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2020 -2021 New York State Budget and Schools: LHEC Summary & Perspective

Foundation Aid and Total School Aid:

The Executive Budget proposed increasing **Foundation Aid** by \$504 million. The Enacted Budget provided for Foundation Aid at the same levels as 2019-20. While understandable in the current budget situation, the lack of additional Foundation Aid funding will hurt the neediest districts that rely heavily on Foundation Aid Funding.

The **Total School Aid** increase proposed in the Executive Budget was \$826 million. The Enacted Budget combines aid funding from NYS and the federal coronavirus stimulus package (CARES Act), resulting in what appears to be an additional aid increase (primarily in expense-based aids) of \$104 million. In reality, NYS used the federal funding in each district's state aid funding statements to offset a reduction in state-provided aid (labelled the "**pandemic adjustment**"). The pandemic adjustment is exactly equal to the additional funding to schools from the federal CARES Act ("federal CARES restoration"). This additional Title I funding from the CARES Act was expected to go largely to the neediest school districts.

The NYS FY 2021 budget has the potential to change over the coming year. **Budget review** by the Governor's Budget Director will occur at four predetermined points during the year: April 30, June 30, December 31 (2020) and March 31 (2021). If State revenues are more than 1% below projections, or expenditures more than 1%, changes to budget line items may occur after each review period. The uncertainty created for school districts is significant. LHEC is working to ensure that protections are in place of maintain school aid to the extent possible over the course of the coming year.

Additional Aid Categories:

The Executive Budget provided for an additional \$15 million in **Universal PreKindergarten funding**. The Enacted budget continues UPK aid at 2019-20 levels. In the current situation, LHEC's perspective is that funding for K-12 education must take priority over expanding PreK.

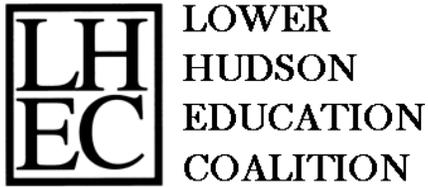
The Governor's proposal to **dissolve 10 expense-based aids** into Foundation Aid was rejected by the Legislature. The rejection was in line with LHEC advocacy efforts and is expected to benefit school districts, and especially BOCES, in the long term.

Executive Budget proposals to change **Building Aid and Transportation Aid** were also rejected by the Legislature. LHEC advocated against proposals to change building aid reimbursements, especially lowering the minimum aid ratio. Proposed changes to transportation aid that included capping aid-able expenses and eliminating a ratio option were equally opposed by LHEC. The rejection of both proposals is a positive for school districts.

LHEC Sponsoring Organizations:

Lower Hudson Council of School Superintendents
Rockland County School Boards Association

Dutchess County School Boards Association
Westchester Putnam School Boards Association



Included in the Executive Budget was a proposal to push the current State share (18.42%) of **CSE residential placement costs** for room and board for students with severe disabilities on to school districts. The Enacted Budget includes a provision that from April 1, 2020 through March 31, 2021, school districts (outside of NYC) will pay the state share of CSE residential placements. LHEC advocated against this cost pushback, citing the negatives for both school districts (additional unfunded mandate) and Special Act school districts (increased cost for sending districts may reduce placements).

The Enacted Budget included \$10 million to establish a **student mental health fund**. While the details of how this fund will be used are yet to be determined, LHEC has been advocating for a flexible funding stream devoted to student mental health and physical safety. It is encouraging that even in a very difficult budget year, the mental health needs of our students were not forgotten.

Laws Affecting School Districts:

Property taxpayers in the STAR exemption program see a reduced school tax bill. In the STAR credit program, property taxpayers must pay school taxes in full and request a STAR check from the state government. The Executive Budget proposed reducing **income limits on the STAR exemption** program from \$250,000 to \$200,000. The STAR credit program would continue for households with incomes between \$200,000 and \$500,000. The Enacted Budget maintains the STAR exemption program for households earning up to \$250,000. LHEC advocated for no further changes to the STAR exemption program.

The Governor proposed requiring **building-level financial data** be publicly disseminated for all school districts. The Enacted Budget included this provision which adds a reporting mandate for all school districts.

Although the Governor signed a bill in the last session providing forgiveness for Spackenkill UFSD on building aid paperwork issues, the bill providing **building aid forgiveness** to Mahopac CSD was vetoed. We are pleased that the forgiveness bill for Mahopac CSD was included in the Enacted Budget. LHEC supports blanket forgiveness for errors in aid paperwork after those documents have been approved by NYSED.

Last year, NYS extended the **time off for voting** law, resulting in a new requirement for districts to provide three hours of paid leave for school faculty and staff to vote. In the Enacted Budget, the law reverted to require two hours of paid leave only for employees who do not have a four hour window to vote either before or after work. LHEC has advocated against this law to applying to school districts, who do provide at least a four hour window for faculty and staff to vote.

The Executive Budget included \$1 million for the development of a **diversity and tolerance curriculum**. The Enacted Budget included the funding for the curriculum development. While in full support of student education on diversity and tolerance, the LHEC views curriculum requirements as the purview of the Board of Regents.

Reducing student vaping was another focus of the Executive Budget. Proposals to prohibit the retail sale of flavored vape products that appeal to youth and an anti-vaping education targeted at school-age children were both part of the Enacted Budget. LHEC supports efforts to reduce student vaping.

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