

# **2010-11 STATE AID HANDBOOK**

**STATE FORMULA AIDS AND ENTITLEMENTS FOR SCHOOLS  
IN NEW YORK STATE AS AMENDED BY CHAPTERS OF THE LAWS OF 2010**

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## INTRODUCTION AND SELECTED CHANGES

Based on the latest analysis available, financial support for public schools came from three sources in 2008-09: the federal government (approximately 5%), state formula aids and grants (approximately 46%), and revenues raised locally (approximately 49%). State aid for public schools comes primarily from the State General Fund (approximately 70%) wherein the major revenue source is state taxes (e.g. income and sales). Of the balance, approximately 19%, comes from STAR and 11% comes from a Special Revenue Fund account supported by lottery receipts.<sup>1</sup> 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.<sup>2</sup>

This handbook focuses on the major State formula aids available to school districts during the 2010-11 aid year and includes changes to those formulas enacted by the Legislature for 2010-11. The information and formula amounts contained in the handbook are based on the formulas governing the specified aid categories as enacted by the Legislature as part of the 2010-11 State budget. An explanation of the payment schedules for STAR, excess cost aids, BOCES and other 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. Current year aid calculations usually are available to the public on the State Aid website by fall of the current year.

For purposes of the 2010-11 handbook:

Current year = 2010-11 school year

Base year = 2009-10 school year

Year prior to the base year = 2008-09 school year

Following is a summary of major changes to formula aids enacted by the Legislature for 2010-11:

### **Foundation Aid (\$14.9 billion)**

In 2010-11 districts will receive the same apportionment of Foundation Aid received in 2008-09 and 2009-10. [See Section A for more information.](#)

### **Contracts for Excellence**

The budget bill containing an extension of the requirements for Contracts for Excellence was vetoed. Therefore, the only district that qualifies under existing provisions of law and which must prepare a Contract for Excellence this year is Yonkers.

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<sup>1</sup> 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.

<sup>2</sup> 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.

### **Universal Prekindergarten Aid (\$414.1 million)**

Districts are eligible in 2010-11 for the maximum grant computed for 2008-09 in the electronic data file supporting the enacted budget, or for a grant in the amount of their actual 2010-11 expenditure, whichever is less. However, districts that implemented new or expanded programs in 2008-09 are eligible for the maximum grant as it appeared on the SA0809 computer run at the time the 2008 budget was enacted, or the amount of their actual 2010-11 expenditures, whichever is less.

### **Gap Elimination Adjustment (-\$2.14 billion before potential federal offsets)**

A district's general aid was reduced by a Gap Elimination Adjustment (GEA), enacted by the Legislature to help eliminate the State Budget gap. However, this reduction in 2010-11 State Aid will be partially offset by two federal funding sources: the ARRA State Fiscal Stabilization Fund Restoration and the federal Education Jobs Fund Restoration. Each district must take action to claim these federal funds in order to reduce the amount by which its general aid will be reduced by the GEA.

### **FMAP Reduction (-\$131.5 million)**

Chapter 313 of the Laws of 2010 (the "Federal Medical Assistance Percentage (FMAP) Contingency Allocation Plan") required the uniform reduction of most local assistance payments in the General Fund and State Special Revenue funds, beginning September 16, 2010. For school districts this was implemented through a reduction of 0.67066% of each district's State Aid, as computed for the enacted budget. This amount was computed, deducted from State Aid payments in the same way as are overpayments, and deposited in the State FMAP Contingency Fund.

**I**  
**FORMULA AIDS FOR MAJOR DISTRICTS**

**A. FOUNDATION AID**

**[Sections 3602 (2 and 4) and 211-d of the Education Law]  
(2010-11 Estimated Total - \$14,893.1 Million)**

Note: This section describes how Foundation Aid is to be calculated and phased-in based on the changes enacted in the 2010-11 State budget; however, Foundation Aid actually payable to districts in 2010-11 is frozen to 2008-09 levels.

Foundation Aid, first enacted in 2007-08, is the largest unrestricted aid category supporting public school district expenditures in New York State.

Foundation Aid has four main components:

- A State-specified expense per pupil, called the adjusted foundation amount, to which the State and school districts will contribute.
- A State-specified expected minimum local contribution per pupil (based on a computed tax rate or local share formula) representing each district's contribution to the adjusted foundation amount per pupil
- The number of total aidable foundation pupil units (TAFPU) in the district.
- A calculation of Foundation Aid payable, which adjusts Total Foundation Aid based on phase-in factors and minimum and maximum aid increases

Following is a detailed description of calculated Foundation Aid components.

**1. Adjusted Foundation Amount (AFA)**

AFA =

Foundation Amount X CPI change X Phase-in Foundation % X Regional Cost Index (RCI) X Pupil Need Index (PNI)

For the 2010-11 aid year, the AFA before districts' RCI or PNI is applied = \$5,708 X 0.996 X 1.0768 = \$6,122

**Foundation Amount (FA)**

The foundation amount reflects the average per pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of the costs of special education and general education in successful school districts. It is adjusted annually to reflect the percentage change in the consumer price index. The last column of the table below shows the CPI-adjusted foundation amounts for each year, with the last row containing the amounts for the current aid year. The asterisked amounts are those based on updated statistical analysis of the costs of special and general education instruction in successful school districts.

Aid Year	Foundation Amount		1 + CPI change	Foundation Amount X CPI chg.
2007-08	4,695	*	1.12	5,258
2008-09	5,258		1.029	5,410
2009-10	5,410		1.038	5,616
2010-11	5,708	*	0.996	5,685

**Phase-in Foundation Percent**

For the 2007-08 aid year, the Phase-in Foundation % was 1.0768.  
 For the 2008-09 aid year, the Phase-in Foundation % is 1.0526.  
 For the 2009-10 aid year, the Phase-in Foundation % is 1.025.  
 For the 2010-11 aid year, the Phase-in Foundation % is 1.0768

**Regional Cost Index (RCI)**

The regional cost index reflects an analysis of labor market costs based on median salaries in professional occupations that require similar credentials to those of positions in the education field, but not including those occupations in the education field. The regional cost indices for the nine labor force regions are as follows:

Labor Force Region	Index
Capital District	1.124
Southern Tier	1.045
Western New York	1.091
Hudson Valley	1.314
Long Island/NYC	1.425
Finger Lakes	1.141
Central New York	1.103
Mohawk Valley	1.000
North Country	1.000

**Pupil Need Index (PNI)**

$PNI = 1 + \text{Extraordinary Needs (EN) \%}$  (Min = 1, Max = 2)

EN % =

$$\frac{(\text{Poverty Count} + (\text{Limited English Proficiency Count} \times .5) + \text{Sparsity Count})}{\text{Base Year K-12 Public School Enrollment}}$$

X 100



Poverty Count =

$$(.65 \times \text{Lunch Count}) + (.65 \times \text{Census Count})$$

Lunch Count =

$$\frac{2006-07 + 2007-08 + 2008-09 \text{ K-6 Free \& Reduced Price Lunch Applicants}}{2006-07 + 2007-08 + 2008-09 \text{ K-6 Public School Enrollment}} \times \text{Base Year K-12 Public School Enrollment}$$

Census Count =

Based on the 2000 Census as tabulated by the National Center on Education Statistics, the number of persons age 5-17 enrolled in the public school district and whose families had income below the poverty level divided by the number of persons age 5-17 in the school district

$$\times \text{Base Year K-12 Public School Enrollment}$$

Limited English Proficiency Count =

Base year enrollment of pupils scoring at or below the 40<sup>th</sup> percentile on a standardized test of English proficiency and receiving LEP services

Sparsity Count = For school districts operating grades K through 12, base year public school enrollment multiplied by a sparsity factor calculated as follows:

$$\frac{25.0 - (\text{Base year Enrollment per Square Mile})}{50.9}$$

## **2. Expected Minimum Local Contribution Per Pupil**

Each district's expected minimum local contribution per pupil is the lesser of a per pupil amount based on a computed tax rate (A) or a per pupil amount based on a calculated state sharing ratio (B).

### **Expected Minimum Local Contribution per pupil (A) =**

$$(\text{Selected Actual Value} / \text{TWFPU}) \times \text{Local Tax Factor (LTF)} \times \text{Income Wealth Index (IWI)}$$

#### **Selected AV**

The lesser of 2007 Actual Value or the average of 2006 and 2007 Actual Value

#### **Total Wealth Foundation Pupil Units (TWFPU)**

The sum of the (i) average daily membership for the year prior to the base year, plus (ii) the full-time equivalent enrollment of resident pupils attending public school elsewhere, less the full-time equivalent enrollment of nonresident pupils, plus (iii) the full-time equivalent enrollment of resident pupils with disabilities attending a board of cooperative educational services full time.

## Local Tax Factor (LTF)

For the 2010-11 aid year, the LTF is .0137

## Income Wealth Index (IWI)

$$\text{IWI (min = .65, max = 2.00) = } \frac{\text{2007 Adjusted Gross Income (AGI) / TWFPU}}{\text{\$238,700 (State Avg. AGI/TWFPU)}}$$

## Expected Minimum Local Contribution Per Pupil (B) =

Adjusted Foundation Amount X 1.00 minus the lesser of .900 or the highest of the following Foundation Aid State Sharing Ratios:

$$\begin{aligned} &1.37 - (1.23 \times \text{Foundation Aid Combined Wealth Ratio (FACWR)}) \\ &1.00 - (0.64 \times \text{FACWR}) \\ &0.80 - (0.39 \times \text{FACWR}) \\ &0.51 - (0.173 \times \text{FACWR}) \end{aligned}$$

For high need/resource-capacity districts, the Foundation Aid State Sharing Ratio is multiplied by 1.05.

## Foundation Aid Combined Wealth Ratio (FACWR) =

$$\text{FACWR} = 0.5 \times \frac{\text{District Selected AV / TWPU}}{\$564,900} + 0.5 \times \frac{\text{District Selected AGI / TWPU}}{\$177,200}$$

Selected Actual Value per Total Wealth Pupil Units (Sel AV/TWPU) =

The selected Actual Value of taxable real property per pupil unit divided by Total Wealth Pupil Units. TWPU is a measure of the weighted average daily attendance of resident pupils in a district. For 2010-11 aid, the selected Actual Value per TWPU is the selected Actual Value divided by 2008-09 TWPU. **The statewide average selected Actual Value per TWPU is \$564,900.** When the district's selected Actual Value per pupil is divided by the statewide average, the quotient is called the Foundation Aid pupil wealth ratio (FAPWR). An FAPWR 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 an FAPWR less than 1.000 and a district of greater than average wealth would have an FAPWR greater than 1.000.

Selected Adjusted Gross Income per Total Wealth Pupil Units (Sel AGI/TWPU) =

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 Tax Services, is based on personal income tax returns of district residents. For 2010-11 aids, selected adjusted gross income, is divided by 2008-09 TWPU. Selected adjusted gross income is the lesser of 2007 AGI or the average of 2006

and 2007 AGI. **The statewide average of selected adjusted gross income per TWPU for 2010-11 aid is \$177,200.** When the district's selected adjusted gross income per pupil is divided by the statewide average, the quotient is called the Foundation Aid alternate pupil wealth ratio (FAAPWR). An FAAPWR 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 FAAPWR less than 1.000 and a district of greater than average wealth would have an FAAPWR greater than 1.000.

When the FAPWR and the FAAPWR of a district are averaged together, the resulting average wealth ratio is called the Foundation Aid combined wealth ratio (FACWR) of the district. Note that a district of average wealth according to both property and income variables would have an FACWR of 1.000. Districts wealthier than the average would have an FACWR greater than 1.000 and districts less wealthy than the state average would have a ratio less than 1.000.

### **3. Selected Total Aidable Foundation Pupil Units (TAFPU)**

**Selected TAFPU:** For the purposes of computing Foundation Aid, districts may select the TAFPU calculated for the current aid year, or the average of the TAFPU calculated for the current year and the TAFPU calculated for the base year. In determining the average TAFPU, current year TAFPU definitions are used for both years.

**Total Aidable Foundation Pupil Units (TAFPU) =**

$$(2008-09 \text{ Average Daily Membership (ADM) X Base Year Enrollment Index}) + (2008-09 \text{ Summer ADM X .12}) + 2008-09 \text{ Weighted Foundation Pupils with Disabilities (WFPWD)}$$

Average Daily Membership (ADM) =

- Possible aggregate attendance of students in kindergarten through grade 12 (or equivalent ungraded programs), which is the total of the number of enrolled students that could have attended school on all days of session divided by the number of days of session;
- Possible aggregate attendance of non-resident students (in-state and out of state) attending the district full time but not resident students enrolled full time in another district;
- Possible aggregate attendance of Indian students that are residents of any portion of a reservation located wholly or partially in New York State;
- Possible aggregate attendance of students living on federally owned land or property;
- Possible aggregate attendance of students receiving home or hospital instruction (not home-schooled students, including students receiving instruction through a two-way telephone communication system);
- Full-time-equivalent enrollment of resident pupils attending a charter school;
- Full time equivalent enrollment of pupils with disabilities in BOCES programs;
- 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;
- Average daily attendance of dual enrolled nonpublic school students in career education, gifted and talented, and 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. Dual Enrolled students with disabilities are further weighted at 1.41.

Enrollment Index for the base year =

$$\frac{\text{2009-10 Public School Enrollment}}{\text{2008-09 Public School Enrollment}}$$

Summer ADM =

Possible aggregate attendance (in hours) of pupils who attend programs of instruction operated by the district during the months of July and August, other than pupils with disabilities in twelve month programs, divided by 90 hours (pursuant to NYCRR § 110.3).

**Weighted Foundation Pupils With Disabilities (WFPWD) =**

**1.41** multiplied by the full-time equivalent enrollment of pupils with disabilities determined by a school district committee on special education to require any of the following services, and who receive such services **from the school district of attendance** during the year prior to the base year<sup>1</sup>:

(A) placement for 60% or more of the school day in a special class, or

(B) home or hospital instruction for a period of more than sixty days, or

(C) special services or programs for more than 60% of the school day, or

(D) placement for 20% or more of the school week in a resource room or requiring special services or programs including related services for 20% or more of the school week, or in the case of pupils in grades seven through twelve or a multi-level middle school program as defined by the commissioner or in the case of pupils in grades four through six in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or

(E) at least two hours per week of direct or indirect consultant teacher services

PLUS

**.5** multiplied by the full time equivalent enrollment of declassified pupils. (Declassified pupils are pupils in their first year in a full-time regular education program after having been in a special education program)

**4. Foundation Aid Payable**

Foundation Aid Payable = Calculated Foundation Aid subject to a minimum 3% increase over base year Foundation Aid payable and a maximum 15% increase over base year Foundation Aid payable.

Public Excess Cost Aid Setaside from Foundation Aid:

The purpose of the Public Excess Cost Aid Setaside is to ensure that school districts meet federal maintenance of effort requirements regarding spending for students with disabilities. The amount set aside from Foundation Aid for this purpose will be paid together with Private Excess Cost Aid, Public Excess Cost High Cost Aid and Supplemental Public Excess Cost Aid pursuant to section 3609-b of the Education Law. The calculation of the setaside appears in this handbook in [section L](#).

Contracts for Excellence: One district must prepare a Contract for Excellence this year. The combined

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<sup>1</sup> 1.41 is a special services weighting based on an analysis of special education and general education costs in successful school districts.

various reporting requirements of the Contract for Excellence create a vehicle for district accountability for the expenditure of large increases in State Aid, and for academic results associated with the expenditures. Click here for more information on the Contract for Excellence: <http://www.emsc.nysed.gov/mgtserv/C4E/>

**Foundation Aid Base (FAB) for Phase-in Calculation = sum of:**

- 2005-06 Total Flex Aid and additional aids as of the 2006-07 executive budget computer run BT131-6 plus additional Flex Aid equivalent as computed pursuant to Chapter 58 of the Laws of 2006
- 2006-07 Extraordinary Needs Aid Equivalent Apportionment
- 2006-07 Early Grade Size Reduction Grant as of 9/1/07
- 2006-07 Growth Aid
- 2006-07 Enrollment Adjustment Aid
- 2006-07 Reorganization Incentive Aid
- 2006-07 Tax Limitation Aid
- 2006-07 High Tax Aid
- 2006-07 Additional Limited English Proficiency Aid
- 2006-07 Teacher Support Aid (Big 5 Only)
- 2006-07 Public Excess Cost Aid less High Cost Aid
- 2006-07 Small Cities Aid
- 2005-06 Fort Drum Grants & Additional 2006-07 Grants
- 2006-07 Magnet Schools Grants
- 2005-06 Categorical Reading Grants
- 2005-06 Improving Pupil Performance Grants
- 2005-06 and additional 2006-07 Sound Basic Education Aid
- 2006-07 Tuition Adjustment Aid

**Calculated Foundation Aid =**

Foundation Aid Base + [ .375 X (Greater of Phase-in Increase Option #1 or Phase-in Increase Option #2) ]

**Phase-in Increase Option #1 =**

[(TAFPU X Selected Foundation Aid) - Foundation Aid Base] (Min = 0)

Selected Foundation Aid =

Greater of \$500 or (Adjusted Foundation Amount - Expected Minimum Local Contribution)

**Phase-in Increase Option #2 = .1255 X Foundation Aid Base**

**B. DEDUCTION FOR THE LOCAL SCHOOL DISTRICT'S SHARE OF  
EDUCATIONAL COSTS FOR CERTAIN STUDENTS**

**[Section 4401(8) of the Education Law]  
(2010-11 Estimated Total = \$-47.0 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 under the School Tax Relief Program (STAR) 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 Health and People with Developmental Disabilities;
- students residing in a school for the mentally retarded operated by the State Office for Mental Health and People with Developmental Disabilities who receive educational services in a public school district or a BOCES;
- students residing in an intermediate care facility (ICF) 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 Office of Children and Family 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.

### C. BUILDING AID (Excluding Reorganization Incentive Building Aid)

[Section 3602(6) (6-a) (6-b) (6-c) (6-e) (6-f) of the Education Law]

(2010-11 Estimated Total = \$2,461.1 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) 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 beginning in 2002-03. 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. Aid is now 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.

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 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 had to 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 that 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 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. The last year of aid will be in 2017-18 and just as in the first year, the aid will also be based on the aidable debt service expense associated with one assumed debt service payment.

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 initial 2010-11 Building Aid payment on prospective projects without contract signing notification on file with SED in time to be included on the November 2009 database. Initial Building Aid payments on prospective projects due to begin in the current year will be deferred to July of the following aid year where contract signing notification was not on file with the Department in time to be included in the frozen data file created in November of the base year, even if the contract has been signed and 18 months has elapsed since Commissioner's approval date. New York City also is subject to a deferral provision.

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. The Commissioner has prescribed a maximum cost allowance of \$2,000 per unit for security cameras and other devices and \$6,000 per unit for metal detectors.

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. Building condition surveys are conducted, and this apportionment is paid once every five years. Most school districts claimed aid in 2005-06 and 2006-07 and will therefore claim aid again in 2010-11 and 2011-12 for base year expenses.

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

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.

Click on the link below for more information on Capital Exceptions Aid:

[https://stateaid.nysed.gov/build/html\\_docs/capexc\\_aid.htm](https://stateaid.nysed.gov/build/html_docs/capexc_aid.htm)

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 paid in the 2004-05 aid year. Click here for detailed calculation information: [https://stateaid.nysed.gov/build/html\\_docs/amcap\\_91604.htm](https://stateaid.nysed.gov/build/html_docs/amcap_91604.htm)

11. *Native American Building Aid.*

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 =

$$1.000 - (2007 \text{ AV}/2008-09 \text{ RWADA} \times 0.51) / \$720,800 \text{ (State Average Actual Value per RWADA)}$$

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 Actual Value per pupil equals the State average (\$720,800)). 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

- **2010-11 State Share Ratio for building projects approved by the voters prior to July 1, 1998:** The higher of the calculated 2010-11 current year Building Aid ratio or the selected Building Aid ratio for aids payable in 2009-10. (Selected 2009-10 aid ratio = the highest Building Aid ratio of any aid year from 1981-82 through 2008-09.)
- **2010-11 State Share Ratio for building projects approved by the voters on or after July 1, 1998, but before July 1, 2000:** The 2010-11 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 2009-10. 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.
- **2010-11 State Share Ratio for building projects approved by the voters on or after July 1, 2000:** The 2010-11 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 6/30/08: 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](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.

## D. EXPANDING OUR CHILDREN'S EDUCATION AND LEARNING (EXCEL)

[Section 3641 (14) of the Education Law]

(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:

[https://stateaid.nysed.gov/build/pdf\\_docs/excel\\_memo\\_052507.pdf](https://stateaid.nysed.gov/build/pdf_docs/excel_memo_052507.pdf)

[https://stateaid.nysed.gov/build/pdf\\_docs/excel\\_memo\\_072806.pdf](https://stateaid.nysed.gov/build/pdf_docs/excel_memo_072806.pdf)

[https://stateaid.nysed.gov/build/pdf\\_docs/excel\\_memo\\_062606.pdf](https://stateaid.nysed.gov/build/pdf_docs/excel_memo_062606.pdf)

[https://stateaid.nysed.gov/build/html\\_docs/excel\\_max\\_allocation.htm](https://stateaid.nysed.gov/build/html_docs/excel_max_allocation.htm)

[https://stateaid.nysed.gov/build/xls\\_docs/max\\_excel\\_for\\_web\\_031407.xls](https://stateaid.nysed.gov/build/xls_docs/max_excel_for_web_031407.xls)

[https://stateaid.nysed.gov/build/pdf\\_docs/info\\_memo\\_on\\_changing\\_excel\\_3-08.pdf](https://stateaid.nysed.gov/build/pdf_docs/info_memo_on_changing_excel_3-08.pdf)



## E. REORGANIZATION INCENTIVE AID

[Section 3602(14) of the Education Law]

Two forms of incentive aid to encourage school district reorganizations into more effective and efficient units are available.

### 1. REORGANIZATION INCENTIVE OPERATING AID

[Section 3602(14) (d) and (d-1) of the Education Law]

(2010-11 Estimated Total = \$2.9 Million)

For school districts that reorganize after July 1, 2007, Incentive Operating Aid is available for 14 years beginning with the first school year of operation as a reorganized district.

Incentive Operating Aid for the first five years of operation as a reorganized district =

$$.40 \times (2006-07 \text{ Selected Operating Aid per Pupil}^1 \times \text{Total Aidable Pupil Units})$$

For purposes of this aid, “2006-07 Selected Operating Aid per Pupil X TAPU” referred to above is the amount frozen as of the date upon which a data file was created for the 2/15/07 State Aid Estimates; that is, it will not be recalculated again during the 14 years a reorganized district receives this aid. After receiving Reorganization Incentive Operating Aid for 5 years, the additional 40% apportionment will be reduced by 4 percentage points each year until the apportionment reaches 0 in the fifteenth year of reorganization. The sum of Selected Operating Aid per pupil multiplied by TAPU plus 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]

(2010-11 Estimated Total = \$22.7 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, 2010 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, 2010 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. Click here to view [Reorganization Incentive Aid Chart](#).

**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%.

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<sup>1</sup> Please refer to the 2006-07 State Aid Handbook for a detailed explanation of how Operating Aid was calculated prior to its repeal in 2007-08.

## F. TRANSPORTATION AID (NON-CAPITAL ONLY)

[Section 3602(7) of the Education Law]

**(2010-11 Estimated Total = \$1,570.6 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 which of the transportation expenses can be used as approved transportation expenses to generate Transportation Aid;
- b) Determine those transportation expenses which are deducted from total operating expenditures to insure they do not generate any other 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 a 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.

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 highest 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 Selected State Sharing Ratio<sup>1</sup>

2) Sharing Ratio 2 = 1.010 -  $\left[ \frac{2007 \text{ AV}/2008-09 \text{ RWADA}}{\$720,800 \text{ (State Average)}} \times 0.460 \right]$

3) Sharing Ratio 3 = 1.010 -  $\left[ \frac{2007 \text{ AV}/2008-09 \text{ RPNE}^a}{\$640,900 \text{ (State Average)}} \times 0.460 \right]$

<sup>a</sup> 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:

$$\frac{21.000 - \text{Fall 2008 Enrollment per Square Mile}}{317.88}$$

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

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<sup>1</sup> Appendix C contains the calculation of the Selected State Sharing Ratio, used in several aid formulas.

## G. AID ON TRANSPORTATION CAPITAL EXPENSE

[Section 3602(7) of the Education Law]  
(2010-11 Estimated Total = \$80.2 Million)

Chapter 57 of the Laws of 2004 established a new method of apportioning Transportation Capital Aid. Prior to this change, 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. After the change, 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

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 of 2.375 percent calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the 2005-06 aid year.
- 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 of 2.375 percent calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the 2005-06 aid year.
- 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 of 2.375 percent calculated using the principal and interest payments for all bonds and BANS issued in the year prior to the 2005-06 aid year.
- 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 2010-11 aid year will be based on bus borrowings issued between 7/1/09 and 6/30/10; (Click here [https://stateaid.nysed.gov/trans/transcap\\_int\\_rate\\_calc.htm](https://stateaid.nysed.gov/trans/transcap_int_rate_calc.htm) for a mathematical explanation of the interest rate calculation.)
- A term of 5 years
- Equal semiannual assumed payments of principal and interest. For example, 2010-11 assumed debt service for a bus with a PO date between 7/1/09 and 12/31/09 will be based on two assumed

payments of principal and interest; assumed debt service for a bus purchased on or after 1/1/10 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.

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.

**H. SPECIAL SERVICES AID FOR FIVE LARGE CITY SCHOOL DISTRICTS  
AND NON-COMPONENTS OF BOCES**  
**[Section 3602(10) of the Education Law]**  
**(2010-11 Estimated Total = \$200.5 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(10) (b) of the Education Law]**  
**(2010-11 Estimated Aid = \$116.2 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:

$$\$3,900 \times \text{Career Education Aid Ratio} \times 2009\text{-}10 \text{ Weighted Career Education Pupils}$$

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:

$$1.000 - (\text{CWR} \times .059) = \text{Aid Ratio (minimum aid ratio} = 0.360)$$

**2. COMPUTER ADMINISTRATION AID**  
**[Section 3602(10) (c) of the Education Law]**  
**(2010-11 Estimated Aid = \$35.8 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:

Aid Ratio X the lesser of: Base Year Expenses or \$62.30 X the 2009 Fall Public School Enrollment of the district in grades K-12.

The aid ratio equals:

$$1.000 - (\text{CWR} \times 0.51) \text{ (minimum aid ratio} = 0.300)$$

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.

**3. ACADEMIC IMPROVEMENT AID**  
**[Section 3602(10)(d) of the Education Law]**  
**(2010-11 Estimated Aid = \$48.6 Million)**

The formula for this aid is:

$$\$100 + (\$1,000 / \text{CWR}^1) \times \text{Career Education Aid Ratio} \times \text{Weighted Career Education Pupils}$$

The minimum result of  $(\$1,000 / \text{CWR})$  is \$1,000

**I. AIDS FOR EDUCATIONAL TECHNOLOGY**

**1. INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID**

**[Sections 753 and 754 of the Education Law]**  
**(2010-11 Estimated Aid = \$37.9 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

$\$24.20 \times \text{RWADA aid ratio for the current year} \times \text{Pupils attending schools within the public school district's boundaries and enrolled during the base year in grades K-12 in a public school district or nonpublic school.}$

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.

$$\text{The RWADA aid ratio} = 1.000 \left[ \frac{(\text{2007 AV/2008-09 RWADA})}{\$720,800} \times 0.51 \right]$$

Pursuant to Section 754 of the Education Law, public school districts must loan computer hardware and equipment to nonpublic school students attending schools within district boundaries.

Click here for more information on hardware aid and the loan of hardware and equipment to nonpublic students:

[https://stateaid.nysed.gov/tsl/html\\_docs/hw\\_loan\\_cmpr\\_060607.htm](https://stateaid.nysed.gov/tsl/html_docs/hw_loan_cmpr_060607.htm)

[https://stateaid.nysed.gov/tsl/html\\_docs/hw\\_loan\\_req\\_060607.htm](https://stateaid.nysed.gov/tsl/html_docs/hw_loan_req_060607.htm)

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<sup>1</sup> Appendix C contains the calculation of the Combined Wealth Ratio, used in several aid formulas.

## 2. AID FOR COMPUTER SOFTWARE PURCHASES

**[Section 751 and 752 of the Education Law]**

**(2010-11 Estimated Aid = \$46.2 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 school district 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 30th of the aid year.

## 3. BUILDING AID FOR COMPUTER TECHNOLOGY

**[Section 3602(6) of the Education Law]**

**(2010-11 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]  
(2010-11 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 N of this handbook. 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 January 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.](#)



**J. URBAN-SUBURBAN TRANSFER AID**

**[Section 3602(15) of the Education Law]  
(2010-11 Estimated Total = \$2.7 Million)**

Districts which receive pupils from another district according to an approved program for reducing racial isolation are eligible for an additional apportionment.

a. The additional apportionment pursuant to 3602 15. c. =

Selected Foundation Aid X (Transfer pupils received - Formula Pupil Margin)

Transfer Pupil Count = Public school enrollment in the current year through the Voluntary Interdistrict Urban-Suburban Transfer program.

Formula Pupil Margin =

$$\frac{0.365 \times (\text{Total Foundation Aid} - \text{Total Foundation Aid Base})}{\text{Total Foundation Aid} / \text{TAFPU}}$$

b. The additional apportionment pursuant to section 3602 15. e. =

(Selected Foundation Aid per Pupil of Sending District – Selected Foundation Aid Per Pupil of Receiving District) X Transfer Pupil Count

**K. TRANSITIONAL AID FOR CHARTER SCHOOL PAYMENTS**

**[Section 3602(41) of the Education Law]  
(2010-11 Estimated Total = \$23.8 Million)**

New York State public school districts with resident students attending charter schools pay a per pupil tuition amount to the charter school for each such student. They also pay the charter school any federal and State Aid the district generates for resident charter school students with disabilities. Transitional Aid for Charter School Payments provides additional State Aid to districts with substantial year to year increases in the proportion of its students attending charter schools or the proportion of general fund expenditures that general fund payments to charter schools constitute.

Eligible districts can receive Part (a) Transitional Aid and/or Part (b) Transitional Aid and/or Part (c) Transitional Aid.

Part (a) Transitional Aid =

$$\frac{(\text{2009-10 Resident Pupils Enrolled in Charter Schools} - \text{2008-09 Resident Pupils Enrolled in Charter Schools})}{X} \times \text{2009-10 Basic Charter School Tuition}$$

**2009-10 Basic Charter School Tuition** = the basic per pupil tuition amount calculated for the district , and upon which the district based payments in 2009-10 to any charter school in which its resident students were enrolled.

A district is eligible for Part (a) Transitional Aid if the number of its resident pupils enrolled in charter schools in 2009-10 exceeded two percent of the 2009-10 total resident public school district enrollment OR the total general fund payments made by such district to charter schools in 2009-10 for resident pupils enrolled in charter schools exceeded two percent of 2009-10 total general fund expenditures.

Part (b) Transitional Aid =

$$\frac{(2008-09 \text{ Resident Pupils Enrolled in Charter Schools} - 2007-08 \text{ Resident Pupils Enrolled in Charter Schools})}{X} \times .60 \times 2009-10 \text{ Basic Charter School Tuition}$$

A district is eligible for Part (b) Transitional Aid if the number of its resident pupils enrolled in charter schools in 2008-09 exceeded two percent of the 2008-09 total resident public school district enrollment OR the total general fund payments made by such district to charter schools in 2008-09 for resident pupils enrolled in charter schools exceeded two percent of 2008-09 total general fund expenditures.

Part (c) Transitional Aid =

$$\frac{(2007-08 \text{ Resident Pupils Enrolled in Charter Schools} - 2006-07 \text{ Resident Pupils Enrolled in Charter Schools})}{X} \times .40 \times 2009-10 \text{ Basic Charter School Tuition}$$

A district is eligible for Part (c) Transitional Aid if the number of its resident pupils enrolled in charter schools in 2007-08 exceeded two percent of the 2007-08 total resident public school district enrollment OR the total general fund payments made by such district to charter schools in 2007-08 for resident pupils enrolled in charter schools exceeded two percent of 2007-08 total general fund expenditures.

Charter School Tuition amounts for each district can be found on the State Aid website at this link:

<https://stateaid.nysed.gov/charter/>

For purposes of this aid calculation, the number of pupils enrolled in a charter school does not include pupils enrolled in a charter school which was chartered by the Board of Education of the school district.

Section 3602 (41) specifically precludes New York City from receiving this aid.

L. EXCESS COST AIDS RELATED TO EDUCATIONAL SERVICES FOR STUDENTS WITH DISABILITIES WHICH ARE PAID IN CONJUNCTION WITH FEDERAL MEDICAID REIMBURSEMENTS AND DISTRIBUTED TO SCHOOL DISTRICTS PURSUANT TO THE 3609-B EXCESS COST AID PAYMENT SCHEDULE

1. SUPPLEMENTAL PUBLIC EXCESS COST AID FOR PUPILS IN PUBLIC SCHOOL AND BOCES PLACEMENTS (SPEC)

**[Section 3602(5-a) of the Education Law]  
(2010-11 Total = \$4.3 Million)**

Supplemental Public Excess Cost Aid for 2010-11 equals districts' 2008-09 SPEC amount set forth in the computer run for the 2009-10 enacted budget (SA0910).

( Please see the 2007-08 and 2008-09 [State Aid Handbooks](#) for a detailed explanation of SPEC in the two years in which the formula was operating.)

2. EXCESS COST AID FOR PUPILS IN APPROVED PRIVATE SCHOOL PLACEMENTS OR IN STATE OPERATED SCHOOLS

**[Section 4405(3) of the Education Law]  
(2010-11 Estimated Total = \$330.9 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:

Approved Tuition Paid - Basic Contribution = Aidable Excess Cost

Aidable Excess Cost X Private Excess Cost Aid Ratio X FTE of each pupil in the base year = Private Excess Cost Aid per pupil

1.0 – (Combined Wealth Ratio X 0.15) = Private Excess Cost Ratio (minimum ratio = 0.50)

Total Aid = 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. Current School year 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 the current school year. 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 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 issues a check payable to the New York State Education Department in the amount of the Part I tuition and mails 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 is billed as a separate amount paid 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.

### 3. PUBLIC HIGH COST AID EXCESS COST AID

**[Section 3602(5) of the Education Law]  
(2010-11 Estimated Total = \$490.9 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 2008-09 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:

[Annualized Educational Cost - (3 X 2008-09 AOE/TAPU)] X Excess Cost Aid Ratio X 2009-10 FTE Enrollment of each High Cost Student

The Excess Cost Aid Ratio =  $1.000 - (\text{CWR}^1 \times 0.51)$  (Minimum ratio = .25)

### 4. PUBLIC EXCESS COST SETASIDE

**[Section 3602(4.c) of the Education Law]  
(2010-11 Estimated Total = \$2,435.1 Million)**

Each district must set aside a portion of its current year Foundation Aid to support the education of students with disabilities. The purpose of the Public Excess Cost Aid Setaside is to ensure that school districts meet federal maintenance of effort requirements regarding spending for students with disabilities.

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<sup>1</sup> Appendix C contains the calculation of the Combined Wealth Ratio, used in several formulas.

Public Excess Cost Aid Setaside =

(Supplemental Public Excess Cost Aid Base - 2006-07 High Cost Aid)  
X

1 + percentage increase in the Consumer Price Index (CPI) between the current year and 2006-07\*

Though this is a setaside from Foundation Aid, it is paid according to the Excess Cost Aid 3609-b payment schedule.

\* For 2010-11: 1.099

**M. NYC SETASIDE FOR ATTENDANCE IMPROVEMENT/DROPOUT PREVENTION (AIDP)**

**[Section 19 of Chapter 2 of the Laws of 2011]  
(Total Required Setaside for 2010-11 = \$50.5 Million)**

New York City must set aside from its Total Foundation Aid the amount it set aside in the base year for programs and services related to attendance improvement and dropout prevention.

**N. BOCES AID**

**[Section 1950(5) of the Education Law]  
(2010-11 Estimated Total = \$735.2 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:

<b>GEN PROGRAM OR SERVICE CODE</b>	<b>PROGRAM OR SERVICE</b>
001	BOCES Administration
002	BOCES Capital and Rent
100	Career and Technical Education
200	Special Education Services for Pupils with Disabilities*
300	Itinerant Services
400A	General Instruction: Summer School
400B	General Instruction: All Other
500A	Instructional Support: Technology Services
500B	Instructional Support: Staff Development
500C	Instructional Support: Other
600	Other Services
700	Operation and Maintenance of BOCES Facilities and Other Internal Services**

- \* Special Education Services are aided under districts' Foundation Aid and Public High Cost Excess Cost Aid and do not generate BOCES Aid.
- \*\* Expenses for these services support other BOCES service programs and are aided only to the extent that internal service expenses are allocated to individual service programs.

1. BOCES SERVICES AID

(2010-11 Estimated Total = \$612.9 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. Foundation aid and Public High Cost Excess Cost Aid are 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 approved 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:

$$1 - [0.008 / (\text{District's } 2009\text{-}10 \text{ Prop \& NonProp Tax Levy}^1 / 2007 \text{ Actual Value})]$$

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:

$$1 - [0.51 \times (\text{District's } 2007 \text{ Actual Value} / 2008\text{-}09 \text{ RWADA}) / \$720,800]$$

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

## 2. BOCES ADMINISTRATIVE AID

**(2010-11 Estimated Total = \$122.3 Million)**

**(\$72.1 Million for Administrative Aid and \$50.2 Million 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 Actual Value, on the basis of weighted average daily attendance, or on the basis of the public school enrollment 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 of instructional space. 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.

## 3. BOCES DUE-SAVE-HARMLESS AID

**(2010-11 Estimated Total = \$0.04 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.

## 4. 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.

## O. TEXTBOOK AID

**[Section 701 of the Education Law]**

**(2010-11 Estimated Total = \$182.7 Million, Including \$47.3 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 \$58.25 multiplied by the number of pupils residing in the district and enrolled during the base year in grades K-12 in a public school district 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 \$58.25 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 30th of the aid year.

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

**P. LIBRARY MATERIALS AID**  
**[Section 711 of the Education Law]**  
**(2010-11 Estimated Total = \$19.5 Million)**

Each public school district is eligible for a maximum apportionment of Library Materials Aid in an amount equal to the product of \$6.25 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 school district 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 30th of the aid year.

**Q. AID FOR CONVERSION TO FULL DAY KINDERGARTEN PROGRAMS**  
**[Section 3602(9) of the Education Law]**  
**(2010-11 Estimated Total = \$1.4 Million)**

School districts that initiate a full day kindergarten program in the current year will be entitled to an additional apportionment. The amount of the apportionment shall equal the product of the Selected Foundation 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.

To be eligible to receive this apportionment, a district must have:

- a) offered no kindergarten program, or
- b) provided 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 kindergarten program to all pupils who wish to attend.

This conversion aid will be paid to eligible districts in June 2011 as part of the general aid payment for June of the current aid year, but the payment will be limited to the lesser of the estimated aid as reported in the school aid computer listing entitled "SR0927" 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.



## R. UNIVERSAL PREKINDERGARTEN GRANT

[Section 3602-e of the Education Law]  
(2010-11 Estimated Total = \$414.1 Million)

Districts are eligible in 2010-11 for the maximum grant computed for 2008-09 in the electronic data file supporting the 2009-10 enacted budget, or for a grant in the amount of their actual 2010-11 expenditure, whichever is less. However, districts that implemented new or expanded programs in 2008-09 are eligible for the maximum grant as it appeared on the SA0809 computer run at the time the 2008 budget was enacted, or the amount of their actual 2010-11 expenditures, whichever is less.

The Universal Prekindergarten (UPK) Grant = the sum of

- i. 2006-07 UPK Grant (including targeted Prekindergarten grant), and
- ii. the product of the Selected Aid per Prekindergarten Pupil multiplied by the positive difference between:
  - a. Aidable prekindergarten pupils served in 2010-11, and
  - b. 2006-07 base aidable Prekindergarten pupils

### **Selected Aid per Prekindergarten Pupil:**

Is the greater of the (Selected 2010-11 Foundation Aid per Pupil x .5) or (2006-07 grant per pupil from the SA0607 computer run).

### **Aidable Prekindergarten Pupils Served in 2010-11:**

2010-11 Universal Prekindergarten pupils served less the 2006-07 base aidable prekindergarten pupil count. For 2010-11 aid purposes, this aidable prekindergarten pupil served count is held to the 2006-07 base aidable prekindergarten pupils plus the maximum additional aidable pupils. Maximum additional pupils = (the Prekindergarten Grant computed for 2008-09 in the electronic data file supporting the 2009-10 enacted budget less 2006-07 Prekindergarten Aid) divided by the selected aid per additional prekindergarten pupil as of the SR0927 computer run produced in support of the 2010-11 enacted budget.

### **2006-07 Base Aidable Prekindergarten Pupils:**

Count for 2007-08 Universal Prekindergarten Grant based on the SA0708 computer run.

### **Notes:**

1. School districts receiving a Universal Prekindergarten Grant are required to comply with all district plans and other requirements for the receipt of funds pursuant to 3602-e of the Education Law.
2. Expenditure check: the Universal Prekindergarten Grant amount as of September 1<sup>st</sup> of the school year immediately following the aid year cannot exceed the actual grant expenditures incurred by the district during the aid year as approved by the Commissioner.
3. Districts that serve fewer children during the current year than in the base year will have their UPK apportionment reduced proportionate to the deficiency, except for districts that have fully implemented a UPK program by making the program available to all eligible children.

**S. HIGH TAX AID**

**[Section 3602 (16) of the Education Law]  
(2010-11 Estimated Total = \$204.8 Million)**

High Tax Aid for 2010-11 equals districts' 2008-09 High Tax Aid amount set forth in the computer run for the 2009-10 enacted budget (SA0910).

(Please see handbooks for aid years prior to 2009-10 for detailed explanation of previous years' High Tax Aid calculations.)

**T. EMPLOYMENT PREPARATION EDUCATION AID**

**[Section 3602(11) of the Education Law]  
(2010-11 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. For the first time in several years, \$2.5 million of the available \$96.0 million was not made available to districts and/or BOCES for services to students over the age of 21 who were not enrolled in any school in the base year 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:

$$\text{Current Year Instruction Hours} \times \$12.05 \times \text{EPE Aid Ratio (minimum aid ratio} = 0.400)$$

Formula components can be expressed as follows:

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

$$\text{PWR (Pupil Wealth Ratio)} = (\text{District AV/TWPU}) / \$597,300$$

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

c)  $\text{Employment Preparation Aid Ceiling} = \text{The statewide average expense per pupil divided by 1,000.}$

- For aid payable in 2010-11 this is:

$$\frac{(\$12,050)}{1000} = \$12.05$$

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, 2010.

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 2010-11 up to 25 percent of the total appropriation of \$96.00 million will be paid after April 1, 2011, 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, 2011 based on aid claims submitted by September 15, 2011. 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 amount that exceeds the cost of the program.

II  
MISCELLANEOUS AIDS

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

[Section 1306-a and b of the Real Property Tax Law]  
(2010-11 Estimated Total = \$3,273 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 for detailed information about the STAR program: <https://www.tax.ny.gov/star/>

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 Tax Services (ORPTS) containing information regarding the loss in revenues and the exemptions that resulted in such loss in a format established by ORPTS. Upon approval of the application, ORPTS 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: school districts will be reimbursed based on STAR as a percentage of property tax levy exceeding specified percentages in each month. On or before October 15<sup>th</sup>, the STAR payment is the amount owed in excess of 25% of the school’s real property tax levy. On or before November 15<sup>th</sup>, payment is the amount owed in excess of 20% of the school’s levy. On or before December 15<sup>th</sup>, the STAR payment is the amount owed in excess of 15% of the school’s levy. On or before the 1<sup>st</sup> business day of January, the balance is due. Additionally, there will be a payment on or before March 31, 2011 for STAR reimbursement corrections. The March payment only credits school districts owed money for STAR reimbursement corrections.

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

V. SUMMER COMPONENT OF TWELVE MONTH PROGRAMS FOR  
STUDENTS WITH DISABILITIES

[Section 4408 of the Education Law]  
(2010-11 Estimated Aid = \$188.2 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.

W. EDUCATION AID FOR PUPILS FROM THE OFFICE OF MENTAL HEALTH  
AND PEOPLE WITH DEVELOPMENTAL DISABILITIES

[Section 3202(5) of the Education]  
(2010-11 Estimated Aid = \$69.0 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 Health and People with Developmental Disabilities (OMHPWDD), but who previously resided within a school for the mentally retarded operated by the OMHPWDD;
- b) a school for the mentally retarded operated by the OMHPWDD 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, 2006 the Office of Mental Health and People with Developmental Disabilities (OMHPWDD) no longer pays Intermediate Care Facilities (ICF) or Children's Residential Project (CRP-ICF) facilities for the education of resident children. Instead, the school districts responsible for educating such students are required to contract with and pay the ICF/DD or CRP/ICF. SED subsequently reimburses districts for these costs).

**X. INCARCERATED YOUTH AID**  
**[Section 3202(7) and Section 3602(13) of the Education Law]**  
**(2010-11 Estimated Aid = \$17.5 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.

**Y. AID FOR EDUCATION OF HOMELESS OR RUNAWAY PUPILS**  
**[Section 3209 of the Education]**  
**(2010-11 Estimated Aid = \$16.23 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 is to 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.

## Z. ACADEMIC ENHANCEMENT AID

[Section 3602 (12) of the Education Law]

(2010-11 Estimated Aid = \$8.3 Million)

Four districts receive this aid. The districts were identified by the State Education Department as Districts in Need of Improvement for at least five years. 2010-11 Academic Enhancement Aid is the same as the 2008-09 Academic Enhancement Aid amount set forth in the computer run for the 2009-10 enacted budget (SA0910).

## AA. TEACHERS OF TOMORROW

[Section 3612 (2) of the Education Law]

(2010-11 Estimated Aid = \$25.0 Million)

Awards and stipends to create incentives to retain and attract teachers, especially in areas where teacher shortages exist, and to assist subject matter specialists working in private industry to become certified teachers.

## BB. TEACHER RESOURCE AND COMPUTER TRAINING CENTERS

[Section 316 of the Education Law]

(2010-11 Estimated Aid = \$0.00 Million)

There was no State appropriation for this program in 2010-11.

## CC. BILINGUAL EDUCATION GRANTS

[Chapter 53 of the Laws of 2010]

(2010-11 Estimated Aid = \$12.5 Million)

This aid supports regional bilingual programs at BOCES and Two-Way Bilingual Education Programs.

## DD. TEACHER-MENTOR INTERN PROGRAMS

[Section 3033 of the Education Law]

(2010-11 Estimated Federal Aid = \$2.0 Million)

There was no State appropriation for this program in 2010-11. However, in 2010-11, this program will be supported in full by American Recovery and Reinvestment (ARRA), the federal economic stimulus package.

## EE. MATH AND SCIENCE INITIATIVES

[Sections 3641-a and 3641-b of the Education Law]

(2010-11 Estimated Aid = \$0)

There was no appropriation for this program in 2010-11

## FF. SCHOOL HEALTH SERVICES

[Section 901 of the Education Law]

(2010-11 Estimated Aid = \$13.8 Million)

This aid supports health services to the four large city school districts: Rochester, Yonkers, Syracuse and Buffalo.

**GG. EDUCATION OF NATIVE AMERICANS**

**[Article 83 of the Education Law]  
(2010-11 Estimated Aid = \$35.0 Million)**

This aid supports in full the cost of elementary and secondary education (including transportation expenses) for the estimated 2,500 Native American children living on nine reservations and educated in three reservation schools, 13 public school districts and four BOCES.

**HH. AID FOR NON-OPERATING DISTRICTS**

**(100 percent Contracting Districts)  
[Section 2043 of the Education Law]  
(2010-11 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 Actual Valuation.

**II. AID FOR DISTRICTS WITH FEWER THAN EIGHT TEACHERS**

**[Section 3602-b of the Education Law]  
(2010-11 Estimated Aid = \$0)**

Districts with less than eight teachers are not eligible for State Aid except as described below.

Districts with less than eight teachers are eligible for an apportionment computed by applying the Selected State Sharing Ratio (as defined in section 3602)<sup>1</sup> to an adjusted Approved Operating Expense (AOE) and approved transportation expenses.

1. AOE is computed the same way as for districts with eight or more teachers. However, for this apportionment, approved operating expenses are limited to:

a) \$4,500 multiplied by the lesser of the number of full-time teachers employed during the base year or seven

plus

b) Selected Weighted Average Daily Attendance (WADA) X [\$60 + (Selected WADA X \$0.90.)]

Selected WADA for districts employing one or two teachers = WADA for the base year

Selected WADA for districts employing three or more teachers = the greater of base year WADA or the average of base year WADA and the WADA for two prior years.

2. Approved transportation expense is calculated in the same manner as for eight-or-more teacher districts.

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<sup>1</sup> Appendix C of this document contains the calculation of the Selected State Sharing Ratio, used in several aids



3. Minimum local contribution: If the district's current year local revenue<sup>1</sup> for school purposes is less than the amount that could have been raised by multiplying the Local Tax Factor (as defined in section 3602 4.a.(4)) by the actual valuation (as defined in Section 3602), the apportionment is reduced by the difference between the actual local revenue and the amount that could have been levied at the raised with a tax rate equal to the Local Tax Factor (LTF)<sup>2</sup>. This aid reduction typically is larger than the calculated apportionment; in other words, while eligible for the 3602-b apportionment by statute, it is rare for a district to actually receive any aid under this provision.

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

**JJ. LOTTERY REVENUES USED TO FUND APPORTIONMENTS  
PAYABLE TO PUBLIC SCHOOL DISTRICTS**

**[Section 92-c of the State Finance Law]**

**(2010-11 Estimated Aid = \$2,281.0 Million including textbook plus \$862.0 Million VLT revenue<sup>3</sup>)**

Annual proceeds from the New York State Lottery are used to support elementary, middle and secondary education. The Lottery apportionments available to support elementary, middle and secondary education programs already are included in the estimated totals of aids reported in other sections of this manual.

The apportionments consist of :

- a) A share of 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.
- b) A portion of Lottery proceeds equal to \$15.00 per resident pupil paid to each school district for the purchase of textbooks and
- c) for districts eligible to receive Foundation Aid, a share of video lottery terminal (VLT) proceeds computed by multiplying the percent each district's total SR0927 3609-a general aid amount is of the state total SR0927 general aid amount by the VLT appropriation for the current year. This appropriation is paid to districts according to the payment schedule in Education Law 3609-f: 10% in September, 15% each month in October through February, any remaining amount in March. The payments are made on the same dates as 3609-a general aid payments (see below).

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<sup>1</sup> Local revenue = property taxes, nonproperty taxes and the STAR reimbursement

<sup>2</sup> The LTF for current year aid can be found in the Foundation Aid section of this handbook.

<sup>3</sup> VLT amount reflects a mid-year increase of \$300 million to this appropriation pursuant to Chapter 559 of the Laws of 2010

### III

#### PAYMENT SCHEDULES

##### KK. GENERAL AIDS PAYABLE TO SCHOOL DISTRICTS FOR AIDS IDENTIFIED AN 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 "SR0927" which was released following enactment of the State Aid to Localities Budget.
- In 2010-11, the General Aid payable pursuant to § 3609-a is further reduced by the Gap Elimination Adjustment (GEA) and the FMAP Reduction. Partially offsetting these reductions, districts will be eligible for funds from two one-time federal programs: the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Restoration and the federal Education Jobs Fund Restoration. Districts must apply for these funds by completing an application for this purpose and supplying required documentation. This SED link contains extensive information on ARRA and the Education Jobs Fund, including reporting requirements: <http://usny.nysed.gov/arra/> . (Note: The Introduction and Selected Changes section at the beginning of this document includes an explanation of the FMAP reduction.)
- 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 "SA1011" 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 “SR0927” 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 prorated 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.
- Full Day Kindergarten Conversion Aid will be paid as part of the remaining balance of General Aids payable on or before the last state 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 “SR0927” 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 “SR0927,” shall be paid on or before the last state business day of September of the following school year.

**LL. EXCESS COST 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). Payments made pursuant to Section 3609-b includes: Public Excess Cost Aid Setaside from Foundation Aid, Public Excess High Cost Aid, Supplemental Public Excess Cost Aid and Private Excess Cost Aid. 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:

<b><u>Payment Date</u></b>	<b><u>Payment Amounts</u></b>
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 “SR0927” 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 “SR0927” 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 “SR0927” 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 “SR0927” released following enactment of the Aid to Localities Budget.
- September (1<sup>st</sup> Business Day) Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing “SR0927” shall be paid on the first business day of September of the following school year.

**MM. 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 sums 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 “SR0927” 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 “SR0927” 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 “SR0927” shall be paid to the BOCES on the first business day of September of the following school year.

## NN. PAYMENT SCHEDULE FOR SCHOOL TAX RELIEF (STAR) AID

### **[Section 3609-e of the Education Law]**

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 2010-11 school year, the STAR payment will be based on a percentage of the tax levy, that is the positive difference (if any) of the STAR portion of the tax levy minus a fixed percent, which is 25% for October, 20% for November and 15% for December, times the tax levy for the months of October, November, and December. The balance of STAR will be paid on January 2<sup>nd</sup>. If districts submit additional claims after the January payment but before March 1, 2010, the resulting additional STAR Aid will be paid to the districts on March 31, 2010.

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

## OO. 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. 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**

<b>A. PUPIL COUNTS</b>	
<b>ADA</b>	<b>Average Daily Attendance.</b> 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.
<b>Adjusted ADA</b>	This is average daily attendance with half-day kindergarten weighted at 0.50.
<b>ADM</b>	<b>Average Daily Membership.</b> Please see the Foundation Aid section of this handbook for a detailed definition of ADM.
<b>Attendance Ratio</b> (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>Dual Enrollment ADA</b>	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.
<b>Enrollment Index</b>	This index measures the change in public school enrollment from one school year to the next and is computed by dividing current year enrollment by base year enrollment. It is used to compute ADA in the calculation of TAPU for Payment and to calculate Total Aidable Foundation Pupil Units (TAFPU).
<b>Equivalent Attendance</b>	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.
<b>Limited English Proficient Count</b>	The number of pupils served in the base year in programs for pupils with limited English proficiency in accordance with regulations adopted for such purpose. The count is used in the calculation of Foundation Aid.
<b>Public School Enrollment (For State Aid Purposes)</b>	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.

<p><b>Pupils with Disabilities</b></p>	<p>Pupils of school age who are identified as students with disabilities and who receive special education services or attend special education programs which meet criteria established by the commissioner, operated by a school district eligible for total foundation aid pursuant to this section or by a board of cooperative educational services, whether or not the school district is a component of such board.</p>
<p><b>Pupils With Disabilities (Weighted)</b></p>	<p>Pupils with disabilities who have been determined by a Committee on Special Education (CSE) to require any of the following types and levels of programs or services , and who receive such programs and services from the school district of attendance during the base year, multiplied by a special services weighting determined as follows:</p> <p>(1) For placement for 60% or more of the school day in a special class, or home or hospital instruction for a period of more than 60 days, or special services or programs for more than 60% of the school day, the special services weighting shall be 1.70.</p> <p>(2) For placement for 20% or more of the school week in a resource room or special services or programs including related services required for 20% or more of the school week, or in the case of pupils in grades 7-12 or a multi-level middle school program as defined by the commissioner or in the case of pupils in grades 4-6 in an elementary school operating on a period basis, the equivalent of 5 periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or for at least two hours per week of direct or indirect consultant teacher services, in accordance with regulations of the commissioner adopted for such purpose, the special services weighting shall be .090</p>



<p><b>Pupils with Disabilities (Weighted Foundation Pupils)</b></p>	<p>The sum of:</p> <p>(i) A special services weighting of 1.41 multiplied by the full-time equivalent enrollment of pupils with disabilities who have been determined by a school district Committee on Special Education to require any of the following types and levels of programs or services, and who receive such programs and services from the school district of attendance during the base year:</p> <p>(A) placement for 60% or more of the school day in a special class, or</p> <p>(B) home or hospital instruction for a period of more than sixty days, or</p> <p>(C) special services or programs for more than 60% of the school day, or</p> <p>(D) placement for 20% or more of the school week in a resource room or special services or programs including related services for 20% or more of the school week, or in the case of pupils in grades seven through twelve or a multi-level middle school program as defined by the commissioner or in the case of pupils in grades four through six in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or</p> <p>(E) at least two hours per week of direct or indirect consultant teacher services, in accordance with regulations of the commissioner adopted for such purpose, plus</p> <p>(ii) the full time equivalent enrollment of declassification pupils multiplied by a declassification weighting of five-tenths (0.5).</p> <p><b>NOTE: Additional definitions of categories of pupils with disabilities can be found in subdivision 1 of Section 3602 of the NYS Education Law.</b></p>
<p><b>Pupils with Special Educational Needs (PSEN)</b></p>	<p>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.</p>
<p><b>Secondary School Pupil Weighting</b></p>	<p>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.</p>
<p><b>Summer Session Pupils</b></p>	<p>The number of pupils attending 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 when included in the calculation of various pupil counts is 0.12.</p>
<p><b>RWADA</b></p>	<p><b>Resident Weighted Average Daily Attendance.</b> 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.</p>
<p><b>TAFPU</b></p>	<p><b>Total Aidable Foundation Pupil Units.</b> Please see the Foundation Aid section of this handbook for a detailed definition of TAFPU.</p>



<b>TAPU for Expense</b>	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.
<b>Total Aidable Pupil Units (TAPU for Payment)</b>	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 year prior to the base year average daily attendance of the district, adjusted by the index of enrollment change between the year prior to the base year and the base year, 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 calculated TAPU or the average of the calculated TAPU and the TAPU used for aid in the base year is selected for use in aid calculations in the current year.
<b>TWFPU</b>	<b>Total Wealth Foundation Pupil Units.</b> This is the pupil count used along with other wealth variables to measure the relative wealth of a district for purposes of calculating Foundation Aid. This is the sum of ADM for the year prior to the base year, the full time equivalent (FTE ) enrollment of resident pupils attending public school elsewhere less the FTE enrollment of nonresident pupils and the FTE enrollment of resident pupils with disabilities attending full time in BOCES.
<b>TWPU</b>	<b>Total Wealth Pupil Units.</b> 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 for the year prior to the base year, 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.
<b>WADA</b>	<b>Weighted Average Daily Attendance.</b> 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.

<b>B.WEALTH MEASURES</b>	
<b>Actual Value</b>	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. Actual 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 Actual Valuation. NOTE: Actual Valuation for State Aid purposes includes the Actual Value equivalent of payments in lieu of taxes determined pursuant to §485 of the Real Property Tax Law. However, §485 relates only to payments in lieu of taxes from a nuclear powered electric generating facility, and currently affects only a few districts in the state.
<b>Adjusted Gross Income/TWPU</b>	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.
<b>Alternate Pupil Wealth Ratio</b>	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.
<b>AFA</b>	<b>Adjusted Foundation Amount.</b> AFA equals the foundation amount multiplied by the Consumer Price Index multiplied by the Phase-In Foundation %, multiplied by the Regional Cost Index (RCI) multiplied by the Pupil Need Index (PNI). Please see the Foundation Aid section of this handbook for detailed information regarding the calculation of AFA.
<b>AV/RPNE</b>	<b>Actual Valuation per Resident Public and Nonpublic Enrollment</b> is a 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 Actual Value of the district by the total resident public and nonpublic enrollment of the district.
<b>AV/RWADA</b>	<b>Actual Valuation per Resident Weighted Average Daily Attendance</b> , 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 Actual Value of the district by the resident weighted average daily attendance of the district.
<b>AV/TWPU</b>	<b>Actual Valuation per Total Wealth Pupil Units</b> 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 Actual Value of the district's real property by the total wealth pupil units of the district.
<b>Combined Wealth Ratio</b>	A measure of a district's wealth taking into account both Actual 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.
<b>District Adjusted Gross Income</b>	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.

<b>FA</b>	<b>Foundation Amount.</b> The foundation amount reflects the average per pupil cost of general education instruction in successful school districts, as determined by a statistical analysis of costs of general education and special education in successful school districts. It is adjusted annually to reflect the percentage change in the consumer price index. Please see the Foundation Aid section of this handbook for detailed information on the FA.
<b>FAAPWR</b>	<b>Alternate Pupil Wealth Ratio for foundation Aid.</b> The FAAPWR is the quotient when the district's selected adjusted gross income per total wealth pupil unit is divided by the statewide average. Please see the Foundation Aid section of this handbook for a detailed definition of FAAPWR.
<b>FACWR</b>	<b>Combined Wealth Ratio for Foundation Aid.</b> The FACWR is a measure of the district's wealth taking into account both the district's real property and the income of the residents of the district. It differs from the CWR by using the selected Actual Value and Selected AGI values as used in the determination of FAAPWR and FACWR. Please see the Foundation Aid section of this handbook for a detailed definition of FACWR.
<b>FAPWR</b>	<b>Pupil Wealth Ratio for Foundation Aid.</b> The FAPWR is the quotient when the district's selected AV per total wealth pupil unit is divided by the statewide average. Please see the Foundation Aid section for this handbook for a detailed definition of FAPWR.
<b>FASSR</b>	<b>State Sharing Ratio for Foundation Aid.</b> The FASSR is a percentage determined by a formula of relevant factors that determines the proportion of State contribution to a district's expenditures or statutory per pupil formula aid amounts. 1.000 minus the State contribution equals the local contribution to a district's budget. The FASSR differs from the SSR by the use of the FACWR rather than the CWR in the standard SSR formula. Also, for high need/resource-capacity districts, the FACWR is multiplied by 1.05 for the FASSR calculation. Please see the Foundation Aid section of this handbook for a detailed definition of FASSR.
<b>Pupil Wealth Ratio</b>	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 Actual Value per TWPU of the school district is divided by the statewide average Actual Value per TWPU.
<b>Selected Actual Value</b>	<b>Selected Actual Value</b> is the lesser of the actual valuation calculated for aid payable in the current year, or the two-year average of the actual valuation calculated for aid payable in the current year and the actual valuation calculated for aid payable in the base year. Selected Actual Value is used only in the calculation of Foundation Aid. The Actual Value used in all other formulas is based on the assessment year two years prior to the base year.

<b>Sharing Ratio</b>	<p>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:</p> $\left[ 1.000 - \frac{\text{District Wealth Measure}}{\text{State Average}} \right] \times \text{Local Share}$
<b>Statewide Average Adjusted Gross Income Per TWPU</b>	<p>Adjusted gross income of the state is divided by the total wealth pupil units of the state.</p>
<b>Statewide Average Actual Value Per Pupil</b>	<p>(a) Actual valuation of real property in the state is divided by the resident weighted average daily attendance (RWADA) of pupils in the state. District Actual Value per RWADA is compared with the statewide average to give a relative measure of a district's property wealth per student.</p> <p>(b) Actual 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' Actual 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.</p> <p>(c) Actual 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' Actual 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.</p>

<b>C. LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS</b>	
<b>Approved Operating Expenditures (AOE)</b>	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.
<b>Approved Operating Expenditures per TAPU (AOE/TAPU)</b>	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.
<b>Current Year</b>	The current year is the school year in which the aid is paid.
<b>Base Year</b>	The base year is the school year prior to the current year.
<b>Local Levy</b>	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.
<b>Save-Harmless</b>	Save-harmless or “due minimum” refers to a statutory guarantee of the same or similar dollar amount of aid as received in the previous year, even when the formula calculates an amount less than the previous year.
<b>Tax Rate (Regular)</b>	The tax rate is the local levy divided by the Actual Valuation of the district's real property for the same year. It is usually expressed as dollars per \$1,000 of Actual Valuation.

**APPENDIX B**  
**List of State Aid Acronyms**

ADA	Average Daily Attendance
ADM	Average Daily Membership
AFA	Adjusted Foundation Amount
AOE	Approved Operating Expense
APWR	Alternate Pupil Wealth Ratio
ARRA	American Recovery and Reinvestment Act
AV	Actual Valuation
AVL	Approved Voucher Listing
AV/TWFPU	Actual Valuation per Total Wealth Foundation Pupil Units
BAN	Bond Anticipation Note
BEDS	Basic Educational Data System
BOCES	Boards of Cooperative Educational Services
C4E	Contract For Excellence
CAD	Commissioner's Approval Date
CFE	Campaign for Fiscal Equity
CPI	Consumer Price Index
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
DRA	Deficit Reduction Assessment
DRAR	Deficit Reduction Assessment Restoration
EC	Excess Cost
EPE	Employment Preparation Education
EXCEL	Expanding our Children's Education and Learning
FA	Foundation Amount
FAAPWR	Foundation Aid Alternate Pupil Wealth Ratio
FACWR	Foundation Aid Combined Wealth Ratio
FAPWR	Foundation Aid Pupil Wealth Ratio
FASSR	Foundation Aid Selected Sharing Ratio
FCR	Final Cost Report
FMAP	Federal Medical Assistance Percentage
FRPL	Free and Reduced Price Lunch
FTE	Full Time Equivalent
FV	Full Value (Same as AV)
GEA	Gap Elimination Adjustment
HNSBAR	High Need Supplemental Building Aid Ratio
ICF	Intermediate Care Facility
IEP	Individual Education Program
IWI	Income Wealth Index
IY	Incarcerated Youth
LAN	Local Area Network
LEP	Limited English Proficiency
LTF	Local Tax Factor

OCFS	Office of Children and Family Services
OMHPWDD	Office of Mental Health and People with Developmental Disabilities
ORPTS	Office of Real Property Tax Services
OSC	Office of the State Comptroller
PEP	Pupil Evaluation Program
PILOT	Payment in Lieu of Taxes
PNI	Pupil Needs Index
PSEN	Pupils with Special Educational Needs
PWR	Pupil Wealth Ratio
RCI	Regional Cost Index
RPNE	Resident Public and Nonpublic Enrollment
RWADA	Resident Weighted Average Daily Attendance
SED	State Education Department
SSR	State Sharing Ratio, or Selected Sharing Ratio
STAC	System for Tracking and Accounting for Children
STAR	School Tax Relief
TAFPU	Total Aidable Foundation Pupil Units
TAPU	Total Aidable Pupil Units
TGFE	Total General Fund Expenditures
TRS	NYS Teachers Retirement System
TWFPU	Total Wealth Foundation Pupil Units
TWPU	Total Wealth Pupil Units
UPK	Universal Prekindergarten
WADA	Weighted Average Daily Attendance
WAN	Wide Area Network

## APPENDIX C

### Calculation of Combined Wealth Ratio and Selected State Sharing Ratio for 2010-11 Aids

The Selected State Sharing Ratio was used in the calculation of Operating Aid, the largest general aid formula, through the 2000-01 aid year. However, the ratio and its components continue to be used in several aid formulas. The calculation is presented in detail below.

#### COMBINED WEALTH RATIO:

1. 2007 ACTUAL VALUATION
2. 2008-09 TOT WEALTH PUPIL UNITS (TWPU)
3. ACTUAL VALUATION PER TWPU (ENT 1 / ENT 2)
4. PUPIL WEALTH RATIO (ENT 3 / 597,300)
5. PUPIL WEALTH RATIO \*.50 (ENT 4 \* 0.50)
6. 2007 ADJUSTED GROSS INCOME
7. ADJUSTED GROSS INCOME / TWPU (ENT 6 / ENT 2)
8. ALTERNATE PUPIL WEALTH RATIO (ENT 7 / 189,500)
9. ALTERNATE PUPIL WEALTH RATIO \*.50(ENT 8 \* 0.50)
10. COMBINED WEALTH RATIO (CWR) (ENT 5 + ENT 9)

#### SELECTED SHARING RATIO:

11. CWR \* 1.230 (ENT 10 \* 1.230)
12. FORMULA 1 SHARING RATIO (1.370 – ENT 11, MIN 0, MAX .900)
13. CWR \* 0.640 (ENT 10 \* .640)
14. FORMULA 2 SHARING RATIO (1.000 – ENT 13, MIN 0, MAX .900)
15. CWR \* 0.390 (ENT 10 \* 0.390)
16. FORMULA 3 SHARING RATIO (0.800 – ENT 15, MIN 0, MAX .900)
17. CWR \* 0.220 (ENT 10 \* 0.220)
18. FORMULA 4 SHARING RATIO (0.510 – ENT 17, MIN 0, MAX .900)
19. SELECTED SHARING RATIO (HIGHEST OF ENTS 12, 14, 16, OR 18, MIN 0, MAX .900)



**APPENDIX D**

**SAMPLE CALCULATION OF AID ON THE COSTS OF REFINANCING**

District Name: Anydistrict CSD District Code: 000000		Full Refunding Series 1989A	State Share Only 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
<b>Fixed Costs</b>			
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
<b>Variable Costs</b>			
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
<b>Calculation of State Share of Issuance Costs and Additional Principal:</b>			
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
<b>Calculation of Aid on the costs of refunding:</b>			
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
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