



New York State  
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# **NYSED Review of the 2021-2022 Executive Budget**

**State Aid Subcommittee**

**February 8, 2021**

# Federal Funding Assumptions

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## The Executive Budget:

- Assumes New York State will receive \$6 billion in unrestricted federal aid.
  - \$3 billion in 2021-2022 and \$3 billion in 2022-2023
- Would trigger automatic across-the-board reductions to planned local assistance appropriations and cash disbursements if:
  - the assumed unrestricted federal aid is not approved by August 31, 2021 or
  - is approved at an amount less than the amount budgeted in the Financial Plan.
- Calculates reductions to generate savings equal to the difference between the federal aid assumed in the Financial Plan and the amount approved.

# Repayment of DOB Directed Withholdings

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- **The Division of the Budget has informed NYSED that NYSED will be permitted to pay in full the 20% DOB directed withholdings for 2019-20 and 2020-21 state aid and all other NYSED programs, with the exception of Bundy Aid.**
- **NYSED has started the process to begin making the withheld payments.**

# State Aid

## Regents Compared to Executive

Aid Category	Regents Proposal	Executive Budget
Foundation Aid	\$0	\$0
Expense-Based Aids Current Law Change	\$300 million	\$300 million
Services Aid Consolidation	\$0	-\$693 million
Other Adjustments	\$0	\$5 million
Pandemic Adjustment Repeal*	\$1,134 million	N/A
Growth Cap Repeal	\$430 million	N/A
Subtotal	\$1,990 million	-\$388 million
STAR Reduction	\$0	-\$1,352 million
Total	\$1,990 million	-\$1,740 million

\* Regents proposal would prepay \$453 million of the pandemic adjustment restoration in the 2020-21 school year.

# State Aid

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- **The Executive Budget would reduce state aid for school districts by over \$1.7 billion.**
- **While DOB's public documents state that total school district support increases by \$2 billion, these figures include \$4 billion in recently received federal stimulus funding from the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act).**

# State Aid/Federal Stimulus Funds

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- **New York State was allocated \$4 billion under CRRSA's Elementary and Secondary School Emergency Relief (ESSER) Fund.**
  - **The 2021-22 Executive Budget allocates \$3.995 billion to school districts and charter schools.**
- **New York State was allocated \$322.9 million under CRRSA's Governor's Emergency Education Relief (GEER) Fund.**
  - **Of the \$322.9 million, \$250.1 million is for a new Emergency Assistance to Non-Public Schools (EANS) grant program.**
  - **The 2021-22 Executive Budget would allocate the full \$72.8 million of remaining GEER funds to provide school districts of lower wealth with a minimum per pupil allocation.**

# Expense-Based Aid Reduction

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- **The Executive Budget would consolidate 11 existing aid categories into a new aid category called “Services Aid.”**
- **Funding for these aids in 2021-22 and in future years is reduced by \$693 million.**
  - **This leaves school districts with ongoing unreimbursed expenses that will not be able to be covered with one-time federal stimulus funding moving forward.**
  - **These aids include Transportation, BOCES, Textbook, Software, Hardware, Library Materials, Special Services, High Tax, Academic Enhancement, Supplemental Public Excess Cost, and Charter School Transitional Aids.**

# STAR Reduction

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- The Executive Budget would impose a “Local District Funding Adjustment” via a **\$1.35 billion reduction** to STAR exemption reimbursements to districts in the 2021-22 school year and thereafter.
- This would impose a permanent, recurring 70 percent local share on a program that was initiated by the Executive and has always been 100 percent State funded in the past.
- For the Big 5 City School Districts, the STAR reduction reduces city budgets rather than district budgets without the ability for the cities to offset the reduction with federal education stimulus funding.

# Transportation Reimbursement

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- **The Executive Budget would allow costs related to the delivery of school meals, wi-fi access and/or instructional materials during the spring 2020 school closures to be eligible for Transportation Aid.**
  - **This proposal, however, does not include paying for critical stand-by transportation costs that districts incurred during the pandemic or reimbursing districts for meal and materials delivery in the 2020-21 school year, as was proposed by the Board of Regents and Department.**

# Prior Year Aid Claims Elimination

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- **The Executive Budget would:**
  - **Eliminate \$18.7 million in annual funding for school districts' prior year claims and**
  - **Expunge approximately \$300 million in claims currently in the queue, leaving districts without reimbursement for legitimate past expenditures.**
- **The Executive Budget also shortens the timeframe for districts to submit prior year claims by one year, only allowing districts to submit claims until the end of the aid year.**

# Other Proposed Cost Shifts

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- **The Executive Budget would:**
  - **Eliminate the annual \$26.4 million fiscal stabilization grant to New York City;**
  - **Make permanent the elimination of the 18.424% State share for the maintenance costs of students who are placed in residential schools by local Committees on Special Education outside of New York City and increase the school district's share from 38.424% to 56.848%, at a \$28 million cost to school districts.**
    - Previously funded in the Office of Children and Family Services' budget.

# Program Eliminations

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## The Executive Budget would eliminate:

- **\$225,000 for the operational support of state monitors;**
- **Funding to support monitors for Hempstead (\$87,500), Wyandanch (\$87,500) and Rochester (\$175,000); and**
- **\$2 million in supplemental funding for East Ramapo.**

# Charter School Proposals

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## The Executive Budget would:

- **Allow for charters that have been surrendered, revoked, or terminated on or after July 1, 2015 to be reissued without counting toward the charter cap (which has been reached in NYC);**
- **Reduce charter school tuition rates for the 2021-22 school year in proportion to school districts' combined reduction in expense-based aid and Local District Funding Adjustment as a percentage of their total General Fund spending;**
- **Lower State reimbursement through supplemental tuition payments in 2021-2022; and**
- **Eliminate NYC charter school facilities aid.**

# Regents Funding Priorities Included in the Executive Budget

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- **\$18 million for My Brother's Keeper**
- **\$7.85 million in Capital spending authority for the Office of Professions' Systems Modernization**
- **\$41 million for the multi-year cost of the Education Finance Data Systems Modernization**
- **Funding for the following access and opportunity programs at 2020-21 enacted budget levels:**
  - **Liberty Partnerships: \$18.4 million**
  - **Higher Education Opportunity Program (HEOP): \$35.5 million**
  - **Science and Technology Entry Program (STEP): \$15.8 million**
  - **Collegiate Science and Technology Entry Program (CSTEP): \$12 million**

# Higher Education Program Eliminations

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**The Executive Budget would eliminate funding for the following Higher Education programs:**

- **\$35.13 million for Aid to Independent Colleges and Universities (“Bundy Aid”);**
- **\$17.5 million (\$25 million school year) for the Teachers of Tomorrow program;**
- **\$1.4 million (\$2 million school year) Teacher Mentor Intern Program;**
- **\$368,000 for National Boards for Professional Teaching Standards (Shanker Grant); and**
- **\$9.98 million for the 2021-22 teacher resources and computer training center program and \$4.28 million for remaining prior year claims.**

# Cultural Education Reductions

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**The Executive Budget would decrease funding for:**

- **Aid to Public Libraries by \$7 million; and**
- **Aid to Educational Television and Radio by \$700,000.**

# Agency Operations

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- **DOB's Mid-Year Financial Plan Update reduced agency operations, including those funded by dedicated revenues, by 10 percent and increased the amount of revenue to be transferred into the General Fund.**
- **The Executive Budget exempts revenue accounts from the 10 percent reduction and no longer includes the additional revenue "sweeps."**
- **The Budget reduces the number of positions NYSED may fill by 42 Full Time Equivalents (FTEs).**

# Proposed Statutory Changes in the Executive Budget

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- **Allows not-for-profits and school districts to utilize DASNY's loan, design and construction services for capital projects over \$5 million during the COVID-19 pandemic.**
- **Extends the Human Rights Law's anti-discrimination provisions to include for-profit educational institutions.**

# Proposed Statutory Changes in the Executive Budget

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- Provides that proposals for new degree programs are "deemed registered" with the Department 30 days after notification of approval by the institution's governing body provided that they:
  - do not require master plan amendments or charter amendments, or
  - lead to professional licensure, from SUNY, CUNY and Independent Colleges, which have been physically located in NYS, operated by the same governing body, and accredited by either Middle States or the Department, for the last 10 years.
- This means that those program proposals would not be reviewed and approved by the Department.

# Proposed Statutory Changes in the Executive Budget

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- **Authorizes public accounting firms to incorporate in NYS with minority ownership by individuals who are not CPAs**
  - **Imposes a \$300 annual fee which would generate \$1.5M in annual revenues that would be swept into the General Fund.**
- **Expands access to telehealth services by requiring the Department, in consultation with DOH, OMH, OASAS, and OPWDD to issue regulations for the creation of an interstate licensure program**
  - **Would authorize practitioners licensed by contiguous states or states in the Northeast region to provide telehealth services to patients in NY.**

# Proposed Statutory Changes in the Executive Budget

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- Expands the list of adult immunizations that pharmacists can administer;
- Expands Collaborative Drug Therapy Management (CDTM) to:
  - all facilities licensed under Article 28 of the Public Health Law or other entities that provide direct patient care under the auspices of a medical director;
- Allows NPs to participate in CDTM;
- Requires participating pharmacists to be certified by SED; and
- Allows pharmacists to enter into a written collaborative practice agreement with medical practices.

# Proposed Statutory Changes in the Executive Budget

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- **Increases oversight of physicians, physician assistants and specialist assistants, including requiring a fingerprint-based criminal history background check prior to licensure, and eliminating lifetime licensure under certain circumstances.**
- **Extends the Nurse Practitioner Modernization Act for an additional six years through June 30, 2027.**

# Broadband Access

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- **The Executive Budget would require broadband service providers to offer high speed broadband service to low-income consumers at a cost of no more than \$15 per month, inclusive of recurring taxes, fees, and equipment rental costs.**
- **Broadband service providers would be allowed to increase this monthly cost once every five years by the most recent change in the consumer price index or a maximum of 2% per year of the price for such service, whichever is less.**

# Next in the Annual Budget Cycle

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- **February 15<sup>th</sup> Database (for State Aid)**
  - *Updated aid estimates; typically used for the Enacted Budget*
- **Early March**
  - *One-House Bills*
- **April 1**
  - *Enacted Budget, release of State Aid runs*



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**Questions?**