

**STATE FORMULA AIDS AND ENTITLEMENTS FOR SCHOOLS
IN NEW YORK STATE**

(AS AMENDED BY CHAPTERS OF THE LAWS OF 2006)

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INTRODUCTION AND MAJOR FORMULA CHANGES

Financial support for public schools came from three sources in 2004-05: the federal government (approximately 6%), state formula aids and grants (approximately 44%), and revenues raised locally (approximately 50%). State aid for public schools comes primarily from the State General Fund (approximately 71%) wherein the major revenue source is state taxes (e.g. income and sales) Of the balance, approximately 17%, comes from STAR and 12% comes from a Special Revenue Fund account supported by lottery receipts.¹ In contrast, the major source of local revenues for education are the tax levied on residential and commercial properties within the boundaries of each school district (approximately 90%), and non-property tax revenues. For the State's five largest cities, commonly referred to as the Big Five (NYC, Rochester, Buffalo, Yonkers and Syracuse), constitutional tax limits require that education revenues come from the total municipal budget as opposed to taxes levied by the school system.²

This handbook focuses on the major State formula aids available to school districts during the 2006-07 aid year and includes changes to those formulas enacted by the Legislature for 2006-07. This year, the information and formula amounts contained in the handbook present the combined impact of the formulas governing the specified aid categories as set forth in both the appropriations proposed by the Executive and enacted by the Legislature, and the additional provisions enacted as part of the 2006-07 State budget. An explanation of the payment schedules for STAR, excess cost aids, small cities aid, BOCES and other general aid categories is provided, as well as an appendix containing the definitions of key terms and a list of State Aid acronyms. Please note that on the home page of the State Aid website (<http://stateaid.nysed.gov>), you may enter the name of any NYS major public school district and view the formula calculations described in this publication.

Following is a summary of major changes to formula aids enacted by the Legislature for 2006-07:

Flex Aid (\$8.6 billion)

For 2006-07, general purpose aid to school districts is based on 2005-06 Flex Aid and additional aids plus a 1% increase. See page 4 for more information.

Sound Basic Education Aid (\$700 million)

For 2006-07, each district will receive the sum of 2005-06 Sound Basic Education Aid (State total: \$325 million), plus a share of the total additional 2006-07 appropriation (\$375 million) that is in proportion to the share of Sound Basic Education Aid that it received in the 2005-06 school year. Aid will be paid through a separate payment schedule, but is general purpose aid that districts can use to support general operations. See page 5 for more information.

High Tax Aid (\$20 million)

Districts located in eligible counties receive the greater of \$25,000 or \$29.90 multiplied by the 2005-06 public enrollment for the district. See page 44 for more information.

Supplemental Extraordinary Needs Aid (\$136 million)

¹ All net revenues from the state lottery are statutorily earmarked for school aid. In addition, the General Fund guarantees the level of lottery funds appropriated for education, making up any shortfall in lottery revenues.

² Taxing limits were also present in small city school districts - those with a population of less than 125,000 people - until 1985 when the laws were repealed. These residents were not able to vote on their school budgets until legislation allowing it was passed in 1997.

Three new tiers were added to this formula to provide additional general support for districts educating large populations of students living in poverty. See page 5 for more information.

Enrollment Adjustment Aid (\$27 million)

This new aid provides a wealth equalized share of \$1,725 multiplied by the increase in district enrollment between the 2000-01 and 2004-05 school years. See page 27 for more information.

Supplemental Universal Prekindergarten Aid (\$50 million)

A new formula provides \$50 million in addition to the existing \$205 million Universal Prekindergarten Program to support and expand program offerings to four year old children. See page 38 for more information.

Expanding our Children's Education and Learning (EXCEL)

EXCEL provides additional funding for certain types of school construction projects. To support this program, the Dormitory Authority of the State of NY (DASNY) is authorized to issue a maximum of \$2.6 billion in bonds and notes: a maximum of \$1.8 billion for NYC and a maximum of \$0.8 billion for other districts. See page 15 for more information.

I

FORMULA AIDS FOR MAJOR DISTRICTS

A. FORMULA OPERATING AID FOR PURPOSES OF CALCULATING CERTAIN AID ATEGORIES

Formerly the largest aid category apportioned under general (unrestricted) aid, since 2001-02 the Formula Operating Aid formula has been used only for purposes of calculating a small group of aids. This year, the following aid categories are dependent in part on the calculation of Formula Operating Aid:

- General purpose aid calculated as Additional Limited English Proficiency Aid
- Reorganization Incentive Operating Aid
- Tuition Adjustment Aid
- Growth Aid
- Full Day Kindergarten Conversion Aid

For Formula Operating Aid, the State shares in a specified expense per pupil with local school districts through a sharing ratio formula. The calculated aid amount is generated in inverse proportion to a district's wealth as measured by real property and adjusted gross income by applying a sharing ratio to the per-pupil-ceiling amount. As a result, low wealth districts generate a relatively high amount of aid while high wealth districts generate a lower amount of aid. The Formula Operating Aid Sharing Ratio, or Selected Sharing Ratio, is still used in the calculation of many aids.

The aidable per pupil expense ceiling consists of a fixed amount of \$3,900 per pupil plus an additional variable amount equal to a percent of the difference between the district's 2004-05 approved operating expense per pupil (AOE/TAPU), not to exceed \$8,000, and the fixed ceiling of \$3,900. The percent adjustment used is also related to the district's wealth in terms of taxable real property within the district and income of district residents. The calculation of this percentage is explained on the following page under the subheading "The Equalization of Operating Aid." A minimum expense ceiling adjustment of 7.5 percent of the difference is guaranteed for all districts, but for poorer districts that operate kindergarten through grade 12 programs a larger percentage is provided. For an average wealth district spending \$7,000 per pupil the aid ceiling would be $\$3,900 + [0.075 * (\$7,000 - \$3,900)] = \$4,132.50$. This amount is then multiplied by a sharing ratio to determine the formula aid per pupil. \$400 is the minimum formula aid per pupil, often referred to as the Flat Grant. Formula Operating Aid is determined by multiplying aid per pupil by the total aidable pupil units (TAPU).

Total Aidable Pupil Units (TAPU): The total aidable pupil unit is the sum of several pupil counts, each count being assigned a distinct weighting. Weightings are used as a means of reflecting the assumed average cost of educating a particular pupil category. These categories and weightings are further explained by the following:

1) Full Day K-12 Adjusted Average Daily Attendance (Adjusted ADA) (Weighting = 1.00): The Adjusted ADA includes the average number of pupils present on each regular school day, the full-time-equivalent enrollment of resident pupils attending a charter school, the enrollment of pupils with disabilities in full time in BOCES programs, and the equivalent attendance of students under the age of 21 not on a regular day school register in programs leading to a high school diploma or high school equivalency diploma. This average is determined by dividing the total number of attendance days of all pupils by the number of days school was in

session and attendance was recorded.

2) 1/2-Day K Adjusted Average Daily Attendance (Weighting = 0.50): A 0.50 weighting adjustment to the average daily attendance for half-day kindergarten attendance.

3) Pupils in Dual Enrollment with a Nonpublic School (Weighting = 1.00 * Fraction of Day in Public School Programs): The attendance of nonpublic school pupils in career education, gifted and talented, or special education programs of the public school district as authorized by Section 3602-c of the Education Law. Attendance is weighted by the fraction of the school day that the student is enrolled in the public school programs.

4) Pupils with Special Educational Needs (PSEN)(Additional Weighting = 0.25): The number of pupils with special educational needs attending the public schools of the district is determined by the percentage of pupils below minimum competence as measured by the third and sixth grade pupil evaluation program (PEP) tests in reading and mathematics. The average of the percentage of pupils in a district who scored below the State reference point on these third and sixth grade PEP Tests in 1984-85 and 1985-86 continues to be used to determine the number of pupils with special educational needs. This percentage is multiplied by the district's adjusted ADA to produce the number of pupils for weighting. The PSEN pupil count is equal to the number of eligible pupils multiplied by the 0.25 additional weighting. Since this is an additional weighting, these pupils also would have been counted under average daily attendance.

5) Secondary School Pupils (Additional Weighting = 0.25): Eligible pupils in grades seven through twelve receive an additional weighting of 0.25. Eligible pupils for this weighting are defined as the number of students in average daily attendance in grades seven through twelve excluding any such students whose enrollment generates Public Excess Cost Aid. The eligible pupils are multiplied by 0.25 to produce the additional secondary school weighting.

6) Summer Session Pupils (Weighting = 0.12): Summer session pupils are those pupils who attend approved programs of instruction operated by the district during the months of July and August, other than pupils with disabilities in twelve month programs. The full weighting of 0.12 is applicable if the student attends a total of 90 hours of class sessions during the summer.

Adjustment in Computing Total Aidable Pupil Units Based on Enrollment Growth: For TAPU aids payable during 2006-07, attendance in the year prior to the base year is multiplied by the ratio of base year enrollment to year prior to the base year enrollment. Base year is the school year prior to the current year. (Example: For the 2006-07 aid year, 2005-06 is the base year and 2004-05 is the year prior to the base year.)

Selected TAPU: For the purposes of computing Formula Operating Aid, districts may use the total aidable pupil units as described above or the average of such number and the total aidable pupil units calculated for aid payable in the base year. The higher of these two figures is usually referred to as "Selected TAPU."

The Equalization of Operating Aid Based on Measures of District Wealth: Operating Aid is equalized or adjusted for district wealth. District wealth is measured by two variables: the full value of taxable real property per pupil unit within the district and adjusted gross income per total wealth pupil units (TWPU). TWPU is a measure of the weighted average daily attendance of resident pupils in a district. For 2006-07 aid, the selected full value per TWPU is the lesser of 2003 Full Value or 117% of 2002 Full Value divided by 2004-05 TWPU. The statewide average of 2003 full value per TWPU is \$382,200 for purposes of 2006-07 aid. When the district's

selected full value per pupil is divided by the statewide average, the quotient is called the pupil wealth ratio (PWR) of the district. A PWR value of 1.000 means that the district is of average wealth on this measure, while a district of less than average wealth would have a PWR less than 1.000 and a district of greater than average wealth would have a PWR greater than 1.000.

The second measurement of wealth - adjusted gross income per TWPU - is based on personal income tax returns of district residents. For 2006-07 aid, 2003 adjusted gross income, as verified by a statewide income verification process conducted jointly by the Education Department, the Department of Taxation and Finance, and the Office of Real Property Services, is divided by 2004-05 TWPU. The statewide average of adjusted gross income per TWPU for 2006-07 aid is \$121,800. When the district's adjusted gross income per pupil is divided by the statewide average, the quotient is called the alternate pupil wealth ratio (Alt-PWR) of the district. An Alt-PWR of 1.000 means that the district is of average wealth on this measure, while a district of less than average wealth would have an Alt-PWR less than 1.000 and a district of greater than average wealth would have an Alt-PWR greater than 1.000.

When the PWR and the Alt-PWR of a district are averaged together, the resulting average wealth ratio is called the combined wealth ratio (CWR) of the district.

$$CWR = 0.5 \times \frac{\text{District FV/TWPU}}{\$382,200} + 0.5 \times \frac{\text{District Income/TWPU}}{\$121,800}$$

Note that a district of average wealth according to both property and income variables would have a combined wealth ratio of 1.000. Districts wealthier than the average would have a combined wealth ratio greater than 1.000 and poorer districts would have a ratio less than 1.000.

The CWR is used to compute a State Sharing Ratio for Operating Aid using the highest ratio computed pursuant to the following formulas:

1. 1.37 - (1.23 X CWR) Very Low Wealth District
2. 1.00 - (0.64 X CWR) Low Average Wealth District
3. 0.80 - (0.39 X CWR) High Average Wealth District
4. 0.51 - (0.22 X CWR) Very High Wealth District

Maximum sharing ratio = 90%; minimum sharing ratio = 0%

Examples:

CWR = 0.30; share ratio = 90.0% (Formula 1)

CWR = 0.50; share ratio = 75.5% (Formula 1)

CWR = 0.75; share ratio = 52.0% (Formula 2)

CWR = 1.00; share ratio = 41.0% (Formula 3)

CWR = 1.80; share ratio = 11.4% (Formula 4)

Determination of Aidable Expense Per Pupil: For the purposes of calculating Operating Aid, an aidable per pupil expense ceiling is calculated by adding to the basic ceiling of \$3,900 a ceiling adjustment based on the 2004-05 approved operating expense per pupil of the district and the district's relative wealth. This ceiling adjustment is

equal to the product of a ceiling adjustment factor and the difference of the district's approved operating expense per pupil (AOE/TAPU)(not more than \$8,000) minus \$3,900. The minimum ceiling adjustment factor for all school districts is 0.075, but for districts operating a kindergarten through grade 12 program and a combined wealth ratio of less than 1.000, the ceiling adjustment factor equals the quotient of 0.075 divided by the CWR.

$$\text{Ceiling Adjustment} = (\text{AOE/TAPU} - \$3,900) \times (0.075/\text{CWR})$$

Determination of Aid per Pupil:

$$\text{Operating Aid Per Pupil}^a = \text{Aidable Exp. Per Pupil} \times \text{State Sharing Ratio}$$

(^a Not less than a flat grant of \$400 per pupil.)

Determination of Formula Operating Aid:

$$\text{Operating Aid Per Pupil} \times \text{Selected TAPU}$$

B. FLEX AID
[Chapters 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total - \$8,587.4 Million)

Flex Aid is the largest category of aid apportioned under formula aid for major districts. Flex Aid is unrestricted aid available to help each district meet its expenditures for general operation and maintenance of the school district. Included are operating expenditures such as salaries of administrators, teachers and non-professionals, fringe benefits, utilities and maintenance of school facilities.

Certain expenses are not included in the definition of expenditures for general operation, primarily because these expenditures are aided through other formulas or special aid programs. Examples of such expenses are: transportation expenses, capital outlay and debt service, expenses to Boards of Cooperative Educational Services (BOCES), tuition payments to other districts, and payments from funds received from the federal government.

$$\text{Flex Aid} = 1.01 \times (\text{2005-06 Flex Aid} + \text{2005-06 Additional Aids})^1$$

¹ Please refer to the 2005-06 State Aid Handbook for a detailed description of 2005-06 Flex Aid (p.4) and 2005-06 Additional Aids (p.6).

**C. SOUND BASIC EDUCATION AID
(2006-07 Estimated Total = \$700 Million)
[Chapters 53, 58 and 108 of the Laws of 2006]**

Sound Basic Education Aid (SBE) is unrestricted aid available to help each district meet its expenditures for general operation and maintenance of the school district. For Sound Basic Education Aid payable in the 2006-07 school year, school districts will receive the 2005-06 Sound Basic Education Aid amount set forth on the school aid computer listing entitled “BT131-6”¹ plus an additional 2006-07 SBE amount.

$$\text{Additional 2006-07 SBE} = \$375,000,000 \times \text{Base Year SBE Ratio}$$

$$\text{Base Year SBE Ratio} = \frac{\text{District 2005-06 BT131-6 SBE amount}}{\$324,867,141 \text{ (2005-06 State Total SBE on BT131-6)}}$$

**D. SUPPLEMENTAL EXTRAORDINARY NEEDS AID
[Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$136.1 Million)**

The purpose of Supplemental Extraordinary Needs Aid is to target additional funds to school districts educating large concentrations of extraordinary needs pupils. For this aid a concentration percent (EN %) is calculated by dividing the extraordinary needs pupil count by the 2005-06 K-12 public school enrollment of the district. The Extraordinary Needs Pupil Count includes:

- the number of pupils receiving special educational programs for pupils with limited English proficiency during the 2005-06 school year;
- the number of pupils applying for free and reduced priced school lunches (FRPL) as calculated by multiplying the ratio of such applicants to enrollment in grades K-6 during the fall of 2004 by the 2005-06 K-12 public school enrollment of the school district; and
- a sparsity count for school districts operating grades K through 12 with less than 25 pupils per square mile equal to 2005-06 K-12 public school enrollment multiplied by a sparsity factor calculated as follows:

$$\frac{25.0 - (2005-06 \text{ Enrollment per Square Mile})}{50.9}$$

$$2006-07 \text{ Supplemental Extraordinary Needs Aid (ENA)} = \text{Tier 1 ENA} + \text{Tier 2 ENA} + \text{Tier 3 ENA}$$

¹ Please refer to the 2005-06 State Aid Handbook for a detailed description and calculation of 2005-06 SBE Aid.

Tier 1 ENA

For eligible districts (Combined Wealth Ratio < .805):

(\$207.50 X Formula Operating Aid Sharing Ratio X Selected TAPU) X (ENA Ratio + sparsity factor)

ENA Ratio = .805 – Combined Wealth Ratio

Sparsity Factor = $\frac{25.0 - (2005-06 \text{ Enrollment per Square Mile})}{68.0}$

Tier 2 ENA

For eligible districts (Combined Wealth Ratio¹ > .975 and EN percent > 35%):

\$125 X Selected TAPU for Payment X (EN% - 15%)

Tier 3 ENA

For eligible districts (EN count > 0):

(\$45.40 + Additional Ceiling) X EN Count

Additional Ceiling amounts:

- Buffalo = \$10
- Rochester = \$65
- Yonkers = \$10
- Syracuse = \$90
- Albany = \$65

**E. DEDUCTION FOR THE LOCAL SCHOOL DISTRICT'S SHARE OF
EDUCATIONAL COSTS FOR CERTAIN STUDENTS
[Section 4401(8) of the Education Law]
(2006-07 Estimated Total = \$-31 Million)**

The educational costs for certain students under the care and custody of a State agency or with unique educational placements are paid in the first instance by the State. In the year following the school year in which educational services are provided to these students, the State assesses a basic contribution in support of such expenditures from the school district of residence. This basic contribution is defined in subdivision 8 of Section 4401 of the Education Law as an amount equal to the total base year property and non-property taxes of the school district divided by the base year public school enrollment of the district. Any revenues received from the State

¹ CWR based on data on file as of February 2006

under the School Tax Relief Program are considered property taxes for this purpose. The basic contribution is assessed for the following types of students:

- students attending State-supported schools for the blind or deaf;
- students placed in a family home at board, an orphan asylum or other such institution who previously resided in a school for the mentally retarded operated by the State Office for Mental Retardation and Developmental Disabilities;
- students residing in a school for the mentally retarded operated by the State Office for Mental Retardation and Developmental Disabilities who receive educational services in a public school district or a BOCES;
- students residing in an intermediate care facility or an individualized residential alternative who receive educational services through the public school district of current location;
- students placed in a child care institution by the Family Court, the Department of Social Services or the State Division for Youth who receive educational services at the expense of a local social services district agency;
- students placed in a residential psychiatric treatment facility, a residential treatment facility or a child care institution who receive educational services at the expense of a local social services district agency or the New York State Office of Mental Health;
- students incarcerated in a county operated correctional facility who receive educational services through the public school district of current location;
- runaway or nonresident homeless students who receive educational services through the public school district of current location; and
- students placed by the school district in a Children's Residential Project (CRP) School on or after July 1, 1995.

F. BUILDING AID

**[Section 3602(6)(6-a)(6-c)(6-e) of the Education Law, Chapters 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$1,600.8 Million)**

Building Aid is available for expenses incurred in construction of new buildings, additions, alterations or modernization of district-owned buildings, for purchase of existing structures for school purposes, and for lease and installment purchase payments under certain circumstances.

Steps in computing Building Aid

- Building plans and specifications for the project must be approved by the Facilities Planning Unit of the State Education Department.
- The pupil capacity of the building is assigned to the project by the Facilities Planning Unit.
- Estimated construction costs and estimated incidental costs are determined. Construction costs are for major contracts (general construction, heating and ventilating, plumbing, and electrical), while incidental costs are for such items as site purchase, site development, original equipment, furnishings, machinery or apparatus, and professional fees.
- A maximum construction cost allowance for each building project is computed by multiplying a pupil construction cost allowance figure, adjusted for regional cost differences, by the assigned pupil capacity for the building.
- The pupil construction cost allowance is adjusted monthly, based upon an index which reflects changes in cost of labor and materials. The index available for the calendar month in which the construction contract is signed for a specific project is the index used. The actual construction cost allowance is the lesser of the computed maximum or the actual construction costs.
- Regional Cost Adjustment: For approved building projects with a general construction contract awarded on or after July 1, 1998, the construction cost allowance will be adjusted by a factor reflecting regional differences in labor market composite wage rates established by the Commissioner of Labor each year. The adjustment will result in increased cost allowances for school districts in high cost areas of the State. Since the index cannot be less than one, the adjustment cannot be negative for districts in other areas of the State. In calculating Building Aid actual costs claimed for aid may not exceed the cost allowance.
- The maximum incidental cost allowance is 20 percent of the maximum construction cost allowance for K-6 buildings, and 25 percent of construction cost allowance for Grade 7-12 buildings and for special education space. The actual incidental cost allowance is the lesser of the computed maximum or actual incidental costs.
- To aid debt service expenditures associated with retro projects (see below) and BANS, a bond percent is calculated to determine the aidable portion of the expense. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed.

Categories of Building Aid

Chapter 383 of the Laws of 2001 established a new method of apportioning Building Aid. Previously, State Aid partially reimbursed districts for their *actual* approved debt service expenditures for approved projects based on the actual amortization schedules associated with their borrowings. The most significant change is that beginning in 2002-03, aid is paid on *assumed* debt service expenditures based on assumed amortization schedules. The laws of 2002 also changed the way districts are reimbursed for capital outlay (not borrowed) expenditures associated with approved construction projects.

Under the assumed amortization method of aiding building expenses, projects are identified as either “retro” or “prospective.” Retro projects are those with Commissioner’s approval date (CAD) before 12/1/01, for

which debt (bonds, BANS or capital notes) was first issued before 12/1/01. These projects are identified as retroactive or “retro” because they meet these criteria and are associated with borrowings that had principal outstanding as of July 1, 2002. Retro projects are aided differently than “prospective” projects. Prospective projects are those with CAD on or after 12/1/01 or, CAD before 12/1/01 but for which debt was first issued after 12/1/01.

Following is a description of the Building Aid categories:

1. *Assumed debt service expenditures associated with “retro” borrowings with principal outstanding as of 7/1/02, including assumed debt service expenditures associated with energy performance contracts.*

For each existing debt issuance associated with retro projects, an assumed amortization schedule was based upon:

- The product of the principal outstanding as of 7/1/02 and a bond percent that represents the ratio of total aidable project costs funded with the proceeds of the debt issuance divided by the total original principal of the debt issuance;
- The remaining blended maximum useful life of the projects associated with the debt issuance (Click here for detailed [explanation on calculating the blended maximum useful life of a project.](#))
- A statewide average interest rate (except that if the borrowing was refinanced by the Dormitory of the State of New York (DASNY), the DASNY interest rate was used, and except for special provisions for rates for the Big 5 city school districts (Click here for an [explanation of the calculation of the statewide average interest rate.](#)) (Click here to view a [chart with both retro and prospective interest rates](#) for assumed amortizations.)
- Equal semiannual assumed payments of interest and principal. For existing projects, the first two semiannual payments are assumed to occur in the 2002-03 school year, generating aid in that school year.

Although there are two assumed payments per year for purposes of establishing an assumed amortization schedule, actual Building Aid paid on retro projects is part of regular Building Aid and is paid to districts as part of the 3609-a General Aid payment schedule.

2. *For refunding bonds issued on or before 7/1/05, the reasonable costs of refinancing retro borrowings to align actual district debt service schedules with the assumed schedules on which aid is based.* (Click here for a detailed [memorandum on reimbursement for refinancing](#), including the information that appears below, information on claiming aid and a Q and A section.)

With aid on existing debt now based on assumed rather than actual amortization schedules, aid payments were no longer aligned with actual district debt service expenditures. Many districts refinanced their existing debt in order to better align their actual debt service schedules with the assumed schedules the State is now using to pay Building Aid. To facilitate the move to assumed amortization, State Aid is available to partially reimburse districts for the costs of refinancing retro borrowings.

The following criteria must be met in order to receive reimbursement for refinancing costs:

- The project or projects included in the new issuance had to be retro projects
- The refunding bond must have been issued on or before 7/1/05
- The district *could not* demonstrate net present value savings (Note: Local Finance Law was amended to allow refunding under this condition)
- Aid payable in 2002-03 and/or 2003-04 for approved debt service expenditures was reduced due to the application of assumed amortization to unpaid principal outstanding as of 7/1/02

The main purpose of reimbursement for the costs of refinancing is to minimize the impact on districts due to the application of assumed amortization. Therefore, the statute distinguishes between the “state share” of the costs of refinancing and the “local share” of the costs of refinancing. The state share of costs is reimbursed more generously than the local share, since theoretically districts need only refinance the state share of existing debt in order to better align their payments with assumed aidable debt service payments.

In order to distinguish between the state and local shares of refinancing costs for purposes of determining the aidable costs associated with each component, a “state share ratio” is calculated. This state share ratio is not the same as and should not be confused with the district’s building aid ratio. Please see below the sample calculation of aid on the costs of refinancing for a mathematical display of the state share ratio calculation and its application. Click here for [Sample Calculation of Aid on the Costs of Refinancing](#).

3. *Assumed debt service expenditures associated with new borrowings to finance remaining approved retro project costs.*

In addition to the amortization of the 7/1/02 remaining balance on debt issued to fund retro projects, districts may need to borrow additional money to fund remaining approved costs for retro projects. Assumed amortization schedules are created for this debt issued after 7/1/02 in order to determine the aidable debt service expense for Building Aid purposes. The remaining useful life for these amortizations is the same as that calculated for the amortization of the 7/1/02 remaining balance.

4. *Actual debt service expenditures for retro borrowings which have been exempted from assumed amortization via the waiver process.*

Through June 30, 2005, school districts could apply to SED for a waiver from the application of assumed amortization to retro bonds, other amortizations or lease-purchase agreements in existence as of July 1, 2002. This means that under certain circumstances, retro borrowings may continue to be aided in the manner in which they were aided prior to the enactment of the assumed amortization. Prior to assumed amortization, the districts’ debt service payments from the actual amortization schedules for the borrowings were the basis for aidable debt service expense and building aid. Waivers could also be granted to adjust the period of assumed amortization and/or the interest rate. Click here to view a document containing the [guidelines for approving retroactive assumed amortization waivers](#).

5. *Assumed debt service expenditures associated with prospective projects.*

Prospective projects are those projects with Commissioner’s approval date after 12/1/01, or approved before 12/1/01 but for which the first borrowing was issued after 12/1/01. Aidable debt service expenditures for prospective projects are based on assumed amortization schedules. For each prospective project, an assumed amortization schedule is generated based on:

- Total approved project costs, except that for projects with CAD before July 1, 2002, capital outlay (cash) costs are not included in the costs to be amortized;
- A statewide average interest rate (except that if the project is funded with borrowing through the Dormitory of the State of New York (DASNY), the DASNY interest rate is used, and except for special provisions for rates for the Big 5 city school districts.) By September 1 of each year, districts must submit information to SED regarding all capital debt issued in the prior year. The interest rates for these borrowings are used to calculate the statewide average interest rate. The interest rate used to generate the assumed amortization schedule is tied to the CAD of the project. (Click here for an explanation of the [calculation of the statewide average interest rate.](#))
- A term of 15, 20 or 30 years for reconstruction projects, additions and new buildings, respectively
- Two assumed, level debt service payments during each aid year

An assumed amortization schedule for a prospective project is not generated, and aid does not begin to be paid on the project until 18 months after the CAD or certification to SED that a general construction contract has been signed, whichever is later. Example: for Project A, CAD is 7/28/01. CAD plus 18 months is 1/28/03. If the date of SED notification of contract signing date was on or before 1/28/03, the first aidable assumed debt service payment would have fallen in the second half of the 2002-03 aid year. 2002-03 aid to the district on the project was based on the aidable debt service expense associated with one assumed debt service payment. In the 2003-04 aid year and the remaining years of the assumed amortization, aid will be based on the aidable debt service expense associated with two level, assumed debt service payments.

Although there are two assumed payments per year for purposes of establishing an assumed amortization schedule, actual Building Aid paid on prospective projects is part of regular Building Aid and is paid to districts as part of the 3609-a General Aid payment schedule.

Note: Deferral of Aid on Prospective Projects without Contract Signing Notification by February 2006 database:

Prospective building projects aided in 2006-07 are those projects with SED contract signing notification dates on file, via submission of the SA-139 form, with the Department by the February 2006 database. Aid on 2006-07 prospective building expenses for projects with SED contract signing notification dates on file with the Department after the February 2006 database but before July 1, 2007 will be first eligible for aid in 2007-08 and should be accrued to the 2007-08 fiscal year. Aid on 2005-06 prospective building expenses for projects with SED contract signing notification dates on file with the Department after the February 2006 database and before July 1, 2006 will begin in 2007-08 and should be accrued to the 2007-08 fiscal year.

6. *Base year expenditures for security cameras, stationary metal detectors, electric partitions, other security devices and safety devices for electrically operated partitions, room dividers and doors.*

School districts may receive partial reimbursement for base year expenditures associated with security cameras, metal detectors and other security devices. A special maximum cost allowance of \$2,000 per unit is prescribed by the Commissioner for these items, and claims must be approved by SED Office of Facilities Planning before aid is generated.

In addition, partial reimbursement is available to districts for base year expenditures associated with

complying with section 409-f of the education law. Section 409-f requires in part that every electrically operated partition or room divider be equipped with safety devices which stop the forward motion of the partition or room divider, and stop the stacking motion of the partition or room divider, when a body passes between the leading panel of such partition or divider and a wall, or when a body is present in the stacking area of such partition or divider. A special maximum cost allowance of \$6,000 per unit is prescribed by the Commissioner for these devices, and claims must be approved by SED Office of Facilities Planning before aid is generated.

Aid in this category is calculated using the district's *current year* building aid ratio. (See below for more information on building aid ratios)

7. *Current year approved expenditures for lease payments.*

School districts may receive aid on current year expenditures for lease payments on leases that have been approved by the Commissioner. The leases must be for a period of five years or less, except that the term can exceed five years if voter approval in the lessee district is obtained before the lease is executed. The term of the lease may not exceed the period of probable usefulness for the building. Voter approval must also be obtained in the lessee district in order to undertake capital projects in the leased facility during the term of the lease. School districts may not enter into leases with an option to purchase.

To be eligible for aid, the leased facility must meet requirements for access by individuals with disabilities to facilities and programs as defined by the Commissioner, and the leased space must be used to house pre-k through grade 12 programs (other than 4410 programs), with minimal associated administrative and support services space as approved by the Commissioner.

8. *Base year expenditures for building condition surveys.*

An additional apportionment of aid is available for the structural inspection of school buildings used for instructional purposes and conducted in accordance with sections 409-d and 409-e of the education law, and accompanying regulations. The apportionment equals the product of the building aid ratio and the actual approved expenses incurred by the district in the base year for each school building inspected by a licensed architect or licensed professional engineer, except that the aid amount cannot exceed the structural inspection aid ceiling. The inspection aid ceiling is based on a maximum cost allowance per square foot, adjusted by the commissioner on the basis of an index number reflecting changes in the costs of labor and materials. The aid can only be received if no state aid claim for the inspection of such building has been submitted within the five years prior to the submission of a claim.. Most school districts claimed aid in 2000-01 and 2001-02 and will therefore claim aid again in 2005-06 and 2006-07 for base year expenses.

9. *Base year expenditures for certain capital outlay projects*

Beginning with 2002-03 capital expenses for 2003-04 aid, districts may receive reimbursement for base year capital outlay expenses for projects that are wholly funded through capital outlay and which fall into one of the following three categories:

- a. A project with a total cost of no more than \$100,000. A district may receive aid for a maximum of one such project in any aid year. A district may spend and report the capital expense for such a

project over multiple years, and receive aid on the same project over multiple years; however, only one project per year can receive aid.

- b. A construction emergency project. A construction emergency project is a project that is necessary to provide immediate repairs in order to eliminate or mitigate hazards that threaten the health and/or safety of the building's occupants as a result of either the unanticipated discovery of hazardous substances such as asbestos, or significant damage caused by a fire, snow storm, ice storm, excessive rain, high winds, flood or a similar catastrophic event. An emergency project may be carried out prior to receipt of Commissioner's approval, but in order to be eligible for State Aid the project must receive approval from the SED-Office of Facilities Planning.
- c. A project that if bonded, would cause a small city school district to exceed 95% of its constitutional debt limit.

The appropriate building aid ratio will be applied to approved project expenses to determine aid. Capital outlay expenses for projects in these categories are not eligible for Reorganization Incentive Aid.

10. Assumed expenditures associated with capital outlay expense incurred after 6/30/02, for projects approved by the commissioner on or before 6/30/02.

Beginning with the 2003-04 aid year, and 2002-03 capital outlay expenditures, Building Aid no longer reimburses districts for approved capital outlay expenditures made in the base year. Capital outlay expenditures incurred after June 30, 2002, for projects approved by SED before 7/1/02, have been amortized, without interest, and aid is being paid out over the life of the project according to an assumed schedule. Building Aid on the amortized capital outlay was first be paid in the 2004-05 aid year. (Click below for detailed calculation information: <http://stateaid.nysed.gov/Am%20cap%20for%20web%201-04.htm>)

An additional apportionment is available for school districts educating pupils residing on Indian reservations, in an amount representing the actual per pupil cost within the cost allowance assigned to Native American pupils.

Aid in all of the above categories is paid to districts according to the General Aid payment schedule 3609-a. For categories 1 through 10, aid is based on the approved aidable expenditures multiplied by a building aid ratio. The building aid ratios are explained in the next section.

Building Aid Calculation

State Aid is paid on a building project only up to the total approved cost allowance. Total approved cost allowance is the sum of the construction cost allowance plus the incidental cost allowance.

The Building Aid formula =

$$\text{Aidable Building Expense} \times \text{Building Aid Ratio}$$

The calculation of the current year Building Aid ratio =

$$1.000 - (2003 \text{ Selected AV}/2004-05 \text{ RWADA} \times 0.51) / \$456,700 \text{ (State Average full value per RWADA)}$$

Aidable building expense = aidable expense from each of the expense categories listed and described above.

Note that 0.51 is the local share for districts of average wealth (i.e., district average full value per pupil equals the State average (\$456,700)). For districts of average wealth the State share is 0.49. For property wealthy districts the State share would be smaller, and for property poor districts the State share would be larger. The maximum state share/Building Aid ratio is 0.95 for most districts, and .98 for certain high need districts as described below.

Applicable State Share Ratios for Building Aid

- **2006-07 State Share Ratio for building projects approved by the voters prior to July 1, 1998:** The higher of the calculated 2006-07 current year Building Aid ratio or the selected Building Aid ratio for aids payable in 2005-06. (Selected 2005-06 aid ratio = the highest Building Aid ratio of any aid year from 1981-82 through 2004-05.)
- **2006-07 State Share Ratio for building projects approved by the voters on or after July 1, 1998, but before July 1, 2000:** The 2006-07 state share ratio for these projects is computed by selecting the higher of the calculated current year Building Aid ratio or the selected Building Aid ratio for aids payable in 2005-06. This selected state share ratio is then enhanced by an additional incentive apportionment of 10 percent of approved building expenses. The sum of this additional incentive aid, Regular Building Aid, and Reorganization Incentive Building Aid, however, cannot exceed 95 percent of the approved building expenses. The 10% incentive is not payable for energy performance contracts that are not voter approved, aid on security cameras and other security/safety devices or Building Condition Survey Aid.
- **2006-07 State Share Ratio for building projects approved by the voters on or after July 1, 2000:** The 2006-07 state share ratio for these projects is computed by selecting the higher of a) of the calculated current year Building Aid ratio or b) the remainder of the selected Building Aid ratio for aids payable in 1999-00 minus 10 percent or c) for districts with a pupil wealth ratio greater than 2.5 and an alternate pupil wealth ratio less than 0.85 in the 2000-01 aid year, for projects with a voter approval date between 7/1/05 and 6/30/07: 1.263 multiplied by the State sharing ratio. This final, selected ratio is then enhanced by an additional incentive apportionment of 10 percent of approved building expenses. The sum of this additional incentive aid, Regular Building Aid, and Reorganization Incentive Building Aid, however, cannot exceed 95 percent of the approved building expenses. Please note that for projects that are not approved by the voters and are not emergency projects, such as energy performance contracts, this additional incentive aid is not payable.
- **High Need Supplemental Building Aid Ratio (HNSBAR) for identified high needs districts with projects approved by the voters on or after July 1, 2005 and for aid on lease expense, building condition survey expense, and capital outlay exception expenses; i.e., projects <\$100,001, emergency projects:** For projects eligible to be aided by the HNSBAR, the maximum aid ratio is 98%;

the maximum remains 95% for all other projects. Click here for more information on the HNSBAR: http://stateaid.nysed.gov/build/hnsbar_060805.htm

Building Aid Payable for Energy Performance Contracts

In order to receive Building Aid on energy performance contracts, the estimated Building Aid payable must be excluded in determining the cost savings under the contract and the contractor must guarantee recovery of the contract costs by the school district from energy savings realized during the term of the contract which cannot exceed 18 years. Aid payable on energy performance contracts is based on the rules of assumed amortization as described above, depending on whether the contract is identified as retro or prospective. All prospective energy performance contracts are amortized over a 15-year period.

G. EXPANDING OUR CHILDREN'S EDUCATION AND LEARNING (EXCEL) **[Chapter 61 of the Laws of 2006]** **(Total Program Allocation = \$2.6 Billion)**

EXCEL provides additional funding for certain types of school construction projects. To support this program, the Dormitory Authority of the State of NY (DASNY) is authorized to issue a maximum of \$2.6 billion in bonds and notes: a maximum of \$1.8 billion for NYC and a maximum of \$0.8 billion for other districts.

An eligible EXCEL project is a project that:

- a) has been reviewed by Facilities Planning and approved as an EXCEL project;
- b) did not have an SA-139 on file with SED before April 1, 2006 and
- c) falls within one or more of the following categories:
 - Education technology
 - Health and Safety
 - Accessibility
 - Physical capacity expansion or school construction
 - Energy

The maximum additional apportionment (MAA) is calculated as follows for districts other than NYC:

For districts eligible for the High Need Supplemental Building Aid Ratio (HNSBAR):

2005 enrollment (as it appears on the SA0607 computer run) X \$778.22

For any other eligible district:

2005 enrollment (as it appears on the SA0607 computer run) X \$320.46

EXCEL funds may be used in addition to Building Aid as long as the sum of apportionments under Building Aid and EXCEL funds applied to the project do not exceed the *total* project cost. EXCEL funds may

also be used in lieu of Building Aid. If a district chooses to receive EXCEL funds in addition to Building Aid, Building Aid will be paid on the full *approved* project cost; i.e., receipt of EXCEL funds will not reduce the Building Aid apportionment. If a district chooses to receive EXCEL funds in lieu of Building Aid, *no Building Aid will be calculated for the project*. There is no 95% or 98% cap on the portion of project cost that can be supported by State funds; i.e., EXCEL Aid can be applied to the difference between approved project cost and total project cost such that it is possible in some instances for there to be no local share.

Click on these links for more information on EXCEL:

http://stateaid.nysed.gov/excel_memo_062606.pdf

http://stateaid.nysed.gov/excel_memo_072806.pdf

H. REORGANIZATION INCENTIVE AID

[Section 3602(14) of the Education Law and Chapter 58 and 53 of the Laws of 2006]

Two forms of incentive aid to encourage school district reorganizations into more effective and efficient units are available, and a shared services incentive aid is available to reward districts that increase cost-effectiveness of programs through collaborative activities with other districts, BOCES, counties, other municipalities or a human services agency such as a county department of social services.

1. REORGANIZATION INCENTIVE OPERATING AID

[Section 3602(14) of the Education Law and Chapters 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$15.4 Million)

For school districts that reorganize, Incentive Operating Aid is available for 14 years beginning with the first school year of operation as a reorganized district. For school districts that reorganize on or after July 1, 1983 but before July 1, 1992, Incentive Operating Aid for the first five years equals 20 percent of Formula Operating Aid, and for the next nine years the percentage of such operating aid decreases 2 percent per year. For school districts that reorganize on or after July 1, 1992, Incentive Operating Aid for the first five years equals 40 percent of Formula Operating Aid, and for the next nine years the percentage of such operating aid decreases 4 percent per year. The sum of Formula Operating Aid and Incentive Operating Aid may not exceed 95 percent of the district's Approved Operating Expense used for aid calculations in the current school year.

2. REORGANIZATION INCENTIVE BUILDING AID

[Section 3602(14) of the Education Law and Chapters 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$15.7 Million)

Incentive Building Aid is 25 percent of the Building Aid otherwise paid on an approved building project for districts that reorganized prior to July 1, 1983. Aid is paid on such projects for which the general construction contract is signed prior to July 1, 2008 or within 10 years from the effective date of reorganization, whichever is later. For school districts that reorganized on or after July 1, 1983, Incentive Building Aid is 30 percent of the Building Aid otherwise paid on an approved building project. Aid is paid on such projects for which the general

construction contract is signed prior to July 1, 2008 or within 10 years from the effective date of the reorganization, whichever is later. In no case, however, may the sum of regular Building Aid (including the 10% Incentive Aid) and Incentive Building Aid exceed 95 percent of approved building expenditures in these areas, or 98 percent for districts eligible for the high needs supplemental building aid ratio as described on the previous page.

Note: There is no Reorganization Incentive Building Aid for expenses associated with the refinancing of retro projects that are reimbursed by the State at a rate of 100%.

3. SHARED SERVICES SAVINGS INCENTIVE
[Section 3602(14)(i) of the Education Law and Chapter 58 of the Laws of 2006]
(\$0.2 Million)

A Shared Services Savings Incentive Aid is provided to school districts and BOCES that creatively manage shared services to decrease costs to taxpayers and the State. Such shared programs may involve collaboration with a county, other municipalities, or a human services agency such as a county department of social services. Decreased expenditures resulting from increased efficiency of shared programs may result in savings to the district or BOCES, which often result in decreased State Aid expenditures. The purpose of this program is to support such initiatives and to provide a fiscal reward to those whose creativity and management capabilities can carry out these practices. In effect, it "shares the State's savings" that result from the initiative with the participating public school district(s) and/or BOCES, so that all parties benefit from the increased efficiencies.

Shared Services Savings Incentive awards are available for a school district, a group of school districts and/or a BOCES which have demonstrated savings to the State. Such shared services might result from collaboration regarding the provision of transportation services, for example. Each participating school district or BOCES must provide a board resolution in support of the plan, and a single school district must be designated as the lead agency for purposes of the grant. Each application will be reviewed to determine the overall level of savings to the State at a minimum total level of \$200,000 over more than one year. Generally, savings to the State will not be achieved until the year after the savings are realized by the district(s) or BOCES. The amount of the award under this program is 50 percent of the total annual savings to the State for each year that at least a \$100,000 savings to the State can be demonstrated for up to a maximum of five years.

To be eligible for the Shared Services Savings Incentive a proposal must satisfy the following criteria:

- 1) The proposal must represent savings to the State resulting from the sharing of previously unshared activities undertaken with one or more other school districts, a BOCES, a county or other municipality, or a human services agency, such as a county department of social services.
- 2) The proposal must document savings using baseline data on the cost of the previously unshared service to the participating agencies for the two years prior to the initiation of the shared activity and corresponding State Aid payable in the base year compared to an estimate of the State Aid that would have been payable in the current year in the absence of sharing.

I. TRANSPORTATION AID (NON-CAPITAL ONLY)
[Section 3602(7) of the Education Law and Chapter 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$1,254.3 Million (including Summer Transportation Aid))

Transportation Aid is based on a district's approved transportation non-capital expenses. Approved transportation expenses are generally those made in transporting all pupils to and from school once daily and between the school attended and Boards of Cooperative Educational Services, or in transporting pupils to approved shared programs at other school districts or occupational education programs within a district. They include expenditures for the operation of a school district transportation supervisor's office, and for operation of district-owned buses, contract buses, and public service vehicles (subway included).

The process of sorting expenditures is summarized as follows:

- a) Determine those transportation expenses which are deducted from total operating expenditures to insure they do not generate any other aid;
- b) Determine which of the transportation expenses can be used as approved transportation expenses to generate Transportation Aid.

Transportation expenses approved for Transportation Aid include only those incurred in transporting allowable pupils on approved buses, over approved routes. A non-allowable pupil decimal based on an historical record of pupils is used as a substitute for the actual deductible cost of non-allowable pupil miles and also is applied to the purchase of buses. This decimal must be recomputed every three years, or when district transportation policy revisions require a recalculation. Pupils attending a universal pre-kindergarten program pursuant to Section 3602-e of the Education Law who are transported using available vacant seats on existing bus routes will not increase the non-allowable pupil deduction.

Examples of non-allowable pupils are: non-disabled pupils who live 1 1/2 miles or less from the school attended (unless the pupil lives within an approved, designated child safety zone), and non-disabled pupils transported to public schools outside the district of residence when classes are maintained by the district of residence.

Expenditures for transportation services provided for field trips, athletic trips, excursions, and noon trips for lunch, cannot be used to generate Transportation Aid. The expenses for such trips are pro-rated on the basis of route mileage. Expenditures for operating late bus trips to transport pupils who stay late for club or athletic activities are aidable approved transportation expenses.

Pursuant to Education Law 3622-a(6), transportation services provided to academic summer schools operated by the school district during the summer of 2001 and thereafter are aidable transportation expenses for aid payable in 2002-03 and thereafter. However, if the total statewide apportionment attributable to allowable summer transportation expenses exceeds \$5,000,000, individual school district allocations will be prorated to ensure that the apportionment for summer transportation does not exceed \$5,000,000. The prorated apportionment for summer transportation becomes final and not subject to change as of September 1 of the school year immediately following the aid year in which aid was paid; e.g., 9/1/07 for 2006-07 aid.

Transportation contracts must be filed with the Education Department within 120 days of start of service in order to generate full Transportation Aid. Only contract expenditures up to the amount stipulated in the contract, and within reasonable cost guidelines developed by the State Education Department, may be allowed for aid

purposes. Section 3625(1) of the Education Law also requires that every transportation contract be submitted to the superintendent of schools for approval before such contract is filed with the Department.

Click here for a [complete list of aidable and non-aidable transportation expenses](#).

The formula for calculating Transportation Aid is:

$$\text{Approved Transportation Expenses} \times [\text{Selected Sharing Ratio} + \text{Sparsity Factor}]$$

Districts may select the higher of the following three sharing ratios for use in the formula: (Cities with a population of more than one million may not use Sharing Ratio 3)

1) Sharing Ratio 1 = 1.263 X Formula Operating Aid Sharing Ratio

2) Sharing Ratio 2 = 1.010 - $\left[\frac{2003 \text{ Selected FV}/2004-05 \text{ RWADA}}{\$456,700 \text{ (State Average)}} \right] \times 0.460$

3) Sharing Ratio 3 = 1.010 - $\left[\frac{2003 \text{ Selected FV}/2004-05 \text{ RPNP}^a}{\$397,600 \text{ (State Average)}} \right] \times 0.460$

^a Resident Public and Nonpublic Enrollment

The sparsity factor (minimum = 0) is calculated as follows and is added to the selected sharing ratio to determine the State Share Ratio for Transportation Aid:

$$\frac{21.000 - \text{Fall 2004 Enrollment per Square Mile}}{317.88}$$

The sum of the Selected Sharing Ratio and the sparsity factor cannot be less than 6.5 percent and cannot exceed 90 percent.

J. AID ON TRANSPORTATION CAPITAL EXPENSE
[Section 3602(7) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$59.3 Million)

Chapter 57 of the Laws of 2004 established a new method of apportioning Transportation Capital Aid. For aid years 2004-05 and prior, State Aid partially reimbursed districts for their actual approved debt service expenditures for approved buses based on the actual amortization schedules associated with their borrowings. Districts also were partially reimbursed for actual base year transportation equipment, lease and garage rental expenses. Beginning with the 2005-06 aid year, aid on all types of transportation capital expense is

paid based on assumed amortization schedules using a statewide average interest rate. The following categories of transportation capital expenditures are eligible for Transportation Aid:

1. Retro assumed debt service expenditures associated with bus borrowings with principal outstanding as of July 1, 2004
2. Retro assumed debt service expenditures associated with bus leases and garage rentals with payments remaining as of July 1, 2005 (i.e., leases beginning before 7/1/05)
3. Retro 0405 assumed debt service expenditures associated with the approved cost of a) buses with purchase order (PO) date between 7/1/03 and 6/30/04, but for which no borrowing was reported to SED and for which the first payment was not made until on or after 7/1/04 and b) all buses with purchase order date between 7/1/04 and 6/30/05
4. Prospective assumed debt service expenditures associated with the approved cost of a) buses with purchase order date on or after 7/1/05 and b) leases beginning on or after 7/1/05
5. Prospective assumed debt service expenditures associated with aidable transportation equipment purchases
6. In 2005-06 and 2006-07 only, assumed debt service expenditures for excess of 2003-04 actual bus purchase/lease expenses over estimated 2003-04 bus purchase/lease expenses on file with SED by November 15, 2003

The categories listed above are described in detail below:

1. *Retro assumed debt service expenditures associated with bus borrowings with principal outstanding as of 7/1/04.*

For each existing debt issuance associated with retro bus purchases, an assumed amortization schedule was created based on:

- The principal remaining for each bus borrowing issued before 7/1/04, calculated by subtracting all cash and principal payments made on the borrowing through 6/30/04 from the total net cost of the buses associated with the borrowing
- A remaining life equal to the number of years resulting from the following calculation: 5yrs – (7/1/05 – borrowing date), rounded to the nearest year; borrowings with a remaining principal but a calculated term of 0 or less years are assigned an amortization term of .5 years (the equivalent of one assumed payment)
- A statewide average interest rate calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the aid year; e.g., assumed amortizations beginning in the 2006-07 aid year will be based on bus borrowings issued between 7/1/05 and 6/30/06 (Click here for a mathematical explanation of the interest rate calculation.)
- Equal semiannual assumed payments of principal and interest. For existing borrowings, the first two semiannual payments are assumed to occur in the 2005-06 school year, generating aid in that school year

2. *Retro assumed debt service expenditures associated with bus leases and garage rentals with payments remaining as of July 1, 2005 (i.e., leases beginning before 7/1/05).*

For each approved lease beginning before 7/1/05, with payments remaining as of July 1, 2005, an assumed amortization schedule is created based on:

- The amount of the remaining lease payments
 - A term equal to the number of years remaining on the lease; five years for leases beginning between 7/1/04 and 6/30/05
 - A statewide average interest rate calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the aid year; e.g., assumed amortizations beginning in the 2005-06 aid year will be based on bus borrowings issued between 7/1/04 and 6/30/05 (Click here for a mathematical explanation of the interest rate calculation:
http://stateaid.nysed.gov/statewide_int_rate_calc_tetherdoc12-24-04.htm)
 - Equal semiannual assumed payments of principal and interest. The first semiannual payments are assumed to occur in the 2005-06 school year, generating aid in that school year.
3. *Retro 0405 assumed debt service expenditures associated with the approved cost of a) buses with purchase order date between 7/1/03 and 6/30/04, but for which no borrowing was reported to SED and for which the first payment was not made until on or after 7/1/04 and b) all buses with purchase order date between 7/1/04 and 6/30/05.*

For each bus purchased, as determined by the purchase order date, an assumed amortization schedule is created based on:

- The approved cost for each bus
- A remaining life resulting from the following calculation: 5yrs – (7/1/05 – purchase order date), rounded to the nearest year;
- A statewide average interest rate calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the aid year; e.g., the rate applied to assumed amortizations beginning in the 2005-06 aid year will be based on bus borrowings issued between 7/1/04 and 6/30/05; (Click here for a mathematical explanation of the interest rate calculation.)
- Equal semiannual assumed payments of interest and principal. The first semiannual payments are assumed to occur in the 2005-06 school year, generating aid in that school year.

4. *Prospective assumed debt service expenditures associated with the approved cost of a) buses with a purchase order date on or after 7/1/05 and b) bus/garage leases beginning on or after 7/1/05*

Prospective bus purchases are those buses purchased on or after July 1, 2005. Prospective bus or garage leases are those leases beginning on or after July 1, 2005 as determined by information provided on leases approved by the Office of Management Services. Aidable debt service expenditures for prospective bus purchases and leases will be based on assumed amortization schedules that begin *12 months after the purchase order date or lease begin date*, respectively. For each prospective bus or lease, an assumed amortization schedule will be generated based on:

- Approved cost of each bus purchased on or after 7/1/05 or in the case of leases, the total lease amount approved by the Office of Management Services
- A statewide average interest rate calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the aid year; e.g., prospective assumed amortizations beginning in the 2006-07 aid year will be based on bus borrowings issued between 7/1/05 and 6/30/06; (Click here for a mathematical explanation of the interest rate calculation.)
- A term of 5 years
- Equal semiannual assumed payments of principal and interest. For example, 2006-07 assumed debt service for a bus with a PO date between 7/1/05 and 12/31/05 will be based on two assumed payments of principal and interest; assumed debt service for a bus purchased on or after 1/1/06 will be based on one assumed payment of principal and interest. Although there are two assumed payments per year for purposes of establishing an assumed amortization schedule, actual Transportation Aid paid on prospective bus purchases/leases is part of regular Transportation Aid and is paid to districts as part of the 3609-a General Aid payment schedule.

Note: An assumed amortization schedule for a prospective bus purchase or lease is not generated, and aid does not begin to be paid on the bus purchase or bus lease, until 12 months after the purchase order date or lease begin date.

5. The prospective assumed debt service expenditures associated with transportation equipment purchases.

Assumed amortization schedules for transportation equipment purchases are the same as those for prospective bus purchases/leases, except that all assumed debt service expense for an aid year will be based on two equal semiannual payments of principal and interest, regardless of the actual purchase date of the equipment. In other words, the purchase order date for all equipment purchased in a given school year is assumed to be July 1 of the school year. The amortization of the equipment purchase amount will begin one year later.

6. In 2005-06 and 2006-07 only, assumed debt service expenditures for excess of 2003-04 actual bus purchase/lease expenses over estimated 2003-04 bus purchase/lease expenses on file with SED by November 15, 2003.

Prior to the implementation of assumed amortization, any “excess” 2003-04 expense not aided in 2004-05 would have become an aidable expense for 2005-06 Transportation Aid. Under assumed amortization, the 2003-04 excess expense will still be aided, but it will be amortized over two years, at the statewide average interest rate. Beginning with 2005-06 data collection due to SED on September 2, 2005, no annual expense will be reported on Form F, and the November 15 “date certain” will no longer be in effect.

Notes:

For every aidable assumed debt service expense category listed in this section, aid is determined by multiplying aidable expenses by the district’s *selected* transportation aid ratio for the current aid year.

Although there are two assumed payments per year for purposes of establishing an assumed amortization schedule, Transportation Aid is still paid to districts as part of the 3609-a General Aid payment schedule.

K. SPECIAL SERVICES AID FOR FIVE LARGE CITY SCHOOL DISTRICTS AND NON-COMPONENTS OF BOCES

**[Section 3602(17) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$148.3 Million)**

These special aids are provided to the five large city school districts (Buffalo, Rochester, Syracuse, Yonkers and New York City), and any other school district that was not a component of a board of cooperative educational services (BOCES) in the base year, in lieu of aid payable to other school districts for career education and administrative uses of technology purchased as shared services and aided through BOCES. A school district receiving aid under this category may not claim BOCES Aid for similar services/purchases.

1. AID FOR CAREER EDUCATION

**[Section 3602(17)(b) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$109.1 Million)**

The city school districts having a population in excess of one hundred twenty-five thousand (New York City, Buffalo, Rochester, Syracuse, Yonkers) and any other school district that was not a component of a BOCES in the base year are entitled to aid for certain career education pupils in grades 10-12. Aid per pupil equals the career education aid ratio multiplied by \$3,900.

The formula for calculating Career Education Aid is:

$$\$3,900 \times \text{Career Education Aid Ratio} \times \text{2005-06 Weighted Career Education Pupils}$$

Weighted pupils is defined as the sum of the attendance of students in grades 10-12 in career education sequences in trade, industrial, technical, agricultural or health programs plus 0.16 multiplied by the attendance of students in grades 10-12 in career education sequences in business and marketing.

The aid ratio is obtained as follows:

$$1.000 - (\text{CWR} \times 0.59) = \text{Aid Ratio (minimum aid ratio} = 0.360)$$

2. COMPUTER ADMINISTRATION AID

**[Section 3602(17)(c) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$39.2 Million)**

The large city school districts and any other school district that was not a component of a BOCES in the base year are entitled to aid for approved expenses for data processing pursuant to regulations of the Commissioner.

The formula for this aid is:

$$\text{Aid Ratio} \times \text{the lesser of: Base Year Expenses or } \$62.30 \times \text{the 2005 Fall Public School Enrollment of the district in grades K-12.}$$

The aid ratio equals:

1.000 - (CWR X 0.51) (minimum aid ratio = 0.300)

Eligible computer services include: (1) the following services related to pupil records: maintenance and reporting of basic student data, maintenance and reporting of attendance, test scoring and reporting and student scheduling; (2) the following services related to employee records: maintenance and reporting of attendance and substitute teacher scheduling; (3) the following services related to central business administration: accounting, recordkeeping, payroll information and retirement systems records; (4) administrative costs actually incurred, up to a maximum of five percent of the cost of all other approved services.

L. AIDS FOR EDUCATIONAL TECHNOLOGY

1. INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID [Section 3602(26) of the Education Law and Chapter 58 and 53 of the Laws of 2006] (2006-07 Estimated Aid = \$29.1 Million)

School districts are eligible for aid for the purchase or lease of micro and/or mini computer equipment or terminals for instructional purposes. Aid is equal to the lesser of the approved expenditures, or

\$19.25 X RWADA aid ratio for the current year X selected TAPU for Payment

Approved expenses are those incurred in the base year as reported on the Annual Financial Report of the school district. Up to twenty percent of the district's maximum allocation may be for hardware repair and/or staff development related to use of computer technology. Expenditures up to the amount of maximum aid may be included by the board of education in a contingency budget.

$$\text{The RWADA aid ratio} = 1.000 - \left[\frac{(2003 \text{ Selected FV}/2004-05 \text{ RWADA})}{\$456,700} \right] \times 0.51$$

2. AID FOR COMPUTER SOFTWARE PURCHASES [Section 751 and 752 of the Education Law and Chapter 58 and 53 of the Laws of 2006] (2006-07 Estimated Aid = \$46.6 Million)

Each public school district may claim a maximum apportionment of Computer Software Aid equal to the product of \$14.98 multiplied by the number of pupils attending schools within the public school district's boundaries and enrolled during the base year in grades K-12 in a public or nonpublic school. Each public school district is required to use such funds to purchase and loan computer software for instructional purposes on an equitable basis to both public and nonpublic school students attending schools within the district's boundaries during the current school year. Aid is equal to the lesser of the maximum apportionment or the actual expenditures incurred by the school district for software purchases during base year as reported on the Annual Financial Report of the school district.

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April 30 of the claim year.

3. BUILDING AID FOR COMPUTER TECHNOLOGY

**[Section 3602(6) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Aid is Included in Building Aid)**

Computer hardware purchase and installation, including conduits, wiring and powering and testing of hardware installations, are eligible for Building Aid even if the cost is less than \$10,000. Such installations must, however, be approved by the Commissioner as an approved school construction project.

Computer elements eligible for aid are:

- Incidental costs for computer equipment installed as original equipment in a new building or a new addition.
- Approved computer classrooms in new buildings/additions, or alterations to an existing classroom to create a new computer classroom.
- Incidental costs for original purchase and installation of hardware (including computer hardware).
- Conduit, wiring, and powering and testing of hardware installations.
- Building wide and campus wide local area network (LAN) systems wiring and in-building elements of other wide area networks (WAN):
- Original purchase and installation of conduit, wiring, and powering and testing of hardware installations including network server and operating system software.

The following elements are ineligible for Building Aid:

- Individual computer workstation hardware not located in a computer classroom unless claimed as incidental costs as part of the original furnishings and equipment for a new building or new addition.
- All cost for software purchase, including application software costs, and costs for installation of software (other than installation of basic operating systems software required for hardware testing).
- All cost associated with lease or purchase of wide area network hardware (leased lines, fiber optic cable, etc.) not located on district property.
- Up-grade of existing LAN or WAN equipment beyond that necessary to interface with new computer classroom installations.

**4. AID FOR INSTRUCTIONAL COMPUTER TECHNOLOGY SERVICES PURCHASED AS A
SHARED SERVICE THROUGH A BOARD OF COOPERATIVE EDUCATIONAL SERVICES
[Section 1950(5) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Aid is Included in BOCES Aid.)**

Expenditures by a component school district of a board of cooperative educational services for shared instructional computer technology services purchased through the BOCES pursuant to a multi year contract,

including BOCES owned computer hardware and software used by the school district to access the service, may be eligible for BOCES Shared Services Aid as described in Section AA of this manual. The component school district must be able to demonstrate, however, that expenditures incurred pursuant to purchase and/or installation contracts entered into on or after July 15, 2000 for the following categories of instructional and non-instructional technology purchases and/or installation would be more cost effective than would otherwise be possible if such services were to be purchased without the involvement of a board of cooperative educational services.

- Computer equipment
- Conduits
- Wiring
- Powering and testing of hardware installations
- All costs associated with lease or purchase of local or wide area network hardware located on district property
- Incidental costs for original purchase and installation of hardware, including installation of basic operating systems software required for hardware testing.

For more information on technology aid programs, click here to view the State Aid publication entitled: [Guidelines for State Aid Programs that Reimburse districts for computer technology expenses.](#)

M. URBAN-SUBURBAN TRANSFER AID
[Section 3602(36) of the Education Law and Chapter 53 of the Laws of 2006]
(2006-07 Estimated Total = \$1.13 Million)

Districts which receive pupils from another district according to an approved program for reducing racial isolation are eligible for an additional apportionment. For aid payable in 2006-07, a school district will be eligible to receive aid equal to the amount the district would have received if they operated a voluntary program in the 2000-01 school year.¹

N. TUITION ADJUSTMENT AID
[Section 3602(2)(g) of the Education Law and Chapter 53 of the Laws of 2006]
(2006-07 Estimated Total = \$1.2 Million)

A school district which maintains an elementary school, but does not operate a K-12 program, and contracts for the education of secondary students in another school district with a higher combined wealth ratio, may claim Tuition Adjustment Aid. This aid equals the difference between the Formula Operating Aid that would be generated by such secondary students if they were educated in the home district and the Formula Operating Aid actually generated by such students in the wealthier, receiving district.

¹ Please refer to the 2000-01 State Aid Handbook for information on the Urban-Suburban Transfer Aid formula.

O. GROWTH AID

**[Section 3602(13) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$17.0 Million)**

A district experiencing greater than .4 percent growth in public school enrollment in October 2006 (BEDS Enrollment Data) compared to reported 2005 Fall public school enrollment, may receive Growth Aid. For this purpose, the enrollment of resident pupils in a charter school is included in the public school enrollment of the district. This aid is to compensate districts on a current year basis for an assumed increase in expenditures in the current year resulting from an increase in enrollment.

Growth Aid is a percentage of Formula Operating Aid. The percentage used is the percentage in excess of 0.4 percent (0.004), by which enrollment for the current year exceeds enrollment for the base year. To be eligible for Growth Aid a district must demonstrate growth in excess of 0.4 percent (0.004).

Growth Aid is first paid in June of the current year. However, this payment is limited to the lesser of estimates of Growth Aid as reported in the school aid computer listing entitled "SA0607," or the actual calculated Growth Aid. Any unpaid Growth Aid claimed in excess of the SA0607 amount is paid on the first business day of September following the current year, but is accrued as revenue to the current year.

**P. ENROLLMENT ADJUSTMENT AID
[Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$26.7 Million)**

Districts that experienced a growth in public school enrollment in October 2004 (BEDS Enrollment Data) compared to reported 2000 Fall public school enrollment, may receive Enrollment Adjustment Aid. For this purpose, the enrollment of resident pupils in a charter school is included in the public school enrollment of the district. The formula for this aid is:

$$(\$1,725 \times \text{Formula Operating Aid Sharing Ratio}) \times (\text{2004 Enrollment} - \text{2000 Enrollment})$$

**Q. EXCESS COST AIDS RELATED TO EDUCATIONAL SERVICES FOR STUDENTS WITH
DISABILITIES WHICH ARE PAID IN CONJUNCTION WITH FEDERAL
MEDICAID REIMBURSEMENTS**

**1. EXCESS COST AID FOR PUPILS IN PUBLIC SCHOOL AND BOCES PLACEMENTS
[Section 3602(19) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$2.360.1 Million)**

**a. REGULAR PUBLIC EXCESS COST AID
[Section 3602(19)(4) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$2,045.8 Million)**

Public Excess Cost Aid is available to school districts for certain programs of special education in public school districts, charter schools or BOCES serving students with disabilities who have been found by a Committee on Special Education to require placement in these programs. Aid is available based on the full-time equivalent enrollment of students weighted according to the following categories:

- 1) The enrollment of students who have been determined by a Committee on Special Education either to require placement for 60 percent or more of the school day in a special class, or to require home or hospital instruction for a period of more than 60 days, or to require special services or programs for 60 percent or more of the school day. (The weighting for these pupils is 1.65.)
- 2) The enrollment of students who have been determined by a Committee on Special Education to require placement for a) at least 20 percent of the school week but less than 60 percent of the school day, in a resource room, or who require special services or programs for at least 20 percent of the school week but less than 60 percent of the school day; or b), for students in grades 7-12 or in a school for grades 4-6 that operates on a period basis, the equivalent of 5 periods per week, but not less than 180 minutes, of resource room or other special services or programs. (The weighting for these pupils is 0.90.)
- 3) The enrollment of students who have been determined by a Committee on Special Education to require direct or indirect consultant teacher services at least 2 hours per week. (The weighting for these pupils is 0.90.)

The formula for computing regular Public Excess Cost Aid is:

2004-05 aidable expense per TAPU X Public Excess Cost Aid Ratio X 2005-06 Resident Weighted Students with Disabilities (including Weighted Dual Enrolled Students with Disabilities and Weighted Charter School Students with Disabilities).

The aidable expenditures are the year prior to the base year Approved Operating Expense per TAPU for expense. (2004-05 Approved Operating Expense per 2004-05 TAPU is used for aids payable in 2006-07). TAPU for expense includes the additional weightings for students with disabilities. This aidable expense per TAPU cannot be less than \$2,000 nor more than the statewide average expense per pupil (\$9,250 for 2006-07 aid).

The Public Excess Cost Aid ratio is computed as follows:

$$\text{Aid Ratio} = 1.000 - (\text{CWR} \times 0.51)$$

The State share is 49 percent for the district of average wealth. The minimum aid ratio is 0.25.

For example, a district whose approved operating expense per pupil unit = \$7500, whose Public Excess Cost Aid ratio = 0.53 and whose resident weighted pupils with disabilities count = 30.5 generates Public Excess Cost Aid as follows: $\$7500 \times 0.53 \times 30.5 = \$121,238$.

b. DECLASSIFICATION SUPPORT SERVICES AID
[Section 3602(19)(7) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$25.9 Million)

This aid is intended to help defray costs of providing support for teachers and pupils for the first year in which a pupil moves from a special education program to a full-time general education program. Such services are defined in regulations and may include:

For pupils: Psychological, social work, speech and language services, and noncareer counseling;

For teachers: Aides and consultation with appropriate personnel

Services must be identified and recommended by the Committee on Special Education, and aid is available to districts only; services are not eligible for BOCES Aid.

The formula for Declassification Support Services Aid is:

Public Excess Cost Aid Per Pupil X 0.50 X 2005-06 FTE enrollment of declassified pupils

c. HIGH COST PUBLIC EXCESS COST AID

[Section 3602(19)(5) of the Education Law and Chapter 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$358.4 Million)

A school district having a resident student with a disability for whom special education costs, as approved by a Committee on Special Education, exceed the lesser of: 1) \$10,000, or 2) four times the 2004-05 approved operating expense per pupil, may receive an additional amount of aid defined as High Cost Aid. The district must file FTE and cost data with the Education Department via STAC (System for Tracking and Accounting for Children) for payment of High Cost Aid.

The formula for computing High Cost Aid for each eligible pupil is:

High Cost Aid = [Annualized Educational Cost - (3 X 2004-05 AOE/TAPU)] X Excess Cost Aid Ratio X
2005-06 FTE Enrollment of each High Cost Student

d. PUBLIC EXCESS COST AID SAVE HARMLESS

[Section 3602(19)(6) and 3602(1)(y)(i)(d) of the Education Law and Chapter 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$39.8 Million)

For aids payable in 2006-07, a district may not receive less aid for the combination of Regular Public Excess Cost Aid, Declassification Support Services Aid (DSSA) and High Cost Aid than the product of 0.950 and the sum of such aids received plus any save harmless aid paid in 2005-06.

e. INTEGRATED SETTINGS EXCESS COST AID

[Section 3602(19)(1)(b-1) of the Education Law and Chapter 58 and 53 of the Laws of 2006]

(2006-07 Estimated Total = \$94.0Million)

Integrated Settings Excess Cost Aid will be apportioned to school districts for students with disabilities who have been determined by a Committee on Special Education to require special services or programs for 60 percent or more of the school day, and who receive special services or programs for 60 percent or more of the school day in a general education classroom in the year prior to the base year.

To qualify for the integrated settings additional weighting a student with a disability must be receiving special services or programs for 60% or more of the school day in a general education classroom with non-disabled students. For example, a student may receive special services or programs in a separate setting (such as a pull-out service) for up to 40% of the school day as long as the student receives special services or programs for a total of 60% or more of the school day in the general education classroom.

Click here for detailed information on special education programs and services specified in a student's IEP that may and may not be counted cumulatively to determine if a student is receiving such services for 60% or more of the school day in a general education classroom and may be claimed for the additional 0.50 weighting: <http://stateaid.nysed.gov/pwdset.htm>.

The formula for Integrated Settings Excess Cost Aid is:

$$\text{Public Excess Cost Aid Per Pupil} \times 0.50 \times \text{FTE of 2004-05 Qualifying Pupils}$$

**2. EXCESS COST AID FOR PUPILS IN APPROVED PRIVATE SCHOOL PLACEMENTS
OR IN STATE OPERATED SCHOOLS**
[Section 4405(3) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$232.6 Million)

This aid is available to those districts having contracts with approved private schools, Special Act School Districts, the New York State School for the Blind or the New York State School for the Deaf for the education of students with disabilities. Tuition charges for each school must be approved annually by the Education Department and the Division of the Budget. Aid is paid on the basis of base year attendance and tuition.

Private Excess aidable cost is defined as the cost remaining after the deduction from the approved tuition charge of a basic contribution. The basic contribution for each individual pupil is based on the school district's property and non-property taxes divided by enrollment during the base year, and multiplied by the full-time equivalent enrollment of the pupil during the base year. Any STAR exemptions reimbursed by the State are included with the district's property and non-property taxes for this purpose.

The formula for generating Private Excess Cost Aid is:

$$\text{Approved Tuition Paid} - \text{Basic Contribution} = \text{Aidable Excess Cost}$$

$$\text{Aidable Excess Cost} \times \text{Private Excess Cost Aid Ratio} \times \text{FTE of each pupil in the base year} = \text{Private Excess Cost Aid per pupil}$$

$$1.0 - (\text{Combined Wealth Ratio} \times 0.15) = \text{Private Excess Cost Ratio (minimum ratio} = 0.50)$$

$$\text{Total Aid} = \text{The sum of aid for all pupils}$$

Tuition for pupils in private school placements is paid directly by the school district to the private school. Tuition for pupils in placements at the State operated schools at Rome and Batavia will be deducted from State Aid

payable to the school district in the Spring of 2007. Tuition for pupils in Special Act School Districts may involve two separate billings and payments as follows:

Chapter 737 of the Laws of 1988 authorized Special Act School Districts to enter into leases, sub-leases, or other agreements with the New York State Dormitory Authority for the financing of capital facilities construction. The statute established a special fund under the control of the State Comptroller known as the School Capital Facilities Financing Reserve Fund, and specified that a portion of the tuition payable by other public school districts to such Special Act School Districts should be paid directly to the New York State Education Department for deposit to this special fund.

The Special Act School Districts will bill public school districts directly for these "Part I Tuition Billings for Annual Dormitory Authority Rental Payments for Students Placed by Other Public School Districts." Once the bill is received, the public school district should issue a check payable to the New York State Education Department in the amount of the Part I tuition and mail the payment directly to Dormitory Authority Reimbursement, New York State Education Department, Program Services Reimbursement Unit, Albany, New York 12234.

The balance of the tuition payment for services provided to these students by the Special Act School District will be billed as a separate amount and will continue to be paid and mailed directly to the Special Act School District by the public school district.

Please note: Private Excess Cost Aid is based on the total cost of the student's placement at the Special Act School District, including the Part I tuition costs paid to the State Education Department.

Special note regarding placements through the Children's Residential Project:

Effective 7/1/95 children placed through the Children's Residential Project (CRP) process in an intermediate care facility are to have their tuition costs reimbursed by Medicaid directly to the educational provider. The district of residence should no longer pay the tuition cost, and therefore is not eligible to receive any Private Excess Cost Aid for such students. If the district has paid tuition for such a student after 7/1/95, the tuition paid should be refunded by the CRP school after the school receives reimbursement from Medicaid. A basic contribution amount will be assessed against the district of residence for such students.

R. SPECIAL STATE AID FOR SMALL CITY SCHOOL DISTRICTS
[Section 3602(31-a) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$81.9 Million)

A form of transition aid is provided to certain small city school districts which, until 1985, were subject to a constitutional tax limit. Under the formula defined by subdivision 31-a of Section 3602 of the Education Law a district must have received special aid pursuant to this subdivision during the prior year to be eligible for aid. The formula is as follows:

$$[(\text{Base Year Special Aid}) / \text{Base Year TGFE}] \times (\text{Current Year Capped Budget} - \text{other State Aid Increases}) \\ - (\text{Full Value Millage Deduction})$$

The budget, for aid purposes only, is limited to an increase over the prior year's total general fund expenses equal to the statewide 65th percentile percent increase of 9.82 percent.

The save-harmless available to eligible districts in accordance with subdivision 31-a is 98 percent X prior year's special aid reduced by two percent each year that save harmless aid is claimed. This applies to the prior year's special aid.

The aid pursuant to the formula set out under subdivision 31-a cannot exceed 98 percent X (Base Year Special Aid ÷ Base Year TGFE) X Current Year's Budget.

For aids payable in 2006-07, this formula is suspended. The 2006-07 Small Cities Aid is maintained at the 1994-95 aid amount, but the save-harmless percent to be used for 2006-07 will not be reduced for any district as a result.

**S. SETASIDE FOR ATTENDANCE IMPROVEMENT/DROPOUT PREVENTION (AIDP)
AS REQUIRED BY PARAGRAPH f OF SUBDIVISION 12 OF SECTION 3602
OF THE EDUCATION LAW
(Total Required Statewide Setaside for 2006-07 = \$57.1 Million)**

Based on certain indicators of student and school success, school districts may be required to setaside a portion of the State Aid payable for 2006-07 to provide specific services to students.

Districts with an attendance ratio in 2004-05 that was in the bottom decile of such attendance ratios for all districts (< 0.9313) must set aside a portion of Comprehensive Operating Aid for the purpose of conducting programs to improve student attendance and student retention in accordance with a plan approved by the Commissioner. The setaside for attendance improvement and dropout prevention is calculated based on data on file with the Education Department as of July 1, 2006 and equals the product of (i) \$325, (ii) the district's base year enrollment and (iii) the remainder resulting when such attendance ratio is subtracted from one; provided, however, that for the New York City Board of Education, \$335 is substituted for \$325. These provisions applied only if the product of clauses ii and iii exceed 461. The 2006-07 setaside for the New York City Board of Education cannot be less than the amount set aside for this purpose in 2005-06.

**T. SETASIDE FOR LIMITED ENGLISH PROFICIENCY (LEP)
AS REQUIRED BY CHAPTER 53 OF THE LAWS OF 2006
(Total Estimated Setaside for 2006-07 = \$ 105.5 Million)
AND
ADDITIONAL LIMITED ENGLISH PROFICIENCY AID
[Section 3602 (22) of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$20.6 Million)**

Districts that operated an approved limited English proficiency program in 2005-06 must set aside a portion of their 2006-07 Flex Aid to conduct an approved limited English proficiency program in 2006-07. The amount of Flex Aid to be set aside is equal to the amount of Limited English Proficiency Aid that was payable to the district in 2004-05.

The amount of Flex Aid required to be set aside will be reduced for districts which operated a program in 2004-05, but which operate no program or a smaller program in 2006-07. The setaside amount will be reduced in proportion to the reduction in the number of pupils served. The calculated setaside amount will not be subject to change after November 15, 2006.

School districts are entitled to receive additional aid for conducting programs for pupils with limited English proficiency. Eligible pupils include those pupils from homes where a language other than English is spoken who score at or below the 40th percentile on a standardized test of English proficiency as approved by the Commissioner, or for those enrolled in such programs operated by a BOCES.

Additional LEP Aid = Formula Operating Aid per pupil X 0.056 X number of pupils with limited English proficiency in approved programs during the base year.

This aid is subject to an expenditure check, which may be waived by the Commissioner under certain conditions. Districts must receive prior program approval and report actual expenditures for the previous school year. Aids payable in the current year will be reduced if a district did not expend at least as much as the required 2005-06 setaside amount, or by the amount of any unauthorized expenditures.

U. AID FOR SHARED SERVICES

BOCES AID

[Section 1950(5) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$605.3 Million)

School districts that are components of a Board of Cooperative Educational Services (BOCES) are eligible for BOCES Aid. BOCES receive State Aid on behalf of their components for approved service costs, administrative expenditures, facility rental and construction costs.

BOCES may provide services on a cooperative basis upon the request of two or more component school districts with the approval of the Commissioner of Education. BOCES Aid is calculated based on the central administrative expenses of the BOCES, expenses of aidable shared services and expenditures for construction or rental of BOCES facilities. For aid purposes BOCES activities are divided into the following general program or service areas:

GEN PROGRAM OR SERVICE CODE	PROGRAM OR SERVICE
001	BOCES Administration
002	BOCES Capital
200	Special Education Services for Pupils with Disabilities*
300	Itinerant Services: Academic Intervention Services
300	Itinerant Services: All Other
400	General Instruction: Summer School
400	General Instruction: All Other
500	Instructional Support: Technology Services
500	Instructional Support: Staff Development
500	Instructional Support: Other
600	Other Services
700	Operation and Maintenance of BOCES Facilities and Other Internal Services**

* Special Education Services are aided under Public Excess Cost Aid paid directly to school districts and do not generate BOCES Aid.

** These services support other BOCES service programs and are aided only to the extent that the supported service program is aided.

a. BOCES SERVICES AID (2006-07 Estimated Total = \$450.5 Million)

BOCES Services Aid provides reimbursement for base year service costs in the areas of career education, itinerant teacher services, general instruction, instructional support, and other miscellaneous services as approved

by the Commissioner. The following limitations apply to the computation of BOCES Services Aid:

- Service costs are aidable only to the extent that they are approved for aid.
- An employee's annualized salary is aidable up to \$30,000.
- Expenditures for the education of students with disabilities are not eligible for BOCES Aid. Public School Excess Cost Aid is provided directly to the district of residence for a student with disabilities in the case of a BOCES placement.
- Expenditures for transporting pupils to and from BOCES classes are not eligible for BOCES Aid. Transportation Aid is provided to the district responsible for providing such services.

The costs of approved services are distributed among districts based on participation.

BOCES Services Aid is calculated separately for each district by applying to approve service expenses for the base year an aid ratio which is the higher of:

- a. A millage ratio based on the district tax rate equal to:

$$1 - [0.008 / (\text{District's } 2005\text{-}06 \text{ Prop \& NonProp Tax Levy}^1 / 2003 \text{ Selected Full Value})]$$

NOTE: For central high school districts and their component elementary districts, 0.003 is used instead of 0.008.

OR

- b. An aid ratio, with a minimum of 0.360 and a maximum of 0.900, calculated as follows:

$$1 - [0.51 \times (\text{District's } 2003 \text{ Selected Full Value} / 2004\text{-}05 \text{ RWADA}) / \$456,700]$$

b. BOCES ADMINISTRATIVE AID
(2006-07 Estimated Total = \$ 98.7 Million)
(\$ 59.3 million for Administrative Aid and \$48.1million for Facilities Aid)

1. BOCES Administrative Aid provides reimbursement for base year administrative costs less the greater of:
- any administrative costs in excess of 10 percent of the board's total expenditures; or
 - the sum of all administrative employees' annualized salaries that are in excess of \$30,000.

The costs of administrative services are allocated among component school districts either on the basis of full value, on the basis of weighted average daily attendance, or on the basis of the public school enrollment

¹ For purposes of calculating BOCES Aid, the levy includes any payments in lieu of taxes (PILOT) received by the school district pursuant to Section 485 of the Real Property Tax Law.

of each component. BOCES Administrative Aid is calculated separately for each component school district by multiplying approved administrative expenses allocated to the district by the selected aid ratio for BOCES Services Aid.

2. BOCES Facilities Aid may be claimed for approved expenditures for facility construction, purchase or lease. Aid is calculated by multiplying the approved expense by the aid ratio described in 1b above, except the minimum aid ratio is zero. There is no allowance for an optional millage ratio for BOCES Facilities Aid. Approved expenses are those incurred by the component school district during the current school year for approved debt service payments on debt instruments used to finance BOCES construction, for expenditures from budgetary appropriations or capital reserves in support of BOCES construction and for expenditures for lease of BOCES facilities.

**c. BOCES DUE-SAVE-HARMLESS AID
(2006-07 Estimated Total = \$0.11 Million)**

The amount of total BOCES Aid apportioned to a component school district of the BOCES cannot be less than was apportioned to the component school district during the 1967-68 school year, unless the component's expenditures for BOCES services are now less than during 1966-67.

d. PAYMENT OF BOCES AID

BOCES Aid is calculated for each component school district of the BOCES, but the sum of all such aids are paid directly to the BOCES and not to the component school districts. Once the State Aid is received by the BOCES, the BOCES refunds an amount equal to aid received on behalf of each component school district to the components.

V. TEXTBOOK AID

**[Section 701 of the Education Law and Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$185.7 Million,
Including \$50.0 million from Lottery)**

Each public school district is eligible for an apportionment of Textbook Aid in an amount equal to the district's actual expenditures during the base year for textbook purchases for resident public and nonpublic pupils, including resident charter school pupils, up to a maximum equal to the product of \$57.30 multiplied by the number of pupils residing in the district and enrolled during the base year in grades K-12 in a public or nonpublic school. Eligible expenses may include courseware or other content based instructional material in an electronic format. Each public school district is required to purchase and loan textbooks during the current school year on an equitable basis to resident public and resident nonpublic students. These revenues are received by the school district according to the following schedule:

September 1: An amount equal to \$15 multiplied by the number of resident public and nonpublic pupils is paid as part of the school district's Lottery payment.

Subsequent Payments: Additional payment of Textbook Aid up to the maximum of \$57.30 per pupil

(including the \$15 Lottery Aid) will be made in the Spring of the claim year.

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April 30 of the claim year.

For more information, click here to view a State Aid Office publication on the [New York State Textbook Loan Program](#).

W. LIBRARY MATERIALS AID
[Section 711 of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$19.3 Million)

Each public school district is eligible for a maximum apportionment of Library Materials Aid in an amount equal to the product of \$6 multiplied by the number of pupils attending schools within the school district's boundaries and enrolled during the base year in grades K-12 in a public or nonpublic school. Each public school district is required to use such funds to purchase and loan library materials on an equitable basis for use by public and nonpublic students attending schools within the district's boundaries during the current school year. Aid is equal to the lesser of the maximum apportionment or the actual expenditures incurred by the school district for purchase of library materials during the base year.

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April 30 of the claim year.

X. AID FOR CONVERSION TO FULL DAY KINDERGARTEN PROGRAMS
[Section 3602(12-a) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$2.0 Million)

School districts that initiate a full day kindergarten program in 2006-07 will be entitled to an additional apportionment. The amount of the apportionment shall equal the product of the selected Operating Aid per pupil used to calculate formula Operating Aid in the current year multiplied by the positive difference between the enrollment in the district of full day kindergarten students in the current year minus such enrollment in the base year (2005-06).

To be eligible to receive this apportionment, however, the district must have offered no kindergarten programs, or only a half-day kindergarten program, in both the base year and during the 1996-97 school year, and must now offer a full day program to all pupils who wish to attend.

This conversion aid will be paid to eligible districts in June 2007, but the payment will be limited to the lesser of the estimated aid as reported in the school aid computer listing entitled "SA0607" following enactment of the State Aid to Localities Budget, or actual calculated Full Day K Conversion Aid. Any resulting unpaid claimed aid is paid on the first business day in September following the current year, but is accrued as revenue to the current year.

**Y. UNIVERSAL PREKINDERGARTEN GRANTS AND
SUPPLEMENTAL UNIVERSAL PREKINDERGARTEN GRANTS
[Section 3602-e of the Education Law and Chapters 58 and 53 of the Laws of 2006]
(2006-07 Estimated Total = \$254.8 Million (including \$50m. for Supplemental Grants))**

A. Universal Prekindergarten Grants (\$204.8 Million)

For the 2006-07 aid year, districts are eligible for grants at the level the district was eligible for in 2005-06.

B. Supplemental Universal Prekindergarten Grants (\$50 Million)

An additional \$50 million is available to supplement the existing State Universal Prekindergarten Program. The Commissioner of Education awards grant funds to school districts electing to provide prekindergarten programs based on approved plans and applications. The amount of each school district's Supplemental Universal Prekindergarten Grant for 2006-07 will be determined as follows:

$$2006-07 \text{ Supplemental Grant} = \text{Grant per Pupil} \times \text{Aidable Prekindergarten Pupils}$$

Formula components:

Grant per Pupil = Greater of \$600 + (Adjusted State Sharing Ratio X \$4,000) (min \$2,700, max \$4,000) OR 2000-01 Grant per pupil as displayed on computer run "SA0001."

Adjusted State Sharing Ratio (SSR)¹ = SSR X Adjustment factor

Adjustment Factor = 1 + (EN % - 94%) / 4.7%

Aidable Prekindergarten Pupils = Lesser of Aidable Pupils as displayed on SA0607 computer run Pupils Served * OR

Pupils Served* = the number of pupils funded by Supplemental PreK funds in programs as of the Fall 2006 BEDS reporting date.

Aidable Pupils as displayed on SA0607 = Aidable PreK Pupils @ .38480 (Must be 20 or greater to receive aid)

Aidable PreK Pupils @ .38480 = Unadjusted Aidable PreK Pupils X FRPL % X 0.38480

FRPL % = Percent of 2004 K-6 enrollment eligible for free and reduced priced lunch

Unadjusted Aidable PreK Pupils =

Est. 2006-07 resident unserved 4-yr. olds - (Lesser of PreK Pupil Equivalent OR 2004-05 UPK pupils served, min=0)

¹ The state sharing ratio for Supplemental Universal Prekindergarten Aid is calculated using 2003 full value, not 2003 selected full value.

(If a district received a 2005-06 Universal Prekindergarten Grant but did not operate a 2004-05 program, the PreKPupil Equivalent is shown.

Pre-K Pupil Equivalent = 2005-06 UPK Aid divided by the grant per pupil as displayed on computer run SA0001.

Est. 2006-07 Resident Unserved 4-Yr Olds = Estimated 2006-07 resident 4-yr olds who will not be served by the State funded Targeted Prekindergarten Program or served for more than 4 hours per day in a Section 4410 program for students with disabilities.

Notes:

* Districts receiving additional supplemental prekindergarten funds may serve more pupils than “Aidable pupils as displayed on SA0607”, as long as the state total grant amount awarded remains within the \$50 million appropriation. (As provided for by the new legislation, once 2006-07 supplemental grants have been awarded, if the entire \$50 million appropriation has not been awarded, districts may be eligible to receive additional supplemental prekindergarten funds.)

School districts receiving a Supplemental Prekindergarten Grant in 2006-07 are required to comply with all district plans and other requirements for the receipt of funds pursuant to 3602-e of the Education Law. For the 2006-07 school year, Universal Prekindergarten grants must be used solely to support Universal Prekindergarten programs.

Expenditure check: the total of Universal Prekindergarten Grants and all Supplemental Prekindergarten grant amounts cannot exceed the lesser of the grant amounts computed based on data on file with the Commissioner as of April 30, 2007 or the actual grant expenditures incurred by the district in 2006-07 as approved by the Commissioner.

Z. GRANTS FOR EARLY GRADE CLASS SIZE REDUCTION
[Section 3602(37) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$139.5 Million)

In the 2006-07 school year, any school district that has previously been eligible for this grant is eligible to receive the amount they were eligible to receive in 2005-06. In order to receive a grant, an eligible school district must prepare and submit a plan for reducing class size in kindergarten through grade 3 to the Commissioner of Education for approval. For the 2006-07 school year, the plan should also give priority to schools with a shortage of classroom space or other available space. Districts with an approved plan are awarded grants equal to the amount claimed by the district in 2005-06.

AA TAX LIMITATION AID
[Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$211.6 Million)

Tax Limitation Aid (TLA) = Tier 1 TLA + Tier 2 TLA + Tier 3 TLA Tier

1 TLA = 2005-06 TLA

Tier 2 TLA = For districts with Combined Wealth Ratio < 2.0 and Effort Ratio to 2.78% > 1.8:

$$\$50 \times \text{Effort Ratio to 2.78\%} \times \text{TLA Ratio} \times \text{Pupils for Tax Aid}$$

Effort Ratio to 2.78% = 2003 Residential Tax Levy w/ Condominiums divided by 2003 Adjusted Gross Income , with the result divided by the State Average , 0.0278.

$$\text{Tier 2 Tax Limitation Aid Ratio} = 1 - (\text{Combined Wealth Ratio} \times 0.48) \text{ (min=0)}$$

Pupils for Tax Aid = Selected TAPU for Payment except that component districts of a central high school district include the district's share of the central high school district's TAPU and the central high school district's TAPU equals 0.

Tier 3 TLA = For districts with AOE/TAPU for Expense > \$9,250:

$$(\text{AOE/TAPU for Expense minus } \$9,250) \times \text{TLA Ratio} \times 0.1332 \times \text{Selected TAPU for Payment}$$

$$\text{Tier 3 Tax Limitation Aid Ratio} = 1 - (\text{Combined Wealth Ratio} \times 0.465) \text{ (min=0)}$$

Calculated TLA amounts are deemed final on January 15 of the aid year. Seventy percent of the aid is paid to eligible districts on or before March 15 of the current school year. The remaining balance is paid after April 1.

BB. HIGH TAX AID
[Chapter 58 of the Laws of 2006]
(2006-07 Estimated Total = \$20.0 Million)

For districts with their administrative headquarters in an eligible county, High Tax Aid equals the greater of :

$$\$25,000 \text{ OR } (\$29.90 \times \text{2005-06 public school enrollment})$$

An eligible county is one in which the Tax Effort Ratio exceeds .04000 (4%). The County Tax Effort Ratio =

$$\frac{\text{Total 2003 Residential Tax Levy w/ Condominiums for all districts with administrative headquarters in the county}}{\text{Total 2003 Adjusted Gross Income for all districts with administrative headquarters in the county}}$$

CC. EMPLOYMENT PREPARATION EDUCATION AID
[Section 3602(24) of the Education Law and Chapter 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$96.0 Million)

This aid is available to those districts or BOCES serving persons 21 years of age or older who have not received a high school diploma or a high school equivalency diploma, who attend Employment Preparation Education programs provided by the district or BOCES which lead to a high school diploma or high school equivalency diploma. Such programs must provide services in accordance with a comprehensive plan of service as

approved by the Commissioner of Education. An amount not to exceed \$2.5 million of the available \$96.0 million may be paid to districts and/or BOCES for services to students over the age of 21 who were not enrolled in any school in 2005-06 and who possess a high school diploma or a high school equivalency diploma, but who fail to demonstrate basic educational competencies.

The formula for generating aid is:

$$\text{Current Year Instruction Hours} \times \$9.25 \times \text{EPE Aid Ratio (minimum aid ratio} = 0.400)$$

Formula components can be expressed as follows:

a) $1.000 - (\text{PWR} \times 0.40) = \text{EPE Aid Ratio}^1$ (minimum .400)

$$\text{PWR (Pupil Wealth Ratio)} = (\text{District FV/TWPU}) / \$382,200$$

b) Employment Preparation Aid Contact Hours = Total hours of instruction in employment preparation provided to all eligible students between July 1 and June 30 of the current year

c) Employment Preparation Aid Ceiling = The statewide average expense per pupil divided by 1,000.

- For aid payable in 2006-07 this is:

$$\frac{(\$9,250)}{1000} = \$9.25$$

BOCES use the greater of a BOCES-wide aid ratio (minimum of 0.400) or 85 percent of the highest aid ratio of any BOCES component school district. This aid ratio is deemed final and not recomputed after May 15, 2006.

Attendance counts of students in such approved programs may not be included in any other attendance counts. EPE Aid is paid directly to the district or BOCES providing the educational program, which then may bill a net tuition charge to the district of residence if any local funds are required to support the program. Pupils under the age of 21 in similar programs are included in average daily attendance as students in equivalent attendance, unless BOCES Aid is generated and claimed.

For aid payable in 2006-07 up to 25 percent of the total appropriation of \$96.00 million will be paid after April 1, 2007, based on claims submitted by March 1. If the claims received exceed the available 25 percent of the appropriation, aid will be prorated. A final payment of claims up to the maximum apportionment of \$96.00 million will be paid after October 1, 2007 based on aid claims submitted by September 15, 2007. If claims exceed the appropriation, aid will again be prorated.

The education law contains an expenditure check provision to ensure that aid is not paid in an

¹ The EPE Aid ratio is calculated using 2003 full value, not 2003 selected full value

amount that exceeds the cost of the program.

II

MISCELLANEOUS AIDS

DD. STATE AID PAYABLE TO SCHOOL DISTRICTS IMPACTED BY SCHOOL TAX SAVINGS UNDER THE SCHOOL TAX RELIEF (STAR) PROGRAM

**[Section 1306-a of the Real Property Tax Law]
(2006-07 Estimated Total = \$4,288.0 Million*)**

Chapter 389 of the Laws of 1997 created a program to reduce school property taxes beginning with taxes levied for the 1998-99 school year. These tax reductions were initially applied to taxes levied on the residential property of senior citizens, and were then increased and expanded to include the residential property of other school district taxpayers. Click [here](http://www.orps.state.ny.us/star/index.cfm) for detailed information about the STAR program:

The school tax bill of any taxpayer entitled to an exemption under the STAR program must include a statement as follows:

“Your tax savings this year resulting from the New York State School Tax Relief (STAR) program is \$ xxx.xx.”

School districts are reimbursed for the loss in tax revenues through additional State Aid . To claim State Aid related to loss in local tax revenues under the STAR Program, a school district must submit an application to the Office of Real Property Services (ORPS) containing information regarding the loss in revenues and the exemptions that resulted in such loss in a format established by ORPS. Upon approval of the application, ORPS will calculate and certify to the Commissioner of Education the amount of aid payable to the school district for exemptions granted under the STAR Program for taxes levied in the current school year.

A separate payment schedule is created for the payment of School Tax Relief Aid representing tax savings provided by school districts to their taxpayers under the STAR Program. For the 2006-07 school year, school districts will be guaranteed payment of 35% of STAR Aid by October 15, 70% by November 15, 80% by December 15, and the balance by the first business day in January. If districts submit additional claims after the January payment but before March 1, 2007, the resulting additional STAR Aid will be paid to the districts on March 31, 2007.

2006 STAR Local Property Tax Rebate Program

Pursuant to Chapter 109 of the Laws of 2006, in October 2006, eligible homeowners received a rebate check from the State of New York for a portion of their local property taxes. The check was issued by the New York State Tax Department. The amount of the rebate was determined based on the school district of the eligible homeowner. Click on this link to the NYS Department of Tax and Finance for more information on the STAR

* This total includes State reimbursement for income tax credits applicable only to New York City, under Section 1310-e of the Tax Law.

Local Property Tax Rebate Program: <http://www.tax.state.ny.us/nyshome/starrebate.htm>

**EE. SUMMER COMPONENT OF TWELVE MONTH PROGRAMS FOR STUDENTS
WITH DISABILITIES**

**[Section 4408 of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$237.9 Million)**

This program is for school aged children with disabilities of such a severity as to warrant a 12-month program. State Aid reimburses school districts for 80 percent of the cost of education, maintenance and transportation provided during July and August. The remaining 20% of the cost is paid by the local school district from the General Fund. The State Education Department later collects 10% of verified costs from the county of residence. Pupils are identified by the Committee on Special Education and the district files with the Education Department via the STAC System for program approval and payment.

The approved costs of education and maintenance are established by the State Education Department. The district reports the actual cost of transportation. Revenues and payments for this program are all accounted for in the Special Aid Fund.

After the program is completed, the districts must verify and submit an Automated Verification Listing (AVL) to verify STAC enrollment and maintenance dates and transportation costs and dates. Districts pay the service providers. Up to 56% of verified aidable costs may be reimbursed by the Education Department prior to April 1, with the remainder of the 80% total aid payable before June 30th.

**FF. EDUCATION AID FOR PUPILS FROM THE OFFICE OF MENTAL
RETARDATION AND DEVELOPMENTAL DISABILITIES**

**[Section 3202(5) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$23.8 Million)**

Since 1976 special sections have been added to Education Law which provide for aid payments of the full tuition for certain pupils. Pupils who generate aid under this category are those who reside in

- a) a group or family care home operated by the Office of Mental Retardation and Developmental Disabilities (OMRDD), but who previously resided within a school for the mentally retarded operated by the OMRDD;
- b) a school for the mentally retarded operated by the OMRDD who are placed in a public school or BOCES program; or
- c) an intermediate care facility or an individualized residential alternative.

The district in which the institution is located is responsible for placing such children and submitting claims for full tuition to the Education Department. Each child for whom full tuition aid is paid must be approved and verified by the school district via the STAC/AVL process. Tuition aid is paid to each district during the current year of education of such pupils. The original school district of residence of children covered by these provisions must reimburse the *State* a defined amount of basic contribution in the following year. This basic

contribution is collected as described in Section E of this summary. (Note: Effective July 1, 1995 pupils who reside in an intermediate care facility and also attend the private school operated by the intermediate care facility are aided through the Medicaid system. The tuition reimbursement is paid from Medicaid directly to the intermediate care facility.)

GG. INCARCERATED YOUTH AID

**[Section 3202(7) and Section 3602(35) of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$16.5 Million)**

School districts are required to provide, upon request, a suitable educational program to youth incarcerated in county correctional facilities located within the district for the months of September through June. Programs also may be continued during July and August. Educational services may be provided by the school district itself or through a contract with a Board of Cooperative Educational Services or another public school district. Participation is at the option of the individual incarcerated youth. The State Education Department approves participation of incarcerated youth on an individual basis via the STAC system.

Aid is paid on a current year basis to the school district and is equal to the lesser of the following, except that in no case will a district with verified enrollment receive less than \$15,000 per year:

1. The district's approved operating expense per pupil in the year prior to the base year multiplied by 1.25 multiplied by aggregate, verified full-time equivalent enrollment of all incarcerated youths, in 10 month programs, or such approved operating expense per pupil multiplied by 1.50 multiplied by aggregate verified full-time equivalent enrollment of all incarcerated youth in 12 month programs.
2. Actual total instructional cost of providing the incarcerated youth program plus approved administrative costs. Approved administrative costs may not exceed five percent of total instructional costs.

The school district of residence of the youth on the date of incarceration reimburses the State a defined amount of local contribution during the following school year.

HH. AID FOR EDUCATION OF HOMELESS OR RUNAWAY PUPILS

**[Section 3209 of the Education Law and Chapter 58 and 53 of the Laws of 2006]
(2006-07 Estimated Aid = \$6.48 Million)**

There is State reimbursement of 100 percent of the direct cost of educational services provided to a nonresident homeless or runaway pupil by the school district of current location, or a school district participating in a regional placement plan, when such a district is designated as the district which the pupil shall attend.

Aid will be paid to the educating district through the STAC system. Homeless pupils may be referred by the County Department of Social Services or other independent agencies (e.g., a church), or may self-refer to the district of current location.

The district provides the attendance and program information through STAC and must obtain tuition rate approval from the State if the pupil is educated in a district operated program. Aid is paid to each district during the current year of education of such pupils. The school district of last attendance before the pupil became homeless reimburses the State a defined amount of local contribution during the following school year.

II. AID FOR NON-OPERATING DISTRICTS
(100 percent Contracting Districts)
[Section 2043 of the Education Law]
(2006-07 Estimated Aid = \$0)

General aid for a district not maintaining a school and contracting for the education of its children is based on approved operating expenses and transportation expenses. In this case, tuition is considered an approved operating expense. The aid is calculated by deducting from operating and transportation expenses a local contribution expressed as a tax rate per \$1,000 of actual (full) value of the district's real property. The tax rate is the higher of (a) the tax rate of the receiving district(s) with the highest rate or (b) \$10.00 per \$1,000 of full valuation.

JJ. AID FOR DISTRICTS WITH FEWER THAN EIGHT TEACHERS
[Section 3602-b of the Education Law]
(2006-07 Estimated Aid = \$0)

General aid for districts employing fewer than eight teachers is based on operating expenses and transportation expenses only.

Operating expenses are computed just as they are for eight-or-more-teacher districts. Approved operating expenses are limited to the sum of (a) \$4,500 multiplied by the number of full-time teachers employed during the base year and, (b) the base year WADA multiplied by \$60 plus an amount computed by multiplying the base year WADA by \$0.90. Operating aid is computed by multiplying the approved operating expenses by the RWADA aid ratio.

Transportation expenses and aid are calculated as for eight-or-more teacher districts.

When local revenue raised by tax for school purposes is less than \$9.00 per \$1,000 of actual (full) valuation, the apportionment is reduced by the difference between the local revenue and the amount that would have been raised by the \$9.00 tax rate. In effect, this is a State aid penalty for localities with insufficient contributions to education.

Districts employing fewer than eight teachers also are eligible for the following aids: Lottery Textbook, Textbook, Computer Software, Library Materials and BOCES Aid.

KK. LOTTERY REVENUES USED TO FUND APPORTIONMENTS PAYABLE
TO PUBLIC SCHOOL DISTRICTS
[Section 92-c of the State Finance Law]
(2006-07 Estimated Aid = \$2,034.5 Million including textbook lottery)

Annual proceeds from the New York State Lottery are used to support elementary, middle and secondary education. This is accomplished by using a share of the Lottery proceeds computed according to an equalized formula based on each school district's taxable property wealth per pupil to support the General State Aids

otherwise payable to the school district. In addition, a portion of the Lottery proceeds equal to \$15.00 per resident pupil is paid to each school district for the purchase of textbooks. The Lottery apportionment available to support elementary, middle and secondary education programs already is included in the estimated totals of aids reported in other sections of this manual.

III

PAYMENT SCHEDULES

LL. GENERAL AIDS PAYABLE TO SCHOOL DISTRICTS FOR AIDS IDENTIFIED WITH A SINGLE ASTERISK IN THE TABLE OF CONTENTS [Section 3609-a of the Education Law]

- A payment in the amount of lottery revenues available to fund apportionments payable to public school districts is paid on the first State business day of September.
- School district obligations to the New York State Teachers Retirement System (TRS) are paid by the State on behalf of the school districts from General Aid apportionments on or before the 15th of each of the months of September, October and November. If the General Aid apportionments remaining after apportionment of the Lottery revenues are insufficient to fund the TRS obligations, the school district is billed directly by TRS for the balance. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA0607" which was released following enactment of the State Aid to Localities Budget.
- Additional fixed fall payments are paid directly to the school district on the 15th of the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's General Aid apportionments, after deduction of payments made to TRS on the district's behalf, is paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent on or before October 15, 18.75 percent on or before November 15 and 25.00 percent on or before December 15. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA0607" which was released following enactment of the State Aid to Localities Budget.
- Additional individualized payments are calculated for the months of January through June, based on school district State Aid claims or projection data available to the Commissioner as of December 1. These payments are calculated to guarantee that each district receives 50 percent of the sum of State and local revenues in support of the general fund budget by the first business day of January, 60 percent by the first business day of February, 70 percent by the first business day of March, 80 percent by the first business day of April and 90 percent by the first business day of May. While calculated in this manner, all of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for General Support of Public Schools in March. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for General Support of Public Schools is expended by March 31. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA0607" which was released following enactment of the State Aid to Localities Budget.
- Sustaining advance payments and a final payment for the State Fiscal Year are 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 moneys designated for payment in April, then May and finally June or (2) for the final payment for the

State Fiscal Year, the total moneys designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for General Support of Public Schools are used.

- Growth Aid, and Full Day Kindergarten Conversion Aid will be paid as part of the remaining balance of General Aids payable on the first business day in June. The total of all General Aid payments to a school district through June, however, may not exceed the sum of such aids as reported in the school aid computer listing entitled “SA0607” which was released following enactment of the State Aid to Localities Budget.
- Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled “SA0607,” shall be paid on the first business day of September of the following school year.

MM. EXCESS COST AIDS PAYABLE TO SCHOOL DISTRICTS FOR AIDS
[Section 3609-b of the Education Law]

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 are to be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid Reimbursement. In addition, Section 3609-b requires that any remaining balances of Excess Cost Aids payable to a school district shall be paid in accordance with the following schedule:

<u>Payment Date</u>	<u>Payment Amounts</u>
December 15	The positive remainder of 25 percent of such aids minus any State share monies paid in the months of August-November. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
March 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-February. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
June 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-May. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

August 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-July. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

September (1st Business Day) Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing shall be paid on the first business day of September of the following school year.

NN. AID PAYABLE TO SMALL CITY SCHOOL DISTRICTS
[Section 3609-c of the Education Law]

The apportionment of Special Aid to Small City School Districts pursuant to subdivision 31-a of Section 3602 of the Education Law is paid as follows:

Payment Date

Payment Amounts

October 15 8 1/3 percent of the apportionment, not to exceed 8 1/3 percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

November 15 8 1/3 percent of the apportionment, not to exceed 8 1/3 percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

December 15 8 1/3 percent of the apportionment, not to exceed 8 1/3 percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

March (1st Business Day) 70 percent of the apportionment, not to exceed 70 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of March.

April (1st Business Day) 80 percent of the apportionment, not to exceed 80 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of April.

May (1st Business Day) 90 percent of the apportionment, not to exceed 90 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of May.

June (1st Business Day) 100 percent of the apportionment, not to exceed 100 percent of the amount of the

apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of June.

September (1st Business Day) Any excess of the total apportionment payable over the amount of the apportionment reported in the school aid computer listing shall be paid on the first business day of September of the following school year.

OO. BOCES AID PAYABLE TO BOCES
[Section 3609-d of the Education Law]

- 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.
- BOCES obligations to the New York State Teachers Retirement System (TRS) are paid by the State on behalf of the BOCES from the apportionment payable to the BOCES on or before the fifteenth of each of the months of September, October and November. If the apportionment payable to the BOCES is insufficient to fund the TRS obligation, the BOCES is billed directly by TRS for the balance. For the purpose of calculating these payments the total BOCES Aid payable on behalf of any component of the BOCES may not exceed 100 percent of the amount of such aid payable on behalf of the component to the BOCES as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
- On or before February 1 an additional payment is made to BOCES equal to 25 percent of the total BOCES Aid payable for the school year less the previous payments made to TRS on the BOCES' behalf. For the purpose of calculating these payments the total BOCES Aid payable on behalf of any component of the BOCES may not exceed 100 percent of the sum of the amount of such aid payable on behalf of the component to the BOCES as reported in the school aid computer listing released following enactment of the Aid to Localities Budget plus any BOCES Aid payable on behalf of Special Act School Districts, school districts employing less than eight teachers or school districts that contract with another school district for all instructional services. For purposes of this description such sum shall be referred to as "projected aids."
- An additional payment is made to the BOCES on the first business day of June equal to 55 percent of the lesser of actual BOCES Aid payable on behalf of each component or the projected aids minus the sum of all previous payments including payments made to TRS on the BOCES behalf.
- Any remaining apportionment payable to the BOCES, including any excess of actual BOCES Aid payable over the amount of such aid reported in the school aid computer listing shall be paid to the BOCES on the first business day of September of the following school year.

**PP PAYMENT SCHEDULE FOR SCHOOL TAX
RELIEF (STAR) AID**

A separate payment schedule is created for the payment of School Tax Relief Aid representing tax savings provided by school districts to their taxpayers under the STAR Program. For the 2006-07 school year, school districts will be guaranteed payment of 35% of STAR Aid by October 15, 70% by November 15, 80% by December 15, and the balance by the first business day in January. If districts submit additional claims after the January payment but before March 1, 2007, the resulting additional STAR Aid will be paid to the districts on March 31, 2007.

QQ. SOUND BASIC EDUCATION AID

A separate payment schedule was created for the payment of Sound Basic Education Aid. The payment schedule guarantees that the same proportion of aid for Sound Basic Education Aid will be paid in each of the months of September through June as is paid through the 3609-a General Aid payment schedule described above.

RR. OTHER AIDS

Questions regarding the schedules for payment of other aids may be directed to the Payment Unit (518) 474-2977.

**SS. PAYMENT SCHEDULE AND POLICY REGARDING AID ADJUSTMENTS OCCURRING
AFTER THE LAST SCHEDULED AID PAYMENTS FOR A GIVEN YEAR**

- Any supplemental documentation of original claims still pending review by the State Education Department, (including tax certiorari adjustments), that increases aids payable and is received by the State Education Department after June 30 of the school year for which aid is claimed, but before July 1 of the second school year succeeding the school year for which aid is claimed, will not be included in the final adjustment of aids due to the district or BOCES upon completion of the desk review of the original claim. Such claims will be paid as a prior year adjustment pursuant to Section 3604(5) of the Education Law in the order that such adjustment is verified for payment and to the extent that funds have been appropriated for such prior year adjustments.

Any supplemental documents received on or after July 1 of the second school year succeeding the school year for which aid is claimed, other than Building Aid claims, will not be accepted for payment since the statute of limitations for such claims will have expired.

Any supplemental documentation of Building Aid claims received in a school year commencing more than 18 months after substantial completion of the building project funded, will not be accepted for payment since the statute of limitations for such claims will have expired.

APPENDIX A

EXPLANATION OF PUPIL COUNTS; WEALTH MEASURES; AND LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS

A. PUPIL COUNTS

ADA

Average Daily Attendance. This is the average number of pupils present on each regular school day, an average determined by dividing the aggregate number of attendance days of all pupils by the number of days school was in session. ADA for a group of classes or schools in session for varying numbers of days is obtained by adding together the ADA for each. Adjustments are made for the adverse effects of religious holidays on enrollment. ADA includes the equivalent attendance of pupils under the age of 21 not on a regular day-school register in a program leading to a high school diploma or high school equivalency diploma, the base year FTE enrollment of pupils with disabilities enrolled full time in BOCES and the FTE of resident pupils attending charter schools within or outside the district.

Dual Enrollment ADA

Section 3602-c of the Education Law provides a methodology for calculating the average daily attendance of nonpublic school students who attend public schools for a portion of the school day in programs for gifted and talented students, career education or special education. The daily attendance of such pupils is calculated as one or more fifths of a full unit of daily attendance based on the number of periods attended each day in the public school programs. The calculated dual enrollment ADA is added to regular school ADA for the purposes of calculating State Aids payable to the public school district.

Adjusted ADA

This is average daily attendance with half-day kindergarten weighted at 0.50.

WADA

Weighted Average Daily Attendance. This is a pupil count determined by applying the following weightings to average daily attendance: half-day kindergarten, 0.50; full day kindergarten and grades one through six, 1.00; grades seven through twelve, 1.25.

RWADA

Resident Weighted Average Daily Attendance. This pupil measurement is a count, weighted for certain groups of students, for all resident public school pupils in the district. It is calculated by subtracting the WADA of nonresident pupils attending public school in the district from the district's WADA and adding the WADA of resident pupils of the district who are in full time attendance at a school operated by a Board of Cooperative Educational Services, a County Vocational Education and Extension Board, or another public school district.

TWPU

Total Wealth Pupil Units. This is the pupil count used along with other wealth variables to measure the relative wealth of a district. Public school pupils who are residents of the district are counted. This is the sum of adjusted ADA, aidable pupils with special educational needs, weighted publicly placed students with disabilities, and aidable pupils weighted for secondary school, excluding aidable pupils for summer school. The above items are adjusted for residence as in RWADA.

Pupils with Special Educational Needs (PSEN)

The number of pupils attending the public schools of the district with special educational needs are those determined by the percentage of pupils below minimum competence as measured by third and sixth grade pupil evaluation program tests (an average score in reading and mathematics from Spring 1985 and Spring 1986 is required). This percentage is multiplied by the district's adjusted ADA to produce the number of eligible pupils for weighting. The additional weighting for eligible pupils is 0.25 pupil units.

Pupils with Disabilities (Public Excess Cost Aid)

Pupils with disabilities who have been determined by a Committee on Special Education to require placement as follows:

- (1) In special class instruction either in a hospital or at home for more than 60 days. The additional weighting for these students is 1.65.
- (2) In special class instruction or receiving special education services for more than 60 percent of each school day. Sixty percent of each school day is further defined in regulations as a minimum of three hours each day of each week at the elementary level or a minimum of three and one-half hours each day of each week at the secondary level. The additional weighting for these students will be 1.65, but those pupils receiving special education services for 60 percent or more of the school day in integrated classrooms in the year prior to the base year will be assigned an additional weighting of 0.50.
- (3) In resource room services or other special programs for 20 percent or more of a school week. Twenty percent of the week is further defined in regulations as not less than five hours each week at the elementary level. At the secondary level or in a middle school or building that operates on a period basis, the equivalent of five periods per week, but not less than 180 minutes of resource room or other special services or programs is considered equivalent to 20 percent of the week. The additional weighting for these pupils is 0.90.
- (4) Requiring direct or indirect consultant teacher services, for 2 or more hours per week. The additional weighting for these pupils is 0.90.

Summer School Pupils

The number of pupils attending approved programs of instruction operated by the district during the months of July and August of the base year in

accordance with the Commissioner's Regulations. The weighting for these pupils is 0.12.

**Secondary School
Pupil Weighting**

The ADA of pupils in grades seven through twelve for whom a district will receive an additional weighting. The additional weighting for these pupils is 0.25. This additional weighting is provided for pupils in equivalent attendance but is not provided for pupils with disabilities eligible for Public Excess Cost Aid.

Equivalent Attendance

The number of student hours of instruction in programs in a public school or BOCES leading to a high school diploma or high school equivalency diploma for pupils under the age of 21 not on a regular day-school register, divided by 1,000. This does not include such pupils enrolled in BOCES programs for which BOCES Aid is claimed.

**Total Aidable
Pupil Units (TAPU for Payment)**

The measure by which formula aid is computed. It includes adjusted average daily attendance, and additional weightings for aidable pupils with special educational needs, aidable summer school pupils, dual enrollment pupils, and secondary school pupils. The pupils counted are all pupils attending a given district whether or not they are residents of that district. Total Aidable Pupil Units is the 2004-05 average daily attendance of the district, adjusted by the index of enrollment change between 2004-05 and 2005-06, with half-day K weighted at .5 plus additional weights of: secondary pupils, at .25; Pupils with Special Educational Needs (PSEN), based on Spring '85 and '86 PEP percent, at .25; and summer school pupils at .12. The greater of the 2005-06 TAPU or the average of 2004-05 and 2005-06 TAPUs is selected for use in aid calculations.

TAPU for Expense

This pupil count is used with Approved Operating Expense to determine the expense per pupil of the district. It includes year prior to the base year average daily attendance and additional weightings for pupils with special educational needs, aidable summer pupils, dual enrollment, secondary pupils, and pupils with disabilities.

**Public School Enrollment
(For State Aid Purposes)**

This is the sum of: the number of students attending schools within the districts' boundaries and on the regular day school register; the number of enrolled students eligible for homebound instruction; the number of enrolled non-resident homeless students, and the number of enrolled students educated at the campus school of Hunter College; equivalent attendance, and full-time BOCES handicapped enrollment. The enrollment that is reported is as of the last day of the first attendance period. The enrollment of resident pupils in charter schools is included in public school enrollment.

Enrollment Index

This index measures the change in public school enrollment from one school year to the next and is computed by dividing base year enrollment by year prior to the base year. It is used to compute ADA in the calculation of TAPU for Payment and to calculate the index for Growth Aid.

Attendance Ratio
(for purposes of aid)

A measure of pupils attending a district compared with maximum possible attendance. It is the number computed to four decimals without rounding when the aggregate days of attendance is divided by the possible aggregate attendance of all pupils in attendance in the district.

B. WEALTH MEASURES

Full Value

This is determined by dividing the assessed valuation of taxable property of the district by the equalization rate(s) of the city, town(s), or village(s) that make up the school district. Full valuation is generally a larger figure than the assessed value. Assuming that the equalization rates have been accurately established, real property parcels of identical value, which have been assessed by diverse local standards, would have the same full valuation. Full valuation for State Aid purposes includes the full value equivalent of payments in lieu of taxes determined pursuant to §485 of the Real Property Tax Law.

SELECTED FULL VALUE

Selected full value for 2006-07 aid is the lesser of 2003 full value or 117% of 2002 full value. Capping the increase in full value from one year to the next benefits districts experiencing large increases in full value.

SELECTED FV/RWADA

Selected Full Valuation per Resident Weighted Average Daily Attendance, is a per pupil measure of the wealth of a district based on the number of pupils who are residents of the district. This is determined by dividing the full value of the district by the resident weighted average daily attendance of the district.

SELECTED FV/TWPU

Selected Full Valuation per Total Wealth Pupil Units is a per pupil measure of the wealth of a district based on the number of pupils who are residents of a district. This is determined by dividing the full value of the district's real property by the total wealth pupil units of the district.

SELECTED FV/RPNP

Selected Full Valuation per Resident Public and Nonpublic Pupil is a per pupil measure of the wealth of a district based on the number of pupils who are residents of the district, including resident pupils with disabilities attending approved private schools or the State operated schools at Rome and Batavia, and resident pupils placed in Special Act school districts. This is determined by dividing the full value of the district by the total resident public and nonpublic enrollment of the district.

Statewide Average Full Value Per Pupil

(a) Full valuation of real property in the state is divided by the resident weighted average daily attendance (RWADA) of pupils in the state. District full value per RWADA is compared with the statewide average to give a relative measure of a district's property wealth per student.

(b) Full valuation of real property in the state is divided by the total wealth pupil units of the state, a weighted count of resident pupils in the state. Districts' full value per TWPU is compared with the statewide average as a measure of district property wealth per resident pupil. Extra weighting is given for students with disabilities and pupils with special educational needs.

(c) Full valuation of real property in the State is divided by the total resident public and nonpublic enrollment in the State, including resident pupils with disabilities attending approved private schools or the State operated schools at Rome and Batavia and resident pupils placed in Special Act school districts. Districts' full value per resident enrolled pupil is compared with the statewide average as a measure of district property wealth, for the purposes of calculating one of the Transportation Aid ratios available to districts.

District Adjusted Gross Income

Adjusted gross income is determined for each individual district of the state by summing the verified New York State adjusted gross income reported by state individual taxpayers by their school district of residence, as verified through the State's income verification system.

Adjusted Gross Income/ TWPU

This is determined by dividing the adjusted gross income of the district by the total wealth pupil units of the district. It is a per pupil measurement of district income wealth.

Statewide Average Adjusted Gross Income Per TWPU

Adjusted gross income of the state is divided by the total wealth pupil units of the state.

Pupil Wealth Ratio

A measure of a district's property wealth per pupil compared to the statewide average property wealth of districts, used as one of two variables in the combined wealth ratio. The pupil wealth ratio is the number, computed to three decimals without rounding, obtained when the selected full value per TWPU of the school district is divided by the statewide average full value per TWPU.

Alternate Pupil Wealth Ratio

The alternate pupil wealth ratio is a measure of a district's income wealth per pupil compared to the state average. It is the number, computed to three decimals without rounding, obtained when the adjusted gross income per

TWPU of the school district is divided by the statewide average adjusted gross income per TWPU. It and the pupil wealth ratio are used to calculate a combined wealth ratio.

Combined Wealth Ratio

A measure of a district's wealth taking into account both full valuation of the district's real property and the income of residents of the district. It is the number, computed to three decimal places without rounding, obtained when 50 percent of the Pupil Wealth Ratio is added to 50 percent of the Alternate Pupil Wealth Ratio.

Sharing Ratio

A percentage determined by a formula of relevant factors that determines the proportion of State contribution to school districts' expenditures or statutory per pupil formula aid amounts. 1.000 minus the State contribution equals the local contribution to a district's budget. The standard formula for the computation of a sharing ratio is:

$$1.000 - \left[\frac{\text{District Wealth Measure}}{\text{State Average}} \times \text{Local Share} \right]$$

C. LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS

Current Year

The current year is the school year in which the aid is paid.

Base Year

The base year is the school year prior to the current year.

Local Levy

The local levy is the total amount of money to be raised locally by all property and nonproperty taxes, including the portion of the levy attributed to the STAR program.

Tax Rate (Regular)

The tax rate is the local levy divided by the full valuation of the district's real property for the same year. It is usually expressed as dollars per \$1,000 of full valuation.

Approved Operating Expenditures (AOE)

Approved Operating Expenditures are those operating expenses for the day-to-day operation of the school in the base year excluding certain expenses. Not included are: capital outlay and debt service for building construction, transportation of pupils, expenditures made to purchase services from a Board of Cooperative Educational Services or County Vocational Education and Extension Board, tuition payments to other districts, and expenses for programs which do not conform to law or regulation. Money received as federal aid revenue and State aid for special programs are also deducted from total annual expenditures when computing Approved Operating

Expenditures.

Approved Operating Expenditures per TAPU (AOE/TAPU) This figure is obtained by dividing the Approved Operating Expense (AOE) by the district's Total Aidable Pupil Units (TAPU) for expense which includes the additional weightings for children with disabilities.

Growth Index/Growth Decimal The growth index is the ratio, expressed as a decimal, of the current year's enrollment to the base year's enrollment. If it is greater than 1.004, the district is eligible to receive Growth Aid. The growth index is based on public school enrollment as reported to the Education Department through the Basic Educational Data System (BEDS). The growth decimal is the excess, if any, of the growth index over 1.004.

Save-Harmless Save-harmless refers to a statutory guarantee of the same or similar dollar amount of aid as received in the previous year. Certain time limits are placed on the recalculation of save-harmless amounts for some aids that may result from prior year adjustments. These time limits are based on the statute of limitations for such prior year adjustments.

APPENDIX B

List of Acronyms

ADA	Average Daily Attendance
AOE	Approved Operating Expense
APWR	Alternate Pupil Wealth Ratio
AV	Actual Valuation (Same as FV)
AV/RPNP	Full Valuation per Resident Public and Nonpublic Pupil
AV/RWAD	Full Valuation per Resident Weighted Average Daily Attendance
A	
AV/TWPU	Full Valuation per Total Wealth Pupil Units
AVL	Approved Voucher Listing
BAN	Bond Anticipation Note
BEDS	Basic Educational Data System
BOCES	Boards of Cooperative Educational Services
CAD	Commissioner's Approval Date
COA	Comprehensive Operating Aid
CPSE	Committee on PreSchool Special Education
CRP	Children's Residential Project
CSE	Committee on Special Education
CWR	Combined Wealth Ratio
DASNY	Dormitory Authority of The State of New York
DSSA	Declassification Support Services Aid
EC	Excess Cost
ENA	Extraordinary Needs Aid
EPE	Employment Preparation Education
ERSSA	Educationally Related Support Services Aid
EXCEL	Expanding our Children's Education and Learning
FCR	Final Cost Report
FRPL	Free and Reduced Price Lunch
FTE	Full Time Equivalent
FV	Full Value (Same as AV)
FV/RPNP	Full Valuation per Resident Public and Nonpublic Pupil
FV/RWADA	Full Valuation per Resident Weighted Average Daily Attendance
FV/TWPU	Full Valuation per Total Wealth Pupil Units
HNSBAR	High Need Supplemental Building Aid Ratio
IEP	Individual Education Program
LAN	Local Area Network
LEP	Limited English Proficiency
OMRDD	Office of Mental Retardation and Developmental Disabilities
ORPS	Office of Real Property Services
OSA	Operating Standards Aid
PCEN	Pupils with Compensatory Educational Needs
PEP	Pupil Evaluation Program
PILOT	Payment in Lieu of Taxes
PSEN	Pupils with Special Educational Needs
PWR	Pupil Wealth Ratio

RPNP	Resident Public and Nonpublic
RWADA	Resident Weighted Average Daily Attendance
SBE	Sound Basic Education
SED	State Education Department
SSR	State Sharing Ratio, or Selected Sharing Ratio
STAC	Student Tracking and Accounting for Children
STAR	School Tax Relief
TAPU	Total Aidable Pupil Units
TGFE	Total General Fund Expenditures
TRS	NYS Teachers Retirement System
TWPU	Total Wealth Pupil Units
WADA	Weighted Average Daily Attendance
WAN	Wide Area Network

SAMPLE CALCULATION OF AID ON THE COSTS OF REFINANCING

District Name: Anydistrict CSD		Full Refunding	State Share Only
District Code: 000000		Series 1989A	Series 1989A
A	Original Date of Bonds	15-Aug-89	15-Aug-89
B	Original Bond Amount	2,141,000.00	2,141,000.00
C	Outstanding Principal as of July 1, 2002	785,000.00	785,000.00
D	Original Bond Amount Refunded	785,000.00	522,424.07
E	New Bond Amount	1,012,000.00	709,000.00
Fixed Costs			
F	Credit Rating	7,186.30	7,226.02
G	Escrow Agent		
H	Other Costs*	2,536.34	2,550.36
I	Total Fixed Costs (F + G + H)	9,722.64	9,776.38
Variable Costs			
J	Underwriters Discount	6,729.80	4,714.85
K	Bond Counsel	21,136.17	21,253.00
L	Financial Consultant	21,136.17	21,253.00
M	Underwriter Counsel		
N	Verification Agent		
O	Bond Insurance	1,415.11	991.40
P	Other Costs*	50,450.02	51,136.90
Q	Total Variable Costs (J + K + ... + P)	100,867.27	99,349.15
R	Total Issuance Cost (I + Q)	110,589.91	109,125.53
Calculation of State Share of Issuance Costs and Additional Principal:			
S	Bond Percent	94.937%	94.937%
T	Building Aid Ratio	70.100%	70.100%
U	State Share of Outstanding Principal (C X S X T)	522,424.07	522,424.07
V	Original Bond Amount Refunded (D)	785,000.00	522,424.07
W	State Share Ratio (U / V)	66.5%	100.0%
X	State Share of Variable Costs (Q X W)	67,076.73	99,349.15
Y	State Share of Issuance Costs (I + X)	76,799.37	109,125.53
Z	Additional Principal (E - D - R)	116,410.09	77,450.40
AA	State Share of Additional Principal (Z X W)	77,412.70	77,450.40
Calculation of Aid on the costs of refunding:			
BB	Total Costs to be fully reimbursed (Y+AA)	154,212.07	186,575.93
CC	Applicable Interest Rate (4.5% or DASNY rate)	3.197%	3.197%
DD	Remaining Term	7	7
EE	Calculated Assumed Payment	12,381.06	14,979.42
FF	Number of payments in a year	2	2
GG	Aid on Fully Reimbursable Costs (EE X FF)	24,763.00	29,959.00
HH	Local share of variable costs (Q - X)	33,790.54	0.00
II	Calculated Assumed Payment X 2 pmts / yr	5,425.80	0.00

District Name: Anydistrict CSD
District Code: 000000

	Full Refunding Series 1989A	State Share Only Series 1989A
JJ Aid on Local Share of variable costs (II X S X T)	3,610.92	0.00
KK Total Aid on Costs of Refunding (GG + JJ)	28,373.92	29,959.00