



New York State
EDUCATION DEPARTMENT

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2021-2022 Regents State Aid Proposal

Board of Regents Meeting
October 2020

2020-21 State Aid Levels

- **Final 2020-21 state aid amounts remain uncertain.**
- **Receipt of additional Federal revenues to offset potential state aid reductions or supplement current school district funding levels are possible.**

Pandemic Adjustment

- **The 2020-21 enacted budget reduced each major school district's 2020-21 state aid level by the amount of Federal CARES Act funds each school district received (the "Pandemic Adjustment").**
- **The Federal CARES Act funds were required to be allocated to school districts based on the distribution of Federal Title I dollars. The Title I formula is very progressive, which means the highest need districts in the state receive the most aid. Similarly, the highest need districts experienced the greatest impact from the Pandemic Adjustment.**

Pandemic Adjustment

- **The Federal CARES Act requires school districts to use a portion of their CARES Act allocation to provide equitable services to students and teachers in non-public schools, which prevents districts from being able to fully backfill the reduction in state aid with Federal funds.**
- **The impact on an individual school district depends on the proportion of the district's students attending non-public schools.**

Repeal of the Pandemic Adjustment

- **To address these issues, the Regents could consider advancing a proposal to repeal the Pandemic Adjustment and restore each district's state aid levels to ensure no district experiences an aid loss in 2020-21.**
- **This would also enable districts to use their Federal CARES Act funds for their intended purpose – to prevent, prepare for, and respond to coronavirus.**

Transportation

- In the spring, school districts were required, by Executive Order, to close by March 18, 2020. Executive Orders subsequently extended such closures in two week increments until the Governor announced on May 1, 2020 that schools would be closed for the remainder of the 2019-20 school year.
- As a result, between March 18 and May 1, there was the potential for schools to reopen and school districts needed to keep transportation employees and vendors on standby to be in a position to resume transportation services if schools were directed to reopen pursuant to Executive Order.

Transportation

- **In addition, districts were required by Executive Order to provide remote instruction and meals for students during periods of school closure in the spring. Several schools implemented these requirements by using school buses to deliver school meals, homework packets and wi-fi access.**
- **However, Education Law does not currently permit districts to be reimbursed through transportation aid for transportation that was not provided, or for use of school buses to provide meals, homework and wi-fi.**

Transportation

To address these issues, the Regents could consider advancing a proposal to:

- **allow districts to be reimbursed for actual costs incurred to keep transportation vendors and employees on standby between March 18, 2020 and May 1, 2020, and**
- **allow districts to be reimbursed for costs incurred in using school buses to deliver school meals, homework packets and wi-fi access.**

Potential 2020-21 State Aid Reductions

- An across-the-board state aid reduction would disproportionately impact high-need, low-wealth school districts, as high need districts receive over 69 percent of all formula-based state aid.
- High need districts are heavily reliant on state aid as an overall proportion of their local budget.
- If reductions to 2020-21 state aid levels become necessary, the Regents could consider messaging reductions be made on a progressive basis approach. The Regents could also consider communicating an equitable way in which any reductions are imposed on school districts and on charter schools.

Promoting School District Efficiencies

- **Some of the fiscal challenges school districts are facing due to the pandemic have the potential to be addressed through school district mergers or service consolidation.**
- **The Regents could consider incentivizing such efficiencies through approaches such as indexing the Reorganization Incentive Aid formula to inflation.**

Financial Technical Assistance

- **The Department needs additional resources to provide technical assistance to those districts with the greatest fiscal challenges, which have been exacerbated by the pandemic.**
- **The Regents could consider re-advancing the 2020-21 Regents proposal to provide the Department with additional state operations funds to increase our capacity to provide school districts with technical support on financial and management matters.**



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Thank You