



OFFICE OF HIGHER EDUCATION

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TO: CSTEP and STEP Directors and Administrators

FROM: Anael Alston, Assistant Commissioner *Anael Alston*
Office of Access, Equity, and Community Engagement Services

SUBJECT: Update on 2020-21 CSTEP and STEP Contracts

DATE: September 24, 2020

The purpose of this memo is to provide an update as it relates to your 2020-21 STEP and CSTEP contracts.

On August 13, 2020, Division of the Budget (DOB) issued the [FY 2021 First Quarterly State Budget Financial Plan Update](#) which notes that, in the absence of Federal action since enactment of the FY 2021 budget, DOB began withholding 20 percent of most local aid payments in June, pursuant to the authority granted in the FY 21 Enacted State Budget. All or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. It is important to note that no permanent cuts have been made under the provisions of the FY 21 Enacted Budget.

NYSED has received approval from the Division of the Budget (DOB) to execute pending CSTEP and STEP contracts at the amounts communicated to vendors in tentative award letters. Payments against these contracts will be subject to the statutory withholding policy and may have up to 20% temporarily withheld.

We are committed to keep you updated as things progress and value our partnership in meeting the needs of students, families and communities across New York State.