

Provide Sound Funding for Public Schools

- Executive Budget School Aid runs include traditional School Aid *plus* STAR property tax relief reimbursements, *plus* federal stimulus aid. The statewide increase in total funding is \$2.1 billion (7.1%) is not representative of what most districts would receive:
 - Half of all districts would receive increases of 2.1% or less, including nearly a quarter which would see total funding decrease, despite the infusion of federal aid.
 - Fewer than one in 10 districts would see increases of 7% or more.
 - Over 70% of districts would have their entire allocation from the December federal stimulus legislation offset by two cuts in state aid—a reduction in STAR reimbursements and consolidating 11 aids into Services Aid.”
- ***We urge rejecting the proposal to reduce STAR reimbursements.*** The state financial plan says the cut is to be recurring—what will happen to school district revenues when there is no more federal aid?
- ***We oppose the proposal to consolidate 11 aids into Services Aid.*** It raises multiple alarms:
 - It would hurt high need school districts worst—\$620 million of the \$693 million statewide reduction would be absorbed by New York City Schools; over half the remaining cut would fall on other high need school districts.
 - The proposal would further reduce predictability and stability in school district revenues. Districts cannot predict Foundation Aid from one year to the next. The tax cap has made planning property tax revenues more complicated as well. Districts have been able to anticipate reimbursement for transportation, BOCES, charter school, and instructional materials cost, but that would end with this proposal.
- ***We recommend using anticipated additional federal aid to avert the cuts described above and to ensure all districts have resources to offset exceptional costs created by the pandemic and to help students recover from learning losses.***

Other Issues

- ***Exceptional Transportation Costs:*** We support the Regents proposal to ensure districts can receive reimbursement for exceptional transportation costs they incurred while school buildings have been closed in delivering instructional materials and student meals and creating mobile hotspots for families with inadequate internet access.
- ***Reserve Fund Flexibility:*** To help schools avert or minimize the painful choices that might arise when federal stimulus aid ends, we recommend increasing the limit on unrestricted reserves from 4% to 8% and to amend the restricted reserve fund flexibility legislation enacted last year to give districts more time to repay amounts borrowed from any fund.
- ***Prior Year Adjustments:*** We urge rejecting the Executive Budget proposal to eliminate \$18 million allocated for 2021-22 payments of state aid claims owed to districts and rejecting the proposal to expunge the entire list of \$300 million in claims owed by the state to districts.
- ***Residential Special Education Placement Cost Shift:*** We urge rejecting the Executive Budget proposal to permanently shift from the state to school districts \$28 million in costs for placements of children with disabilities in residential programs.