

DESCRIPTION OF
2007-08 NEW YORK STATE
EXECUTIVE BUDGET RECOMMENDATIONS
FOR
ELEMENTARY AND SECONDARY EDUCATION

EDUCATION UNIT
NEW YORK STATE DIVISION OF THE BUDGET
January 31, 2007

INTRODUCTION

This report provides a summary of the 2007-08 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 31, 2007.

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 "School Aid Budgets": <http://www.budget.state.ny.us>

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SCHOOL AID/STAR OVERVIEW

To provide our schools with the resources required to attain educational excellence, the Governor is recommending:

- A Four-Year Educational Investment Plan, including creation of a new Foundation Aid program to ensure that each district receives sufficient State and local resources to meet State learning standards;
- Enhanced accountability for educational performance and school spending; and
- Comprehensive reforms, including providing universal access to quality prekindergarten programs.

The 2007-08 Executive Budget provides sufficient funds to address the school funding needs highlighted by the Campaign for Fiscal Equity lawsuit. These funding initiatives include:

- \$9.2 Billion Statewide Increase by 2010-11: The Governor's Educational Investment Plan provides \$7 billion in additional funds for schools statewide over the next four years. When combined with the \$2.2 billion in increased school spending New York City has included in its four year financial plan, statewide spending on education will increase by at least \$9.2 billion over the next four years.
- \$5.4 Billion for New York City Schools by 2010-11: The Governor's Educational Investment Plan provides \$3.2 billion in additional funds for New York City's schools over the next four years. When combined with the \$2.2 billion New York City has included in its four year financial plan, education spending in New York City will increase by \$5.4 billion.
- \$1.4 Billion Statewide Increase in 2007-08: The Governor's Educational Investment Plan provides a school aid increase of over \$1.4 billion for 2007-08, bringing total funding to \$19.2 billion in 2007-08.
- \$1.17 Billion for New York City Schools in 2007-08: The Governor's Educational Investment Plan provides a school aid increase of \$639 million for New York City's schools in 2007-08. When combined with the \$532 million New York City has included in its four year financial plan for

2007-08, education spending in New York City will increase by \$1.17 billion in 2007-08.

- MOE for Big 4 Cities: The Governor's Education Investment Plan establishes a Maintenance of Effort (MOE) requirement for the Big Four City School Districts to ensure additional State school aid is used to supplement, and not supplant, local funds. Legislation will also be advanced to ensure all the mayors of the Big Four City School Districts have representation on the boards of their local schools.

Four-Year Educational Investment Plan: To provide our schools the resources needed to attain educational excellence, the Executive Budget recommends a new Four-Year Educational Investment Plan which includes:

- Overall School Aid Increase: A school aid increase of over \$1.4 billion is recommended for 2007-08, bringing total funding to \$19.2 billion in 2007-08. By 2010-11, overall school aid funding would grow by \$7 billion from \$17.7 billion in 2006-07 to \$24.7 billion.
- Foundation Aid Increase: An increase of \$982 million for a new Foundation Aid program is recommended for 2007-08, bringing total Foundation funding to \$13.5 billion for 2007-08. By 2010-11, Foundation Aid would grow by \$4.8 billion from \$12.5 billion in 2006-07 to \$17.3 billion.
- Universal Prekindergarten Increase: An increase of \$99 million is recommended for Universal Prekindergarten (UPK), bringing total funding to \$395 million in 2007-08. By 2010-11, this funding will increase by \$349 million from \$296 million in 2006-07 to \$645 million.
- School Facilities Funding: An increase of \$135 million is recommended for EXCEL and other building aid, bringing total funding to \$1.8 billion in 2007-08. By 2010-11, this funding will increase by \$725 million from \$1.7 billion in 2006-07 to \$2.4 billion.
- Other Aids Increase: An increase of approximately \$197 million is recommended in other school aid programs, such as Transportation Aid and BOCES, bringing total funding to \$3.4 billion in 2007-08. By 2010-11, this funding will increase by \$1.1 billion from \$3.2 billion in 2006-07 to \$4.3 billion.

Foundation Aid: The new Foundation Aid formula links school funding to the cost of a successful education and allocates State Aid in a transparent, equitable, and predictable manner. Aid will be allocated based on a formula that:

- Calculates a standard local cost of education based on actual costs in successful school districts, adjusted for geographic cost differences and educational needs, and
- Includes an expected, but not mandated, minimum local contribution based on statewide average property tax rates, adjusted for district income wealth.

Nearly 80 percent of the Foundation Aid increase will go to the State's 207 high need school districts (including New York City), with 48 percent of the Foundation Aid increase allocated specifically to New York City.

Accountability: This new funding will be tied to a series of new accountability measures. This commitment includes:

- Expanded accountability measures, including a new Contract for Excellence that will be required for all districts receiving an annual increase in Foundation Aid in excess of 10 percent, or \$15 million, or receiving a Supplemental Educational Improvement Plan grant. An increase of \$20 million is included for the State Education Department to implement the new accountability measures.
- A Maintenance of Effort requirement for the Big Four City School Districts to ensure additional State school aid is used to supplement, and not supplant, local funds. Legislation will also be advanced to ensure all of the Mayors of the Big Four City School Districts have representation on the boards of their local schools.

Education Reform: Important reform provisions will include universal prekindergarten, initiatives to enhance teacher quality, a renewed focus on special education, and initiatives in math and science.

Universal Prekindergarten/Full-Day Kindergarten

- New Universal Prekindergarten (UPK) funding will be provided via a Foundation-type formula, with grants for half-day programs ranging from \$250 per child to

approximately \$5,750 per child reflective of varying district wealth and educational needs.

- The requirements accompanying the UPK initiative will ensure quality prekindergarten programs with a strong academic component, and will encourage use of innovative settings.
- All high need and/or low performing school districts will be required to offer full-day kindergarten programs by 2010-11. The 2007-08 Executive Budget provides \$2 million in planning grants for this purpose.

Teacher Quality

- The Regents will be required to review the effectiveness of existing teacher preparation programs in developing highly qualified, successful teachers.
- The Regents will develop programs to expand alternative teacher certification programs, including experimental teacher preparation programs.
- The Regents will be required to establish minimum standards for local tenure determination that must include a review of data on student performance improvement where available, peer review by other teachers and an assessment by the teacher's principal.

Special Education

- The number of public special education students in a district will be a weighted factor in the Foundation Aid formula, thus producing an increase in the amount of expected local cost of education under the formula, but reducing financial incentives for placing children in special education settings.
- School districts with high special education classification rates or with excessive referrals to special education by race or ethnicity will be required to address these deficiencies.
- A Taskforce on Preschool Special Education will be created to review the relationship between preschool special education and other early childhood programs as well as different financing approaches.

Math/Science Initiatives

- The Governor will recognize and reward talented middle school students in the areas of math and science and provide summer enrichment programs at college campuses throughout the State.

2007-08 EXECUTIVE BUDGET RECOMMENDATIONS

For 2007-08, key components of the 2007-08 Executive Budget recommendations for elementary and secondary education include the following:

- For the 2007-08 school year, \$19.16 billion is provided for State support for public schools. The overall school year increase of \$1,412.92 million (7.96 percent) is comprised of a \$1,389.23 million (7.98 percent) increase in formula-driven aids and a \$23.69 million increase in categorical and other aids. Within formula-based aids, 646 school districts experience aid increases totaling \$1,395.04 million and 31 school districts have aid decreases amounting to -\$5.81 million. Formula-based aid increases are primarily due to increases in Foundation Aid and Universal Prekindergarten Aid. Formula-based decreases are primarily due to changes in expense-based aids such as BOCES, Excess Cost, Building and Transportation Aid.
- The 2007-08 Executive Budget recommends the creation of a new Foundation Aid program that will consolidate 30 categories of school aid. For the 2007-08 school year, school districts statewide will receive \$13,529.47 million in Foundation Aid, an increase of \$981.59 million or 7.82 percent. School districts will be held harmless against losses for aids consolidated into Foundation Aid and all districts will receive a Foundation Aid increase of a least 3 percent. Funds will be allocated based on enrollment rather than attendance and provide aid for children placed at risk by poverty and limited English proficiency.
- Funding of \$394.45 million, an increase of \$98.83 million, is provided in 2007-08 for Universal Prekindergarten programs. Total Universal Prekindergarten funding will grow from \$296 million in 2006-07 to more than \$645 million by 2010-11.
- A new Charter School Transitional Aid will provide \$15.24 million for five qualifying school districts that are

currently impacted by a concentration of charter schools. Also the existing cap of 100 charter schools is recommended to be increased by 150 charter schools and expanded notification requirements will ensure that a local school district will be informed of the opening of any new charter school prior to adoption of their school budget.

- For the 2007-08 school year, funding of \$1,684.77 million, an increase of \$23.16 million, or 1.39 percent, is recommended for Building Aid. Only those projects for which a construction contract has been signed and notification received by the State Education Department by November 15, 2006 will receive funding in 2007-08. Projects for which notification is received by the State Education Department after such date will be eligible for Building Aid in 2008-09.
- In addition to Building Aid, for the 2007-08 school year, \$112.00 million will be available for payment of EXCEL-related debt service.¹ 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 use and public health and safety.
- An increase of \$81.14 million, for a total of \$1,417.51 million, is provided for expense-based Transportation Aid to reimburse school districts for the cost of transporting 2.3 million students statewide.
- Public Excess Cost Aid, exclusive of the High Cost component, is one of the 30 aid categories that will be consolidated within the new Foundation Aid formula. An increase of \$53.13 million will be provided for Public Excess High Cost Aid and Private Excess Cost Aid for special education programs.
- A total of \$1.66 million, a decrease of -\$1.07 million, is provided for Full-Day Kindergarten Conversion Aid reflecting a decline in new applications from school districts.
- The existing statutory formulas will provide a total of \$75.38 million, a net increase of \$0.58 million, for

¹ A total of \$2.60 billion, including \$1.80 billion for New York City, was authorized in the 2006-07 State Budget for additional school construction from bonds issued by the Dormitory Authority of the State of New York under the EXCEL (Expanding our Children's Education and Learning) program.

Computer Software and Computer Hardware. Computer Software Aid will increase by \$0.82 million and Computer Hardware Aid will decrease by -\$0.24 million.

- The formula for expense-based Textbook Aid will result in \$186.90 million in funding for the 2007-08 school year, an increase of \$1.50 million or 0.81 percent.
- For 2007-08, Library Materials Aid will total \$19.80 million, an increase of \$0.65 million.
- Aid for BOCES services will total \$622.63 million, an increase of \$37.55 million, or 6.42 percent.
- For the 2007-08 school year, \$137.00 million, a decrease of -\$5.57 million, will be 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 non-components of BOCES.
- Funding is continued for the Bilingual Grants categorical aid program (\$11.50 million).
- For the 2007-08 school year, funding for programs to attract, retain and support teachers is continued at a total of \$68.00 million. The "Teachers of Tomorrow" initiative will be maintained at \$25.00 million. The Teacher-Mentor Intern program will be continued at \$6.00 million and Teacher Centers will be funded at \$37.00 million, the same as last year.
- A total of \$10 million is provided 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.
- Funding of \$13.84 million is continued to support school health services in the Big Four City school districts.
- A new Community Schools Pilot program will be located within the Rochester City School District. For the 2007-08 school year, \$4.00 million is available for a consortium of community organizations to promote the efficient delivery of integrated services and family support.

- The 2007-08 Executive Budget recommends \$8.5 million for a new Supplemental Educational Improvement Plan Grant program to provide additional resources to the Yonkers City School District in support of their educational improvement plan.
- A total of \$45.09 million is provided for Fiscal Stabilization Grants, representing an increase of \$0.95 million.
- The School Tax Relief (STAR) program was enacted in 1997 to provide needed tax relief for homeowners across the State. Under the proposed Three-Year Property Tax Relief Plan, middle class homeowners will receive property tax relief in a targeted and timely manner. For 2007-08, STAR will grow from \$3.6 billion to \$5.1 billion, an increase of \$1.5 billion. The \$675 million property tax rebate will be discontinued in lieu of the new Middle Class STAR initiative. The proposed Three-Year Property Tax Relief Plan will provide a total of \$6.0 billion over the next three years in additional STAR.

The 2007-08 STAR recommendation of \$5.1 billion includes \$1.35 billion for school property tax relief and \$150 million for additional New York City personal income tax relief. The Enhanced STAR exemption for seniors will reflect continuation of the cost of living adjustment provided in 2006-07. This will generate additional STAR tax relief of \$48 million in 2007-08 for senior citizens.

A. 2007-08 SCHOOL AID

For the 2007-08 school year, the Executive Budget recommends \$19.16 billion for public schools. This includes a \$13.53 billion Foundation Aid program and several enhanced or new aid categories including Universal Prekindergarten and Charter School Transitional Aid. These and other aid provisions for the 2007-08 school year are described in greater detail below.

A total of \$19,157.88 million is recommended for school aid for the 2007-08 school year, an increase of \$1,412.92 million or 7.96 percent. Formula-based aids will increase by \$1,389.23 million, or 7.98 percent, to \$18,794.78 million, and grant programs increase by \$22.74 million, and a \$0.95 million increase in Fiscal Stabilization Grants.

FORMULA-BASED AIDS

Foundation Aid: For 2007-08, school districts statewide will receive \$13,529.47 million in Foundation Aid - an increase of \$981.59 million. Funds will be allocated based on enrollment rather than attendance and provide aid for children placed at risk by poverty or limited English proficiency. Under the Foundation Aid program, 30 current categories of school aid will be consolidated². For the calculation of 2007-08 Foundation Aid, consolidated base-year aids include:

Flex Aid	Teacher Support Aid
Sound Basic Education Aid	Small City Aid
Supplemental Extraordinary Needs Aid	Reorganization Incentive (Operating)
Class Size Reduction	Magnet Schools
Growth Aid	Categorical Reading
Limited English Proficiency	Improving Pupil Performance
Enrollment Adjustment Aid	Fort Drum
Tax Limitation Aid	Public Excess Cost (w/o High Cost)
High Tax Aid	

The increase in Foundation Aid will grow from \$982 million recommended for 2007-08, to \$4.8 billion by 2010-11. School districts will be held harmless against losses for aids consolidated within Foundation Aid and all districts will receive a Foundation Aid increase of at least 3 percent. Each district will receive a minimum amount equal to its base year aids plus an increase of 3.00 percent. The maximum increase a district may receive is 25.00 percent.

The following example for the Oxford School District (Chenango County) demonstrates how the Foundation Aid formula will work when fully phased-in by 2010-11:

2010-11 Foundation Aid	2010-11 Standard Cost of Education	2010-11 Expected Local Contribution
Per Pupil: \$8,327	Per Pupil: \$10,168	Per Pupil: \$1,841
=	-	
Total: \$9.2M	Total: \$11.2M	Total: \$2.0M

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

² In addition to the base-year aids for Foundation Aid, the following aid categories are 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, Tuition Adjustment, and Shared Services Savings Incentive Aid.

I. Computation of Foundation Aid

Foundation Aid	=	Standard Cost of Education	-	Expected Minimum Local Contribution
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II. Computation of the Standard Cost of Education

Standard Local Cost of Education

- This is the cost of educating the average student to meet the State's learning standards
- It is 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 needing special education

This is summarized in the formula below:

Standard Cost of Education	=	Cost of Successful Schools	x	Regional Cost Factor	x	Pupil Need Index
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III. Computation of the Components of the Standard Cost of Education

Cost of Successful Schools	=	Average Cost for 465 successful schools based on a Regents' study	=	\$5,258 for the 2007-08 school year (Est. \$5,662 for 2010-11 school year)
Regional Cost Factor	=	Based on Regents' study of median salaries for 59 non-education related professions	=	From 1.0 (North Country/Mohawk Valley) to 1.425 (NYC/Long Island)
Pupil Need Index	=	Poverty weighting(.65 for free and reduced price lunch pupils+.65 for Census poverty pupils); Limited English proficiency weighting (.50); Sparsity adjustment	=	Range of 1.0 (minimum) to 2.0 (maximum)

IV. Computation of the Expected Minimum Local Contribution

Expected Minimum Local Contribution

- This is based on the District Tax Base multiplied by the Expected Local Tax Rate
- District Tax Base is the total property value of the district
- Expected Local Tax Rate is based on local ability to pay, as measured by the district income per child
- Lower income communities would be expected to contribute less
- Higher income communities would be expected to contribute more
- Expected local contribution is not mandatory

This is summarized in the formula below:

Expected Minimum Local Contribution	=	Statewide Average School Tax Rate	x	Income Wealth Index	x	District Property Wealth
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V. Computation of the Components of the Expected Minimum Local Contribution

Statewide Average School Tax Rate	=	3-year statewide average school tax rate x 90% (i.e., assumed relation between Foundation-related expenditures and total expenditures)	=	\$16 per \$1,000 full value
Income Wealth Index	=	District income/Statewide average	=	.65 minimum; 2.0 maximum
District Property Wealth	=	The sum of the taxable full value of real property in a school district		

Charter School Transitional Aid: For the 2007-08 school year, \$15.24 million will be available for aid for five qualifying districts (Buffalo, Albany, Schenectady, Roosevelt, and Lackawanna) currently impacted by a concentration of charter

schools. Formula elements will 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.

Also, the existing cap of 100 schools is recommended to be increased by 150 schools with the State University of New York, the Board of Regents and the New York City Chancellor each authorized to approve 50 new charter schools. There will also be expanded notification requirements to ensure local school districts are notified of the opening of any new charter school prior to the adoption of their school budget.

Public Excess Cost High Cost Aid: Public Excess Cost High Cost Aid will total \$376.00 million in 2007-08, an increase of \$35.85 million. This program supports the additional costs of providing resource intensive 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 2007-08 will total \$231.47 million, an increase of \$17.28 million.

BOCES Aid: For 2007-08, aid to reimburse districts for expenditures for BOCES services will total \$622.63 million, an increase of \$37.55 million.

Special Services Aid: Special Services Aid funds career education programs and computer services for school districts which are not components of a BOCES. The career education aid ceiling for 2007-08 is continued at \$3,900. Computer services aid is based upon an aid ratio multiplied by expenses up to \$62.30 multiplied by the district's K-12 enrollment. For 2007-08, this aid will total \$137.00 million, a decrease of -\$5.57 million.

Transportation Aid: Transportation Aid will total \$1,417.51 million in 2007-08, an increase of \$81.14 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 non-public 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.

Computer Aids: For the 2007-08 school year, the following provisions based on existing statutory formula apply:

- 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 2007-08 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2007-08, Computer Software Aid will total \$46.82 million, an increase of \$0.82 million.
- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides funding for the lease or purchase of mini- and micro-computers, computer terminals and technology equipment for instructional purposes, for repair costs and for staff development. For the 2007-08 school year, \$28.56 million, a decrease of -\$0.24 million, is provided.

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 recommended to be increased to \$43.25 per pupil, for a combined maximum textbook aid payment of \$58.25 per pupil. Textbook Aid will total \$186.90 million in 2007-08, an increase of \$1.50 million.

Library Materials Aid: Districts are recommended to be reimbursed for expenses up to \$6.25 per pupil based on public and nonpublic school enrollment. For 2007-08, Library Materials Aid will total \$19.80 million, an increase of \$0.65 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.

Universal Prekindergarten Aid: The 2007-08 Executive Budget provides \$394.45 million, an increase of \$98.83 million, compared to the combined 2006-07 amounts for the Universal Prekindergarten, Supplemental Prekindergarten and Targeted Prekindergarten programs. The grant per unserved child is based

on the 2007-08 Foundation Aid per pupil. A saveharmless feature is included to ensure that all districts receive at least as much total prekindergarten funding as they did in the prior year.

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 2007-08 will receive funding based on Foundation Aid for any increase in the number of students served in full-day programs in 2007-08 compared to 2006-07. For 2007-08, a total of \$1.66 million, a decrease of - \$1.07 million, is provided for this program reflecting a decline in new applications from school districts.

Building/Reorganization Incentive Building Aid: For 2007-08, 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 \$1,684.77 million, an increase of \$23.16 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 2007-08. 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,
- site acquisition,
- environmental remediation and
- building demolition costs.

Payment for new construction projects otherwise eligible for aid is 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, 2006 database.

EXCEL Building Aid: A total of \$2.6 billion was authorized in the 2006-07 State Budget for school construction financed through bonds issued by the State Dormitory Authority for the EXCEL (Expanding our Children's Education and Learning) program. New York City will receive up to \$1.80 billion in EXCEL grants. An additional \$400 million in EXCEL funding is available for the State's high need school districts with the remaining \$400 million in EXCEL funding allocated to fund projects in average and low need districts. For the 2007-08 school year, \$112.00 million will be available for payment of EXCEL-related debt service, including \$94.00 million for costs related to New York City.

Supplemental Educational Improvement Plan Grant: For the 2007-08 school year, \$8.50 million is provided in support of the educational improvement plan in the Yonkers City School District.

GRANT PROGRAMS AND OTHER AID CATEGORIES

Teachers of Tomorrow: For 2007-08, \$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 to New York City.

Teacher Resource and Computer Training Centers: Funding of \$37.00 million is recommended to maintain support for this program in the 2007-08 school year.³

Teacher-Mentor Intern: Under this program funding of \$6.00 million will continue to be available to support school-year programs through which new teachers work with an experienced teacher as their mentor.

³ In the 2006-07 State Budget, district-specific or school-specific appropriations added by the Legislature totaled \$81,456,250. Included within this amount was school year funding for 70 percent of a \$26,670,000 2006-07 school year Teacher Resource and Computer Training Center program and 70 percent of a \$4,000,000 2006-07 school year Teacher-Mentor Intern program. Total 2006-07 school year funding of \$37.00 million was provided for the Teacher Resource and Computer Training Center program and \$6.00 million for the Teacher-Mentor Intern program. (See Table II-A)

Math and Science Initiatives: This \$10.00 million program will be 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.

School Health Services: For the 2006-07 school year, \$13.84 million in funding is continued to provide necessary health services to students in the Big Four City school districts.

Full-Day Kindergarten Planning Grants: For the 2007-08 school year, full-day kindergarten planning grants will be funded at \$2.00 million. By 2010-11, all high need and low-performing school districts will be required to offer Full-Day Kindergarten programs.

Rochester Community Schools Pilot: For the 2007-08 school year, \$4.00 million is provided for this pilot program located in the Rochester City School District. This funding will support 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 2007-08 school year, the same amount as in 2006-07. Approved claims above such amount will be subject to proration.

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 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 2006-07.

Aid for Incarcerated Youth: A total of \$16.50 million is provided 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 2007-08, \$11.50 million will be used to continue existing funding of 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.

Education of OMH/OMR Pupils: A total of \$54.60 million, an increase of \$2.60 million, is continued in the General Support for Public Schools appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of section 3202 of the Education Law. Aid is also provided for children who reside in intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

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 2007-08 school year, \$6.00 million is continued for academic improvement in the Roosevelt School District.

Education of Native Americans: A total of \$34.20 million for the 2007-08 school year, an increase of \$3.90 million, is recommended 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.

Fiscal Stabilization Grants: The 2007-08 Executive Budget includes \$45.09 million in fiscal stabilization grants. This represents an increase of \$0.95 million over 2006-07 levels. New York City will be allocated \$41.17 million of the statewide total.

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 General Support for Public Schools appropriations.

Basic Education for Public Assistance Recipients: For 2007-08, \$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 2006-07, is provided to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: For 2007-08, an appropriation of \$5.32 million, an increase of \$1.00 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.

Targeted Prekindergarten Program: A total of \$25.10 million has been allocated for the remaining 2006-07 school year payments and continued payments to existing programs receiving Targeted Prekindergarten funds.

New York State Center for School Safety: For 2007-08 \$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: For 2007-08, a total of \$475,000 is continued to support the development of curricula in grades K-12 that will instruct children on principles such as honesty, tolerance, personal responsibility, respect for others, observance of laws and rules, courtesy and dignity.

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 provided 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 \$726.77 million for the 2007-08 Federal fiscal year.

Health Education Program: For 2007-08, \$750,000 will be available for health-related programs including those providing instruction and supportive services in comprehensive health education or AIDS prevention programs.

Primary Mental Health Project: A total of \$970,000 is continued in 2007-08 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: For 2007-08, an appropriation of \$629,800 is recommended for this program, which seeks to validate and support the replication of exemplary education programs.

Workplace Literacy: Under this program, \$1.38 million is provided in 2007-08 to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization, which provides adult education services to union members and workers in New York City, is funded at \$11.50 million in 2007-08.

Apprenticeship Training: For 2007-08, \$1.83 million is provided 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, the same as in 2006-07, is provided to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs.

Missing Children Education Program: An appropriation of \$1.00 million is continued to support efforts to prevent child abduction.

Schools Under Registration Review: A total of \$1.90 million is available in State aid to these schools.

Academic Intervention for Nonpublic Schools: A total of \$1.00 million continues to be available to support a program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Nonpublic School Aid: A total of \$87.50 million is provided 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 \$118.10 million, an increase of \$7.00 million is 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, \$663.10 million, an increase of \$28.10 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. Similar to 2006-07, prior year claims on file with the State Education Department as of April 1, 2007 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2007-08 will receive priority status for payment in 2008-09.

The 2007-08 Executive Budget recommends the establishment of a Taskforce comprised of representatives of school districts, preschool providers, counties and appropriate State agencies to study this important area.

Summer School Program for Disabled Students: An appropriation of \$243.40 million, an increase of \$5.50 million, is provided to meet the State's 70 percent share of costs of summer school programs for school-age pupils with disabilities pursuant to Section 4408 of the Education Law. The 2007-08 appropriation will fund prior year liabilities and up to 70 percent of the 2007-08 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Center for Autism and Related Services: For 2007-08, a total of \$500,000 in State funds is continued 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 funding 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 Recovery: For the 2007-08 State fiscal year, the Executive Budget includes a \$100.00 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 \$2.0 million is provided 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 2007-08 school year.

Math and Science High Schools: For the 2007-08 school year, \$1.50 million will continue to be available to support math and science initiatives including three math/science academies to provide expanded learning opportunities.

National Board for Professional Teaching Standards Certification: For the 2007-08 school year, \$500,000 will continue to be available to fund grants for teachers of up to \$2,500 toward the cost of certification by the National Board for Professional Teaching Standards.⁴

Advances to Hurd City School Districts: A total of \$4,343,400 in loan funds (Hurd advances) is appropriated in 2007-08 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.

⁴ In the 2006-07 State Budget, district-specific or school-specific appropriations added by the Legislature totaled \$81,456,250. Included within this amount was school year funding of \$500,000 for the National Board for Professional Teaching Standards Certification.

SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 enacted a School Tax Relief (STAR) program for homeowners and provided for the full reimbursement of school districts for their revenue losses. Under the current STAR program senior citizens 65 years of age or older who have household incomes of \$67,850 or less would be eligible for the Enhanced STAR exemption of \$53,960 in 2007-08. This income threshold is adjusted annually to reflect increases in cost of living. All other homeowners are eligible for the Basic STAR exemption of \$30,000, regardless of their incomes. These exemptions, with certain adjustments, provide significant tax relief by reducing the taxable value of homes for purposes of school taxes. School districts are fully reimbursed by the State for the resultant revenue loss. Additionally, under the STAR program, New York City's personal income taxpayers receive a flat refundable credit and a rate reduction.

Middle Class STAR

The 2007-08 Executive Budget includes funding for a new Middle Class STAR program which will target additional tax relief to middle class homeowners as follows:

- Recipients of Basic STAR with incomes at or below \$60,000 (\$80,000 in Downstate Metropolitan areas consisting of New York City and the counties of Nassau, Suffolk, Westchester, Rockland and Putnam) will receive an 80 percent increase in their STAR exemptions. Approximately 1.6 million, or 60 percent of current Basic STAR recipients, will be eligible for the maximum Middle Class STAR increase of 80 percent.
- Middle Class STAR benefits will be adjusted using a sliding scale for homeowners with incomes between \$60,000 and \$235,000 (or between \$80,000 and \$235,000 in Downstate Metropolitan areas). About 960,000, or 35 percent of homeowners, will see increases in exemptions between 80 percent and 30 percent.
- Approximately 95 percent of current STAR recipients will receive an additional benefit under the Middle Class STAR initiative.
- All income brackets used to determine increases in STAR exemption will be indexed in future years to reflect increases in average wage incomes.

- The cost of living adjustment for the Enhanced STAR exemption for income eligible senior citizens, which was provided in 2006-07, will be maintained in 2007.
- New York City taxpayers will also receive an increase in their existing Personal Income Tax Credit. The refundable credit for married individuals filing joint returns will be raised from \$230 to \$300, and the credit for all others from \$115 to \$150.

OTHER INITIATIVES

The 2007-08 Executive Budget includes new reform and accountability programs to assist school districts to raise student achievement to meet or exceed State standards. The programs are designed to measure progress, reward academic successes, provide assistance for failing schools and strengthen school cost effectiveness. Also proposed is the establishment of a Taskforce to study the important area of preschool special education programs.

Educational Accountability

In exchange for new resources, our schools must demonstrate that these funds are spent wisely to produce measurable improvements in student outcomes. As a result of proposed new accountability measures, parents will be able to gauge their children's educational progress over a multiyear period. In addition, the achievement of successful schools, administrators and teachers will receive greater public recognition - while failure will be remediated through swift intervention. Proposed new accountability measures include:

Contract for Excellence

All school districts receiving an annual increase in Foundation Aid in excess of 10 percent, or \$15 million, or receiving a Supplemental Educational Improvement Plan grant, will be required to develop a Contract for Excellence that indicates how they will spend new State funding on measures that have been demonstrated to improve student performance. Such measures demonstrated to be effective include:

- Class Size Reduction
- Increased Student Time-on-Task
- Teacher Quality Initiatives
- Middle School and High School Restructuring
- Full-Day Prekindergarten

Enhanced Accountability Plan

By July 2008, the Regents would establish improvement targets for individual schools and school districts using measures that include State assessments and graduation rates. Beginning July 2008, school districts will be required to report and publish basic data on school-by-school resource allocations.

- By July 2008, the Regents will provide a student progress report that will give parents information on their child's educational progress over multiple years of testing.
- By July 2010, the Regents will establish an enhanced educational accountability system through which the educational attainment of all children can be measured based upon cumulative achievement and growth (i.e., "value-added" assessments).

Higher Standards

- The Regents will review existing standards to ensure students have prerequisite knowledge and skills to succeed in employment or college.

Promoting Strong Leadership

- The Regents would be directed to identify and utilize data elements, including performance on State assessments and graduation rates, to assess the effectiveness of school superintendents and principals.
- School superintendents and principals with a strong record of educational performance would be recognized for their achievement and encouraged to assist low performing school districts.
- Beginning July 2007, the Commissioner of Education will expand the scope of the Schools Under Registration Review (SURR) process to increase the number of schools required to develop and implement a reorganization or restructuring plan.

School Efficiency Reviews

- A new \$5 million School District Efficiency Review initiative is recommended for 2007-08 for school districts that volunteer to participate in such reviews, as well as districts whose participation is requested by the Commissioner of Education.

Shared Services

- School districts will receive priority consideration in the awarding of grants under the Shared Municipal Services Incentive program.

Preschool Special Education Taskforce: For 2007-08, a Taskforce on Preschool Special Education will be created, comprised of representatives of school districts, preschool providers, counties and appropriate State agencies. Taskforce members will study and submit recommendations related to the appropriate relationship between preschool special education and other early childhood and special education programs; the current rate-setting methodology for preschool special education programs and services; and interstate comparisons of the delivery of preschool services, financing approaches and other best practices.

II

SUMMARY OF 2007-08 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2007-08 New York State aid programs relating to support for public schools: the 2007-08 school year which runs from July 1, 2007 through June 30, 2008; and the 2007-08 State fiscal year which runs from April 1, 2007 through March 31, 2008. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for School Aid and the 2006-07 and 2007-08 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 2007-08. Computerized aids increase by 7.98 percent.
- Table II-B gives the 2006-07 and 2007-08 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
-- 2006-07 AND 2007-08 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2006-07	2007-08	Change	
	School Year	School Year	Amount	Percent
I. Formula-Based Aids:	(----- Amounts in Millions -----)			
Flex Aid	\$8,587.42	\$0.00	(\$8,587.42)	(100.00) %
Excess Cost - Public	2,225.73	0.00	(2,225.73)	(100.00)
Sound Basic Education Aid	699.85	0.00	(699.85)	(100.00)
Supplemental ENA	136.34	0.00	(136.34)	(100.00)
Limited English Proficiency	20.96	0.00	(20.96)	(100.00)
Class Size Reduction	139.51	0.00	(139.51)	(100.00)
Growth Aid	13.30	0.00	(13.30)	(100.00)
Enrollment Adjustment	27.12	0.00	(27.12)	(100.00)
Reorganization Incentive (Operating)	12.85	0.00	(12.85)	(100.00)
Tax Limitation Aid	211.38	0.00	(211.38)	(100.00)
High Tax	19.97	0.00	(19.97)	(100.00)
Teacher Support Aid	67.48	0.00	(67.48)	(100.00)
Magnet Schools	170.30	0.00	(170.30)	(100.00)
Categorical Reading	63.95	0.00	(63.95)	(100.00)
Improving Pupil Performance	66.35	0.00	(66.35)	(100.00)
Aid to Small City School Districts	81.88	0.00	(81.88)	(100.00)
Fort Drum	3.49	0.00	(3.49)	(100.00)
Foundation Aid	0.00	13,529.47	13,529.47	NA
Foundation Aid Total	\$12,547.88	\$13,529.47	\$981.59	7.82 %
Excess Cost - High Cost	340.15	376.00	35.85	10.54
Excess Cost - Private	214.19	231.47	17.28	8.07
Textbooks (Incl. Lottery)	185.40	186.90	1.50	0.81
Computer Hardware	28.80	28.56	(0.24)	(0.83)
Computer Software	46.00	46.82	0.82	1.78
Library Materials	19.15	19.80	0.65	3.39
BOCES	585.08	622.63	37.55	6.42
Special Services (Career Ed./Computer Admin.)	142.57	137.00	(5.57)	(3.91)
Transportation (Including Summer)	1,336.37	1,417.51	81.14	6.07
Building/Reorganization Building	1,661.61	1,684.77	23.16	1.39
EXCEL Building Aid	0.00	94.00	94.00	NA
Universal Prekindergarten	295.62	394.45	98.83	33.43
Supplemental Educational Improvement Plan	0.00	8.50	8.50	NA
Charter School Transitional Aid	0.00	15.24	15.24	NA
Full-Day Kindergarten	2.73	1.66	(1.07)	(39.19)
Formula-Based Aids Total	\$17,405.55	\$18,794.78	\$1,389.23	7.98 %
II. Grant Programs and Other Aid Categories:				
Add'l EXCEL Building Aid	0.00	18.00	18.00	NA
Full-Day K Planning Grants	0.00	2.00	2.00	NA
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	37.00 (a)	37.00	0.00	0.00
Teacher-Mentor Intern	6.00 (a)	6.00	0.00	0.00
Math and Science Initiatives	10.00	10.00	0.00	0.00
Rochester Community Schools Pilot	0.00	4.00	4.00	NA
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 (a)	11.50	0.00	0.00
Education of OMH/OMR Pupils	52.00	54.60	2.60	5.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(33.05)	(33.31)	(0.26)	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	10.00	2.50	(7.50)	(75.00)
Native American Education	30.30	34.20	3.90	12.87
Bus Driver Safety	0.40	0.40	0.00	0.00
Subtotal	295.27	318.01	22.74	7.70
SCHOOL YEAR TOTAL	\$17,700.82	\$19,112.79	\$1,411.97	7.98 %
Fiscal Stabilization Grants	44.14	45.09	0.95	2.15
TOTAL	\$17,744.96	\$19,157.88	\$1,412.92	7.96 %

(a) Partially funded outside of school aid.

Source: State Education Department computer runs and Executive Budget estimates of January 31, 2007.

TABLE II-B
2006-07 AND 2007-08 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	2006-07	2007-08	Change	
			Amount	Percent
School Aid and STAR	\$21,683,177,000	\$23,782,293,000	\$2,099,116,000	9.68 %
General Support for Public Schools	13,694,991,000	15,067,310,000	1,372,319,000	10.02
BOCES	544,726,000	590,177,000	45,451,000	8.34
Magnet Schools	96,318,000	0	(96,318,000)	(100.00)
Employment Preparation Education	96,000,000	96,000,000	0	0.00
Small City School Districts	57,314,000	0	(57,314,000)	(100.00)
Improving Pupil Performance	46,445,000	0	(46,445,000)	(100.00)
Categorical Reading	44,765,000	0	(44,765,000)	(100.00)
	14,580,559,000	15,753,487,000	1,172,928,000	8.04
Homeless Pupils	4,533,000	4,533,000	0	0.00
Bilingual Grants	8,140,000	8,050,000	(90,000)	(1.11)
Learning Technology	2,300,000	2,300,000	0	0.00
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
Fort Drum	2,100,000	0	(2,100,000)	(100.00)
Education of OMH/OMR Pupils	23,800,000	38,220,000	14,420,000	60.59
Special Act Districts	1,540,000	1,540,000	0	0.00
Bus Driver Training	280,000	280,000	0	0.00
Tuition Adjustment	823,000	0	(823,000)	(100.00)
Shared Services Incentive	140,000	0	(140,000)	(100.00)
Full-Day K Planning Grants	0	1,400,000	1,400,000	NA
Math and Science Initiatives	0	7,000,000	7,000,000	NA
Rochester Community Schools Pilot Program	0	2,800,000	2,800,000	NA
Supplemental Educational Improvement Plan Grants	0	5,950,000	5,950,000	NA
Teachers of Tomorrow	0	17,500,000	17,500,000	NA
Teacher-Mentor Intern	1,400,000	4,200,000	2,800,000	200.00
Teacher Resource Center	7,231,000	25,900,000	18,669,000	258.18
Teacher Support Aid	47,236,000	0	(47,236,000)	(100.00)
	113,614,000	133,764,000	20,150,000	17.74
Special Academic Improvement Grants	4,200,000	4,200,000	0	0.00
Education of Native Americans	21,000,000	23,940,000	2,940,000	14.00
Fiscal Stabilization Grants	44,136,000	45,094,000	958,000	2.17
School Health Services Grants Including Add'l Rochester and Buffalo Grants	9,688,000	9,688,000	0	0.00
	79,024,000	82,922,000	3,898,000	4.93
Total General Fund	14,773,197,000	15,970,173,000	1,196,976,000	8.10
STAR: School Tax Relief Fund	4,288,000,000	5,113,000,000	825,000,000	19.24
Lottery - Education	2,034,480,000	2,138,980,000	104,500,000	5.14
Lottery - Sound Basic Education Aid	325,000,000	210,000,000	(115,000,000)	(35.38)
Lottery - Sound Basic Education Aid	262,500,000	0	(262,500,000)	(100.00)
Lottery - Video Lottery Aid	0	350,140,000	350,140,000	NA
Other Public Elementary and Secondary Education Programs	\$368,821,600	\$251,421,600	(\$117,400,000)	(31.83) %
Targeted Prekindergarten	50,200,000	25,100,000	(25,100,000)	(50.00)
Children of Migrant Workers	90,000	90,000	0	0.00
Transferring Success	629,800	629,800	0	0.00
Adult Basic Education	2,000,000	2,000,000	0	0.00
Adult Literacy Education	4,324,700	5,324,700	1,000,000	23.12
Workplace Literacy	1,376,100	1,376,100	0	0.00
Apprenticeship Training	1,830,000	1,830,000	0	0.00
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans and Remaining 2005-06 Payments	6,700,000 (a)	0	(6,700,000)	(100.00)
Nonpublic School Aid	87,500,000	87,500,000	0	0.00
New York State Center for School Safety	475,000	475,000	0	0.00
Civility, Citizenship and Character Education Curriculum	475,000	475,000	0	0.00
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
New York State Historical Association	180,000	0	(180,000)	(100.00)
Rural Education Advisory Council	100,000	0	(100,000)	(100.00)
College of Saint Rose Lab Renovation	500,000	0	(500,000)	(100.00)
Math and Science High Schools	1,500,000	1,500,000	0	0.00
Hudson Magnet School	280,000	0	(280,000)	(100.00)
Beacon Magnet School	140,000	0	(140,000)	(100.00)
Yonkers Magnet School	14,000,000	0	(14,000,000)	(100.00)
Missing Children	1,000,000	1,000,000	0	0.00
Additional Fort Drum	344,750	0	(344,750)	(100.00)
County Vocational Education and Extension Boards	0	700,000	700,000	NA
Center for Autism and Related Disabilities - SUNY Albany	500,000	500,000	0	0.00
Teacher Resource & Computer Centers - Remaining 2006-07 Payments	0	8,001,000	8,001,000	NA
Teacher-Mentor Intern - Remaining 2006-07 Payments	0	1,200,000	1,200,000	NA
National Board for Professional Training Standards	0	500,000	500,000	NA
Grants-in-aid for Certain School Districts	81,456,250 (b)	0	(81,456,250)	(100.00)
Prior Year Claims/Fiscal Stabilization Grants (a)	25,900,000	25,900,000	0	0.00

Other School Programs	2006-07	2007-08	Change	
			Amount	Percent
	<u>\$804,520,000</u>	<u>\$915,120,000</u>	<u>\$110,600,000</u>	<u>13.75 %</u>
Private Schools for the Blind & Deaf (G.F.)	111,100,000	118,100,000	7,000,000	6.30
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment	2,000,000	2,000,000	0	0.00
Preschool Special Education	635,000,000	663,100,000	28,100,000	4.43
Summer School Handicapped	237,900,000	243,400,000	5,500,000	2.31
Less: Special Education Medicaid Offset	(170,000,000)	(100,000,000)	70,000,000	(41.18)
Less: Consortium for Worker Education Offset	(11,500,000)	(11,500,000)	0	0.00
Fiscal Year Total (excluding Hurd Loans)	<u>\$22,856,518,600</u>	<u>\$24,948,834,600</u>	<u>\$2,092,316,000</u>	<u>9.15 %</u>
Sound Basic Education Replacement Fund (c)	262,500,000	0	(262,500,000)	(100.00)
Advances to Hurd City School Districts (c)	5,431,000	4,343,400	(1,087,600)	(20.03)
FISCAL YEAR TOTAL	<u>\$23,124,449,600</u>	<u>\$24,953,178,000</u>	<u>\$1,828,728,400</u>	<u>7.91 %</u>

(a) 2006-2007 school year funding for all or a portion of this program is provided within school aid.

(b) Included funds designated by Chapter 53 of the Laws of 2006 for Teacher Centers, the Teacher-Mentor program and the National Board for Professional Teaching Standards.

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

Source: Laws of the State of New York: Chapters 53, 58, 61, 108 and 109, Laws of 2006; 2007-2008 Executive Budget.

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

Recommended school aid provisions will increase payments to 646 major school districts by a total of \$1,395.04 million in the 2007-08 school year. There are 31 districts that are projected to have decreases of -\$5.81 million. The combined total of increases and reductions produce a net increase statewide of \$1,389.23 million, or 7.98 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 9.35 percent.
- In Table II-E, major 2007-08 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 7.98 percent. The 369 districts in the 18 most populous counties contain 49.30 percent of the State's public school pupils. These districts will receive 42.96 percent of the 2007-08 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 6.89 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 7.38 percent and will receive 17.94 percent of the 2007-08 combined aids total.

TABLE II-C
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED
THROUGH SCHOOL AID APPROPRIATIONS: 2006-07 AND 2007-08

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
I. Formula-Based Aids:										
(----- Amounts in Millions -----)										
Flex Aid	\$3,501.32	\$0.00	\$243.27	\$0.00	\$176.25	\$0.00	\$109.75	\$0.00	\$57.10	\$0.00
Excess Cost - Public	817.46	0.00	57.51	0.00	57.04	0.00	36.60	0.00	19.71	0.00
Sound Basic Education Aid	421.49	0.00	20.38	0.00	18.00	0.00	9.31	0.00	8.27	0.00
Supplemental ENA	43.19	0.00	5.51	0.00	6.67	0.00	4.52	0.00	3.13	0.00
Limited English Proficiency	14.06	0.00	0.58	0.00	0.58	0.00	0.37	0.00	0.32	0.00
Class Size Reduction	88.84	0.00	4.97	0.00	5.25	0.00	3.30	0.00	4.60	0.00
Growth Aid	0.00	0.00	0.00	0.00	0.00	0.00	1.43	0.00	0.00	0.00
Enrollment Adjustment Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reorganization Incentive (Operating)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Limitation Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00
High Tax Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Teacher Support Aid	62.71	0.00	1.74	0.00	1.08	0.00	0.81	0.00	1.15	0.00
Magnet Schools	48.18	0.00	21.03	0.00	15.00	0.00	13.00	0.00	49.50	0.00
Categorical Reading	29.95	0.00	17.50	0.00	5.50	0.00	6.00	0.00	5.00	0.00
Improving Pupil Performance	36.20	0.00	10.50	0.00	6.95	0.00	3.60	0.00	9.10	0.00
Aid to Small City School Districts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fort Drum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foundation Aid	0.00	5,533.03	0.00	406.97	0.00	319.46	0.00	204.36	0.00	162.97
Foundation Aid Total	\$5,063.40	\$5,533.03	\$382.99	\$406.97	\$292.32	\$319.46	\$188.69	\$204.36	\$158.23	\$162.97
Excess Cost - High Cost	167.06	174.99	0.00	2.86	1.79	3.11	4.92	4.44	3.74	4.38
Excess Cost - Private	97.27	98.06	16.25	18.00	2.90	8.32	0.60	0.70	3.74	3.56
Textbooks	74.12	74.23	2.81	2.80	2.30	2.29	1.43	1.45	1.79	1.81
Computer Software	19.33	19.12	0.72	0.71	0.59	0.60	0.36	0.36	0.44	0.44
Library Materials	7.74	7.98	0.29	0.30	0.24	0.25	0.13	0.14	0.18	0.18
Computer Hardware	11.17	10.47	0.69	0.70	0.58	0.57	0.39	0.40	0.16	0.18
Special Services (Career Ed/Computer Admin.)	107.83	101.22	11.74	12.04	7.78	7.84	3.72	3.87	4.56	4.82
Transportation (Including Summer)	430.61	451.31	32.77	34.28	37.90	41.13	8.31	9.79	12.56	15.15
Building Aid	543.75	531.68	48.56	55.49	16.85	14.92	8.10	11.10	3.29	3.12
EXCEL Building Aid	0.00	94.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Universal Prekindergarten	188.69	251.94	11.36	11.36	9.14	9.88	6.78	6.78	4.27	4.27
Supplemental Educational Improvement Plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.50
Charter School Transitional Aid	0.00	0.00	0.00	11.29	0.00	0.00	0.00	0.00	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	\$6,710.97	\$7,348.03	\$508.18	\$556.80	\$372.40	\$408.37	\$223.43	\$243.39	\$192.96	\$209.38
Change from 2006-07 School Year		\$637.06		\$48.62		\$35.97		\$19.96		\$16.42
Percent		9.49%		9.57%		9.66%		8.93%		8.51%
II. Grant Programs and Other 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 (a)	14.53	14.53	0.73	0.73	0.47	0.47	0.47	0.47	0.30	0.30
Teacher-Mentor Intern (a)	2.41	2.41	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	31.94	31.94	7.29	7.29	9.46	9.46	2.21	2.21	3.63	3.63
SCHOOL YEAR TOTAL SELECTED AIDS	\$6,742.91	\$7,379.97	\$515.47	\$564.09	\$381.86	\$417.83	\$225.64	\$245.60	\$196.59	\$213.01
Change from 2006-07 School Year		\$637.06		\$48.62		\$35.97		\$19.96		\$16.42
Percent		9.45%		9.43%		9.42%		8.85%		8.35%
Fiscal Stabilization Grants	40.20	41.17	1.20	1.20	1.48	1.48	0.00	0.00	0.00	0.00
TOTAL	\$6,783.11	\$7,421.14	\$516.67	\$565.29	\$383.34	\$419.31	\$225.64	\$245.60	\$196.59	\$213.01
Change from 2006-07 School Year		\$638.03		\$48.62		\$35.97		\$19.96		\$16.42
Percent		9.41%		9.41%		9.38%		8.85%		8.35%

(a) For the 2006-07 school year, Teacher Centers and the Teacher-Mentor Intern program were partially funded outside of school aid.

Source: State Education computer runs and Executive Budget estimates of January 31, 2007.

TABLE II-D
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID APPROPRIATIONS
-- 2006-07 AND 2007-08 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2006-07	2007-08	Change	
	School Year	School Year	Amount	Percent
I. Formula-Based Aids:	(----- Amounts in Millions -----)			
Flex Aid	\$3,501.32	\$0.00	(\$3,501.32)	(100.00) %
Excess Cost - Public	817.46	0.00	(817.46)	(100.00)
Sound Basic Education Aid	421.49	0.00	(421.49)	(100.00)
Supplemental ENA	43.19	0.00	(43.19)	(100.00)
Limited English Proficiency	14.06	0.00	(14.06)	(100.00)
Class Size Reduction	88.84	0.00	(88.84)	(100.00)
Growth Aid	0.00	0.00	0.00	0.00
Enrollment Adjustment	0.00	0.00	0.00	0.00
Reorganization Incentive (Operating)	0.00	0.00	0.00	0.00
Tax Limitation Aid	0.00	0.00	0.00	0.00
High Tax	0.00	0.00	0.00	0.00
Teacher Support Aid	62.71	0.00	(62.71)	(100.00)
Magnet Schools	48.18	0.00	(48.18)	(100.00)
Categorical Reading	29.95	0.00	(29.95)	(100.00)
Improving Pupil Performance	36.20	0.00	(36.20)	(100.00)
Aid to Small City School Districts	0.00	0.00	0.00	0.00
Fort Drum	0.00	0.00	0.00	0.00
Foundation Aid	0.00	5,533.03	5,533.03	NA
Foundation Aid Total	\$5,063.40	\$5,533.03	\$469.63	9.27 %
Excess Cost - High Cost	167.06	174.99	7.93	4.75
Excess Cost - Private	97.27	98.06	0.79	0.81
Textbooks (Incl. Lottery)	74.12	74.23	0.11	0.15
Computer Software	19.33	19.12	(0.21)	(1.09)
Library Materials	7.74	7.98	0.24	3.10
Computer Hardware	11.17	10.47	(0.70)	(6.27)
BOCES	0.00	0.00	0.00	0.00
Special Services (Career Ed./Computer Admin.)	107.83	101.22	(6.61)	(6.13)
Transportation (Including Summer)	430.61	451.31	20.70	4.81
Building/Reorganization Building	543.75	531.68	(12.07)	(2.22)
EXCEL Building Aid	0.00	94.00	94.00	NA
Universal Prekindergarten	188.69	251.94	63.25	33.52
Supplemental Educational Improvement Plan	0.00	0.00	0.00	0.00
Charter School Transitional Aid	0.00	0.00	0.00	0.00
Full-Day Kindergarten	0.00	0.00	0.00	0.00
Formula-Based Aids Total	\$6,710.97	\$7,348.03	\$637.06	9.49 %
II. Grant Programs and Other Aid Categories:				
Teachers of Tomorrow	15.00	15.00	0.00	0.00
Teacher Centers	14.53 (a)	14.53	0.00	0.00
Teacher-Mentor Intern	2.41 (a)	2.41	0.00	0.00
Math and Science Initiatives	0.00	0.00	0.00	0.00
School Health Services	0.00	0.00	0.00	0.00
Employment Preparation Education	33.50	33.50	0.00	0.00
Homeless Pupils	0.00	0.00	0.00	0.00
Incarcerated Youth	0.00	0.00	0.00	0.00
Bilingual	4.50	4.50	0.00	0.00
Education of OMH/OMR Pupils	16.50	17.33	0.83	5.03
Chargebacks	(7.45)	(7.53)	(0.08)	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Subtotal	80.12	80.87	0.75	0.94
SCHOOL YEAR TOTAL	\$6,791.09	\$7,428.90	\$637.81	9.39 %
Fiscal Stabilization Grants	40.20	41.17	0.97	2.41
TOTAL	\$6,831.29	\$7,470.07	\$638.78	9.35 %

(a) Partially funded outside of school aid.

Source: State Education Department computer runs and Executive Budget estimates of January 31, 2007.

TABLE II-E
CHANGE IN SCHOOL AID (a) FOR 2006-07 AND 2007-08 SCHOOL YEARS:
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dtrs.	Percent of Total State TAFPU (b)	2007-08 Combined Aids		Change in Aid from 2006-07 to 2007-08		Number of Districts		
			2006-07 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.47	\$195,149	\$213,043	1.13	\$17,894	9.17	13	0
Broome	12	1.14	209,713	230,909	1.23	21,196	10.11	12	0
Chautauqua	18	0.78	188,730	201,975	1.07	13,245	7.02	17	1
Dutchess	13	1.69	226,057	239,105	1.27	13,048	5.77	12	1
Erie	28	4.95	985,718	1,066,784	5.68	81,066	8.22	26	2
Monroe	18	4.20	772,366	834,791	4.44	62,425	8.08	18	0
Nassau	56	7.40	701,689	740,081	3.94	38,392	5.47	51	5
Niagara	10	1.21	251,038	268,305	1.43	17,267	6.88	9	1
Oneida	15	1.30	289,524	307,985	1.64	18,461	6.38	14	1
Onondaga	18	2.75	517,653	560,524	2.98	42,871	8.28	18	0
Orange	17	2.38	426,935	459,152	2.44	32,217	7.55	17	0
Rensselaer	11	0.85	164,110	174,101	0.93	9,991	6.09	11	0
Rockland	8	1.51	154,741	161,797	0.86	7,056	4.56	8	0
Saratoga	12	1.27	182,978	193,895	1.03	10,917	5.97	12	0
Schenectady	6	0.85	134,174	149,377	0.79	15,203	11.33	5	1
Suffolk	65	9.41	1,473,747	1,548,634	8.24	74,887	5.08	61	4
Ulster	9	1.00	159,952	172,215	0.92	12,263	7.67	8	1
Westchester	40	5.13	520,007	552,111	2.94	32,104	6.17	35	5
18 Most Populous Counties	369	49.30	\$7,554,281	\$8,074,784	42.96	\$520,503	6.89	347	22
New York City	1	36.31	6,710,966	7,348,028	39.10	637,062	9.49	1	0
Rest of State	307	14.39	3,140,302	3,371,968	17.94	231,666	7.38	298	9
TOTAL STATE	677	100.00	\$17,405,549	\$18,794,780	100.00	\$1,389,231	7.98	646	31

(a) 2007-08 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, building, reorganization incentive building, EXCEL building, full-day k, universal prekindergarten, supplemental educational improvement plan and charter school transitional aid.

(b) The Selected TAFPU for payment pupil count used for 2007-08 Foundation Aid.

Source: State Education Department computer runs and Executive Budget estimates of January 31, 2007.

III

APPENDICES

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

- Appendix III-A summarizes the School Aid categories and adjustments recommended for 2007-08 and compares them with the 2006-07 aid categories.
- Appendix III-B provides the mathematical formulas for computing 16 different aids for 2007-08 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than the Foundation Aid.

For Foundation Aid, for additional weightings used to calculate pupil needs for aid and district wealth, see the formula description in Appendix III-B.

- Appendix III-D describes the payment schedule for aids payable under section 3609 of the Education Law in the 2007-08 school year.
- Appendix III-E provides the regional cost indices used for the Foundation Aid formula.

APPENDIX III-A
COMPARISON OF 2006-07 AND 2007-08 SCHOOL AID PROGRAMS

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
<u>FOUNDATION AID</u> ⁵		
Base Year Aid Amount	None	The sum of a district's 2006-07 Flex 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, Public Excess Cost Aid (excluding High Cost Aid), Teacher Support Aid, Magnet School Aid, Categorical Reading Aid, Improving Pupil Performance Aid, Aid to Small City School District and Fort Drum Aid ⁶
Formula Ceiling for 2010-11 Aid	None	\$5,662 (\$5,258 for 2007-08 compounded by the projected annual percentage increase in the CPI of 2.50 percent)
Regional Cost Index	None	See APPENDIX III-E
Extraordinary Needs Percent	None	The sum of the three-year average percentage of K-6 free and reduced price lunch eligible applicants for the 2003-04, 2004-05 and 2005-06 school years times 2006-07 enrollment times .65,

⁵ Additional Foundation Aid formula detail is provided in APPENDIX III-B.

⁶ The following aid categories are 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, Tuition Adjustment, and Shared Services Savings Incentive Aid.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
		plus the 2000 census percentage of 5-17 pupils in poverty times 2006-07 enrollment times .65, plus the number of Limited English Proficiency students times .50, plus a sparsity factor based on a calculation of enrollment per square mile times 2006-07 enrollment divided by 2006-07 enrollment
Pupil Need Index	None	1.0 plus a district's Extraordinary Needs Percent, minimum = 1.0, maximum = 2.0.
Estimated Minimum Local Contribution Per Pupil	None	90% of the 3-year statewide average school tax rate (= .016 for 2007-08) times a district's Income Wealth Index for Foundation Aid (.65 minimum; 2.00 maximum) times a district's Selected Actual Valuation per Total Wealth Foundation Pupil Unit ⁷
Pupils	None	Selected Total Aidable Foundation Pupil Units (Selected TAFPU)
Minimum District Aid for the 2010-11 School Year	None	1.1255 times a district's base year aid amount

⁷ A district's Income Wealth Index is equal to:

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

Minimum: .65; Maximum 2.00

The 2004 Adjusted Gross Income is the 2004 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 is the lesser of the 2004 Actual Valuation or the average of 2003 Actual Valuation and 2004 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.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
Foundation Aid increase for the 2007-08 School Year	None	A district will receive a phase-in increase equal to 20 percent of the greater of (1) the Foundation Aid base multiplied by 0.1255 or (2) the positive result of the Selected TAFPU multiplied by the greater of \$500 or formula Foundation Aid. Formula Foundation Aid is the result of \$5,662 x RCI x PNI less an expected minimum local contribution. No district will receive less than 1.03 times the sum of its base year aid. The maximum allowed increase is 1.25 times the sum of base year aid.
<u>FLEX AID</u>	Each district will receive an amount equal to the sum of its 2005-06 Flex Aid and Additional Aids plus a one percent increase.	None
<u>GROWTH AID</u>	Growth Index in excess of 1.004 x Formula Operating Aid ⁸	None

⁸ For the 1997-98 school year and after, the Growth Index was defined as a measure of enrollment rather than attendance.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
<u>ENROLLMENT ADJUSTMENT AID</u>		
Formula Ceiling	\$1,725.00	None
State Share	Combined Wealth Ratio-based State Sharing Ratio ⁹ which is 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.	None
Pupils	The increase in enrollment between 2000 and 2004	None
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	Qualifying districts will receive the same aid that they would have received in the 2000-01 school year - \$1.13 million	\$1.13 million will continue to be available for this program

⁹ A district's 2006-07 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: $\frac{\text{Selected Actual Valuation}/2004-05 \text{ TWP}}{\$382,200}$; and the Alternate Pupil Wealth Ratio is equal to: $\frac{2003 \text{ District Income}/2004-05 \text{ TWP}}{\$121,800}$

For the 2006-07 school year, Selected Actual Valuation is the lesser of 2003 Actual Valuation or 117 percent of the 2002 Actual Valuation.

For the 2007-08 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:

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

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

For a description of pupil counts for wealth and aid for formulas other than Foundation Aid, see Appendix III-C.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
<u>LIMITED ENGLISH PROFICIENCY AID</u>		
Weighting	.056	None
<u>SUPPLEMENTAL EXTRAORDINARY NEEDS AID</u>		
Tier 1 Aid		
Eligible Districts	A district's CWR must be less than 0.805	None
Formula Ceiling	\$207.50 x State Sharing Ratio (see Enrollment Adjustment Aid)	None
Pupils	Selected TAPU	None
State Share	(0.805 - CWR) plus a sparsity adjustment	None
Sparsity Adjustment	(25 - 2005 enrollment/square mile)/68	None
Tier 2 Aid		
Eligible Districts	A district's CWR (based on February 2006 data) must be greater than 0.975 and its Extraordinary Needs Percent ¹⁰ greater than 35 percent	None
Formula Ceiling	\$125.00	None
Pupils	Selected TAPU x (EN%-15%)	None
Tier 3 Aid		
Formula Ceiling	\$45.40 plus an additional ceiling amount	None
Additional Ceiling Amount	For city school districts with a population: > 250,000 < 1,000,000 = \$10.00 > 210,000 < 250,000 = \$65.00 > 160,000 < 210,000 =	None

¹⁰ The Extraordinary Needs percent (EN%) for 2006-07 Supplemental Extraordinary Needs Aid equals the Extraordinary Needs pupil count divided by 2005 enrollment times 100. The EN pupil count is the sum of the percentage of K-6 free and reduced price lunch eligible applicants times 2005 enrollment, plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 2005 enrollment.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
	\$10.00	
	> 100,000 < 160,000 =	
	\$90.00	
	> 80,000 < 100,000 =	
	\$65.00	
Pupils	The Extraordinary Needs pupil count.	None
<u>PUBLIC EXCESS COST AID FOR DISABLED PUPILS</u>		
Public Excess Cost Aid:		
Disabled Pupil Classifications	Three	None
Ceiling Range for Aid	\$2,000 - \$9,250	None
Wealth Measure	Combined Wealth Ratio	Same ¹¹
State Share	.49	Same
Minimum Aid Ratio	.25	Same
High Cost Eligibility	4 x AOE/TAPU or \$10,000	Same
Save-Harmless	95% of 2005-06 aid (including declassification aid but not integrated settings aid)	None
Integrated Settings Aid (not subject to save-harmless):		
Ceiling	Basic Excess Cost Aid per pupil	None
Pupil Count	Year prior to base year pupils who received special education services in a general education setting at least 60 percent of the time x 0.50	None
Declassification Support Services Aid:		
Ceiling	Basic Excess Cost aid Per Pupil x 0.50	None
Pupil Count	Base Year Pupils in Need	None
<u>PRIVATE EXCESS COST AID:</u>		
Ceiling Range for Aid	Tuition - Deduct	Same

¹¹ Public Excess Cost Aid, exclusive of High Cost Aid, is included among the 2006-07 school year aids replaced by Foundation Aid.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
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>BOCES AID</u>		
Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA	Actual Valuation/Full Year Attendance RWADA
State Share	.49	Same
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	Same
Save-Harmless	100% of 1967-68 Aid	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> 2005-06 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2005-06.	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.
Pupil Count	2006-07 Estimated Full-Day K Enrollment - 2005-06 Full-Day K Enrollment	2007-06 Estimated Full-Day K Enrollment - 2006-07 Full-Day K Enrollment
Aid Per Pupil	A district's Formula Operating Aid per pupil.	Foundation Aid per pupil
<u>TRANSPORTATION AID</u>		
Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio	Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio
State Share	The greater of: 1.01 - (.46 * Selected AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted):	The greater of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted):

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
	1.01 - (.46 * Selected AV/enrollment wealth ratio)	1.01 - (.46 * AV/enrollment wealth ratio)
Sparsity Adjustment	(21 - 2004-05 enrollment/square mile)/317.88	Same except for the use of 2005-06 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>BUILDING AID</u>		
Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA	Actual Valuation/Full Year Attendance RWADA
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

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
HNSBAR	High Need Supplemental 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 project's approved costs.	Same
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
<u>REORGANIZATION INCENTIVE AID</u>		
Prior to July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	10%	Same
Taper	1%/9 years	Same
Building Aid:		
Additional Percentage	25%	Same
Effective July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	20%	Same
Taper	2%/9 years	Same
Building Aid:		
Additional Percentage	30%	Same
Effective July 1, 1992:		
Operating Aid:		
Additional Percentage (5 years)	40%	Same

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
Taper	4%/9 years	Same
Eligibility Date:		
New Projects	July 1, 2008 or approved by voters within ten years of reorganization.	Same
<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	Same
Wealth Measure	Combined Wealth Ratio	Same
Computer Administration Aid:		
State share	.49	Same
Minimum Aid Ratio	.30	Same
Ceiling	\$62.30/pupil	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID</u>	Based on approved expense (up to an amount equal to \$19.25 x TAPU x current year Building Aid ratio)	Same
<u>TEXTBOOK AID</u>	Up to \$57.30 per public and nonpublic pupil (district of residence) Aid cannot exceed the amount of base-year textbook expenditures.	Up to \$58.25 per public and nonpublic pupil (district of residence) Same
<u>COMPUTER SOFTWARE AID</u>	Up to \$14.98 per public and nonpublic pupil (district of attendance) Aid cannot exceed the amount of base-year software expenditures.	Same Same
<u>LIBRARY MATERIALS AID</u>	Up to \$6 per public and nonpublic pupil (district of attendance) Aid cannot exceed the amount of base-year library expenditures.	Up to \$6.25 per public and nonpublic pupil (district of attendance) Same
<u>UNIVERSAL PREKINDERGARTEN</u>	Each school district shall	Universal

<u>AID</u>	<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
		be eligible to receive an amount up to the amount such district was eligible for in the 2005-06 school year. An additional \$50 million in Supplemental Prekindergarten Aid will be available for program expansion.	Prekindergarten Aid, with funding based on Foundation Aid per pupil, (see formula description in Appendix III-B) will replace Prekindergarten Aid as well as Targeted and Supplemental Prekindergarten Aids. Funding for the 2007-08 school year will total \$394.45 million, an increase of \$98.83 million. A district's 2007-08 aid cannot exceed the amount of its approved prekindergarten expenditures.
	<u>SUPPLEMENTAL PREKINDERGARTEN</u>		
	Pupil Count	Lesser of pupils served or aidable prekindergarten pupils as displayed on the computer listing entitled "SA060-7" released in March 2006.	None
	Wealth Measure	Combined Wealth Ratio	None
	Per Child Amount	Greater of calculated grant per pupil or 2000-01 grant per pupil	None
	Minimum/Maximum Per Child Amount	\$2,700, \$4,000	None
	<u>CLASS SIZE REDUCTION</u>	Each school district shall be eligible to receive an amount up to the amount it was eligible for in the 2005-06 school year.	None
	<u>CATEGORICAL READING AID</u>	\$63.95 million	None
	<u>IMPROVING PUPIL PERFORMANCE</u>	\$66.35 million	None
	<u>FORT DRUM GRANTS</u>	\$3.49 million	None
	<u>MAGNET SCHOOL AID</u>	\$158.20 million	None
	<u>TEACHER SUPPORT AID</u>	\$67.48 million	None

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
<u>TAX LIMITATION AID</u>		
Tier 1 Aid	For the 2006-07 school year a district will receive a continuation of its 2005-06 Tax Limitation aid.	None
	Qualifying districts will receive additional Tier 2 or Tier 3 aid as described below.	None
Tier 2 Aid Eligible Districts	A district's Combined Wealth Ratio must be less than 2.00 and the ratio of its 2003 tax levy on residential real property (including condominium property) divided by the district's 2003 adjusted gross income compared to the state average of residential tax levy divided by income (2.78 percent for 2006-07) must be greater than 1.80.	None
Formula Ceiling	\$50.00 multiplied by the ratio of a district's residential levy divided by income compared to the state average (2.78 percent).	None
	Combined Wealth Ratio	None
	.52	None
Wealth Measure	Pupils for Tax Aid	None
State Share		
Pupils		
Tier 3 Aid	Additional Aid is available for districts with an AOE/TAPU for Expense greater than the State Average (\$9,250)	None
State Share	.535	None
Pupils	Selected TAPU	None
<u>HIGH TAX AID</u>		
Eligible Districts	Aid is available to school districts in counties where the sum of the districts' 2003 tax levy on residential real property (including	None

<u>Category</u>	<u>2006-07 School Year</u> condominium property) divided by the districts' 2003 adjusted gross income is greater than 4 percent.	<u>2007-08 School Year</u>
Formula Ceiling	\$29.90	None
Pupils	2005-06 public enrollment	None
Minimum District Aid	\$25,000	None
<u>TEACHER CENTERS</u>	\$37.0 million	Same
<u>TEACHER-MENTOR INTERN</u>	\$6.0 million	Same
<u>MATH AND SCIENCE INITIATIVES</u>	\$10.0 million	\$10.0 million
<u>SCHOOL HEALTH SERVICES</u>	\$13.84	Same
<u>INCARCERATED YOUTH</u>	\$16.5 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.88 million. For the 2006-07 school year, a district's <u>Hurd</u> aid was the same as its 2005-06 aid	None
<u>EMPLOYMENT PREPARATION EDUCATION AID¹²</u>		
Ceiling	\$9.25/contact hour	\$9.95/contact hour
Wealth Measure	Selected AV/TWPU	AV/TWPU
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same
<u>SOUND BASIC EDUCATION AID</u>	A district will receive its 2006-07 Sound Basic Educational Aid as described below	None

¹² For the 2007-08 school year, a \$96.00 million funding limit is provided, the same as for the 2006-07 school year.

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
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For 2006-07, each school district will receive a share of the \$375 million SBE Aid increase equivalent to its share of 2005-06 SBE Aid. For each district, the apportionment will be equal to \$375 million multiplied by the ratio of the district's 2005-06 SBE Aid to the 2005-06 State total SBE Aid (\$324.9 million). No district will receive less than \$53,837. The Legislature also provided for a Sound Basic Education Aid replacement fund appropriation of \$262.5 million to ensure that no district will receive less than the amount reported in the school aid computer listing entitled "SA060-7," which was released in March 2006 with the issuance of the 2006-07 enacted Budget.

<u>SUPPLEMENTAL EDUCATIONAL IMPROVEMENT PLAN</u>	None	\$8.50 million
<u>CHARTER SCHOOL TRANSITIONAL AID</u>	None	\$15.24 million
<u>FULL-DAY KINDERGARTEN PLANNING GRANTS</u>	None	\$2.00 million
<u>ROCHESTER COMMUNITY SCHOOLS PILOT</u>	None	\$4.00 million

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS¹³

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 and reorganization incentive building aid, full-day K incentive aid, prekindergarten aid, and charter school transitional aid are presented in this appendix.

For aids other than Foundation Aid, the State average wealth measures for use in the calculation of 2007-08 aid ratios are:

2004 Actual Valuation/2005-06 TWP	\$426,800
2004 Adjusted Gross Income/2005-06 TWP	\$136,600
2004 Actual Valuation/2005-06 RWADA	\$509,800

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. 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

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

¹³ Additional formula details are provided in the school aid computer listing entitled "BT552-5," released in January 2007 with the issuance of the 2007-08 Executive Budget and the 2007-08 Executive Budget ELFA bill.

FOUNDATION AID

Education Law, Section 3602, Subdivision 4

Base Year Aids

A district's 2007-08 Foundation Aid is determined by first 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), Teacher Support Aid, Magnet Schools Aid, Categorical Reading Aid, Improving Pupil Performance Aid, Aid to Small City School Districts and Fort Drum Aid.¹⁴ To this amount is added the result of the following:

Foundation Aid for the 2007-08 School Year

For 2007-08, a district will receive the sum of its 2006-07 base year aids plus a Foundation phase-in increase equal to 20 percent¹⁵ of the greater of (1) the Foundation Aid base multiplied by 0.1255 or (2) the positive result of the Selected TAFPU multiplied by the greater of \$500 or formula Foundation Aid. Formula Foundation Aid is the result of $\$5,662^{16} \times \text{RCI} \times \text{PNI}$ less an expected minimum local contribution.

No district will receive less than a 3 percent increase above the sum of its base year aids listed above. For the 2007-08 school year the maximum allowed increase is 25 percent above the sum of base year aids.

2010-11 Foundation Aid = A district is eligible to receive an increase equal to the greater of:

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

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

See below for pupil counts for aid and wealth.

¹⁴ The following aid categories are 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, Tuition Adjustment and Shared Services Savings Incentive.

¹⁵ The phase-in factor will be adjusted in future years as follows: 22.5 percent for 2008-09; 27.5 percent for 2009-10; and 30.0 percent for 2010-11.

¹⁶ The \$5,662 amount represents the 2010-11 projected average cost calculated by taking the 2007-08 average cost of \$5,258 for 465 successful schools based on a Regents' study and compounding it by the projected annual percentage increase in the consumer price index - 2.50 percent.

2010-11 Foundation Aid per pupil =

(Ceiling x Regional Cost Index x Pupil Need Index) - Expected Minimum Local Contribution

Ceiling: The 2010-11 formula ceiling amount of \$5,662 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 percentage increase in the consumer price index.

Regional Cost Index: The regional cost index is generated following a wage-based methodology. The statewide index calculated by staff of the State Education Department 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-E for county regional cost indices.)

Pupil Need Index = 1.0 + (Extraordinary Needs Percent)

Minimum: 1.0
Maximum: 2.0

Extraordinary Needs Percent = $\frac{\text{Extraordinary Needs Count}}{\text{Estimated 2006 Enrollment}} \times 100$

Extraordinary Needs Count = The sum of the following pupil counts:

(i) 2006-07 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 (2003-04, 2004-05 and 2005-06) times .65, and

2006-07 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) times .65, and

(ii) For districts operating a K-12 program, a sparsity count equal to 2006-07 enrollment times:

$$\frac{(25 - 2006-07 \text{ Enrollment/Square Mile})}{50.9}$$

with no maximum, and

(iii) The number of Limited English Proficiency pupils times .50.

Expected Minimum Local Contribution per pupil =

3-Year Adj. Statewide Avg. Tax Rate (.016) x Income Wealth Index x Selected Actual Valuation/2005-06 Total Wealth Foundation Pupil Units

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)

Income Wealth Index =

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

Minimum: .65, Maximum 2.00

2004 Adjusted Gross Income = The 2004 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 2004 Actual Valuation or the average of 2003 Actual Valuation and 2004 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.

Pupil Counts for Foundation Aid and for Wealth

Selected TAFPU for Payment

The greater of 2006-07 Total Aidable Foundation Pupil Units (TAFPU) or the average of 2005-06 and 2006-07 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 membership¹⁷. Previous weightings are continued except for the additional weightings for secondary pupils and Pupils with Special Educational Needs. An additional weighting of 1.41 is provided for public school students with disabilities (district of attendance. Current weightings for declassification, summer school and dual enrollment pupils are continued.

Total Wealth Foundation Pupil Units (TWFPFU)

TWFPFU is based on average daily membership. The TWFPFU 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.

¹⁷ 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. TAPU for Payment used for aids other than Foundation Aid includes adjusted average daily attendance and additional weightings for aidable pupils with special educational needs, aidable summer school pupils, dual enrollment pupils and secondary school pupils. (See Appendix III-C)

CHARTER SCHOOL TRANSITIONAL AID

Education Law, Section 3602, Subdivision 17

Districts are eligible for Charter School Transitional Aid if their Combined Wealth Ratio is below 1.000. 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 in the 2006-07 school year is greater than 5.0 percent of total resident public school enrollment and payments made to charter schools in the 2006-07 school year exceed 5.0 percent of the district's 2006-07 total general fund expenditures.

The Tier 1 formula = (0.80 x 2006-07 charter school basic tuition) x the increase in the number of resident pupils enrolled in a charter school between the 2005-06 and 2006-07 school years.

Tier 2 Aid

Districts are eligible for Tier 2 Aid if their number of resident pupils enrolled in charter schools in the 2005-06 school year is greater than 5.0 percent of total resident public school enrollment and payments made to charter schools in the 2005-06 school year exceed 5.0 percent of the district's 2005-06 total general fund expenditures.

The Tier 2 formula = (0.60 x 2006-07 charter school basic tuition) x the increase in the number of resident pupils enrolled in a charter school between the 2004-05 and 2005-06 school years.

Tier 3 Aid

Districts are eligible for Tier 3 Aid if their number of resident pupils enrolled in charter schools in the 2004-05 school year is greater than 5.0 percent of total resident public school enrollment and payments made to charter schools in the 2004-05 school year exceed 5.0 percent of the district's 2004-05 total general fund expenditures.

The Tier 3 formula = (0.40 x 2006-07 charter school basic tuition) x the increase in the number of resident pupils enrolled in a charter school between the 2003-04 and 2004-05 school years.

PUBLIC HIGH COST EXCESS COST AID

Education Law, Section 3602, Subdivision 5

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

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 (without limits)

Per Pupil Calculation:

High Cost Excess Cost Aid = (Approved Program Cost - (3 x AOE/TAPU)) x Aid Ratio Excess Cost

AOE/TAPU = $\frac{2005-06 \text{ Approved Operating Expenses (AOE)}}{2005-06 \text{ TAPU for Expense}}$

Excess Cost Aid Ratio = 1 - (Combined Wealth Ratio x .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. The aid is computed on a student-by-student basis with districts receiving private excess cost aid for each student.

Private Excess Cost Aid

Private Excess Cost Aid = Aidable Cost x Excess Cost Aid Ratio
(per pupil)

Aidable Cost = Tuition - (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 (2006-07) resident enrollment.

Excess Cost aid Ratio = 1 - (Combined Wealth Ratio x .15)

Minimum: .50

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 = \$3,900 x Aid Ratio x Career Ed Pupils

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

Minimum: .360

Career Education Pupils = 2006-07 Grade 10-12 ADA in a Career Education Trade Sequence + (.16 x Business Sequence ADA)

$$\text{Computer Administration Aid} = \frac{(\text{Expenses up to } \$62.30 \times \text{Enrollment})}{\text{Computer Expenses Aid Ratio}}$$

Enrollment = Fall 2006 public enrollment attending in the district

$$\text{Computer Expenses Aid Ratio} = 1 - (\text{Combined Wealth Ratio} \times .51)$$

Minimum: .300

BOCES AID

Education Law, Section 1950, Subdivision 5

Districts which are components of Boards of Cooperative Educational Services (BOCES) are eligible to receive BOCES operating, capital, and rental aids, with the total subject to a save-harmless provision.

$$\text{BOCES Operating Aid} = \text{Base Year Approved Expenses} \times \text{Aid Ratio}$$

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

Aid Ratio = greater of:

$$(i) \quad 1 - \frac{.008 \text{ (.003 for central high schools and component districts)}}{\text{District Actual Valuation Tax Rate} \\ \text{(Local Revenue/Selected Actual Valuation)}}$$

$$(ii) \quad 1 - \frac{(\text{2004 Actual Valuation}/\text{2005-06 RWADA} \times .51)}{\text{Statewide Average} \\ (\$509,800)}$$

Minimum: .360

Maximum: .900

$$\text{BOCES Capital Aid} = \text{2007-08 Capital Expense} \times \text{RWADA Aid Ratio}$$

$$\text{BOCES Rental Aid} = \text{2007-08 Rental Expense} \times \text{RWADA Aid Ratio}$$

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

- (i) 2007-08 BOCES Operating, Capital and Rental aids, or
- (ii) BOCES aid received during 1967-68

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.

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

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

(ii) $1.010 - \frac{(2004 \text{ AV}/2005-06 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$509,800)}$

(iii) $1.010 - \frac{(2004 \text{ AV}/2005-06 \text{ Resident Public} + \text{Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$445,300)}$

Minimum: .065

Maximum: .900

Sparsity Factor =

$$\frac{21.00 - 2005-06 \text{ Public Enrollment/Square Mile}}{317.88}$$

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

BUILDING AID¹⁸

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 Aid Ratio = $1 - \frac{(2004 \text{ Actual Valuation}/2005-06 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$509,800)}$

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,
- 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.

¹⁸ Consistent with legislation enacted with the 2004-05 State Budget, payment for new construction projects otherwise eligible for aid is 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, 2006 database.

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 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 Formula Operating Aid 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, districts 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 for which the general construction contract is signed prior to July 1, 2008 or within ten years from the effective date of the reorganization, whichever is later.

For districts reorganizing prior to July 1, 1983,

Reorganization Incentive Building Aid = Approved Expenses x Building Aid Ratio x 25%

For districts reorganizing after July 1, 1983,

Reorganization Incentive Building Aid = Approved Expenses x Building Aid Ratio x 30%

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. A district's 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

Computer Software Aid = 2006-07 Cost of Software (up to \$14.98 x Enrollment)

Enrollment = Fall 2006 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. A district's 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

Textbook Aid = 2006-07 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 2006-07 Resident Public and Nonpublic School Enrollment

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

Education Law, Section 3602, Subdivision 12

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

Technology equipment is defined as equipment used in conjunction with or in support of educational programs including, but not limited to, video, solar energy, robotic, satellite or laser equipment.

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

Hardware Aid = 2006-07 Approved Expenses (up to \$19.25 x Selected TAPU for Payment x Current Year Building Aid Ratio)

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 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

$$\text{Library Materials Aid} = \frac{\text{2006-07 Cost of Library Materials (up to \$6.25)}}{\text{x Enrollment}}$$

Enrollment = Fall 2006 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 2006-07 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2006-07.

School districts offering full-day kindergarten programs to all kindergarten students will receive Foundation Aid in 2007-08 for any increase in the number of students served in full-day programs in 2007-08 compared to 2006-07.

$$\text{Full-Day Kindergarten Conversion Aid} =$$

(2007-08 Estimated Full-Day K Enrollment - 2006-07 Full-Day K Enrollment)
x Foundation Aid per pupil (Selected TAFPU).

UNIVERSAL PREKINDERGARTEN AID

Education Law, Section 3602-e

For the 2007-08 school year, each district will be eligible to receive Universal Prekindergarten Aid equal to the greater of:

- (i) Its 2006-07 Prekindergarten Aid (The sum of its Prekindergarten, Supplemental Prekindergarten and Targeted Prekindergarten Aid), or
- (ii) 2007-08 Prekindergarten Aid per pupil times aidable prekindergarten pupils

For the 2007-08 school year:

$$\text{Prekindergarten Aid Per Pupil} = .50 \text{ x Foundation Aid per pupil}$$

Aidable Prekindergarten Pupils = Unserved prekindergarten pupils x phase-in factor.

Unserved Prekindergarten Pupils = The number of resident 4-year-olds (children who reach age 4 before December 1, 2007) not served by the

State preschool student with disabilities program (Education Law, Section 4410) for more than 4 hours per day.

2007-08 Phase-in Factor =

$$.25 + (\text{FRPL}\% - .35) \times \frac{(\text{Max. Prek Phase-in Factor} - \text{Min. Prek Phase-in Factor})}{(\text{Maximum FRPL Factor} - \text{Minimum FRPL Factor})}$$

For the 2007-08 school year:

Minimum Prekindergarten Phase-in Factor: .25
Maximum Prekindergarten Phase-in Factor: .75
Minimum FRPL Factor: .35
Maximum FRPL Factor: .80

Free and Reduced Price Lunch Percent = The three-year percentage of K-6 public school pupils in a district eligible for the free and reduced price lunch program as of October 2005.

Maintenance of Effort

A district's 2007-08 Universal Prekindergarten Aid cannot exceed the amount of approved prekindergarten expenditures.

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 = \$9.95 x EPE Aid Ratio x EPE Hours

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

Minimum: .400

$$\text{Pupil Wealth Ratio} = \frac{2004 \text{ Actual Valuation} / 2005-06 \text{ TWPU}}{\text{State Average } (\$426,800)}$$

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 2007-08 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) $2005-06 \text{ AOE/TAPU} \times \text{Number of full-day program pupils}^{19} +$
 $(.5 \times (\text{AOE/TAPU})) \times \text{Number of half-day program pupils}$ 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)

¹⁹ 2005-06 AOE/TAPU x 1.25 x pupils in 10 month programs or 2005-06 AOE/TAPU x 1.50 x pupils in 12 month programs.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2007-08 SCHOOL YEAR

- I. Average Daily Attendance/Average Daily Membership ^a
- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period. 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.
- III. TAPU for Expense, TAPU for Payment, TAPU for Formula Operating Aid Payment, TWPUP and RWADA

Short Title	Total Aidable Pupil Units For Expense	Total Aidable Pupil Units For Payment	Total Wealth Pupil Units	Resident Weighted Average Daily Attendance
Year used for aid payable in 2006-07	TAPU for Expense	Selected TAPU for payment	TWPUP	RWADA
Attendance Periods	2005-06	2006-07 or Two-year Average (2005-06 and 2006-07) ^b	2005-06	2005-06
Students: Based on:	Full Year	Full Year	Full Year	Full Year
	Served 100% ADA	Served 100% ADA	Resident 100% ADA	Resident 100% ADA
<hr/>				
<u>Basic Weightings</u>				
Half-Day Kindergarten	.50	.50	.50	.50
Kindergarten-Grade 6	1.00	1.00	1.00	1.00
Grades 7-12	1.00	1.00	1.00	1.25
Dual Enrollment	1.00	1.00	--	--

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

^b The 2006-07 TAPU is based on 2005-06 ADA, adjusted by the enrollment index (change between 2005-06 and 2006-07 enrollment). The 2005-06 TAPU is based on 2004-05 ADA, adjusted by the enrollment index (change between 2004-05 and 2005-06 enrollment).

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

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

^d Or five periods (at least 180 minutes) per week.

APPENDIX III-D
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a of the Education Law 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 and Library Materials Aids. Full Day Kindergarten Aid will not be paid until June 2008. 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 2007-08 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 "BT552-5," which was released in January 2007 with the issuance of the 2007-08 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, 2008. 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 2008. 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 "BT552-5."
- Any balance due of actual General Aid apportionments which does not exceed the sum of such apportionments as reported in the school aid computer listing entitled "BT552-5" 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, 2008.

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% on the first business day of September;
- 15% on or before October 15, 2007;
- 15% on or before November 15, 2007 ;
- 15% on or before December 15, 2007 ;
- 15% on the first state business day of January 2008 ;
- 15% on the first state business day of February 2008; and the balance due on or before March 31,2008.

STAR Aid

- For the 2007-08 school year, STAR reimbursements will be governed by a formula designed to ensure that outstanding STAR balances do not exceed specified percentages of a district's property tax levy. Assuming timely filing of claims by districts, any STAR amounts that exceed 25% of a district's property tax levy will be paid in October. Remaining STAR amounts that exceed 20% of the levy will be paid in November and STAR owed in excess of 15% of levy will be paid in December. The balance of the STAR due to districts will be paid on the first business day of January.
- Any increase in STAR reimbursement that occurs as a result of adjustments made after January 1 will be paid by March 31, 2008.

- 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 ½% on September 15, 2007 and December 15, 2007 and 35% on June 15, 2008.

Excess Cost Aids

Section 3609-b of the Education Law requires that apportionments payable to school districts for Excess Cost Aids shall be designated as State share monies due to school districts pursuant to Title XIX of the Social Security Act (Medicaid reimbursement). Such State share monies will be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid reimbursement. Any remaining balances of Excess Cost Aids will be paid in accordance with the schedule below. Total Excess Cost Aids payable to a district for the school year may not exceed the sum of the Public Excess Cost Aid setaside at the time of the 2007-08 Executive Budget, the Public High Cost Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "BT552-5" which was released in January 2007 with the issuance of the 2007-08 Executive Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2007 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 2007-February 2008 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 2007-May 2008 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 2007-July 2008 will be paid on or before August 15.
- Any balance due of actual Excess Cost Aids payable which does not exceed the sum of the Public Excess Cost Aid setaside at the time of the 2007-08 Executive Budget, the Public High Cost Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "BT552-5" will be paid on the first business day of September, 2008.

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 "BT552-5," which was released in January 2007 with the issuance of the 2007-08 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 "BT552-5" 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 "BT552-5" 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 "BT552-5" will be paid to the BOCES on the first business day of September, 2008.

APPENDIX III-E
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.