

DESCRIPTION OF  
2008-09 NEW YORK STATE  
EXECUTIVE BUDGET RECOMMENDATIONS  
FOR  
ELEMENTARY AND SECONDARY EDUCATION

EDUCATION UNIT  
NEW YORK STATE DIVISION OF THE BUDGET  
January 22, 2008

## INTRODUCTION

This report provides a summary of the 2008-09 New York State aid programs for elementary and secondary education as recommended in the Executive Budget submitted by Governor Spitzer to the Legislature on January 22, 2008.

The descriptions provided in this report were prepared for use by school district officials, representatives of educational organizations, State officials, and other persons interested in New York State public school aid.

Although other aspects of the State's budget may directly or indirectly affect public school districts, except where noted, only appropriations which are administered by the State Education Department are covered in this booklet. This booklet is also available at the Division of the Budget web site under "Localities and School Districts": <http://www.budget.state.ny.us>

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	i
TABLE OF CONTENTS.....	iii
LIST OF TABLES.....	v
SECTION I: SCHOOL AID/STAR OVERVIEW .....	1
2008-09 EXECUTIVE BUDGET RECOMMENDATIONS .....	6
A. 2008-09 SCHOOL AID .....	6
B. OTHER STATE AID PROGRAMS .....	17
OTHER INITIATIVES .....	22
SECTION II: SUMMARY OF 2008-09 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS .....	26
SECTION III: APPENDICES .....	34
APPENDIX III-A: COMPARISON OF 2007-08 AND 2008-09 SCHOOL AID PROGRAMS .....	35
APPENDIX III-B: MATHEMATICAL EXPLANATION OF AID FORMULAS .....	49
APPENDIX III-C: DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2008-09 SCHOOL YEAR .....	66
APPENDIX III-D: FOUNDATION AID PUPIL UNITS..	68
APPENDIX III-E: STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS .....	70
APPENDIX III-F: REGIONAL COST INDEX.....	74

LIST OF TABLES

	<u>Table</u>	<u>Page</u>
II-A	SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS - 2007-08 AND 2008-09 SCHOOL YEARS - NEW YORK STATE .....	27
II-B	2007-08 and 2008-09 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL AND SPECIAL REVENUE FUNDS .....	28
II-C	SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED THROUGH SCHOOL AID APPROPRIATIONS: 2007-08 AND 2008-09 .....	31
II-D	SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS - 2007-08 AND 2008-09 SCHOOL YEARS - NEW YORK CITY .....	32
II-E	CHANGE IN SCHOOL AID FOR 2007-08 AND 2008-09 SCHOOL YEARS: 18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE .....	33

SCHOOL AID/STAR OVERVIEW

The 2008-09 Executive Budget implements the second year of a Four Year Educational Investment Plan which will increase School Aid by over \$7 billion over the four year period ending in 2010-11. The Executive Budget recommendation will bring the cumulative increase since the plan's inception to \$3.18 billion.

For the 2008-09 school year, the Executive Budget recommends increased funding for elementary and secondary education of \$1.457 billion, or 7.45 percent, from \$19.558 billion to \$21.015 billion. Key components of the 2008-09 Executive Budget recommendations include the following:

- An overall increase of \$1.457 billion (7.45 percent) in school aid, including an increase of \$1.439 billion (7.48 percent) in formula-based aids including Building Aids, and an increase of \$18.00 million in grant programs.
- Within formula-based aids, including Building Aids, 600 school districts experience aid increases totaling \$1.459 billion and 77 school districts have aid decreases amounting to -\$19.81 million.
- The Executive Budget continues the Foundation Aid program enacted in 2007-08. Reflective of updated wealth and demographic information reported by school districts, as well as modification proposed in the Executive Budget, for the 2008-09 school year, districts statewide are recommended to receive \$14.543 billion in Foundation Aid, an increase of \$898.56 million or 6.59 percent. Total Foundation Aid of \$14.543 billion is a \$2.006 billion, or 16.00 percent increase over the sum of 2006-07 Foundation Aid base aids.

While the basic elements of Foundation Aid remain in place, the Executive Budget includes several adjustments to the formula that ensure that high need school districts will continue to receive the greatest increases in Foundation Aid. The State's 207 high need districts,<sup>1</sup> including New York City and the other Big Five City school districts, will receive 70 percent of the 2008-09 Foundation Aid increase.

---

<sup>1</sup> The State's 207 high need school districts include the Big Five City school districts and other districts identified by the State Education Department based on pupil need and school district wealth criteria.

For the 2008-09 school year, all districts will receive a year-to-year Foundation Aid increase of a least 2 percent and a maximum increase of 15 percent. The phase-in factor will total 37.5 percent including the 2007-08 phase-in of the four-year increase. By the 2010-11 school year all districts will receive the full amount of the difference between their 2006-07 base year amount and calculated 2010-11 Foundation Aid. Funds are allocated based on enrollment rather than attendance and provide aid targeted to rural school districts and those with children placed at risk by poverty or limited proficiency in English and students with disabilities.

For the 2008-09 school year, formula enhancements include the use of selected Actual Valuation and selected Adjusted Gross Income for the Combined Wealth Ratio for the State Sharing Ratio choice, and, for high need districts, an additional adjustment to the aid ratio choice.

- Funding of \$452.25 million, an overall increase of \$78.96 million, is provided in 2008-09 for Universal Prekindergarten programs. The recommended formula for the 2008-09 school year includes a targeted approach to expansion while also providing school districts with funding stability. Reflective of district wealth and pupil needs, per child grant awards will range from \$2,700 to approximately \$5,800 per child.
- High Tax Aid provides \$100.22 million in funding to school districts statewide. Over 70 percent of aid is directed to high and average need districts that meet certain eligibility criteria. Individual districts are eligible for High Tax Aid provided that the district's Income Wealth Index for Foundation Aid is less than 2.5, the district's approved operating expense per pupil is greater than the statewide average of \$10,550 and the district's tax levy from residential property exceeds 3.3 percent of its adjusted gross income.
- For the 2008-09 school year, reflective of an increase in the per pupil calculation for Career Education Aid as well as school district reported expenditures, \$171.33 million, an increase of \$39.13 million, is available for Special Services Aid for career education programs and school computer services. This aid is provided to both Big Five City school districts and other districts that are not components of BOCES.

- Charter School Transitional Aid provides \$21.17 million for fifteen qualifying school districts that are currently impacted by a concentration of children attending charter schools.
- For the 2008-09 school year, funding of \$2.002 billion, an increase of \$174.06 million, or 9.52 percent, is provided for Building Aid, including Reorganization Incentive Building Aid.
- In addition to Building Aid, for the 2008-09 school year, \$135.00 million, including \$109.00 million for New York City, is available for payment of EXCEL-related debt service.<sup>2</sup> EXCEL provides school districts with grants to support school construction costs that are associated with increasing school capacity as a result of overcrowded classrooms, and projects related to improving energy efficiency and public health and safety.
- An increase of \$108.13 million, for a total of \$1.521 billion, is provided for expense-based Transportation Aid to reimburse school districts for the cost of transporting 2.3 million students statewide. Statewide, up to \$5.00 million continues to be available for reimbursement of district-operated summer school transportation expenses.
- For the 2008-09 school year, recommended formula changes will better align State reimbursement for BOCES services with the income and property wealth of individual school districts. Aid for BOCES services totals \$593.99 million, a year-to-year decrease of -\$31.44 million, or -5.03 percent.
- Reflective of existing statutory formula calculations, High Cost Excess Cost Aid for the 2008-09 school year will total \$437.46 million, an increase of \$25.15 million. Excess Cost Aid for private school special education programs will increase by \$11.97 million to a total of \$234.37 million. Funding for Supplemental Public Excess Cost Aid is not recommended for continuation.
- A total of \$3.19 million, an increase of \$1.55 million, is provided for Full-Day Kindergarten Conversion Aid.

---

<sup>2</sup> The enacted 2006-07 State budget included \$2.60 billion for school construction through bonds issued by the State Dormitory Authority for the EXCEL (Expanding our Children's Education and Learning) program.

- The existing statutory formula will provide a total of \$46.48 million, an increase of \$0.55 million, for Computer Software Aid.
- Computer Hardware Aid will increase by \$0.16 million to a total of \$37.11 million. Consistent with legislation enacted in 2007, public school districts must loan computer hardware and equipment to nonpublic school students.
- The statutory formula for expense-based Textbook Aid provides \$184.93 million in funding for the 2008-09 school year. For 2008-09, Library Materials Aid totals \$19.63 million.
- Funding for Reorganization Incentive Operating Aid will total \$2.86 million.
- For the 2008-09 school year, a total of \$75.00 million is recommended for continued funding for programs to attract, retain and support teachers. The "Teachers of Tomorrow" initiative will be maintained at \$25.00 million. However, the program will expand to assist subject matter specialists working in private industry, such as engineers and computer scientists, to become certified classroom teachers. The Teacher-Mentor Intern program totals \$10.00 million and funding for Teacher Centers is continued at \$40.00 million.
- A total of \$10.00 million in continued funding is recommended for Math and Science initiatives targeted at increasing the supply of qualified math and science teachers in schools across the State and to recognize and reward talented middle school students in these subject areas. The recommended uses of funding are expanded to include pre-engineering and advanced hands-on technical learning opportunities, such as robotics, that are an essential part of modern scientific applications.
- Funding of \$13.84 million is continued to support school health services in the Big Four City school districts.
- Funding for the Bilingual Grants categorical aid program will total \$13.50 million, an increase of \$2.00 million. The increase will provide incentive funds for school



districts to implement model programs with demonstrated effectiveness in serving English-language learners.

- For the 2008-09 school year, the Community Schools program located within the Rochester City School District is continued. Funding of \$4.00 million, the same as last year, is recommended for a consortium of community organizations to promote the efficient delivery of integrated services and family support.
- For the 2008-09 school year, New York City is recommended to receive Academic Achievement Grants of up to \$178.89 million, an increase of \$90.00 million.
- In support of its court-ordered education improvement plan, the Yonkers City school district will receive a \$17.50 million Supplemental Educational Improvement Plan Grant, an increase of \$9.00 million.
- The Executive Budget proposes several initiatives including 2008-09 school year funding for a \$9.40 million Healthy Schools Act to enhance the nutritional quality of school meals while improving access and affordability.

Additionally, the Executive Budget recommends limiting the growth in county costs for preschool special education. Under the proposal, county costs for the 2007-08 school year will be no more than 4 percent higher than their costs for the prior period with the State assuming the remainder of the cost growth. By the 2009-10 school year, annual growth in county costs will be limited to 3 percent. However, this limit on county costs growth will not be applicable to New York City, as its five counties constitute both a unified government and a single school district.

## 2008-09 EXECUTIVE BUDGET RECOMMENDATIONS

For 2008-09, the Executive Budget includes a \$14.54 billion Foundation Aid, a \$452.25 million Universal Prekindergarten Aid program, and other aid provisions described in greater detail below.

### A. 2008-09 SCHOOL AID

Formula-based aids including Building Aids will increase by \$1,438.85 million, or 7.48 percent, to \$20,676.75 million. Grant programs will increase by \$18.00 million. For 2008-09, total school aid funding will be \$21,014.56 million, a \$1,456.85 million, or 7.45 percent, year-to-year increase.

#### FORMULA-BASED AIDS

Foundation Aid: While the basic elements of Foundation Aid, such as calculating funding based on the cost of a successful education and student needs remain in place, the Executive Budget includes several adjustments to the formula. Reflective of updated wealth and demographic information reported by school districts, these adjustments will ensure high need school districts continue to receive the greatest increases in Foundation Aid. For 2008-09, school districts statewide are recommended to receive \$14,542.89 million in Foundation Aid - an increase of \$898.56 million. Funds continue to be allocated based on enrollment rather than attendance and provide aid for children placed at risk by poverty or limited English proficiency and for students with disabilities.

The recommended 2008-09 Foundation Aid total of \$14,542.89 million is a \$2,006.85 million, or 16.01 percent, increase over the sum of 2006-07 Foundation Aid base aids. New York City's two-year increase is \$803.12 million, or 40 percent of the multi-year increase.

Adjusted for actual and projected changes in the Consumer Price Index, the 2010-11 Foundation Amount will be \$5,695 (compared to the \$5,662 amount calculated at the time of the 2007-08 enacted budget). The Combined Wealth Ratio for the computation of a district's State Sharing Ratio choice will use a selected Actual Valuation and a selected Adjusted Gross Income. In addition to their State Sharing Ratio, high need school districts may compute an additional amount equal to .05 times their selected aid ratio up to a maximum of .90. Each school district will receive 37.5 percent of its calculated four-year increase amount compared to the amount received in 2006-07.

For the 2008-09 school year, school districts will receive Foundation Aid equal to their base-year Foundation Aid amount plus an increase of at least 2.00 percent. The maximum increase a district may receive is 15.00 percent. By the 2010-11 school year all districts will receive the full amount of the difference between their 2006-07 base year amount and calculated 2010-11 Foundation Aid.

A more detailed description of the general computation of Foundation Aid for all districts is summarized as follows:

I. Computation of Foundation Aid

A district's per pupil aid will be the greater of:

<b>Standard Local Cost of Education</b>	<b>x</b>	<b>State Sharing Ratio</b>
---	----------	----------------------------

or

<b>Standard Local Cost of Education</b>	<b>-</b>	<b>Expected Minimum Local Contribution</b>
---	----------	--

II. Computation of the Standard Local Cost of Education

- This is the cost of educating the average student to meet the State's learning standards based on a Regents' study of 465 New York school districts that are performing well
- It is adjusted for regional cost differences
- It is also adjusted for children in poverty, with limited English proficiency and geographic sparsity

This is summarized in the formula below:

<b>Standard Local Cost of Education</b>	<b>=</b>	<b>Cost of Successful Schools</b>	<b>x</b>	<b>Regional Cost Factor</b>	<b>x</b>	<b>Pupil Need Index</b>
---	----------	-----------------------------------	----------	-----------------------------	----------	-------------------------

III. Computation of the Components of the Standard Local Cost of Education

<b>Cost of Successful Schools</b>	<b>=</b>	Average Cost for 465 successful schools based on a Regents' study	<b>=</b>	\$5,258 for the 2007-08 school year (\$5,695 for the 2010-11 school year)
-----------------------------------	----------	---	----------	---

<b>Regional Cost Factor</b>	=	Based on a Regents' study of median salaries for 59 non-education related professions	=	From 1.000 (North Country/Mohawk Valley) to 1.425 (NYC/Long Island)
<b>Pupil Need Index</b>	=	Poverty weighting(.65 for free and reduced price lunch pupils + .65 for Census poverty pupils); .50 Limited English proficiency weighting; + Sparsity adjustment	=	Range of 1.0 (minimum) to 2.0 (maximum)

#### IV. Computation of the State Sharing Ratio

		The greatest of:		
<b>State Sharing Ratio</b>	=	1.37 - (1.230 x CWR) <sup>3</sup>		The maximum ratio is .90 <sup>4</sup>
		1.00 - (0.640 x CWR)		
		0.80 - (0.390 x CWR)		
		0.51 - (0.220 x CWR)		

#### V. Computation of the Expected Minimum Local Contribution

- Calculates a tax rate that ranges from a minimum of \$10.14 per \$1,000 of full value for low income districts up to a maximum of \$31.20 per \$1,000 of full value for wealthier districts
- Based on the District Tax Base multiplied by the Expected Local Tax Rate
- District Tax Base is the total taxable property value of the district per pupil
- Expected Local Tax Rate is based on local ability to pay, as measured by the district income per child

<sup>3</sup> For a description of the Combined Wealth Ratio (CWR) for Foundation Aid, see the formula descriptions in Appendix III-A and III-B.

<sup>4</sup> High need school districts, including the Big Five City schools, may compute an additional amount equal to .05 times their State Sharing Ratio. The maximum ratio including the additional amount continues to be .90.

- Lower income communities would be expected to contribute less and higher income communities would be expected to contribute more
- A district's Expected Minimum Local Contribution is not mandatory

This is summarized in the following formula:

<b>Expected Minimum Local Contribution</b>	<b>=</b>	<b>Statewide Average School Tax Rate</b>	<b>X</b>	<b>Income Wealth Index</b>	<b>x</b>	<b>District Property Wealth Per Pupil</b>
--	----------	--	----------	------------------------------------	----------	---

VI. Computation of the Components of the Expected Minimum Local Contribution

<b>Statewide Average School Tax Rate</b>	<b>=</b>	3-year statewide average school tax rate x 90% (i.e., assumed relation between Foundation-related expenditures and total expenditures)	<b>=</b>	.0156 (\$15.60 per \$1,000 full value)
<b>Income Wealth Index</b>	<b>=</b>	District income/Statewide average	<b>=</b>	.65 minimum; 2.0 maximum
<b>District Property Wealth</b>	<b>=</b>	The sum of the taxable full value of real property in a school district/resident pupils		

Foundation Aid Plan and Setaside Requirements: For districts receiving Foundation Aid, a limited English proficiency plan requirement will ensure continuation of services to pupils with limited proficiency in English. A setaside requirement is also provided for public school programs for children with disabilities. In addition, the 2008-09 Executive Budget includes a \$170.30 million Magnet School and a \$67.48 million Teacher Support Aid setaside requirement for selected districts. New York City must set aside an amount from its Foundation Aid that is equal to its base year funding for programs for attendance improvement and dropout prevention.

Universal Prekindergarten Aid: The 2008-09 Executive Budget provides \$452.25 million, an increase of \$78.96 million compared to current projections for the 2007-08 school year, including mid-year expansion. The recommended formula includes a targeted approach to expansion while also providing school districts with

stability in funding. When fully implemented in the 2010-11 school year, it is projected that total funding for Universal Prekindergarten will grow to \$633.00 million.

For the 2008-09 school year, a district will receive the sum of its 2006-07 amounts for the Universal Prekindergarten, Supplemental Prekindergarten and Targeted Prekindergarten programs plus a grant per child for aidable 2007-08 and 2008-09 prekindergarten pupils. The grant per child is based on a district's Selected Foundation Aid per pupil. Districts will receive the greater of 50 percent of their Selected Foundation Aid per pupil or their 2006-07 State prekindergarten amount. Reflective of district wealth and pupil needs, grant awards will range from \$2,700 to approximately \$5,800 per child. For the 2008-09 school year, funding will be available for approximately 120,000 students to attend Universal Prekindergarten programs throughout the State.

High Tax Aid: This aid category provides a total of \$100.22 million to eligible school districts statewide. The recommended allocation directs a greater proportion of aid (over 70 percent) to high and average need school districts. Individual districts are eligible for High Tax Aid provided that the district's Income Wealth Index for Foundation Aid is less than 2.5, the district's approved operating expense per pupil is greater than the statewide average of \$10,550 and the district's tax levy from residential property exceeds 3.3 percent of its adjusted gross income.

Public Excess Cost High Cost Aid: Public Excess Cost High Cost Aid will continue to be calculated based on the existing statutory formula and will total \$437.46 million in 2008-09, an increase of \$25.15 million. This program supports the additional costs of providing resource-intensive public school and BOCES programs for students with disabilities.

Private Excess Cost Aid: This program supports special education programs serving public school children placed in private school settings and in the State-operated schools at Rome and Batavia. All existing provisions of law are continued. State funding in 2008-09 will total \$234.37 million, an increase of \$11.97 million.

Charter School Transitional Aid: For the 2008-09 school year, \$21.17 million is provided for aid for 15 qualifying districts currently impacted by a concentration of children attending charter schools. Formula elements target aid to districts based on the percentage of resident pupils enrolled in

charter schools and the percentage of payments made to charter schools compared to a district's total general fund expenditures.

Special Services Aid: Special Services Aid funds career education programs and computer services for Big Five City and other school districts which are not components of a BOCES. The career education aid ceiling for 2008-09 is increased to \$4,000 plus an additional wealth-adjusted amount.<sup>5</sup> Computer services aid is based upon an aid ratio multiplied by expenses up to \$62.30 multiplied by the district's K-12 enrollment. Reflective of per pupil calculations as well as school district reported expenditures, for 2008-09, this aid will total \$171.33 million, an increase of \$39.13 million.

Transportation Aid: Transportation Aid will total \$1,521.03 million in 2008-09, an increase of \$108.13 million compared to the previous year. The minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, aid will range from 6.5 percent to 90 percent of a district's approved transportation expenses). The aid ratio choice permitting school districts to receive aid based on public and nonpublic enrollments is continued and will benefit districts transporting large numbers of nonpublic school students. Districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset. District expenditures for transportation to and from school district operated summer classes to improve student performance will be aided up to a maximum of \$5.00 million statewide.

BOCES Aid: School districts that are components of a BOCES (Board of Cooperative Educational Services) are eligible for BOCES Aid. BOCES provide services upon the request of two or more component school districts with the approval of the Commissioner of Education. Aid is provided for approved service costs, administrative expenditures, and facility rental and construction costs.

For the 2008-09 school year, recommended formula changes will better align State reimbursement for BOCES services with the per pupil income and property wealth of individual school districts. The minimum aid ratio for BOCES Aid for the 2008-09 school year will be 36 percent. For 2008-09, aid to reimburse districts for expenditures for BOCES services in the 2007-08 school year will total \$593.99 million, a year-to-year decrease of -\$31.44 million.

---

<sup>5</sup> The additional amount is equal to \$1,000 divided by a district's Combined Wealth Ratio. No eligible district will receive less than \$1,000.

Computer Hardware and Software Aids, Textbook and Library Materials Aids: For the 2008-09 school year, the Executive Budget continues statutory per pupil funding for Computer Hardware Aid, Computer Software Aid, Textbook and Library Materials Aid. The following provisions apply:

- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides reimbursement for expenses up to \$24.20 per pupil for the lease or purchase of mini- and micro-computers, computer terminals and technology equipment for instructional purposes, as well as for repair costs and for staff development. Per pupil aid is based on public and nonpublic pupils. Consistent with legislation enacted in 2007, public school districts must loan computer hardware and equipment to nonpublic school students. For the 2008-09 school year, funding of \$37.11 million, an increase of \$0.16 million, is provided.
- Computer Software Aid: Under this program, aid is apportioned to districts for the purchase and loan of computer software. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to the Rules of the Board of Regents. For the 2008-09 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2008-09, Computer Software Aid will total \$46.48 million, an increase of \$0.55 million.
- Textbook Aid: These funds reimburse school districts for the purchase of textbooks which are loaned to both public and nonpublic pupils. Schools are also able to qualify for reimbursement based on eligible purchases of content-based instructional materials in an electronic format. The lottery funded portion of Textbook Aid is \$15.00 per pupil. The general fund portion is \$43.25 per pupil, for a combined maximum textbook aid payment of \$58.25 per pupil. This aid will total \$184.93 million in 2008-09, a decrease of -\$0.26 million.
- Library Materials Aid: Districts are reimbursed for expenses up to \$6.25 per pupil based on public and nonpublic school enrollment. For 2008-09, Library Materials Aid will total \$19.63 million, a decrease of -\$0.01 million. Materials purchased under this program and designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils.



Full-Day K Conversion Aid: This aid category provides funding to encourage school districts to establish full-day kindergarten programs intended to strengthen the quality of education for five-year-old children. School districts first offering full-day kindergarten programs in 2008-09 will receive Selected Foundation Aid per pupil for any increase in the number of students served in full-day programs in 2008-09 compared to 2007-08. For 2008-09, a total of \$3.19 million, an increase of \$1.55 million, is provided for this program. An additional, \$2.00 million is provided for UPK and Full-Day Kindergarten Planning Grants.

Education Grants: For the 2008-09 school year, in support of its court-ordered education improvement plan, the Yonkers City school district will receive an additional \$9.00 million for a total \$17.50 million Supplemental Educational Improvement Grant. A total of up to \$178.89 million, an increase of \$90.00 million, is provided for the New York City School District for Academic Achievement Grants.

Reorganization Incentive Operating Aid: For 2008-09, aid for operating expenses incurred by school districts that are scheduled for reorganization will amount to \$2.86 million. For districts that reorganize after July 1, 2007, Reorganization Incentive Operating Aid is paid as a supplement based on 2006-07 formula Operating Aid. The Operating Aid enhancement for reorganizing districts will be 40 percent per year for the first five years, after which the percentage of additional operating aid decreases by four percent per year.

Building/Reorganization Incentive Building Aid: For 2008-09, Building Aid to support school building projects throughout the State (including Reorganization Incentive Aid for building expenses incurred by those school districts that reorganize under section 3602 of the Education Law) will total \$2,002.45 million, an increase of \$174.06 million. Projects receive aid based on the date of approval by voters with Building Aid based on the greater of their current year AV/RWADA aid ratio or their 1999-00 Building Aid ratio reduced by 10 percentage points. An additional enrichment of up to 10 percent is provided for projects approved July 1, 1998 and thereafter.

For aid payable for projects approved after July 1, 2005, for high need school districts including the Big Five City schools, districts may compute an additional amount equal to .05 times their selected aid ratio. The maximum aid payable is 98 percent of the project's approved costs.

For projects for which a contract is signed July 1, 2004 or later, the 2005-06 Enacted Budget included changes to the Building Aid formula that address increased costs specific to New York City. These are continued in 2008-09. The New York City cost allowance will include legitimate extraordinary costs related to:

- multistory construction necessitated by substandard site sizes,
- site security costs,
- difficulties with delivery of construction supplies,
- increased fire resistance and fire suppression costs,
- site acquisition,
- environmental remediation and
- building demolition costs.

Additionally, payment for new construction projects otherwise eligible for aid continues to be deferred in instances in which the school district did not file a notice that a general construction contract has been signed with the Commissioner of Education by the November 15, 2007 database.

EXCEL Building Aid<sup>6</sup>: A total of \$135.00 million in aid for EXCEL Building Aid debt service payments, including \$109.00 million for New York City, is available for the 2008-09 school year. EXCEL provides school districts with grants to support school construction costs that are associated with increasing school capacity as a result of overcrowded classrooms, and projects related to improving energy efficiency and public health and safety.

#### GRANT PROGRAMS AND ADDITIONAL AID CATEGORIES

Teachers of Tomorrow: For 2008-09, \$25.00 million will continue to be available for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist. Of available funds, up to \$15.00 million, or 60 percent, will go

---

<sup>6</sup> The enacted 2006-07 State budget included \$2.60 billion for EXCEL funding (Expanding our Children's Education and Learning) to support school construction through bonds issued by the State Dormitory Authority. New York City will receive up to \$1.80 billion with an additional \$400 million available for the State's high need school districts. The remaining \$400 million is allocated for projects in average and low need districts. As additional bonds are issued up to the total authorized amount of \$2.60 billion, the annual amount of EXCEL Building Aid will increase to \$191.00 million.

to New York City. For the 2008-09 school year, the program will expand to assist subject matter specialists working in private industry, such as engineers and computer scientists, to become certified classroom teachers.

Teacher Resource and Computer Training Centers: Funding of \$40.00 million is continued for the 2008-09 school year. This allocation will support over 120 Centers statewide which provide services to teachers in school districts and BOCES.

Teacher-Mentor Intern: Under this program funding of \$10.00 million will continue to be available to support school-year programs through which new teachers work with an experienced teacher as their mentor.

Math and Science Initiatives: This \$10.00 million program is targeted at increasing the supply of qualified math and science teachers in schools across the State and to recognize and reward talented middle school students in these areas. The recommended uses of funding are expanded to include pre-engineering and advanced hands-on technical learning opportunities, such as robotics, that are an essential part of modern scientific applications.

School Health Services: For the 2008-09 school year, \$13.84 million in funding is continued to provide necessary health services to students in the Big Four City school districts.

UPK and Full-Day Kindergarten Planning Grants: For the 2008-09 school year, UPK and Full-Day Kindergarten Planning Grants will continue to be funded at \$2.00 million.

Rochester Community Schools: For the 2008-09 school year, the Executive Budget continues funding of \$4.00 million for this program located in the Rochester City School District. This funding supports efforts by a consortium of community organizations to promote the efficient delivery of integrated services and family support.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs for persons who are 21 years of age or older who have not received a high school diploma. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid will be \$96.00 million for the 2008-09 school year, the same amount as in 2007-08. If approved

claims exceed such amount, all claims will be subject to proration.

Urban-Suburban Transfer: A total of \$1.13 million, the same as in 2007-08, will be provided to districts that participate in a voluntary interdistrict transfer between urban and suburban school districts to reduce racial isolation. Related transportation expenses are eligible for Transportation Aid.

Education of Homeless Children: Chapter 348 of the Laws of 1988 amended Section 3602 of the Education Law to institute this program of State aid under which school districts where homeless children are temporarily located are reimbursed for the direct cost of educating such children. This cost to the State is partially recaptured from the district of last attendance for each such homeless child by deducting an amount equal to the district's basic contribution per pupil<sup>7</sup> from the district's State aid. The net cost of aid for homeless pupils is estimated at \$6.48 million, the same amount as in 2007-08.

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

Bilingual Education Grants: In 2008-09, \$13.50 million, a \$2.00 million increase, is recommended for funding for regional bilingual programs at BOCES and to support innovative Two-Way Bilingual Education Programs. Such programs employ two languages (one of which is English) for the purpose of instruction and involve students whose native language is other than English. The recommended increase will provide incentive funds for school districts to implement model programs with demonstrated effectiveness in serving English-language learners.

Education of OMH/OMR Pupils: A total of \$54.60 million is continued in the School Aid appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of section 3202 of the Education Law. Aid is also provided for children who reside in

---

<sup>7</sup> A district's basic contribution per pupil is equal to its total base-year property and non-property taxes divided by the base-year public school resident enrollment.

intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

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

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

Roosevelt School District: For the 2008-09 school year, \$6.00 million is continued for academic improvement in the Roosevelt School District.

Education of Native Americans: A total of \$36.50 million for the 2008-09 school year is provided for the full cost of elementary and secondary education (including transportation expenses) for Native American children as authorized by Article 83 of the Education Law. The program benefits approximately 2,500 children living on 9 reservations and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

#### B. OTHER STATE AID PROGRAMS

The aids highlighted below are shown in Table II-B on a State fiscal year basis. These programs affect school districts, but they are typically not funded in the School Aid appropriations.

Basic Education for Public Assistance Recipients: For 2008-09, \$2.00 million is continued for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade.

Children of Migrant Workers: A total of \$90,000, the same as for 2007-08, is provided to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: For 2008-09, an appropriation of \$5.32 million is recommended for a program of adult literacy consisting of competitive grants to community-based

organizations, literacy volunteer organizations, and two- and four-year colleges and libraries.

New York State Center for School Safety: For 2008-09 \$475,000, the same as last year, will be made available through the New York State Center for School Safety to disseminate information and provide training and technical assistance on violence prevention to schools and communities.

Civility, Citizenship and Character Education Curriculum: No funding is recommended for this program in the 2008-09 school year.

Lunch/Breakfast Programs: A total of \$31.70 million in State funds, the same amount as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is recommended to subsidize school lunch and school breakfast programs. The Federal share of the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$748.60 million for the 2008-09 Federal fiscal year. Beginning in 2009-10, State reimbursement for all meals served at school will be increased to enable schools to purchase healthier food products.

Health Education Program: For 2008-09, \$750,000 continues to be available for health-related programs including those providing instruction and supportive services in comprehensive health education or AIDS prevention programs.

Healthy Schools Program: Funding of \$5.00 million (\$9.40 million school year) is recommended for a program to increase the nutritional quality of school meals while improving access and affordability. Reimbursement for school meals will be increased so that all children who are now eligible for reduced price meals will be able to receive school meals at no cost.

Primary Mental Health Project: A total of \$970,000 is continued in 2008-09 for State support of school-based programs for the early detection and prevention of school adjustment and learning problems experienced by children in the primary grades.

Transferring Success: No funding is recommended for this program in the 2008-09 school year.

After School Programs/21<sup>st</sup> Century Learning Centers: For the 2008-09 school year, \$10.00 million is recommended for programs to provide academic enrichment outside of the regular school hours primarily for children attending high-poverty and low-

performing schools and schools identified as being in need of improvement.

Student Mentoring-Tutoring Program: A total of \$1.00 million is provided for model programs for improving student graduation rates.

Workplace Literacy: Under this program, \$1.38 million is continued in 2008-09 to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization, which provides adult education services to union members and workers in New York City, continues to be funded at \$11.50 million in 2008-09.

Apprenticeship Training: For 2008-09, \$1.83 million is continued to provide funding to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Extended School Day/School Violence Prevention: A total of \$30.20 million is continued to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs.

Missing Children Education Program: No funding is recommended for this program in the 2008-09 school year.

Schools Under Registration Review (SURR): A total of \$1.90 million continues to be available in State aid to these schools. Through the SURR process, the State Education Department identifies the lowest-performing schools, provides warning that their registrations may be revoked, and attempts to assist in improving their education programs.

Academic Intervention for Nonpublic Schools: A total of \$1.00 million, the same as in 2007-08, will support a program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Nonpublic School Aid: A total of \$142.40 million, an increase of \$15.00 million, is available to reimburse the actual expenses incurred by nonpublic schools for specified State testing and data-collection activities, pursuant to the provisions of Chapters 507 and 508 of the Laws of 1974.

Private Schools for the Blind and Deaf: A total of \$122.83 million, an increase of \$4.73 million, will be provided, under Article 85 of the Education Law, for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for children with multiple disabilities.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$661.50 million is provided for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. An appropriation of \$20.00 million is provided for additional State reimbursement to eligible counties for costs that exceed the predetermined growth rate. Similar to 2007-08, prior year claims on file with the State Education Department as of April 1, 2008 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2008-09 will receive priority status for payment in 2009-10.

Summer School Program for Disabled Students: An appropriation of \$243.40 million, the same as last year, is provided to meet the State's 70 percent share of costs of summer school programs for school-age pupils with disabilities pursuant to Section 4408 of the Education Law. The 2008-09 appropriation will fund prior year liabilities and up to 70 percent of the 2008-09 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Center for Autism and Related Services: For 2008-09, a total of \$500,000 in State funds, a decrease of \$500,000, is provided to this SUNY-affiliated resource center that provides evidence-based training and support to families, professionals, school districts and peers of people with autism and related disabilities. This State support is supplemented by \$500,000 in funding through Federal Individuals with Disabilities Education Act (IDEA) resources for a total of \$1.00 million.

Special Education - Federal Medicaid Offset: For the 2008-09 State fiscal year, the Enacted Budget includes a \$40.00 million offset to State special education costs based on recovery of Federal Medicaid funds for medically related services provided to eligible children in special education programs.

Targeted Special Education Teacher Salary Supplement: A total of \$4.0 million in Federal funds is recommended to continue support to private special education providers that serve students with disabilities to allow them to provide targeted adjustments to teacher salaries to help allow these



schools to attract new teachers and prevent excessive turnover of existing teaching staff.

Summer Food Program: A total of \$3.30 million in State funds, the same as last year, is appropriated to subsidize summer food service programs operating during the 2008-09 school year.

Math and Science High Schools: For the 2008-09 school year, \$1.50 million will continue to be available to support three math/science academies to provide expanded learning opportunities.

National Board for Professional Teaching Standards Certification: For the 2008-09 school year, \$500,000 is continued to fund grants for teachers of up to \$2,500 toward the cost of certification by the National Board for Professional Teaching Standards.

Advances to Hurd City School Districts: A total of \$3,259,800 in loan funds (Hurd advances) is appropriated in 2008-09 for city school districts first eligible to receive loans pursuant to Chapter 280 of the Laws of 1978. Commencing with 1992-93, pursuant to Chapter 280 of the Laws of 1978 as amended by Chapter 53 of the Laws of 1991, district advances are being reduced by 5 percent per year, until no advances are made in the 2011-12 school year.

## OTHER INITIATIVES

Contracts for Excellence: For 2008-09, all school districts receiving a Foundation Aid increase in excess of 10 percent, or \$15.00 million, or receiving a Supplemental Educational Improvement Plan grant and having a school identified as having educational deficiencies will be required to develop a Contract for Excellence. The Contract outlines how they will spend State funding on measures that have been proven to improve student performance, especially for students with the greatest educational needs. The Contract also requires districts to make progress in attaining State and Federal standards. The Executive Budget recommends that these districts be required to enter into the Contract annually for a three-year period unless the district no longer has any schools with performance deficiencies.

Initiatives permitted under the Contracts for Excellence program include:

- Reducing class sizes;
- Increasing time on task;
- Increasing the quality of teaching;
- Restructuring Middle and High Schools; and
- Participating in full-day kindergarten or prekindergarten.

For the 2008-09 school year, the Executive Budget recommends expanding allowable activities to include programs which are effective in improving the academic achievement of English Language Learners.

State Education Department Accountability Initiative: The Executive Budget provides \$15.00 million for accountability requirements, the same level as in 2007-08, which will continue to enhance the ability of the Department to measure and improve educational outcomes with a particular focus on Contract for Excellence districts.

School Leadership Initiatives: The Executive Budget recommends the establishment of a Task Force on School Leadership. The Task Force will evaluate the processes through which school leaders and supervisors develop and recommend new programs and services to ensure that these leaders are prepared for the challenges of educating New York's students.

Property Tax Relief: For 2008-09, the School Tax Relief (STAR) program will provide New York's taxpayers with savings of almost \$5 billion in property tax relief. In addition, the Executive Budget includes an expanded property tax relief program that includes the following:

- In 2008-09, approximately 652,000 senior homeowners will be eligible to receive an enhanced exemption. The statewide average STAR enhanced benefit for seniors is estimated at \$1,247. To be eligible for the enhanced benefit, residential property owners must be at least 65 years of age. (If property is owned by husband and wife or by siblings, then one of them must be at least 65 years old. Eligibility was expanded in 2000 to surviving spouses who are at least 62 years of age, and certain nursing home residents). In addition to the age requirement, annual income cannot exceed \$70,650 to receive benefits in 2008.
- In 2008-09, the school property tax exemption will provide over 2.8 million other homeowners who are not eligible for the senior citizen enhanced exemption with a full value equivalent homestead exemption of at least \$30,000. Statewide tax savings relating to this basic STAR exemption will average \$650.
- The exemptions provided to all homeowners living in counties where median home sale prices exceed the statewide median are adjusted upward from the minimums stated above to account for regional variations in property values.
- Legislation accompanying the Executive Budget would lower the "floor" adjustment that limits year over year reductions in STAR exemption amounts from 5 percent to 10 percent.
- Under the STAR program, New York City's more than 3 million resident personal income taxpayers receive a flat refundable credit and a rate reduction.
- Legislation accompanying the Executive Budget would modify the New York City STAR income tax program by limiting the flat refundable credit available to all NYC residents to taxpayers with incomes under \$250,000, and delaying scheduled increases in such credits for one year.
- Total local taxpayer savings will be nearly \$1.1 billion in 2008-09, reducing New York City personal income tax liability by over 10 percent.

The 2008-09 Executive Budget includes funding of over \$1.2 billion for a Middle Class STAR Rebate Program which targets additional tax relief to middle class homeowners as follows:

- Recipients of Basic STAR with incomes of \$90,000 or below (\$120,000 in the Downstate Metropolitan area consisting of New York City and the counties of Nassau, Suffolk, Westchester, Rockland and Putnam) will receive a rebate equal to 60 percent of their 2006-07 basic exemption benefit.
- Middle Class STAR Rebate benefits will be adjusted using a sliding scale for homeowners with incomes between \$90,000 and \$250,000 (or between \$120,000 and \$250,000 in Downstate Metropolitan areas).
- Approximately 95 percent of current basic STAR exemption recipients will be eligible to receive an additional benefit under the Middle Class Rebate Program.
- Recipients of Enhanced STAR will receive a rebate equal to 35 percent of their 2006-07 enhanced exemption benefit.
- Legislation accompanying the Executive Budget would authorize the Tax Department to offset tax debts, child support and other debts against basic STAR rebates and would delay the 2008-09 increases in the Basic Middle Class STAR Rebate Program by one year.

Property Tax Commission: Governor Spitzer has proposed a bipartisan Commission with Moreland Act investigatory powers to examine school district property taxes. The Commission will be charged with developing:

- Reforms that address the major costs driving local school district property taxes;
- Proposals to increase the fairness and effectiveness of New York's property tax relief system for middle class taxpayers; and
- A fair and effective property tax cap for school districts that controls property taxes while providing for needed education investments. The Commission will study the experience of other states in implementing caps, recognizing the differences between those states and New York.

Wicks Law Reform: The Executive Budget includes a series of mandate relief proposals and initiatives to help school districts control costs, including Wicks Law Reform. The current Wicks Law threshold of \$50,000 is too low and has not been updated since 1964. Reform will reduce the costs of construction, and thereby help create jobs and keep property taxes under control. The Governor will again submit legislation to reform the Wicks Law. The legislation will reflect the legislative negotiations from last year. Features include:

Increase Threshold: A three-tiered threshold system to take into consideration the geographic differences in the cost of construction. Currently, there is only one tier of \$50,000.

- Increase the current \$50,000 threshold to: \$3 million for New York City; \$1.5 million for Westchester, Nassau and Suffolk counties; and \$500,000 for Upstate.
- This will mean a 60-fold increase in the current threshold in New York City, a 30-fold increase in New York City suburbs, and 10-fold increase for Upstate.

Increase Protections: Further subcontractor protections to ensure that the original intent of the Wicks Law - to protect subcontractors from bidding fraud - remain intact:

- A "stop-bid" process to cover circumstances where an employer is failing to issue separate bid specifications on Wicks projects.
- Strengthened bid protections by requiring approval by the public owner for subcontractor substitutions.
- Additional protections including the prompt payment provision and the sealed sub-contractor bid list provision.

## II

### SUMMARY OF 2008-09 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

#### School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2008-09 New York State aid programs relating to support for public schools: the 2008-09 school year which runs from July 1, 2008 through June 30, 2009; and the 2008-09 State fiscal year which runs from April 1, 2008 through March 31, 2009. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for School Aid and the 2007-08 and 2008-09 State fiscal year appropriations from the General Fund and Lottery Fund.

- Table II-A shows the school year changes for aid programs funded within the School Aid appropriations for 2008-09. Formula-based aids, including Building Aids, increase by 7.48 percent
- Table II-B gives the 2007-08 and 2008-09 State fiscal year appropriations from the General Fund, School Tax Relief Fund, and Lottery Fund.

TABLE II-A  
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS  
-- 2007-08 AND 2008-09 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2007-08	2008-09	Change	
	School Year	School Year	Amount	Percent
I. Formula-Based Aids:	(----- Amounts in Millions -----)			
Foundation Aid	\$13,644.33	\$14,542.89	\$898.56	6.59 %
Excess Cost - High Cost	412.31	437.46	25.15	6.10
Excess Cost - Private	222.40	234.37	11.97	5.38
Reorganization Operating Aid	0.00	2.86	2.86	NA
Textbooks (Incl. Lottery)	185.19	184.93	(0.26)	(0.14)
Computer Hardware	36.95	37.11	0.16	0.43
Computer Software	45.93	46.48	0.55	1.20
Library Materials	19.64	19.63	(0.01)	(0.05)
BOCES	625.43	593.99	(31.44)	(5.03)
Special Services (Career Ed./Computer Admin.)	132.20	171.33	39.13	29.60
Transportation (Including Summer)	1,412.90	1,521.03	108.13	7.65
High Tax	99.99	100.22	0.23	0.23
Universal Prekindergarten	363.29	452.25	88.96	24.49
Education Grants	97.39	196.39	99.00	101.65
Charter School Transitional Aid	20.30	21.17	0.87	4.29
Full-Day Kindergarten	1.64	3.19	1.55	94.51
<b>Formula-Based Aids Total</b>	<b>\$17,319.89</b>	<b>\$18,565.30</b>	<b>\$1,245.41</b>	<b>7.19 %</b>
EXCEL Building Aid - New York City	70.00	109.00	39.00	55.71
Building/Reorganization Building	1,828.39	2,002.45	174.06	9.52
Supplemental Public Excess Cost	19.62	0.00	(19.62)	(100.00)
	1,918.01	2,111.45	193.44	10.09
<b>Total Formula-Based and Other Aids</b>	<b>\$19,237.90</b>	<b>\$20,676.75</b>	<b>\$1,438.85</b>	<b>7.48 %</b>
II. Grant Programs and Additional Aid Categories:				
EXCEL Building Aid - Rest of State	0.00	26.00	26.00	NA
UPK and Full-Day K Planning Grants	2.00	2.00	0.00	0.00
Mid-Year UPK Expansion	10.00	0.00	(10.00)	(100.00)
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	40.00	40.00	0.00	0.00
Teacher-Mentor Intern	10.00	10.00	0.00	0.00
Math and Science Initiatives	10.00	10.00	0.00	0.00
Rochester Community Schools	4.00	4.00	0.00	0.00
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	6.00	6.00	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	6.48	6.48	0.00	0.00
Incarcerated Youth	16.50	16.50	0.00	0.00
Bilingual	11.50	13.50	2.00	17.39
Education of OMH/OMR Pupils	54.60	54.60	0.00	0.00
Special School Districts	2.70	2.70	0.00	0.00
Chargebacks	(33.31)	(33.31)	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	2.50	2.50	0.00	0.00
Native American Education	36.50	36.50	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
	319.81	337.81	18.00	5.63
<b>SCHOOL YEAR TOTAL</b>	<b>\$19,557.71</b>	<b>\$21,014.56</b>	<b>\$1,456.85</b>	<b>7.45 %</b>

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2008.

TABLE II-B  
2007-08 AND 2008-09 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	2007-08	2008-09	Change	
			Amount	Percent
School Aid and STAR	\$23,888,753,000	\$25,404,135,000	\$1,515,382,000	6.34 %
General Support for Public Schools	15,294,394,000	16,456,084,000	1,161,690,000	7.60
New York City Academic Achievement Grants	62,220,000	125,220,000	63,000,000	101.25
Additional 2007-08 Computer Hardware Aid	6,225,000	0	(6,225,000)	(100.00)
BOCES	590,177,000	617,696,000	27,519,000	4.66
Employment Preparation Education	96,000,000	96,000,000	0	0.00
Homeless Pupils	4,533,000	4,533,000	0	0.00
Bilingual Grants	8,050,000	9,450,000	1,400,000	17.39
Learning Technology	2,300,000	2,303,000	3,000	0.13
Urban-Suburban Transfer	791,000	791,000	0	0.00
Native American Building	1,750,000	1,750,000	0	0.00
Incarcerated Youth	11,550,000	11,550,000	0	0.00
Education of OMH/OMR Pupils	38,220,000	38,220,000	0	0.00
Special Act Districts	1,540,000	1,890,000	350,000	22.73
Bus Driver Training	280,000	280,000	0	0.00
UPK and Full-Day K Planning Grants	1,400,000	1,400,000	0	0.00
Math and Science Initiatives	7,000,000	7,000,000	0	0.00
Rochester Community Schools Program	2,800,000	2,800,000	0	0.00
Supplemental Educational Improvement Plan Grants	5,950,000	12,250,000	6,300,000	105.88
Teachers of Tomorrow	17,500,000	17,500,000	0	0.00
Teacher-Mentor Intern	7,000,000	7,000,000	0	0.00
Teacher Resource Center	28,000,000	28,000,000	0	0.00
Special Academic Improvement Grants	4,200,000	4,200,000	0	0.00
Education of Native Americans	23,940,000	25,550,000	1,610,000	6.73
School Health Services Grants	9,688,000	9,688,000	0	0.00
Total General Fund	16,225,508,000	17,481,155,000	1,255,647,000	7.74
STAR: School Tax Relief Fund	4,888,000,000	4,970,000,000	82,000,000	1.68
Lottery - Education	2,215,105,000	2,188,980,000	(26,125,000)	(1.18)
Lottery - Video Lottery Aid	560,140,000	764,000,000	203,860,000	36.39
<b>Other Public Elementary and Secondary Education Programs</b>	<b>\$364,615,600</b>	<b>\$316,198,800</b>	<b>(\$48,416,800)</b>	<b>(13.28) %</b>
Targeted Prekindergarten	25,100,000	1,400,000	(23,700,000)	(94.42)
Children of Migrant Workers	90,000	90,000	0	0.00
Transferring Success	629,800	0	(629,800)	(100.00)
Adult Basic Education	2,000,000	2,000,000	0	0.00
Adult Literacy Education	7,324,700	5,324,700	(2,000,000)	(27.30)
Workplace Literacy	1,376,100	1,376,100	0	0.00
Apprenticeship Training	1,830,000	1,830,000	0	0.00
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Healthy Schools Program	0	5,000,000	5,000,000	NA
Nonpublic School Aid	127,400,000	142,400,000	15,000,000	11.77
New York State Center for School Safety	475,000	475,000	0	0.00
Civility, Citizenship and Character Education Curriculum	475,000	0	(475,000)	(100.00)
Health Education Program	750,000	750,000	0	0.00
Academic Intervention for Nonpublic Schools	1,000,000	1,000,000	0	0.00
Extended School Day/School Violence Prevention	30,200,000	30,200,000	0	0.00
Schools Under Registration Review	1,900,000	1,900,000	0	0.00
Primary Mental Health Project	970,000	970,000	0	0.00
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	11,500,000	11,500,000	0	0.00
Charter School Start Up Grants	6,000,000	6,000,000	0	0.00
After School Programs/21st Century Learning Centers	0	10,000,000	10,000,000	NA
Student Mentoring and Tutoring Program	0	1,000,000	1,000,000	NA
New York State Historical Association	180,000	0	(180,000)	(100.00)
Rural Education Advisory Council	175,000	0	(175,000)	(100.00)
Math and Science High Schools	1,500,000	1,500,000	0	0.00
Missing Children	1,000,000	0	(1,000,000)	(100.00)
County Vocational Education and Extension Boards	700,000	1,000,000	300,000	42.86
Center for Autism and Related Disabilities - SUNY Albany	1,000,000	500,000	(500,000)	(50.00)
Teacher Resource & Computer Centers - Remaining 2006-07 Payments	8,001,000	0	(8,001,000)	(100.00)
Teacher-Mentor Intern - Remaining 2006-07 Payments	1,200,000	0	(1,200,000)	(100.00)
National Board for Professional Training Standards	500,000	500,000	0	0.00
Fiscal Stabilization Grants	45,094,000	28,583,000	(16,511,000)	(36.61)
Grants-in-aid for Certain School Districts	25,345,000	0	(25,345,000)	(100.00)
Prior Year Claims/Fiscal Stabilization Grants	25,900,000	25,900,000	0	0.00



Other School Programs	2007-08	2008-09	Change	
			Amount	Percent
	<u>\$917,120,000</u>	<u>\$991,520,000</u>	<u>\$74,400,000</u>	<u>8.11 %</u>
Private Schools for the Blind & Deaf (G.F.)	118,100,000	118,100,000 (a)	0	0.00
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment	4,000,000	0 (b)	(4,000,000)	(100.00)
Preschool Special Education	663,100,000	681,500,000	18,400,000	2.77
Summer School Handicapped	243,400,000	243,400,000	0	0.00
Less: Special Education Medicaid Offset	(100,000,000)	(40,000,000)	60,000,000	(60.00)
Less: Consortium for Worker Education Offset	(11,500,000)	(11,500,000)	0	0.00
Fiscal Year Total (excluding Hurd Loans)	<u>\$25,170,488,600</u>	<u>\$26,711,853,800</u>	<u>\$1,541,365,200</u>	<u>6.12 %</u>
Advances to Hurd City School Districts (c)	<u>4,343,400</u>	<u>3,259,800</u>	<u>(1,083,600)</u>	<u>(24.95)</u>
FISCAL YEAR TOTAL	<u>\$25,174,832,000</u>	<u>\$26,715,113,600</u>	<u>\$1,540,281,600</u>	<u>6.12 %</u>

(a) An additional \$4.73 million in Federal funding for a total of \$122.83 million will be available for this program.

(b) A total of \$4.00 in Federal funds is recommended to support this program.

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

Source: Laws of the State of New York: Chapters 53 and 57, Laws of 2007; 2008-09 Executive Budget.

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

Recommended school aid provisions, including funding for Building Aids, will increase payments to 600 major school districts by a total of \$1,458.66 million in the 2008-09 school year. There are 77 districts that are projected to have decreases totalling -\$19.81 million. The combined total of increases and reductions produce a net increase statewide of \$1,438.85 million, or 7.48 percent.

- Table II-C lists the aid amounts allocated to each of the Big Five city school districts under selected School Aid programs. The aids analyzed are those shown in Table II-A.
- Table II-D lists changes in all School Aid individual aid categories for New York City. The net increase for all aids is 7.06 percent.
- In Table II-E, major 2008-09 aid categories have been combined to show the overall impact upon school districts in the State's 18 most populous counties, New York City, and the rest of the State.

The State average increase for these aids will be 7.48 percent. The 369 districts in the 18 most populous counties contain 49.37 percent of the State's public school pupils. These districts will receive 42.99 percent of the 2008-09 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 7.13 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 8.83 percent and will receive 17.88 percent of the 2008-09 combined aids total.

TABLE II-C  
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED  
THROUGH SCHOOL AID APPROPRIATIONS: 2007-08 AND 2008-09

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
i. Formula-Based Aids:										
Foundation Aid	\$5,531.91	\$5,866.46	\$410.27	\$434.27	\$320.40	\$344.76	\$204.55	\$216.97	\$162.94	\$166.20
Change from 2007-08 School Year Percent		\$334.55 6.05%		\$24.00 5.85%		\$24.36 7.60%		\$12.42 6.07%		\$3.26 2.00%
Excess Cost - High Cost	214.02	210.30	1.89	3.42	2.93	2.83	2.21	4.59	5.04	5.34
Excess Cost - Private	87.60	19.14	19.14	19.44	8.76	8.92	0.78	0.62	2.99	3.76
Textbooks	73.91	73.29	2.76	2.76	2.00	2.16	1.11	1.35	1.81	1.76
Software	19.01	18.84	0.70	0.70	0.56	0.55	0.34	0.33	0.42	0.30
Library Materials	7.93	7.86	0.29	0.29	0.23	0.23	0.13	0.14	0.18	0.17
Computer Hardware	15.51	15.16	0.76	0.99	0.77	0.77	0.40	0.45	0.26	0.27
Special Services (Career Ed/Computer Admin.)	90.70	104.20	13.45	24.75	6.69	10.86	7.29	12.44	4.54	5.97
Transportation (Including Summer)	458.02	475.06	33.80	34.63	42.38	44.20	9.52	12.35	14.63	16.76
High Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Universal Prekindergarten	212.78	248.15	12.61	13.24	10.56	10.93	6.70	7.53	4.65	4.66
Education Grants	88.89	178.89	0.00	0.00	0.00	0.00	0.00	0.00	8.50	17.50
Charter School Transitional Aid	0.00	0.00	7.45	7.70	1.78	1.53	0.62	1.34	0.00	0.00
Full-Day Kindergarten	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Formula-Based Aids Total	\$6,800.28	\$7,290.08	\$503.12	\$542.19	\$397.06	\$427.75	\$233.66	\$258.11	\$205.96	\$222.69
Change from 2007-08 School Year Percent		\$489.80 7.20%		\$39.07 7.77%		\$30.69 7.73%		\$24.45 10.46%		\$16.73 8.12%
EXCEL Building Aid	70.00	109.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Aid	673.66	692.19	56.74	51.73	14.67	19.68	11.37	11.15	3.11	3.40
Supplemental Public Excess Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.97	0.00
	743.66	801.19	56.74	51.73	14.67	19.68	11.37	11.15	5.08	3.40
Total Formula-Based Aids and Other Aids	\$7,543.94	\$8,091.27	\$559.86	\$593.92	\$411.73	\$447.43	\$245.03	\$269.26	\$211.04	\$226.09
Change from 2007-08 School Year Percent		\$547.33 7.26%		\$34.06 6.08%		\$35.70 8.67%		\$24.23 9.89%		\$15.05 7.13%
II. Grant Programs and Additional Aid Categories:										
Teachers of Tomorrow	15.00	15.00	1.06	1.06	2.60	2.60	0.51	0.51	2.16	2.16
Teacher Centers	16.80	16.80	0.73	0.73	0.47	0.47	0.47	0.47	0.30	0.30
Teacher-Mentor Intern	4.04	4.04	0.20	0.20	0.10	0.10	0.15	0.15	0.00	0.00
School Health Services	0.00	0.00	5.30	5.30	6.29	6.29	1.08	1.08	1.17	1.17
Subtotal	35.84	35.84	7.29	7.29	9.46	9.46	2.21	2.21	3.63	3.63
TOTAL	\$7,579.78	\$8,127.11	\$567.15	\$601.21	\$421.19	\$456.89	\$247.24	\$271.47	\$214.67	\$229.72
Change from 2007-08 School Year Percent		\$547.33 7.22%		\$34.06 6.01%		\$35.70 8.48%		\$24.23 9.80%		\$15.05 7.01%
III. Foundation Aid:										
Foundation Aid	\$5,063.35	\$5,866.46	\$383.83	\$434.27	\$292.42	\$344.76	\$187.24	\$216.97	\$158.19	\$166.19
Change from 2006-07 School Year Percent		\$803.11 15.86%		\$50.44 13.14%		\$52.34 17.89%		\$29.73 15.87%		\$8.00 5.05%

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2008.

TABLE II-D  
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS  
-- 2007-08 AND 2008-09 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2007-08	2008-09	Change	
	School Year	School Year	Amount	Percent
I. Formula-Based Aids:	(----- Amounts in Millions -----)			
Foundation Aid	\$5,531.91	\$5,866.46	\$334.55	6.05 %
Excess Cost - High Cost	214.02	210.30	(3.72)	(1.74)
Excess Cost - Private	87.60	91.87	4.27	4.87
Textbooks (Incl. Lottery)	73.91	73.29	(0.62)	(0.84)
Computer Hardware	15.51	15.16	(0.35)	(2.26)
Computer Software	19.01	18.84	(0.17)	(0.89)
Library Materials	7.93	7.86	(0.07)	(0.88)
Special Services (Career Ed./Computer Admin.)	90.70	104.20	13.50	14.88
Transportation (Including Summer)	458.02	475.06	17.04	3.72
High Tax	0.00	0.00	0.00	NA
Universal Prekindergarten	212.78	248.15	35.37	16.62
Education Grant - NYC	88.89	178.89	90.00	101.25
Charter School Transitional Aid	0.00	0.00	0.00	NA
Full-Day Kindergarten	0.00	0.00	0.00	NA
Formula-Based Aids Total	\$6,800.28	\$7,290.08	\$489.80	7.20 %
EXCEL Building Aid - New York City	70.00	109.00	39.00	55.71
Building	673.66	692.19	18.53	2.75
Supplemental Public Excess Cost	0.00	0.00	0.00	NA
	743.66	801.19	57.53	7.74
Total Formula-Based and Other Aids	\$7,543.94	\$8,091.27	\$547.33	7.26 %
II. Grant Programs and Additional Aid Categories:				
UPK and Full-Day K Planning Grants	0.00	0.00	0.00	NA
Mid-Year UPK Expansion	9.00	0.00	(9.00)	(100.00)
Teachers of Tomorrow	15.00	15.00	0.00	0.00
Teacher Centers	16.80	16.80	0.00	0.00
Teacher-Mentor Intern	4.04	4.04	0.00	0.00
Math and Science Initiatives	0.00	0.00	0.00	NA
School Health Services	0.00	0.00	0.00	NA
Employment Preparation Education	33.50	33.50	0.00	0.00
Homeless Pupils	0.00	0.00	0.00	NA
Incarcerated Youth	0.00	0.00	0.00	NA
Bilingual	5.48	6.48	1.00	18.25
Education of OMH/OMR Pupils	17.33	17.33	0.00	0.00
Chargebacks	(7.53)	(7.53)	0.00	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Bus Driver Safety	0.00	0.00	0.00	NA
Subtotal	94.75	86.75	(8.00)	(8.44)
SCHOOL YEAR TOTAL	\$7,638.69	\$8,178.02	\$539.33	7.06 %

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2008.

TABLE II-E  
CHANGE IN SCHOOL AID (a) FOR 2007-08 AND 2008-09 SCHOOL YEARS:  
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dstrs.	Percent of Total State TAFPU (b)	2008-09 Combined Aids		Change in Aid from 2007-08 to 2008-09		Number of Districts		
			2007-08 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.48	\$220,884	\$248,135	1.20	\$27,251	12.34	13	0
Broome	12	1.14	231,983	260,810	1.26	28,827	12.43	12	0
Chautauqua	18	0.76	204,951	222,680	1.08	17,729	8.65	18	0
Dutchess	13	1.71	246,102	266,289	1.29	20,187	8.20	10	3
Erie	28	4.96	1,079,388	1,155,797	5.59	76,409	7.08	28	0
Monroe	18	4.20	848,842	930,661	4.50	81,819	9.64	18	0
Nassau	56	7.45	787,023	832,259	4.03	45,236	5.75	34	22
Niagara	10	1.21	275,073	290,116	1.40	15,043	5.47	10	0
Oneida	15	1.30	309,813	338,226	1.64	28,413	9.17	13	2
Onondaga	18	2.72	567,706	611,253	2.96	43,547	7.67	14	4
Orange	17	2.40	479,209	512,754	2.48	33,545	7.00	14	3
Rensselaer	11	0.86	176,160	192,055	0.93	15,895	9.02	11	0
Rockland	8	1.52	172,574	184,826	0.89	12,252	7.10	8	0
Saratoga	12	1.28	201,731	210,716	1.02	8,985	4.45	11	1
Schenectady	6	0.86	154,393	173,717	0.84	19,324	12.52	6	0
Suffolk	65	9.33	1,598,230	1,671,529	8.08	73,299	4.59	41	24
Ulster	9	0.99	175,900	184,326	0.89	8,426	4.79	6	3
Westchester	40	5.20	566,857	602,147	2.91	35,290	6.23	36	4
18 Most Populous Counties	369	49.37	\$8,296,819	\$8,888,296	42.99	\$591,477	7.13	303	66
New York City	1	36.35	7,543,939	8,091,265	39.13	547,326	7.26	1	0
Rest of State	307	14.28	3,397,141	3,697,186	17.88	300,045	8.83	296	11
TOTAL STATE	677	100.00	\$19,237,899	\$20,676,747	100.00	\$1,438,848	7.48	600	77

(a) 2008-09 aids include foundation aid, public high cost and private excess cost aids, BOCES, textbook, library materials, special services, transportation (including summer), computer software, computer hardware, high tax, full-day k, universal prekindergarten, education grants, charter school transitional aid, building, reorganization incentive building, EXCEL building (NYC) and reorganization incentive operating aid.

(b) The Selected TAFPU for payment pupil count used for 2008-09 Foundation Aid.

Source: State Education Department computer runs and Executive Budget estimates of January 22, 2008.

### III

#### APPENDICES

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

- Appendix III-A summarizes the School Aid categories and adjustments recommended for 2008-09 and compares them with the 2007-08 aid categories.
- Appendix III-B provides the mathematical formulas for computing 19 different aids for 2008-09 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than Foundation Aid.
- Appendix III-D describes weightings used to calculate pupil needs for aid and district wealth for Foundation Aid, also see the formula description in Appendix III-B.
- Appendix III-E describes the payment schedule for aids payable under section 3609-a of the Education Law in the 2008-09 school year.
- Appendix III-F provides the regional cost indices used for the 2008-09 Foundation Aid formula.

APPENDIX III-A  
COMPARISON OF 2007-08 AND 2008-09 SCHOOL AID PROGRAMS

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
<u>FOUNDATION AID</u> <sup>8</sup>		
Foundation Aid increase	For the 2007-08 school year, a district will receive its Foundation Aid base amount plus a phase-in increase equal to 20 percent of the difference between its base amount and its calculated 2010-11 Foundation Aid.	For the 2008-09 school year a district will receive the sum of its 2006-07 Base Amount plus a Foundation phase-in increase equal to 37.5 percent of the difference between the 2006-07 base amount and its calculated 2010-11 Foundation Aid.
Minimum/Maximum Increase	No district will receive less than 1.03 times the sum of its Foundation Aid base year amount. The maximum allowed increase is 1.25 times the sum of base year amount.	No district will receive less than 1.02 times its 2007-08 Foundation Aid. The maximum allowed increase is 1.15 times 2007-08 Foundation Aid.
2010-11 Foundation Aid	The greater of: (i) the Foundation Aid 2006-07 base amount multiplied by 1.1255 or (ii) the greater of \$500 or Formula Foundation Aid per pupil multiplied by Selected Total Aidable Foundation Pupil Units (TAFPU). <sup>9</sup>	The greater of: (i) the Foundation Aid 2006-07 base amount multiplied by 1.1255 or (ii) the greater of \$500 or Formula Foundation Aid per pupil multiplied by Selected Total Aidable Foundation Pupil Units (TAFPU).
2006-07 Base Amount	The sum of a district's 2006-07 Flex Aid, Public Excess Cost Aid (excluding High Cost Aid), Sound Basic Education Aid, Supplemental ENA, Limited English Proficiency Aid, Class Size Reduction Aid, Growth Aid, Enrollment Adjustment Aid, Reorganization Incentive Operating Aid, Tax Limitation Aid, High Tax Aid, Teacher Support Aid, Magnet School Aid, Categorical Reading Aid,	Same

<sup>8</sup> Additional Foundation Aid formula detail is provided in Appendix III-B.

<sup>9</sup> For Foundation Aid pupil counts for aid and wealth calculations, see the Foundation Aid formula description in Appendix III-B and Appendix III-D.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
	Improving Pupil Performance Aid, Aid to Small City School Districts and Fort Drum Aid <sup>10</sup>	
Foundation Formula Aid per pupil	Aid per pupil is the greater of: 2010-11 Foundation Aid Amount (\$5,662) x RCI x PNI less an Expected Minimum Local Contribution or 2010-11 Foundation Aid Amount x RCI x PNI multiplied by the Adjusted State Sharing Ratio	Aid per pupil is the greater of: 2010-11 Foundation Aid Amount (\$5,695) x RCI x PNI less an Expected Minimum Local Contribution or 2010-11 Foundation Aid Amount x RCI x PNI multiplied by the State Sharing Ratio (including an additional amount for high need school districts equal to .05 times their State Sharing Ratio). The maximum ratio continues to be .90.
2010-11 Foundation Aid Amount	\$5,662 (\$5,258 for the 2007-08 school year compounded by the projected annual percentage increase in the CPI)	\$5,695 (\$5,258 <sup>11</sup> for the 2007-08 school year compounded by the actual and projected annual percentage increase in the CPI)
Regional Cost Index (RCI)	See Appendix III-F	Same
Pupil Need Index (PNI)	1.0 plus a district's Extraordinary Needs Percent, minimum = 1.0, maximum = 2.0.	Same
Extraordinary Needs Percent	The sum of: (i) the three-year average percentage of	The sum of: (i) the three-year average

<sup>10</sup> The following aid categories are 2006-07 also eliminated: Comprehensive Operating Aid, Educationally Related Support Services Aid, Extraordinary Needs Aid, Gifted and Talented Aid, Minor Maintenance and Repair Aid, Formula Operating Aid, Operating Standards Aid, Summer School Aid, Tax Effort Aid, Tax Equalization Aid, Transition Adjustment Factor, and Shared Services Savings Incentive Aid.

<sup>11</sup> The \$5,258 per pupil amount is the average cost for 465 successful schools based on a Regents' study.



<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
	K-6 free and reduced price lunch eligible applicants for the 2003-04, 2004-05 and 2005-06 school years times 2006-07 public enrollment times .65, plus the 2000 census percentage of 5-17 pupils in poverty times 2006-07 public enrollment times .65; (ii) the number of Limited English Proficiency students times .50; (iii) a sparsity factor based on a calculation of public enrollment per square mile times 2006-07 public enrollment	percentage of K-6 free and reduced price lunch eligible applicants for the 2004-05, 2005-06 and 2006-07 school years times 2007-08 public enrollment times .65, plus the 2000 census percentage of 5-17 pupils in poverty times 2007-08 public enrollment times .65; (ii) the number of Limited English Proficiency students times .50; (iii) a sparsity factor based on a calculation of public enrollment per square mile times 2007-08 public enrollment
Estimated Minimum Local Contribution Per Pupil	90 percent of the 3-year statewide average school tax rate (.016 or \$16.00 per \$1,000 of full value) times a district's Income Wealth Index for Foundation Aid times a district's Selected Actual Valuation per Total Wealth Foundation Pupil Unit (TWFPU)	90 percent of the 3-year statewide average school tax rate (.0156 or \$15.60 per \$1,000 of full value) times a district's Income Wealth Index <sup>12</sup> for Foundation Aid times a district's Selected Actual Valuation per Total Wealth Foundation Pupil Unit (TWFPU)

<sup>12</sup> A district's Income Wealth Index for 2008-09 Foundation Aid is equal to:

$$\frac{\text{District 2005 Adjusted Gross Income/2006-07 TWFPU}}{\text{Statewide Average } (\$185,100)}$$

Minimum: .65; Maximum 2.00

For 2007-08 Foundation Aid the Income Wealth Index is equal to:

$$\frac{\text{District 2004 Adjusted Gross Income/2005-06 TWFPU}}{\text{Statewide Average } (\$169,000)}$$

Minimum: .65; Maximum 2.00

The Adjusted Gross Income is the Adjusted Gross Personal Income of the district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
State Sharing Ratio	The Adjusted State Sharing Ratio is the greatest of: 1.37 - (1.230 x CWR) 1.00 - (0.640 x CWR) 0.80 - (0.390 x CWR) 0.51 - (0.173 x CWR)	The State Sharing Ratio is the greatest of: 1.37 - (1.230 x CWR) <sup>13</sup> 1.00 - (0.640 x CWR) 0.80 - (0.390 x CWR) 0.51 - (0.220 x CWR)
	The maximum sharing ratio is 0.90. For a district of average wealth (CWR = 1.000), the ratio is 0.41.	The maximum sharing ratio is 0.90. For a district of average wealth (CWR = 1.000), the ratio is 0.41.
Sharing Ratio Adjustment for High Need School Districts	None	An additional amount for high need school districts equal to .05 times their State Sharing Ratio. The maximum total State Sharing Ratio continues to be .90.

<sup>13</sup> For the 2008-09 school year, a district's Combined Wealth Ratio for Foundation Aid is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

$$\frac{\text{Selected Actual Valuation/2006-07 TWPU}}{\$452,900} \quad ; \text{ and the}$$

Alternate Pupil Wealth Ratio is equal to:

$$\frac{\text{Selected District Income/2006-07 TWPU}}{\$142,900}$$

Selected Actual Valuation is the lesser of 2005 Actual Valuation or the average of 2004 Actual Valuation and 2005 Actual Valuation as reported by the Office of the State Comptroller. A district's Actual Valuation is the sum of the taxable full value of real property in the school district.

Selected District Income is the lesser of 2005 Adjusted Gross Income or the average of 2004 Adjusted Gross Income and 2005 Adjusted Gross Income. Adjusted Gross Income is the Adjusted Gross Personal Income of a school district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

For the 2007-08 school year a district's Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

$$\frac{\text{2004 Actual Valuation/2005-06 TWPU}}{\$426,800} \quad ; \text{ and the}$$

Alternate Pupil Wealth Ratio is equal to:  $\frac{\text{2004 District Income/2005-06 TWPU}}{\$136,600}$

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	Qualifying districts that receive pupils from another district are eligible for an apportionment based on Selected Foundation Aid per pupil -- a total of \$1.13 million	\$1.13 million will continue to be available for this program
<u>PUBLIC EXCESS HIGH COST AID FOR DISABLED PUPILS</u>		
Wealth Measure	Combined Wealth Ratio	Same <sup>14</sup>
State Share	.49	Same
Minimum Aid Ratio	.25	Same
High Cost Eligibility	4 x AOE/TAPU for Expense or \$10,000	Same
<u>PRIVATE EXCESS COST AID:</u>		
Ceiling Range for Aid	Tuition - Deduct	Same
Deduct	Local Levy/Enrollment	Same
Wealth Measure	Combined Wealth Ratio	Same
State Share	.85	Same
Minimum Aid Ratio	.50	Same
Pupils	Attending private or State run schools	Same
<u>FULL-DAY K CONVERSION AID</u>		
Eligible Districts	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2006-07 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2006-07.	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2007-08 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2007-08.

<sup>14</sup> For the 2008-09 school year, for aids other than Foundation Aid, a district's Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

$$\frac{2005 \text{ Actual Valuation}/2006-07 \text{ TWP}}{\$477,200} ; \text{ and the}$$

Alternate Pupil Wealth Ratio is equal to:  $\frac{2005 \text{ District Income}/2006-07 \text{ TWP}}{\$148,800}$

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
Pupil Count	2007-08 estimated full-day kindergarten enrollment - 2006-07 full-day kindergarten enrollment	2008-09 estimated full-day kindergarten enrollment - 2007-08 full-day kindergarten enrollment
Aid Per Pupil	Selected Foundation Aid per pupil.	Same
<u>TRANSPORTATION AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA, a district's Combined Wealth Ratio or Selected AV/enrollment	Same
State Share	The greatest of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted): 1.01 - (.46 * AV/public + nonpublic enrollment wealth ratio)	Same
State Sharing Ratio	The greatest of: 1.37 - (1.23 x CWR) 1.00 - (0.64 x CWR) 0.80 - (0.39 x CWR) 0.51 - (0.22 x CWR) The maximum aid ratio is 0.90. For a district of average wealth (CWR = 1.000), the aid ratio is 0.41.	Same
Sparsity Adjustment	21 - 2005-06 public enrollment/square mile)/317.88	Same except for the use of 2006-07 public enrollment
Minimum Aid Ratio	.065	Same
Maximum Aid Ratio	.90	Same
Base	Approved Expenditures	Same
Urban-Suburban Transfer	Approved expenditures of transportation of pupils in voluntary interdistrict programs.	Same

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
<u>BOCES AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Combined Wealth Ratio <sup>15</sup>
State Share	.49	.41/.49
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	None
Save-Harmless	100% of 1967-68 Aid	None
<u>BUILDING AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
Aid Ratio Choice	Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year.	Same
	Starting with all new building projects approved by the voters beginning July 1, 2000, the selected building aid ratio is based upon the greater of a district's current-year building aid ratio or the ratio selected for use in 1999-00 reduced by 10 percentage points.	Same
	School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.	Same
HNSBAR	High Need Supplemental	Same

<sup>15</sup> The State Sharing Ratio (see Transportation Aid) will be used to calculate aid for approved operating expenses. An AV/RWADA ratio will be used for aid for capital and rental expenses.

Category

2007-08 School Year

2008-09 School Year

Building Aid Ratio: For aid payable in the 2005-06 school year and after for projects approved after July 1, 2005, high need school districts, including the Big Five City schools, may compute an additional amount equal to .05 times their selected aid ratio. The maximum aid payable is 98% of the approved costs.

Base

Approved Expenditures

Same

Additional Adjustments

For aid payable in 1998-99 and after for new projects approved by the voters after 7/1/98, districts will receive an additional 10% State reimbursement. In addition, cost allowances on all contracts awarded after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.

Same

REORGANIZATION INCENTIVE  
BUILDING AID

Prior to July 1, 1983:

Building Aid:

Additional Percentage

25%

Same

Effective July 1, 1983:

Building Aid:

Additional Percentage

30%

Same

Eligibility Date:

New Projects

July 1, 2008 or approved by voters within ten years of reorganization.

Approved by voters within ten years of reorganization.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
<u>REORGANIZATION INCENTIVE OPERATING AID</u> <sup>16</sup>		
Eligibility Date:	None	School districts that reorganize after July 1, 2007.
Operating Aid:		
Additional Percentage (5 years)	None	40%
Taper	None	4%/9 years
<u>SPECIAL SERVICES AID</u>		
Eligible Districts	Big Five City school districts and other districts that are non-components of BOCES	Same
Career Education Aid:		
State Share	.41	Same
Minimum Aid Ratio	.36	Same
Ceiling	\$3,900	\$4,000 plus an additional amount equal to \$1,000 divided by a district's Combined Wealth Ratio. No eligible district will receive an additional amount less than \$1,000.
Wealth Measure	Combined Wealth Ratio	Same
Computer Administration Aid:		
State share	.49	Same
Minimum Aid Ratio	.30	Same
Ceiling	\$62.30/pupil	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID</u>	Based on approved expense up to an amount equal to \$24.20 x public and	Same

<sup>16</sup> Reorganization Incentive Operating Aid was one of almost 30 aid categories replaced by 2007-08 Foundation Aid. The enacted 2007-08 budget provided for a new Reorganization Incentive Operating Aid to be available for school districts that reorganize after July 1, 2007. Aid is provided beginning with the 2008-09 school year.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
	nonpublic pupils (district of attendance) x current year Building Aid ratio	
	Aid cannot exceed the amount of base-year approved expenditures.	Same
<u>TEXTBOOK AID</u>	Up to \$58.25 per public and nonpublic pupil (district of residence)	Same
	Aid cannot exceed the amount of base-year textbook expenditures.	Same
<u>COMPUTER SOFTWARE AID</u>	Up to \$14.98 per public and nonpublic pupil (district of attendance)	Same
	Aid cannot exceed the amount of base-year software expenditures.	Same
<u>LIBRARY MATERIALS AID</u>	Up to \$6.25 per public and nonpublic pupil(district of attendance)	Same
	Aid cannot exceed the amount of base-year library expenditures.	Same
<u>UNIVERSAL PREKINDERGARTEN AID</u>	Districts will receive the sum of their 2006-07 Prekindergarten Aid, Targeted Prekindergarten Aid and Supplemental Prekindergarten Aid plus an amount equal to additional aidable prekindergarten pupils x the greater of (a) .50 x Selected Foundation Aid per pupil or (b) their 2006-07 per pupil grant.	A district is eligible to receive a grant which may not exceed the sum of its 2006-07 Prekindergarten Aid, Targeted Prekindergarten Aid and Supplemental Prekindergarten Aid plus (i) Selected Foundation Aid per pupil x .50 or (ii) 2006-07 grant per pupil, multiplied by a phase-in factor multiplied by additional aidable prekindergarten pupils
Per Child Amount	Reflective of district wealth and pupil needs, grant awards for half-day programs range from \$2,700 to \$5,771 per child.	Reflective of district wealth and pupil needs, grant awards for half-day programs range from \$2,700 to approximately \$5,800 per child.



<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
<u>HIGH TAX AID</u>		
Total Aid	Tier 1 <u>or</u> Tier 2 Aid	The 2007-08 two-tier formula is replaced by a single-tier aid
Tier 1 Aid		
Eligible Districts	Aid is available to school districts in counties where the sum of the districts' 2004 tax levy on residential real property (including condominium property) divided by the districts' 2004 adjusted gross income is greater than 4.2 percent.	Aid is available to school districts where (i) the district's Income Wealth Index for Foundation Aid is less than 2.500, (ii) the district has an AOE/TAPU for Expense greater than the State Average (\$10,550) and (iii) the sum of the district's 2005 tax levy on residential real property (including condominium property) divided by the district's 2005 adjusted gross income is greater than 3.3 percent
Wealth Measure	None	Combined Wealth Ratio
State Sharing Ratio	None	.41 (See Transportation Aid above)
Formula Ceiling	\$147.29	\$450.00
Pupils	2006-07 public enrollment	2007-08 public enrollment
Minimum District Aid	\$100,000	Same
Tier 2 Aid		
Eligible Districts	Aid is available to school districts in counties where: (i) the regional cost index for Foundation Aid is greater than 1.300; (ii) the district is ineligible for Tier 1 Aid; (iii) the district's 2004 tax levy on residential real property (including condominium property) divided by the district's 2004 adjusted gross income is greater than 4.0 percent.	None

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
Formula Ceiling	\$30.00	None
Pupils	2006-07 public enrollment	None
<u>TEACHER CENTERS</u>	\$40.00 million	Same
<u>TEACHER-MENTOR INTERN</u>	\$10.00 million	Same
<u>MATH AND SCIENCE INITIATIVES</u>	\$10.00 million	Same
<u>SCHOOL HEALTH SERVICES</u>	\$13.84 million	Same
<u>INCARCERATED YOUTH</u>	\$16.50 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>EMPLOYMENT PREPARATION EDUCATION AID<sup>17</sup></u>		
Ceiling	\$9.90/contact hour	\$10.55/contact hour
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same
<u>CHARTER SCHOOL TRANSITIONAL AID</u>		
Total Aid	The sum of Tier 1, Tier 2 and Tier 3 aid.	Same
Tier 1 Aid		
Eligible Districts	2006-07 charter school enrollment (excluding enrollment in schools chartered by the board of education) greater than 2 percent of resident public school enrollment <u>or</u> 2006- 07 charter school payments greater than 2 percent of	2007-08 charter school enrollment (excluding enrollment in schools chartered by the board of education) greater than 2 percent of resident public school enrollment <u>or</u> 2007-08 charter school payments

<sup>17</sup> For the 2008-09 school year, a \$96.00 million funding limit is provided, the same as for the 2007-08 school year.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
	2006-07 total general fund expenditures. <sup>18</sup>	greater than 2 percent of 2007-08 total general fund expenditures.
Expense per pupil	0.8 x 2006-07 charter school adjusted expense per pupil. <sup>19</sup>	0.8 x 2007-08 charter school adjusted expense per pupil.
Pupils	Increase in charter school enrollment from 2005-06 to 2006-07.	Increase in charter school enrollment from 2006-07 to 2007-08.
Tier 2 Aid Eligible Districts	2005-06 charter school enrollment(excluding enrollment in schools chartered by the board of education) greater than 2 percent of resident public school enrollment <u>or</u> 2005-06 charter school payments greater than 2 percent of 2005-06 total general fund expenditures.	2006-07 charter school enrollment (excluding enrollment in schools chartered by the board of education) greater than 2 percent of resident public school enrollment <u>or</u> 2006-07 charter school payments greater than 2 percent of 2006-07 total general fund expenditures.
Expense per pupil	0.6 x 2006-07 charter school adjusted expense per pupil.	0.6 x 2007-08 charter school adjusted expense per pupil.
Pupils	Increase in charter school enrollment from 2004-05 to 2005-06.	Increase in charter school enrollment from 2005-06 to 2006-07.
Tier 3 Aid Eligible Districts	2004-05 charter school enrollment (excluding enrollment in schools chartered by the board of education)greater than 2 percent of resident public	2005-06 charter school enrollment (excluding enrollment in schools chartered by the board of education) greater than 2 percent of

<sup>18</sup> Expenditures and transfers from a district's total general and debt service funds as reported to the State Education Department on the annual ST-3 form.

<sup>19</sup> The charter school adjusted expense per pupil equals a district's approved operating expense (AOE) per pupil for the year prior to the base year multiplied by the percentage increase of the total statewide approved operating expense for the base year over the total statewide approved operating expense for two years prior to the base year. Approved Operating Expenditures are a district's expenditures for the day-to-day operation of the school as defined in Education Law Section 3602, Subdivision 1, Paragraph t. For the TAPU for Expense pupil count, see Appendix III-C.

<u>Category</u>	<u>2007-08 School Year</u>	<u>2008-09 School Year</u>
	school enrollment <u>or</u> 2004-05 charter school payments greater than 2 percent of 2004-05 total general fund expenditures.	resident public school enrollment <u>or</u> 2005-06 charter school payments greater than 2 percent of 2005-06 total general fund expenditures.
Expense per pupil	0.4 x 2006-07 charter school adjusted expense per pupil.	0.4 x 2007-08 charter school adjusted expense per pupil.
Pupils	Increase in charter school enrollment from 2003-04 to 2004-05.	Increase in charter school enrollment from 2004-05 to 2005-06.
<u>SUPPLEMENTAL EDUCATIONAL IMPROVEMENT PLAN</u>	\$8.50 million	\$17.50 million
<u>NEW YORK CITY ACADEMIC ACHIEVEMENT GRANTS</u>	\$88.89 million	\$178.89 million
<u>UPK AND FULL-DAY KINDERGARTEN PLANNING GRANTS</u>	\$2.00 million	Same
<u>ROCHESTER COMMUNITY SCHOOLS</u>	\$4.00 million	Same
<u>SUPPLEMENTAL PUBLIC EXCESS COST AID</u>	\$19.61 million	None

APPENDIX III-B  
MATHEMATICAL EXPLANATION OF AID FORMULAS<sup>8</sup>

The mathematical formulas for calculating foundation aid, public high cost and private excess cost aids, BOCES aid, textbook aid, library materials aid, special services aid, transportation aid, computer software aid, instructional computer hardware and technology equipment aid, employment preparation education aid, incarcerated youth aid, building aid, reorganization incentive building aid, reorganization incentive operating aid, full-day kindergarten incentive aid, universal prekindergarten aid, high tax aid and charter school transitional aid are presented in this appendix.

For aids other than Foundation Aid, the State average wealth measures used in the calculation of 2008-09 aid ratios are:

2005 Actual Valuation/2006-07 TWP	\$477,200
2005 Adjusted Gross Income/2006-07 TWP	\$148,800
2005 Actual Valuation/2006-07 RWADA	\$570,500

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

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

TAFP...Total Aidable Foundation Pupil Units  
TWF...Total Wealth Foundation Pupil Units

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

FOUNDATION AID

Education Law, Section 3602, Subdivision 4

---

<sup>8</sup> Additional formula details are provided in the school aid computer listing entitled "BT014-1", released in January 2008 with issuance of the 2008-09 Executive Budget and the 2008-09 Executive Budget ELFA bill.

Foundation Aid for the 2008-09 School Year

For 2008-09, a district will receive the sum of its 2006-07 base amount plus a Foundation phase-in increase equal to 37.5 percent<sup>9</sup> of the difference between the 2006-07 base amount and calculated 2010-11 Foundation Aid.

2008-09 Minimum Guarantee/Maximum Allowed

For 2008-09, no district will receive less than a 2 percent increase above its 2007-08 Foundation Aid amount. The maximum allowed year-to-year increase is 15 percent above the district's 2007-08 Foundation Aid.

2010-11 Foundation Aid

A district is eligible to receive aid equal to the greater of:

- (i) \$500 x Selected Total Aidable Foundation Pupil Units, or
- (ii) Foundation Formula Aid per pupil x Selected Total Aidable Foundation Pupil Units

Foundation Formula Aid per pupil is the greater of:

- (i) (2010-11 Foundation Amount x RCI x PNI) - the Expected Minimum Local Contribution, or
- (ii) (2010-11 Foundation Amount x RCI x PNI) x State Sharing Ratio<sup>10</sup>

2006-07 Base Amount

A district's 2006-07 base amount for Foundation Aid is determined by calculating the sum of its 2006-07 Flex Aid, Sound Basic Education Aid, Supplemental Extraordinary Needs Aid, Limited English Proficiency Aid, Class Size Reduction Aid, Growth Aid, Enrollment Adjustment Aid, Reorganization Incentive Operating Aid, Tax Limitation Aid, High Tax Aid, Public Excess Cost Aid (exclusive of High Cost Aid), Magnet School Aid, Teacher Support Aid, Categorical Reading Aid, Improving Pupil Performance Aid, Aid to Small City School Districts and Fort Drum Aid.

Minimum Guarantee: For 2010-11 Foundation Aid, no district will receive less than a 12.55 percent increase above the sum of its 2006-07 base amount.

---

<sup>9</sup> The phase-in factor is adjusted each year. By the 2010-11 school year all districts will receive the full amount of the difference between their 2006-07 base year amount and calculated 2010-11 Foundation Aid.

<sup>10</sup> For Foundation Aid payable in the 2008-09 school year and thereafter, high need school districts, including the Big Five City schools, may compute an additional amount equal to .05 times their State Sharing ratio up to a maximum of .900.

2010-11 Foundation Amount: The 2010-11 Foundation Amount of \$5,695 is based on the average cost per pupil for general education among a set of 465 districts meeting the Regents criteria for successful school districts (\$5,258 for the 2007-08 school year) adjusted by the actual and projected annual percentage increase in the consumer price index.

Regional Cost Index: The regional cost index, calculated by the State Education Department, is generated following a wage-based methodology. It is based on median salaries in fifty-nine professional occupations (excluding education-related ones).

Index values range from 1.000 for North Country/Mohawk Valley counties to 1.425 for New York City and Long Island. (See Appendix III-F for county regional cost indices.)

Pupil Need Index = 1.0 + (Extraordinary Needs Percent)

Minimum: 1.0; Maximum: 2.0

Extraordinary Needs Percent =  $\frac{\text{Extraordinary Needs Pupil Count}}{2007-08 \text{ Public Enrollment}}$

Extraordinary Needs Pupil Count = The sum of the following:

- (i) 2007-08 public enrollment (including charter school enrollment) x the three-year average percentage of students in grades K-6 who are eligible for the free and reduced price lunch program (2004-05, 2005-06 and 2006-07) x .65, and  
 2007-08 public enrollment (including charter school enrollment) x the percentage of students aged 5-17 in poverty as of the 2000 census (National Center for Education Statistics - NCES) x .65, and
- (ii) The number of Limited English Proficiency pupils x .50.
- (iii) For districts operating a K-12 program, a sparsity count equal to 2007-08 public enrollment x

$\frac{25 - 2007-08 \text{ Public Enrollment/Square Mile}}{50.9}$

with no maximum, and

Expected Minimum Local Contribution per pupil

The expected minimum local contribution per pupil is based on an assumed district tax rate that for 2008-09 ranges from a minimum of \$10.14 per \$1,000 of full value for low income districts up to maximum of \$31.20 per \$1,000 of full value for wealthier districts.

Adjusted Tax Rate x Selected Actual Valuation/2006-07 Total Wealth Foundation Pupil Units

$$\text{Adjusted Tax Rate} = \frac{\text{3-Year Adj. Statewide Avg. Tax Rate (.0156)}}{\text{Income Wealth Index}} \times$$

3-Year Adjusted Statewide Average Tax Rate = The statewide average school district tax rate for the current and previous two school years times 90 percent (i.e., the assumed relation between Foundation-related expenditures and total expenditures) which for 2008-09 is \$15.60 per \$1,000 of full value.

Income Wealth Index =

$$\frac{\text{District 2005 Adjusted Gross Income/2006-07 TWFPU}}{\text{Statewide Average (\$185,100)}}$$

Minimum: .65, Maximum 2.00

Adjusted Tax Rate = The product of the ratio of a district's income per pupil compared to the state average income per pupil multiplied by the 3-year adjusted statewide average tax rate. Low income districts are assumed to levy less (a minimum of \$10.14 per \$1,000 of full value) and wealthier districts more (a maximum of \$31.20 per \$1,000 of full value).

2005 Adjusted Gross Income = The 2005 Adjusted Gross Personal Income of the district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

Selected Actual Valuation = The lesser of the 2005 Actual Valuation or the average of 2004 Actual Valuation and 2005 Actual Valuation as reported by the Office of the State Comptroller. A district's Actual Valuation is the sum of the taxable full value of real property in the school district.

State Sharing Ratio = The greatest of the following but not less than zero nor more than .90:

$$1.37 - (1.23 \times \text{CWR})^{11}$$

<sup>11</sup> For the 2008-09 school year, a district's Combined Wealth Ratio for Foundation Aid is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

$$\frac{\text{Selected Actual Valuation/2006-07 TWPU}}{\$452,900} \quad ; \text{ and the}$$

Alternate Pupil Wealth Ratio is equal to:

$$\frac{\text{Selected District Income/2006-07 TWPU}}{\$142,900}$$

Selected Actual Valuation is the lesser of 2005 Actual Valuation or the average of 2004 Actual Valuation and 2005 Actual Valuation as reported by the Office of the State Comptroller. A district's Actual Valuation is the sum of the taxable full value of real property in the school district.

Selected District Income is the lesser of 2005 Adjusted Gross Income or the average of 2004 Adjusted Gross Income and 2005 Adjusted Gross Income. Adjusted Gross Income is the Adjusted Gross Personal Income of a school



1.00 - (0.64 x CWR)  
0.80 - (0.39 x CWR)  
0.51 - (0.22 x CWR)

For Foundation Aid payable in the 2008-09 school year and thereafter, high need school districts, including the Big Five City schools, may compute an additional amount equal to .05 times their ratio up to a maximum of .90.

#### Foundation Aid Pupil Counts

##### Selected TAFPU for Payment

The greater of 2007-08 Total Aidable Foundation Pupil Units (TAFPU) or the average of 2006-07 and 2007-08 TAFPU. Pupils counted are those served by a given district whether or not they are residents of that district.

TAFPU is based on average daily membership<sup>12</sup> which includes equivalent attendance of students under the age of 21 who are not on a regular day school register in programs leading to a high school diploma or high school equivalency diploma, students with disabilities attending BOCES programs full time, resident pupils attending charter schools and dual enrolled nonpublic students.

An additional weighting of 1.41 is provided for public school students with disabilities (district of attendance), 0.50 for declassification students, 0.12 for summer school and dual enrollment pupils with disabilities are further weighted at 1.41.

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

TWFPU is based on average daily membership. The TWFPU count is used to measure the relative wealth of a district. Pupils who are residents of the district are counted.

#### New York City

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

#### CHARTER SCHOOL TRANSITIONAL AID

Education Law, Section 3602, Subdivision 41

---

district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

<sup>12</sup> Average Daily Membership (ADM) is a measure of average enrollment over the school year. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session. See Appendix III-D for additional Foundation Aid pupil count detail.

For basic pupil weightings, see Appendix III-C. Pupil counts for aids other than Foundation Aid include 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.

A district's Charter School Transitional Aid will equal the sum of Tier 1, 2 and 3 aid.

#### Tier 1 Aid

Districts are eligible for Tier 1 Aid if their number of resident pupils enrolled in charter schools (excluding enrollment in schools chartered by the board of education) in the 2007-08 school year was greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2007-08 school year exceed 2.0 percent of the district's 2007-08 total general fund expenditures.<sup>13</sup>

The Tier 1 formula = (0.80 x 2007-08 charter school adjusted expense per pupil)<sup>14</sup> x the increase in the number of resident pupils enrolled in a charter school between the 2006-07 and 2007-08 school years.

#### Tier 2 Aid

Districts are eligible for Tier 2 Aid if their number of resident pupils enrolled in charter schools (excluding enrollment in schools chartered by the board of education) in the 2006-07 school year was greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2006-07 school year exceed 2.0 percent of the district's 2006-07 total general fund expenditures.

The Tier 2 formula = (0.60 x 2007-08 charter school adjusted expense per pupil) x the increase in the number of resident pupils enrolled in a charter school between the 2005-06 and 2006-07 school years.

#### Tier 3 Aid

Districts are eligible for Tier 3 Aid if their number of resident pupils enrolled in charter schools (excluding enrollment in schools chartered by the board of education) in the 2005-06 school year was greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2005-06 school year exceed 2.0 percent of the district's 2005-06 total general fund expenditures.

The Tier 3 formula = (0.40 x 2007-08 charter school adjusted expense per pupil) x the increase in the number of resident pupils enrolled in a charter school between the 2004-05 and 2005-06 school years.

#### PUBLIC HIGH COST EXCESS COST AID

Education Law, Section 3602, Subdivision 5

---

<sup>13</sup> Expenditures and transfers from a district's total general and debt service funds as reported to the State Education Department on the annual ST-3 form.

<sup>14</sup> The charter school adjusted expense per pupil equals a district's approved operating expense (AOE) per pupil for the year prior to the base year multiplied by the percentage increase of the total statewide approved operating expense for the base year over the total statewide approved operating expense for two years prior to the base year. Approved Operating Expenditures are a district's expenditures for the day-to-day operation of the school as defined in Education Law Section 3602, Subdivision 1, Paragraph t. For the TAPU for Expense pupil count, see Appendix III-C.

A district receives Public High Cost Excess Cost Aid for pupils with disabilities educated in resource intensive programs run by public school districts or BOCES.

Public High Cost Excess Cost Aid is available for public school pupils with disabilities in programs in which the cost exceeds the lesser of:

\$10,000 or 4 x AOE/TAPU for Expense (without limits)

Per Pupil Calculation:

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

$$\text{AOE/TAPU} = \frac{2006-07 \text{ Approved Operating Expenses (AOE)}}{2006-07 \text{ TAPU for Expense}}$$

$$\text{Excess Cost Aid Ratio} = 1 - (\text{Combined Wealth Ratio}^{15} \times .51)$$

Minimum: .250

EXCESS COST AID FOR PRIVATE SCHOOL PUPILS

Education Law, Section 4405, Subdivision 3, paragraphs a and b  
 Education Law, Section 4401, Subdivision 6 and 7

A district receives Private Excess Cost Aid for pupils with disabilities in private school settings and the two State-operated schools at Rome and Batavia. The aid is computed on a student-by-student basis with districts receiving private excess cost aid for each student.

Private Excess Cost Aid

$$\text{Private Excess Cost Aid (per pupil)} = \text{Aidable Cost} \times \text{Excess Cost Aid Ratio}$$

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

Basic Contribution = A district's tax levy based on its property and non-property taxes divided by its base-year (2007-08) resident enrollment.

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

Minimum: .50

<sup>15</sup> For the 2008-09 school year, for aids other than Foundation Aid, a district's Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

$$\frac{2005 \text{ Actual Valuation}/2006-07 \text{ TWP}}{\$477,200} ; \text{ and the}$$

$$\text{Alternate Pupil Wealth Ratio is equal to: } \frac{2005 \text{ District Income}/2006-07 \text{ TWP}}{\$148,800}$$

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 10

Districts that are non-components of a BOCES, including the Big 5 City school districts, are eligible to receive Career Education Aid and Computer Administration Aid.

Career Education Aid = Ceiling x Aid Ratio x Career Ed Pupils

Ceiling = \$4,000 plus an additional amount equal to \$1,000 divided by a district's Combined Wealth Ratio. No eligible district will receive an additional amount less than \$1,000.

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

Minimum: .360

Career Education Pupils = 2007-08 Grade 10-12 ADA in a Career Education Trade Sequence + (.16 x Business Sequence ADA)

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

Enrollment = Fall 2007 public enrollment attending in the district

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

Minimum: .300

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

Districts are allotted reimbursement for transportation expenses through the transportation aid formula. Districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset.

Transportation Aid = [Aid Ratio + Sparsity Factor] x Approved Expenses

Aid Ratio = greatest of three aid ratio calculations, two of which are based on a district's Actual Valuation per pupil:

(i) 1.263 x State Sharing Ratio<sup>16</sup>

---

<sup>16</sup> State Sharing Ratio = The greatest of the following but not less than zero nor more than .90:

1.37 - (1.23 x CWR)

1.00 - (0.64 x CWR)

(ii)  $1.010 - \frac{(2005 \text{ AV}/2006-07 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$570,500)}$

(iii)  $1.010 - \frac{(2005\text{AV}/2006-07 \text{ Resident Public} + \text{Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$503,000)}$

Minimum: .065, Maximum: .900

Sparsity Factor =

$\frac{21.00 - 2006-07 \text{ Public Enrollment/Square Mile}}{317.88}$

Approved Transportation Expenses include:

- Health and life insurance
- Collision insurance
- Equipment
- Uniforms
- Driver and mechanic salaries
- Supervisor and other salaries
- Operating and maintenance expenses
- Social Security payments on all salaries
- Full contract expenses
- Retirement benefits
- Computerized bus routing services
- Transportation of children to and from day care centers
- Transportation of pupils in voluntary interdistrict programs
- District expenditures for transportation of pupils to and from district-operated summer classes to improve student performance will be aided up to a maximum of \$5.0 million statewide

But do not include:

- Transportation of pupils less than 1-1/2 miles from school
- Field trips
- Salaries of assistant drivers on regular buses (district operated programs)
- Salaries of drivers and mechanics who work on other than bus-type vehicles
- Bus purchase expenses exceeding the State contract price

#### BOCES AID

Education Law, Section 1950, Subdivision 5

Districts which are components of Boards of Cooperative Educational Services (BOCES) are eligible to receive BOCES operating, capital, and rental aids.

---

0.80 - (0.39 x CWR)

0.51 - (0.22 x CWR)

BOCES Operating Aid = Base Year Approved Expenses x Aid Ratio

Approved Expenses includes salaries of BOCES employees up to \$30,000

Aid Ratio = State Sharing Ratio (see above)

Minimum: .360, Maximum: .900

BOCES Capital and Rental Aid = 2008-09 Capital and Rental Expense x  
Current AV/RWADA Aid Ratio (see below)

BUILDING AID<sup>17</sup>

Education Law, Section 3602, Subdivision 6

School districts with approved building projects may receive building aid to be paid according to an assumed amortization schedule. Aid is available for expenses related to the installation of computer laboratory hardware and for the purchase of stationary metal detectors.

Building Aid = Selected Aid Ratio x Approved Building Expenses

Current AV/RWADA Aid Ratio =

$$1 - \frac{(2005 \text{ Actual Valuation}/2006-07 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$570,500)}$$

Approved Building Expenses:

For projects associated with any existing bonds, bond anticipation notes (BANs) and lease-purchase agreements that have principal remaining as of July 1, 2002, an assumed amortization will be applied to determine Building and Reorganization Incentive Building Aid. The assumed amortization is based on approved project costs, the term of borrowing and an assumed interest rate. New projects subject to prospective assumed amortization are those that were either approved by the Commissioner of Education on or after December 1, 2001, or, for which debt (bonds, BANs, and capital notes) is first issued on or after such date. Each project is assigned a useful life, cost allowance and assumed interest rate.

Starting in 2005-06, for projects in New York City for which a contract is signed July 1, 2004 or later, the cost allowance will include legitimate extraordinary costs related to:

- Multi-story construction necessitated by substandard site sizes,
- site security costs,
- difficulties with delivery of construction supplies,
- increased fire resistance and fire suppression costs,

---

<sup>17</sup> Payment for new construction projects otherwise eligible for aid is deferred in instances in which the school district other than New York City did not file a notice that a general construction contract has been signed with the Commissioner of Education by the November 15, 2007 database. New construction projects for New York City approved by the Commissioner on or after April 1, 2008 will be deferred for 18 months following Commissioner approval.

- site acquisition,
- environmental remediation and
- building demolition costs.

The State share of financing costs associated with refinancings are reimbursed in full to districts. In addition, districts are reimbursed for lease expenses and on a one year lag for costs of exceptional expenses including metal detectors, condition surveys, and capital outlay exception.

Selected Aid Ratio:

Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year.

Starting with all new building projects approved by the voters after July 1, 2000, the selected Building Aid ratio is based upon the greater of a school district's current-year Building Aid ratio or the aid ratio selected for use in 1999-00 reduced by 10 percentage points. School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the voter approval date was between 7/1/00 and 6/30/04 may select an aid ratio equal to 1.263 multiplied by the district's State Sharing Ratio.

School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the 2000-01 school year and the voter approval date was between 7/1/05 and 6/30/07, the product of 1.263 multiplied by the district's State Sharing Ratio.

For aid payable in the 2005-06 school year and after for projects approved after July 1, 2005, for high need school districts including the Big Five City schools, may compute an additional amount equal to .05 times their selected aid ratio. The maximum aid payable is 98% of the project's approved costs.

Incentive:

For aid payable in 1998-99 and after for new projects approved by the voters after 7/1/98, districts will continue to receive an additional 10 percent State reimbursement. However, the sum of the incentive and the selected aid ratio may not exceed .950 except that, for projects approved in high need districts, by the voters or the board of education in the Big Four dependent districts or the chancellor in New York City, on or after 7/1/2005, the sum of the incentive and the selected aid ratio, including the high-need supplemental Building Aid ratio, may not exceed .980.

In addition, cost allowances on all contracts awarded after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.

REORGANIZATION INCENTIVE BUILDING AID

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

For building projects related to reorganization, the district may receive Reorganization Incentive Building Aid in addition to its regular Building Aid.

Aid is paid on projects approved by voters within ten years of reorganization.

For districts reorganizing prior to July 1, 1983,

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

For districts reorganizing after July 1, 1983,

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

#### REORGANIZATION INCENTIVE OPERATING AID

Education Law, Section 3602, Subdivision 14, paragraphs d and d-1

School districts that reorganize after July 1, 2007, are eligible to receive reorganization incentive operating aid for 14 years beginning with the first school year of operating as a reorganized district. The reorganization percentage will be 40 percent for a period of five years, to be reduced by 4 percent per year for nine years.

For the first five years, Reorganization Incentive Operating Aid =

$$\begin{array}{l} \text{2006-07 Selected} \\ \text{Operating Aid per Pupil} \end{array} \times \begin{array}{l} \text{Total Aidable Pupil} \\ \text{Units} \end{array} \times .40$$

The amount calculated as 2006-07 Selected Operating Aid per Pupil x Total Aidable Pupil Units will not be recalculated during the 14 years that a districts receives aid. The 2006-07 Selected Operating Aid per Pupil x Total Aidable Pupil Units amount is frozen as of the date upon which a data file was created for the February 15, 2007 State Aid estimates. The sum of 2006-07 Operating Aid and Incentive Operating Aid is limited to 95 percent of 2006-07 Approved Operating Expense.

#### COMPUTER SOFTWARE AID

Education Law, Section 751

All districts are eligible for Computer Software Aid. The aid is for the purchase of computer software which a pupil is required to use as a learning aid in a particular class in the school the pupil attends. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to the Rules of the Board of Regents. A district's 2008-09 aid cannot exceed the amount of its base-year actual expenditures.

Computer Software Aid = 2007-08 Cost of Software (up to \$14.98 x Enrollment)

Enrollment = Fall 2007 public and private school enrollment for the district of attendance plus BOCES and private school



pupils in full-time programs for children with disabilities.

TEXTBOOK AID

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

All districts are eligible for Textbook Aid. The aid provided is to be used by districts to purchase textbooks to be made available to all resident enrolled pupils. Textbooks are loaned to both public and nonpublic pupils. A district's 2008-09 aid cannot exceed the amount of its base-year actual expenditures.

Textbook Aid = 2007-08 Cost of Textbooks, not to exceed \$58.25 (\$43.25 per pupil for Regular Textbook Aid plus \$15.00 per pupil for Lottery Textbook Aid) x 2007-08 Resident Public and Nonpublic School Enrollment

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

Education Law, Section 753

A district may be eligible for Computer Hardware Aid to purchase or lease micro- and/or mini-computer equipment or terminals as well as technology equipment for instructional purposes. Schools may use up to 20 percent of hardware aid for the repair of instructional computer hardware and technology equipment or for training and staff development for instructional purposes.

Technology equipment is defined as equipment used in conjunction with or in support of educational programs including, but not limited to, video, solar energy, robotic, satellite or laser equipment. Beginning in 2007-08, public school districts must loan computer hardware and equipment to nonpublic school pupils.

Approved expenses for technology education equipment were first eligible for aid in the 1992-93 school year. Beginning with the 1998-99 school year, the local match was eliminated.

Hardware Aid = 2007-08 Approved Expenses (up to \$24.20 x Enrollment) x Current Year Building Aid Ratio

Aid cannot exceed the amount of base-year approved expenditures.

Enrollment = Fall 2007 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

LIBRARY MATERIALS AID

Education Law, Section 711, Subdivision 4

All districts are eligible for Library Materials Aid. The aid is provided to enable districts to purchase necessary library materials to be made available on an equitable basis to all pupils attending public and nonpublic schools within such district. A district's 2008-09 aid cannot exceed the amount of its base-year actual expenditures.

Library Materials Aid = 2007-08 cost of Library Materials (up to \$6.25 x Enrollment)

Enrollment = Fall 2007 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

FULL-DAY KINDERGARTEN CONVERSION AID

Education Law, Section 3602, Subdivision 9

Eligibility for Full-Day K Conversion Aid: If in 1996-97 and 2007-08 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2007-08.

Eligible school districts offering full-day kindergarten programs to all kindergarten students will receive Selected Foundation Aid per pupil for any increase in the number of students served in full-day programs in 2008-09 compared to 2007-08.

Full-Day Kindergarten Conversion Aid =

(2008-09 Estimated Full-Day K Enrollment - 2007-08 Full-Day K Enrollment)  
x Selected Foundation Aid per pupil

UNIVERSAL PREKINDERGARTEN AID

Education Law, Section 3602-e

For the 2008-09 school year, each district will be eligible to receive Universal Prekindergarten Aid equal to the sum of its:

- (i) 2006-07 UPK Award Base,
- (ii) 2007-08 UPK Increase, and
- (iii) 2008-09 UPK Increase

2006-07 UPK Award Base for districts who applied to conduct a 2007-08 UPK program serving no fewer pupils than the number of their 2006-07 Base Aidable Pupils as shown on the computer listing entitled "SA070-8" which was released in March 2007 with the issuance of the 2007-08 enacted Budget =

The sum of a district's 2006-07 Targeted Prekindergarten, Supplemental Universal Prekindergarten and Universal Prekindergarten allocations based on data on file for school aid formula calculations as of November 15, 2007.

2007-08 UPK Increase =

A district's 2007-08 Additional Aidable Prekindergarten Pupils as shown on the computer listing entitled "SA070-8" multiplied by their Selected UPK Grant per pupil (see below).

2008-09 UPK Increase =

Selected UPK Grant per pupil x 2008-09 Additional Aidable  
Prekindergarten Pupils

Selected UPK Grant per pupil = The greater of:

- (i) A district's Prekindergarten aid per pupil based on data on file for the school aid computer listing entitled "SA060-7," which was released in March 2006 with the issuance of the 2006-07 enacted Budget.
  - (ii) 0.50 x A district's Selected Foundation Aid per pupil
- As a result, the minimum per pupil amount is \$2,700

Additional Aidable Prekindergarten pupils =

(Estimated 2008-09 Total Unserved 4-Year Olds minus 2008-09 Base Aidable Pre-K Pupils) x Prekindergarten Phase-in Factor

2008-09 Total Unserved 4-Year Olds = The product of 0.85 multiplied by the remainder of the 2006-07 Total Kindergarten Count minus estimated 2007-08 4410 4-year-olds in programs for more than 4 hours per day

2006-07 Total Kindergarten Count = The 2006-07 public, non-public and charter school enrollment in half-day and full-day kindergarten programs

Estimated 2007-08 4410 4-year-olds in programs for more than 4 hours per day = An estimate of the 2007-08 resident 4-year-olds who will be served by the State preschool student with disabilities (Section 4410) program for more than 4 hours per day

2008-09 Base Aidable Pre-K Pupils = The sum of 2006-07 Base Aidable Pre-K Pupils and 2007-08 Additional Aidable Pre-K Pupils

2006-07 Base Aidable Pre-K Pupils = The Base Aidable Pre-K Pupils as shown on the computer listing entitled "SA070-8" which was released in March 2007 with the issuance of the 2007-08 enacted Budget

2007-08 Additional Aidable Pre-K Pupils = The Additional Aidable Pre-K Pupils as shown on the computer listing entitled "SA070-8" which was released in March 2007 with the issuance of the 2007-08 enacted Budget

Prekindergarten Phase-in Factor = A district's Pupil Need Index for Foundation Aid - 1:

1. With a minimum of 0.10 and a maximum of 0.18, for districts with a 2007-08 UPK grant claimed greater \$2,700
2. Zero, for districts that (i) don't meet the qualification in item 1, (ii) did not apply for a 2007-08

UPK program, or (iii) applied to serve no more than their 2006-07 Base Aidable Pre-K Pupils as shown on the computer listing entitled "SA070-8" which was released in March 2007 with the issuance of the 2007-08 enacted Budget

3. With a minimum of 0.07 and a maximum of 0.13 for districts that don't meet the qualifications for items 1. or 2.

#### HIGH TAX AID

Education Law, Section 3602, Subdivision 16

Eligible districts will receive the greater of:

- (i) \$450.00 x State Sharing Ratio<sup>18</sup> x 2007-08 public enrollment, or
- (ii) \$100,000

Individual districts are eligible for High Tax Aid if they meet the following three criteria:

- (i) An Income Wealth Index for Foundation Aid less than 2.500,
- (ii) The district has an AOE/TAPU for Expense greater than the State average (\$10,550),
- (iii) The ratio of the district's 2005 tax levy on residential real property (including condominium property) divided by the district's 2005 adjusted gross income is greater than 3.3 percent (1.20 multiplied by the State average levy on residential real property divided by adjusted gross income).

#### EMPLOYMENT PREPARATION EDUCATION (EPE) AID

Education Law, Section 3602, Subdivision 24

Districts are eligible for EPE aid for the attendance of pupils age 21 or older who have not received a high school diploma or equivalency diploma.

Since 1991-92, aid paid directly to BOCES for approved BOCES EPE programs has been based on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio has been based on the aggregate actual valuation and TWPU of the component districts of the BOCES. Adults can register with BOCES for participation at a BOCES site. Since 1996-97, the BOCES EPE aid ratio has been the greater of the EPE aid ratio based on the aggregate wealth of the component districts or 85 percent of the highest EPE aid ratio of a component district of the BOCES.

EPE Aid = \$10.55 x EPE Aid Ratio x EPE Hours

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

Minimum: .400

---

<sup>18</sup> See Transportation Aid description.

$$\text{Pupil Wealth Ratio} = \frac{\text{2005 Actual Valuation/2006-07 TWP}}{\text{State Average (\$477,200)}}$$

EPE Hours = Total hours of instruction for all students in EPE programs between July 1 and June 30 of the current year.

EPE aid will be reduced if it and other State and Federal sources of aid for EPE programs exceed the entire cost of such program in that year. For the 2008-09 school year, total aid is limited to \$96.00 million.

#### INCARCERATED YOUTH AID

Education Law, Section 3602, Subdivision 13

All districts are eligible for Incarcerated Youth Aid. The aid is provided to enable districts to educate students in local centers of detention.

Incarcerated Youth Aid equals the lesser of:

- (i) 2006-07 AOE/TAPU for Expense x Number of full-day program pupils<sup>19</sup>  
+ ([.5 x (AOE/TAPU for Expense)] x Number of half-day program pupils) or
- (ii) Actual total instructional cost for the incarcerated youth program plus approved administrative costs (which may not exceed five percent of total instructional costs)

---

<sup>19</sup> 2006-07 AOE/TAPU x 1.25 x pupils in 10 month programs or 2006-07 AOE/TAPU x 1.50 x pupils in 12 month programs.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2008-09 SCHOOL YEAR

- I. Average Daily Attendance/Average Daily Membership <sup>a</sup>
- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period. The average is determined by dividing the total number of attendance days of all pupils by the number of days school was in session.
- B. Average Daily Membership (ADM) is a measure of enrollment. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session.
- II. For Foundation Aid pupil counts for wealth and aid, see the description of this aid category in Appendix III-B as well as Appendix III-D.
- III. TAPU for Expense, RWADA, and TWPU

	<u>Total Aidable Pupil Units For Expense</u>	<u>Resident Weighted Average Daily Attendance</u>	<u>Total Wealth Pupil Units</u>
Short Title	TAPU for Expense	RWADA	TWPU
Year used for aid payable in 2008-09	2006-07	2006-07	2006-07
Attendance Periods	Full Year	Full Year	Full Year
Students: Based on:	Served 100% ADA	Resident 100% ADA	Resident 100% ADA
<hr/>			
<u>Basic Weightings</u>			
Half-Day Kindergarten	.50	.50	.50
Kindergarten-Grade 6	1.00	1.00	1.00
Grades 7-12	1.00	1.25	1.00
Dual Enrollment	1.00	--	--

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

	<u>Total Aidable Pupil Units For Expense</u>	<u>Resident Weighted Average Daily Attendance</u>	<u>Total Wealth Pupil Units</u>
<u>Additional Weightings</u>			
Secondary (including PSEN <sup>b</sup> but excluding students with disabilities (swd)in 1.7 & .9 public excess cost categories)	.25	--	.25
PSEN K-12 (including swd)	.25	--	.25
SWD in public schools for:			
60% of school day (special class)	1.70	--	1.70
20% of school week (resource room)c	.90	--	.90
Direct/Indirect Consultant Teacher	.90	--	.90
Private School	--	--	--
Summer/Extra School	.12	--	--

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

<sup>c</sup> Or five periods (at least 180 minutes) per week.

APPENDIX III-D  
FOUNDATION AID PUPIL UNITS

Total Wealth Foundation Pupil Units (TWFPU)

The sum of:

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

Selected Total Aidable Foundation Pupil Units (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) =

(2006-07 Average Daily Membership (ADM) x Base Year Enrollment Index) +  
(2006-07 Summer ADM x .12) + 2006-07 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 Native American 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 =

$$\frac{2007-08 \text{ Public School Enrollment}}{2006-07 \text{ Public School Enrollment}}$$

Summer Average Daily Membership =

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 the number of hours summer school was in session.

Weighted Foundation Pupils With Disabilities (WFPWD) =

The full-time equivalent enrollment of pupils with disabilities determined by a school district committee on special education to require any of the services listed below, and who receive such services from the school district of attendance during the year prior to the base year will be multiplied by 1.41. (A weighting based on a Regents' analysis of special education and general education costs in successful school districts):

- Placement for 60 percent or more of the school day in a special class;
- Home or hospital instruction for a period of more than sixty days;
- Special services or programs for more than 60 percent of the school day;
- Placement for 20 percent 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 one hundred eighty minutes in a resource room or in other special services or programs including related services, or
- At least two hours per week of direct or indirect consultant teacher services

PLUS

0.50 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)

APPENDIX III-E  
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a of the Education Law will govern the schedule of school district payments as well as the manner in which monthly aid payments are calculated. Section 3609-a includes computerized aids payable as General Support for Public Schools (GSPS) except for aids which are covered under the Section 3609-b (Excess Cost) payment schedule and Section 3609-d (BOCES Aid) payments and Section 3609-f governs the schedule of school district VLT lottery grants, as well as Textbook, Software, Hardware and Library Materials Aids. Full Day Kindergarten Aid will not be paid until June 2009. In addition, Section 3609-e of the Education Law governs the schedule of school district payments for School Tax Relief (STAR). This payment is intended to reimburse school districts for school property tax exemptions granted pursuant to Section 425 of the Real Property Tax Law.

For GSPS aid payable in the 2008-09 school year, school districts will receive the lesser of (i) the sum of the aid calculated at the time of enactment of the Aid to Localities Budget less any VLT Lottery grants provided pursuant to 92-c of the state finance law or (ii) actual claims at the time of payment. A district may not exceed the sum of apportionments reported in the school aid computer listing entitled "BT014-1," released in January 2008 with the issuance of the 2008-09 Executive Budget less any VLT Lottery grants provided pursuant to 92-c of the state finance law. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2009. The payment schedule has several features:

GSPS Aids

- Lottery Aid will continue to be paid in full on the first business day of September.
- School district obligations to the New York State Teachers Retirement System (TRS) will continue to be paid by the State on behalf of school districts in September, October and November.
- "Fixed" payments will be paid in the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's apportionments, after TRS payments, will be paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent by October 15, 18.75 percent by November 15 and 25.00 percent by December 15.
- "Individualized" payments will be calculated for the months of January through June. January through May payments are based on school district State Aid claims or data available to the Commissioner as of December 1. The June payment is based on data available to the Commissioner as of May 1. These will be calculated to guarantee that each district receives 50 percent of the sum of its State and local revenues by the first business day of January, 60 percent by February, 70 percent by March, 80 percent by April and 90 percent by May. All or most 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 2009. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for General Support of

Public Schools is expended by March 31.

- Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on or before March 31 on a prorata basis using the districts' relative share of either: (1) for the sustaining advance payments, the total monies designated for payment in April, then May and finally June or (2) for the final payment for the State Fiscal Year, the total monies designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for General Support of Public Schools will be used.
- Any aid payable for Full Day Kindergarten Aid will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. In addition the total of such aid payable through June for Full Day Kindergarten Aid cannot exceed the total of such aid as it appears on the computer listing "BT014-1".
- Any balance due of actual General Aid apportionments which exceeds the sum of such apportionments as reported in the school aid computer listing entitled "BT014-1" less any VLT Lottery grants provided pursuant to 92-c of the state finance law will be paid on the first business day of September, 2009.

#### VLT Lottery Grants

Pursuant to 92-c of the State Finance Law each school district eligible to receive Foundation Aid pursuant to section 3602 of the Education Law shall receive a lottery grant in an amount equal to the amount appropriated for such purpose multiplied by the district's VLT ratio. Section 3609-f of the Education Law establishes the statutory payments dates as follows:

- 10 percent on the first business day of September, 2008;
- 15 percent on or before October 15, 2008;
- 15 percent on or before November 15, 2008;
- 15 percent on or before December 15, 2008;
- 15 percent on the first state business day of January 2009;
- 15 percent on the first state business day of February 2009; and the balance due on or before March 31, 2009.

#### STAR Aid

- The statutory dates by which State reimbursement for STAR property tax relief will be paid are as follows:
  - 35 percent by October 15, 2008;
  - 70 percent by November 15, 2008;
  - 80 percent by December 15, 2008; and
  - 100 percent by January 1, 2009.
- Any increase in STAR reimbursement that occurs as a result of adjustments made after January 1 will be paid by March 31, 2009.
- Payment amounts will be based on current data on file at the time of each

payment through January.

- Current statutory provisions that authorize the Commissioner to withhold State aid payments from school districts that have not submitted enrollment and expenditure data on a timely basis shall not apply to STAR reimbursements.
- STAR reimbursement for New York City's personal income tax relief will be paid 32.5 percent by September 15, 2008 and 65 percent by December 15, 2008 and the balance on June 15, 2009.

#### Excess Cost Aids

Section 3609-b of the Education Law requires that apportionments payable to school districts for Excess Cost Aids shall be designated as State share monies due to school districts pursuant to Title XIX of the Social Security Act (Medicaid reimbursement). Such State share monies will be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid reimbursement. Any remaining balances of Excess Cost Aids will be paid in accordance with the schedule below. Total Excess Cost Aids payable to a district for payments through August may not exceed the sum of the Public Excess Cost Aid setaside at the time of the 2008-09 Executive Budget, the Public High Cost Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "BT014-1" released in January 2008 with the issuance of the 2008-09 Executive Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2008 will be paid on or before December 15.
- The positive remainder of 70 percent of such aids minus any apportionment previously paid and any State share monies payable in the months of August 2008-February 2009 will be paid on or before March 15.
- The positive remainder of 85 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2008-May 2009 will be paid on or before June 15.
- The positive remainder of 100 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2008-July 2009 will be paid on or before August 15.
- Any balance due of actual Excess Cost Aids payable which exceeds the sum of the Public Excess Cost Aid setaside at the time of the 2008-09 Executive Budget, the Public High Cost Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "BT014-1" will be paid on the first business day of September, 2009.

#### BOCES Aid

- BOCES Aid is calculated for individual component school districts of the BOCES, but the sum of all such payments is paid directly to the BOCES. Total BOCES Aid payable for the school year to each component school district may not exceed 100 percent of the amount of such aid as reported in the school aid computer listing entitled "BT014-1," released in January 2008 with the issuance of the 2008-09 Executive Budget, plus any BOCES Aid payable to contracting school districts, less-than-eight teacher districts and Special Act school districts based on data on file

at the time of each payment.

- BOCES obligations to the New York State Teachers Retirement System (TRS) will be paid by the State on behalf of the BOCES from the apportionment payable to the BOCES by the fifteenth of each of the months of September, October and November.
- An additional payment will be made to the BOCES on the first business day of February. This payment will be equal to 25 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component district as reported in the school aid computer listing entitled "BT014-1" plus BOCES Aid payable for contracting school districts, less-than-eight teacher districts and Special Act school districts, minus the payments made to TRS on the BOCES behalf.
- An additional payment will be made to the BOCES on the first business day of June that is equal to 55 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component school district as reported in the school aid computer listing entitled "BT014-1" plus BOCES Aid payable for contracting school districts, less-than-eight teacher districts and Special Act school districts, minus the sum of all previous payments including payments made to TRS on the BOCES behalf.
- Any remaining apportionment payable to the BOCES, including any excess of actual BOCES aid payable over the amount of such aid reported in the school aid computer listing entitled "BT014-1" will be paid to the BOCES on the first business day of September, 2009.

APPENDIX III-F  
REGIONAL COST INDEX

Counties in each region - Regional Cost Index

Capital District - 1.124	Mohawk Valley - 1.000
Albany	Fulton
Columbia	Herkimer
Greene	Madison
Rensselaer	Montgomery
Saratoga	Oneida
Schenectady	Schoharie
Warren	
Washington	
Central New York - 1.103	North Country - 1.000
Cayuga	Clinton
Cortland	Essex
Onondaga	Franklin
Oswego	Hamilton
	Jefferson
	Lewis
	St. Lawrence
Finger Lakes - 1.141	Southern Tier - 1.045
Genesee	Broome
Livingston	Chemung
Monroe	Chenango
Ontario	Delaware
Orleans	Otsego
Seneca	Schuyler
Wayne	Steuben
Wyoming	Tioga
Yates	Tompkins
Hudson Valley - 1.314	Western - 1.091
Dutchess	Allegany
Orange	Cattaraugus
Putnam	Chautauqua
Rockland	Erie
Sullivan	Niagara
Ulster	
Westchester	
Long Island/New York City - 1.425	
New York City	
Nassau	
Suffolk	

NOTE: School districts are assigned to counties based on the location of the district's central office. The regional cost indices are based on a Regents' study of median salaries for 59 professional, non-teaching, occupations in nine labor force regions.