



## Building Aid and Transportation Aid Forgiveness

### Education, Labor and Family Assistance, Part A (A.9506-A) / Part A-1 (S.7506-A)

The Educational Conference Board (ECB) urges enactment of a renewed period of amnesty, or forgiveness, for school districts who have suffered loss of School Aid due to the late submission of final construction cost reports or transportation contracts. Under current law, school districts can lose out on millions of dollars of state aid simply because of minor technical or clerical issues.

Loss of this funding has, and will, have a significant impact on the finances of every district affected. With limited growth in state aid and a property tax cap that restricts an individual district's ability to generate revenue locally, budget cuts could very well become necessary. Students today should not have to pay for minor paperwork errors made by adults in the past.

While recent efforts to secure standalone legislative approval for individual districts have been unsuccessful, there is precedent for this type of action. Periods of Building Aid and Transportation Aid forgiveness were included in the 2012-13 state budget. In addition, language was enacted in 2011 to change the Building Aid process. For projects approved after July 2011, state Building Aid does not begin to flow to districts until final cost reports have been submitted to the State Education Department. This means districts no longer risk losing out on Building Aid for late cost reports. However, there are still a limited number of school district building projects that were approved prior to July 2011, but not yet completed until after the 2012-13 forgiveness period.

**The ECB supports the Senate and Assembly proposals to provide Building Aid and Transportation Aid forgiveness as part of the 2018-19 state budget. Doing so will ensure a more efficient process by eliminating the need for standalone legislation. The state has already budgeted the aid for districts under these scenarios, so no additional appropriations would be required.**