

DESCRIPTION OF
2007-08 NEW YORK STATE SCHOOL AID PROGRAMS

EDUCATION UNIT
NEW YORK STATE DIVISION OF THE BUDGET
October 30, 2007

INTRODUCTION

This report provides a summary of the 2007-08 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 and 57 of the Laws of 2007.

For additional information regarding State aid to public schools for 2007-08, see the March 31, 2007 school aid computer listing entitled "SA070-8" which was based on data supplied by the State Education Department.

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SCHOOL AID/STAR OVERVIEW

This bulletin presents a summary of the 2007-08 school aid programs in the Aid to Localities Budget Bill (S.2103-D/A.4303-D) as well as the related Article VII bill (S.2107-C/A.4307-C) which were passed by the Legislature and subsequently became law as Chapters 53 and 57 of the Laws of 2007.

For the 2007-08 school year, funding for General Support for Public Schools will increase by \$1,764.97 million, or 9.87 percent, from \$17,879.06 million to \$19,644.03 million. Major elements of State support for elementary and secondary education include the following:

- An overall increase of \$1,764.97 million (9.87 percent) in school aid, including an increase of \$1,585.29 million (10.03 percent) in formula-based aids, \$150.69 million in Building Aids and Supplemental Public Excess Cost Aid, \$28.04 million in grant programs, and \$0.95 million for Fiscal Stabilization Grants.
- Within formula-based aids, including Building Aids and Supplemental Public Excess Cost Aid, 669 school districts experience aid increases totaling \$1,737.58 million and 8 school districts have aid decreases amounting to -\$1.60 million.
- The 2007-08 Enacted Budget includes the creation of a new Foundation Aid program that consolidates approximately 30 categories of school aid. For the 2007-08 school year, school districts statewide will receive \$13,640.05 million in Foundation Aid, an increase of \$1,106.65 million or 8.83 percent.

The State's 207 high need districts,¹ including New York City and the other Big Five City school districts will receive 72 percent of the 2007-08 Foundation Aid increase.

School districts are held harmless against losses for aids consolidated into Foundation Aid and all districts receive a Foundation Aid increase of a least 3 percent. Funds are allocated based on enrollment rather than attendance and provide aid targeted to rural school

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

districts and those with children placed at risk by poverty, limited proficiency in English and students with disabilities.

For the 2007-08 school year, 56 school districts, including New York City, must complete a Contract for Excellence to be submitted to the Commissioner of Education for approval.

These districts include those which receive Foundation Aid increases of greater than 10 percent or \$15 million or a district that receives a supplemental educational improvement plan grant and that include at least one school with substandard performance. They will be required to develop a "Contract for Excellence" which will commit school officials to demonstrate that funds are spent to produce measurable results in student outcomes.

- Funding of \$437.91 million, an increase of \$145.88 million, is provided in 2007-08 for Universal Prekindergarten programs. Reflective of district wealth and pupil needs, grant awards for half-day programs will range from \$2,700 to \$5,771 per child.
- A new Charter School Transitional Aid provides \$22.51 million for fifteen qualifying school districts that are currently impacted by a concentration of charter schools. In addition, the enacted budget provides for an increase in the charter school cap from 100 to 200. Up to 50 schools will be in New York City.

There is also a new requirement for the State Education Department to notify a school district of a newly approved charter school in their district prior to adoption of their local school budget.

- For the 2007-08 school year, funding of \$1,768.00 million, an increase of \$35.87 million, or 2.07 percent, is provided for Building Aid including Reorganization Incentive Building Aid. Only those projects for which a construction contract has been signed and notification received by the State Education Department by November 15, 2006 will receive funding in 2007-08. Projects for which notification was received by the State Education Department after such date are eligible for Building Aid in 2008-09.
- In addition to Building Aid, for the 2007-08 school year, \$112.00 million, including \$94.00 for New York City, is

available for payment of EXCEL-related debt service.² EXCEL provides school districts with grants to support school construction costs that are associated with increasing school capacity as a result of overcrowded classrooms, and projects related to improving energy use and public health and safety.

- An increase of \$81.42 million, for a total of \$1,423.62 million, is provided for expense-based Transportation Aid to reimburse school districts for the cost of transporting 2.3 million students statewide. Statewide, up to \$5.00 million continues to be available for reimbursement of district operated summer school transportation expenses.
- Reflective of existing statutory formula calculations, High Cost Excess Cost Aid for the 2007-08 school year will decrease by -\$22.29 million. Excess Cost Aid for private school special education programs will increase by \$2.72 million.
- A total of \$3.96 million, an increase of \$1.13 million, is provided for Full-Day Kindergarten Conversion Aid.
- The existing statutory formula will provide a total of \$46.64 million, an increase of \$0.68 million, for Computer Software Aid.
- Reflective of enacted formula changes which allow additional support for nonpublic pupils, Computer Hardware Aid will increase by \$8.54 million. Beginning in 2007-08, public school districts must loan computer hardware and equipment to nonpublic school students.
- Enacted increases provide additional per pupil funding for Textbook and Library Materials Aids. The formula for expense-based Textbook Aid provides \$186.16 million in funding for the 2007-08 school year. For 2007-08, Library Materials Aid totals \$19.78 million.
- Aid for BOCES services totals \$627.65 million, an increase of \$44.65 million, or 7.66 percent.
- For the 2007-08 school year, reflective of existing statutory calculations and school district reported expenditures, \$130.72 million, a decrease of -\$5.21

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

million, is available for Special Services Aid for career education programs and school computer services. This aid is provided to both Big Five City school districts and other districts that are not components of BOCES.

- A \$99.99 million two-tier High Tax Aid provides funding to eligible districts statewide. Districts eligible for Tier 1 Aid are those within counties where the countywide tax levy from residential property exceeds 4.2 percent of the overall adjusted gross income. Individual districts in counties where the Foundation Aid regional cost index exceeds 1.30 are eligible for Tier 2 Aid provided that the district's tax levy from residential property exceeds 4.0 percent of its adjusted gross income. Such schools must not be recipients of Tier 1 aid.
- Funding is continued for the Bilingual Grants categorical aid program (\$11.80 million).
- For the 2007-08 school year, a total of \$75.00 million is provided for funding for programs to attract, retain and support teachers. The "Teachers of Tomorrow" initiative will be maintained at \$25.00 million. The Teacher-Mentor Intern program will total \$10.00 million, an increase of \$4.00 million, and funding for Teacher Centers will increase by \$3.00 million to a total of \$40.00 million.
- A total of \$10.00 million is provided for Math and Science Initiatives targeted at increasing the supply of qualified math and science teachers in schools across the State and to recognize and reward talented middle school students in these subject areas.
- Funding of \$13.84 million is continued to support school health services in the Big Four City school districts.
- A new Community Schools Pilot program is located within the Rochester City School District. For the 2007-08 school year, \$4.00 million is available for a consortium of community organizations to promote the efficient delivery of integrated services and family support.
- For the 2007-08 school year, New York City will receive a \$88.89 million Academic Achievement grant.
- In support of its court-ordered education improvement plan, the Yonkers City school district will receive a \$8.50 Supplemental Educational Improvement Plan Grant.

- For the 2007-08 school year, Supplemental Public Excess Cost Aid will provide \$20.82 million statewide. Aid is provided to districts that would have received 2007-08 school year aid increases under the previous Public Excess Cost Aid formula which (except for the High Cost Aid component) is one of the approximately 30 aids replaced by Foundation Aid.
- A total of \$45.09 million is provided for Fiscal Stabilization Grants, representing an increase of \$0.95 million.

2007-08 SCHOOL AID PROGRAMS

For the 2007-08 school year, the enacted 2007-08 State Budget includes a \$13.64 billion Foundation Aid program, a \$437.91 million Universal Prekindergarten Aid program and several other new or enhanced aid categories. These and other aid provisions for the 2007-08 school year are described in greater detail below.

A. GENERAL SUPPORT FOR PUBLIC SCHOOLS

The enacted school aid program will increase the aids comprising General Support for Public Schools (GSPS) by \$1,764.97 million, from \$17,879.06 million in 2006-07 to \$19,644.03 million in the 2007-08 school year, an increase of 9.87 percent.

Formula-based aids including Building Aids and Supplemental Public Excess Cost Aid will increase by \$1,735.98 million, or 9.90 percent, to \$19,273.63 million. Grant programs including Fiscal Stabilization Grants increase by \$28.99 million.

FORMULA-BASED AIDS

Foundation Aid³: For 2007-08, school districts statewide will receive \$13,640.05 million in Foundation Aid - an increase of \$1,106.65 million. Funds are allocated based on enrollment rather than attendance and provide aid for children placed at risk by poverty or limited English proficiency. Under the Foundation Aid program, approximately 30 current categories of school aid are consolidated⁴. For the calculation of 2007-08 Foundation Aid, consolidated base-year aids include:

³ For Contract for Excellence and school improvement initiatives included in the 2007-08 enacted budget, see page 21 of this booklet.

⁴ In addition to the base-year aids, the following aids are also eliminated: Comprehensive Operating Aid, Educationally Related Support Services Aid,

Flex Aid
 Sound Basic Education Aid
 Supplemental Extraordinary
 Needs Aid
 Class Size Reduction
 Growth Aid
 Limited English Proficiency⁷
 Enrollment Adjustment Aid
 Tax Limitation Aid
 High Tax Aid

Magnet Schools⁵
 Teacher Support Aid
 Reorganization Incentive
 (Operating) Aid⁶
 Small City Aid
 Categorical Reading
 Improving Pupil Performance
 Fort Drum
 Public Excess Cost (w/o High
 Cost)

The increase in Foundation Aid will grow from \$1.1 billion for 2007-08, to \$5.5 billion by 2010-11. School districts are held harmless against losses for aids consolidated within Foundation Aid and all districts will receive a Foundation Aid increase equal to their base year amount plus an increase of at least 3.00 percent. The maximum increase a district may receive is 25.00 percent.

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

I. Computation of Foundation Aid

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

Standard Local Cost of Education	-	Expected Minimum Local Contribution
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OR

Standard Local Cost of Education	x	Adjusted State Sharing Ratio
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Extraordinary Needs Aid, Gifted and Talented Aid, Minor Maintenance and Repair Aid, Formula Operating Aid, Operating Standards Aid, Summer School Aid, Tax Effort Aid, Tax Equalization Aid, Transition Adjustment Factor, and Shared Services Savings Incentive Aid.

⁵ See Chapter 57 of the Laws of 2007, Part B, Section 59-a for Magnet School and Teacher Support Aid setasides included in the 2007-08 enacted budget.

⁶ Reorganization Incentive Operating Aid is included among the 2006-07 base-year aids used for the calculation of 2007-08 Foundation Aid. The 2007-08 enacted budget provides for a new Reorganization Incentive Operating Aid for districts which merge after July 1, 2007.

⁷ A limited English proficiency plan requirement will ensure continuation of services to pupils with limited proficiency in English. (Chapter 57 of the Laws of 2007, Part B, Section 10.)

II. Computation of the Standard Local Cost of Education

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

This is summarized in the formula below:

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

Cost of Successful Schools	=	Average Cost for 465 successful schools based on a Regents' study	=	\$5,258 for the 2007-08 school year (Est. \$5,662 for the 2010-11 school year)
Regional Cost Factor	=	Based on Regents' study of median salaries for 59 non-education related professions	=	From 1.000 (North Country/Mohawk Valley) to 1.425 (NYC/Long Island)
Pupil Need Index	=	Poverty weighting (.65 for free and reduced price lunch pupils + .65 for Census poverty pupils); .50 Limited English proficiency weighting; + Sparsity adjustment	=	Range of 1.0 (minimum) to 2.0 (maximum)

IV. Computation of the Expected Minimum Local Contribution

- Calculates a tax rate that ranges from a minimum of \$10.40 per \$1,000 of full value for low income districts up to a maximum of \$32.00 per \$1,000 of full value for wealthier districts
- Based on the District Tax Base multiplied by the Expected Local Tax Rate

- District Tax Base is the total taxable property value of the district per pupil
- Expected Local Tax Rate is based on local ability to pay, as measured by the district income per child
- Lower income communities would be expected to contribute less and higher income communities would be expected to contribute more
- A district's Expected Minimum Local Contribution is not mandatory

This is summarized in the following formula:

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

Statewide Average School Tax Rate	=	3-year statewide average school tax rate x 90% (i.e., assumed relation between Foundation-related expenditures and total expenditures)	=	.016 (\$16 per \$1,000 full value)
Income Wealth Index	=	District income/Statewide average	=	.65 minimum; 2.0 maximum
District Property Wealth	=	The sum of the taxable full value of real property in a school district/resident pupils		

VI. Computation of the Adjusted State Sharing Ratio

The greatest of:			
Adjusted State Sharing Ratio	=	1.37 - (1.230 x CWR) ⁸	The maximum ratio is .90
		1.00 - (0.640 x CWR)	
		0.80 - (0.390 x CWR)	
		0.51 - (0.173 x CWR)	

⁸ For a description of the Combined Wealth Ratio (CWR) see Appendix III-A.

Foundation Aid Plan and Setaside Requirements⁹: For districts receiving Foundation Aid, a limited English proficiency plan requirement will ensure continuation of services to pupils with limited proficiency in English. A setaside requirement is also provided for public school programs for children with disabilities. In addition, the 2007-08 enacted budget includes a \$170.30 million Magnet School and a \$67.48 million Teacher Support Aid setaside requirement for selected districts. New York City must set aside an amount from its Foundation Aid that is equal to its base year funding for programs for attendance improvement and dropout prevention.

Public Excess Cost High Cost Aid: Public Excess Cost High Cost Aid will continue to be calculated based on the existing statutory formula and will total \$382.17 million in 2007-08, a decrease of -\$22.29 million. This program supports the additional costs of providing resource-intensive public school programs for students with disabilities.

Private Excess Cost Aid: This program supports special education programs serving public school children placed in private school settings and in the State-operated schools at Rome and Batavia. All existing provisions of law are continued. State funding in 2007-08 will total \$234.88 million, an increase of \$2.72 million.

Charter School Transitional Aid: For the 2007-08 school year, \$22.51 million is available for aid for 15 qualifying districts currently impacted by a concentration of charter schools. Formula elements target aid to districts based on the percentage of resident pupils enrolled in charter schools and the percentage of payments made to charter schools compared to a district's total general fund expenditures.

In addition, the enacted budget provides for an increase in the charter school cap from 100 to 200. Up to 50 schools will be in New York City.

The enacted budget requires each charter school to make "good faith efforts" to attract and retain proportions of limited English proficient students and students with disabilities on par with those of the district in which it is located. There is also a new requirement for the State Education Department to notify a school district of a newly approved charter school in their district prior to adoption of their local school budget.

In a district with base year charter school attendance greater than 5 percent of district enrollment, new charter

⁹ Chapter 57, Laws of 2007, Part B, Sections 10 and 59-a as well as Education Law, Section 3602 (4)(c).

school applicants must either be approved by the school district or the applicant demonstrate that granting the application will have a significant educational benefit to the students expected to attend the charter school.

BOCES Aid: School districts that are components of a BOCES (Board of Cooperative Educational Services) are eligible for BOCES Aid. BOCES provide services upon the request of two or more component school districts with the approval of the Commissioner of Education. Aid is provided for approved service costs, administrative expenditures, and facility rental and construction costs. For 2007-08, aid to reimburse districts for expenditures for BOCES services in the 2006-07 school year will total \$627.65 million, an increase of \$44.65 million.

Special Services Aid: Special Services Aid funds career education programs and computer services for Big Five City and other school districts which are not components of a BOCES. The career education aid ceiling for 2007-08 is continued at \$3,900. Computer services aid is based upon an aid ratio multiplied by expenses up to \$62.30 multiplied by the district's K-12 enrollment. Reflective of existing statutory calculations and school district reported expenditures, for 2007-08, this aid will total \$130.72 million, a decrease of -\$5.21 million.

Transportation Aid: Transportation Aid will total \$1,423.62 million in 2007-08, an increase of \$81.42 million compared to the previous year. The minimum aid ratio for Transportation Aid continues to be 6.5 percent (dependent on district wealth, aid will range from 6.5 percent to 90 percent of a district's approved transportation expenses). The aid ratio choice permitting school districts to receive aid based on public and nonpublic enrollments is continued and will benefit districts transporting large numbers of nonpublic school students. Districts will be eligible for reimbursement for capital expenditures based on the assumed useful life of the asset. District expenditures for transportation to and from school district operated summer classes to improve student performance will be aided up to a maximum of \$5.00 million statewide.

Textbook, Library Materials and Computer Hardware Aids: For the 2007-08 school year, the enacted Budget includes enhanced per pupil funding for Textbook, Library Materials and Computer Hardware Aid. 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 is increased to \$43.25 per pupil, for a combined maximum textbook aid payment of \$58.25 per pupil. Under the enacted formula, this aid will total \$186.16 million in 2007-08, an increase of \$0.66 million.

- Library Materials Aid: Beginning with the 2007-08 school year, districts are reimbursed for expenses up to \$6.25 per pupil based on public and nonpublic school enrollment. For 2007-08, Library Materials Aid will total \$19.78 million, an increase of \$0.57 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.
- Instructional Computer Hardware and Technology Equipment Aid: This aid category provides reimbursement for expenses up to \$24.20 per pupil for the lease or purchase of mini- and micro-computers, computer terminals and technology equipment for instructional purposes, as well as for repair costs and for staff development. Beginning in 2007-08, per pupil aid is based on public and nonpublic pupils. Public school districts must now loan computer hardware and equipment to nonpublic school students. For the 2007-08 school year, funding of \$37.38 million, an increase of \$8.54 million, is provided.
- Computer Software Aid: Under this program, aid is apportioned to districts for the purchase and loan of computer software. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to the Rules of the Board of Regents. For the 2007-08 school year, districts will be reimbursed for expenses up to \$14.98 per pupil based on public and nonpublic school enrollment. For 2007-08, Computer Software Aid will total \$46.64 million, an increase of \$0.68 million.

Universal Prekindergarten Aid: The 2007-08 Enacted Budget provides \$437.91 million, an increase of \$145.88 million, compared to the combined amounts for the 2006-07 Universal Prekindergarten, Supplemental Prekindergarten and Targeted Prekindergarten programs. The grant per child for half-day programs is based on a district's Selected Foundation Aid per pupil. Districts will receive 50 percent of their Selected Foundation Aid per pupil or their 2006-07 State prekindergarten amount. Reflective of district wealth and pupil needs, grant awards for half-day programs will range from \$2,700 to \$5,771 per child.

Full-Day K Conversion Aid: This aid category provides funding to encourage school districts to establish full-day kindergarten programs intended to strengthen the quality of education for five-year-old children. School districts first offering full-day kindergarten programs in 2007-08 will receive current year Foundation Aid for any increase in the number of students served in full-day programs in 2007-08 compared to 2006-07. For 2007-08, a total of \$3.96 million, an increase of \$1.13 million, is provided for this program. An additional, \$2.00 million is available for Full-Day Kindergarten Planning Grants.

High Tax Aid: This two-tier aid category provides a total of \$99.99 million to eligible school districts statewide. Districts may receive either Tier 1 or Tier 2 Aid. Tier 1 High Tax Aid is available to school districts within counties where the countywide total of school taxes levied on residential property exceeds 4.2 percent of the overall adjusted gross income. The High Tax Aid total also includes funding for districts in counties where the Foundation Aid regional cost index exceeds 1.30 is provided when a district's school taxes levied on residential property exceeds 4.0 percent of its adjusted gross income. Such districts must not be recipients of Tier 1 aid.

Education Grants: For the 2007-08 school year, New York City will receive a \$88.89 million Academic Achievement grant. In support of its court-ordered education improvement plan, the Yonkers City school district will receive a \$8.50 Supplemental Educational Improvement Plan Grant.

Building/Reorganization Incentive Building Aid: For 2007-08, Building Aid to support school building projects throughout the State (including Reorganization Incentive Aid for building expenses incurred by those school districts that reorganize under section 3602 of the Education Law) will total \$1,768.00 million, an increase of \$35.87 million. Projects receive aid based on the date of approval by voters with Building Aid based on the greater of their current year AV/RWADA aid ratio or their 1999-00 Building Aid ratio reduced by 10 percentage points. An additional enrichment of up to 10 percent is provided for projects approved July 1, 1998 and thereafter.

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

For projects for which a contract is signed July 1, 2004 or later, the 2005-06 Enacted Budget included changes to the Building Aid formula that address increased costs specific to New York City. These are continued in 2007-08. The New York City cost allowance will include legitimate extraordinary costs related to:

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

Additionally, payment for new construction projects otherwise eligible for aid is deferred in instances in which the school district did not file a notice that a general construction contract has been signed with the Commissioner of Education by the November 15, 2006 database.

EXCEL Building Aid¹⁰: A total of \$112.00 million in aid for EXCEL Building Aid debt service payments, including \$94.00 million for New York City, is available for the 2007-08 school year. EXCEL provides school districts with grants to support school construction costs that are associated with increasing school capacity as a result of overcrowded classrooms, and projects related to improving energy use and public health and safety.

Supplemental Public Excess Cost Aid: For the 2007-08 school year, this aid category will provide \$20.82 million to districts statewide. Public Excess Cost Aid, not including the High Cost component, is one of approximately 30 current categories of school aid consolidated into Foundation Aid. Supplemental Public Excess Cost Aid is provided to districts that will receive 2007-08 school year aid increase under this aid over 2006-07 Public Excess Cost Aid minus 2007-08 Foundation Aid less 103 percent of the Foundation Aid base-year amount.

¹⁰ The enacted 2006-07 State budget included \$2.60 billion for school construction through bonds issued by the State Dormitory Authority for the EXCEL (Expanding our Children's Education and Learning) program. New York City will receive up to \$1.80 billion in EXCEL grants. An additional \$400 million in EXCEL funding will be available for the State's high need school districts with the remaining \$400 million in EXCEL funding allocated to fund projects in average and low need districts.

GRANT PROGRAMS AND OTHER AID CATEGORIES

Teachers of Tomorrow: For 2007-08, \$25.00 million is continued for incentives such as awards and stipends to retain and attract teachers into New York's classrooms, particularly in areas where teacher shortages exist. Of available funds, up to \$15.00 million, or 60 percent, will go to New York City.

Teacher Resource and Computer Training Centers: General Support for Public Schools funding is available to support a \$40.00 million program in the 2007-08 school year, an increase of \$3.00 million. This allocation will support over 120 Centers statewide which provide services to teachers in school districts and BOCES.

Teacher-Mentor Intern: Under this program \$10.00 million, an increase of \$4.00 million in General Support for Public Schools funding, will be available to support school-year programs through which new teachers work with an experienced teacher as their mentor.

Math and Science Initiatives: This \$10.00 million program is targeted at increasing the supply of qualified math and science teachers in schools across the State and to recognize and reward talented middle school students in these areas.

School Health Services: For the 2007-08 school year, \$13.84 million in funding is continued to provide necessary health services to students in the Big Four City school districts.

Full-Day Kindergarten Planning Grants: For the 2007-08 school year, Full-Day Kindergarten Planning Grants will be funded at \$2.00 million.

Rochester Community Schools Pilot: For the 2007-08 school year, \$4.00 million is provided for this pilot program located in the Rochester City School District. This funding will support efforts by a consortium of community organizations to promote the efficient delivery of integrated services and family support.

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

2007-08 school year, the same amount as in 2006-07. Approved claims above such amount will be subject to proration. Up to \$2.50 million of the 2007-08 school year total will be available for services to individuals age 21 or older who possess a high school or equivalency diploma but who fail to demonstrate basic educational competencies.

Urban-Suburban Transfer: A total of \$1.13 million, the same as in 2006-07, will be provided in 2007-08 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 pupil¹¹ from the district's State aid. The net cost of aid for homeless pupils is estimated at \$6.48 million, the same amount as in 2006-07.

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

Bilingual Education Grants: In 2007-08, \$11.80 million in funding is continued for regional bilingual programs at BOCES and to support innovative Two-Way Bilingual Education Programs. Such programs employ two languages (one of which is English) for the purpose of instruction and involve students whose native language is other than English.

Education of OMH/OMR Pupils: A total of \$54.60 million, an increase of \$2.60 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

¹¹ A district's basic contribution per pupil is equal to its total base-year property and non-property taxes divided by the base-year public school resident enrollment.

Education Law. Aid is also provided for children who reside in intermediate care facilities for the mentally retarded who receive educational services pursuant to Chapter 721 of the Laws of 1979.

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

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

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

Education of Native Americans: A total of \$34.20 million for the 2007-08 school year, an increase of \$2.20 million, is provided for the full cost of elementary and secondary education (including transportation expenses) for Native American children as authorized by Article 83 of the Education Law. The program benefits approximately 2,500 children living on 9 reservations and educated in 3 reservation schools, 13 public school districts and 4 BOCES.

Fiscal Stabilization Grants: The 2007-08 enacted Budget includes \$45.09 million in fiscal stabilization grants. This represents an increase of \$0.95 million over 2006-07 levels.

B. OTHER STATE AID PROGRAMS

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

Basic Education for Public Assistance Recipients: For 2007-08, \$2.00 million is continued for basic education programs including reading, mathematics, and life skills offered to public assistance recipients 16 years of age or older who have a reading level below the ninth grade.

Children of Migrant Workers: A total of \$90,000, the same as for 2006-07, is provided to school districts supplementing Federal funds used to develop educational programs for the children of migrant farm workers.

Adult Literacy Education: For 2007-08, an appropriation of \$7.32 million, an increase of \$3.00 million, is provided for a program of adult literacy consisting of competitive grants to community-based organizations, literacy volunteer organizations, and two- and four-year colleges and libraries.

Targeted Prekindergarten Program: A total of \$25.10 million is allocated for the remaining 2006-07 school year payments.

New York State Center for School Safety: For 2007-08 \$475,000, the same as last year, is made available through the New York State Center for School Safety to disseminate information and provide training and technical assistance on violence prevention to schools and communities.

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

Lunch/Breakfast Programs: A total of \$31.70 million in State funds, the same amount as last year, including support for additional expenses of school breakfast programs for schools with extraordinary needs, is provided to subsidize school lunch and school breakfast programs. The Federal share of the School Lunch and Breakfast Program under the Food and Nutrition Fund will equal \$726.77 million for the 2007-08 Federal fiscal year.

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

Primary Mental Health Project: A total of \$970,000 is continued in 2007-08 for State support of school-based programs for the early detection and prevention of school adjustment and learning problems experienced by children in the primary grades.

Transferring Success: For 2007-08, an appropriation of \$629,800, the same as last year, is provided for this program, which seeks to validate and support the replication of exemplary education programs.

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

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

Apprenticeship Training: For 2007-08, \$1.83 million is continued to provide funding to local education agencies for apprenticeship training programs pursuant to a formula contained in section 3610 of the Education Law.

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

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

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

Academic Intervention for Nonpublic Schools: A total of \$1.00 million, the same as in 2006-07, supports a program of academic intervention services to enhance the educational performance of students attending nonpublic schools.

Nonpublic School Aid: A total of \$127.40 million, an increase of \$39.90 million, is provided to reimburse the actual expenses incurred by nonpublic schools for specified State testing and data-collection activities, pursuant to the provisions of Chapters 507 and 508 of the Laws of 1974.

Private Schools for the Blind and Deaf: A total of \$118.10 million, an increase of \$7.00 million is provided, under Article 85 of the Education Law, for allowances to eight private schools for the deaf, two private schools for the blind, and the Henry Viscardi School for children with multiple disabilities.

Preschool Special Education: Pursuant to section 4410 of the Education Law, \$663.10 million, an increase of \$28.10 million, is provided for the State's 59.5 percent share of the costs of education for three- and four-year old children with disabilities. Similar to 2006-07, prior year claims on file with the State Education Department as of April 1, 2007 will receive priority treatment. Any remaining claims for which there is

insufficient appropriation authority to pay in 2007-08 will receive priority status for payment in 2008-09.

The 2007-08 Enacted Budget establishes a Taskforce¹² on Preschool Special Education to study ways of improving early education for children with special needs and to examine all aspects of preschool special education including the transition between early childhood programs and elementary school. The Task Force will compare New York's preschool special education programs with those in other states to help develop a set of best practices for cost-effective delivery of services that help children with disabilities prepare for school. The Taskforce is comprised of representatives of school districts, preschool providers, counties and appropriate State agencies.

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

Center for Autism and Related Services: For 2007-08, a total of \$1,000,000 in State funds, an increase of \$500,000, is provided to this SUNY-affiliated resource center that provides evidence-based training and support to families, professionals, school districts and peers of people with autism and related disabilities. This State support is supplemented by \$500,000 in funding through Federal Individuals with Disabilities Education Act (IDEA) resources for a total of \$1.50 million.

Special Education - Federal Medicaid Recovery: For the 2007-08 State fiscal year, the Enacted Budget includes a \$100.00 million offset to State special education costs based on recovery of Federal Medicaid funds for medically related services provided to eligible children in special education programs.

Targeted Special Education Teacher Salary Supplement: A total of \$4.0 million, an increase of \$2.0 million, is provided in 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.

¹² Chapter 57 of the Laws of 2007, Part B, Section 59.

Summer Food Program: A total of \$3.30 million in State funds, the same as last year, is appropriated to subsidize summer food service programs operating during the 2007-08 school year.

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

National Board for Professional Teaching Standards Certification: For the 2007-08 school year, \$500,000 is continued to fund grants for teachers of up to \$2,500 toward the cost of certification by the National Board for Professional Teaching Standards.¹³

Advances to Hurd City School Districts: A total of \$4,343,400 in loan funds (Hurd advances) is appropriated in 2007-08 for city school districts first eligible to receive loans pursuant to Chapter 280 of the Laws of 1978. Commencing with 1992-93, pursuant to Chapter 280 of the Laws of 1978 as amended by Chapter 53 of the Laws of 1991, district advances are being reduced by 5 percent per year, until no advances are made in the 2011-12 school year.

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 2007-08 State fiscal year. These programs total \$25,345,000.

¹³ In the 2006-07 State Budget, district-specific or school-specific appropriations added by the Legislature totaled \$81,456,250. Included within this amount was school year funding of \$500,000 for the National Board for Professional Teaching Standards Certification.

OTHER INITIATIVES

Contracts for Excellence¹⁴: The new 2007-08 Foundation Aid funding is being tied to significant accountability measures. School districts receiving Foundation Aid increases of greater than 10 percent or \$15 million, or a district that receives a supplemental educational improvement plan grant, and that includes at least one school with substandard performance will be required to develop a "Contract for Excellence" which will commit school officials to demonstrate that funds are spent to produce measurable results in student outcomes. These techniques include smaller class sizes, increased student time on task, full-day kindergarten or prekindergarten, teacher quality initiatives, and middle school and high school restructuring.

For the 2007-08 school year, 56 school districts, including New York City, must complete a Contract for Excellence to be submitted to the Commissioner of Education for approval. In New York City, the Contract must include a plan to reduce average class sizes within five years including class size reduction for low performing and overcrowded schools. Methods to be used to reduce class sizes can include the creation or construction of additional classrooms and school buildings or the placement of more than one teacher in a classroom.

For the 2007-08 school year, school districts must solicit public comment on their Contracts for Excellence. Beginning in 2008-09, a district's Contract must be developed through a public process in consultation with parents, teachers, administrators or distinguished educators.

A district's Contract for Excellence must include all federal, State or local funding sources and must indicate the district's instructional expenditures per pupil, the special education expenditures per pupil, and both total expenditures per pupil projected for the current year and those actually incurred in the base year. Additionally, the school district audit report by an independent certified public accountant, an independent accountant or the comptroller of the city of New York must include a certification that the increases provided in Foundation Aid and supplemental educational improvement plan grants have been used to supplement, and not supplant, funds allocated by the district in the base year.

¹⁴ Chapter 57 of the Laws of 2007, Part A, Section 12.

Maintenance of Effort¹⁵: The enacted budget establishes a "maintenance of effort" requirement for Buffalo, Rochester, Syracuse and Yonkers to ensure that additional State funds supplement rather than replace current school district spending.

School Improvement Measures¹⁶: The enacted 2007-08 State budget provides for accountability measures that include development by the Regents of improvement targets for individual schools and school districts, including State assessments and graduation rates, by July 2008. The Regents also will provide a student progress report that gives parents information about their child's educational progress over multiple years of testing and by July 2010 will establish a system to provide cumulative achievement measures based on data about each student's progress.

Superintendents, principals, and teachers with a strong educational performance will be recognized and encouraged to assist low performing school districts. The Schools Under Registration Review program will be expanded to increase the number of schools required to implement a reorganization plan and funding will be provided to encourage districts to voluntarily participate in School District Efficiency Reviews.

State Education Department: The enacted 2007-08 State budget provides additional funding for the State Education Department to implement the new accountability and school improvement programs.

Property Tax Relief¹⁷: the enacted State budget includes an expanded property tax relief program that targets its benefits to middle income homeowners. The new program, adds income considerations to the distribution of property tax relief provided through the School Tax Relief (STAR) program.

For the 2007-08 fiscal year \$1.3 billion in property tax relief is provided by increasing the current STAR program with an additional benefit for middle-class taxpayers and increased benefits for seniors. STAR will increase by \$1.8 billion in 2008-09 and \$2.3 billion in 2009-10 for a three-year cumulative

¹⁵ Chapter 57 of the Laws of 2007, Part B, Sections 8 and 9.

¹⁶ Chapter 57 of the Laws of 2007, Part A, various sections.

¹⁷ Chapter 57 Laws of 2007, Part D-1.

increase of over \$5 billion. The additional benefit will be delivered to taxpayers in the form of a rebate check.

The creation of a new Middle Class STAR program will provide benefits to taxpayers on a sliding scale based on income, with benefits declining as income exceeds \$90,000 for upstate homeowners and \$120,000 for homeowners in the higher cost New York City metropolitan region. The percentage benefit added on a sliding scale basis, for homeowners with income up to \$250,000, will increase over the next three years and the income ranges to which the scale applies will be adjusted to reflect income growth during the period.

Upstate residents with incomes of \$90,000 or less will receive a 60 percent additional benefit in 2007-08, a 10 percent additional benefit in 2008-09 and a 10 percent additional benefit in 2009-10. The middle class benefit to be provided through a rebate check is in addition to the Basic STAR benefit provided in the form of a reduction in the homeowner's property tax bill. More than 94 percent of all homeowners across New York State will receive additional tax relief under the Middle Class STAR program, with 79 percent of homeowners qualifying for the maximum benefit.

The average Basic STAR savings upstate was \$640 in 2006-07. For a family with income of \$90,000 or less, the STAR benefit will grow by \$384, as a result of the Middle Class STAR program, to a total STAR benefit of \$1,024 in 2007-08. In the downstate counties outside of New York City, where property values and taxes are considerably higher, the average Basic STAR savings was \$1,082 in 2006-07. For a family with income of \$120,000 or less, as a result of the Middle Class STAR program, this benefit will increase by \$649 to a total STAR benefit of \$1,731 in 2007-08.

In New York City, in addition to a middle class supplement for those receiving Basic STAR benefits, relief will be increased for all residents paying personal income tax with income of \$250,000 or less. Married individuals filing joint returns will be eligible for a refundable credit of \$290, up from \$230 last year. All others will be eligible for a credit of \$145, up from \$115 last year.

The enacted budget increases the Enhanced STAR benefit for seniors by 25 percent and make the cost of living adjustment for the Senior STAR program permanent.

II

SUMMARY OF 2007-08 SCHOOL YEAR/FISCAL YEAR APPROPRIATIONS

School Year/Fiscal Year Impact

There are two time frames to consider when discussing 2007-08 New York State aid programs relating to support for public schools: the 2007-08 school year which runs from July 1, 2007 through June 30, 2008; and the 2007-08 State fiscal year which runs from April 1, 2007 through March 31, 2008. Tables in this section summarize: the school year and State fiscal year State-funded appropriations for General Support for Public Schools and the 2006-07 and 2007-08 State fiscal year appropriations from the General Fund and Lottery Fund.

- Table II-A shows the school year changes for aid programs funded within the General Support for Public Schools appropriations for 2007-08. Formula-based aids including Building Aids and Supplemental Public Excess Cost Aid increase by 9.90 percent
- Table II-B gives the 2006-07 and 2007-08 State fiscal year appropriations from the General Fund, School Tax Relief Fund, and Lottery Fund.

TABLE II-A
SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS
— 2006-07 AND 2007-08 SCHOOL YEARS — NEW YORK STATE

AID CATEGORY	2006-07 School Year	2007-08 School Year	Change	% Change
(— Amounts in Millions —)				
I. Formula-Based Aids:				
Flex Aid	\$8,587.42	\$0.00	(\$8,587.42)	(100.00) %
Excess Cost - Public	2,215.73	0.00	(2,215.73)	(100.00)
Sound Basic Education Aid	699.85	0.00	(699.85)	(100.00)
Supplemental ENA	136.51	0.00	(136.51)	(100.00)
Limited English Proficiency	20.86	0.00	(20.86)	(100.00)
Class Size Reduction	139.60	0.00	(139.60)	(100.00)
Growth Aid	8.73	0.00	(8.73)	(100.00)
Enrollment Adjustment	27.12	0.00	(27.12)	(100.00)
Reorganization Incentive (Operating)	12.85	0.00	(12.85)	(100.00)
Tax Limitation Aid	211.31	0.00	(211.31)	(100.00)
High Tax	19.97	0.00	(19.97)	(100.00)
Teacher Support Aid	67.48	0.00	(67.48)	(100.00)
Magnet Schools	170.30	0.00	(170.30)	(100.00)
Categorical Reading	63.95	0.00	(63.95)	(100.00)
Improving Pupil Performance	66.35	0.00	(66.35)	(100.00)
Aid to Small City School Districts	81.88	0.00	(81.88)	(100.00)
Fort Drum	3.49	0.00	(3.49)	(100.00)
Foundation Aid	0.00	13,640.05	13,640.05	NA
Foundation Aid Total	\$12,533.40	\$13,640.05	\$1,106.65	8.83 %
Excess Cost - High Cost	404.46	382.17	(22.29)	(5.51)
Excess Cost - Private	232.16	234.88	2.72	1.17
Textbooks (Incl. Lottery)	185.50	186.16	0.66	0.36
Computer Hardware	28.84	37.38	8.54	29.61
Computer Software	45.96	46.64	0.68	1.48
Library Materials	19.21	19.78	0.57	2.97
BOCES	583.00	627.65	44.65	7.66
Special Services (Career Ed./Computer Admin.)	135.93	130.72	(5.21)	(3.83)
Transportation (Including Summer)	1,342.20	1,423.62	81.42	6.07
High Tax	0.00	99.99	99.99	NA
Universal Prekindergarten	292.03	437.91	145.88	49.95
Education Grants	0.00	97.39	97.39	NA
Charter School Transitional Aid	0.00	22.51	22.51	NA
Full-Day Kindergarten	2.83	3.96	1.13	39.93
Formula-Based Aids Total	\$15,805.52	\$17,390.81	\$1,585.29	10.03 %
EXCEL Building Aid - New York City	0.00	94.00	94.00	NA
Building/Reorganization Building	1,732.13	1,768.00	35.87	2.07
Supplemental Public Excess Cost	0.00	20.82	20.82	NA
	1,732.13	1,882.82	150.69	8.70
Total Formula-Based and Other Aids	\$17,537.65	\$19,273.63	\$1,735.98	9.90 %
II. Grant Programs and Other Aid Categories:				
EXCEL Building Aid - Rest of State	0.00	18.00	18.00	NA
Full-Day K Planning Grants	0.00	2.00	2.00	NA
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher Centers	37.00	40.00	3.00	8.11
Teacher-Mentor Intern	6.00	10.00	4.00	66.67
Math and Science Initiatives	10.00	10.00	0.00	0.00
Rochester Community Schools Pilot	0.00	4.00	4.00	NA
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	6.00	6.00	0.00	0.00
Urban-Suburban Transfer	1.13	1.13	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	6.48	6.48	0.00	0.00
Incarcerated Youth	16.50	16.50	0.00	0.00
Bilingual	11.80	11.80	0.00	0.00
Education of OMH/OMR Pupils	52.00	54.60	2.60	5.00
Special School Districts	2.20	2.20	0.00	0.00
Chargebacks	(33.05)	(33.31)	(0.26)	0.79
BOCES Aid for Special Act Districts	0.68	0.68	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	10.00	2.50	(7.50)	(75.00)
Native American Education	32.00	34.20	2.20	6.88
Bus Driver Safety	0.40	0.40	0.00	0.00
	297.27	325.31	28.04	9.43
SCHOOL YEAR TOTAL	\$17,834.92	\$19,598.94	\$1,764.02	9.89 %
Fiscal Stabilization Grants	44.14	45.09	0.95	2.15
TOTAL	\$17,879.06	\$19,644.03	\$1,764.97	9.87 %

Source: Education Department computer runs of March 2007.

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

State Education Department Aid to Localities Appropriation	2006-07	2007-08	Change	
			Amount	Percent %
School Aid and STAR	\$21,883,177,000	\$23,933,847,000	\$2,250,670,000	10.38 %
General Support for Public Schools	13,694,991,000	15,294,394,000	1,599,403,000	11.68
New York City Academic Achievement Grants	0	82,220,000		
Additional 2007-08 Computer Hardware Aid	0	6,225,000		
BOCES	544,726,000	590,177,000	45,451,000	8.34
Magnet Schools	96,318,000	0	(96,318,000)	(100.00)
Employment Preparation Education	98,000,000	96,000,000	0	0.00
Small City School Districts	57,314,000	0	(57,314,000)	(100.00)
Improving Pupil Performance	46,445,000	0	(46,445,000)	(100.00)
Categorical Reading	44,765,000	0	(44,765,000)	(100.00)
	14,580,559,000	16,049,016,000	1,468,457,000	10.07
Homeless Pupils	4,533,000	4,533,000	0	0.00
Bilingual Grants	8,140,000	8,050,000	(90,000)	(1.11)
Learning Technology	2,300,000	2,300,000	0	0.00
Urban-Suburban Transfer	791,000	791,000	0	0.00
Native American Building	1,750,000	1,750,000	0	0.00
Incarcerated Youth	11,550,000	11,550,000	0	0.00
Fort Drum	2,100,000	0	(2,100,000)	(100.00)
Education of OMH/OMR Pupils	23,800,000	38,220,000	14,420,000	60.59
Special Act Districts	1,540,000	1,540,000	0	0.00
Bus Driver Training	280,000	280,000	0	0.00
Tuition Adjustment	823,000	0	(823,000)	(100.00)
Shared Services Incentive	140,000	0	(140,000)	(100.00)
Full-Day K Planning Grants	0	1,400,000	1,400,000	NA
Math and Science Initiatives	0	7,000,000	7,000,000	NA
Rochester Community Schools Pilot Program	0	2,800,000	2,800,000	NA
Supplemental Educational Improvement Plan Grants	0	5,950,000	5,950,000	NA
Teachers of Tomorrow	0	17,500,000	17,500,000	NA
Teacher-Mentor Intern	1,400,000	7,000,000	5,600,000	400.00
Teacher Resource Center	7,231,000	28,000,000	20,769,000	287.22
Teacher Support Aid	47,236,000	0	(47,236,000)	(100.00)
	113,614,000	138,664,000	25,050,000	22.05
Special Academic Improvement Grants	4,200,000	4,200,000	0	0.00
Education of Native Americans	21,000,000	23,940,000	2,940,000	14.00
Fiscal Stabilization Grants	44,136,000	45,094,000	958,000	2.17
School Health Services Grants Including Addtl Rochester and Buffalo Grants	9,688,000	9,688,000	0	0.00
	79,024,000	82,922,000	3,898,000	4.93
Total General Fund	14,773,197,000	16,270,602,000	1,497,405,000	10.14
STAR: School Tax Relief Fund	4,288,000,000	4,888,000,000	600,000,000	13.99
Lottery - Education	2,034,480,000	2,215,105,000	180,625,000	8.88
Lottery - Sound Basic Education Aid	587,500,000	210,000,000	(377,500,000)	(64.26)
Lottery - Video Lottery Aid	0	350,140,000	350,140,000	NA
Other Public Elementary and Secondary Education Programs	\$368,821,600	\$319,521,600	(\$49,300,000)	(13.37) %
Targeted Prekindergarten	50,200,000	25,100,000	(25,100,000)	(50.00)
Children of Migrant Workers	90,000	90,000	0	0.00
Transferring Success	629,800	629,800	0	0.00
Adult Basic Education	2,000,000	2,000,000	0	0.00
Adult Literacy Education	4,324,700	7,324,700	3,000,000	69.37
Workplace Literacy	1,376,100	1,376,100	0	0.00
Apprenticeship Training	1,830,000	1,830,000	0	0.00
Lunch/Breakfast Programs	31,700,000	31,700,000	0	0.00
Education of Native Americans and Remaining 2005-06 Payments	6,700,000 (a)	0	(6,700,000)	(100.00)
Nonpublic School Aid	87,500,000	127,400,000	39,900,000	45.60
New York State Center for School Safety	475,000	475,000	0	0.00
Civility, Citizenship and Character Education Curriculum	475,000	475,000	0	0.00
Health Education Program	750,000	750,000	0	0.00
Academic Intervention for Nonpublic Schools	1,000,000	1,000,000	0	0.00
Extended School Day/School Violence Prevention	30,200,000	30,200,000	0	0.00
Schools Under Registration Review	1,900,000	1,900,000	0	0.00
Primary Mental Health Project	970,000	970,000	0	0.00
Summer Food Program	3,300,000	3,300,000	0	0.00
Consortium for Worker Education	11,500,000	11,500,000	0	0.00
Charter School Start Up Grants	6,000,000	6,000,000	0	0.00
New York State Historical Association	180,000	180,000	0	0.00
Rural Education Advisory Council	100,000	175,000	75,000	75.00
College of Saint Rose Lab Renovation	500,000	0	(500,000)	(100.00)
Math and Science High Schools	1,500,000	1,500,000	0	0.00
Hudson Magnet School	280,000	0	(280,000)	(100.00)
Beacon Magnet School	140,000	0	(140,000)	(100.00)
Yonkers Magnet School	14,000,000	0	(14,000,000)	(100.00)
Missing Children	1,000,000	1,000,000	0	0.00

Additional Fort Drum	344,750	0	(344,750)	(100.00)
County Vocational Education and Extension Boards	0	700,000	700,000	NA
Center for Autism and Related Disabilities - SUNY Albany	500,000	1,000,000	500,000	100.00
Teacher Resource & Computer Centers - Remaining 2006-07 Payments	0	8,001,000	8,001,000	NA
Teacher-Mentor Intern - Remaining 2006-07 Payments	0	1,200,000	1,200,000	NA
National Board for Professional Training Standards	0 (b)	500,000	500,000	NA
Grants-in-aid for Certain School Districts	81,456,250 (b)	25,345,000	(56,111,250)	(68.89)
Prior Year Claims/Fiscal Stabilization Grants (a)	25,900,000	25,900,000	0	0.00

Other School Programs	2006-07	2007-08	Change	
			Amount	Percent
	<u>\$804,520,000</u>	<u>\$917,120,000</u>	<u>\$112,600,000</u>	<u>14.00 %</u>
Private Schools for the Blind & Deaf (G.F.)	111,100,000	118,100,000	7,000,000	6.30
Private Schools for the Blind & Deaf (Lott.)	20,000	20,000	0	0.00
Special Education Targeted Adjustment	2,000,000	4,000,000	2,000,000	100.00
Preschool Special Education	635,000,000	663,100,000	28,100,000	4.43
Summer School Handicapped	237,900,000	243,400,000	5,500,000	2.31
Less: Special Education Medicaid Offset	(170,000,000)	(100,000,000)	70,000,000	(41.18)
Less: Consortium for Worker Education Offset	(11,500,000)	(11,500,000)	0	0.00
Fiscal Year Total (excluding Hurd Loans)	<u>\$22,856,518,600</u>	<u>\$25,170,488,600</u>	<u>\$2,313,970,000</u>	<u>10.12 %</u>
Sound Basic Education Replacement Fund (c)	262,500,000	0	(262,500,000)	(100.00)
Advances to Hurd City School Districts (c)	5,431,000	4,343,400	(1,087,600)	(20.03)
FISCAL YEAR TOTAL	<u>\$23,124,449,600</u>	<u>\$25,174,832,000</u>	<u>\$2,050,382,400</u>	<u>8.87 %</u>

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

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

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

Source: Laws of the State of New York: Chapters 53, 58, 61, 108 and 109, Laws of 2006; Chapters 53 and 57, Laws of 2007.

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

Enacted school aid provisions including funding for Building Aids and Supplemental Public Excess Cost Aid will increase payments to 669 major school districts by a total of \$1,737.58 million in the 2007-08 school year. There are 8 districts that are projected to have decreases of -\$1.60 million. The combined total of increases and reductions produce a net increase statewide of \$1,735.98 million, or 9.90 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 10.32 percent.
- In Table II-E, major 2007-08 aid categories have been combined to show the overall impact upon school districts in the State's 18 most populous counties, New York City, and the rest of the State.

The State average increase for these aids will be 9.90 percent. The 369 districts in the 18 most populous counties contain 49.26 percent of the State's public school pupils. These districts will receive 43.18 percent of the 2007-08 combined aids total. Districts in the 18 most populous counties will have an average increase in combined aids of 9.76 percent. Districts in the rest of the State, exclusive of New York City, will have an average increase of 9.01 percent and will receive 17.82 percent of the 2007-08 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: 2006-07 AND 2007-08

AID CATEGORY	New York City			Buffalo			Rochester			Syracuse			Yonkers		
	2006-07	2007-08	2007-08 Percent	2006-07	2007-08	2007-08 Percent	2006-07	2007-08	2007-08 Percent	2006-07	2007-08	2007-08 Percent	2006-07	2007-08	2007-08 Percent
I. Formula-Based Aids:															
Foundation Aid	\$5,063.35	\$5,533.10	9.28%	\$383.71	\$410.06	6.87%	\$292.32	\$320.56	9.66%	\$187.24	\$204.61	9.27%	\$158.28	\$163.03	3.00%
Change from 2006-07 School Year Percent		\$469.75	9.28%		\$26.35	6.87%		\$28.24	9.66%		\$17.37	9.27%		\$4.75	3.00%
Excess Cost - High Cost	195.92	175.00		3.07	2.88		2.64	3.11		4.92	4.41		4.42	4.38	
Excess Cost - Private	100.36	98.35		18.50	18.55		8.63	8.28		0.69	0.68		3.78	3.60	
Textbooks	74.12	74.22		2.81	2.80		2.30	2.20		1.43	1.37		1.79	1.81	
Software	19.33	18.12		0.72	0.72		0.59	0.58		0.36	0.34		0.44	0.44	
Library Materials	7.74	7.98		0.29	0.30		0.24	0.24		0.13	0.14		0.17	0.18	
Computer Hardware	11.17	15.60		0.69	1.00		0.58	0.79		0.39	0.44		0.16	0.27	
Special Services (Career Ed/Computer Admin.)	99.63	93.52		12.05	12.39		7.78	7.77		4.97	5.04		4.57	4.82	
Transportation (Including Summer)	430.60	452.10		32.77	33.01		37.90	41.13		8.31	8.79		12.57	15.15	
High Tax	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
Universal Prekindergarten	188.88	249.08		11.05	12.81		8.13	10.58		6.70	7.52		4.27	4.65	
Education Grants	0.00	88.89		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
Charter School Transitional Aid	0.00	0.00		0.00	12.18		0.00	1.07		0.00	0.22		0.00	0.00	
Full-Day Kindergarten	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
Formula-Based Aids Total	\$6,180.90	\$6,806.96		\$465.66	\$508.60		\$362.11	\$386.30		\$215.14	\$234.58		\$180.45	\$206.83	
Change from 2006-07 School Year Percent		\$16.06	9.95%		\$40.84	8.77%		\$34.19	9.44%		\$19.44	9.03%		\$16.38	9.60%
EXCEL Building Aid	0.00	84.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
Building Aid	613.64	615.76		49.72	55.52		16.84	14.97		8.10	11.08		3.28	3.12	
Supplemental Public Excess Cost	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
	813.84	709.76		49.72	55.52		16.84	14.97		8.10	11.08		3.28	5.57	
Total Formula-Based Aids and Other Aids	\$6,804.54	\$7,516.72		\$515.38	\$562.02		\$378.05	\$411.27		\$223.24	\$245.67		\$193.74	\$212.40	
Change from 2006-07 School Year Percent		\$712.18	10.47%		\$46.64	9.05%		\$32.22	8.50%		\$22.43	10.05%		\$18.66	9.63%
II. Grant Programs and Other Aid Categories:															
Teachers of Tomorrow	15.00	15.00		1.06	1.06		2.60	2.60		0.51	0.51		2.16	2.16	
Teacher Centers (a)	14.53	16.80		0.73	0.73		0.47	0.47		0.47	0.47		0.30	0.30	
Teacher-Mentor Intern (a)	2.41	4.00		0.20	0.20		0.10	0.10		0.15	0.15		0.00	0.00	
School Health Services	0.00	0.00		5.30	5.30		6.29	6.29		1.08	1.08		1.17	1.17	
Subtotal	31.94	35.80		7.29	7.29		9.46	9.46		2.21	2.21		3.63	3.63	
School Year Total Selected Aids	\$6,836.48	\$7,552.52		\$522.67	\$568.31		\$388.51	\$420.73		\$225.45	\$247.88		\$197.37	\$216.03	
Change from 2006-07 School Year Percent		\$716.04	10.47%		\$46.64	8.92%		\$32.22	8.29%		\$22.43	9.95%		\$18.66	9.45%
Fiscal Stabilization Grants	40.20	41.17		1.20	1.20		1.48	1.48		0.00	0.00		0.00	0.00	
TOTAL	\$6,876.68	\$7,593.69		\$523.87	\$570.51		\$389.99	\$422.21		\$225.45	\$247.88		\$197.37	\$216.03	
Change from 2006-07 School Year Percent		\$717.01	10.43%		\$46.64	8.90%		\$32.22	8.26%		\$22.43	9.95%		\$18.66	9.45%

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

Source: State Education Department computer runs of March 2007.

TABLE II-D
SUMMARY OF AIDS FINANCED THROUGH GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATIONS
-- 2006-07 AND 2007-08 SCHOOL YEARS -- NEW YORK CITY

AID CATEGORY	2006-07	2007-08	Change	% Change
	School Year	School Year		
(----- Amounts in Millions -----)				
I. Formula-Based Aids:				
Flex Aid	\$3,501.32	\$0.00	(\$3,501.32)	(100.00) %
Excess Cost - Public	817.46	0.00	(817.46)	(100.00)
Sound Basic Education Aid	421.49	0.00	(421.49)	(100.00)
Supplemental ENA	43.17	0.00	(43.17)	(100.00)
Limited English Proficiency	14.03	0.00	(14.03)	(100.00)
Class Size Reduction	88.84	0.00	(88.84)	(100.00)
Growth Aid	0.00	0.00	0.00	0.00
Enrollment Adjustment	0.00	0.00	0.00	0.00
Reorganization Incentive (Operating)	0.00	0.00	0.00	0.00
Tax Limitation Aid	0.00	0.00	0.00	0.00
High Tax	0.00	0.00	0.00	0.00
Teacher Support Aid	62.71	0.00	(62.71)	(100.00)
Magnet Schools	48.18	0.00	(48.18)	(100.00)
Categorical Reading	29.95	0.00	(29.95)	(100.00)
Improving Pupil Performance	36.20	0.00	(36.20)	(100.00)
Aid to Small City School Districts	0.00	0.00	0.00	0.00
Fort Drum	0.00	0.00	0.00	0.00
Foundation Aid	0.00	5,533.10	5,533.10	NA
Foundation Aid Total	\$5,063.35	\$5,533.10	\$469.75	9.28 %
Excess Cost - High Cost	195.92	175.00	(20.92)	(10.68)
Excess Cost - Private	100.36	98.35	(2.01)	(2.00)
Textbooks (Incl. Lottery)	74.12	74.22	0.10	0.13
Computer Software	19.33	19.12	(0.21)	(1.09)
Library Materials	7.74	7.98	0.24	3.10
Computer Hardware	11.17	15.60	4.43	39.66
Special Services (Career Ed./Computer Admin.)	99.63	93.52	(6.11)	(6.13)
Transportation (Including Summer)	430.60	452.10	21.50	4.99
High Tax	0.00	0.00	0.00	NA
Universal Prekindergarten	188.68	249.08	60.40	32.01
Education Grants	0.00	88.89	88.89	NA
Charter School Transitional Aid	0.00	0.00	0.00	NA
Full-Day Kindergarten	0.00	0.00	0.00	NA
Formula-Based Aids Total	\$6,190.90	\$6,806.96	\$616.06	9.95 %
EXCEL Building Aid	0.00	94.00	94.00	NA
Building Aid	613.64	615.76	2.12	0.35
Supplemental Public Excess Cost	0.00	0.00	0.00	NA
	613.64	709.76	96.12	15.66
Total Formula-Based and Other Aids	\$6,804.54	\$7,516.72	\$712.18	10.47 %
II. Grant Programs and Other Aid Categories:				
Full-Day K Planning Grants	0.00	0.00	0.00	NA
Teachers of Tomorrow	15.00	15.00	0.00	0.00
Teacher Centers	14.53	16.80	2.27	15.62
Teacher-Mentor Intern	2.41	4.00	1.59	65.98
Math and Science Initiatives	0.00	0.00	0.00	NA
School Health Services	0.00	0.00	0.00	NA
Employment Preparation Education	33.50	33.50	0.00	0.00
Homeless Pupils	0.00	0.00	0.00	NA
Incarcerated Youth	0.00	0.00	0.00	NA
Bilingual	4.50	4.50	0.00	0.00
Education of OMH/OMR Pupils	16.50	17.33	0.83	5.03
Chargebacks	(7.45)	(7.53)	(0.08)	1.07
Learning Technology Grants	1.13	1.13	0.00	0.00
	80.12	84.73	4.61	5.75
SCHOOL YEAR TOTAL	\$6,884.66	\$7,601.45	\$716.79	10.41 %
Fiscal Stabilization Grants	40.20	41.17	0.97	2.41
TOTAL	\$6,924.86	\$7,642.62	\$717.76	10.36 %

Source: State Education Department computer runs of March 2007

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

AREA	No. of Dtrs.	Percent of Total State TAFPU (b)	2007-08 Combined Aids		Change in Aid from 2006-07 to 2007-08		Number of Districts		
			2006-07 Combined Aids	Amount	Percent of State Total	Amount	Percent	With Aid Increases	With Aid Decreases
(----- Dollar Amounts in Thousands -----)									
Albany	13	1.47	\$194,532	\$217,922	1.13	\$23,390	12.02	13	0
Broome	12	1.14	209,892	234,231	1.22	24,339	11.60	12	0
Chautauqua	18	0.78	188,793	204,997	1.06	16,204	8.58	17	1
Dutchess	13	1.70	227,143	251,967	1.31	24,824	10.93	12	1
Erie	28	4.95	993,153	1,084,424	5.63	91,271	9.19	28	0
Monroe	18	4.20	782,534	853,194	4.43	70,660	9.03	18	0
Nassau	56	7.37	701,658	795,777	4.13	94,119	13.41	56	0
Niagara	10	1.20	250,969	273,251	1.42	22,282	8.88	10	0
Oneida	15	1.30	290,140	312,188	1.62	22,048	7.60	15	0
Onondaga	18	2.72	518,000	568,567	2.95	50,567	9.76	18	0
Orange	17	2.40	427,343	476,170	2.47	48,827	11.43	17	0
Rensselaer	11	0.86	165,177	177,384	0.92	12,207	7.39	11	0
Rockland	8	1.52	155,779	170,124	0.88	14,345	9.21	8	0
Saratoga	12	1.27	184,011	198,225	1.03	14,214	7.72	12	0
Schenectady	6	0.86	135,136	153,886	0.80	18,750	13.87	5	1
Suffolk	65	9.39	1,475,795	1,602,250	8.31	126,455	8.57	65	0
Ulster	9	1.00	160,800	177,528	0.92	16,728	10.40	9	0
Westchester	40	5.13	521,536	570,381	2.96	48,845	9.37	38	2
18 Most Populous Counties	369	49.26	\$7,582,391	\$8,322,466	43.18	\$740,075	9.76	364	5
New York City	1	36.40	6,804,544	7,516,727	39.00	712,183	10.47	1	0
Rest of State	307	14.34	3,150,707	3,434,437	17.82	283,730	9.01	304	3
TOTAL STATE	677	100.00	\$17,537,642	\$19,273,630	100.00	\$1,735,988	9.90	669	8

(a) 2007-08 aids include foundation aid, public high cost and private excess cost aids, BOCES, textbook, library materials, special services, transportation (including summer), computer software, computer hardware, high tax, full-day k, universal prekindergarten, education grants, charter school transitional aid, building, reorganization incentive building, EXCEL building (NYC), and supplemental public excess cost aid

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

Source: State Education Department computer runs of March 2007.

III

APPENDICES

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

- Appendix III-A summarizes the School Aid categories and adjustments recommended for 2007-08 and compares them with the 2006-07 aid categories.
- Appendix III-B provides the mathematical formulas for computing 19 different aids for 2007-08 school aid payments.
- Appendix III-C describes the pupil counts used in aid formulas other than the Foundation Aid.

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

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

APPENDIX III-A
 COMPARISON OF 2006-07 AND 2007-08 GENERAL SUPPORT FOR PUBLIC SCHOOLS PROGRAMS

<u>Category</u>	<u>2006-07 School Year</u>	<u>2007-08 School Year</u>
<u>FOUNDATION AID</u> ¹⁸ Foundation Aid increase for the 2007-08 School Year	None	For the 2007-08 school year, a district will receive its Foundation Aid base-year amount plus a phase-in increase equal to 20 percent of the difference between its base year amount and its calculated 2010-11 Foundation Aid.
2007-08 Minimum/Maximum Increase	None	No district will receive less than 1.03 times the sum of its Foundation Aid base year amount. The maximum allowed increase is 1.25 times the sum of base year amount.
Foundation Aid Base Year Amount	None	The sum of a district's 2006-07 Flex Aid, Public Excess Cost Aid (excluding High Cost Aid), Sound Basic Education Aid, Supplemental ENA, Limited English Proficiency Aid, Class Size Reduction Aid, Growth Aid, Enrollment Adjustment Aid, Reorganization Incentive Operating Aid, Tax Limitation Aid, High Tax Aid, Teacher Support Aid, Magnet School Aid, Categorical Reading Aid, Improving Pupil Performance Aid, Aid to Small City School Districts and Fort Drum Aid ¹⁹

¹⁸ Additional Foundation Aid formula detail is provided in Appendix III-B.

2010-11 Foundation Aid	None	The greater of: (i) the Foundation Aid base year amount multiplied by 1.1255 or (ii) the greater of \$500 or Formula Foundation Aid per pupil multiplied by Selected Total Aidable Foundation Pupil Units (TAFPU). ²⁰
Foundation Formula Aid per pupil	None	Aid per pupil is the greater of: 2010-11 Foundation Aid Amount x RCI x PNI less an Expected Minimum Local Contribution or 2010-11 Foundation Aid Amount x RCI x PNI multiplied by the Adjusted State Sharing Ratio
2010-11 Foundation Aid Amount	None	\$5,662 (\$5,258 for 2007-08 compounded by the projected annual percentage increase in the CPI of 2.50 percent) ²¹
Regional Cost Index	None	See Appendix III-F
Pupil Need Index	None	1.0 plus a district's Extraordinary Needs Percent, minimum = 1.0, maximum = 2.0.
Extraordinary Needs Percent	None	The sum of: (i) the three-year average

¹⁹ The following aid categories are also eliminated: Comprehensive Operating Aid, Educationally Related Support Services Aid, Extraordinary Needs Aid, Gifted and Talented Aid, Minor Maintenance and Repair Aid, Formula Operating Aid, Operating Standards Aid, Summer School Aid, Tax Effort Aid, Tax Equalization Aid, Transition Adjustment Factor, and Shared Services Savings Incentive Aid.

²⁰ For Foundation Aid pupil counts for aid and wealth calculations, see the Foundation Aid formula description in Appendix III-B and Appendix III-D.

²¹ The \$5,258 per pupil amount is the average cost for 465 successful schools based on a Regents' study.

percentage of K-6 free and reduced price lunch eligible applicants for the 2003-04, 2004-05 and 2005-06 school years times 2006-07 public enrollment times .65, plus the 2000 census percentage of 5-17 pupils in poverty times 2006-07 public enrollment times .65; (ii) the number of Limited English Proficiency students times .50; (iii) a sparsity factor based on a calculation of public enrollment per square mile times 2006-07 public enrollment

Estimated Minimum Local Contribution Per Pupil

None

90% of the 3-year statewide average school tax rate (= .016 or \$16 per \$1,000 of full value) times a district's Income Wealth Index²² for Foundation Aid times a district's Selected Actual Valuation per Total Wealth Foundation Pupil Unit (TWFPU)

²² A district's Income Wealth Index is equal to:

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

Minimum: .65; Maximum 2.00

The 2004 Adjusted Gross Income is the 2004 Adjusted Gross Personal Income of the district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

Selected Actual Valuation is the lesser of the 2004 Actual Valuation or the average of 2003 Actual Valuation and 2004 Actual Valuation as reported by the Office of the State Comptroller. A district's Actual Valuation is the sum of the taxable full value of real property in the school district.

Adjusted State Sharing Ratio

None

The Adjusted State Sharing Ratio is the greatest of:
1.37 - (1.230 x CWR)²³
1.00 - (0.640 x CWR)
0.80 - (0.390 x CWR)
0.51 - (0.173 x CWR)
The maximum sharing ratio is 0.90. For a district of average wealth (CWR = 1.000), the ratio is 0.41.

FLEX AID

Each district will receive an amount equal to the sum of its 2005-06 Flex Aid and Additional Aids plus a one percent increase.

None

GROWTH AID

Growth Index in excess of 1.004 x Formula Operating Aid²⁴

None

ENROLLMENT ADJUSTMENT AID

Formula Ceiling

\$1,725.00

None

State Share

State Sharing Ratio which is the greatest of:

None

²³ For the 2007-08 school year, a district's Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

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

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

A district's 2006-07 Combined Wealth Ratio was equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio was equal to: $\frac{\text{Selected Actual Valuation}/2004-05 \text{ TWPU}}{\$382,200} ; \text{ and the}$

Alternate Pupil Wealth Ratio was equal to: $\frac{2003 \text{ District Income}/2004-05 \text{ TWPU}}{\$121,800}$

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

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

²⁴ For the 1997-98 school year and after, the Growth Index was defined as a measure of enrollment rather than attendance.

1.37 - (1.23 x CWR)
 1.00 - (0.64 x CWR)
 0.80 - (0.39 x CWR)
 0.51 - (0.22 x CWR)
 The maximum aid ratio is
 0.90. For a district of
 average wealth (CWR =
 1.000), the aid ratio is
 0.41.

Pupils	The increase in public enrollment between 2000 and 2004	None
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URBAN-SUBURBAN TRANSFER
 SUPPLEMENTATION

Qualifying districts receive the same aid that they would have received in the 2000-01 school year for a total of \$1.13 million.	\$1.13 million will continue to be available for this program
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LIMITED ENGLISH PROFICIENCY
 AID

Weighting	.056	None ²⁵
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SUPPLEMENTAL EXTRAORDINARY
 NEEDS AID

Tier 1 Aid

Eligible Districts	A district's CWR must be less than 0.805	None
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Formula Ceiling	\$207.50 x State Sharing Ratio (see Enrollment Adjustment Aid above)	None
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Pupils	Selected TAPU	None
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State Share	(0.805 - CWR) plus a sparsity adjustment	None
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Sparsity Adjustment	(25 - 2005 public enrollment/square mile)/68	None
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Tier 2 Aid

Eligible Districts	A district's CWR (based on February 2006 data) must be greater than 0.975 and its Extraordinary Needs Percent ²⁶ greater than 35 percent	None
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²⁵ The 2007 enacted budget includes a limited English proficiency plan requirement that will ensure continuation of services to pupils with limited proficiency in English. (See Chapter 57 of the Laws of 2007, Part B, Section 10.)

²⁶ The Extraordinary Needs percent (EN%) for 2006-07 Supplemental Extraordinary Needs Aid equals the Extraordinary Needs pupil count divided by

Formula Ceiling	\$125.00	None
Pupils	Selected TAPU x (EN%-15%)	None
Tier 3 Aid		
Formula Ceiling	\$45.40 plus an additional ceiling amount	None
Additional Ceiling Amount	For city school districts with a population: > 250,000 < 1,000,000 = \$10.00 > 210,000 < 250,000 = \$65.00 > 160,000 < 210,000 = \$10.00 > 100,000 < 160,000 = \$90.00 > 80,000 < 100,000 = \$65.00	None
Pupils	The Extraordinary Needs pupil count.	None

PUBLIC EXCESS COST AID FOR
DISABLED PUPILS

Public Excess Cost Aid: Disabled Pupil Classifications	Three	None
Ceiling Range for Aid	\$2,000 - \$9,250	None
Wealth Measure	Combined Wealth Ratio	Same ²⁷
State Share	.49	Same
Minimum Aid Ratio	.25	Same
High Cost Eligibility	4 x AOE/TAPU for Expense or \$10,000	Same
Save-Harmless	95% of 2005-06 aid - including declassification aid but not integrated settings aid	None

2005 enrollment times 100. The EN pupil count is the sum of the percentage of K-6 free and reduced price lunch eligible applicants times 2005 enrollment, plus the number of Limited English Proficiency students, plus a sparsity factor based on a calculation of enrollment per square mile times 2005 enrollment.

²⁷ Public Excess Cost Aid, exclusive of High Cost Aid, is included among the 2006-07 school year aids replaced by Foundation Aid. Formula elements continued are those used for the High Cost Aid calculation. (See Appendix III-B)

Integrated Settings Aid (not subject to save-harmless):

Ceiling	Basic Excess Cost Aid per pupil	None
Pupil Count	Year prior to base year pupils who received special education services in a general education setting at least 60 percent of the time x 0.50	None

Declassification Support Services Aid:

Ceiling	Basic Excess Cost aid Per Pupil x 0.50	None
Pupil Count	Base Year Pupils in Need	None

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 or State run schools	Same

BOCES AID

Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA	Actual Valuation/Full Year Attendance RWADA
State Share	.49	Same
Minimum Aid Ratio	.36	Same
Salary Ceiling	\$30,000	Same
Millage Formula	8 mills	Same
Save-Harmless	100% of 1967-68 Aid	Same

FULL-DAY K CONVERSION AID

Eligible Districts	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2005-06 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2005-06.	A district that offers Full-Day Kindergarten to all students is eligible for aid if in 1996-97 <u>and</u> 2006-07 it had half-day kindergarten enrollment <u>or</u> if it had no kindergarten enrollment in 1996-97 <u>and</u> 2006-07.
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Pupil Count	2006-07 estimated full-day kindergarten enrollment - 2005-06 full-day kindergarten enrollment	2007-08 estimated full-day kindergarten enrollment - 2006-07 full-day kindergarten enrollment
Aid Per Pupil	A district's Formula Operating Aid per pupil.	Selected Foundation Aid per pupil

TRANSPORTATION AID

Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA, a district's Combined Wealth Ratio or Selected AV/enrollment	Actual Valuation/Full Year Attendance RWADA, a district's Combined Wealth Ratio or Selected AV/enrollment
State Share	The greater of: 1.01 - (.46 * Selected AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted): 1.01 - (.46 * Selected AV/public + nonpublic enrollment wealth ratio)	The greater of: 1.01 - (.46 * AV/RWADA wealth ratio) or 1.263 * State Sharing Ratio or (NYC excepted): 1.01 - (.46 * AV/public + nonpublic enrollment wealth ratio)
State Sharing Ratio	The greatest of: 1.37 - (1.23 x CWR) 1.00 - (0.64 x CWR) 0.80 - (0.39 x CWR) 0.51 - (0.22 x CWR) The maximum aid ratio is 0.90. For a district of average wealth (CWR = 1.000), the aid ratio is 0.41.	Same
Sparsity Adjustment	(21 - 2004-05 public enrollment/square mile)/317.88	Same except for the use of 2005-06 public enrollment
Minimum Aid Ratio	.065	Same
Maximum Aid Ratio	.90	Same
Base	Approved Expenditures	Same
Urban-Suburban Transfer	Approved expenditures of transportation of pupils in voluntary interdistrict programs.	Same

BUILDING AID

Wealth Measure	Selected Actual Valuation/Full Year Attendance RWADA	Actual Valuation/Full Year Attendance RWADA
Aid Ratio Choice	Districts may use the higher of the current year	Same

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 pupil wealth ratio greater than 2.50 and an alternate pupil wealth ratio less than .850 in the school year in which the project was approved and the approval date was between 7/1/00 and 7/1/04 may select an aid ratio equal to 1.263 multiplied by the district's State sharing ratio.

Same

HNSBAR

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

Same

Base

Approved Expenditures

Same

Additional Adjustments

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

Same

reflect regional costs for school districts in high cost areas of the State.

REORGANIZATION INCENTIVE AID

Prior to July 1, 1983:

Operating Aid:

Additional Percentage (5 years)	10%	Same
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Taper	1%/9 years	Same
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Building Aid:

Additional Percentage	25%	Same
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Effective July 1, 1983:

Operating Aid:

Additional Percentage (5 years)	20%	Same
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Taper	2%/9 years	Same
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Building Aid:

Additional Percentage	30%	Same
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Effective July 1, 1992:

Operating Aid:

Additional Percentage (5 years)	40%	None ²⁸
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Taper	4%/9 years	None
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Eligibility Date:

New Projects	July 1, 2008 or approved by voters within ten years of reorganization.	Same
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SPECIAL SERVICES AID

Eligible Districts

Big Five City school districts and other districts that are non-components of BOCES	Same
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Career Education Aid:

State Share	.41	Same
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Minimum Aid Ratio	.36	Same
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Ceiling	\$3,900	Same
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Wealth Measure	Combined Wealth Ratio	Same
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²⁸ Reorganization Incentive Operating Aid is one of 30 aid categories replaced by 2007-08 Foundation Aid. The enacted 2007-08 budget provides for a new Reorganization Incentive Operating Aid which will be available for school districts that reorganize after July 1, 2007.

Computer Administration Aid:
 State share
 Minimum Aid Ratio
 Ceiling
 Wealth Measure

.49
 .30
 \$62.30/pupil
 Combined Wealth Ratio

Same
 Same
 Same
 Same

INSTRUCTIONAL COMPUTER
 HARDWARE AND TECHNOLOGY
 EQUIPMENT AID

Based on approved expense
 up to an amount equal to
 \$19.25 x Selected TAPU x
 current year Building Aid
 ratio

Based on approved
 expense up to an amount
 equal to \$24.20 x
 public and nonpublic
 pupils (district of
 attendance) x current
 year Building Aid ratio

TEXTBOOK AID

Up to \$57.30 per public
 and nonpublic pupil
 (district of residence)

Up to \$58.25 per public
 and nonpublic pupil
 (district of residence)

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

Same

COMPUTER SOFTWARE AID

Up to \$14.98 per public
 and nonpublic pupil
 (district of attendance)

Same

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

Same

LIBRARY MATERIALS AID

Up to \$6.00 per public and
 nonpublic pupil (district
 of attendance)

Up to \$6.25 per public
 and nonpublic pupil
 (district of
 attendance)

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

Same

UNIVERSAL PREKINDERGARTEN
 AID

Each school district shall
 be eligible to receive an
 amount up to the amount
 such district was eligible
 for in the 2005-06 school
 year. An additional \$50
 million in Supplemental
 Prekindergarten Aid is
 available for program
 expansion.

Districts will receive
 the sum of their 2006-
 07 Prekindergarten Aid,
 Targeted
 Prekindergarten Aid and
 Supplemental
 Prekindergarten Aid
 plus an amount equal to
 additional aidable
 prekindergarten pupils
 x the greater of (a)
 .50 x Selected
 Foundation Aid per
 pupil or (b) their
 2006-07 per pupil
 grant.

Per Child Amount

None

Reflective of district
 wealth and pupil needs,

grant awards for half-day programs range from \$2,700 to \$5,771 per child.

SUPPLEMENTAL PREKINDERGARTEN

Pupil Count Lesser of pupils served or aidable prekindergarten pupils as displayed on the computer listing entitled "SA060-7" released in March 2006. None

Wealth Measure Combined Wealth Ratio None

Per Child Amount Greater of calculated grant per pupil or 2000-01 grant per pupil None

Minimum/Maximum Per Child Amount \$2,700, \$4,000 None

CLASS SIZE REDUCTION Each school district shall be eligible to receive an amount up to the amount it was eligible for in the 2005-06 school year. None

CATEGORICAL READING AID \$63.95 million None

IMPROVING PUPIL PERFORMANCE \$66.35 million None

FORT DRUM GRANTS \$3.49 million None

MAGNET SCHOOL AID \$158.20 million None²⁹

TEACHER SUPPORT AID \$67.48 million None³⁰

TAX LIMITATION AID
Tier 1 Aid For the 2006-07 school year a district will receive a continuation of its 2005-06 Tax Limitation aid. None

Qualifying districts will receive additional Tier 2 or Tier 3 aid as described below. None

²⁹ The 2007-08 enacted budget includes a \$170.30 million Magnet School setaside requirement to ensure continuation of programs in 22 school districts statewide(Chapter 57 of the Laws of 2007, Part B, Section 59-a).

³⁰ The 2007-08 enacted budget includes a \$67.48 million Teacher Support Aid setaside requirement for Big Five City school districts(Chapter 57 of the Laws of 2007, Part B, Section 59-a).

Formula Ceiling	\$29.90	\$147.29
Pupils	2005-06 public enrollment	2006-07 public enrollment
Minimum District Aid	\$25,000	\$100,000
Tier 2 Aid Eligible Districts	None	Aid is available to school districts in counties where: (i) the regional cost index for Foundation Aid is greater than 1.300; (ii) the district is ineligible for Tier 1 Aid; (iii) the district's 2004 tax levy on residential real property (including condominium property) divided by the district's 2004 adjusted gross income is greater than 4.0 percent.
Formula Ceiling	None	\$30.00
Pupils	None	2006-07 public enrollment
<u>TEACHER CENTERS</u>	\$37.00 million	\$40.00 million
<u>TEACHER-MENTOR INTERN</u>	\$6.00 million	\$10.00 million
<u>MATH AND SCIENCE INITIATIVES</u>	\$10.00 million	Same
<u>SCHOOL HEALTH SERVICES</u>	\$13.84 million	Same
<u>INCARCERATED YOUTH</u>	\$16.50 million	Same
<u>LEARNING TECHNOLOGY</u>	\$3.29 million	Same
<u>BUS DRIVER SAFETY</u>	\$.40 million	Same
<u>SMALL CITY SCHOOL DISTRICT AID</u>	\$81.88 million. For the 2006-07 school year, a district's <u>Hurd</u> aid was the same as its 2005-06 aid	None

EMPLOYMENT PREPARATION
EDUCATION AID³¹

Ceiling	\$9.25/contact hour	\$9.90/contact hour
Wealth Measure	Selected AV/TWPU	AV/TWPU
State Share	.60	Same
Minimum Aid Ratio	.40	Same
Pupil Count	Contact Hours	Same

SOUND BASIC EDUCATION AID

A district will receive its 2006-07 Sound Basic Educational Aid as described below

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

CHARTER SCHOOL TRANSITIONAL
AID

Total Aid	None	The sum of Tier 1, Tier 2 and Tier 3 aid.
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³¹ For the 2007-08 school year, a \$96.00 million funding limit is provided, the same as for the 2006-07 school year.

Tier 1 Aid		
Eligible Districts	None	2006-07 charter school enrollment greater than 2 percent of resident public school enrollment <u>or</u> 2006-07 charter school payments greater than 2 percent of 2006-07 total general fund expenditures. ³²
Expense per pupil	None	0.8 x 2006-07 charter school adjusted expense per pupil. ³³
Pupils	None	Increase in charter school enrollment from 2005-06 to 2006-07.
Tier 2 Aid		
Eligible Districts	None	2005-06 charter school enrollment greater than 2 percent of resident public school enrollment <u>or</u> 2005-06 charter school payments greater than 2 percent of 2005-06 total general fund expenditures.
Expense per pupil	None	0.6 x 2006-07 charter school adjusted expense per pupil.
Pupils	None	Increase in charter school enrollment from 2004-05 to 2005-06.
Tier 3 Aid		
Eligible Districts	None	2004-05 charter school enrollment greater than 2 percent of resident public school enrollment <u>or</u> 2004-05 charter school payments

³² Expenditures and transfers from a district's total general and debt service funds as reported to the State Education Department on the annual ST-3 form.

³³ The 2006-07 charter school adjusted expense per pupil equals a district's 2004-05 Approved Operating Expense per TAPU for Expense multiplied by 116.2 percent (the statewide percentage increase of total 2005-06 AOE over total 2003-04 AOE). Approved Operating Expenditures (AOE) are a district's expenditures for the day-to-day operation of the school as defined in Education Law Section 3602, Subdivision 1, Paragraph t. For the TAPU for Expense pupil count, see Appendix III-C.

		greater than 2 percent of 2004-05 total general fund expenditures.
Expense per pupil	None	0.4 x 2006-07 charter school adjusted expense per pupil.
Pupils	None	Increase in charter school enrollment from 2003-04 to 2004-05.
<u>SUPPLEMENTAL EDUCATIONAL IMPROVEMENT PLAN</u>	None	\$8.50 million
<u>NEW YORK CITY ACADEMIC ACHIEVEMENT GRANTS</u>	None	\$88.89 million
<u>FULL-DAY KINDERGARTEN PLANNING GRANTS</u>	None	\$2.00 million
<u>ROCHESTER COMMUNITY SCHOOLS PILOT</u>	None	\$4.00 million
<u>SUPPLEMENTAL PUBLIC EXCESS COST AID</u>	None	\$20.82 million

APPENDIX III-B
MATHEMATICAL EXPLANATION OF AID FORMULAS³⁴

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

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

2004 Actual Valuation/2005-06 TWPU	\$426,800
2004 Adjusted Gross Income/2005-06 TWPU	\$136,600
2004 Actual Valuation/2005-06 RWADA	\$510,000

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

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

TAFPU...Total Aidable Foundation Pupil Units
TWFPU...Total Wealth Foundation Pupil Units

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

³⁴ Additional formula details are provided in the school aid computer listing entitled "SA070-8," released in March 2007 with issuance of the 2007-08 Enacted Budget and the 2007-08 Enacted Budget ELFA bill (Chapter 57 of the Laws of 2007).

FORMULA CALCULATIONS: See Chapter 57 of the Laws of 2007 and the Education Law sections cited in this appendix.

FOUNDATION AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602, Subdivision 4

Foundation Aid for the 2007-08 School Year

For 2007-08, a district will receive the sum of its 2006-07 Foundation Aid base year amount plus a Foundation phase-in increase equal to 20 percent³⁵ of the difference between the 2006-07 base year amount and 2010-11 Foundation Aid which is equal to the greater of:

- (i) The 2006-07 Foundation Aid base year amount multiplied by 1.1255, or
- (ii) The district's Selected TAFPU multiplied by the greater of \$500 or Formula Foundation Aid per pupil

2007-08 Minimum Guarantee/Maximum Allowed

For 2007-08, no district will receive less than a 3 percent increase above the sum of its Foundation Aid base year amount. The maximum allowed increase is 25 percent above the sum of base year amount.

Base Year Amount

A district's base year amount for 2007-08 Foundation Aid is determined by calculating the sum of its 2006-07 Flex Aid, Sound Basic Education Aid, Supplemental Extraordinary Needs Aid, Limited English Proficiency Aid, Class Size Reduction Aid, Growth Aid, Enrollment Adjustment Aid, Reorganization Incentive Operating Aid, Tax Limitation Aid, High Tax Aid, Public Excess Cost Aid (exclusive of High Cost Aid), Magnet School Aid, Teacher Support Aid, Categorical Reading Aid, Improving Pupil Performance Aid, Aid to Small City School Districts and Fort Drum Aid.³⁶

³⁵ The phase-in factor will be adjusted in future years. Districts will receive additional increase adjustments as follows: 22.5 percent for 2008-09; 27.5 percent for 2009-10; and 30.0 percent for 2010-11. By the 2010-11 school year all districts will receive 100 percent of the difference between their 2006-07 base year amount and 2010-11 Foundation Aid.

³⁶ The following aid categories are also eliminated: Comprehensive Operating Aid, Educationally Related Support Services Aid, Extraordinary Needs Aid, Gifted and Talented Aid, Minor Maintenance and Repair Aid, Formula Operating Aid, Operating Standards Aid, Summer School Aid, Tax Effort Aid, Tax Equalization Aid, Transition Adjustment Factor, and Shared Services Savings Incentive.

The 2007-08 enacted budget includes a \$170.30 million Magnet School and a \$67.48 million Teacher Support Aid setaside requirement for selected school districts. A limited English proficiency plan requirement will ensure continuation of services to pupils with limited proficiency in English. New York City must set aside an amount from its Foundation Aid that is equal to its base year funding for programs for attendance improvement and dropout prevention. (Chapter 57 of the Laws of 2007, Part B, Sections 10 and 59-a.) A

2010-11 Foundation Aid

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

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

Aid per pupil is the greater of:

- (i) (2010-11 Foundation Amount x RCI x PNI) - the Expected Minimum Local Contribution, or
- (ii) (2010-11 Foundation Amount x RCI x PNI) x Adjusted State Sharing Ratio

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

2010-11 Foundation Amount: The 2010-11 Foundation Amount of \$5,662 is based on the average cost per pupil for general education among a set of 465 districts meeting the Regents criteria for successful school districts (\$5,258 for the 2007-08 school year) adjusted by the projected annual percentage increase in the consumer price index - 2.50 percent.

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

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

Pupil Need Index = 1.0 + (Extraordinary Needs Percent)

Minimum: 1.0; Maximum: 2.0

Extraordinary Needs Percent = $\frac{\text{Extraordinary Needs Pupil Count}}{2006-07 \text{ Public Enrollment}}$

Extraordinary Needs Pupil Count = The sum of the following:

- (i) 2006-07 public enrollment (including charter school enrollment) x the three-year average percentage of students in grades K-6 who are eligible for the free and reduced price lunch program (2003-04, 2004-05 and 2005-06) x .65, and
- 2006-07 public enrollment (including charter school enrollment) x the percentage of students aged 5-17 in poverty as of the 2000 census (National Center for Education Statistics - NCES) x

setaside requirement is also provided for public school programs for children with disabilities. (Education Law, Section 3602 (4)(c))

.65, and

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

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

with no maximum, and

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

Expected Minimum Local Contribution per pupil

The expected minimum local contribution per pupil is based on an assumed district tax rate that ranges from a minimum of \$10.40 per \$1,000 of full value for low income districts up to maximum of \$32.00 per \$1,000 of full value for wealthier districts.

Adjusted Tax Rate x Selected Actual Valuation/2005-06 Total Wealth Foundation Pupil Units

$$\text{Adjusted Tax Rate} = \frac{3\text{-Year Adj. Statewide Avg. Tax Rate (.016)}}{\text{Income Wealth Index}} \times$$

3-Year Adjusted Statewide Average Tax Rate = The statewide average school district tax rate for the current and previous two school years times 90 percent (i.e., the assumed relation between Foundation-related expenditures and total expenditures) which for 2007-08 is \$16 per \$1,000 of full value.

Income Wealth Index =

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

Minimum: .65, Maximum 2.00

A district's adjusted tax rate is the product of the ratio of its income per pupil compared to the state average income per pupil multiplied by the 3-year adjusted statewide average tax rate. Low income districts are assumed to levy less (a minimum of \$10.40 per \$1,000 of full value) and wealthier districts more (a maximum of \$32.00 per \$1,000 of full value).

2004 Adjusted Gross Income = The 2004 Adjusted Gross Personal Income of the district, as reported by the Department of Taxation and Finance, including the results of the statewide computerized income verification process.

Selected Actual Valuation = the lesser of the 2004 Actual Valuation or the average of 2003 Actual Valuation and 2004 Actual Valuation as reported by the Office of the State Comptroller. A district's Actual Valuation is the sum of the taxable full value of real property in the school district.

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

1.37 - (1.230 x CWR)³⁷
1.00 - (0.640 x CWR)
0.80 - (0.390 x CWR)
0.51 - (0.173 x CWR)

Foundation Aid Pupil Counts³⁸

Selected TAFPU for Payment

The greater of 2006-07 Total Aidable Foundation Pupil Units (TAFPU) or the average of 2005-06 and 2006-07 TAFPU.

Pupils counted are those served by a given district whether or not they are residents of that district.

TAFPU is based on average daily membership³⁹ which includes equivalent attendance of students under the age of 21 who are not on a regular day school register in programs leading to a high school diploma or high school equivalency diploma, students with disabilities attending BOCES programs full time, resident pupils attending charter schools and dual enrolled nonpublic students.

Previous additional weightings⁴⁰ for secondary pupils and Pupils with Special Educational Needs are discontinued. Additional weightings of 1.41 are provided for public school students with disabilities (district of attendance), 0.50 for declassification students, 0.12 for summer school and dual enrollment pupils with disabilities are further weighted at 1.41.

³⁷ For the 2007-08 school year, a district's Combined Wealth Ratio is equal to: (.5 x Pupil Wealth Ratio) + (.5 x Alternate Pupil Wealth Ratio). The district's Pupil Wealth Ratio is equal to:

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

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

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

³⁸ See Appendix III-D for additional Foundation Aid pupil count detail.

³⁹ Average Daily Membership (ADM) is a measure of average enrollment over the school year. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session.

⁴⁰ For basic pupil weightings, see Appendix III-C. Pupil counts for aids other than Foundation Aid include adjusted average daily attendance and additional weightings for aidable pupils with special educational needs, aidable summer school pupils, dual enrollment pupils and secondary school pupils.

Total Wealth Foundation Pupil Units (TWFPU)

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

New York City

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

CHARTER SCHOOL TRANSITIONAL AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602, Subdivision 41

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

Tier 1 Aid

Districts are eligible for Tier 1 Aid if their number of resident pupils enrolled in charter schools in the 2006-07 school year was greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2006-07 school year exceed 2.0 percent of the district's 2006-07 total general fund expenditures.⁴¹

The Tier 1 formula = $(0.80 \times 2006-07 \text{ charter school adjusted expense per pupil})^{42} \times \text{the increase in the number of resident pupils enrolled in a charter school between the 2005-06 and 2006-07 school years.}$

Tier 2 Aid

Districts are eligible for Tier 2 Aid if their number of resident pupils enrolled in charter schools in the 2005-06 school year was greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2005-06 school year exceed 2.0 percent of the district's 2005-06 total general fund expenditures.

The Tier 2 formula = $(0.60 \times 2006-07 \text{ charter school adjusted expense per pupil}) \times \text{the increase in the number of resident pupils enrolled in a charter school between the 2004-05 and 2005-06 school years.}$

Tier 3 Aid

Districts are eligible for Tier 3 Aid if their number of resident pupils enrolled in charter schools in the 2004-05 school year was

⁴¹ Expenditures and transfers from a district's total general and debt service funds as reported to the State Education Department on the annual ST-3 form.

⁴² The 2006-07 charter school adjusted expense per pupil equals a district's 2004-05 Approved Operating Expense per TAPU for Expense multiplied by 116.2 percent (the statewide percentage increase of total 2005-06 AOE over total 2003-04 AOE). Approved Operating Expenditures (AOE) are a district's expenditures for the day-to-day operation of the school as defined in Education Law Section 3602, Subdivision 1, Paragraph t. For the TAPU for Expense pupil count, see Appendix III-C.

greater than 2.0 percent of total resident public school enrollment or payments made to charter schools in the 2004-05 school year exceed 2.0 percent of the district's 2004-05 total general fund expenditures.

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

PUBLIC HIGH COST EXCESS COST AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602, Subdivision 5

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

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

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

Per Pupil Calculation:

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

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

Excess Cost Aid Ratio = 1 - (Combined Wealth Ratio x .51)

Minimum: .250

EXCESS COST AID FOR PRIVATE SCHOOL PUPILS

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

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

Private Excess Cost Aid

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

Aidable Cost = Tuition - (Basic Contribution per enrolled pupil)

Basic Contribution = A district's tax levy based on its property and non-property taxes divided by its base-year (2006-07) resident enrollment.

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

Minimum: .50

SPECIAL SERVICES AID

Education Law, Section 3602, Subdivision 10

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

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

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

Minimum: .360

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

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

Enrollment = Fall 2006 public enrollment attending in the district

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

Minimum: .300

BOCES AID

Education Law, Section 1950, Subdivision 5

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

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 - $\frac{.008 \text{ (.003 for Central High Schools and Component Districts)}}{\text{District Actual Valuation Tax Rate (Local Revenue/2004 Actual Valuation)}}$

(ii) 1 - $\frac{(2004 \text{ Actual Valuation/2005-06 RWADA}) \times .51}{\text{Statewide Average } (\$510,000)}$

Minimum: .360

Maximum: .900

BOCES Capital Aid = 2007-08 Capital Expense x RWADA Aid Ratio

BOCES Rental Aid = 2007-08 Rental Expense x RWADA Aid Ratio

Save-Harmless Provision

A district may receive the greater of:

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

TRANSPORTATION AID

Education Law, Section 3602, Subdivision 7

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

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) $1.263 \times \text{State Sharing Ratio}^{43}$
- (ii) $1.010 - \frac{(2004 \text{ AV}/2005-06 \text{ RWADA} \times .46)}{\text{Statewide Average } (\$510,000)}$
- (iii) $1.010 - \frac{(2004 \text{ AV}/2005-06 \text{ Resident Public} + \text{Nonpublic Enrollment} \times .46)}{\text{Statewide Average } (\$445,300)}$

Minimum: .065
 Maximum: .900

Sparsity Factor =

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

Approved Transportation Expenses include:

- Health and life insurance
- Collision insurance
- Equipment
- Uniforms
- Driver and mechanic salaries
- Supervisor and other salaries
- Operating and maintenance expenses
- Social Security payments on all salaries
- Full contract expenses

⁴³ State Sharing Ratio = The greatest of the following but not less than zero nor more than .90:

- 1.37 - (1.23 x CWR)
- 1.00 - (0.64 x CWR)
- 0.80 - (0.39 x CWR)
- 0.51 - (0.22 x CWR)

- 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 AID⁴⁴

Education Law, Section 3602, Subdivision 6

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

Building Aid = Selected Aid Ratio x Approved Building Expenses

Current Aid Ratio = $1 - \frac{(2004 \text{ Actual Valuation}/2005-06 \text{ RWADA} \times .51)}{\text{Statewide Average } (\$510,000)}$

Approved Building Expenses:

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

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

⁴⁴ Payment for new construction projects otherwise eligible for aid is deferred in instances in which the school district did not file a notice that a general construction contract has been signed with the Commissioner of Education by the November 15, 2006 database.

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

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

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 State Sharing Ratio.

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

Incentive:

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

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

REORGANIZATION INCENTIVE BUILDING AID

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

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

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

For districts reorganizing prior to July 1, 1983,

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

For districts reorganizing after July 1, 1983,

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

COMPUTER SOFTWARE AID

Education Law, Section 751

All districts are eligible for Computer Software Aid. The aid is for the purchase of computer software which a pupil is required to use as a learning aid in a particular class in the school the pupil attends. Software programs designated for use in public schools are to be loaned on an equitable basis to nonpublic school pupils pursuant to the Rules of the Board of Regents. A district's 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

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

Enrollment = Fall 2006 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

TEXTBOOK AID

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

All districts are eligible for Textbook Aid. The aid provided is to be used by districts to purchase textbooks to be made available to all resident enrolled pupils. Textbooks are loaned to both public and nonpublic pupils. A district's 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

Textbook Aid = 2006-07 Cost of Textbooks, not to exceed \$58.25 (\$43.25 per pupil for Regular Textbook Aid plus \$15.00 per pupil for Lottery Textbook Aid) x 2006-07 Resident Public and Nonpublic School Enrollment

INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID

Chapter 57 of the Laws of 2007; Education Law, Section 753

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

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

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

Hardware Aid = 2006-07 Approved Expenses (up to \$24.20 x Enrollment) x Current Year Building Aid Ratio

Enrollment = Fall 2006 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

LIBRARY MATERIALS AID

Education Law, Section 711, Subdivision 4

All districts are eligible for Library Materials Aid. The aid is provided to enable districts to purchase necessary library materials to be made available on an equitable basis to all pupils attending public and nonpublic schools within such district. A district's 2007-08 aid cannot exceed the amount of its base-year actual expenditures.

Library Materials Aid = 2006-07 cost of Library Materials (up to \$6.25 x Enrollment)

Enrollment = Fall 2006 public and private school enrollment for the district of attendance plus BOCES and private school pupils in full-time programs for children with disabilities.

FULL-DAY KINDERGARTEN CONVERSION AID

Education Law, Section 3602, Subdivision 9

Eligibility for Full-Day K Conversion Aid: If in 1996-97 and 2006-07 a district had half-day kindergarten enrollment or if a district had no kindergarten enrollment in 1996-97 and 2006-07.

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

Full-Day Kindergarten Conversion Aid =

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

UNIVERSAL PREKINDERGARTEN AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602-e

For the 2007-08 school year, each district will be eligible to receive Universal Prekindergarten Aid equal to the sum of its 2007-08 UPK increase and the district's 2006-07 total for Universal Prekindergarten, Supplemental Universal Prekindergarten and Targeted Prekindergarten aid.

2007-08 UPK Increase =

Selected UPK Grant per pupil x Additional Aidable Prekindergarten pupils

Selected UPK Grant per pupil = The greater of:

(i) A district's Prekindergarten aid per pupil based on data on file for the school aid computer listing entitled "SA060-7," which was released in March 2006 with the issuance of the 2006-07 enacted Budget.

(ii) 0.50 x A district's Foundation Aid per pupil

The minimum per pupil amount is \$2,700

Additional Aidable Prekindergarten pupils = The greater of:

(i) (Estimated 2007-08 Resident Unserved 4-Yr-Olds minus Base Aidable Pre-K Pupils) x Phase-In Factor

(ii) The lesser of 20 pupils or the Estimated 2007-08 resident Unserved 4-Yr-Olds

minus

The Base Aidable Pre-K Pupils

Estimated 2007-08 Resident Unserved 4-Yr-Olds = An estimate of the 2006-07 resident 4-year-olds who will not be served by the State preschool student with disabilities program (Section 4410) for more than 4 hours per day.

Base Aidable Pre-K Pupil = The lesser of 2006-07 Expected Pupils or 2006-07 Actual Pupils

2006-07 Expected Pupils = The sum of a district's 2006-07 total for UPK, Supplemental UPK and Targeted Prekindergarten aid divided by the Selected UPK Grant per pupil (see above)

2006-07 Actual Pupils = The sum of the three pupil counts below:

2005-06 UPK Served = Eligible children registered to receive educational services in 2005-06 in the State's Universal Prekindergarten program.

2006-07 Supplemental UPK Served = Eligible children registered to receive educational services in 2006-07 in the State's Supplemental Universal Prekindergarten program.

2006-07 Targeted Prekindergarten program 4-year-olds = Eligible children registered to receive educational services in 2006-07 in the State's Targeted Prekindergarten program.

Phase-In Factor = A district's FRPL Ratio for Foundation Aid (Minimum = .18, Maximum = .30)

FRPL Ratio = The three-year average of the 2003-04, 2004-05 and 2005-06 ratios of the K-6 eligible applicants for Free or Reduced-Price Lunches to the K-6 enrollment.

HIGH TAX AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602, Subdivision 16
For eligible districts, High Tax Aid will equal Tier 1 Aid or Tier 2 Aid.

Tier 1 Aid

Eligible districts will receive the greater of:

- (i) \$147.29 x 2006-07 public enrollment, or
- (ii) \$100,000

All districts in a county are eligible for High Tax Aid if their county's Tax Effort Ratio is greater than 4.2 percent (based on data on file with the State Education Department as of February, 2007).

County Tax Effort Ratio = The ratio of the county-wide sum of the districts' 2004 tax levy on residential real property (including condominium property) divided by the county-wide sum of the districts' 2004 adjusted gross income.

Tier 2 Aid

Eligible districts will receive:

\$30.00 x 2006-07 public enrollment

Individual districts are eligible for Tier 2 Aid if they meet the following three criteria:

- (i) A county regional cost index for Foundation Aid greater than 1.300 (see Appendix III-F),
- (ii) The district is not eligible for Tier 1 Aid, and

- (iii) A district Tax Effort Ratio greater than 4.0 percent
(based on data on file with the State Education Department
as of February, 2007)

District Tax Effort Ratio = The ratio of the district's 2004 tax levy on residential real property (including condominium property) divided by the district's 2004 adjusted gross income.

EMPLOYMENT PREPARATION EDUCATION (EPE) AID

Education Law, Section 3602, Subdivision 24

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

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

$$\text{EPE Aid} = \$9.90 \times \text{EPE Aid Ratio} \times \text{EPE Hours}$$

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

Minimum: .400

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

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

EPE aid will be reduced if it and other State and Federal sources of aid for EPE programs exceed the entire cost of such program in that year. For the 2007-08 school year, total aid is limited to \$96.00 million.

INCARCERATED YOUTH AID

Education Law, Section 3602, Subdivision 13

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

- (i) 2005-06 AOE/TAPU for Expense x Number of full-day program pupils⁴⁵
+
([.5 x (AOE/TAPU for Expense)] x Number of half-day program pupils) or
- (ii) Actual total instructional cost for the incarcerated youth program plus approved administrative costs (which may not exceed five percent of total instructional costs)

SUPPLEMENTAL PUBLIC EXCESS COST AID

Chapter 57 of the Laws of 2007; Education Law, Section 3602, Subdivision 5-a

If a district receives 2007-08 Foundation Aid based on the 3 percent minimum increase:

Supplemental Public Excess Cost Aid is based on any increase in 2007-08 Total Supplemental Public Excess Cost amount over 2006-07 Public Excess Cost Aid.

If a district receives more than a 3 percent increase in Foundation Aid:

Supplemental Public Excess-Cost aid is based on any increase in 2007-08 Total Supplemental Public Excess Cost amount over 2006-07 Public Excess Cost Aid minus 2007-08 Foundation Aid less 103 percent of the Foundation Aid Base.

In either case, the result is multiplied by 0.91.

2007-08 Total Supplemental Public Excess Cost amount is computed using the same formula as 2006-07 Public Excess Cost Aid.

⁴⁵ 2005-06 AOE/TAPU x 1.25 x pupils in 10 month programs or 2005-06 AOE/TAPU x 1.50 x pupils in 12 month programs.

APPENDIX III-C

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

I. Average Daily Attendance/Average Daily Membership ^a

- A. Average Daily Attendance (ADA) is the average number of pupils present on each regular school day in a given period. The average is determined by dividing the total number of attendance days of all pupils by the number of days school was in session.
- B. Average Daily Membership (ADM) is a measure of enrollment. It is the total possible aggregate daily attendance of all pupils in the district divided by the days of session.

II. For Foundation Aid pupil counts for wealth and aid, see the description of this aid category in Appendix III-B as well as Appendix III-D.

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

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

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

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

APPENDIX III-D
FOUNDATION AID PUPIL UNITS

Total Wealth Foundation Pupil Units (TWFPU)

The sum of:

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

Selected Total Aidable Foundation Pupil Units (TAFPU)

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

Total Aidable Foundation Pupil Units (TAFPU) =

(2005-06 Average Daily Membership (ADM) x Base Year Enrollment Index) +
(2005-06 Summer ADM x .12) + 2005-06 Weighted Foundation Pupils with
Disabilities (WFPWD)

Average Daily Membership (ADM) =

- Possible aggregate attendance of students in kindergarten through grade 12 (or equivalent ungraded programs), which is the total of the number of enrolled students that could have attended school on all days of session divided by the number of days of session;
- Possible aggregate attendance of non-resident students (in-state and out of state) attending the district full time but not resident students enrolled full time in another district;
- Possible aggregate attendance of Native American students that are residents of any portion of a reservation located wholly or partially in New York State;
- Possible aggregate attendance of students living on federally owned land or property;
- Possible aggregate attendance of students receiving home or hospital instruction (not home-schooled students, including students receiving instruction through a two-way telephone communication system);
- Full-time-equivalent enrollment of resident pupils attending a charter school;
- Full time equivalent enrollment of pupils with disabilities in BOCES programs;
- Equivalent attendance of students under the age of 21, not on a regular day school register in programs leading to a high school

diploma or high school equivalency diploma;

- Average daily attendance of dual enrolled nonpublic school students in career education, gifted and talented, and special education programs of the public school district as authorized by Section 3602-c of the Education Law. Attendance is weighted by the fraction of the school day that the student is enrolled in the public school programs. Dual Enrolled students with disabilities are further weighted at 1.41.

Enrollment Index for the base year =

$$\frac{2006-07 \text{ Public School Enrollment}}{2005-06 \text{ Public School Enrollment}}$$

Summer Average Daily Membership =

Possible aggregate attendance (in hours) of pupils who attend programs of instruction operated by the district during the months of July and August, other than pupils with disabilities in twelve month programs, divided by the number of hours summer school was in session.

Weighted Foundation Pupils With Disabilities (WFPWD) =

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

- Placement for 60 percent or more of the school day in a special class;
- Home or hospital instruction for a period of more than sixty days;
- Special services or programs for more than 60 percent of the school day;
- Placement for 20 percent or more of the school week in a resource room or requiring special services or programs including related services for 20% or more of the school week, or in the case of pupils in grades seven through twelve or a multi-level middle school program as defined by the commissioner or in the case of pupils in grades four through six in an elementary school operating on a period basis, the equivalent of five periods per week, but not less than the equivalent of one hundred eighty minutes in a resource room or in other special services or programs including related services, or
- At least two hours per week of direct or indirect consultant teacher services

PLUS

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

APPENDIX III-E
STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

Section 3609-a of the Education Law will govern the schedule of school district payments as well as the manner in which monthly aid payments are calculated. Section 3609-a includes computerized aids payable as General Support for Public Schools (GSPS) except for aids which are covered under the Section 3609-b (Excess Cost) payment schedule and Section 3609-d (BOCES Aid) payments and Section 3609-f governs the schedule of school district VLT lottery grants, as well as Textbook, Software, Hardware and Library Materials Aids. Full Day Kindergarten Aid will not be paid until June 2008. In addition, Section 3609-e of the Education Law governs the schedule of school district payments for School Tax Relief (STAR). This payment is intended to reimburse school districts for school property tax exemptions granted pursuant to Section 425 of the Real Property Tax Law.

For GSPS aid payable in the 2007-08 school year, school districts will receive the lesser of (i) the sum of the aid calculated at the time of enactment of the Aid to Localities Budget less any VLT Lottery grants provided pursuant to 92-c of the state finance law or (ii) actual claims at the time of payment. A district may not exceed the sum of apportionments reported in the school aid computer listing entitled "SA070-8," which was released in March 2007 with the issuance of the 2007-08 Enacted Budget less any VLT Lottery grants provided pursuant to 92-c of the state finance law. Any remaining unpaid amount of aid due to a school district will be paid on the first business day of September, 2008. The payment schedule has several features:

GSPS Aids

- Lottery Aid will continue to be paid in full on the first business day of September.
- School district obligations to the New York State Teachers Retirement System (TRS) will continue to be paid by the State on behalf of school districts in September, October and November.
- "Fixed" payments will be paid in the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's apportionments, after TRS payments, will be paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent by October 15, 18.75 percent by November 15 and 25.00 percent by December 15.
- "Individualized" payments will be calculated for the months of January through June. January through May payments are based on school district State Aid claims or data available to the Commissioner as of December 1. The June payment is based on data available to the Commissioner as of May 1. These will be calculated to guarantee that each district receives 50 percent of the sum of its State and local revenues by the first business day of January, 60 percent by February, 70 percent by March, 80 percent by April and 90 percent by May. All or most of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for General Support of Public Schools in March 2008. If necessary, the March payment may also be reduced to ensure that no more than the State Fiscal Year appropriation for General Support of

Public Schools is expended by March 31.

- Sustaining advance payments and a final payment for the State Fiscal Year will be paid to school districts on or before March 31 on a prorata basis using the districts' relative share of either: (1) for the sustaining advance payments, the total monies designated for payment in April, then May and finally June or (2) for the final payment for the State Fiscal Year, the total monies designated for June (if a positive payment is to be made) or the total monies designated for March (if a negative deduction is to be made). For purposes of calculating the final payment for the State Fiscal Year, the remaining unexpended portion of the State Fiscal Year appropriations for General Support of Public Schools will be used.
- Any aid payable for Full Day Kindergarten Aid will be paid in addition to any remaining balance of the June General Aid payment on the first business day in June. In addition the total of such aid payable through June for Full Day Kindergarten Aid cannot exceed the total of such aid as it appears on the computer listing "SA070-8."
- Any balance due of actual General Aid apportionments which exceeds the sum of such apportionments as reported in the school aid computer listing entitled "SA070-8" less any VLT Lottery grants provided pursuant to 92-c of the state finance law will be paid on the first business day of September, 2008.

VLT Lottery Grants

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

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

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, 2007;
 - 70 percent by November 15, 2007;
 - 80 percent by December 15, 2007; and
 - 100 percent by January 1, 2008.
- Any increase in STAR reimbursement that occurs as a result of adjustments made after January 1 will be paid by March 31, 2008.

- Payment amounts will be based on current data on file at the time of each payment through January.
- Current statutory provisions that authorize the Commissioner to withhold State aid payments from school districts that have not submitted enrollment and expenditure data on a timely basis shall not apply to STAR reimbursements.
- STAR reimbursement for New York City's personal income tax relief will be paid 32 ½% by September 15, 2007 and 65% by December 15, 2007 and the balance on June 15, 2008.

Excess Cost Aids

Section 3609-b of the Education Law requires that apportionments payable to school districts for Excess Cost Aids shall be designated as State share monies due to school districts pursuant to Title XIX of the Social Security Act (Medicaid reimbursement). Such State share monies will be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid reimbursement. Any remaining balances of Excess Cost Aids will be paid in accordance with the schedule below. Total Excess Cost Aids payable to a district for the school year may not exceed the sum of the Public Excess Cost Aid setaside at the time of the 2007-08 Enacted Budget, the Public High Cost Excess Cost Aid, Supplemental Public Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "SA070-8" which was released in March 2007 with the issuance of the 2007-08 Enacted Budget.

- The positive remainder of 25 percent of Excess Cost Aids minus any State share monies paid in the months of August-November, 2007 will be paid on or before December 15.
- The positive remainder of 70 percent of such aids minus any apportionment previously paid and any State share monies payable in the months of August 2007-February 2008 will be paid on or before March 15.
- The positive remainder of 85 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2007-May 2008 will be paid on or before June 15.
- The positive remainder of 100 percent of such aids minus any apportionments previously paid and any State share monies payable in the months of August 2007-July 2008 will be paid on or before August 15.
- Any balance due of actual Excess Cost Aids payable which exceeds the sum of the Public Excess Cost Aid setaside at the time of the 2007-08 Enacted Budget, the Public High Cost Excess Cost Aid, Supplemental Public Excess Cost Aid and Private Excess Cost Aid as reported in the school aid computer listing entitled "SA070-8" will be paid on the first business day of September, 2008.

BOCES Aid

- BOCES Aid is calculated for individual component school districts of the BOCES, but the sum of all such payments is paid directly to the BOCES. Total BOCES Aid payable for the school year to each component school district may not exceed 100 percent of the amount of such aid as

reported in the school aid computer listing entitled "SA070-8," which was released in March 2007 with the issuance of the 2007-08 Enacted 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 "SA070-8" 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 "SA070-8" 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 "SA070-8" will be paid to the BOCES on the first business day of September, 2008.

APPENDIX III-F
REGIONAL COST INDEX

Counties in each region - Regional Cost Index

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

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