2020-2021 Regents State Aid Proposal
$2.0 Billion

State Aid Subcommittee
December 9, 2019
Overview

• Annual State Aid Budget Cycle

• Foundation Aid Phase-in

• 2020-2021 State Aid Proposal ($2.0 billion):
  • Foundation Aid Phase-in ($1.9 billion)
  • Expense-based Aids ($82 million)
  • Prekindergarten Expansion/Inclusion Pilot ($26 million)

• State Operations Resource Recommendations:
  • Foundation Aid Review ($1.2 million)
  • Financial Technical Assistance ($0.6 million)
Annual State Aid Budget Cycle

- **November 15th Database**: Provides first estimates for aid in the upcoming year
- **December**: Regents State Aid Proposal
- **January**: Executive Budget
- **February 15th Database**: Updated aid estimates; typically used for Enacted Budget
- **Early March**: One-House Bills
- **April 1st**: Enacted Budget, release of aid runs
Actual Foundation Aid Paid to District vs. Formula Generated Phase-in Amount; by Needs/Resource Category

- **High Need**
  - 2007-08: $3.17 billion
  - 2020-21: $2.53 billion
- **Average Need**
  - 2007-08: $3.51 billion
  - 2020-21: $0.95 billion
- **Low Need**
  - 2007-08: $0.72 billion
  - 2020-21: $0.19 billion

**Notes:**
- **Remaining Foundation Aid Phase-in Amount**
- **Payable Foundation Aid**
Foundation Aid Phase-in

- **2020-2021 Foundation Aid:** $18.4 billion
  
  *An increase of $5.9 billion since creation in 2007*

- As of the November Database, without any further inflationary adjustments, the remaining phase-in amount would be $3.8 billion

- Assuming a three-year phase-in schedule, adjusting for inflation increases, the phase-in amount increases to $4.7 billion
## 2020-2021 Regents State Aid Proposal

<table>
<thead>
<tr>
<th>Aid Category</th>
<th>Increase Amount ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Aid Phase-in</td>
<td>$1,888</td>
</tr>
<tr>
<td>Expense-based Aids</td>
<td>$82</td>
</tr>
<tr>
<td>Prekindergarten Expansion and Inclusion Pilot</td>
<td>$26</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$1,996</strong></td>
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<tr>
<th>State Operations</th>
<th>Request</th>
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</thead>
<tbody>
<tr>
<td>Foundation Aid Review</td>
<td>$1.2 million</td>
</tr>
<tr>
<td>District Financial Technical Assistance</td>
<td>$550,000</td>
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</table>
Foundation Aid Increase ($1.9 billion)

- Provides for a three-year phase-in of the remaining Foundation Aid amount, adjusted for inflation, of $4.7 billion.

- Provides a minimum increase for all school districts of one percent.

- Phase-in schedule is accelerated with 40% of the phase-in provided in 2020-2021, and 30% in each of the two following years.
Reimbursement-Based Aids ($82 million)

Based on the most recent district claims and consistent with entitlement provisions in law:

- Transportation Aid: $102 million
- BOCES Aid: $11 million
- Building Aid: -$7 million
- Special Education: -$20 million
- Other: -$4 million
Consistent with the recommendations of the Regents’ Early Childhood Blue Ribbon Committee, the State Aid Proposal would also further expand prekindergarten programs by $26 million:

- **$20 million** for the addition of 2,000 slots for four-year olds statewide.
- **$6 million** for pilot programs to create a single reimbursement structure for prekindergarten inclusion programs by blending existing prekindergarten and preschool special education funding mechanisms.
Resources for Foundation Aid Review ($1.2 million)

Twelve years after the enactment of the Foundation Aid formula, additional funding to support staff and allow consultants to provide research on how education funding is generated and distributed, including a potential focus on issues such as:

- Revisions to the Successful Schools methodology;
- Updates to the Regional Cost Index; and
- Measurements of student need and district fiscal capacity.
Financial Technical Assistance for School Districts ($550,000)

• Providing technical assistance to districts with the greatest fiscal challenges can help districts maximize their use of resources and avoid challenges than can negatively impact instructional programs or require a legislative solution, such as financial bailouts or other state level intervention.

• Additional resources would enable the Department to expand its capacity to provide technical support on financial and management matters to school districts.