An Adequate Increase in State Aid to Schools

The Council strongly supports action to assure school districts an adequate increase in state aid and to implement the Foundation Aid formula.

The $826 million increase in state education funding proposed by the 2020-21 Executive Budget falls short of what school districts will need to fund ongoing operations, meet growing student needs, and improve opportunities and outcomes. It is less than half the increase recommended by the Board of Regents and the New York State Educational Conference Board.

The ECB, a coalition representing parents, teachers, board members and administrators, estimates that a $1.6 billion increase in state aid would enable districts to maintain current services, based on straightforward assumptions about school costs and what districts could raise in local revenue while staying within the tax cap.¹

The Executive Budget plans an increase of $726 million in regular aid, plus $100 million for new programmatic initiatives and Community Schools.

The ECB also recommends increases totaling $500 million for targeted initiatives, described below.

Foundation Aid and “Expense-Based” Aids

Included within the overall aid increase is a proposed $504 million increase in Foundation Aid and a recommendation to fold 10 “expense-based” aids into Foundation Aid.

The Council joins with virtually all other education groups in urging rejection of the proposed consolidation. As we explain further in a separate memorandum, the proposal would erode predictability in school district financial planning, diminish direct support for career and technical education, and threaten the viability of BOCES. It would also have the effect of creating artificial progress toward full funding of Foundation Aid, as over $1.8 billion in expense-based aids would now be counted as Foundation Aid.

With or without the proposed consolidation, the recommended Foundation Aid increase of $504 million is not adequate. At that funding level, more than seven years would be needed to reach true continued...

¹ The Educational Conference Board assumes a 2.5% increase in salaries, consistent with nationwide trends for all occupations; a 7.9% in health insurance—the Division of the Budget projection for the state workforce; a $200 million increase in Teachers Retirement System Costs, consistent with November estimates from TRS; and a 2.2% increase in other costs—the change in the Consumer Price Index projected by DOB in November. These estimates would result in an overall cost increase of 3.0%, to be offset by what districts could raise locally within the 1.81% property tax cap for 2020-21.
full funding of the formula. The ECB calls for a $1.5 billion increase for 2020-21, as part of a three-year phase-in of full funding.

Part of the proposed Foundation Aid increase is a $50 million increase in the set aside for Community Schools. The Council supports the strategy of Community Schools to help families and children with out-of-school problems which impede in-school success. But we oppose the practice of funding Community Schools by imposing set asides in Foundation Aid, which is intended to be unrestricted, general purpose operating aid.

We urge you to reject a proposal to restrict use of Community Schools funding, as you have in the past.

**Building Aid and Transportation Aid**

The Executive Budget proposes reducing Building Aid for projects locally approved after July 1, 2020. Although prospective, the reductions could still derail projects well along in planning. One change would make it impossible for school district leaders to give voters any assurance that the state will reimburse a consistent share of debt service until paid off. Another would restrict use of an “incidental cost allowance;” this might impair district’s ability to construct space to accommodating emerging needs—for health and mental health clinics, for example.

Beginning with 2021-22 aid, the budget proposes to cap reimbursement for transportation operating expenses based on changes in inflation and enrollment. This factor will not always match real cost increases as fuel prices spike, tight labor markets drive up the compensation districts must offer to attract and retain bus drivers, and as districts are called upon to transport homeless children and students with disabilities to out-of-district special education programs. Another proposal would eliminate one of three options for calculating the state reimbursement share of total transportation costs. Based on current year data, we estimate this proposal could reduce reimbursement rates for 31% of districts by an average of 3.8 percentage points.

We support amnesty for districts from state aid penalties due to filing errors. These penalties are most often vastly out of proportion to whatever mistakes were made and are borne by schoolchildren and local taxpayers. We oppose capping maximum aid based on data on file at the time the Executive Budget was released.

**Other Funding**

Together with other ECB members, the Council also supports additional funding to:

- improve college and career pathways, including support for career and technical education through BOCES and Special Services Aids;
- help English Language Learners;
- support struggling schools;
- support district in improving student mental health services, school climate, and school security;
- increase teacher and principal professional development.

We urge rejection of a proposal to shift $26 million in costs for residential special education placements from the state to school districts. This would be a new cost for districts to absorb within the property tax cap.

The Council calls for an improved rate-setting methodology for special act school districts and to authorize those districts to maintain a fiscal stabilization reserve.