

# I

## GENERAL FORMULA AIDS FOR MAJOR DISTRICTS

### A. BASIC OPERATING AID [Section 3602(12) of the Education Law] (1998-99 Estimated Total - \$5,778 Million)

Basic Operating Aid is available to help each district meet its expenditures for general operation and maintenance of the school district. Included within operating expenditures are salaries of administrators, teachers and non-professionals, fringe benefits, utilities and maintenance of school facilities.

Certain expenses are not included in the definition of operating expenses for purposes of Basic Operating Aid, primarily because these expenses are aided through other formulas or special aid programs. Examples of such expenses are: interfund transfers, transportation expenses, capital outlay and debt service, expenses for cafeteria, expenses to Boards of Cooperative Educational Services (BOCES), tuition payments to other districts, and payments from funds received from the federal government.

The State shares in a specified expense per pupil with local school districts through a sharing ratio formula. Aid is generated in inverse proportion to a district's wealth as measured by real property and adjusted gross income by applying a sharing ratio to the per-pupil ceiling amount. As a result, low wealth districts receive a relatively high amount of aid; high wealth districts receive a relatively low amount of aid.

For 1998-99 the aidable per pupil expense ceiling consists of a fixed amount of \$3,900 per pupil plus an additional variable amount equal to a percent of the difference between the district's 1996-97 approved operating expense per pupil (AOE/TAPU), not to exceed \$8,000, and the fixed ceiling of \$3,900. The percent adjustment used is also related to the district's wealth in terms of taxable real property within the district and income of district residents. The calculation of this percentage is explained later in this report under the subheading "The Equalization of Operating Aid." A minimum expense ceiling adjustment of 7.5 percent of the difference is guaranteed for all districts, but for poorer districts that operate full kindergarten through grade 12 programs a larger percentage is provided. For an average wealth district spending \$7,000 per pupil the aid ceiling would be  $\$3,900 + [.075 * (\$7,000 - \$3,900)] = \$4,132.50$ . This amount is then multiplied by a sharing ratio to determine the formula aid per pupil unit.

For those districts in which the formula generates less than \$400 per pupil unit, the statute guarantees \$400 per pupil minimum aid, often referred to as the Flat Grant (see Table 1).

Operating Aid is determined by multiplying aid per pupil unit, the amount computed in the formula or \$400, by the total aidable pupil units (TAPU).

**Total Aidable Pupil Units:** Total aidable pupil units is the sum of several pupil counts, each count being assigned a distinct weighting. Weightings are used as a means of reflecting the assumed average cost of educating a particular pupil category. The pupil counts used are:

Pupils in Adjusted Average Daily Attendance (Full Day K-12)	weighting	1.00
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Pupils in Adjusted Average Daily Attendance (1/2 Day Kindergarten)	weighting	0.50		
Pupils in Dual Enrollment with a Nonpublic School	weighting	1.00	x	Fraction of Day in Public School Programs
Pupils With Special Educational Needs	additional weighting	0.25		
Pupils in Secondary School	additional weighting	0.25		
Pupils in Summer School Attendance	weighting	0.12		

These categories and weightings are further explained by the following:

**Adjusted Average Daily Attendance (Adjusted ADA):** The average number of pupils present on each regular school day. This is an average determined by dividing the total number of attendance days of all pupils by the number of days school was in session. Adjusted ADA also includes the 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 and the enrollment of pupils with disabilities full time in BOCES programs.

An adjustment to average daily attendance is made by applying a .50 weighting to half day kindergarten when computing results. With this adjustment for half-day kindergarten and full K-12 weighted at 1.00, the result is adjusted average daily attendance.

**Pupils in Dual Enrollment with a Nonpublic School:** The attendance of nonpublic school pupils in certain 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.

**Pupils with Special Educational Needs (PSEN):** The number of pupils with special educational needs attending the public schools of the district is determined by the percentage of pupils below minimum competence as measured by the third and sixth grade pupil evaluation program (PEP) tests in reading and mathematics. The average of the percentage of pupils in a district who scored below the State reference point on these third and sixth grade PEP Tests in 1984-85 and 1985-86 continues to be used to determine the number of pupils with special educational needs. This percentage is multiplied by the district's adjusted ADA to produce the number of pupils for weighting. The weighting for aid is .25; thus, the eligible pupils times .25 equals weighted PSEN pupils. Since this is an additional weighting, these pupils would also have been counted under average daily attendance.

**Secondary School Pupils:** Eligible pupils in grades seven through twelve receive an additional weighting of .25. Eligible pupils for this weighting are defined as the number of students in average daily attendance in grades seven through twelve excluding any such students whose enrollment generates Public Excess Cost Aid. Thus, the eligible pupils times .25 equals additional secondary school weighting.

**Summer Session Pupils:** Summer session pupils are those pupils who attend approved programs of instruction operated by the district during the months of July and August, other than pupils with disabilities in twelve

month programs, in accordance with the Regulations of the Commissioner of Education. The full weighting of .12 is applicable if the student attends a total of 90 hours of class sessions during the summer.

**Adjustment Based on Enrollment Growth:** For aids payable during 1998-99 attendance in the year prior to the base year forms the basis for determining aidable pupil units for Basic Operating Aid. Base year is the school year prior to the current year. (Example: For the 1998-99 aid year, 1997-98 is the base year and 1996-97 is the year prior to the base year.) Such attendance in the year prior to the base year is multiplied by the ratio of base year (1996-97) enrollment to year prior to the base year (1997-98) enrollment.

**Selected TAPU:** For the purposes of computing Basic Operating Aid, districts may use the total aidable pupil units as described above or the average of such number and the total aidable pupil units calculated for aid payable in the base year. The higher of these two figures is usually referred to as "Selected TAPU."

**The Equalization of Operating Aid:** Operating Aid is equalized or adjusted for district wealth. District wealth is measured by two variables. The first is the full value of taxable real property per pupil unit within the district. The pupil count used is total wealth pupil units (TWPU), a measure of the weighted average daily attendance of resident pupils in a district. Full Value per TWPU for 1998-99 aid is: the 1995 Full Value divided by 1995-96 TWPU. The statewide average of full value per TWPU is \$246,400 for purposes of 1998-99 aid.

Adjusted gross income per TWPU is the second measurement of wealth. The income data is based on personal income tax returns of district residents. For 1998-99 aid, 1995 adjusted gross income, as verified by a statewide income verification process conducted jointly by the Education Department, the Department of Taxation and Finance, and the Office of Real Property Services, is divided by 1996-97 TWPU. The statewide average of adjusted gross income per TWPU for 1998-99 aid is \$86,400.

In computing the Basic Operating Aid per pupil ceiling and the State share of the ceiling, the following calculations are required:

- a. Determine the combined wealth ratio. Combined wealth ratio (CWR) is the equally weighted combination of per-pupil property wealth relative to the State average and per-pupil income wealth relative to the State average.

That is,

$$\text{CWR} = .5 \times \frac{\text{District FV/TWPU}}{\$246,400} + .5 \times \frac{\text{District Income/TWPU}}{\$86,400}$$

Note that a district of average wealth according to both property and income variables would have a combined wealth ratio of 1.000. Districts wealthier than the average would have a combined wealth ratio greater than 1.000 and poorer districts would have a ratio less than 1.000.

- b. For school districts with kindergarten through grade 12 programs, divide .075 by the CWR to determine the percent adjustment used in calculating the additional variable amount to be added to the fixed aidable per pupil expense ceiling of \$3,900. A minimum percent of 7.5% is guaranteed for all school districts including those operating less than a K-12 program.
- c. Determine the total aidable per-pupil expense ceiling applicable to the school district by adding

\$3,900 and the product of the following calculation:

$$\text{Percent Adjustment X (1996-97 AOE/TAPU* - 3,900)}$$

\* May not exceed \$8,000 for this calculation.

d. Determine the State share ratio by selecting the highest share ratio calculated under the following formulas:

- Selected share ratio is greater of:
  1.  $1.37 - (1.23 * \text{CWR})$  Poor District
  2.  $1.00 - (0.64 * \text{CWR})$  Low Average Wealth District
  3.  $0.80 - (0.39 * \text{CWR})$  High Average Wealth District
  4.  $0.51 - (0.22 * \text{CWR})$  Rich District
- Maximum sharing ratio = 90%; minimum sharing ratio = 0%
- Examples:

$$\text{CWR} = .30; \text{share ratio} = 90.0\% \text{ (Formula 1)}$$

$$\text{CWR} = .50; \text{share ratio} = 75.5\% \text{ (Formula 1)}$$

$$\text{CWR} = .75; \text{share ratio} = 52.0\% \text{ (Formula 2)}$$

$$\text{CWR} = 1.00; \text{share ratio} = 41.0\% \text{ (Formula 3)}$$

$$\text{CWR} = 1.80; \text{share ratio} = 11.4\% \text{ (Formula 4)}$$

- e. Compute the aid per pupil: Basic Operating Aid per pupil is the greater of the aidable per-pupil expense ceiling x Share ratio, or \$400 minimum aid (Flat Grant).
- f. Final aid calculation: The aid computed above is Basic Operating Aid per pupil unit. This figure is multiplied by the district's Selected TAPU to arrive at the district's total allocation of Basic Operating Aid.

**B. TAX ADJUSTMENT AIDS**  
**[Section 3602(16) of the Education Law]**  
**(1998-99 Estimated Total = \$654.1 Million)**

Special aids are provided for school districts and their taxpayers burdened with exceptionally high tax rates.

1. **Tax Equalization Aid** (\$462.5 million) is provided to those school districts that must levy a full value tax rate of \$19.50 per \$1000 of full value just to fund approved operating expenses (AOE). In comparison the State average school district property tax rate for all school purposes is \$16.63 per \$1000 of full value. The formula for Tax Equalization Aid is:

$$\text{Aid} = \text{Sel. TAPU} \times \left[ \text{AOE per pupil}^* - \left[ \frac{\text{Est. Revenue per pupil from } \$19.50 \text{ Rate}}{\text{AOE per pupil}^*} \right] + \text{Oper. Aid per pupil} \right]$$

\* For this calculation, AOE per pupil may not exceed \$8,000.

2. **Tax Effort Aid** (\$191.6 million) is provided to those school districts in which the 1995 property tax levy on residential properties (including condominiums), as determined by the State Office of Real Property Services, exceeds 3 percent of the school district's 1995 adjusted gross income of district residents. This aid is not available to school districts with a full value wealth ratio of 2.000 or greater. The formula for Tax Effort Aid is:

$$\text{Aid} = \$912.48 \times \text{TAPU} \times \text{Tax Effort Factor}$$

$$\text{Tax Effort Factor}^* = \frac{[(1995 \text{ Res. Prop. Tax}/1995 \text{ Income}) - .03]}{.04}$$

\* May not exceed 1.00 or be less than 0.

**C. TRANSITION ADJUSTMENT**  
**[Section 3602(18) of the Education Law]**  
**(1998-99 Estimated Total = \$- 311.9 Million)**

1. **Aid Minimum:** (\$+141.8 million) For aid payable in 1998-99 the sum of the aids generated for Basic Operating Aid and Tax Adjustment Aids may not be less than the product of the sum of such aids plus transition received in 1997-98 multiplied by a factor.

$$\text{Factor} = \frac{1.8\%}{\text{CWR}}, \text{ but not less than } 1.8\% \text{ nor more than } 2.5\%$$

2. **Aid Maximum:** (\$-453.7 million) For aid payable in 1998-99 the sum of the aids generated for Basic Operating Aid and Tax Adjustment Aids may not exceed the greater of:

- The sum of such aids and any transition adjustment payable in the 1997-98 school year multiplied by 1.05; or
- The sum of such aids payable in the 1997-98 school year plus 17.6 percent of the positive difference of the sum of such aids payable in the 1998-99 school year minus the sum of such aids and any transition adjustment payable in the 1997-98 school year.

For the purposes of calculating the transition base used for aids payable in 1998-99, any impact upon the calculation of such base resulting from aids payable in 1993-94 is frozen as of July 1, 1996, any impact upon the calculation of such base resulting from aids payable in 1994-95 will be frozen as of July 1, 1998, any impact resulting from aids payable in 1995-96 will be frozen as of July 1, 1999, and any impact resulting from aids payable in 1996-97 and 1997-98 will be frozen as of July 1, 2000.

**D. DEDUCTION FOR THE LOCAL SCHOOL DISTRICT'S SHARE OF  
EDUCATIONAL COSTS FOR CERTAIN STUDENTS  
[Section 4401(8) of the Education Law]  
(1998-99 Estimated Total = \$- 18 Million)**

The educational costs for certain students are paid in the first instance by the State. These generally represent the educational costs for students under the care and custody of a State agency or for students with unique educational placements. In the year following the school year in which educational services are provided to these students at the State's expense, the State assesses a basic contribution in support of such expenditures from the school district of residence for the student. This basic contribution is defined in subdivision 8 of Section 4401 of the Education Law as an amount equal to the total property and nonproperty taxes of the school district divided by the public school enrollment of the district. The basic contribution is assessed for the following types of students:

- students attending State-supported schools for the blind or deaf;
- students placed in a family home at board, an orphan asylum or other such institution who previously resided in a school for the mentally retarded operated by the State Office for Mental Retardation and Developmental Disabilities;
- students residing in a school for the mentally retarded operated by the State Office for Mental Retardation and Developmental Disabilities who receive educational services in a public school district or a BOCES;
- students residing in an intermediate care facility or an individualized residential alternative who receive educational services through the public school district of current location;
- students placed in a child care institution by the Family Court, the Department of Social Services or the State Division for Youth who receive educational services at the expense of a local social services district agency;
- students placed in a residential psychiatric treatment facility, a residential treatment facility or a child care institution who receive educational services at the expense of a local social services district agency or the New York State Office of Mental Health;
- students incarcerated in a county operated correctional facility who receive educational services through the public school district of current location;
- runaway or nonresident homeless students who receive educational services through the public school district of current location; and
- students placed by the school district in a Children's Residential Project (CRP) School on or after July

1, 1995.

**E. LIMITED ENGLISH PROFICIENCY AID**  
**[Section 3602(22) of the Education Law]**  
**(1998-99 Estimated Total = \$60.1 million)**  
**(No Longer Included in Transition)**

School districts are entitled to receive aid for conducting programs for pupils with limited English proficiency, as approved by the Commissioner, or for pupils enrolled in such programs operated by a BOCES.

The formula for computing this aid is:

Selected Basic Operating Aid per pupil X .16 X the number of pupils with limited English proficiency in approved programs during the base year.

This aid is subject to an expenditure check, which may be waived by the Commissioner under certain conditions. Districts must receive prior approval of a program budget (Form CA-10) and report actual expenditures after the end of the school year by filing a final expenditure report (Form CA-10F). Unexpended funds or unauthorized expenditures will be deducted from State Aid payable to the school district in the following year. For aid payable in 1998-99, this required expenditure level is adjusted to reflect any loss in aid due to the maximum aid increase provisions of the Transition Adjustment.

**F. GIFTED AND TALENTED PROGRAM AID**  
**[Section 3602(23) of the Education Law]**  
**(1998-99 Estimated Total = \$15.1 Million)**  
**(No Longer Included in Transition)**

Each school district which conducts a gifted and talented program in accordance with Regulations of the Commissioner is entitled to Gifted and Talented Program Aid.

The formula for computing Gifted and Talented Program Aid is:

\$196 X .03 X Adjusted Average Daily Attendance

**G. EXTRAORDINARY NEEDS AID**  
**[Section 3602(12)(e) of the Education Law]**  
**(1998-99 Estimated Total = \$660.1 Million)**

In addition to Basic Operating Aid, districts may be eligible for an additional operating aid based on the sum of certain measures of extraordinary needs. These measures are defined as the Extraordinary Needs Pupil Count and are:

- the number of pupils receiving special educational programs for pupils with limited English proficiency during the 1997-98 school year;
- the number of pupils applying for free and reduced priced school lunches as calculated by multiplying the ratio of such applicants to enrollment in grades K-6 during the fall of 1996 by the 1997-98 K-12



enrollment of the school district; and

- a sparsity count for school districts operating grades K through 12 with less than 25 pupils per square mile equal to the product of 1997-98 K-12 enrollment and the quotient of 25 minus the district pupils per square mile divided by 58.

If a school district did not participate in the school lunch program in the fall of 1996, a pupil count based on the percentage of pupils performing below the State reference points on the Spring of 1996 third and sixth grade PEP tests in reading and mathematics multiplied by the 1997-98 K-12 enrollment of the school district may be used in lieu of the school lunch count.

The purpose of Extraordinary Needs Aid is to target additional funds to school districts to meet needs related to educating concentrations of extraordinary needs pupils and provides extra funding for those school districts with such concentrations in excess of 74.5 percent of enrollment.

**Calculation of Extraordinary Needs Aid (ENA):** Aid equals the product of:

- an extraordinary needs factor of 11 percent for all districts;
- a concentration factor of at least 1.00 for all districts but greater than 1.00 for school districts with concentrations of extraordinary needs pupils in excess of 74.5 percent of enrollment;
- the district's aidable per pupil expense ceiling used to calculate Basic Operating Aid;
- the district's extraordinary needs pupil count; and
- the extraordinary needs aid sharing ratio.

The extraordinary needs concentration factor, which cannot be less than one for any district is equal to:

$$1 + \left[ \frac{\text{Concentration \%} - 74.5}{38.7} \right]$$

For aids payable in 1998-99 school districts may select the greater of the aids payable pursuant to these formulas or the Extraordinary Needs Aid calculated for the 1997-98 school year.

The ENA sharing ratio is based solely on the income wealth ratio of the school district (not property wealth) and is calculated as follows:

$$\text{ENA Sharing Ratio} = 1 - (.4 \times \text{Income Wealth Ratio})$$

**H. OPERATING STANDARDS AID**  
**[Section 3602(38) of the Education law]**  
**(1998-99 Estimated Total = \$81.96 Million)**

This aid is provided to fund services and expenses incurred by school districts in helping students improve achievement in order to meet the new high learning standards and assessments established by the Board of Regents. Funds may be used to support activities and programs in accordance with a district plan designed to assist students to achieve the new high learning standards through direct instructional services, appropriate professional development services for teachers, and the development and sharing of innovative educational practices.

The formula for computing the aid is:

$$[\$6 + (\$61.50 \times \text{Sharing Ratio}^*)] \times \text{Adjusted Selected TAPU}^{**}$$

\* The sharing ratio =  $\{1 - .7 \times [.5 \times \text{Alt. Pupil Wealth Ratio} + .5 \times (\text{AOE/TPU} / 6,058)]\}$

\*\* The adjusted selected TPU = Selected TAPU for Payment, adjusted for school districts with an extraordinary needs % greater than 60% by multiplying Sel. TAPU by a factor of 1.06.

**I. EDUCATIONALLY RELATED SUPPORT SERVICES AID (ERSSA)**  
**[Section 3602(32) of the Education Law]**  
**(1998-99 Estimated Total = \$61.4 Million)**

This aid is intended to help defray costs of providing support services which will enable pupils to maintain their placement in a regular education program. Such support services may include psychological services, social work services, speech and language improvement services, curriculum and instructional modification, direct student support team services and non-career counseling services provided by qualified professional personnel. Services to qualified handicapped pupils under the American with Disabilities Act and any students with disabilities whose attendance does not generate any Excess Cost Aid are also included.

Pupils may be referred for such services by the school building administrator.

Aid is calculated using a two-tier formula as follows:

Tier I:  $\$335.00 \times \text{ERSSA Aid Ratio} \times \text{TAPU} \times 9 \text{ percent}$

ERSSA Aid Ratio = the greater of the Basic Operating Aid sharing ratio or .25

Tier II:  $\$500.00 \times \text{Public Excess Cost Aid Ratio} \times \text{Tier II Pupils}^*$

\* Tier II pupils =  $.15 \times \text{Sel. TAPU} \times (\text{Extraordinary Needs Concentration Percent} - 60 \text{ percent})$

**J. BUILDING AID**  
**[Section 3602(6) of the Education Law]**  
**(1998-99 Estimated Total = \$844.74 Million)\***

**\* Does not include additional aids payable for 10% Incentive Aid or Regional Cost Adjustments.**

Building Aid is available for expenses incurred in construction of new buildings, additions, alterations or modernization of district-owned buildings, for purchase of existing structures for school purposes, and for lease and installment purchase payments under certain circumstances.

Expenses for which this aid is available are: (1) principal and interest payments for bonds, bond anticipation notes, and capital notes sold to finance approved building projects; (2) capital expenditures from budgetary appropriations; (3) expenditures from capital reserve funds; (4) debt service payments on installment purchase contracts and (5) lease expenditures. Certain limitations are applied to principal and interest payments. These limitations are explained below.

The following steps are used in computing Building Aid:

- Building plans and specifications for the project must be approved by the Facilities Planning Unit of the State Education Department.
- The pupil capacity of the building is assigned to the project by the Facilities Planning Unit.
- Estimated construction costs and estimated incidental costs are determined. Construction costs are for major contracts (general construction, heating and ventilating, plumbing, and electrical), while incidental costs are for such items as site purchase, site development, original equipment, furnishings, machinery or apparatus, and professional fees.
- A maximum construction cost allowance for each building project is computed by multiplying a pupil construction cost allowance figure, adjusted for regional cost differences, by the assigned pupil capacity for the building.

The pupil construction cost allowance is adjusted monthly, based upon an index which reflects changes in cost of labor and materials. The index available for the calendar month in which the construction contract is signed for a specific project is the index used. The actual construction cost allowance is the lesser of (1) the computed maximum described above or (2) the actual construction costs.

The regional cost adjustment is established annually and is applied only to projects for which contracts are awarded on or after 7/1/98.

- The maximum incidental cost allowance is 20 percent of the maximum construction cost allowance for K-6 buildings, and 25 percent of construction cost allowance for Grade 7-12 buildings and for special education space. The actual incidental cost allowance is the lesser of the computed maximum or actual incidental costs.
- If debt or obligations are used to finance a project, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed.

Aid on debt service payments (debt service equals the sum of principal and interest) and lease payments is generally paid in the current year. For aids payable on newly issued bonds or capital notes or on bond anticipation notes, however, current year aid will only be paid to the extent that current year debt service for such bonds or notes is reported to the Commissioner of Education prior to November 15. Any debt service in excess of the amount reported on November 15 will not be aided until the following school year.

State Aid is paid on a building project only up to the total approved cost allowance. Total approved cost allowance is the sum of the construction cost allowance plus the incidental cost allowance.

The Building Aid formula is:

Building Aid = Approved Building Expense X Building Aid Ratio

$$\text{Building Aid Ratio} = 1.000 - \left[ \frac{1995 \text{ FV}/1996-97 \text{ RWADA}^*}{293,600 \text{ (State Average)}} \times .51 \right]$$

\* See Appendix A for a definition of RWADA

Approved Building Expense = prior year capital outlay expenditures from budgetary appropriation or capital reserves, current year debt service times bond percentage and/or certain approved lease payments, plus prior year excess debt service on new bonds and/or capital notes and bond anticipation notes times bond percentage.

Note that .51 is the local share for districts of average wealth (i.e., district average full value per pupil equals the State average (\$293,600) so that District Average FV/RWADA/\$293,600 = 1.000). For districts of average wealth the State share is .49. For wealthier districts the State share would be smaller, and for poorer districts the State share would be larger.

For 1998-99 aid, a district may elect to use the current building aid ratio, or the building aid ratio computed for any of the years from 1981-82 through 1997-98 (whichever is highest). Districts reorganized on or after July 1, 1983 may use an aid ratio for 1981-82 or thereafter for any of the individual school districts which existed prior to the date of the reorganized school district. For aids payable in 1994-95, 1995-96, 1996-97, 1997-98 and 1998-99, however, any aid ratio used in this selection process as selected in a prior year will be as calculated by the Commissioner of Education as of July 1 of the third school year following the year in which such selected aid ratio was used to calculate aid. This means that for aids payable in 1995-96, 1996-97, 1997-98 and 1998-99 any aid ratio selected for aid payable in 1995-96 as now used in the selection process for these later aid years was frozen as of July 1, 1998.

Certain limitations are applied to Building Aid payable for principal and interest expenditures incurred in the financing of approved school construction projects as follows:

- Bond Anticipation Notes (BANS): Approved debt service for BANS issued or reissued after July 1, 1996 but prior to the issuance of a certificate of substantial completion, will equal: 1) interest expense on such notes issued after July 1, 1996 but prior to the date of substantial completion of the construction project being funded; and 2) principal expense, not exceeding the minimum principal payment required under the Local Finance Law.

- Bonds, Capital Notes or Other Long-Term Local Obligation: To be eligible for Building Aid, any bond, capital note or other long-term obligation issued on or after August 1, 1996 (or on or after November 15, 1996, or the last date upon which such an obligation can be issued by a small city school district without voter approval, whichever occurs first) shall: 1) provide for substantially level debt service or principal; 2) be amortized for a period of at least 15 years, including any period of amortization of related BANS, if used to finance new construction or purchase of existing facilities; and 3) be amortized for a period of at least 10 years, including any period of amortization of related BANS, if used to finance reconstruction, rehabilitation or improvement of existing facilities.
- If a school district issues obligations that do not satisfy the above criteria for aid, the Commissioner of Education will calculate an appropriate assumed amortization of approved project costs, less any previously aided principal expense, for the specified minimum number of years using an interest rate for the month in which a general construction contract is awarded for the project as calculated from a nationally recognized and accepted index of municipal bond yields. The assumed amortization commences with the date of awarding a general construction contract or when it is determined that an assumed amortization will be used for aid purposes, whichever is later. Aid will then be calculated based on the assumed debt service payable each year under the assumed amortization.
- Chapter 436 of the Laws of 1997 provides that small city school districts, and other school districts in certain cases, may elect to receive Building Aid based on an assumed amortization of approved project costs even if the obligation issued to finance construction satisfies all criteria for aid on actual debt service. Non-city school districts with bond anticipation notes eligible for Building Aid in 1996-97 may elect to receive 1996-97 and later aid payments for the school construction funded with such notes based on an assumed amortization of any previously unaided principal related to the approved costs of such construction. Similarly, small city school districts may elect to receive 1996-97 and later Building Aid for any approved building project based on an assumed amortization of any previously unaided principal related to such approved project costs. This election must be conveyed to the Commissioner of Education by November 15, 1997, or upon submission of the building project to the Commissioner for approval, whichever occurs later.

Those school districts electing an assumed amortization under this provision can reduce local debt service expense by retiring the locally funded portion of debt related to approved school construction costs and only amortizing the State funded portion of such costs. Since Building Aid would be calculated on an assumed amortization of the total approved costs, including both local and State funded portions, the school district's annual debt service expense for actual bonds issued to finance the State funded portion will generally be equaled by the annual Building Aid payments received under the assumed amortization.
- Building Aid Payable for Energy Performance Contracts: In order to receive Building Aid on energy performance contracts, the estimated Building Aid payable must be excluded in determining the cost savings under the contract and the contractor must guarantee recovery of the contract costs by the school district from energy savings realized during the term of the contract which cannot exceed 18 years. All requirements applied to aid on debt service related to energy performance contracts, however, will be based on a minimum amortization period equal to the

term of the contract, which may be shorter than the normally required 10 years for reconstruction or 15 years for new construction.

- Minimum Period of Amortization Related to Building Aid on Actual Debt Service for Certain Acquisitions with a Period of Probable Usefulness of less than 10 years: Actual debt service expenditures for acquisition of computer equipment and other objects with a period of probable usefulness of less than ten years, if otherwise approved for Building Aid purposes, may be based on an amortization period equal to the period of probable usefulness.

**New for 1998-99 and Later Aid Years:**

The following prospective changes to the formulas for calculation of Building Aid payable in 1998-99 and thereafter are described in Chapters III and IV of this manual:

- Regional Cost Adjustment
- Additional 10 Percent Building Incentive
- Minor Maintenance and Repair Aid
- School Facility Health and Safety Bond Act

**K. REORGANIZATION INCENTIVE AID**  
**[Section 3602(14) of the Education Law]**  
**(1998-99 Estimated Total = \$41.2 Million)**

Two forms of incentive aid to encourage school district reorganizations into more effective and efficient units are available for the 1998-99 school year, and a shared services incentive aid is available to reward districts that increase cost-effectiveness of programs through collaborative activities with other districts, BOCES, counties, other municipalities or a human services agency such as a county department of social services.

**1. REORGANIZATION INCENTIVE OPERATING AID**  
**[Section 3602(14) of the Education Law]**  
**(\$25.3 Million)**

For school districts which reorganize, Incentive Operating Aid is available for 14 years beginning with the first school year of operation as a reorganized district. For school districts which reorganize on or after July 1, 1983 but before July 1, 1992, Incentive Operating Aid for the first five years equals 20 percent of Basic Operating Aid, and for the next nine years the percentage of such operating aid decreases 2 percent per year. For school districts which reorganize on or after July 1, 1992, Incentive Operating Aid for the first five years equals 40 percent of Basic Operating Aid, and for the next nine years the percentage of such operating aid decreases 4 percent per year. The sum of Basic Operating Aid and Incentive Operating Aid may not exceed 95 percent of the district's Approved Operating Expense used for aid calculations in the current school year.

**2. REORGANIZATION INCENTIVE BUILDING AID**  
**[Section 3602(14) of the Education Law]**  
**(\$15.7 Million)**

Incentive Building Aid is 25 percent of the Building Aid otherwise paid on an approved building project for

districts which reorganized prior to July 1, 1983. Aid is paid on such projects for which the general construction contract is signed prior to July 1, 2000. For school districts which reorganized on or after July 1, 1983, Incentive Building Aid is 30 percent of the Building Aid otherwise paid on an approved building project. Aid is paid on such projects for which the general construction contract is signed prior to July 1, 2000 or within 10 years from the effective date of the reorganization, whichever is later. In no case, however, may the sum of regular Building Aid (including the new 10% Incentive Aid) plus Incentive Building Aid exceed 95 percent of approved building expenditures.

**3. SHARED SERVICES SAVINGS INCENTIVE**  
**[Section 3602(14)(i) of the Education Law]**  
**(\$0.2 Million)**

A Shared Services Savings Incentive Aid is provided to school districts and BOCES that creatively manage shared services to decrease costs to taxpayers and the State. Such shared programs may involve collaboration with a county, other municipalities or a human services agency such as a county department of social services. Decreased expenditures resulting from increased efficiency of shared programs may result in savings to the district or BOCES, which often result in decreased State Aid expenditures. The purpose of this program is to support such initiatives and to provide a fiscal reward to those whose creativity and management capabilities can carry out these practices. In effect, it "shares the State's savings" that result from the initiative with the participating public school district(s) and/or BOCES, so that all parties benefit from the increased efficiencies.

Shared Services Savings Incentive awards are available for a school district, a group of school districts and/or a BOCES which have demonstrated savings to the State. Such shared services might result from collaboration regarding the provision of transportation services, for example. Each participating school district or BOCES must provide a board resolution in support of the plan, and a single school district must be designated as the lead agency for purposes of the grant. Each application will be reviewed to determine the overall level of savings to the State at a minimum total level of \$200,000 over more than one year. Generally, savings to the State will not be achieved until the year after the savings are realized by the district(s) and/or BOCES. The amount of the award under this program is 50 percent of the total annual savings to the State for each year that at least a \$100,000 savings to the State can be demonstrated for up to a maximum of five years.

To be eligible for the Shared Services Savings Incentive a proposal must satisfy the following criteria:

- 1) The proposal must represent savings to the State resulting from the sharing of previously unshared activities undertaken with one or more other school districts, a BOCES, a county or other municipality, or a human services agency, such as a county department of social services.
- 2) The proposal must document savings using baseline data on the cost of the previously unshared service to the participating agencies for the two years prior to the initiation of the shared activity and corresponding State Aid payable in the base year compared to an estimate of the State Aid that would have been payable in the current year in the absence of sharing.

**L. TRANSPORTATION AID**  
**[Section 3602(7) of the Education Law]**  
**(1998-99 Estimated Total = \$767.5 Million)**

Transportation Aid is based on a district's approved transportation expenses. Approved transportation expenses are generally those made in transporting all pupils to and from school once daily and between the school

attended and Boards of Cooperative Educational Services, or in transporting pupils to approved shared programs at other school districts or occupational education programs within a district. They include expenditures for the operation of a school district transportation supervisor's office, and for operation of district-owned buses, contract buses, and public service vehicles (subway included).

The process of sorting expenditures is summarized as follows:

- a. Determine those transportation expenses which are deducted from total operating expenditures to insure they do not generate any other aid;
- b. Determine which of the transportation expenses can be used as approved transportation expenses to generate Transportation Aid.

The transportation expenses approved for Transportation Aid include only those incurred in transporting allowable pupils on approved buses, over approved routes. A pupil decimal based on an historical record of pupils is used as a substitute for the actual deductible cost of non-allowable pupil miles and also is applied to purchase of buses. This decimal must be recomputed every three years, or when transportation policy revisions require a recalculation. Any pupil attending a universal prekindergarten program pursuant to Section 3602-e of the Education Law who are transported using available vacant seats on existing bus routes, however, will not result in any increase in the nonallowable pupil deduction.

Examples of non-allowable pupils are: non-disabled pupils who live 1 1/2 miles or less from the school attended, and non-disabled pupils transported to public schools outside the district of residence when classes are maintained by the district of residence.

Expenditures for transportation for summer school, field trips, athletic trips, excursions, and noon trips for lunch, cannot be used to generate Transportation Aid and are, therefore, part of a district's operating expenses. The expenses for such trips are pro-rated on the basis of route mileage. Expenditures for operating late bus trips to transport pupils who stay late for club or athletic activities are aidable approved transportation expenses.

Transportation contracts must be filed with the Education Department within 120 days of start of service in order to generate full Transportation Aid. Only contract expenditures up to the amount stipulated in the contract, and within reasonable cost guidelines developed by the State Education Department, may be allowed for aid purposes. Section 3625(1) of the Education Law also requires that every transportation contract be submitted to the superintendent of schools for approval before such contract is executed. If the superintendent approves the contract after the beginning date of service, Transportation Aid will only be paid for expenditures incurred under the contract after the date of the superintendent's approval.

District-operated transportation expense includes bus purchase expenditures, supplies and materials, equipment, bus driver training and salaries related to transportation, except salaries for assistant drivers on buses transporting non-disabled pupils. Transportation Aid payable for bus purchases is limited to such purchases budgeted by the school district and reported to the Commissioner of Education by November 15 of the base year. Any bus purchase that is budgeted or reported to the Commissioner after this date, will not be aided until the second year after the year of purchase. Prior approval is required for computerized bus routing, two-way radio base stations and computer equipment expenses to be eligible for aid.

The formula for calculating Transportation Aid is:



Approved Transportation Expenses x [Selected Sharing Ratio + Sparsity Factor]

Districts may select the higher of the following two sharing ratios for use in the formula:

1) Sharing Ratio 1 = 1.263 X Basic Operating Aid Sharing Ratio

2) Sharing Ratio 2 = 1.010 -  $\left[ \frac{\text{District FV/RWADA}}{\$293,600 \text{ (State Average)}} \times .460 \right]$

The sparsity factor (minimum = 0) is calculated as follows and is added to the selected sharing ratio to determine the State Share Ratio for Transportation Aid:

$$\frac{21.000 - \text{Fall 1996 Enrollment per Square Mile}}{317.88}$$

A minimum State share ratio of 6.5 percent is guaranteed, and the aid ratio may not exceed a maximum of 90 percent.

**M. SPECIAL SERVICES AID FOR FIVE LARGE CITY SCHOOL DISTRICTS**  
**(Over 125,000 Population)**  
**[Section 3602(17) of the Education Law]**  
**(1998-99 Estimated Total = \$147.1 Million)**

These special aids are provided to the five large city school districts of Buffalo, Rochester, Syracuse, Yonkers and New York City in lieu of aid payable to other school districts for career education and administrative uses of technology purchased as shared services and aided through Boards of Cooperative Educational Services. The five large city school districts may not claim BOCES Aid for such services since they cannot be components of a BOCES.

**1. AID FOR CAREER EDUCATION**  
**[Section 3602(17)(b) of the Education Law]**  
**(\$107.8 Million)**

The city school districts having a population in excess of one hundred twenty-five thousand (New York City, Buffalo, Rochester, Syracuse, Yonkers) are entitled to aid for certain career education pupils in grades 10-12. An amount for each pupil is arrived at by multiplying the career education aid ratio by the amount of \$3,720. Thus, the formula is: \$3,720 X Career Education Aid Ratio X Weighted Career Education Pupils for such programs = Career Education Aid.

Weighted pupils is defined as the sum of the attendance of students in grades 10-12 in career education sequences in trade, industrial, technical, agricultural or health programs plus .16 multiplied by the attendance of students in grades 10-12 in career education sequences in business and marketing.

The aid ratio is obtained as follows:

$$1.000 - (\text{CWR} \times .59) = \text{Aid Ratio (minimum aid ratio} = .360)$$

The CWR wealth measure is that used for Basic Operating Aid.

Districts which do not spend local funds for this program in 1998-99 in excess of the local funds spent in 1997-98 will have the difference deducted from their State Aid.

**2. COMPUTER ADMINISTRATION AID**  
**[Section 3602(17)(c) of the Education Law]**  
**(\$39.3 Million)**

The large city school districts are entitled to aid for approved expenses for data processing pursuant to Regulations of the Commissioner.

The formula for this aid is:

$$\text{Aid Ratio} \times \text{the lesser of: Approved Expenses or } \$62.30 \times \text{the 1997 Fall Enrollment of the district in grades K-12.}$$

The aid ratio is obtained as follows:

$$1.000 - (\text{CWR} \times .51) = \text{Aid Ratio (minimum aid ratio} = .300)$$

**N. AIDS FOR EDUCATIONAL TECHNOLOGY**

**1. INSTRUCTIONAL COMPUTER HARDWARE AND TECHNOLOGY EQUIPMENT AID**  
**[Section 3602(26) of the Education Law]**  
**(1998-99 Estimated Aid = \$14.6 Million)**

School districts are eligible for aid for the purchase or lease of micro and/or mini computer equipment or terminals for instructional purposes. For 1998-99, aid is equal to the lesser of the approved expenditures or \$10.61 X the RWADA aid ratio for the current year X selected TAPU used in calculating Basic Operating Aid. Approved expenses are those incurred in the base year as reported on the Annual Financial Report of the school district. Twenty percent of the expenditures may be for hardware repair and/or staff development related to use of computer technology. Expenditures up to the amount of maximum aid may be included by the board of education in a contingency budget for 1998-99.

$$\text{The RWADA aid ratio} = 1.000 - \left[ \frac{(\text{1995 actual valuation}/\text{1996-97 RWADA})}{\$293,600} \times .51 \right]$$

For aids payable in 1998-99 and beyond the calculated formula amount is enriched as follows:

SCHOOL YEAR	FORMULA
1998-99	\$10.61 X RWADA Aid Ratio X Selected TAPU
1999-00	\$12.70 X RWADA Aid Ratio X Selected TAPU

2000-01	\$19.25 X RWADA Aid Ratio X Selected TAPU
2001-02 and Beyond	\$32.35 X RWADA Aid Ratio X Selected TAPU

**2. AID FOR COMPUTER SOFTWARE PURCHASES**  
**[Section 751 of the Education Law]**  
**(1998-99 Estimated Aid = \$11.8 Million)**

Each public school district may claim an apportionment of Computer Software Aid in an amount equal to the product of \$4.58 multiplied by the number of pupils attending schools within the public school district's boundaries and enrolled during the 1997-98 (base) school year in grades K-12 in a public or nonpublic school. Each public school district is required to use such funds to purchase and loan computer software for instructional purposes on an equitable basis to both public and nonpublic school students attending schools within the district's boundaries during the 1998-99 (current school year). Aid is equal to the lesser of the maximum apportionment of \$4.58 per pupil or the actual expenditures incurred by the school district for software purchases during 1997-98 as reported on the Annual Financial Report of the school district.

For aids payable in 1999-00 and beyond the aid per pupil is enriched as follows:

SCHOOL YEAR	AID PER PUPIL
1998-99	\$ 4.58
1999-00	\$ 7.55
2000-01	\$14.98
2001-02 and Thereafter	\$23.90

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April 30 of the school year for which such aid is payable.

**3. BUILDING AID FOR COMPUTER TECHNOLOGY**  
**[Section 3602(6) of the Education Law]**  
**(1998-99 Estimated Aid is Included in Building Aid.)**

Computer hardware purchase and installation, including conduits, wiring and powering and testing of hardware installations, are eligible for Building Aid if the cost is less than \$10,000. Such installations for which the cost is greater than \$10,000 are also eligible if the specific installation is approved by the Commissioner.

Computer elements eligible for aid are:

- Incidental costs for computer equipment installed as original equipment in a new building or a new addition.
- Approved computer classrooms in new buildings/additions, or alterations to an existing classroom to create a new computer classroom.
  - Incidental costs for original purchase and installation of hardware (including computer hardware)
  - Conduit, wiring, and powering and testing of hardware installations.

- Building wide and campus wide local area network (LAN) systems wiring and in-building elements of other wide area networks (WAN):
- Original purchase and installation of conduit, wiring, and powering and testing of hardware installations including network server and operating system software.

The following elements are ineligible for Building Aid:

- Individual computer workstation hardware not located in a computer classroom unless claimed as incidental costs as part of the original furnishings and equipment for a new building or new addition.
- All cost for software purchase, including application software costs, and costs for installation of software (other than installation of basic operating systems software required for hardware testing).
- All cost associated with lease or purchase of wide area network hardware (leased lines, fiber optic cable, etc.) not located on district property.
- Up-grade of existing LAN or WAN equipment beyond that necessary to interface with new computer classroom installations.

**4. AID FOR INSTRUCTIONAL COMPUTER TECHNOLOGY  
SERVICES PURCHASED AS A SHARED SERVICE  
THROUGH A BOARD OF COOPERATIVE EDUCATIONAL SERVICES  
[Section 1950(5) of the Education Law]  
(1998-99 Estimated Aid is Included in BOCES Aid.)**

Expenditures by a component school district of a board of cooperative educational services for shared instructional computer technology services purchased through the BOCES pursuant to a multi year contract, including BOCES owned computer hardware and software used by the school district to access the service, may be eligible for BOCES Shared Services Aid as described in Section U(1) of this manual. BOCES staff support and other support components must comprise a significant portion of the service provided.

**5. AID FOR INSTRUCTIONAL COMPUTER TECHNOLOGY**  
**[Section 3602(26-a) of the Education Law]**  
**(1998-99 Estimated Aid = \$9.0 Million)**

This section is repeated in Chapter III under “Grants and Aids Enacted by Chapter 436 of the Laws of 1997.”

Beginning with aids payable in the 1998-99 school year school districts may claim aid under this formula for the purchase, lease-purchase and/or installation of instructional computer technology equipment that is not eligible for Building Aid or claimed for aid under one of the other technology aids described above. Aidable expenditures may include the original purchase, lease-purchase and/or installation of hardware and vendor installed software for deployment in classrooms or libraries. Aidable expenditures may also include the costs of an extended maintenance contract for instructional computer technology equipment or network systems so acquired for the period of probable usefulness of such equipment or systems and to the extent that such costs would be allowable under a state contract. Current year debt service expenses and obligations due under a lease-purchase agreement executed in a prior year for instructional computer technology equipment aided pursuant to this formula are considered ordinary contingent expenses of the school district.

In order to claim aid for eligible expenditures school districts must develop and maintain a plan for use of instructional computer technology equipment as prescribed by the Commissioner of Education, including provisions for maintenance and repair and for staff development in the use of technology. Such plan may provide for the district’s participation in the universal service discount program of the Federal Telecommunications Act of 1996 and the Federal Technology Literacy Challenge Program. Aid received pursuant to this formula must also be used in a manner that is consistent with the district’s long-term facilities plan and with building-level, district-wide and, where applicable, regional instructional and technology plans.

The formula for calculating Aid for Instructional Computer Technology is:

Approved expenditures = base year capital outlays from budgetary appropriations or reserves and current year expenditures for debt service or lease purchase.

Instructional Computer Technology Aid Ratio = the greater of:

- the school district’s selected Building Aid Ratio,
- a Millage Ratio equal to  $[1.000 - (.008/\text{the school districts full value tax rate expressed in mills})]$ , or  $[1.000 - (.003/\text{full value tax rate})]$  for central high school districts and their components, or
- a minimum aid ratio of .360.

For the purposes of calculating a millage ratio, the five dependent city school districts use the tax rate computed pursuant to Section 3602(31-a)(a)(7) of the Education Law.

$\text{Aid}^* = \text{Approved Expenditures} \times \text{Aid Ratio}$

\* Note: Total statewide aid is limited by the authorized statewide allocation, which is \$9,000,000 for aids payable in 1998-99, \$25,000,000 for aids payable in 1999-00, \$57,000,000 for aids payable in 2000-01, and \$91,000,000 for aids payable in 2001-02 and thereafter. If school district claims exceed the authorized

amount in any year, each district's aid will equal the same proportion of the total statewide authorized amount as its claim represents of the total statewide claimed amount.

**O. URBAN-SUBURBAN TRANSFER AID**  
**[Section 3602(36) of the Education Law]**  
**(1998-99 Estimated Total = \$1.1 Million)**

Districts which receive pupils from another district according to an approved program for reducing racial isolation are eligible for an additional apportionment. To the extent that these transfer pupils do not generate any actual increase in aids for the district because of the aid minimum guaranteed under the Transition Adjustment, an additional apportionment is generated equal to the number of transfer pupils that do not generate such an actual aid increase multiplied by the Basic Operating Aid per pupil.

This additional apportionment may also be increased for a receiving district by an aid differential factor if the district receiving the transferred pupils receives less than the district sending the pupils in terms of the sum per pupil of the formula aids limited by the Transition Adjustment. The formula for this additional aid differential apportionment is the product of the transfer pupils received from the sending district multiplied by the positive difference between per pupil aids payable to the sending district minus such aids payable to the receiving district.

For 1998-99 Urban-Suburban Transfer Aid is limited to eligible school districts participating in approved programs in the Rochester and Buffalo areas.

**P. TUITION ADJUSTMENT AID**  
**[Section 3602(2)(g) of the Education Law]**  
**(1998-99 Estimated Total = \$1.2 Million)**

A school district which maintains an elementary school, but does not operate a K-12 program, and contracts for the education of secondary students in another school district with a higher combined wealth ratio, may claim Tuition Adjustment Aid. This aid equals the difference between the Basic Operating Aid that would be generated by such secondary students if they were educated in the home district and the Basic Operating Aid actually generated by such students in the wealthier, receiving district.

**Q. 1997-98 GROWTH AID**  
**[Section 3602(13) of the Education Law]**  
**(1998-99 Estimated Total = \$58.4 Million)**

A district experiencing growth in enrollment in October 1998 (BEDS Enrollment Data) compared to the 1997 Fall enrollment, may receive a supplement to its Basic Operating Aid in the form of 1998-99 Growth Aid. This aid is to compensate for an assumed increase in expenditures, between the base year and the current year, resulting from an increase in enrollment.

Growth Aid is a percentage of Basic Operating Aid. The percentage used is the percentage increase, in excess of .4 percent, by which enrollment for the current year exceeds enrollment for the base year. To be eligible for Growth Aid, however, a district must demonstrate growth in excess of .4 percent (.004).

1998-99 Growth Aid will be paid in June 1999, but this payment will be limited to the lesser of estimates of growth as reported in the school aid computer listing entitled "SA9899", which was released in April 1998 following

enactment of the 1998-99 State Aid to Localities Budget, or the actual report of growth provided to the Commissioner by the district on the Basic Educational Data report in the Fall of 1998. Any resulting unpaid aid claim amount will be paid on or after September 1, 1999.

**R. EXCESS COST AIDS RELATED TO EDUCATIONAL SERVICES FOR STUDENTS WITH DISABILITIES WHICH ARE PAID IN CONJUNCTION WITH FEDERAL MEDICAID REIMBURSEMENTS**

**1. EXCESS COST AID FOR PUPILS IN PUBLIC SCHOOL AND BOCES PLACEMENTS**

[Section 3602(19) of the Education Law]

(1998-99 Estimated Total = \$1,548.2 Million)\*

\* Note: Total includes subtotals below:

**a. REGULAR PUBLIC EXCESS COST AID**

[Section 3602(19)(4) of the Education Law]

(1998-99 Estimated Total = \$1,300.6 Million)\*

Public Excess Cost Aid is available to school districts for certain programs of special education in public school districts or BOCES serving students with disabilities who have been found by a Committee on Special Education to require placement in these programs. Aid is available based on the full-time equivalent enrollment of students weighted according to the following categories:

- (1) The enrollment of students who have been determined by a Committee on Special Education either to require placement for 60 percent or more of the school day in a special class, or to require home or hospital instruction for a period of more than 60 days, or to require special services or programs for more than 60 percent of the school day. (The additional weighting for these pupils is 1.7.)
- (2) The enrollment of students who have been determined by a Committee on Special Education to require placement for a) at least 20 percent but less than 60 percent of the school week in a resource room or who require special services or programs for at least 20 percent but less than 60 percent of the school week or b), for students in grades 7-12 or in a school for grades 4-6 that operates on a period basis, the equivalent of 5 periods per week, but not less than 180 minutes, of resource room or other special services or programs. (The additional weighting for these pupils is 0.90.)
- (3) The enrollment of students who have been determined by a Committee on Special Education to require direct or indirect consultant teacher services at least 2 hours per week. (The additional weighting for these pupils is 0.90.)

The formula for computing Public Excess Cost Aid is:

Approved Operating Expense per TAPU X Public Excess Cost Aid Ratio X Resident Weighted Students With Disabilities (including Weighted Dual Enrolled Students with Disabilities).

The aidable expenditures are the year prior to the base year Approved Operating Expense per TAPU for expense (1996-97 Approved Operating Expense per 1996-97 TAPU is used for aids payable in 1998-99). TAPU for expense includes the additional weightings for students with disabilities as described above. This expense per TAPU

cannot be less than \$2,000 nor more than the greater of \$7,110 or the statewide average expense per pupil (for aid payable in 1998-99, \$6,050).

The Public Excess Cost Aid ratio is computed as follows:

$$\text{Aid Ratio} = 1.000 - (\text{CWR} \times .51)$$

The State share is 49 percent for the district of average wealth, with poorer districts receiving a greater share and richer districts a lesser share, but not less than a .250 minimum aid ratio.

For example, a district whose approved operating expense per pupil unit = \$5500, whose Public Excess Cost Aid ratio = .53 (i.e., a district somewhat poorer than average) and whose resident weighted pupils with disabilities count = 30.5 generates Public Excess Cost Aid as follows:  $\$5500 \times .53 \times 30.5 = \$88,908$ .

**b. DECLASSIFICATION SUPPORT SERVICES AID**  
**[Section 3602(19)(7) of the Education Law]**  
**(1998-99 Estimated Total = \$15.6 Million)\***

This aid is intended to help defray costs of providing support for teachers and pupils for the first year in which a pupil moves from a special education program to a full-time general education program. Such services are defined in regulations and may include --

For pupils: Psychological, social work, speech and language services, and noncareer counseling;

For teachers: Aides and consultation with appropriate personnel

Services must be identified and recommended by the Committee on Special Education, and aid is available to districts only; services are not eligible for BOCES Aid.

The formula for Declassification Support Services Aid is:

$$\text{Public Excess Cost Aid Per Pupil} \times .50 \times \text{Number of Pupils (Full Time Equivalent Enrollment)}$$

Aid is based on pupils served in the base year.

**c. HIGH COST PUBLIC EXCESS COST AID**  
**[Section 3602(19)(5) of the Education Law]**  
**(1998-99 Estimated Total = \$185.5 Million)\***

A school district having a resident student with a disability for whom special education costs, as approved by a Committee on Special Education, exceed the lesser of: 1) \$10,000, or 2) four times the approved operating expense per pupil without limits, may also receive an additional amount of aid defined as High Cost Aid. The district must file with the Education Department via the STAC System for payment of High Cost Aid.



The formula for computing such additional aid is:

$$\text{High Cost Aid} = [\text{Annualized Educational Cost} - (3 \times \text{Approved Operating Expense per TAPU})] \times \text{Excess Cost Aid Ratio} \times \text{Full-Time-Equivalent Enrollment of each High Cost Student}$$

In practice this formula results in only those pupils with annualized costs in excess of the greater of \$10,000 or 3 X AOE/TAPU being eligible for the High Cost Aid.

**d. PUBLIC EXCESS COST AID SAVE HARMLESS**  
**[Section 3602(19)(6) of the Education Law]**  
**(1998-99 Estimated Total = \$46.5 Million)\***

For 1998-99 aid, a district may not receive less aid for the combination of the Public Excess Cost Aid, High Cost Aid and Declassification Support Services Aid (DSSA) than it received for the same combination in 1997-98.

**2. EXCESS COST AID FOR PUPILS IN APPROVED PRIVATE SCHOOL PLACEMENTS**  
**OR IN STATE OPERATED SCHOOLS**  
**[Section 4405(3) of the Education Law]**  
**(1998-99 Estimated Total = \$115.7 Million)**

This aid is available to those districts having contracts with approved private schools, Special Act School Districts, the New York State School for the Blind or the New York State School for the Deaf for the education of students with disabilities. Tuition charges for each school must be approved annually by the Education Department and the Division of the Budget. Aid is paid on the basis of base year attendance and tuition.

Private Excess aidable cost is defined as the cost remaining after the deduction from the approved tuition charge of a basic contribution. The basic contribution for each individual pupil is based on the school district's property and nonproperty tax levy divided by enrollment during the base year, and multiplied by the full-time equivalent enrollment of the pupil during the base year.

The formula for generating Private Excess Cost Aid is as follows:

**Per Pupil Aid =**

- a) Approved Tuition Paid – Basic Contribution = Aidable Excess Cost
- b) Aidable Excess Cost X Private Excess Cost Aid Ratio = Excess Cost Aid

**Total Aid** = The sum of all per pupil aids

The Private Excess Cost Aid Ratio is computed as follows:

$$1.000 - (\text{CWR} \times .15) = \text{Private Excess Cost Aid Ratio}$$

$$\text{Minimum aid ratio} = .500$$

Thus, the Private Excess Cost Aid ratio is 85 percent for a district of average wealth. Aid increases from 85

percent for poorer districts and decreases to a minimum of a 50 percent aid ratio for wealthier districts.

Tuition for pupils in private school placements is paid directly by the school district to the private school. Tuition for pupils in placements at the State operated schools at Rome and Batavia will be deducted from State Aid payable to the school district in the Spring of 1999. Tuition for pupils in Special Act School Districts may involve two separate billings and payments as follows:

Chapter 737 of the Laws of 1988 authorized Special Act School Districts to enter into leases, sub-leases or other agreements with the New York State Dormitory Authority for the financing of capital facilities construction. The statute established a special fund under the control of the State Comptroller known as the School Capital Facilities Financing Reserve Fund, and specified that a portion of the tuition payable by other public school districts to such Special Act School Districts should be paid directly to the New York State Education Department for deposit to this special fund.

The Special Act School Districts will bill public school districts directly for these "Part I Tuition Billings for Annual Dormitory Authority Rental Payments for Students Placed by Other Public School Districts." Once the bill is received, the public school district should issue a check payable to the New York State Education Department in the amount of the Part I tuition and mail the payment directly to Dormitory Authority Reimbursement, New York State Education Department, Program Services Reimbursement Unit, Albany, New York 12234.

The balance of the tuition payment for services provided to these students by the Special Act School District will be billed as a separate amount and will continue to be paid and mailed directly to the Special Act School District by the public school district.

**Please note:** Private Excess Cost Aid is based on the total cost of the student's placement at the Special Act School District, including the Part I tuition costs paid to the State Education Department.

**Special note regarding placements through the Children's Residential Project:**

Effective 7/1/95 children placed through the Children's Residential Project (CRP) process in an intermediate care facility are to have their tuition costs reimbursed by Medicaid directly to the educational provider. The district of residence should no longer pay the tuition cost, and therefore is not eligible to receive any Private Excess Cost Aid for such students. If the district has paid tuition for such a student after 7/1/95, the tuition paid should be refunded by the CRP school after the school receives reimbursement from Medicaid. A basic contribution amount will be assessed against the district of residence for such students.

**S. MEDICAID REIMBURSEMENT FOR CERTAIN SERVICES  
PROVIDED TO STUDENTS WITH DISABILITIES  
(1998-99 Estimated Total = \$172.3 Million)**

The Social Security Act and the Individuals with Disabilities Education Act authorize Medicaid reimbursement for certain services provided to eligible students, ages three through 21, who receive special education services. Procedures have been implemented through Regional Information Centers for school districts to claim reimbursement for eligible expenditures and to receive such payments on a monthly basis. Actual reimbursements will be equal to 50 percent of approved expenditures. An additional 50 percent of the approved expenditures are payable at the same time as the Medicaid payment from Excess Cost Aids due the school district. While the school district receives the 50

percent federal medicaid reimbursement in the first instance, one-half of all such payments received by the school district between May 1, 1998 and January 31, 1999 are claimed by the State as the State share of the medicaid reimbursement and will be deducted from the March 31, 1999 sustaining advance payments. Similarly, one-half of such Medicaid payments received between February 1, 1999 and April 30, 1999 will be deducted from the June 1999 payment of General State Aids.

## **T. SPECIAL STATE AID FOR SMALL CITY SCHOOL DISTRICTS**

**[Section 3602(31-a) of the Education Law]**

**(1998-99 Estimated Total = \$81.9 Million)**

A form of transition aid is provided to small city school districts which, until 1985, were subject to a constitutional tax limit. Under the formula defined by subdivision 31-a of Section 3602 of the Education Law a district must have received special aid pursuant to this subdivision during the prior year to be eligible for aid. The formula is as follows:

$$\{( \text{Base Year Special Aid} + \text{Base Year TGFE} ) \times ( \text{Current Year Capped Budget} - \text{other State Aid Increases} )\} - ( \text{Full Value Millage Deduction} )$$

The budget, for aid purposes only, is limited to an increase over the prior year's total general fund expenses equal to the statewide 65th percentile percent increase of 7.67 percent.

The save-harmless available to eligible districts in accordance with subdivision 31-a is 98 percent X prior year's special aid but reduced by two percent each year that save harmless aid is claimed and always applied to the prior year's special aid.

The aid pursuant to the formula set out under subdivision 31-a cannot exceed 98 percent X (Base Year Special Aid + Base Year TGFE) X Current Year's Budget.

For aids payable in 1998-99, this formula is suspended. The 1998-99 Small Cities Aid is maintained at the 1994-95 aid amount, but the save-harmless percent to be used for 1998-99 will not be reduced for any district as a result.

## **U. REQUIRED SETASIDES**

**[Section 3602(12) of the Education Law]**

Based on certain indicators of student and school success, school districts may be required to setaside a portion of the State Aid payable for 1998-99 to provide specific services to students. These setasides are determined as follows:

### **1. SETASIDE FOR ATTENDANCE IMPROVEMENT/DROPOUT PREVENTION AS REQUIRED BY PARAGRAPH f OF SUBDIVISION 12 OF SECTION 3602 OF THE EDUCATION LAW**

Any school district with an attendance ratio in 1996-97 that is in the bottom decile of such attendance ratios for all districts shall setaside a portion of any aid payable for the purpose of conducting programs to improve student attendance and student retention in accordance with a plan approved by the Commissioner. The setaside for attendance improvement and dropout prevention is calculated based on data on file with the Education Department as

of July 1, 1998 and equals the product of (i) \$325, (ii) the district's base year enrollment and (iii) the remainder resulting when such attendance ratio is subtracted from one; provided, however, that for the New York City Board of Education, \$335 is substituted for \$325. These provisions apply only if the product of clauses ii and iii exceed 461. The 1998-99 set aside for the New York City Board of Education cannot be less than the amount set aside for this purpose in 1997-98.

**2. SETASIDE FOR COMPENSATORY EDUCATION AS REQUIRED BY  
PARAGRAPH g OF SUBDIVISION 12 OF SECTION 3602 OF THE EDUCATION LAW**

Any school district with a percentage of pupils with compensatory educational needs based on the pupil evaluation tests administered in the Spring of 1996 that is in the top quartile of such percentages for all districts shall setaside a portion of any aid payable for the purposes of compensatory education programs in accordance with a plan approved by the Commissioner. The setaside for compensatory education programs is calculated based on data on file with the Education Department as of July 1, 1998 and equals the product of (i) the greater of the product of \$940 and the district's setaside ratio or \$90 and (ii) the district's pupils with compensatory educational needs. The setaside ratio is calculated as follows:

$$1 - (.64 \times \text{CWR})$$

An additional setaside for compensatory education is required for the five large dependent city school districts of Buffalo, Rochester, Syracuse, Yonkers and New York City.

**3. SETASIDE FOR EARLY GRADE INTERVENTION AS REQUIRED BY  
PARAGRAPH h OF SUBDIVISION 12 OF SECTION 3602 OF THE EDUCATION LAW**

The city school districts of Buffalo, Rochester, Syracuse, Yonkers and New York City must set aside a portion of aids payable for the purpose of reducing class size and increasing individualized attention in grades one, two and three. The setaside for early grade intervention is calculated based on data on file with the Education Department as of July 1, 1998 and equal sthe product of (i) \$120, (ii) the district's setaside ratio and (iii) 30% of the district's 1994-95 enrollment. The setaside ratio is calculated as follows:

$$1 - (.64 \times \text{CWR})$$

## II

### OTHER AIDS DISPLAYED ON AID PROJECTION PRINTOUTS (OTHER "COMPUTERIZED" AIDS)

#### V. AID FOR SHARED SERVICES

##### 1. BOCES AID

**[Section 1950(5) of the Education Law]  
(1998-99 Estimated Total = \$394.0 Million)**

School districts which are components of a Board of Cooperative Educational Services (BOCES) are eligible for BOCES Aid. BOCES receive State Aid on behalf of their components for approved service costs, administrative expenditures, facility rental and construction costs.

BOCES may provide services on a cooperative basis upon the request of two or more component school districts with the approval of the Commissioner of Education. Such services may include, but are not limited to:

- career education,
- education of students with disabilities
- centralizing data processing
- academic programs, including summer school.

##### a. BOCES SERVICES AID

**(1998-99 Estimated Total = \$323.5 Million)**

BOCES Services Aid provides reimbursement for base year service costs with the following limitations:

- Service costs are aidable only to the extent that they are approved for aid.
- An employee's annualized salary is aidable up to \$30,000.
- Expenditures for the education of students with disabilities are not eligible for BOCES Aid. Public School Excess Cost Aid is provided directly to the district of residence for a student with disabilities in the case of a BOCES placement.
- Expenditures for transporting pupils to and from BOCES classes are not eligible for BOCES Aid. Transportation Aid is provided to the district responsible for providing such services.

The costs of approved services are distributed among districts based on participation.

BOCES Services Aid is calculated separately for each district by applying to approved service expenses for the base year an aid ratio which is the higher of:

- a. A millage ratio based on the district tax rate equal to:

$$1 - \frac{.008^*}{\text{District Tax Rate on Full Value}}$$

\* For central high school districts and their component elementary districts, .003 is used.

OR

- b. An aid ratio based on district full value equal to:

$$1 - \frac{\text{District Full Value/RWADA}}{\$293,600} \times .51$$

with a minimum of .360 and a maximum of .900.

**b. BOCES ADMINISTRATIVE AID**  
(1998-99 Estimated Total = \$46.9 Million)

BOCES Administrative Aid provides reimbursement for base year administrative costs with the following limitations:

- Administrative costs for the purposes of aid may not exceed 10 percent of the board's total expenditures.
- An employee's annualized salary is aidable up to \$30,000.

The costs of administrative services are allocated among component school districts either on the basis of full value, on the basis of weighted average daily attendance, or on the basis of the public school enrollment of each component.

BOCES Administrative Aid is calculated separately for each component school district by multiplying approved administrative expenses allocated to the district by the selected aid ratio for BOCES Services Aid.

**c. BOCES FACILITIES AID**  
(1998-99 Estimated Total = \$23.3 Million)

BOCES Facilities Aid may be claimed for approved expenditures for facility construction, purchase or lease. Aid is calculated by multiplying the approved expense by the aid ratio described in 1b above, except the minimum aid ratio is zero. There is no allowance for an optional millage ratio for BOCES Facilities Aid. Approved expenses are those incurred by the component school district during the current school year for approved debt service payments on debt instruments used to finance BOCES construction, for expenditures from budgetary appropriations or capital reserves in support of BOCES construction and for expenditures for lease of BOCES facilities.

**d. BOCES DUE-SAVE-HARMLESS AID**

**(1998-99 estimated Total = \$0.3 Million)**

The amount of total BOCES Aid apportioned to a component school district of the BOCES cannot be less than was apportioned to the component school district during the 1967-68 school year, unless the component's expenditures for BOCES services are now less than during 1966-67.

**e. PAYMENT OF BOCES AID**

BOCES Aid is calculated by individual component school district of the BOCES, but the sum of all such aids are paid directly to the BOCES and not to the component school districts. Once the State Aid is received by the BOCES, the BOCES refunds an amount equal to aid received on behalf of each component school district to the components.

**2. SHARED SERVICES AID FOR NONCOMPONENTS OF BOCES**  
**[Section 1950(8-c) and 3602(20) of the Education Law]**  
**(1998-99 Estimated Total = \$3.5 Million)**

This section is repeated in Chapter III under "Prospective Grants and Aids Enacted by Chapter 436 of the Laws of 1997."

Beginning with aids payable in 1998-99 school districts which are noncomponents of BOCES, including the five dependent city school districts of Buffalo, Rochester, Syracuse, Yonkers and New York City, may claim a new shared services aid for instructional support services purchased in the base year through a BOCES, and, in the case of the five dependent city school districts, for instructional support services provided directly by the city school district or in collaboration with one or more institutions of higher education. Such services purchased through a BOCES must be provided through the BOCES serving the geographic area of the noncomponent district, except that the New York City Board of Education may purchase such services through any BOCES with a geographic areas adjoining the City School District.

BOCES may assess an administrative charge to the noncomponent school district purchasing such instructional support services equal to the cost of services multiplied by the indirect cost rate established for the BOCES and used to claim indirect costs on categorical grant programs.

The formula for calculating Shared Services Aid for Noncomponents is:

Approved expenditures = the sum of the cost of base year instructional support services and indirect costs purchased through BOCES plus, for the five dependent city school districts, the cost of base year instructional support services provided directly by the school district or in collaboration with an institution of higher learning.

Shared Services Aid ratio = the greater of:

- the school district's RWADA aid ratio
- a Millage Ratio equal to  $[1.000 - (.008/\text{the school districts full value tax rate expressed in mills})]$ , or  $[1.000 - (.003/\text{full value tax rate})]$  for central high school districts and their elementary component districts, or
- .360

For the purposes of calculating a millage ratio, the five dependent city school districts use the tax rate computed pursuant to Section 3602(31-a)(a)(7) of the Education Law.

## **W. INSTRUCTIONAL MATERIALS AID**

### **1. TEXTBOOK AID**

**[Section 701 of the Education Law]  
(1998-99 Estimated Total = \$131.7 Million)**

Each public school district may claim an apportionment of Textbook Aid in an amount equal to the district's actual expenditures during the base year for textbook purchases for public and nonpublic pupils up to a maximum equal to the product of \$40.90 multiplied by the number of pupils residing in the district and enrolled during the 1997-98 (base year) in grades K-12 in a public or nonpublic school. Each public school district is required to purchase and loan textbooks during the current year on an equitable basis to both public and resident nonpublic students. These revenues are received by the school district according to the following schedule:

September 1: An amount equal to \$15 multiplied by the number of resident public and nonpublic pupils is paid as part of the school district's Lottery payment.

Subsequent Payments: Additional payment of Textbook Aid up to the maximum of \$40.90 per pupil (including the \$15 Lottery Aid) will be made in the Spring of 1999.

For aids payable in 1999-00 and beyond the aid per pupil is enriched as follows:

<b>SCHOOL YEAR</b>	<b>AID PER PUPIL</b>
1998-99	\$ 40.90
1999-00	\$ 46.87
2000-01	\$ 57.30
2001-02 and Thereafter	\$78.18

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April 30 of the school year for which such aid is payable.

### **2. LIBRARY MATERIALS AID**

**[Section 711 of the Education Law]  
(1998-99 Estimated Total = \$12.8 Million)**

Each public school district may claim an apportionment of Library Materials Aid in an amount equal to the product of \$4 multiplied by the number of pupils attending schools within the school district's boundaries and enrolled during the 1997-98 (base) school year in grades K-12 in a public or nonpublic school. Each public school district is required to use such funds to purchase and loan library materials on an equitable basis for use by public and nonpublic students attending schools within the district's boundaries during the 1998-99 (current) school year. Aid is equal to the lesser of the maximum apportionment of \$4 per pupil or the actual expenditures incurred by the school district for purchase of library materials during 1997-98. For aids payable in 1999-00 and thereafter, the per pupil allocation will be increased to \$6.00.

The amount of aid calculated pursuant to this formula is considered final and not subject to change after April



30 of the school year for which such aid is payable.

### III

#### **1998-99 NEW GRANTS AND AIDS PREVIOUSLY ENACTED BY CHAPTER 436 OF THE LAWS OF 1997**

The following State aided programs enacted by Chapter 436 of the Laws of 1997 provide new apportionments of State Aid for aids payable in the 1998-99 school year and beyond.

#### **X. REGIONAL COST ADJUSTMENT [Section 3602(6)(a)(1) of the Education Law]**

For approved building projects with a general construction contract awarded on or after July 1, 1998, the construction cost allowance will be adjusted by a factor reflecting regional differences in labor market composite wage rates established by the Commissioner of Labor each year. The adjustment will result in increased cost allowances for school districts in high cost areas of the State, but the index cannot be less than one so that the adjustment cannot be negative for districts in other areas of the State. In calculating Building Aid actual costs claimed for aid may not exceed the cost allowance.

#### **Y. ADDITIONAL INCENTIVE BUILDING AID [Section 3602(6)(b)(2) of the Education Law]**

An additional apportionment of 10 percent of approved building expenses will be available for school building projects approved by the voters of the school district on or after July 1, 1998. The sum of this additional aid plus regular Building Aid and Reorganization Incentive Building Aid, however, cannot exceed 95 percent of approved building expenses. All school districts, including those with a Building Aid ratio of zero, will benefit from the additional 10 percent aid formula. Please note that for projects that are not approved by the voters, such as energy performance contracts, this incentive aid will not be payable.

#### **Z. MINOR MAINTENANCE AND REPAIR AID [Section 3602(6-d) of the Education Law] (1998-99 Estimated Total = \$50 Million)**

Additional funding is provided for minor maintenance and repair of school facilities beginning with the 1998-99 school year. This funding will be calculated and distributed to school districts based on such factors as age of facilities and long term enrollment growth in a manner similar to the previously existing Extraordinary School Capital Needs Aid Program. \$50 million in aid is anticipated for each of the school years of 1998-99 through 2000-01 (\$16,670,000 for districts other than New York City and \$33,370,000 for New York City Public Schools) and \$80 million is anticipated for 2001-02 (\$26,672,000 for districts other than New York City and \$53,328,000 for New York City Public Schools).

#### **AA. AID FOR INSTRUCTIONAL COMPUTER TECHNOLOGY [Section 3602(26-a) of the Education Law] (1998-99 Estimated Total = \$9.0 Million)**

Beginning with aids payable in the 1998-99 school year school districts may claim aid under this formula for the purchase, lease-purchase and/or installation of instructional computer technology equipment that is not eligible for Building Aid or claimed for aid under one of the other technology aids described above. Aidable

expenditures may include the original purchase, lease-purchase and/or installation of hardware and vendor installed software for deployment in classrooms or libraries. Aidable expenditures may also include the costs of an extended maintenance contract for instructional computer technology equipment or network systems so acquired for the period of probable usefulness of such equipment or systems and to the extent that such costs would be allowable under a state contract. Current year debt service expenses and obligations due under a lease-purchase agreement executed in a prior year for instructional computer technology equipment aided pursuant to this formula are considered ordinary contingent expenses of the school district.

In order to claim aid for eligible expenditures school districts must develop and maintain a plan for use of instructional computer technology equipment as prescribed by the Commissioner of Education, including provisions for maintenance and repair and for staff development in the use of technology. Such plan may provide for the district's participation in the universal service discount program of the Federal Telecommunications Act of 1996 and the Federal Technology Literacy Challenge Program. Aid received pursuant to this formula must also be used in a manner that is consistent with the district's long-term facilities plan and with building-level, district-wide and, where applicable, regional instructional and technology plans.

The formula for calculating Aid for Instructional Computer Technology is:

Approved expenditures = base year capital outlays from budgetary appropriations or reserves and current year expenditures for debt service or lease purchase.

Instructional Computer Technology Aid Ratio = the greater of:

- the school district's selected Building Aid Ratio,
- a Millage Ratio equal to  $[1.000 - (.008/\text{the school districts full value tax rate expressed in mills})]$ , or  $[1.000 - (.003/\text{full value tax rate})]$  for central high school districts and their components, or
- a minimum aid ratio of .360.

For the purposes of calculating a millage ratio, the five dependent city school districts use the tax rate computed pursuant to Section 3602(31-a)(a)(7) of the Education Law.

$\text{Aid}^* = \text{Approved Expenditures} \times \text{Aid Ratio}$

\* Note: Total statewide aid is limited by the authorized statewide allocation, which is \$9,000,000 for aids payable in 1998-99, \$25,000,000 for aids payable in 1999-00, \$57,000,000 for aids payable in 2000-01, and \$91,000,000 for aids payable in 2001-02 and thereafter. If school district claims exceed the authorized amount in any year, each district's aid will equal the same proportion of the total statewide authorized amount as its claim represents of the total statewide claimed amount.

**BB. SHARED SERVICES AID FOR NONCOMPONENTS OF BOCES**  
**[Section 1950(8-c) and 3602(20) of the Education Law]**  
**(1998-99 Estimated Total = \$3.5 Million)**

Beginning with aids payable in 1998-99 school districts which are noncomponents of BOCES, including the five dependent city school districts of Buffalo, Rochester, Syracuse, Yonkers and New York City, may claim a new shared services aid for instructional support services purchased in the base year through a BOCES, and, in the case of

the five dependent city school districts, for instructional support services provided directly by the city school district or in collaboration with one or more institutions of higher education. Such services purchased through a BOCES must be provided through the BOCES serving the geographic area of the noncomponent district, except that the New York City Board of Education may purchase such services through any BOCES with a geographic areas adjoining the City School District.

BOCES may assess an administrative charge to the noncomponent school district purchasing such instructional support services equal to the cost of services multiplied by the indirect cost rate established for the BOCES and used to claim indirect costs on categorical grant programs.

The formula for calculating Shared Services Aid for Noncomponents is:

Approved expenditures = the sum of the cost of base year instructional support services and indirect costs purchased through BOCES plus, for the five dependent city school districts, the cost of base year instructional support services provided directly by the school district or in collaboration with an institution of higher learning.

Shared Services Aid ratio = the greater of:

- the school district's RWADA aid ratio
- a Millage Ratio equal to  $[1.000 - (.008/\text{the school districts full value tax rate expressed in mills})]$ , or  $[1.000 - (.003/\text{full value tax rate})]$  for central high school districts and their elementary component districts, or
- .360

For the purposes of calculating a millage ratio, the five dependent city school districts use the tax rate computed pursuant to Section 3602(31-a)(a)(7) of the Education Law.

**CC. AID FOR CONVERSION TO FULL DAY KINDERGARTEN PROGRAMS**  
**[Section 3602(12-a) of the Education Law]**  
**(1998-99 Estimated Total = \$25.9 Million)**

For aids payable in the 1998-99 school year and thereafter, school districts that initiate a full day kindergarten program will be entitled to an additional apportionment. The amount of the apportionment shall equal the product of the selected aid per pupil unit used to calculate Operating Aid in the current year multiplied by the difference between the enrollment in the district of full day kindergarten students in the current year minus such enrollment in the base year. To be eligible to receive this new apportionment, however, the district must have offered no kindergarten programs or a half-day kindergarten program in both the base year and during the 1996-97 school year, and must now offer a full day program to all pupils who wish to attend.

This conversion aid will be paid to eligible districts in June 1999, but the payment will be limited to the lesser of the estimated aid as reported in the school aid computer listing entitled "SA9899," which was released in April 1998 following enactment of the 1998-99 State Aid to Localities Budget, or the actual aid claimed based on Full Day Kindergarten enrollment reported in the Fall of 1998 on the BEDS report of the district. Any resulting unpaid claimed aid will be paid on or after September 1, 1999.

**DD. UNIVERSAL PREKINDERGARTEN GRANTS**

**[Section 3602-e of the Education Law]  
(1998-99 Estimated Total = \$67.0 Million)**

For aids payable in 1998-99, 1999-00 and 2000-01, any school district identified by the Commissioner as having 20 or more aidable prekindergarten pupils by November 15 of the base year (January 31, 1998 for the 1998-99 school year) must form a prekindergarten policy advisory board to consider and make recommendations to the board of education of the school district regarding the initiation of prekindergarten programs. For aids payable in 2001-02, all school districts must form such a policy advisory board. Such recommendations must be based on consideration of at least the following factors:

- 1) the projected number of children eligible to participate in a prekindergarten program over the next five years;
- 2) the short and long term benefits of such a program to eligible children;
- 3) the needs of the parents of eligible children, including the number of eligible children who require a full day program because their parents, or those in parental relationship with the child work;
- 4) the ease of utilization and accessibility of the program to parents of eligible children;
- 5) the availability and capacity of existing facilities of potential program providers; and
- 6) the most appropriate and effective manner in which to provide programs to most efficiently utilize the resources of the school district, the community and other agencies eligible to provide the service within the school district.

The advisory board is to be appointed by the superintendent of schools for each school district, and for each community school district in New York City. The membership of the advisory board must include, but is not limited to members of the board of education, teachers employed by the school district selected by the collective bargaining unit, parents of children who attend the schools of the district, community leaders and child care and early education providers. Each advisory board must hold at least one public hearing during the 1998-99 base year prior to determining what recommendations it will make to the board of education regarding implementation of a universal prekindergarten program.

Within 30 days of receipt of the recommendations of the advisory board, the board of education may adopt, modify or reject such recommendations. Any decision to modify or reject the recommendations, however, must first be discussed with the advisory board in a public meeting.

The school district may choose to coordinate proposals for the provision of prekindergarten services with other eligible agencies in the school district. For this purpose the school district is authorized to enter into contractual or other arrangements necessary to implement prekindergarten services pursuant to the plan adopted. At least 10 percent of the total grant to the school district must be set aside for such collaborative efforts.

The Commissioner of Education shall award grant funds to school districts electing to provide prekindergarten programs based on approved plans and applications. The amount of each school district's grant for 1998-99 will be determined as follows:

Aid per Aidable Prekindergarten Pupil\* = the Greater of \$2,700 or the Sum of: [\$600 + (\$4,000 X Sharing Ratio\*\*)], but not more than \$4,000 per Aidable Pupil.

For grants awarded in 1999-2000 the formula used in determining grant amounts will be:

Aid per Aidable Prekindergarten Pupil\* = the Greater of \$2,000 or the Sum of: [\$260 + (\$4,000 X Sharing Ratio\*\*)], but not more than \$4,000 per Aidable Pupil.

\* The number of aidable prekindergarten pupils is equal to the product of the following factors:

- The number of unserved pupils in the school district. A pupil is considered unserved if attaining the age of four before December 1 of the school year and not served during such year in a state funded prekindergarten program.
- A poverty factor equal to either 1 or the percent of eligible applicants for the free and reduced price lunch program (FRPL %) in the district as follows:

SCHOOL YEAR	NEW YORK CITY	OTHER DISTRICTS
1998-99	1.000	FRPL %
1999-00	1.000	FRPL %
2000-01	1.000	FRPL %
2001-02 and Thereafter	1.000	1.000

- Phase-in Factor equal to:

SCHOOL YEAR	NEW YORK CITY	OTHER DISTRICTS
1998-99	.16	.295
1999-00	.299	.525
2000-01	.660	1.000
2001-02 and Thereafter	1.000	1.000

\*\* The sharing ratio for aids payable in 1998-99 equals the Operating Aid Sharing Ratio multiplied by:

$$1 + [(the\ district's\ extraordinary\ needs\ \% - .923) / .047];\ but\ not\ less\ than\ 1.000.$$

\*\* The sharing ratio for aids payable in 1999-00 and thereafter equals the Operating Aid Sharing Ratio multiplied by:

$$1 + [(the\ district's\ extraordinary\ needs\ \% - .94) / .047];\ but\ not\ less\ than\ 1.000.$$

Total Grant = Aidable Prekindergarten Pupils X Aid per Aidable Prekindergarten Pupils

**Note:** For grants awarded in 1998-99, 1999-00 and 2000-01, the number of aidable prekindergarten pupils must be greater than or equal to 20 in order for the school district to receive a grant.

Statewide appropriations in support of prekindergarten programs is projected to be \$67 million in 1998-99, \$100 million in 1999-00, \$225 million in 2000-01, and \$500 million in 2001-02 and thereafter.

**EE. GRANTS FOR EARLY GRADE CLASS SIZE REDUCTION**  
**[Section 3602(37) of the Education Law]**

Beginning with the 1999-00 school year school districts may be eligible to receive additional grants in aid for the purpose of reducing class size in kindergarten and in grades 1 through 3. Eligible districts are defined based on criteria of: average class size, concentrations of students with extraordinary needs and district wealth as measured by the combined wealth ratio of the district. These criteria are defined as follows for each year that grants are available:

- 1) Eligible districts for grants payable in the 1999-00 school year must satisfy the following criteria:
  - a) Must have had an average class size in kindergarten through grade 3 that was greater than 20 in the 1993-94 school year based on data included in the Annual Fiscal Profile Report of the district released by the Commissioner of Education in May 1996.
  - b) Must have an extraordinary needs percent for aids payable in the current year equal to or greater than 40%.
  - c) Must have a combined wealth ratio for aids payable in the current year that is not greater than 1.500 (not more than 1-½ times as wealthy as the State average).
- 2) Eligible districts for grants payable in the 2000-01 school year must satisfy the following criteria:
  - a) Must have had an average class size in kindergarten through grade 3 that was greater than 20 in the 1993-94 school year based on data included in the Annual Fiscal Profile Report of the district released by the Commissioner of Education in May 1996.
  - b) Must have an extraordinary needs percent for aids payable in the current year equal to or greater than 24.8%.
  - c) Must have a combined wealth ratio for aids payable in the current year that is not greater than 2.000 (not more than twice as wealthy as the State average).
- 3) Eligible districts for grants payable in the 2001-02 school year and thereafter must satisfy the following criteria:
  - a) Must have had an average class size in kindergarten through grade 3 that was greater than 20 in the 1993-94 school year based on data included in the Annual Fiscal Profile Report of the district released by the Commissioner of Education in May 1996.
  - b) Must have an extraordinary needs percent for aids payable in the current year equal to or greater than 9.4%.
  - c) Must have a combined wealth ratio for aids payable in the current year that is not greater than 2.500 (not more than 2-1/2 times as wealthy as the State average).

In order to receive a grant, an eligible school district must prepare and submit a plan for reducing class

size in kindergarten through grade 3 to the Commissioner of Education for approval. Districts with an approved plan will then be awarded grants based on the following calculations:

### New Classroom Grant

This grant equals the product of:

An Additional Classroom Factor X [A Basic Grant per Classroom + A Start Up Grant of \$10,000]

Additional Classroom Factor = the lesser of:

- (1) the number of new, additional classrooms to be operated in the current school year under the plan approved by the Commissioner;
- (2) the number of new, additional classrooms needed to reach the goal of 20 pupils per classroom multiplied by a factor determined as follows:

School Year	New York City	Other Big Five	Rest of State
1999-00	18.7%	33.3%	40%
2000-01	34.6%	66.7%	40%
2001-02 and Thereafter	55.8%	100%	40%

or

- (3) the number of new, additional classrooms that the school district guarantees will be open on the first day of school.

Basic Grant per Classroom = the product of the following factors:

- (1) the median salary of teachers with 5 years of experience in the district for the 1994-95 school year as reported to the Commissioner by February 1, 1997, or \$34,089 if such data is not available;
- (2) 1.0609; and
- (3) The sum of one plus the percentage of salaries represented by fringe benefits paid by the school district for the 1994-95 school year.

### Continuing Classroom Grant

This grant equals any New Classroom Grant received during the prior school year minus any portion of such grant that was attributable to the \$10,000 per classroom start up grant.

### Total Funding

Statewide appropriations in support of Early Grade Class Size Reduction Grants are projected to be \$75 million in 1999-00, \$140 million in 2000-01 and \$225 million in 2001-02 and thereafter.

**FF. TAX FREEZE AND LIMITATION AID**  
**[ Section 3602(21) of the Education Law ]**



Beginning with the 1999-00 school year school districts that levy local property taxes and satisfy certain criteria in freezing or limiting the amount of taxes levied will be eligible for a Tax Freeze and Limitation Aid in addition to other general formula aids. The formula for determining eligibility and the amount of aid payable is equal to the positive result, if any, of:

$\{ [.03 \times (\text{District's AOE/TAPU} / \text{County AOE/TAPU})] - \% \text{ Inc in Levy} \} \times \text{Oper Aid}$

- (AOE/TAPU) is the district's approved operating expense per pupil as calculated using expenditures and pupils in attendance during the base year.
- County AOE/TAPU is the total approved operating expense of all districts located in the county divided by the total aidable pupil units of all such districts as used for aids payable in the current year.
- % Inc in Levy is the percentage increase of the school district's revenues from property and nonproperty taxes levied for school purposes in the current year over such revenues in the base year, but not less than zero. The following items are excluded from tax revenues for this calculation:
  - Levies for a public or free association library
  - Debt service and other school facility costs included in the capital component of the district's budget for projects that were previously approved by the voters of the district.
  - Emergency expenditures resulting from damage or destruction of a school building or of school equipment.
  - Expenditures resulting from tax certiorari proceedings.
  - Expenditures resulting from a court order or judgement against the district.
  - Expenses attributable to current year increases in student enrollment over the base year.
  - Expenses related to creation or expansion of a prekindergarten program.
  - Revenues attributable to unanticipated rate increases in a nonproperty tax.
- Oper Aid is the school district's selected Operating Aid calculated for aids payable in the current year.

**GG. TARGETED INSTRUCTIONAL STAFF DEVELOPMENT GRANTS**  
**[Section 3641(9) of the Education Law]**  
**(1998-99 Estimated Total = \$1.5 Million)**

Beginning with the 1998-99 school year the Commissioner of Education is authorized to award staff development grants to school districts for staff development activities offered independently by the school district and/or in collaboration with institutions of higher education, teacher resource and computer resource centers, and providers of pre-kindergarten services. Grants will be awarded on a competitive basis within the available State appropriation for such grants based on criteria established by the Commissioner. Approved expenditures for staff development may include, but need not be limited to: reasonable travel costs for instructors, reasonable costs for the use of technology to provide staff development at a distance, and the cost of employing substitute teachers for teachers participating in the staff development activities during scheduled class time. The following sums represent proposed appropriations for such grants: 1998-99 - \$1,500,000; 1999-00 - \$5,000,000; 2000-01 and thereafter - \$10,000,000.

**HH. STATE AID PAYABLE TO SCHOOL DISTRICTS IMPACTED BY SCHOOL TAX SAVINGS UNDER THE SCHOOL TAX RELIEF (STAR) PROGRAM**  
**[Section 1306-a of the Real Property Tax Law]**  
**(1998-99 Estimated Total = \$619 Million)**

Chapter 389 of the Laws of 1997 created a program to reduce school property taxes beginning with taxes levied for the 1998-99 school year. These tax reductions will initially be applied to taxes levied on the residential property of senior citizens, and will then be increased and expanded to include the residential property of other school district taxpayers.

The school tax bill of any taxpayer entitled to an exemption under the STAR program must include a statement as follows:

“Your tax savings this year resulting from the New York State School Tax Relief (STAR) program is \$ xxx.xx.”

The total school tax savings duly provided by each school district to the taxpayers of the school district pursuant to the STAR program will be a charge upon the State and the school district will be reimbursed for the resulting loss in revenues through additional State Aid payable as follows:

To claim State Aid related to loss in local tax revenues under the STAR Program in the 1998-99 school year and thereafter, a school district must submit an application to the Office of Real Property Services (ORPS) containing information regarding the loss in revenues and the exemptions that resulted in such loss in a format to be established by ORPS. Upon approval of the application, ORPS will calculate and certify to the Commissioner of Education the amount of aid payable to the school district for exemptions granted under the STAR Program for taxes levied in the current school year.

A separate payment schedule is created for the payment of School Tax Relief Aid representing tax savings provided by school districts to their taxpayers under the STAR Program. For the 1998-99 school year, school districts will be guaranteed payment of 35% of STAR Aid by October 15, 70% by November 15, 80% by December 15, and the balance by the first business day in January. For the 1999-00 school year and thereafter STAR Aid will be paid pursuant to a schedule based on the recommendations of the School District Cash Flow Study Commission’s report which was submitted to the Governor and the Legislature in March.

## IV

### OTHER MISCELLANEOUS AIDS

#### II. SUMMER COMPONENT OF TWELVE MONTH PROGRAMS FOR STUDENTS WITH DISABILITIES

**[Section 4408 of the Education Law]  
(1998-99 Estimated Aid = \$155.9 Million)**

This program is for school aged children with disabilities of such a severity as to warrant a 12-month program. 80% State Aid is provided to school districts for the cost of education, maintenance and transportation provided during July and August. The remaining 20% of costs is paid by the local school districts from the General Fund. The State Education Department later collects 10% of verified costs from the county of residence. Pupils are identified by the Committee on Special Education and the district files with the Education Department via the STAC System for program approval and payment.

The approved costs of education and maintenance are established by the Education Department. The district reports the actual cost of transportation. Revenues and payments for this program are all accounted for in the Special Aid Fund.

After the program is completed, the districts must verify and submit an Automated Verification Listing (AVL) to verify STAC enrollment and maintenance dates and transportation costs and dates. Districts pay the service providers. Up to 56 % of verified aidable costs may be reimbursed by the Education Department prior to April 1, with the remainder of the 80% total aid payable before June 30th.

#### JJ. EDUCATION AID FOR PUPILS FROM THE OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

**[Section 3202(5) of the Education Law]  
(1998-99 Estimated Aid = \$22.0 Million)**

Since 1976 special sections have been added to Education Law which provide for aid payments of the full tuition for certain pupils. Pupils who generate the aid are those who:

- a) reside in a group or family care home operated by the OMRDD who previously resided within a school for the mentally retarded operated by the Office of Mental Retardation and Developmental Disabilities;
- b) reside in a school for the mentally retarded operated by the Office of Mental Retardation and Developmental Disabilities who are placed in a public school or BOCES program;
- c) reside in an intermediate care facility or an individualized residential alternative.

The district in which the institution is located is responsible for placing such children and submitting claims for full tuition to the Education Department. Each child for whom full tuition aid is paid must be approved and verified by the school district via the STAC/AVL process. Tuition aid is paid to each district during the current year of education of such pupils. The original school district of residence of children covered by these provisions must reimburse the State a defined amount of basic contribution in the following year. This basic contribution is collected as described in Section F of this summary. (Note: Effective July 1, 1995 pupils who reside in an intermediate care facility and also

attend the private school operated by the intermediate care facility are aided through the Medicaid system. The tuition reimbursement is paid from Medicaid directly to the intermediate care facility.)

**KK. INCARCERATED YOUTH AID**  
**[Section 3202(7) and Section 3602(35) of the Education Law]**  
**(1998-99 Estimated Aid = \$10.5 Million)**

School districts are required to provide, upon request, a suitable educational program to youth incarcerated in county correctional facilities located within the district for the months of September through June. Programs also may be continued during July and August. Educational services may be provided by the school district itself or through a contract with a Board of Cooperative Educational Services or another public school district. Participation is at the option of the individual incarcerated youth. The State Education Department approves participation of incarcerated youth on an individual basis via the STAC system.

Aid is paid on a current year basis to the school district and is equal to the lesser of the following, except that in no case will a district with verified enrollment receive less than \$15,000 per year:

1. The district's approved operating expense per pupil in the year prior to the base year multiplied by 1.25 multiplied by aggregate, verified full-time equivalent enrollment of all incarcerated youths, in 10 month programs, or such approved operating expense per pupil multiplied by 1.50 multiplied by aggregate verified full-time equivalent enrollment of all incarcerated youth in 12 month programs.
2. Actual total instructional cost of providing the incarcerated youth program plus approved administrative costs. Approved administrative costs may not exceed five percent of total instructional costs.

The school district of residence of the youth on the date of incarceration reimburses the State a defined amount of local contribution during the following school year.

**LL. AID FOR EDUCATION OF HOMELESS OR RUNAWAY PUPILS**  
**[Section 3209 of the Education Law]**  
**(1998-99 Estimated Aid = \$3.8 Million)**

There is State reimbursement of 100 percent of the direct cost of educational services provided to a nonresident homeless or runaway pupil by the school district of current location, or a school district participating in a regional placement plan, when such a district is designated as the district which the pupil shall attend.

Aid will be paid to the educating district through the STAC system. Homeless pupils may be referred by the County Department of Social Services, or by other independent agencies (e.g, a church) or may self refer themselves to the district of current location.

The district provides the attendance and program information through STAC and must obtain tuition rate approval from the State if the pupil is educated in a district operated program. Aid is paid to each district during the current year of education of such pupils. The school district of last attendance before the pupil became homeless reimburses the State a defined amount of local contribution during the following school year.

**MM. EMPLOYMENT PREPARATION EDUCATION AID**

**[Section 3602(24) of the Education Law]  
(1998-99 Estimated Aid = \$96.18 Million)**

This aid is available to those districts or BOCES serving persons 21 years of age or older who have not received a high school diploma or a high school equivalency diploma, who attend Employment Preparation Education programs provided by the district or BOCES which lead to a high school diploma or high school equivalency diploma. Such programs must provide services in accordance with a comprehensive plan of service as approved by the Commissioner of Education.

The formula for generating aid is:

$$\text{Current Year Instruction Hours} \times \$6.05 \times \text{Aid Ratio (minimum aid ratio} = .400)$$

Aid is paid directly to the school district or BOCES operating the program.

Formula components can be expressed as follows:

a)  $1.000 - (\text{PWR} \times .40) = \text{Aid Ratio (minimum } .400)^*$

$$\text{PWR (Pupil Wealth Ratio)} = \frac{\text{District FV/TWPU}^*}{\$246,400}$$

b) Employment Preparation Aid Contact Hours = Total hours of instruction in employment preparation provided to all eligible students between July 1 and June 30.

c) Employment Preparation Aid Ceiling = The statewide average expense per pupil divided by 1,000.

For aid payable in 1998-99 this is:

$$\frac{(\$6,050)}{1000} = \$6.05$$

\*BOCES use the greater of a BOCES-wide aid ratio (minimum of .400) or 85 percent of the highest aid ratio of any BOCES component school district.

Attendance counts of students in such approved programs may not be included in any other attendance counts. EPE Aid is paid directly to the district or BOCES providing the educational program, which then may bill a net tuition charge to the district of residence if any local funds are required to support the program. Pupils under the age of 21 in similar programs are included in average daily attendance as students in equivalent attendance, unless BOCES Aid is generated and claimed.

For aid payable in 1998-99 up to 25 percent of the total appropriation of \$96.18 million will be paid after April 1, 1999, based on claims submitted by March 1. If the claims received exceed the available 25 percent of the appropriation, aid will be prorated. A final payment of claims up to the maximum apportionment of \$96.18 million will be paid after October 1, 1999 based on aid claims submitted by September 15, 1999. If claims exceed the

appropriation, aid will again be prorated.

**NN. AID FOR NON-OPERATING DISTRICTS**  
**(100 percent Contracting Districts)**  
**[Section 2043 of the Education Law]**  
**(1998-99 Estimated Aid = \$0)**

General aid for a district not maintaining a school and contracting for the education of its children, is based on approved operating expenses and transportation expenses. In this case, tuition is considered an approved operating expense. The aid is calculated by deducting from operating and transportation expenses a local contribution expressed as a tax rate per \$1,000 of actual (full) value of the district's real property. The tax rate is the higher of (a) the tax rate of the receiving district(s) with the highest rate or (b) \$10.00 per \$1,000 of actual valuation.

**OO. AID FOR DISTRICTS WITH FEWER THAN EIGHT TEACHERS**  
**[Section 3602-b of the Education Law]**  
**(1998-99 Estimated Aid = \$0)**

General aid for districts employing fewer than eight teachers is based on operating expenses and transportation expenses only.

Operating expenses are computed just as they are for eight-or-more-teacher districts. Approved operating expenses are limited to the sum of (a) \$4,500 multiplied by the number of full-time teachers employed during the base year and, (b) the base year WADA multiplied by \$60 plus an amount computed by multiplying the base year WADA by \$0.90. Operating aid is computed by multiplying the approved operating expenses by the RWADA aid ratio.

Transportation expenses and aid are calculated as for eight-or-more teacher districts.

There is a form of save-harmless aid in which districts employing less than eight teachers may not receive less aid than they did in 1964-65. However, when local revenue raised by tax for school purposes is less than \$9.00 per \$1,000 of actual (full) valuation, the apportionment is reduced by the difference between the local revenue and the amount that would have been raised by the \$9.00 tax rate. In effect, this is a State aid penalty for localities with insufficient contributions to education.

**PP. LOTTERY REVENUES USED TO FUND APPORTIONMENTS PAYABLE**  
**TO PUBLIC SCHOOL DISTRICTS**  
**[Section 92-c of the State Finance Law]**  
**(1998-99 Estimated Aid = \$1,530 Million)**

Annual proceeds from the New York State Lottery are used to support elementary, middle and secondary education. This is accomplished by using a share of the Lottery proceeds computed according to an equalized formula based on each school district's taxable property wealth per pupil to support the General State Aids otherwise payable to the school district. In addition, a portion of the Lottery proceeds equal to \$15.00 per resident pupil is paid to each school district for the purchase of textbooks. The total Lottery apportionment available to support elementary, middle and secondary education programs for the 1998-99 school year is \$1,530 million. These funds are already included in the estimate of 1998-99 aids reported in other sections of this manual.

## V

**PAYMENT SCHEDULES****QQ. 1998-99 GENERAL AIDS PAYABLE TO SCHOOL DISTRICTS FOR AIDS  
IDENTIFIED WITH A SINGLE ASTERISK IN THE TABLE OF CONTENTS  
[Section 3609-a of the Education Law]**

- A payment in the amount of lottery revenues available to fund apportionments payable to public school districts is paid in full on or before September 1.
- School district obligations to the New York State Teachers Retirement System (TRS) are paid by the State on behalf of the school districts from General Aid apportionments on or before the 15th of each of the months of September, October and November. If the General Aid apportionments remaining after apportionment of the Lottery revenues are insufficient to fund the TRS obligations, the school district is billed directly by TRS for the balance. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA9899" which was released in April 1998 following enactment of the 1998-99 State Aid to Localities Budget.
- Additional fixed fall payments are paid directly to the school district on the 15th of the months of October, November and December. These payments guarantee that a "fixed" percentage of a district's General Aid apportionments, after deduction of payments made to TRS on the district's behalf, is paid through the sum of Lottery payments and regular aid payments by given points in time: 12.50 percent on or before October 15, 18.75 percent on or before November 15 and 25.00 percent on or before December 15. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA9899" which was released in April 1998 following enactment of the 1998-99 State Aid to Localities Budget.
- Additional individualized payments are calculated for the months of January through June, based on school district State Aid claims or projection data available to the Commissioner as of December 1. These payments are calculated to guarantee that each district receives 50 percent of the sum of State and local revenues in support of the general fund budget by the first business day of January, 60 percent by the first business day of February, 70 percent by the first business day of March, 80 percent by the first business day of April and 90 percent by the first business day of May. While calculated in this manner, all of the April payment, all, or most of the May payment and some of the June payment may be paid as part of the sustaining advance payments and the final payment for the State Fiscal Year in order to fully expend the State Fiscal Year appropriation for General Support of Public Schools in March. 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. For the purpose of calculating these payments General Aid apportionments payable to the district may not exceed the sum of such apportionments as reported in the school aid computer listing entitled "SA9899" which was released in April 1998 following enactment of the 1998-99 State Aid to Localities Budget.
- Sustaining advance payments and a final payment for the State Fiscal Year are paid to school districts on March 31 on a prorata basis using the district's relative share of either: (1) for the sustaining advance payments, the total moneys designated for payment in April, then May and finally June or (2) for the final payment for the

State Fiscal Year, the total moneys 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 are used.

- Any Building Aid payable for new debt service or debt service on bond anticipation notes (BANS) and any Growth Aid will be paid as part of the remaining balance of General Aids payable on the first business day in June except that the total of all General Aid payments to a school district through June may not exceed the sum of such aids as reported in the school aid computer listing entitled “SA9899” which was released in April 1998 following enactment of the 1998-99 State Aid to Localities Budget.
- Any excess of actual General Aid apportionments over the sum of such apportionments as reported in the school aid computer listing entitled “SA9899,” shall be paid on the first business day of September, 1999.

**RR. EXCESS COST AIDS PAYABLE TO SCHOOL DISTRICTS FOR AIDS  
IDENTIFIED WITH A DOUBLE ASTERISK IN THE TABLE OF CONTENTS  
[Section 3609-b of the Education Law]**

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 are to be paid in conjunction with the scheduled monthly payment of federal share monies for Medicaid Reimbursement. In addition, Section 3609-b requires that any remaining balances of Excess Cost Aids payable to a school district shall be paid in accordance with the following schedule:

**Payment Date**

**Payment Amounts**

December 15

The positive remainder of 25 percent of such aids minus any State share monies paid in the months of August-November. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

March 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-February. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

June 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-May. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

August 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-July. For the purpose of calculating this payment the total Excess Cost Aids payable to the district for the school year may not exceed the sum of such aids as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.

September (1<sup>st</sup> Business Day) Any excess of actual Excess Cost Aids payable over the sum of such aids as reported in the school aid computer listing shall be paid on the first business day of September of the following school year.

**SS. AID PAYABLE TO SMALL CITY SCHOOL DISTRICTS AS DESCRIBED  
IN SECTION T OF THIS MANUAL  
[Section 3609-c of the Education Law]**

The apportionment of Special Aid to Small City School Districts pursuant to subdivision 31-a of Section 3602 of the Education Law is paid as follows:

<b><u>Payment Date</u></b>	<b><u>Payment Amounts</u></b>
September 15	8 $\frac{1}{3}$ percent of the apportionment, not to exceed 8 $\frac{1}{3}$ percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
<b><u>Payment Date</u></b>	<b><u>Payment Amounts</u></b>
October 15	8 $\frac{1}{3}$ percent of the apportionment, not to exceed 8 $\frac{1}{3}$ percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
November 15	8 $\frac{1}{3}$ percent of the apportionment, not to exceed 8 $\frac{1}{3}$ percent of the amount of the apportionment reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
March (1 <sup>st</sup> Business Day)	70 percent of the apportionment, not to exceed 70 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of March.
April (1 <sup>st</sup> Business Day)	80 percent of the apportionment, not to exceed 80 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of April.
May (1 <sup>st</sup> Business Day)	90 percent of the apportionment, not to exceed 90 percent of the amount of the apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of May.
June (1 <sup>st</sup> Business Day)	100 percent of the apportionment, not to exceed 100 percent of the amount of the

apportionment reported in the school aid computer listing minus any previous payments, shall be paid on the first business day of June.

September (1<sup>st</sup> Business Day) Any excess of the total apportionment payable over the amount of the apportionment reported in the school aid computer listing shall be paid on the first business day of September of the following school year.

**TT. BOCES AID PAYABLE TO BOCES AS DESCRIBED IN SECTION V-1  
OF THIS MANUAL  
[Section 3609-d of the Education Law]**

- BOCES Aid is calculated by individual component school district of the BOCES, but the sum of all such payments are paid directly to the BOCES.
- BOCES obligations to the New York State Teachers Retirement System (TRS) are paid by the State on behalf of the BOCES from the apportionment payable to the BOCES on or before the fifteenth of each of the months of September, October and November. If the apportionment payable to the BOCES is insufficient to fund the TRS obligation, the BOCES is billed directly by TRS for the balance. For the purpose of calculating these payments the total BOCES Aid payable may not exceed 100 percent of the amount of such aid payable to the BOCES as reported in the school aid computer listing released following enactment of the Aid to Localities Budget.
- On or before February 1 an additional payment is made to BOCES equal to 25 percent of the total BOCES Aid payable for the school year less the previous payments made to TRS on the BOCES' behalf. For the purpose of calculating these payments the total BOCES Aid payable may not exceed 100 percent of the sum of the amount of such aid payable to the BOCES as reported in the school aid computer listing released following enactment of the Aid to Localities Budget plus any BOCES Aid payable on behalf of Special Act School Districts, school districts employing less than eight teachers or school districts that contract with another school district for all instructional services. For purposes of this description such sum shall be referred to as "projected aids."
- An additional payment is made to the BOCES on the first business day of June equal to 55 percent of the lesser of actual BOCES Aid payable or the projected aids 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 shall be paid to the BOCES on the first business day of September of the following school year.

**UU. 1998-99 PAYMENT SCHEDULE FOR SCHOOL TAX  
RELIEF (STAR) AID AS DESCRIBED IN  
SECTION HH OF THIS MANUAL**

- On or before October 15, 35% of STAR Aid will be paid.
- On or before November 15, 70% of STAR Aid, minus any payment made in October, will be paid.

- On or before December 15, 80% of STAR Aid, minus any payments made in October or November, will be paid.
- January payment. On or before the first business day of January, the balance of STAR Aid still owed to the district will be paid.
- For aids payable in 1999-00 and thereafter, STAR Aid will be paid pursuant to a schedule that is based on the portion that STAR Aid represents of the school district's total property tax levy for school purposes as recommended by the STAR Cash Flow Study Commission's report to the Governor and the Legislature submitted in March 1998.

## **VV. OTHER AIDS**

Questions regarding the schedules for payment of other aids may be directed to the State Aid Unit, 518: 474-2977.

### **WW. PAYMENT SCHEDULE AND POLICY REGARDING AID ADJUSTMENTS OCCURRING AFTER THE LAST SCHEDULED AID PAYMENTS FOR A GIVEN YEAR**

- Any supplemental documentation of original claims still pending review by the State Education Department for the 1996-97 aid year and thereafter, (including tax certiorari adjustments), that increases aids payable and is received by the State Education Department after June 30 of the school year for which aid is claimed, will not be included in the final adjustment of aids due to the district or BOCES upon completion of the desk review of the original claim. Such claims will be paid as a prior year adjustment pursuant to Section 3604(5) of the Education Law in the order that such adjustment is verified for payment and to the extent that funds have been appropriated for such prior year adjustments.
- Any special legislation granting a waiver of requirements for the payment of State Aid, such as a waiver of the requirement for timely submission of transportation contracts to the Commissioner of Education, will be considered as supplemental documentation of the original claim and will be subject to this policy unless the special legislation specifically authorizes payment during the current school year.

**APPENDIX A****EXPLANATION OF PUPIL COUNTS; WEALTH MEASURES;  
AND LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS****A. PUPIL COUNTS****ADA**

**Average Daily Attendance.** This is the average number of pupils present on each regular school day, an average determined by dividing the aggregate number of attendance days of all pupils by the number of days school was in session. ADA for a group of classes or schools in session for varying numbers of days is obtained by adding together the ADA for each. Adjustments are made for the adverse effects of religious holidays on enrollment. ADA includes the equivalent attendance of pupils under the age of 21 not on a regular day-school register in a program leading to a high school diploma or high school equivalency diploma and the base year FTE enrollment of pupils with disabilities enrolled full time in BOCES.

**Dual Enrollment ADA**

Section 3602-c of the Education Law provides a methodology for calculating the average daily attendance of nonpublic school students who attend public schools for a portion of the school day in programs for gifted and talented students, occupational education or special education. The daily attendance of such pupils is calculated as one or more fifths of a full unit of daily attendance based on the number of periods attended each day in the public school programs. The calculated dual enrollment ADA is added to regular school ADA for the purposes of calculating State Aids payable to the public school district.

**Adjusted ADA**

This is average daily attendance with half-day kindergarten weighted at 0.50.

**WADA**

**Weighted Average Daily Attendance.** This is a pupil count determined by applying the following weightings to average daily attendance: half-day kindergarten, 0.50; full day kindergarten and grades one through six, 1.00; grades seven through twelve, 1.25.

**RWADA**

**Resident Weighted Average Daily Attendance.** This pupil measurement is a count, weighted for certain groups of students, for all resident pupils in the district. It is calculated by subtracting the WADA of nonresident pupils attending public school in the district from the district's WADA and adding the WADA of resident pupils of the district who are in full time attendance at a school operated by a Board of Cooperative Educational Services, a County Vocational Education and Extension Board, or another public school district.

**TWPU**

**Total Wealth Pupil Units.** This is the pupil count used along with other wealth variables to measure the relative wealth of a district. Pupils who are

residents of the district are counted. This is the sum of adjusted ADA, aidable pupils with special educational needs, weighted publicly placed students with disabilities, and aidable pupils weighted for secondary school, but does not include aidable pupils for summer school. The above items are adjusted for residence as in RWADA.

**Pupils with Special Educational Needs (PSEN)**

The number of pupils attending the public schools of the district with special educational needs are those determined by the percentage of pupils below minimum competence as measured by third and sixth grade pupil evaluation program tests (an average score in reading and mathematics from Spring 1985 and Spring 1986 is required). This percentage is multiplied by the district's adjusted ADA to produce the number of eligible pupils for weighting. The additional weighting for eligible pupils is 0.25 pupil units.

**Pupils with Disabilities (Public Excess Cost Aid)**

Pupils with disabilities who have been determined by a Committee on Special Education to require placement as follows:

- (1) In special class instruction either in a hospital or at home for more than 60 days. The additional weighting for these pupils is 1.7.
- (2) In special class instruction or special programs for more than 60 percent of each school day. Sixty percent of each school day is further defined in regulations as a minimum of three hours each day of each week at the elementary level or a minimum of three and one-half hours each day of each week at the secondary level. The additional weighting for these pupils is 1.7.
- (3) In resource room services or other special programs for 20 percent or more of a school week. Twenty percent of the week is further defined in regulations as not less than five hours each week at the elementary level. At the secondary level or in a middle school or building that operates on a period basis, the equivalent of five periods per week, but not less than 180 minutes of resource room or other special services or programs is considered equivalent to 20 percent of the week. The additional weighting for these pupils is 0.90.
- (4) Requiring direct or indirect consultant teacher services, for 2 or more hours per week. The additional weighting for these pupils is 0.90.

**Summer School Pupils**

The number of pupils attending approved programs of instruction operated by the district during the months of July and August of the base year in accordance with the Commissioner's Regulations. The weighting for these pupils is 0.12.

**Secondary School Pupil Weighting**

The ADA of pupils in grades seven through twelve for whom a district will receive an additional weighting. The additional weighting for these pupils is 0.25. This additional weighting is not provided for pupils with disabilities

eligible for Public Excess Cost Aid.

**Equivalent Attendance**

The number of student hours of instruction in programs in a public school or BOCES leading to a high school diploma or high school equivalency diploma for pupils under the age of 21 not on a regular day-school register, divided by 1,000. This does not include such pupils enrolled in BOCES programs for which BOCES Aid is claimed.

**Total Aidable  
Pupil Units (TAPU for Aid)**

The measure by which formula aid is computed. It includes adjusted average daily attendance, and additional weightings for aidable pupils with special educational needs, aidable summer school pupils, dual enrollment pupils, and secondary school pupils. The pupils counted are all pupils attending a given district whether or not they are residents of that district. Beginning with the 1997-98 aid year, the adjusted ADA and ADA based counts will be obtained by multiplying the base year minus one ADA by an enrollment index. This index measures the change between the base year minus one enrollment and base year enrollment. Other components of TAPU for Aid will be base year minus one data. Districts may use the greater of the 1996-97 TAPU or the average of 1996-97 and 1995-96 TAPU's.

**T APU for Expense**

This pupil count is used with Approved Operating Expense to determine the expense per pupil of the district. It includes year prior to the base year average daily attendance and additional weightings for pupils with special educational needs, aidable summer pupils, dual enrollment, secondary pupils, and pupils with disabilities.

**Public School Enrollment**

This is the sum of: the number of enrolled students on the regular day school register; the number of enrolled students eligible for homebound instruction; the number of enrolled non-resident homeless students, and the number of enrolled students educated at the campus school of Hunter College. The enrollment that is reported is as of the last day of the first attendance period.

**Enrollment Index**

This index measures the change in public school enrollment from one school year to the next and is computed by dividing base year enrollment by year prior to the base year. It is used to compute ADA in the calculation of TAPU for Aid.

**Attendance Ratio  
(for purposes of aid)**

A measure of pupils attending a district compared with maximum possible attendance. It is the number computed to four decimals without rounding when the aggregate days of attendance is divided by the possible aggregate attendance of all pupils in attendance in the district.

**B. WEALTH MEASURES**

**Full Value**

This is determined by dividing the assessed valuation of taxable property of the district by the equalization rate(s) of the city, town(s), or village(s) that make

up the school district. Full valuation is generally a larger figure than the assessed value. Assuming that the equalization rates have been accurately established, real property of identical value in separate but similar communities of the state, which have been assessed by diverse local standards, would have the same full valuation.

**FV/RWADA**

**Full Valuation per Resident Weighted Average Daily Attendance, or Weighted Average Daily Attendance Wealth Ratio**, is a per pupil measure of the wealth of a district based on the number of pupils who are residents of the district. This is determined by dividing the selected full value of the district by the resident weighted average daily attendance of the district.

**FV/TWPU**

**Full Valuation per Total Wealth Pupil Units** is a per pupil measure of the wealth of a district based on the number of pupils who are residents of a district. This is determined by dividing the full value of the district's real property by the total wealth pupil units of the district.

**Statewide Average Full Value Per Pupil)**

(a) Full valuation of real property in the state is divided by the weighted average daily attendance of pupils in the state. District full value is compared with the statewide average to give a relative measure of a district's wealth per student. Districts' full value/RWADA is compared with the State average.

(b) Full valuation of real property in the state is divided by the total wealth pupil units of the state, a weighted count of resident pupils in the state. Districts' full value per TWPU is compared with the statewide average as a measure of district wealth per resident pupil. Extra weighting is given for students with disabilities and pupils with special educational needs.

**District Adjusted Gross Income**

Adjusted gross income is determined for each individual district of the state by summing the verified New York State adjusted gross income reported by state individual taxpayers by their school district of residence, as verified through the State's income verification system.

**Adjusted Gross Income/ TWPU**

This is determined by dividing the adjusted gross income of the district by the total wealth pupil units of the district. It is a per pupil measurement of district wealth.

**Statewide Average Adjusted Gross Income Per TWPU**

Adjusted gross income of the state is divided by the total wealth pupil units of the state. It is compared with districts' adjusted gross income per TWPU.

**Pupil Wealth Ratio**

A measure of a district's property wealth per pupil compared to the statewide average wealth of districts, used as one of two variables in the combined wealth ratio. The pupil wealth ratio is the number, computed to three decimals

without rounding, obtained when the full value per TWPU of the school district is divided by the statewide average actual valuation per TWPU.

**Alternate Pupil Wealth Ratio** The alternate pupil wealth ratio is a measure of a district's income wealth per pupil. It is the number, computed to three decimals without rounding, obtained when the adjusted gross income per TWPU of the school district is divided by the statewide average adjusted gross income per TWPU. It and the pupil wealth ratio are used to calculate a combined wealth ratio.

**Combined Wealth Ratio** A measure of a district's wealth taking into account both full valuation of the district's real property and the income of residents of the district. It is the number, computed to three decimal places without rounding, obtained when 50 percent of the Pupil Wealth Ratio is added to 50 percent of the Alternate Pupil Wealth Ratio.

**Sharing Ratio** A percentage determined by a formula of relevant factors that determines the proportion of State contribution to school districts' expenditures. 1.000 minus the State contribution equals the local contribution to a district's budget. The standard formula for the computation of a sharing ratio is:

$$1.000 - \left[ \frac{\text{District Wealth Measure}}{\text{State Average}} \times \text{Local Share} \right]$$

### C. LOCAL EXPENDITURES, MEASUREMENTS, AND ADJUSTMENTS

<b>Current Year</b>	The current year is the school year in which the aid is paid.
<b>Base Year</b>	The base year is the school year prior to the current year.
<b>Local Levy</b>	The local levy is the total amount of money to be raised locally by all property and nonproperty taxes.
<b>Tax Rate (Regular)</b>	The tax rate is the local levy divided by the full valuation of the district's real property for the same year. It is usually expressed as dollars per \$1,000 of full valuation.
<b>Approved Operating Expenditures (AOE)</b>	Approved Operating Expenditures are those operating expenses for the day-to-day operation of the school in the base year excluding certain expenses. Not included are: capital outlay and debt service for building construction, transportation of pupils, expenditures made to purchase services from a Board of Cooperative Educational Services or County Vocational Education and Extension Board, tuition payments to other districts, and expenses for programs which do not conform to law or regulation. Money received as federal aid revenue and State aid for special programs are also deducted from



total annual expenditures when computing Approved Operating Expenditures.

**Approved Operating Expenditures per TAPU (AOE/TAPU)**

This figure is obtained by dividing the Approved Operating Expense (AOE) by the district's Total Aidable Pupil Units (TAPU) for expense which includes the additional weightings for children with disabilities.

**Growth Index/Growth Decimal**

The growth index is the ratio, expressed as a decimal, of the current year's enrollment to the base year's enrollment. If it is greater than .004, the district is eligible to receive Growth Aid. The growth index is based on public school enrollment as reported to the Education Department through the Basic Educational Data System (BEDS). The growth decimal is the excess, if any, of the growth index over .004.

**Save-Harmless**

Save harmless refers to a statutory guarantee of the same dollar amount of aid as received in the previous year. Certain time limits are placed on the recalculation of save-harmless amounts that may result from prior year adjustments. These time limits are based on the statute of limitations for such prior year adjustments.

**Flat Grant**

Flat Grant is the minimum amount of aid per pupil available to all districts: \$400 per aidable pupil unit for Basic Operating Aid.