacted Budget has been released as a result of a court order.

- SED has finally sent out an RFP for the \$75 million appropriated in last year's budget to establish Community Schools in Struggling Schools.

Professional Development and Teacher Centers

- Funding for Teacher Centers was restored and increased by \$5.74 million, for a total of \$20 million.
- Funding for the Teachers of Tomorrow Program is maintained at last year's level of \$25 million.
- The Mentor/Intern program is funded at \$2 million.
- Nation Board Certification is funded at \$368,000.

Charter Schools

- NYSUT defeated the proposal to eliminate or increase the charter cap.
- NYSUT defeated the proposal to unfreeze charter school tuition rates which would have provided these schools with hundreds of millions of dollars.
- The proposal to require school districts to reimburse charters for costs related to the employment of school-related professionals such as: nurses, food service workers and others was rejected (\$124 million).
- The state-wide building aid proposal was rejected.
- Charters will receive an additional \$500 in funding per pupil in 2017-18 that will be paid in the first instance by the resident school district but is fully reimbursable by the state in the following school year. After 2017-18, per pupil charter school tuition payment increases are linked to the growth in per pupil spending in each school district, which is not be reimbursable by the State.
- The percentage of facilities aid in New York City is increased from 20 percent to 30 percent.

Community Schools

- The Enacted Budget continues to fund community schools through a set-aside in Foundation Aid of \$50 million for these schools.
- Community schools will continue to use these funds to provide needed services to co-located or school-linked academic, health, mental health, personnel services, dual language programs, nutrition, counseling, legal services and other authorized support services or other activities to maximize academic achievement.
- School districts exceeding community schools funding of more than \$1 million shall use an amount equal to the greater of \$150,000, or ten percent of such funds to transform these schools with extraordinary high levels of student need as identified by the commissioner and subject to approval by the division of budget.
- Funding of \$1.2 million is allocated for services and expenses for three community school regional technical assistance centers.

Career and Technical Education (CTE)

- A proposal to increase the aidable salary of BOCES and CTE educators and the inclusion of 9th grade in Special Services Aid was not included in the Enacted Budget.

Pre-K Funding

- An additional \$5 million was allocated to expand access to pre-kindergarten to three and four-year-olds in high needs school districts. This funding shall only be used to supplement, not supplant existing pre-K programs.

Special Schools

- The Enacted Budget provides a \$2.3 million increase in funding to 4201 schools.
- There is a \$903,000 allocation for the Henry Viscardi School, and a \$903,000 allocation for the New York School for the Deaf for the 2017-18 school year.
- A capital fund of \$30 million was established and will be shared by Special Acts, 4201, 853 and non-public schools.
- The Enacted Budget includes \$6.2 million to help cover the costs associated with a higher minimum wage for Special Act, 853, 4410 and 4201 schools.
- NYSUT will continue to pursue funding parity for 853, Special Act schools and public 4410 programs during the rate making process.

My Brother's Keeper

- The Enacted Budget provides an allocation of \$18 million for My Brother's Keeper to improve outcomes for boys and young men of color.

School Vouchers and Tax Credits

- No back door voucher schemes were included in the Enacted Budget.

Tax Cap

- The Enacted Budget did not amend the Tax Cap law.

Relief for School Districts

- The Enacted Budget provides, in fiscal year 2020, \$45 million to be made available in a fund to offset property tax losses for school districts and municipalities that are facing a power plant closure. These funds will be available for seven years to help affected school districts and municipalities mitigate the impact of decreased tax base and tax collections stemming from the closure of these power plants. The 2016-17 Enacted Budget established a \$30 million fund, which is still in effect.

- The Enacted Budget provides \$5.5 million for four districts (North Rockland, Panama Central, Fort Edward Central and New Hartford) that are facing financial hardship due to an extreme change in the taxable value of property. Special bonding authority was granted by the Dormitory Authority to issue bonds on behalf of the Haverstraw-Stony Point school district for repayment of a tax certiorari settlement agreement.

Indian Point Task Force

- A task force is established to examine the reuse of the Indian Point property; the power plant is slated for closure. The task force will issue its first annual report by April 30, 2018. The task force provides for three labor appointments, one of which is a public sector union representing the region.
- The Hendrick Hudson School District will be allowed to create a reserve fund to help smooth their budget to account for the closure of the Indian Point power plant.

After-School Programs

- The Enacted Budget allocates \$35 million for the Empire State After-School grant program in high-needs school districts. The program expands eligibility to school districts with child poverty counts of over 5,000 but fewer than 20,000.

Funding for Direct Care Workers

- Language was included in the Enacted Budget to provide that beginning January 1, 2018, direct care staff and support professionals will be eligible for a 3.25 percent salary increase, and another 3.25 percent increase on April 1, 2018.

Mayoral Control

- Mayoral Control of New York City schools was not included in the Enacted Budget.

Contracts for Excellence

- Language was included in the Enacted Budget that states, if a school district submitted a Contract for Excellence for the 2016-17 school year, they must submit a new contract for the 2017-18 school year unless all schools in the district are identified as being in good standing.

Non-Public Schools

- There was \$25 million provided to non-public schools, daycares and community center safety projects. The Enacted Budget also included an additional \$25 million for school districts to purchase technology to lend to non-public school students.

- A new \$5 million grant program was added to provide reimbursement for STEM teacher salaries at non-public schools was also included in the Enacted Budget.

Special Education “Mandate” Relief

- NYSUT defeated the proposal to allow for special education “flexibility.”

Higher Education

- The Enacted Budget does not include the DREAM Act but increases TAP funding by \$70 million for the Excelsior Scholarship Program and the Enhanced Tuition Assistance Program (e-TAP).

Foundations

- The Enacted Budget does not include the provisions contained in the Executive Budget which proposed the collection of up to ten percent of foundation and affiliated organization funds for tuition assistance for students in need. The Executive Budget proposals which sought to expand the inspector general’s oversight to include the nonprofit organizations and foundations affiliated with SUNY and CUNY were also not included in the Enacted Budget.

Tuition and Fee Increase Cap

- The proposed cap to limit annual tuition and fee increases to \$500 or the three-year average of HEPI (Higher Education Price Index) charged by higher education institutions was not included in the Enacted Budget.

Maintenance of Effort (MOE)

- The Executive Budget reinstated maintenance of effort provisions effective state fiscal year 2017-18 and sun-setting in 2020-21. The MOE language requires the state is to provide general fund operating aid, including fringe benefits in an amount no less than the prior year. The statute continues to include a fiscal emergency provision to allow the governor to reduce funding as needed. The MOE language was expanded to require the state to provide general fund support to fully fund the tuition credit related to the Excelsior Scholarship Program. Additional information will be available upon further staff analysis of the MOE provisions.

SUNY Four-Year Campuses

- The Enacted Budget provides relatively flat state operating aid of \$726 million for SUNY with an additional \$55.6 million in tuition revenue as a result of a four year extension of SUNY 2020. The resident undergraduate rate of tuition may be increased by no more than \$200 per year. Language regarding how campuses may

spend revenue resulting from an increase in the rate of tuition charged was slightly modified to clarify that the funding must be used for “new classroom faculty, instruction, initiatives to improve student success and on-time completion and a tuition credit for each eligible student.”

- The Enacted Budget continues to set aside \$18 million in funding for SUNY to be distributed pursuant to a plan by the Board of Trustees of the respective system.

SUNY Hospitals

- The Enacted Budget restores \$9.3 million of the state subsidy for a total of \$78.3 million. The appropriation for the Medicaid program contains new language regarding payment of the Disproportionate Share Hospital (DSH) program to the SUNY hospitals. Additional information will be available upon further staff analysis of the Medicaid provisions.

Health Care Facility Transformation Program

- The Enacted Budget includes \$500 million to support health care facility transformation initiatives for capital projects, debt retirement, working capital or other non-capital projects that facilitate health care transformation activities, including: mergers, consolidations, acquisitions or other activities intended to create financially sustainable systems of care or preserve or expand essential health care services.

New Programs (new in this year’s budget)

- The Enacted Budget includes funding for expanding open educational resources targeting high enrollment courses (\$2 million).

Capital

- Capital for SUNY was increased slightly by \$2 million for a total of \$550 million for state operated campuses and allocates \$55 million for Community Colleges. Upstate University Hospital and Stony Brook University Hospital each received an additional \$50 million in capital funding.

SUNY Community Colleges

- The Enacted Budget includes a base aid increase of \$50 per FTE student. Additionally, the Enacted Budget restores funding for child care centers at SUNY community colleges to last year’s funding level.

Education Opportunity Program (EOP)

- Funding for this program was restored to last year’s level of \$32.1 million.

Education Opportunity Centers and ATTAIN Labs

- Funding for these programs was restored to last year's level of \$62 million.

CUNY Four-Year Campuses

- While CUNY state support for senior colleges remains flat, \$253.9 million is included to help cover costs associated with the 2016-17 collective bargaining agreement salary increases, \$36 million for fringe benefits costs and \$34 million for tuition revenue.
- The Enacted Budget extends CUNY 2020 for another four years, allowing for an increase in the resident undergraduate rate of tuition by no more than \$200 per year. Language regarding how campuses may spend revenue derived from an increase in the rate of tuition charged was slightly modified to clarify that the funding must be used for “new classroom faculty, instruction, initiatives to improve student success and on-time completion and a tuition credit for each eligible student.”
- The Enacted Budget continues to set aside \$12 million in funding for SUNY, to be distributed pursuant to a plan by the Board of Trustees of the respective system.

CUNY Murphy Institute

- The Enacted Budget restores funding to the Murphy Institute to last year's funding level.

New CUNY Programs (new in this year's budget)

- The Enacted Budget includes funding for the following programs: CUNY in the Heights (\$200,000); Community Legal Resources at CUNY Law (\$37,500); and expanding open educational resources targeting high enrollment courses (\$1 million).

CUNY Capital

- The Enacted Budget adopts the Executive Budget proposal to provide \$284 million in funding for CUNY senior campuses and \$80.3 million for community college capital projects.

CUNY Community Colleges

- The Enacted Budget includes a base aid increase of \$50 per FTE student. The Enacted Budget restores funding for child care centers at CUNY community colleges to last year's funding level.

ASAP

- Funding for ASAP was reinstated at \$2.5 million.

College Discovery

- The Enacted Budget includes \$225,000 for this program.

CUNY SEEK

- Funding was restored to last year's level of \$28 million.

Higher Education Opportunity Programs (HEOP)

- The Enacted Budget restores funding to last year's level of \$35.5 million.

STEP and CSTEP

- Funding was restored to last year's level: \$15.7 million for STEP and \$11.9 million for CSTEP.

Excelsior Scholarship Program (Part HHH)

- The Enacted Budget allocates \$87 million for the Excelsior Scholarship Program and slightly modified eligibility standards. However, the program continues to provide students with funding to cover the cost of tuition at SUNY and CUNY four-year institutions and community colleges. In order to qualify for the program, students must enroll in at least twelve credits per semester and complete at least thirty combined credits per year following the student start date. The program directs the Higher Education Services Corporation to create rules and regulations to allow disabled students to be eligible for the program with modified criteria.
- The program will be phased-in over three years, starting with adjusted gross income levels up to \$100,000 in 2017-18, \$110,000 in 2018-19 and \$125,000 in 2019-20 and now requires that students must live and work in New York State for a continuous number of years (equal to the duration of the award received) within six months of receipt of his or her final award payment. Additional information regarding this program will be available upon further staff analysis of these provisions.

E-TAP (Part III)

- The Enacted Budget includes \$19 million for the enhanced TAP program. This program contains similar credit load and post-graduation work/resident provisions as those required under the Excelsior Program. The income level for the award will include families with adjusted gross income levels up to \$100,000 in 2017-18,

\$110,000 in 2018-19 and \$125,000 in 2019-20. Institutions must also opt-into this program and meet specific conditions, such as providing a matching award to credit each recipient's tuition expenses in an amount equal to the recipient's E-TAP award. The credit is to be applied after the recipient has received an institutional aid package. The institution cannot increase the rate of tuition charged to an individual receiving an enhanced TAP award during the time they are receiving such an award.

NYS Part-Time Scholarship Award and Program (new in this year's budget)

- The Executive Budget includes \$3.1 million for a new part-time scholarship program for students who attend SUNY and CUNY community colleges on a part-time basis. In order to be eligible, a student must enroll in at least six credits but less than 12 credit hours in the 2017-18 academic year and maintain a 2.0 GPA. Awards cannot exceed \$1,500 per semester and cannot be granted for more than four consecutive semesters.

College Affordability Study

- The Higher Education Services Corporation must issue a report by June 30, 2018, on options to make college more affordable for New York's students and their families. The report must include a number of items, such as options for students to refinance student loan debt, a review of student housing at SUNY and CUNY and programs for families to prepare for college.

Labor

Union Dues Eligibility for Deduction from State Income Taxes

- In a first step to counteracting attacks on union membership by right-to-work forces, the Enacted Budget includes provisions to authorize the deduction of union dues from state income taxes. While not a dollar-for-dollar reduction, the new deduction will reduce taxable income by what a union member, or agency fee payer, pays in union dues or fair share payments. Currently, union members who file their taxes with itemized deductions receive a small deduction on dues paid to their unions but this change will, for the first time, expand this deduction to taxpayers who do not itemize. Early estimates indicate that this proposal will provide approximately \$35 million in additional tax refunds to union members statewide.

Buy American Program

- The expansion of the state's "Buy American" program was not included in the Enacted Budget. Pushing for the expansion of the existing program, which gives preference to steel manufactured in the United States, will still be a priority for both NYSUT and the state AFL-CIO as the 2017 state legislative session progresses.

Workers' Compensation

- The final budget deal included extensive changes to the workers' compensation law. The labor movement fought a hard, uphill battle on this issue this year, which resulted in various changes to protections for injured workers. While labor as a whole did not support the final package, we successfully lobbied to eliminate the most regressive proposals; such as reducing permanent partial disability duration caps and cutting benefits for injured workers by changing the average weekly wage calculation process.
- Some of the workers' compensation changes that were include in the Enacted Budget include:
 - Limiting the time it takes an injured worker to reach maximum medical improvement (MMI) for new injuries. This change does include a "safety valve" that will allow the Workers' Compensation Board to review medical evidence and rule that the injured worker has not reached MMI and reset the benefits clock.
 - Lowering the threshold for injured workers classified as permanently partially disabled to petition for an extreme hardship redetermination from 81% disability to 76% disability.
 - Ensuring that first responders and medical employees who suffer from PTSD after a work-related emergency get the coverage they are entitled to.
 - Requiring the Workers' Compensation Board to schedule a hearing within 45 days of a request by an injured worker who is not able to work and is not receiving benefits. Previously, the Board could schedule a hearing at its leisure, or not at all.

Ethics and Election Reforms

- The ethics law changes and voter reforms put forth in the Executive Budget proposal were not included in the Enacted Budget. The changes to the Freedom of Information Law (FOIL) that would have made collective bargaining agreements subject to FOIL prior to their ratification by union members were also not included.

Local Government Shared Service Plans

- The Enacted Budget includes a requirement that counties collaborate with local governments to find efficiencies that produce recurring savings for taxpayers. The counties are required to form a shared services panel and hold public hearings and comment periods on their plans. The proposal initially required municipalities to hold a public referendum on such plans but the provisions were not included in the Enacted Budget.
- School districts and BOCES may be included in these plans but their inclusion is mandated, unlike cities, towns and villages who must comply with these provisions.

These provisions also require entities that develop such plans to regularly consult with each collective bargaining unit of any participating municipality or school district.

Health Care

NYSHIP Retiree Health Insurance Benefits

- The Enacted Budget rejected the proposal to eliminate the reimbursement of Medicare Part B premium rates for NYSHIP retirees, as was the Income Related Monthly Adjustment Amounts (IRMAA). The Enacted Budget also preserves NYSHIP retirees' individual (and their dependents) share of their health insurance cost, based upon their years of service and grade-level as a state employee.

Retiree Health Benefit Trust Fund

- The Enacted Budget creates a health benefit trust fund, placed under the custody of the commissioner of the department of civil service and the state comptroller, to fund the costs associated with providing retiree health benefits for retired state employees and their dependents.