

The FY 2018 Executive Budget reflects the Governor’s strong commitment to education through a \$1 billion annual increase in education aid, including \$961 million in the School Aid growth cap. This represents a cumulative 31 percent increase over six years. The Budget provides a \$428 million increase in Foundation Aid, and includes support for several key initiatives, including an unprecedented investment in State-supported after-school programs, the continued transformation of high-need schools into community hubs, expansion of prekindergarten for three- and four-year-old children in high-need districts, and additional funding for early college high schools. Together, these investments will continue to transform public education across the State. Important initiatives from prior years are also sustained, including \$340 million to continue the Statewide Universal Full-day Prekindergarten Program and the \$2 billion Smart Schools Bond Act.

Overview

Public education represents a significant commitment of New York’s resources. With total State and local spending levels exceeding \$60 billion, education is both the largest area of State spending and the largest component of local property taxes. New York has ranked first nationally in per pupil spending for more than ten years, a reflection of the State’s long-standing commitment to provide all students with the opportunity to excel as learners, workers, and citizens. Over six years, School Aid increases will total \$6.1 billion. Last year alone, the FY 2017 Budget included an additional \$1.5 billion (6.5 percent) increase, by far the largest increase of any category of State spending, showing once again School Aid is the State’s highest funding priority.

The FY 2018 Executive Budget continues the progress made to strengthen educational offerings and increase access across the State. Building upon the State’s multi-year investment in high-quality, full-day prekindergarten, the Budget provides additional funding to expand prekindergarten access for three- and four-year-olds in high need-school districts. In addition, the Budget reflects the Governor’s continued commitment to the transformation of high-need schools into community hubs. These initiatives, along with programs already underway, are improving public education across the State—reaching students earlier and ensuring students have access to highly effective teachers, programs and schools.

Budget Highlights

\$1 billion Education Aid Increase. Foundation Aid is increased by \$428 million. State support for school districts will have increased by 31 percent over the last six years. Approximately 70 percent of total funding goes to High Need school districts.

Expand After-School Programs. The Budget provides an unprecedented \$100 million—an increase of \$35 million—for public after-school programs. This year’s increase will be targeted to the State’s 16 Empire State Poverty Reduction Initiative (ESPRI) communities.

Increase Support for Community Schools. The Budget provides \$150 million—an increase of \$50 million—to support the continued transformation of high-need schools into community hubs.

Performance Profile

Rising Graduation Rates.

Since FY 2012, high school graduation rates have increased every year.

Improved Access to After School Program.

This year, 80,000 students in ESPRI communities will be enrolled in high quality, publicly-funded after school programs—an increase of 36 percent.

Increased Opportunities for Early Childhood Education.

In FY 2018, the State will serve 121,000 students in high quality, publicly-funded prekindergarten programs.

Transforming School Districts into Community Hubs.

One-third of school districts in New York receive community schools funding and have begun transforming their schools into community hubs with wrap-around services.

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 (\$20,610) than any other state in the country—87 percent above the national average (\$11,009).

Several recent initiatives have focused on improving the State's education system. These major initiatives include:

- Prekindergarten Programs.** The State spends more than \$800 million annually on public prekindergarten programs for three- and four-year-old children, serving over 121,000 students statewide. In FY 2015, the Enacted Budget committed \$1.5 billion over five years to support the phase-in of a full-day prekindergarten program for four-year-old children across the State. That same year, 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. In FY 2016, the Enacted Budget included \$30 million to support the first State-funded full-day prekindergarten program for three-year-olds, while also expanding prekindergarten access for four-year-olds. Building on that investment, the FY 2017 Enacted Budget further expanded prekindergarten access to three-year-old children in the State's highest-need school districts.
- 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 districts to reimagine the State's classrooms and provide New York's students with the technological resources, skills, and learning environments necessary to succeed in the 21st century. Funding supports enhanced education technologies including infrastructure improvements, high-speed broadband internet access, and active learning technologies. Additionally, the Smart Schools Bond Act supports the State's long-term investments in

full-day prekindergarten through the construction of new prekindergarten classrooms, the replacement of classroom trailers with permanent classroom spaces, and high-tech school safety programs. To date, over 180 Smart Schools Investment Plans totaling \$170 million have been approved by the Smart Schools Review Board.

- **Community Schools.** When schools and communities partner to provide students with health and social services, learning improves and students succeed. The FY 2017 Budget invested \$175 million to transform failing and high-need schools into community schools. This funding supports services that are unique to each school's individual needs, including before-and-after school programs, summer learning activities, medical and dental care, and other social services.

Table 5: Summary of Spending (State Operating Fund)

Category	2016-17 School Year (millions)	2017-18 School Year (millions)	Change	
			Dollar (millions)	Percent
School Aid	\$24,644	\$25,605	\$961	3.9

Table 6: Education Aid Increase

Category of Increase	Change (millions)
Additional Foundation Aid	\$428
\$50 Million Community Schools Set-aside	
Reimbursement for Expense-Based Aids / Other	\$333
Fiscal Stabilization Fund	\$150
Empire State After-School Program	\$35
Expanded Prekindergarten for Three- and Four-Year-Olds	\$5
Early College High Schools	\$5
Other Education Initiatives	\$5
School Aid Growth Cap	\$961
Charter School Tuition Reimbursement	\$22
Smart Schools Debt Service	\$17
Total Education Aid	\$1 billion

Proposed FY 2018 Budget Actions

The Executive Budget reflects the Governor's strong commitment to improved student outcomes and builds upon the foundational work of prior years. In FY 2018, School Aid will continue to represent New York's largest State-supported program, accounting for roughly 30 percent of total General Fund spending.

School Aid

The FY 2018 Executive Budget provides an overall school aid increase of \$961 million (3.9 percent). This includes a \$428 million increase in Foundation Aid with a community schools set-aside increase of \$50 million for the continued transformation of high-need schools into community hubs, \$333 million in reimbursements for expense-based aids, an unprecedented \$35 million investment in public after-school programs in high-need school districts, a \$5 million expansion of high-quality prekindergarten for three- and four-year-old children, and an additional \$5 million investment in early college high schools. Approximately 70 percent of total funding supports school districts categorized as High Need.

Community Schools

The Budget continues the Governor's push to transform New York's high-need districts into community schools. Last year's Budget invested \$175 million to support the Governor's community school efforts across the State—\$100 million as a set-aside within Foundation Aid, and \$75 million in grants to support the operating and capital costs associated with the transformation of failing schools into community hubs. The FY 2018 Budget increases the community schools set-aside by \$50 million—for a \$150 million total community schools set-aside—for the continued transformation of high-need schools into community hubs. School districts will be able to apply these funds to a wide-range of community schools activities, including hiring community school coordinators, providing before- and after-school mentoring services, offering summer learning activities, and providing health and dental care services.

Empire State After-School Program

Last year, the FY 2017 Budget provided \$65 million—in addition to \$88 million in Federal Support—for public after-school programs throughout the State. The FY 2018 Budget increases the State's after-school investment to an unprecedented \$100 million through \$35 million in new funding for public after-school programs in the State's 16 Empire State Poverty Reduction Initiative (ESPRI) communities. This new funding will create an additional 22,000 spots for students in after-school programs, increasing the number of spots in ESPRI school districts by 36 percent. With these new investments, 80,000 students in ESPRI school districts will receive after-school care in the 2017-18 school year.

Prekindergarten

The Budget includes an additional \$5 million investment in prekindergarten to expand high-quality half-day and full-day prekindergarten for three- and four-year-old children in high-need school districts. Preference for these funds will be given to the few remaining high-need school districts currently without a prekindergarten program. This funding builds upon the State's prekindergarten program for three- and four-year-old students included in the FY 2016 Enacted Budget. The State will also continue its \$5 million investment in the implementation of QUALITYstarsNY, a quality rating and improvement system intended to ensure New York's youngest students are enrolled in the highest quality prekindergarten programs possible.

Charter Schools

The Budget maintains the charter cap at its current level while providing additional flexibility. The Budget would also create a new tier of Charter School Transitional Aid to provide school districts with support in making tuition payments to charter schools. Additionally, the Budget would increase support for new and expanding charter schools located in privately leased space in New York City. The Executive Budget updates the charter facilities aid calculation in New York City to better reflect actual costs.

Early College High Schools

New York currently has more than 55 early college high school programs with more than 8,000 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 Budget commits an additional \$5.3 million to expand the State's early college high school programs. This expansion is specifically geared for schools focused on computer science

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 3.9 percent to \$181 million to reimburse non-public schools' costs for State-mandated activities. The Budget will also continue the two-year \$60 million appropriation, first enacted in 2016-17, to accelerate reimbursement for the Comprehensive Attendance Policy (CAP) program.

In addition, consistent with spending under the Smart Schools Bond Act, the Budget includes \$25 million in capital funding to enhance classroom technology and connectivity projects that will benefit students attending non-public schools. This program will finance improved educational technology and infrastructure such as interactive whiteboards, computer servers, wireless access points, routers, desktop, laptop and tablet computers, and high-speed and wireless internet connectivity.

Other Budget Actions

- **Advanced Placement Test Assistance.** New York State has one of the highest rates of participation in national Advanced Placement (AP) exams in the country. Unfortunately, Advanced Placement exams can be costly—approximately \$93 per exam. While partial subsidies exist, the remaining cost can still be a burden for low-income families. Because of this, the FY 2018 Budget provides \$2 million to fund AP exam costs for 68,000 low-income students. This funding will provide further access to advanced coursework for low-income students, and will promote educational equity across the State.
- **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, 2020.
- **Master Teachers Program.** Building on the success of Governor Cuomo’s Master Teacher Program which has already awarded more than 800 teachers, the Budget provides \$2 million to fund an additional cohort of 115 master teachers—specifically teachers in computer science. Each master teacher is awarded \$15,000 per year for four years (\$60,000 total). Those selected as master teachers will pledge to engage in peer mentoring, participate in and lead professional development activities, work closely with pre-service and early career teachers to foster a supportive environment for the next generation of STEM teachers, and ensure the most innovative teacher practices in STEM are shared across all grades and regions.
- **Empire State Excellence in Teaching Awards.** To recognize and honor excellence and innovation in the classroom, the Budget provides \$400,000 to fund a second round of Empire State Excellence in Teaching awards. This funding will be awarded on a regional basis and will recognize at least 60 teachers. Awardees receive \$5,000 to use for professional development activities, including coursework to enhance expertise, attendance at a state or national education conference, or enrollment in a summer institute or certification program.
- **Prevent Cyberbullying Initiative.** The Budget invests \$300,000 to combat and prevent cyberbullying and other forms of online harassment. Funds will be used to provide a wide array of school-based cyberbullying prevention strategies, including cyberbullying professional development for school counselors and school-based public awareness campaigns.
- **State Education Department Inspector General.** The Budget establishes a new, independent Inspector General to oversee and investigate allegations of corruption, fraud, criminal activity, conflicts of interest, or abuse, by any person within the State Education Department. Unlike other State agencies, the State Education Department is not currently overseen by any investigative entity. This Inspector General would be appointed by mutual agreement between the Senate and Assembly.