

DESCRIPTION OF
2004-05 NEW YORK STATE SCHOOL AID PROGRAMS

EDUCATION UNIT
NEW YORK STATE DIVISION OF THE BUDGET
October 29, 2004

INTRODUCTION

This report provides a summary of the 2004-05 New York State aid programs for elementary and secondary education as provided primarily in the appropriation and Article VII Budget Bills comprising the education and property tax relief portions of the budget passed by the Legislature and subsequently enacted as Chapters 53, 57, 59 and 411 of the Laws of 2004.

For additional information regarding State aid to public schools for 2004-05, see the August 2004 school aid computer listing entitled "SA040-5" which was based on data supplied by the State Education Department.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	i
TABLE OF CONTENTS.....	iii
LIST OF TABLES.....	v
SECTION I: SCHOOL AID/STAR OVERVIEW	1
2004-05 SCHOOL AID PROGRAMS	4
A. GENERAL SUPPORT FOR PUBLIC SCHOOLS	4
B. OTHER STATE AID PROGRAMS	13
SCHOOL TAX RELIEF (STAR) PROGRAM	17
SECTION II: SUMMARY OF 2004-05 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS	18
SECTION III: APPENDICES	25
APPENDIX III-A: COMPARISON OF 2003-04 AND 2004-05 GENERAL SUPPORT FOR PUBLIC SCHOOLS PROGRAMS	26
APPENDIX III-B: MATHEMATICAL EXPLANATION OF AID FORMULAS	36
APPENDIX III-C: DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2004-05 SCHOOL YEAR	49
APPENDIX III-D: STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS	51

LIST OF TABLES

	<u>Table</u>	<u>Page</u>
II-A	SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS - 2003-04 AND 2004-05 SCHOOL YEARS - NEW YORK STATE	19
II-B	2003-04 and 2004-05 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL AND SPECIAL REVENUE FUNDS	20
II-C	SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS: 2003-04 AND 2004-05	22
II-D	SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS - 2003-04 AND 2004-05 SCHOOL YEARS - NEW YORK CITY	23
II-E	CHANGE IN COMBINED MAJOR AIDS FOR 2003-04 AND 2004-05 SCHOOL YEARS: 18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE	24

SCHOOL AID/STAR OVERVIEW

This bulletin presents a summary of the 2004-05 school aid programs in the Aid to Localities Budget Bill (S.6053-B/A.9553-B) as well as the related appropriation and Article VII bills (S.6057-B/A.9557-B, S.6059-B/A.9559-B and S.7712/A.11795) which were passed by the Legislature and which subsequently became law as Chapters 53, 57, 59 and 411 of the Laws of 2004.

For the 2004-05 school year, funding for General Support for Public Schools will be increased by \$751.58 million, or 5.19 percent, from \$14,485.78 million to \$15,237.36 million. Major elements of State support for elementary and secondary education include the following:

- An overall increase of \$751.58 million (5.19 percent) in school aid, including an increase of \$740.48 million (5.31 percent) in formula-based computerized aids and \$11.10 million in grant programs.
- An increase of \$119.76 million (1.75 percent) in Comprehensive Operating Aid. For the 2004-05 school year, each district will receive an amount equal to its 2003-04 Comprehensive Operating Aid plus an increase of 1.75 percent.
- A \$265.38 million (37.44 percent) increase in funding for Extraordinary Needs Aid for districts with concentrations of at-risk pupils. Formula revisions include modifications to the sparsity factor and the extraordinary needs factor. As a result of these modifications, additional funding will be provided to rural school districts and those with high proportions of at-risk students.
- An increase of \$62.90 million (2.59 percent) for Public and Private Excess Cost Aid for special education programs.

- The school aid computer listing entitled "SA040-5" released in August 2004 in support of the 2004-05 Budget estimated funding level requirements of \$201.49 million for prekindergarten programs and \$137.45 million for class size reduction programs. Minor Maintenance Aid is funded at \$49.98 million. An allocation of \$3.73 million is provided for Full-Day Kindergarten Incentive Aid, reflecting a decrease of \$5.40 million due to a decline in new incentive applications from school districts.
- Building Aid funding of \$1,398.63 million is provided, an increase of \$165.11 million(13.39 percent).
- A total of \$263.75 million, a decrease of \$0.58 million, is provided for expense-based instructional materials aids including the software, hardware and textbook aid categories. Computer Software Aid is increased by \$0.14 million or 0.30 percent. Computer Hardware Aid is increased by \$0.13 million or 0.46 percent. The existing statutory formula for Textbook Aid will result in a decrease of \$0.85 million or 0.45 percent.
- An increase of \$79.05 million (7.31 percent), for a total of \$1,160.39 million, is provided for expense-based Transportation Aid. Statewide, up to \$5.00 million continues to be available for reimbursement of summer school transportation expenses.
- A total of \$29.56 million is available to fund school district summer programs to improve student performance in required academic subjects or to prepare for Regents examinations.
- Aid for BOCES services will total \$525.99 million, an increase of \$22.66 million, or 4.50 percent.
- For the 2004-05 school year, \$131.75 million, a decrease of \$1.06 million, will be available for Special Services Aid for career education programs and school computer services. This aid is provided to both Big Five City school districts and other districts that are non-components of BOCES.
- Formula revisions will enhance funding for Limited English Proficiency Aid (\$96.40 million) and for Tax Limitation Aid (\$48.55 million).

- Funding is continued for various categorical aid programs including Teacher Support Aid (\$67.48 million), Small Cities Aid (\$81.88 million) and Bilingual Grants (\$11.20 million).
- The Teacher-Mentor Intern program will be continued at \$6.00 million, an increase of \$2.00 million, while Teacher Centers will continue to be funded at a level of \$31.00 million.
- The "Teachers of Tomorrow" initiative will be continued at \$20.00 million. This program provides assistance to school districts, including the Big Five City schools, in their efforts to increase the supply of qualified entry-level teachers and to improve teacher retention.
- STAR property tax relief will increase by \$159 million, from \$2.28 billion in 2003-04 to an estimated \$2.44 billion in 2004-05, to support the \$50,000 full value exemption for income-eligible seniors and the \$30,000 full value exemption for other homeowners.

The STAR cost of living adjustment (COLA) for senior income eligibility has raised the income ceiling from \$62,100 to \$63,750 for 2004-05. This COLA ensures that modest increases in Social Security or other retirement income will not make seniors who had received enhanced STAR benefits ineligible in subsequent years.

In addition, seniors have the option of having their income eligibility for the enhanced STAR benefit verified by the New York State Department of Taxation and Finance. Seniors who elect the income verification option as part of their application will not have to reapply for the exemption in the following years. They will be automatically renewed as long as their income eligibility and homeowner status remain unchanged.

2004-05 SCHOOL AID PROGRAMS

Most major formula provisions remain unchanged for the 2004-05 school year. However, the enacted 2004-05 State Budget includes changes in Comprehensive Operating Aid and Extraordinary Needs Aid, Limited English Proficiency Aid and Tax Limitation Aid.

A. GENERAL SUPPORT FOR PUBLIC SCHOOLS

The enacted school aid program will increase the aids comprising General Support for Public Schools (GSPS) by \$751.58 million, from \$14,485.78 million in 2003-04 to \$15,237.36 million in the 2004-05 school year, an increase of 5.19 percent. Formula-based computerized aids will increase by \$740.48 million, or 5.31 percent, to \$14,680.32 million, and grant programs increase by \$11.10 million.

FORMULA-BASED AIDS

Comprehensive Operating Aid: For 2004-05, school districts statewide will receive \$6,965.03 million in Comprehensive Operating Aid - an increase of \$119.79 million, or 1.75 percent. Each district will receive an amount equal to its 2003-04 Comprehensive Operating Aid plus an increase of 1.75 percent.

Extraordinary Needs Aid: This aid category provides funds to school districts with high concentrations of limited English proficient and other at-risk pupils. For the 2004-05 school year, modifications have been made in the sparsity factor and extraordinary needs factor. The save-harmless provision is continued and guarantees that no district will receive less aid than it received in 2003-04. Extraordinary Needs Aid will provide \$974.10 million to school districts, an increase of \$265.38 million targeted to rural school districts and those with high proportions of at-risk students.

Public Excess Cost Aid: Public Excess Cost Aid will total \$2,274.89 million in 2004-05, an increase of \$53.97 million. This program supports the additional costs of providing a free and appropriate education in a public school setting for students with disabilities. Aid payable in 2004-05 will be calculated based on approved operating expense and total aidable pupils for expense of the 2002-03 school year. The statewide average approved operating expense per pupil is \$8,050. The aid ratio is determined using the Combined Wealth Ratio and is based on a 49 percent State share for a district of average wealth and a minimum aid ratio of 25 percent.

Funding for the Declassification Support Services Aid program is also included within the estimates for Public Excess Cost Aid. Under this program, moneys are provided to school districts for the provision of support services for teachers and pupils in the first year that a pupil moves from a special education program to a full-time regular education program. In order to encourage the increased movement of pupils into a regular classroom environment, this aid equals 50 percent of a district's Public Excess Cost Aid per pupil multiplied by the number of pupils moving to a regular education program.

Private Excess Cost Aid: This program supports special education programs serving public school children placed in private school settings and in the State-operated schools in Rome and Batavia. All existing provisions of law are continued. State funding in 2004-05 will total \$217.06 million, an increase of \$8.93 million.

Educationally Related Support Services Aid: This formula supports school district programs for students at risk of requiring special education services. It continues to include two per pupil aid calculations. The first uses a \$365.00 aid ceiling, selected TAPU, and the formula Operating Aid ratio with a .25 minimum¹. The second uses a \$635.00 aid ceiling, selected TAPU, the Extraordinary Needs percent (to the extent that the percentage of students with Extraordinary Needs is in excess of 60 percent) and the aid ratio for Public Excess Cost Aid. The percent of selected TAPU for the first per-pupil calculation is 9 percent; that for the second is 15 percent. For 2004-05, this aid will total \$69.66 million, a decrease of \$2.73 million.

BOCES Aid: For 2004-05, aid to reimburse districts for expenditures for BOCES services in the 2003-04 school year will total \$525.99 million, an increase of \$22.66 million.

Special Services Aid: Special Services Aid funds career education programs and computer services for school districts which are not components of a BOCES. The career education aid ceiling for 2004-05 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. For 2004-05, this aid will total \$131.75 million, a decrease of \$1.06 million.

¹ Formula Operating Aid components (as described in subdivision 12 of Section 3602 of the Education Law) will be used where appropriate to the aid category calculation, such as for Educationally Related Support Services Aid, Limited English Proficiency Aid and Growth Aid.

Transportation Aid: Transportation Aid will total \$1,160.39 million in 2004-05, an increase of \$79.05 million. The minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, aid will range from 6.5 to 90 percent of a district's approved transportation expenses). The aid ratio choice permitting school districts to receive aid based on public and non-public enrollments is continued and will benefit districts transporting large numbers of nonpublic school students. Aid for capital expenses will be computed as above, and paid pursuant to a new grant program for the 2004-05 school year. Thereafter districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset. District expenditures for transportation to and from school district operated summer classes to improve student performance will be aided up to a maximum of \$5.00 million statewide.

Limited English Proficiency (LEP) Aid: For 2004-05, the per pupil calculation for LEP Aid, which is based on formula Operating Aid, has been revised. As a result, school district programs for the education of students with limited proficiency in English will be supported by \$96.40 million, an increase of \$20.03 million.

Reorganization Incentive Operating Aid: The statutory provisions for Reorganization Incentive Operating Aid remain unchanged. For 2004-05, aid will amount to \$18.08 million, an increase of \$0.73 million. Reorganization Incentive Operating Aid is provided for operating expenses incurred by school districts that are scheduled for reorganization. It is paid as a supplement based on formula Operating Aid when districts meet certain conditions prescribed by law. Since 1992, the operating aid enhancement for reorganizing districts has been 40 percent per year for the first five years, after which the percentage of additional operating aid decreases by four percent per year.

Textbook and Computer Aids: For the 2004-05 school year, the following provisions apply:

- Textbook Aid: These funds reimburse school districts for the purchase of textbooks which are loaned to both public and nonpublic pupils. Schools are also able to qualify for reimbursement based on eligible purchases of content-based instructional materials in an electronic format. The lottery funded portion of Textbook Aid is \$15.00 per pupil. The general fund portion will be \$42.30 per pupil, for a combined maximum textbook aid payment of \$57.30 per pupil. Under the existing statutory formula, this aid

will total \$188.69 million in 2004-05, a decrease of \$0.85 million.

- Computer Software Aid: Under this program, aid is apportioned to districts for the purchase and loan of computer software. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to the Rules of the Board of Regents. For the 2004-05 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2004-05, Computer Software Aid will total \$46.52 million, an increase of \$0.14 million.
- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides funding for the lease or purchase of mini- and micro-computers, computer terminals and technology equipment for instructional purposes, for repair costs and for staff development. For the 2004-05 school year, \$28.54 million, an increase of \$0.13 million, is provided.

Library Materials Aid: Districts are reimbursed for expenses up to \$6.00 per pupil based on public and nonpublic school enrollment. For 2004-05, Library Materials Aid will total \$19.62 million, an increase of \$0.03 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 and Early Grade Class Size Reduction Aid: Beginning in 1998-99, State funds were provided to expand the availability of prekindergarten programs for four-year-old children statewide. A class size reduction initiative was also begun to enable school districts to reduce class size in kindergarten and in grades one through three. The school aid computer listing entitled "SA040-5" released in August 2004 in support of the 2004-05 Budget estimated funding level requirements of \$201.49 million for prekindergarten programs and \$137.45 million for class size reduction programs. The 2004-05 State Budget provides that each school district shall be eligible to receive the amount of prekindergarten funding that such district was eligible for in the two thousand one--two thousand two school year and class size reduction funding that such district was eligible for in the two thousand--two thousand one school year.

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. School districts first offering full-day kindergarten programs in 2004-05 will receive current year formula Operating Aid for any increase in the number of students served in full-day programs in 2004-05 compared to 2003-04. For 2004-05, a total of \$3.73 million, a decrease of \$5.40 million, is provided for this program reflecting a decline in new incentive applications from school districts.

Minor Maintenance Aid: For 2004-05, \$49.98 million will be allocated for support of minor maintenance projects necessary to preserve school facilities statewide. (New York City's aid may not exceed \$33.33 million.) School districts will receive funding based upon the average age of their facilities and upon enrollment growth.

Tax Limitation Aid: For 2004-05, this enhanced aid category will provide a total of \$48.55 million, an increase of \$18.62 million, to school districts. This formula aid is calculated using district tax levy from residential property and overall district income.

Summer School Aid: This aid category funds school district summer courses to improve student achievement in required academic subjects, including Regents-level courses. For 2004-05, aid will total \$29.56 million, a decrease of \$7.69 million. School districts that provided transportation for pupils to district operated summer school programs for the 2003 summer school session may claim Transportation Aid for such services in the 2004-05 school year. Such summer transportation aid will be capped at a statewide total of \$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 aid category.

Building/Reorganization Incentive Building Aid: For 2004-05, Building Aid to support school building projects throughout the State (including Reorganization Incentive Aid for building expenses incurred by those school districts that reorganize under section 3602 of the Education Law) will total \$1,398.63 million, an increase of \$165.11 million. Projects approved by voters beginning July 1, 2000 receive Building Aid based on the greater of their current year AV/RWADA aid ratio or their 1999-00 Building Aid ratio reduced by 10 percentage points. The 10 percent Building Aid enrichment provided for projects approved July 1, 1998 and thereafter is continued in 2004-05.

Additionally, consistent with legislation enacted with the 2004-05 State Budget, payment for new construction projects otherwise eligible for aid is deferred until the following year in instances in which the school district did not file a notice that a general construction contract has been signed with the Commissioner of Education by February 15, 2004. Aid on these projects will be paid in July 2005.

Teacher Support Aid: For the 2004-05 school year, \$67.48 million will continue to be available for this Big Five City school district program.

Growth Aid: Growth Aid will be paid as a separate apportionment to qualifying districts in June 2005. As provided for in Chapter 474 of the Laws of 1996, a district's growth index is calculated based on the change in enrollment rather than the change in average daily attendance. For 2004-05, Growth Aid will total \$26.73 million, an increase of \$3.63 million.

GRANT PROGRAMS AND OTHER AID CATEGORIES

Teachers of Tomorrow: For 2004-05, \$20.00 million will continue to be available for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist. Of available funds, up to \$12.00 million, or 60 percent, will go to New York City.

Teacher Resource and Computer Training Centers: General Support for Public Schools funding is available to support a \$31.00 million program in the 2004-05 school year.

Teacher-Mentor Intern: Under this program, funding is available to support a total of \$6.00 million in General Support for Public Schools funding, an increase of \$2.00 million. These monies will be provided for 2004-05 to support school-year programs through which new teachers work with an experienced teacher as their mentor.

Categorical Reading Aid: This aid is provided to the Big Five City school districts to help improve pupil reading and mathematic skills as well as overall academic performance. A total of \$63.95 million in 2004-05, the same amount as last year, is provided to be distributed as follows:

- New York City \$29.95 million
- Buffalo 17.50 million
- Syracuse 6.00 million

- Rochester 5.50 million
- Yonkers 5.00 million

Improving Pupil Performance: Funding of \$66.35 million, the same amount as last year, is continued to support a program of incentive grants for improving pupil performance in the Big Five City school districts. These funds will be allocated as follows:

- New York City \$36.20 million
- Buffalo 10.50 million
- Yonkers 9.10 million
- Rochester 6.95 million
- Syracuse 3.60 million

Magnet and Demonstration Schools: Magnet school programs offer special curricula that are intended to attract students of different backgrounds in order to reduce racial isolation. A total of \$136.10 million is provided for 20 school districts (including \$116.70 million to the Big Five cities). School districts may use these funds to support the costs of magnet school programs or alternative instruction programs intended to reduce racial isolation and/or enhance academic standards:

- 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 1,975,000
- 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 366,000
- Greenburgh 300,000
- Peekskill 200,000

Fort Drum Area School Districts: A total of \$2.63 million, the same amount as last year, is provided to continue grants to school districts in the Fort Drum area that have pupil enrollments that are impacted 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 \$81.88 million, the same amount as in 2003-04, will be allocated to small city school districts for the 2004-05 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 for persons who are 21 years of age or older who have not received a high school diploma. School districts and BOCES offering such programs are required to submit plans of service to the Commissioner of Education for approval. Total aid for the 2004-05 school year will be \$90.00 million, an increase of \$6.00 million. Approved claims above such amount will be subject to proration.

Urban-Suburban Transfer: A total of \$1.13 million will be provided in 2004-05 to districts that participate in a voluntary interdistrict transfer between urban and suburban school districts to reduce racial isolation. Related transportation expenses are eligible for Transportation Aid.

Education of Homeless Children: Chapter 348 of the Laws of 1988 amended Section 3602 of the Education Law to institute this program of State aid under which school districts where homeless children are temporarily located are reimbursed for the direct cost of educating such children. This cost to the State is partially recaptured from the district of last attendance for each such homeless child by deducting an amount equal to the district's basic contribution per pupil from the district's State aid. The net cost of aid for homeless pupils in 2004-05 is estimated at \$5.90 million, an increase of \$0.30 million.

Aid for Incarcerated Youth: A total of \$14.50 million, an increase of \$0.50 million, is provided for support for the provision of educational services to youth detained in local correctional facilities. Pursuant to the provisions of Chapter 53 of the Laws of 1992, such services may now be provided, and

aided, during summer sessions as well as the regular school year.

Bilingual Education Grants: In 2004-05, \$11.20 million will be used to continue existing funding of regional bilingual programs at BOCES and to support innovative Two-Way Bilingual Education Programs. Such programs employ two languages (one of which is English) for the purpose of instruction and involve students whose native language is other than English.

Education of OMH/OMR Pupils: A total of \$26.00 million, an increase of \$1.00 million, is provided in the General Support for Public Schools appropriation for apportionment to school districts for the purpose of providing educational services for children who are residents in, and those released from, Office of Mental Health and Office of Mental Retardation and Developmental Disabilities facilities pursuant to Chapter 66 of the Laws of 1978 and subdivision 5 of section 3202 of the Education Law. Aid is also provided for children who reside in intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

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

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

Roosevelt School District: For the 2004-05 school year, \$6.00 million is continued for academic improvement in the Roosevelt School District.

B. OTHER STATE AID PROGRAMS

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

Basic Education for Public Assistance Recipients: For 2004-05, \$5.00 million is continued for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade.

Children of Migrant Workers: A total of \$85,500, a decrease of \$4,500, 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 continued in 2004-05 for a program of adult literacy consisting of competitive grants to community-based organizations, literacy volunteer organizations, and two- and four-year colleges and libraries.

Targeted Prekindergarten Program: The Targeted Prekindergarten program provides health, psychological and social services to four-year-old children from economically deprived neighborhoods. A total of \$50.20 million, the same amount as in 2003-04, has been allocated for the 2004-05 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.

New York State Center for School Safety: For 2004-05 \$475,000 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.

Lunch/Breakfast Programs: A total of \$31.70 million in State funds, the same amount as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is provided to subsidize school lunch and school breakfast programs. The Federal share in the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$650.00 million for the 2004-05 Federal fiscal year.

Comprehensive School Health Demonstration Program: A total of \$349,200, a decrease of \$18,300, is provided for 2004-05 to

support local school district and BOCES programs of health education at the elementary grade levels.

School Health Demonstration Project: For 2004-05, \$142,500, a decrease of \$7,500, is available to provide health services and health education to at-risk pupils in Buffalo schools.

Education of Native Americans: A total of \$19.00 million, an increase of \$3.00 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 and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Primary Mental Health Project: A total of \$541,500, a decrease of \$28,500, is available in 2004-05 for State support of school-based programs for the early detection and prevention of school adjustment and learning problems experienced by children in the primary grades.

Transferring Success: For 2004-05, an appropriation of \$598,400, a decrease of \$31,400, is made available for this program, which seeks to validate and support the replication of exemplary education programs.

Workplace Literacy: Under this program, \$1.31 million, a decrease of \$68,800, is provided in 2004-05 to aid labor organizations in the operation of programs in basic literacy and job skills.

Consortium for Worker Education: This not-for-profit organization, which provides adult education services to union members and workers in New York City, is funded at \$11.50 million in 2004-05.

AIDS Education Program: In 2004-05, a total of \$658,400, a decrease of \$34,600, is provided for an AIDS (Acquired Immune Deficiency Syndrome) Education Program. These funds support local and regional education and training programs.

Apprenticeship Training: For 2004-05, \$1.74 million, a decrease of \$91,500, is provided to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

Extended School Day/School Violence Prevention: A total of \$28.69 million, a decrease of \$1.51 million, is provided for 2004-05 to fund local school-based intervention programs,

including the establishment of appropriate before- and/or after-school programs.

Schools Under Registration Review: A total of \$1.90 million, a decrease of \$100,000, is available in State aid to these schools.

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

Nonpublic School Aid: A total of \$83.30 million, an increase of \$2.50 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.

Private Schools for the Blind and Deaf: A total of \$105.67 million, an increase of \$5.00 million is provided, under Article 85 of the Education Law, for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for children with multiple disabilities.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$552.20 million is continued for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. Similar to 2003-04, prior year claims on file with the State Education Department as of April 1, 2004 will receive priority treatment. Any remaining claims for which there is insufficient appropriation authority to pay in 2004-05 will receive priority status for payment in 2005-06. As was provided for in Chapter 60 of the Laws of 2000, State reimbursement to counties for preschool administration costs continues at \$75 per child.

Summer School Program for Disabled Students: An appropriation of \$182.40 million, an increase of \$8.70 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 2004-05 appropriation will fund prior year liabilities and up to 70 percent of the 2004-05 school year obligations with the remainder to be funded in the subsequent State fiscal year.

Special Education - Federal Medicaid Recovery: For the 2004-05 State fiscal year, Chapter 53 includes a \$170.0 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.

Targeted Special Education Teacher Salary Supplement: A total of \$2.0 million is provided to continue support to private special education providers that serve students with disabilities to allow them to provide targeted adjustments to teacher salaries to help allow these schools to attract new teachers and prevent excessive turnover of existing teaching staff.

Summer Food Program: A total of \$3.30 million in State funds, the same as last year, is appropriated to subsidize summer food service programs operating during the 2004-05 school year.

Advances to Hurd City School Districts: A total of \$7,601,000 in loan funds (Hurd advances) is appropriated in 2004-05 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.

District/School Specific Appropriations: In addition to the above programs, district-specific or school-specific appropriations have been added by the Legislature to the State Education Department's Elementary, Secondary Education program in the 2004-05 State fiscal year. These programs total \$18,293,400.

SCHOOL TAX RELIEF (STAR) PROGRAM

Chapter 389 of the Laws of 1997 enacted a School Tax Relief (STAR) program for homeowners and provided for the full reimbursement of school districts for their revenue losses. Senior homeowners at least 65 years old and with incomes up to \$63,750 are eligible to receive exemptions of at least \$50,000 from the full value of their primary residences for school tax purposes. Other homeowners are eligible for 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. The 2004-05 Budget includes \$2.44 billion for this purpose.

School District Reimbursement for STAR

STAR exemptions have no effect on determining tax levies, rates or school 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 in the 2004-05 school year will follow the following schedule. Thirty-five percent of a district's STAR reimbursement will be paid in October and an additional 35 percent in November. Ten percent will be paid in December and the balance of STAR due to districts will be paid by the first business day of January. Any increase in STAR aid that occurs as a result of adjustments that are made after the January payment will be paid by March 31, 2005.

NEW YORK CITY TAX REDUCTION

Under the STAR program, New York City's more than 3 million resident personal income taxpayers will receive a flat refundable credit and a rate reduction. Total local taxpayer savings will be \$560 million, which will be reimbursed to the City in three equal installments on or before September 15, December 15 and March 15.

II

SUMMARY OF 2004-05 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2004-05 New York State aid programs relating to support for public schools: the 2004-05 school year which runs from July 1, 2004 through June 30, 2005; and the 2004-05 State fiscal year which runs from April 1, 2004 through March 31, 2005. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for General Support for Public Schools and the 2003-04 and 2004-05 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 General Support for Public Schools appropriations for 2004-05. Computerized aids increase by 5.31 percent.
- Table II-B gives the 2003-04 and 2004-05 State fiscal year appropriations from the General Fund, School Tax Relief Fund, and Lottery Fund.

TABLE II-A

SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS
-- 2003-04 AND 2004-05 SCHOOL YEARS -- NEW YORK STATE

AID CATEGORY	2003-04	2004-05	Change	
	School Year	School Year	Amount	Percent
I. Computerized Aids:	(----- Amounts in Millions -----)			
Comprehensive Operating Aid	\$6,845.24	\$6,965.03	\$119.79	1.75 %
Extraordinary Needs Aid	708.72	974.10	265.38	37.44
ERSSA	72.39	69.66	(2.73)	(3.77)
Limited English Proficiency	76.37	96.40	20.03	26.23
Summer School	37.25	29.56	(7.69)	(20.64)
Excess Cost - Public	2,220.92	2,274.89	53.97	2.43
Excess Cost - Private	208.13	217.06	8.93	4.29
Textbooks (Incl. Lottery)	189.54	188.69	(0.85)	(0.45)
Computer Software	46.38	46.52	0.14	0.30
Computer Hardware	28.41	28.54	0.13	0.46
Library Materials	19.59	19.62	0.03	0.15
Reorganization Incentive (Operating)	17.35	18.08	0.73	4.21
Transportation (Including Summer)	1,081.34	1,160.39	79.05	7.31
BOCES	503.33	525.99	22.66	4.50
Special Services (Career Ed./Computer Admin.)	132.81	131.75	(1.06)	(0.80)
Tax Limitation Aid	29.93	48.55	18.62	62.21
Prekindergarten	201.49	201.49	0.00	0.00
Class Size Reduction	137.45	137.45	0.00	0.00
Minor Maintenance	49.97	49.98	0.01	0.02
Full-Day K	9.13	3.73	(5.40)	(59.15)
Teacher Support Aid	67.48	67.48	0.00	0.00
Growth Aid	23.10	26.73	3.63	15.71
Building/Reorganization Building	1,233.52	1,398.63	165.11	13.39
Computerized Aids Total	<u>\$13,939.84</u>	<u>\$14,680.32</u>	<u>\$740.48</u>	<u>5.31 %</u>
II. Grant Programs and Other Aid Categories:				
Teachers of Tomorrow	20.00	20.00	0.00	0.00
Teacher Centers	30.00 (a)	31.00	1.00	3.33
Teacher-Mentor Intern	4.00	6.00	2.00	50.00
Roosevelt	6.00	6.00	0.00	0.00
Categorical Reading	63.95	63.95	0.00	0.00
Improving Pupil Performance	66.35	66.35	0.00	0.00
Magnet Schools	135.80	136.10	0.30	0.22
Aid to Small City School Districts	81.88	81.88	0.00	0.00
Fort Drum	2.63	2.63	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	84.00	90.00	6.00	7.14
Homeless Pupils	5.60	5.90	0.30	5.36
Incarcerated Youth	14.00	14.50	0.50	3.57
Bilingual	11.20	11.20	0.00	0.00
Comptroller Audits	0.25	0.25	0.00	0.00
Education of OMH/OMR Pupils	25.00	26.00	1.00	4.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(18.00)	(18.00)	0.00	0.00
Tuition Adjustment	1.17	1.17	0.00	0.00
CVEEB	0.92	0.92	0.00	0.00
BOCES Aid for Special Act Districts	0.67	0.67	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
Add'l Prekindergarten	0.45	0.45	0.00	0.00
Add'l Class Size Reduction	0.86	0.86	0.00	0.00
Subtotal	<u>545.95</u>	<u>557.05</u>	<u>11.10</u>	<u>2.03</u>
SCHOOL YEAR TOTAL	<u><u>\$14,485.78</u></u>	<u><u>\$15,237.36</u></u>	<u><u>\$751.58</u></u>	<u><u>5.19 %</u></u>

(a) For the 2003-04 school year, funding for Teacher Resource and Computer Training Centers also includes \$1.0 million outside of General Support for Public Schools.

Source: State Education Department computer runs of August 2004.

TABLE II-B
2003-04 AND 2004-05 STATE FISCAL YEAR APPROPRIATIONS FROM GENERAL & SPECIAL REVENUE FUNDS

State Education Department Aid to Localities Appropriation	2003-04	2004-05	Change Amount	Percent
School Aid and STAR	\$17,192,287,000	\$18,156,800,000	\$964,513,000	5.61 %
General Support for Public Schools	11,688,886,600	12,091,637,000	402,750,400	3.45
Teacher Support Aid	15,745,400	15,743,000	(2,400)	(0.02)
Small City School Districts	57,260,000	57,316,000	56,000	0.10
Improving Pupil Performance	46,445,000	46,445,000	0	0.00
Categorical Reading	44,765,000	44,765,000	0	0.00
Magnet Schools	95,060,000	95,270,000	210,000	0.22
Teacher-Mentor Intern	1,169,000	0 (b)	(1,169,000)	(100.00)
Teacher Resource & Computer Centers	8,000,000 (a)	0 (b)	(8,000,000)	(100.00)
BOCES	467,654,000	496,286,000	28,632,000	6.12
Employment Preparation Education	96,180,000	90,000,000	(6,180,000)	(6.43)
Total General Fund	12,521,165,000	12,937,462,000	416,297,000	3.32
STAR: School Tax Relief Fund	2,836,000,000 (c)	3,000,000,000	164,000,000	5.78
Lottery Fund	1,835,122,000	2,219,338,000	384,216,000	20.94
Other Public Elementary and Secondary Education Programs	\$216,688,300	\$201,204,400	(\$15,483,900)	(7.15) %
Targeted Prekindergarten	50,200,000	50,200,000	0	0.00
Children of Migrant Workers	90,000	85,500	(4,500)	(5.00)
Transferring Success	629,800	598,400	(31,400)	(4.99)
Adult Basic Education	5,000,000	5,000,000	0	0.00
Adult Literacy Education	3,324,700	3,324,700	0	0.00
AIDS Education	693,000	658,400	(34,600)	(4.99)
Workplace Literacy	1,376,100	1,307,300	(68,800)	(5.00)
Additional Workplace Literacy	140,000	0	(140,000)	(100.00)
Apprenticeship Training	1,830,000	1,738,500	(91,500)	(5.00)
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans	16,000,000	19,000,000	3,000,000	18.75
New York State Center for School Safety	0	475,000	475,000	NA
Civility, Citizenship and Character Education Curriculum	0	0	0	NA
Comprehensive School Health Demonstration	367,500	349,200	(18,300)	(4.98)
Academic Intervention for Nonpublic Schools	1,000,000	1,000,000	0	0.00
Extended School Day/School Violence Prevention	30,200,000	28,690,000	(1,510,000)	(5.00)
School Health Demonstration Project	150,000	142,500	(7,500)	(5.00)
Schools Under Registration Review	2,000,000	1,900,000	(100,000)	(5.00)
Primary Mental Health Project	570,000	541,500	(28,500)	(5.00)
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	9,000,000	11,500,000	2,500,000	27.78
Add'l Consortium for Worker Education	318,500	0	(318,500)	(100.00)
Greenburgh Magnet School	300,000	0 (b)	(300,000)	(100.00)
City School District of the City of New York	12,000,000	0	(12,000,000)	(100.00)
Buffalo City School District	5,000,000	0	(5,000,000)	(100.00)
Charter School Start Up Grants	0	6,000,000	6,000,000	NA
Grants-in-aid for Certain School Districts	41,498,700	18,293,400	(23,205,300)	(55.92)
Fiscal Stabilization Grants/Prior Year Claims	0	15,400,000	15,400,000	NA
Other School Programs	\$728,391,000	\$744,091,000	\$15,700,000	2.16 %
Nonpublic School Aid	80,800,000 (d)	83,300,000	2,500,000	3.09
Private Schools for the Blind & Deaf (G.F.)	100,671,000	105,671,000	5,000,000	4.97
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment Aid	0	2,000,000	2,000,000	NA
Preschool Handicapped	552,200,000	552,200,000	0	0.00
Summer School Handicapped	173,700,000	182,400,000	8,700,000	5.01
Less: Special Education Medicaid Offset	(170,000,000)	(170,000,000)	0	0.00
Less: Consortium for Worker Education Offset	(9,000,000)	(11,500,000)	(2,500,000)	27.78
Fiscal Year Total (excluding Hurd Loans)	\$18,137,366,300	\$19,102,095,400	\$964,729,100	5.32 %
Advances to Hurd City School Districts (e)	8,687,000	7,601,000	(1,086,000)	(12.50)
FISCAL YEAR TOTAL	\$18,146,053,300	\$19,109,696,400	\$963,643,100	5.31 %

(a) Funding for Teacher Resource and Computer Training Centers was provided both within school aid and outside of school aid in 2003-04.

Additional funds for Teacher Resource and Computer Training programs were included in the \$41,498,700 grants-in-aid amount.

(b) Included within General Support for Public Schools for 2004-05.

(c) Includes a deficiency of \$40,000,000, Chapter 16, Laws of 2004.

(d) Includes a deficiency of \$8,000,000, Chapter 16, Laws of 2004. Additionally, Chapter 16 also provided a deficiency of \$8,000,000 related to the 2002-03 fiscal year.

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

Source: Laws of the State of New York: Chapters 53, 54 and 62, Laws of 2003; Chapters 16, 53, 57 and 411, Laws of 2004.

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

Enacted school aid provisions will increase payments to 587 major school districts by a total of \$756.44 million in the 2004-05 school year. There are 93 districts that are projected to have decreases of \$15.96 million. The combined total of increases and reductions produce a net increase statewide of \$740.48 million, or 5.31 percent.

- Table II-C lists the aid amounts allocated to each of the Big Five city school districts under selected General Support programs. The aids analyzed are those shown in Table II-A.
- Table II-D lists changes in all General Support individual aid categories for New York City. The net increase for all aids is 5.49 percent.
- In Table II-E, major 2004-05 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 5.31 percent. The 371 districts in the 18 most populous counties contain 48.63 percent of the State's public school pupils. These districts will receive 43.56 percent of the 2004-05 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 5.65 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 4.08 percent and will receive 19.21 percent of the 2004-05 combined aids total.

TABLE II-C

SUMMARY OF SELECTED AIDS TO THE BIG FIVE CITY SCHOOL DISTRICTS FINANCED THROUGH
GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS: 2003-04 AND 2004-05

AID CATEGORY	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05	2003-04	2004-05
I. Computerized Aids:	(----- Amounts in Millions -----)									
Comprehensive Operating Aid	\$2,493.39	\$2,537.02	\$183.67	\$186.88	\$121.92	\$124.05	\$81.77	\$83.20	\$35.70	\$36.32
Extraordinary Needs Aid	410.42	607.74	23.37	35.37	25.54	36.85	9.30	15.98	8.09	11.54
ERSSA	33.41	29.70	2.30	2.23	2.17	2.06	1.11	1.08	0.59	0.63
Limited English Proficiency	50.98	62.41	2.45	3.14	2.54	3.28	1.18	1.58	1.59	2.21
Summer School	27.07	18.71	1.01	0.87	1.22	1.26	0.40	0.17	0.22	0.21
Excess Cost - Public & Private	898.84	918.99	64.23	63.87	70.96	76.61	33.35	35.01	23.75	25.10
Software, Library, Textbooks	103.61	103.14	4.16	4.05	2.72	3.35	1.98	1.74	2.56	2.51
Computer Hardware	11.24	11.04	0.71	0.70	0.59	0.59	0.28	0.28	0.22	0.23
Transportation (Including Summer)	307.51	331.47	26.79	28.28	30.28	34.15	10.19	9.99	10.83	13.01
Special Services (Career Ed/Comp Admin.)	97.66	97.24	11.15	11.19	8.22	8.43	4.64	4.68	4.79	4.69
Tax Limitation Aid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Building Aid	412.63	418.61	8.50	32.23	14.62	14.99	6.00	6.58	2.92	2.96
Growth Aid	1.55	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	7.06	7.06	3.22	3.22	2.60	2.60
Class Size Reduction	87.53	87.53	4.97	4.97	5.25	5.25	3.30	3.30	4.59	4.59
Minor Maintenance	33.33	33.33	0.60	0.59	0.43	0.43	0.26	0.26	0.34	0.33
Full-Day K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Teacher Support Aid	62.71	62.71	1.74	1.74	1.08	1.08	0.81	0.81	1.15	1.15
Computerized Aids Total	\$5,178.42	\$5,466.18	\$342.75	\$383.21	\$294.61	\$319.45	\$157.79	\$167.88	\$99.94	\$108.08
Change from 2003-04 School Year		\$287.76		\$40.46		\$24.84		\$10.09		\$8.14
Percent		5.56%		11.80%		8.43%		6.39%		8.14%
II. Grant Programs and Other Aid Categories:										
Teachers of Tomorrow	12.00	12.00	0.85	0.85	2.08	2.08	0.41	0.41	1.71	1.73
Teacher Centers	10.89 (a)	11.63	0.73	0.73	0.50	0.47	0.47	0.47	0.30	0.30
Teacher-Mentor Intern	1.61	2.41	0.13	0.20	0.10	0.10	0.15	0.15	0.00	0.00
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	138.83	140.37	46.74	46.81	26.13	26.10	21.63	21.63	45.61	45.63
SCHOOL YEAR TOTAL SELECTED AIDS	\$5,317.25	\$5,606.55	\$389.49	\$430.02	\$320.74	\$345.55	\$179.42	\$189.51	\$145.55	\$153.71
Change from 2003-04 School Year		\$289.30		\$40.53		\$24.81		\$10.09		\$8.16
Percent		5.44%		10.41%		7.74%		5.62%		5.61%

(a) Including a non-GSPS appropriation, 2003-04 funding for NYC teacher centers totaled \$11.63 million.

Source: State Education Department computer runs of August 2004.

TABLE II-D

SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS
-- 2003-04 AND 2004-05 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2003-04	2004-05	Change	
	School Year	School Year	Amount	Percent
I. Computerized Aids:	(----- Amounts in Millions -----)			
Comprehensive Operating Aid	\$2,493.39	\$2,537.02	\$43.63	1.75 %
Extraordinary Needs Aid	410.42	607.74	197.32	48.08
ERSSA	33.41	29.70	(3.71)	(11.10)
Limited English Proficiency	50.98	62.41	11.43	22.42
Summer School	27.07	18.71	(8.36)	(30.88)
Excess Cost - Public	801.71	823.39	21.68	2.70
Excess Cost - Private	97.13	95.60	(1.53)	(1.58)
Textbooks (Incl. Lottery)	75.85	75.56	(0.29)	(0.38)
Computer Software	19.82	19.67	(0.15)	(0.76)
Computer Hardware	11.24	11.04	(0.20)	(1.78)
Library Materials	7.94	7.91	(0.03)	(0.38)
Transportation (Including Summer)	307.51	331.47	23.96	7.79
Special Services (Career Ed./Computer Admin.)	97.66	97.24	(0.42)	(0.43)
Tax Limitation Aid	0.00	0.00	0.00	0.00
Prekindergarten	146.53	146.53	0.00	0.00
Class Size Reduction	87.53	87.53	0.00	0.00
Minor Maintenance	33.33	33.33	0.00	0.00
Full-Day K	0.00	0.00	0.00	0.00
Teacher Support Aid	62.71	62.71	0.00	0.00
Growth Aid	1.55	0.00	(1.55)	0.00
Building	412.63	418.61	5.98	1.45
Computerized Aids Total	<u>\$5,178.42</u>	<u>\$5,466.18</u>	<u>\$287.76</u>	<u>5.56 %</u>
II. Grant Programs and Other Aid Categories:				
Teachers of Tomorrow	12.00	12.00	0.00	0.00
Teacher Centers	10.89 (a)	11.63	0.74	6.80
Teacher-Mentor Intern	1.61	2.41	0.80	49.69
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	29.40	33.50	4.10	13.95
Homeless Pupils	0.00	0.00	0.00	0.00
Incarcerated Youth	0.00	0.00	0.00	0.00
Bilingual	4.50	4.50	0.00	0.00
Education of OMH/OMR Pupils	9.50	10.00	0.50	5.26
Chargebacks	(5.00)	(5.00)	0.00	0.00
Learning Technology Grants	1.13	1.13	0.00	0.00
Add'l Class Size Reduction	1.30	1.30	0.00	0.00
Subtotal	<u>179.66</u>	<u>185.80</u>	<u>6.14</u>	<u>3.42</u>
SCHOOL YEAR TOTAL	<u>\$5,358.08</u>	<u>\$5,651.98</u>	<u>\$293.90</u>	<u>5.49 %</u>

(a) Including a non-GSPS appropriation, 2003-04 funding for NYC teacher centers totaled \$11.63 million.

Source: State Education Department computer runs of August 2004.

TABLE II-E
CHANGE IN COMBINED MAJOR AIDS (a) FOR 2003-04 AND 2004-05 SCHOOL YEARS:
18 MOST POPULOUS COUNTIES, NEW YORK CITY AND REST OF STATE

AREA	No. of Dtrs.	Percent of Total State TAPU (b)	2003-04 Combined Aids		2004-05 Combined Aids		Change in Aid from 2003-04 to 2004-05		Number of Districts	
			Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases		
(----- Dollar Amounts in Thousands -----)										
Albany	13	1.47	\$152,945	1.08	\$158,783	3.82	\$5,838	11	2	
Broome	12	1.13	176,515	1.29	189,600	7.41	13,085	12	0	
Chautauqua	18	0.84	166,917	1.17	172,150	3.14	5,233	15	3	
Dutchess	13	1.61	182,156	1.29	188,688	3.59	6,532	9	4	
Erie	28	4.90	747,421	5.53	812,222	8.67	64,801	26	2	
Monroe	18	4.21	632,179	4.63	679,350	7.46	47,171	17	1	
Nassau	56	7.41	551,323	3.95	579,929	5.19	28,606	47	9	
Niagara	10	1.23	217,004	1.49	219,308	1.06	2,304	9	1	
Oneida	15	1.30	238,248	1.69	248,282	4.21	10,034	14	1	
Onondaga	18	2.69	402,381	2.93	429,555	6.75	27,174	18	0	
Orange	17	2.33	332,688	2.33	341,463	2.64	8,775	13	4	
Rensselaer	11	0.80	138,922	0.99	145,721	4.89	6,799	10	1	
Rockland	8	1.47	127,697	0.92	135,072	5.78	7,375	5	3	
Saratoga	12	1.24	162,968	1.16	170,297	4.50	7,329	12	0	
Schenectady	6	0.81	107,196	0.75	109,597	2.24	2,401	5	1	
Suffolk	67	9.22	1,238,841	8.90	1,306,214	5.44	67,373	54	13	
Ulster	9	0.97	130,508	0.93	137,093	5.04	6,585	8	1	
Westchester	40	5.01	346,758	2.53	371,418	7.11	24,660	36	4	
18 Most Populous Counties	371	48.63	\$6,052,667	43.56	\$6,394,742	5.65	\$342,075	321	50	
New York City	1	37.00	5,178,418	37.23	5,466,176	5.56	287,758	1	0	
Rest of State	308	14.37	2,708,754	19.21	2,819,398	4.08	110,644	265	43	
TOTAL STATE	680	100.00	\$13,939,839	100.00	\$14,680,316	5.31	\$740,477	587	93	

(a) 2004-05 aids include comprehensive operating, extraordinary needs, educationally related support services, limited English proficiency, summer school, public and private excess cost aids, BOCES, special services, textbook, computer software, computer hardware, library materials, transportation (including summer), reorganization incentive (operating and building), prekindergarten, class size reduction, full-day k, tax limitation, minor maintenance, building, growth and teacher support aid.

(b) The TAPU for payment pupil count used for 2004-05 formula operating aid. This is based on 2003-04 and 2002-03 average daily attendance. See Appendix III-C for additional detail.

Source: State Education Department computer runs of August 2004.

III

APPENDICES

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

- Appendix III-A summarizes the School Aid categories and adjustments enacted for 2004-05 and compares them with the 2003-04 aid categories.
- Appendix III-B provides the mathematical formulas for computing 23 different aids for 2004-05 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas.
- Appendix III-D describes the payment schedule for aids payable under section 3609 of the Education Law in the 2004-05 school year.

APPENDIX III-A

COMPARISON OF 2003-04 AND 2004-05 GENERAL SUPPORT FOR PUBLIC SCHOOLS PROGRAMS

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>COMPREHENSIVE OPERATING AID</u>	<p>School districts statewide will receive aid equal to the 2002-03 sum of Comprehensive Operating Aid, Gifted and Talented Aid, Operating Standards Aid and Academic Support Aid minus a reduction calculation described below.</p> <p>Each district will be assessed a reduction amount equal to 1.75 percent of its 2002-03 total for the 4 aid categories noted above.</p> <p>All districts will be assessed an additional reduction amount calculated using Free and Reduced Price Lunch (FRPL) data and the school district's Combined Wealth Ratio (CWR)². The higher the percentage of students eligible for free and reduced price lunch programs and the lower the per pupil income and</p>	<p>Each district will receive an amount equal to its 2003-04 Comprehensive Operating Aid plus an increase equal to 1.75 percent of its 2003-04 Comprehensive Operating Aid total.</p>

² A district's Combined Wealth Ratio for 2003-04 is 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: $\frac{2000 \text{ Actual Valuation}}{\$281,000} / 2001-02 \text{ TWPU}$; and the

Alternate Pupil Wealth Ratio is equal to: $\frac{2000 \text{ District Income}}{\$128,600} / 2001-02 \text{ TWPU}$

A district's Combined Wealth Ratio for 2004-05 is 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: $\frac{(2001 \text{ Actual Valuation})}{\$306,700} / 2002-03 \text{ TWPU}$; and the

Alternate Pupil Wealth Ratio is equal to: $\frac{2001 \text{ District Income}}{\$122,100} / 2002-03 \text{ TWPU}$

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. The Actual Valuation (AV) for calculating a district's property wealth per pupil for 1997-98 was 1994 AV. The income wealth per pupil calculation used the 1994 Adjusted Gross Income of district residents. For the 2004-05 school year, 2001 Actual Valuation and Adjusted Gross Income will be used.

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	property wealth of the district, the smaller the amount of the district's additional reduction.	
	The combined loss for districts will range from 2.25 percent to 6.30 percent of their 2002-03 aid total for the 4 aid categories noted above.	
<u>GROWTH AID</u> ³	Growth Index in excess of 1.004 * Formula Operating Aid	Same
<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 the formula operating aid per pupil that the district of residence would have received.	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 the formula operating aid per pupil that the district of residence would have received.
<u>LIMITED ENGLISH PROFICIENCY AID</u>		
Weighting	.230	.292

³ For the 1997-98 school year and after, the Growth Index is defined as a measure of enrollment rather than attendance. Where appropriate to the aid category calculation, such as for Growth Aid, Formula Operating Aid (as cited in subdivision 13 of Section 3602 of the Education Law) will be used. The calculation for Formula Operating Aid is described more fully in subdivision 12 of Section 3602 of the Education Law.

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>EXTRAORDINARY NEEDS AID</u>		
Formula Ceiling	A minimum of 11% of the Formula Operating Aid ceiling. If more than 74.5% of a district's enrolled students have extraordinary needs, it receives more than 11% of its Formula Operating Aid ceiling.	A minimum of 11% of the Formula Operating Aid ceiling. If more than 74.5% of a district's enrolled students have extraordinary needs, it receives more than 11% of its Formula Operating Aid ceiling. Additional increments are provided if more than 79.9% of a district's enrolled students have extraordinary needs, or if a district's enrollment per square mile is greater than 1,500, and to the Big Four City school districts.
Wealth Measure	Alternate Pupil Wealth Ratio	Same
State Share	.60	Same
Save-Harmless	100% of 2002-03 aid	100% of 2003-04 aid
Pupil Count		Same except for use of 2003 enrollment.
	The sum of the percentage of K-6 free and reduced price lunch eligible applicants times 2002 enrollment, plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 2002 enrollment.	
<u>EXCESS COST AID FOR DISABLED PUPILS</u>		
Public Excess Cost Aid:		
Disabled Pupil Classifications	Three	Same
Ceiling Range for Aid	\$2,000 - \$7,650	\$2,000 - \$8,050

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
Wealth Measure	Combined Wealth Ratio	Same
State Share	.49	Same
Minimum Aid Ratio	.25	Same
High Cost Eligibility	4 x AOE/TAPU or \$10,000	Same
Save-Harmless	95% of 2002-03 aid (including declassification aid but not integrated settings aid)	95% of 2003-04 aid (including declassification aid but not integrated settings aid)
Integrated Settings Aid (not subject to save- harmless):		
Ceiling	Basic Excess Cost Aid per pupil	Same
Pupil Count	Year prior to base year pupils who received special education services in a general education setting at least 60 percent of the time x 0.50	Same
Declassification Support Services Aid:		
Ceiling	Basic Excess Cost aid Per Pupil x 0.50	Same
Pupil Count	Base Year Pupils in Need	Same
Private Excess Cost Aid:		
Ceiling Range for Aid	Tuition - Deduct	Same
Deduct	Local Levy/Enrollment	Same
Wealth Measure	Combined Wealth Ratio	Same
State Share	.85	Same
Minimum Aid Ratio	.50	Same
Pupils	Attending private schools or State run schools	Same
State School Taper Ratio	(1-CWR)/.75	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>EDUCATIONALLY RELATED SUPPORT SERVICES AID</u>		
Ceiling(s)	\$365.00/\$635.00	Same
Wealth Measure	Combined Wealth Ratio	Same
State Shares	Formula Operating Aid Ratio and Public Excess Cost Aid Ratio	Same
Minimum Aid Ratio	.25	Same
Pupil Counts	9% of Selected TAPU and 15% of Selected TAPU times Extraordinary Needs percent in excess of 60%	Same
<u>BOCES AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
State Share	.49	Same
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	Same
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 all students is eligible for aid if in 1996-97 <u>and</u> 2002-03 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2002-03.	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2003-04 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2003-04.
Pupil Count	2003-04 Estimated Full-Day K Enrollment - 2002-03 Full-Day K Enrollment	2004-05 Estimated Full-Day K Enrollment - 2003-04 Full-Day K Enrollment
Aid Per Pupil	A district's Formula Operating Aid per pupil.	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 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 * State Sharing Ratio or (NYC excepted): 1.01 - (.46 * AV/enrollment wealth ratio).	Same
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>BUILDING AID</u>		
Wealth Measure	Actual Valuation/Full Year Attendance RWADA	Same
Aid Ratio Choice	Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year. Starting with all new building projects approved by the voters beginning July 1, 2000, the selected building aid ratio is based upon the greater of a district's current-year building aid ratio or the ratio selected for use in 1999-00 reduced by 10 percentage points.	Same
	School districts with a	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.	
Base	Approved Expenditures	Same
Additional Adjustments	For aid payable in 1998-99 and after for new projects approved by the voters after 7/1/98, districts will receive an additional 10% State reimbursement. In addition, cost allowances on all contracts awarded after 7/1/98 will be adjusted to reflect regional costs for school districts in high cost areas of the State.	Same
<u>REORGANIZATION INCENTIVE AID</u>		
Prior to July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	10%	Same
Taper	1%/9 years	Same
Building Aid:		
Additional Percentage	25%	Same
Effective July 1, 1983:		
Operating Aid:		
Additional Percentage (5 years)	20%	Same
Taper	2%/9 years	Same
Building Aid:		
Additional Percentage	30%	Same
Effective July 1, 1992:		
Operating Aid:		
Additional Percentage (5 years)	40%	Same
Taper	4%/9 years	Same

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
Eligibility Date:		
New Projects	July 1, 2004 or approved by voters within ten years of reorganization.	July 1, 2006 or approved by voters within ten years of reorganization.
<u>SPECIAL SERVICES AID</u>		
Eligible Districts	Big Five City school districts and other districts that are non-components of BOCES	Same
Career Education Aid:		
State Share	.41	Same
Minimum Aid Ratio	.35	Same
Ceiling	\$3,720	Same
Wealth Measure	Combined Wealth Ratio	Same
Computer Administration Aid:		
State share	.49	Same
Minimum Aid Ratio	.30	Same
Ceiling	\$62.30/pupil	Same
Wealth Measure	Combined Wealth Ratio	Same
<u>INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID</u>		
	Based on approved expense (up to an amount equal to \$19.25 x TAPU x current year building aid ratio)	Same
<u>TEXTBOOK AID</u>		
	Up to \$57.30 per public and nonpublic pupil (district of residence)	Same
<u>COMPUTER SOFTWARE AID</u>		
	Up to \$14.98 per public and nonpublic pupil (district of attendance)	Same
<u>LIBRARY MATERIALS AID</u>		
	Up to \$6 per public and nonpublic pupil (district of attendance)	Same
<u>PREKINDERGARTEN AID</u>		
	Legislation enacted with the 2003-04 State Budget provided that each school district shall be eligible to receive the amount such district was eligible for in the two thousand one--two thousand two school year.	Legislation enacted with the 2004-05 State Budget provides that each school district shall be eligible to receive the amount such district was eligible for in the two thousand one--two thousand two school year.
<u>CLASS SIZE REDUCTION</u>		
	Legislation enacted with	Legislation enacted with

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
	the 2003-04 State Budget provided that each school district shall be eligible to receive the amount such district was eligible for in the two thousand--two thousand one school year.	the 2004-05 State Budget provides that each school district shall be eligible to receive the amount such district was eligible for in the two thousand--two thousand one school year.
<u>CATEGORICAL READING AID</u>	\$63.95 million	Same
<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>	\$135.79 million	\$136.10 million
<u>TEACHER SUPPORT AID</u>	\$67.48 million	Same
<u>MINOR MAINTENANCE AND REPAIR AID</u>		
Maximum District Aid	A district's 2002-03 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.	Same except for use of 2003-04 enrollment.
Minimum District Aid	\$2,000	Same
<u>SUMMER SCHOOL AID</u>		
Formula Ceiling	\$200.00 x summer session index	Same
Index	Formula Operating Aid ratio x concentration factor (based on district's extraordinary needs percent)	Same
Pupils	2002-03 unweighted summer school ADA for pupils in programs to improve student performance	2003-04 unweighted summer school ADA for pupils in programs to improve student performance

<u>Category</u>	<u>2003-04 School Year</u>	<u>2004-05 School Year</u>
<u>TAX LIMITATION AID⁴</u>		
Eligible Districts	A district's 2000 tax levy on residential real property, including condominium property, must be greater than 3.9% of the district's 2000 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 1.5	A district's 2001 tax levy on residential real property, including condominium property, must be greater than 3.9% of the district's 2001 adjusted gross income. In addition, the district must have a Pupil Wealth Ratio less than 1.5
State Share	.50	Same
Wealth Measure	Combined Wealth Ratio	Same
Formula Ceiling	.0474 multiplied by the 2000 residential tax levy per pupil	.0474 multiplied by the 2001 residential tax levy per pupil
<u>INCARCERATED YOUTH</u>	\$14.0 million	\$14.5 million
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>COMPROLLER AUDITS</u>	\$.25 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.88 million. For the 2003-04 school year, a district's <u>Hurd</u> aid was the same as its 2002-03 aid	\$81.88 million. For the 2004-05 school year, a district's <u>Hurd</u> aid will be the same as its 2003-04 aid
<u>EMPLOYMENT PREPARATION EDUCATION AID⁵</u>		
Ceiling	\$7.65/contact hour	\$8.05/contact hour
Wealth Measure	AV/TWPU	Same
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

⁴ For the 2003-04 school year, total aid was limited to \$25.00 million. For the 2004-05 school year, total aid is limited to \$48.55 million.

⁵ For the 2003-04 school year, total aid was limited to \$84.00 million. For the 2004-05 school year, total aid is limited to \$90.00 million.

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating comprehensive operating aid, extraordinary needs aid, limited English proficiency aid, public and private excess cost aids, declassification support services aid, educationally related support services aid, special services aid, reorganization incentive operating aid, BOCES aid, transportation aid, building aid, reorganization incentive building aid, computer software aid, textbook aid, instructional computer hardware and technology equipment aid, library materials aid, growth aid, full-day K incentive aid, employment preparation education aid, incarcerated youth aid, minor maintenance aid, summer school aid, and tax limitation aid are presented in this appendix.

The State average wealth measures for use in the calculation of aid ratios for 2003-04 school year payments are:

2001 Actual Valuation/2002-03 TWP	\$306,700
2001 Adjusted Gross Income/2002-03 TWP	\$122,100
2001 Actual Valuation/2002-03 RWADA	\$366,900

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 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

COMPREHENSIVE OPERATING AID

Education Law, Section 3602, Subdivision 12-b

A district's Comprehensive Operating Aid is determined by the calculation below.

For the 2004-05 school year, each district will receive Comprehensive Operating Aid equal to its base year amount plus an increase of 1.75 percent.

GROWTH AID

Education Law, Section 3602, Subdivision 13

For the 2004-05 school year, growth aid is distributed to districts that are eligible due to an increase in enrollment. Districts whose growth index is greater than 1.004 receive growth aid.

$$\text{Growth Aid} = \frac{(\text{Growth Index} - 1.004) \times \text{Formula Operating Aid}^6}{1}$$

$$\text{Growth Index} = \frac{2004-05 \text{ Estimated Enrollment}}{2003-04 \text{ Enrollment}}$$

EXTRAORDINARY NEEDS AID

Education Law, Section 3602, Subdivision 12

$$\text{Extraordinary Needs Aid} = (\$3,900 + \text{Ceiling Adjustment}) \times \text{Concentration Factor} \times \text{Extraordinary Needs Factor} \times \text{Extraordinary Needs Aid Ratio} \times \text{Extraordinary Needs Count}$$

Ceiling Adjustment = The district's adjustment for Formula Operating Aid. The lesser of \$8,000 or approved operating expense per pupil minus \$3,900 x the greater of 7.5 percent or .075/CWR.

$$\text{Concentration Factor} = \frac{1 + ((\text{Extraordinary Needs Count}/2003-04 \text{ Enrollment}) - .745)/.320}{1}$$

The Concentration Factor may not be less than 1.

Extraordinary Needs Factor = A minimum of 0.11 plus:

- (i) 0.05314 for districts with an enrollment per square mile greater than 1,500
- (ii) 0.0362 for districts with an extraordinary needs percent greater than 79.9
- (iii) An additional increment for Big Four City school districts:
 - Buffalo - .0254
 - Rochester - .0270
 - Syracuse - .0410
 - Yonkers - .0220

$$\text{Extraordinary Needs Aid Ratio} = 1 - (\text{Alternate Pupil Wealth Ratio} \times .40)$$

⁶ Where appropriate to the aid category calculation, such as for Growth Aid, Formula Operating Aid (as cited in subdivision 13 of Section 3602 of the Education Law) will be used.

Extraordinary Needs Count = The sum of:

- (i) 2003-04 public enrollment x percentage of students in grades K-6 who are eligible for the free and reduced price lunch program as of October 2002.
- (ii) Limited English Proficiency students
- (iii) For districts operating a K-12 program, a sparsity count equal to 2003-04 enrollment times:

$$\frac{(25 - 2003-04 \text{ Enrollment/Square Mile})}{50.9}$$

and has no maximum

Save-Harmless Provision: 100% of 2003-04 aid.

LIMITED ENGLISH PROFICIENCY AID (LEPA)

Education Law, Section 3602, Subdivision 22

A district operating programs for pupils with limited English proficiency may receive limited English proficiency aid. Program participants are those scoring below the 40th percentile on an English language assessment instrument.

$$\text{LEPA} = .292 \times 2004-05 \text{ formula Operating Aid per TAPU} \times 2003-04 \text{ program participants}$$

EXCESS COST AID FOR PUBLIC SCHOOL PUPILS

Education Law, Section 3602, Subdivision 19

A district receives public excess cost aid for pupils with disabilities in programs run by public school districts or BOCES. Basic excess cost aid applies to all such programs. In addition, high cost excess cost aid provides aid for students in resource intensive programs. A save-harmless provision also applies.

Basic Excess Cost Aid

All districts with pupils with disabilities who are served in public school programs receive public excess cost aid.

$$\text{Basic Excess Cost Aid} = \text{Aidable Expense} \times \text{Aid Ratio} \times \text{Weighted Pupils With Disabilities}$$

$$\text{Aidable Expense} = \frac{2002-03 \text{ Approved Operating Expenses (AOE)}}{2002-03 \text{ TAPU for Expense}}$$

Minimum: \$2,000

Maximum: The maximum aidable expense is \$8,050.
(The State average is \$8,050.)

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

Minimum: .250

Weighted Pupils: Pupils with disabilities served by a district in the base year are weighted according to the level of special services and programs that they are required to receive:

At least 60% of the day 1.65
 At least 20% of the week or five periods
 (at least 180 minutes) per week 0.90
 Direct/Indirect Consultant Teacher 0.90

An additional 0.50 weighting is provided for those children who require special education services at least 60 percent of the time and who received these services in a general education setting in the year prior to the base year. Such integrated settings aid is not subject to the Public Excess Cost Aid save-harmless calculation.

High Cost Excess Cost Aid

Additional aid is available for public school pupils with disabilities in programs in which the cost exceeds the lesser of:

\$10,000

or

4 x AOE/TAPU (without limits)

Per Pupil Calculation:

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

Declassification Support Services Aid

Education Law, Section 3602, Subdivision 19, paragraph 7

Any district which provides support services to teachers and pupils in the first year that a pupil moves from a special education program to a full-time regular education program is eligible to receive declassification support services aid.

Declassification Support = Public Excess Cost x .50 x 2003-04 Declassified
 Services Aid Aid Per Pupil Pupils

Save-Harmless Provision

A district is eligible to receive the greater of:

(i) 2004-05 Basic Excess Cost Aid + High Cost Aid + Declassification
 Support Services Aid, or

(ii) 95 percent of 2003-04 Total Public Excess Cost Aid

Save-harmless funding does not include apportionments generated by the 0.50 pupil weighting for year prior to base year pupils who received services at least 60 percent of the time in a general education setting.

EXCESS COST AID FOR PRIVATE SCHOOL PUPILS

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

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

Private Excess Cost Aid

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

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

Basic Contribution = Based on a district's property and non-property taxes divided by its base-year enrollment.

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

Minimum: .50

Private Excess Cost Taper for Rome and Batavia Placements

Additional aid is available to districts with:

- (i) Continued pupil placements at the two State-operated schools for pupils originally placed in one of the two schools prior to July 1, 1990; and
- (ii) A Combined Wealth Ratio of less than 1.0.

$$\text{Taper for Rome and Batavia Placements} = \text{Taper Aidable Cost} \times \text{Taper Aid Ratio}$$

$$\text{Taper Aidable Cost} = \text{Tuition} - \text{Regular Private Excess Cost Aid}$$

$$\text{Taper Aid Ratio} = \frac{1.0 - (\text{Combined Wealth Ratio})}{.75}$$

Maximum: 1.0

EDUCATIONALLY RELATED SUPPORT SERVICES AID (ERSSA) INCLUDING SPEECH THERAPY

Education Law, Section 3602, Subdivision 32

Any district which provides support services to nondisabled pupils that are intended to maintain these pupils' placement in a regular education program is eligible to receive educationally related support services aid. This program includes speech therapy services for nondisabled pupils. Beginning with the 1995-96 school year, eligible services were expanded to include curriculum and instructional modification and direct student support team services. Eligibility for ERSSA services was expanded for the 1996-97 school year and after to include qualified handicapped persons under the Americans with Disabilities Act and any students with disabilities whose attendance does not generate any Excess Cost Aid. Eligible services were expanded to meet the needs of such students.

ERSSA = The sum of:

- (i) \$365.00 x Formula Operating Aid Ratio (.25 minimum) x 9.0 percent of Selected TAPU
- (ii) \$635.00 x Public Excess Cost Aid Ratio x 15.0 percent of Selected TAPU x Extraordinary Needs Percent (in excess of 60 percent)

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 17

Districts that are non-components of a BOCES, including the Big 5 City school districts, are eligible to receive career education aid and computer administration aid.

Career Education Aid = \$3,720 x Aid Ratio x Career Ed Pupils

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

Minimum: .360

Career Education Pupils = 2003-04 Grade 10-12 ADA in a Career Education Trade Sequence + (.16 x Business Sequence ADA)

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

Enrollment = Fall 2003 public enrollment attending in the district

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

Reorganization Incentive Operating Aid = Formula Operating Aid x Incentive Aid Percentage

The sum of a district's Formula Operating Aid and Incentive Operating Aid may not exceed 95 percent of its 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.

BOCES AID

Education Law, Section 1950, Subdivision 5

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

BOCES Operating Aid = Base Year Approved Expenses x Aid Ratio

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

Aid Ratio = greater of:

(i) 1 - $\frac{\text{.008}}{\text{District Actual Valuation Tax Rate (Local Revenue/Actual Valuation)}}$

(ii) 1 - $\frac{\text{(2001 Actual Valuation/2002-03 RWADA)}}{\text{Statewide Average (\$366,900)}} \times .51$

Minimum: .360
Maximum: .900

BOCES Capital Aid = 2004-05 Capital Expense x RWADA Aid Ratio

BOCES Rental Aid = 2004-05 Rental Expense x RWADA Aid Ratio

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

- (i) 2004-05 BOCES Operating, Capital and Rental aids
- (ii) BOCES aid received during 1967-68

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

Districts are allotted reimbursement for transportation expenses through the transportation aid formula. Aid for capital expenses will be computed as below, and paid pursuant to a new grant program. Thereafter, districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset.

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

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

- (i) 1.263 x Formula Operating Aid Ratio

(ii) $1.010 - \frac{(2001 \text{ AV}/2002-03 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$366,900)}$

(iii) $1.010 - \frac{(2001 \text{ AV}/2002-03 \text{ Resident Public \& Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$319,900)}$

Minimum: .065

Maximum: .900

Sparsity Factor =

$\frac{21.00 - 2002-03 \text{ Public Enrollment (including charter school)}/\text{Square Mile}}{317.88}$

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
- Retirement benefits
- Computerized bus routing services
- Transportation of children to and from day care centers
- Transportation of pupils in voluntary interdistrict programs
- District expenditures for transportation of pupils to and from district-operated summer classes to improve student performance will be aided up to a maximum of \$5.0 million statewide

But do not include:

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

BUILDING AID

Education Law, Section 3602, Subdivision 6

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

Building Aid = Selected Aid Ratio x Approved Building Expenses

Current Aid Ratio = $1 - \frac{(2001 \text{ Actual Valuation}/2002-03 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$366,900)}$

Approved Building Expenses:

For projects associated with any existing bonds, bond anticipation notes (BANs) and lease-purchase agreements that have principal remaining as of July 1, 2002, an assumed amortization will be applied to determine building and reorganization incentive building aid. The assumed amortization is based on approved project costs, the term of borrowing and an assumed interest rate. New projects subject to prospective assumed amortization are those that were either approved by the Commissioner of Education on or after December 1, 2001, or, for which debt (bonds, BANs, and capital notes) is first issued on or after such date. Each project is assigned a useful life, cost allowance and assumed interest rate. The State share of financing costs associated with refinancings are reimbursed in full to districts. In addition, districts are reimbursed for lease expenses and on a one year lag for costs of exceptional expenses including metal detectors, condition surveys, and capital outlay exception.

Selected Aid Ratio:

Districts may use the higher of the current year aid ratio or the aid ratio computed for use in any year commencing with the 1981-82 school year. Starting with all new building projects approved by the voters after July 1, 2000, the selected building aid ratio is based upon the greater of a school district's current-year building aid ratio or the aid ratio selected for use in 1999-00 reduced by 10 percentage points. School districts with a pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 may select an aid ratio equal to 1.263 multiplied by the district's Formula Operating Aid 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 July 1, 2006 or within ten 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,

$$\frac{\text{Reorganization Incentive}}{\text{Building Aid}} = \text{Approved Expenses} \times \text{Building Aid Ratio} \times 30\%$$

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

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.

$$\text{Computer Software Aid} = \frac{2003-04 \text{ Cost of Software (up to \$14.98)} \times \text{Enrollment}}{\text{Enrollment}}$$

Enrollment = Fall 2003 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

TEXTBOOK AID

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

All districts are eligible for textbook aid. The aid provided is to be used by districts to purchase textbooks to be made available to all resident enrolled pupils.

$$\text{Textbook Aid} = \frac{2003-04 \text{ Cost of Textbooks, not to exceed } \$57.30 \times 2003-04 \text{ Resident Public and Nonpublic School Enrollment}}{\text{Resident Public and Nonpublic School Enrollment}}$$

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.

$$\text{Hardware Aid} = \frac{2003-04 \text{ Approved Expenses (up to } \$19.25 \times \text{ Selected TAPU for Payment} \times \text{ Current Year Building Aid Ratio)}}{\text{Current Year Building Aid Ratio}}$$

LIBRARY MATERIALS AID

Education Law, Section 711, Subdivision 4

All districts are eligible for library materials aid. The aid is provided to enable districts to purchase necessary library materials to be made available on an equitable basis to all pupils attending public and nonpublic schools within such district.

$$\frac{\text{Library Materials Aid} = 2003-04 \text{ Cost of Library Materials (up to \$6.00)}}{\text{x Enrollment}}$$

Enrollment = Fall 2003 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

FULL-DAY KINDERGARTEN INCENTIVE AID

Education Law, Section 3602, Subdivision 12-a

Eligibility for Full-Day K Incentive Aid: If in 1996-97 and 2003-04 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2003-04.

School districts offering full-day kindergarten programs to all kindergarten students will receive current year formula operating aid in 2004-05 for any increase in the number of students served in full-day programs in 2004-05 compared to 2003-04

Full-Day K Incentive Aid =

(2004-05 Estimated Full-Day K Enrollment - 2003-04 Full-Day K Enrollment)
x 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. Since 1991-92, aid paid directly to BOCES for approved BOCES EPE programs has been based on component districts' aid ratios. Beginning in 1995-96, the BOCES EPE aid ratio has been based on the aggregate actual valuation and TWPU of the component districts of the BOCES. Adults can register with BOCES for participation at a BOCES site. Since 1996-97, the BOCES EPE aid ratio has been the greater of the EPE aid ratio based on the aggregate wealth of the component districts or 85 percent of the highest EPE aid ratio of a component district of the BOCES.

EPE Aid = \$8.05 x EPE Aid Ratio x EPE Hours

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

Minimum: .400

Pupil Wealth Ratio = $\frac{2001 \text{ Actual Valuation}/2002-03 \text{ TWPU}}{\text{State Average } (\$306,700)}$

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

EPE aid will be reduced if it and other State and Federal sources of aid for EPE programs exceed the entire cost of such program in that year.

For the 2004-05 school year, total aid is limited to \$90.00 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. Incarcerated Youth Aid equals the lesser of:

- (i) = 2002-03 AOE/TAPU x Number of full-day program pupils⁷ +
([.5 x (AOE/TAPU)] x Number of half-day program pupils)
- (ii) Actual total instructional cost for the incarcerated youth program plus approved administrative costs (which may not exceed five percent of total instructional costs)

MINOR MAINTENANCE AID

Education Law, Section 3602, Subdivision 6-d

For Districts Other Than New York City Maximum District Aid =

$$\frac{\text{District 2003-04 Enrollment} \times \text{Age of Facility Index} \times \text{Long-Term Growth Index}}{\text{Sum of Statewide Values (Without New York City)}} \times \$16,670,000 = \$1,904,877$$

Minimum District Aid = \$2,000

$$\text{Age of Facility Index} = \frac{\text{Average Age of Facilities}}{\text{Statewide Average (Without New York City)}} = 41$$

$$\text{Average Age of Facilities} = \frac{\text{Weighted Age of Square Footage}}{\text{Total Square Footage of all Instructional School Buildings}}$$

Weighted Age of Square Footage = The sum of (age of facility in 1994 x square footage of facility) for each instructional school building.

Long-Term Growth Index = A district's 1993-94 enrollment divided by its 1989-90 enrollment, but not less than 1.

For the 2004-05 school year, New York City's aid may not exceed \$33.33 million. Total aid is limited to \$50.00 million.

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 1.500.

⁷ 2002-03 AOE/TAPU x 1.25 x pupils in 10 month programs or 2002-03 AOE/TAPU x 1.50 x pupils in 12 month programs.

Tax Limitation Aid = Formula Ceiling x Aid Ratio x Selected TAPU

Formula Ceiling = .0474 x 2001 residential tax levy per pupil
(Selected TAPU)

Tax Effort Ratio = 2001 tax levy on residential real property (including
condominiums)/2001 adjusted gross income

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

For the 2004-05 school year, total aid is limited to \$48,546,455.

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 Formula Operating Aid Ratio

Minimum: .400

Concentration Factor = $1 + \frac{((\text{Extraordinary Needs Count}/2003-04 \text{ Enrollment}) - .58)}{.400}$

Aidable Pupils = 2003-04 unweighted summer school ADA for pupils attending
programs designed to improve student performance.

APPENDIX III-C

DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS FOR THE 2004-05 SCHOOL YEAR

- I. Average Daily Attendance/Average Daily Membership ^a
- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period. The average is determined by dividing the total number of attendance days of all pupils by the number of days school was in session.
- B. Average Daily Membership (ADM) is a measure of enrollment. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session.
- II. TAPU for Expense, TAPU for Payment, TAPU for Formula Operating Aid Payment, TWPU and RWADA

	<u>Total Aidable Pupil Units For Expense</u>	<u>Total Aidable Pupil Units For Payment</u>	<u>Total Wealth Pupil Units</u>	<u>Resident Weighted Average Daily Attendance</u>
Short Title	TAPU for Expense	Selected TAPU for payment	TWPU	RWADA
Year used for aid payable in 2004-05	2002-03	2003-04 or Two-year Average (2002-03 and 2003-04) ^b	2002-03	2002-03
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
<hr/>				
<u>Basic Weightings</u>				
Half-Day Kindergarten	.50	.50	.50	.50
Kindergarten-Grade 6	1.00	1.00	1.00	1.00
Grades 7-12	1.00	1.00	1.00	1.25
Dual Enrollment	1.00	1.00	--	--

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

^b The 2003-04 TAPU is based on 2002-03 ADA, adjusted by the enrollment index (change between 2002-03 and 2003-04 enrollment). The 2002-03 TAPU is based on 2001-02 ADA, adjusted by the enrollment index (change between 2001-02 and 2002-03 enrollment).

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

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

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

APPENDIX III-D
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a of the Education Law will govern the schedule of school district payments as well as the manner in which monthly aid payments are calculated. Section 3609-a includes computerized aids payable as General Support for Public Schools (GSPS) except for aids which are covered under the Section 3609-b (Excess Cost) payment schedule and Section 3609-d (BOCES Aid) payments as well as Textbook, Software and Library Materials Aids. Growth Aid and Full Day Kindergarten Aid will not be paid until June 2005. Small Cities Aid is covered by Section 3609-c. In addition, Section 3609-e of the Education Law governs the schedule of school district payments for School Tax Relief (STAR). This payment is intended to reimburse school districts for school property tax exemptions granted pursuant to Section 425 of the Real Property Tax Law.

For GSPS aid payable in the 2004-05 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 "SA040-5," which was released in August 2004 with the issuance of the 2004-05 Budget. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2005. The payment schedule has several features:

GSPS Aids

- Lottery Aid will continue to be paid in full on the first business day of September.
- School district obligations to the New York State Teachers Retirement System (TRS) will continue to be paid by the State on behalf of school districts in September, October and November.
- "Fixed" payments will be paid in the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's apportionments, after TRS payments, will be paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent by October 15, 18.75 percent by November 15 and 25.00 percent by December 15.
- "Individualized" payments will be calculated for the months of January through June. January through May payments are based on school district State Aid claims or data available to the Commissioner as of December 1. The June payment is based on data available to the Commissioner as of May 1. These will be calculated to guarantee that each district receives 50 percent of the sum of its State and local revenues by the first business day of January, 60 percent by February, 70 percent by March, 80 percent by April and 90 percent by May. All 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 2005. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for General Support of Public Schools is expended by March 31.

- Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on or before March 31 on a prorata basis using the districts' relative share of either: (1) for the sustaining advance payments, the total monies designated for payment in April, then May and finally June or (2) for the final payment for the State Fiscal Year, the total monies designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for General Support of Public Schools will be used.
- Any aid payable for Growth Aid and Full Day Kindergarten Aid will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. In addition the total of such aid payable through June for Growth Aid and Full Day Kindergarten Aid cannot exceed the total of such aid as it appears on the computer listing "SA040-5."
- Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled "SA040-5" will be paid on the first business day of September, 2005.

STAR Aid

- The statutory dates by which State reimbursement for STAR property tax relief will be paid are as follows:
 - 35 percent by October 15, 2004;
 - 70 percent by November 15, 2004;
 - 80 percent by December 15, 2004; and
 - 100 percent by January 1, 2005.
- Any increase in STAR reimbursement that occurs as a result of adjustments made after January 1 will be paid by March 31, 2005.
- Payment amounts will be based on current data on file at the time of each payment through January.
- Current statutory provisions that authorize the Commissioner to withhold State aid payments from school districts that have not submitted enrollment and expenditure data on a timely basis shall not apply to STAR reimbursements.
- STAR reimbursement for New York City's personal income tax relief will be paid in three equal installments on or before September 15, December 15 and March 15.

Excess Cost Aids

Section 3609-b of the Education Law requires that apportionments payable to school districts for Excess Cost Aids shall be designated as State share monies due to school districts pursuant to Title XIX of the Social Security Act (Medicaid reimbursement). Such State share monies will be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid reimbursement. Any remaining balances of Excess Cost Aids will be paid in accordance with the schedule below. Total Excess Cost Aids payable to a district for the school year may not exceed the sum of such aids as reported in the school aid computer listing entitled "SA040-5" which was released in August 2004 with the issuance of the 2004-05 Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2004 will be paid on or before December 15.
- The positive remainder of 70 percent of such aids minus any apportionment previously paid and any State share monies payable in the months of August 2004-February 2005 will be paid on or before March 15.
- The positive remainder of 85 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2004-May 2005 will be paid on or before June 15.
- The positive remainder of 100 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2004-July 2005 will be paid on or before August 15.
- Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing entitled "SA040-5" will be paid on the first business day of September, 2005.

BOCES Aid

- BOCES Aid is calculated for individual component school districts of the BOCES, but the sum of all such payments is paid directly to the BOCES. Total BOCES Aid payable for the school year to each component school district may not exceed 100 percent of the amount of such aid as reported in the school aid computer listing entitled "SA040-5," which was released in August 2004 with the issuance of the 2004-05 Budget, plus any BOCES Aid payable to contracting school districts, less-than-eight teacher districts and Special Act school districts based on data on file at the time of each payment.
- BOCES obligations to the New York State Teachers Retirement System (TRS) will be paid by the State on behalf of the BOCES from the apportionment payable to the BOCES by the fifteenth of each of the months of September, October and November.
- An additional payment will be made to the BOCES on the first business day of February. This payment will be equal to 25 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component district as reported in the school aid computer listing entitled "SA040-5" plus BOCES Aid

payable for contracting school districts, less-than-eight teacher districts and Special Act school districts, minus the payments made to TRS on the BOCES behalf.

- An additional payment will be made to the BOCES on the first business day of June that is equal to 55 percent of the lesser of the actual BOCES Aid payable to each component school district or the amount of BOCES Aid payable to each component school district as reported in the school aid computer listing entitled "SA040-5" plus BOCES Aid payable for contracting school districts, less-than-eight teacher districts and Special Act school districts, minus the sum of all previous payments including payments made to TRS on the BOCES behalf.
- Any remaining apportionment payable to the BOCES, including any excess of actual BOCES Aid payable over the amount of such aid reported in the school aid computer listing entitled "SA040-5" will be paid to the BOCES on the first business day of September, 2005.

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 2004 to the first business day of June, 2005 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 2004-05 Budget.