

Education and Arts

State Education Department
Council on the Arts

Overview

The Executive Budget reflects a strong commitment to improved student outcomes, sustainable cost growth and an equitable distribution of aid. The Budget provides support for several key initiatives, including a \$2 billion Smart Schools bond act, an investment of \$1.5 billion over five years to implement a statewide Universal Full-Day Pre-Kindergarten program, and an investment of \$720 million over five years to expand afterschool programs. Together, these initiatives will continue to transform public education across the State – reaching students earlier, providing more enrichment opportunities, and leveraging the power of technology in state-of-the-art classrooms to help prepare students to be college and career ready. Important reforms from prior years are also sustained, including continuation of annual professional performance reviews for teachers and principals.

Public education in New York represents a significant commitment of State and local resources. With total spending levels exceeding \$58 billion, New Yorkers have maintained the highest per-pupil spending levels in the nation – even during difficult financial times. Not only is education the largest area of State spending, it is also the largest component of local property taxes. This substantial investment is a reflection of New York State’s long-standing commitment to providing opportunity for all students.

Although New York makes significant financial investments in education, the State lags behind in graduation rates and college or career readiness. Only 74 percent of students graduate from high school in four years and only 35 percent of those graduates are college or career ready. Recognizing that a prosperous future for the State is dependent upon the quality of public education, the 2014-15 Executive Budget continues the work of building an education system that ensures every child has an opportunity for a sound, basic education, and that all of our children are educated in schools with excellent teachers and leaders who are accountable for student success.

Support for Public Education

Statewide increases in school spending, State support for education, and school property taxes have far outpaced the rate of inflation over the last ten years. New York public schools spend more per pupil (\$19,076) than any other state and 81 percent above the national average. However, New York’s high level of education spending has not translated into equally high student performance.

Several initiatives implemented over the past three years have improved the State’s ability to provide educational opportunities to our students, and ensure that the best and brightest are teaching our students. These major initiatives include:

- Establishment of an annual professional performance review system (APPR) to hold teachers and principals accountable, and that links State aid increases to school district implementation of the APPR; and
- Creation of five competitive programs which were recommended by the *New NY Education Commission*. These include a full-day pre-kindergarten program for our highest need students; an extended learning time program where participating school districts increase learning time by

at least 25 percent; a community schools program designed to transform school buildings into community hubs that integrate social, health, mental health and other critical services to students and their families; a new Master Teacher Program that provides financial supports to Science, Technology, Engineering and Math (STEM) teachers who take part in professional development and mentorship activities; and a P-TECH (Pathways in Technology Early College High School) program that provides a rigorous, relevant “grades 9 to 14” education focused on the knowledge and skills students need for STEM careers.

Summary of Spending

Category	2013-14 (\$ in millions)	2014-15 (\$ in millions)	Change	
			Dollar (\$ in millions)	Percent
Total Education Aid	21,075	21,882	807	3.8

Category	Change (\$ in millions)
School Aid	682
Statewide Universal Full-Day Pre-K	100
Performance Programs	25
Total Education Aid	807

Proposed 2014-15 Budget Actions

The 2014-15 Executive Budget reflects a continued commitment to supporting improved student outcomes, sustainable cost growth, and equitable distribution of aid. It builds on the foundational work of prior years, including the implementation of key recommendations of the *New NY Education Reform Commission’s Final Action Plan*.

School Aid will continue to represent the largest State-supported program, accounting for about 29 percent of General Fund spending. For the 2014-15 school year, the Executive Budget recommends \$21.9 billion in total education aid, exclusive of funding from the Smart Schools bond act. This amount represents a year-to-year increase of \$807 million.

The 2014-15 Executive Budget will support several initiatives – many of which are based on the recommendations of the Governor’s *New NY Education Reform Commission’s Final Action Plan*. These investments, which total more than \$4.2 billion, will focus on improving the education system:

- **Smart Schools (\$2 billion).** The Executive Budget recommends a \$2 billion general obligation bond act, to be brought before voters in November 2014. Bond proceeds will fund enhanced education technology in schools, with eligible projects including infrastructure improvements to bring high-speed broadband to schools and communities in their school district and the purchase of classroom technology for use by students. Additionally, Smart Schools will enable long-term investments in full-day pre-kindergarten through the construction of new pre-kindergarten classroom space.

- **Statewide Universal Full-Day Pre-Kindergarten (\$1.5 billion).** The Executive Budget builds upon the success of the first-ever State-funded full-day pre-kindergarten program by committing to invest \$1.5 billion over five years to support the phase-in of a Statewide Universal Full-Day Pre-Kindergarten program. In the 2014-15 school year, the State will provide total funding of \$100 million, focusing expansion first on the highest-need students. In each subsequent school year, the State's commitment will grow by at least an additional \$100 million.
- **After-school Programs (\$720 million).** The Executive Budget appropriates \$720 million over a five-year period to expand after-school programs across the State. An estimated \$160 million will be available in the 2015-16 school year, growing to \$200 million in the 2017-18 school year. These funds will allow schools to add or expand after-school programs to provide more enrichment opportunities for students.
- **Teacher Excellence Fund (\$20 million).** The Executive Budget provides support to reward teacher excellence, and recruit and retain the most highly effective educators. In order to qualify, teachers must be rated as "highly effective" and will be eligible to receive up to \$20,000 in annual supplemental compensation through the Teacher Excellence Fund.
- **P-TECH Expansion (\$5 million).** The Executive Budget provides \$5 million to expand the Pathways in Technology and Early College High School (P-TECH) program included in last year's Enacted Budget. This rigorous and relevant "grades 9 to 14" education, focuses on the knowledge and skills students need for STEM careers, targeting high-performing, at-risk students. Students receive both a high school diploma and an associate's degree at no cost to the students' families and are first in line for a job after graduation.

School Aid

- **Target School Aid Increases to High-Need School Districts.** The Executive Budget provides an \$807 million increase in education aid for the 2014-15 school year, \$608 million of which is provided to school districts as formula-based School Aid. Most of the allocated increase is provided through a \$323 million partial restoration of the Gap Elimination Adjustment (GEA). Another \$285 million supports increased reimbursement in expense-based aid programs (e.g., school construction, pupil transportation, and BOCES) and other current aid categories. High-need school districts will receive over 70 percent of the 2014-15 allocated increase.

Preschool Special Education

New York State offers extensive services to its students with disabilities, including services to children before they reach school age. The State's spending on Preschool Special Education has doubled over the past ten years to approximately \$1 billion. To improve service delivery and address significant program expense growth, the 2014-15 Executive Budget will include targeted reforms to Special Education Itinerant Teacher (SEIT) services. Recommended actions will focus on improving fiscal practices and service delivery in the SEIT services:

- **Limit Reimbursement to Services Delivered.** The Executive Budget recommends limiting payment to program operators only for services that are actually provided, incentivizing delivery of these mandated services to children. State law currently allows providers to be paid, even if services are not provided.

- **Establish Regional Rates.** Providers are currently reimbursed based on their historical costs and rates for these services can vary significantly, even within the same region. Establishing regional rates will rationalize the current payment rate structure.
- **Empower New York City to Negotiate Rates with Providers.** New York City is uniquely situated as both the county and the school district. As such, New York City is best positioned to significantly reduce growth in the preschool special education program without any impact on services. This proposal will authorize New York City to establish reimbursement rates for providers in New York City within maximum rates set by the State.

Other Budget Actions

- **Property Tax Freeze.** To further incentivize school districts to control spending and property taxes, the 2014-15 Executive Budget freezes, for two years, the property tax bills of homeowners in school districts which stay within the property tax cap. In the second year, such districts will also have to agree to and implement a multi-year regional plan of shared services and administrative consolidation that produces recurring property tax savings. Eligible homeowners will receive a State tax credit to cover increases in their tax bills.
- **Maintain the Contracts for Excellence Program.** The Executive Budget proposes all school districts currently in the Contracts for Excellence program remain in the program unless all of the school buildings in the school district are reported as “In Good Standing” for purposes of the State accountability system. This approach will ensure participation of 15 school districts, including the Big Five city school districts (New York City, Buffalo, Rochester, Syracuse and Yonkers). School districts that remain will be required to maintain funding for Contracts for Excellence programs at the same level required for the 2013-14 school year.
- **Funding for Arts Grants.** The New York State Council on the Arts awards approximately 2,000 competitive grants annually to arts and cultural organizations. This reflects the State’s commitment to provide access to high-quality artistic programs, while also making investments in local initiatives with longstanding economic impacts, such as theatres, dance companies, museums and orchestras. The Executive Budget continues \$36 million in funding for arts grants, the same level provided last year.