

Provide Sound Funding for Public Schools

The Executive Budget would increase funding for schools by \$2.1 billion, or 7.1%, through a combination of traditional School Aid, STAR property tax reimbursements, and federal stimulus assistance.

The net total increase is achieved through a \$607 million *reduction* in state support and a \$2.72 billion increase in federal aid—the difference between the \$1.13 billion allocated to the state’s public schools from the federal CARES Act for 2020-21 and the \$3.85 billion allocated from the stimulus legislation enacted in Washington in December.

But the statewide increase is not reflective of what most districts would experience:

- The median increase is only 2.1%—half of all districts would receive smaller increases, including 23% of districts which would experience year-over-year reductions in total funding.
- Fewer than 1 in 10 districts would receive increases of 7% or more.
- Over 70% of districts would have their entire allocation from the December federal stimulus offset by two cuts in state support, leaving nothing to help in paying extraordinary pandemic-driven expenses.
- One cut would reduce STAR reimbursements to districts by \$1.3 billion. The budget says the cut is to be recurring—what will happen when there is no special federal assistance?
- The other cut would consolidate 11 aid categories into Services Aid and reduce total funding by \$693 million from what districts would receive under current law.

Foundation Aid would be frozen for the second straight year, leaving the state over \$4 billion behind in phasing in the permanent formula.

The entire use of the state’s last federal allocation in a single year would create a steep fiscal “cliff.” Without further federal aid, the state would need to increase its support for School Aid by \$3.85 billion in 2022-23 to maintain total school funding at the level the budget proposes for the year ahead.

We are optimistic that additional federal aid proposed by President Biden and under negotiation in Congress will provide significant help for our state government and our schools.

The Council urges using future federal aid to reject the Services Aid proposal and STAR reductions, to assure that districts have resources to use in meeting costs and needs created by the pandemic, and to avert a steep fiscal cliff that would require drastic reductions in school funding and painful choices for state and school leaders.