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The Executive Budget reflects the Governor’s commitment to improving student outcomes by providing a \$1.1 billion increase in aid (4.8 percent) and conditioning it on the implementation of vital education reforms, including improvements to the systems for teacher evaluation, tenure, certification and preparation as well as providing new authority to improve failing schools and providing increased support and accountability to charter schools.

Overview

Total spending on public education in New York exceeds \$60 billion. Not only is education the largest area of State spending, it is also the largest component of local property taxes.

New York's schools have maintained the highest per-pupil spending levels in the nation – even during difficult financial times. However, the State lags behind in graduation rates and college or career readiness. Only 76 percent of students graduate from high school in four years and only 38 percent of students are college or career ready. These facts, taken together, highlight that substantial progress requires more than money. To achieve real improvement in student outcomes, funding must be coupled with the implementation of reforms with proven track records.

The 2015-16 Executive Budget continues this work by proposing improvements to the systems for teacher evaluation, tenure, certification and preparation. In addition, the Budget provides new authority to truly improve failing schools and provides increased support and accountability to charter schools. The Budget supports new initiatives designed to strengthen the education system, such as better preparation of teachers, removal of financial barriers that keep talented individuals from teaching, rewarding highly effective teachers, and creation of a pre-kindergarten program designed to reach vulnerable 3-year-old children.

These initiatives, along with programs already underway, such as Statewide Universal Full-Day Pre-Kindergarten, will continue to transform public education across the State – reaching students earlier, providing more enrichment opportunities, and ensuring that the State’s students have access to highly effective teachers and schools.

Support for Public Education

Several initiatives implemented over the past three years have improved the State’s ability to expand educational opportunities for young students and ensure all students have the greatest opportunity for college and career readiness. These major initiatives include:

- **Statewide Universal Full-Day Pre-Kindergarten.** The State currently spends over \$750 million on public pre-K programs for four year olds, serving over 116,000 students statewide. The 2014-15 Enacted Budget committed \$1.5 billion over five years to support the phase-in of the first-ever State-funded full-day pre-kindergarten program. In addition, in December, 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 pre-kindergarten in high-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 schools to reimagine our classrooms and provide New York 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 in schools, 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 pre-kindergarten classroom space, the replacement of classroom trailers with permanent classroom space and high-tech school safety programs.
- **Reforming Common Core Implementation.** The 2014-15 Enacted Budget put into law a series of recommendations to improve the implementation of the Common Core in New York State to protect students during the transition. The new law eliminates standardized “bubble tests” in kindergarten through third grade, and limits the amount of class time allowed for standardized testing and standardized test preparation for third through

eighth graders. Critically, this legislation also ensures that results from new tests over the next five years will not appear on students’ official transcripts or permanent records.

Summary of Spending

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollar (millions)	Percent
Total Education Aid	22,079	23,143	1,063	4.8

Category	Change (millions)
School Aid	1,013
Prekindergarten for 3- Year-Old Students	25
Other Education Reform Initiatives	25
Total Education Aid	1,063

Proposed 2015-16 Budget Actions

The 2015-16 Executive Budget reflects a continued commitment to improved student outcomes and 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 roughly 28

percent of total General Fund spending. For the 2015-16 school year, the Budget recommends \$23.1 billion in total education aid, excluding funding from the Smart Schools Bond Act and the Statewide Universal Full-Day Pre-Kindergarten program. This amount represents a year-to-year increase of \$1.1 billion.

This increase, which exceeds the growth rate of general state spending, is appropriately tied to the legislative enactment of education reforms, including necessary improvements to the systems for teacher evaluation, tenure, certification and preparation as well as providing the authority to truly improve failing schools and providing increased support and accountability to charter schools. Absent these reforms, neither data nor experience suggests that New York will break from its historical standing as being the highest spending state per pupil with disappointing student outcomes.

The Budget also supports several initiatives totaling \$50 million that will focus on improving all aspects of the education system from the State's youngest learners to its college graduates; from the State's teacher pipeline to strategies to support struggling schools.

- **Expand Access and Quality of Pre-Kindergarten for 3-Year Old Children (\$28 million).** Building on the success of the Governor's previous pre-kindergarten expansions, the Budget invests \$25 million to expand high quality half-day and full-day pre-kindergarten programs to 3-year-old children in the highest-need school districts that develop a plan to deliver these services where they can be most beneficial. The State will also provide \$3 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.
- **Strengthen Accountability for Failing Schools and Educators (\$8 million).** The Budget provides \$8 million to support turnaround strategies modeled after the Massachusetts education receivership model. Under this model, the State Education Department (SED) will appoint a receiver to oversee a failing school or district.
- **Create Sustainable High-Quality Teacher Pipelines (\$6 million).** The Budget includes \$3 million to support the creation of the New York Teacher Residency (NYTR) program – a statewide teacher residency model that will combine Masters-level course work with a full year of supervised residency in an eligible school, akin to what is provided to doctors in training. Additionally, \$3 million is provided to

incentivize our highest-achieving students to pursue teaching as a profession. The Budget will provide full tuition scholarships for SUNY and CUNY graduate teacher education programs to top candidates who are New York residents and agree to teach in New York for five years following completion of their degrees.

- **Expand the Masters Teachers Program (\$5 million).** The Budget provides an additional \$5 million for the expansion of the Master Teacher program in two ways. First, eligibility is extended to teachers who are licensed to teach English as a Second Language (ESL) or bilingual education in recognition of the particular needs of this student population. Eligibility is also extended to teachers who have dual certifications in special education and general education. Second, the expansion increases opportunities for Master Teachers to provide ongoing mentoring to teachers in the early stages of their careers. The Master Teacher program provides a \$15,000 annual per teacher stipend for four years.
- **Support P-TECH Expansion (\$3 million).** The Budget provides \$3 million to expand the Pathways in Technology and Early College High School (P-TECH) program for a third round of awards. The rigorous, relevant and cost-free “grades 9 to 14” model is focused on the knowledge and skills students need for Science, Technology, Engineering and Math (STEM) careers. Graduates receive both a high school diploma and an associate’s degree at no cost to

the students' families. The program also boasts a commitment that students will be first in line for a job with the participating business partners following completion of the program.

Charter Schools

The Executive Budget will increase the cap on charter schools by 100, remove regional barriers to expansion, and remove the caps specific to particular chartering authorities. School districts with the greatest demand for quality seats for students will be able to provide more educational opportunities. Going forward, charter schools no longer in operation which have previously counted towards the cap will be added back into the statewide pool.

In addition to cap-related reforms, the Executive proposes requiring charters to submit enrollment rates to SED for Free or Reduced Price Lunch (FRPL) students, English Language Learners and students with disabilities at the beginning and end of each school year during the five-year period in between reauthorizations. During reauthorization, a chartering authority must consider any pattern of noncompliance with stated enrollment targets when making its renewal decision.

Additionally, the Budget will increase the State-funded Charter School Supplemental Basic Tuition to \$425 per pupil in 2015-16 and \$575 in 2016-17. Prior to 2014-15, the Charter School Tuition paid by school districts was frozen at the 2010-11 levels.

Preschool Special Education

New York State offers all-encompassing services to its students with disabilities, including services to children before they reach school age. The State's spending on Preschool Special Education is approximately \$1 billion. To improve service delivery and administration of the program, the Budget establishes regional rates for Special Education Itinerant Teacher (SEIT) providers.

SEIT providers are currently reimbursed based on their individual historical costs and rates for these services vary significantly, even within the same region. Establishing regional rates will rationalize the current payment structure by ensuring that all providers within a region are paid the same amount for providing these services. Implementation of regional rates will be phased-in over no more than four years.

Other Budget Actions

- **Establish an Education Tax Credit.** A new Education Tax Credit, is created which reflects contributions to public education entities, school improvement organizations, local education funds, and educational scholarship organizations. The educational scholarship organizations must provide benefits to pupils at three or more public or nonpublic schools. Corporation franchise and individual taxpayers will receive a nonrefundable credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of \$1 million. The program will be capped at \$100 million in aggregate education tax credits annually. Half of the annual cap will be dedicated to public education entities, school improvement organizations, and local education funds. The other half will be allocated to educational scholarship organizations that provide support to low- and middle-income students hoping to attend a public school outside of their district or a nonpublic school. The establishment of this credit is contingent on passage of the DREAM Act.
- **Support Non-Public School Programs.** The Executive Budget increases funding by 4.8 percent to reimburse non-public schools' costs for State-mandated activities. Approximately 400,000 elementary and secondary students attend more than 1,700 nonpublic schools in New York State.

- **Increase Funding for the Arts.** 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 provides \$41 million in funding for arts grants, an increase of \$5 million.