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**OFFICE OF HIGHER EDUCATION**

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**TO:** CSTEP and STEP Directors and Administrators

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

**SUBJECT:** **Update on 2020-21 CSTEP and STEP Contracts**

**DATE:** September 24, 2020

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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 STE