

Governor Cuomo Proposes to Undercut COVID-19 Relief to Schools, Again

By Mary McKillip and David Sciarra

New York Governor Andrew Cuomo is proposing a new round of state aid cuts for school districts totaling over \$2 billion for the 2021-2022 school year. The state aid cuts amount to over half of the \$3.85 billion in federal emergency relief funds for New York Schools in the Coronavirus Response and Relief Supplemental Appropriations Act.

If the New York State Legislature does not eliminate the proposed aid cuts in the final FY22 State Budget, a substantial portion of the federal relief funds intended to assist districts in responding to the immediate impacts of COVID-19 and provide extra resources to safely reopen schools would instead be used to fill a budget hole created by the Governor.

New York Proposed State Aid Cuts and Federal CRRSA funds

In December 2020, Congress enacted a much-needed round of federal relief funds for schools in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. New York public schools are slated to receive \$3.85 billion in one-time CRRSA funds, with higher allocations to the state's high poverty districts. The CRRSA funds are intended to be used over multiple school years as needed by school districts to respond to the immediate and ongoing impacts of COVID-19, including remote learning infrastructure, building condition upgrades, resources to address learning delays, and other urgent needs to ensure the safe reopening of schools for in-person instruction.

Yet, no sooner was the ink dry on the CRRSA than Governor Andrew Cuomo, in his proposed FY22 State Budget, announced a \$1.35 billion "local district funding adjustment" (LDFA), a euphemism for a cut in in state aid to districts. The LDFA, if enacted by the New York Legislature, would be apportioned to districts as the lesser of the projected amount of the federal CRRSA relief fund or the payment under the state's School Tax Relief (STAR) program. STAR funding is intended to reduce the local property tax burden for public schools and, as a result, provides higher levels of funding to wealthier districts.

In addition to the LDFA cut, Governor Cuomo has also proposed a \$683 million "Services Aid Reduction" (SAR). The SAR would consolidate 11 separate state categorical funding streams and reduce the total funding for these combined categories statewide. The SAR would make steep cuts in funding for resources such as transportation, technology, and library materials, reductions that disproportionately impact higher poverty districts.

In the FY21 State Budget for the current school year, Governor Cuomo secured a \$1.1 billion cut in state aid to districts, a reduction labeled the "[pandemic adjustment](#)." The cut was equivalent to the \$1.1 billion in federal emergency relief funds for districts approved by Congress in March 2020, in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Governor Cuomo is proposing to restore the \$1.1 billion pandemic adjustment in the FY22 State Budget for the coming 2021-22 school year.

Governor Cuomo, however, is proposing that the combined \$2 billion in LDFA and SAR state aid cuts be permanent, i.e., reductions that will carry over in future years. Additionally, the Governor’s budget proposes to allocate all of the \$3.85 billion in CRRSA funds in 2021-22. This would mean that districts will face a \$2 billion deficit in state aid next year.

Impact of the State Aid Cuts on Districts

As shown in Figure 1, because the Governor’s proposed LDFA cut is based on STAR funding, FY22 state aid cuts will impact wealthier districts more.¹ But on the other hand, the SAR will disproportionately impact poorer districts. For example, New York City schools would experience an LDFA of \$144 million and a \$620 million SAR, for a total state aid cut of \$764 million. Schenectady would see a \$5.5 million LDFA and a \$1.7 million SAR. Poorer districts have less property wealth capacity to raise local dollars to fill budget gaps caused by the loss of state aid. For that reason, if state aid is not increased dramatically in 2022-23, the budget gaps created by LDFA and SAR cuts will continue as poorer districts struggle to make up the difference by increasing local revenue.

View New York’s proposed state aid cuts by district [here](#)

Figure 1: Proposed Per Pupil Cuts in New York State Aid 2021-22, by District Poverty

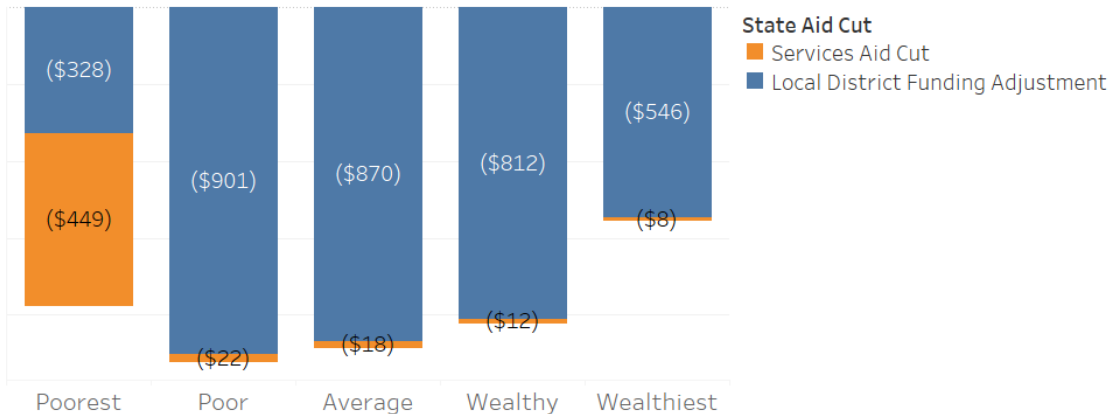


Figure 2 shows total state aid per pupil without and with the LDFA and SAR cuts proposed in Governor Cuomo’s FY22 State Budget. The final bars in each section represents per pupil state aid without and with the LDFA and SAR cuts with the federal CRSSA funds included.

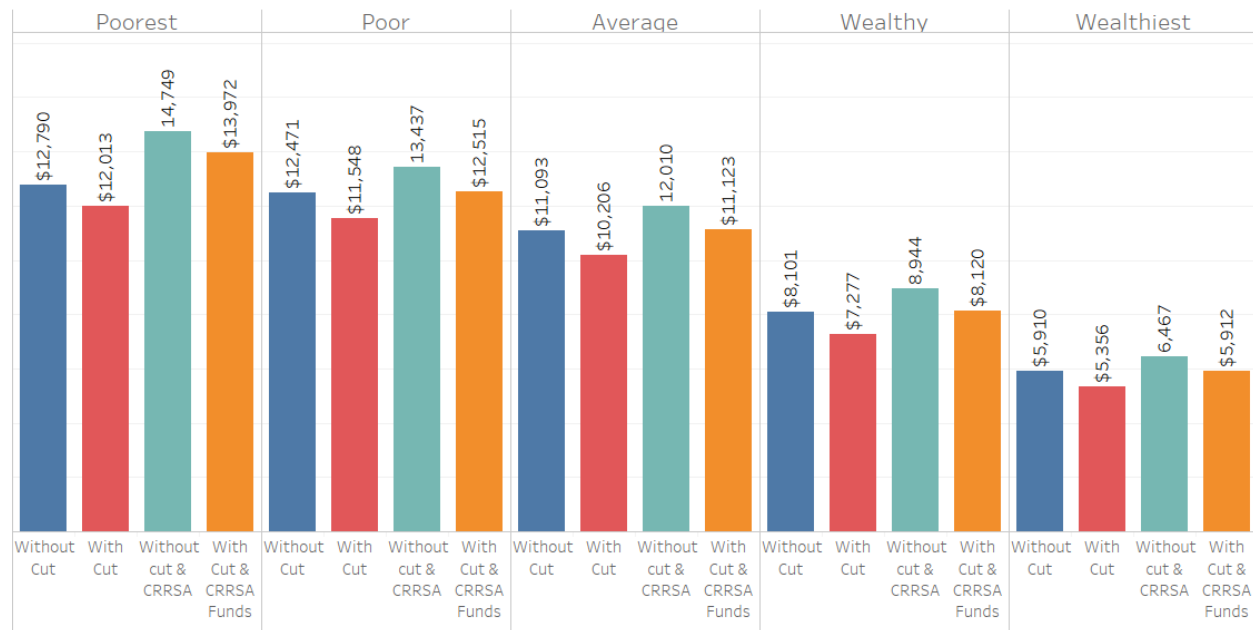
As the data show, if the Governor’s proposed LDFA and SAR cuts do not become law, New York’s poorest districts will receive an additional \$777 per pupil on average. In fact, all district

¹ District poverty here and in the subsequent figures is based on the 2019-20 direct certification measures from the FY22 state aid budget data. Direct certification is a reliable and up-to-date measure of district poverty and aligns closely with other measures of district poverty in New York. Sixty-four districts fall into the “Wealthiest” category with less than 15% of students in poverty; 131 districts are in the “Wealthy” category, with student poverty between 15% and less than 30%; 129 districts have “Average” student poverty, greater than 30% and less than 40% poverty; 169 districts have a poverty rate between 40% and 50% in the “Poor” category; and 177 districts are the poorest with student poverty at 50% or greater.

groups benefit: poor districts would receive an additional \$922 per pupil, average wealth districts \$887; wealthy districts \$824, and the wealthiest districts \$555.

The data also show that the LDFA and SAR cuts would wipe out a significant portion of the federal CRSSA relief funds in all district groupings, except in the poorest districts. For example, average wealth districts would receive \$11,093 per pupil without the state aid cuts or federal dollars, but with the Governor's proposed cuts and CRSSA funds, they would receive \$11,123 per pupil, a mere \$30 more per pupil.

Figure 2: New York 2021-22 District Proposed State Aid Per Pupil by District Poverty



Conclusion

As with CARES funding last year, Congress intended the CRRSA Act to provide additional funds to enable school districts to address urgent needs connected with the COVID-19 pandemic. These funds were not intended to be used to backfill state budget cuts to public education. Yet, that is exactly what Governor Cuomo is asking the Legislature to do once again in his FY22 State Budget proposal. Even worse, the Governor wants to make the over \$2 billion in state aid cuts permanent so they would recur in the FY23 budget and beyond.

It is crucial that New York legislators reject the Governor's invitation to – for the second straight year – dilute the beneficial impact of federal COVID-19 relief funds for schools. As districts diligently work to address the digital divide and learning delays; equip school buildings, staff and students for a safe reopening; and address the physical and mental health toll on students and their families from the pandemic, more funding, not less, is desperately needed, especially in districts segregated by race and/or poverty.

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