

2021-22 EXECUTIVE BUDGET AND THE PUBLIC SCHOOLS



Legislative Briefing
February 4, 2021

The Big Picture

- \$2.111 billion (7.1%) increase in total funding, includes:
 - \$607 million year-to-year reduction in state funding *offset by*
 - \$2.718 billion year –to-year increase in federal support (difference between CARES Act allocations used in 2020-21 and CRSS Act allocations used in 2021-22).
 - Increase in aids appearing on School Aid runs is 7.3% (there are grant programs that are not on runs)
- Total funding on aid runs includes STAR.
- \$3.8 billion in federal stimulus aid enacted in Washington in December would be used entirely in 2021-22 and is included on aid runs
 - Federal law allows states to award it by January 2022 and districts to spend it through 2023-24.
- School districts would see state funding cut by more than \$2 billion from what current law would provide.
- There are very few policy initiatives in this budget.

Basic structure of the proposal

- School Aid runs include traditional School Aid plus STAR property tax relief reimbursements to school districts plus federal stimulus aid allocations.
- Foundation Aid would be frozen for the second straight year, the state would be \$4.06 billion behind in phasing-in the formula.
- A \$1.35 billion (71.1%) cut would be applied against the STAR reimbursement districts are projected to receive for 2021-22—the “Local District Funding Adjustment.”
— *The cut is the lesser of a district’s estimated STAR payment or its 2021-22 federal stimulus allocation.*
- 11 aid categories would be consolidated into “Services Aid” and cut by \$693 million (17.2%) from what current formulas would provide.
— *This cut would be the lesser of what remains from the district’s 2021-22 federal stimulus allocation or a per pupil amount—in total, the STAR and Services Aid cuts cannot exceed a district’s stimulus funding.*
- Other formulas on the run (e.g., Building Aid) are estimated according to current law formulas.

Some observations...

- The 7.1% statewide increase is not representative of what most districts would experience:
 - The median increase is 2.1%—half of all districts would receive smaller increases.
 - Fewer than 1 in 10 districts would receive increases of 7% or more.
 - 23% of districts would experience year-to-year reductions in total aid, the \$3.8 billion one-time boost in federal aid notwithstanding.
 - Over 70% of districts would have their entire allocation of federal aid consumed by two state funding cuts (\$1.3 billion against STAR, \$693 million through the Services Aid proposal).
 - For some districts, increases in Services Aid and total funding are exaggerated by depressed Transportation Aid estimates for 2020-21.
- The STAR cut is intended to be recurring—what happens when there is no more federal aid?
- The budget would allocate the entire \$3.8 billion in federal stimulus aid in 2021-22. Without more federal help next year, the state would need to increase its support by \$3.8 billion to maintain the same level of total funding.

Proposed School District Funding under the 2021-22 Executive Budget

School Aid runs for the 2021-22 Executive Budget include allocations from federal stimulus aid, STAR property tax reimbursements, as well as traditional "School Aid."

- Foundation Aid would be frozen for the 2nd straight year.
- STAR would be cut by the lesser of the district's 2021-22 STAR funding or or its 2021-22 federal stimulus aid.
- Eleven aid categories would be consolidated into "Services Aid" and reduced. The combined reductions to STAR and Services Aid cannot exceed a district's 2021-22 stimulus allocation.
- Other formula results (e.g., Building Aid) are estimated according to current law in the proposal.

 THE COUNCIL of SCHOOL SUPERINTENDENTS LEADERS • EDUCATORS • ADVOCATES		These totals replicate those that appear on state-produced School Aid runs				These figures are reflected in the total funding (blue) columns to the left									
						2021-22 Federal CRSS Act Allocation			These figures present changes from what school districts are expecting to receive in 2021-22 under current law formulas					2021-22 Federal Allocation Remaining After STAR & Services Aid Cuts	
									Local District Funding (L DFA)			Proposed Reduction as % of 2021-22 Services Aid			
									2021-22 Estimated STAR Reimbursement	Local District Funding Adjustment (L DFA)	L DFA Cut as % of STAR	2021-22 Services Aid	Pporosed Reduction in Services Aid		
District	County	2020-21 Total Funding (School Aid + STAR + Federal)	2021-22 Total Funding (School Aid + STAR + Federal)	Change in Total Funding	% Change	2020-21 Federal CARES Act Allocation	2021-22 Federal CRSS Act Allocation	Change in Federal Allocations	2021-22 Estimated STAR Reimbursement	Local District Funding Adjustment (L DFA)	L DFA Cut as % of STAR	2021-22 Services Aid	Pporosed Reduction in Services Aid	Proposed Reduction as % of 2021-22 Services Aid	2021-22 Federal Allocation Remaining After STAR & Services Aid Cuts
Albany City SD	Albany	127,480,898	136,533,386	9,052,488	7.1%	4,524,232	13,504,891	8,980,659	6,641,738	-6,641,738	-100.0%	17,849,022	-1,606,792	-9.0%	5,256,361
Berne-Knox-Westerlo CSD	Albany	11,031,247	11,293,887	262,640	2.4%	97,862	666,504	568,642	1,130,174	-666,504	-59.0%	2,405,549	0	NA	-
Bethlehem CSD	Albany	31,109,292	28,746,625	-2,362,667	-7.6%	151,327	4,094,243	3,942,916	3,743,309	-3,743,309	-100.0%	8,165,700	-350,934	-4.3%	-
Cohoes City SD	Albany	25,701,809	26,177,440	475,631	1.9%	601,128	1,846,217	1,245,089	1,473,690	-1,473,690	-100.0%	2,878,007	-288,911	-10.0%	83,616
Green Island UFSD	Albany	3,780,518	3,622,106	-158,412	-4.2%	69,368	250,413	181,045	214,545	-214,545	-100.0%	471,220	-35,736	-7.6%	132
Guilderland CSD	Albany	29,163,483	29,888,218	724,735	2.5%	196,004	4,646,491	4,450,487	4,098,557	-4,098,557	-100.0%	6,257,596	-505,860	-8.1%	42,074
Menands UFSD	Albany	1,409,584	1,488,386	78,802	5.6%	85,013	303,734	218,721	225,820	-225,820	-100.0%	592,641	-30,834	-5.2%	47,080
North Colonie CSD	Albany	25,745,999	27,331,777	1,585,778	6.2%	541,594	5,661,482	5,119,888	4,090,131	-4,090,131	-100.0%	6,176,003	-581,697	-9.4%	989,654
Ravena-Coeymans-Selkirk CSD	Albany	20,005,130	20,573,078	567,948	2.8%	263,520	1,696,730	1,433,210	2,024,157	-1,696,730	-83.8%	4,270,771	0	NA	-
South Colonie CSD	Albany	30,819,914	29,825,852	-994,062	-3.2%	559,931	4,480,816	3,920,885	5,836,362	-4,480,816	-76.8%	4,893,921	0	NA	-
Voorheesville CSD	Albany	7,581,121	7,258,316	-322,805	-4.3%	37,181	1,133,057	1,095,876	1,119,675	-1,119,675	-100.0%	1,638,464	-13,382	-0.8%	-
Watervliet City SD	Albany	21,629,510	22,460,811	831,301	3.8%	428,652	1,350,148	921,496	655,616	-655,616	-100.0%	2,292,887	-223,689	-9.8%	470,843
Alfred-Almond CSD	Allegany	9,177,998	9,466,503	288,505	3.1%	211,922	632,588	420,666	771,671	-632,588	-82.0%	2,069,623	0	NA	-
Andover CSD	Allegany	6,661,345	6,904,941	243,596	3.7%	102,491	305,936	203,445	412,668	-305,936	-74.1%	1,326,894	0	NA	-
Belfast CSD	Allegany	7,847,887	8,506,428	658,541	8.4%	193,033	576,205	383,172	314,150	-314,150	-100.0%	1,568,526	-58,901	-3.8%	203,154
Bolivar-Richburg CSD	Allegany	16,839,237	16,975,013	135,776	0.8%	242,355	723,433	481,078	531,230	-531,230	-100.0%	3,469,193	-113,970	-3.3%	78,233
Canaseraga CSD	Allegany	5,005,009	4,930,327	-74,682	-1.5%	67,216	200,641	133,425	325,903	-200,641	-61.6%	809,586	0	NA	-
Cuba-Rushford CSD	Allegany	14,531,340	14,924,831	393,491	2.7%	356,465	1,064,051	707,586	805,101	-805,101	-100.0%	2,822,513	-118,595	-4.2%	140,355
Fillmore CSD	Allegany	13,187,674	14,195,549	1,007,875	7.6%	339,472	1,013,329	673,857	401,265	-401,265	-100.0%	2,417,846	-107,405	-4.4%	504,659
Friendship CSD	Allegany	8,671,947	8,576,382	-95,565	-1.1%	170,000	507,453	337,453	353,546	-353,546	-100.0%	1,598,933	-59,204	-3.7%	94,703
Genesee Valley CSD	Allegany	13,570,568	14,123,124	552,556	4.1%	216,942	647,575	430,633	483,399	-483,399	-100.0%	1,974,281	-80,776	-4.1%	83,400
Scio CSD	Allegany	8,106,092	8,436,045	329,953	4.1%	105,260	317,064	211,804	445,567	-317,064	-71.2%	1,769,282	0	NA	-
Wellsville CSD	Allegany	21,412,803	22,413,782	1,000,979	4.7%	472,663	1,410,905	938,242	1,378,821	-1,378,821	-100.0%	3,395,265	-32,084	-0.9%	-
Whitesville CSD	Allegany	5,034,307	5,159,400	125,093	2.5%	65,481	195,461	129,980	177,745	-177,745	-100.0%	967,428	-17,716	-1.8%	-
Binghamton City SD	Broome	79,096,754	87,883,876	8,787,122	11.1%	4,336,898	12,945,695	8,608,797	4,969,734	-4,969,734	-100.0%	11,999,788	-824,751	-6.9%	7,151,210
Chenango Forks CSD	Broome	22,554,206	22,583,525	29,319	0.1%	358,326	1,270,166	911,840	2,036,011	-1,270,166	-62.4%	4,361,954	0	NA	-
Chenango Valley CSD	Broome	21,639,481	21,939,351	299,870	1.4%	426,650	1,591,993	1,165,343	3,178,468	-1,591,993	-50.1%	4,481,798	0	NA	-

Our version of an easier to read School Aid run

Part 1

See:

www.nyscoss.org

In the cell at the top, enter the district's 6-digit code number.

For a list of the codes, see the tab labeled "CODE LIST" at the bottom of the screen

Enter 6-digit "BEDS" Code here:

999999

For a list of codes, use your mouse to click on "CODE LIST" at the bottom of the screen

Hit "CTRL P" (i.e., control P) to print a report



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District: TOTAL STATE

County: --

Aid Category	2020-21	2021-22	Change	% Change
Foundation Aid	18,411,787,836	18,411,787,836	-	0.0%
Services Aid (see below)	3,725,289,508	3,332,756,417	(392,533,091)	-10.5%
Building Aid	3,036,196,391	3,045,429,569	9,233,178	0.3%
Reorganization Incentive Building Aid	19,001,946	17,651,115		
Reorganization Incentive Operating Aid	5,368,205	4,491,252		
High Cost Public Excess Cost Aid	619,769,941	666,931,747	47,161,806	7.6%
Private Excess Cost Aid	395,722,826	440,803,560		
Full-Day Kindergarten Conversion Aid	2,485,436	1,402,239	(1,083,197)	-43.6%
Universal Prekindergarten Aid	836,119,279	848,613,111	12,493,832	1.5%
Pandemic Adjustment	(1,130,645,395)	-	1,130,645,395	-100.0%
STAR	2,030,376,683	1,938,864,150	(91,512,533)	-4.5%
Local District Funding Adjustment	-	(1,352,361,404)	(1,352,361,404)	NA
State Subtotal (School Aid and STAR)	27,951,472,656	27,356,369,592	(595,103,064)	-2.1%
Federal CARES Act Restoration	1,133,623,251	-	(1,133,623,251)	-100.0%
Federal COVID-19 Supplemental	-	3,851,691,953	3,851,691,953	NA
Total Funding, with STAR & Federal	29,085,095,907	31,208,061,545	2,122,965,638	7.3%

Our version of an easier to read School Aid run

Part 2

See:

www.nyscoss.org

No district gains aid due to the Services Aid proposal

"Services Aid" — analysis of proposal to consolidate 11 formulas into a block grant and cut total funding from what districts are to receive under formulas in current law

Aid Category	2020-21	2021-22 Current Law Formula Amounts	Year-to-Year Change	Yr-to-Yr % Change
Transportation Aid	1,832,142,732	2,087,582,651	255,439,919	13.9%
BOCES Aid	1,034,356,015	1,082,731,841	48,375,826	4.7%
Textbook Aid	172,152,356	172,095,577	(56,779)	0.0%
Software Aid	44,512,199	44,517,013	4,814	0.0%
Library Materials Aid	18,030,654	18,573,605	542,951	3.0%
Hardware and Technology Aid	36,296,326	36,268,894	(27,432)	-0.1%
Non-BOCES Special Services Aid	282,674,559	281,838,949	(835,610)	-0.3%
Charter School Transition Aid	49,454,372	46,216,483	(3,237,889)	-6.5%
High Tax Aid	223,089,092	223,089,092	-	0.0%
Supplemental Public Excess Cost Aid	4,309,371	4,309,371	-	0.0%
Academic Enhancement Aid	28,271,832	28,271,832	-	0.0%
Current Law Total	3,725,289,508	4,025,495,308	300,205,800	8.1%
2021-22 Services Aid Reduction	-	(692,738,891)	(692,738,891)	NA
Proposed Services Aid	3,725,289,508	3,332,756,417	(392,533,091)	-10.5%

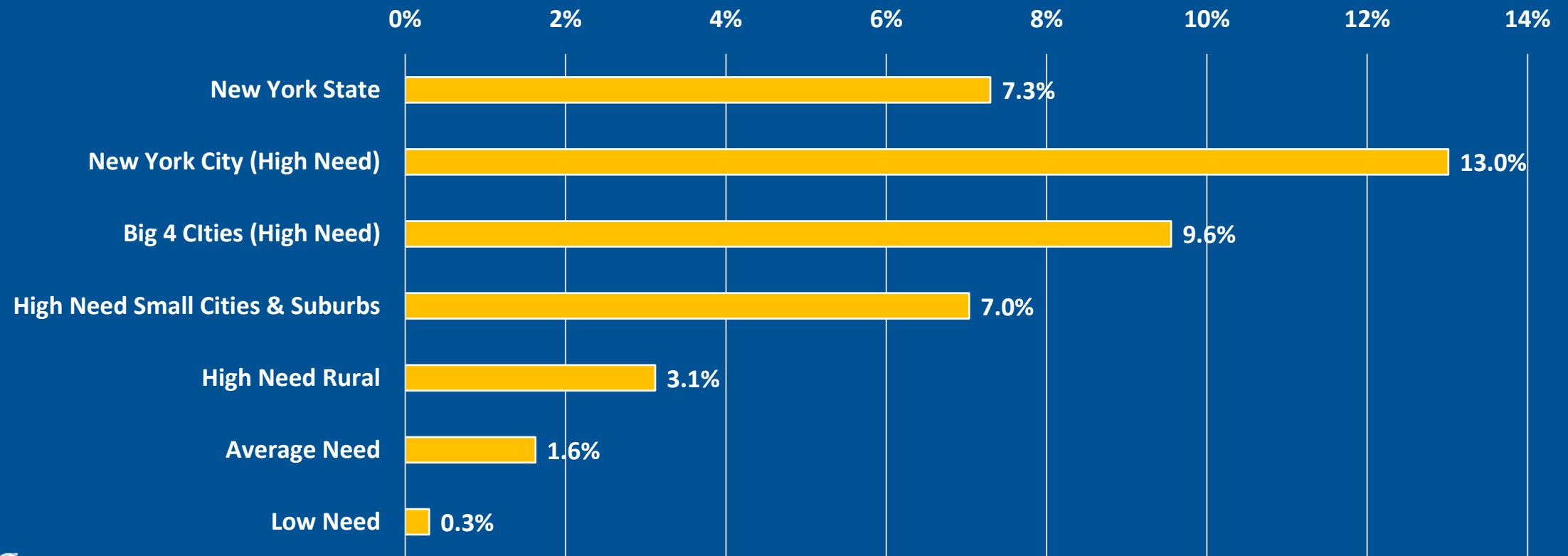
<i>Impact of Services Aid proposal vs. current law formulas</i>	2021-22 Current Law Aid	4,025,495,308
	Proposed 2021-22 Aid	3,332,756,417
	Change vs. Current Law	(692,738,891)
	% Change vs. Current Law	-17.2%

Services Aid proposal—some concerns...

- After 2021-22, districts would receive what they were allocated the year before, plus or minus whatever growth or reduction factor the state applies that year.
- One remaining strand of predictability in school revenues would be obliterated:
 - Districts can't predict Foundation Aid from one year to the next.
 - The property tax cap has made forecasting local revenue more complicated.
 - They have been able to anticipate state reimbursement for transportation, BOCES, textbook, charter school tuition, and other costs, but that would be gone.
- Locking-in future aid based on one year's experience can be problematic—expenses for that year may be unusually low or high.
- A problem with Transportation Aid can exaggerate projected aid increases.
- No district would receive more aid from the proposal than they would under current law.

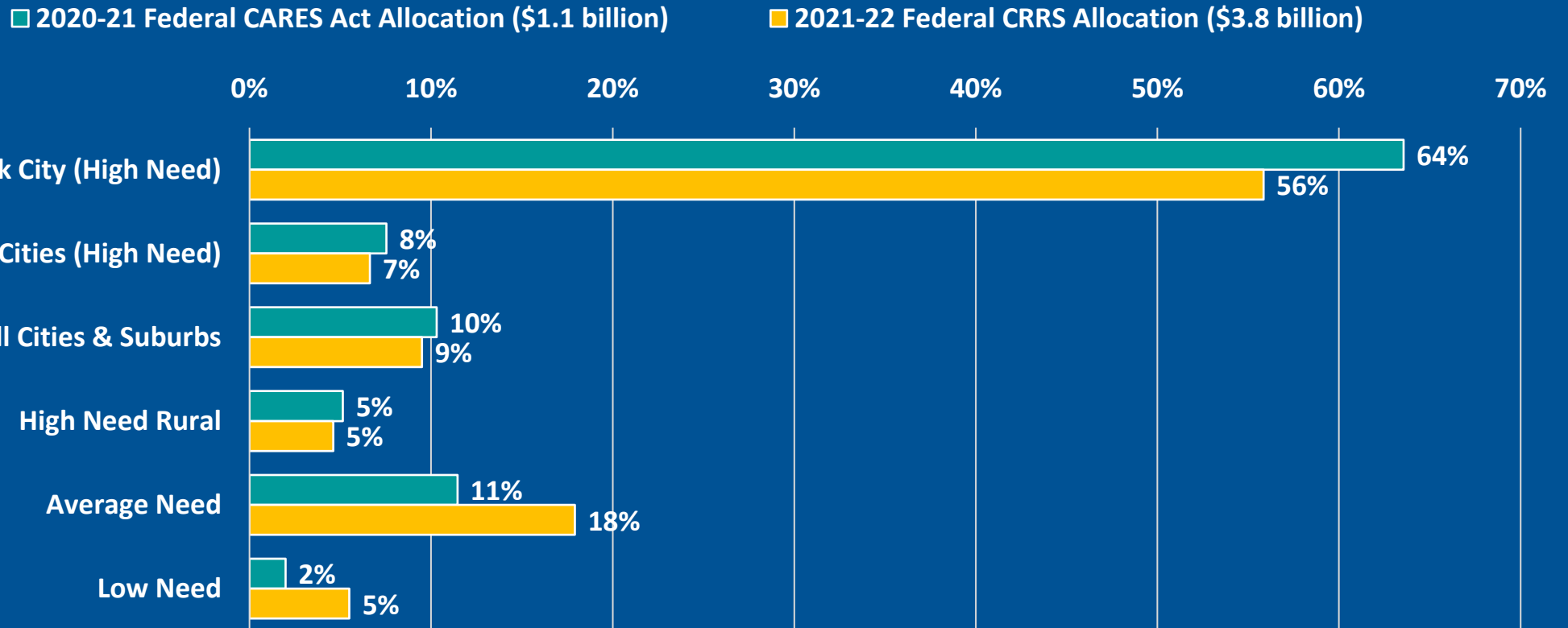
Proposed Change in TOTAL Funding— School Aid + STAR + Federal Stimulus Assistance

**% Change in Total Funding (School Aid + STAR + Federal Stimulus Aid)
Districts Grouped by SED Need/Resource Capacity Category**



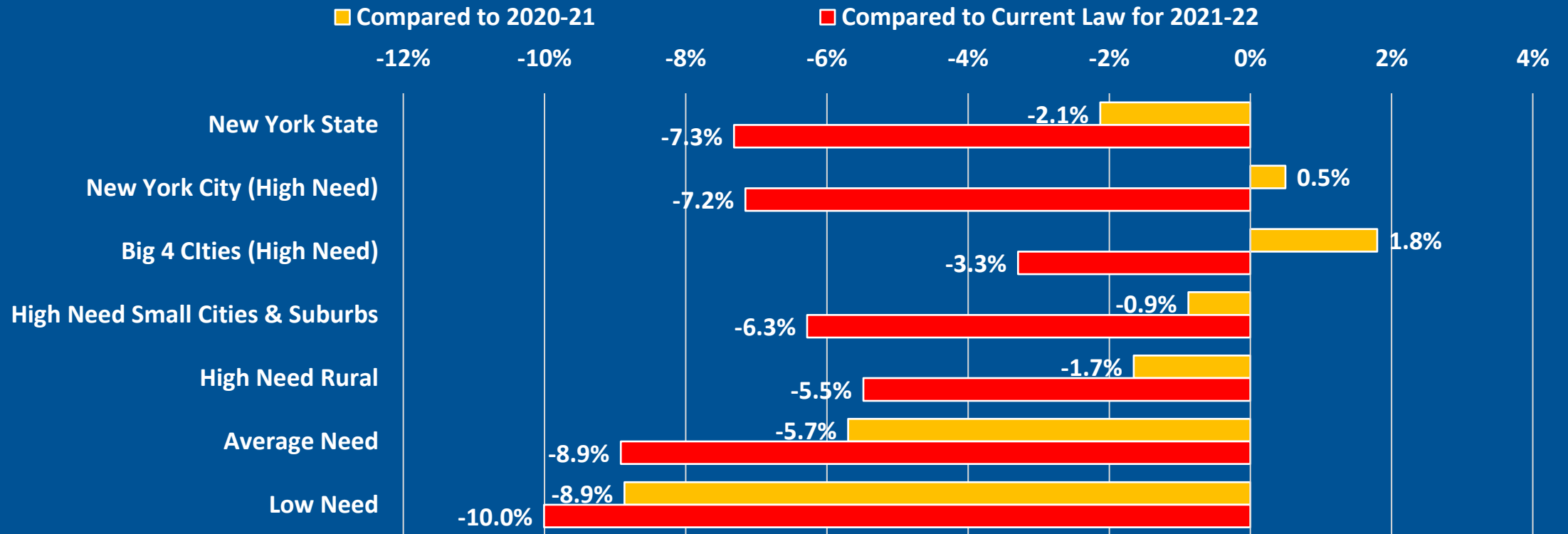
Federal Law Requires Most of the Stimulus Funding To Be Targeted to Higher Poverty Districts

Shares of Federal Stimulus Funding
Districts Grouped by SED Need/Resource Capacity Category



Proposed Change in STATE Support—School Aid + STAR

% Change in State Support (School Aid +STAR)
Districts Grouped by SED Need/Resource Capacity Category



Special Transportation Aid

“The FY 2022 Executive Budget proposes to make costs related to delivery of school meals and/or instructional materials during the spring 2020 school closures eligible for Transportation Aid; under current law these costs are not eligible for State aid.”

- Would not cover “standby” costs of maintaining capacity to provide transportation while school buildings were closed.
- What about aid for similar costs being incurred this year (2020-21)?
- The Regents will be proposing legislation to address this issue.

Prior Year Aid Claims

- Budget would eliminate roughly \$300 million in state aid adjustments owed to districts.
- Budget would cut the \$18 million annual appropriation for prior year adjustments.
- List has grown rapidly last decade as the Executive and the Legislature reached agreements on numerous Building Aid forgiveness proposals.
- The budget would also limit future claims.

Withholdings

Schenectady Daily Gazette, Friday, January 22, 2021:

“The state Division of Budget released a statement Thursday saying school districts will receive full aid payments this school year, including a restoration of earlier payments to districts that had been reduced.”

“‘No funds will be withheld’ from school districts, Division of Budget spokesman Freeman Klopott said in the release.” *

* <https://dailygazette.com/2021/01/21/state-budget-office-schools-to-receive-full-aid-payments-this-year-including-restored-reductions/>

Charter Schools

- Reduces charter school tuition in the same proportion to school districts' combined reduction in expense-based aid and Local District Funding Adjustment as a percentage of total general fund spending
- The budget reduces reimbursement for supplemental tuition in half which would save the state \$35 million
- The budget eliminates building aid to NYC for the cost of facility space for charter schools which would save the state \$47 million.

Residential Special Education Placements

STAR changes

Residential Placements

- The budget would continue to eliminate an 18.42% state share toward the room and board costs of students with disabilities in residential placements outside of NYC.
- This was enacted last budget but is set to expire. The proposal would make this provision permanent.
- Estimated to cost districts outside New York City \$28 million (NYC receives no state share now).

STAR

- The budget would eliminate the enhanced STAR exemption for new recipients. Instead, once eligible for enhanced STAR, the property owner would receive the credit.
- Budget also automatically converts basic STAR exemptions for mobile homes into STAR credits.

Very few policy initiatives in this budget

- Authorize school districts and non-profits to use Dormitory Authority for financing and construction services.
- Require internet service providers to offer low cost (\$15 per month) plans for broadband access—no proposal to address geographic barriers to access, however.
- Mandatory paid leave for Covid-19 vaccinations.
- Authorize new charters to replace charters that have been surrendered or revoked without increasing the charter school cap.

Council “Top 10” Legislative Actions for 2021

☐ Reserve fund flexibility and increase unrestricted fund balance limit

☐ Opt-out of polling place designation

☐ Regional high schools

☐ Zoning authority

☐ Charter school financial impact

☐ Authorize August instructional days

☐ Amend tax cap for PILOTs, pension exclusion, and carryovers

☐ Hiring Flexibility

☐ Small City Debt Limit

☐ Special education costs

The pandemic is unprecedented, but we have dealt with tough economic times before

- Fall 2008 –global financial system crisis
- 2009-10 state budget – School Aid similar to 2020-21: Foundation Aid frozen, other aids funded according to current law, total aid reduced but fully offset by federal stimulus aid
- 2010-11 state budget – Enacted budget cut School Aid by 4.99%, despite federal assistance
- 2011-12 state budget – Federal aid exhausted, total School Aid cut by 6.13%
- Total state funding for school district did not return to 2008-09 level until 2014-15, a lapse of six years

The year after federal stimulus funding was gone was the hardest—results from a 2011 Council Survey.

With the use of \$3.8 billion in federal aid all in 2021-22, the state would need to increase its support by that amount to level-fund schools in 2022-23.

The state needs more revenue and more help from Washington.

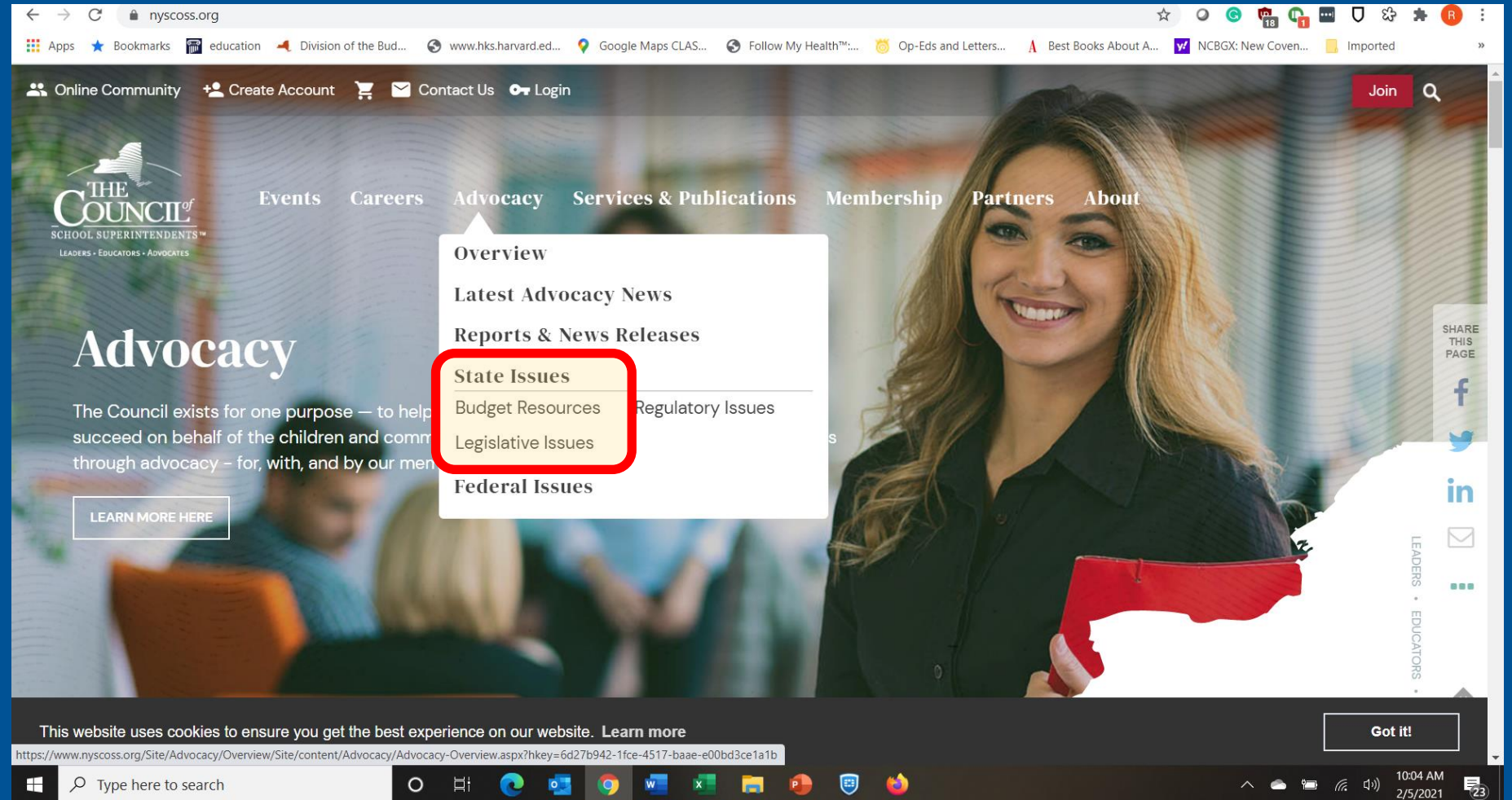
Impact of the Last Economic Downturn on School District Budget Choices			
	2009-10 School Year	2010-11 School Year	2011-12 School Year
Reduction in teaching positions	44%	66%	80%
Reduction in other positions (clerical, transportation, operations and maintenance, food service, etc.)	31%	57%	74%
Reduction in other instructional support or student services positions	34%	55%	72%
Salary freeze or other cost reduction in salary or benefits for superintendent	22%	35%	66%
Reducing or eliminating undesignated reserves	22%	45%	65%
Increasing class size	16%	47%	63%
Reducing or eliminating designated reserves	14%	38%	59%
Deferring maintenance	23%	40%	51%
Reducing participation in BOCES services	16%	35%	51%
Reducing other extracurricular activities (other than interscholastic sports)	10%	31%	50%
Reducing interscholastic sports	13%	29%	49%
Changes in special education which reduced costs	15%	29%	48%
Reducing/deferring purchase of instructional technology	19%	35%	47%
Increasing participation in other shared services arrangements (not through BOCES)	14%	29%	44%
Reducing pupil transportation	8%	21%	39%
Reducing summer school	11%	22%	36%
Cost-reduction concession in salaries or benefits agreed to by teacher union	3%	17%	34%
Reducing extra help for students during the regular school day or year	8%	22%	33%
Increasing participation in BOCES services	9%	20%	30%

For more information:

Check out our website—
www.nyscoss.org

Click on “Advocacy” at
the top.

Then click “Budget
Resources.”



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