



New York State  
EDUCATION DEPARTMENT

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Knowledge > Skill > Opportunity

# 2021-2022 Regents State Aid Proposal

**Board of Regents Meeting  
December 2020**

# Overview

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- **Annual State Aid Budget Cycle**
- **2021-22 State Aid Proposal (\$1.8 billion):**
  - Pandemic Adjustment Repeal
  - School Aid Growth Cap Repeal
  - Reimburse Transportation Expenses
  - Fully Fund Expense-Based Aids
  - Index Reorganization Incentive Aid Formula to Inflation
- **Additional State Operations Resources:**
  - Financial Technical Assistance (\$1 million)

# Annual State Aid Budget Cycle

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- **November 15<sup>th</sup> Database:** Provides first estimates for aid in the upcoming year
- **December:** Adoption of the Regents State Aid Proposal
- **January:** Release of Executive Budget
- **February 15<sup>th</sup> Database:** Updated aid estimates; typically used for Enacted Budget
- **Early March:** One-House bills
- **April 1<sup>st</sup>:** Enacted Budget, release of aid runs

# 2021-22 Regents State Aid Proposal

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## The 2021-22 Regents State Aid proposal would:

- **Repeal the Pandemic Adjustment and restore each district's state aid levels** to ensure that no district experiences an aid loss in 2020-21 and enable districts to use their federal CARES Act funds for their intended purpose. The proposal assumes that 40% of the restored funds (\$453 million) would be paid in 2020-21 with the remaining 60% (\$680 million) paid in 2021-22;
- **Amend Education Law to allow districts to be reimbursed for costs incurred in maintaining the infrastructure necessary to have transportation services available to support in-person education**, and allow districts to be reimbursed for costs incurred in using school buses to deliver school meals, homework packets and wi-fi access;

# 2021-22 Regents State Aid Proposal

Aid Category	2020-21 SY	2021-22 SY	Change
Foundation Aid	\$18,412	\$18,412	\$0
All Other Aids	\$8,940	\$9,366	\$426
Pandemic Adjustment	(\$1,134)	\$0	\$1,134
Growth Cap Adjustment	\$0	(\$430)	(\$430)
<b>Subtotal</b>	<b>\$26,218</b>	<b>\$27,348</b>	<b>\$1,130</b>
Repeal Pandemic Adjustment	\$453	\$680	\$227
Repeal Growth Cap	\$0	\$430	\$430
<b>Total</b>	<b>\$26,672</b>	<b>\$28,458</b>	<b>\$1,787</b>

# 2021-22 Regents State Aid Proposal

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- **Message that, if permanent state aid reductions must be made:**
  - Reductions should be made on **progressive, wealth-adjusted basis**; and
  - School districts and charter schools should receive comparable treatment.
- **Assist school districts by:**
  - **Fully funding reimbursement for expense-based aids**, such as Building Aid and Transportation Aid;
  - Repealing the School Aid Growth Cap (\$430 million);
  - Incentivizing efficiencies by **indexing the Reorganization Incentive Aid formula to inflation**; and
  - Increasing the Department's capacity to provide school districts with technical support on financial and management issues (\$1 million).

# Mandate Relief Proposals

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To further assist school districts with the current economic situation, the Regents' 2021-22 Non-State Aid Budget and Legislative Priorities includes the following mandate relief initiatives:

- **Enhance school district reserve fund flexibility** by extending the current pay-back period and lowering the percentage that needs to be paid back each year;
- **Increase flexibility for small districts to meet unanticipated expenses** by allowing targeted exceptions to the 4% fund balance limit; and
- **Discontinue duplicative financial transparency reporting.**



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**Questions?**