



New York State
EDUCATION DEPARTMENT

Knowledge > Skill > Opportunity

2020-2021 Regents State Aid Proposal \$2.0 Billion

State Aid Subcommittee

December 9, 2019

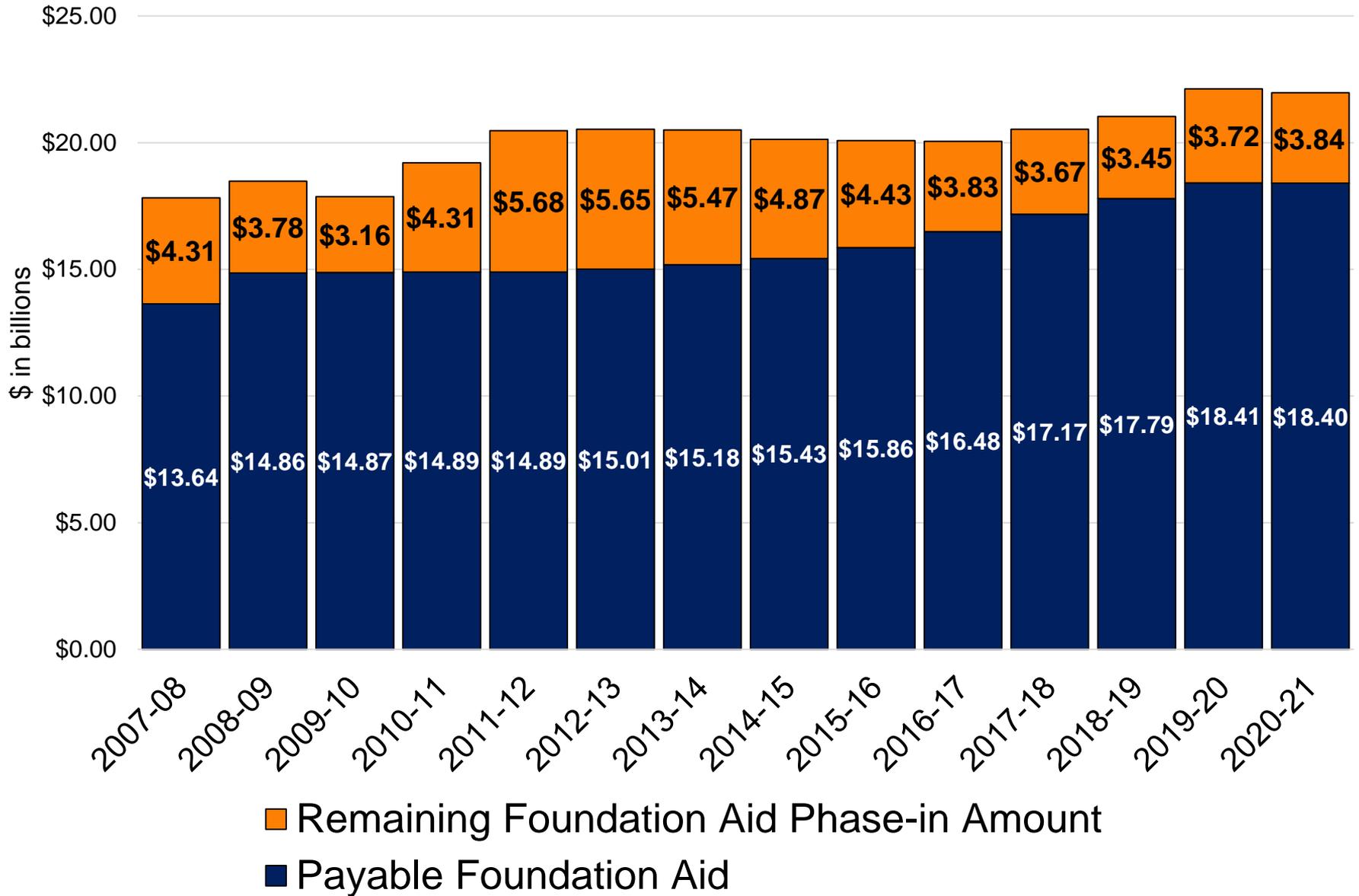
Overview

- **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)**

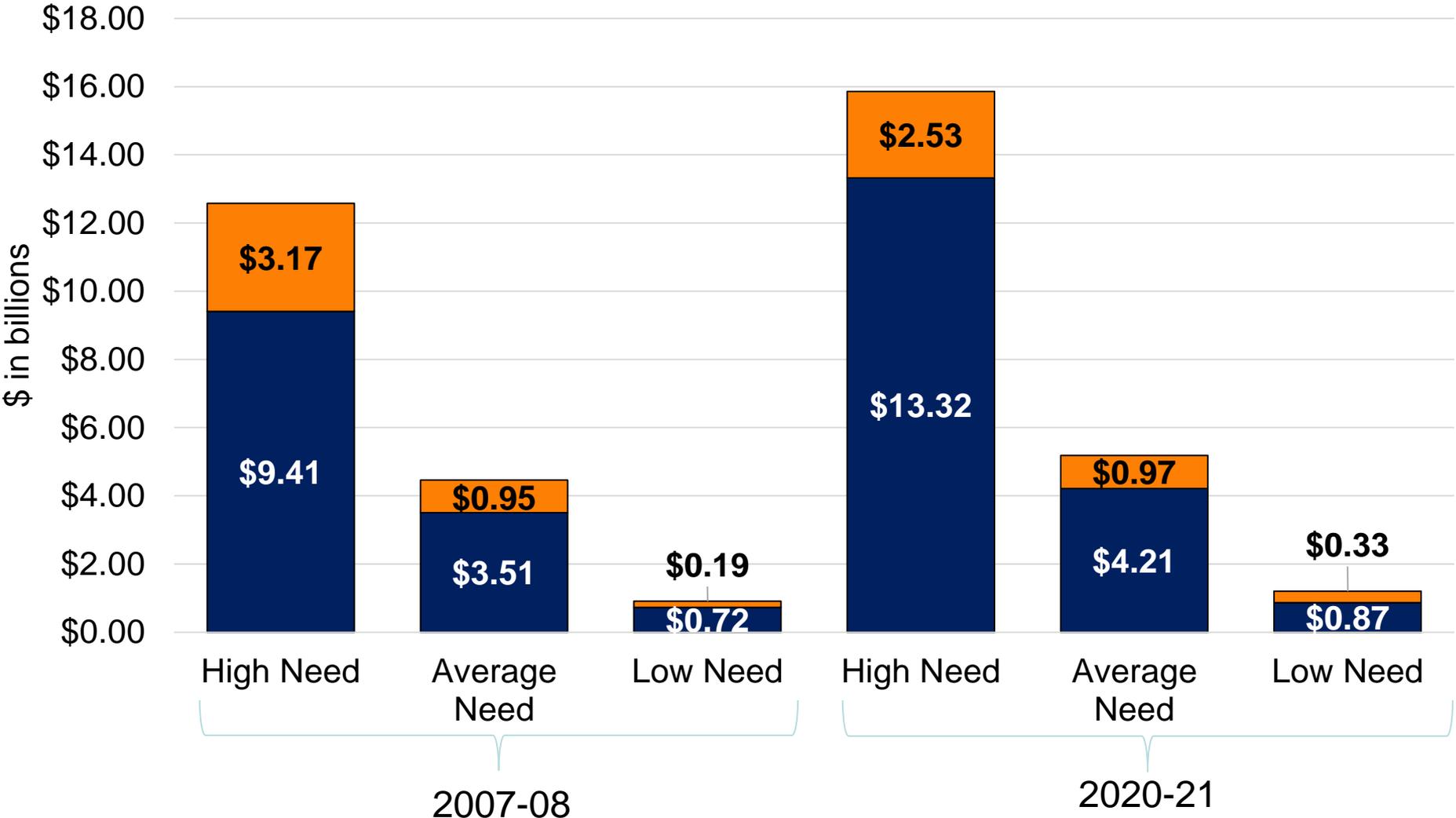
Annual State Aid Budget Cycle

- **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 Districts vs. Formula Generated Phase-in Amount



Actual Foundation Aid Paid to District vs. Formula Generated Phase-in Amount; by Needs/Resource Category



- 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

Aid Category	Increase Amount (\$ millions)
Foundation Aid Phase-in	\$1,888
Expense-based Aids	\$82
Prekindergarten Expansion and Inclusion Pilot	\$26
Grand Total	\$1,996
State Operations	Request
Foundation Aid Review	\$1.2 million
District Financial Technical Assistance	\$550,000

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**

Prekindergarten Expansion and Inclusion Pilot (\$26 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 that 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.**