



Elimination of Expense-Based Aids

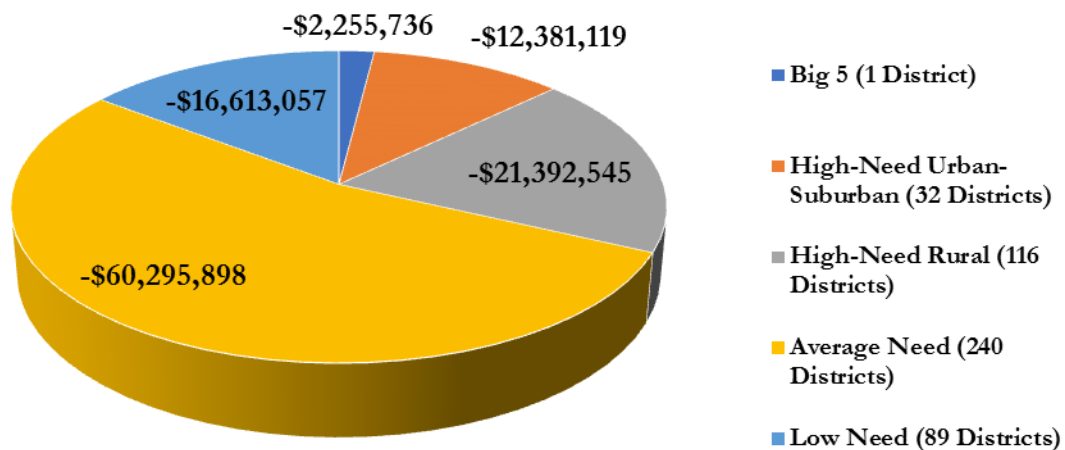
The Executive proposes fully funding expense-based aids for 2019-20. However, starting 2020-21, the Executive proposes the consolidation of the majority of the existing expense-based aids, including transportation, BOCES and instructional material aids into a single new “Services Aid” category. After the consolidation, growth of the new aid category would no longer be tied to actual expenditures, but instead be capped annually, based on district enrollment and inflation.

The Executive has represented the consolidation of expense-based aids as a benefit to districts, limiting and stabilizing growth in these categories to allow greater increases in Foundation Aid. However, no such language to direct the funding to Foundation Aid is included. The greater likelihood is that if adopted, this proposal would lead to less school aid for many districts in any given year. For example, if this proposal went into effect in the upcoming 2019-20 school year, nearly 500 school districts would lose more than \$110 million in state aid when compared to the current aid system.

If adopted, this NYSSBA-opposed proposal would penalize districts for even minuscule declines in student enrollment, as enrollment and inflation would both be used to calculate growth. For districts with declining enrolments, this new aid category could be frozen for years, even as basic educational costs continue to increase.

NYSSBA is *strongly opposed* to this proposal and will and urges its rejection from the final budget. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.

Example Aid Loss, By District Type



Analysis of projected state aid loss under the new Services Aid proposal, if the new aid began in 2019-20 instead of 2020-21 as proposed.