

DESCRIPTION OF  
2005-06 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 2005-06 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 18, 2005.

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.

TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| INTRODUCTION.....  | i           |
| TABLE OF CONTENTS.....   | iii         |
| LIST OF TABLES.....  | v           |
| SECTION I: SCHOOL AID/STAR OVERVIEW.....   | 1           |
| A. 2005-06 SCHOOL AID.....   | 4           |
| B. OTHER STATE AID PROGRAMS.....   | 16          |
| SCHOOL TAX RELIEF (STAR) PROGRAM.....  | 21          |
| OTHER INITIATIVES.....   | 23          |
| SECTION II: SUMMARY OF 2005-06 SCHOOL YEAR/FISCAL YEAR<br>APPROPRIATIONS.....                            | 25          |
| SECTION III: APPENDICES .....  | 32          |
| APPENDIX III-A: COMPARISON OF 2004-05 AND<br>2005-06 SCHOOL AID PROGRAMS .....                           | 33          |
| APPENDIX III-B: MATHEMATICAL EXPLANATION OF<br>AID FORMULAS .....  | 45          |
| APPENDIX III-C: DESCRIPTION OF PUPIL COUNTS<br>USED IN AID FORMULAS FOR THE 2005-06 SCHOOL<br>YEAR ..... | 58          |
| APPENDIX III-D: STATE AID PAYMENT SCHEDULE<br>TO SCHOOL DISTRICTS .....                                  | 60          |

LIST OF TABLES

|      | <u>Table</u>   | <u>Page</u> |
|------|--|-------------|
| II-A | SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID<br>APPROPRIATIONS - 2004-05 AND 2005-06 SCHOOL<br>YEARS - NEW YORK STATE .....                 | 26          |
| II-B | 2004-05 and 2005-06 STATE FISCAL YEAR<br>APPROPRIATIONS FROM GENERAL AND SPECIAL<br>REVENUE FUNDS .....                                    | 27          |
| II-C | SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY<br>SCHOOL DISTRICTS FINANCED THROUGH SCHOOL AID<br>APPROPRIATIONS: 2004-05 AND 2005-06 ..... | 29          |
| II-D | SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID<br>APPROPRIATIONS: 2004-05 AND 2005-06 SCHOOL<br>YEARS - NEW YORK CITY .....                   | 30          |
| II-E | CHANGE IN SCHOOL AID FOR 2004-05 AND 2005-06<br>SCHOOL YEARS: 18 MOST POPULOUS COUNTIES, NEW<br>YORK CITY AND REST OF STATE .....          | 31          |

SCHOOL AID/STAR OVERVIEW

For the coming year, Governor Pataki is advancing a five-year Sound Basic Education (SBE) Plan to guarantee that every child in every school has the opportunity to receive a sound basic education. As the first installment of this multi-year effort, the Governor is proposing a school aid increase of \$526 million for the 2005-06 school year. This increase is comprised of two components -- \$201 million in traditional school aid, and \$325 million for a new Sound Basic Education aid program to be funded by revenues generated by Video Lottery Terminals (VLTs).

The Governor's five-year Sound Basic Education Plan contains a wide array of educational reforms that are consistent with the recommendations of the New York State Commission on Education Reform headed by former NASDAQ Chairman, Frank G. Zarb. The Governor's plan includes the following key provisions:

- To ensure that all schools in New York City and across the State have sufficient resources to provide every student with the opportunity for a sound basic education, when fully implemented in 2009-10, the Governor's SBE Plan will provide additional State, local and Federal funds totalling \$4.7 billion for New York City schools and \$8 billion statewide. A Maintenance of Effort (MOE) requirement will ensure that additional State aid for the fiscally dependent school districts will be used to supplement, not supplant, local funding.
- For the 2005-06 school year, the current school aid formula will be simplified by consolidating six existing aid programs into a new \$8.4 billion Flex Aid formula. In addition, the new Sound Basic Education (SBE) aid program will total \$325 million in the 2005-06 school year, growing to more than \$2 billion over the next five years. Both the Flex Aid and SBE Aid allocations will reflect regional cost differences and concentrations of children living in poverty.
- Educational accountability reforms will be promoted through requiring school districts to develop a three-year comprehensive SBE Plan, including a resource allocation plan to ensure that every school provides its students the opportunity for a sound basic education. A new independent Office of Educational Accountability and Efficiency will monitor school performance, review and approve school

improvement plans, provide enhanced financial oversight, and promote increased efficiency.

2005-06 Executive Budget Recommendations: Key components of the 2005-06 Executive Budget recommendations for elementary and secondary education include the following:

- Six existing formulas will be merged within a \$8,433.91 million Flex Aid program. Nearly 70 percent of the \$121.50 million Flex Aid increase will be targeted to the State's 207 high need school districts - including the Big Five City School Districts.
- A \$15.0 million Fund for Innovation for Big Five City School Districts to support public-private partnerships that integrate technology into the classroom.
- A total of \$324.87 million will be available for Sound Basic Education Aid including \$195.65 million, or 60.2 percent, for New York City.
- For the 2005-06 school year, funding of \$1,423.45 million, an increase of \$27.04 million or 1.94 percent, is recommended for Building Aid. Greater efficiency in school construction will be promoted by allowing school districts to access technical expertise and advisory services from the Dormitory Authority, and providing all school districts an exemption from onerous Wicks Law requirements. Reforms to the Building Aid formula will provide reasonable, realistic cost allowances that reflect student-based space needs.

To assist New York City in addressing its pressing facility needs, the following actions are proposed:

- An increase of \$2.8 billion in statutory bonding authorization will be provided to New York City's Transitional Finance Authority for school construction projects;
- A new State matching grant program will be created to recognize certain legitimate construction costs that fall outside current cost allowances;
- Existing procurement processes will be streamlined to facilitate cost-efficient school construction; and
- Advisory State reviews of New York City school building plans will be authorized to promote greater conformity between actual project costs and established State cost allowances.

- In 2005-06, BOCES and Special Services Aids will total \$621.84 million, a decrease of \$20.80 million, or 3.24 percent. A district's aid allocation will be the lesser of the amount provided in the base year or the amount generated under the existing statutory formula. BOCES reforms will include eliminating aid for routine administrative services and requiring that BOCES demonstrate savings for services such as telecommunications when compared to existing State contract prices.
- An increase of \$30.46 million is provided for Tax Limitation Aid.
- Public Excess Cost Aid will total \$2,346.19 million, an increase of \$79.99 million. Private excess cost aid will be reformed to conform the average State aid ratio used for private special education programs to that used for public schools. Specifically, the average State aid ratio will be reduced from 85 percent to 49 percent. Private Excess Cost Aid will total \$114.32 million.
- An increase of \$49.23 million is provided for expense-based Transportation Aid.
- Allocations for Textbook Aid, Computer Software and Hardware Aids and Library Materials Aid reflect existing statutory formulas. These four aids will total \$283.46 million.
- Certain grant programs are maintained at their previous year's funding level. These include grants for Prekindergarten and Class Size Reduction. These aids will total \$339.89 million in 2005-06.
- Funding for Teacher Support Aid will be continued at \$67.48 million.
- Various "below-the-line" categorical aid programs will be continued at the base year amount including Teacher Centers (\$31.00 million), and Teacher-Mentor Intern programs (\$6.00 million).
- The Teachers of Tomorrow initiative will be continued at \$20.00 million. This program provides assistance to school districts, including the Big Five City schools, in their efforts to increase the supply of qualified entry-

level teachers and to improve teacher retention.

- Funding is continued for categorical aid programs including Small Cities Aid (\$81.88 million) and Bilingual Grants (\$11.20 million).
- School tax relief under the STAR program will increase by \$130 million, from \$3.1 billion in 2004-05 to an estimated \$3.2 billion in 2005-06.

The STAR cost of living adjustment (COLA) for senior income eligibility has raised the income ceiling from \$63,750 to \$64,650 for 2005-06. This COLA ensures that modest increases in Social Security or other retirement income will not make seniors who had received enhanced STAR benefits ineligible in subsequent years.

The 2005-06 Executive Budget proposes a new STAR tax credit that would protect STAR benefits from the effects of inflation for homeowners in school districts that keep their school budget growth within the proposed spending cap (i.e., the lesser of 4 percent or 120 percent of the growth in the Consumer Price Index, with exceptions that include enrollment increases and expenses required to provide a sound basic education). This credit has a projected cost of \$48 million, and will be paid as an income tax credit to taxpayers when they file their 2005 State tax returns.

#### A. 2005-06 SCHOOL AID

Over the past ten years, New Yorkers have made a generous investment in education. For the coming year, the State will provide \$15.9 billion in State aid to public schools - an increase of more than \$6 billion, or 61 percent, from when the Governor took office.

Four years ago, Governor Pataki proposed a fundamental reform to the State's funding for public schools - known as Flex Aid. For 2005-06, the Executive budget school aid proposal includes \$8,433.91 million in Flex Aid funding.

Flex Aid: A district's Flex Aid allocation is determined by first calculating the sum of its base-year funding for Comprehensive Operating Aid, Minor Maintenance, Educationally Related Support Services Aid, Extraordinary Needs, Summer School



and Limited English Proficiency Aid. To this amount is added the result of the following formula:

$\$6.00 + ((\$55.00 \times \text{Regional Cost Index}) \times \text{Flex Aid Ratio}) \times \text{Flex Selected TAPU for payment}$

Flex Aid Ceiling: All districts will receive \$6.00 per pupil plus an additional \$55.00 per pupil adjusted for regional cost and district wealth.

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

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

Regional Cost Index: Flex Aid incorporates a regional cost factor that adjusts the \$55.00 aid ceiling based upon a geographic cost of education index-based cost adjustment.

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

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

Aid Minimum/Maximum Percentage Change: All school districts will receive a minimum 0.50 percent increase over the sum of the base year school aids listed below. The limit on the maximum increase a district may receive will advantage below average wealth districts and is calculated based on 2.5 percent divided by a district's Flex Combined Wealth Ratio.

Base year school aids included in the Flex Aid base are:

- Comprehensive Operating Aid
- Minor Maintenance Aid
- Educationally Related Support Services Aid
- Extraordinary Needs Aid
- Limited English Proficiency Aid
- Summer School Aid

Additional Aid: Additional funding will be provided to school districts with a high percentage of at-risk pupils. Districts will be eligible for aid if their Flex Combined Wealth Ratio is below 1.20 and their percentage of students in grades K-6 who are eligible for the free and reduced price lunch program as of October 2003 is greater than 50 percent. Aid will be distributed based on the following formula:

Aid Ceiling x Aid Ratio x 2004-05 Enrollment

Aid Ceiling: Qualifying districts will receive \$9.00 per pupil multiplied by the ratio of a districts' K-6 FRPL percent divided by 50 percent.

Aid Ratio: 1.00 - (Flex CWR x .64)

Public Excess Cost Aid: Public Excess Cost Aid will total \$2,346.19 million in 2005-06, an increase of \$79.99 million or 3.53 percent. This program supports the additional costs of providing a free and appropriate education in a public school setting for students with disabilities. Aid payable in 2005-06 will be calculated based on approved operating expense and total aidable pupils for expense of the 2003-04 school year. The statewide average approved operating expense per pupil is \$8,450. The aid ratio is determined using the Combined Wealth Ratio and is based on a 49 percent State share for a district of average wealth and a minimum aid ratio of 25 percent.

Funding for the Declassification Support Services Aid program is also included within the estimates for Public Excess Cost Aid. Under this program, moneys are provided to school districts for the provision of support services for teachers and pupils in the first year that a pupil moves from a special education program to a full-time regular education program. In order to encourage the increased movement of pupils into a regular classroom environment, this aid equals 50 percent of a district's Public Excess Cost Aid per pupil multiplied by the number of pupils moving to a regular education program.

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.

In 2005-06 the private excess cost aid formula is modified to conform to the public excess cost aid formula proposed for the 2005-06 school year. This reform is intended to eliminate existing fiscal incentives to place children in restrictive program settings. State funding in 2005-06 will total \$114.32 million.

Fund for Innovation: For 2005-06, \$15.00 million in funding is provided to the Big Five City school districts through this program. The Executive Budget directs that Fund for Innovation aid be used to support public/private partnerships that implement technology-based learning strategies to serve high-need pupils. New York City will receive \$6.00 million, or 40 percent, of available funds.

BOCES Aid: BOCES Aid will total \$487.24 million, a year-to-year decrease of \$20.00 million, or 3.94 percent, from 2004-05. 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 existing BOCES funding formula currently supports nearly 65 percent of local costs - an amount far richer than other needs-based formulas. School districts are currently provided an artificial incentive to use BOCES simply as a means of generating additional State aid - regardless of the actual cost effectiveness of these BOCES services. Beginning in 2006-07, BOCES aid will be eliminated for routine administrative services. In addition, BOCES will be required to demonstrate savings for services such as telecommunications when compared to existing State contract prices available through the Office of General Services. School districts will also be encouraged to take advantage of cost savings opportunities through shared services arrangements with counties and other local government agencies.

Special Services Aid: Special Services Aid funds career education programs and computer services for school districts which are not components of a BOCES. The career education aid ceiling for 2005-06 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. A district's Special Services Aid allocation will be the lesser of

the amount provided in the base year or the amount generated under the existing statutory formula. For 2005-06, this aid will total \$134.60 million, a decrease of \$0.80 million.

Transportation Aid: Transportation Aid will total \$1,200.75 million in 2005-06, an increase of \$49.23 million. 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. For 2005-06 and after districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset. 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.

Textbook and Computer Aids: For the 2005-06 school year, the following provisions based on existing statutory formula apply:

- Textbook Aid: These funds reimburse school districts for the purchase of textbooks which are loaned to both public 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. This aid will total \$188.67 million in 2005-06, an increase of \$0.33 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 2005-06 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. Under the existing statutory formula, Computer Software Aid will total \$46.41 million for 2005-06, a decrease of \$0.23 million.
- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides funding for the lease or purchase of mini- and micro-computers, computer terminals

and technology equipment for instructional purposes, for repair costs and for staff development. For the 2005-06 school year, \$28.84 million, an increase of \$0.26 million, is provided.

Library Materials Aid: Districts are reimbursed for expenses up to \$6.00 per pupil based on public and nonpublic school enrollment. For 2005-06, Library Materials Aid will total \$19.54 million, an increase of \$0.27 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 2005-06, funding of \$201.77 million is continued for State prekindergarten grants.

Class Size Reduction Aid<sup>1</sup>: For 2005-06, funding of \$138.12 million is continued to enable school districts to reduce class size in kindergarten and in grades one through three.

Tax Limitation Aid: For 2005-06, this aid category will provide a total of \$78.45 million, an increase of \$30.46 million, to school districts. In order to maintain funding stability, current year funding of \$47.99 million will be continued in the 2005-06 school year and a second tier formula will distribute the increased aid. New formula elements will target additional aid to districts based on wealth as well as a district's residential property tax levy and income compared to a state average for residential levy as a percent of income.

Building Aid: For 2005-06, Building Aid to support school building projects throughout the State will total \$1,423.45 million, an increase of \$27.04 million. Consistent with legislation enacted with the 2004-05 State Budget, payment for new construction projects otherwise eligible for aid is deferred until the following year 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, 2004. Aid on these projects will be paid beginning in July 2006.

Building Aid Reforms: Since Governor Pataki took office, State support for school construction has grown from \$536 million to \$1.42 billion for 2005-06 - an increase of 165

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<sup>1</sup> A funding total of up to \$204.68 million is available for Prekindergarten Aid and up to \$139.97 million for Class Size Reduction Aid.

percent. To ensure the cost-effective use of State and local resources to address school facility needs in New York City and across the State, the following reforms are proposed for the coming year:

- **Wicks Exemption:** All school districts will be provided an exemption from Wicks Law requirements that mandate the use of multiple contractors for school construction projects. This initiative will reduce the cost of school construction by more than ten percent.
- **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 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).
- **Simplified State Aid Calculation:** The building aid formula will be modified to include a simplified reimbursement methodology that provides reasonable and realistic allowances for construction costs and student-based space needs.
- **Targeted Assistance for New York City School Construction:** To assist New York City in addressing its pressing school facilities needs, the following actions are proposed for 2005-06:
  - An increase of \$2.8 billion in statutory bonding authorization will be provided to New York City's Transitional Finance Authority for school construction projects;
  - A new State matching grant program will be created to recognize certain legitimate construction costs that fall outside current cost allowances;

- Existing procurement processes will be streamlined to facilitate cost-efficient school construction; and
- Advisory State reviews of New York City school building plans will be authorized to promote greater conformity between actual project costs and established State cost allowances.

Teacher Support Aid: For the 2005-06 school year, \$67.48 million will continue to be available for this Big Five City school district program.

Sound Basic Education (SBE) Aid: A total of \$324.87 million will be available for Sound Basic Education Aid to ensure that all schools have the resources they need to meet the State's educational standards. New York City will receive \$195.65 million, or 60.2 percent, of overall funding. Nearly 86 percent of Sound Basic Education Aid will be targeted to the State's 207 high needs school districts. This program will be supported by revenues generated by Video Lottery Terminals (VLTs) and will grow to more than \$2 billion over the next five years.

When fully implemented in 2009-10, the Governor's 5-year Sound Basic Education plan will provide additional State, local and Federal funds totalling \$4.7 billion for New York City schools and \$8 billion statewide. To ensure the most effective use of new funds, all school districts will be required to develop a 3-year Comprehensive SBE Plan, including a resource allocation plan to ensure that every school provides its students the opportunity for a sound basic education. Additional accountability reforms will include:

- Establishing a value-added accountability system to track individual student performance and annual progress, and assess how effectively schools utilize public funding;
- Requiring school districts to develop building-specific improvement plans for each poorly performing school, and imposing sanctions for poorly performing schools that fail to improve; and
- Creating a new independent Office of Education Accountability and Efficiency to monitor school performance, review and approve school improvement plans, provide enhanced financial oversight, and promote increased efficiency.

## GRANT PROGRAMS AND OTHER AID CATEGORIES

Growth Aid<sup>2</sup>: Growth Aid will be paid as a separate apportionment to qualifying districts in June 2006. As provided for in Chapter 474 of the Laws of 1996, a district's growth index is calculated based on the change in enrollment rather than the change in average daily attendance. For 2005-06, Growth Aid will total \$9.97 million, a decrease of \$12.12 million.

Reorganization Aid: Reorganization incentive aid is provided for operating and building expenses incurred by those school districts scheduled for reorganization under section 3602 of the Education Law. The statutory provisions for Reorganization Aid remain unchanged.

Reorganization Incentive Operating Aid is paid as a supplement based on formula Operating Aid when districts meet certain conditions prescribed by law. 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. For 2005-06, Reorganization Incentive Operating Aid will amount to \$15.72 million, a decrease of \$2.53 million. For 2005-06, funding for Reorganization Building Aid will total \$14.58 million, an increase of \$0.80 million.

Full-Day K 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 2005-06 will receive current year formula Operating Aid for any increase in the number of students served in full-day programs in 2005-06 compared to 2004-05. For 2005-06, a total of \$3.34 million, a decrease of \$1.18 million, is provided for this program reflecting a decline in new incentive applications from school districts.

Teachers of Tomorrow: For 2005-06, \$20.00 million will continue to be available for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist. Of available funds, up to \$12.00 million, or 60 percent, will go to New York City.

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<sup>2</sup> Formula Operating Aid components (as described in subdivision 12 of Section 3602 of the Education Law) will be used where appropriate to the aid category calculation, such as for Growth Aid.



Teacher Resource and Computer Training Centers: School Aid funding is available to support a \$31.00 million program in the 2005-06 school year.

Teacher-Mentor Intern: Under this program, funding is available to support a program total of \$6.00 million. These monies will be provided for 2005-06 to support school-year programs through which new teachers work with an experienced teacher as their mentor.

Academic Achievement Awards: A total of \$500,000 is recommended to support awards to schools across the State to recognize demonstrated educational performance and operational efficiency.

Categorical Reading Aid: This aid is provided to the Big Five City school districts to help improve pupil reading and mathematic skills as well as overall academic performance. A total of \$63.95 million in 2005-06, the same amount as last year, is provided 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 continued 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 school programs offer special curricula that are intended to attract students of different backgrounds in order to reduce racial isolation. A total of \$136.10 million is provided for 20 school districts (including \$116.70 million to the Big Five cities). School districts may use these funds to support the costs of magnet school programs or alternative instruction programs intended to reduce racial isolation and/or enhance academic standards:

|                 |              |
|-----------------|--------------|
| • 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      |

Fort Drum Area School Districts: A total of \$2.63 million, the same amount as last year, is provided 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.

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 2004-05, will be allocated to small city school districts for the 2005-06 school year.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs 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 for the 2005-06 school year

will be continued at \$90.00 million. Approved claims above such amount will be subject to proration.

Urban-Suburban Transfer: A total of \$1.13 million will be provided in 2005-06 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.

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 2005-06 is estimated at \$6.48 million, an increase of \$0.58 million.

Aid for Incarcerated Youth: A total of \$16.50 million, an increase of \$2.00 million, is provided for support for the provision of educational services to youth detained in local correctional facilities. Pursuant to the provisions of Chapter 53 of the Laws of 1992, such services may now be provided, and aided, during summer sessions as well as the regular school year.

Bilingual Education Grants: In 2005-06, \$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.

Education of OMH/OMR Pupils: A total of \$30.00 million, an increase of \$4.00 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.

School Audits: A total of \$2.90 million is provided to ensure accountability through audits of school districts and BOCES.

Learning Technology Grants: Learning technology programs, including services benefiting nonpublic school students, will continue to be funded at \$3.29 million.

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.

Roosevelt School District: For the 2005-06 school year, \$6.00 million is continued for academic improvement in the Roosevelt School District.

#### 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.

Basic Education for Public Assistance Recipients: For 2005-06, \$2.00 million is recommended for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade. Funding of \$3.00 million, previously made available to the Department of Labor for the EDGE program will no longer be provided since Executive Budget recommendations for the Office of Temporary and Disability Assistance (OTDA) will consolidate all public assistance education and employment services within a block grant. The EDGE program will continue to be an eligible activity under the block grant.

Children of Migrant Workers: A total of \$85,500 is continued to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: An appropriation of \$3.32 million is continued in 2005-06 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: The Targeted Prekindergarten program provides health, psychological and social services to four-year-old children from economically deprived neighborhoods. A total of \$50.20 million, the same amount as in 2004-05, is recommended for the 2005-06 school year. Grants to support existing programs will be awarded based on Regulations of the Commissioner subject to the approval of the Director of the Budget.

New York State Center for School Safety: For 2005-06 \$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 2004-05 school year. For 2005-06, a total of \$475,000 is recommended 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.

Lunch/Breakfast Programs: A total of \$31.70 million in State funds, the same amount as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is provided to subsidize school lunch and school breakfast programs. The Federal share in the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$687.00 million for the 2004-05 Federal fiscal year.

School Health Demonstration Project/Comprehensive School Health Demonstration Program/AIDS Education Program: Funding previously provided for these programs will be consolidated at a reduced level in the new Health Education Program.

Health Education Program: A \$750,000 Health Education Program is recommended to consolidate programs and to eliminate duplication in the provision of services to school districts by the statewide and regional health networks. All of the programs previously funded under the comprehensive school health demonstration, school health demonstration project and AIDS prevention education programs will be eligible for funding under the new program.

Education of Native Americans: A total of \$24.00 million, an increase of \$5.00 million, is recommended for the full cost of elementary and secondary education (including transportation expenses) for Native American children as authorized by Article 83 of the Education Law. The program benefits approximately 2,500 children living on 9 reservations and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Primary Mental Health Project: A total of \$541,500, the same as last year, is provided in 2005-06 for State support of school-based programs for the early detection and prevention of school adjustment and learning problems experienced by children in the primary grades.

Transferring Success: For 2005-06, an appropriation of \$598,400, the same as for 2004-05, is recommended for this program, which seeks to validate and support the replication of exemplary education programs.

Workplace Literacy: Under this program, \$1.18 million, a decrease of \$130,700, is recommended in 2005-06 to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization, which provides adult education services to union members and workers in New York City, is funded at \$10.35 million in 2005-06.

Apprenticeship Training: For 2005-06, \$1.56 million, a decrease of \$173,800, is recommended to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Extended School Day/School Violence Prevention: A total of \$28.69 million is continued for 2005-06 to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs.

Schools Under Registration Review: A total of \$1.90 million, the same as last year, is recommended in State aid to these schools.

Academic Intervention for Nonpublic Schools: A total of \$1.00 million will continue to be available to support a program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Nonpublic School Aid: A total of \$87.50 million, an increase of \$4.20 million, is recommended 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.

Private Schools for the Blind and Deaf: A total of \$108.21 million, an increase of \$2.54 million is provided, under Article 85 of the Education Law, 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. 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.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$552.2 million is continued for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. An additional \$16.8 million is provided for payment of preschool claims authorized by Chapter 57 of the Laws of 2004. The 2005-06 Executive Budget also proposes reforms that will improve the cost effectiveness of services and ensure that disabled children served by this program receive services in the least restrictive setting.

Summer School Program for Disabled Students: An appropriation of \$189.90 million, an increase of \$7.50 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 2005-06 State fiscal year, the Executive Budget includes a \$170.0 million offset to State special education costs based on recovery of Federal Medicaid funds for medically related services provided to eligible children in special education programs.

Targeted Special Education Teacher Salary Supplement: A total of \$2.0 million is provided to continue support to private special education providers that serve students with disabilities to allow them to provide targeted adjustments to teacher salaries to help allow these schools to attract new teachers and prevent excessive turnover of existing teaching

staff. Uncommitted Federal IDEA funds will also be made available to help increase the number of appropriately certified teachers in these schools.

Summer Food Program: A total of \$3.30 million in State funds, the same as last year, is appropriated to subsidize summer food service programs operating during the 2005-06 school year.

Advances to Hurd City School Districts: A total of \$6,515,000 in loan funds (Hurd advances) is appropriated in 2005-06 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.



## SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 enacted a School Tax Relief (STAR) program for homeowners and provided for the full reimbursement of school districts for their revenue losses. Senior homeowners at least 65 years old and with incomes up to \$64,650 are eligible to receive exemptions of at least \$50,000 from the full value of their primary residences for school tax purposes. Other homeowners are eligible for 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. The 2005-06 Budget includes \$3.2 billion for this purpose.

### School District Reimbursement for STAR

STAR exemptions have no effect on determining tax levies, rates or school 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.

### New York City Tax Reduction

Under the STAR program, New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Local taxpayer savings will total \$595 million in 2005-06, which will be reimbursed to the City in three equal installments on or before September 15, December 15 and March 15.

### STAR Tax Credit

The 2005-06 Executive Budget proposes a new STAR tax credit that would protect STAR benefits from the effects of inflation for homeowners in school districts that keep their school budget growth within the proposed spending cap (i.e., the lesser of 4 percent or 120 percent of the growth in the Consumer Price

Index, with exceptions that include enrollment increases and expenses required to provide a sound basic education). This credit has a projected cost of \$48 million, and will be paid as an income tax credit to taxpayers when they file their 2005 State tax returns.

## OTHER INITIATIVES

Rewarding Performance and Efficiency: The 2005-06 Executive Budget proposes the following new initiatives to reward schools for improved academic performance and efficiency:

- **Performance Funding:** Additional State aid will be available prospectively to school districts that demonstrate improved performance on statewide achievement tests and graduation rates.
- **Academic Achievement Awards:** A total of \$500,000 is recommended to support 25 Pathfinder Awards and 25 Trailblazer Awards to schools across the State to recognize demonstrated educational performance and operational efficiency.
- **Shared Municipal Services Incentive Awards:** School districts will be eligible to participate in this new \$5.50 million program that encourages shared service arrangements among local government agencies.
- **Fund for Innovation:** A new \$15.0 million program will be created to provide the Big Five City schools with additional resources to create public/private partnerships that integrate technology into the classroom.

New Office of Educational Accountability and Efficiency: The 2005-06 Executive Budget includes \$2 million to support a new independent Office of Educational Accountability and Efficiency. This Office will be headed by an Executive Director appointed by the Governor, and will have the following specific responsibilities:

- Tracking and reporting on the educational performance of our public schools in providing all children a sound basic education;
- Reviewing and approving school improvement plans and providing assistance in the closure and/or reconfiguration of schools that fail to meet State educational standards;
- Coordinating teams of educators, auditors, and efficiency experts to conduct top-to-bottom reviews of education spending across the State;
- Undertaking evaluations of the financial condition of school districts with follow-up reviews of districts identified as being in fiscal distress or lacking proper financial controls; and
- Promoting increased efficiency by serving as a catalyst for the creation of shared service arrangements among

school districts, BOCES and other local government entities.

Reforming the School Voting Process (RSVP): In order to increase voter participation in local school district elections, a new Reforming the School Voting Process (RSVP) initiative is proposed to:

- Expand access to polling places;
- Extend voting hours;
- Ensure that supervisors of voting have no vested interest in the outcome of school elections;
- Set a single statewide day for budget revotes; and
- Require bond resolution votes to occur on the statewide budget voting day.

Advantage Schools: For 2005-06, funding for Advantage After-School programs will be maintained at \$20.20 million. This program offers educational and recreational after-school activities for approximately 29,000 elementary, middle and high school students and funds community-based organizations demonstrating the ability to work collaboratively with schools, child care providers and other community providers of after-school programming.

Charter Schools: New York State's Charter Schools Act provides additional public school choices for parents with children in chronically under-performing schools. Currently, nearly 70 charter schools are serving 20,000 children throughout the State.

In New York City, Mayor Michael Bloomberg and Chancellor Joel Klein recently have advanced plans to open 50 new charter schools over the next five years to provide alternatives to failing schools. Consistent with that effort, legislation is being advanced to clarify that schools chartered by the Chancellor of New York City schools do not count against the existing statutory limit on the number of charter schools - as is currently the case for conversion charter schools approved by parents. In addition, legislation consistent with the recommendations of the State Board of Regents to allow charter schools to access financing and construction management services from the Dormitory Authority is also proposed for the coming year.

## II

### SUMMARY OF 2005-06 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

#### School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2005-06 New York State aid programs relating to support for public schools: the 2005-06 school year which runs from July 1, 2005 through June 30, 2006; and the 2005-06 State fiscal year which runs from April 1, 2005 through March 31, 2006. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for School Aid and the 2004-05 and 2005-06 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 2005-06. Computerized aids increase by 1.40 percent.
- Table II-B gives the 2004-05 and 2005-06 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  
-- 2004-05 AND 2005-06 SCHOOL YEARS -- NEW YORK STATE

| AID CATEGORY                                    | 2004-05                         | 2005-06            | Amount          | Change        |
|---|---------------------------------|--------------------|-----------------|---------------|
|   | School Year                     | School Year        |                 | Percent       |
| I. Formula-Based Aids:                          | (-----Amounts in Millions-----) |                    |                 |               |
| Comprehensive Operating Aid                     | \$6,964.80                      | \$0.00             | NA              | NA %          |
| Extraordinary Needs Aid                         | 1,090.87                        | 0.00               | NA              | NA            |
| ERSSA   | 72.27                           | 0.00               | NA              | NA            |
| Limited English Proficiency                     | 104.14                          | 0.00               | NA              | NA            |
| Summer School                                   | 30.34                           | 0.00               | NA              | NA            |
| Minor Maintenance                               | 49.98                           | 0.00               | NA              | NA            |
| Flex Aid  | <u>\$8,312.41</u>               | <u>\$8,433.91</u>  | <u>\$121.50</u> | <u>1.46 %</u> |
| Excess Cost - Public                            | 2,266.20                        | 2,346.19           | 79.99           | 3.53          |
| Excess Cost - Private                           | 210.76                          | 114.32             | (96.44)         | (45.76)       |
| Tax Limitation Aid                              | 47.99                           | 78.45              | 30.46           | 63.47         |
| BOCES   | 507.24                          | 487.24             | (20.00)         | (3.94)        |
| Special Services (Career Ed./Computer Admin.)   | 135.40                          | 134.60             | (0.80)          | (0.59)        |
| Textbooks (Incl. Lottery)                       | 188.34                          | 188.67             | 0.33            | 0.18          |
| Computer Software                               | 46.64                           | 46.41              | (0.23)          | (0.49)        |
| Computer Hardware                               | 28.58                           | 28.84              | 0.26            | 0.91          |
| Library Materials                               | 19.27                           | 19.54              | 0.27            | 1.40          |
| Transportation (Including Summer)               | 1,151.52                        | 1,200.75           | 49.23           | 4.28          |
| Prekindergarten                                 | 201.77                          | 201.77             | 0.00            | 0.00          |
| Class Size Reduction                            | 138.12                          | 138.12             | 0.00            | 0.00          |
| Building  | 1,396.41                        | 1,423.45           | 27.04           | 1.94          |
| Teacher Support Aid                             | 67.48                           | 67.48              | 0.00            | 0.00          |
| Fund for Innovation                             | 0.00                            | 15.00              | 15.00           | NA            |
| Formula-Based Aids Total                        | <u>\$14,718.13</u>              | <u>\$14,924.76</u> | <u>\$206.63</u> | <u>1.40 %</u> |
| II. Grant Programs and Other Aid Categories:    |                                 |                    |                 |               |
| Growth Aid                                      | 22.09                           | 9.97               | (12.12)         | (54.87)       |
| Reorganization Incentive (Operating + Building) | 32.03                           | 30.30              | (1.73)          | (5.40)        |
| Full-Day K                                      | 4.52                            | 3.34               | (1.18)          | (26.11)       |
| Academic Achievement Awards                     | 0.00                            | 0.50               | 0.50            | NA            |
| Teachers of Tomorrow                            | 20.00                           | 20.00              | 0.00            | 0.00          |
| Teacher Centers                                 | 31.00                           | 31.00              | 0.00            | 0.00          |
| Teacher-Mentor Intern                           | 6.00                            | 6.00               | 0.00            | 0.00          |
| 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                                  | 136.10                          | 136.10             | 0.00            | 0.00          |
| 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                | 90.00                           | 90.00              | 0.00            | 0.00          |
| Homeless Pupils                                 | 5.90                            | 6.48               | 0.58            | 9.83          |
| Incarcerated Youth                              | 14.50                           | 16.50              | 2.00            | 13.79         |
| Bilingual                                       | 11.20                           | 11.20              | 0.00            | 0.00          |
| School Audits                                   | 0.25                            | 2.90               | 2.65            | 1,060.00      |
| Education of OMH/OMR Pupils                     | 26.00                           | 30.00              | 4.00            | 15.38         |
| 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                           | 2.91                            | 2.91               | 0.00            | 0.00          |
| Add'l Class Size Reduction                      | 1.85                            | 1.85               | 0.00            | 0.00          |
| Subtotal  | <u>619.16</u>                   | <u>613.86</u>      | <u>(5.30)</u>   | <u>(0.86)</u> |
| SCHOOL YEAR TOTAL                               | <u>\$15,337.29</u>              | <u>\$15,538.62</u> | <u>\$201.33</u> | <u>1.31 %</u> |
| Sound Basic Education (SBE) Aid                 | 0.00                            | 324.87             | 324.87          | NA            |
| TOTAL Including SBE                             | <u>\$15,337.29</u>              | <u>\$15,863.49</u> | <u>\$526.20</u> | <u>3.43 %</u> |

Source: State Education Department computer runs and Executive Budget estimates of January 18, 2005.

TABLE II-B  
2004-05 AND 2005-06 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

| State Education Department Aid<br>to Localities Appropriation    | 2004-05          | 2005-06          | Change<br>Amount | Percent  |
|--|------------------|------------------|------------------|----------|
| School Aid and STAR  | \$18,156,800,000 | \$18,920,543,000 | \$763,743,000    | 4.21 %   |
| General Support for Public Schools                               | 12,091,637,000   | 12,418,957,000   | 327,320,000      | 2.71     |
| General Support for Public Schools Misc. Programs                | 0                | 87,920,000       | 87,920,000       | NA       |
| Teacher Support Aid  | 15,743,000       | 47,236,000       | 31,493,000       | 200.04   |
| Small City School Districts                                      | 57,316,000       | 57,316,000       | 0                | 0.00     |
| 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   | 95,270,000       | 95,270,000       | 0                | 0.00     |
| Fund for Innovation  | 0                | 10,500,000       | 10,500,000       | NA       |
| BOCES  | 496,286,000      | 499,154,000      | 2,868,000        | 0.58     |
| Employment Preparation Education                                 | 90,000,000       | 90,000,000       | 0                | 0.00     |
| Total General Fund   | 12,937,462,000   | 13,397,563,000   | 460,101,000      | 3.56     |
| STAR: School Tax Relief Fund                                     | 3,000,000,000    | 3,202,000,000    | 202,000,000      | 6.73     |
| Lottery - Education  | 2,219,338,000    | 2,093,480,000    | (125,858,000)    | (5.67)   |
| Lottery - Sound Basic Education Aid                              | 0                | 227,500,000      | 227,500,000      | NA       |
| Other Public Elementary and<br>Secondary Education Programs      | \$201,204,400    | \$196,431,400    | (\$4,773,000)    | (2.37) % |
| Targeted Prekindergarten   | 50,200,000       | 50,200,000       | 0                | 0.00     |
| Children of Migrant Workers                                      | 85,500           | 85,500           | 0                | 0.00     |
| Transferring Success   | 598,400          | 598,400          | 0                | 0.00     |
| Adult Basic Education - SED                                      | 2,000,000        | 2,000,000        | 0                | 0.00     |
| Adult Basic Education - EDGE                                     | 3,000,000        | 0                | (3,000,000)      | (100.00) |
| Adult Literacy Education   | 3,324,700        | 3,324,700        | 0                | 0.00     |
| AIDS Education (a)   | 658,400          | 0                | (658,400)        | (100.00) |
| Workplace Literacy   | 1,307,300        | 1,176,600        | (130,700)        | (10.00)  |
| Apprenticeship Training  | 1,738,500        | 1,564,700        | (173,800)        | (10.00)  |
| Lunch/Breakfast Programs   | 31,700,000       | 31,700,000       | 0                | 0.00     |
| Education of Native Americans                                    | 19,000,000       | 24,000,000       | 5,000,000        | 26.32    |
| New York State Center for School Safety                          | 475,000          | 475,000          | 0                | 0.00     |
| Civility, Citizenship and Character Education Curriculum         | 0                | 475,000          | 475,000          | NA       |
| Comprehensive School Health Demonstration (a)                    | 349,200          | 0                | (349,200)        | (100.00) |
| Health Education Program   | 0                | 750,000          | 750,000          | NA       |
| Academic Intervention for Nonpublic Schools                      | 1,000,000        | 1,000,000        | 0                | 0.00     |
| Extended School Day/School Violence Prevention                   | 28,690,000       | 28,690,000       | 0                | 0.00     |
| School Health Demonstration Project (a)                          | 142,500          | 0                | (142,500)        | (100.00) |
| Schools Under Registration Review                                | 1,900,000        | 1,900,000        | 0                | 0.00     |
| Primary Mental Health Project                                    | 541,500          | 541,500          | 0                | 0.00     |
| Summer Food Program  | 3,300,000        | 3,300,000        | 0                | 0.00     |
| Consortium for Worker Education                                  | 11,500,000       | 10,350,000       | (1,150,000)      | (10.00)  |
| Charter School Start Up Grants                                   | 6,000,000        | 6,000,000        | 0                | 0.00     |
| Teacher Resource & Computer Centers - Remaining 2003-04 Payments | 0                | 300,000          | 300,000          | NA       |
| Grants-in-aid for Certain School Districts                       | 18,293,400       | 0                | (18,293,400)     | (100.00) |
| Fiscal Stabilization Grants/Prior Year Claims                    | 15,400,000       | 28,000,000       | 12,600,000       | 81.82    |
| Other School Programs  | \$744,091,000    | \$776,286,000    | \$32,195,000     | 4.33 %   |
| Nonpublic School Aid   | 83,300,000       | 87,500,000       | 4,200,000        | 5.04     |
| Private Schools for the Blind & Deaf (G.F.)                      | 105,671,000      | 108,210,000      | 2,539,000        | 2.40     |
| Private Schools for the Blind & Deaf (Lott.)                     | 20,000           | 20,000           | 0                | 0.00     |
| Special Education Targeted Adjustment Aid                        | 2,000,000        | 2,000,000        | 0                | 0.00     |
| Preschool Special Education                                      | 552,200,000      | 552,200,000      | 0                | 0.00     |
| Supplemental Preschool Special Education Claims                  | 0                | 16,806,000       | 16,806,000       | NA       |
| Summer School Handicapped  | 182,400,000      | 189,900,000      | 7,500,000        | 4.11     |
| Less: Special Education Medicaid Offset                          | (170,000,000)    | (170,000,000)    | 0                | 0.00     |
| Less: Consortium for Worker Education Offset                     | (11,500,000)     | (10,350,000)     | 1,150,000        | (10.00)  |
| Fiscal Year Total (excluding Hurd Loans)                         | \$19,102,095,400 | \$19,893,260,400 | \$791,165,000    | 4.14 %   |
| Advances to Hurd City School Districts (b)                       | 7,601,000        | 6,515,000        | (1,086,000)      | (14.29)  |
| FISCAL YEAR TOTAL  | \$19,109,696,400 | \$19,899,775,400 | \$790,079,000    | 4.13 %   |

(a) The new Health Education Program consolidates activities previously performed under the AIDS Education, School Health Demonstration and Comprehensive School Health Demonstration programs.

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

Source: Laws of the State of New York: Chapters 16, 53, 57 and 411, Laws of 2004; 2005-2006 Executive Budget.

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

Recommended school aid provisions will increase payments to 456 major school districts by a total of \$263.89 million in the 2005-06 school year. There are 221 districts that are projected to have decreases of \$57.26 million. The combined total of increases and reductions produce a net increase statewide of \$206.63 million, or 1.40 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 4.85 percent.
- In Table II-E, major 2005-06 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 1.40 percent. The 369 districts in the 18 most populous counties contain 48.90 percent of the State's public school pupils. These districts will receive 43.03 percent of the 2005-06 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 1.33 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 1.40 percent and will receive 18.86 percent of the 2005-06 combined aids total.



TABLE II-C  
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED  
THROUGH SCHOOL AID APPROPRIATIONS: 2004-05 AND 2005-06

| AID CATEGORY                                 | New York City                     |                   | Buffalo         |                 | Rochester       |                 | Syracuse        |                 | Yonkers         |                 |
|--|-----------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2004-05                           | 2005-06           | 2004-05         | 2005-06         | 2004-05         | 2005-06         | 2004-05         | 2005-06         | 2004-05         | 2005-06         |
| I. Formula-Based Aids:                       | (----- Amounts in Millions -----) |                   |                 |                 |                 |                 |                 |                 |                 |                 |
| Comprehensive Operating Aid                  | \$2,537.02                        | \$0.00            | \$186.88        | \$0.00          | \$124.05        | \$0.00          | \$83.20         | \$0.00          | \$36.32         | \$0.00          |
| Extraordinary Needs Aid                      | 727.12                            | 0.00              | 34.83           | 0.00            | 36.37           | 0.00            | 16.22           | 0.00            | 11.29           | 0.00            |
| ERSSA  | 32.67                             | 0.00              | 2.21            | 0.00            | 2.05            | 0.00            | 1.10            | 0.00            | 0.62            | 0.00            |
| Limited English Proficiency                  | 71.10                             | 0.00              | 2.92            | 0.00            | 3.08            | 0.00            | 1.67            | 0.00            | 2.13            | 0.00            |
| Summer School                                | 20.18                             | 0.00              | 1.03            | 0.00            | 1.06            | 0.00            | 0.20            | 0.00            | 0.21            | 0.00            |
| Minor Maintenance                            | 33.33                             | 0.00              | 0.59            | 0.00            | 0.43            | 0.00            | 0.26            | 0.00            | 0.33            | 0.00            |
| Flex Aid                                     | \$3,421.42                        | \$3,466.65        | \$228.46        | \$232.35        | \$167.04        | \$170.28        | \$102.65        | \$104.63        | \$50.91         | \$51.59         |
| Excess Cost - Public and Private             | 901.13                            | 903.93            | 67.34           | 64.16           | 71.56           | 69.28           | 36.33           | 35.25           | 25.94           | 22.81           |
| Tax limitation Aid                           | 0.00                              | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Special Services (Career Ed/Comp Admin.)     | 98.41                             | 98.41             | 13.07           | 12.81           | 9.65            | 9.65            | 4.97            | 4.97            | 4.62            | 4.07            |
| Software, Library, Textbooks                 | 103.30                            | 103.09            | 3.97            | 4.04            | 3.37            | 3.33            | 1.75            | 1.74            | 2.52            | 2.47            |
| Computer Hardware                            | 11.07                             | 11.30             | 0.70            | 0.70            | 0.59            | 0.59            | 0.35            | 0.35            | 0.23            | 0.17            |
| Transportation (Including Summer)            | 333.37                            | 365.49            | 28.18           | 29.32           | 33.00           | 34.71           | 10.26           | 9.64            | 13.64           | 10.97           |
| 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            |
| Building Aid                                 | 437.66                            | 434.81            | 30.12           | 25.77           | 14.36           | 14.20           | 6.86            | 7.56            | 2.96            | 3.08            |
| Teacher Support Aid                          | 62.71                             | 62.71             | 1.74            | 1.74            | 1.08            | 1.08            | 0.81            | 0.81            | 1.15            | 1.15            |
| Fund for Innovation                          | 0.00                              | 6.00              | 0.00            | 3.04            | 0.00            | 2.65            | 0.00            | 1.58            | 0.00            | 1.73            |
| <b>Formula-Based Aids Total</b>              | <b>\$5,604.44</b>                 | <b>\$5,687.76</b> | <b>\$385.66</b> | <b>\$386.02</b> | <b>\$312.96</b> | <b>\$318.08</b> | <b>\$170.51</b> | <b>\$173.06</b> | <b>\$109.17</b> | <b>\$105.23</b> |
| Change from 2004-05 School Year              |                                   | \$83.32           |                 | \$0.36          |                 | \$5.12          |                 | \$2.55          |                 | (\$3.94)        |
| Percent                                      |                                   | 1.49%             |                 | 0.09%           |                 | 1.64%           |                 | 1.50%           |                 | -3.61%          |
| II. Grant Programs and Other Aid Categories: |                                   |                   |                 |                 |                 |                 |                 |                 |                 |                 |
| Growth Aid                                   | 0.00                              | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Teachers of Tomorrow                         | 12.00                             | 12.00             | 0.85            | 0.85            | 2.08            | 2.08            | 0.41            | 0.41            | 1.73            | 1.73            |
| Teacher Centers                              | 11.63                             | 11.63             | 0.73            | 0.73            | 0.47            | 0.47            | 0.47            | 0.47            | 0.30            | 0.30            |
| Teacher-Mentor Intern                        | 2.41                              | 2.41              | 0.20            | 0.20            | 0.10            | 0.10            | 0.15            | 0.15            | 0.00            | 0.00            |
| 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                                     | 140.37                            | 140.37            | 46.81           | 46.81           | 26.10           | 26.10           | 21.63           | 21.63           | 45.63           | 45.63           |
| <b>SCHOOL YEAR TOTAL SELECTED AIDS</b>       | <b>\$5,744.81</b>                 | <b>\$5,828.13</b> | <b>\$432.47</b> | <b>\$432.83</b> | <b>\$339.06</b> | <b>\$344.18</b> | <b>\$192.14</b> | <b>\$194.69</b> | <b>\$154.80</b> | <b>\$150.86</b> |
| Change from 2004-05 School Year              |                                   | \$83.32           |                 | \$0.36          |                 | \$5.12          |                 | \$2.55          |                 | (\$3.94)        |
| Percent                                      |                                   | 1.45%             |                 | 0.08%           |                 | 1.51%           |                 | 1.33%           |                 | -2.55%          |
| Sound Basic Education (SBE) Aid              | 0.00                              | 195.65            | 0.00            | 9.46            | 0.00            | 8.35            | 0.00            | 4.32            | 0.00            | 3.84            |
| <b>TOTAL Including SBE</b>                   | <b>\$5,744.81</b>                 | <b>\$6,023.78</b> | <b>\$432.47</b> | <b>\$442.29</b> | <b>\$339.06</b> | <b>\$352.53</b> | <b>\$192.14</b> | <b>\$199.01</b> | <b>\$154.80</b> | <b>\$154.70</b> |
| Change from 2004-05 School Year              |                                   | \$278.97          |                 | \$9.82          |                 | \$13.47         |                 | \$6.87          |                 | (\$0.10)        |
| Percent                                      |                                   | 4.86%             |                 | 2.27%           |                 | 3.97%           |                 | 3.58%           |                 | -0.06%          |

Source: State Education Department computer runs and Executive Budget estimates of January 18, 2005.

TABLE II-D  
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS  
-- 2004-05 AND 2005-06 SCHOOL YEARS -- NEW YORK CITY

| AID CATEGORY                                  | 2004-05                           | 2005-06     | Amount   | Change  |
|---|-----------------------------------|-------------|----------|---------|
|   | School Year                       | School Year |          | Percent |
| I. Formula-Based Aids:                        | (----- Amounts in Millions -----) |             |          |         |
| Comprehensive Operating Aid                   | \$2,537.02                        | \$0.00      | NA       | NA      |
| Extraordinary Needs Aid                       | 727.12                            | 0.00        | NA       | NA      |
| ERSSA   | 32.67                             | 0.00        | NA       | NA      |
| Limited English Proficiency                   | 71.10                             | 0.00        | NA       | NA      |
| Summer School                                 | 20.18                             | 0.00        | NA       | NA      |
| Minor Maintenance                             | 33.33                             | 0.00        | NA       | NA      |
| Flex Aid                                      | \$3,421.42                        | \$3,466.65  | \$45.23  | 1.32 %  |
| Excess Cost - Public                          | 802.92                            | 857.35      | 54.43    | 6.78    |
| Excess Cost - Private                         | 98.21                             | 46.58       | (51.63)  | (52.57) |
| Tax Limitation Aid                            | 0.00                              | 0.00        | 0.00     | 0.00    |
| Special Services (Career Ed./Computer Admin.) | 98.41                             | 98.41       | 0.00     | 0.00    |
| Textbooks (Incl. Lottery)                     | 75.62                             | 75.47       | (0.15)   | (0.20)  |
| Computer Software                             | 19.76                             | 19.72       | (0.04)   | (0.20)  |
| Computer Hardware                             | 11.07                             | 11.30       | 0.23     | 2.08    |
| Library Materials                             | 7.92                              | 7.90        | (0.02)   | (0.25)  |
| Transportation (Including Summer)             | 333.37                            | 365.49      | 32.12    | 9.63    |
| Prekindergarten                               | 146.53                            | 146.53      | 0.00     | 0.00    |
| Class Size Reduction                          | 88.84                             | 88.84       | 0.00     | 0.00    |
| Building                                      | 437.66                            | 434.81      | (2.85)   | (0.65)  |
| Teacher Support Aid                           | 62.71                             | 62.71       | 0.00     | 0.00    |
| Fund for Innovation                           | 0.00                              | 6.00        | 6.00     | NA      |
| Formula-Based Aids Total                      | \$5,604.44                        | \$5,687.76  | \$83.32  | 1.49 %  |
| 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                               | 11.63                             | 11.63       | 0.00     | 0.00    |
| Teacher-Mentor Intern                         | 2.41                              | 2.41        | 0.00     | 0.00    |
| Categorical Reading                           | 29.95                             | 29.95       | 0.00     | 0.00    |
| Improving Pupil Performance                   | 36.20                             | 36.20       | 0.00     | 0.00    |
| Magnet Schools                                | 48.18                             | 48.18       | 0.00     | 0.00    |
| Employment Preparation Education              | 33.50                             | 33.50       | 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    |
| Education of OMH/OMR Pupils                   | 10.00                             | 12.00       | 2.00     | 20.00   |
| Chargebacks                                   | (5.00)                            | (5.00)      | 0.00     | 0.00    |
| Learning Technology Grants                    | 1.13                              | 1.13        | 0.00     | 0.00    |
| Subtotal                                      | 184.50                            | 186.50      | 2.00     | 1.08    |
| SCHOOL YEAR TOTAL                             | \$5,788.94                        | \$5,874.26  | \$85.32  | 1.47 %  |
| Sound Basic Education (SBE) Aid               | 0.00                              | 195.65      | 195.65   | NA      |
| TOTAL Including SBE                           | \$5,788.94                        | \$6,069.91  | \$280.97 | 4.85 %  |

Source: State Education Department computer runs and Executive Budget estimates of January 18, 2005.

TABLE II-E  
CHANGE IN SCHOOL AID (a) FOR 2004-05 AND 2005-06 SCHOOL YEARS:  
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

| AREA                                      | No. of Dtrs. | Percent of Total State TAPU (b) | 2005-06 Combined Aids |              | Change in Aid from 2004-05 to 2005-06 |           | Number of Districts |                    |                    |
|---|--------------|---------------------------------|-----------------------|--------------|---------------------------------------|-----------|---------------------|--------------------|--------------------|
|   |              |                                 | 2004-05 Combined Aids | Amount       | Percent of State Total                | Amount    | Percent             | With Aid Increases | With Aid Decreases |
| (----- Dollar Amounts in Thousands -----) |              |                                 |                       |              |                                       |           |                     |                    |                    |
| Albany                                    | 13           | 1.45                            | \$157,180             | \$162,197    | 1.09                                  | \$5,017   | 3.19                | 8                  | 5                  |
| Broome                                    | 12           | 1.11                            | 187,253               | 187,987      | 1.26                                  | 734       | 0.39                | 10                 | 2                  |
| Chautauqua                                | 18           | 0.83                            | 169,959               | 171,130      | 1.15                                  | 1,171     | 0.69                | 15                 | 3                  |
| Dutchess                                  | 13           | 1.64                            | 183,966               | 183,778      | 1.23                                  | (188)     | (0.10)              | 7                  | 6                  |
| Erie                                      | 28           | 4.87                            | 810,787               | 819,610      | 5.49                                  | 8,823     | 1.09                | 25                 | 3                  |
| Monroe                                    | 18           | 4.21                            | 670,379               | 688,228      | 4.61                                  | 17,849    | 2.66                | 14                 | 4                  |
| Nassau                                    | 56           | 7.52                            | 572,552               | 582,410      | 3.90                                  | 9,858     | 1.72                | 33                 | 23                 |
| Niagara                                   | 10           | 1.21                            | 217,273               | 220,676      | 1.48                                  | 3,403     | 1.57                | 9                  | 1                  |
| Oneida                                    | 15           | 1.30                            | 243,073               | 245,536      | 1.65                                  | 2,463     | 1.01                | 11                 | 4                  |
| Onondaga                                  | 18           | 2.69                            | 431,562               | 438,667      | 2.94                                  | 7,105     | 1.65                | 15                 | 3                  |
| Orange                                    | 17           | 2.35                            | 341,333               | 349,003      | 2.34                                  | 7,670     | 2.25                | 14                 | 3                  |
| Rensselaer                                | 11           | 0.80                            | 142,363               | 142,983      | 0.96                                  | 620       | 0.44                | 7                  | 4                  |
| Rockland                                  | 8            | 1.48                            | 133,685               | 132,075      | 0.88                                  | (1,610)   | (1.20)              | 3                  | 5                  |
| Saratoga                                  | 12           | 1.25                            | 166,792               | 169,606      | 1.14                                  | 2,814     | 1.69                | 7                  | 5                  |
| Schenectady                               | 6            | 0.80                            | 109,686               | 110,225      | 0.74                                  | 539       | 0.49                | 5                  | 1                  |
| Suffolk                                   | 65           | 9.32                            | 1,299,804             | 1,317,365    | 8.83                                  | 17,561    | 1.35                | 40                 | 25                 |
| Ulster                                    | 9            | 0.99                            | 135,087               | 139,948      | 0.94                                  | 4,861     | 3.60                | 8                  | 1                  |
| Westchester                               | 40           | 5.08                            | 365,498               | 361,305      | 2.42                                  | (4,193)   | (1.15)              | 12                 | 28                 |
| 18 Most Populous Counties                 | 369          | 48.90                           | \$6,338,232           | \$6,422,729  | 43.03                                 | \$84,497  | 1.33                | 243                | 126                |
| New York City                             | 1            | 36.83                           | 5,604,439             | 5,687,759    | 38.11                                 | 83,320    | 1.49                | 1                  | 0                  |
| Rest of State                             | 307          | 14.27                           | 2,775,459             | 2,814,271    | 18.86                                 | 38,812    | 1.40                | 212                | 95                 |
| TOTAL STATE                               | 677          | 100.00                          | \$14,718,130          | \$14,924,759 | 100.00                                | \$206,629 | 1.40                | 456                | 221                |

(a) 2005-06 aids include flex aid, public and private excess cost aids, tax limitation, BOCES, special services, textbook, computer software, computer hardware, library materials, transportation (including summer), prekindergarten, class size reduction, building, teacher support aid and fund for innovation aid.

(b) The TAPU for payment pupil count used for 2005-06 formula operating aid.

Source: State Education Department computer runs and Executive Budget estimates of January 18, 2005.

### 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 2005-06 and compares them with the 2004-05 aid categories.
- Appendix III-B provides the mathematical formulas for computing 19 different aids for 2005-06 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than Flex Aid.

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

- Appendix III-D describes the payment schedule for aids payable under section 3609 of the Education Law in the 2005-06 school year.

APPENDIX III-A  
COMPARISON OF 2004-05 AND 2005-06 SCHOOL AID PROGRAMS<sup>3</sup>

| <u>Category</u>              | <u>2004-05 School Year</u> | <u>2005-06 School Year</u>   |
|------------------------------|----------------------------|--|
| <u>FLEX AID</u> <sup>4</sup> |                            |  |
| Foundation Amount            | None                       | The sum of a district's 2004-05 comprehensive operating, summer school, minor maintenance, erssa, extraordinary needs, and limited English proficiency aid |
| Formula Ceiling              | None                       | \$6.00 plus the product of \$55.00 times Regional Cost Index times Flex Aid Ratio  |
| Regional Cost Index          | None                       | Geographic Cost of Education Index-based cost adjustment <sup>5</sup>  |

<sup>3</sup> A district's aid for the 2005-06 school year will be calculated based on data on file with the State Education Department on November 15, 2004. A district may not exceed the sum of apportionments calculated based on this data and reported in the school aid computer listing entitled "BT033-1" released in January 2005 with the issuance of the 2005-06 Executive Budget.

<sup>4</sup> A district's Flex Combined Wealth Ratio for 2005-06 is equal to: (.5 x District Flex Pupil Wealth Ratio) + (.5 x District Flex Alternate Pupil Wealth Ratio). The district Flex Pupil Wealth Ratio is equal to:

$$\frac{(2002 \text{ Actual Valuation})/2003-04 \text{ Flex TWPU}}{\$315,100} ; \text{ and the}$$

Flex Alternate Pupil Wealth Ratio is equal to:

$$\frac{2002 \text{ District Income}/2003-04 \text{ Flex TWPU}}{\$107,800}$$

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. For the 2005-06 school year, 2002 Actual Valuation and Adjusted Gross Income will be used. For aids other than Flex Aid, the State average of the 2002 AV per 2003-04 Total Wealth Pupil Unit (TWPU) is \$346,500. The State average of 2002 Adjusted Gross Income per 2003-04 Total Wealth Pupil Unit is \$118,500. Some formulas use the Resident Weighted Average Daily Attendance (RWADA) wealth ratio; the State average 2002 AV per 2003-04 RWADA is \$413,400. For a description of Flex Aid pupil counts for wealth and aid, see this aid category in Appendix III-B. For other pupil counts, see Appendix III-C.

<sup>5</sup> The GCEI-based cost adjustment is a statewide index reflecting variations in teacher compensation among school districts. The index for each district is listed under the heading "Tier 1 Flex Aids" in the school aid computer listing entitled "Flex Aid, Instructional Materials Aids And Sound Basic Education Aid" produced by the commissioner of education in support of the executive budget request for the 2005-06 school year and entitled "BT033-1."

| <u>Category</u>                                | <u>2004-05 School Year</u>   | <u>2005-06 School Year</u>   |
|--|--|--|
| State Share                                    | None   | 1.37 - (Flex Combined Wealth Ratio x 1.10)   |
| Minimum Aid Ratio                              | None   | .05  |
| Pupils   | None   | Flex Selected Total Aidable Pupil Units (Flex Selected TAPU)   |
| <u>ADDITIONAL AID</u>                          |  |  |
| Eligible Districts                             | None   | A district's Flex Combined Wealth Ratio must be less than 1.2 and its K-6 FRPL percent greater than 50 percent |
| Formula Ceiling                                | None   | \$9.00 multiplied by the ratio of a district's FRPL percent divided by 50 percent                              |
| State Share                                    | None   | 1.0 - (Flex CWR x 0.64)  |
| Minimum Aid Ratio                              | None   | .10  |
| Pupils   | None   | 2004-05 enrollment   |
| <u>COMPREHENSIVE OPERATING AID</u>             | Each district receives an amount equal to its 2003-04 Comprehensive Operating Aid plus an increase equal to 1.75 percent of its 2003-04 Comprehensive Operating Aid total. | None   |
| <u>GROWTH AID</u> <sup>6</sup>                 | Growth Index in excess of 1.004 * Formula Operating Aid  | Same   |
| <u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u> | If formula operating aid per pupil is greater in the district of residence, the district of attendance   | Qualifying districts will receive the same aid that they would have received in the                            |

<sup>6</sup> For the 1997-98 school year and after, the Growth Index is defined as a measure of enrollment rather than attendance. 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. The calculation for Formula Operating Aid is described more fully in subdivision 12 of Section 3602 of the Education Law.

| <u>Category</u>                        | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u> |
|--|---|----------------------------|
|  | receives urban-suburban transfer aid equal to the formula operating aid per pupil that the district of residence would have received.   | 2000-01 school year.       |
| <u>LIMITED ENGLISH PROFICIENCY AID</u> |   |                            |
| Weighting                              | .292  | None                       |
| <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. Additional increments are provided if more than 79.9% of a district's enrolled students have extraordinary needs, or if a district's enrollment per square mile is greater than 1,500, and to the Big Four City school districts. | None                       |
| Wealth Measure                         | Alternate Pupil Wealth Ratio  | None                       |
| State Share                            | .60   | None                       |
| Save-Harmless                          | 100% of 2003-04 aid   | None                       |
| Pupil Count                            | The sum of the percentage of K-6 free and reduced price lunch eligible applicants times 2003 enrollment, plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 2003 enrollment.  | None                       |

| <u>Category</u>   | <u>2004-05 School Year</u>   | <u>2005-06 School Year</u>  |
|---|--|---|
| <u>EXCESS COST AID FOR DISABLED PUPILS</u>              |  |   |
| Public Excess Cost Aid:                                 |  |   |
| Disabled Pupil Classifications                          | Three  | Same  |
| Ceiling Range for Aid                                   | \$2,000 - \$8,050  | \$2,000 - \$8,450   |
| Wealth Measure  | Combined Wealth Ratio <sup>7</sup>   | Same  |
| State Share   | .49  | Same  |
| Minimum Aid Ratio                                       | .25  | Same  |
| High Cost Eligibility                                   | 4 x AOE/TAPU or \$10,000   | Same  |
| Save-Harmless   | 95% of 2003-04 aid (including declassification aid but not integrated settings aid)  | 95% of 2004-05 aid (including declassification aid but not integrated settings aid) |
| Integrated Settings Aid (not subject to save-harmless): |  |   |
| Ceiling   | Basic Excess Cost Aid per pupil  | Same  |
| 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 x 0.50 | Same  |
| Declassification Support Services Aid:                  |  |   |
| Ceiling   | Basic Excess Cost aid Per Pupil x 0.50   | Same  |
| Pupil Count   | Base Year Pupils in Need   | Same  |

<sup>7</sup> A district's 2004-05 Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district Pupil Wealth Ratio is equal to:  $\frac{2001 \text{ Actual Valuation}}{\$306,700} / 2002-03 \text{ TWPU}$ ; and the Alternate Pupil Wealth Ratio is equal to:  $\frac{2001 \text{ District Income}}{\$122,100} / 2002-03 \text{ TWPU}$

A district's 2005-06 Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district Pupil Wealth Ratio is equal to:  $\frac{2002 \text{ Actual Valuation}}{\$346,500} / 2002-03 \text{ TWPU}$ ; and the Alternate Pupil Wealth Ratio is equal to:  $\frac{2002 \text{ District Income}}{\$118,500} / 2003-04 \text{ TWPU}$



| <u>Category</u>                                   | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u>                |
|---|---|---|
| Private Excess Cost Aid:                          |   |   |
| Ceiling Range for Aid                             | Tuition - Deduct  | \$2,000-\$8,450/Tuition-Deduct            |
| Deduct  | Local Levy/Enrollment   | Same                                      |
| Wealth Measure                                    | Combined Wealth Ratio   | Same                                      |
| State Share                                       | .85   | .49/.85                                   |
| Minimum Aid Ratio                                 | .50   | .25/.50                                   |
| Pupils  | Attending private or State run schools  | Same                                      |
| Pupil Weighting                                   | None  | 1.65                                      |
| State School Taper Ratio                          | (1-CWR)/.75   | Same                                      |
| <u>EDUCATIONALLY RELATED SUPPORT SERVICES AID</u> |   |   |
| Ceiling(s)  | \$365.00/\$635.00   | None                                      |
| Wealth Measure                                    | Combined Wealth Ratio   | None                                      |
| State Shares                                      | Formula Operating Aid Ratio/Public Excess Cost Aid Ratio  | None                                      |
| Minimum Aid Ratio                                 | .25   | None                                      |
| Pupil Counts                                      | 9% of Selected TAPU and 15% of Selected TAPU times Extraordinary Needs percent in excess of 60% | None                                      |
| <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                                      |
| Mileage Formula                                   | 8 mills   | Same                                      |
| Mileage Formula                                   | 100% of 1967-68 Aid   | Same                                      |
| Save-Harmless Provision                           |   |   |
| Limit   | None  | The lesser of aid calculated by the State |

| <u>Category</u>                 | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u>  |
|---------------------------------|---|---|
| <u>FULL-DAY K 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> 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. | Education Department for the 2005-06 or 2004-05 school year based on data on file November 15, 2004.<br>A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2004-05 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2004-05. |
| Pupil Count                     | 2004-05 Estimated Full-Day K Enrollment - 2003-04 Full-Day K Enrollment   | 2005-06 Estimated Full-Day K Enrollment - 2004-05 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:<br>1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted):<br>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  |
| Urban-Suburban Transfer         | Approved expenditures of transportation of pupils in voluntary interdistrict programs.  | Same  |

| <u>Category</u>        | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u> |
|------------------------|---|----------------------------|
| <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.<br><br>Starting with all new building projects approved by the voters beginning July 1, 2000, the selected building aid ratio is based upon the greater of a district's current-year building aid ratio or the ratio selected for use in 1999-00 reduced by 10 percentage points. | Same                       |
|                        | School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.   | Same                       |
| 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>Category</u>                     | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u>   |
|-------------------------------------|---|--|
| <u>REORGANIZATION INCENTIVE AID</u> |   |  |
| Prior to July 1, 1983:              |   |  |
| Operating Aid:                      |   |  |
| Additional Percentage<br>(5 years)  | 10%   | Same   |
| Taper                               | 1%/9 years  | Same   |
| Building Aid:                       |   |  |
| Additional Percentage               | 25%   | Same   |
| Effective July 1, 1983:             |   |  |
| Operating Aid:                      |   |  |
| Additional Percentage<br>(5 years)  | 20%   | Same   |
| Taper                               | 2%/9 years  | Same   |
| Building Aid:                       |   |  |
| Additional Percentage               | 30%   | Same   |
| Effective July 1, 1992:             |   |  |
| Operating Aid:                      |   |  |
| Additional Percentage<br>(5 years)  | 40%   | Same   |
| Taper                               | 4%/9 years  | Same   |
| Eligibility Date:                   |   |  |
| New Projects                        | July 1, 2006 or approved<br>by voters within ten years<br>of reorganization.                  | Same   |
| <u>SPECIAL SERVICES AID</u>         |   |  |
| Eligible Districts                  | Big Five City school<br>districts and other<br>districts that are non-<br>components of BOCES | Same   |
| Career Education Aid:               |   |  |
| State Share                         | .41   | Same   |
| Minimum Aid Ratio                   | .35   | 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   |
| Limit                               | None  | The lesser of aid<br>calculated by the State<br>Education Department<br>for the 2005-06 or |

| <u>Category</u>   | <u>2004-05 School Year</u>  | <u>2005-06 School Year</u><br>2004-05 school year<br>based on data on file<br>on November 15, 2004. |
|---|---|---|
| <u>INSTRUCTIONAL COMPUTER<br/>HARDWARE AND TECHNOLOGY<br/>EQUIPMENT AID</u> | Based on approved expense<br>(up to an amount equal to<br>\$19.25 x TAPU x current<br>year building aid ratio)  | Same  |
| <u>TEXTBOOK AID</u>   | Up to \$57.30 per public<br>and nonpublic pupil<br>(district of residence)  | Same  |
| <u>COMPUTER SOFTWARE AID</u>  | Up to \$14.98 per public<br>and nonpublic pupil<br>(district of attendance)   | Same  |
| <u>LIBRARY MATERIALS AID</u>  | Up to \$6 per public and<br>nonpublic pupil (district<br>of attendance)   | Same  |
| <u>PREKINDERGARTEN AID</u>  | Legislation enacted with<br>the 2004-05 State Budget<br>provides that each school<br>district shall be eligible<br>to receive the amount such<br>district was eligible for<br>in the two thousand one--<br>two thousand two school<br>year. | Same  |
| <u>CLASS SIZE REDUCTION</u>   | Legislation enacted with<br>the 2004-05 State Budget<br>provides that each school<br>district shall be eligible<br>to receive the amount such<br>district was eligible for<br>in the two thousand --two<br>thousand one school year.        | Same  |
| <u>CATEGORICAL READING AID</u>  | \$63.95 million   | Same  |
| <u>GRANTS FOR IMPROVING PUPIL<br/>PERFORMANCE</u>                           | \$66.35 million   | Same  |
| <u>FORT DRUM GRANTS</u>   | \$2.63 million  | Same  |
| <u>MAGNET SCHOOL AID</u>  | \$136.10 million  | Same  |
| <u>TEACHER SUPPORT AID</u>  | \$67.48 million   | Same  |

| <u>Category</u>                         | <u>2004-05 School Year</u>   | <u>2005-06 School Year</u>  |
|---|--|---|
| <u>MINOR MAINTENANCE AND REPAIR AID</u> |  |   |
| Maximum District Aid                    | A district's 2003-04 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. | None  |
| Minimum District Aid                    | \$2,000  | None  |
| <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)   | None  |
| Pupils                                  | 2003-04 unweighted summer school ADA for pupils in programs to improve student performance   | None  |
| <u>FUND FOR INNOVATION</u>              | None   | \$15.0 million  |
| <u>TAX LIMITATION AID<sup>8</sup></u>   |  |   |
| Eligible Districts                      | A district's 2001 tax levy on residential real property (including condominium property) must be greater than 3.9% of the district's 2001 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 1.50   | For the 2005-06 school year a district will receive a continuation of its 2004-05 Tax Limitation aid. To qualify for additional aid, a district must have a Combined Wealth Ratio less than 1.50 and the index of its 2002 tax levy on residential real property (including condominium property) divided by the district's 2002 adjusted gross income compared to the state average of residential |

<sup>8</sup> For the 2004-05 school year, total aid was limited to \$48.55 million.

| <u>Category</u>   | <u>2004-05 School Year</u>   | <u>2005-06 School Year</u><br>tax levy divided by<br>income must be greater<br>than 1.60.                                      |
|---|--|--|
| State Share   | .50  | Same   |
| Wealth Measure  | Combined Wealth Ratio  | Same   |
| Formula Ceiling   | .0474 multiplied by the<br>2001 residential tax levy<br>per pupil  | \$62.00 multiplied by<br>the ratio of a<br>district's residential<br>levy divided by income<br>compared to a state<br>average. |
| <u>INCARCERATED YOUTH</u>                                   | \$14.5 million   | \$16.5 million   |
| <u>LEARNING TECHNOLOGY</u>                                  | \$3.29 million   | Same   |
| <u>SCHOOL AUDITS</u>  | \$.25 million  | \$2.90 million   |
| <u>BUS DRIVER SAFETY</u>                                    | \$.40 million  | Same   |
| <u>SMALL CITY SCHOOL DISTRICT<br/>AID</u>                   | \$81.88 million. For the<br>2004-05 school year, a<br>district's <u>Hurd</u> aid was<br>the same as its 2003-04<br>aid | \$81.88 million. For the<br>2005-06 school year, a<br>district's <u>Hurd</u> aid<br>will be the same as its<br>2004-05 aid     |
| <u>EMPLOYMENT PREPARATION<br/>EDUCATION AID<sup>9</sup></u> |  |  |
| Ceiling   | \$8.05/contact hour  | \$8.45/contact hour  |
| Wealth Measure  | AV/TWPU  | Same   |
| State Share   | .60  | Same   |
| Minimum Aid Ratio   | .40  | Same   |
| Pupil Count   | Contact Hours  | Same   |
| <u>ACADEMIC ACHIEVEMENT<br/>AWARDS</u>                      | None   | \$.50 million  |

<sup>9</sup> For the 2004-05 school year, EPE aid was limited to \$90.00 million. For the 2005-06 school year, the \$90.00 million funding limit is continued.

| <u>Category</u>                        | <u>2004-05 School Year</u> | <u>2005-06 School Year</u>   |
|--|----------------------------|--|
| <u>SOUND BASIC EDUCATION AID</u>       |                            |  |
| English Language                       |                            |  |
| Learners Aid:                          |                            |  |
| Ceiling                                | None                       | \$715.00   |
| Regional Cost Index                    | None                       | Geographic Cost of Education Index-based cost adjustment <sup>10</sup>   |
| Wealth Measure                         | None                       | Combined Wealth Ratio  |
| State Share                            | None                       | .60  |
| Minimum Aid Ratio                      | None                       | .05  |
| Pupil Count                            | None                       | 20% of Limited English Proficient pupils   |
| Economically Disadvantaged Student Aid |                            |  |
| Ceiling                                | None                       | \$715.00   |
| Additional Ceiling                     | None                       | \$60.00 if a district's 2004 enrollment per square mile is greater than 1,200                                      |
| Regional Cost Index                    | None                       | Geographic Cost of Education Index-based cost adjustment   |
| Wealth Measure                         | None                       | Combined Wealth Ratio  |
| State Share                            | None                       | .60  |
| Minimum Aid Ratio                      | None                       | .05  |
| Pupil Count                            | None                       | 35% of pupils calculated as the percentage of K-6 free and reduced lunch eligible applicants times 2004 enrollment |
| Sparsity Aid                           | None                       | Districts qualify for an additional amount of aid if their enrollment per square mile is less than 25              |
| Minimum Aid:                           | None                       | \$25,000   |

<sup>10</sup> The GCEI-based cost adjustment is a statewide index reflecting variations in teacher compensation among school districts. The index for each district is listed under the heading "Tier 1 Flex Aids" in the school aid computer listing entitled "Flex Aid, Instructional Materials Aids And Sound Basic Education Aid" produced by the commissioner of education in support of the executive budget request for the 2005-06 school year and entitled "BT033-1."



APPENDIX III-B  
 MATHEMATICAL EXPLANATION OF AID FORMULAS<sup>11</sup>

The mathematical formulas<sup>12</sup> for calculating flex aid, sound basic education aid, public and private excess cost aids, BOCES aid, textbook aid, library materials aid, special services aid, transportation aid, computer software aid, instructional computer hardware and technology equipment aid, employment preparation education aid, incarcerated youth aid, tax limitation, building aid and reorganization incentive building aid, reorganization incentive operating aid, full-day K incentive aid and growth aid are presented in this appendix. For the 2005-06 school year prekindergarten aid and class size reduction aid are to be maintained at 2004-05 levels.

For Flex Aid the State average wealth measures for use in the calculation of the aid ratio for 2005-06 school year payments are:

|   |           |
|---|-----------|
| 2002 Actual Valuation/2003-04 Flex TWP      | \$315,100 |
| 2002 Adjusted Gross Income/2003-04 Flex TWP | \$107,800 |

For aids other than Flex Aid, the State average wealth measures for use in the calculation of 2005-06 aid ratios are:

|  |           |
|--|-----------|
| 2002 Actual Valuation/2003-04 TWP      | \$346,500 |
| 2002 Adjusted Gross Income/2003-04 TWP | \$118,500 |
| 2002 Actual Valuation/2003-04 RWADA    | \$413,400 |

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

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

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

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<sup>11</sup> A district's aid for the 2005-06 school year will be calculated based on data on file with the State Education Department on November 15, 2004. A district may not exceed the sum of apportionments calculated based on this data and reported in the school aid computer listing entitled "BT033-1" released in January 2005 with the issuance of the 2005-06 Executive Budget.

<sup>12</sup> For formula calculations, see the 2005-06 ELFA Appropriation Bill and the Education Law sections cited in this appendix.

FLEX AID

Education Law, Section 3602, Subdivision 25

2004-05 Aids

A district's Flex Aid is determined by first calculating the sum of its 2004-05 comprehensive operating, summer school, minor maintenance, educationally related support services, extraordinary needs, and limited English proficiency aid. To this amount is added the result of the following formula:

Flex Aid Formula = \$6.00 + ((\$55.00 x Geographic Cost of Education Index-based cost adjustment<sup>13</sup>) x Flex Aid Ratio) x Flex Selected TAPU for payment

Flex Aid Ratio = The result of the following but not less than .05 nor more than .90:  $1.37 - (\text{Flex Combined Wealth Ratio} \times 1.10)$

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

Flex Pupil Wealth Ratio =  $\frac{2002 \text{ Actual Valuation}/2003-04 \text{ Flex TWPU}}{\text{State Average Actual Valuation}/\text{Flex TWPU}}$   
(\$315,100)

Flex Alternate Pupil Wealth Ratio =

$\frac{\text{District 2002 Adjusted Gross Income}/2003-04 \text{ Flex TWPU}}{\text{State Average Adjusted Gross Income}/\text{Flex TWPU}}$   
(\$107,800)

Pupil Counts for Wealth and for Aid

Flex TWPU = Resident 2003-04 Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

Flex Selected TAPU for Payment = The higher of 2004-05 Flex TAPU or the average of 2003-04 and 2004-05 Flex TAPU. Flex TAPU are calculated based on served Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

New York City

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

Minimum Guarantee/Allowed Maximum

Total State funding will be adjusted to ensure that all districts receive a minimum 0.50 percent increase over the sum of the 2004-05 aids listed above. The maximum increase a district may receive through the Flex Aid formula will equal 2.50 percent divided by a district's Flex Combined Wealth Ratio.

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<sup>13</sup> The GCEI-based cost adjustment is a statewide index reflecting variations in teacher compensation among school districts. The index for each district is listed under the heading "Tier 1 Flex Aids" in the school aid computer listing entitled "Flex Aid, Instructional Materials Aids And Sound Basic Education Aid" produced by the commissioner of education in support of the executive budget request for the 2005-06 school year and entitled "BT033-1."

Additional Aid

Districts are eligible for additional aid if their Flex Combined Wealth Ratio is below 1.20 and their percentage of students in grades K-6 who are eligible for the free and reduced price lunch program as of October 2003 is greater than 50 percent.

$$\text{Aid} = \text{Ceiling} \times \text{Aid Ratio} \times \text{2004-05 enrollment}$$

$$\text{Ceiling} = \$9.00 \times \text{District K-6 FRPL Percent}/50 \text{ Percent}$$

$$\text{Aid Ratio} = 1.00 - (\text{Flex Combined Wealth Ratio} \times 0.64)$$

Minimum: .10

GROWTH AID

Education Law, Section 3602, Subdivision 13

For the 2005-06 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.

$$\text{Growth Aid} = \frac{(\text{Growth Index} - 1.004) \times \text{Formula Operating Aid}^{14}}$$

$$\text{Growth Index} = \frac{\text{2005-06 Estimated Enrollment}}{\text{2004-05 Enrollment}}$$

EXCESS COST AID FOR PUBLIC SCHOOL PUPILS

Education Law, Section 3602, Subdivision 19

A district receives public excess cost aid for pupils with disabilities in programs run by public school districts or BOCES. Basic excess cost aid applies to all such programs. In addition, high cost excess cost aid provides aid for students in resource intensive programs. A save-harmless provision also applies.

Basic Excess Cost Aid

All districts with pupils with disabilities who are served in public school programs receive public excess cost aid.

$$\text{Basic Excess Cost Aid} = \text{Aidable Expense} \times \text{Aid Ratio} \times \text{Weighted Pupils With Disabilities}$$

$$\text{Aidable Expense} = \frac{\text{2003-04 Approved Operating Expenses (AOE)}}{\text{2003-04 TAPU for Expense}}$$

Minimum: 2,000

Maximum: The maximum aidable expense is \$8,450.  
(The State average is \$8,450.)

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<sup>14</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.

Excess Cost Aid Ratio = 1 - (Combined Wealth Ratio x .51)

Minimum: .250

Weighted Pupils: Pupils with disabilities served by a district in the base year are weighted according to the level of special services and programs that they are required to receive:

- At least 60% of the day . . . . . 1.65
- At least 20% of the week or five periods  
(at least 180 minutes) per week . . . . . 0.90
- Direct/Indirect Consultant Teacher . . . . . 0.90

An additional 0.50 weighting is provided for those children who require special education services at least 60 percent of the time and who received these services in a general education setting in the year prior to the base year. Such integrated settings aid is not subject to the Public Excess Cost Aid save-harmless calculation.

High Cost Excess Cost Aid

Additional aid is available for public school pupils with disabilities in programs in which the cost exceeds the lesser of:

\$10,000

or

4 x AOE/TAPU (without limits)

Per Pupil Calculation:

$$\text{High Cost Excess Cost Aid} = \text{Approved Program Cost} - (3 \times \frac{\text{AOE}}{\text{TAPU}}) \times \text{Excess Cost Aid Ratio}$$

Declassification Support Services Aid

Education Law, Section 3602, Subdivision 19, paragraph 7

Any district which provides support services to teachers and pupils in the first year that a pupil moves from a special education program to a full-time regular education program is eligible to receive declassification support services aid.

$$\text{Declassification Support Services Aid} = \text{Public Excess Cost Aid Per Pupil} \times .50 \times \text{2004-05 Declassified Pupils}$$

Save-Harmless Provision

A district is eligible to receive the greater of:

(i) 2005-06 Basic Excess Cost Aid + High Cost Aid + Declassification Support Services Aid, or

(ii) 95 percent of 2004-05 Total Public Excess Cost Aid

Save-harmless funding does not include apportionments generated by the 0.50 pupil weighting for year prior to base year pupils who received services at least 60 percent of the time in a general education setting.

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

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, a district receiving private excess cost aid for each student.

Beginning in 2005-06, New York will conform reimbursement formulas for private special education programs to the 2005-06 public excess cost formula.

Private Excess Cost Aid = the sum of the four components below.

(i) Weighted Pupils x Aidable Expenses x Aid Ratio

Weighted Pupils: Pupils, not including those at the two State-operated schools at Rome and Batavia, are weighted at 1.65

Aidable Expense =  $\frac{\text{2003-04 Approved Operating Expense (AOE)}}{\text{2003-04 TAPU for Expense}}$

Minimum: \$2,000

Maximum: The maximum aidable expense is \$8,450.  
(The State average is \$8,450)

Aid Ratio = 1 - (Combined Wealth Ratio x .51)

Minimum: .250

(ii) Unweighted Pupils x (Aidable Cost - (3 x AOE TAPU)) x Aid Ratio

Aidable Cost = Tuition - (Basic Contribution per enrolled pupil)

Aid Ratio = Same as above

Unweighted Pupils = Same as above without the 1.65 weighting

(iii) Aid for Rome and Batavia pupils = Aidable Cost x Aid Ratio x pupils

Aidable Cost = Tuition - (Basic Contribution per pupil)

Aid Ratio = 1 - (Combined Wealth Ratio x .15)

Minimum: .50

(iv) 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 at the schools prior to July 1, 1990; and

(ii) A Combined Wealth Ratio of less than 1.0.

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

Taper Aidable Cost = Tuition - Regular Private Excess Cost Aid

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

Maximum: 1.0

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.

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

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

Minimum: .360

$$\text{Career Education Pupils} = 2004-05 \text{ Grade 10-12 ADA in a Career Education Trade Sequence} + (.16 \times \text{Business Sequence ADA})$$

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

Enrollment = Fall 2004 public enrollment attending in the district

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

Minimum: .300

Limit on Aid: For the 2005-06 school year, aid will equal the lesser of aid calculated by the State Education Department for the 2005-06 or 2004-05 school year based on data on file on November 15, 2004.

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.

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

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 nine years.

Reorganization After July 1, 1992:

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

BOCES AID

Education Law, Section 1950, Subdivision 5

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

(ii) 1 -  $\frac{(2002 \text{ Actual Valuation}/2003-04 \text{ RWADA})}{\text{Statewide Average } (\$413,400)} \times .51$

Minimum: .360  
Maximum: .900

BOCES Capital Aid = 2005-06 Capital Expense x RWADA Aid Ratio

BOCES Rental Aid = 2005-06 Rental Expense x RWADA Aid Ratio

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

- (i) 2005-06 BOCES Operating, Capital and Rental aids, or
- (ii) BOCES aid received during 1967-68

Limit on Aid: For the 2005-06 school year, aid will equal the lesser of aid calculated by the State Education Department for the 2005-06 or 2004-05 school year based on data on file on November 15, 2004.

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

Districts are allotted reimbursement for transportation expenses through the transportation aid formula. Districts will be eligible for reimbursement for capital expenditures based on the assumed 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)  $1.010 - \frac{(2002 \text{ AV}/2003-04 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$413,400)}$
- (iii)  $1.010 - \frac{(2002 \text{ AV}/2003-04 \text{ Resident Public \& Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$360,300)}$

Minimum: .065

Maximum: .900

Sparsity Factor =

$\frac{21.00 - 2003-04 \text{ Public Enrollment (including charter school)}/\text{Square Mile}}{317.88}$

Approved Transportation Expenses include:

- Health and life insurance
- Collision insurance
- Equipment
- Uniforms
- Driver and mechanic salaries
- Supervisor and other salaries
- Operating and maintenance expenses
- Social Security payments on all salaries
- Full contract expenses
- 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 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

$$\text{Current Aid Ratio} = 1 - \frac{(2002 \text{ Actual Valuation}/2003-04 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$413,400)}$$

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:

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. School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 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, 2006 or within ten years from the effective date of the reorganization, whichever is later.

For districts reorganizing prior to July 1, 1983,

$$\frac{\text{Reorganization Incentive}}{\text{Building Aid}} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 25\%$$

For districts reorganizing after July 1, 1983,

$$\frac{\text{Reorganization Incentive}}{\text{Building Aid}} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 30\%$$

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

$$\underline{\text{Computer Software Aid}} = \underline{2004-05 \text{ Cost of Software (up to \$14.98)} \times \text{Enrollment}}$$

$$\underline{\text{Enrollment}} = \text{Fall 2004 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.}$$

#### TEXTBOOK AID

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

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

$$\underline{\text{Textbook Aid}} = \underline{2004-05 \text{ Cost of Textbooks, not to exceed } \$57.30 \times \text{2004-05 Resident Public and Nonpublic School Enrollment}}$$

#### 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.

$$\text{Hardware Aid} = \frac{2004-05 \text{ Approved Expenses (up to } \$19.25 \times \text{ Selected TAPU for Payment} \times \text{ Current Year Building Aid Ratio)}}{}$$

#### 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.

$$\text{Library Materials Aid} = \frac{2004-05 \text{ Cost of Library Materials (up to } \$6.00)}{\text{Enrollment}}$$

Enrollment = Fall 2004 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 2004-05 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2004-05.

School districts offering full-day kindergarten programs to all kindergarten students will receive current year formula operating aid in 2005-06 for any increase in the number of students served in full-day programs in 2005-06 compared to 2004-05

Full-Day K Incentive Aid =

$$(2005-06 \text{ Estimated Full-Day K Enrollment} - 2004-05 \text{ Full-Day K Enrollment}) \times \text{Formula Operating Aid per TAPU.}$$

#### 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.

$$\text{EPE Aid} = \$8.45 \times \text{EPE Aid Ratio} \times \text{EPE Hours}$$

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

Minimum: .400

$$\text{Pupil Wealth Ratio} = \frac{2002 \text{ Actual Valuation}/2003-04 \text{ TWPU}}{\text{State Average } (\$413,400)}$$

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 2005-06 school year, total aid is limited to \$90.00 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) 2003-04 AOE/TAPU x Number of full-day program pupils<sup>15</sup> +  
([.5 x (AOE/TAPU)] x Number of half-day program pupils) or
- (ii) Actual total instructional cost for the incarcerated youth program plus approved administrative costs (which may not exceed five percent of total instructional costs)

TAX LIMITATION AID

Education Law, Section 3602, Subdivision 21

For the 2005-06 school year a district will receive a continuation of its 2004-05 Tax Limitation Aid. Districts are eligible for additional aid if their Combined Wealth Ratio is below 1.50 and the ratio of the district's 2002 tax levy on residential real property (including condominium property) divided by the district's 2002 adjusted gross income compared to the state average of residential levy divided by income (2.57 percent for the 2005-06 school year) is greater than 1.60.

Aid = The sum of:

- (i) 2004-05 Tax Limitation Aid, and, for qualifying districts,
- (ii) Ceiling x Aid Ratio x Selected TAPU

Ceiling =

$$\$62.00 \times \frac{2002 \text{ tax levy on residential real property (including condominiums)}}{2002 \text{ adjusted gross income}}$$
$$\text{State average residential levy/income (2.57 percent)}$$

Aid Ratio = 1 - (Combined Wealth Ratio x .50)

SOUND BASIC EDUCATION AID

Education Law, Section 3602, Subdivision 27

SOUND BASIC EDUCATION AID = A district is eligible to receive the greater of:

- (i) English Language Learners Aid + Economically Disadvantaged Student Aid (Including Sparsity Aid), or
- (ii) \$25,000

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<sup>15</sup> 2003-04 AOE/TAPU x 1.25 x pupils in 10 month programs or 2003-04 AOE/TAPU x 1.50 x pupils in 12 month programs.

English language Learners Aid =

\$715.00 x Geographic Cost of Education Index-based cost adjustment<sup>16</sup> x Aid Ratio x 20.0 percent of Limited English Proficient Pupils (2004-05 program participants)

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

Minimum: .05

Economically Disadvantaged Student Aid (Including Sparsity Aid) =

\$715.00 + \$60.00 (for districts with a 2004-05 enrollment per square mile greater than 1,200) x Geographic Cost of Education Index-based cost adjustment x Aid Ratio x 35 percent of the product of 2004-05 public enrollment x percentage of students in grades K-6 who are eligible for the free and reduced price lunch program as of October 2003.

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

Minimum: .05

Sparsity Aid =

\$95.00 x GCEI-based cost adjustment x  $\frac{(25 - 2004-05 \text{ Enrollment/Square Mile})}{58}$  x Pupils

Pupils = 35 percent of the product of 2004-05 public enrollment x percentage of students in grades K-6 who are eligible for the free and reduced price lunch program as of October 2003.

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<sup>16</sup> The GCEI-based cost adjustment is a statewide index reflecting variations in teacher compensation among school districts. The index for each district is listed under the heading "Tier 1 Flex Aids" in the school aid computer listing entitled "Flex Aid, Instructional Materials Aids And Sound Basic Education Aid" produced by the commissioner of education in support of the executive budget request for the 2005-06 school year and entitled "BT033-1."

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2005-06 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. For Flex Aid pupil counts for wealth and aid, see the description of this aid category in Appendix III-B.

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

|                                      | <u>Total Aidable<br/>Pupil Units<br/>For Expense</u> | <u>Total Aidable<br/>Pupil Units<br/>For Payment</u>                    | <u>Total Wealth<br/>Pupil Units</u> | <u>Resident<br/>Weighted<br/>Average Daily<br/>Attendance</u> |
|--------------------------------------|--|---|-------------------------------------|---|
| Short Title                          | TAPU for<br>Expense                                  | Selected TAPU for<br>payment  | TWPU                                | RWADA   |
| Year used for aid payable in 2005-06 | 2003-04  | 2004-05 or<br>Two-year Average<br>(2003-04 and<br>2004-05) <sup>b</sup> | 2003-04                             | 2003-04   |
| Attendance Periods                   | Full Year  | Full Year   | Full Year                           | Full Year   |
| Students:<br>Based on:               | Served<br>100% ADA                                   | Served<br>100% ADA  | Resident<br>100% ADA                | Resident<br>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 2004-05 TAPU is based on 2003-04 ADA, adjusted by the enrollment index (change between 2003-04 and 2004-05 enrollment). The 2003-04 TAPU is based on 2002-03 ADA, adjusted by the enrollment index (change between 2002-03 and 2003-04 enrollment).

|  | <u>Total Aidable<br/>Pupil Units<br/>For Expense</u> | <u>Total Aidable<br/>Pupil Units<br/>For Payment</u> | <u>Total Wealth<br/>Pupil Units</u> | <u>Resident<br/>Weighted<br/>Average Daily<br/>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  | --                                  | --  |

<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 2006. Section 3609-f, as proposed, will govern the schedule of school district Sound Basic Education Aid payments as well as the manner in which monthly aid payments are calculated. 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 2005-06 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 "BT033-1," which was released in January 2005 with the issuance of the 2005-06 Executive Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2006. The payment schedule has several features:

GSPS Aids

- Lottery Aid will continue to 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 2006. 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 "BT033-1."
- Any balance due of actual General Aid apportionments which does not exceed the sum of such apportionments as reported in the school aid computer listing entitled "BT033-1" will be paid on the first business day of September, 2006.

#### Sound Basic Education (SBE) Aid

For Sound Basic Education Aid payable in the 2005-06 school year, school districts will receive the Sound Basic Education Aid amounts set forth on the school aid computer listing entitled "BT033-1" which was released in January 2005 with issuance of the 2005-06 Executive Budget. These amounts were calculated based on data on file with the State Education Department on November 15, 2004. No payment may be made in accordance with this section prior to certification by the Commissioner of Education that the district has adopted a budget for the 2005-06 school year. The payment schedule will guarantee that the same proportion of aid for this new aid category will be paid in each of the months of September through June as is paid through the 3609-a payment schedule.

#### STAR Aid

- STAR reimbursements in the 2005-06 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 by October 15. Remaining STAR amounts that exceed 20% of levy will be paid by November 15 and STAR owed in excess of 15% of levy will be paid by December 15. The balance of STAR due to districts will be paid on the first business day of January.
- Any increase in STAR reimbursement that occurs as a result of adjustments made after January 1 will be paid by March 31, 2006.
- 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 reimbursements.
- STAR reimbursement for New York City's personal income tax relief will be paid in three equal installments on or before September 15, December 15 and March 15.

#### 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 "BT033-1" which was released in January 2005 with the issuance of the 2005-06 Executive Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2005 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 2005-February 2006 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 2005-May 2006 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 2005-July 2006 will be paid on or before August 15.
- Any balance due of actual Excess Cost Aids payable which does not exceed the sum of such aids as reported in the school aid computer listing entitled "BT033-1" will be paid on the first business day of September, 2006.

#### 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 "BT033-1," which was released in January 2005 with the issuance of the 2005-06 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. 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 "BT033-1" 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 "BT033-1" 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, up to the amount of such aid reported in the school aid computer listing entitled "BT033-1" will be paid to the BOCES on the first business day of September, 2006.

#### 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 2005 to the first business day of June, 2006 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 2005-06 Budget.