



Division of
the Budget

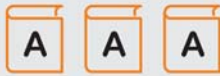
EDUCATION

Since 2012, high school graduation rates have **increased**

5.4%



In FY 2020,



New York will serve
126,000 CHILDREN

with high quality,
publicly-funded

PRE-K PROGRAMS



Approximately

80,000 STUDENTS



will have high quality, publicly funded
after school care. Activities include **sports,**
music, and other **educational programming.**

\$1.3 billion



to over 600 Smart Schools Investment Plans
that support **classroom technology,**
high-tech security, and **school and**
community connectivity.

\$1 billion

**INCREASE FOR
EDUCATION AID**

Foundation Aid
increased by



\$338 million

School district
support will
have risen

42%
since
2012.

Over
70%

of the increase
goes to
high-need
school districts.



The Budget provides **\$250 million,** to
support the ongoing transformation of

HIGH-NEED SCHOOLS

into community hubs.

Budget Highlights

\$1 Billion Education Aid Increase. State support for school districts will have increased by \$8.1 billion (42 percent) since FY 2012. Over 70 percent of this year's increase goes to high-need school districts. Foundation Aid is increased by \$338 million.

More Funding for Poor Schools. Building on the State's first ever collection and reporting of school-level financial data, school districts will be required to dedicate a significant portion of their Foundation Aid increases to address inequities in their neediest schools.

Increase Support for Community Schools. The Budget provides \$250 million—an increase of \$50 million—to support the continued transformation of high-need schools into community hubs.

\$15 Million Pre-K Expansion. The additional investment in prekindergarten will bring high-quality prekindergarten instruction to 3,000 three- and four-year-old children in high-need school districts.

\$10 Million After School Expansion. The expansion of public after school care will serve 6,250 additional students in high-need communities across the State.

The FY 2020 Executive Budget reflects the Governor's strong commitment to education through a \$1 billion increase in Education Aid, including a \$956 million annual School Aid increase. The Budget provides a \$338 million increase in Foundation Aid, and includes support for several key initiatives, including a third round of Empire State After School awards for high-need districts and the continued transformation of high-need schools into community hubs. Together, these investments continue to advance the transformation of public education across the State. Important initiatives from prior years are also sustained, including the \$340 million Statewide Universal Full-day Prekindergarten Program and the \$2 billion Smart Schools Bond Act. The Budget also builds on the State's first ever collection and reporting of school-level financial data by requiring school districts to dedicate a significant portion of their Foundation Aid increases to address inequities in their most underfunded, neediest schools.

Overview

As budgets are statements of values and priorities, it is clear New York's highest priority is the education of its children. With total school district spending exceeding \$70 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 12 straight years, a reflection of the State's long-standing commitment to provide all students with the opportunity to excel as learners, workers, and citizens. With this Executive Budget, School Aid increases will total \$8.1 billion over eight years—a 42 percent increase over that period. Last year alone, the FY 2019 Budget included an additional \$914 million (3.6 percent) increase, by far the largest increase of any category of State spending.

The FY 2020 Executive Budget continues the progress made to strengthen New York's educational offerings and increase access across the State. Building upon the State's multi-year investments in high-quality full-day prekindergarten and after school programming, the Executive Budget provides additional funding to expand these vital programs 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 they have access to highly effective teachers, programs, and schools.

Support for Public Education

New York's public schools spend more per pupil (\$22,366) than any other state in the country—almost double the national average (\$11,762). Several recent initiatives have focused on improving outcomes within the State's education system. These include:

- **School Funding Transparency.** Public education represents the largest investment of the State's resources. However, spending totals alone are an imperfect metric for ensuring all students have access to a high-quality education. Most school districts have multiple schools, each with a unique profile and student population. It is thus the State's obligation to ensure all schools, regardless of circumstance or challenge, are equitably funded. To do so, the FY 2019 Enacted Budget included landmark legislation directing school districts to report school-level financial data for every school in the State to the Division of Budget and State Education Department. This data has already uncovered funding inequities in some of the State's highest-need schools and is helping the public better understand how funding decisions made at the local level interact with school performance, race, poverty, and student need. Through this initiative, New York is taking an important step toward a more transparent, equitable education system.
- **Prekindergarten Programs.** New York State spends more than \$800 million annually on public prekindergarten programs for three- and four-year-old children, serving over 123,000 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 grant award of \$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. The FY 2017 Enacted Budget further expanded prekindergarten access to three-year-old children in the State's highest-need school districts, and the FY 2018 and FY 2019 Enacted

Performance Profile

Improving Graduation Rates. Since FY 2012, high school graduation rates have increased 5.4 percentage points.

Increasing Opportunities for Early Childhood Education. In FY 2020, the State will serve 126,000 children in high-quality, publicly funded prekindergarten programs—75 percent of whom will be served in full-day spots.

Expanding Access to After School Programs. In FY 2020, 80,000 students across every region of the State will benefit from high quality, publicly funded after school care. Students will engage in safe activities such as sports, music, and other educational programming after school hours.

Transforming School Districts into Community Hubs. More than 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.

Building the Classrooms of the 21st Century. Over 600 Smart Schools Investment Plans totaling nearly \$1.3 billion have been approved, supporting classroom technology, high-tech security, and school and community connectivity.

Budgets promoted prekindergarten access for all high-need students by targeting funding to the few remaining high-need school districts without prekindergarten programs. Finally, reflecting the multi-year consolidation schedule enacted in FY 2018, the merger of the State's prekindergarten programs into Universal Prekindergarten will be fully realized in FY 2020.

- **After School Programs.** In FY 2018, Governor Cuomo made the State's largest investment in high-quality after school programming with the creation of the Empire State After School Program. His \$35 million commitment provided services to an additional 22,000 students in high-need communities in every region of the State—including the State's 16 Empire State Poverty Reduction Initiative (ESPRI) communities. In FY 2019, the State invested another \$10 million to fund a second round of Empire State After School awards, providing public after school care to 6,250 more students in school districts with high rates of childhood homelessness, and communities vulnerable or at-risk to gang activity with public after school care. Today, with these funds, the State's annual investment in after school programming totals more than \$110 million with 73,000 students across the State benefitting from high-quality extended learning and youth development opportunities in supportive, safe environments in the critical after school hours.
- **Smart Schools Bond Act.** In November 2014, the Smart Schools Bond Act, proposed by Governor Cuomo, was approved by voters. The Smart Schools Bond Act provides \$2 billion in funding for districts to reimagine 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 600 Smart Schools Investment Plans totaling almost \$1.3 billion 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. Over the past five years, the State has invested over \$600 million to transform schools across 240 higher-need districts 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 6: Summary of Spending (State Operating Fund)

| Category | 2018-19 School Year (millions) | 2019-20 School Year (millions) | Change | |
|------------|--------------------------------|--------------------------------|-------------------|---------|
| | | | Dollar (millions) | Percent |
| School Aid | \$26,734 | \$27,690 | \$956 | 3.6 |

Table 7: School Aid Increase

| Category of Increase | Change (millions) |
|--|-------------------|
| Additional Foundation Aid | \$338 |
| \$50 Million Community Schools Set-aside | |
| Reimbursement for Expense-Based Aids / Other | \$411 |
| Fiscal Stabilization Fund | \$157 |
| Expanded Prekindergarten for Three- and Four-Year-Olds | \$15 |
| Empire State After School Program | \$10 |
| Early College High Schools | \$9 |
| Expanded Advanced Placement Access | \$3 |
| We Teach NY | \$3 |
| Alternative Discipline Training | \$3 |
| Other Education Initiatives | \$7 |
| School Aid Increase | \$956 |
| Charter School Tuition Reimbursement | \$12 |
| Charter School Facilities Reimbursement | \$25 |
| Estimated Smart Schools Bond Act Debt Service | \$16 |
| Total Education Aid | \$1,009 |

Proposed FY 2020 Budget Actions

The Executive Budget reflects the Governor’s strong commitment to improved student outcomes and builds upon the achievements of prior years. In FY 2020, 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 2020 Executive Budget provides an overall School Aid increase of \$956 million (3.6 percent). This includes a \$338 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, \$411 million in reimbursements for expense-based aids, a \$15 million expansion of high-quality prekindergarten for three- and four-year-old children, a \$10 million expansion of Empire State After School grants to high-need districts, and an additional \$9 million for early college high schools. In addition, to meet the challenges of all students and schools, the Budget

advances legislation to remedy local inequities and ensure the State's most underfunded high-need schools receive additional funding. In all, over 70 percent of this year's increase is directed to high-need school districts.

Ensuring School Funding Equity

While the vast majority of School Aid is directed to the State's highest-need districts, the School Funding Transparency initiative enacted with the FY 2019 Budget has revealed that districts' allocations to their highest-need schools are not always equitable. This year alone, multiple studies have used the newly available data to find the State's largest districts do not equitably fund the schools with the greatest challenges—schools with the highest concentrations of need and poverty. This undercuts the State's and taxpayers' investments in education, and has real consequences for children, families, and lifelong outcomes. To ensure all schools—no matter the challenge or circumstance—are funded appropriately, and to end the underfunding of the State's neediest schools, the FY 2020 Executive Budget advances legislation requiring school districts to dedicate a significant portion of their Foundation Aid increase to address inequities between their most underfunded, neediest schools and their other schools, based on a plan to be submitted to and approved by the State Education Department.

Community Schools

The Budget continues the Governor's push to transform New York's high-need schools into community schools. Last year's Budget invested \$200 million as a set-aside within Foundation Aid to support the Governor's community schools efforts across the State. This year, the FY 2020 Budget increases the community schools set-aside amount by \$50 million, to a total of \$250 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. In addition, the Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply community schools funds to a wide-range of activities, including hiring community school coordinators, providing before- and after-school mentoring services, offering summer learning activities, and providing health and dental care services.

Prekindergarten

The Budget includes an additional \$15 million investment in prekindergarten to expand high-quality half-day and full-day prekindergarten instruction for 3,000 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, and will focus on including students in integrated or community-based settings. 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.

Empire State After School Program

The FY 2020 Budget provides \$10 million to fund a third round of Empire State After School awards. These funds will provide an additional 6,250 students with public after school care in high-need communities across the State. Funding will be targeted to school districts with high rates of childhood homelessness and communities vulnerable or at-risk to gang activity. This expansion will provide more young people with safe environments to engage in sports, music, and other educational programming during after school hours.

Ensuring College and Career Readiness

Federal and State labor projections show tremendous job growth in areas where postsecondary education is required—especially as automation continues to dramatically alter the workforce. New York is making critical investments to ensure all students are college and career ready and prepared for this transition in the economy.

- **Early College High Schools.** New York currently has 70 early college high school programs serving thousands of students in every region of the State. These programs allow students to get a jump start on college by providing opportunities to earn college credit or an associate's degree. To build upon the success of the existing programs, the Budget commits an additional \$9 million to create at least 15 new early college high school programs. This expansion will target communities with low graduation or college access rates and will align new schools with the in-demand public infrastructure and computer science sectors.
- **Advanced Placement and International Baccalaureate Access.** New York State has one of the highest rates of participation in Advanced Placement (AP) and International Baccalaureate (IB) coursework in the country. Unfortunately, the cost of assessments associated with these courses can serve as a barrier to student participation, especially for students from low-income households. While partial supports exist, the remaining costs can still be a burden. The FY 2020 Budget includes an additional \$1.8 million—\$5.8 million total—to subsidize AP and IB exam fees for thousands of low-income students across the State. The Budget also provides \$1 million in grants to support school districts and BOCES that wish to provide advanced courses and do not currently do so or else do so only on a very limited basis. Combined, these initiatives will provide further access to advanced coursework for low-income students and will promote educational equity across the State.

Charter Schools

Reflecting reforms enacted in FY 2018, the FY 2020 Executive Budget increases charter school tuition in alignment with public school spending and provides New York City charter schools with a total per pupil funding increase of 3.5 percent. This allows charter schools to continue to innovate, recruit high-quality teachers and staff, and provide strong educational options for New York's families and students.

Nonpublic School Programs

Approximately 400,000 elementary and secondary students attend more than 1,600 nonpublic schools in New York State. The Executive Budget increases aid by 3.6 percent to \$193 million to reimburse nonpublic schools' costs for State-mandated activities, and provides a \$5 million increase for science, technology, engineering, and math (STEM) instruction.

In addition, the Budget provides \$25 million in new capital funding to boost safety and security at New York's nonpublic schools, community centers and day care facilities that are at risk of hate crimes or attacks because of their ideology, beliefs, or mission. This builds upon \$25 million that was included in the FY 2018 Budget for this purpose and \$15 million in annual capital funding provided to nonpublic schools for health and safety projects.

Ensuring Greater Stability in School Aid

Large swings and year-over-year volatility in annual State personal income growth have resulted in a School Aid growth index that is irregular and unpredictable for school districts and the State. The State has not adhered to the School aid growth index since FY 2013 when, in its first year of implementation, the cap was based on a multi-year average of State personal income growth. Since then, the growth index reflects only one year of personal income growth data, which allows for significant fluctuations. To reduce budgetary uncertainty for the State and school districts, the Executive Budget advances legislation to amend and align the School Aid growth cap to the 10-year average of State personal income growth (analogous to Medicaid's Global Spending Cap, which is based on the 10-year average of the Medical Care Consumer Price Index). This year's 3.6 percent Executive Budget School Aid increase reflects this proposal.

Simplifying Expense-Based Aids

In FY 2008, the Enacted Budget consolidated approximately 30 separate base-year aid categories into Foundation Aid. In the same vein, the FY 2020 Executive Budget advances legislation to merge 11 major expense-based aid categories into a new aid category—Services Aid—starting in the 2020-21 school year. Services Aid, which will grow annually based on inflation and district enrollment, will help ease the administrative burden on school districts, and will provide greater simplicity and flexibility in School Aid. In addition, the Executive Budget proposes a new tier of Building Aid for newly approved projects. These changes will offer more certainty over future funding, and provide additional State resources to support future Foundation Aid increases.

Other Budget Actions

- **Master Teachers Program.** Building on the success of the Governor's Master Teacher Program—which has awarded more than \$50 million to over 1,000 teachers—the Budget provides \$1.5 million to fund an additional cohort of master teachers in schools with high rates of teacher turnover or inexperience. 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 teachers, and ensure the most innovative teacher practices are shared across all grades and regions.

- **Recovery High Schools.** The Executive Budget provides \$1 million in start-up grants for the creation of new recovery high schools. Recovery schools are alternative high schools that provide sober environments where students in recovery can learn in a substance-free, supportive environment. Outcome studies have found 70 percent of students attending recovery schools successfully maintain sobriety for a full year after treatment, compared to 30 percent of students who return to their community high schools. Recovery high schools are supported by BOCES, which are funded by sponsoring school districts. Enrollment is open to high school students diagnosed with a substance use disorder and a commitment to recovery.
- **Improving School Mental Health.** Trauma at early ages has been found to lead to learning difficulties and ongoing behavior problems. To better support students, the Budget invests \$1.5 million to create enhanced mental health and school climate support grants for middle schools and junior high schools. These funds can be used to provide wrap-around mental health services, improve school climate, combat violence and bullying, and support social-emotional learning.
- **Ending the School to Prison Pipeline.** Students who are suspended or expelled are three times more likely to be involved in the juvenile justice system the following year. To break this vicious cycle, Governor Cuomo provides \$3 million for support programs that train teachers and school leaders in alternatives to student suspension or expulsion, such as restorative justice. This change will help create more equity in New York's schools and help end the school to prison pipeline.
- **Refugee and Immigrant Student Welcome Grants.** In 2018, the Federal government implemented a policy that separated thousands of children from their parents after being caught illegally crossing the U.S. southern border. Under Governor Cuomo, New York is putting out the "welcome mat." To offer a broad array of services and resources for unaccompanied minor children, including immigrant children who have been separated from their parents, Governor Cuomo commits \$1.5 million in funding for Refugee and Immigrant Student Welcome Grants. These funds will allow school districts with large or increasing populations of refugees and immigrants to provide additional wrap-around community schools services including free English classes, health care and mental health services, and hiring additional counselors and psychologists.
- **State-Supported Schools for the Blind and Deaf:** The Executive Budget provides \$30 million in capital funding for health and safety projects at the 11 State-supported schools for the blind and deaf, which serve approximately 1,400 students with disabilities. Unlike other private schools serving students with disabilities that receive funding for their capital needs through a tuition rate supported by State and local funds, there is no such financing mechanism available for the State-supported schools for the blind and deaf.

- **We Teach NY.** To respond to the State’s ongoing shortage of teachers of color, the Executive Budget provides \$3 million to recruit and prepare a corps of 250 outstanding teacher candidates who are of color and would work in high-need subject areas. Candidates will have opportunities for paid educational summer internships and will receive a living stipend during graduate school. Those who successfully complete the program will be guaranteed a job upon graduation.
- **Building Mathematics Fluency.** The Executive Budget invests \$1.5 million to improve math fluency among elementary school students by providing them with access to fun online math learning games.
- **Three-Year Extension of Mayoral Control.** The Executive Budget advances legislation to extend the existing governance structure for New York City schools for an additional three years, until June 30, 2022.
- **Decoupling Test Scores from Teacher and Principal Evaluations.** The FY 2020 Executive Budget recommends reforming the teacher evaluation system so that schools will not be required to use a State test as the measure of student performance and instead will be able to locally select what assessments or student learning is the best way to measure growth.

The Truth about Foundation Aid

“Foundation Aid” is merely the title of the largest category of School Aid, the general operating aid for school districts. As of the FY 2020 Executive Budget, Foundation Aid accounts for \$18.1 billion of the Executive Budget’s \$27.7 billion School Aid proposal. Foundation Aid increases are determined annually by the Governor and Legislature based on factors such as school district type (Big Five city school district or Small City school district), district wealth, and metrics of student need, with greater amounts of funding directed to higher-need districts. In FY 2019, over 75% of the Enacted Budget’s Foundation Aid increase was allocated to high-need districts.

Unfortunately, public discourse on the history of Foundation Aid has been purposefully clouded by special interest groups that wrongfully invoke and conflate the 2006 Court of Appeals decision in the Campaign for Fiscal Equity (CFE) lawsuit against the State with the Legislature’s adoption of Foundation Aid in 2007.

In CFE, the Court of Appeals ruled that students in New York City—and New York City only—were not afforded the opportunity for a “sound basic education” under the State’s constitution due to inadequate funding of the city’s public schools.

In response, Governor George Pataki’s administration, through a special commission, concluded that \$1.93 billion in additional combined State, local and Federal revenues, to be phased in over a five-year period, was a valid determination of the cost of providing a sound basic education in New York City. The Court of Appeals agreed and found this funding amount, and the methodology used to calculate it, acceptable — “we conclude that this estimate was a reasonable one and that the courts should defer to this estimate.” This ruling ended the CFE case.

At the time of the Court's final ruling in CFE, the New York City school district's total budget was \$18.5 billion. By 2018-19, this had grown to \$32.3 billion, an increase of \$13.7 billion. The requirement for an additional \$1.93 billion in New York City funding from State, local and Federal revenues, as agreed to by the Court of Appeals, has been satisfied many times over. There is no other lingering court directive, and no other school district is, or ever was, involved.

In 2007, Governor Eliot Spitzer proposed a new School Aid formula called Foundation Aid, which consolidated approximately 30 existing aid categories. The formula was created by the Spitzer Administration for inclusion in his Executive Budget proposal. Neither the Spitzer Administration's Executive Budget proposal nor the School Aid plan ultimately enacted by the 197th New York State Legislature was ever considered by the Court of Appeals in CFE. Moreover, the formula enacted by the Legislature differed significantly from Spitzer's proposal. In other words, there is no legal connection between Foundation Aid and the CFE lawsuit. In a separate 2017 case, the Court of Appeals definitively stated just that.

Every year in the decade since CFE, each Governor has advanced a School Aid proposal in the Executive Budget and has worked with the Legislature to enact a plan for School Aid. Foundation Aid has appeared in each budget as the largest category of School Aid. The Legislature has annually determined and adjusted aid amounts to arrive at the distribution of funding for that particular year. Each year's formula likewise has no connection to the CFE lawsuit.