On January 21st, Governor Cuomo presented his proposal for the 2020-21 State Budget. The Governor is proposing a total of $28.6 billion in state support for public schools. This represents a year-to-year increase of $826 million (3%), as compared to the approved 2019-20 budget. The total increase represents a $504 million increase in Foundation Aid, $200 million for Targeted High-Need District Foundation Aid (in the Executive proposal as a Fiscal Stabilization Fund), $72 million for reimbursement of expense-based aids, $15 million for Expanded Prekindergarten for Three- and Four-Year-Old children, $10 million in Empire State After School Program, $6 million for Early College High Schools, and the remainder allocated to other educational initiatives.

District specific data is available on the SED State Aid Unit website at [www.stateaid.nysed.gov](http://www.stateaid.nysed.gov). SED will be mailing school districts detailed descriptions and “backup” data that explains how the proposed State Aid estimates were calculated for your district.

Please remember that the aid estimates are based on the 2019-20 school year estimates of expenditures and pupil data submitted with your aid claim this past fall. Therefore, it is important to review for accuracy the backup data provided in this mailing. The information will be sent with a cover memo from SED to your district superintendent.

The following is a summary of the major elements of the Governor’s 2020-21 proposal for State Aid to public schools.

**Foundation Aid** – $20.759 billion (increase of $503.8 million).

2020-21 Foundation Aid =

\[
(2020-21 \text{ Adjusted Foundation Aid under current law} + \text{Community Schools Set-Aside Increase} + \text{Greatest of Tiers A-E})
\]

A detailed description of the proposed Foundation Aid formula can be found at the end of this summary.

**Community Schools Set-Aside** - $300 million (increase of $50 million) is provided to continue the Community Schools initiative and support the transformation of schools within certain high need districts into community hubs.

2020-21 Community Schools Set-Aside =

\[
(2019-20 \text{ Community Schools Set-Aside Amount} + \text{Tier 1 2020-21 Community Schools Set-Aside} + \text{Tier 2 Community Schools Set-Aside})
\]

A detailed description of the proposed Community Schools Set-Aside formula can be found at the end of this summary.
The following aids are now proposed to be included as part of the Foundation Aid category of aid:

- High Tax Aid
- Academic Enhancement Aid
- Supplemental Public Excess Cost Aid
- BOCES Aid
- Special Services Aid
- Textbook, Software, Library and Computer Hardware Aid
- Charter School Transitional Aid

**Public High Cost Excess Cost Aid** – $612.60 million (decrease of $47.21 million); No formula changes proposed.

**Private Excess Cost Aid** – $422.47 million (increase of $27.68 million); No formula changes proposed.

**Summer School Special Education (4408)** - $364.5 million. No change in allocation or formula proposed.

**Preschool Special Education (4410)** – $1.035 billion. No change in allocation or formula proposed.

**Transportation Aid** – $2.095 billion (increase of $101.88 million). Proposed changes under the Executive Budget would place a cap on the growth of Transportation Aid starting in the 2021-22 school year and eliminate one of the three State sharing ratios. The cap on growth would be based on the greater of inflation or inflation plus enrollment growth.

**Reorganization Incentive Operating Aid** - $5.37 million (decrease of $0.88 million); No formula aid changes proposed.

**Building Aid/ Reorganization Incentive Building Aid** – $3.049 billion (decrease of $7.42 million). The 2020-21 Executive Budget proposes a new Tier of Building Aid which would impact projects with an approval date on or after July 1, 2020.

**Universal Prekindergarten Aid**– Projects a state total of $848.61 million; (increase of $2.51 million) (This is reflective of the State’s multi-year UPK consolidation schedule). Additional aid in the amount of $15 million is included towards the Expanded Prekindergarten program for Three-and Four-Year-Old children to provide high quality half-day and full-day prekindergarten instruction for 3,000 pupils within high-need school districts.

**Full Day K Conversion Aid** – $2.48 million (decrease of $1.85 million). Districts implementing full-day kindergarten in 2020-21 school year would be eligible for Full Day K Conversion Aid in 2020-21 and an additional 65% of the 2020-21 allocation in 2021-22 and an additional 35% of the 2020-21 allocation in 2022-23.

Districts that implemented full-day kindergarten in 2018-19 are eligible for an additional 35% of the 2018-19 allocation in 2020-21.

Districts that implemented full-day kindergarten in 2019-20 are eligible for an additional 65% of the 2019-20 allocation in 2020-21.
Proposed Aid Caps

- For 2020-21, each district’s state aid, exclusive of Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid, would be capped at the total listed on the 2020-21 Executive Budget Aid Run (BT 202-1 dated 1/21/2020).
- For 2019-20, each district’s state aid (also exclusive of Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid) would be capped at the total listed on the same aid run.
- In 2020-21 and beyond, state aid, (other than Native American Building Aid, Aid for Employment Preparation Education Programs for School Districts and BOCES, Incarcerated Youth Aid, and Inter-District Urban-Suburban Transfer Program Aid) would also be capped at the total amount listed on the Executive Budget aid run for that year.
- Beginning with claims for the 2019-20 aid year, and thereafter, there will be no prior year adjustments. Any changes to state aid data would have to be submitted by November 1st of the year in which the aid is paid.

Proposed Changes to STAR – The 2020-21 Executive Budget continues with the growth cap for individuals receiving benefits under the STAR Exemption program at zero percent growth while those receiving benefits under the STAR Credit program will see a growth rate of two percent.

The 2020-21 Executive Budget proposed further adjustments to the income eligibility threshold for individuals receiving benefits under the STAR Exemption Program. Under current law, individuals with income levels at or above $250,000 are ineligible for the Exemption program. The proposed change under the 2020-21 Executive Budget would limit eligibility for the Exemption program by transitioning individuals with incomes between $200,000 and $250,000 to the Credit program.

Proposed Change to CSE Placements

The 2020-21 Executive Budget proposes elimination of the 18.424% state share reimbursement for CSE placements in residential schools outside of NYC and an increase to the school district’s share from 38.424% to 56.848%.
## 2020-21 Foundation Aid

**2020-21 Foundation Aid =**

- **Foundation Aid Base**
- **20-21 Base Increase**
- **20-21 Community Schools Set-Aside Increase**

### Foundation Aid Base = 2020-21 Adjusted Foundation Aid under Current Law

2020-21 Adjusted Foundation Aid under Current Law is equal to the sum of the following calculated for the 2020-21 school year:

<table>
<thead>
<tr>
<th>Aid Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Aid Pre-Adjustment</td>
<td>Software Aid</td>
</tr>
<tr>
<td>BOCES Aid</td>
<td>Library Materials Aid</td>
</tr>
<tr>
<td>High Tax Aid</td>
<td>Textbook Aid</td>
</tr>
<tr>
<td>Special Services</td>
<td>Supplemental Public Excess Cost Aid</td>
</tr>
<tr>
<td>Charter Transitional Aid</td>
<td>Academic Enhancement Aid</td>
</tr>
<tr>
<td>Hardware &amp; Technology Aid</td>
<td></td>
</tr>
</tbody>
</table>

Aid amounts are calculated 2020-21 values under Current Law.

Foundation Aid Pre-Adjustment = 2018-19 Foundation Aid Base + 2019-20 Executive Budget Increase + the difference between 2018-19 Foundation Aid as of Executive Budget less Foundation Aid Base + Maximum of 2019-20 Tiers A – J.

### 2020-21 Base Increase = Greatest of Tiers A, B, C, D or E

**Tier A =** [Foundation Aid Remaining × Selected Phase-in Factor] (29 Districts)

1) Foundation Aid Remaining = Total Foundation Aid - 2019-20 Adjusted Foundation Aid under Current Law.

2) Phase-in Factor:
   a) New York City = 26.367%
   b) Big 4 City Schools Districts = 18%
   c) All Other Tier A Qualifying Districts = 4%

**Tier B =** [Foundation Aid Remaining × Tier B Phase-in Factor] (95 Districts)

1) Foundation Aid Remaining = Total Foundation Aid - 2019-20 Adjusted Foundation Aid under Current Law.

2) Tier B Phase-in Factor = 9.00% × Tier B Scaled Factor
   a) Tier B Scaled Factor = [1 – (PWR × 0.64)²]
      i) Tier B Scaled Factor is limited to: **MAX = 0.9, MIN = 0.0**
2020-21 Foundation Aid

2020-21 Foundation Aid =

**Foundation Aid Base** + **20-21 Base Increase** + **20-21 Community Schools Set-Aside Increase**

### Tier C

\[ \text{Tier C} = [2019-20 \text{ Estimated Public Enrollment} \times \text{Tier C per Pupil Amount}] \ (41 \text{ Districts}) \]


2) Tier C per Pupil Amount = $148.18 \times 2006 \text{ RCI} \times (2.0 – 1.5 \times \text{FACWR}) \times \text{Modified FRPL Index}.

   a) 2006 Regional Cost Index (RCI)
      i) Based on the District’s Labor Force Region (there are 9 Labor Force Regions within NYS)

   b) Foundation Aid Combined Wealth Ratio (FACWR).
      i) \text{FACWR} = [0.5 \times \{(\text{District Selected AV}/2018-19 \text{ TWPU}) / \text{Statewide Selected AV/TWPU})]\ + [0.5 \times \{(\text{District Selected AGI}/2018-19 \text{ TWPU}) / \text{Statewide Selected AGI/TWPU})]
      ii) (2.0 – 1.5 \times \text{FACWR}) is limited to: \text{MAX} = 0.9, \text{MIN} = 0.0

   c) Modified FRPL Index = District K-6 FRPL% ÷ Statewide K-6 FRPL%
      i) Districts with a Modified FRPL Index \geq 1.5 are eligible for aid under Tier C
      ii) NYC is excluded from the Statewide Average K-6 FRPL%

### Tier D

\[ \text{Tier D} = [\text{Extraordinary Needs Pupil Count} \times \text{Tier D per Pupil Amount}] \ (218 \text{ Districts}) \]

1) Extraordinary Needs (EN) Pupil Count = (0.65 \times \text{Lunch Count}) + (0.65 \times \text{Census Count}) + (0.5 \times \text{ELL Count}) + \text{Sparsity Count}
   b) Census Count = 2000 Census Poverty % \times 2019-20 Public Enrollment
   c) ELL Count = 2019-20 enrollment of pupils who speak a language other than English at home and demonstrate English language proficiency below the “Commanding (Proficient)” level.
   d) Sparsity Count = \[(25.0 – 2019-20 \text{ Enrollment per Mile}^2)/50.9\] \times 2019-20 Public Enrollment
      i) Sparsity Count applies only to districts serving Grades K-12

2) Tier D per Pupil Amount = $205.00 \times (1 + \text{Sparsity Factor}) \times \text{ENI} \times \text{Tier D Scaled Factor}
   a) 1 + \text{Sparsity Factor} = 1 + [(25.0 – 2019-20 \text{ Enrollment per Mile}^2)/50.9]
   b) Extraordinary Needs index (ENI) = District Extraordinary Needs% ÷ Statewide Average Extraordinary Needs%
      i) \text{ENI} = [(\text{EN Pupil Count} \times 2019-20 \text{ Public Enrollment}) \times 100] ÷ \text{Statewide Average EN%}
   c) Tier D Scaled Factor = [1.37 – (\text{PWR} \times 1.24)^2]
      i) Tier D Scaled Factor is limited to: \text{MAX} = 1.0, \text{MIN} = 0.0
2020-21 Foundation Aid

2020-21 Foundation Aid =

\[ \text{Foundation Aid Base} + \text{20-21 Base Increase} + \text{20-21 Community Schools Set-Aside Increase} \]

Tier E = the greater of (Due Minimum - Hold Harmless) or the Due Minimum. (290 Districts)

1) Due Minimum = 2019-20 Adjusted Foundation Aid under Current Law multiplied by 0.25% (0.0025).

2) Hold Harmless = 2020-21 Adjusted Foundation Aid under Current Law less 2019-20 Adjusted Foundation Aid under Current Law
2020-21 Community Schools Set-Aside

2020-21 Community Schools Set-Aside =  
2019-20 Community Schools Base + 2020-21 Community Schools Set-Aside Increase

2020-21 Community Schools Set-Aside Increase = the 2019-20 Community Schools Set-aside plus the Community Schools Tier 1 Increase and the Community Schools Tier 2 Increase.

Community Schools Tier 1 Increase = [2019-20 Estimated Public Enrollment × Tier 1 per Pupil Amount] (100 Districts)

1) The Tier 1 per Pupil Amount = $66.05 × (1 – (FACWR * 0.64))
   a) (1 – (FACWR * 0.64)) is limited to: MAX = 0.9, MIN = 0.0

2) The minimum Community Schools Tier 1 increase for eligible districts is $30,000.

Districts are eligible for the Tier 1 Increase if:

(A) the district contains at least one school identified as a Comprehensive Support & Improvement (CSI) School in the 2018-19 school year, or

(B) 5-year growth of ELL students as a percentage of public enrollment is greater than or equal to the statewide average (0.99 percent), and

   2019-20 ELL enrollment as a percentage of 2019-20 Estimated Public Enrollment is ≥ to the statewide average (8.83 percent), and

   the FACWR ≤ 1.0

Community Schools Tier 2 Increase = [2019-20 Estimated Public Enrollment × Tier 2 per Pupil Amount] (168 Districts)

1) The Tier 2 per Pupil Amount = $43.94 × (1 – (FACWR * 0.64))
   a) (1 – (FACWR * 0.64)) is limited to: MAX = 0.9, MIN = 0.0

2) The minimum Community Schools Tier 2 increase for eligible districts is $25,000.

Districts are eligible for the Tier 2 Increase if:

(A) the district did not receive funds under the 2019-20 Community Schools Set-aside,

(B) is not eligible for Community Schools Tier 1 Increase,

(C) and has a Foundation Aid Combined Wealth Ratio (FACWR) ≤ 0.84.