

DESCRIPTION OF
1999-00 NEW YORK STATE
EXECUTIVE BUDGET RECOMMENDATIONS
FOR
ELEMENTARY AND SECONDARY EDUCATION

EDUCATION UNIT
NEW YORK STATE DIVISION OF THE BUDGET
January 27, 1999

INTRODUCTION

This report provides a summary of the 1999-00 New York State programs for elementary and secondary education as recommended in the Executive Budget submitted by Governor Pataki to the Legislature on January 27, 1999.

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 formulas. Although other aspects of the State's budget may directly or indirectly affect public school districts, except where noted, only appropriations which are administered by the State Education Department are covered in this booklet.

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SCHOOL AID/STAR OVERVIEW

The 1999-00 Executive Budget builds upon generous school aid increases totaling \$1.5 billion over the past two years and increases New York's investment in elementary and secondary education to a record level of \$11.9 billion. An overall increase of \$154 million is targeted to meet critical operating and facility needs of schools throughout the State, while giving school districts broader local flexibility in using State aid to improve educational performance. In addition, the historic STAR property tax relief initiative will continue to be phased-in during 1999-00, accompanied by new proposals to limit property tax increases in high spending school districts.

Key components of the 1999-00 Executive Budget recommendations for elementary and secondary education include:

- A \$154 million increase in State support for public schools that provides an operating aid increase for all school districts and continued growth in building aid.
- A new \$200 million Educational Improvement Block Grant that will provide a new flexible funding source to meet locally identified educational needs and priorities.
- Greater flexibility for school districts to take advantage of cost savings opportunities through shared service arrangements outside of BOCES, with BOCES aid being phased-out beginning in 1999-00.
- The elimination of various categorical programs that provide funds to selected school districts outside of needs-based, wealth equalizing formulas.
- Comprehensive reform in the financing of special education, beginning in 1999-00 and moving toward full implementation in 2000-01. Reforms are also advanced to target State building aid support to high need school districts.
- A \$551 million increase in STAR property tax relief that makes STAR available to all homeowners. In 1999-00, more than 3 million taxpayers will receive over \$1 billion in school property tax savings under STAR.

- A tax cap targeted to high spending school districts with two-year average spending increases that exceed the lesser of 4 percent per year or 140 percent of the increase in the CPI. In addition to this targeted tax cap, local voters would benefit from several new "truth in taxation" initiatives that include issuance of a property tax report card by school districts and a requirement to provide information enabling voters to compare the level of spending under the proposed school district budget to that under a contingency budget.

The recommended \$11.9 billion in school aid coupled with over \$1 billion in STAR property tax relief raises the State's estimated share of total education costs to over 45 percent in 1999-00, up from 39.3 percent in 1996-97.

A. 1999-00 SCHOOL AID

The 1999-00 Executive Budget provides an increase of \$154 million, or 1.31 percent, for the 1999-00 school year that will direct State aid to schools in support of essential operating or facility needs, while providing school districts with the flexibility to allocate funds to meet locally identified needs. This \$154 million increase is comprised of a \$438.2 million increase in computerized aids offset by a \$284.2 million decrease in categorical aid programs. In addition, comprehensive reforms are advanced to: conform New York's financing of special education programs to Federal requirements; provide school districts with greater flexibility to take advantage of cost savings opportunities through shared service arrangements; and target State support for school facilities to high need districts. Major school aid recommendations include:

- Operating Aid: A \$124.2 million increase is provided to help school districts support essential operating costs. All school districts will receive a minimum Core Operating Aid increase of 1.25 percent that can grow to a maximum of 3.0 percent based upon enrollment growth.
- Extraordinary Needs Aid: A \$12.8 million present law increase in Extraordinary Needs Aid will assist school districts in meeting the educational needs of disadvantaged children.

- Textbooks/Hardware/Software: A \$18.6 million increase is provided for textbook aid along with a \$5.5 million increase for computer hardware/software aids. These increases are part of a multi-year effort to ensure all children have access to up-to-date textbooks and computer technology.
- Building Aid: A net increase of \$120.2 million is provided for building aid. For new projects approved by voters after July 1, 1999, proposed building aid reforms will target funds to high need districts by eliminating save-harmless provisions that permit a multi-year choice in the determination of a district's wealth.
- Educational Improvement Aid: A \$200 million Educational Improvement Block Grant will replace separate categorical programs, including Pre-K and minor maintenance aid, with a flexible funding mechanism that enables school districts to direct State funding to local program priorities.
- Operating Standards Aid: Operating Standards Aid is continued at the 1998-99 level of \$82 million to provide supplemental operating aid to school districts in recognition of the costs of achieving higher educational standards.
- BOCES: School districts will be given greater flexibility to take advantage of cost savings opportunities through shared service arrangements outside BOCES. The existing BOCES funding formula supports nearly 65 percent of local costs – an amount far richer than other needs-based formulas, such as operating aid. As a result, there is an artificial incentive for school districts to use BOCES simply as a way of leveraging State aid, regardless of the actual cost-effectiveness of these BOCES services. The Executive Budget would phase-out BOCES aid, with a 25 percent reduction from present law levels in 1999-00. In the 2000-01 school year, funding for shared services will be provided within operating aid.
- Special Education: Consistent with new Federal requirements, the existing special education funding mechanism will be restructured to eliminate incentives for placing children in restrictive settings. In 1999-00, public excess cost aid will be frozen at 1998-99 levels and districts will be provided with additional flexibility in the use of State funds. Beginning in 2000-01, a new State formula will distribute funding based upon a school district's share of

total State enrollment and children living in poverty.

- IPP/Categorical Reading: In the 30 Day amendment period, the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.
- Other Aids: Other categorical grant programs proposed for elimination include \$11.2 million for bilingual programs and \$2.5 million for Comprehensive Instructional Management Systems (CIMS). In addition, Small Cities Aid is reduced by \$6.0 million, reflecting the resumption of the statutory phase-out of save-harmless funding.

COMPUTERIZED AIDS

Core Operating Aid: For the 1999-00 school year, all school districts will receive an increase in Core Operating Aid of at least 1.25 percent over 1998-99, with increases up to 3.0 percent provided to districts experiencing enrollment growth. The core operating aid base level includes the following aid categories which in 1998-99 were subject to a transition adjustment: Operating Aid, Tax Effort Aid and Tax Equalization Aid. Aid provided to school districts totals \$6,252.83 million, an increase of \$124.21 million, or 2.03 percent.

Educational Improvement Aid: The Executive Budget includes a new \$200 million Educational Improvement Block Grant to provide a flexible, needs-based funding source for all school districts that can be used to address locally identified needs and priorities including, but not limited to: Pre-K expansion; class size reduction; minor maintenance; and other programs intended to help students meet higher learning standards.

Aid for 1999-00 is based on selected TAPU multiplied by \$103.15 multiplied by the Extraordinary Needs Aid Ratio with a .10 minimum. If a school district's Extraordinary Needs percent exceeds 60 percent, the selected TAPU is multiplied by 1.10.

Extraordinary Needs Aid: This aid category provides funds to school districts with high concentrations of at-risk pupils. For 1999-00, Extraordinary Needs Aid will provide \$665.96 million to school districts, an increase of \$12.76 million. The save-harmless provision is continued.

Educationally Related Support Services Aid: This formula which supports school district programs for special needs students continues to include two per pupil aid calculations. The first uses the aid ceiling, selected TAPU, and the selected Operating Aid ratio with a .25 minimum. The second uses the aid ceiling, selected TAPU, the Extraordinary Needs percent in excess of 60 percent and the aid ratio for Public Excess Cost Aid. The aid ceiling for the first per-pupil calculation is \$335.00; the aid ceiling for the second is \$500.00. The percent of selected TAPU for the first per-pupil calculation is 9 percent; the percent of selected TAPU for the second is 15 percent. For 1999-00, this aid will total \$60.71 million, an increase of \$0.54 million.

Public Excess Cost Aid: This program supports the State's commitment to a free and appropriate education in a public school setting for pupils with disabilities.

The 1999-00 Executive Budget proposes a reform of the State's special education funding formula to conform New York's special education financing system to Federal requirements. Statutory reforms will phase-in a new funding formula, effective in 2000-01, for the education of students with disabilities. Under this new formula, existing fiscal incentives will be eliminated that inappropriately encourage the placement of children with minimal learning or behavioral problems in special education, or the placement of disabled children in overly restrictive settings. Specific recommendations include:

- In 1999-00, the Executive Budget provides \$1,576.33 million in public excess cost aid, including high excess cost aid and declassification aid. This amount maintains the 1998-99 funding level for each school district and provides schools with a year to prepare for subsequent funding changes. Additionally, schools will have new flexibility to use these funds to provide preventive services in addition to regular special education services.
- In 2000-01, funding will be allocated through a new program -- Special Education and Preventive Services Aid -- whereby aid will be distributed based on a school district's share of Statewide enrollment and poverty. During the phase-in period, a district's gain or loss under this new formula will be limited to two percent.

- Schools will be able to use this funding to provide classroom-based instruction and preventive services, as well as traditional special education services. Unlike the current special education funding formulas, school districts will not lose funding when children are moved from special education programs to regular classroom settings.
- State support for summer school special education will also be distributed to school districts based on poverty and enrollment. Counties will no longer be responsible for 10 percent of summer school special education tuition costs. School districts will effectively assume the existing 10 percent county share in 2000-01.

Private Excess Cost Aid: This program supports special education programs offered by private schools and in the State-operated Rome and Batavia schools. All existing provisions of law are continued. State funding in 1999-00 will total \$129.03 million, an increase of \$4.61 million.

BOCES Aid: This program provides aid to school districts for services purchased from Boards of Cooperative Educational Services (BOCES). In 1999-00 BOCES Aid will total \$310.3 million, a reduction of \$80.3 million from 1998-99. Specific recommendations include:

- In 1999-00, BOCES Aid will be reduced by 25 percent, or \$103.5 million, from present law levels.
- Beginning in 2000-01, BOCES Aid will be eliminated as a separate aid category and shared services aid will be consolidated within operating aid.
- School districts will continue to be reimbursed for capital projects initiated prior to July 1, 1999.
- School districts will be provided with greater flexibility to achieve cost-efficiency through sharing services with other school districts or other groups in addition to the BOCES network. If BOCES are capable of providing cost-effective services in the absence of aid incentives, school districts could still opt to purchase such services from BOCES.

- A school district will be able to withdraw from a BOCES provided that such school district notifies the BOCES of the district's intent to withdraw on or before January first preceding the start of the following school year.

Special Services Aid: This aid, which totals \$143.00 million for 1999-00, is provided to the Big Five City school districts for career education and computer services. Since these five districts are not permitted to join BOCES, a different formula is used to fund career education programs and computer services provided by such districts. The career education aid ceiling for 1999-00 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.

Transportation Aid: The minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, this aid will range from 6.5 to 90 percent of a district's approved expenses). Transportation Aid will total \$795.24 million in 1999-00, an increase of \$39.56 million. Schools will continue to receive aid for non-emergency bus purchases or leases in the year after the expense is incurred only if the amount expended is reported to the Commissioner of Education by November 15th of the base year. Any amount exceeding the reported figure will be aided in the subsequent year.

Building Aid (BANS/New Debt Service): The 1999-00 Executive Budget provides \$970.3 million for building aid, including a continuation of the building aid enrichments enacted in 1997-98. This represents a net \$120.2 million increase or 14.1 percent in 1999-00. In addition, the Budget advances a number of reforms to increase the effectiveness of school construction, promote improved maintenance of existing facilities, and more directly target State resources to districts based upon current wealth. Specific recommendations include:

- Consistent with maintenance plan requirements enacted in 1998-99, and to further promote facility maintenance, future building aid replacement projects may be reduced if the Commissioner of Education determines that such replacement is necessitated by a failure to adequately maintain the original facilities. This reform applies to new projects approved by voters beginning July 1, 1999.

- The Commissioner of Education will be given expanded authority to close any school that endangers the health and safety of students. Currently, the Commissioner can only close schools with health and safety problems outside the Big Five City school districts.
- To more directly target State building aid to high need school districts, the existing building aid save-harmless in the determination of a school district's wealth is eliminated for building projects approved by the voters beginning July 1, 1999. School districts will continue to receive the 10 percent building aid enhancement, effective July 1, 1998, to their current building aid ratio and will also benefit from a regional cost adjustment where applicable.
- A new School Facilities Development Unit will be created within the Dormitory Authority to provide school districts with lower borrowing and construction costs. Schools will also be able to access technical assistance and a Wicks Law exemption through the new Unit.

In calculating Building Aid for 1999-00, a district may choose the highest of its current aid ratio or the aid ratio used for aid payable in the 1981-82 through 1998-99 school years for projects approved by the voters prior to July 1, 1999 -- i.e., aid ratios based on current year or prior year selected actual valuations per resident pupil (AV/RWADA) for 1979-80 through 1996-97.

As was the case last year, aid for bond anticipation notes (BANs) and for newly issued bonds and capital notes will be based on the lesser of data reported to the Commissioner on or before November 15 or the actual claim submitted by the district on or before March 1.

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

qualified districts was extended to July 1, 2000 in Chapter 58 of the Laws of 1998. In total, reorganization incentive aid will amount to \$42.92 million in 1999-00, a decrease of \$0.37 million.

Limited English Proficiency: Programs for the education of students with limited proficiency in English will be supported by \$58.22 million, a decrease of \$0.34 million over 1998-99.

Gifted and Talented: For 1999-00, \$13.88 million, the same as in 1998-99, is available to fund programs for gifted students.

Growth Aid: Growth aid to qualifying districts will be paid as a separate apportionment in June 2000. As provided for in Chapter 474 of the Laws of 1996, beginning with aid for the 1997-98 school year, a district's growth index is calculated based on the change in enrollment rather than the change in average daily attendance. For 1999-00, growth aid will total \$14.53 million, a decrease of \$16.57 million.

Textbook and Computer Aids: For the 1999-00 school year, the following provisions apply:

- Textbook Aid: The lottery-funded portion of Textbook Aid is \$15 per pupil. The general fund portion has been increased from \$25.90 to \$31.87 per pupil, for a combined textbook aid payment of \$46.87 per pupil. This aid will total \$151.33 million in 1999-00, an increase of \$18.61 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 Rules of the Board of Regents. For the 1999-00 school year, districts will be reimbursed for expenses up to \$7.55 per pupil for 1998-99 pupils enrolled in both public and nonpublic schools. For 1999-00, Computer Software Aid will total \$18.50 million, an increase of \$4.39 million.
- Computer Hardware and Technology Aid: This aid category provides funding for the lease or purchase of mini- and microcomputers, computer terminals or technology equipment for instructional purposes. Computer Hardware Aid in 1999-00 equals approved expense (up from 10.61 to \$12.70 per pupil), adjusted by the current year AV/RWADA aid ratio, per pupil. For the 1999-00 school year, \$18.14 million, an increase of \$1.08 million, is provided.

Library Materials Aid: Districts will continue to be reimbursed in 1999-00 for expenses up to \$4.00 per pupil for 1998-99 pupils enrolled in public and nonpublic schools. For 1999-00, Library Materials Aid will total \$13.09 million, an increase of \$0.38 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.

Operating Standards Aid: In 1999-00, \$81.91 million will be available for services and expenses related to achieving the Board of Regents' new learning standards. Aid in 1999-00 for each district is maintained at the 1998-99 level. Funds must be used in accordance with a district plan designed to achieve these new learning standards through direct instructional services to students, professional development for teachers and innovative educational practices.

NONCOMPUTERIZED AIDS

Pre-Kindergarten Expansion: In the 1999-00 school year, Pre-Kindergarten Expansion may be supported within the new Educational Improvement Block Grant.

Full-Day K Incentive Aid: No funds are recommended for this program in the 1999-00 school year. School districts may opt to use Educational Improvement Block Grant for this purpose.

Minor Maintenance Aid: In the 1999-00 school year, school district minor maintenance needs may be supported with the new Educational Improvement Block Grant.

Shared Services Aid for Big 5 City Districts: No funds are recommended for this program in the 1999-00 school year.

Education Technology Incentive Aid: Education technology incentive aid is provided to support classroom-based technology investments. School districts receive aid for approved instructional computer technology expenses (those that are not eligible for Building Aid or are not claimed for any other technology aid). State funding for this program will total \$9.00 million in 1999-00, the same as in 1998-99.

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 \$75.84 million will be allocated to small city school districts for the 1999-00 school year.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid for the 1999-00 school year continues to be capped at \$96.18 million, and approved claims above such amount will be subject to proration.

Urban-Suburban Transfer: A total of \$1.13 million will be continued in 1999-00 to districts that participate in a voluntary interdistrict transfer between an urban and suburban school district to reduce racial isolation. Related transportation expenses are eligible for transportation aid.

Education of Homeless Children: Chapter 348 of the Laws of 1988, by amending section 3602 of the Education Law, instituted this program of State aid. Under this program, school districts where homeless children are temporarily located are reimbursed for the direct cost of educating such children. This cost to the State is partially recaptured from the district of last attendance for each such homeless child by deducting an amount equal to the district's basic contribution per pupil from the district's State aid. The net cost of aid for homeless pupils in 1999-00 is estimated at \$4.0 million.

Aid for Incarcerated Youth: A total of \$10.5 million is provided to continue support for the provision of educational services to youth detained in local correctional facilities. Pursuant to the provisions of Chapter 53 of the Laws of 1992, such services may now be provided, and aided, during summer sessions as well as the regular school year.

Reorganization Study Grants: No funds are recommended for this program in the 1999-00 school year.

State Bilingual Categorical Funds: No funds are recommended for this program in the 1999-00 school year.

Categorical Reading Aid: In the 30 Day amendment period, the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

AI/DP Grants: No funds are recommended for this program in the 1999-00 school year.

Improving Pupil Performance: In the 30 Day amendment period, the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

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

Magnet and Demonstration Schools: Magnet schools offer a special curriculum designed to attract students of different racial backgrounds. A total of \$134.97 million, an increase of \$0.30 million, will be provided for 19 school districts (including \$116.70 million to the Big Five cities).

• New York City	\$48,175,000
• Yonkers	29,500,000
• Buffalo	17,025,000
• Rochester	11,000,000
• Syracuse	11,000,000
• Newburgh	4,645,000
• Albany	2,050,000
• Mount Vernon	2,000,000
• Poughkeepsie	1,875,000
• Schenectady	1,800,000
• New Rochelle	1,200,000
• Port Chester	1,150,000
• White Plains	900,000
• Utica	800,000
• Niagara Falls	600,000
• Freeport	400,000
• Middletown	400,000
• Beacon	250,000
• Peekskill	200,000

Education of OMH/OMR Pupils: A total of \$20.00 million is provided in the General Support for Public Schools appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of

section 3202 of the Education Law, as well as for children who reside in intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

CIMS Aid: No funds are recommended for this program in the 1999-00 school year.

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

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

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

New York City Collaborative Programs: A total of \$5.20 million is provided for services and expenses of the New York City board of education in support of collaborative programs with the City University of New York, including College Now, Project Care, the International High School-LaGuardia and student mentor programs.

B. OTHER STATE AID PROGRAMS

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

Charter Schools: For 1999-00, \$1.0 million is available for start-up costs and other expenses related to the development, implementation and operation of charter schools. This funding may be transferred to the \$20 million Charter School Stimulus Fund which will also contain private support and Federal funding to be used for charter school start-up costs.

Basic Education for Public Assistance Recipients: For 1999-00, \$5.0 million is continued for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade.

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

Adult Literacy Education: An appropriation of \$3.32 million is provided in 1999-00 for a program of adult literacy consisting of competitive grants to community-based organizations, literacy volunteer organizations, and two- and four-year colleges and libraries.

Experimental Pre-kindergarten Programs: Pre-kindergarten programs provide health, psychological and social services to four-year-old children from economically deprived neighborhoods. A total of \$50.2 million has been budgeted for the 1999-00 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.

Lunch/Breakfast Programs: A total of \$31.7 million in State funds, the same as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is appropriated 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 \$582,419,000 for the 1999-00 State fiscal year.

Comprehensive School Health Demonstration Program: A total of \$525,000 is continued for 1999-00 to support local school district and BOCES programs of health education at the elementary grade levels.

School Health Demonstration Project: For 1999-00, \$150,000 is provided to improve health services and health education to at-risk pupils in Buffalo schools.

Education of Native Americans: A total of \$15.05 million, is continued 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 educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Primary Mental Health Project: A total of \$570,000, the same as last year, is available in 1999-00 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.

Professional Development Grants: For 1999-00, \$1.5 million is available to schools for professional development programs.

Teacher Resource and Computer Training Centers: Aid of \$10.0 million is available in the 1999-00 State fiscal year for final 1998-99 school year payments for this program.

Effective Schools Consortia: For 1999-00, \$1.89 million is provided for this program, the same as last year. This total provides support for technical assistance primarily to low-performing schools in New York City to improve instructional and administrative practices. The program also encourages parental and community involvement in the educational practices of participating schools.

Transferring Success: For 1999-00, an appropriation of \$629,800, the same as in 1998-99, is made available for this program, which seeks to validate and support the replication of exemplary education programs.

Parenting Education: An appropriation of \$506,400 is available in the 1999-00 school year for this program, which supports young adults in their role as parents by expanding opportunities for parental involvement in their children's education.

Schools as Community Sites: Under this program, school districts and BOCES with high percentages of disadvantaged students may apply for grants to promote coordinated management of the resources of the schools and communities. A total of \$6.0 million will be provided for this program in State fiscal year 1999-00 to continue State support at existing sites.

Teacher-Mentor Intern: No funds are recommended for this program in the 1999-00 school year.

Workplace Literacy: Under this program, \$1.38 million is provided in the 1999-00 school year to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization which provides adult education services to union members and workers in New York City is funded at \$8.00 million in 1999-00, an increase of \$0.5 million.

AIDS Education Program: In 1999-00, a total of \$990,000, the same as last year, is provided for an AIDS (Acquired Immune Deficiency Syndrome) Education Program. These funds support local and regional education and training programs.

Apprenticeship Training: For 1999-00, \$1.83 million is continued to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Youth-at-Risk Fund: A total of \$5.3 million, including \$325,500 for department administration, is provided to support 1999-00 school district and BOCES programs promoting partnerships between schools, community groups, private business, social service providers and local governments to serve at-risk youth.

Extended School Day/School Violence Prevention: A total of \$15.20 million is continued for 1999-00 to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs.

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

Nonpublic School Aid: A total of \$53.8 million, is appropriated to reimburse the 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 Blind and Deaf Schools: A total of \$92.2 million, an increase of \$2.0 million, is appropriated for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for multiply handicapped children, under Article 85 of the Education Law.

Preschool Special Education: Pursuant to Section 4410 of the Education Law, \$536.1 million, an increase of \$25.6 million, is appropriated for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. Similar to 1998-99, prior year claims on file with the State Education Department as of April 1, 1999 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 1999-00 will receive priority status for payment in 2000-01.

Disabled Pupil Court Orders: Chapter 428 of the Laws of 1992 removed Section 236 of the Family Court Act and established the Early Intervention Program for children with disabilities, ages birth-2 years, administered and funded by the Department of Health. A \$16.5 million reappropriation in 1999-00 will fund the State Education Department's 50 percent share of outstanding prior year claims as well as special services and programs authorized under court orders issued prior to the transition deadline.

Summer School Program for Disabled Students: An appropriation of \$163.7 million, an increase of \$7.8 million, is provided 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 1999-00 appropriation will fund prior year liabilities and up to 70 percent of the 1999-00 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Special Education - Federal Medicaid Recovery: For the 1999-00 State fiscal year, a \$216.0 million offset to State special education costs is recommended based on recovery of Federal Medicaid funds for medically related services provided to eligible children in special education programs.

Advances to Hurd City School Districts: A total of \$13,029,000 in loan funds (Hurd advances) is appropriated in 1999-00 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.

MULTI-YEAR STAR PROGRAM

A. STAR Property Tax Relief

Chapter 389 of the Laws of 1997 included a multi-year School Tax Relief (STAR) program to provide approximately \$2.2 billion by 2001-02 to reimburse school districts for State-authorized property tax relief for homeowners. When fully implemented, the property tax component of the STAR program will provide homeowners with at least a \$30,000 exemption from the full value of their primary residence for school property tax purposes. Senior homeowners at least 65 years old and with incomes up to \$60,000 will receive exemptions of at least \$50,000 from the full value of their primary residences for school tax purposes. The State will reimburse school districts dollar-for-dollar for the property tax revenues foregone from these exemptions.

STAR property tax exemptions are being phased-in, beginning with the enhanced exemptions for income-eligible senior homeowners for 1998-99 school year taxes. Other homeowners will be eligible for exemptions beginning in 1999-2000. 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 proportionately.

For the 1998-99 school year, legislation was enacted to fully phase-in the Enhanced STAR exemption for eligible seniors. The base amount for the Enhanced STAR exemption for 1998-99 and thereafter is \$50,000. The Basic STAR exemption will be phased-in starting at \$10,000 in 1999-2000 and growing to \$30,000 in 2001-02.

A "Property Taxpayer's Bill of Rights" included in Chapter 389 provides that property tax bills include additional information, including the estimated full value of the property, the uniform percentage of value at which a municipality is assessing properties, the tax rate, levy and percentage change in the levy from the prior year. Information on how to appeal assessments must be provided with the bill or through another notice.

STAR exemptions will have no effect on determining tax levies, rates or other State aid. School districts will be reimbursed for the taxes foregone upon application to the State Office of Real Property Services. ORPS will certify to the Commissioner of Education amounts payable under the STAR program and school districts will receive reimbursement from the State

Education Department pursuant to a separate STAR payment schedule established in Section 3609-e of the Education Law.

STAR reimbursements in 1999-00 and subsequent years will be governed by formulas 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, (when fully phased-in) any STAR amounts that exceed 25 percent of a district's property tax levy will be paid in October. Remaining STAR amounts that exceed 20 percent of levy will be paid in November and STAR owed in excess of 15 percent of levy will be paid in December. The balance of STAR due to districts will be paid by the first business day of January. Because STAR grows in roughly equal steps, the percentage of levy over which STAR payments will be made is scaled back proportionately during the phase-in years, as described in the table below.

STAR Amounts Owed in Excess of the Specified Percentage of a School District's Property Tax Levy Payable as Shown

	1999-2000	2000-2001	2001-2002
October 15	12.5%	18.75%	25%
November 15	10%	15%	20%
December 15	7.5%	11.25%	15%
January (1 st business day)	Balance Due	Balance Due	Balance Due

B. Property Tax Cap

School districts with large spending increases over two years will be subject to a cap on property tax increases for the following year, effective for budgets proposed for the 2000-01 school year. High spending school districts are defined as those in which two-year average spending increases exceed the lesser of 4 percent per year or 140 percent of the CPI increase, less spending increases attributable to allowable exclusions.

Excludable items include: increased spending attributable to enrollment increases; expenditures resulting from tax certiorari proceedings; expenditures resulting from a court order or judgment against the school district; necessary emergency expenditures, as certified by the Commissioner of

Education, due to the damage or destruction of school property or equipment; capital expenditures, including debt service and lease expenditures, subject to the approval of district voters where required by law; and, non-recurring expenditures in the prior year's school budget.

In high spending school districts, percentage increases in the property tax levy would be limited to the lesser of 4 percent or 120 percent of the increase in the Consumer Price Index for the prior calendar year. Tax levy increases attributable to excludable purposes listed above could be excluded from the levy increase for purposes of calculating compliance with the cap. School districts subject to the cap must mail a notice to residents stating that they are subject to the cap and whether or not the district will be seeking to exceed the cap in the proposed budget.

Commencing with the proposed budget for the 2000-2001 school year, to override the tax levy cap would require a two-thirds majority vote, unless more than 50 percent of eligible voters actually voted on the school district budget, in which case a majority vote would suffice. If a school district proposed budget failed to achieve the majority vote required to override the cap, the school district could present a proposition to override the cap on one additional occasion.

C. "Truth in Taxation" Initiatives

In addition to the proposed tax cap, the following initiatives will provide better information on school budgets and associated tax increases:

- Full Disclosure: Proposed legislation would require that school districts inform voters, prior to the statewide school budget voting day in May, on how a proposed budget compares with the maximum contingency budget that would be allowed under current law.
- Property Tax Report Card: Schools would be required to report details of proposed budgets and tax levy increases to the State Education Department. The Department would then publish a Property Tax Report Card, prior to the budget voting day, enabling taxpayers to see how the proposed budget and tax levy changes in their school district compare to other districts in their area and across the State.

- Special Notice of Large Spending Increases: High spending school districts proposing budget increases of more than 4 percent or 140 percent of the CPI (after allowable exclusions) would be required to notify affected taxpayers of the proposed increase in a separate mailing one week prior to school voting day. This would alert taxpayers that their school district is at risk of being placed under a tax cap if such increases continue for another year.

OTHER INITIATIVES

Literacy First Summer School: Legislation accompanying the 1999-00 Executive Budget creates a new summer school initiative to provide intensive remediation services to ensure young learners have a solid foundation in the reading and writing skills required for academic success. Beginning in the summer of 2000, the State will provide 80 percent grant funding for school districts that choose to provide six-week summer remediation programs for fourth graders who demonstrate substandard performance on the Regents English Language Arts Test. In 2000-01, \$30.0 million will be recommended to fund this initiative. State grants will be based upon average teacher salaries in participating districts and will also provide funding for ancillary costs such as transportation, nutrition and air conditioning.

Literacy First English Immersion: The 1999-00 Executive Budget also authorizes the creation of six-week summer programs for children in grades K-2 who have limited English skills. An 80 percent State-funded grant will also be provided to participating school districts. In 2000-01, \$10.0 million will be recommended to fund this initiative. Similar to the summer school initiative for fourth graders, State grants will be based upon average teacher salaries in participating districts and will provide funding for ancillary costs.

Preschool Special Education: In 1999-00, the Executive Budget proposes reforms to the preschool special education program that will address the inherent conflict of interest that results when private providers perform evaluations which in turn serve as the basis for placement into special education programs. School districts would be required to perform evaluations for preschool children, consistent with their evaluation responsibility for school age children. If school districts directly perform the preschool evaluation, they would be fully reimbursed for such evaluation costs. However, if a school district opts to contract with a private provider to perform these evaluations, then the school district will become responsible for the local share (40.5 percent) of the evaluation cost currently borne by counties.

Additionally, the Executive Budget will extend the moratorium on the creation of restrictive, center-based programs for another three years and require providers to alert local committees on preschool special education of excessive student absences.

School Violence: Legislation will be advanced to improve school safety by authorizing teachers/principals to remove disruptive students from the classroom, increase criminal penalties associated with violence on school grounds and require schools to develop a "code of conduct."

Advantage Schools: In 1999-00, \$10 million is provided to the Office of Children and Family Services to support enriched after school programs for children in grades K-12 that will operate from 3 PM to 7 PM. Non-profit groups applying for State funding will bring together a coalition of school, community and parent resources and are also expected to leverage significant private sector contributions in order to compete successfully for State funding.

Mandate Relief: Proposed 1999-00 mandate relief measures include:

- Eliminating Wicks Law bidding restrictions on school construction projects by establishing a \$.5 million threshold for projects outside New York City;
- Conforming public asbestos removal requirements to private sector requirements; and
- Restricting the authority of the Board of Regents to unilaterally promulgate rules or regulations that have a significant State or local fiscal impact.

II

SUMMARY OF 1999-00 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

School Year/Fiscal Year Impact

There are two time frames to consider when discussing 1999-00 New York State aid programs relating to support for public schools: the 1999-00 school year which runs from July 1, 1999 through June 30, 2000; and the 1999-00 State fiscal year which runs from April 1, 1999 through March 31, 2000. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for General Support for Public Schools and 1998-99 and 1999-00 State fiscal year appropriations from the General Fund, Lottery Fund and the School Tax Relief Fund (STAR).

- Table II-A shows the school year changes for aid programs funded within the School Aid appropriations for 1999-00. Computerized aids increase by 3.95 percent.
- Table II-B gives the State fiscal year components of the School Aid disbursements. The \$11,718.1 million total for 1999-00 includes: \$3,217.6 million for payments remaining for the 1998-99 school year and \$8,500.5 million for fall/winter payments for the 1999-00 school year.
- Table II-C gives the 1998-99 and 1999-00 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 — 1998-99 AND 1999-00 SCHOOL YEARS — NEW YORK STATE

AID CATEGORY	1998-99	1999-00	Change		
	School Year	School Year	Amount	Percent	
I. Formula-based Aids:	(----- Amounts in Millions -----)				
Core Operating Aid	\$6,128.62	\$6,252.83	\$124.21	2.03	%
Operating Standards Aid	81.91	81.91	0.00	0.00	
Educational Improvement Aid	0.00	200.00	200.00	N/A	
Gifted & Talented	13.88	13.88	0.00	0.00	
Limited English Proficiency	58.56	58.22	(0.34)	(0.58)	
Extraordinary Needs Aid	653.20	665.96	12.76	1.95	
Computer Hardware	17.06	18.14	1.08	6.33	
Textbooks (Incl. Lottery)	132.72	151.33	18.61	14.02	
Computer Software	14.11	18.50	4.39	31.11	
Library Materials	12.71	13.09	0.38	2.99	
ERSSA	60.17	60.71	0.54	0.90	
Excess Cost - Public	1,576.33	1,576.33	0.00	0.00	
Excess Cost - Private	124.42	129.03	4.61	3.71	
Special Services: (Career Ed./Computer Admin.)	143.63	143.00	(0.63)	(0.44)	
Transportation	755.68	795.24	39.56	5.24	
Building	850.09	980.32	130.23	15.32	
Reorganization Incentive (Oper + Bldg)	43.29	42.92	(0.37)	(0.85)	
Growth Aid	31.10	14.53	(16.57)	(53.28)	
BOCES	390.59	310.33	(80.26)	(20.55)	
Subtotal Formula-based Aids	\$11,088.07	\$11,526.28	\$438.21	3.95	%
II. Grant Programs and Other Aid Categories:					
Full-Day K	12.93	0.00	(12.93)	(100.00)	
Pre-Kindergarten Expansion	58.88	0.00	(58.88)	(100.00)	
Minor Maintenance	49.97	0.00	(49.97)	(100.00)	
Shared Services for Big 5	3.50	0.00	(3.50)	(100.00)	
Education Technology Incentive	9.00	9.00	0.00	0.00	
Aid to Small City School Dists.	81.88	75.84	(6.04)	(7.38)	
Urban-Suburban Transfer	1.13	1.13	0.00	0.00	
Employment Preparation Education	96.18	96.18	0.00	0.00	
Homeless Pupils	4.00	4.00	0.00	0.00	
Incarcerated Youth	10.50	10.50	0.00	0.00	
Reorganization Study Grants	1.28	0.00	(1.28)	(100.00)	
Bilingual	11.20	0.00	(11.20)	(100.00)	
Categorical Reading *	63.95	0.00	(63.95)	(100.00)	
Improving Pupil Performance *	66.35	0.00	(66.35)	(100.00)	
Fort Drum	2.63	2.63	0.00	0.00	
Comptroller Audits	0.25	0.25	0.00	0.00	
Magnet Schools	134.67	134.97	0.30	0.22	
Education of OMH/OMR Pupils	22.00	20.00	(2.00)	(9.09)	
CIMS	2.50	0.00	(2.50)	(100.00)	
AI/DP Grants	0.95	0.00	(0.95)	(100.00)	
Special School Districts	1.70	1.70	0.00	0.00	
Chargebacks	(18.00)	(18.00)	0.00	N/A	
Tuition Adjustment	1.18	1.18	0.00	0.00	
CVEEB	0.91	0.91	0.00	0.00	
Building Aid Adjustment	0.00	(10.00)	(10.00)	N/A	
BOCES Aid for Special Act Districts	0.66	0.50	(0.16)	(24.24)	
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	1.70	1.70	0.00	0.00	
Bus Driver Safety	0.40	0.40	0.00	0.00	
New York City Collaborative Programs	0.00	5.20	5.20	N/A	
Allowance for Prior Year Adjs.	40.00	40.00	0.00	0.00	
SCHOOL YEAR TOTAL	\$11,753.86	\$11,907.86	\$154.00	1.31	%

* In the 30 Day amendment period the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

Source: State Education Department computer runs and Executive Budget estimates of January 27, 1999.

TABLE II-B
 SCHOOL AID
 ESTIMATED 1999-00 STATE FISCAL YEAR EXPENDITURES
 (4/1/99-3/31/00)

	Remaining 1998-99 School Year Payments <u>(Spring)</u>	1999-00 School Year Payments <u>(Fall/Winter)</u>	Total 1999-00 SFY <u>Disbursements</u>
(-----Amounts in Millions-----)			
Payments Due	\$3,595.8	\$8,500.5	
LGAC Adjustment	(378.2)	---	
Net Payable	\$3,217.6	\$8,500.5	<u>\$11,718.1</u>

Source: State Education Department and the Division of the Budget.

TABLE II-C
1998-99 AND 1999-00 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	1998-99	1999-00	Change	
			Amount	Percent
School Aid and STAR	\$12,127,592,000	\$13,105,051,000	\$977,459,000	8.06 %
School Aid Including Lottery	11,423,592,000	11,718,051,000	294,459,000	2.58
STAR: School Tax Relief Fund	704,000,000	1,387,000,000	683,000,000	97.02
General Support for Public Schools	9,358,688,000	0 *	(9,358,688,000)	(100.00)
Remaining GSPS Obligations for the 1998-99 School Year	0	2,531,150,000	2,531,150,000	N/A
GSPS Formula Aid for the 1999-2000 School Year	0	7,001,416,000	7,001,416,000	N/A
BOCES	368,744,000	372,054,000	3,310,000	0.90
Employment Preparation Education	96,180,000	96,180,000	0	0.00
Minor Maintenance	35,000,000	15,000,000 (a)	(20,000,000)	(57.14)
Pre-Kindergarten Expansion	35,000,000	23,878,000 (a)	(11,122,000)	(31.78)
Educational Technology Aid	0	6,300,000	6,300,000	N/A
Aid to Small City School Districts	0	53,088,000	53,088,000	N/A
Magnet Schools	0	94,479,000	94,479,000	N/A
Other GSPS Categorical Aid	0	32,886,000	32,886,000	N/A
New York City Collaborative Programs	0	3,640,000	3,640,000	N/A
Prior Year Adjustments	0	40,000,000	40,000,000	N/A
Total General Fund	9,893,612,000	10,270,071,000	376,459,000	3.81
STAR: School Tax Relief Fund	704,000,000	1,387,000,000	683,000,000	97.02
Lottery Fund	1,529,980,000	1,447,980,000	(82,000,000)	(5.36)
Other Public Elementary and Secondary Education Programs	\$209,775,837	\$168,153,700	(\$41,622,137)	(19.84) %
Prekindergarten	50,200,000	50,200,000	0	0.00
Children of Migrant Workers	90,000	90,000	0	0.00
Teacher Resource & Computer Centers	20,000,000	10,000,000 (a)	(10,000,000)	(50.00)
Effective Schools Consortia	1,889,200	1,889,200	0	0.00
Transferring Success	629,800	629,800	0	0.00
Adult Basic Education	5,000,000	5,000,000	0	0.00
Professional Development Grants	1,500,000	1,500,000	0	0.00
Adult Literacy Education	3,324,700	3,324,700	0	0.00
Parenting Education	506,400	506,400	0	0.00
Youth at Risk	5,325,500	5,325,500	0	0.00
Missing Children Prevention Education	900,000	900,000	0	0.00
AIDS Education	990,000	990,000	0	0.00
Workplace Literacy	1,376,100	1,376,100	0	0.00
Apprenticeship Training	1,830,000	1,830,000	0	0.00
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans	15,047,000	15,047,000	0	0.00
Schools as Community Sites	6,000,000	6,000,000	0	0.00
Comprehensive School Health Demonstration	525,000	525,000	0	0.00
Extended School Day/School Violence Prevention	15,200,000	15,200,000	0	0.00
School Health Demonstration Projects	150,000	150,000	0	0.00
Schools Under Registration Review	2,000,000	2,000,000	0	0.00
Primary Mental Health Project	570,000	570,000	0	0.00
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	7,500,000	8,000,000	500,000	6.67
Irish Potato Famine Curriculum	100,000	100,000	0	0.00
Instructional Technology Partnerships	0	1,000,000	1,000,000	N/A
Charter School Start Up	0	1,000,000	1,000,000	N/A
Teacher-Mentor Intern	3,000,000	0	(3,000,000)	(100.00)
Grants to Certain School Districts	14,665,000	0	(14,665,000)	(100.00)
Add'l Magnet Schools	300,000	0 (b)	(300,000)	(100.00)
School District, BOCES, and Other Programs	16,157,137	0	(16,157,137)	(100.00)

* The GSPS appropriation for 1999-00 is divided into separate appropriations that support:
remaining 1998-99 GSPS obligations, formula aids for the 1999-00 school year and a range
of other GSPS categorical programs.

<u>Other School Programs</u>	<u>1998-99</u>	<u>1999-00</u>	<u>Amount</u>	<u>Percent</u>
	<u>\$650,844,000</u>	<u>\$638,343,000</u>	<u>(\$12,501,000)</u>	<u>(1.92) %</u>
Nonpublic School Aid	55,000,000	53,800,000	(1,200,000)	(2.18)
Private Blind & Deaf Schools (G.F.)	90,200,000	92,223,000	2,023,000	2.24
Private Blind & Deaf Schools (Lott.)	20,000	20,000	0	0.00
Preschool Handicapped	510,510,000	536,100,000	25,590,000	5.01
Court Order-Birth to Two (c)	19,000,000	16,500,000	(2,500,000)	(13.16)
Summer School Handicapped	155,914,000	163,700,000	7,786,000	4.99
Less: Special Education Medicaid Offset	(172,300,000)	(216,000,000)	(43,700,000)	N/A
Less: Consortium for Worker Education Offset	<u>(7,500,000)</u>	<u>(8,000,000)</u>	<u>(500,000)</u>	<u>6.67</u>
Fiscal Year Total (excluding Hurd Loans)	\$12,988,211,837	\$13,911,547,700	\$923,335,863	7.11 %
Advances to Hurd City School Districts (d)	<u>14,115,000</u>	<u>13,029,000</u>	<u>(1,086,000)</u>	<u>(7.69)</u>
FISCAL YEAR TOTAL	\$13,002,326,837	\$13,924,576,700	\$922,249,863	7.09 %

(a) For remaining obligations for the 1998-99 school year.

(b) Included with General Support for Public Schools for 1999-00.

(c) A reappropriation was provided in the 1998-99 enacted budget for this program and is continued here.

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

Source: Laws of the State of New York: Chapters 53 and 58, Laws of 1998; 1999-2000 Executive Budget.

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

Recommended school aid provisions will increase payments to 548 major school districts, through 19 combined aid categories, by \$483.22 million in the 1999-00 school year. There are 134 districts that are projected to have losses of \$45.01 million. The combined total of increases and losses produce a net increase statewide of \$438.21 million, or 3.95 percent.

- Table II-D lists the aid amounts allocated to each of the Big Five city school districts under 25 School Aid programs. The aids analyzed are those shown in Table II-A.
- Table II-E lists changes in all School Aid individual aid categories for New York City.
- In Table II-F, 22 major 1999-00 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 3.95 percent. The 370 districts in the 18 most populous counties contain 47.04 percent of the State's public school pupils. These districts will receive 43.47 percent of the 1999-00 combined aids total. Districts in the 18 most populous counties will have an average combined aids increase of 3.67 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 4.07 percent and will receive 21.03 percent of the 1999-00 combined aids total.

TABLE II-D
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED THROUGH
SCHOOL AID APPROPRIATIONS: 1998-99 AND 1999-00

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
I. Formula-based Aids:	(-----Amounts in Millions-----)									
Core Operating Aid	\$2,177.37	\$2,223.35	\$161.06	\$163.07	\$91.93	\$93.08	\$67.80	\$69.84	\$16.69	\$17.20
Operating Standards	33.12	33.12	1.68	1.68	1.48	1.48	0.95	0.95	0.50	0.50
Educational Improvement Aid	0.00	76.66	0.00	4.13	0.00	3.40	0.00	2.27	0.00	1.59
Gifted & Talented	5.41	5.41	0.24	0.24	0.19	0.19	0.00	0.00	0.12	0.12
Limited English Proficiency	46.11	45.26	1.45	1.52	1.53	1.54	0.59	0.64	0.97	1.04
Extraordinary Needs Aid	404.79	404.79	21.22	21.22	22.96	22.96	7.52	7.94	7.04	8.42
ERSSA	29.84	28.61	1.78	1.77	1.70	1.62	0.80	0.84	0.44	0.53
Computer Hardware	6.46	7.47	0.41	0.43	0.29	0.34	0.20	0.22	0.10	0.12
Transportation	207.06	203.67	21.89	21.63	22.19	24.38	8.17	8.73	5.62	6.26
Building	243.78	286.44	7.94	3.90	18.38	17.47	7.04	7.61	2.15	4.12
Textbook/Software/Library Mats	65.91	74.61	2.75	3.19	2.16	2.58	1.10	1.19	1.53	1.76
Excess Cost - Public & Private	587.42	586.94	48.96	48.92	39.68	39.56	23.48	23.49	14.67	14.73
Special Services	117.63	115.32	10.99	11.58	5.31	5.99	6.01	6.19	3.69	3.91
Growth Aid	0.87	0.00	0.00	0.00	0.80	0.00	0.81	0.00	0.68	0.76
Subtotal Formula-based Aids	\$3,925.77	\$4,091.65	\$280.37	\$283.28	\$208.60	\$214.59	\$124.47	\$129.91	\$54.20	\$61.06
Change from 1998-99 School Year		\$165.88		\$2.91		\$5.99		\$5.44		\$6.86
Percent		4.23%		1.04%		2.87%		4.38%		12.65%
II. Other Aid Categories:										
Full-Day K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Kindergarten Expansion	43.41	0.00	3.06	0.00	2.65	0.00	1.30	0.00	0.71	0.00
Minor Maintenance	33.33	0.00	0.63	0.00	0.45	0.00	0.27	0.00	0.31	0.00
Education Technology Incentive	2.39	2.39	0.03	0.03	0.10	0.06	0.00	0.00	0.00	0.30
Shared Services for Big 5	2.88	0.00	0.00	0.00	0.02	0.00	0.34	0.00	0.25	0.00
Magnet Schools	48.18	48.18	17.03	17.03	11.00	11.00	11.00	11.00	29.50	29.50
Subtotal: Other Aids	\$130.19	\$50.57	\$20.75	\$17.06	\$14.22	\$11.06	\$12.91	\$11.00	\$30.77	\$29.80
TOTAL SELECTED AIDS	\$4,055.96	\$4,142.22	\$301.12	\$300.34	\$222.82	\$225.65	\$137.38	\$140.91	\$84.97	\$90.86
Change from 1998-99 School Year		\$86.26		(\$0.78)		\$2.83		\$3.53		\$5.89
Percent		2.13%		-0.26%		1.27%		2.57%		6.93%
Categorical Reading *	29.95	NA	17.50	NA	5.50	NA	6.00	NA	5.00	NA
Improving Pupil Performance *	36.20	NA	10.50	NA	6.95	NA	3.60	NA	9.10	NA

* In the 30 Day amendment period the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

Source: State Education Department computer runs and Executive Budget estimates of January 27, 1999.

TABLE II-E
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID
APPROPRIATIONS — 1998-99 AND 1999-00 SCHOOL YEARS — NEW YORK CITY

AID CATEGORY	1998-99	1999-00	Change		
	School Year	School Year	Amount	Percent	
I. Formula-based Aids:	(----- Amounts in Millions -----)				
Core Operating Aid	\$2,177.37	\$2,223.35	\$45.98	2.11	%
Operating Standards Aid	33.12	33.12	0.00	0.00	
Educational Improvement Aid	0.00	76.66	76.66	N/A	
Gifted & Talented	5.41	5.41	0.00	0.00	
Limited English Proficiency	46.11	45.26	(0.85)	(1.84)	
Extraordinary Needs Aid	404.79	404.79	0.00	0.00	
Computer Hardware	6.46	7.47	1.01	15.63	
Textbooks (Incl. Lottery)	54.74	62.99	8.25	15.07	
Computer Software	5.90	6.20	0.30	5.08	
Library Materials	5.27	5.42	0.15	2.85	
ERSSA	29.84	28.61	(1.23)	(4.12)	
Excess Cost - Public	538.44	538.44	0.00	0.00	
Excess Cost - Private	48.98	48.50	(0.48)	(0.98)	
Special Services: Career Ed.	82.44	80.53	(1.91)	(2.32)	
Computer Admin.	35.19	34.79	(0.40)	(1.14)	
Transportation	207.06	203.67	(3.39)	(1.64)	
Building	243.78	286.44	42.66	17.50	
Reorganization Incentive (Oper + Bldg)	0.00	0.00	0.00	N/A	
Growth Aid	0.87	0.00	(0.87)	(100.00)	
Subtotal Formula-based Aids	\$3,925.77	\$4,091.65	\$165.88	4.23	%
II. Grant Programs and Other Aid Categories:					
Pre-Kindergarten Expansion	43.41	0.00	(43.41)	(100.00)	
Minor Maintenance	33.33	0.00	(33.33)	(100.00)	
Shared Services for Big 5	2.88	0.00	(2.88)	(100.00)	
Education Technology Incentive	2.39	2.39	0.00	0.00	
Employment Preparation Education	28.80	28.80	0.00	0.00	
Homeless Pupils	0.00	0.00	0.00	N/A	
Incarcerated Youth	0.00	0.00	0.00	N/A	
Bilingual	6.50	0.00	(6.50)	(100.00)	
Magnet Schools	48.18	48.18	0.00	0.00	
Education of OMH/OMR Pupils	1.60	1.60	0.00	0.00	
CIMS	1.06	0.00	(1.06)	(100.00)	
Chargebacks	(5.00)	(5.00)	0.00	N/A	
Learning Technology Grants	1.13	1.13	0.00	0.00	
New York City Collaborative Programs	0.00	5.20	5.20	N/A	
Allowance for Prior Year Adjs.	16.00	16.00	0.00	0.00	
SCHOOL YEAR TOTAL	\$4,106.05	\$4,189.95	\$83.90	2.04	%
Categorical Reading *	29.95	NA	NA	NA	
Improving Pupil Performance *	36.20	NA	NA	NA	

* In the 30 Day amendment period the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

Source: State Education Department computer runs and Executive Budget estimates of January 27, 1999.

TABLE II-F

CHANGE IN SCHOOL AID (a) FOR 1998-99 AND 1999-00 SCHOOL YEARS:
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dts.	Percent of Total State TAPU (b)	1999-00 Combined Aids		Change in Aid from 1998-99 to 1999-00		Number of Districts		
			1998-99 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.43%	\$115,891	\$122,567	1.06%	\$6,676	5.76%	13	0
Broome	12	1.20	140,600	149,824	1.30	9,224	6.56	12	0
Chautauqua	18	0.91	143,878	156,582	1.36	12,704	8.83	14	4
Dutchess	13	1.53	145,317	148,970	1.29	3,653	2.51	10	3
Erie	28	5.02	618,277	631,636	5.48	13,359	2.16	24	4
Monroe	18	4.28	489,514	504,410	4.38	14,896	3.04	15	3
Nassau	56	6.91	435,981	452,742	3.93	16,761	3.84	49	7
Niagara	10	1.31	182,801	186,909	1.62	4,108	2.25	7	3
Oneida	15	1.36	197,514	200,692	1.74	3,178	1.61	11	4
Onondaga	18	2.76	325,973	343,179	2.98	17,206	5.28	16	2
Orange	17	2.16	250,404	258,802	2.25	8,398	3.35	13	4
Rensselaer	11	0.84	122,245	125,658	1.09	3,413	2.79	8	3
Rockland	8	1.40	107,235	109,346	0.95	2,111	1.97	5	3
Saratoga	12	1.23	140,338	146,514	1.27	6,176	4.40	11	1
Schenectady	6	0.77	83,721	87,543	0.76	3,822	4.57	6	0
Suffolk	66	8.30	983,597	1,022,226	8.87	38,629	3.93	56	10
Ulster	9	0.97	103,140	105,095	0.91	1,955	1.90	7	2
Westchester	40	4.64	247,099	258,316	2.24	11,217	4.54	27	13
18 Most Populous Counties	370	47.04%	\$4,833,525	\$5,011,011	43.47%	\$177,486	3.67%	304	66
New York City	1	37.45	3,925,773	4,091,657	35.50	165,884	4.23	1	0
Rest of State	311	15.51	2,328,773	2,423,609	21.03	94,836	4.07	243	68
TOTAL STATE	682	100.00%	\$11,088,071	\$11,526,277	100.00%	\$438,206	3.95%	548	134

(a) Includes core operating aid, extraordinary needs, limited English proficiency, public and private school excess cost aids, educationally related support services (including speech therapy), reorganization incentive (operating and building), hardware, computer software, textbook, library materials, gifted and talented, special services, transportation, building, BOCES, growth aid, operating standards, educational improvement aid.

(b) The TAPU for payment pupil count used for the 1999-00 operating aid.

Source: State Education Department computer runs and Executive Budget estimates of January 27, 1999.

III

APPENDICES

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

- Appendix III-A summarizes the School Aid formulas and adjustments enacted for 1999-00 and compares them with the 1998-99 formulas.
- Appendix III-B provides the mathematical formulas for computing 20 different aids for 1999-00 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas.
- Appendix III-D describes the payment schedule for aids payable under section 3609-a of the Education Law in the 1999-00 school year.

APPENDIX III-A

COMPARISON OF 1998-99 AND 1999-00 SCHOOL AID PROGRAMS

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>CORE OPERATING AID</u>		
Formula Ceiling	\$3,900 plus an amount equal to the product of (i) the lesser of \$8,000 or 1996-97 approved operating expense per pupil minus \$3,900 and (ii), the greater of 7.5 percent or .075/CWR.	All districts will receive a 1.25 percent increase over the sum of their 1998-99 operating aid, tax aids and transition adjustment amounts. Districts that have experienced pupil growth between the 1998-99 and 1999-00 school years will also receive additional aid. Districts may receive aid increases up to a maximum of 3 percent over the sum of the 1998-99 aids noted above.
Flat Grant	\$400	
Wealth Measure ¹	Adjusted, so that a selected actual valuation is used and, in the calculation of borough aid for New York City, a portion of Manhattan's property wealth is allocated proportionately to the other four boroughs using a factor of 0.001 percent.	

¹ A district's Combined Wealth Ratio for 1998-99 is equal to: (.5 x District Pupil Wealth Ratio) + (.5 x District Alternate Pupil Wealth Ratio). The district Pupil Wealth Ratio is equal to: $\frac{(1995 \text{ Actual Valuation})}{1996-97 \text{ TWPU}}$; and the Alternate Pupil Wealth Ratio is equal to: $\frac{1995 \text{ District Income}}{1996-97 \text{ TWPU}}$

A district's Combined Wealth Ratio for 1999-00 is equal to: (.5 x District Pupil Wealth Ratio) + (.5 x District Alternate Pupil Wealth Ratio). The district Pupil Wealth Ratio is equal to: $\frac{(1996 \text{ Actual Valuation})}{1997-98 \text{ TWPU}}$; and the Alternate Pupil Wealth Ratio is equal to: $\frac{1996 \text{ District Income}}{1997-98 \text{ TWPU}}$

Beginning with the 1997-98 school year, income and actual valuation data moved back one year from the previous year-prior-to-the-base-year data. The Actual Valuation (AV) for calculating a district's property wealth per pupil for 1998-99 was 1995 AV. The income wealth per pupil calculation used the 1995 Adjusted Gross Income of district residents. For the 1999-00 school year, 1996 Actual Valuation and Adjusted Gross Income will be used.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
State Share	A district's selected operating aid ratio is the greatest of: 1.37 - (1.23 * CWR) 1.00 - (0.64 * CWR) 0.80 - (0.39 * CWR) 0.51 - (0.22 * CWR) The maximum aid ratio is .90. For a district of average wealth (CWR = 1.000), the aid ratio is .41.	
Pupil Counts: Base	Average Daily Attendance excluding pupils placed in private schools for the disabled. ²	
Payment	Choice of base year or 2-year average	
Special Needs Pupils: Weightings	.25	
Tests Used	1984-85 -- 1985-86	
<u>EXTRAORDINARY NEEDS AID</u>		
Formula Ceiling	A minimum of 11% of the operating aid ceiling. If more than 78.6% of a district's enrolled students have extraordinary needs, the district receives more than 11% of its operating aid ceiling. The calculation for the concentration factor is also enriched.	Same
Wealth Measure	Alternate Pupil Wealth Ratio	Same
State Share	.60	Same
Save-Harmless	100% of base year	Same

²For the 1997-98 school year and after the pupil count is based on year-prior-to-the base year attendance. An enrollment index adjusts for year-to-year changes in pupil numbers.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
Pupil Count	The sum of the percentage of eligible K-6 free lunch applicants times 1997 enrollment (if K-6 lunch data is not available, the percentage of students scoring below the statewide reference point on the grade 3 and 6 PEP reading and math tests multiplied by 1997 enrollment), plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 1997 enrollment.	Same except for use of 1998 enrollment and a revised sparsity factor calculation.
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	If formula operating aid per pupil is greater in the district of residence, the district of attendance will receive urban-suburban transfer aid equal to formula operating aid per pupil that the district of residence would have received.	Same
<u>GIFTED AND TALENTED AID</u>		
Pupil Count	3% of ADA	A district will receive the same aid for 1999-00 as was calculated for the 1998-99 school year by the State Education Department based on data on file on November 15, 1998.
Ceiling	\$196	
<u>LIMITED ENGLISH PROFICIENCY AID</u>		
Weighting	.160	Same
<u>TAX EQUALIZATION</u>		
Eligible districts	A district's approved operating expense (AOE) divided by 1996-97 TAPU for Expense in excess of its operating aid per pupil must be greater than the amount generated by multiplying .01950 by the district's Selected Actual Valuation divided by 1996-97 TWPU.	Included in Core Operating Aid.
Formula Ceiling	The positive remainder of the lesser of \$8,000 or 1996-97 AOE/TAPU for Expense, minus 1998-99 operating aid divided by Selected TAPU, plus .01950 multiplied by Selected AV/TWPU.	
Pupil Count	Selected TAPU.	

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>TAX EFFORT</u>		
Eligible districts	A district's 1995 tax levy on residential real property including condominium property must be greater than 3% of the district's 1995 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 2.0.	Included in Core Operating Aid.
Formula Ceiling	\$912.48	
Tax Effort Percent	The positive result of the 1995 tax levy on residential real property including condominium property divided by the 1996 adjusted gross income (but not greater than 7.00) minus 3.00, divided by 4.00.	
Pupil Count	Selected TAPU.	
<u>TRANSITION ADJUSTMENT</u>		
	The sum of 1998-99 Operating, Tax Equalization, and Tax Effort is adjusted so that the sum of these aids and the transition adjustment will be no less than the sum of these aids in 1997-98 plus a wealth adjusted increase of at least 1.80 percent (up to a maximum of 2.50 percent) and no more than the greater of either (a) a 5.00 percent increase over 1997-98 or (b) 17.60 percent of the amount withheld by the transition cap.	Included in Core Operating Aid.
<u>EXCESS COST AID FOR DISABLED PUPILS</u>		
Public Excess Cost Aid:		
Ceiling Range for Aid	\$2,000 - \$7,110	A district will receive the same aid for 1999-00 as was calculated for the 1998-99 school year by the State Education Department based on data on file on November 15, 1998.
Wealth Measure	Combined Wealth Ratio	
State Share	.49	
Minimum Aid Ratio	.25	
High Cost Eligibility	4 x AOE/TAPU or \$10,000	
Save-Harmless	100% of Base Year (including declassification aid)	
Disabled Pupil Classifications	Three	

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>DECLASSIFICATION SUPPORT SERVICES AID</u>		
Ceiling	Basic Excess Cost Aid Per Pupil x 0.50	A district will receive the same aid for 1999-00 as was calculated for the 1998-99 school year by the State Education Department based on data on file on November 15, 1998.
Pupil Count	Base Year Pupils in Need	
<u>PRIVATE EXCESS COST AID:</u>		
Ceiling Range for Aid	Tuition - Deduct	Same
Deduct	Local levy/Enrollment	Same
Wealth Measure	Combined Wealth Ratio	Same
State Share	.85	Same
Minimum Aid Ratio	.50	Same
Pupils	Attending private schools or State run schools	Same
State School Taper Ratio	(1-CWR)/.75	Same
<u>EDUCATIONALLY RELATED SUPPORT SERVICES AID</u>		
Ceiling(s)	\$335.00/\$500.00	Same
Wealth Measure	Combined Wealth Ratio	Same
State Shares	Operating Aid Ratio and Public Excess Cost Aid Ratio	Same
Minimum Aid Ratio	.25	Same
Pupil Counts	9% of Selected TAPU and 15% of Selected TAPU times Extraordinary Needs percent in excess of 60%	Same
<u>BOCES AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
State Share	.49	Same
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	Same
Save-Harmless Provision	100% of 1967-68 Aid	Same
Limit	None	75% of aid
<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> 1997-98 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 1997-98.	None
Pupil Count	1998-99 Estimated Full-Day K Enrollment - 1997-98 Full-Day K Enrollment.	None
Aid Per Pupil	A district's operating aid per pupil.	None

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>EDUCATIONAL IMPROVEMENT AID</u>		
	None	\$200.00 million
Formula Ceiling	None	\$103.15
Wealth Measure	None	Alternate Pupil Wealth Ratio
State Share	None	.60
Minimum Aid Ratio	None	.10
Pupils	None	Selected TAPU (Selected TAPU times 1.10 for districts with an Extraordinary Needs percent in excess of 60%)
<u>TRANSPORTATION AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio	Same
State Share	The greater of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * Operating Aid Ratio.	Same
Sparsity Adjustment	(21 - enrollment per square mile)/317.88	Same
Minimum Aid Ratio	.065	Same
Maximum Aid Ratio	.90	Same
Base	Approved Expenditures	Same
Urban-Suburban Transfer	Approved expenditures for transportation of pupils in voluntary interdistrict programs.	Same

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>																																																																																												
<u>BUILDING AID</u>																																																																																														
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same																																																																																												
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Base	Approved Expenditures	Same																																																																																												
Additional Adjustments	For aid payable in 1998-99 and after for new projects approved by the voters on or after 7/1/98 districts will receive an additional 10 percent State reimbursement. In addition, cost allowances on all contracts awarded after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.	Same																																																																																												
<u>REORGANIZATION INCENTIVE AID</u>																																																																																														
Prior to July 1, 1983																																																																																														
Operating Aid:																																																																																														
Additional Percentage (5 years)	10%	Same																																																																																												
Taper	1%/9 years	Same																																																																																												
Building Aid:																																																																																														
Additional Percentage	25%	Same																																																																																												

³For the 1999-00 school year, the existing building aid save harmless is eliminated for building projects approved by the voters beginning July 1, 1999.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
Effective July 1, 1983		
Operating Aid:		
Additional Percentage (5 years)	20%	Same
Taper	2%/9 years	Same
Building Aid:		
Additional Percentage	30%	Same
Effective July 1, 1992		
Operating Aid:		
Additional Percentage (5 years)	40%	Same
Taper	4%/9 years	Same
Eligibility Date:		
New Projects	July 1, 2000	July 1, 2000
Study Grants	Up to \$50,000 per study; up to \$20,000 for Collaborative Service Delivery System Efficiency Study Grants, including single district administrative and operational reviews.	None
<u>SPECIAL SERVICES AID</u>		
Career Education Aid:		
State Share	.41	Same
Minimum Aid Ratio	.36	Same
Ceiling	\$3,720	Same
Wealth Measure	Combined Wealth Ratio	Same
Computer Administration Aid:		
State Share	.49	Same
Minimum Aid Ratio	.30	Same
Ceiling	\$62.30/pupil	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID</u>	Based on approved expense (up to an amount equal to \$10.61 x TAPU x current year building aid ratio)	Based on approved expense (up to an amount equal to \$12.70 x TAPU x current year building aid ratio)
<u>TEXTBOOK AID</u>	Up to \$40.90 per public and nonpublic pupil (district of residence)	Up to \$46.87 per pupil and nonpublic pupil (district of residence)
<u>COMPUTER SOFTWARE AID</u>	Up to \$4.58 per public and nonpublic pupil (district of attendance)	Up to \$7.55 per public and nonpublic pupil (district of attendance)
<u>LIBRARY MATERIALS AID</u>	Up to \$4 per public and nonpublic pupil (district of attendance)	Same

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>GROWTH AID</u>	Growth Index in excess of 1.004 * Operating Aid	Same ⁴
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.87 million. For the 1998-99 school year a district's <u>Hurd</u> aid was the same as its 1997-98 aid.	\$75.84 million. For 1999-00, a district will receive its grant calculated pursuant to a formula under which <u>Hurd</u> aid would equal a declining percentage of the district's operating budget, less increases in State aid, and less a local revenue expectation.
Save-Harmless	Base Year Small City School District Aid x (.98 - .02 x Years on Save Harmless)	Same
<u>EMPLOYMENT PREPARATION EDUCATION AID</u>		
Ceiling	\$6.05/contact hour	\$6.25/contact hour ⁵
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

⁴ For the 1997-98 school year and after the Growth Index is defined as a measure of enrollment rather than attendance.

⁵ For the 1997-98 school year, total aid is limited to \$96.18 million, the same as in 1996-97.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>SHARED SERVICES AID FOR BIG</u>		
<u>5 CITY SCHOOL DISTRICTS⁶</u>		
Eligible Districts	Big Five City schools and other districts that are non-components of BOCES	None
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	None
State Share	The greater of: 1 - (.008/District Actual Valuation Tax Rate) or 1 - (.51 x AV/RWADA Wealth Ratio)	None
Minimum Aid Ratio	.36	None
Maximum Ratio	.90	None
Base	Approved expenditures for instructional support services	None
 <u>EDUCATION TECHNOLOGY</u>		
<u>INCENTIVE AID⁷</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
State Share	The greater of: 1 - (.008/District Actual Valuation Tax Rate) or the Building Aid Ratio for 1998-99 Aid.	The greater of: 1 - (.008/District Actual Valuation Tax Rate) or the Building Aid Ratio for 1999-00 Aid.
Minimum Aid Ratio	.36	
Base	Approved expenditures for instructional computer technology equipment that are not eligible for building aid or claimed under any other technology aid or BOCES aid.	Same Same

⁶For the 1998-99 school year, total aid was limited to \$3.50 million.

⁷For the 1998-99 and 1999-00 school years, total aid is limited to \$9.00 million.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>OPERATING STANDARDS AID</u>		
Formula Ceiling	\$6.00 plus the product of \$61.50 times the State share	A district will receive the same aid for 1999-00 as was calculated for the 1998-99 school year by the State Education Department based on data on file on November 15, 1998.
Wealth Measure	Alternate Pupil Wealth Ratio	
Expenditure Measure	Approved Operating Expense per pupil	
State Share	$1.00 - (.7 * ((.5 * APWR) + (.5 * \frac{AOE}{TAPU})))$	
Minimum Aid Ratio	\$6,058	
Pupils	.078	
	Selected TAPU (Selected TAPU times 1.06 for districts with an Extraordinary Needs percent in excess of 60%)	
<u>PRE-KINDERGARTEN EXPANSION AID⁸</u>		
Pupil Count	1997-98 children not served by the State's experimental pre-kindergarten program and preschool children with disabilities receiving services for less than four hours a day	None ⁹
Wealth Measure	Combined Wealth Ratio	None
Minimum/Maximum Per Child Amount	\$2,700, \$4,000	None
<u>CATEGORICAL READING AID</u>	\$63.95 million	None ¹⁰
<u>GRANTS FOR IMPROVING PUPIL PERFORMANCE</u>	\$66.35 million	None ¹⁰
<u>FORT DRUM GRANTS</u>	\$2.63 million	Same
<u>MAGNET SCHOOL AID</u>	\$134.67 million	\$134.97 million
<u>COMPREHENSIVE INSTRUCTIONAL MANAGEMENT SYSTEMS (CIMS) AID</u>	\$2.50 million (\$1.25 million to Big Five; \$1.25 million to BOCES)	None

⁸For the 1998-99 school year, total aid was limited to \$67.00 million.

⁹For the 1999-00 school year, the Educational Improvement Aid category may be used to support Pre-K expansion.

¹⁰In the 30 Day amendment period, the Governor will propose new programs to promote and enhance literacy and reading skills in the Big 5 City schools.

<u>Category</u>	<u>1998-99 School Year</u>	<u>1999-00 School Year</u>
<u>ATTENDANCE IMPROVEMENT/ DROPOUT PREVENTION GRANTS</u>	\$.95 million	None
<u>INCARCERATED YOUTH</u>	\$10.5 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>COMPTROLLER AUDITS</u>	\$.25 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>MINOR MAINTENANCE AND REPAIR AID</u>		
Maximum District Aid	A district's 1997-98 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. ¹¹	None ¹²
Minimum District Aid	\$2,000	None

¹¹For the 1998-99 school year, New York City's aid may not exceed \$33.33 million. Total aid is limited to \$50.00 million.

¹²For the 1999-00 school year, the Educational Improvement Aid category may be used to support Minor Maintenance.

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating core operating aid, extraordinary needs aid, limited English proficiency aid, private excess cost aid, educationally related support services aid, special services aid, reorganization incentive operating aid, BOCES aid, transportation aid, building aid, reorganization incentive building aid, computer software aid, textbook aid, instructional computer hardware and technology equipment aid, library materials aid, growth aid, employment preparation education aid, incarcerated youth aid, education technology incentive aid, and educational improvement aid are presented in this appendix.

The State average wealth measures for use in the calculation of aid ratios for 1999-00 school year payments are:

1996 Actual Valuation/1997-98 TWPU	\$244,600
1996 Adjusted Gross Income/1997-98 TWPU	\$ 92,000
1996 Actual Valuation/1997-98 RWADA	\$292,500

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

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

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

CORE OPERATING AID

1999-00 Omnibus Appropriation Bill

Formula Aid = The sum of:

- (i) Each district will receive 101.25 percent of the sum of their 1998-99 Operating Aid, Tax Effort and Tax Equalization Aids and the Transition Adjustment.
- (ii) Districts with an increase in their Selected TAPU for Payment for 1999-00 aid over their 1998-99 Selected TAPU for Payment will receive an additional amount equal to:

$$\frac{\text{Aid for (i)}}{\text{Selected TAPU for Payment for 1999-00 Aid}} \times \left(\frac{\text{1999-00 Selected TAPU for Payment} - \text{1998-99 Selected TAPU for Payment}}{\text{1998-99 Selected TAPU for Payment}} \right)$$

Aid Maximum: 103.00 percent of the sum of a district's 1998-99 Operating Aid, Tax Effort and Tax Equalization Aids and the Transition Adjustment.

1999-00 Selected TAPU for Payment = The higher of 1998-99 TAPU or the average of 1997-98 and 1998-99 TAPU.

1998-99 Selected TAPU for Payment = The higher of 1997-98 TAPU or the average of 1996-97 and 1997-98 TAPU.

EXTRAORDINARY NEEDS AID

Education Law, Section 3602, Subdivision 12

Extraordinary Needs Aid = (\$3,900 + Ceiling Adjustment) x Extraordinary Needs Aid Ratio x Extraordinary Needs Count x .11 x Concentration Factor

Ceiling Adjustment = The district's adjustment for Comprehensive Operating Aid

Extraordinary Needs Aid Ratio = 1 - (Alternate Pupil Wealth Ratio x .40)

Extraordinary Needs Count = The sum of:

- (i) 1998-99 enrollment x percentage of K-6 eligible applicants for the free and reduced price lunch program as of October 1997. If K-6 data is not available, 1998-99 enrollment x percentage of pupils scoring below the statewide reference point on the grade 3 and 6 PEP reading and math tests for 1996-97.
- (ii) Limited English Proficiency students
- (iii) For districts operating a K-12 program, a sparsity count equal to 1998-99 enrollment times:

$$\frac{(25 - \text{1998-99 Enrollment Per Square Mile})}{58}$$

and has no maximum

Concentration Factor = 1 + $\frac{(\text{Extraordinary Needs Count}/1998-99 \text{ Enrollment}) - .745}{.387}$

The Concentration Factor may not be less than 1.

Save-Harmless Provision: 100% of the base year

LIMITED ENGLISH PROFICIENCY AID (LEPA)

Education Law, Section 3602, Subdivision 22

A district running programs for pupils with limited English proficiency may receive limited English proficiency aid. Program participants are those scoring below the 40th percentile on an English language assessment instrument.

$$\text{LEPA} = .16 \times 1999\text{-}00 \text{ Operating Aid per TAPU} \times 1998\text{-}99 \text{ Program Participants}$$

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.

Private Excess Cost Aid

$$\text{Private Excess Cost Aid} = \text{Aidable Cost} \times \text{Excess Cost Aid Ratio}$$

(per pupil)

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

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

Minimum: .50

Private Excess Cost Taper for Rome and Batavia Placements

Additional aid is available to districts with:

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

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

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

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

Maximum: 1.0

EDUCATIONALLY RELATED SUPPORT SERVICES AID (ERSSA) INCLUDING SPEECH THERAPY

Education Law, Section 3602, Subdivision 32

Any district which provides support services to nondisabled pupils intended to maintain their placement in a regular education program is eligible to receive educationally related support services aid. This program includes speech therapy services for nondisabled pupils. Beginning with the 1995-96 school

year, services were expanded to include curriculum and instructional modification and direct student support team services. Eligibility for ERSSA services was expanded for the 1996-97 school year and after to include qualified handicapped persons under the Americans with Disabilities Act and any students with disabilities whose attendance does not generate any Excess Cost Aid. Eligible services are expanded to meet the needs of such students.

ERSSA = The sum of:

- (i) \$335.00 x Selected Operating Aid Ratio (.25 minimum) x 9.0 percent of Selected TAPU
- (ii) \$500.00 x Public Excess Cost Aid Ratio x 15.0 percent of Selected TAPU x Extraordinary Needs Percent (in excess of 60 percent)

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 17

Big 5 City school districts are eligible to receive career education aid and computer administration aid.

Career Education Aid = \$3,720 x Aid Ratio x Career Ed Pupils

Aid Ratio = 1 - (Combined Wealth Ratio x .59)

Minimum: .360

Career Education Pupils = 1998-99 Grade 10-12 ADA in a Career Education Trade Sequence + .16 x Business Sequence ADA

Computer Administration Aid = (Expenses up to \$62.30 x Enrollment) x Computer Expenses Aid Ratio

Enrollment = Fall 1998 public enrollment attending in the district

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

Minimum: .300

REORGANIZATION INCENTIVE OPERATING AID

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

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

Reorganization Incentive_ Formula Operating_ Incentive
 Operating Aid Aid x Aid Percentage

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

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.

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

For districts which reorganize after July 1, 1992, the reorganization percentage will be 40 percent for a period of five years, then 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) $1 - \frac{(1996 \text{ Actual Valuation/RWADA}) \times .51}{\text{Statewide Average (\$292,500)}}$

Minimum: .360

Maximum: .900

BOCES Capital Aid = 1999-00 Capital Expense x RWADA Aid Ratio

BOCES Rental Aid = 1999-00 Rental Expense x RWADA Aid Ratio

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

- (i) 1999-00 BOCES Operating, Capital and Rental aids
- (ii) BOCES aid received during 1967-68

For the 1999-00 school year, a district's aid will equal 75.00 percent of calculated aid.

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

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

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

Aid Ratio = greater of:

- (i) 1.263 x Selected Operating Aid Ratio
- (ii) $1.010 - \frac{(1996 \text{ Actual Valuation}/1997-98 \text{ RWADA}) \times .46}{\text{Statewide Average (\$292,500)}}$

Minimum: .065
Maximum: .900

Sparsity Factor = 21.00 - 1997 Enrollment Per Square Mile
317.88

Approved Transportation Expenses include:

- Health and life insurance
- Collision insurance
- Equipment
- Uniforms
- Driver and mechanic salaries
- Supervisor and other salaries
- Operating and maintenance expenses
- Social Security payments on all salaries
- Full contract expenses
- Shuttle expenses
- Retirement benefits
- Computerized bus routing services
- Transportation of children to and from day care centers
- Transportation of pupils in voluntary interdistrict programs

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
- Expenditures for transportation to and from summer classes
- Bus purchase expenses exceeding the State contract price

BUILDING AID

Education Law, Section 3602, Subdivision 6

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

Building Aid = Aid Ratio x Approved Building Expenses

Aid Ratio = 1 - $\frac{(1996 \text{ Actual Valuation}/1997-98 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$292,500)}$

Approved Building Expenses = 1999-00 New Debt Service and BANS expenses + 1998-99 Estimated Approved Building Expense + the excess, if any, of 1998-99 BANS and new debt service expenditures claimed over expenditures reported on 11/15/98

Districts may use the highest of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year, for projects approved by the voters prior to July 1, 1999. After that date, aid will only be paid using the current year aid ratio and the aid ratio will be tied to the individual project for the life of the project.

For aid payable in 1998-99 and after for new projects approved by the voters on or after 7/1/98 districts will receive an additional 10 percent State reimbursement. Aid is limited to 95 percent of expenses. 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, 2000 or within ten years from the effective date of the reorganization, whichever is later.

For districts reorganizing prior to July 1, 1983,

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

For districts reorganizing after July 1, 1983,

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

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

COMPUTER SOFTWARE AID

Education Law, Section 751

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

$$\begin{array}{l} \text{Computer Software Aid} = \text{1998-99 Cost of Software} \\ \text{(up to \$7.55)} \times \text{1998-99 Enrollment} \end{array}$$

$$\begin{array}{l} \text{Enrollment} = \\ \text{Fall 1998 public and private school enrollment for the} \\ \text{district of attendance plus BOCES and private school} \\ \text{pupils in full-time programs for children with} \\ \text{disabilities.} \end{array}$$

TEXTBOOK AID

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

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

Textbook Aid = 1998-99 Cost of Textbooks, not to exceed \$46.87 x
1998-99 Resident Public and Nonpublic School Pupils

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.

For aid from 1991-92 through 1999-00, the local match is eliminated.

Hardware Aid = Approved Expenses (up to \$12.70 x Selected TAPU for
payment x Current Year Building Aid Ratio)

LIBRARY MATERIALS AID

Education Law, Section 711, Subdivisions 3 and 4

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

Library Materials Aid = 1998-99 Cost of Library Materials (up to \$4.00)
x 1998-99 Enrollment

Enrollment = Fall 1998 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

GROWTH AID

Education Law, Section 3602, Subdivision 13

Growth aid is distributed to districts that are eligible due to an increase in enrollment. For any district whose growth index is greater than 1.004, the district also receives growth aid.

Growth Aid = (Growth Index - 1.004) x Operating Aid

Growth Index = 1999-00 Estimated Enrollment
1998-99 Enrollment

EMPLOYMENT PREPARATION EDUCATION (EPE) AID

Education Law, Section 3602, Subdivision 24

Districts are eligible for EPE aid for the attendance of pupils age 21 or older who have not received a high school diploma or equivalency diploma. Beginning in 1991-92, aid paid directly to BOCES for approved BOCES EPE programs is based

on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio is based on the aggregate actual valuation and TWPU of the component districts of the BOCES. Adults can register with BOCES for participation at a BOCES site. Beginning in 1996-97, the BOCES EPE aid ratio is the greater of the EPE aid ratio based on the aggregate wealth of the component districts or 85 percent of the highest EPE aid ratio of a component district of the BOCES.

$$\text{EPE Aid} = \$6.25 \times \text{EPE Aid Ratio} \times \text{EPE Hours}$$

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

Minimum: .400

$$\text{Pupil Wealth Ratio} = \frac{\text{1996 Actual Valuation/TWPU}}{\text{State Average Full Value/TWPU}} \\ (\$244,600)$$

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 1999-00 school year, total aid is limited to \$96.18 million.

INCARCERATED YOUTH AID

Education Law, Section 3602, Subdivision 35

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

$$\text{Incarcerated Youth Aid} = \frac{\text{AOE}}{\text{TAPU}} \times \text{Number of full-day program pupils} +$$

$$([\text{.5} \times \frac{\text{AOE}}{\text{TAPU}}] \times \text{Number of half-day program pupils})$$

EDUCATION TECHNOLOGY INCENTIVE AID

Education Law, Section 3602, Subdivision 26-a

$$\text{Education Technology Incentive Aid} = \text{Approved Educational Technology Expenses} \times \text{Aid Ratio}$$

Aid Ratio = greater of:

(i) A District's Building Aid Ratio for 1999-00 Aid

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

(iii) .360

Approved Education Technology Expenses include 1998-99 instructional computer technology expenditures for capital outlays and/or 1998-99 expenses for debt service and/or leases. These are expenditures that are not eligible for building aid and are not claimed under any other technology aid.

For the 1999-00 school year, total aid is limited to \$9.00 million.

EDUCATIONAL IMPROVEMENT AID

1999-00 Omnibus Appropriation Bill

Educational Improvement Aid = (\$103.15 x Aid Ratio) x Pupil Count

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

Minimum: .10

Pupil Count = For school districts with an Extraordinary Needs percentage greater than 60 percent, a district's Selected TAPU for Payment is multiplied by 1.10. In all other districts, the pupil count for Educational Improvement Aid is the district's Selected TAPU for Payment.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 1999-00 SCHOOL YEAR

I. Average Daily Attendance/Average Daily Membership^a

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

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

Short Title	<u>Total Aidable Pupil Units For Expense</u>	<u>Total Aidable Pupil Units For Payment</u>	<u>Total Wealth Pupil Units</u>	<u>Resident Weighted Average Daily Attendance</u>
	TAPU for Expense	Selected TAPU for Payment	TWPU	RWADA
Year used for aid payable in 1999-00	1997-98	1998-99 or Two-year Average (1997-98 and 1998-99) ^b	1997-98	1997-98
Attendance Periods	Full Year	Full Year	Full Year	Full Year
Students: Based on:	Served 100% ADA	Served 100% ADA	Resident 100% ADA	Resident 100% ADA

Basic Weightings

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	--	--

Additional Weightings

Secondary (including PSEN^c but excluding

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

^bThe 1998-99 TAPU is based on 1997-98 ADA, adjusted by the enrollment index (change between 1997-98 and 1998-99 enrollment). The 1997-98 TAPU is based on 1996-97 ADA, adjusted by the enrollment index (change between 1996-97 and 1997-98 enrollment).

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

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

^d 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 governs 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 school aid except for Excess Cost aids which are covered under the Section 3609-b payment schedule (which also includes Medicaid payments) and Textbook, Software and Library Materials aids. In addition a new Section 3609-e of the Education Law was added by Chapter 58 of the Laws of 1998. This section governs the schedule of school district payments for School Tax Relief (STAR). This payment reimburses school districts for school property tax exemptions granted pursuant to Section 425 of the Real Property Tax Law. Growth Aid and Building Aid for new debt service and BANS will not be paid until June, 2000. Small Cities Aid is covered by Section 3609-c and BOCES Aid for 1999-00 by section 3609-d.

For school aid payable in the 1999-00 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 "BT027-1" which was released in January 1999 with issuance of the 1999-00 Executive Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2000. The payment schedule has several features:

GSPS Aids

- Lottery Aid will continue to be paid in full on or before September 1.
- 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, based on school district State Aid claims or data available to the Commissioner as of December 1. These will be calculated to guarantee that each district receives 50 percent of the sum of its State and local revenues by the first business day of January, 60 percent by February, 70 percent by March, 80 percent by April and 90 percent by May. All of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for School Aid in March 1999. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for School Aid is expended by March 31.
- Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on March 31 on a prorata basis using the district's relative share of either: (1) for the sustaining advance payments, the total monies designated for payment in April, then May and finally June or (2) for the final payment for the State Fiscal Year, the total monies designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for School Aid will be used.

- Any aids payable for new debt service and bond anticipation notes (BANS) and Growth Aid will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. However, for new debt service or bond anticipation notes (BANS), if the actual claim is submitted by March 1 then the district will receive the lesser of the aid based on 11/15/99 data or the actual claim submitted on or before 3/1/00. If the March 1 claim exceeds the 11/15/99 data, then such excess is not aidable until 2000-2001. In addition the total of such aids payable through June for new debt service, bond anticipation notes (BANS) and Growth Aid cannot exceed the total of such aids as they appear on the computer listing "BT027-1".
- Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled "BT027-1" will be paid on the first business day of September, 2000.

STAR Aid

- STAR Aid payments will be governed by the payment schedule contained in Section 3609-e. The full amount of 1999-00 STAR Aid payments owed to individual school districts will be paid in full by the first business day of January based upon school tax relief exemptions reported to the Commissioner by the Office of Real Property Tax Services. For the 1999-00 school year, a payment will be made on or before October 15 for School Tax Relief (STAR) aid payable that exceeds 12.5 percent of a school district's total property tax levy. Remaining STAR aid payable exceeding 10 percent of district tax levy will be paid on or before November 15 and STAR aid exceeding 7.5 percent of levy will be paid on or before December 15. Remaining balances of STAR aid will be paid on or before the first business day of January, 2000.
- Payment amounts will be based on current data on file at the time of each payment through January.
- Current statutory provisions authorizing the Commissioner to withhold State aid payments from school districts that have not submitted enrollment and expenditure data on a timely basis shall not apply to STAR aid payments.

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 "BT027-1" which was released in January 1999 with issuance of the 1999-00 Executive Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 1999 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 1999-February 2000 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 1999-May 2000 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 1999-July 2000 will be paid on or before August 15.
- Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing entitled "BT027-1," will be paid on the first business day of September, 2000.

BOCES Aid^a

- BOCES Aid is calculated by individual component school district of the BOCES, but the sum of all such payments are 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 "BT027-1" which was released in January 1999 with issuance of the 1999-00 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 or before February 1st 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 school district as reported in the school aid computer listing entitled "BT027-1" 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 equal to 55 percent of the lesser of 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 "BT027-1" 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 behalf of the BOCES.
- Any remaining apportionment payable to the BOCES, including any excess of actual BOCES Aid payable over the amount of such aid reported in the school aid computer listing entitled "BT027-1" will be paid to the BOCES on the first business day of September, 2000.

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 September 1999 to the first business day of June, 2000, each small city school district will receive an amount, not to exceed 100 percent of the amount reported in the school aid computer listing entitled "BT027-1," which was released in January 1999 with issuance of the 1999-00 Executive Budget. Any excess of the amount reported in the school aid computer listing entitled "BT027-1" will be paid on the first business day of September, 2000.

^aBOCES Aid for special act, less-than-eight teacher, and special contracting districts will be added to the "BT027-1" amounts. For the 1999-00 school year, a district's aid will equal 75.00 percent of calculated aid.