



## WSWHE Chief School Officers 2021 Legislative and Budget Priorities

2020 has presented the state as well as school districts a set of operational and financial challenges unlike any other faced in the collective memory. While changing operations to shift to remote, and then reopening, all while making every effort to keep as many staff on payroll as possible, districts incurred significant unbudgeted expenses. Our districts are aware of the State’s significant budget deficit and how that will strain the 2021-22 budget process. However, within available resources we urge you to make every effort to preserve support for public school districts in the coming school year.

**Fund 2021-22 School Aid to the Greatest Extent Possible:** The State’s school aid system is intended to provide districts transparent, equitable, predictable and reliable funding. **That system consists of a number of formula based aids including Foundation Aid and expense based aids that are necessary to provide students with a sound basic education. These formula based aids are then supplemented by a variety of additional grants and funds that further support students.** Even without the limitations on local revenue presented by the tax levy cap, local taxpayers (who have suffered their own financial challenges during the COVID-19 pandemic) would not be in a position to close a state support gap. Recommendations include, but are not limited to the following:

- Ensure that school aid distribution is equitable, considering district ability to pay and student need;
- Fund the Foundation Aid formula to the greatest extent possible;
- Provide a stable baseline aid figure to schools for the 2021-22 school year;
- Fully fund expense based aids.

**Support a Long Term Solution to Small Group Health Insurance Protections:** Under current law, many insurance policies, including health insurance provided through employing school districts, defines a small group as an employer with 1-100 employees, rather than 1-50 (the prior standard). This adjustment would have captured hundreds of school districts and as a result forced those districts out of their health insurance consortium and increased the costs for insurance for the small districts leaving the consortium as well as the districts left in the now smaller consortium. Since 2015, the state has adopted a number of short term (1-2 year) carve outs that would allow these districts to remain in their consortiums. However, this temporary protection is scheduled to end again in December of 2022. Given the ongoing financial strain, many districts have reduced staff through attrition, and those districts “on the bubble” have now dipped below 100 employees, increasing the pool of districts and employees at risk. Decisions about employee health insurance and district budgets cannot be made without adequate time. Changes in coverage have to be negotiated with collective bargaining units, and changes in cost must either be budgeted, or other programs must be cut. To ensure that these districts can remain in their consortiums and limit the impact on employees and taxpayers, these protections should be extended during the 2021 legislative session.



**Address Dramatic Cost Increases Related to Unemployment Insurance:** Despite extraordinary efforts to keep school district employees on the payroll in 2020, districts paid significantly higher than usual amounts of unemployment payments. Because of enhancements to unemployment, even legitimate claims were more costly than they would have otherwise been. However, districts in this region are addressing a number of claims that have been proven to be or are believed to be fraudulent or improperly paid. Due to the fiscal crisis, New York State worked extremely hard to send out unemployment checks as quickly as possible to assist those in need. However, as part of that process, many claims were paid without the prior verification by the employing district. As a result, claims that would otherwise not have been paid were released and then charged to school districts. While our districts are pursuing available remedies, the scope of the problem is so large that more direct intervention may be needed. We look forward to working with the Legislature and Department of Labor to address this issue.