

5. EDUCATION

The FY 2017 Executive Budget reflects the Governor's strong commitment to education through a \$2.1 billion increase in education aid over the next two years. The Budget also commits to fully restoring the GEA for every district by the SY 2018.

The Budget provides support for several key initiatives, including \$340 million to continue the Empire State Prekindergarten program, an expansion of prekindergarten for three-year-old children, the conversion of high-need schools into community schools, and increased funding for charter schools. Together, these initiatives will continue to transform public education across the State. Important initiatives from prior years are also sustained, including significant investments in prekindergarten and from the Smart Schools Bond Act.

Overview

Public education in New York represents a significant commitment of State and local resources. With total State and local spending levels exceeding \$60 billion, education is the largest area of State spending and the largest component of local property taxes. This is a reflection of New York State's long-standing commitment to provide all students with the opportunity for a strong, rigorous education. In the last four years alone, the Governor has enacted budgets with school aid increases totaling \$4.3 billion. The FY 2016 Budget included an additional \$1.4 billion (6.1 percent) increase, bringing school aid funding to its highest level ever at \$23.5 billion.

The Executive Budget continues the progress made during this administration to strengthen educational offerings and increase access across New York. Building upon the State's first investment in full-day prekindergarten for three-year-olds, the Budget provides additional funding to expand prekindergarten access for three-year-olds in the most vulnerable districts. In addition, the Budget reflects the Governor's commitment to support the conversion of failing

schools into community schools. These initiatives, along with programs already underway, will continue to transform public education across the State—reaching students earlier, providing more flexibility, and ensuring that students have access to highly effective teachers, programs and schools.

Support for Public Education

Statewide increases in school spending, State support for education, and school property taxes have combined to far outpace the rate of inflation over the last ten years. New York public schools spend more per pupil (\$19,818) than any other state and 85 percent above the national average.

Several recent initiatives have focused on improving the State’s ability to expand educational opportunities for young students and ensure all students are college or career ready. These major initiatives include:

- **Prekindergarten Programs.** The State currently spends over \$785 million on public prekindergarten programs for three- and four-year-olds, serving nearly 120,000 students statewide. The FY 2015 Enacted Budget committed \$1.5 billion over five years to support the phase-in of full-day prekindergarten for four-

year-olds, with the majority of funds being used to support the State's prekindergarten expansion in New York City. In addition, in December 2014, New York received a \$25 million grant award (\$100 million over four years) from the United States Department of Education to expand access to full-day prekindergarten in high-need school districts. Following that, the FY 2016 Enacted Budget included \$30 million to support the first State-funded full-day prekindergarten program for three year olds, while also allowing expanded access for four-year olds.

- **Smart Schools Bond Act.** In November 2014, the Smart Schools Bond Act Referendum proposed by Governor Cuomo was approved by voters. The Smart Schools Bond Act provides \$2 billion in funding to schools to reimagine our classrooms and provide New York's students with the technological resources, skills, and safe learning environments necessary to succeed in the evolving 21st century economy. Bond proceeds will fund enhanced education technology, including infrastructure improvements to bring high-speed broadband to schools and their surrounding communities and the purchase of classroom technology for use by students. Additionally, the Smart Schools Bond Act will enable long-term investments in full-day pre-kindergarten through the construction of new prekindergarten classroom space, the replacement of classroom trailers with permanent classroom space, and high-tech school safety programs.

Summary of Spending

Category	SY 2016 (millions)	SY 2017 (millions)	Change	
			Dollar (millions)	Percent
Total Education Aid	23,233	24,224	991	4.3

Category of Increase	Change (millions)
Reimbursement for Expense-Based Aids / Other	408
Additional Foundation Aid	266
Gap Elimination Adjustment Restoration	189
Community Schools Aid	100
Empire State Prekindergarten Program for Three-Year-Olds	22
Early College High Schools	4
QUALITYstarsNY	2
Total School Aid Increase	991

Proposed FY 2017 Budget Actions

The Executive Budget reflects the Governor's continued commitment to improved student outcomes and builds upon the foundational work of prior years, including the implementation of recommendations of the New NY Education Reform Commission's Final Action Plan.

In FY 2017, School Aid will continue to represent the largest State-supported program, accounting for

roughly 29 percent of total General Fund spending. For SY 2017, the Budget recommends \$24.2 billion in total education aid.

School Aid

The Executive Budget provides a \$2.1 billion increase in education aid over the next two years. The Budget also commits to fully restoring the GEA for every district by the SY 2018. For SY 2017, this growth consists of a \$991 million (4.3 percent) increase in formula-based aids and competitive grants. The increase reflects a Foundation Aid increase of \$266 million and a \$189 million Gap Elimination Adjustment (GEA) restoration, including fully restoring the GEA for approximately 200 higher need districts.

Empire State Prekindergarten

The Budget includes an additional \$22 million investment in prekindergarten to expand high quality half-day and full-day prekindergarten programs to three-year-olds in the highest need school districts. This funding builds upon the State's first investment in full-

day prekindergarten for three-year-olds included in the FY 2016 Enacted Budget.

The State will also provide \$5 million to support the implementation of QUALITYstarsNY, a quality rating and improvement system intended to ensure that we offer our youngest children the highest quality programs possible. This is an increase of \$2 million from the State's first investment in QUALITYstarsNY in the FY 2016 Enacted Budget.

Community Schools

The Budget continues the Governor's push to transform New York's 144 failing schools. Pursuant to SED regulations, a school is identified as "failing" if it has been in a monitored or "accountability status" for the previous three school years and has been among the bottom five percent in the State in English Language Arts (ELA) and math performance or has a graduation rate below 60 percent.

The FY 2016 Budget committed \$75 million to support the turn-around efforts in schools identified as "persistently failing," meaning they have been in the lowest accountability status for a decade. The FY 2017

Executive Budget provides an additional \$100 million to expand this initiative, \$75 million of which is specifically allocated amongst 17 school districts with a failing or persistently failing school. The remaining \$25 million will be available to other high-need school districts statewide that do not have a failing or persistently failing school. Schools will be able to use these funds for community school coordinators, before- and after-school mentoring services, summer learning activities, health and dental care referrals and connections, and other strategies to maximize student achievement.

Charter Schools

The Executive Budget increases statewide funding for charter schools by \$27 million so that they can continue to innovate, recruit high-quality teachers and staff, and provide a strong educational option for students and families. Further, the Executive Budget unfreezes the charter school tuition formula in New York City to allow local funding amounts to be reflective of the current economic environment. In addition, the

Budget makes permanent the calculation of rental aid for New York City charter schools.

Early College High Schools

New York has more than 65 early college high school programs with more than 7,000 students enrolled. These programs allow students to get a jump start on college by providing opportunities to earn college credit. To build upon the success of the existing programs, the FY 2017 Executive Budget commits \$4 million to expand the State's early college high school and career and technical education programs.

Other Budget Actions

- **Establish the Parental Choice in Education Act.** The Executive Budget promotes educational choice and philanthropy, and provides support for teachers in recognition of their personal spending for their classrooms by creating three new tax credit programs totaling \$150 million under a Parental Choice in Education Act.
 - **The Education Scholarship and Program Tax Credit.** This program provides \$50 million in credits to support scholarships for low- and middle- income students to attend a non-public school or a public school outside

of their district, and \$20 million in credits to support public school educational improvement programs such as prekindergarten and after-school activities. Corporation franchise and individual taxpayers who make donations will receive a nonrefundable credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of \$1 million.

- **The Family Choice Education Tax Credit.** This credit provides \$70 million in reimbursements to families with incomes below \$60,000 per year for eligible tuition expenses paid to elementary and secondary schools in New York State. Families would be eligible to claim a credit of up to \$500 per student.
- **The Instructional Materials and Supplies Credit.** Recognizing that many teachers spend their own money on materials for their classrooms, the Act creates a refundable credit equal to the cost of instructional supplies purchased by a public, charter, or private school educator, up to a maximum of \$200, with an aggregate cap of \$10 million.
- **Extend Mayoral Control of New York City Schools.** The existing governance structure for New York City schools is extended for an additional three years, until June 30, 2019.

- **Supporting Non-Public School Programs.** Approximately 400,000 elementary and secondary students attend more than 1,600 non-public schools in New York State. The Executive Budget increases aid by approximately four percent to \$174 million to reimburse non-public schools' costs for State-mandated activities. The Budget also provides \$125 million in extraordinary aid, first authorized in June 2015, to reimburse non-public schools for the costs of performing State-mandated services in prior years.

