



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** State Aid Subcommittee

**FROM:** Phyllis D. Morris *Phyllis D. Morris*

**SUBJECT:** 2022-2023 Regents State Aid Proposal

**DATE:** November 4, 2021

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#### **SUMMARY**

#### **Issue for Discussion**

The purpose of this presentation is to refine the conceptual framework for the 2022-2023 State Aid Proposal.

#### **Reason(s) for Consideration**

Review of Policy.

#### **Background Information**

The annual budget development process is traditionally begun with discussions by the Board of Regents about the current needs and pressing issues facing school districts in the coming school year. The 2022-2023 budget cycle presents a unique opportunity for the Board of Regents given the focus of state policymakers on the Foundation Aid formula and the significant influx of State and federal funding for districts. To set the stage for these ongoing conversations and policy decisions, the Conceptual State Aid Proposal contemplates the following broad categories for the Board's consideration.

## Sustained State Financial Support for School Districts

The 2021-2022 enacted budget implemented a three-year phase-in schedule for Foundation Aid. The Regents have long advocated for a three-year phase-in schedule. By law, estimates for the increase in state funds will be available November 15, prior to the December Regents meeting. As of the most recent data available, a minimum increase would generate aid for 283 districts on save harmless, 88 of which are high need districts, 146 are average need, and 49 are low need. The 2021-2022 enacted budget also provided a minimum increase of at least 2 percent for all districts.

The 2022-2023 school year is year two of this three-year schedule. The Board's conceptual proposal supports this phase-in schedule that will provide substantial additional state support for districts serving students with enhanced needs. The conceptual proposal also advocates for a minimum increase, to ensure districts with declining enrollment but increasing fixed costs receive some additional state support.

### Expense Based Aids

Expense based aids provide state funds for critical school functions such as capital construction, transportation, and BOCES shared services. While actual data will not be available until November 15, 2021, annual increases range from \$100 million to \$400 million. The conceptual proposal fully funds expense-based aids and opposes proposals to consolidate or reduce expense-based aids.

### BOCES, Special Services, and Instructional Materials Aids

Providing sufficient career and technical education (CTE) services to allow students to engage in the CTE pathway to graduation can be a challenge for districts. The conceptual aid proposal recommends providing additional BOCES and Special Services funding to address this challenge.

Currently, only the first \$30,000 of a BOCES salary is state aidable. This figure has not been updated since it was enacted in 1990. Enhancing this aid ratio would provide additional support not only for CTE services, but also for BOCES co-sers around Diversity, Equity, and Inclusion and Culturally Responsive-Sustaining Education Resources and remote instruction for students unable to attend in person due to health-related issues.

Special services aid supports students in occupational and business education coursework in districts that are not components of a BOCES, such as the big 5 city school districts. These districts may choose to use this funding to support these students in a variety of settings and pursue new proven approaches. Enhancing this per pupil funding would parallel the increase on BOCES salary to allow for additional CTE programming among the big 5 city districts.

Instructional materials aids include library materials, textbook, software, and hardware aid. These aids are critical for reducing inequitable access to educational technology. These aids are not reimbursement based, but allocational based on a certain amount per pupil. The per pupil figures were increased modestly in 2007 ranging from an additional \$0.25 for library materials aid to an additional \$0.95 for textbooks but have not significantly increased since 1997-1998. District costs for hardware, software, textbooks, and library materials have increased substantially over this time. The conceptual aid proposal recommends increasing and modernizing these allocations.

Textbook aid is a per pupil aid based on resident enrollment. Software, hardware, and library aids are per pupil aids based on attending enrollment. Utilizing a consistent enrollment count would provide one-stop for nonpublic loans and make this process easier for both districts and nonpublic schools.

### **Timetable for Implementation**

The Subcommittee will finalize the components to be included in its State Aid Proposal and bring a formal 2022-2023 Regents Proposal to the Board of Regents for its consideration and adoption at the December 2021 meeting.