



New York State
EDUCATION DEPARTMENT

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2021-2022 Regents State Aid Proposal

**Board of Regents Meeting
November 2020**

Review Conceptual Proposal

As previously discussed, the conceptual Regents State Aid proposal would:

- **Repeal the Pandemic Adjustment and restore each district's state aid levels** to ensure that no district experiences an aid loss in 2020-21 and enable districts to use their federal CARES Act funds for their intended purpose;
- **Amend Education Law to allow districts to be reimbursed for costs incurred to keep transportation vendors and employees on standby** between March 18, 2020 and May 1, 2020, and allow districts to be reimbursed for costs incurred in using school buses to deliver school meals, homework packets and wi-fi access;

Review Conceptual Proposal

- **Message that, if permanent state aid reductions must be made:**
 - Reductions should be made on **progressive, wealth-adjusted basis**; and
 - School districts and charter schools should be treated in an equitable manner.
- **Assist school districts by:**
 - Incentivizing efficiencies by **indexing the Reorganization Incentive Aid formula to inflation**; and
 - Increasing the Department's capacity to provide school districts with technical support on financial and management issues.

Additional Proposals for Consideration

Additional proposals for consideration by the Regents include to:

- Amend Education Law to allow school districts and transportation vendors to be **reimbursed for the cost of maintaining the infrastructure necessary to have transportation services available to support in-person education;**
- **Fully fund reimbursement to school districts for expense-based aids,** such as Building Aid and Transportation Aid.

Additional Proposals for Consideration

- **Repeal the School Aid Growth Cap:**
 - Under existing Education Law, growth in school aid in any given year is limited to the 10-year average in personal income growth in the State.
 - For the 2021-22 school year, it is anticipated that the impact of the Pandemic Adjustment will activate the growth cap and create automatic reductions in state aid.
 - The Regents' conceptual proposal could include changing Education Law to eliminate the growth cap.

Mandate Relief Proposals

To further assist school districts with the current economic situation, the Regents could consider the following mandate relief initiatives:

- **Enhance school district reserve fund flexibility** by extending the current pay-back period and lowering the percentage that needs to be paid back each year;
- **Increase flexibility for small districts to meet unanticipated expenses** by allowing targeted exceptions to the 4% fund balance limit; and
- **Discontinue duplicative financial transparency reporting.**



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Questions?