

**August 25, 2020**

## **Reserve Fund Usage Bill Signed**

Yesterday evening Governor Cuomo signed a bill that allows for some flexibility with the use of restricted reserve funds by school districts. Now Chapter 157, the bill permits school districts to pull funds from otherwise restricted reserve funds for COVID-related expenses. If a school district chooses to do so, the district must pay the funds back to reserve within five years, at a minimum of 20% of the withdrawal per year. In addition, the district must also add a reasonably expected interest rate of return to the pay back.

Throughout the legislative process, NYSSBA recognized the financial flexibility that the bill may offer some districts, but was steadfast in our belief that school districts need broader flexibility than the legislation offered. This legislation effectively provides the legal authority for a school district to loan itself funds, at a cost. Many districts may not have the resources to do so, based on the requirements the legislation includes.

## **Division of Budget Implementing 20% Withholding of State Aid Payments**

The state Division of Budget (DOB) and State Education Department (SED) have recently confirmed that state aid payments to school districts this summer have been subject to a 20% withholding by the state. Beginning with some June state aid payments, the state has held 20% of the expected payment amount. While not all districts receive these summer payments, which are generally smaller than most aid payments made throughout the school year, this is perhaps a precursor to the 20% state aid reduction that Governor Cuomo has been warning about since the spring.

DOB has noted that these withholdings are not actual cuts at this time, and that the withheld portion may still be sent to districts, but also stated that the withholdings can become permanent reductions if the federal government does not provide sufficient additional stimulus funding. This follows aid withholdings that were applied to local governments and non-profits earlier this past spring.

NYSSBA continues to stress to state leaders the importance of full funding, particularly as school districts are facing increased costs associated with the reopening of school districts. We have also pushed that while state aid withholdings or reductions would negatively impact all districts, those that are

most state aid dependent would see a disproportionate impact if a flat 20% reduction were applied to all districts. NYSSBA believes strongly that district wealth and student need should be recognized in any state aid actions. Further, NYSSBA continues to advocate strongly with New York's congressional delegation about the dire need for a new round of federal stimulus funding that includes significant new funding for K-12 education. You can join in our federal advocacy effort by submitting a Call to Action letter to your Congressperson and two U.S. senators.

- [Call to Action](#)

### **US Department of Agriculture Extends School Nutrition Waivers**

Late last week, the USDA issued a series of short term waivers for summer food service programs. These waivers, covering parents and guardians picking up meals and non-congregate feeding, were set to expire on August 31, but have been extended until September 30.

### **School Day Start Time Resource**

In response to a position statement adopted by delegates during a recent business meeting, the Governmental Relations Department created a resource document on school delay start times. The document aims to support school districts as they explore and evaluate the concept of delayed school day start times for junior and senior high school students. This complex issue, while not legally prohibited, involves many challenges and moving parts. We are hopeful this may support districts who are evaluating the merits of later school day start times.

- [Delayed School Day Start Times](#)

### **Best Wishes!**

Lastly, we'd like to express a sincere thank you and best of luck to our Governmental Relations Graduate Intern Venetia Resciniti. Venetia joined our team in January for a spring semester internship and stayed on with us thorough an unpredictable, challenging and exceedingly unique internship experience. Her last day with us is tomorrow. She was a valuable member of our team and we are thankful for her work and friendship. We wish her well in her future studies and endeavors!

NYSSBA's Governmental Relations team will continue to report on these and other issues. For more information, visit our [Key Issues Page](#) and be sure to keep up with NYSSBA on Facebook and Twitter.