

DESCRIPTION OF
2002-03 NEW YORK STATE
EXECUTIVE BUDGET RECOMMENDATIONS
FOR
ELEMENTARY AND SECONDARY EDUCATION

EDUCATION UNIT
NEW YORK STATE DIVISION OF THE BUDGET
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INTRODUCTION

This report provides a summary of the 2002-03 New York State aid programs for elementary and secondary education as recommended in the Executive Budget submitted by Governor Pataki to the Legislature on January 22, 2002.

The descriptions provided in this report were prepared for use by school district officials, representatives of educational organizations, State officials, and other persons interested in New York State public school aid. Although other aspects of the State's budget may directly or indirectly affect public school districts, except where noted, only appropriations which are administered by the State Education Department are covered in this booklet.

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SCHOOL AID/STAR OVERVIEW

Even in the face of unprecedented fiscal challenges stemming from the attacks on the World Trade Center and the national economic downturn, Governor Pataki has preserved the State's investment in its schools by sustaining overall funding for school aid at a record level of \$14.2 billion for the 2002-03 school year. The funding recommended for the 2002-03 school year represents an increase of \$4.4 billion, or 45 percent, since 1994-95.

The 2002-03 Executive Budget not only sustains record levels of State support for school districts, it proposes a fundamental reform that will consolidate 13 separate categories of aid into a new comprehensive operating aid program, Flex Aid. Building upon the flexible school funding structure proposed in the 2001-02 Executive Budget, the 2002-03 Executive Budget preserves State funding for computerized aid programs including flexible operating aid and supports expense-based changes in transportation aid and building aid. A net increase of \$5.96 million is recommended in General Support for Public Schools reflecting an increase of \$79.68 million in computerized aids, offset by a reduction of \$73.72 million in categorical programs. In addition, the Governor's School TAX Relief (STAR) initiative will continue to provide a \$50,000 full value exemption for income-eligible seniors and a \$30,000 exemption for other homeowners. Executive Budget recommendations for STAR also include a cost of living adjustment to ensure continued income eligibility for qualified seniors effective with the 2003-04 school year.

Key components of the 2002-03 Executive Budget recommendations for elementary and secondary education include the following:

- Flex Aid: The 2002-03 Executive Budget proposes to combine various separate categories of aid into a Flex Aid category that will provide over 70 percent of overall school aid. A total of \$10.42 billion will be allocated through Flex Aid to provide school districts with greater flexibility in the use of State aid to support needs and priorities identified at the local level. In addition, enhanced equity will be achieved in the allocation of prospective aid increases through use of a poverty measure and regional cost factor. Flex Aid will replace the following 13 aid formulas: operating aid, tax effort aid, tax equalization aid, extraordinary needs aid, limited English proficiency aid,

operating standards aid, gifted and talented aid, public excess cost aid, private excess cost aid, educationally related support services aid, minor maintenance, BOCES and special services aid.

- An increase of \$92.89 million is provided for expense-based transportation aid.
- A new \$7.5 million Schoolwide Performance Incentive pilot program is proposed to reward teachers at Big Five City schools that show the most improvement in meeting the State's high learning standards.
- The "Teachers of Tomorrow" teacher recruitment and retention initiative will be continued at \$25 million.
- The Big Five City School Districts will receive \$15 million from the Fund for Innovation to support innovative educational technology applications.
- Pupil growth-related and expenditure-based increases are provided for the textbook and software aid categories, and hardware aid is continued at its 2001-02 Executive Budget amount.
- A total of \$204.67 million is continued for Universal Prekindergarten aid which is reflective of recent school district expenditures for this program. Class Size Reduction is funded at \$128.12 million reflecting the elimination of \$11.85 million in one-time startup grants for additional classrooms. No funds are provided for Full-Day K incentive aid consistent with the originally scheduled phase-out of this program. Minor Maintenance aid (\$50 million) is consolidated into Flex Aid.
- Various categorical aid programs will be reduced including: Teacher Support Aid (-\$52.48 million), Teacher Centers (-\$20.0 million) and Teacher-Mentor Intern programs (-\$3.33 million).
- For building aid, the 2002-03 Executive Budget proposes to conform the payment of building aid for hard dollar projects with the recently enacted assumed amortization reforms for bonded projects. Beginning in the 2002-03 school year, building aid reimbursement for hard dollar projects will be calculated based on the useful life of the project. Because bond proceeds will replace anticipated building aid payments

to districts, this change will have no adverse fiscal impact on districts.

- The 2002-03 Executive Budget also provides for an accelerated payment of prior year claims to the Big Five City school districts. Financing provided through the Municipal Bond Bank Agency will permit acceleration of payments totaling \$214.5 million.
- As part of the landmark Elementary and Secondary Education Act (ESEA) Reauthorization, a record level of additional Federal support will be provided to schools across New York for educational programs serving disadvantaged children. The overall increase in Federal funding provided to schools in New York for the 2002-03 school year will total nearly \$400 million. The single largest component of this Federal increase will be provided through Title I-A Local Educational Agency Grants, which will increase by nearly \$188 million (22 percent). This additional Title I-A grant funding includes estimated increases of \$142 million for New York City schools and \$19 million for the State's Big Four City school districts. Other significant Federal ESEA increases include \$55 million (24 percent) in State Grants to Improve Teacher Quality and \$79 million (17 percent) in special education funds provided through the Individuals with Disabilities Education Act (IDEA).
- For 2002-03, the Executive Budget reflects the availability of \$61.3 million in Federal Temporary Assistance for Needy Family (TANF) funding that will be used to support a portion of the costs of Prekindergarten, Experimental Prekindergarten and Extended Day/School Safety programs.
- STAR

STAR property tax relief will increase by \$100 million, from \$1.990 billion in 2001-02 to an estimated \$2.090 billion in 2002-03, to support the continued \$50,000 full value exemption for income-eligible seniors and the \$30,000 full value exemption for other homeowners.

A key component of the 2002-03 Executive budget recommendations for the STAR program is a cost of living adjustment (COLA) for senior income eligibility. Effective with applications for the 2003-04 school year, the COLA will ensure that modest increases in Social Security or other retirement income will not make seniors who receive enhanced STAR benefits ineligible in future years.

In addition, as previously enacted, starting with the 2001-02 school year, the school budget notice required to be mailed six days prior to the annual meeting will include the following information:

- A description of how total spending and the tax levy resulting from the proposed budget compare with a projected contingency budget that would go into effect if the proposed school budget is not approved by the voters.
- A comparison of the tax savings under the basic STAR exemption and the increase or decrease in school taxes from the prior year. The notice must include a comparison of the net taxpayer savings for a home within the district that has a full value of \$100,000, under the current school district budget with such savings under the proposed budget.

A. 2002-03 SCHOOL AID

In January 2001, Governor Pataki proposed sweeping reforms to overhaul the existing school aid formula and provide enhanced flexibility and equity in the allocation of aid through the creation of Flex Aid.

For the coming year, the Governor is once again advancing the creation of Flex Aid to achieve needed reforms. Major school aid recommendations for 2002-03 include:

- Flex Aid: The 2002-03 Executive Budget proposes to combine various separate categories of aid into a Flex Aid category that will provide over 70 percent of overall school aid. A total of \$10.42 billion will be allocated through Flex Aid to provide school districts with greater flexibility in the use of State aid to support needs and priorities identified at the local level. In addition, enhanced equity will be achieved in the allocation of prospective aid increases through use of a poverty measure and regional cost factor. Flex Aid will replace the following 13 aid formulas: operating aid, tax effort aid, tax equalization aid, extraordinary needs aid, limited English proficiency aid, operating standards aid, gifted and talented aid, public excess cost aid, private excess cost aid, educationally

related support services aid, minor maintenance, BOCES and special services aid.

- Schoolwide Performance: A new \$7.5 million Schoolwide Performance Incentive pilot program is proposed to reward teachers at the Big Five City schools that show the most improvement in meeting the State's high learning standards.
- Transportation Aid: An increase of \$92.89 million is provided for expense-based transportation aid. This amount will fully fund all projected school district increases for aidable transportation expenditures.
- Teachers of Tomorrow: The "Teachers of Tomorrow" initiative will be continued at \$25 million. The program provides assistance to school districts, including the Big Five City schools, in their efforts to increase the supply of qualified entry-level teachers.
- Fund for Innovation: Funding of \$15 million is continued for the Fund for Innovation aid program. The 2002-03 Executive Budget targets this program to provide support for innovative educational technology applications in the Big Five City school districts.
- Special Education Aid: The 2002-03 Executive Budget continues reforms proposed in the 2001-02 budget by including funding for public special education expenditures in Flex Aid. With the consolidation of special education funding into Flex Aid, any funding increases that may occur in future years will be based on the overall growth in the number of students in a district rather than increased placements in special education.
- Textbook/Software/Hardware Aid: A total of \$263.65 million, a \$5.13 million or 1.98 percent increase, is provided for the textbook, software and hardware aid categories. Computer software aid is increased by \$0.50 million or 1.11 percent. Textbook aid is increased by \$4.63 million or 2.49 percent. Computer hardware aid is continued at its 2001-02 Executive Budget amount.
- BOCES: In 2001-02 there was no separate BOCES aid since it was incorporated within the larger, flexible school aid amount enacted by the Legislature. Consistent with this approach, aid for BOCES services will be consolidated within Flex Aid at the 2000-01 funding level of \$455 million for the program (2000-01 was the last year that separate BOCES

aid was provided).

- LADDER:
 - A total of \$204.67 million is continued for Prekindergarten aid which is reflective of recent school district expenditures for this program. For 2002-03, the State will use \$61.3 million in Temporary Assistance for Needy Families (TANF) funding as a one-time Federal offset to State spending for eligible services provided through the Prekindergarten aid program as well as the Experimental Prekindergarten and Extended Day/School Safety programs.
 - Class size reduction is funded at \$128.12 million. This represents continued funding of the basic grant per classroom for classrooms added under this program in previous years but eliminates \$11.85 million in one-time start-up grant funding for additional classrooms.
 - Full-Day K Incentive Aid is no longer funded in the 2002-03 school year, consistent with the originally scheduled phase-out of this program.
 - For 2001-02, Minor Maintenance funding was consolidated within the overall enacted funding amount. The 2002-03 Executive Budget continues this consolidation within Flex Aid, but provides for a set-aside for New York City to ensure continued attention to the maintenance needs of the City's schools.
- Categorical Aids: Funding reductions are proposed for various categorical aid programs including: Teacher Support Aid (-\$52.48 million), Teacher Centers (-\$20.0 million) and the Teacher-Mentor Intern programs (-\$3.33 million).
- Building Aid: Beginning in the 2002-03 school year, aid for hard dollar projects will be calculated based on the useful life of the project, consistent with the reforms enacted in 2001 for bonded projects. This change only applies to the State share of the project - school districts continue to have the flexibility to pay their share of the construction costs based on local financial considerations.

- Other Programs: Small Cities Aid (\$81.88 million) and Bilingual Grants (\$11.20 million) will be continued at 2001-02 funding levels.
- Prior Year Claims: To help meet the immediate financial needs of the State's largest school districts, the 2002-03 Executive Budget provides a mechanism for an accelerated payment of prior year claims to the Big Five City school districts. Financing provided by the Municipal Bond Bank Agency will permit acceleration of payments totaling \$214 million, including \$204 million for New York City. The Executive Budget continues funding of \$57 million for payment of statewide prior year claims, including \$33 million for New York City.

FORMULA-BASED AIDS

Flex Aid: For the 2002-03 school year, a district's Flex Aid allocation is determined by calculating its Flex Aid as provided for in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget, plus BOCES and special services aid. Aid apportionments for 13 previous aid categories are consolidated within Flex Aid at the 2000-01 funding level based on data on file with the Commissioner of Education for preparation of the 2001-02 Executive Budget. The 2000-01 school year represents the most recent year that separate formula-generated aid amounts were provided for each of the following aid categories: operating, tax effort, tax equalization, gifted and talented, minor maintenance, public excess cost, private excess cost, educationally related support services aid, extraordinary needs, operating standards, limited English proficiency, BOCES and special services aid.

Prospective Flex Aid increases will be allocated based on the following formula which incorporates poverty measures and regional cost factors:

Formula: $\$20.00 + ((\$100.42 \times \text{Regional Cost Index}) \times \text{Flex Aid Ratio}) \times \text{Flex Selected TAPU for payment}$

Flex Aid Ceiling: \$20.00 per pupil plus an additional \$100.42 per pupil adjusted for regional cost and district wealth.

Flex Aid Ratio: The aid ratio is based on a school district's wealth compared to the State average. The poorer a school district, the higher its aid ratio and the greater the aid the State will pay per pupil. The Flex Aid ratio is computed as follows:

$$1.37 - (\text{Flex Combined Wealth Ratio} \times 1.10)$$

Regional Cost Index: In addition to urging a simplified calculation of operating aid, the Executive Budget recommends that the formula reflect regional differences in educational costs. The formula for additional Flex Aid incorporates a regional cost factor that adjusts the \$100.42 aid ceiling based upon a wage index created by the State Education Department from the median wages of 77 professional non-teaching occupations in nine labor force regions statewide. (See Appendix III-E)

Pupil Count: The Flex Total Aidable Pupil Unit (Flex TAPU) provides additional weightings for pupils living in poverty, in rural settings, or with limited proficiency in English. A district may select either its Flex Total Aidable Pupil Units for the current aid year or the average for the current and the prior aid year.

Flex Combined Wealth Ratio: The school district wealth ratio for Flex Aid continues to be based on equal shares of a district's income wealth and property wealth per pupil. Pupils are measured by the number of children in average daily attendance who are district residents. As is the case with Flex TAPU, new weightings have been added to a district's Flex Total Wealth Pupil Units (Flex TWPU) to reflect the high student need of school districts with concentrations of pupils living in poverty, in rural settings, or with limited proficiency in English.

Aid Minimum/Maximum Percentage Change: A minimum increase of 1 percent is provided over the sum of base year Flex Aid (minimum increases of up to 1.5 percent are provided for below-average wealth districts). There is no limit on the maximum increase a district may receive.

Proportionate Adjustment: A proportionate adjustment will be calculated annually by the Commissioner of Education to ensure Flex Aid allocations conform to the amount appropriated.

Set-Asides: New York City will be required to set aside

\$33.33 million of its Flex Aid for maintenance. This amount is equal to its State aid allocation for minor maintenance in 2000-01. A limited English proficiency set aside requirement will ensure school district compliance with Federal requirements and the continuation of services to pupils with limited proficiency in English. Additional set aside provisions will ensure the targeting of funds to services for pupils who are most in need of assistance to meet the State's higher learning standards and for career education services.

Transportation Aid: For 2002-03, the minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, this aid will range from 6.5 to 90 percent of a district's approved expenses). Transportation Aid will total \$1,031.53 million in 2002-03, an increase of \$92.89 million. The aid ratio choice permitting school districts to receive aid based on public and non-public enrollments is continued and will benefit districts transporting large numbers of nonpublic school students. District expenditures for transportation to and from district operated summer classes to improve student performance will be aided up to a maximum of \$5.0 million statewide. Districts may claim aid based on the attendance of pupils in summer school courses to improve performance during the summer of 2001.

Schools will continue to receive aid for non-emergency bus purchases or leases in the year after the expense is incurred only if the amount expended is reported to the Commissioner of Education by November 15th of the base year. Any amount exceeding the reported figure will be aided in the subsequent year.

Fund for Innovation: For 2002-03, \$15.0 million in continued funding is provided to the Big Five City school districts through this program. The Executive Budget directs that Fund for Innovation aid be used to support innovative applications of educational technology. New York City will receive \$9.0 million, or 60 percent, of available funds.

Reorganization Incentive Operating Aid: Reorganization Incentive Aid is provided for operating expenses incurred by those school districts scheduled for reorganization under section 3602 of the Education Law. It is paid as a supplement to regular operating aid when districts meet certain conditions prescribed by law. Beginning in 1992, reorganization incentive operating aid for reorganizing districts was increased to 40 percent for the first five years. The statutory provisions for reorganization incentive operating aid remain unchanged. In total

reorganization incentive operating aid will amount to \$19.34 million in 2002-03, a decrease of \$1.97 million.

Textbook and Computer Aids: For the 2002-03 school year, the following provisions apply:

- C Textbook Aid: These funds reimburse school districts for the purchase and loan of textbooks. Textbooks are loaned to both public and nonpublic pupils. The lottery funded portion of Textbook Aid is \$15 per pupil. The general fund portion will be \$42.30 per pupil, for a combined maximum textbook aid payment of \$57.30 per pupil. Schools are also able to use eligible purchases of content-based instructional materials in an electronic format to qualify for reimbursement. This aid will total \$190.58 million in 2002-03, an increase of \$4.63 million.
- C Computer Software Aid: Under this program, aid is apportioned to districts for the purchase and loan of computer software. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to Rules of the Board of Regents. For the 2002-03 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2002-03, Computer Software Aid will total \$45.44 million, an increase of \$0.50 million.
- Computer Hardware and Technology Aid: This aid category provides funding for the lease or purchase of mini- and microcomputers, computer terminals or technology equipment for instructional purposes. For the 2002-03 school year this aid will be maintained at a total of \$27.63 million, the same amount as was calculated for the 2001-02 Executive Budget.

Library Materials Aid: Districts are reimbursed for expenses up to \$6.00 per pupil based on public and nonpublic school enrollment. For 2002-03, Library Materials Aid will total \$19.36 million, an increase of \$0.37 million. Materials purchased under this program and designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils.

Prekindergarten: Beginning in 1998-99, State funds were provided to expand the availability of prekindergarten programs for four-year-old children statewide. For 2002-03, a total of \$204.67 million is continued for State prekindergarten grants. Program funding will continue to be targeted to disadvantaged children. For 2002-03, the State will use \$61.3 million in

Temporary Assistance for Needy Families (TANF) funding as a one-time Federal offset to State spending for eligible services provided through the Prekindergarten, Experimental Prekindergarten and Extended Day/School Safety programs.

Full-Day K Incentive Aid: No funds are recommended for this program in the 2002-03 school year, consistent with the originally scheduled phase-out of this program.

Early Grade Class Size Reduction Aid: For 2002-03, \$128.12 million is recommended to enable school districts to reduce class size in kindergarten and in grades one through three. A reduction of \$11.85 million is recommended reflecting the elimination of one-time start-up grants.

Tax Limitation Aid: For 2002-03, a total of \$25.00 million, the same amount as for the 2001-02 Executive Budget, is provided to school districts to continue this formula aid originally calculated using district tax levy from residential property and overall district income.

Summer School Aid: In 2000-01, a new summer school program was established to fund school district courses to improve student performance in required academic subjects or in taking the Regents exams. For 2002-03, this aid will be maintained at the 2001-02 Executive Budget total of \$37.42 million. School districts that provided transportation for pupils to district operated summer school programs for the 2001 summer school session may claim Transportation Aid for such services in the 2002-03 school year. Such aid will be capped at \$5.00 million. While BOCES may operate summer session programs on a shared services basis, BOCES may not claim aid for summer programs under this new aid category.

GRANT PROGRAMS AND OTHER AID CATEGORIES

Building/Reorganization Incentive Building Aid: For 2002-03 Building Aid to support school building projects throughout the State (including Reorganization Incentive Aid for building expenses incurred by those school districts scheduled for reorganization under section 3602 of the Education Law) will total \$1,420.94 million. The 10 percent Building Aid enrichment provided for projects approved July 1, 1998 and thereafter is continued in 2002-03. Projects approved by voters July 1, 2000 through June 30, 2002 receive Building Aid based on the greater of their current Building aid ratio or their 1999-00 aid ratio reduced by 10 percentage points. Beginning with all projects

approved by voters July 1, 2002 and after, aid will be calculated on the basis of the school district's current Building Aid ratio.

Reforms included in Chapter 383 of the Laws of 2001 provide that, beginning July 1, 2002, the State share of all bonded projects, both existing and future, will be paid to school districts on the basis of assumed amortization. The reimbursement period will be tied to the useful life of the project.

The 2002-03 Executive Budget proposes to conform the payment of hard dollar projects with the recent reforms for bonded projects. Beginning in the 2002-03 school year, Building Aid for hard dollar projects will be calculated based on the useful life of the project (15 years for reconstruction, 20 years for major reconstruction/addition and 30 years for new buildings). The change only applies to the State share of the project.

Additionally, proposed reforms will require voter authorization of building projects within five years of a school district reorganization in order to be eligible for the reorganization incentive.

Teachers of Tomorrow: For 2002-03, \$25.0 million will continue to be available for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist (\$15.0 million, or 60 percent of available funds, will go to New York City).

Teacher Resource and Computer Training Centers/Teacher-Mentor Intern: Chapter 383 of the Laws of 2001 allocated \$20.0 million to support Teacher Resource and Computer Training Centers (for a \$30.0 million school year total) and \$5.0 million for Teacher-Mentor Internships. For 2002-03 aid of \$10.0 million, a reduction of \$20.0 million, is provided for Teacher Resource and Computer Training Centers and aid of \$1.67 million, a reduction of \$3.33 million, is recommended for the Teacher-Mentor Internship program.

Teacher Support Aid: For the 2002-03 school year, \$15.00 million, a decrease of \$52.48 million, will be available for this Big Five City school district program.

Schoolwide Performance Incentive: A new \$7.5 million Schoolwide Performance Incentive pilot program is proposed to reward teachers at the Big Five City schools that show the most improvement in meeting the State's high learning standards with funds to be distributed as follows:

- New York City \$6.96 million
- Buffalo .19 million
- Yonkers .13 million
- Rochester .12 million
- Syracuse .09 million

Growth Aid: Growth Aid to qualifying districts will be paid as a separate apportionment in June 2003. As provided for in Chapter 474 of the Laws of 1996, beginning with aid for the 1997-98 school year, a district's growth index is calculated based on the change in enrollment rather than the change in average daily attendance. For 2002-03, growth aid will total \$11.81 million.

Categorical Reading Aid: This aid category is provided to the Big Five city school districts to help improve pupil reading skills and academic performance. A total of \$63.95 million in 2002-03, the same amount as last year, is recommended to be distributed as follows:

- New York City \$29.95 million
- Buffalo 17.50 million
- Syracuse 6.00 million
- Rochester 5.50 million
- Yonkers 5.00 million

Improving Pupil Performance: A total of \$66.35 million, the same amount as last year, is recommended to fund a program of incentive grants for improving pupil performance in the Big Five city school districts. These funds will be allocated as follows:

- New York City \$36.20 million
- Buffalo 10.50 million
- Yonkers 9.10 million
- Rochester 6.95 million
- Syracuse 3.60 million

Magnet and Demonstration Schools: Magnet schools offer a special curriculum designed to attract students of different racial backgrounds. A total of \$135.65 million, which continues 2001-02 funding levels, is recommended for 19 school districts (including \$116.70 million to the Big Five cities).

- New York City \$48,175,000
- Yonkers 29,500,000
- Buffalo 17,025,000
- Rochester 11,000,000
- Syracuse 11,000,000

• Newburgh	4,645,000
• Albany	2,050,000
• Mount Vernon	2,000,000
• Poughkeepsie	1,875,000
• Schenectady	1,800,000
• New Rochelle	1,410,000
• Utica	1,200,000
• Port Chester	1,150,000
• White Plains	900,000
• Niagara Falls	600,000
• Freeport	400,000
• Middletown	400,000
• Beacon	318,000
• Peekskill	200,000

Fort Drum Area School Districts: A total of \$2.63 million, the same as last year, is provided to continue grants to school districts in the Fort Drum area that have experienced increased pupil enrollments due to the influx of personnel at the Fort Drum military reservation.

Aid to Small City School Districts: Aid for small city school districts was instituted as a grant program by Chapter 288 of the Laws of 1979, and was intended to provide funds to districts at or near constitutional tax limits. With the removal of small city constitutional tax limits by a referendum in 1985, aid to small city school districts is provided to permit such districts to adjust their taxes gradually to an appropriate level. A total of \$81.88 million, the same as in 2001-02, will be allocated to small city school districts for the 2002-03 school year.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid for the 2002-03 school year continues to be capped at \$96.18 million and approved claims above such amount will be subject to proration.

Urban-Suburban Transfer: A total of \$1.13 million will be provided in 2002-03 to districts that participate in a voluntary interdistrict transfer between an urban and suburban school district to reduce racial isolation. Related transportation expenses are eligible for transportation aid.

Education of Homeless Children: Chapter 348 of the Laws of 1988, by amending section 3602 of the Education Law, instituted

this program of State aid. Under this program, school districts where homeless children are temporarily located are reimbursed for the direct cost of educating such children. This cost to the State is partially recaptured from the district of last attendance for each such homeless child by deducting an amount equal to the district's basic contribution per pupil from the district's State aid. The net cost of aid for homeless pupils in 2002-03 is estimated at \$4.0 million.

Aid for Incarcerated Youth: A total of \$13.00 million is provided to continue support for the provision of educational services to youth detained in local correctional facilities. Pursuant to the provisions of Chapter 53 of the Laws of 1992, such services may now be provided, and aided, during summer sessions as well as the regular school year.

State Bilingual Categorical Funds: In 2002-03, \$11.20 million will be used to continue existing funding of regional bilingual programs at BOCES and to support innovative Two-Way Bilingual Education Programs which employ two languages (one of which is English) for the purpose of instruction, involving students whose native language is other than English.

Education of OMH/OMR Pupils: A total of \$15.00 million, the same as in 2001-02, is provided in the School Aid appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of section 3202 of the Education Law, as well as for children who reside in intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

Office of State Comptroller Audits: A total of \$250,000 is continued to ensure accountability through audits of school districts and BOCES.

Learning Technology Grants: A total of \$3.29 million is continued for learning technology programs including services benefiting nonpublic school students.

Bus Driver Safety: A total of \$400,000 is continued in funding for grants to schools for training purposes including, but not limited to, establishment of a statewide school bus driver safety program and distribution of training materials.

Prior Year Claims: In addition to continuing funding of

\$57.00 million specifically for payment of prior year claims statewide, the 2002-03 Executive Budget provides for an acceleration of payment of prior year claims to the Big Five City school districts. Financing provided by the Municipal Bond Bank Agency will permit acceleration of payments totaling \$214.49 million.

Anticipated accelerated payments in 2002-03 are as follows:

- New York City \$203.74 million
- Rochester 5.04 million
- Buffalo 4.68 million
- Syracuse 0.77 million
- Yonkers 0.25 million

B. OTHER STATE AID PROGRAMS

The aids highlighted below are shown in Table II-B on a State fiscal year basis. These programs affect school districts, but they are typically not funded in the General Support for Public Schools appropriations.

New York State Center for School Safety: For 2002-03, \$500,000 will continue to be made available through the New York State Center for School Safety to disseminate information and provide training and technical assistance on violence prevention to schools and communities.

Civility, Citizenship and Character Education Curriculum: In 2000, the Legislature enacted the Safe Schools Against Violence in Education (SAVE) initiative, which incorporated recommendations of the Task Force on School Violence chaired by Lieutenant Governor Mary Donohue. For 2002-03, a total of \$500,000 is provided to support the development of curricula in grades K-12 that will instruct children on principles such as honesty, tolerance, personal responsibility, respect for others, observance of laws and rules, courtesy and dignity.

Charter School Stimulus Fund: A total of \$6.0 million is provided by the State for start-up grants to charter schools and administrative and technical support provided by the Charter School Institute. In 2002-03, charter schools will enroll nearly 9,000 New York State students in more than 30 charter schools with more expected to open in 2003-04.

Basic Education for Public Assistance Recipients: For

2002-03, \$5.0 million is continued for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade.

Children of Migrant Workers: A total of \$90,000 in grants is appropriated to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: An appropriation of \$3.32 million is recommended in 2002-03 for a program of adult literacy consisting of competitive grants to community-based organizations, literacy volunteer organizations, and two- and four-year colleges and libraries.

Experimental Prekindergarten Program: Prekindergarten programs provide health, psychological and social services to four-year-old children from economically deprived neighborhoods. A total of \$50.2 million has been continued for the 2002-03 school year. Grants to support existing programs will be awarded based on Regulations of the Commissioner subject to the approval of the Director of the Budget. For 2002-03, the State will use \$61.3 million in Temporary Assistance for Needy Families (TANF) funding as a one-time Federal offset to State spending for eligible services provided through the Prekindergarten, Experimental Prekindergarten and Extended Day/School Safety programs.

Lunch/Breakfast Programs: A total of \$31.7 million in State funds, the same as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is provided to subsidize school lunch and school breakfast programs. The Federal share in the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$611.0 million for the 2002-03 Federal fiscal year.

Comprehensive School Health Demonstration Program: A total of \$525,000 is continued for 2002-03 to support local school district and BOCES programs of health education at the elementary grade levels.

School Health Demonstration Project: For 2002-03, \$150,000 is provided to improve health services and health education to at-risk pupils in Buffalo schools.

Education of Native Americans: A total of \$15.65 million, an increase of \$0.60 million, is appropriated for the full cost of elementary and secondary education (including transportation expenses) for Native American children as authorized by Article 83 of the Education Law. The program benefits approximately

2,500 children living on 9 reservations and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Primary Mental Health Project: A total of \$570,000, the same as last year, is available in 2002-03 for State support of school-based programs for the early detection and prevention of school adjustment and learning problems experienced by children in the primary grades.

Effective Schools Consortia: No funds are recommended for this program in the 2002-03 school year.

Transferring Success: For 2002-03, an appropriation of \$629,800, the same as in 2001-02, is made available for this program, which seeks to validate and support the replication of exemplary education programs.

Parenting Education: An appropriation of \$506,400 is continued in the 2002-03 school year for this program, which supports young adults in their role as parents by expanding opportunities for parental involvement in their children's education.

Schools as Community Sites: Under this program, school districts and BOCES with high percentages of disadvantaged students may apply for grants to promote coordinated management of the resources of the schools and communities. A total of \$6.0 million will be provided for this program in State fiscal year 2002-03 to continue State support at existing sites.

Workplace Literacy: Under this program, \$1.38 million will be provided in the 2002-03 school year to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization which provides adult education services to union members and workers in New York City is funded at \$10.0 million in 2002-03, the same as in the 2001-02 school year.

AIDS Education Program: In 2002-03, a total of \$990,000, the same as last year, is provided for an AIDS (Acquired Immune Deficiency Syndrome) Education Program. These funds support local and regional education and training programs.

Apprenticeship Training: For 2002-03, \$1.83 million is continued to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Youth-at-Risk Fund: No funds are recommended for this program in the 2002-03 school year.

Extended School Day/School Violence Prevention: A total of \$30.2 million is continued for 2002-03 to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs. For 2002-03, the State will use \$61.3 million in Temporary Assistance for Needy Families (TANF) funding as a one-time Federal offset to State spending for eligible services provided through the Prekindergarten aid program as well as the Experimental Prekindergarten and Extended Day/School Safety programs.

Missing Children Prevention Education: An appropriation of \$900,000 is continued for school districts, BOCES or consortia thereof, to develop courses of study in the prevention of child abduction.

Schools Under Registration Review: A total of \$2.0 million, the same as in the 2001-02 school year, is available in State aid to these schools.

Nonpublic School Aid: A total of \$70.0 million, an increase of \$4.6 million, is appropriated to reimburse the actual expenses incurred by nonpublic schools for specified State testing and data-collection activities, pursuant to the provisions of Chapters 507 and 508 of the Laws of 1974.

Academic Intervention for Nonpublic Schools: A total of \$1.0 million continues to be available to support a program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Private Schools for the Blind and Deaf: A total of \$100.67 million, is continued for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for multiply handicapped children, under Article 85 of the Education Law.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$552.2 million is continued for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. Similar to 2001-02, prior year claims on file with the State Education Department as of April 1, 2002 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2002-03 will receive priority status for payment in 2003-04. As was provided for in Chapter 60 of the Laws of 2000 State reimbursement to counties for preschool administration costs continues at \$75 per child.

Summer School Program for Disabled Students: An appropriation of \$173.7 million, the same as last year, is recommended to meet the State's 70 percent share of costs of summer school programs for school-age pupils with disabilities pursuant to Section 4408 of the Education Law. The 2002-03 appropriation will fund prior year liabilities and up to 70 percent of the 2002-03 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Special Education - Federal Medicaid Recovery: For the 2002-03 State fiscal year, the Executive Budget includes a \$170.0 million offset to State special education costs based on recovery of Federal Medicaid funds for medically related services provided to eligible children in special education programs.

Advances to Hurd City School Districts: A total of \$9,775,000 in loan funds (Hurd advances) is appropriated in 2002-03 for city school districts first eligible to receive loans pursuant to Chapter 280 of the Laws of 1978.

Commencing with 1992-93, pursuant to Chapter 280 of the Laws of 1978 as amended by Chapter 53 of the Laws of 1991, district advances are being reduced by 5 percent per year, until no advances are made in the 2011-2012 school year.

Fiscal Stabilization Grants: In addition to the above programs, Chapter 382 of the Laws of 2001 made available \$50.0 million for the 2001-02 fiscal year for school districts, public libraries and not-for-profit educational institutions. An additional \$50.0 million is made available in the 2002-03 State fiscal year.

SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 included a multi-year School Tax Relief (STAR) program which will provide nearly \$2.1 billion in 2002-03 to reimburse school districts for State-authorized property tax relief for homeowners. Senior homeowners at least 65 years old and with incomes up to \$60,000 are eligible to receive exemptions of at least \$50,000 from the full value of their primary residences for school tax purposes. The property tax component of the STAR program will also provide other homeowners with at least a \$30,000 exemption from the full value of their primary residence for school property tax purposes. In those counties where the median value of homes exceeds the statewide median home value, as determined by the State Office of Real Property Services (ORPS), the value of the exemptions will be increased. The State will reimburse school districts dollar-for-dollar for the property tax revenues foregone from these exemptions.

STAR property tax exemptions began with the full \$50,000 enhanced exemptions for income-eligible senior homeowners for 1998-99 school year taxes. The Basic STAR exemption for other homeowners started at \$10,000 in 1999-2000, grew to \$20,000 in 2000-01 and reached its final phased-in level of \$30,000 in 2001-02.

School District Reimbursement for STAR

STAR exemptions have no effect on determining tax levies, rates or other State aid. School districts are reimbursed for the taxes foregone upon application to the State Office of Real Property Services. ORPS certifies to the Commissioner of Education amounts payable under the STAR program and school districts receive reimbursement from the State Education Department pursuant to a separate STAR payment schedule established in section 3609-e of the Education Law.

STAR reimbursements commencing in the 2002-03 school year will be governed by a formula designed to ensure that outstanding STAR balances do not exceed specified percentages of a district's property tax levy. Assuming timely filing of claims by districts, any STAR amounts that exceed 25% of a district's property tax levy will be paid in October. Remaining STAR amounts that exceed 20% of levy will be paid in November and STAR owed in excess of 15% of levy will be paid in December. The balance of STAR due to districts will be paid by the first business day of January.

Chapter 60 of the Laws of 2000 also added a new paragraph to Section 3609-e of the Education Law which provides for an additional payment to account for any increases in STAR claims filed as a result of adjustments occurring after the January payment, as follows:

- On or before March 31, a portion of the school tax relief aid payable to the school district for the current year shall be paid equal to 100 percent of any increase in such aid over the total of such aids paid through the first business day of January, as certified to the Commissioner by the Office of Real Property Services on or before March 1.

2002-2003 Executive Budget Proposal

Cost of Living Adjustment (COLA) for Senior Income Eligibility: Governor Pataki is proposing legislation with this budget to increase the STAR income ceiling for seniors as the Consumer Price Index increases. A cost of living adjustment (COLA) will ensure that modest increases in Social Security or other retirement income will not make seniors who receive Enhanced STAR benefits ineligible in future years. Effective for applications filed in 2003 and later, the \$60,000 income limit will be increased in proportion to increases in the Consumer Price Index.

OTHER INITIATIVES

Mandate Relief: The 2002-03 Executive Budget maintains a record level of State funding and provides school districts with flexibility in the use of this funding through Flex Aid - the cornerstone of the school aid proposal. Additionally, the legislation accompanying the Executive Budget provides mandate relief to school districts through the following:

- The administrative burden of paperwork requirements for school districts will be reduced by directing the Commissioner of Education to review existing reporting requirements, identifying unnecessary and/or redundant reports for elimination and to recommend opportunities to reduce reporting requirements for high performing districts;
- School districts will be provided with an exemption from Wicks Law requirements that mandate the use of multiple contractors for school construction projects and access to construction management services from the Dormitory Authority.

Systemic Reform: Legislation will be advanced to provide the mayors and city governing boards of the State's largest cities with control of their urban school systems. These elected officials, who are directly accountable to families and taxpayers, will now be accountable for their urban schools.

Advantage Schools: The Advantage After-School Program currently operates at 165 sites across the State, providing nearly 20,000 students with structured and supervised educational and social activities that complement instructional programs offered during regular school hours. For the 2002-03 school year, \$25.0 million, an increase of \$5.0 million, or 25 percent, will be available for this.

Federal Support: The record level of State funding will be supplemented by a record level of Federal funding including the following:

- As part of the landmark Elementary and Secondary Education Act (ESEA) Reauthorization, an unprecedented level of additional Federal support will be provided to schools across New York for educational programs serving disadvantaged children. The overall increase in Federal funding provided to schools in New York for the 2002-03 school year will total nearly \$400 million. The single largest component of this Federal increase will be provided

through the Title I-A Local Educational Agency Grants, which will increase by nearly \$188 million (22 percent). This additional Title I-A grant funding includes estimated increases of \$142 million for New York City schools and \$19 million for the State's Big Four City school districts. Other significant Federal ESEA increases include \$55 million (24 percent) in State Grants to Improve Teacher Quality, and \$79 million (17 percent) in special education funds provided through the Individuals with Disabilities Education Act (IDEA);

- Additionally, to help improve the academic performance of New York's neediest children, New York will implement a new Reading for Results initiative funded by a three-year Federal grant of more than \$81 million. The Reading for Results initiative will target assistance to schools with concentrations of disadvantaged children, with the objective of ensuring that all children are able to read by the end of third grade.

SUNY/CUNY Summer Academies: Innovative use of the resources of the State's SUNY and CUNY campuses will provide additional learning opportunities, on a pilot basis, to students needing assistance in meeting New York's rigorous educational standards. These campuses, with their excellent classrooms, labs, libraries, computer access and faculties, will also serve as the focal point of a pilot program to provide summer professional development opportunities for teachers.

II

SUMMARY OF 2002-03 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2002-03 New York State aid programs relating to support for public schools: the 2002-03 school year which runs from July 1, 2002 through June 30, 2003; and the 2002-03 State fiscal year which runs from April 1, 2002 through March 31, 2003. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for General Support for Public Schools and 2001-02 and 2002-03 State fiscal year appropriations from the General Fund and Lottery Fund.

- Table II-A shows the school year changes for aid programs funded within the School Aid appropriations for 2002-03. Computerized aids increase by 0.66 percent.
- Table II-B gives the 2001-02 and 2002-03 State fiscal year appropriations from the General Fund, School Tax Relief Fund, and Lottery Fund.

TABLE II-A
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID
APPROPRIATIONS -- 2001-02 AND 2002-03 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2001-02		2002-03		Change	
	School Year		School Year		Amount	Percent
I. Computerized Aids:	(----- Amounts in Millions -----)					
Operating Aid *						
Tax Effort *						
Tax Equalization *						
Extraordinary Needs Aid *						
Operating Standards Aid *						
Gifted & Talented *						
ERSSA *						
Limited English Proficiency *						
Minor Maintenance *						
Excess Cost - Public *						
Excess Cost - Private *						
BOCES *						
Special Services (Career Ed./Computer Admin.) *						
General Support/Flex Aid	10,415.24 (a)		10,415.24		0.00	0.00
	\$10,415.24		\$10,415.24		\$0.00	0.00 %
Textbooks (Incl. Lottery)	185.95 (b)		190.58		4.63	2.49
Computer Software	44.94 (b)		45.44		0.50	1.11
Computer Hardware	27.63 (b)		27.63		0.00	0.00
Library Materials	18.99 (b)		19.36		0.37	1.95
Summer School	37.42 (b)		37.42		0.00	0.00
Transportation (Including Summer)	938.64 (b)		1,031.53		92.89	9.90
Reorganization Incentive (Operating)	21.31 (b)		19.34		(1.97)	(9.24)
Fund for Innovation for Big 5	15.00 (b)		15.00		0.00	0.00
Prekindergarten	204.67 (b)		204.67		0.00	0.00
Class Size Reduction	139.97 (b)		128.12		(11.85)	(8.47)
Tax Limitation Aid	25.00 (b)		25.00		0.00	0.00
Full-Day K	4.88 (b)		0.00		(4.88)	(100.00)
Subtotal Computerized Aids	\$12,079.64		\$12,159.32		\$79.68	0.66 %
II. Grant Programs and Other Aid Categories:						
Building/Reorganization Building	1,420.94		1,420.94		0.00	0.00
Teachers of Tomorrow	25.00		25.00		0.00	0.00
Teacher Centers	30.00 (c)		10.00		(20.00)	(66.67)
Teacher-Mentor Intern	5.00		1.67		(3.33)	(66.60)
Teacher Support Aid	67.48		15.00		(52.48)	(77.77)
Schoolwide Performance Incentive	0.00		7.49		7.49	NA
Growth Aid	11.81 (b)		11.81		0.00	0.00
Categorical Reading	63.95		63.95		0.00	0.00
Improving Pupil Performance	66.35		66.35		0.00	0.00
Magnet Schools	135.65		135.65		0.00	0.00
Aid to Small City School Districts	81.88		81.88		0.00	0.00
Urban-Suburban Transfer	1.13		1.13		0.00	0.00
Employment Preparation Education	96.18		96.18		0.00	0.00
Homeless Pupils	4.00		4.00		0.00	0.00
Incarcerated Youth	13.00		13.00		0.00	0.00
Bilingual	11.20		11.20		0.00	0.00
Fort Drum	2.63		2.63		0.00	0.00
Comptroller Audits	0.25		0.25		0.00	0.00
Education of OMH/OMR Pupils	15.00		15.00		0.00	0.00
Special School Districts	2.20		2.20		0.00	0.00
Chargebacks	(18.00)		(18.00)		0.00	0.00
Tuition Adjustment	1.18		1.18		0.00	0.00
CVEEB	0.92		0.92		0.00	0.00
BOCES Aid for Special Act Districts	0.68		0.68		0.00	0.00
Learning Technology Grants	3.29		3.29		0.00	0.00
Shared Services Incentive	0.20		0.20		0.00	0.00
Native American Building	7.40		2.00		(5.40)	(72.97)
Bus Driver Safety	0.40		0.40		0.00	0.00
Prior Year Claims	57.00		57.00		0.00	0.00
Subtotal	2,106.72		2,033.00		(73.72)	(3.50)
SCHOOL YEAR TOTAL	\$14,186.36		\$14,192.32		\$5.96	0.04 %
III. Acceleration of Prior Year Aid Payments:	NA		\$214.49		NA	NA
IV. Estimated Federal Title I-A Increase:	NA		\$187.81		NA	NA

* Aid programs proposed to be consolidated within Flex Aid

(a) Sum of 2001-02 Executive Budget Flex Aid plus BOCES and Special Services

(b) 2001-02 Executive Budget amount

(c) Includes \$10 million (SY) initially appropriated outside of school aid

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2002.

TABLE II-B
2001-02 AND 2002-03 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation			Change	
	2001-02	2002-03	Amount	Percent
School Aid and STAR	\$16,567,163,000	\$16,925,503,000	\$358,340,000	2.16
General Support for Public Schools	11,381,437,000	11,925,420,000	543,983,000	4.78
BOCES	456,297,000	0	(456,297,000)	(100.00)
Employment Preparation Education	96,180,000	96,180,000	0	0.00
Remaining School Capital Needs for the 2000-01 School Year	14,993,000	0	(14,993,000)	(100.00)
Remaining Pre-Kindergarten Obligations for the 2000-01 School Year	44,358,000	0	(44,358,000)	(100.00)
Remaining Class Size Reduction Obligations for the 2000-01 School Year	42,000,000	0	(42,000,000)	(100.00)
Fund for Innovation	10,500,000	10,500,000	0	0.00
Small City School Districts	48,517,000	57,316,000	8,799,000	18.14
Improving Pupil Performance	46,445,000	46,445,000	0	0.00
Categorical Reading	44,765,000	44,765,000	0	0.00
Magnet Schools	94,955,000	94,955,000	0	0.00
Other GSPS Programs	22,236,000	39,536,000	17,300,000	77.80
Prior Year Claims	57,000,000	0 (b)	(57,000,000)	(100.00)
Total General Fund	12,359,683,000	12,315,117,000	(44,566,000)	(0.36)
STAR: School Tax Relief Fund	2,646,000,000	2,700,000,000	54,000,000	2.04
Lottery Fund	1,561,480,000	1,910,386,000	348,906,000	22.34
Other Public Elementary and Secondary Education Programs	\$250,553,700	\$222,942,000	(\$27,611,700)	(11.02)
Prekindergarten	50,200,000	50,200,000	0	0.00
Children of Migrant Workers	90,000	90,000	0	0.00
Teacher Resource & Computer Centers	20,000,000 (a)	0 (b)	(20,000,000)	(100.00)
Teacher-Mentor Intern	1,500,000 (a)	0 (b)	(1,500,000)	(100.00)
Effective Schools Consortia	1,889,200	0	(1,889,200)	(100.00)
Transferring Success	629,800	629,800	0	0.00
Adult Basic Education	5,000,000	5,000,000	0	0.00
Adult Literacy Education	3,324,700	3,324,700	0	0.00
Parenting Education	506,400	506,400	0	0.00
Youth at Risk	5,325,500	0	(5,325,500)	(100.00)
Missing Children Prevention Education	900,000	900,000	0	0.00
AIDS Education	990,000	990,000	0	0.00
Workplace Literacy	1,376,100	1,376,100	0	0.00
Apprenticeship Training	1,830,000	1,830,000	0	0.00
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans	15,047,000	15,650,000	603,000	4.01
Schools as Community Sites	6,000,000	6,000,000	0	0.00
Comprehensive School Health Demonstration	525,000	525,000	0	0.00
New York State Center for School Safety	500,000	500,000	0	0.00
Civility, Citizenship and Character Education Curriculum	0	500,000	500,000	NA
Academic Intervention for Nonpublic Schools	1,000,000	1,000,000	0	0.00
Extended School Day/School Violence Prevention	30,200,000	30,200,000	0	0.00
School Health Demonstration Project	150,000	150,000	0	0.00
Schools Under Registration Review	2,000,000	2,000,000	0	0.00
Primary Mental Health Project	570,000	570,000	0	0.00
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	10,000,000	10,000,000	0	0.00
Charter School Start Up Grants	6,000,000	6,000,000	0	0.00
Fiscal Stabilization Grants	50,000,000	50,000,000	0	0.00

Other School Programs	2001-02	2002-03	Change	
			Amount	Percent
	<u>\$676,991,000</u>	<u>\$716,591,000</u>	<u>\$39,600,000</u>	<u>5.85</u>
Nonpublic School Aid	65,400,000	70,000,000	4,600,000	7.03
Private Schools for the Blind & Deaf (G.F.)	100,671,000	100,671,000	0	0.00
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment Aid	2,000,000	0	(2,000,000)	(100.00)
Preschool Handicapped	552,200,000	552,200,000	0	0.00
Summer School Handicapped	173,700,000	173,700,000	0	0.00
Less: Special Education Medicaid Offset	(207,000,000)	(170,000,000)	37,000,000	(17.87)
Less: Consortium for Worker Education Offset	(10,000,000)	(10,000,000)	0	0.00
Fiscal Year Total (excluding Hurd Loans)	<u>\$17,494,707,700</u>	<u>\$17,865,036,000</u>	<u>\$370,328,300</u>	<u>2.12</u>
Advances to Hurd City School Districts (c)	<u>10,900,000</u>	<u>9,775,000</u>	<u>(1,125,000)</u>	<u>(10.32)</u>
FISCAL YEAR TOTAL	<u>\$17,505,607,700</u>	<u>\$17,874,811,000</u>	<u>\$369,203,300</u>	<u>2.11</u>

(a) In addition to the amounts displayed on Table II-B, pursuant to Chapter 383 of the laws of 2001, \$20 million of a \$25 million Teachers of Tomorrow increase is allocated to Teacher Centers (to support a \$30 million 2001-02 school year program) and the Teacher-Mentor Intern program will receive \$5 million.

(b) For 2002-03 these aid categories are included in General Support for Public Schools.

(c) As loans, these appropriations do not impact the financial plan.

Source: Laws of the State of New York: Chapters 53, 149, 382 and 383 Laws of 2001; 2002-2003 Executive Budget and proposed deficiency bill.

General Effects of Aid Changes: Statewide, New York City, Big Five Cities and Rest of State

Recommended school aid provisions will increase payments to 475 major school districts by \$99.28 million in the 2002-03 school year. There are 205 districts that are projected to have losses of \$19.60 million. The combined total of increases and losses produce a net increase statewide of \$79.68 million, or 0.66 percent.

- Table II-C lists the aid amounts allocated to each of the Big Five city school districts under selected School Aid programs. The aids analyzed are those shown in Table II-A.
- Table II-D lists changes in all School Aid individual aid categories for New York City. The net decrease for all aids is 0.32 percent.
- In Table II-E, major 2002-03 aid categories have been combined to show the overall impact upon school districts in the State's 18 most populous counties, New York City, and the rest of the State.

The State average increase for these aids will be 0.66 percent. The 371 districts in the 18 most populous counties contain 45.80 percent of the State's public school pupils. These districts will receive 43.27 percent of the 2002-03 combined aids total. Districts in the 18 most populous counties will have an average combined aids increase of 0.72 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 0.30 percent and will receive 18.98 percent of the 2002-03 combined aids total.

SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED
THROUGH SCHOOL AID APPROPRIATIONS: 2001-02 AND 2002-03

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
I. Computerized Aids:	(-----Amounts in Millions-----)									
Operating Aid *										
Tax Effort *										
Tax Equalization *										
Extraordinary Needs Aid *										
Operating Standards Aid *										
Gifted & Talented *										
ERSSA *										
Limited English Proficiency *										
Minor Maintenance *										
Excess Cost - Public *										
Excess Cost - Private *										
Special Services (Career Ed/Comp Admin.) *										
General Support/Flex Aid	3,893.29 (a)	3,893.29	269.55 (a)	269.55	201.98 (a)	201.98	118.36 (a)	118.36	64.20 (a)	64.20
	<u>\$3,893.29</u>	<u>\$3,893.29</u>	<u>\$269.55</u>	<u>\$269.55</u>	<u>\$201.98</u>	<u>\$201.98</u>	<u>\$118.36</u>	<u>\$118.36</u>	<u>\$64.20</u>	<u>\$64.20</u>
Textbooks (Incl. Lottery)	77.05 (b)	76.68	3.15 (b)	3.09	2.13 (b)	2.47	1.45 (b)	1.50	1.87 (b)	1.91
Computer Software	20.83 (b)	20.10	0.85 (b)	0.82	0.24 (b)	0.27	0.18 (b)	0.18	0.46 (b)	0.46
Computer Hardware	11.38 (b)	11.38	0.67 (b)	0.67	0.50 (b)	0.50	0.31 (b)	0.31	0.21 (b)	0.21
Library Materials	8.07 (b)	8.05	0.33 (b)	0.33	0.26 (b)	0.25	0.14 (b)	0.15	0.18 (b)	0.17
Summer School	30.95 (b)	30.95	0.56 (b)	0.56	0.97 (b)	0.97	0.03 (b)	0.03	0.07 (b)	0.07
Transportation (Including Summer)	269.26 (b)	313.09	21.88 (b)	24.01	25.14 (b)	26.80	9.02 (b)	8.98	11.17 (b)	8.80
Fund for Innovation for Big 5	9.00 (b)	9.00	2.00 (b)	2.00	1.82 (b)	1.82	1.06 (b)	1.06	1.13 (b)	1.13
Prekindergarten	146.53 (b)	146.53	7.10 (b)	7.10	7.06 (b)	7.06	3.22 (b)	3.22	2.60 (b)	2.60
Class Size Reduction	88.84 (b)	81.51	4.97 (b)	4.50	5.25 (b)	4.79	3.30 (b)	3.00	4.60 (b)	4.26
Full-Day K	0.00 (b)	0.00	0.00 (b)	0.00	0.00 (b)	0.00	0.00 (b)	0.00	0.00 (b)	0.00
Subtotal Computerized Aids	<u>\$4,555.20</u>	<u>\$4,590.58</u>	<u>\$311.07</u>	<u>\$312.63</u>	<u>\$245.35</u>	<u>\$246.90</u>	<u>\$137.07</u>	<u>\$136.79</u>	<u>\$86.49</u>	<u>\$83.80</u>
Change from 2001-02 School Year		\$35.38		\$1.56		\$1.55		(\$0.28)		(\$2.69)
Percent		0.78%		0.50%		0.63%		-0.20%		-3.11%
II. Other Aid Categories:										
Building Aid	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Teachers of Tomorrow	15.00	15.00	1.05	1.05	2.57	2.57	0.80	0.80	2.90	2.90
Teacher Centers	11.25	3.75	0.71	0.24	0.46	0.15	0.46	0.15	0.28	0.09
Teacher-Mentor Intern	2.00	0.67	0.15	0.05	0.25	0.08	0.10	0.03	0.10	0.03
Teacher Support Aid	62.71	13.94	1.74	0.39	1.08	0.24	0.81	0.18	1.15	0.25
Schoolwide Performance Incentive	0.00	6.96	0.00	0.19	0.00	0.12	0.00	0.09	0.00	0.13
Growth Aid	0.00 (b)	0.00	0.47 (b)	0.00	0.00 (b)	0.00	0.00 (b)	0.00	0.45 (b)	0.29
Categorical Reading	29.95	29.95	17.50	17.50	5.50	5.50	6.00	6.00	5.00	5.00
Improving Pupil Performance	36.20	36.20	10.50	10.50	6.95	6.95	3.60	3.60	9.10	9.10
Magnet Schools	48.18	48.18	17.03	17.03	11.00	11.00	11.00	11.00	29.50	29.50
Subtotal	<u>205.29</u>	<u>154.65</u>	<u>49.15</u>	<u>46.95</u>	<u>27.81</u>	<u>26.61</u>	<u>22.77</u>	<u>21.85</u>	<u>48.48</u>	<u>47.29</u>
TOTAL SELECTED AIDS	<u>\$4,760.49</u>	<u>\$4,745.23</u>	<u>\$360.22</u>	<u>\$359.58</u>	<u>\$273.16</u>	<u>\$273.51</u>	<u>\$159.84</u>	<u>\$158.64</u>	<u>\$134.97</u>	<u>\$131.09</u>
Change from 2001-02 School Year		(\$15.26)		(\$0.64)		\$0.35		(\$1.20)		(\$3.88)
Percent		-0.32%		-0.18%		0.13%		-0.75%		-2.87%
III. Acceleration of Prior Year Aid Payments:		\$203.74		\$4.68		\$5.04		\$0.77		\$0.25
IV. Estimated Federal Title I-A Increase:		\$142.69		\$7.22		\$6.03		\$3.27		\$2.44

* Aid programs proposed to be consolidated within Flex Aid

(a) Sum of 2001-02 Executive Budget Flex Aid Plus BOCES and Special Services

(b) 2001-02 Executive Budget amount

TABLE II-D

SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID
 APPROPRIATIONS -- 2001-02 AND 2002-03 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2001-02	2002-03	Change	
	School Year	School Year	Amount	Percent
I. Computerized Aids:	(----- Amounts in Millions -----)			
Operating Aid *				
Tax Effort *				
Tax Equalization *				
Extraordinary Needs Aid *				
Operating Standards Aid *				
Gifted & Talented *				
ERSSA *				
Limited English Proficiency *				
Minor Maintenance *				
Excess Cost - Public *				
Excess Cost - Private *				
BOCES *				
Special Services (Career Ed/Comp Admin) *				
General Support/Flex Aid	3,893.29 (a)	3,893.29	0.00	0.00
	<u>\$3,893.29</u>	<u>\$3,893.29</u>	<u>\$0.00</u>	<u>0.00</u> %
Textbooks (Incl. Lottery)	77.05 (b)	76.68	(0.37)	(0.48)
Computer Software	20.83 (b)	20.10	(0.73)	(3.50)
Computer Hardware	11.38 (b)	11.38	0.00	0.00
Library Materials	8.07 (b)	8.05	(0.02)	(0.25)
Summer School	30.95 (b)	30.95	0.00	0.00
Transportation (Incl. Summer)	269.26 (b)	313.09	43.83	16.28
Fund for Innovation for Big 5	9.00 (b)	9.00	0.00	0.00
Prekindergarten	146.53 (b)	146.53	0.00	0.00
Class Size Reduction	88.84 (b)	81.51	(7.33)	(8.25)
Tax Limitation Aid	0.00 (b)	0.00	0.00	0.00
Full-Day K	0.00 (b)	0.00	0.00	0.00
Subtotal Computerized Aids:	<u>\$4,555.20</u>	<u>\$4,590.58</u>	<u>\$35.38</u>	<u>0.78</u> %
II. Grant Programs and Other Aid Categories:				
Building	NA	NA	NA	NA
Teachers of Tomorrow	15.00	15.00	0.00	0.00
Teacher Centers	11.25	3.75	(7.50)	(66.67)
Teacher-Mentor Intern	2.00	0.67	(1.33)	(66.50)
Teacher Support Aid	62.71	13.94	(48.77)	(77.77)
Schoolwide Performance Incentive	0.00	6.96	6.96	NA
Growth Aid	0.00 (b)	0.00	0.00	0.00
Categorical Reading	29.95	29.95	0.00	0.00
Improving Pupil Performance	36.20	36.20	0.00	0.00
Magnet Schools	48.18	48.18	0.00	0.00
Employment Preparation Education	28.80	28.80	0.00	0.00
Homeless Pupils	0.00	0.00	0.00	0.00
Incarcerated Youth	0.00	0.00	0.00	0.00
Bilingual	6.50	6.50	0.00	0.00
Education of OMH/OMR Pupils	1.60	1.60	0.00	0.00
Chargebacks	(5.00)	(5.00)	0.00	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Prior Year Claims	33.33	33.33	0.00	0.00
	<u>271.65</u>	<u>221.01</u>	<u>(50.64)</u>	<u>(18.64)</u>
SCHOOL YEAR TOTAL	<u>\$4,826.85</u>	<u>\$4,811.59</u>	<u>(\$15.26)</u>	<u>(0.32)</u> %
III. Acceleration of Prior Year Aid Payments:	NA	\$203.74	NA	NA
IV. Estimated Federal Title I-A Increase:	NA	\$142.69	NA	NA

* Aid programs proposed to be consolidated within Flex Aid

(a) Sum of 2001-02 Executive Budget Flex Aid plus BOCES and Special Services

(b) 2001-02 Executive Budget amount

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2002.

TABLE II-E

CHANGE IN SCHOOL AID FOR 2001-02 (a) AND 2002-03 SCHOOL YEARS:
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dts.	Percent of Total State TAPU (b)	2002-03 Combined Aids			Change in Aid from 2001-02 to 2002-03		Number of Districts	
			2001-02 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.41%	\$126,088	\$127,602	1.05%	\$1,514	1.20%	10	3
Broome	12	1.13	154,236	153,831	1.27	(405)	(0.26)	7	5
Chautauqua	18	0.89	141,942	142,179	1.17	237	0.17	12	6
Dutchess	13	1.47	153,529	155,794	1.28	2,265	1.48	11	2
Erie	28	4.90	657,641	663,625	5.46	5,984	0.91	28	0
Monroe	18	4.21	533,463	539,397	4.44	5,934	1.11	18	0
Nassau	56	6.67	497,548	498,478	4.10	930	0.19	35	21
Niagara	10	1.23	184,246	185,240	1.52	994	0.54	7	3
Oneida	15	1.35	204,288	205,544	1.69	1,256	0.61	12	3
Onondaga	18	2.66	343,129	344,894	2.84	1,765	0.51	16	2
Orange	17	2.09	268,170	271,935	2.24	3,765	1.40	13	4
Rensselaer	11	0.79	115,343	116,164	0.96	821	0.71	7	4
Rockland	8	1.36	120,634	121,394	1.00	760	0.63	5	3
Saratoga	12	1.14	137,974	139,802	1.15	1,828	1.32	11	1
Schenectady	6	0.74	88,581	89,448	0.74	867	0.98	4	2
Suffolk	67	8.15	1,089,078	1,097,390	9.03	8,312	0.76	49	18
Ulster	9	0.96	112,530	113,137	0.93	607	0.54	6	3
Westchester	40	4.66	295,703	295,623	2.43	(80)	(0.03)	27	13
18 Most Populous Counties	371	45.80%	\$5,224,124	\$5,261,478	43.27%	\$37,354	0.72%	278	93
New York City	1	39.05	4,555,195	4,590,576	37.75	35,381	0.78	1	0
Rest of State	308	15.15	2,300,321	2,307,270	18.98	6,949	0.30	196	112
TOTAL STATE	680	100.00%	\$12,079,640	\$12,159,324	100.00%	\$79,684	0.66%	475	205

(a) 2001-02 total aid set forth in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget plus an additional \$2.8 million for prekindergarten programs.

(b) The Flex TAPU for payment pupil count used for the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget.

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2002.

III

APPENDICES

The third section consists of five appendices. Each of the appendices is described below.

- Appendix III-A summarizes the School Aid formulas and adjustments recommended for 2002-03 and compares them with the 2001-02 formulas.
- Appendix III-B provides the mathematical formulas for computing 9 different aids for 2002-03 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than Flex Aid.

For Flex Aid, for additional weightings used to calculate pupil needs for aid and district wealth, see the formula description in Appendix III-E.

- Appendix III-D describes the payment schedule for aids payable under section 3609 of the Education Law in the 2002-03 school year.
- Appendix III-E provides the formula factors and regional cost indices used to calculate Flex Aid increments.

APPENDIX III-A
 COMPARISON OF 2001-02 AND 2002-03 SCHOOL AID PROGRAMS

<u>Category</u>	<u>2001-02 School Year</u>	<u>2002-03 School Year</u>
<u>FLEX AID</u>	None	<p>For the 2002-03 school year, a district's Flex Aid allocation is determined by calculating its Flex Aid as provided for in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget plus BOCES and special services aid. Aid apportionments for 13 previous aid categories are consolidated within Flex Aid at the 2000-01 funding level based on data on file with the Commissioner of Education for preparation of the 2001-02 Executive Budget. The 2000-01 school year represents the most recent year that separate formula-generated aid amounts were provided for each of the following aid categories: operating, tax effort, tax equalization, gifted and talented, minor maintenance, public excess cost, private excess cost, educationally related support services aid, extraordinary needs, operating standards, limited English proficiency, BOCES and special services aid.</p>
COMPREHENSIVE OPERATING AID	None	None
	<p style="text-align: center;">Funding in lieu of 2001-02 Operating Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.</p>	

<u>Category</u>	<u>2001-02 School Year</u>	<u>2002-03 School Year</u>
<u>EXTRAORDINARY NEEDS AID</u>	None Funding in lieu of 2001-02 Extraordinary Needs Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.	None
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	If formula operating aid per pupil is greater in the district of residence, the district of attendance will receive urban-suburban transfer aid equal to formula operating aid per pupil that the district of residence would have received.	Qualifying districts will receive the same aid that they would have received in the 2000-01 school year.
<u>GIFTED AND TALENTED AID</u>	None Funding in lieu of 2001-02 Gifted and Talented Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.	None
<u>LIMITED ENGLISH PROFICIENCY AID</u>	None Funding in lieu of 2001-02 Limited English Proficiency Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget	None

Category

2001-02 School Year

2002-03 School Year

and which was included by the Legislature in the enacted budget. School districts must set aside a portion of their 2001-02 State aid equal to their 2000-01 LEP aid to ensure continuation of Limited English Proficiency programs.

TAX EQUALIZATION

None

None

Funding in lieu of 2001-02 Tax Equalization Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

TAX EFFORT

None

None

Funding in lieu of 2001-02 Tax Effort Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

TRANSITION ADJUSTMENT

None

None

Funding in lieu of 2001-02 Transition Adjustment is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

PUBLIC EXCESS COST AID
FOR DISABLED PUPILS

None

None

Funding in lieu of 2001-02 Public Excess Cost Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

PRIVATE EXCESS COST AID
FOR DISABLED PUPILS

None

None

Funding in lieu of 2001-02 Private Excess Cost Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

EDUCATIONALLY RELATED
SUPPORT SERVICES AID

None

None

Funding in lieu of 2001-02 ERSSA Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

BOCES AID

None

None

Funding in lieu of 2001-02 BOCES Aid is provided in the \$12,076.82 million amount set forth for school

Funding to support school district costs associated with BOCES services is provided in the new

districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget. BOCES must set aside from payments received pursuant to §3609-d an amount equal to the State aid received for career education in 2000-01 and must use such amount for career education programs in 2001-02.

consolidated Flex Aid. School districts must set aside from payments received pursuant to §3609-d an amount equal to the State aid received for career education in 2000-01 and use such amount for career education programs in 2002-03.

FULL-DAY K INCENTIVE AID

None

None

Funding in lieu of 2001-02 Full-Day Kindergarten Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

TRANSPORTATION AID

Wealth Measure

None

Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio

State Share

Funding in lieu of 2001-02 Transportation Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

The greater of:
 1.01 - (.46 * AV/RWADA wealth ratio)
 or 1.263 * State Sharing Ratio or (NYC excepted):
 1.01 - (.46 * AV/enrollment wealth ratio).

Sparsity Adjustment

(21 - enrollment/square mile)/317.88

Minimum Aid Ratio

.065

Maximum Aid Ratio

.90

Base

Approved Expenditures

Urban-Suburban Transfer	If formula operating aid per pupil is greater in the district of residence, the district of attendance will receive urban-suburban transfer aid equal to formula operating aid per pupil that the district of residence would have received	Same Qualifying districts will receive the same aid that they would have received in the 2000-01 school year.
<u>BUILDING AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
Aid Ratio Choice	Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year.	Beginning with projects approved by the voters July 1, 2002 and after, a district's building aid ratio is limited to its current building aid ratio.
	Starting with all new building projects approved by the voters beginning July 1, 2000, the selected building aid ratio is based upon the greater of a district's current-year building aid ratio or the ratio selected for use in 1999-00 reduced by 10 percentage points.	
	School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.	
Base	Approved Expenditures	Same
Additional Adjustments	For aid payable in 1998-99 and after for new projects approved by the voters after 7/1/98 districts will receive an additional 10 percent State reimbursement. In addition, cost allowances on all contracts awarded	Same

after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.

REORGANIZATION INCENTIVE AID

Prior to July 1, 1983
 Operating Aid:
 Additional Percentage
 (5 years)
 Taper
 Building Aid:
 Additional Percentage

Funding in lieu of 2001-02 Reorganization Incentive Operating Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

10%
 1%/9 years
 25%

Effective July 1, 1983
 Operating Aid:
 Additional Percentage
 (5 years)
 Taper
 Building Aid:
 Additional Percentage

Reorganization Incentive Building Aid will be allocated based on the existing formula in Section 3602 (14) of the Education Law.

20%
 2%/9 years
 30%

Effective July 1, 1992
 Operating Aid:
 Additional Percentage
 (5 years)
 Taper

40%
 4%/9 years

Eligibility Date:
 New Projects

July 1, 2002

July 1, 2002 or approved by voters within five years of reorganization.

SPECIAL SERVICES AID
 Career Education Aid:

None

None

Funding in lieu of 2001-02 Career Education Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02

Funding to support school district costs associated with special services is provided in the new consolidated Flex Aid. School districts must set aside from payments received

Executive Budget and which was included by the Legislature in the enacted budget. Districts that received Career Education Aid in 2000-01 are deemed to have received the same amount for 2001-02 and must use that amount to support Career Education programs.

an amount equal to the State aid received for career education in 2000-01 and use such amount for career education programs in 2002-03.

Computer Administration Aid:

None

None

Funding in lieu of 2001-02 Computer Administration Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

None

A district will receive the same aid for 2002-03 as was calculated for the 2001-02 Executive Budget by the State Education Department.

Funding in lieu of 2001-02 Instructional Computer Hardware Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

TEXTBOOK AID

None

Up to \$57.30 per public and nonpublic pupil (district of residence)

Funding in lieu of 2001-02 Textbook Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

COMPUTER SOFTWARE AID

None

Up to \$14.98 per public and nonpublic pupil (district of attendance)

Funding in lieu of 2001-02 Computer Software Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

LIBRARY MATERIALS AID

None

Up to \$6 per public and nonpublic pupil (district of attendance)

Funding in lieu of 2001-02 Library Materials Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.

GROWTH AID¹

A district's apportionment for 2001-02 Growth Aid is based on data on file with the commissioner of education for preparation of the 2001-02 Executive Budget

Growth Index in excess of 1.004 * Operating Aid as described in subdivision 13 of Section 3602 of the Education Law

SMALL CITY SCHOOL DISTRICT AID

\$81.88 million. For the 2001-02 school year a district's Hurd aid was the same as its 2000-01 aid

\$81.88 million.

Save-Harmless

Base Year Small City School District Aid x (.98 - .02 x Years on Save Harmless)

¹For the 1997-98 school year and after the Growth Index is defined as a measure of enrollment rather than attendance.

EMPLOYMENT PREPARATION
EDUCATION AID²

Ceiling	\$6.90/contact hour	\$7.40/contact hour
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

PREKINDERGARTEN EXPANSION
AID

None	A district is eligible to receive the same aid for 2002-03 as was calculated for the 2001-02 Executive Budget by the State Education Department. For 2002-03 Prekindergarten Aid will total \$204.67 million.
Funding in lieu of 2001-02 Prekindergarten Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.	

OPERATING STANDARDS AID

None	None
Funding in lieu of 2001-02 Operating Standards Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget.	

CATEGORICAL READING AID

\$63.95 million	Same
-----------------	------

GRANTS FOR IMPROVING
PUPIL PERFORMANCE

\$66.35 million	Same
-----------------	------

FORT DRUM GRANTS

\$2.63 million	Same
----------------	------

MAGNET SCHOOL AID

\$135.65 million	Same
------------------	------

²For the 2002-03 school year, total aid is limited to \$96.18 million, the same as in 2001-02.

FUND FOR INNOVATION AID
FOR BIG FIVE CITY SCHOOL
DISTRICTS

\$15.0 million

Same

SCHOOLWIDE PERFORMANCE
INCENTIVE AID

None

\$7.49 million

MINOR MAINTENANCE AND
REPAIR AID

None

None

Funding in lieu of 2001-02
Minor Maintenance Aid is
provided in the \$12,076.82
million amount set forth for
school districts in the
school aid computer listing
entitled "BT032-1" which
accompanied the 2001-02
Executive Budget and which
was included by the
Legislature in the enacted
budget.

SUMMER SCHOOL AID

None

A district will receive the
same aid for 2002-03 as was
calculated for the 2001-02
Executive Budget by the
State Education Department.

Funding in lieu of 2001-02
Summer School Aid is
provided in the \$12,076.82
million amount set forth for
school districts in the
school aid computer listing
entitled "BT032-1" which
accompanied the 2001-02
Executive Budget and which
was included by the
Legislature in the enacted
budget.

TAX LIMITATION AID

None

A district will receive the
same aid for 2002-03 as was
calculated for the 2001-02
Executive Budget by the
State Education Department.

Funding in lieu of 2001-02
Tax Limitation Aid is
provided in the \$12,076.82
million amount set forth for
school districts in the
school aid computer listing
entitled "BT032-1" which
accompanied the 2001-02
Executive Budget and which
was included by the
Legislature in the enacted
budget.

<u>INCARCERATED YOUTH</u>	\$13.0 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>COMPTROLLER AUDITS</u>	\$.25 million	Same
<u>TEACHER SUPPORT AID</u>	\$67.48 million	\$15.00 million
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>CLASS SIZE REDUCTION AID</u>	None	\$128.12 million. A district will receive aid for 2002-03 based on what was calculated for the 2001-02 Executive Budget by the State Education Department but \$11.85 million in one-time start-up grant funding for additional classrooms is eliminated. ³
	Funding in lieu of 2001-02 Class Size Reduction Aid is provided in the \$12,076.82 million amount set forth for school districts in the school aid computer listing entitled "BT032-1" which accompanied the 2001-02 Executive Budget and which was included by the Legislature in the enacted budget. School districts must set aside a portion of their 2001-02 State aid equal to 2000-01 aid to ensure continuation of Class Size Reduction programs.	

³ The 2001-02 Executive Budget provided \$139.97 million for this aid.

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating transportation aid, computer software aid, textbook aid, library materials aid, reorganization incentive operating aid, employment preparation education aid, incarcerated youth aid, building aid and reorganization incentive building aid are presented in this appendix. For the 2002-03 school year the following computerized aids are to be maintained at their 2001-02 Executive Budget levels: instructional computer hardware and technology equipment aid, summer school aid, prekindergarten aid, and tax limitation aid. For class size reduction aid a district will receive aid based on what was calculated for the 2001-02 Executive Budget but the 2002-03 Executive Budget proposal eliminates one-time start-up grant funding for additional classrooms. For the formula for calculating Flex Aid, see Appendix III-E.

For aids other than Flex Aid, the State average wealth measures for use in the calculation of aid ratios for 2002-03 school year payments are:

1999 Actual Valuation/2000-01 TWP	\$264,400
1999 Adjusted Gross Income/2000-01 TWP	\$110,200
1999 Actual Valuation/2000-01 RWADA	\$317,300

Note that all aid ratios are assumed to have a minimum of .000 and a maximum of 1.000 unless otherwise stated.

Details of pupil counts for Flex Aid are included with the formula description in Appendix III-E. Details of pupil counts for other aids appear in Appendix III-C. Pupil count abbreviations frequently used in this appendix include:

TAPU.....	Total Aidable Pupil Units
TWPU.....	Total Wealth Pupil Units
ADA.....	Average Daily Attendance
RWADA.....	Resident Weighted Average Daily Attendance

COMPUTER SOFTWARE AID

Education Law, Section 751

All districts are eligible for computer software aid. The aid is for the purchase of computer software which a pupil is required to use as a learning aid in a particular class in the school the pupil attends.

$$\text{Computer Software Aid} = \frac{2001-02 \text{ Cost of Software}}{(\text{up to } \$14.98) \times \text{Enrollment}}$$

Enrollment = Fall 2001 public (including charter school) and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

TEXTBOOK AID

Education Law, Section 701, Subdivisions 4, 6 and 7

All districts are eligible for textbook aid. The aid provided is to be used by districts to purchase textbooks to be made available to all resident enrolled pupils.

$$\text{Textbook Aid} = \frac{2001-02 \text{ Cost of Textbooks, not to exceed } \$57.30 \times 2001-02 \text{ Resident Public (Including Charter School) and Nonpublic School}}{\text{Enrollment}}$$

LIBRARY MATERIALS AID

Education Law, Section 711, Subdivision 4

All districts are eligible for library materials aid. The aid is provided to enable districts to purchase necessary library materials to be made available on an equitable basis to all pupils attending schools within such district.

$$\text{Library Materials Aid} = \frac{2001-02 \text{ Cost of Library Materials (up to } \$6.00)}{\text{x Enrollment}}$$

Enrollment = Fall 2001 public (including charter school) and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

Districts are allotted reimbursement for transportation expenses through the transportation aid formula.

$$\text{Transportation Aid} = \frac{[\text{Aid Ratio} + \text{Sparsity Factor}] \times \text{Approved Transportation Expenses}}$$

Aid Ratio = greatest of three aid ratio calculations, two of which are based on a district's Actual Valuation per pupil:

- (i) 1.263 x State Sharing Ratio
- (ii) $1.010 - \frac{(1999 \text{ AV}/2000-01 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$317,300)}$
- (iii) $1.010 - \frac{(1999 \text{ AV}/2000-01 \text{ Public \& Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$272,000)}$

Minimum: .065
Maximum: .900

Sparsity Factor = $\frac{21.00 - 2000 \text{ Public Enrollment/Square Mile}}{317.88}$

Approved Transportation Expenses include:

- Health and life insurance
- Collision insurance
- Equipment
- Uniforms
- Driver and mechanic salaries
- Supervisor and other salaries
- Operating and maintenance expenses
- Social Security payments on all salaries
- Full contract expenses
- Shuttle expenses
- Retirement benefits
- Computerized bus routing services
- Transportation of children to and from day care centers
- Transportation of pupils in voluntary interdistrict programs
- District expenditures for transportation of pupils to and from district operated summer classes to improve student performance will be aided up to a maximum of \$5.0 million statewide

but do not include:

- Transportation of pupils less than 1-1/2 miles from school
- Field trips
- Salaries of assistant drivers on regular buses (district operated programs)
- Salaries of drivers and mechanics who work on other than bus-type vehicles
- Bus purchase expenses exceeding the State contract price

REORGANIZATION INCENTIVE OPERATING AID

Education Law, Section 3602, Subdivision 14, paragraphs d and f

A district which has reorganized within the past 14 years is eligible to receive reorganization incentive operating aid in addition to its regular operating aid.

Reorganization Incentive Formula Operating Incentive
Operating Aid = Aid x Aid Percentage

The sum of Formula Operating Aid and Incentive Operating Aid may not exceed 95 percent of AOE.

Reorganization Prior to July 1, 1983:

Incentive Operating Aid was available for school districts which reorganized prior to July 1, 1983, for 14 years beginning with the first school year of operation as a reorganized district. For the first five years the Incentive Aid Percentage was 10 percent, and for the next nine years the percentage of such operating aid decreased 1 percent per year.

Reorganization After July 1, 1983:

For districts which reorganized after July 1, 1983, the reorganization percentage was 20 percent for a period of five years, to be reduced by 2 percent per year for nine years.

Reorganization After July 1, 1992:

For districts which reorganize after July 1, 1992, the reorganization percentage will be 40 percent for a period of five years, to be reduced by 4 percent per year for nine years.

EMPLOYMENT PREPARATION EDUCATION (EPE) AID

Education Law, Section 3602, Subdivision 24

Districts are eligible for EPE aid for the attendance of pupils age 21 or older who have not received a high school diploma or equivalency diploma. Beginning in 1991-92, aid paid directly to BOCES for approved BOCES EPE programs is based on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio is based on the aggregate actual valuation and TWPU of the component districts of the BOCES. Adults can register with BOCES for participation at a BOCES site. Beginning in 1996-97, the BOCES EPE aid ratio is the greater of the EPE aid ratio based on the aggregate wealth of the component districts or 85 percent of the highest EPE aid ratio of a component district of the BOCES.

$$\underline{\text{EPE Aid}} = \$7.40 \times \text{EPE Aid Ratio} \times \text{EPE Hours}$$

$$\underline{\text{EPE Aid Ratio}} = 1 - (\text{Pupil Wealth Ratio} \times .40)$$

Minimum: .400

$$\underline{\text{Pupil Wealth Ratio}} = \frac{1999 \text{ Actual Valuation}/2000-01 \text{ TWPU}}{\text{State Average } (\$264,400)}$$

$$\underline{\text{EPE Hours}} = \text{Total hours of instruction for all students in EPE programs between July 1 and June 30 of the current year.}$$

EPE aid will be reduced if it and other State and Federal sources of aid for EPE programs exceed the entire cost of such program in that year. For the 2002-03 school year, total aid is limited to \$96.18 million.

INCARCERATED YOUTH AID

Education Law, Section 3602, Subdivision 35

All districts are eligible for incarcerated youth aid. The aid is provided to enable districts to educate students in local centers of detention.

$$\text{Incarcerated Youth Aid} = \text{AOE/TAPU} \times \text{Number of full-day program pupils} + ([.5 \times (\text{AOE/TAPU})] \times \text{Number of half-day program pupils})$$

BUILDING AID

Education Law, Section 3602, Subdivision 6

School districts incurring debt service, capital or reserve fund expenses for approved building projects may receive building aid. Aid is available for expenses related to the installation of computer laboratory hardware, building condition surveys and for the purchase of stationary metal detectors.

Building Aid = Selected Aid Ratio x Approved Building Expenses

Approved Building Expenses =

2001-02 capital outlay + 2002-03 assumed amortization expenses

Aid Ratio =

1 - $\frac{(1999 \text{ Actual Valuation}/2000-01 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$317,300)}$

Selected Aid Ratio:

Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year.

Starting with all new building projects approved by the voters beginning July 1, 2000, the selected building aid ratio is based upon the greater of a school district's current-year building aid ratio or the aid ratio selected for use in 1999-00 reduced by 10 percentage points. School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 may select an aid ratio equal to 1.263 multiplied by the district's State Sharing Ratio.

Projects approved by voters after July 1, 2002 will receive State aid based upon the school district's aid ratio at the time of project approval and supplemented by the existing 10 percent building aid enrichment. School districts will no longer be provided a multi-year choice of their most favorable aid ratio.

Incentive:

For aid payable in 1998-99 and after for new projects approved by the voters after 7/1/98 districts will continue to receive an additional 10 percent State reimbursement. However, the sum of the incentive and the selected aid ratio may not exceed .950. In addition, cost allowances on all contracts awarded after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.

REORGANIZATION INCENTIVE BUILDING AID

Education Law, Section 3602, Subdivision 14, paragraphs e and f

For building projects related to reorganization, the district may receive reorganization incentive building aid in addition to its regular building aid.

Aid is paid on projects for which the general construction contract is signed prior to July 1, 2002 or within five years from the effective date of the reorganization, whichever is later.

For districts reorganizing prior to July 1, 1983,

$$\begin{array}{l} \text{Reorganization Incentive} \\ \text{Building Aid} \end{array} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 25\%$$

For districts reorganizing after July 1, 1983,

$$\begin{array}{l} \text{Reorganization Incentive} \\ \text{Building Aid} \end{array} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 30\%$$

In no case may the sum of regular Building Aid plus Incentive Building Aid exceed 95 percent of approved expenditures.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2002-03 SCHOOL YEAR

I. Average Daily Attendance/Average Daily Membership^a

- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period, such average is determined by dividing the total number of attendance days of all pupils by the number of days school was in session.
- B. Average Daily Membership (ADM) is a measure of enrollment. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session.

II. For Flex Aid pupil counts for wealth and aid, see the description of this aid category in Appendix III-E.

III. TAPU for Expense, TAPU for Payment, TAPU for Operating Aid Payment, TWPU and RWADA

Short Title	<u>Total Aidable Pupil Units For Expense</u> TAPU for Expense	<u>Total Aidable Pupil Units For Payment</u> Selected TAPU for Payment	<u>Total Wealth Pupil Units</u> TWPU	<u>Resident Weighted Average Daily Attendance</u> RWADA
Year used for aid payable in 2002-03	2000-01	2001-02 or Two-year Average (2000-01 and 2001-02) ^b	2000-01	2000-01
Attendance Periods	Full Year	Full Year	Full Year	Full Year
Students: Based on:	Served 100% ADA	Served 100% ADA	Resident 100% ADA	Resident 100% ADA
<hr/>				
<u>Basic Weightings</u>				
Half-Day Kindergarten	.50	.50	.50	.50
Kindergarten-Grade 6	1.00	1.00	1.00	1.00
Grades 7-12	1.00	1.00	1.00	1.25
Dual Enrollment	1.00	1.00	--	--

^a The average daily attendance (or average daily membership) of pupils attending private and State operated schools (Rome and Batavia) for pupils with disabilities is excluded from ADA (or ADM).

^bThe 2001-02 TAPU is based on 2000-01 ADA, adjusted by the enrollment index (change between 2000-01 and 2001-02 enrollment). The 2000-01 TAPU is based on 1999-00 ADA, adjusted by the enrollment index (change between 1999-00 and 2000-01 enrollment).

Additional Weightings

Secondary (including PSEN ^c but excluding HC in 1.7 & .9 public excess cost categories)	.25	.25	.25	--
PSEN (K-12 include. HC)	.25	.25	.25	--
Handicapped (HC)in public schools for:				
60% of school day (special class)	1.70	--	1.70	--
20% of school week ^d (resource room)	.90	--	.90	--
Direct/Indirect Consultant Teacher	.90	--	.90	--
Private School	--	--	--	--
Summer/Extra School	.12	.12	--	--

^c PSEN (Pupils with Special Educational Needs) are determined by multiplying district average daily attendance by the percentage of the student population falling below the State reference point on third and sixth grade reading and mathematics pupil evaluation program (PEP) tests administered in the Spring of 1985 and the Spring of 1986.

^d Or five periods (at least 180 minutes) per week.

APPENDIX III-D
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a as proposed will govern the schedule of school district payments as well as the manner in which monthly aid payments are calculated. Section 3609-a includes computerized aids payable as General Support for Public Schools (GSPS) except for amounts payable through sections 3609-b and 3609-d of the Education Law as well as Textbook, Software and Library Materials aids. In addition Section 3609-e of the Education Law governs the schedule of school district payments for School Tax Relief (STAR). This payment is intended to reimburse school districts for school property tax exemptions granted pursuant to Section 425 of the Real Property Tax Law. Growth Aid will not be paid until June 2003. Building Aid will be paid based on an assumed amortization for the 2002-03 aid year. Small Cities Aid is covered by Section 3609-c.

For GSPS aid payable in the 2002-03 school year, school districts will receive the lesser of (i) the sum of the aid calculated at the time of issuance of the 2002-03 Executive Budget or (ii) actual claims at the time of payment. A district may not exceed the sum of apportionments reported in the school aid computer listing entitled "BT004-1" which was released in January 2002 with issuance of the 2002-03 Executive Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2003. The payment schedule has several features:

GSPS Aids

- C Lottery Aid will continue to be paid in full on or before September 1.
- C School district obligations to the New York State Teachers Retirement System (TRS) will continue to be paid by the State on behalf of school districts in September, October and November.
- C "Fixed" payments will be paid in the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's apportionments, after TRS payments, will be paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent by October 15, 18.75 percent by November 15 and 25.00 percent by December 15.
- C "Individualized" payments will be calculated for the months of January through June, based on school district State Aid claims or data available to the Commissioner as of December 1. These will be calculated to guarantee that each district receives 50 percent of the sum of its State and local revenues by the first business day of January, 60 percent by February, 70 percent by March, 80 percent by April and 90 percent by May. All of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for General Support of Public Schools in March 2003. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for General Support of Public Schools is expended by March 31.
- C Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on or before March 31 on a prorata basis using the district's relative share of either: (1) for the sustaining advance payments, the total monies designated for payment in April, then May and finally June or (2) for the final payment for the State Fiscal Year, the total monies designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for General Support of Public Schools will be used.
- C Any aid payable for Growth Aid will be paid in addition to any remaining

balance of the June General Aid payment on the first business day in June. Building Aid will be paid based on an assumed amortization for the 2002-03 aid year. In addition the total of such aid payable through June for Growth Aid cannot exceed the total of such aid as it appears on the computer listing "BT004-1."

- C Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled "BT004-1" will be paid on the first business day of September, 2003.

STAR Aid

- C STAR exemptions have no effect on determining tax levies, rates or other State aid. School districts are reimbursed for the taxes foregone upon application to the State Office of Real Property Services. ORPS certifies to the Commissioner of Education amounts payable under the STAR program and school districts receive reimbursement from the State Education Department pursuant to a separate STAR payment schedule established in section 3609-e of the Education Law.
- C STAR reimbursements commencing in the 2001-02 school year are governed by a formula designed to ensure that outstanding STAR balances do not exceed specified percentages of a district's property tax levy. Assuming timely filing of claims by districts, any STAR amounts that exceed 25% of a district's property tax levy will be paid in October. Remaining STAR amounts that exceed 20% of levy will be paid in November and STAR owed in excess of 15% of levy will be paid in December. The balance of STAR due to districts will be paid by the first business day of January.
- C Payment amounts will be based on current data on file at the time of each payment through January.
- C Current statutory provisions authorizing the Commissioner to withhold State aid payments from school districts that have not submitted enrollment and expenditure data on a timely basis shall not apply to STAR aid payments.
- C Any increase in STAR aid that occurs as a result of adjustments that occur after the January payment will be paid by March 31, 2002.

Section 3609-b Payment

Section 3609-b of the Education Law requires that apportionments payable to school districts for Excess Cost Aids shall be designated as State share monies due to school districts pursuant to Title XIX of the Social Security Act (Medicaid Reimbursement). Such State share monies will be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid Reimbursement. Any remaining balances of Excess Cost Aids will be paid in accordance with the schedule below. Because separate formulas for Excess Cost Aids have been replaced by Flex Aid, aid payable to a district for the school year through Section 3609-b will be the same amount received by such school district pursuant to such Section 3609-b for the 2001-02 school year.

- C The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2002 will be paid on or before December 15.
- C The positive remainder of 70 percent of such aids minus any apportionment previously paid and any State share monies payable in the months of August 2002-February 2003 will be paid on or before March 15.
- C The positive remainder of 85 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2002-May 2003 will be paid on or before June 15.

- C The positive remainder of 100 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2002-July 2003 will be paid on or before August 15.

Section 3609-d Payment

- C Because a separate formula for BOCES aid has been replaced by Flex Aid, the amount of aid payable pursuant to Section 3609-d for the school year to each BOCES will equal the sum of the payments set forth for each of the component districts of the BOCES for the 2001-02 school year as shown on the 2001-02 Executive Budget school aid run entitled "BT032-1" under the heading "BOCES + Special Services" plus any BOCES Aid payable to contracting school districts, less than eight teacher districts and Special Act school districts based on data on file at the time of each payment. These payments are paid directly to the BOCES.
- C BOCES obligations to the New York State Teachers Retirement System (TRS) will be paid by the State on behalf of the BOCES from the apportionment payable to the BOCES by the fifteenth of each of the months of September, October and November.
- C An additional payment will be made to the BOCES on or before February 1st equal to 25 percent of the 2001-02 school year level on the "BT032-1" 2001-02 Executive Budget computer listing plus BOCES Aid payable for contracting school districts less than eight teacher districts and Special Act school districts, minus the payments made to TRS on the BOCES behalf.
- C An additional payment will be made to the BOCES on the first business day of June equal to 55 percent of the 2001-02 school year level on the "BT032-1" 2001-02 Executive Budget computer listing plus BOCES Aid payable for contracting school districts, less than eight teacher districts and Special Act school districts, minus the sum of all previous payments including payments made to TRS on the behalf of the BOCES.
- C Any remaining apportionment payable to the BOCES will be paid to the BOCES on the first business day of September, 2003.

Aid to Small City School Districts

Payments to small city school districts will be made pursuant to Section 3609-c of the Education Law. Aid will be paid so that from October 2002 to the first business day of June, 2003 each eligible small city school district will receive an amount, not to exceed in total 100 percent of the amount provided for this aid category in the 2002-03 Executive Budget.

APPENDIX III-E
FLEX AID INCREMENTS

FLEX AID

Education Law, Section 3602, Subdivision 12

Flex Aid Formula (a) = \$20.00 + ((\$100.42 x Regional Cost Index) x Flex Aid Ratio) x Flex Selected TAPU for payment

Flex Aid Ratio = The result of the following but not less than zero nor more than .90: $1.37 - (\text{Flex Combined Wealth Ratio} \times 1.10)$

Flex Combined Wealth Ratio = $(.5 \times \text{Flex Pupil Wealth Ratio}) + (.5 \times \text{Flex Alternate Pupil Wealth Ratio})$

Flex Pupil Wealth Ratio = $\frac{2000 \text{ Actual Valuation}/2001-02 \text{ Flex TWPU}}{\text{State Average Actual Valuation}/\text{Flex TWPU}}$

Flex Alternate Pupil Wealth Ratio =

$\frac{\text{District 2000 Adjusted Gross Income}/2001-02 \text{ Flex TWPU}}{\text{State Average Adjusted Gross Income}/\text{Flex TWPU}}$

Pupil Counts for Wealth and for Aid

Flex TWPU = Resident 2001-02 Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

Flex Selected TAPU for Payment = The higher of 2002-03 Flex TAPU or the average of 2001-02 and 2002-03 Flex TAPU. Flex TAPU are calculated based on Served Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

New York City

For New York City, all Flex Aid calculations will be on a city-wide basis.

Minimum Guarantee/Allowed Maximum (a)

Total State funding will be adjusted to ensure that all districts receive a minimum 1.0 percent increase over the 2002-03 Flex aid received by a district (up to a minimum of 1.5 percent for below-average wealth districts). There is no limit on the maximum aid a district may receive through the new Flex Aid formula.

- (a) Proportionate Adjustment: A proportionate adjustment will be calculated annually by the Commissioner of Education to ensure Flex Aid allocations conform to the amount appropriated.

REGIONAL COST INDEX *

Region	RCI	Region	RCI
Long Island/NYC	1.515	Western	1.155
New York City		Allegany	
Nassau		Cattaraugus	
Suffolk		Chautauqua	
Hudson Valley	1.475	Erie	
Dutchess		Niagara	
Orange		Southern Tier	1.152
Putnam		Broome	
Rockland		Chemung	
Sullivan		Chenango	
Ulster		Delaware	
Westchester		Otsego	
Capital District	1.250	Schuyler	
Albany		Steuben	
Columbia		Tioga	
Greene		Tompkins	
Rensselaer		Mohawk Valley	1.084
Saratoga		Fulton	
Schenectady		Herkimer	
Warren		Madison	
Washington		Montgomery	
Finger Lakes	1.244	Oneida	
Genesee		Schoharie	
Livingston		North Country	1.000
Monroe		Clinton	
Ontario		Essex	
Orleans		Franklin	
Seneca		Hamilton	
Wayne		Jefferson	
Wyoming		Lewis	
Yates		St. Lawrence	
Central	1.218		
Cayuga			
Cortland			
Onondaga			
Oswego			

* Based on a wage index created by the State Education Department from the median wages of 77 professional, non-teaching, occupations in nine labor force regions.

NOTE: School districts are assigned to counties based on the location of the district's central office.