



COVERING PANDEMIC-RELATED SCHOOL DISTRICT COSTS

Districts will be reimbursed for **delivering school meals** and **instructional materials** during pandemic-related school closures



140,000 STUDENTS

will benefit from **high quality**, publicly funded **after-school programs**.



1,000+ SMART SCHOOL INVESTMENT PLANS

over **\$1.6 billion** approved in **566** districts, advancing technology and now **supporting remote learning**.



120,000+ children

in **high-quality**, publicly funded **pre-k programs**.

OVER 75%



in full-day spots



Over **95%** of high-need school districts have pre-k



IMPROVING GRADUATION RATES



High school on-time graduation rates have increased from **74 %** in 2012 to **83.6 %** in 2020

Budget Highlights

\$31.7 Billion in Support to School Districts. Provides funding through School Aid, STAR, and extraordinary federal funds, to support operational costs of school districts that educate 2.6 million students statewide.

Allocate \$4.3 Billion in Federal Supplemental Funds. Allocates funds to schools to support ongoing operational and pandemic-related costs.

Authorize Aid for Pandemic-Related School District Transportation Costs. Reimburses school districts for the cost of delivering school meals and instructional materials during pandemic-related school closures in spring 2020.

Consolidate \$3.7 Billion in Expense-Based Aids. Establishes a block grant program from existing expense-based aids so that future funding increases can be allocated more progressively through Foundation Aid.

Maintain Prior Year Initiatives. Continues current law funding levels for prekindergarten, after-school programming, early college high schools, P-TECH programs and community schools. Also continues Smart Schools Bond Act and School Funding Transparency.

The FY 2022 Executive Budget reflects the Governor's strong commitment to education despite a challenging and uncertain economic environment. The pandemic has had a profound impact on students, parents and teachers, as many schools have had to manage providing instruction and services to students in a remote or hybrid learning environment. In recognition of the Governor's commitment to education, the FY 2022 Executive Budget programs \$4.3 billion of new federal funding included in the recent Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act to provide significant additional support and also to offset necessary reductions in State funding while holding all districts harmless. These spending reductions may be restored if the State receives requested Federal COVID relief funds. Funding parity with school districts is maintained for charter and nonpublic schools.

Overview

Public education in New York represents a significant commitment of State and local resources. With total State, local and federal spending levels exceeding \$75 billion, New Yorkers have consistently maintained the highest per-pupil spending levels in the nation. New York's public schools spend more per pupil (\$24,040) than any other state — almost double the national average (\$12,612).

Education is also the largest single area of the State operating funds budget, representing over \$29 billion or approximately 29 percent of annual spending. This reflects New York State's long-standing commitment to providing opportunity for all students and ensuring that the children of New York have an opportunity for a sound, basic education. With this Executive Budget, School Aid increases will total \$7.7 billion over ten years — a 40 percent increase over that period.

Responding to the Pandemic

When COVID-19 blindsided New York State, school districts across the state were closed to in-person learning and shifted to a remote format to stop the spread and keep students and educators safe. Schools responded by developing remote learning programs and ensuring students in need received food and learning materials at their homes; these transportation costs are reimbursed in the FY 2022 Budget. Each district was charged to work with teachers and parents to determine the best

approaches for keeping its students and employees safe while continuing to provide the education critical to each student's needs. These protocols for how districts reopened – in-person vs a hybrid model – were made by local school districts under strict Department of Health data-driven guidelines regarding face coverings, social distancing, screening, space adaptations, transportation, food service, cleaning and disinfection, and other factors. School district plans have been adapted as needed during the course of the year based on the infection rates and other data in each community.

The \$2 billion Smart Schools Bond Act has been supporting schools, allowing them to expand their technology resources. In 2020, the State approved over 280 investment plans totaling \$205 million. These funds allowed school districts across the State to invest in classroom technology, including tablets and laptops, school connectivity, and other infrastructure to help give schools the tools they need to operate modern classrooms and give students the tools to succeed.

Maintaining Educational Investments

Despite the State's dire financial condition, the FY 2022 Executive Budget maintains prior year investments made to strengthen New York's educational offerings and increase student access to learning across the State. This includes using extraordinary Federal funds to provide significant additional support and also to offset necessary reductions in State support for School Aid and other reimbursement to school districts, while maintaining the State's multi-year investments in high-quality full-day prekindergarten, after-school programming, early college high schools and P-TECH (Pathways in Technology Early College High School) programs, and community schools initiatives. Other important initiatives such as the \$2 billion Smart Schools Bond Act and School Funding Transparency are also continued.

- **Support for School Districts.** Provides \$31.7 billion in funding through School Aid, STAR, and federal funds, to support operational costs of school districts. Approximately 70 percent of these funds are targeted to high-need school districts.
- **Prekindergarten Programs.** New York State spends over \$850 million annually on public prekindergarten programs for three- and four-year-old children, serving

Performance Profile

Improving Graduation Rates. Since FY 2012, high school on-time graduation rates have increased by 9.6%, to 83.6% in 2020.

Increasing Opportunities for Early Childhood Education. In FY 2022, the State will serve over 120,000 children in high-quality, publicly funded prekindergarten programs—over 75 percent of whom will be served in full-day spots. Over 95 percent of high-need school districts have prekindergarten.

Expanding Access to After-School Programs. In FY 2022, over 140,000 students across every region of the State will benefit from high-quality, publicly funded after-school care. Students will engage in safe activities such as sports and music, after school hours.

Transforming School Districts into Community Hubs. In FY 2022, 240 school districts will continue to receive community schools funding to transform their schools into community hubs with wrap-around services.

Building the Classrooms of the 21st Century. Over 1,000 Smart Schools Investment Plans totaling over \$1.6 billion have been approved in 566 districts, supporting classroom technology, high-tech security, and school connectivity.

over 120,000 students statewide. Funding has historically been prioritized for students in high-need school districts.

- **After-School Programs.** New York State spends \$222 million annually on after-school programs. This includes \$93 million provided through the federal 21st Century Community Learning Centers Program, \$55 million in funding through the Empire State After-School Program, \$28 million through the Advantage After-School Program, \$24 million through the Extended School Day/School Violence Prevention Program, and \$22 million through the Extended Learning Time Program. In total, these programs provide afterschool programming to over 140,000 students.
- **Early College High Schools and P-TECH.** New York State spends \$30 million annually on early college programs that provide high school students with the opportunity to earn college course credits or an associate degree and prepare for high-skills jobs of the future in technology, manufacturing, healthcare and finance. These funds provide for the operation of 87 Early College High School programs and P-TECH programs across the State.
- **Community Schools.** New York State spends \$250 million annually to support community school models in school districts. Community schools offer after-school and summer programs, school-based health services, and other wrap-around services to students. 240 school districts receive funding to transform their schools into community hubs with these wrap-around services.
- **Smart Schools Bond Act.** In November 2014, the Smart Schools Bond Act, proposed by Governor Cuomo, was approved by voters. The Smart Schools Bond Act provides \$2 billion in funding for districts to reimagine classrooms and provide New York's students with the technological resources, skills, and learning environments necessary to succeed in the 21st century. Funding supports enhanced education technologies, including infrastructure improvements, high-speed broadband internet access in classrooms, and active learning technologies. Additionally, the Smart Schools Bond Act supports the State's long-term investments in full-day prekindergarten through the construction of new prekindergarten classrooms, the replacement of classroom trailers with permanent classroom spaces, and high-tech school safety programs. To date, over 1,000 Smart Schools Investment Plans totaling over \$1.6 billion have been approved by the Smart Schools Review Board. In recognition of the disparate impact the pandemic has had on low-income students' ability to access remote instruction, the Executive proposes to expedite Smart Schools Bond Act funding to school districts, ensuring that students have access to the devices needed for remote learning.
- **School Funding Transparency.** The FY 2019 Enacted Budget included landmark legislation directing school districts to make their distribution of funds at the school building level public for the first time. Initially, based on 76 districts' data, funding inequities within some of the State's largest and highest need school districts were uncovered, prompting further legislation in FY 2020 requiring districts to prioritize funding to their neediest and most underfunded schools. At the same time, in FY 2020, this school-level funding reporting requirement was expanded to over 300 school districts. Starting in FY 2021, all

673 major school districts in the State were required to report school building-level funding, providing a critical window for every parent, lawmaker, and stakeholder to understand how we can ensure all students in New York State have access to high-quality education and the opportunity it creates. This reporting requirement will be continued for the 2021-22 school year.

Proposed FY 2022 Budget Actions

Support for School Districts

Category (\$ in millions)	2020-21 School Year	2021-22 School Year	Change	
			Dollar	Percent
Formula-Based School Aid	\$25,921.1	\$26,769.9	\$848.8	3.3%
Other School Aid	\$530.4	\$518.7	(\$11.6)	-2.2%
Total School Aid	\$26,451.5	\$27,288.6	\$837.2	3.2%
STAR Reimbursement	\$2,030.4	\$1,938.9	(\$91.5)	-4.5%
Local District Funding Adjustment	\$0.0	(\$1,352.4)	(\$1,352.4)	n.a.
Total State Support*	\$28,481.8	\$27,875.1	(\$606.7)	-2.1%
Federal CARES Act Funding	\$1,133.6	\$0.0	(\$1,133.6)	-100.0%
Federal COVID-19 Supplemental Act Funding	\$0.0	\$3,851.7	\$3,851.7	n.a.
Total District Support	\$29,615.5	\$31,726.8	\$2,111.3	7.1%

* These spending reductions may be restored if the State receives requested Federal COVID relief funds.

The FY2022 Executive Budget provides a year-to-year increase of approximately \$2.1 billion, or 7.1 percent, for the 2021-22 school year. This increase is largely driven by the \$3.9 billion allocated to school districts under the federal CRRSA Act, more than offsetting a \$607 million decrease in State support. These spending reductions may be restored if the State receives requested Federal COVID relief funds. Total district support for the 2021-22 school year is \$31.7 billion, including School Aid, STAR reimbursement, the Local District Funding Adjustment, and federal CRRSA Act funding. Approximately 70 percent of this total funding is allocated to high-need school districts.

The FY2022 Executive Budget contains two major changes to State support for school districts:

- \$393 Million Reduction to 2021-22 Services Aid.** Eleven existing expense-based aids totaling \$3.7 billion for the 2020-21 school year, including Transportation Aid and BOCES Aid, are consolidated into a new block grant called “Services Aid.” These aids, which have been the target of reform for many years, are collectively much less progressive than Foundation Aid, with only 53 percent of aid provided to high-need districts, compared to 72 percent of Foundation Aid. Funding for these aids in 2021-22 is reduced to \$3.3 billion. This reduction is fully offset for each school district by its allocation of CRRSA funds. These spending reductions may be restored if the State receives requested Federal COVID relief funds. Through eliminating future growth in these existing aid categories, this proposal would allow future State funding increases to be allocated more progressively through the Foundation Aid formula.

- **\$1.35 Billion Local District Funding Adjustment for the 2021-22 School Year.** A Local District Funding Adjustment would be levied against other reimbursements to school districts. This \$1.35 billion reduction to current law projected aid for the 2021-22 school year would be fully offset by school districts' federal CRRSA funds. This reduction may be restored if the State receives requested Federal COVID relief funds.

Federal Funding

The CRRSA Act provided approximately \$4.3 billion to support schools in New York State, with the funds available to be spent through September 2023. This is in addition to the \$1.2 billion in federal CARES Act funding provided for schools in March 2020, which can be spent through September 2022.

The Act provides New York State with \$4.0 billion through the Elementary and Secondary School Emergency Relief (ESSER) Fund and \$323 million through the Governor's Emergency Education Relief (GEER) Fund. Schools may generally use these funds for broad purposes, including general operating and pandemic-related costs.

Of the ESSER funds, \$3.6 billion (90 percent) must be allocated to school districts and charter schools in proportion to their federal Title I awards. The remaining \$400 million (10 percent) of ESSER funds may be allocated by the State. The FY 2022 Executive Budget allocates \$395 million of the remaining ESSER funds and the full \$73 million of GEER funds to provide school districts of lower wealth with a minimum per pupil allocation. The State Education Department would retain \$5 million to support program administration.

Unlike the CARES Act, which required school districts to use a portion of their allocations to provide equitable services to nonpublic schools, the CRRSA Act instead provides \$249 million in dedicated GEER funds to support pandemic-related services and assistance to nonpublic schools, with \$1 million to SED for program administration.

Consistent with the Act, the Executive Budget allocates these new funds as follows:

	ESSER	GEER	Total
Major School Districts	\$3,779	\$73	\$3,852
Charter Schools	\$216	\$0	\$216
Non-Major School Districts	\$2	\$0	\$2
Nonpublic Schools	\$0	\$249	\$249
SED Administration	\$5	\$1	\$6
Total	\$4,002	\$323	\$4,325

Charter Schools

Nearly 170,000 elementary and secondary students attend 325 charter schools in New York State. Charter schools receive tuition payments made by school districts, funded through State

and local sources; these tuition rates are established for each school district. The FY 2022 Executive Budget proposes the following changes to these programs:

- **Charter Tuition Rates.** Charter school tuition rates for the 2021-22 school year would be reduced in proportion to school districts' combined reduction in expense-based aid and Local District Funding Adjustment as a percentage of their total General Fund spending. The 2022-23 tuition rates would then revert to their levels under current law in the absence of the 2021-22 rate reduction. However, a tuition reduction may not be taken in 2021-22 if the State receives requested Federal COVID relief funds.
- **Supplemental Tuition Payments.** In addition to other State aid payments to districts, which support charter tuition rates, the State also pays each school district approximately \$1,000 per charter pupil to offset the cost of charter tuition payments. The Executive Budget proposes to capture roughly half of the savings that result from the reduction in 2021-22 charter tuition rates by lowering State reimbursement through supplemental tuition payments in FY 2022. State reimbursement would be restored to its current law level in FY 2023. This change is estimated to reduce State spending on this program by \$35 million in FY 2022 compared to current law, to a total of \$132 million, with districts statewide realizing net savings of \$40 million. These FY 2022 spending reductions may be restored if the State receives requested Federal COVID relief funds.
- **Eliminate NYC Charter Facilities Aid.** The Executive Budget proposes to eliminate State reimbursement to New York City for the cost of charter school rental assistance in order to encourage the use of available co-located space within public facilities. New York City is required to either provide charter schools with co-located space or pay a portion of their rental costs for private facilities. Even though New York City school district enrollment has declined in recent years, opening up more space for co-locations, few new co-locations have been approved in recent years. This proposal will ensure the efficient and cost-effective use of educational space in New York City. Elimination of this State reimbursement is estimated to generate \$47 million of savings in FY 2022. These FY 2022 spending reductions may be restored if the State receives requested Federal COVID relief funds.
- **Reissue Expired Charters to New Schools.** The FY 2022 Executive Budget proposes to authorize the reissuance of any charter originally issued to a charter school that has subsequently closed due to surrender, revocation, termination or non-renewal, permitting the issuance of additional charters located in New York City, thereby expanding educational opportunities for disadvantaged students.

Nonpublic School Programs

Approximately 380,000 elementary and secondary students attend 1,700 nonpublic schools in New York State. Nonpublic schools receive State aid to reimburse the cost of State mandated activities through Mandated Services Aid (MSA) and the Comprehensive Attendance Program (CAP). Nonpublic schools also receive State funding through the Nonpublic Science, Technology and Math (STEM) Program and Nonpublic Academic Intervention Services (AIS).

The FY2022 Executive Budget proposes the following changes to these aid programs:

- MSA and CAP.** Because of delayed issuance of claiming guidelines for 2020-21 school year aid, payments will now occur in June 2021 instead of March 2021 when aid is typically paid. Subsequent years' aid payments will be similarly delayed. \$193 million will remain available for 2020-21 aid, which reimburses schools' 2019-20 expenses, and schools will be held harmless from aid losses due to the spring 2020 school closures. However, 2021-22 aid will be reduced by 2 percent compared to 2020-21 aid, consistent with State support for school districts. Combined 2021-22 MSA and CAP funding will total \$189 million. These spending reductions may be restored if the State receives requested Federal COVID relief funds. The Executive Budget will also establish claiming deadlines and require SED to prorate payments if claims exceed annual funding levels.
- STEM and AIS Program Reductions.** 2021-22 aid for Nonpublic STEM and AIS will be reduced by 2 percent, consistent with State support for school districts. Nonpublic STEM funding will be reduced from \$30 million to \$29.4 million and AIS from \$922,000 to \$904,000. These spending reductions may be restored if the State receives requested Federal COVID relief funds.

Other Budget Actions

- Reimburse Pandemic-Related Transportation Costs.** 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. Nearly three-quarters of school districts statewide indicate that they incurred costs related to the delivery of school meals or instructional materials during the spring 2020 school closures, consistent with the Governor's Executive Orders for districts to develop plans for alternative instruction options and for the distribution and availability of meals during pandemic-related school closures.
- Eliminate Teacher Support Programs.** In recent years, the State has provided \$27.4 million annually for several recurring teacher support and training programs, including the Teachers of Tomorrow Program (\$25 million), Teacher Mentor Intern Program (\$2 million) and the Albert Shanker Grant Program (\$0.4 million). The FY2022 Executive Budget eliminates these programs, starting in the 2021-22 school year, in order to achieve necessary State savings while preserving programs that provide direct services to sensitive student populations. These spending reductions may be restored if the State receives requested Federal COVID relief funds.
- Eliminate Prior Year Aid Queue.** The FY2022 Executive Budget proposes to eliminate \$18.7 million in funding for school districts' prior year claims and expunge all claims currently in the queue, some of which are now more than a decade old. Over 90 percent of school districts and BOCES scheduled to receive a payment from the queue in FY2022 are owed less than \$100,000 in aid. These claims are primarily a result of school districts'

failure to adhere to normal claiming deadlines. The Executive Budget proposes eliminating the PYA queue altogether and tightening claiming deadlines going forward. These spending reductions may be restored if the State receives requested Federal COVID relief funds.

- **Eliminate NYC Fiscal Stabilization Grant.** The Executive Budget proposes to eliminate a discretionary \$26.4 million fiscal stabilization grant to New York City, first provided in 2003. Since then, New York City has become relatively wealthier, rising from 5 percent below the statewide average income and property wealth per pupil to 10 percent above it. These spending reductions may be restored if the State receives requested Federal COVID relief funds.
- **Reduce Funding for Library Aid.** The Executive Budget reduces FY2022 funding for Library Aid by 5 percent, from \$91.6 million to \$87 million. This funding provides operating support to public libraries, library systems, and reference and research libraries. Although reduced, FY2022 State support is \$8 million greater than funding in FY2012 when the State was recovering from the Great Recession. These spending reductions may be restored if the State receives requested Federal COVID relief funds.
- **Reduce Funding for Public Broadcasting.** The Executive Budget reduces FY2022 funding for the Public Broadcasting program by 5 percent, from \$14 million to \$13.3 million. This funding provides operating support to public television and radio stations. Although reduced, FY2022 State support is \$3.9 million greater than funding in FY2011 when the State was recovering from the Great Recession. These spending reductions may be restored if the State receives requested Federal COVID relief funds.