

DESCRIPTION OF
2001-02 NEW YORK STATE
EXECUTIVE BUDGET RECOMMENDATIONS
FOR
ELEMENTARY AND SECONDARY EDUCATION

C	A \$382 million increase recommended in the 2001-02 Executive Budget for school aid, accompanied by formula reforms including creation of a new Flex Aid program.
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INTRODUCTION

This report provides a summary of the 2001-02 New York State aid programs for elementary and secondary education as recommended in the Executive Budget submitted by Governor Pataki to the Legislature on January 16, 2001.

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 formulas. 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.

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SCHOOL AID/STAR OVERVIEW

The 2001-02 Executive Budget increases New York's investment in elementary and secondary education by \$382 million to a record level of \$14.1 billion. This increase comes on top of four years of record-breaking increases in funding that total \$3.4 billion.

The 2001-02 Executive Budget will not only provide a record level of State support for school districts, but will do so by proposing a fundamental reform that will consolidate 11 separate categories of aid into a new comprehensive operating aid program – "Flex Aid". This new aid category will target over \$9.8 billion in general operating support to school districts, provide greater funding flexibility and predictability, and promote improved student performance. In addition, the STAR property tax relief initiative will support the continued \$50,000 full value exemption for income-eligible seniors and the implementation of the final phase of STAR for other homeowners. Executive Budget recommendations include a cost of living adjustment to ensure continued income eligibility for qualified seniors and a limit on school district annual spending increases.

Key components of the 2001-02 Executive Budget recommendations for elementary and secondary education include the following:

- C A \$250.0 million increase is provided through the new Flex Aid formula to help school districts meet pupil needs and support essential operating costs. The Flex Aid formula incorporates various reforms including: a simplified calculation, a pupil count which adjusts for the needs of at-risk pupils and a regional cost factor. This new formula provides nearly 70 percent of overall school aid and extends the equity of the existing school aid formulas by providing nearly 70 percent of the overall Flex Aid increase to the State's high-needs school districts compared to 60 percent under existing formulas.
- C An increase of \$25.0 million to a total of \$50.0 million in funding for the "Teachers of Tomorrow" teacher recruitment and retention initiative.
- C Big Five City School District initiatives which include a \$15.0 million Fund for Innovation to support innovative applications of education technology and a \$7.5 million Schoolwide Performance Incentive to reward educational

improvement.

- C An overall increase of \$239.6 million is provided for expense-based aids including building, building reorganization incentive and transportation aid. In addition, significant reforms and payment changes are proposed in building aid.
- C A \$4.0 million or 9.9 percent increase is provided for software aid. Hardware aid is increased by \$500,000 or 1.9 percent and textbook aid is continued at its base-year amount.
- C A comprehensive reform of special education will be achieved through consolidation of special education funding into the new Flex Aid formula to ensure that future funding increases will be based on overall enrollment growth rather than additional pupil placements in special education settings.
- C BOCES Aid will be continued at its previous year's funding level of \$455.3 million.
- C A total of \$225 million is recommended for Universal Prekindergarten Aid -- \$52 million more than estimated program commitments for the 2000-01 school year. Class Size Reduction is continued at \$140 million and Full-Day K is funded at its projected expenditure level of \$4.9 million.
- C Several aid categories, which benefitted from non-recurring legislative adds totaling \$78.7 million in 2000-01, are eliminated or will have funding reduced.
- C Various reforms are advanced in the areas of school choice, teacher shortages, pupil performance, Big Five City school governance and maintenance of effort, limits on school spending increases, school safety and mandate relief.
- C STAR
 - STAR property tax relief will increase from \$1.462 billion to an estimated \$2.010 billion in 2001-02 to support the continued \$50,000 full value exemption for income-eligible seniors and the implementation of the final phase of STAR for other homeowners, which provides a \$30,000 full value exemption this year.

Key components of the 2001-02 Executive budget recommendations for the STAR program include:

- A cost of living adjustment (COLA) for senior income eligibility to ensure that modest increases in Social Security or other retirement income will not make seniors who receive enhanced STAR benefits ineligible in future years.
- A cap on school budget increases. Under this proposal:
 - A school district's annual spending increase could not exceed 4 percent or 120 percent of the increase in the CPI for the prior year, whichever is less.
 - Spending increases attributable to enrollment growth, voter-approved capital projects, court orders and other purposes permitted in contingency budgets would be excluded from the increase limitations.
 - Local taxpayers could approve spending increases beyond the spending cap with a two-thirds majority vote.

In addition, as previously enacted, starting with the 2001-02 school year, the school budget notice required to be mailed six days prior to the annual meeting must include the following information:

- A description of how total spending and the tax levy resulting from the proposed budget compare with a projected contingency budget that would go into effect if the proposed school budget is not approved by the voters.
- A comparison of the tax savings under the basic STAR exemption and the increase or decrease in school taxes from the prior year. The notice must include a comparison of the net taxpayer savings for a home within the district that has a full value of \$100,000, under the current school district budget with such savings under the proposed budget.

A. 2001-02 SCHOOL AID

The 2001-02 Executive Budget provides an increase of \$382.24 million, or 2.79 percent for the 2001-02 school year. The Executive Budget recommends a new Flex Aid incorporating a fundamental simplification of the operating aid formula and inclusion of measures that better recognize pupil needs and regional costs, and serve to promote student performance. The new Flex Aid formula also eliminates the current artificial cap on aid increases which withholds aid from over 300 school districts statewide in the 2000-01 school year.

Comprehensive reforms are proposed in the area of special education and school construction. Big Five City school district initiatives will address teacher shortages, educational technology needs and pupil performance issues. Early childhood education programs, such as prekindergarten and class size reduction, will receive continued support. Major school aid recommendations include:

- C Flex Aid: A \$250.0 million increase is provided through a new Flex Aid formula to help school districts support essential operating costs. The new flexible operating aid formula will replace the following aid categories: operating, tax effort, tax equalization, gifted and talented, minor maintenance, public excess cost, private excess cost, educationally related support services, extraordinary needs, operating standards, and limited English proficiency aid. All school districts will receive a minimum 1 percent Flex Aid increase over the base-year sum of the aids listed above (with minimum increases of up to 1.5 percent for below-average wealth districts). There is no limit on the maximum increase a district may receive. Both regional cost factors and a district's number of at-risk pupils are incorporated into the calculation of the new formula. The need for improved pupil performance will be recognized prospectively through incentive funding.

- C Teachers of Tomorrow: Funding for the "Teachers of Tomorrow" teacher certification initiative enacted in 2000 will be doubled to a total of \$50 million. This program will continue to provide assistance to Big Five City schools and other school districts in addressing their teacher recruitment and retention issues. New initiatives and an expanded alternative certification program will provide incentives for persons seeking to enter teaching as a career change, as a post-retirement option, or as a transition from para-professional status. Additional incentives will support new teachers in low performing schools, encourage talented

teachers to extend their careers beyond the eligible retirement age at hard-to-staff schools, and promote the education and training of math and science teachers.

- C Fund for Innovation: This new aid category will provide \$15 million to Big Five City school districts to be used to support innovative applications of educational technology. This new aid replaces the current educational technology program that directs relatively little support to the Big Five City school districts.
- C Schoolwide Performance: A new \$7.5 million Schoolwide Performance Incentive pilot program will provide funding to the Big Five City school districts to reward schoolwide educational performance improvement.
- C Building/Transportation Aid: An overall increase of \$239.6 million is provided for expense-based aids including building, building reorganization incentive and transportation aid. Significant reforms and payment changes are proposed in building aid, including a priority-based project selection, a simplified State aid calculation, the payment of building aid on an assumed amortization basis, authorization for the Dormitory Authority to provide school districts with pooled financing opportunities, and exemption from Wicks law requirements for school districts.
- C Special Education Aid: Effective in the 2001-02 school year, a comprehensive reform of special education will consolidate special education funding into the new Flex Aid formula. Including special education funding within Flex Aid will ensure that each school district receives no loss in aid from the amount received in the 2000-01 school year. Future aid increases will be provided based on the district's overall enrollment growth rather than the number of children placed in special education settings.
- C Software/Hardware/Textbook Aid: Software aid and Hardware aid will receive increases of \$4.0 million and \$500,000 respectively. Textbook aid is continued at its base-year amount.
- C BOCES: The 2000-01 funding level of \$455.3 million will be maintained for BOCES aid.
- C Early Childhood Education Initiatives: A total of \$225 million is provided for Universal Prekindergarten Aid and Class Size Reduction is continued at \$140 million. The Prekindergarten amount is \$52 million more than estimated

program commitments for the 2000-01 school year. Full-Day K is funded at its projected expenditure level of \$4.9 million

- C Other Programs: Various categorical aid programs are recommended for elimination including Shared Services (\$15 million) and Instructional Computer Technology (\$57 million). Minor Maintenance aid (\$50 million) is consolidated into the new Flex Aid. Aid categories which benefitted from non-recurring Legislative adds totaling \$78.7 million in 2000-01, are eliminated or will have funding reduced including Teacher Support Aid (\$52.5 million), Bilingual grants (\$11.2 million), Small Cities Aid (\$6.4 million), Tax Limitation Aid (\$5.2 million), Comprehensive Instructional Management Systems (\$2.5 million) and Attendance Improvement/Drop-Out Prevention grants \$0.95 million).

FORMULA-BASED AIDS

Flex Aid: A district's Flex Aid allocation is determined by first calculating the sum of its 2000-01 operating, tax effort, tax equalization, gifted and talented, minor maintenance, public excess cost, private excess cost, educationally related support services aid, extraordinary needs, operating standards and limited English proficiency aid. To this amount is added the result of the following formula:

$$\$20.00 + ((\$100.42 \times \text{Regional Cost Index}) \times \text{Flex Aid Ratio}) \times \text{Flex Selected TAPU for payment}$$

Flex Aid Ceiling: All districts will receive \$20.00 per pupil plus an additional \$100.42 per pupil adjusted for regional cost and district wealth.

Flex Aid Ratio: The aid ratio is based on a school district's wealth compared to the State average. The poorer a school district, the higher its aid ratio and the greater the aid the State will pay per pupil. The Flex Aid ratio is computed as follows:

$$1.37 - (\text{Flex Combined Wealth Ratio} \times 1.10)$$

Regional Cost Index: The Regents, in addition to urging a simplified calculation of operating aid, have also recommended that the formula reflect regional differences in educational costs. Flex Aid incorporates a regional cost factor that adjusts the \$100.42 aid ceiling based upon a wage index created by the State Education Department from

the median wages of 77 professional non-teaching occupations in nine labor force regions statewide. (See Appendix III-E)

Pupil Count: Reflective of the Regents recommendation that school aid calculations be adjusted for pupil needs, the Flex Total Aidable Pupil Unit (Flex TAPU) has additional weightings for pupils living in poverty, in rural settings, or with limited proficiency in English. A district may select either its Flex Total Aidable Pupil Units for the current aid year or the average for the current and the prior aid year.

Flex Combined Wealth Ratio: The school district wealth ratio for Flex Aid continues to be based on equal shares of a district's income wealth and property wealth per pupil. Pupils are measured by the number of children in average daily attendance who are district residents. As is the case with Flex TAPU, new weightings have been added to a district's Flex Total Wealth Pupil Units (Flex TWPU) to reflect the high student need of school districts with concentrations of pupils living in poverty, in rural settings, or with limited proficiency in English.

Aid Minimum/Maximum Percentage Change: All school districts will receive a minimum 1 percent increase over the sum of the base year school aids listed below (minimum increases of up to 1.5 percent are provided for below-average wealth districts). There is no limit on the maximum increase a district may receive.

Base year school aids included in the Flex Aid base are:

- C Operating Aid
- C Tax Effort Aid
- C Tax Equalization Aid
- C Gifted and Talented Aid
- C Minor Maintenance Aid
- C Public Excess Cost Aid
- C Private Excess Cost Aid
- C Educationally Related Support Services Aid
- C Extraordinary Needs Aid
- C Operating Standards Aid
- C Limited English Proficiency Aid

Performance Funding: Under the new Flex Aid program, all school districts will be provided additional aid to implement the State's higher learning standards. School districts with identified performance deficiencies would be required to target funds to address these deficiencies. This

mandatory set-aside would be phased out as student performance improves. In addition, increased aid would be provided prospectively to schools for improved performance on statewide achievement tests and graduation rates.

Other Set-Asides: New York City will be required to set-aside and use \$33.33 million of its new Flex Aid for maintenance, an amount equal to its level of State aid for minor maintenance in 2000-01. An additional set aside requirement will ensure compliance with Federal requirements and the continuation of services to pupils with limited proficiency in English.

Special Education: New York's special education system has come under criticism for providing inappropriate financial incentives for placing children into special education programs. Faced with a possible loss of Federal funding, in 1999 the State enacted changes to its special education financing system to encourage school districts to serve more disabled children in regular classroom settings. However, more fundamental reforms are necessary to:

- C Eliminate existing financial incentives for unnecessary referrals to special education;
- C No longer base aid allocations on special education placements; and
- C Address findings of a 2000 Office of the State Comptroller audit which uncovered significant problems with the calculation of aid payable under the special education formulas (i.e., miscalculation of data factors which led to incorrect payments, lack of controls to ensure accuracy of reported data).

Effective in the 2001-02 school year, the Executive Budget recommends a comprehensive reform of special education that will be accomplished through the consolidation of special education funding into the new Flex Aid formula. Including special education funding within flexible operating aid will ensure that each school district receives no loss in aid. Aid increases will be provided based on the district's overall enrollment growth rather than the number of children placed in special education.

BOCES Aid: For 2001-02, BOCES aid will be continued at its 2000-01 school year total of \$455.27 million. Beginning with contracts entered into on or after January 15, 2000, school districts are no longer eligible for BOCES aid for the purchase or installation of educational technology unless a district can

demonstrate that this shared service is cost-effective without regard to the availability of State aid. The use of BOCES in the provision of Academic Intervention Services for the 2001-02 school year must continue to be approved by SED to be aid eligible. As is the case with the technology cost-effectiveness requirement, districts must demonstrate, not only that district resources were insufficient to provide appropriate AIS services, but that accessing BOCES services is a cost-effective solution.

Special Services Aid: This aid, which totals \$131.51 million for 2001-02, an increase of \$0.44 million, is provided to the Big Five city school districts for career education and computer services. Since these five districts are not permitted to join BOCES, a different formula is used to fund career education programs and computer services provided by such districts. The career education aid ceiling for 2001-02 is continued at \$3,720. Computer services aid is based upon an aid ratio multiplied by expenses up to \$62.30 multiplied by the district's K-12 enrollment.

Transportation Aid: The minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, this aid will range from 6.5 to 90 percent of a district's approved expenses). Transportation Aid, including aid for transporting pupils to and from summer classes to improve pupil performance, will total \$938.64 million in 2001-02, an increase of \$63.45 million. 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. District expenditures for transportation of pupils to and from approved summer programs to improve student performance will be aided up to a maximum of \$5.0 million statewide. Districts may claim aid based on the attendance of pupils in summer school courses to improve performance during the summer of 2000.

Schools will continue to receive aid for non-emergency bus purchases or leases in the year after the expense is incurred only if the amount expended is reported to the Commissioner of Education by November 15th of the base year. Any amount exceeding the reported figure will be aided in the subsequent year.

Reorganization Incentive Operating Aid: Reorganization Incentive Aid is provided for operating expenses incurred by those school districts scheduled for reorganization under section 3602 of the Education Law. It is paid as a supplement to regular operating aid when districts meet certain conditions prescribed by law. Beginning in 1992, reorganization incentive operating aid

for reorganizing districts was increased to 40 percent for the first five years. The statutory provisions for reorganization incentive operating aid remain unchanged for districts which have already undergone reorganization. In total, reorganization incentive operating aid will amount to \$21.31 million in 2001-02, a decrease of \$3.27 million.

Textbook and Computer Aids: For the 2001-02 school year, the following provisions apply:

- C Textbook Aid: These funds reimburse school districts for the purchase and loan of textbooks. Textbooks are loaned to both public and nonpublic pupils. Beginning in 1999-00, schools are also able to use eligible purchases of content-based instructional materials in an electronic format to qualify for reimbursement. For 2001-02, this aid will be maintained at its previous year's total of \$185.95 million.
- C 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 Rules of the Board of Regents. For the 2001-02 school year, districts will be reimbursed for expenses up to \$15.45 per pupil based on public and nonpublic school enrollment. For 2001-02, Computer Software Aid will total \$44.94 million, an increase of \$4.04 million.
- C Computer Hardware and Technology Aid: This aid category, provides funding for the lease or purchase of mini- and microcomputers, computer terminals or technology equipment for instructional purposes. For 2001-02, Computer Hardware Aid will total \$27.63 million, an increase of \$0.51 million.

Library Materials Aid: For 2001-02, Library Materials Aid will be continued at its previous year's total of \$18.99 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.

Prekindergarten: Beginning in 1998-99, State funds were provided to expand the availability of prekindergarten programs for four-year-old children statewide. For 2001-02, a total of \$225.0 million will be provided for Prekindergarten programs. Since school districts applied for only \$173 million in 2000-01, the funding proposed for 2001-02 will provide additional resources for school districts to begin or expand pre-kindergarten programs.

Full-Day K Incentive 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. For 2001-02, a total of \$4.88 million is provided for this program.

Shared Services Aid for Big Five City Districts: No funds are recommended for this program in the 2001-02 school year.

Early Grade Class Size Reduction Aid: For 2001-02, \$140.0 million, the same amount as in the 2000-01 school year, is appropriated to enable school districts to reduce class size in kindergarten and in grades one through three. Beginning with the 1999-00 school year, the Federal Government has also provided funding for this initiative. Combined State and Federal funding for 2001-02 will exceed \$280 million.

Tax Limitation Aid: For 2001-02, a total of \$25.00 million, a decrease of \$5.14 million, is provided to school districts based on a formula that incorporates district tax levy from residential property and overall district income.

Summer School Aid: For 2001-02, the new summer school program, first enacted in 2000-01, will provide \$37.42 million, an increase of \$4.80 million, in funds for school district courses to improve student performance in required academic subjects or on the Regents exams. For the 2001-02 school year, districts may claim aid based on the attendance of pupils in approved summer school courses to improve performance during the summer of 2000. School districts that provided transportation for pupils to summer school programs for the 2000 summer school session may claim Transportation Aid for such services in the 2001-02 school year. Such aid will be capped at \$5.00 million. While BOCES may operate summer session programs on a shared services basis, BOCES may not claim aid for summer programs under this new aid category.

Fund for Innovation: This new aid category will provide \$15 million to Big Five City school districts. This aid can be used to support innovative applications of educational technology including providing for eligible expenses for the Federal e-rate discount program. This new aid replaces the current educational technology program that directs relatively little support to the Big Five City school districts.

GRANT PROGRAMS AND OTHER AID CATEGORIES

Teachers of Tomorrow: For 2001-02, \$50.0 million, an increase of \$25.0 million, will be available for incentives including awards and stipends to retain and attract teachers into New York's classrooms, particularly in subject areas such as math and science where teacher shortages exist. Initiatives will be advanced to increase the supply of qualified teachers for shortage areas, including incentives for persons seeking to enter teaching as a career change, as a post-retirement option or as a transition from para-professional status. Additional incentives will support new teachers in low performing schools, encourage talented teachers to extend their careers beyond the eligible retirement age at hard-to-staff schools, and promote the education and training of math and science teachers.

The "Summer in the City" internship program will continue to encourage undergraduate college students from around the State to gain classroom experience in New York City and other large city school districts. The Teachers of Tomorrow program will also provide annual awards of \$3,400 per year - the SUNY tuition level - to new teachers who agree to teach in designated shortage areas. State funding may continue to be used to provide a \$10,000 incentive to highly skilled master teachers who agree to work in shortage areas. In addition, a tuition reimbursement of up to \$2,100 a year will assist provisionally certified teachers willing to serve in shortage areas in acquiring the master's degree needed for permanent certification.

Building Aid: For 2001-02, Building Aid will total \$1,345.22 million, an increase of \$169.67 million, or 14.4 percent. To ensure that the State's substantial investment in school facilities is equitably and effectively targeted to address priority facility needs, proposed building aid reforms include:

- C Priority-Based Project Selection: the existing open-ended building aid program will be replaced with a new priority-based program applicable to all projects approved by the State Education Department (SED) after January 15, 2001. Facility condition surveys - which all school districts are required to submit to SED by January 15, 2001 - will be used to establish a baseline of statewide school facility needs. SED will then select projects for funding on a quarterly basis consistent with established priority categories, such as health/safety or overcrowding. After projects are determined to meet priority criteria, projects will be ranked to reflect relative school district need based on poverty measures and building age.

Projects which are not selected for State funding in a given quarter will remain in the pool of priority projects for subsequent SED reviews. These projects could still be constructed and financed at the discretion of the school districts, but no assurance of State aid would be provided.

Separate funding authorization would be available to enable districts to address unforeseen emergency capital needs, such as the collapse of a wall or replacement necessitated by fire.

C New Building Aid Allocations: The following amounts will be provided for projects approved in 2001-02 under the new priority-based system:

C \$130 million for priority projects (e.g. health/safety, overcrowding);

C \$30 million for emergency projects; and

C \$60 million for hard dollar projects.

C Regional Allocations: These new building aid funds will be subject to the following allocation schedule:

C New York City could receive no less than 40 percent of available funds, unless their actual level of claims falls below such amount.

C New York City could receive no more than 60 percent of available funds and no other individual school district could receive more than 20 percent of available funds in any given year.

C Simplified State Aid Calculation: Projects approved by voters prior to January 15, 2001 will have no change in their present law building aid ratios. Projects approved by voters after January 15, 2001 will receive State aid based upon the school district's aid ratio at the time of project approval and supplemented by the existing 10 percent building aid enrichment. In addition, there will be a simplified rated capacity determination to reflect realistic allowances for construction costs and student-based space needs.

C Building Aid Prohibition: No State building aid will be provided for the following project categories:

C Buildings that have not been properly maintained;

- C Projects that result from design flaws or contractor negligence or incompetence;
 - C Buildings that are less than 20 years old; and
 - C Spaces that are leased out.
- C Assumed Amortization: State building aid will be provided on an assumed amortization basis, consistent with the useful life of the project (i.e., 15 years for reconstruction, 20 years for major reconstruction/additions, and 30 years for new construction). Assumed amortization will be applied to all new projects as well as most existing projects.
- C Adjusted Building Aid Payments: Although assumed amortization may initially reduce the building aid payments that school districts receive for existing projects, no local tax increases will be required as a result of this change. School districts will have the option of refinancing their existing debt, and school districts that choose to refinance will receive building aid on their issuance costs and additional interest expense. If school districts align the term of their bonds with the amortization schedule, the combination of principal costs and interest costs in the initial year will not exceed the amount the school district would otherwise pay under its existing bond payment agreement.
- C Financing Changes: To facilitate the ability of school districts to refinance their existing debt, the Dormitory Authority will be authorized to provide school districts with pooled financing opportunities. Additional actions will be taken to:
- C Conform the first reimbursement of debt service costs for school construction projects to the year after bonds are sold, similar to a proposal recently advanced by the Regents. Consistent with other debt service payment reforms enacted in 2000-01, \$112 million in debt service reimbursement for bonds/BANS sold in the 2001-02 school year to refinance existing bonds/BANS will be paid in July, 2002 instead of in June, 2002;
 - C Provide all school districts the 30-year amortization period provided for New York City; and

C Exempt certain school district indebtedness for assumed amortization – such as bonds that cannot be refinanced due to IRS limitations, or where there are extraordinary circumstances that warrant a waiver of such requirements.

C Wicks Exemption: School districts will be provided an exemption from Wicks law requirements that mandate the use of multiple contractors for school construction projects. This initiative will reduce the cost of school construction by more than 10 percent.

C School Facility Report Cards: The State Education Department will be required to issue annual school facility report cards beginning in the 2002-03 school year to inform taxpayers and families of the maintenance and overall condition of school facilities within the district.

Reorganization Incentive Building Aid: Reorganization Incentive Aid is provided for building expenses incurred by those school districts scheduled for reorganization under section 3602 of the Education Law. It is paid as a supplement to regular building aid when districts meet certain conditions prescribed by law. Eligibility for reorganization incentive building aid on new projects for qualified districts was extended to July 1, 2002 in Chapter 60 of the Laws of 2000. To better reflect the original intent of reorganization incentive building aid - to pay for the facility costs directly incurred because of reorganization - this extension will expire as of January 15, 2001. School districts that reorganize will be given five years to have voters approve reorganization related building expenses and qualify for enriched aid. Districts reorganizing after January 15, 2001 will receive a 15 percent supplement to their building aid. In total, reorganization incentive building aid will amount to \$24.46 million in 2001-02, an increase of \$6.47 million.

Teacher Support Aid: For the 2001-02 school year, \$15.0 million, a decrease of \$52.48 million, will be available for this Big Five City school district program.

Schoolwide Performance Incentive: This new aid category will be provided to the Big Five City school districts. Aid payments for pilot programs that reward schoolwide educational improvement will total \$7.49 million in 2001-02, to be distributed as follows:

- New York City \$6.96 million
- Buffalo .19 million
- Yonkers .13 million

- Rochester .12 million
- Syracuse .09 million

Categorical Reading/Improving Pupil Performance: Funding provided to the Big Five Cities under these two programs will be more effectively targeted by requiring school districts, as a prerequisite for receipt of these funds, to submit allocation plans that direct this aid to schools with performance problems as well as to reward those schools that demonstrate improved performance. Aid payments will total \$130.30 million in 2001-02, the same amount as last year to be distributed as follows:

Categorical Reading/Improving Pupil Performance

- New York City \$29.95 million/\$36.20 million
- Buffalo 17.50 million/ 10.50 million
- Yonkers 5.00 million/ 9.10 million
- Rochester 5.50 million/ 6.95 million
- Syracuse 6.00 million/ 3.60 million

Magnet and Demonstration Schools: Magnet schools offer a special curriculum designed to attract students of different racial backgrounds. A total of \$135.65 million, an increase of \$210,000, will be provided for 19 school districts (including \$116.70 million to the Big Five cities).

- New York City \$48,175,000
- Yonkers 29,500,000
- Buffalo 17,025,000
- Rochester 11,000,000
- Syracuse 11,000,000
- Newburgh 4,645,000
- Albany 2,050,000
- Mount Vernon 2,000,000
- Poughkeepsie 1,875,000
- Schenectady 1,800,000
- New Rochelle 1,410,000
- Utica 1,200,000
- Port Chester 1,150,000
- White Plains 900,000
- Niagara Falls 600,000
- Freeport 400,000
- Middletown 400,000
- Beacon 318,000
- Peekskill 200,000

Growth Aid: Growth Aid to qualifying districts will be paid as a separate apportionment in June 2002. As provided for in Chapter 474 of the Laws of 1996, beginning with aid for the 1997-

98 school year, a district's growth index is calculated based on the change in enrollment rather than the change in average daily attendance. For 2001-02, growth aid will total \$11.81 million, a decrease of \$26.64 million.

Education Technology Incentive Aid: No funds are recommended for this program in the 2001-02 school year.

Aid for Incarcerated Youth: A total of \$13.0 million is provided to continue 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.

State Bilingual Categorical Funds: No funds are recommended for this program in the 2001-02 school year.

AI/DP Grants: No funds are recommended for this program in the 2001-02 school year.

Fort Drum Area School Districts: A total of \$2.63 million, the same as last year, is provided to continue grants to school districts in the Fort Drum area that have experienced increased pupil enrollments due to the influx of personnel at the Fort Drum military reservation.

Aid to Small City School Districts: Aid for small city school districts was instituted as a grant program by Chapter 288 of the Laws of 1979, and was intended to provide funds to districts at or near constitutional tax limits. With the removal of small city constitutional tax limits by a referendum in 1985, aid to small city school districts is provided to permit such districts to adjust their taxes gradually to an appropriate level. A total of \$69.31 million, a decrease of \$12.57 million, will be allocated to small city school districts for the 2001-02 school year.

Employment Preparation Education (EPE) Aid: EPE funding is available for adult education programs such as literacy, basic skills and high school equivalency programs. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid for the 2001-02 school year continues to be capped at \$96.18 million, and approved claims above such amount will be subject to proration. Up to \$2.5 million of the 2001-02 school year total will continue to be available for services to individuals over the age of 21 who possess a high school or equivalency diploma but who fail to demonstrate basic educational competencies.

Urban-Suburban Transfer: A total of \$1.13 million will be provided in 2001-02 to districts that participate in a voluntary interdistrict transfer between an urban and suburban school district to reduce racial isolation. Related transportation expenses are eligible for transportation aid.

Education of Homeless Children: Chapter 348 of the Laws of 1988, by amending section 3602 of the Education Law, instituted this program of State aid. Under this program, 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 in 2001-02 is estimated at \$4.0 million.

Education of OMH/OMR Pupils: A total of \$20.00 million is provided in the School Aid appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of section 3202 of the Education Law, as well as 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.

CIMS Aid: No funds are recommended for this program in the 2001-02 school year.

Office of State Comptroller Audits: A total of \$250,000 is continued to ensure accountability through audits of school districts and BOCES.

Learning Technology Grants: A total of \$3.29 million is continued for learning technology programs including services benefitting nonpublic school students.

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

B. OTHER STATE AID PROGRAMS

The aids highlighted below are shown in Table II-C on a State fiscal year basis. These programs affect school districts, but they are not funded in the General Support for Public Schools appropriations.

New York State Center for School Safety: For 2001-02, \$500,000 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: A total of \$500,000 is continued, consistent with recommendations of the Task Force on School Violence chaired by Lieutenant Governor Mary Donohue in 2000, 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.

Charter School Stimulus Fund: A total of \$6.0 million is provided by the State for start-up grants to charter schools. During the 2000-01 school year, more than 6,200 students were enrolled in the State's existing twenty-two charter schools. For the coming year, there will be at least thirty charter schools across the State, with enrollments of more than 7,600 students. Current statute authorizes the creation of up to 100 new charter schools.

The State will also receive \$4.25 million from the federal government to assist in the establishment of new charter schools. This is the final year of a three-year grant for school start-up costs from the U.S. Department of Education intended to increase the number of charter schools in the country to 3,000 by the year 2002.

Basic Education for Public Assistance Recipients: For 2001-02, \$5.0 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 in grants is appropriated to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: An appropriation of \$3.32 million is provided in 2001-02 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.

Experimental Prekindergarten Program: Prekindergarten programs provide health, psychological and social services to four-year-old children from economically deprived neighborhoods. A total of \$50.2 million has been continued for the 2001-02 school year. Grants to support existing programs will be awarded based on Regulations of the Commissioner subject to the approval of the Director of the Budget.

Lunch/Breakfast Programs: A total of \$31.7 million in State funds, the same 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 in the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$601,530,000 for the 2001-02 Federal fiscal year.

Comprehensive School Health Demonstration Program: A total of \$525,000 is continued for 2001-02 to support local school district and BOCES programs of health education at the elementary grade levels.

School Health Demonstration Project: For 2001-02, \$150,000 is provided to improve health services and health education to at-risk pupils in Buffalo schools.

Education of Native Americans: A total of \$15.05 million, is appropriated 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 educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Primary Mental Health Project: A total of \$570,000, the same as last year, is available in 2001-02 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.

Professional Development Grants: No funds are recommended for this program in the 2001-02 school year.

Teacher Resource and Computer Training Centers: Aid of \$15.0 million is appropriated for this program in the 2001-02 State fiscal year to provide final payments of the 2000-01 school year program.

Effective Schools Consortia: For 2001-02, \$1.89 million is continued for this program, the same as last year. This total provides support for technical assistance primarily to low-performing schools in New York City to improve instructional and administrative practices. The program also encourages parental and community involvement in the educational practices of participating schools.

Transferring Success: For 2001-02, an appropriation of \$629,800, the same as in 2000-01, is made available for this program, which seeks to validate and support the replication of exemplary education programs.

Parenting Education: An appropriation of \$506,400 is available in the 2001-02 school year for this program, which supports young adults in their role as parents by expanding opportunities for parental involvement in their children's education.

National Board for Professional Teaching Standards Certification: No funds are recommended for this program in the 2001-02 school year.

Schools as Community Sites: Under this program, school districts and BOCES with high percentages of disadvantaged students may apply for grants to promote coordinated management of the resources of the schools and communities. A total of \$6.0 million will be provided for this program in State fiscal year 2001-02 to continue State support at existing sites.

Teacher-Mentor Intern: Aid of \$1.5 million is appropriated for this program in the 2001-02 State fiscal year to provide final payments of the 2000-01 school year program.

Workplace Literacy: Under this program, \$1.38 million is provided in the 2001-02 school year 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 \$8.50 million in 2001-02.

AIDS Education Program: In 2001-02, a total of \$990,000, the same as last year, is provided for an AIDS (Acquired Immune Deficiency Syndrome) Education Program. These funds support local and regional education and training programs.

Apprenticeship Training: For 2001-02, \$1.83 million is continued to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Youth-at-Risk Fund: No funds are recommended for this program in the 2001-02 school year.

Extended School Day/School Violence Prevention: A total of \$30.2 million is provided for 2001-02 to fund local school-based intervention programs, including the establishment of appropriate before- and/or after-school programs.

Missing Children Prevention Education: An appropriation of \$900,000 is continued for school districts, BOCES or consortiums thereof, to develop courses of study in the prevention of child abduction.

Schools Under Registration Review: A total of \$2.0 million is available in State aid to these schools.

Nonpublic School Aid: A total of \$65.4 million is appropriated 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.

Academic Intervention for Nonpublic Schools: A total of \$5.0 million will be available to support this program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Private Schools for the Blind and Deaf: A total of \$100.7 million, an increase of \$3.7 million, is appropriated for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for multiply handicapped children, under Article 85 of the Education Law.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$552.2 million is appropriated for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. Similar to 2000-01, prior year claims on file with the State Education Department as of April 1, 2001 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2001-02 will receive priority status for payment in 2002-03.

Chapter 60 of the Laws of 2000 provided for State reimbursement to counties for preschool administration costs to increase from \$50 to \$75 per child in 2000-01. The reimbursement level of \$50 was initially established in 1990. The 2001-02 Executive Budget includes a new initiative to strengthen fiscal

accountability by partially reimbursing counties, outside of administrative reimbursement limitations, for the costs of their audits of preschool programs. Counties will be eligible for State funding of 59.5 percent of their approved audit costs, up to \$15,000 per audit.

The existing statutory restriction on the creation of new or expanded preschool programs which include only children with disabilities will be continued, as will current provisions that allow SED to approve new or expanded non-inclusive preschool programs if there is a demonstrated need for such programs in the community.

Summer School Program for Disabled Students: An appropriation of \$173.7 million, an increase of \$5.1 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 2001-02 appropriation will fund prior year liabilities and up to 70 percent of the 2001-02 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Special Act School Districts and 853 Schools Targeted Adjustment Aid: An appropriation of \$2.0 million is continued for 2001-02 to help prevent excessive instructional staff turnover through a targeted adjustment of compensation for teachers at eligible schools. Schools eligible to apply for such funding include approved private special education providers and special act school districts.

Special Education - Federal Medicaid Recovery: For the 2001-02 State fiscal year, the Executive Budget includes a \$207.0 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.

Advances to Hurd City School Districts: A total of \$10,900,000 in loan funds (Hurd advances) is appropriated in 2001-02 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 2011-2012 school year.

SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 included a multi-year School Tax Relief (STAR) program which will provide approximately \$2.0 billion in 2001-02 to reimburse school districts for State-authorized property tax relief for homeowners. Senior homeowners at least 65 years old and with incomes up to \$60,000 are eligible to receive exemptions of at least \$50,000 from the full value of their primary residences for school tax purposes. The property tax component of the STAR program will also provide other homeowners with at least a \$30,000 exemption from the full value of their primary residence for school property tax purposes. In those counties where the median value of homes exceeds the statewide median home value, as determined by the State Office of Real Property Services (ORPS), the value of the exemptions will be increased. The State will reimburse school districts dollar-for-dollar for the property tax revenues foregone from these exemptions.

STAR property tax exemptions began with the full \$50,000 enhanced exemptions for income-eligible senior homeowners for 1998-99 school year taxes. The Basic STAR exemption for other homeowners started at \$10,000 in 1999-2000, grew to \$20,000 in 2000-01 and will reach its final phased-in level of \$30,000 in 2001-02.

Improved Taxpayer Information

A "Property Taxpayer's Bill of Rights" included in Chapter 389 of the Laws of 1997 provides that property tax bills include additional information, including the estimated full value of the property, the uniform percentage of value at which a municipality is assessing properties, the tax rate, levy and percentage change in the levy from the prior year. Information on how to appeal assessments must be provided with the bill or through another notice.

Two reforms to provide taxpayers with additional information were enacted in Chapter 405 of the Laws of 1999 effective for the 2000-2001 school year:

- A Property Tax Report Card: School districts are required to publish locally and report to the State Education Department details of proposed budgets and tax levy increases. The Department then publishes a "Property Tax Report Card" prior to the School Budget Voting Day, enabling taxpayers to see how the proposed budget and tax levy changes in their school district compare to other

districts around the region and across the State.

- Full Budget Disclosure: School districts are required to provide voters with information that compares the total proposed school budget spending increase to the rate of inflation for the prior year. This information must be mailed at least six days prior to the statewide School Budget Voting Day in May to every qualified voter in the school district.

Additional Voter Information for 2001-2002

To further enhance school budget disclosure, Chapter 60 of the Laws 2000 added two new provisions to subdivision 2-a of Section 2022 of the Education Law. Commencing with the proposed budget for the 2001-2002 school year, the school budget notices required to be mailed six days prior to the annual meeting must also include:

- A description of how total spending and the tax levy resulting from the proposed budget would compare with a projected contingency budget adopted pursuant to Section 2023 of this article, assuming that such contingency budget is adopted on the same day as the vote on the proposed budget. Such comparison shall be in total and by component (program, capital and administrative), and shall include a statement of the assumptions made in estimating the projected contingency budget.
- A comparison of the tax savings under the basic school tax relief (STAR) exemption authorized by Section 425 of the Real Property Tax Law and the increase or decrease in school taxes from the prior year, and the resulting net taxpayer savings, for a home within the district with a full value of \$100,000, under the existing school district budget with such savings under the proposed budget. Such comparison shall be made in the manner prescribed by the Commissioner, in consultation with the Office of Real Property Services.

School District Reimbursement for STAR

STAR exemptions have no effect on determining tax levies, rates or other State aid. School districts are reimbursed for the taxes foregone upon application to the State Office of Real Property Services. ORPS certifies to the Commissioner of Education amounts payable under the STAR program and school districts receive reimbursement from the State Education

Department pursuant to a separate STAR payment schedule established in section 3609-e of the Education Law.

STAR reimbursements commencing in the 2001-02 school year 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 levy will be paid in November and STAR owed in excess of 15% of levy will be paid in December. The balance of STAR due to districts will be paid by the first business day of January.

Chapter 60 of the Laws of 2000 also added a new paragraph to Section 3609-e of the Education Law which provides for an additional payment to account for any increases in STAR claims filed as a result of adjustments occurring after the January payment, as follows:

- On or before March 31, a portion of the school tax relief aid payable to the school district for the current year shall be paid equal to 100 percent of any increase in such aid over the total of such aids paid through the first business day of January, as certified to the Commissioner by the Office of Real Property Services on or before March 1.

2001-2002 Executive Budget Proposals

- Cost of Living Adjustment (COLA) for Senior Income Eligibility

- Governor Pataki is proposing legislation with this budget to increase the STAR income ceiling for seniors as the Consumer Price Index increases. A cost of living adjustment (COLA) will ensure that modest increases in Social Security or other retirement income will not make seniors who receive Enhanced STAR benefits ineligible in future years. Effective for applications filed in 2002 and later, the \$60,000 income limit will be increased in proportion to increases in the Consumer Price Index.

- STAR School Spending Cap

- Beginning in the school year 2001-2002, a school district's annual spending increase, under the Governor's proposal, could not exceed 4 percent or 120 percent of

the increase in the CPI for the prior year, whichever is less, without a two-thirds majority vote. Spending increases attributable to enrollment growth, voter-approved capital projects, court orders and other purposes permitted in contingency budgets would be excluded from the increase limitations.

OTHER INITIATIVES

Charter Schools: In September 1999, the opening of New York's first charter school marked the beginning of one of the most significant education reforms in State history. The 2001-02 Executive Budget maintains General Fund support for the Charter Schools Stimulus Fund at \$6.0 million including \$3.85 million to support charter school start-up costs such as facility expenses and supplies. When New York's first charter schools opened in September 1999, 1,700 students were enrolled in three new charter schools, as well as two conversion charter schools. In 2000-01, more than 6,200 students are enrolled in 22 charter schools across the State. For the coming year, there will be at least thirty schools in New York, with enrollments of more than 7,600 students.

SURR School Choice: The educational performance problems of the Big Five City school districts are underscored by the concentration of schools under registration review (SURR) -- i.e., schools failing to meet statewide educational standards -- within these urban areas. According to a recently released listing by the State Education Department, 111 of the State's 114 SURR schools are located in the Big Five Cities, with 98 in New York City alone. New opportunities will be provided for children trapped in these failing schools. Any student attending a SURR school in the State's largest urban districts will be eligible to transfer to another school within the same district.

School Safety: The Safe Schools Against Violence in Education Act of 2000, introduced by Governor Pataki and reflecting many of the recommendations of the Task Force on School Violence chaired by Lieutenant Governor Mary Donohue, provides a framework for ensuring the safety of New York's children while in school. Consistent with the newly enacted law, \$500,000 in funding will be continued for the development and integration of character, civility and citizenship education throughout the K-12 curriculum. Additionally, \$500,000 is provided to support the efforts of the Statewide Center for School Safety in promoting "best practices" and providing technical assistance to schools. During the 2001-02 school year, school districts throughout New York will complete the implementation of a range of school safety initiatives including:

- C All prospective school employees and candidates seeking educational certification will be fingerprinted to obtain a criminal background check. A registry of persons convicted of abuse in an educational setting will be maintained to ensure children's safety while in school;

- C Each Board of Education will be required to establish a detailed student code of conduct that outlines appropriate standards for student language, dress and behavior as well as procedures relating to discipline, detention, suspension, and expulsion;
- C Teachers will now have the authority to remove disruptive pupils from the classroom; and
- C Each school district will develop a school safety plan in consultation with law enforcement agencies for crisis response and management, including policies and procedures for responding to threats and acts of violence. In addition, legislation will be advanced to strengthen the penalties associated with the use or possession of firearms on school grounds.

Summer English Language Immersion Programs: Children with English proficiency deficiencies will be provided expanded opportunities for enhancing their language skills through summer immersion programs provided through a \$1.0 million appropriation to the City University of New York to support a collaboration between CUNY and the New York City Board of Education.

Advantage Schools: The Advantage After-School Program currently operates at 133 sites across the State, and provides more than 20,000 students with structured, supervised educational and social activities that complement instructional programs offered during regular school hours. Through the expansion of public-private partnerships (such as those with the After-School Corporation funded by George Soros) and increased State support to \$30 million this year, all school districts will be provided the opportunity to offer after-school programming over five years.

Teachers of Tomorrow: The 2001-02 Executive Budget significantly expands the successful Teachers of Tomorrow program to assist school districts in their efforts to recruit and retain qualified teachers. Funding for the Teachers of Tomorrow program will be doubled from \$25.0 million in 2000-01 to \$50.0 million for the 2001-02 school year.

Teachers of Tomorrow currently supports activities that include:

- C Awards of up to \$3,400 per year – the SUNY tuition level – as recruitment scholarships to new teachers who agree to teach in designated shortage areas for up to four years of service based on satisfactory performance in each preceding year.
- C Stipends of up to \$2,000 per year to help teachers with temporary licenses cover the cost of test preparation workshops and tuition for required course work to obtain permanent certification.
- C Tuition reimbursement of \$2,100 per year for up to two years for provisionally certified teachers who pursue additional education and training to serve as permanently certified teachers in shortage areas.
- C Annual awards of \$10,000 for up to three years for master teachers with national certification who agree to work in low-performing schools.
- C The Summer in the City Internship Program which encourages undergraduate students to gain summer classroom experience in the State's inner-city schools. More than 200 students successfully participated in this program during summer 2000.
- C The use of Teachers of Tomorrow funding by New York City for teacher recruitment activities and for intensive summer orientation and training programs for first-time teachers.

For the coming year, the following initiatives are advanced to increase the supply of qualified teachers for shortage areas, to provide support programs for new teachers and to offer incentives for math and science teachers:

- C Alternative Certification: To increase the supply of teachers for identified shortage areas, alternative credentialing avenues will be advanced for those persons having appropriate life experience and education. Teachers of Tomorrow grants would be available to support pre-service and in-service training for alternative certification candidates during their first two years of teaching.
- C Career Ladders: Grants under the Teachers of Tomorrow program will be provided to enable para-professionals – who

lack the resources to pursue teacher certification – to pursue the education and training required to become certified teachers.

- C Retirees: Many retired police officers, firefighters and other public employees would consider entering teaching, if not for the cap on public salary for those already collecting a public pension. For identified teacher shortage areas, a waiver would be provided to exempt these retirees from the existing salary cap.
- C New Teacher Induction Program: To encourage new teachers in low performing schools to remain in the profession, intensive professional support and counseling will be provided to these teachers in their first years of service.
- C Teacher Retirement: A pension proposal will be advanced that provides an incentive for dedicated and talented teachers to continue their teaching careers beyond the eligible retirement age at hard-to-staff schools.
- C Math and Science Fellowships: Enriched recruitment scholarships will be provided to create even greater incentives to attract qualified math and science teachers to hard-to-staff schools.
- C Math and Science Academies: To improve the quality of math and science teaching, State funds matched by schools will be provided for teachers to attend summer college enrichment programs in science and math.

Greater Local Accountability: The recent record growth in education funding creates an even greater need for systemic changes and incentives to encourage school districts to improve their accountability to families and taxpayers. For 2001-02, the Governor recommends the following reforms:

- C Big Five City Governance Reform: The mayors of our large cities will be given greater authority over public schools in an effort to improve accountability and strengthen school performance.
- C Maintenance of Effort: School governance changes for our urban schools will be accompanied by a new Maintenance of Effort provision to ensure that Big Five City schools realize the full benefit of State and Federal funding increases, and to protect them from disproportionate reductions in local support.

- C School Spending Cap: School district spending increases will be capped to ensure that STAR savings are not eroded by excessive school spending. Under the Governor's proposal, a school district's annual spending increase could not exceed 4 percent or 120 percent of the increase in the Consumer Price Index for the prior year, whichever is less, without a two-thirds majority vote.

- C School Facility Report Cards: Beginning with the 2002-03 school year, school districts will be required to inform taxpayers and families of the maintenance and overall condition of school facilities within the district.

- C Mandate Relief: School districts will be provided greater flexibility in managing their operations, including Wicks reform to allow school districts to reduce construction costs.

SUMMARY OF 2001-02 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONSSchool Year/Fiscal Year Impact

There are two time frames to consider when discussing 2001-02 New York State aid programs relating to support for public schools: the 2001-02 school year which runs from July 1, 2001 through June 30, 2002; and the 2001-02 State fiscal year which runs from April 1, 2001 through March 31, 2002. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for General Support for Public Schools and 2000-01 and 2001-02 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 2001-02. Computerized aids increase by 2.67 percent.
- Table II-B gives the State fiscal year components of the School Aid disbursements. The \$13,921.1 million total for 2001-02 includes: \$3,952.2 million for payments remaining for the 2000-01 school year and \$9,968.9 million for fall/winter payments for the 2001-02 school year.
- Table II-C gives the 2000-01 and 2001-02 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 -- 2000-01 AND 2001-02 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2000-01	2001-02	Change	
	School Year	School Year	Amount	Percent
I. Formula-based Aids:	(----- Amounts in Millions -----)			
Flex Aid	\$0.00	\$9,828.45	\$9,828.45	NA %
Operating Aid	6,070.49	0.00	(6,070.49)	(100.00)
Tax Effort	173.11	0.00	(173.11)	(100.00)
Tax Equalization	724.73	0.00	(724.73)	(100.00)
Transition Adjustment	(407.93)	0.00	407.93	NA
Gifted & Talented	14.43	0.00	(14.43)	(100.00)
Minor Maintenance	49.98	0.00	(49.98)	(100.00)
Excess Cost - Public	1,853.05	0.00	(1,853.05)	(100.00)
Excess Cost - Private	145.84	0.00	(145.84)	(100.00)
ERSSA	69.57	0.00	(69.57)	(100.00)
Extraordinary Needs Aid	676.77	0.00	(676.77)	(100.00)
Operating Standards Aid	137.82	0.00	(137.82)	(100.00)
Limited English Proficiency	70.57	0.00	(70.57)	(100.00)
Subtotal	\$9,578.44	\$9,828.45	\$250.01	2.61 %
Transportation (Including Summer)	875.19	938.64	63.45	7.25
BOCES	455.27	455.27	0.00	0.00
Special Services (Career Ed./Computer Admin.)	131.07	131.51	0.44	0.34
Computer Hardware	27.12	27.63	0.51	1.88
Textbooks (Incl. Lottery)	185.95	185.95	0.00	0.00
Computer Software	40.90	44.94	4.04	9.88
Library Materials	18.99	18.99	0.00	0.00
Full-Day K	6.13	4.88	(1.25)	(20.39)
Prekindergarten	201.86	201.86	0.00	0.00
Class Size Reduction	139.97	139.97	0.00	0.00
Summer School	32.62	37.42	4.80	14.71
Tax Limitation Aid	30.14	25.00	(5.14)	(17.05)
Reorganization Incentive (Operating)	24.58	21.31	(3.27)	(13.30)
Fund for Innovation for Big 5	0.00	15.00	15.00	NA
Shared Services for Big 5	15.00	0.00	(15.00)	(100.00)
Subtotal Formula-based Aids	\$11,763.23	\$12,076.82	\$313.59	2.67 %
II. Grant Programs and Other Aid Categories:				
Building	1,175.55	1,345.22	169.67	14.43
Reorganization Incentive (Building)	17.99	24.46	6.47	35.96
Teachers of Tomorrow	25.00	50.00	25.00	100.00
Teacher Support Aid	67.48	15.00	(52.48)	(77.77)
Schoolwide Performance Incentive	0.00	7.49	7.49	NA
Prekindergarten Expansion	0.00	23.14	23.14	NA
Education Technology Incentive	32.86	0.00	(32.86)	(100.00)
Add'l Education Technology Incentive	24.14	0.00	(24.14)	(100.00)
Growth Aid	38.45	11.81	(26.64)	(69.28)
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	135.44	135.65	0.21	0.16
Aid to Small City School Districts	81.88	69.31	(12.57)	(15.35)
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.18	96.18	0.00	0.00
Homeless Pupils	4.00	4.00	0.00	0.00
Incarcerated Youth	13.00	13.00	0.00	0.00
Bilingual	11.20	0.00	(11.20)	(100.00)
Fort Drum	2.63	2.63	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	20.00	20.00	0.00	0.00
CIMS	2.50	0.00	(2.50)	(100.00)
AI/DP Grants	0.95	0.00	(0.95)	(100.00)
Special School Districts	1.70	1.70	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.18	1.18	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Shared Services Incentive	0.20	0.20	0.00	0.00
Native American Building	2.00	2.00	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
Prior Year Claims	57.00	57.00	0.00	0.00
Subtotal	1,930.29	1,998.94	68.65	3.56
SCHOOL YEAR TOTAL	\$13,693.52	\$14,075.76	\$382.24	2.79 %

Source: State Education Department computer runs and Executive Budget estimates of January 16, 2001.

TABLE II-B

SCHOOL AID
 ESTIMATED 2001-02 STATE FISCAL YEAR EXPENDITURES
 (4/1/01-3/31/02)

	Remaining 2000-01 School Year Payments <u>(Spring)</u>	2001-02 School Year Payments <u>(Fall/Winter)</u>	Total 2001-02 SFY <u>Expenditures</u>
	(-----Amounts in Millions-----)		
Payments Due	\$4,330.4	\$9,968.9	
LGAC Adjustment	(378.2)	---	
Net Payable	\$3,952.2	\$9,968.9	<u>\$13,921.1</u>

Source: State Education Department and the Division of the Budget.

TABLE II-C
2000-01 AND 2001-02 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	2000-01	2001-02	Change	
			Amount	Percent
School Aid and STAR	\$15,232,011,000	\$16,567,163,000	\$1,335,152,000	8.77 %
General Support for Public Schools	10,815,733,000	11,417,637,000	601,904,000	5.57
BOCES	436,700,000	456,297,000	19,597,000	4.49
Employment Preparation Education	96,180,000	96,180,000	0	0.00
Remaining School Capital Needs for the 1999-00 School Year	14,970,000	0	(14,970,000)	(100.00)
Remaining School Capital Needs for the 2000-01 School Year	0	14,993,000	14,993,000	NA
Minor Maintenance	35,000,000	0	(35,000,000)	(100.00)
Remaining Pre-Kindergarten Obligations for the 1999-00 School Year	15,008,000	0	(15,008,000)	(100.00)
Remaining Pre-Kindergarten Obligations for the 2000-01 School Year	0	44,358,000	44,358,000	NA
Pre-Kindergarten Programs	157,500,000	0	(157,500,000)	(100.00)
Remaining Class Size Reduction Obligations for the 1999-00 School Year	22,500,000	0	(22,500,000)	(100.00)
Remaining Class Size Reduction Obligations for the 2000-01 School Year	0	42,000,000	42,000,000	NA
Class Size Reduction	98,000,000	0	(98,000,000)	(100.00)
Instructional Computer Technology Expenses	19,940,000	0	(19,940,000)	(100.00)
Fund for Innovation	0	10,500,000	10,500,000	NA
Teachers of Tomorrow	17,500,000	0	(17,500,000)	(100.00)
Small City School Districts	0	48,517,000	48,517,000	NA
Improving Pupil Performance	0	46,445,000	46,445,000	NA
Categorical Reading	0	44,765,000	44,765,000	NA
Magnet Schools	0	94,955,000	94,955,000	NA
Other GSPS Programs	0	22,236,000	22,236,000	NA
Prior Year Claims	0	57,000,000	57,000,000	NA
Total General Fund	11,729,031,000	12,395,883,000	666,852,000	5.69
STAR: School Tax Relief Fund	2,110,000,000	2,646,000,000	536,000,000	25.40
Lottery Fund	1,392,980,000	1,525,280,000	132,300,000	9.50
Other Public Elementary and Secondary Education Programs	\$257,079,460	\$193,228,200	(\$63,851,260)	(24.84) %
Prekindergarten	50,200,000	50,200,000	0	0.00
Children of Migrant Workers	90,000	90,000	0	0.00
Teacher Resource & Computer Centers	25,000,000	15,000,000	(10,000,000)	(40.00)
National Board for Professional Teaching Standards Certification	1,000,000	0	(1,000,000)	(100.00)
Teacher-Mentor Intern	3,500,000	1,500,000	(2,000,000)	(57.14)
Effective Schools Consortia	1,889,200	1,889,200	0	0.00
Transferring Success	629,800	629,800	0	0.00
Adult Basic Education	5,000,000	5,000,000	0	0.00
Professional Development Grants	10,000,000	0	(10,000,000)	(100.00)
Adult Literacy Education	3,324,700	3,324,700	0	0.00
Parenting Education	506,400	506,400	0	0.00
Youth at Risk	5,325,500	0	(5,325,500)	(100.00)
Missing Children Prevention Education	900,000	900,000	0	0.00
AIDS Education	990,000	990,000	0	0.00
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	15,047,000	15,047,000	0	0.00
Schools as Community Sites	6,000,000	6,000,000	0	0.00
Comprehensive School Health Demonstration	525,000	525,000	0	0.00
New York State Center for School Safety	500,000	500,000	0	0.00
Civility, Citizenship and Character Education Curriculum	500,000	500,000	0	0.00
Academic Intervention for Nonpublic Schools	0	5,000,000	5,000,000	NA
Extended School Day/School Violence Prevention	30,200,000	30,200,000	0	0.00
School Health Demonstration Projects	150,000	150,000	0	0.00
Schools Under Registration Review	2,000,000	2,000,000	0	0.00
Primary Mental Health Project	570,000	570,000	0	0.00
Summer Food Program	3,300,000	3,300,000	0	0.00
School Bus Safety Institutue	100,000	0	(100,000)	(100.00)
Babylon School District	60,000	0	(60,000)	(100.00)
Bayside Public Library	50,000	0	(50,000)	(100.00)
Bellerose Public Library	50,000	0	(50,000)	(100.00)
Center for the Disabled	100,000	0	(100,000)	(100.00)

Community School District 11	100,000	0	(100,000)	(100.00)
Community School District 31	200,000	0	(200,000)	(100.00)
Douglaston-Little Neck Public Library	50,000	0	(50,000)	(100.00)
Glen Oaks Public Library	50,000	0	(50,000)	(100.00)
Institute for Student Achievement	1,000,000	0	(1,000,000)	(100.00)
IS 192	30,000	0	(30,000)	(100.00)
Mount Vernon School District	30,000	0	(30,000)	(100.00)
New Rochelle Magnet School	210,000 (a)	0	(210,000)	(100.00)
New Rochelle School District	30,000	0	(30,000)	(100.00)
New York Council for the Humanities	150,000	0	(150,000)	(100.00)
New York Public Library - SIBL	100,000	0	(100,000)	(100.00)
Pelham School District	30,000	0	(30,000)	(100.00)
Peru Central School District	107,760	0	(107,760)	(100.00)
PS 14	30,000	0	(30,000)	(100.00)
PS 14, Yonkers	15,000	0	(15,000)	(100.00)
PS 71	30,000	0	(30,000)	(100.00)
PS 72	30,000	0	(30,000)	(100.00)
PS 81	10,000	0	(10,000)	(100.00)
Queens Village Public Library	50,000	0	(50,000)	(100.00)
Rural Education Advisory Committee	100,000	0	(100,000)	(100.00)
Saranac Central School District	130,000	0	(130,000)	(100.00)
South Huntington School District	200,000	0	(200,000)	(100.00)
Small City School Districts	1,000,000	0	(1,000,000)	(100.00)
Consortium for Worker Education	9,500,000	8,500,000	(1,000,000)	(10.53)
Charter School Stimulus Fund	6,000,000	6,000,000	0	0.00
Services and Expenses of Certain School Districts	4,000,000	0	(4,000,000)	(100.00)
Grants to Certain School Districts and Other Programs	31,483,000	0	(31,483,000)	(100.00)

Other School Programs	2000-01	2001-02	Change	
			Amount	Percent
	<u>\$665,153,000</u>	<u>\$678,491,000</u>	<u>\$13,338,000</u>	<u>2.01 %</u>
Nonpublic School Aid	61,200,000	65,400,000	4,200,000	6.86
Private Schools for the Blind & Deaf (G.F.)	96,933,000	100,671,000	3,738,000	3.86
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment Aid	2,000,000	2,000,000	0	0.00
Preschool Handicapped	552,200,000	552,200,000	0	0.00
Summer School Handicapped	168,600,000	173,700,000	5,100,000	3.02
Less: Special Education Medicaid Offset	(207,300,000)	(207,000,000)	300,000	(0.14)
Less: Consortium for Worker Education Offset	(8,500,000)	(8,500,000)	0	0.00
Fiscal Year Total (excluding Hurd Loans)	<u>\$16,154,243,460</u>	<u>\$17,438,882,200</u>	<u>\$1,284,638,740</u>	<u>7.95 %</u>
Advances to Hurd City School Districts (b)	11,944,000	10,900,000	(1,044,000)	(8.74)
FISCAL YEAR TOTAL	<u>\$16,166,187,460</u>	<u>\$17,449,782,200</u>	<u>\$1,283,594,740</u>	<u>7.94 %</u>

(a) For 2001-02 included with school aid.

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

Source: Laws of the State of New York: Chapters 53 and 60, Laws of 2000; 2001-2002 Executive Budget.

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

Enacted school aid provisions will increase payments to 644 major school districts, through 15 combined aid categories, by \$317.28 million in the 2001-02 school year. There are 36 districts that are projected to have losses of \$3.69 million. The combined total of increases and losses produce a net increase statewide of \$313.59 million, or 2.67 percent.

- Table II-D lists the aid amounts allocated to each of the Big Five city school districts under 22 selected School Aid programs. The aids analyzed are those shown in Table II-A. The table shows that New York City had the largest percentage increase (3.05 percent) of the Big Five cities.
- Table II-E lists changes in all School Aid individual aid categories for New York City. The net increase for all aids is 2.89 percent.
- In Table II-F, 15 major 2001-02 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 2.67 percent. The 371 districts in the 18 most populous counties contain 45.80 percent of the State's public school pupils. These districts will receive 43.24 percent of the 2001-02 combined aids total. Districts in the 18 most populous counties will have an average combined aids increase of 2.51 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 2.66 percent and will receive 19.04 percent of the 2001-02 combined aids total.

TABLE II-D
SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED
THROUGH SCHOOL AID APPROPRIATIONS: 2000-01 AND 2001-02

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2000-01	2001-02	2000-01	2001-02	2000-01	2001-02	2000-01	2001-02	2000-01	2001-02
I. Formula-based Aids:	(----- Amounts in Millions -----)									
Flex Aid	\$0.00	\$3,790.01	\$0.00	\$257.17	\$0.00	\$195.96	\$0.00	\$112.57	\$0.00	\$60.16
Operating Aid	2,331.79	0.00	154.68	0.00	126.71	0.00	77.99	0.00	40.64	0.00
Tax Effort	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Equalization	0.00	0.00	36.87	0.00	39.39	0.00	0.00	0.00	29.93	0.00
Transition Adjustment	0.00	0.00	(23.58)	0.00	(57.64)	0.00	(5.36)	0.00	(42.82)	0.00
Gifted & Talented	5.46	0.00	0.23	0.00	0.19	0.00	0.13	0.00	0.13	0.00
Minor Maintenance	33.33	0.00	0.62	0.00	0.45	0.00	0.27	0.00	0.33	0.00
Excess Cost - Public	690.46	0.00	42.09	0.00	43.78	0.00	24.07	0.00	16.31	0.00
Excess Cost - Private	63.79	0.00	10.26	0.00	7.59	0.00	0.24	0.00	2.59	0.00
ERSSA	34.32	0.00	2.17	0.00	1.46	0.00	1.01	0.00	0.61	0.00
Extraordinary Needs Aid	404.84	0.00	21.34	0.00	22.68	0.00	8.37	0.00	8.13	0.00
Operating Standards Aid	71.55	0.00	3.74	0.00	3.01	0.00	1.28	0.00	1.14	0.00
Limited English Proficiency	52.05	0.00	1.98	0.00	2.05	0.00	0.93	0.00	1.41	0.00
Subtotal	\$3,687.58	\$3,790.01	\$250.41	\$257.17	\$189.67	\$195.96	\$108.92	\$112.57	\$58.40	\$60.16
Transportation	245.97	269.26	21.41	21.88	25.14	25.14	9.13	9.02	10.05	11.17
Special Services	103.90	103.28	11.68	12.38	5.78	6.03	5.79	5.79	3.93	4.04
Hardware	11.58	11.38	0.67	0.67	0.46	0.50	0.34	0.31	0.21	0.21
Textbooks	77.05	77.05	3.15	3.15	2.13	2.13	1.45	1.45	1.87	1.87
Software	20.01	20.83	0.75	0.85	0.27	0.24	0.18	0.18	0.42	0.46
Library Materials	8.07	8.07	0.33	0.33	0.26	0.26	0.14	0.14	0.18	0.18
Full-Day K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prekindergarten	146.53	146.53	7.10	7.10	5.90	5.90	3.22	3.22	2.60	2.60
Class Size Reduction	88.84	88.84	4.97	4.97	5.25	5.25	3.30	3.30	4.60	4.60
Summer School	26.69	30.95	0.59	0.56	0.79	0.97	0.03	0.03	0.12	0.07
Fund for Innovation for Big 5	0.00	9.00	0.00	2.00	0.00	1.82	0.00	1.06	0.00	1.13
Shared Services for Big 5	13.03	0.00	0.00	0.00	0.61	0.00	0.16	0.00	1.18	0.00
Subtotal Formula-based Aids	\$4,429.26	\$4,555.20	\$301.07	\$311.07	\$236.27	\$244.20	\$132.67	\$137.07	\$83.56	\$86.49
Change from 2000-01 School Year		\$125.94		\$10.00		\$7.93		\$4.40		\$2.93
Percent		2.84%		3.32%		3.36%		3.32%		3.51%
II. Other Aid Categories:										
Building Aid (a)	365.14	426.39	NA	NA	NA	NA	NA	NA	NA	NA
Teachers of Tomorrow	15.00	15.00	1.05	1.05	2.57	2.57	0.80	0.80	2.90	2.90
Teachers of Tomorrow (b)	0.00	15.00	NA	NA	NA	NA	NA	NA	NA	NA
Teacher Support Aid	62.71	13.94	1.74	0.39	1.08	0.24	0.81	0.18	1.15	0.25
Schoolwide Performance Incentive	0.00	6.96	0.00	0.19	0.00	0.12	0.00	0.09	0.00	0.13
Prekindegarten Expansion	0.00	0.00	0.00	0.00	0.00	1.16	0.00	0.00	0.00	0.00
Education Technology Incentive	8.08	0.00	0.24	0.00	0.00	0.00	0.01	0.00	0.38	0.00
Growth Aid	0.00	0.00	0.00	0.47	4.82	0.00	1.40	0.00	0.28	0.45
Categorical Reading	29.95	29.95	17.50	17.50	5.50	5.50	6.00	6.00	5.00	5.00
Improving Pupil Performance	36.20	36.20	10.50	10.50	6.95	6.95	3.60	3.60	9.10	9.10
Magnet Schools	48.18	48.18	17.03	17.03	11.00	11.00	11.00	11.00	29.50	29.50
Subtotal	565.26	591.62	48.06	47.13	31.92	27.54	23.62	21.67	48.31	47.33
TOTAL SELECTED AIDS	\$4,994.52	\$5,146.82	\$349.13	\$358.20	\$268.19	\$271.74	\$156.29	\$158.74	\$131.87	\$133.82
Change from 2000-01 School Year		\$152.30		\$9.07		\$3.55		\$2.45		\$1.95
Percent		3.05%		2.60%		1.32%		1.57%		1.48%

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(a) (b) Amounts for Big 5 Cities other than NYC to be determined.

Source: State Education Department computer runs and Executive Budget estimates of January 16, 2001.

TABLE II-E
SUMMARY OF AIDS FINANCED THROUGH SCHOOL AID
APPROPRIATIONS -- 2000-01 AND 2001-02 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2000-01	2001-02	Change	
	School Year	School Year	Amount	Percent
I. Formula-based Aids:	(----- Amounts in Millions -----)			
Flex Aid	\$0.00	\$3,790.01	\$3,790.01	NA %
Operating Aid	2,331.79	0.00	(2,331.79)	(100.00)
Tax Effort	0.00	0.00	0.00	0.00
Tax Equalization	0.00	0.00	0.00	0.00
Transition Adjustment	0.00	0.00	0.00	0.00
Gifted & Talented	5.46	0.00	(5.46)	(100.00)
Minor Maintenance	33.33	0.00	(33.33)	(100.00)
Excess Cost - Public	690.46	0.00	(690.46)	(100.00)
Excess Cost - Private	63.79	0.00	(63.79)	(100.00)
ERSSA	34.32	0.00	(34.32)	(100.00)
Extraordinary Needs Aid	404.84	0.00	(404.84)	(100.00)
Operating Standards Aid	71.55	0.00	(71.55)	(100.00)
Limited English Proficiency	52.05	0.00	(52.05)	(100.00)
Subtotal	<u>\$3,687.58</u>	<u>\$3,790.01</u>	<u>\$102.43</u>	<u>2.78 %</u>
Transportation	245.97	269.26	23.29	9.47
Special Services: Career Ed.	69.02	68.56	(0.46)	(0.67)
Computer Admin.	34.88	34.72	(0.16)	(0.46)
Computer Hardware	11.58	11.38	(0.20)	(1.73)
Textbooks (Incl. Lottery)	77.05	77.05	0.00	0.00
Computer Software	20.01	20.83	0.82	4.10
Library Materials	8.07	8.07	0.00	0.00
Full-Day K	0.00	0.00	0.00	0.00
Prekindergarten	146.53	146.53	0.00	0.00
Class Size Reduction	88.84	88.84	0.00	0.00
Summer School	26.69	30.95	4.26	15.96
Fund for Innovation for Big 5	0.00	9.00	9.00	0.00
Shared Services for Big 5	13.03	0.00	(13.03)	(100.00)
Subtotal Formula-based Aids:	<u>\$4,429.26</u>	<u>\$4,555.20</u>	<u>\$125.94</u>	<u>2.84 %</u>
II. Grant Programs and Other Aid Categories:				
Building	365.14	426.39	61.25	16.77
Teachers of Tomorrow	15.00	30.00	15.00	100.00
Teacher Support Aid	62.71	13.94	(48.77)	(77.77)
Schoolwide Performance Incentive	0.00	6.96	6.96	NA
Education Technology Incentive	8.08	0.00	(8.08)	(100.00)
Growth Aid	0.00	0.00	0.00	0.00
Categorical Reading	29.95	29.95	0.00	0.00
Improving Pupil Performance	36.20	36.20	0.00	0.00
Magnet Schools	48.18	48.18	0.00	0.00
Employment Preparation Education	28.80	28.80	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	6.50	0.00	(6.50)	(100.00)
Education of OMH/OMR Pupils	1.60	1.60	0.00	0.00
CIMS	1.06	0.00	(1.06)	(100.00)
Chargebacks	(5.00)	(5.00)	0.00	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Prior Year Claims	31.40	33.00	1.60	5.10
	<u>630.75</u>	<u>651.15</u>	<u>20.40</u>	<u>3.23</u>
SCHOOL YEAR TOTAL	<u>\$5,060.01</u>	<u>\$5,206.35</u>	<u>\$146.34</u>	<u>2.89 %</u>

Source: State Education Department computer runs and Executive Budget estimates of January 16, 2001.

TABLE II-F

CHANGE IN SCHOOL AID (a) FOR 2000-01 AND 2001-02 SCHOOL YEARS:
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dts.	Percent of Total State TAPU (b)	2001-02 Combined Aids		Change in Aid from 2000-01 to 2001-02		Number of Districts		
			2000-01 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.41%	\$122,674	\$125,678	1.04%	\$3,004	2.45%	13	0
Broome	12	1.13	150,141	154,236	1.28	4,095	2.73	11	1
Chautauqua	18	0.89	138,126	141,693	1.17	3,567	2.58	18	0
Dutchess	13	1.47	149,304	153,529	1.27	4,225	2.83	12	1
Erie	28	4.90	639,380	657,457	5.44	18,077	2.83	28	0
Monroe	18	4.21	517,032	532,300	4.41	15,268	2.95	18	0
Nassau	56	6.67	485,480	497,548	4.12	12,068	2.49	52	4
Niagara	10	1.23	179,899	184,246	1.53	4,347	2.42	9	1
Oneida	15	1.35	198,724	204,288	1.69	5,564	2.80	15	0
Onondaga	18	2.66	333,127	343,128	2.84	10,001	3.00	18	0
Orange	17	2.09	260,268	268,170	2.22	7,902	3.04	15	2
Rensselaer	11	0.79	112,822	115,292	0.95	2,470	2.19	11	0
Rockland	8	1.36	118,383	120,634	1.00	2,251	1.90	7	1
Saratoga	12	1.14	135,045	137,939	1.14	2,894	2.14	11	1
Schenectady	6	0.74	86,361	88,539	0.73	2,178	2.52	5	1
Suffolk	67	8.15	1,069,977	1,089,000	9.02	19,023	1.78	60	7
Ulster	9	0.96	109,764	112,530	0.93	2,766	2.52	9	0
Westchester	40	4.66	287,178	295,517	2.45	8,339	2.90	39	1
18 Most Populous Counties	371	45.80%	\$5,093,685	\$5,221,724	43.24%	\$128,039	2.51%	351	20
New York City	1	39.05	4,429,256	4,555,195	37.72	125,939	2.84	1	0
Rest of State	308	15.15	2,240,285	2,299,903	19.04	59,618	2.66	292	16
TOTAL STATE	680	100.00%	\$11,763,226	\$12,076,822	100.00%	\$313,596	2.67%	644	36

(a) Includes flex aid, transportation, BOCES, special services, hardware, textbooks, computer software, library materials, full-day k, prekindergarten, class size reduction, summer school, tax limitation aid, reorganization incentive (operating), and fund for innovation aid.

(b) The flex TAPU for payment pupil count used for 2001-02 flex aid.

Source: State Education Department computer runs and Executive Budget estimates of January 16, 2001.

III

APPENDICES

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

- Appendix III-A summarizes the School Aid formulas and adjustments recommended for 2001-02 and compares them with the 2000-01 formulas.
- Appendix III-B provides the mathematical formulas for computing 13 different aids for 2001-02 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than Flex Aid.

For Flex 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 2001-02 school year.
- Appendix III-E provides the regional cost indices used for the Flex Aid formula.

APPENDIX III-A
COMPARISON OF 2000-01 AND 2001-02 SCHOOL AID PROGRAMS

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>FLEX AID¹</u>		
Foundation Amount	None	The sum of a district's 2000-01 operating, tax effort and tax equalization, gifted and talented, minor maintenance, public and private excess cost, erssa, extraordinary needs, operating standards and limited English proficiency aid
Formula Ceiling	None	\$20.00 plus the product of \$100.42 times Regional Cost Index times Flex Aid Ratio
Regional Cost Index	None	See Appendix III-E
State Share	None	1.37 - (Flex Combined Wealth Ratio x 1.10)
Pupils	None	Flex Selected Total Aidable Pupil Units (Flex Selected TAPU)

¹A district's Flex Combined Wealth Ratio for 2001-02 is equal to: (.5 x District Flex Pupil Wealth Ratio) + (.5 x District Flex Alternate Pupil Wealth Ratio). The district Flex Pupil Wealth Ratio is equal to:

$$\frac{(1998 \text{ Actual Valuation}) / 1999-00 \text{ Flex TWPU}}{\$225,200}; \text{ and the}$$

Flex Alternate Pupil Wealth Ratio is equal to:

$$\frac{1998 \text{ District Income} / 1999-00 \text{ Flex TWPU}}{\$92,900}$$

Beginning with the 1997-98 school year, income and actual valuation data moved back one year from the previous year-prior-to-the-base-year data. For the 2001-02 school year, 1998 Actual Valuation and Adjusted Gross Income will be used. For aids other than Flex Aid, the State average of the 1998 AV per 1999-00 Total Wealth Pupil Unit (TWPU) is \$247,800. The State average of 1998 Adjusted Gross Income per 1999-00 Total Wealth Pupil Unit is \$102,200. Some formulas use the Resident Weighted Average Daily Attendance (RWADA) wealth ratio; the State average 1998 AV per 1999-00 RWADA is \$297,000. For a description of Flex Aid pupil counts for wealth and aid, see this aid category in Appendix III-B. For other pupil counts, see Appendix III-C.

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>COMPREHENSIVE OPERATING AID</u>		
Formula Ceiling	\$3,900 plus an amount equal to the product of (i) the lesser of \$8,000 or 1998-99 approved operating expense per pupil minus \$3,900 and (ii), the greater of 7.5 percent or .075/CWR.	None
Flat Grant	\$400	None
Wealth Measure	Adjusted, so that 1997 Actual Valuation is used and, in the calculation of borough aid for New York City, a portion of Manhattan's property wealth is allocated proportionately to the other four boroughs using a factor of 0.001 percent. ²	None
State Share	A district's selected operating aid ratio is the greatest of: 1.37 - (1.23 * CWR) 1.00 - (0.64 * CWR) 0.80 - (0.39 * CWR) 0.51 - (0.22 * CWR) The maximum aid ratio is .90. For a district of average wealth (CWR = 1.000), the aid ratio is .41.	None

² A district's Combined Wealth Ratio for 2000-01 was equal to: $(.5 \times \text{District Pupil Wealth Ratio}) + (.5 \times \text{District Alternate Pupil Wealth Ratio})$. The district Pupil Wealth Ratio is equal to: $\frac{(1997 \text{ Actual Valuation})}{\frac{1998-99 \text{ TWPU}}{\$244,900}}$; and the Alternate Pupil Wealth Ratio is equal to: $\frac{1997 \text{ District Income}}{\$98,300}$

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
State Share Base	Average Daily Attendance excluding pupils placed in private schools for the disabled. ³	None
Payment	Choice of base year or 2-year average	None
Special Needs Pupils:		
Weightings	.25	None
Tests Used	1984-85 -- 1985-86	None
<u>EXTRAORDINARY NEEDS AID</u>		
Formula Ceiling	A minimum of 11% of the operating aid ceiling. If more than 74.5% of a district's enrolled students have extraordinary needs, the district receives more than 11% of its operating aid ceiling.	None
Wealth Measure	Alternate Pupil Wealth Ratio	None
State Share	.60	None
Save-Harmless	100% of base year	None
Pupil Count	The sum of the percentage of eligible K-6 free lunch applicants times 1999 enrollment (if K-6 lunch data is not available, the percentage of students scoring below the statewide reference point on the grade 3 and 6 PEP reading and math tests multiplied by 1999 enrollment), plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 1999 enrollment.	None

³Since the 1997-98 school year the pupil count has been based on year-prior-to-the base year attendance. An enrollment index adjusts for year-to-year changes in pupil numbers.

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>URBAN-SUBURBAN TRANSFER SUPPLEMENTATION</u>	If formula operating aid per pupil is greater in the district of residence, the district of attendance will receive urban-suburban transfer aid equal to formula operating aid per pupil that the district of residence would have received.	Same
<u>GIFTED AND TALENTED AID</u>		
Pupil Count	3% of ADA	None
Ceiling	\$196	None
<u>LIMITED ENGLISH PROFICIENCY AID</u>		
Weighting	.199	None
<u>TAX EQUALIZATION</u>		
Eligible Districts	A district's approved operating expense (AOE) divided by 1998-99 TAPU for Expense in excess of its operating aid per pupil must be greater than the amount generated by multiplying .01950 by the district's 1997 Actual Valuation divided by 1998-99 TWPU.	None
Formula Ceiling	The positive remainder of the lesser of \$8,000 or 1998-99 AOE/TAPU for Expense, minus 2000-01 operating aid divided by Selected TAPU, plus .01950 multiplied by AV/TWPU.	None
Pupil Count	Selected TAPU.	None
<u>TAX EFFORT</u>		
Eligible Districts	A district's 1997 tax levy on residential real property including condominium property must be greater than 3% of the district's 1997 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 2.0.	None
Formula Ceiling	\$912.48	None

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
Tax Effort Percent	The positive result of the 1997 tax levy on residential real property including condominium property divided by the 1997 adjusted gross income (but not greater than 7.00) minus 3.00, divided by 4.00.	None
Pupil Count	Selected TAPU.	None
<u>TRANSITION ADJUSTMENT</u>	The sum of 2000-01 Operating, Tax Equalization, and Tax Effort is adjusted so that the sum of these aids and the transition adjustment will be no less than the sum of these aids in 1999-00 plus an increase of at least 2.00% and no more than the greater of either (a) a 4.27% increase over 1999-00 or (b) 18.10% of the amount withheld by the transition cap.	None
<u>EXCESS COST AID FOR DISABLED PUPILS</u>		
Public Excess Cost Aid:		
Ceiling Range for Aid	\$2,000 - \$7,110	None
Wealth Measure	Combined Wealth Ratio	None
State Share	.49	None
Minimum Aid Ratio	.25	None
High Cost Eligibility	4 x AOE/TAPU or \$10,000	None
Save-Harmless	100% of Base Year (including declassification aid)	None
Disabled Pupil Classifications	Three	None
Private Excess Cost Aid:		
Ceiling Range for Aid	Tuition - Deduct	None
Deduct	Local levy/Enrollment	None
Wealth Measure	Combined Wealth Ratio	None
State Share	.85	None
Minimum Aid Ratio	.50	None
Pupils	Attending private schools or State run schools	None
State School Taper Ratio	(1-CWR)/.75	None
<u>DECLASSIFICATION SUPPORT SERVICES AID</u>		
Ceiling	Basic Excess Cost Aid Per Pupil x 0.50	None
Pupil Count	Base Year Pupils in Need	None

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>EDUCATIONALLY RELATED SUPPORT SERVICES AID</u>		
Ceiling(s)	\$365.00/\$635.00	None
Wealth Measure	Combined Wealth Ratio	None
State Shares	Operating Aid Ratio and Public Excess Cost Aid Ratio	None
Minimum Aid Ratio	.25	None
Pupil Counts	9% of Selected TAPU and 15% of Selected TAPU times Extraordinary Needs percent in excess of 60%	None
<u>BOCES AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	A district will receive the same aid for 2001-02 as was calculated for 2000-01 by the State Education Department based on data on file on November 15, 2000.
State Share	.49	
Minimum Aid Ratio	.36	
Salary Ceiling	\$30,000	
Millage Formula	8 mills	
Save-Harmless Provision	100% of 1967-68 Aid	Same
<u>FULL-DAY K INCENTIVE AID</u>		
Eligible Districts	A district that offers Full-Day Kindergarten to students is eligible for aid if in 1996-97 <u>and</u> 1999-00 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 1999-00.	A district that offers Full-Day Kindergarten to students is eligible for aid if in 1996-97 <u>and</u> 2000-01 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2000-01.
Pupil Count	2000-01 Estimated Full-Day K Enrollment - 1999-00 Full-Day K Enrollment	2001-02 Estimated Full-Day K Enrollment - 2000-01 Full-Day K Enrollment
Aid Per Pupil	A district's operating aid per pupil.	A district's formula operating aid per pupil as described in subdivision 12-a of Section 3602 of the Education Law

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>TRANSPORTATION AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA or a district's Combined Wealth Ratio	Same
State Share	The greater of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * Operating Aid Ratio or (NYC excepted): 1.01 - (.46 * AV/enrollment wealth ratio).	The greater of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted): 1.01 - (.46 * AV/enrollment wealth ratio).
Sparsity Adjustment	(21 - enrollment/square mile)/317.88	Same
Minimum Aid Ratio	.065	Same
Maximum Aid Ratio	.90	Same
Base	Approved Expenditures	Same
Urban-Suburban Transfer	Approved expenditures of transportation of pupils in voluntary interdistrict programs.	Same

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>BUILDING AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
Aid Ratio Choice	<p>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.</p> <p>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 school district's current-year building aid ratio or the aid ratio selected for use in 1999-00 reduced by 10 percentage points.</p> <p>School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.</p>	<p>Same except that for projects approved by voters after January 15, 2001 school districts will receive State aid based upon the school district's aid ratio at the time of project approval and supplemented by the existing 10 percent building aid enrichment.</p>
Base	Approved Expenditures	Same
Additional Adjustments	<p>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 percent 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.</p>	Same

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<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
Taper	4%/9 years	Same
Effective January 15, 2001		
Building Aid:		
Additional Percentage	30%	15%
Eligibility Date:		
Contracts Signed By	July 1, 2002	January 15, 2001
<u>SPECIAL SERVICES AID</u>		
<u>Career Education Aid:</u>		
State Share	.41	Same
Minimum Aid Ratio	.36	Same
Ceiling	\$3,720	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>Computer Administration Aid:</u>		
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>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>TEXTBOOK AID</u>	Up to \$57.30 per public and nonpublic pupil (district of residence)	A district will receive the same aid for 2001-02 as was calculated for 2000-01 by the State Education Department based on data on file on November 15, 2000
<u>COMPUTER SOFTWARE AID</u>	Up to \$14.98 per public and nonpublic pupil (district of attendance)	Up to \$15.45 per public and nonpublic pupil (district of attendance)
<u>LIBRARY MATERIALS AID</u>	Up to \$6 per public and nonpublic pupil (district of attendance)	A district will receive the same aid for 2001-02 as was calculated for 2000-01 by the State Education Department based on data on file on November 15, 2000
<u>GROWTH AID</u>	Growth Index in excess of 1.004 * Operating Aid ⁴	Growth Index in excess of 1.004 * Formula Operating Aid as described in subdivision 13 of Section 3602 of the Education Law
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.88 million. For the 2000-01 school year a district's <u>Hurd</u> aid was the same as its 1999-00 aid	\$69.31 million
Save-Harmless	Base Year Small City School District Aid x (.98 - .02 x Years on Save Harmless)	
<u>EMPLOYMENT PREPARATION EDUCATION AID</u>		
Ceiling	\$6.60/contact hour	\$6.90/contact hour ⁵
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

⁴For the 1997-98 school year and after the Growth Index is defined as a measure of enrollment rather than attendance.

⁵For the 2001-02 school year, total aid is limited to \$96.18 million, the same as in 2000-01. Up to \$2.5 million of the 2001-02 school year total will be available for services to individuals over the age of 21 who possess a high school or equivalency diploma but who fail to demonstrate basic educational competencies.

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>SHARED SERVICES AID FOR</u>		
<u>BIG 5 CITY SCHOOL</u>		
<u>DISTRICTS</u>		
Eligible Districts	Big Five City schools and other districts that are non-components of BOCES	None
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	None
State Share	The greater of: 1 - (.008/District Actual Valuation Tax Rate) or 1 - (.51 x AV/RWADA Wealth Ratio)	None
Minimum Aid Ratio	.36	None
Maximum Ratio	.90	None
Base	Approved expenditures for instructional support services.	None
<u>EDUCATION TECHNOLOGY</u>		
<u>INCENTIVE AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	None
State Share	The greater of: 1 - (.008/District Actual Valuation Tax Rate) or the Building Aid Ratio for 1999-00 Aid minus 10 percent or the Building Aid Ratio for 2000-01.	None
Minimum Aid Ratio	.36	None
Base	Approved expenditures for instructional computer technology equipment that are not eligible for building aid or claimed under any other technology aid or BOCES aid.	None

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>PREKINDERGARTEN AID⁶</u>		
Pupil Count	Estimated 2000-01 children not served by the State's experimental prekindergarten program and preschool children with disabilities receiving services for less than four hours a day	A district will be eligible for the same aid as was calculated for 2000-01 by the State Education Department based on data on file on November 15, 2000.
Wealth Measure	Combined Wealth Ratio	Since school districts applied for only \$173 million in 2000-01, the \$225 million appropriated for this program for 2001-02 will provide sufficient resources for school districts to begin or expand prekindergarten programs.
Minimum/Maximum Per Child Amount	\$2,700, \$4,000	
<u>OPERATING STANDARDS AID</u>		
Formula Ceiling	\$7.50 plus the product of \$61.50 times the State share	None
Wealth Measure	Alternate Pupil Wealth Ratio	None
Expenditure Measure	Approved Operating Expense per pupil	None
State Share	$1.00 - (.66 * ((.5 * APWR) + (.5 * \frac{AOE}{TAPU})))$ \$6,058	None
Minimum Aid Ratio	.078	None
Pupils	Selected TAPU (Selected TAPU times 1.26 for districts with an Extraordinary Needs percent in excess of 60% or by 1.97 if the district's percent is in excess of 85%) plus an additional .20 x selected TAPU if the percentage change in graduates with Regents diplomas from 1996-97 to 1997-98 is greater than 5%	None
<u>CATEGORICAL READING AID</u>	\$63.95 million	Same

⁶For the 2001-02 school year, total aid is limited to \$225.00 million.

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>GRANTS FOR IMPROVING PUPIL PERFORMANCE</u>	\$66.35 million	Same
<u>FORT DRUM GRANTS</u>	\$2.63 million	Same
<u>MAGNET SCHOOL AID</u>	\$135.44 million	\$135.65 million
<u>COMPREHENSIVE INSTRUCTIONAL MANAGEMENT SYSTEMS (CIMS) AID</u>	\$2.50 million (\$1.25 million to Big Five; \$1.25 million to BOCES)	None
<u>FUND FOR INNOVATION FOR BIG 5 CITY SCHOOL DISTRICTS</u>	None	\$15.00 million
<u>SCHOOLWIDE PERFORMANCE INCENTIVE AID</u>	None	\$7.49 million
<u>ATTENDANCE IMPROVEMENT/DROPOUT PREVENTION GRANTS</u>	\$0.95 million	None
<u>MINOR MAINTENANCE AND REPAIR AID</u>	A district's 1999-00 enrollment x the average age of its instructional facilities (compared to a statewide average) x its 1993-94 enrollment divided by its 1989-90 enrollment. This result is divided by the statewide sum of these values and then the district's ratio is multiplied by \$16,670,000	None
Maximum District Aid	\$2,000	None
<u>SUMMER SCHOOL AID Formula Ceiling</u>	\$200.00 x summer session index	Same
Index	Operating aid ratio x concentration factor (based on district's extraordinary needs percent)	State sharing ratio x concentration factor (based on district's extraordinary needs percent)
Pupils	1999-00 unweighted summer school ADA for pupils in programs to improve student performance	Same except for the use of 2000-01 pupils

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>TAX LIMITATION AID</u> ⁷ Eligible Districts	A district's 1997 tax levy on residential real property including condominium property must be greater than 3.9% of the district's 1997 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 2.0	Same except for the use of 1998 residential tax levy and 1998 adjusted gross income
State Share	.50	Same
Wealth Measure	Combined Wealth Ratio	Same
Formula Ceiling	.0410 multiplied by the 1997 residential tax levy per pupil	.0410 multiplied by the 1998 residential tax levy per pupil
<u>INCARCERATED YOUTH</u>	\$13.0 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>COMPTROLLER AUDITS</u>	\$.25 million	Same
<u>TEACHER SUPPORT AID</u>	\$67.48 million	\$15.00 million
<u>BUS DRIVER SAFETY</u>	\$0.40 million	Same

⁷ For the 2001-02 school year, total aid is limited to \$25.0 million.

<u>Category</u>	<u>2000-01 School Year</u>	<u>2001-02 School Year</u>
<u>CLASS SIZE REDUCTION AID⁸</u>		
Eligible Districts	A district must have had an average class size greater than 20 pupils in 1993-94 in K or grades 1-3. The district must also have a current year Combined Wealth Ratio below 2.0 and an Extraordinary Needs percent greater than 24.8%.	A district will be eligible to receive the same aid for 2001-02 as was calculated for 2000-01 by the State Education Department based on data on file on November 15, 2000 .
Start-Up Grant	\$10,000 for each new and continuing classroom	
Basic Grant per Classroom	A district's 1994-95 median teacher salary (for teachers with 5 years of experience) multiplied by 1.0609 with the result multiplied by 1 + the district's 1994-95 fringe benefit rate	
Phase-in Factor	Additional classrooms needed to reach a goal of 20 pupils per classroom multiplied by: New York City: 18.7% Big 4 Cities: 33.3% Rest of State: 40.0%	

⁸ For the 2001-02 school year, \$140.0 million is appropriated for this aid category.

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating flex aid, special services aid, reorganization incentive operating aid, transportation aid, computer software aid, instructional computer hardware and technology equipment aid, full-day K incentive aid, employment preparation education aid, incarcerated youth aid, summer school aid, tax limitation, building aid and reorganization incentive building aid are presented in this appendix. For the 2001-02 school year the following computerized aids are to be maintained at 2000-01 levels: BOCES aid, textbook aid, library materials aid, prekindergarten aid and class size reduction aid.

For flex aid the State average wealth measures for use in the calculation of the flex aid ratio for 2001-02 school year payments are:

1998 Actual Valuation/1999-00 Flex TWPU	\$225,200
1998 Adjusted Gross Income/1999-00 Flex TWPU	\$92,900

For aids other than Flex Aid, the State average wealth measures for use in the calculation of aid ratios for 2001-02 school year payments are:

1998 Actual Valuation/1999-00 TWPU	\$247,800
1998 Adjusted Gross Income/1999-00 TWPU	\$102,200
1998 Actual Valuation/1999-00 RWADA	\$297,000

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

TAPU.....	Total Aidable Pupil Units
TWPU.....	Total Wealth Pupil Units
ADA.....	Average Daily Attendance
RWADA.....	Resident Weighted Average Daily Attendance

FLEX AID

Education Law, Section 3602, Subdivision 12

2000-01 Aids

A district's Flex Aid is determined by first calculating the sum of its 2000-01 operating, tax equalization, tax effort, transition adjustment, gifted and talented, minor maintenance, public and private excess cost, educationally related support services, extraordinary needs, operating standards and limited English proficiency aid. To this amount is added the result of the following formula:

Flex Aid Formula = \$20.00 + ((\$100.42 x Regional Cost Index) x Flex Aid Ratio) x Flex Selected TAPU for payment

Regional Cost Index See Appendix III-E

Flex Aid Ratio = The result of the following but not less than zero nor more than .90: 1.37 - (Flex Combined Wealth Ratio x 1.10)

Flex Combined Wealth Ratio = (.5 x Flex Pupil Wealth Ratio) + (.5 x Flex Alternate Pupil Wealth Ratio)

Flex Pupil Wealth Ratio =
$$\frac{1998 \text{ Actual Valuation}/1999-00 \text{ Flex TWPU}}{\text{State Average Actual Valuation}/\text{Flex TWPU}}$$
 (\$225,200)

Flex Alternate Pupil Wealth Ratio =

$$\frac{\text{District 1998 Adjusted Gross Income}/1999-00 \text{ Flex TWPU}}{\text{State Average Adjusted Gross Income}/\text{Flex TWPU}}$$
 (\$92,900)

Pupil Counts for Wealth and for Aid

Flex TWPU = Resident 1999-00 Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

Flex Selected TAPU for Payment = The higher of 2000-01 Flex TAPU or the average of 1999-00 and 2000-01 Flex TAPU. Flex TAPU are calculated based on Served Average Daily Attendance with weightings as described in Appendix III-C, but without PSEN weightings, plus additional weightings of 0.33 for free and reduced-price lunch, limited English proficiency and sparsity pupil counts.

New York City

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

Minimum Guarantee/Allowed Maximum

Total State funding will be adjusted to ensure that all districts receive a minimum 1.0 percent increase over the sum of the 2000-01 aids listed above (up to a minimum of 1.5 percent for below-average wealth districts). There is no limit on the maximum aid a district may receive through the new Flex Aid formula.

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 17

Big 5 City school districts are eligible to receive career education aid and computer administration aid.

$$\underline{\text{Career Education Aid}} = \$3,720 \times \text{Aid Ratio} \times \text{Career Ed Pupils}$$

$$\underline{\text{Aid Ratio}} = 1 - (\text{Combined Wealth Ratio} \times .59)$$

Minimum: .360

$$\underline{\text{Career Education Pupils}} = 2000-01 \text{ Grade 10-12 ADA in a} \\ \text{Career Education Trade Sequence} \\ + .16 \times \text{Business Sequence ADA}$$

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

Enrollment = Fall 2000 public enrollment attending in the district

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

Minimum: .300

REORGANIZATION INCENTIVE OPERATING AID

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

A district which has reorganized within the past 14 years is eligible to receive reorganization incentive operating aid in addition to its regular operating aid.

$$\text{Reorganization Incentive} = \frac{\text{Formula Operating Aid}}{\text{Operating Aid}} \times \frac{\text{Incentive}}{\text{Aid Percentage}}$$

The sum of Formula Operating Aid and Incentive Operating Aid may not exceed 95 percent of AOE.

Reorganization Prior to July 1, 1983:

Incentive Operating Aid was available for school districts which reorganized prior to July 1, 1983, for 14 years beginning with the first school year of operation as a reorganized district. For the first five years the Incentive Aid Percentage was 10 percent, and for the next nine years the percentage of such operating aid decreased 1 percent per year.

Reorganization After July 1, 1983:

For districts which reorganized after July 1, 1983, the reorganization percentage was 20 percent for a period of five years, to be reduced by 2 percent per year for nine years.

Reorganization After July 1, 1992:

For districts which reorganize after July 1, 1992, the reorganization percentage will be 40 percent for a period of five years, to be reduced by 4 percent per year for nine years.

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

Districts are allotted reimbursement for transportation expenses through the transportation aid formula.

Transportation Aid = [Aid Ratio + Sparsity Factor] x Approved Transportation 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) $1.010 - \frac{(1998 \text{ AV}/1999\text{-}00 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$297,000)}$
- (iii) $1.010 - \frac{(1998 \text{ AV}/1999\text{-}00 \text{ Public \& Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$254,600)}$

Minimum: .065

Maximum: .900

Sparsity Factor = $\frac{21.00 - 1999 \text{ Public Enrollment}/\text{Square Mile}}{317.88}$

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
- Shuttle 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 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

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.

$$\text{Computer Software Aid} = \frac{2000-01 \text{ Cost of Software}}{(\text{up to } \$15.45) \times \text{Enrollment}}$$

Enrollment = Fall 2000 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

Education Law, Section 3602, Subdivision 26

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.

$$\text{Hardware Aid} = \frac{\text{Approved Expenses (up to } \$19.25 \times \text{ Selected TAPU for payment} \times \text{ Current Year Building Aid Ratio)}}{}$$

FULL-DAY KINDERGARTEN INCENTIVE AID

Education Law, Section 3602, Subdivision 12-a

Eligibility for Full-Day K Incentive Aid: If in 1996-97 and 2000-01 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2000-01.

School districts offering full-day kindergarten programs will receive current year operating aid in 2001-02 for any increase in the number of students served in full-day programs in 2001-02 compared to 2000-01.

Full-Day K Incentive Aid =

$$(2001-02 \text{ Estimated Full-Day K Enrollment} - 2000-01 \text{ Full-Day K Enrollment}) \times \text{Formula Operating Aid per TAPU}$$

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. Beginning in 1991-92, aid paid directly to BOCES for approved BOCES EPE programs is based on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio is based on the aggregate actual valuation and TWPUs of the component districts of the BOCES. Adults can register with BOCES for participation at a BOCES site. Beginning in 1996-97, the BOCES EPE aid ratio is 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.

$$\underline{\text{EPE Aid}} = \$6.90 \times \text{EPE Aid Ratio} \times \text{EPE Hours}$$

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

Minimum: .400

$$\underline{\text{Pupil Wealth Ratio}} = \frac{1998 \text{ Actual Valuation}/1999-00 \text{ TWPUs}}{\text{State Average } (\$247,800)}$$

$$\underline{\text{EPE Hours}} = \text{Total hours of instruction for all students in EPE programs between July 1 and June 30 of the current year.}$$

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 2001-02 school year, total aid is limited to \$96.18 million. Of this total, up to \$2.5 million will be available for services to individuals over the age of 21 who possess a high school or equivalency diploma but who fail to demonstrate basic educational competencies.

INCARCERATED YOUTH AID

Education Law, Section 3602, Subdivision 35

All districts are eligible for incarcerated youth aid. The aid is provided to enable districts to educate students in local centers of detention.

$$\text{Incarcerated Youth Aid} = \text{AOE/TAPU} \times \text{Number of full-day program pupils} + ([.5 \times (\text{AOE/TAPU})] \times \text{Number of half-day program pupils})$$

TAX LIMITATION AID

Education Law, Section 3602, Subdivision 21

Districts are eligible for Tax Limitation Aid if their Tax Effort Ratio is greater than 3.9 percent and their Pupil Wealth Ratio as computed for the Combined Wealth Ratio is below 2.000.

$$\underline{\text{Tax Limitation Aid}} = \text{Formula Ceiling} \times \text{Aid Ratio} \times \text{Selected TAPU}$$

$$\underline{\text{Formula Ceiling}} = .0410 \times 1998 \text{ residential tax levy per pupil (Selected TAPU)}$$

Tax Effort Ratio = 1998 tax levy on residential real property
(including condominiums)/1998 adjusted gross income

Tax Limitation Aid Ratio = 1 - (Combined Wealth Ratio x .50)

For the 2001-02 school year, total aid is limited to \$25.0 million.

SUMMER SCHOOL AID

Education Law, Section 3602, Subdivision 39

Summer School Aid = \$200.00 x Summer Session Index x Aidable Pupils

Summer Session Index = Concentration Factor x State Sharing Ratio

Minimum: .400

Concentration Factor = 1 + $\frac{\text{Extraordinary Needs Count}/2000-01}{\text{Enrollment} - .58/.400}$

Aidable Pupils = 2000-01 unweighted summer school ADA for pupils
attending programs designed to improve student
performance

BUILDING AID

Education Law, Section 3602, Subdivision 6

School districts incurring debt service, capital or reserve fund expenses for approved building projects may receive building aid. Aid is available for expenses related to the installation of computer laboratory hardware, building condition surveys and for the purchase of stationary metal detectors.

Building Aid = Selected Aid Ratio x Approved Building Expenses

Approved Building Expenses =

2000-01 capital outlay + 2001-02 assumed amortization expenses

Aid Ratio =

1 - $\frac{\text{1998 Actual Valuation}/1999-00 \text{ RWADA} \times .51}{\text{Statewide Average } (\$297,000)}$

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 beginning 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 may select an aid ratio equal to 1.263 multiplied by the district's State Sharing Ratio.

Projects approved by voters after January 15, 2001 will receive State aid based upon the school district's aid ratio at the time of project approval and supplemented by the existing 10 percent building aid enrichment. School districts will no longer be provided a multi-year choice of their most favorable aid ratio.

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. 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 January 15, 2001 or within five years from the effective date of the reorganization, whichever is later.

For districts reorganizing prior to July 1, 1983,

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

For districts reorganizing after July 1, 1983,

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

For districts reorganizing after January 15, 2001,

$$\begin{array}{l} \text{Reorganization Incentive} \\ \text{Building Aid} \end{array} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 15\%$$

In no case may the sum of regular Building Aid plus Incentive Building Aid exceed 95 percent of approved expenditures.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2001-02 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, such 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 Flex 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 Operating Aid Payment, TWPU and RWADA

Short Title	<u>Total Aidable Pupil Units For Expense</u> TAPU for Expense	<u>Total Aidable Pupil Units For Payment</u> Selected TAPU for Payment	<u>Total Wealth Pupil Units</u> TWPU	Resident Weighted Average Daily Attendance RWADA
Year used for aid payable in 2001-02	1999-00	2000-01 or Two-year (1999-00 and 2000-01) ^b	1999-00	1999-00 Average
Attendance Periods	Full Year	Full Year	Full Year	Full Year
Students: Based on:	Served 100% ADA	Served 100% ADA	Resident 100% ADA	Resident 100% ADA

Basic Weightings

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).

^bThe 2000-01 TAPU is based on 1999-00 ADA, adjusted by the enrollment index (change between 1999-00 and 2000-01 enrollment). The 1999-00 TAPU is based on 1998-99 ADA, adjusted by the enrollment index (change between 1998-99 and 1999-00 enrollment).

Additional Weightings

Secondary (including PSEN ^c but excluding HC in 1.7 & .9 public excess cost categories)	.25	.25	.25	--
PSEN (K-12 includ. HC)	.25	.25	.25	--
Handicapped (HC) in public schools for:				
60% of school day (special class)	1.70	--	1.70	--
20% of school week ^d (resource room)	.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 as proposed 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 Textbook, Software and Library Materials aids. 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. Growth Aid and Full Day Kindergarten Aid are not paid until June 2002. Building Aid will be paid based on an assumed amortization for the 2001-02 aid year. Small Cities Aid is covered by Section 3609-c and BOCES Aid for 2001-02 by Section 3609-d.

For GSPS aid payable in the 2001-02 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 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 "BT032-1" which was released in January 2001 with issuance of the 2001-02 Executive Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2002. The payment schedule has several features:

GSPS Aids

- C Lottery Aid will continue to be paid in full on or before September 1.
- C 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.
- C "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, State Share Medicaid 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.
- C "Individualized" payments will be calculated for the months of January through June, based on school district State Aid claims or data available to the Commissioner as of December 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. However, at the actual time of payment such amounts will be reduced by any payments made pursuant to the proposed Section 3609-b. All of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for General Support of Public Schools in March 2002. 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.
- C Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on March 31 on a prorata basis using the district's relative share of either: (1) for the sustaining advance payments, the total 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.

- C Any aids payable for Growth Aid or Full Day Kindergarten will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. Building Aid will be paid based on an assumed amortization for the 2001-02 aid year. In addition the total of such aids payable through June for Growth Aid and Full Day Kindergarten Aid cannot exceed the total of such aids as they appear on the computer listing "BT032-1."
- C Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled "BT032-1" will be paid on the first business day of September, 2002.

STAR Aid

- C STAR exemptions have no effect on determining tax levies, rates or other State aid. School districts are reimbursed for the taxes foregone upon application to the State Office of Real Property Services. ORPS certifies to the Commissioner of Education amounts payable under the STAR program and school districts receive reimbursement from the State Education Department pursuant to a separate STAR payment schedule established in section 3609-e of the Education Law.
- C STAR reimbursements commencing in the 2001-02 school year 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 levy will be paid in November and STAR owed in excess of 15% of levy will be paid in December. The balance of STAR due to districts will be paid by the first business day of January.
- C Payment amounts will be based on current data on file at the time of each payment through January.
- C Current statutory provisions authorizing 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 aid payments.
- C Any increase in STAR aid that occurs as a result of adjustments that occur after the January payment will be paid by March 31, 2002.

State Share Medicaid

- C The old Section 3609-b of the Education Law is repealed and a new Section 3609-b as proposed requires that apportionments payable to school districts for Flex Aid 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 Flex Aid will be paid in accordance with the proposed schedule in 3609-a.

BOCES Aid^a

^aBOCES Aid for special act, less-than-eight teacher, and special contracting districts will be added to the "BT032-1" amounts.

- C BOCES Aid is calculated by individual component school districts of the BOCES, but the sum of all such payments are 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 "BT032-1" which was released in January 2001 with issuance of the 2001-02 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.
- C 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.
- C An additional payment will be made to the BOCES on or before February 1st 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 school district as reported in the school aid computer listing entitled "BT032-1" plus BOCES Aid payable for contracting school districts, less than eight teacher districts and Special Act school districts, minus the payments made to TRS on the BOCES behalf.
- C An additional payment will be made to the BOCES on the first business day of June 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 "BT032-1" plus BOCES aid payable for contracting school districts, less than eight teacher districts and Special Act school districts, minus the sum of all previous payments including payments made to TRS on the behalf of the BOCES.
- C 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 "BT032-1" will be paid to the BOCES on the first business day of September, 2002.

Aid to Small City School Districts

Payments to small city school districts will be made pursuant to Section 3609-c of the Education Law. Aid will be paid so that from October 2001 to the first business day of June, 2002 each eligible small city school district will receive an amount, not to exceed in total 100 percent of the amount provided for this aid category in the 2001-02 Executive Budget.

APPENDIX III-E
REGIONAL COST INDEX *

Region	RCI	Region	RCI
Long Island/NYC	1.515	Western	1.155
New York City		Allegany	
Nassau		Cattaraugus	
Suffolk		Chautauqua	
Hudson Valley	1.475	Erie	
Dutchess		Niagara	
Orange		Southern Tier	1.152
Putnam		Broome	
Rockland		Chemung	
Sullivan		Chenango	
Ulster		Delaware	
Westchester		Otsego	
Capital District	1.250	Schuyler	
Albany		Steuben	
Columbia		Tioga	
Greene		Tompkins	
Rensselaer		Mohawk Valley	1.084
Saratoga		Fulton	
Schenectady		Herkimer	
Warren		Madison	
Washington		Montgomery	
Finger Lakes	1.244	Oneida	
Genesee		Schoharie	
Livingston		North Country	1.000
Monroe		Clinton	
Ontario		Essex	
Orleans		Franklin	
Seneca		Hamilton	
Wayne		Jefferson	
Wyoming		Lewis	
Yates		St. Lawrence	
Central	1.218		
Cayuga			
Cortland			
Onondaga			
Oswego			

* Based on a wage index created by the State Education Department from the median wages of 77 professional, non-teaching, occupations in nine labor force regions.

NOTE: School districts are assigned to counties based on the location of the district's central office.