

DESCRIPTION OF  
2004-05 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 2004-05 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 20, 2004.

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

Under Governor Pataki's leadership, New Yorkers have made generous investments in education with unprecedented school aid increases totaling \$4.7 billion, or 48 percent, during the past nine years. This is more than twice the inflationary growth of 23 percent during this same period. Through the combination of school aid and STAR, New York now supports 44 percent of statewide local spending on education, compared to 39 percent just nine years ago.

For the coming year, New York will build upon its generous investment in education with an increase of \$147 million in regular school aid - bringing State support for public schools to \$14.6 billion.

State support of New York City's schools has also increased dramatically under Governor Pataki. In the 2004-05 school year, New York City schools will receive \$5.4 billion in regular State aid - an increase of \$2.1 billion, or 61 percent from 1994-95. As a result of this significant infusion of State funds, New York City schools now receive a share of statewide school aid that exceeds their share of statewide student enrollment.

In addition to the \$14.6 billion for general school aid, the 2004-05 Executive Budget reserves certain new revenues to support expected reforms related to ensuring that every child has the opportunity to receive a sound basic education.

Beginning with the 2004-05 school year, all State revenues generated by Video Lottery Terminals (VLTs) will be dedicated to support the sound basic education requirements set forth in the State Constitution and reaffirmed in a recent decision by the State Court of Appeals. Based upon VLT facilities now being developed, as well as new ones to be authorized in legislation introduced with the Executive Budget, these receipts are expected to approximate \$325 million in the 2004-05 school year, growing to \$2 billion over the next five years. An allocation from these new overall VLT revenues will supplement a \$100 million sound basic education matching grant included in general school aid for New York City.

State Commission on Education Reform: In September 2003, Governor Pataki announced the creation of the State Commission on Education Reform - a nonpartisan group of educational,

business and community leaders who will develop a comprehensive set of recommendations to address the historic opportunity presented by the Court of Appeals' ruling to overhaul the State's education finance system.

The Commission is headed by former NASDAQ Chairman Frank G. Zarb and includes other members with a wide range of expertise and experience from across New York. The Commission has been charged with examining the cost of a sound basic education and recommending reforms to ensure all children have the opportunity for a sound basic education. The Commission will report its findings and recommendations to the Governor and the Legislature on March 1, 2004.

The Zarb Commission's study and recommendations will be guided by the following principles:

- Every school district should have the resources necessary to provide its students, including those students at-risk of academic failure, with the opportunity to obtain a sound basic education;
- School districts should provide educational services in an effective and efficient manner;
- The education finance system should allocate State resources in an equitable manner reflective of need and local fiscal capacity;
- Major changes in the education finance system should be implemented over a reasonable, multi-year transition period to ensure the sustained and stable long-term provision of resources; and
- All persons involved in the State's education system, including State and local officials, school administrators, teachers, other school personnel, parents and students, should be held accountable for carrying out their responsibilities in an efficient and effective manner.

2004-05 Executive Budget Recommendations: Key components of the 2004-05 Executive Budget recommendations for elementary and secondary education include the following:

- Seven existing formulas will be merged within a \$9,957.15 million Flex Aid program.
- Certain grant programs are maintained at their previous year's funding level. These include grants for Prekindergarten, Class Size Reduction and Minor Maintenance. (These aids will total \$387.80 million.) The Full-Day Kindergarten Incentive program will be funded at its statutory formula amount of \$3.66 million.
- For the 2004-05 school year, funding of \$1,359.46 million is recommended for Building Aid. Payment changes enacted in 2003 will be modified and continued for the 2004-05 school year and, as a result, only those projects for which a construction contract has been signed and notification received by the State Education Department by November 15, 2003 will receive funding in 2004-05. Projects for which notification is received by the State Education Department after such date will be eligible for Building Aid in 2005-06.
- In 2004-05 BOCES Aid will total \$480.58 million, a decrease of \$24.47 million. A district's BOCES Aid allocation will be the lesser of the amount provided in the base year or the amount generated under the existing statutory formula.
- Public Excess Cost Aid of \$2,198.81 million, the same amount as 2003-04, will be incorporated within the overall 2004-05 Flex Aid amount. Also, overall private special education funding will be limited to the current year funding total of \$187.42 million.
- An increase of \$20.29 million is provided for expense-based Transportation Aid. Funding for a district's non-capital transportation expenses will be capped at a 2.5 percent increase over the base year amount. Additionally, beginning in 2005-06, transportation-related capital expenditures will be funded consistent with recently adopted reforms in State reimbursement for school construction. During the transition to the new reimbursement program, capital grants will be provided to school districts from proceeds of State bonds. All future transportation-related capital

expenditures will be reimbursed over a term consistent with the useful life of the asset.

- Allocations for Growth Aid, Textbook Aid, Computer Software and Hardware Aid, Library Materials Aid, and Reorganization Incentive Operating Aid reflect existing statutory formulas. These six aids will total \$311.34 million.
- Various "below-the-line" categorical aid programs will be reduced to one-third of the base year amount including Teacher Support Aid (-\$44.99 million), Teacher Centers (-\$20.00 million), and Teacher-Mentor Intern programs (-\$2.67 million).
- Funding for the Teachers of Tomorrow program will be continued at \$20.00 million.

#### A. 2004-05 SCHOOL AID

Three years ago, Governor Pataki proposed a fundamental reform to the State's funding for public schools - known as Flex Aid. For 2004-05, the Executive Budget school aid proposal continues to reflect the basic principles of Flex Aid. Existing formulas are simplified and the number of formulas is reduced - seven aid categories are combined into a single consolidated funding stream. School districts also will have maximum flexibility in the use of their Flex Aid amounts.

#### FORMULA-BASED AIDS

Flex Aid: For the 2004-05 school year, school districts statewide will receive \$9,957.15 million in Flex Aid. The following seven aid categories are combined within Flex Aid at their base-year funding levels: Comprehensive Operating Aid, Extraordinary Needs Aid, Educationally Related Support Services Aid, Limited English Proficiency Aid, Summer School Aid, Tax Limitation Aid, and Public Excess Cost Aid.

Private Excess Cost Aid: This program supports special education programs serving public school children placed in private school settings and in the State-operated schools in Rome and Batavia. The Private Excess Cost aid formula is modified to eliminate existing fiscal incentives to place children in restrictive program settings. For 2004-05, the

statewide amount for this program will be limited to the current year funding total of \$187.42 million.

BOCES Aid: BOCES Aid will total \$480.58 million, a year-to-year decrease of \$24.47 million, or 4.85 percent, from 2003-04. A district's BOCES Aid allocation will be the lesser of the amount provided in the base year or the amount generated under the existing statutory formula.

The 2004-05 Executive Budget also recommends reforms to refocus Boards of Cooperative Educational Services (BOCES) on their core mission to promote cost-efficiency through the regional delivery of educational services. This goal will be accomplished by:

- Eliminating BOCES Aid for routine administrative services; and
- Ensuring true cost-efficiency in BOCES contracts for telecommunications and other services by requiring BOCES to demonstrate savings compared to existing State contract prices available through the Office of General Services.

Special Services Aid: Special Services Aid funds career education programs and computer services for school districts which are not components of a BOCES. All existing provisions of law are continued. The career education aid ceiling for 2004-05 is continued at \$3,720. Computer services aid is based upon an aid ratio multiplied by expenses up to \$62.30 multiplied by the district's K-12 enrollment. For 2004-05, this aid will total \$131.03 million, a decrease of \$1.34 million.

Transportation Aid: For 2004-05, the minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, aid will range from 6.5 to 90 percent of a district's approved transportation expenses). 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. Districts may also claim aid based on the transportation of pupils in summer school courses to improve performance during the summer of 2003. District expenditures for transportation to and from school district operated summer classes to improve student performance will be aided up to a maximum of \$5.00 million statewide.

For 2004-05, a district's Transportation Aid allocation for non-capital expenses will be limited to a maximum increase of 2.5 percent over base-year aid for such expenditures. Transportation Aid will total \$1,097.23 million in 2004-05, an increase of \$20.29 million.

Additionally, beginning in 2005-06, transportation-related capital expenditures will be funded consistent with recently adopted reforms in State reimbursement for school construction. In 2004-05, during the transition to the new reimbursement program, capital grants will be provided to school districts from proceeds of State bonds. All future transportation-related capital expenditures will be reimbursed over a term consistent with the useful life of the asset.

Building/Reorganization Incentive Building Aid: For 2004-05, Building Aid to support school building projects throughout the State (including Reorganization Incentive Aid for building expenses incurred by those school districts that reorganize under provisions of the Education Law) will total \$1,359.46 million, an increase of \$152.13 million. The 10 percent Building Aid enrichment provided for projects approved July 1, 1998 and thereafter is continued in 2004-05. Projects approved by voters beginning July 1, 2000 receive Building Aid based on the greater of their current year AV/RWADA aid ratio or their 1999-00 Building Aid ratio reduced by 10 percentage points.

State aid for all construction projects will be paid over the useful life of the project (15 years for reconstruction, 20 years for major construction/additions and 30 years for new buildings). Additionally, reflective of legislation enacted with the 2003-04 State Budget payment will be deferred for new construction projects in instances in which the school district did not file a notice that a general construction contract has been signed with the Commissioner of Education by November 15, 2003. Aid on these projects will be paid in July 2005.

Building Aid Reforms: To ensure limited State and local resources are effectively targeted to address school facility needs across New York, the following additional reforms are proposed for the coming year:

- **Priority-Based Project Selection:** The existing open-ended building aid program will be replaced with a priority-based system, which will apply to all projects approved by the State Education Department after February 1, 2004. There will also be a temporary moratorium on State aid for new

construction until the new priority-based system is implemented.

- **Simplified State Aid Calculation:** The building aid formula will be modified to include a simplified reimbursement methodology that provides realistic allowances for construction costs and student-based space needs.
- **State Clearinghouse for Efficient Construction Practices and Designs:** Centralized technical expertise and assistance will be available to school districts from the Dormitory Authority of the State of New York (DASNY), which will provide advisory services on efficient construction practices and designs. These services include:
  - Project Planning (i.e., master planning, feasibility studies, cost-benefit analyses, and access to cost-efficient designs);
  - Quality Review and Assurance (e.g., analysis of materials selection and third party review of construction documents); and
  - Construction Consultation and Review (e.g., review and resolution of construction issues, and analysis of change orders).

Reorganization Incentive Operating Aid: Reorganization Incentive Operating Aid is provided for operating expenses incurred by school districts that are scheduled for reorganization. It is paid as a supplement based on formula Operating Aid when districts meet certain conditions prescribed by law.<sup>1</sup> Since 1992, the operating aid enhancement for reorganizing districts has been 40 percent per year for the first five years after which the percentage of additional operating aid decreases four percent per year. The statutory provisions for Reorganization Incentive Operating Aid remain unchanged. For 2004-05, aid will amount to \$14.74 million, a decrease of \$2.79 million.

Textbook and Computer Aids: For the 2004-05 school year, the existing statutory funding provisions apply:

- Textbook Aid: These funds reimburse school districts for the purchase of textbooks which are loaned to both public

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<sup>1</sup> Where appropriate to the aid category calculation, Formula Operating Aid, which is described in subdivision 12 of Section 3602 of the Education Law, will be used.

and nonpublic pupils. Schools are also able to qualify for reimbursement based on eligible purchases of content-based instructional materials in an electronic format. The lottery funded portion of Textbook Aid is \$15.00 per pupil. The general fund portion will be \$42.30 per pupil, for a combined maximum Textbook Aid payment of \$57.30 per pupil. The existing statutory formula for this aid will provide \$188.65 million in 2004-05, a decrease of \$0.36 million.

- 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 the Rules of the Board of Regents. For the 2004-05 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2004-05, Computer Software Aid will total \$46.40 million, an increase of \$0.52 million.
- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides funding for the lease or purchase of mini- and microcomputers, computer terminals and technology equipment for instructional purposes, for repair costs and for staff development. Computer Hardware Aid equals approved expense (up to \$19.25 per pupil, adjusted by the current year AV/RWADA aid ratio). For the 2004-05 school year, \$28.38 million, an increase of \$0.28 million, is recommended.

Library Materials Aid: Districts are reimbursed for expenses up to \$6.00 per pupil based on public and nonpublic school enrollment. For 2004-05, Library Materials Aid will total \$19.58 million, an increase of \$0.32 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 Aid: Beginning in 1998-99, State funds were provided to expand the availability of prekindergarten programs for four-year-old children statewide. For 2004-05, funding of \$201.34 million is continued for State prekindergarten grants.

Class Size Reduction Aid: For 2004-05, \$136.49 is continued to enable school districts to reduce class size in kindergarten and in grades one through three.<sup>2</sup>

Minor Maintenance Aid: For 2004-05, \$49.97 million will be continued for support of minor maintenance projects necessary to preserve school facilities statewide.

Full-Day Kindergarten Incentive Aid: This aid category provides funding to encourage school districts to establish full-day kindergarten programs intended to strengthen the quality of education for five-year-old children. School districts first offering full-day kindergarten programs in 2004-05 will receive current year formula Operating Aid for any increase in the number of students served in full-day programs in 2004-05 compared to 2003-04. For 2004-05, a total of \$3.66 million, a decrease of \$3.91 million, is provided for this program reflecting a continuing decline in the level of new incentive grant applications from school districts.

New York City Sound Basic Education Grant: For 2004-05, \$100.00 million is provided for New York City consistent with ensuring its schools provide students with the opportunity for a sound basic education. This grant must be matched by an equal additional amount from New York City. This amount will be in addition to an allocation provided to New York City from the overall \$325 million VLT reserve.

#### GRANT PROGRAMS AND OTHER AID CATEGORIES

Growth Aid: Growth Aid will be paid as a separate apportionment to qualifying districts in June 2005. As provided for in Chapter 474 of the Laws of 1996, a district's growth index is calculated based on the change in enrollment. For 2004-05, \$13.59 million is provided through the statutory formula for Growth Aid, a decrease of \$16.34 million.

Teachers of Tomorrow: For 2004-05, \$20.00 million will be continued for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist. Of available funds, \$12.00 million, or 60 percent, will go to New York City.

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<sup>2</sup> A funding total of up to \$201.94 million is available for Prekindergarten Aid and up to \$138.31 million for Class Size Reduction Aid.

Teacher Support Aid: Funding of \$22.49 million, a decrease of \$44.99 million is recommended for this program in the 2004-05 school year.

Teacher Resource and Computer Training Centers: Funding of \$10.00 million, a decrease of \$20.00 million is recommended for this program in the 2004-05 school year.

Teacher-Mentor Intern: A total of \$1.33 million, a decrease of \$2.67 million, is recommended for 2004-05 to support school-year programs through which new teachers work with an experienced teacher as their mentor.

Roosevelt School District: For the 2004-05 school year, \$6.00 million, the same as last year, is recommended for academic improvement in the Roosevelt School District.

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

Categorical Reading Aid: This aid 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 2004-05, 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: Funding of \$66.35 million, the same amount as last year, is recommended to support 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 \$136.10 million, an increase of \$300,000, is provided for 20 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	1,975,000
• 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	366,000
• Greenburgh	300,000
• Peekskill	200,000

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 amount as in 2003-04, will be allocated to small city school districts for the 2004-05 school year.

Urban-Suburban Transfer: A total of \$1.13 million will be provided in 2004-05 to districts that participate in a voluntary interdistrict transfer between urban and suburban school districts to reduce racial isolation. Related transportation expenses are eligible for Transportation Aid.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs for persons who are 21 years of age or older who have not received a high school diploma. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid of \$84.00 million, the same as last year is recommended for the 2004-05 school year. Approved claims above such amount will be subject to proration.

Education of Homeless Children: Chapter 348 of the Laws of 1988 amended Section 3602 of the Education Law to institute this program of State aid under which 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 2004-05 is estimated at \$5.91 million, an increase of \$0.30 million.

Aid for Incarcerated Youth: A total of \$14.50 million, an increase of \$0.50 million, is recommended to continue support for the provision of educational services to youth detained in local correctional facilities. Pursuant to the provisions of Chapter 564 of the Laws of 2001, eligibility for State aid is now expanded to include youth shelters which are court-approved residential facilities used as alternatives to incarceration.

State Bilingual Categorical Funds: In 2004-05, \$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. Such programs employ two languages (one of which is English) for the purpose of instruction and involve students whose native language is other than English.

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

Education of OMH/OMR Pupils: A total of \$26.00 million, an increase of \$1.00 million, 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. Aid is also provided 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.

Learning Technology Grants: Learning technology programs, including services benefiting nonpublic school students, are recommended to be funded at \$3.29 million, the same as last year.

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 the distribution of training materials.

#### 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 2004-05, \$475,000 will 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. This program was not funded in the 2003-04 school year. For 2004-05, a total of \$500,000 is provided to continue support for 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: For the 2004-05 school year, a total of \$6.00 million is provided by the State for start-up grants to charter schools and administrative and technical support provided by the Charter School Institute for the 2004-05 school year. Also, Federal funding of \$6.80 million is provided for start-up costs of charter schools. This Federal funding

represents the third year of funding under the Federal Charter School Program Grant. Charter schools will enroll over 20,000 New York State students in more than 50 schools with additional schools expected to open in 2005-06.

Basic Education for Public Assistance Recipients: For 2004-05, \$5.00 million is continued for programs for adult basic education for public assistance recipients 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.

Adult Literacy Education: An appropriation of \$3.32 million is recommended in 2004-05 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.

Targeted Prekindergarten Program: Prekindergarten programs provide health, psychological and social services to four-year-old children from economically deprived neighborhoods along with a pre-kindergarten educational program. A total of \$50.20 million, the same as last year, is recommended for the 2004-05 school year. Grants to support existing school year programs will be awarded based on Regulations of the Commissioner subject to the approval of the Director of the Budget.

Lunch/Breakfast Programs: A total of \$31.70 million in State funds, 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 \$670 million for the 2004-05 Federal fiscal year, an increase of \$39 million, or 6 percent compared to 2003-04.

Education of Native Americans: A total of \$19.00 million, an increase of \$3.00 million, is provided 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 funds services to approximately 2,500 children living on 9 reservations and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Nonpublic School Aid: A total of \$83.30 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. This funding level is \$2.50 million more than that provided for during the 2003-04 school year (\$8.00 million is included in the base-year total that is recommended in the 2003-04 deficiency bill).

Academic Intervention for Nonpublic Schools: A total of \$1.00 million will 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 \$104.67 million, a net increase of \$4.00 million, is provided for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for children with multiple disabilities, under Article 85 of the Education Law. An increase of \$5.00 million is provided in 2004-05 to support cost increases of the schools. To ensure appropriate service delivery and oversight of the Deaf Infant program, the Executive Budget proposes the transfer of this program to the Department of Health for oversight and inclusion in the Early Intervention program that serves disabled infants and toddlers until they are three years old. This transfer reduces the appropriation by \$1.00 million resulting in an overall year-to-year increase of \$4.00 million.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$552.20 million is continued for the State's share of the costs of education for three- and four-year old children with disabilities. Similar to 2003-04, prior year claims on file with the State Education Department as of April 1, 2004 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2004-05 will receive priority status for payment in 2005-06.

Summer School Program for Disabled Students: An appropriation of \$182.40 million, an increase of \$8.70 million, 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 2004-05 appropriation will fund prior year liabilities and up to 70 percent of the 2004-05 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Special Education - Federal Medicaid Recovery: For the 2004-05 State fiscal year, Chapter 53 continues a \$170.00 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.

Summer Food Program: A total of \$3.30 million in State funds, the same as last year, is recommended to subsidize summer food service programs operating during the 2004-05 school year.

Targeted Special Education Teacher Salary Supplement: A total of \$2.00 million is recommended for this program with funds awarded to eligible Special Act and 853 Schools to help prevent excessive instructional staff turnover.

Other Categorical Aid Programs: 5 percent reduction in funding is recommended for the following programs in the 2004-05 school year:

- Extended School Day/School Violence Prevention funding is recommended at \$28.69 million, generating savings of \$1.51 million;
- Schools Under Registration Review funding is recommended at \$1.90 million, generating savings of \$100,000;
- AIDS Education Program funding is recommended at \$658,400, generating savings of \$34,650;
- Workplace Literacy funding is recommended at \$1.31 million, generating savings of \$68,800.
- Apprenticeship Training funding is recommended at \$1.74 million, generating savings of \$91,500.
- Transferring Success funding is recommended at \$598,300, generating savings of \$31,500;
- Primary Mental Health Project funding is recommended at \$541,500, generating savings of \$28,500;
- Comprehensive School Health Demonstration Program funding is recommended at \$349,200, generating savings of \$18,300;

- Consortium for Worker Education funding is recommended at \$8.55 million, generating savings of \$450,000.
- School Health Demonstration Project funding is recommended at \$142,500, generating savings of \$7,500; and
- Children of Migrant Workers funding is recommended at \$85,500, generating savings of \$4,500.

Advances to HURD City School Districts: A total of \$7,601,000 in loan funds (HURD advances) is appropriated in 2004-05 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/Prior Year Claims: The 2004-05 Executive Budget recommends \$28.00 million for payment of prior year claims and/or fiscal stabilization grants for the 2004-05 school year. This represents a reduction of \$62.00 million in Fiscal Stabilization grants for New York City reflecting provisions of Chapter 63 of the Laws of 2003 (the New York City Omnibus Aid bill) that have mitigated the need for these funds in 2004-05.

## SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 established New York State's School Tax Relief (STAR) program which will provide \$2.44 billion in 2004-05 to reimburse school districts for State-authorized property tax relief for homeowners. Senior homeowners at least 65 years old and with incomes up to \$63,750 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.

### 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 in the 2004-05 school year will be governed by a statutory 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 on the first business day of January. Any increase in STAR aid that occurs as a result of adjustments that are made after the January payment will be paid by March 31, 2005.

## 2004-05 Budget STAR-Related Changes

New STAR Credit: The Executive Budget will enrich the school tax relief measures enacted under the STAR program. Under the existing STAR program, school tax relief will total \$3.0 billion in 2004-05. A new State STAR credit will provide additional tax relief to recognize the effects of inflation on STAR benefits. As a result, local taxpayers will save an additional \$43 million against their property taxes in the coming year, paid to them as a credit on their income tax.

Under the new STAR credit, the increase in the Consumer Price Index will be used to adjust STAR benefits that currently average \$1,080 for seniors receiving the \$50,000 enhanced exemption and \$710 for other homeowners receiving the \$30,000 basic exemption. The STAR credit will be available for all homeowners in school districts that keep their spending within the proposed spending cap.

Capping School Spending Increases: To protect taxpayers from unrestrained school tax increases, the Governor is proposing legislation that caps school budget increases. A school district's annual spending could not exceed 4 percent or 120 percent of the increase in the Consumer Price Index for the prior year, whichever is less. Expenditures driven by factors beyond the control of school districts -- e.g. enrollment increases, certiorari costs and court ordered funding to provide a sound basic education -- are exempt from the cap. Local taxpayers could approve spending increases above the spending cap with a two-thirds majority vote.

School Property Tax Report Card: The 2004-05 Executive Budget proposes to expand the School Property Tax Report Card to require school districts to include information displaying the three year change in the school tax levy compared to the change in the consumer price index thereby helping local taxpayers review school spending trends.

## OTHER INITIATIVES

Charter Schools: In September 1999, the opening of New York's first three charter schools marked the beginning of one of the most significant education reforms in State history. To date, 55 charter schools have been established across the State and serve more than 20,000 students. For 2004-05, the State will continue this reform by maintaining funding of \$6 million in support for the Charter School Stimulus Fund. This funding will help meet existing facility needs and support the development of new charter schools.

Mandate Relief: To alleviate the costly burden of mandates on our schools, the following reforms are recommended:

- The Board of Regents will be required to obtain the review and approval of the Governor's Office of Regulatory Reform for new regulations that would have substantial costs for schools, the State or local governments.
- Schools will benefit from an exemption from Wicks Law requirements, which mandate the use of multiple contractors. This reform will reduce the cost of new school construction by more than 10 percent.

Advantage Schools: The Advantage After-School Program provides school-age children with supervised educational and social activities during non-school hours. The Governor's Budget restores the Advantage Schools program to \$20.2 million in 2004-05, \$10.2 million more than the enacted 2003-04 budget. This increase is expected to return Advantage Schools to a full program level, providing vital after-school services to more than 25,000 children throughout the State.

## II

### SUMMARY OF 2004-05 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

#### School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2004-05 New York State aid programs relating to support for public schools: the 2004-05 school year which runs from July 1, 2004 through June 30, 2005; and the 2004-05 State fiscal year which runs from April 1, 2004 through March 31, 2005. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for School Aid and the 2003-04 and 2004-05 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 2004-05. Computerized aids increase by 1.75 percent.
- Table II-B gives the 2003-04 and 2004-05 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 -- 2003-04 AND 2004-05 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2003-04 School Year	2004-05 School Year	Change	% Change
I. Computerized Aids:	(----- Amounts in Million -----)			
Comprehensive Operating Aid	\$6,840.62	\$0.00	NA	NA %
Extraordinary Needs Aid	703.12	0.00	NA	NA
ERSSA	71.08	0.00	NA	NA
Limited English Proficiency	77.41	0.00	NA	NA
Summer School	36.18	0.00	NA	NA
Tax Limitation Aid	29.93	0.00	NA	NA
Excess Cost - Public	2,198.81	0.00	NA	NA
Flex Aid	\$9,957.15	\$9,957.15	\$0.00	0.00 %
Excess Cost - Private	187.42	187.42	0.00	0.00
Textbooks (Incl. Lottery)	189.01	188.65	(0.36)	(0.19)
Computer Software	45.88	46.40	0.52	1.13
Computer Hardware	28.10	28.38	0.28	1.00
Library Materials	19.26	19.58	0.32	1.66
Prekindergarten	201.34	201.34	0.00	0.00
Class Size Reduction	136.49	136.49	0.00	0.00
Minor Maintenance	49.97	49.97	0.00	0.00
New York City Sound Basic Education Grant	0.00	100.00	100.00	NA
Subtotal Computerized Aids Excluding Bldg, Trans, BOCES, Sp Serv, FDK, Reorg Oper	10,814.62	10,915.38	100.76	0.93
Transportation (Including Summer)	1,076.94	1,097.23	20.29	1.88
Building/Reorganization Building	1,207.33	1,359.46	152.13	12.60
BOCES	505.05	480.58	(24.47)	(4.85)
Special Services (Career Ed./Computer Admin.)	132.37	131.03	(1.34)	(1.01)
Full-Day Kindergarten	7.57	3.66	(3.91)	(51.65)
Reorganization Incentive (Operating)	17.53	14.74	(2.79)	(15.92)
Computerized Aids Total	\$13,761.41	\$14,002.10	\$240.69	1.75 %
II. Grant Programs and Other Aid Categories:				
Capital Outlay Transition Grant Adjustments	11.44	0.00	(11.44)	(100.00)
Growth Aid	29.93	13.59	(16.34)	(54.59)
Teachers of Tomorrow	20.00	20.00	0.00	0.00
Teacher Centers	30.00	10.00	(20.00)	(66.67)
Teacher-Mentor Intern	4.00	1.33	(2.67)	(66.75)
Teacher Support Aid	67.48	22.49	(44.99)	(66.67)
Roosevelt	6.00	6.00	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	135.80	136.10	0.30	0.22
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	84.00	84.00	0.00	0.00
Homeless Pupils	5.61	5.91	0.30	5.35
Incarcerated Youth	14.00	14.50	0.50	3.57
Bilingual	11.20	11.20	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	25.00	26.00	1.00	4.00
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	2.00	2.00	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Add'l Prekindergarten	0.60	0.60	0.00	0.00
Add'l Class Size Reduction	1.82	1.82	0.00	0.00
Subtotal	655.94	562.60	(93.34)	(14.23)
SCHOOL YEAR TOTAL	\$14,417.35	\$14,564.70	\$147.35	1.02 %

Source: State Education Department computer runs and Executive Budget estimates of January 20, 2004.

TABLE II-B  
2003-04 AND 2004-05 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	2003-04	2004-05	Change Amount	Percent
School Aid and STAR	\$17,192,287,000	\$17,644,747,000	\$452,460,000	2.63 %
General Support for Public Schools	11,688,886,600	11,859,584,000	170,697,400	1.46
Teacher Support Aid	15,745,400	15,743,000	(2,400)	(0.02)
Small City School Districts	57,260,000	57,316,000	56,000	0.10
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	95,060,000	95,270,000	210,000	0.22
Teacher-Mentor Intern	1,169,000	0 (b)	(1,169,000)	(100.00)
Teacher Resource & Computer Centers	8,000,000 (a)	0 (b)	(8,000,000)	(100.00)
BOCES	467,654,000	496,286,000	28,632,000	6.12
Employment Preparation Education	96,180,000	84,000,000	(12,180,000)	(12.66)
Total General Fund	12,521,165,000	12,699,409,000	178,244,000	1.42
STAR: School Tax Relief Fund	2,836,000,000 (c)	3,000,000,000	164,000,000	5.78
Lottery Fund	1,835,122,000	1,945,338,000	110,216,000	6.01
Other Public Elementary and Secondary Education Programs	\$216,688,300	\$180,461,000	(\$36,227,300)	(16.72) %
Targeted Prekindergarten	50,200,000	50,200,000	0	0.00
Children of Migrant Workers	90,000	85,500	(4,500)	(5.00)
Transferring Success	629,800	598,400	(31,400)	(4.99)
Adult Basic Education	5,000,000	5,000,000	0	0.00
Adult Literacy Education	3,324,700	3,324,700	0	0.00
AIDS Education	693,000	658,400	(34,600)	(4.99)
Workplace Literacy	1,376,100	1,307,300	(68,800)	(5.00)
Apprenticeship Training	1,830,000	1,738,500	(91,500)	(5.00)
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans	16,000,000	19,000,000	3,000,000	18.75
New York State Center for School Safety	0	475,000	475,000	NA
Civility, Citizenship and Character Education Curriculum	0	500,000	500,000	NA
Comprehensive School Health Demonstration	367,500	349,200	(18,300)	(4.98)
Academic Intervention for Nonpublic Schools	1,000,000	1,000,000	0	0.00
Extended School Day/School Violence Prevention	30,200,000	28,690,000	(1,510,000)	(5.00)
School Health Demonstration Project	150,000	142,500	(7,500)	(5.00)
Schools Under Registration Review	2,000,000	1,900,000	(100,000)	(5.00)
Primary Mental Health Project	570,000	541,500	(28,500)	(5.00)
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	9,000,000	8,550,000	(450,000)	(5.00)
Greenburgh Magnet School	300,000	0 (b)	(300,000)	(100.00)
City School District of the City of New York	12,000,000	0	(12,000,000)	(100.00)
Buffalo City School District	5,000,000	0	(5,000,000)	(100.00)
Charter School Start Up Grants	0	6,000,000	6,000,000	NA
Additional Workplace Literacy	140,000	0	(140,000)	(100.00)
Add'l Consortium for Worker Education	318,500	0	(318,500)	(100.00)
Grants-in-aid for Certain School Districts	41,498,700	0	(41,498,700)	(100.00)
Fiscal Stabilization Grants/Prior Year Claims	0	15,400,000	15,400,000	NA
Other School Programs	\$728,391,000	\$746,041,000	\$17,650,000	2.42 %
Nonpublic School Aid	80,800,000 (d)	83,300,000	2,500,000	3.09
Private Schools for the Blind & Deaf (G.F.)	100,671,000	104,671,000	4,000,000	3.97
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment Aid	0	2,000,000	2,000,000	NA
Preschool Handicapped	552,200,000	552,200,000	0	0.00
Summer School Handicapped	173,700,000	182,400,000	8,700,000	5.01
Less: Special Education Medicaid Offset	(170,000,000)	(170,000,000)	0	0.00
Less: Consortium for Worker Education Offset	(9,000,000)	(8,550,000)	450,000	(5.00)
Fiscal Year Total (excluding Hurd Loans)	\$18,137,366,300	\$18,571,249,000	\$433,882,700	2.39 %
Advances to Hurd City School Districts (e)	8,687,000	7,601,000	(1,086,000)	(12.50)
FISCAL YEAR TOTAL	\$18,146,053,300	\$18,578,850,000	\$432,796,700	2.39 %

(a) Funding for Teacher Resource and Computer Training Centers was provided both within school aid and outside of school aid in 2003-04.

Additional funds for Teacher Resource and Computer Training programs may be included in the \$41,498,700 grants-in-aid amount.

(b) Included within General Support for Public Schools for 2004-05.

(c) Includes proposed deficiency of \$40,000,000.

(d) Includes proposed deficiency of \$8,000,000.

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

Source: Laws of the State of New York: Chapters 53, 54 and 62, Laws of 2003; 2004-2005 Executive Budget and recommended deficiency budget.

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

Enacted school aid provisions will increase payments to 430 major school districts by a total of \$276.99 million in the 2004-05 school year. There are 250 districts that are projected to have decreases of \$36.30 million. The combined total of increases and reductions produce a net increase statewide of \$240.69 million, or 1.75 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 increase for all aids is 1.05 percent.
- In Table II-E, major 2004-05 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 1.75 percent. The 371 districts in the 18 most populous counties contain 48.74 percent of the State's public school pupils. These districts will receive 43.36 percent of the 2004-05 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 1.62 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 1.41 percent and will receive 19.52 percent of the 2004-05 combined aids total.

TABLE II-C  
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICT FINANCED  
THROUGH SCHOOL AID APPROPRIATIONS: 2003-04 AND 2004-05

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
I. Computerized Aids:	(----- Amounts in Millions -----)									
Comprehensive Operating Aid	\$2,488.78	\$0.00	\$183.66	\$0.00	\$121.92	\$0.00	\$81.77	\$0.00	\$35.70	\$0.00
Extraordinary Needs Aid	404.84	0.00	23.37	0.00	25.54	0.00	9.30	0.00	8.09	0.00
ERSSA	32.35	0.00	2.30	0.00	2.17	0.00	1.10	0.00	0.61	0.00
Limited English Proficiency	51.53	0.00	2.44	0.00	2.54	0.00	1.18	0.00	1.74	0.00
Summer School	26.37	0.00	1.01	0.00	1.22	0.00	0.02	0.00	0.23	0.00
Tax Limitation Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess Cost - Public Flex Aid	801.21	0.00	49.43	0.00	63.36	0.00	30.15	0.00	19.31	0.00
	<u>\$3,805.08</u>	<u>\$3,805.08</u>	<u>\$262.21</u>	<u>\$262.21</u>	<u>\$216.75</u>	<u>\$216.75</u>	<u>\$123.52</u>	<u>\$123.52</u>	<u>\$65.68</u>	<u>\$65.68</u>
Excess Cost - Private	89.94	83.85	12.16	11.18	7.78	8.11	0.24	0.23	2.70	2.91
Software, Library, Textbooks	103.61	102.87	4.16	4.17	2.72	3.47	1.62	1.74	2.55	2.51
Computer Hardware	11.24	11.01	0.71	0.71	0.59	0.60	0.20	0.28	0.22	0.23
Prekindergarten	146.53	146.53	7.10	7.10	7.06	7.06	3.22	3.22	2.60	2.60
Class Size Reduction	88.84	88.84	4.97	4.97	5.25	5.25	3.30	3.30	4.60	4.60
Minor Maintenance	33.33	33.33	0.60	0.60	0.43	0.43	0.26	0.26	0.34	0.34
New York City Sound Basic Education Grant	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Computerized Aids Excluding Bldg, Trans, and Special Services	<u>4,278.58</u>	<u>4,371.51</u>	<u>291.92</u>	<u>290.95</u>	<u>240.59</u>	<u>241.67</u>	<u>132.36</u>	<u>132.54</u>	<u>78.69</u>	<u>78.87</u>
Transportation (Including Summer)	307.35	314.99	25.15	25.78	30.28	32.40	10.39	10.31	10.82	11.09
Building Aid	408.42	414.60	8.47	8.84	14.65	14.96	6.00	6.59	2.88	2.93
Special Services (Career Ed/Comp Admin.)	98.05	97.20	10.33	10.43	8.22	8.49	4.64	4.70	4.79	4.68
Computerized Aids Total	<u>\$5,092.40</u>	<u>\$5,198.30</u>	<u>\$335.87</u>	<u>\$336.00</u>	<u>\$293.74</u>	<u>\$297.52</u>	<u>\$153.39</u>	<u>\$154.14</u>	<u>\$97.18</u>	<u>\$97.57</u>
Change from 2003-04 School Year		\$105.90		\$0.13		\$3.78		\$0.75		\$0.39
Percent		2.08%		0.04%		1.29%		0.49%		0.40%
II. Grant Programs and Other Aid Categories:										
Growth Aid	0.00	0.00	1.07	0.00	1.27	0.00	0.00	0.00	0.00	0.00
Teachers of Tomorrow	12.00	12.00	0.84	0.84	2.06	2.06	0.64	0.64	2.32	2.32
Teacher Centers	10.89	3.63	0.71	0.24	0.46	0.15	0.46	0.15	0.28	0.09
Teacher-Mentor Intern	1.68	0.56	0.15	0.05	0.20	0.07	0.11	0.04	0.00	0.00
Teacher Support Aid	62.71	20.90	1.74	0.58	1.08	0.36	0.81	0.27	1.15	0.38
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>201.61</u>	<u>151.42</u>	<u>49.54</u>	<u>46.74</u>	<u>28.52</u>	<u>26.09</u>	<u>22.62</u>	<u>21.70</u>	<u>47.35</u>	<u>46.39</u>
SCHOOL YEAR TOTAL SELECTED AIDS	<u>\$5,294.01</u>	<u>\$5,349.72</u>	<u>\$385.41</u>	<u>\$382.74</u>	<u>\$322.26</u>	<u>\$323.61</u>	<u>\$176.01</u>	<u>\$175.84</u>	<u>\$144.53</u>	<u>\$143.96</u>
Change from 2003-04 School Year		\$55.71		(\$2.67)		\$1.35		(\$0.17)		(\$0.57)
Percent		1.05%		-0.69%		0.42%		-0.10%		-0.39%

Source: State Education Department computer runs and Executive Budget estimates of January 20, 2004.

TABLE II-D  
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID  
APPROPRIATIONS -- 2003-04 AND 2004-05 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2003-04 School Year	2004-05 School Year	Change	% Change
I. Computerized Aids:	(----- Amounts in Million -----)			
Comprehensive Operating Aid	\$2,488.78	\$0.00	NA	NA %
Extraordinary Needs Aid	404.84	0.00	NA	NA
ERSSA	32.35	0.00	NA	NA
Limited English Proficiency	51.53	0.00	NA	NA
Summer School	26.37	0.00	NA	NA
Tax Limitation Aid	0.00	0.00	NA	NA
Excess Cost - Public	<u>801.21</u>	<u>0.00</u>	<u>NA</u>	<u>NA</u>
Flex Aid	\$3,805.08	\$3,805.08	\$0.00	0.00 %
Excess Cost - Private	89.94	83.85	(6.09)	(6.77)
Textbooks (Incl. Lottery)	75.85	75.32	(0.53)	(0.70)
Computer Software	19.82	19.67	(0.15)	(0.76)
Computer Hardware	11.24	11.01	(0.23)	(2.05)
Library Materials	7.94	7.88	(0.06)	(0.76)
Prekindergarten	146.53	146.53	0.00	0.00
Class Size Reduction	88.84	88.84	0.00	0.00
Minor Maintenance	33.33	33.33	0.00	0.00
New York City Sound Basic Education Grant	0.00	100.00	100.00	NA
Subtotal Computerized Aids Excluding Bldg, Trans, and Special Services	<u>4,278.58</u>	<u>4,371.51</u>	<u>92.93</u>	<u>2.17</u>
Transportation (Including Summer)	307.35	314.99	7.64	2.49
Building/Reorganization Building	408.42	414.60	6.18	1.51
Special Services (Career Ed./Computer Admin.)	98.05	97.20	(0.85)	(0.87)
Computerized Aids Total	<u>\$5,092.40</u>	<u>\$5,198.30</u>	<u>\$105.90</u>	<u>2.08 %</u>
II. Grant Programs and Other Aid Categories:				
Growth Aid	0.00	0.00	0.00	0.00
Teachers of Tomorrow	12.00	12.00	0.00	0.00
Teacher Centers	10.89	3.63	(7.26)	(66.67)
Teacher-Mentor Intern	1.68	0.56	(1.12)	(66.67)
Teacher Support Aid	62.71	20.90	(41.81)	(66.67)
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	29.40	29.40	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	4.50	4.50	0.00	0.00
Comptroller Audits	0.00	0.00	0.00	0.00
Education of OMH/OMR Pupils	9.50	10.00	0.50	5.26
Special School Districts	0.00	0.00	0.00	0.00
Chargebacks	(5.00)	(5.00)	0.00	0.00
Tuition Adjustment	0.00	0.00	0.00	0.00
CVEEB	0.00	0.00	0.00	0.00
BOCES Aid for Special Act Districts	0.00	0.00	0.00	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Shared Services Incentive	0.00	0.00	0.00	0.00
Native American Building	0.00	0.00	0.00	0.00
Bus Driver Safety	0.00	0.00	0.00	0.00
Subtotal	<u>241.14</u>	<u>191.45</u>	<u>(49.69)</u>	<u>(20.61)</u>
SCHOOL YEAR TOTAL	<u>\$5,333.54</u>	<u>\$5,389.75</u>	<u>\$56.21</u>	<u>1.05 %</u>

Source: State Education Department computer runs and Executive Budget estimates of January 20, 2004.

TABLE II-E  
CHANGE IN SCHOOL AID (a) FOR 2003-04 AND 2004-05 SCHOOL YEARS:  
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dtrs.	Percent of Total State TAPU (b)	2004-05 Combined Aids		Percent of State Total	Change in Aid from 2003-04 to 2004-05		Number of Districts	
			2003-04 Combined Aids	Amount		Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.46	\$151,345	\$152,340	1.09	\$995	0.66	8	5
Broome	12	1.13	176,601	183,531	1.31	6,930	3.92	10	2
Chautauqua	18	0.83	165,053	166,041	1.19	988	0.60	7	11
Dutchess	13	1.62	180,344	181,413	1.30	1,069	0.59	8	5
Erie	28	4.93	737,537	743,242	5.31	5,705	0.77	20	8
Monroe	18	4.22	628,950	646,664	4.62	17,714	2.82	15	3
Nassau	56	7.46	543,969	547,700	3.91	3,731	0.69	33	23
Niagara	10	1.22	215,748	214,221	1.53	(1,527)	(0.71)	3	7
Oneida	15	1.30	235,309	236,622	1.69	1,313	0.56	11	4
Onondaga	18	2.69	395,558	404,928	2.89	9,370	2.37	13	5
Orange	17	2.33	324,825	325,954	2.33	1,129	0.35	10	7
Rensselaer	11	0.81	137,271	142,972	1.02	5,701	4.15	8	3
Rockland	8	1.48	126,861	132,675	0.95	5,814	4.58	5	3
Saratoga	12	1.26	162,102	166,512	1.19	4,410	2.72	9	3
Schenectady	6	0.78	102,514	105,474	0.75	2,960	2.89	4	2
Suffolk	67	9.25	1,218,667	1,244,371	8.89	25,704	2.11	48	19
Ulster	9	0.98	130,003	129,765	0.93	(238)	(0.19)	5	4
Westchester	40	4.99	341,680	346,826	2.48	5,146	1.51	28	12
18 Most Populous Counties	371	48.74	\$5,974,338	\$6,071,251	43.36	\$96,913	1.62	245	126
New York City	1	36.84	5,092,403	5,198,302	37.13	105,899	2.08	1	0
Rest of State	308	14.42	2,694,671	2,732,545	19.52	37,874	1.41	184	124
TOTAL STATE	680	100.00	\$13,761,412	\$14,002,098	100.00	\$240,686	1.75	430	250

(a) 2004-05 aids include flex aid, private excess cost, textbook, computer software, computer hardware, library materials, reorganization incentive (operating and building), BOCES, special services, prekindergarten, class size reduction, minor maintenance, full-day kindergarten, New York City sound basic education grant, transportation (including summer), and building aid.

(b) The TAPU for payment pupil count used for 2004-05 formula operating aid.

Source: State Education Department computer runs and Executive Budget estimates of January 20, 2004.

### III

#### APPENDICES

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

- Appendix III-A summarizes the School Aid categories and adjustments recommended for 2004-05 and compares them with the 2003-04 aid categories.
- Appendix III-B provides the mathematical formulas for computing 16 different aids for 2004-05 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas.
- Appendix III-D describes the payment schedule for aids payable under section 3609 of the Education Law in the 2004-05 school year.

APPENDIX III-A  
COMPARISON OF 2003-04 AND 2004-05 SCHOOL AID PROGRAMS

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>FLEX AID</u>	None	The sum of a district's 2003-04 comprehensive operating, extraordinary needs aid, erssa, limited English proficiency, summer school, tax limitation and public excess cost aid.
<u>COMPREHENSIVE OPERATING AID</u>	<p>School districts statewide will receive aid equal to the 2002-03 sum of Comprehensive Operating Aid, Gifted and Talented Aid, Operating Standards Aid and Academic Support Aid minus a reduction calculation described below.</p> <p>Each district will be assessed a reduction amount equal to 1.75 percent of its 2002-03 total for the 4 aid categories noted above.</p> <p>All districts will be assessed an additional reduction amount calculated using Free and Reduced Price Lunch (FRPL) data and the school district's Combined Wealth Ratio (CWR).<sup>3</sup> The higher the percentage of students eligible for free and reduced price lunch programs and the lower the per pupil income and property wealth of the district, the smaller the amount of the district's additional reduction.</p>	<p style="text-align: center;">None</p> <p>Comprehensive Operating Aid is one of 7 existing formulas that will be replaced by Flex Aid.</p>

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<sup>3</sup> A district's Combined Wealth Ratio for 2003-04 is equal to:  $(.5 \times \text{District Pupil Wealth Ratio}) + (.5 \times \text{District Alternate Pupil Wealth Ratio})$ . The district Pupil Wealth Ratio is equal to:  $\frac{(2000 \text{ Actual Valuation})}{\$281,000} / 2001-02 \text{ TWPU}$  ; and the

Alternate Pupil Wealth Ratio is equal to:  $\frac{2000 \text{ District Income}}{\$128,600} / 2001-02 \text{ TWPU}$

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	The combined loss for districts will range from 2.25 percent to 6.30 percent of their 2002-03 aid total for the 4 aid categories noted above.	
<u>GROWTH AID</u> <sup>4</sup>	Growth Index in excess of 1.004 * Formula Operating Aid	Same
<u>EXTRAORDINARY NEEDS AID</u>		
Formula Ceiling	A minimum of 11% of the Formula Operating Aid ceiling. If more than 74.5% of a district's enrolled students have extraordinary needs, it receives more than 11% of its Formula Operating Aid ceiling.	None
Wealth Measure	Alternate Pupil Wealth Ratio	Extraordinary Needs Aid is one of 7 existing formulas that will be replaced by Flex Aid.
State Share	.60	
Save-Harmless	100% of 2002-03 aid	
Pupil Count	The sum of the percentage of K-6 free and reduced price lunch eligible applicants times 2002	

<sup>4</sup> For the 1997-98 school year and after, the Growth Index is defined as a measure of enrollment. Where appropriate to the aid category calculation, such as for Growth Aid, Formula Operating Aid including formula components such as the Combined Wealth Ratio will be used. The calculation for Formula Operating Aid is cited in subdivision 13 of Section 3602 of the Education Law and is described more fully in subdivision 12 of Section 3602 of the Education Law.

A district's Combined Wealth Ratio for 2004-05 is equal to:  $(.5 \times \text{District Pupil Wealth Ratio}) + (.5 \times \text{District Alternate Pupil Wealth Ratio})$ . The district Pupil Wealth Ratio is equal to:  $\frac{(2001 \text{ Actual Valuation})}{\$306,200} / 2002-03 \text{ TWP}$ ; and the

Alternate Pupil Wealth Ratio is equal to:  $\frac{2001 \text{ District Income}}{\$122,100} / 2002-03 \text{ TWP}$

Beginning with the 1997-98 school year, income and actual valuation data moved back one year from the previous year-prior-to-the-base-year data. The Actual Valuation (AV) for calculating a district's property wealth per pupil for 1997-98 was 1994 AV. The income wealth per pupil calculation used the 1994 Adjusted Gross Income of district residents. For the 2004-05 school year, 2001 Actual Valuation and Adjusted Gross Income will be used.

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	applicants times 2002 enrollment, plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 2002 enrollment.	
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	If comprehensive operating aid per pupil is greater in the district of residence, the district of attendance will receive urban-suburban transfer aid equal to the 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>LIMITED ENGLISH PROFICIENCY AID</u>		
Weighting	.230	None
		Limited English Proficiency Aid is one of 7 existing formulas that will be replaced by Flex Aid.
<u>PUBLIC EXCESS COST AID FOR DISABLED PUPILS</u>		
Public Excess Cost Aid:		
Disabled Pupil Classifications	Three	None
Ceiling Range for Aid	\$2,000 - \$7,650	Public Excess Cost Aid is one of 7 existing formulas that will be replaced by Flex Aid.
Wealth Measure	Combined Wealth Ratio	
State Share	.49	
Minimum Aid Ratio	.25	
High Cost Eligibility	4 x AOE/TAPU or \$10,000	
Save-Harmless	95% of 2002-03 aid (including declassification aid but not integrated settings aid)	
Integrated Settings Aid (not subject to save-harmless):		
Ceiling	Basic Excess Cost Aid per pupil x 0.50	

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
Pupil Count	Year-prior-to-base-year pupils who received special education services in a general education setting at least 60 percent of the time	
Declassification Support Services Aid:		
Ceiling	Basic Excess Cost aid Per Pupil x 0.50	
Pupil Count	Base-year pupils moved from special education to full-time general education	
<u>PRIVATE EXCESS COST AID FOR DISABLED PUPILS</u>		
Private Excess Cost Aid:		
Ceiling Range for Aid	Tuition - Deduct	Same
Deduct	Local Levy/Enrollment	Same
Wealth Measure	Combined Wealth Ratio	Same
State Share	.85	Same
Minimum Aid Ratio	.50	Same
Pupils	Attending private schools or State run schools	Same
State School Taper Ratio	(1-CWR)/.75	Same
Limit	None	Overall private special education funding will be limited to the current year funding total of \$187.42 million as calculated by the State Education Department based on data on file on November 15, 2003. Each district's 2004-05 aid is multiplied by a factor obtained by dividing the 2003-04 statewide total by the 2004-05 statewide total (0.91925)

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>EDUCATIONALLY RELATED SUPPORT SERVICES AID</u>		
Ceiling(s)	\$365.00/\$635.00	None
Wealth Measure	Combined Wealth Ratio	Educationally Related Support Services Aid is one of 7 existing formulas that will be replaced by Flex Aid.
State Shares	Formula Operating Aid Ratio and Public Excess Cost Aid Ratio	
Minimum Aid Ratio	.25	
Pupil Counts	9% of Selected TAPU and 15% of Selected TAPU times Extraordinary Needs percent in excess of 60%	
<u>BOCES AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
State Share	.49	Same
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	Same
Save-Harmless Provision	100% of 1967-68 Aid	Same
Limit	None	The lesser of aid calculated by the State Education Department for the 2004-05 or 2003-04 school year based on data on file on November 15, 2003.
<u>FULL-DAY KINDERGARTEN INCENTIVE AID</u>		
Eligible Districts	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2002-03 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2002-03.	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2003-04 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2003-04.

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
Pupil Count	2003-04 Estimated Full-Day K Enrollment - 2002-03 Full-Day K Enrollment	2004-05 Estimated Full-Day K Enrollment - 2003-04 Full-Day K Enrollment
Aid Per Pupil	A district's Formula Operating Aid per pupil.	Same
<u>TRANSPORTATION AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio	Same
State Share	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).	Same
Sparsity Adjustment	(21 - enrollment/square mile)/317.88	Same
Minimum Aid Ratio	.065	Same
Maximum Aid Ratio	.90	Same
Base	Approved Expenditures	Same
Limit	None	A 2.5 percent maximum year-to-year increase for aid for non-capital expenditures.
Urban-Suburban Transfer	Approved expenditures of transportation of pupils in voluntary interdistrict programs.	Same
<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.  Starting with all new	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	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% State reimbursement. 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.	Same
<u>REORGANIZATION INCENTIVE AID</u>		
Prior to July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	10%	Same
Taper	1%/9 years	Same
Building Aid:		
Additional Percentage	25%	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
Effective July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	20%	Same
Taper	2%/9 years	Same
Building Aid:		
Additional Percentage	30%	Same
Effective July 1, 1992:		
Operating Aid:		
Additional Percentage (5 years)	40%	Same
Taper	4%/9 years	Same
Eligibility Date:		
New Projects	July 1, 2004 or approved by voters within ten years of reorganization.	Same
<u>SPECIAL SERVICES AID</u>		
Eligible Districts	Big Five City school districts and other districts that are non-components of BOCES	Same
Career Education Aid:		
State Share	.41	Same
Minimum Aid Ratio	.36	Same
Ceiling	\$3,720	Same
Wealth Measure	Combined Wealth Ratio	Same
Computer Administration Aid:		
State share	.49	Same
Minimum Aid Ratio	.30	Same
Ceiling	\$62.30/pupil	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID</u>		
	Based on approved expense (up to an amount equal to \$19.25 x TAPU x current year building aid ratio)	Same
<u>TEXTBOOK AID</u>		
	Up to \$57.30 per public and nonpublic pupil (district of residence)	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>COMPUTER SOFTWARE AID</u>	Up to \$14.98 per public and nonpublic pupil (district of attendance)	Same
<u>LIBRARY MATERIALS AID</u>	Up to \$6 per public and nonpublic pupil (district of attendance)	Same
<u>PREKINDERGARTEN AID</u>	\$201.34 million with funding available for a program total of up to \$201.94 million.	Same
<u>CLASS SIZE REDUCTION</u>	\$136.49 million with funding available for a program total of up to \$138.31 million.	Same
<u>NEW YORK CITY SOUND BASIC EDUCATION GRANT</u>	None	\$100.00 million
<u>CATEGORICAL READING AID</u>	\$63.95 million	Same
<u>GRANTS FOR IMPROVING PUPIL PERFORMANCE</u>	\$66.35 million	Same
<u>MAGNET SCHOOL AID</u>	\$135.80 million	\$136.10 million
<u>TEACHER SUPPORT AID</u>	\$67.48 million	\$22.49 million
<u>FORT DRUM GRANTS</u>	\$2.63 million	Same
<u>MINOR MAINTENANCE AND REPAIR AID</u>		
Maximum District Aid	A district's 2002-03 enrollment x the average age of its instructional facilities (compared to a statewide average) x its 1993-94 enrollment divided by its 1989-90 enrollment. This result is divided by the statewide sum of these values and then the district's ratio is multiplied by \$16,670,000.	\$49.97 million
Minimum District Aid	\$2,000	

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>SUMMER SCHOOL AID</u>		
Formula Ceiling	\$200.00 x summer session index	None
Index	Formula Operating Aid ratio x concentration factor (based on district's extraordinary needs percent)	Summer School Aid is one of 7 existing formulas that will be replaced by Flex Aid.
Pupils	2002-03 unweighted summer school ADA for pupils in programs to improve student performance	
<u>TAX LIMITATION AID</u>		
Eligible Districts	A district's 2000 tax levy on residential real property, including condominium property, must be greater than 3.9% of the district's 2000 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 1.5	None  Tax Limitation Aid is one of 7 existing formulas that will be replaced by Flex Aid.
State Share	.50	
Wealth Measure	Combined Wealth Ratio	
Formula Ceiling	.0474 multiplied by the 2000 residential tax levy per pupil	
<u>INCARCERATED YOUTH</u>	\$14.0 million	\$14.5 million
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>COMPTROLLER AUDITS</u>	\$.25 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.88 million. For the 2003-04 school year, a district's <u>Hurd</u> aid will be the same as its 2002-03 aid	\$81.88 million. For the 2004-05 school year, a district's <u>Hurd</u> aid was the same as its 2003-04 aid

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>EMPLOYMENT PREPARATION</u>		
<u>EDUCATION AID<sup>5</sup></u>		
Ceiling	\$7.65/contact hour	\$8.05/contact hour
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

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<sup>5</sup> For the 2004-05 school year, total aid is limited to \$84.00 million, the same as in 2003-04.

APPENDIX III-B  
MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating flex aid, private excess cost aid, special services aid, reorganization incentive operating aid, BOCES aid, transportation aid, building aid, reorganization incentive building aid, computer software aid, textbook aid, instructional computer hardware and technology equipment aid, library materials aid, growth aid, full-day kindergarten incentive aid, employment preparation education aid, and incarcerated youth aid are presented in this appendix.

The State average wealth measures for use in the calculation of aid ratios for 2004-05 school year payments are:

2001 Actual Valuation/2002-03 TWP	\$306,200
2001 Adjusted Gross Income/2002-03 TWP	\$122,100
2001 Actual Valuation/2002-03 RWADA	\$366,200

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 appear in Appendix III-C. Pupil count abbreviations frequently used in this appendix include:

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

FLEX AID

The 2004-05 ELFA Appropriation Bill

For the 2004-05 school year, each district will receive Flex Aid. Total aid for this category will equal the 2003-04 sum of 7 previous aid categories (based on data on file with the State Education Department on November 15, 2003). The 7 previous aid categories include Comprehensive Operating Aid, Extraordinary Needs Aid, Educationally Related Support Services Aid, Limited English Proficiency Aid, Summer School Aid, Tax Limitation Aid and Public Excess Cost Aid.

EXCESS COST AID FOR PRIVATE SCHOOL PUPILS

Education Law, Section 4405, Subdivision 3, paragraphs a and b  
Education Law, Section 4401, Subdivision 6 and 7  
The 2004-05 ELFA Appropriation Bill

A district receives private excess cost aid for pupils with disabilities in private school settings and the two State-operated schools. The aid is computed on a student-by-student basis with a district receiving private excess cost aid for each student.

Private Excess Cost Aid

$$\frac{\text{Private Excess Cost Aid} = \text{Aidable Cost} \times \text{Excess Cost Aid Ratio}}{\text{(per pupil)}}$$

$$\text{Aidable Cost} = \text{Tuition} - (\text{Basic Contribution per enrolled pupil})$$

Basic Contribution = Based on a district's property and non-property taxes divided by its base-year enrollment.

$$\text{Excess Cost Aid Ratio} = 1 - (\text{Combined Wealth Ratio} \times .15)$$

Minimum: .50

Private Excess Cost Taper for Rome and Batavia Placements

Additional aid is available to districts with:

- (i) Continued pupil placements at the two State-operated schools for pupils originally placed in one of the two schools prior to July 1, 1990; and
- (ii) A Combined Wealth Ratio of less than 1.0.

$$\frac{\text{Taper for Rome and Batavia Placements} = \text{Taper Aidable Cost} \times \text{Taper Aid Ratio}}$$

$$\text{Taper Aidable Cost} = \text{Tuition} - \text{Regular Private Excess Cost Aid}$$

$$\text{Taper Aid Ratio} = \frac{1.0 - (\text{Combined Wealth Ratio})}{.75}$$

Maximum: 1.0

Limit on Aid: Based on data on file with the State Education Department on November 15, 2003, if the 2004-05 statewide total for this aid category exceeds the 2003-04 school year statewide total, each school district's 2004-05 aid will be multiplied by a factor obtained by dividing the 2003-04 statewide total by the 2004-05 statewide total(0.91925).

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 17

Districts that are non-components of a BOCES, including the Big 5 City school districts, are eligible to receive career education aid and computer administration aid.

$$\underline{\text{Career Education Aid}} = \$3,720 \times \text{Aid Ratio} \times \text{Career Ed Pupils}$$

$$\underline{\text{Aid Ratio}} = 1 - (\text{Combined Wealth Ratio} \times .59)$$

Minimum: .360

$$\underline{\text{Career Education Pupils}} = 2003-04 \text{ Grade 10-12 ADA in a Career Education Trade Sequence} + (.16 \times \text{Business Sequence ADA})$$

$$\underline{\text{Computer Administration Aid}} = \frac{(\text{Expenses up to } \$62.30 \times \text{Enrollment})}{\text{X Computer Expenses Aid Ratio}}$$

Enrollment = Fall 2003 public enrollment attending in the district

$$\underline{\text{Computer Expenses Aid Ratio}} = 1 - (\text{Combined Wealth Ratio} \times .51)$$

Minimum: .300

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.

$$\frac{\text{Reorganization Incentive Operating Aid}}{\text{Operating Aid}} = \frac{\text{Formula Operating Aid}}{\text{Aid}} \times \frac{\text{Incentive Aid Percentage}}{\text{Percentage}}$$

The sum of a district's Formula Operating Aid and Incentive Operating Aid may not exceed 95 percent of its 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 ten 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 ten years.

BOCES AID

Education Law, Section 1950, Subdivision 5  
The 2004-05 ELFA Appropriation Bill

Districts which are components of Boards of Cooperative Educational Services (BOCES) are eligible to receive BOCES operating, capital, and rental aids, with the total subject to a save-harmless provision.

BOCES Operating Aid = Base Year Approved Expenses x Aid Ratio

Approved Expenses includes salaries of BOCES employees up to \$30,000

Aid Ratio = greater of:

$$(i) \quad 1 - \frac{\quad .008 \quad}{\text{District Actual Valuation Tax Rate}} \\ \text{(Local Revenue/Actual Valuation)}$$

$$(ii) \quad 1 - \frac{\text{(2001 Actual Valuation/2002-03 RWADA)}}{\text{Statewide Average}} \times .51 \\ \text{(\$366,200)}$$

Minimum: .360

Maximum: .900

BOCES Capital Aid = 2004-05 Capital Expense x RWADA Aid Ratio

BOCES Rental Aid = 2004-05 Rental Expense x RWADA Aid Ratio

Save-Harmless Provision A district may receive the greater of:

- (i) 2004-05 BOCES Operating, Capital and Rental aids
- (ii) BOCES aid received during 1967-68

Limit on Aid: For the 2004-05 school year, aid will equal the lesser of aid calculated by the State Education Department for the 2004-05 or 2003-04 school year based on data on file on November 15, 2003.

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7  
The 2004-05 ELFA Appropriation Bill

Districts are allotted reimbursement for transportation expenses through the transportation aid formula. Beginning in 2005-06, transportation-related capital expenditures will be funded consistent with recently adopted reforms in State reimbursement for school construction. In 2004-05, during the transition to the new reimbursement program, capital grants will be provided to school districts from proceeds of State-supported bonds. All future transportation-related capital expenditures will be reimbursed over a term consistent with the useful life of the asset.

Transportation Aid = [Aid Ratio + Sparsity Factor] x Approved 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 Formula Operating Aid Ratio
  - (ii)  $1.010 - \frac{(2001 \text{ AV}/2002-03 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$366,200)}$
  - (iii)  $1.010 - \frac{(2001 \text{ AV}/2002-03 \text{ Resident Public \& Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$319,300)}$
- Minimum: .065  
Maximum: .900

Sparsity Factor =  $\frac{21.00 - 2002-03 \text{ Public Enrollment}/\text{Square Mile}}{317.88}$

Limit on Aid: A 2.5 percent maximum year-to-year increase for aid for non-capital expenditures.

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
- 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

#### BUILDING AID

Education Law, Section 3602, Subdivision 6

School districts with approved building projects that have met all eligibility requirements as of the November 15<sup>th</sup> database may receive building aid to be paid according to an assumed amortization schedule. Aid is available for expenses related to the installation of computer laboratory hardware and for the purchase of stationary metal detectors.

Building Aid = Selected Aid Ratio x Approved Building Expenses

Current Aid Ratio =  $1 - \frac{(2001 \text{ Actual Valuation}/2002-03 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$366,200)}$

Approved Building Expenses:

For projects associated with any existing bonds, bond anticipation notes (BANs) and lease-purchase agreements that have principal remaining as of July 1, 2002, an assumed amortization will be applied to determine building and reorganization incentive building aid. The assumed amortization is based on approved project costs, the term of borrowing and an assumed interest rate. New projects subject to prospective assumed amortization are those that were either approved by the Commissioner of Education on or after December 1, 2001, or, for which debt (bonds, BANs, and capital notes) is first issued on or after such date. Each project is assigned a useful life, cost allowance and assumed interest rate. The State share of financing costs associated with refinancings are reimbursed in full to districts. In addition, districts are reimbursed for lease expenses and on a one year lag for costs of exceptional expenses including metal detectors, condition surveys, and capital outlay exception.

Selected Aid Ratio:

For projects approved prior to July 1, 2000, 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 after 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. For projects approved between July 1, 2000 and July 1, 2004, school districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the year in which the project is approved may

select an aid ratio equal to 1.263 multiplied by the district's Formula Operating 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, 2004 or within ten 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.

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.

$$\begin{array}{l} \text{Computer Software Aid} \\ \text{(up to \$14.98) x Enrollment} \end{array} = \text{2003-04 Cost of Software}$$

$$\begin{array}{l} \text{Enrollment} \\ \text{= Fall 2003 public and private school enrollment for} \\ \text{the district of attendance plus BOCES and private} \\ \text{school pupils in full-time programs for children} \\ \text{with disabilities.} \end{array}$$

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.

$$\frac{\text{Textbook Aid} = 2003-04 \text{ Cost of Textbooks, not to exceed } \$57.30 \times 2003-04 \text{ Resident Public and Nonpublic School Enrollment}}{\text{04 Resident Public and Nonpublic School Enrollment}}$$

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

Education Law, Section 3602, Subdivision 26

A district may be eligible for computer hardware aid to purchase or lease micro-and/or minicomputer equipment or terminals as well as technology equipment for instructional purposes. Schools may use up to 20 percent of hardware aid for the repair of instructional computer hardware and technology equipment or for training and staff development for instructional purposes.

Technology equipment is defined as equipment used in conjunction with or in support of educational programs including, but not limited to, video, solar energy, robotic, satellite or laser equipment.

Approved expenses for technology education equipment were first eligible for aid in the 1992-93 school year. Beginning with the 1998-99 school year, the local match was eliminated.

$$\frac{\text{Hardware Aid} = 2003-04 \text{ Approved Expenses (up to } \$19.25 \times \text{ Selected TAPU for Payment} \times \text{ Current Year Building Aid Ratio)}}{\text{TAPU for Payment} \times \text{ Current Year Building Aid Ratio}}$$

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 public and nonpublic schools within such district.

$$\frac{\text{Library Materials Aid} - 2003-04 \text{ Cost of Library Materials (up to } \$6.00) \times \text{ Enrollment}}{\text{x Enrollment}}$$

Enrollment = Fall 2003 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

FULL-DAY KINDERGARTEN INCENTIVE AID

Education Law, Section 3602, Subdivision 12-a

Eligibility for Full-Day K Incentive Aid: If in 1996-97 and 2003-04 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2003-04.

School districts offering full-day kindergarten programs to all kindergarten students will receive current year formula operating aid in 2004-05 for any increase in the number of students served in full-day programs in 2004-05 compared to 2003-04

Full-Day K Incentive Aid =

(2004-05 Estimated Full-Day K Enrollment - 2003-04 Full-Day K Enrollment) x Formula Operating Aid per TAPU.

GROWTH AID

Education Law, Section 3602, Subdivision 13

For the 2004-05 school year, growth aid is distributed to districts that are eligible due to an increase in enrollment. Districts whose growth index is greater than 1.004 receive growth aid.

Growth Aid = (Growth Index - 1.004) x Formula Operating Aid<sup>6</sup>

Growth Index =  $\frac{2004-05 \text{ Estimated Enrollment}}{2003-04 \text{ Enrollment}}$

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. Since 1991-92, aid paid directly to BOCES for approved BOCES EPE programs has been based on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio has been 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. Since 1996-97, the BOCES EPE aid ratio has been 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.

EPE Aid = \$8.05 x EPE Aid Ratio x EPE Hours

EPE Aid Ratio = 1 - (Pupil Wealth Ratio x .40)

Minimum: .400

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<sup>6</sup> Where appropriate to the aid category calculation, such as for Growth Aid, Formula Operating Aid (as cited in subdivision 13 of Section 3602 of the Education Law) will be used.

$$\text{Pupil Wealth Ratio} = \frac{\text{2001 Actual Valuation/2002-03 TWPU}}{\text{State Average } (\$306,200)}$$

EPE Hours = 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 2004-05 school year, total aid is limited to \$84.00 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.

Incarcerated Youth Aid equals the lesser of:

- (i) = 2002-03 AOE/TAPU x Number of full-day program pupils<sup>1</sup> +  
([.5 x (AOE/TAPU)] x Number of half-day program pupils)
- (ii) Actual total instructional cost for the incarcerated youth program plus approved administrative costs (which may not exceed five percent of total instructional costs)

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<sup>1</sup> 2002-03 AOE/TAPU x 1.25 x pupils in 10 month programs or 2002-03 AOE/TAPU x 1.50 x pupils in 12 month programs.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2004-05 SCHOOL YEAR

- I. Average Daily Attendance/Average Daily Membership<sup>a</sup>
- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period. The 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. TAPU for Expense, TAPU for Payment, TAPU for Formula Operating Aid Payment, TWPU and RWADA

	<u>Total Aidable Pupil Units For Expense</u>	<u>Total Aidable Pupil Units For Payment</u>	<u>Total Wealth Pupil Units</u>	<u>Resident Weighted Average Daily Attendance</u>
Short Title	TAPU for Expense	Selected TAPU for payment	TWPU	RWADA
Year used for aid payable in 2004-05	2002-03	2003-04 or Two-year Average (2002-03 and 2003-04) <sup>b</sup>	2002-03	2002-03
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	--	--

<sup>a</sup> 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).

<sup>b</sup> The 2003-04 TAPU is based on 2002-03 ADA, adjusted by the enrollment index (change between 2002-03 and 2003-04 enrollment). The 2002-03 TAPU is based on 2001-02 ADA, adjusted by the enrollment index (change between 2001-02 and 2002-03 enrollment).

	<u>Total Aidable Pupil Units For Expense</u>	<u>Total Aidable Pupil Units For Payment</u>	<u>Total Wealth Pupil Units</u>	<u>Resident Weighted Average Daily Attendance</u>
<u>Additional Weightings</u>				
Secondary (including PSEN <sup>c</sup> but excluding students with disabilities (swd) in 1.7 & .9 public excess cost categories)	.25	.25	.25	--
PSEN K-12 (including swd)	.25	.25	.25	--
SWD in public schools for:				
60% of school day (special class)	1.70	--	1.70	--
20% of school week (resource room) <sup>d</sup>	.90	--	.90	--
Direct/Indirect Consultant Teacher	.90	--	.90	--
Private School	--	--	--	--
Summer/Extra School	.12	.12	--	--

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<sup>c</sup> 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.

<sup>d</sup> Or five periods (at least 180 minutes) per week.

APPENDIX III-D  
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a of the Education Law 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 aids which are covered under the Section 3609-b (Excess Cost) payment schedule and Section 3609-d (BOCES Aid) payments as well as Textbook, Software and Library Materials Aids. Growth Aid and Full Day Kindergarten Aid will not be paid until June 2005. Small Cities Aid is covered by Section 3609-c. 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.

For GSPS aid payable in the 2004-05 school year, school districts will receive the lesser of (i) the sum of the aid calculated at the time of enactment of the Aid to Localities 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 "BT456-1," which was released in January 2004 with the issuance of the 2004-05 Executive Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2005. The payment schedule has several features:

GSPS Aids

- Lottery Aid will be paid in full on the first business day of September.
- 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.
- "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.
- "Individualized" payments will be calculated for the months of January through June. January through May payments are based on school district State Aid claims or data available to the Commissioner as of December 1. The June payment is based on data available to the Commissioner as of May 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 2005. 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.

- 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 districts' 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.
- Any aid payable for Growth Aid and Full Day Kindergarten Aid will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. In addition the total of such aid payable through June for Growth Aid and Full Day Kindergarten Aid cannot exceed the total of such aid as it appears on the computer listing "BT456-1."
- Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled "BT456-1" will be paid on the first business day of September, 2005.

#### STAR Aid

- 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 amounts payable under the STAR program to the Commissioner of Education 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.
- Commencing in the 2003-04 school year, STAR reimbursements 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 on the first business day of January. Any increase in STAR aid that occurs as a result of adjustments that are made after the January payment will be paid by March 31, 2005.
- Payment amounts will be based on current data on file at the time of each payment through January.
- Current statutory provisions that authorize 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.

### Excess Cost Aids

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. Total Excess Cost Aids payable to a district for the school year may not exceed the sum of such aids as reported in the school aid computer listing entitled "BT456-1" which was released in January 2004 with the issuance of the 2004-05 Executive Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2004 will be paid on or before December 15.
- 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 2004-February 2005 will be paid on or before March 15.
- 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 2004-May 2005 will be paid on or before June 15.
- 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 2004-July 2005 will be paid on or before August 15.
- Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing entitled "BT456-1" will be paid on the first business day of September, 2005.

### BOCES Aid

- BOCES Aid is calculated for individual component school districts of the BOCES, but the sum of all such payments is paid directly to the BOCES. Total BOCES Aid payable for the school year to each component school district may not exceed 100 percent of the amount of such aid as reported in the school aid computer listing entitled "BT456-1," which was released in January 2004 with the issuance of the 2004-05 Executive Budget, 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.
- 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.
- An additional payment will be made to the BOCES on the first business day of February, 2005. This payment will be equal to 25 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component district as reported in the school aid computer listing entitled "BT456-1" 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.

- An additional payment will be made to the BOCES on the first business day of June that is equal to 55 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component school district as reported in the school aid computer listing entitled "BT456-1" 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 BOCES behalf.
- Any remaining apportionment payable to the BOCES, including any excess of actual BOCES Aid payable over the amount of such aid reported in the school aid computer listing entitled "BT456-1" will be paid to the BOCES on the first business day of September, 2005.

#### 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 2004 to the first business day of June, 2005 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 2004-05 Executive Budget.