



Explanation of Prospective Project & Retro Bond Data on Interest Rate Reduction Waiver Application Form

GUIDANCE FOR VIEWING PROJECT LIST AND ESTIMATED IMPACT OF PROSPECTIVE PROJECT INTEREST RATE RESET ON 2017-18 AID

1. The purpose of this form is to comply with section 3602.6(e)(5)(c) of the Education Law requiring SED to notify districts by December 1 as to which projects are subject to interest rate reduction in the next school year and to provide districts the opportunity to apply for waivers from the interest rate reduction. In addition to listing affected projects, this form estimates for each project the potential impact of the interest rate reduction on 2017-18 Building Aid, assuming no waiver. The form also displays the total potential aid impact over the remaining life of the project's assumed amortization. Please note that the interest rate change has not yet been implemented: 2017-18 Building Aid will be the first aid year affected by the interest rate reduction.
2. Estimates of potential 2017-18 aid loss due to application of the reduced interest rate, and estimates of total potential aid loss over the remaining life of the assumed amortization, are displayed for all eligible prospective projects, regardless of whether a waiver application was submitted to SED. Districts should review the revised waiver guidance published with this form to determine if any projects are eligible for a waiver; i.e., eligible to have the applied interest rate remain unchanged in 2017-18.
3. Projects included on this form are all prospective projects with an assumed amortization start date before 7/1/08, with a cost allowance for aid on file as of April 2016, and aided via assumed amortization with interest. Assumed amortizations for prospective projects funded solely from budgetary appropriations are not associated with bonds that can be refinanced; therefore, no waiver application is required and 'all cash' projects are not listed on the waiver application form. Prospective projects aided under 'amortized capital outlay without interest' are not included on this form as they are not subject to the interest rate recalibration. Additional information about each project can be found on the Prospective Project Amortization Report, accessible via the Building Aid output reports.
4. All data used to determine the list of projects subject to reset and potential aid impact amounts is the same as that used for the May 15, 2016 frozen data file; project data is that which was on file with Facilities Planning and State Aid by mid-April 2016. 2016-17 estimated Selected Building Aid ratio was used.
5. The new, reduced assumed interest rate used to calculate the estimated potential aid impacts displayed on this form is the final 2014-15 statewide average interest rate of 2.125%, or in the case of the Big 4 city school districts their 2014-15 calculated interest rate. The 2014-15 rate will be replaced with the actual 2016-17 rate when it becomes available in fall 2017. The interest rates for projects on this form that were funded through the Dormitory of the State of NY (DASNY) have not yet been adjusted: **aid impact estimates for these projects reflect original interest rates and are not valid.** Districts with prospective project debt originally issued through DASNY that have refinanced should apply for waivers on this form if waiver criteria are met. If no waiver is approved, the rates / aid for these projects will be adjusted when the interest rate reduction is implemented for 2017-18 aid.

6. Reorganization Incentive Building Aid is not included in any aid impact amounts; aid impact amounts are for regular Building Aid only. Reorganization Incentive Building Aid for projects on this list (where applicable) will also be reduced when the rate change is implemented (if no waiver is approved), as Reorganization Incentive Aid is calculated based on the regular Building aid amount.

GUIDANCE FOR VIEWING BOND LIST AND ESTIMATED IMPACT OF RETRO BOND INTEREST RATE RESET ON 2017-18 AID

1. "Retro" bonds are those for which the remaining principal as of July 1, 2002 was converted to an assumed amortization beginning with the 2002-03 aid year. The purpose of this form is to comply with section 3602.6(e)(5)(c) of the Education Law requiring SED to notify districts by December 1 as to which bonds are subject to interest rate reduction in the next school year and to provide districts the opportunity to apply for waivers from the interest rate reduction. In addition to listing affected bonds, this form estimates for each bond the potential impact of the interest rate reduction on 2017-18 Building Aid assuming no waiver. The form also displays the total potential aid impact over the remaining life of the bond's assumed amortization. Please note that the interest rate change has not yet been implemented: 2017-18 Building Aid will be the first year affected by the interest rate reduction.
2. Estimates of potential 2017-18 aid loss due to application of the reduced interest rate and estimates of total potential aid loss over the remaining life of the assumed amortization are displayed for all retro bonds, regardless of whether a waiver application was submitted to SED. Districts should review the revised waiver guidance published with this form to determine if any bonds are eligible for a waiver; i.e., eligible to have the applied interest rate remain unchanged in 2017-18.
3. The new reduced assumed interest rate used to calculate the estimated potential aid impacts displayed on this form is the final 2014-15 statewide avg. interest rate of 2.125%, or in the case of the Big 4 city school districts, their 2014-15 calculated interest rate. The 2014-15 rate will be replaced with the 2016-17 rate when it becomes available in fall 2017. The new interest rate will be the final 2016-17 statewide average interest rate, except for the Big 4 city school districts, which will get their applicable final 2016-17 interest rate and except that a bond originally financed through DASNY may be assigned a new rate other than the statewide average rate, depending on whether and when the bond was refinanced again and if the bond was refinanced through DASNY.
4. All data used to determine the list of bonds subject to reset and potential aid impact amounts is the same as that used for the Nov. 15, 2015 frozen data file. 2016-17 estimated selected Building Aid ratio was used. Reorganization Incentive Building Aid is not included in any amounts; aid amounts are for regular Building Aid only. Reorganization Incentive Building Aid for bonds on this list (where applicable), will also be reduced when the rate change is implemented, as Reorganization Incentive Aid is calculated based on the regular Building aid amount. Aidable expense and aid associated with the original refinancing of retro bonds is included in all data in this file.
5. To view additional information on the amortization of each bond, go to any Building Aid output report and click on the link to BOND LEVEL INFORMATION.