State Aid to Schools

A Primer

Pursuant to Laws of 2017

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
Fiscal Analysis and Research Unit
July 2017
Introduction

The “Primer” is an annual publication highlighting key school aid concepts, including the impact of this year’s legislation. With the goal of locating some basic facts in one place, data and tables for this publication have been excerpted from several State Education Department reports or databases. The report is presented in two parts:

- Section I provides an overview of school finance in New York State;

- Section II highlights basic concepts and facts about State Aid to schools.
Section I
School Finance in New York State
Overview

In New York State, estimated 2015-16 public education funding comes from three sources: approximately four percent from federal sources, 42 percent from State formula aids and grants, and 55 percent from revenues raised locally.¹ Local property taxes constitute about 90 percent of local revenues. The State assumed a significant portion of this local tax burden through the implementation of the School Tax Relief (STAR) program in 1998. For the 2015-16 fiscal year, STAR is estimated to account for about 13 percent of State revenues; other State aid for the public schools comes primarily from the State General Fund (approximately 75 percent) wherein the major revenue source is State taxes (e.g., income and sales); the balance (approximately 12 percent) comes from a Special Revenue Fund account supported by lottery receipts, video lottery terminal receipts, and commercial gaming funds. All net revenues from the State lottery are statutorily earmarked for school aid. In addition, the General Fund guarantees the level of lottery funds and commercial gaming funds appropriated for education, making up any shortfall in revenues.²

The primary source of local revenue for education in all communities is the tax levied by boards of education (or municipal governments for the Big Five city school districts) on residential and commercial properties within the boundaries of each school district. The Big Five cities have constitutional tax limits, which apply to the total municipal budget. Small city school districts (those with a population of less than 125,000 inhabitants) had their constitutional tax limit repealed in 1985. Legislation enacted in 2011 created a property tax cap for school districts effective starting in 2012-13. For districts other than the Big Five, tax levy growth, with certain exemptions, is limited to the lesser of two percent or the annual increase in the consumer price index (CPI). A district may exceed the cap, with the approval of 60 percent of the voters.

The State’s sales tax laws reserve four percent for the State and permit localities to levy additional amounts above the four percent, which many do. A number of counties impose an additional sales tax of three-eighths of a percent for the benefit of the Metropolitan Commuter Transportation District. Five counties share a portion of their sales tax with school districts.³ In 2015-16,

$276 million in non-property tax revenues helped support approximately 163 school districts.

Small city school districts can impose a utility tax; almost half of the 57 small city districts do so.\(^4\) In addition, State law requires that payments in lieu of taxes (PILOTS) be distributed proportionally among the taxing jurisdictions (including school districts) affected by tax exemptions granted by Industrial Development Agencies (IDAs).\(^5\) New York City imposes a modified local income tax on residents, a business and financial tax, and a tax on commercial rent, revenues from which are raised to support the City’s budget including schools.\(^6\) The City of Yonkers also imposes an income tax on non-resident commuters.\(^7\)

The Big Five city school districts’ fiscal dependency on their municipalities means that the school system does not levy taxes, but is dependent upon citywide taxes for support. State aid for education enters the city treasury, not the school district treasury. The fiscal dependence of these school districts, despite its long history, is fraught with problems related to the level and stability of funding and the effective use of resources.

Categorical funding programs with prescriptive funding requirements have traditionally been used to ensure funds were spent for specific purposes, although this is a somewhat fragmented approach with a tendency to be administratively burdensome and, over time, numerous adjustments can result in a complex and disjointed aid system. Legislation enacted in 2007 extended maintenance of effort provisions to the remaining Big Five (Buffalo, Rochester, Syracuse and Yonkers); a maintenance of effort statute already applied to New York City.

**Disparities in Fiscal Resources**

Despite New York’s equalizing State aid system, there remain tremendous disparities between New York State school districts in fiscal resources available to support education. In 2014-15, approved operating expenditure per pupil\(^8\)

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\(^4\) Ibid. p.20.
\(^5\) “An Industrial Development Agency (IDA) is an independent public benefit corporation created through state legislation at the request of one or more sponsoring municipalities…All property titled to an IDA, as well as any bonds or notes issued by an IDA, is exempt from taxation, except for transfer and estate taxes…However, an IDA is authorized to negotiate payments in lieu of taxes (PILOTs) with the private developers participating in IDA projects.” (School Law 35th Edition), New York State School Boards Association, Albany, New York, pp. 229-230.


\(^8\) Approved operating expenditures per weighted pupil are the operating expenditures for the day-to-day operation of the school as defined in Education Law §3602(1)(t). Not included are expenditures for building construction, transportation of pupils and some other expenditures. Money received as Federal aid revenue, proceeds of borrowing and State aid for special programs are first deducted from total annual expenditures when approved operating expenditures are computed.
ranged from $10,971 for the district at the 10\textsuperscript{th} percentile to $20,593 for the district at the 90\textsuperscript{th} percentile, a difference of 88 percent.\textsuperscript{9}

Since about half of school revenues come from local property taxes, it follows that differences in spending are closely associated with disparities in property wealth and tax levy yields. Higher expenditures per pupil are associated with higher actual property value per pupil. In 2014-15, the average actual value of property per pupil among the lowest spending ten percent of districts was $322,247, while the average actual value per pupil among the highest spending ten percent of districts was $1,876,100, a difference of 482 percent.\textsuperscript{10}

Because the highest spending districts are also those with the highest property values, their tax effort produces the greatest benefit: Table 1 shows that the average tax rate per $1,000 of actual value for the highest spending, wealthiest districts was only $12.29, yet the average tax revenue per pupil for those districts was $23,584. The average tax rate in the lowest spending, property-poorest districts was higher at $15.65, but the tax revenue per pupil was only $5,023 per pupil. Communities that desire a high level of educational services, but do not have a large tax base, must bear a disproportionately heavy tax burden in order to provide those services—a fact which has led policymakers to develop a state aid system that provides funding in a progressive manner. In addition, school districts serving concentrations of children from poverty backgrounds have a greater educational burden to bear, resulting in a greater need to fund programs that provide extra time and help to educate students, thus increasing educational costs.

Table 1 shows that the wealthiest group of districts received an average of only $2,311 per pupil in State revenue other than STAR, while the poorest districts received $7,547. However, the STAR program that was intended to reduce the property tax burden on local taxpayers, particularly the elderly, has provided significantly more revenue per pupil to wealthier districts. The poorest decile received on average $967 per pupil, while those in the tenth decile received tax relief equivalent to $1,464 per pupil. Further, the heavy reliance on property taxes to support education has created a situation in which, even with State revenue (other than STAR) per pupil exceeding that of the wealthiest group of districts by 227 percent, the

\textsuperscript{9} “Analysis of School Finances in New York State School Districts: 2014-15.” New York State Education Department, Albany, New York, January 2017, p. 11. Available at http://www.oms.nysed.gov/faru/PDFDocuments/2016_Analysis_a.pdf. Other measurements of per pupil expenditures, such as those produced by the United States Census Bureau, can vary significantly by comparison as a function of what elements are included in the calculations.

\textsuperscript{10} See Table 1.
poorest group of districts does not begin to approach the overall spending level of the wealthiest districts.

The disparities in fiscal resources are due primarily to the varying ability and willingness of school districts to generate local property tax revenue. As in most states, property values of residences and businesses vary dramatically from school district to school district, as do local assessment practices, and the level of education services desired by the community. In short, a student’s access to educational resources depends in large part on where he or she lives, raising serious concerns about the equity of student opportunities.
<table>
<thead>
<tr>
<th>Approved Operating Expenditure Per Pupil Deciles (upper limit shown)</th>
<th>DECILE AVERAGE*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved Operating Expenditure per Pupil</td>
</tr>
<tr>
<td>1= $10,971</td>
<td>$10,127</td>
</tr>
<tr>
<td>2= 11,584</td>
<td>11,302</td>
</tr>
<tr>
<td>3= 12,229</td>
<td>11,858</td>
</tr>
<tr>
<td>4= 12,740</td>
<td>12,504</td>
</tr>
<tr>
<td>5= 13,526</td>
<td>13,217</td>
</tr>
<tr>
<td>6= 14,545</td>
<td>13,935</td>
</tr>
<tr>
<td>7= 15,961</td>
<td>15,237</td>
</tr>
<tr>
<td>8= 17,913</td>
<td>17,016</td>
</tr>
<tr>
<td>9= 20,593</td>
<td>18,938</td>
</tr>
<tr>
<td>10= 91,483</td>
<td>23,510</td>
</tr>
</tbody>
</table>

** All Major Districts Avg. (excluding NYC): 14,417 568,318 18,886 1,236 6,812 9,495 16.79 1,653,580

** New York City: 13,159 585,906 17,500 584 6,327 8,372 14.53 1,109,941

** All Major Districts Avg. (including NYC): $13,900 $575,600 $18,306 $963 $6,609 $9,025 $15.84 2,763,521

** Decile Rank: 6 7 5 4 5 6 5

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Values shown are the weighted averages for all 67 or 68 districts with an AOE/TAPU for Exp. less than or equal to the upper limit for the decile.

* Total Expenditure includes Debt Service and Special Aid Fund.

** Other State Revenue does not include STAR.

Section II

This section includes selected State Aid concepts and facts including:

• Purposes of State Aid to Schools

• Key Concepts

• State Support for 2017-18

• Local Support

• Components of School Finance

• Foundation Aid

• Selected Expenditure-Based Aids
Purposes of State Aid to Schools

- Assist school districts in the funding of educational programs which offer an effective education to all pupils in grades prekindergarten through grade 12.

- Maintain a State and local partnership in public education. (To this end, a flat grant, or minimum foundation aid, is provided to even the wealthiest school districts.)

- Equalize school revenues by providing State Aid in inverse proportion to each school district’s ability to raise local revenues for education.

- Encourage the development of model programs to address the needs of school districts, such as community schools and the use of technology in the classroom.

- Provide support to districts to help educate all students to higher standards, including students with disabilities and those that require extra time and help.
Key Concepts Concerning School Aid

- **Wealth Equalization:** To distribute State Aid in inverse proportion to fiscal capacity to offset dramatic differences in the ability of school districts to raise local revenues. This is different from the equalization of local property assessments, which is done by the State to make property values comparable from district to district.

- **Determination of Fiscal Capacity:** District income and actual property value per pupil are compared to the State average (known as the Combined Wealth Ratio).

- **School District’s State Sharing Ratio or Aid Ratio:** The percent, based on the relative fiscal capacity of the district, which is multiplied by an amount of money (either a grant amount or a district-reported expenditure) to determine the district’s State Aid.

- **Aid Distribution Systems:** There are different ways of distributing State Aid, including:
  - **Flat Grant Per Pupil.** This distributes the same amount of State aid per pupil to every district (e.g., Textbook Aid and Flat Grant Foundation Aid). This aid is not equalized.
  - **Wealth-equalized State Aid Per Pupil.** This distributes aid based on an amount per pupil equalized in relation to district fiscal capacity by multiplying the amount by the district's Sharing Ratio (e.g., Foundation Aid).
  - **Effort or Expenditure-based Aid.** This aid equals the State Share, a wealth equalized percentage, of actual approved spending (e.g., Transportation, Building and BOCES Aids).

- **Pupil Counts Used for State Aid:** These are based on pupil attendance, membership or enrollment, often with additional weightings for certain categories of students such as pupils with special educational needs, secondary school pupils and pupils in summer school.
State Support to Public School Districts
2017-18

- History - Revenue from State sources as a percent of total expenditures for public schools
  - Low point - 1944-45 - 31.5 percent
  - High point – 2001-02 - 48.2 percent
  - 2016-17 – 42.1 percent (estimated, including STAR)

- Revenue Sources
  - 88 percent from the General Fund; including STAR, State income and sales taxes
  - 12 percent from lottery receipts, VLT revenue, and Commercial Gaming funds

- Payments
  - The school year is funded from two State fiscal years with approximately 70 percent (plus $378.2 million) paid by March 31 (the end of the first State fiscal year).

- Aid Programs
  - Numerous programs but Foundation Aid alone accounts for about 67 percent.

Legislative History

- 1990 - Payments to the Teachers Retirement System for 1989-90 amortized over 15 years, reducing State Aid by $684 million.

- 1990 - Unprecedented mid-year deficit reduction legislation cut 1990-91 State Aid payments by $190 million.

- 1991-92 - A State budget was adopted more than two months late with $925 million in deficit reductions.
1992-93 - Deficit reductions continued for $1,039 million.

1993-94 - State Aid reforms were introduced, deficit reductions eliminated and an estimated increase of $330 million provided.

1994-95 through 1997-98 - A State budget was adopted several months late each year; with estimated increases of:

- 1994-95 - $435 million (June)
- 1995-96 - $67 million (June)
- 1996-97 - $177 million (July)
- 1997-98 - $661 million (August)

1998-99 - Legislation was passed in mid-April. After vetoes, the estimated increase was $967 million.

1999-00 - Legislation was passed in August with an estimated increase of $922 million.

2000-01 - Legislation was passed in mid-May with an estimated increase of $1.094 billion.

2001-02 - Legislation was passed in August to institute a baseline budget and supplemented in October with additional funds, for an estimated total increase of $680 million.

2002-03 through 2006-07 – State’s budgets were adopted with estimated increases (or decrease in 2003-04) as noted:

- 2002-03 - $420 million (May)
- 2003-04 - $207 million decrease (May)
- 2004-05 - $740 million (August)
- 2005-06 - $830 million (March)
- 2006-07 - $1.1 billion (March)

2007-08 - Legislation was passed on April 1 with an estimated increase of $1.7 billion, including major reform of State Aid.

2008-09 - Legislation was passed in April with an estimated increase of $1.7 billion, including continued phase-in of foundation aid.

2009-10 - Legislation was passed in April with an estimated increase of $405 million, foundation aid held to the base year amount and a $1 billion
deficit reduction assessment (DRA) which was restored with federal fiscal stabilization funds. In December, a $391 million supplemental DRA was enacted and restored with similar federal funding.

2010-11 - Legislation was passed in June, vetoed in July and revisited in August with an estimated decrease of $522 million, foundation aid held to 2008-09, a -$2.1 billion gap elimination adjustment (which was partially restored with $726 million in remaining federal ARRA funds), and $607 million in federal education jobs program funding. Chapter 313 later provided for an additional $131.5 million reduction in aid (FMAP).

2011-12 - Legislation was passed in April with an estimated decrease of $675 million including a -$2.6 billion gap elimination adjustment (GEA) and a cap on future year-to-year increases in General Support for Public Schools. In June a property tax cap was enacted.

2012-13 - Legislation was passed in March with an estimated increase of $805 million including a $400 million restoration to the Gap Elimination Adjustment (GEA), resulting in a 2012-13 GEA of -$2.2 billion.

2013-14 - Legislation was passed in March with an estimated increase of $944 million including a $517 million restoration to the Gap Elimination Adjustment (GEA), resulting in a 2013-14 GEA of -$1.6 billion.

2014-15 – Legislation was passed in March with an estimated increase of $1.12 billion, including a $602 million restoration to the Gap Elimination Adjustment (GEA), resulting in a 2014-15 GEA of -$1.0 billion. A multi-year $1.5 billion appropriation was made for Universal Full-Day Pre-Kindergarten, with $340 million available for reimbursement for the 2014-15 school year.

2015-16 – Legislation was passed in March with an estimated increase of $1.3 billion, including a $603 million restoration to the Gap Elimination Adjustment (GEA), resulting in a 2015-16 GEA of -$434 million.

2016-17 – Legislation was passed in March with an estimated increase of $1.4 billion. The GEA was fully restored for the 2016-17 school year.

2017-18 – Legislation was passed in April with an estimated increase of $1.0 billion. The Universal Prekindergarten program was modified to provide continuing support to various prekindergarten grant programs.
Estimated 2017-18 ($ in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Aid</td>
<td>$17,174</td>
</tr>
<tr>
<td>Building including Reorganization Incentive</td>
<td>3,078</td>
</tr>
<tr>
<td>Transportation Aid</td>
<td>1,837</td>
</tr>
<tr>
<td>BOCES and Special Services Aids</td>
<td>1,156</td>
</tr>
<tr>
<td>Special Education Aids</td>
<td>1,004</td>
</tr>
<tr>
<td>Universal Pre-Kindergarten Grant</td>
<td>416</td>
</tr>
</tbody>
</table>

**Subtotal:** $24,665

| Other                                            | 867     |

**Total:** $25,532

* Excludes Expanding our Children’s Education and Learning (EXCEL) debt service, Smart Schools Bond Act funds, and competitive grants funded outside of GSPS.
Local Support for Public School Districts

• School District Types
  ▶ 650 K-12 districts and 24 non-K-12 districts employ eight or more teachers and are eligible for regular State Aid funding.
  ▶ All are fiscally independent (have independent taxing and borrowing authority) except the school districts in the State's five largest cities, the “Big Five.”
  ▶ 37 Boards of Cooperative Educational Services (BOCES) provide a range of programs and services to component school districts (other than the Big Five and four school districts that chose not to join a BOCES).

• Property Tax
  ▶ The principal source of local school district revenues.
  ▶ Property tax levies are established after voter approval of school district budgets or school board adoption of a limited "contingency" budget after voter defeat.
  ▶ The Big Five cities include education in their municipal budget.
  ▶ Although STAR does not represent additional funds for education, it provides broader-based State funds for education, reducing the property tax funded portion of educational costs.
• Tax Limits

  ▪ Only the Big Five city school districts are subject to constitutional tax limits, and the limits apply to the total municipal budget.

  ▪ Small city school districts had their constitutional tax limit repealed in 1985 and first voted on budgets in 1997.

  ▪ Beginning in the 2012-13 school year, property tax levy growth cannot exceed two percent or the rate of inflation, whichever is less, with some exceptions. The tax levy limit can be exceeded if 60 percent of school district voters approve the increase.

• Other Local Revenue Sources

  ▪ The State's sales tax laws reserve four percent for the State and permit localities to levy additional amounts above the four percent, which many do. A number of counties impose an additional sales tax of three-eighths of a percent for the benefit of the Metropolitan Commuter Transportation District. A few localities distribute a portion of the local sales tax to school districts.\(^{11}\)

  ▪ Small city school districts may also impose a utility tax, not to exceed 3 percent.\(^{12}\)

• Education - A $67.2 Billion Enterprise - 2016-17 estimated

  ▪ Total Revenue from State sources (incl. STAR) $28.3 billion

    which represents 42.1 % of

    Total General and Special Aid Fund Expenditures $67.2 billion


\(^{12}\)Ibid. p.20.
SOURCES OF REVENUE FOR EDUCATION

New York State, Major School Districts, 2014-15

- Federal (3.2%)
- Local (55.5%)
- State, inc. STAR (41.3%)
WHERE THE EDUCATION DOLLAR IS GOING
New York State, Major School Districts, 1984-85

- Instruction (excl. Fringe Benefits) (56.9%)
- Fringe Benefits (19.4%)
- Board of Education & Central Adm (2.3%)
- Operation & Maintenance (8.4%)
- Transportation (5.5%)
- Debt Service (4.9%)
- Other (2.7%)

Figure 1 - Where the Education Dollar is Going, 1984-85
WHERE THE EDUCATION DOLLAR IS GOING
New York State, Major School Districts, 2014-15

- Instruction (excl. Fringe Benefits) (54.73%) -2.2%
- Fringe Benefits (24.82%) +5.4%
- Operation & Maintenance (5.97%) -2.4%
- Board of Education & Central Administration (1.74%) -0.6%
- Transportation (4.82%) -0.7%
- Debt Service (5.54%) +0.6%
- Other (2.39%) -0.3%

Note: Change since 1984-85 in italics

Figure 2 - Where the Education Dollar is Going, 2014-15
Components of School Finance
A Comparison of School Districts
by Property Wealth Per Student\textsuperscript{13}

- Districts vary dramatically in their wealth per pupil. The average property wealth per pupil in the lowest wealth districts is $175,376, about seven percent of the actual valuation per pupil in the highest wealth districts ($2,483,394).

- For this reason, State Aid (State revenue other than STAR) is wealth equalizing. Low-wealth districts receive nearly six times more aid per pupil than the highest wealth districts ($11,772 versus $2,028).\textsuperscript{14}

- In spite of this, the spending per pupil in lowest wealth districts is about two-thirds of the spending per pupil in the highest wealth districts ($17,435 versus $27,164).

- This is due, in large part, to the fact that the lowest wealth districts raise about one-eighth of the local revenue per pupil that the highest wealth districts do ($3,014 versus $22,464).

- As a result of these major differences in local wealth, the highest wealth districts tax themselves far less heavily to raise these much greater revenues. While the lowest wealth districts tax at a rate of $17.19 per $1,000 of full value to generate $3,014 per pupil, the highest wealth districts tax at a rate of only $9.17 per $1,000 to generate $22,464 per pupil.

\textsuperscript{13} Conclusions relate to Table 6 of the \textit{Analysis of School Finances in New York State School Districts 2014-15} (January 2017), The University of the State of New York, The State Education Department, Albany, New York, page 12, which is reproduced in Table 2 on the following page.

\textsuperscript{14} This does not include STAR, which tends to be dis-equalizing as it favors higher property wealth districts.
### Table 2 - 2014-15 WEALTH, EXPENDITURE, REVENUE, AND AID DATA RANKED BY ACTUAL VALUATION PER TWPU DECILES FOR ALL MAJOR DISTRICTS EXCLUDING NEW YORK CITY

| Actual Valuation/TWPU Deciles (upper limit shown) | Actual Valuation per TWPU | AOE per TAPU for Exp. | Total Exp.** per TAPU for Exp. | STAR Revenue per TAPU for Exp. | Other Revenue from State*** per TAPU for Exp. | Income per TWPU | Income per Return | Tax Rev. (excl. STAR) per TAPU for Exp. | Tax Rate (excl. STAR) per $1,000 Full Value | 2014-15 Enrollment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1= $247,462 | $175,376 | $11,887 | $17,435 | $595 | $11,772 | $76,675 | $35,393 | $3,014 | $17.19 | 263,602 |
| 2= $287,437 | 269,861 | 17,076 | 1,077 | 10,026 | 103,347 | 42,276 | 5,312 | 19.74 | 110,270 |
| 3= $327,500 | 309,500 | 16,949 | 1,185 | 8,773 | 121,178 | 44,902 | 5,649 | 18.29 | 136,060 |
| 4= $384,648 | 352,906 | 17,156 | 1,227 | 7,709 | 130,416 | 46,572 | 6,849 | 19.53 | 139,527 |
| 5= $449,591 | 418,195 | 16,964 | 1,289 | 6,212 | 155,792 | 56,467 | 8,402 | 20.14 | 161,151 |
| 6= $529,321 | 485,326 | 17,636 | 1,285 | 6,334 | 164,545 | 61,730 | 8,824 | 18.30 | 218,858 |
| 7= $641,064 | 563,375 | 18,672 | 1,440 | 5,244 | 180,321 | 66,481 | 10,955 | 19.36 | 200,451 |
| 8= $840,436 | 725,378 | 20,991 | 1,795 | 4,028 | 233,567 | 85,203 | 13,909 | 19.34 | 201,962 |
| 9= $1,356,079 | 1,043,052 | 22,905 | 1,474 | 2,951 | 328,125 | 121,543 | 17,460 | 16.86 | 148,391 |
| 10= $49,741,654 | 2,483,394 | 21,882 | 956 | 2,028 | 635,025 | 224,553 | 9,17 | 73,308 |

All Major Districts Avg. (excluding NYC) 568,318 14,417 18,886 1,236 6,812 185,560 70,777 9,495 16.79 1,653,580

New York City 585,906 13,159 17,500 584 6,327 230,058 81,478 8,372 14.53 1,109,941

All Major Districts Avg.(including NYC) $575,600 $13,900 $18,306 $963 $6,609 $204,000 $75,400 $9,025 $15.84 2,763,521

** Values shown are the weighted averages for all 67 or 68 districts with AV/TWPU less than or equal to the upper limit for the decile.

** Total Expenditure includes Debt Service and Special Aid Fund.

*** Other State Revenue does not include STAR.

COMPONENTS OF TOTAL EXPENDITURE PER PUPIL BY WEALTH GROUPS (DECILES)

Based on Table 6, Analysis of School Finances, 2014-15

Figure 3 - Components of Total Expenditure per Pupil by Wealth Groups (Deciles)
Foundation Aid

The Laws of 2007 reformed the State’s method of allocating resources to school districts by consolidating some thirty existing aid programs into a Foundation Aid formula that distributes funds to school districts based on the cost of providing an adequate education, adjusted to reflect regional costs and concentrations of pupils who need extra time and help in each district. The 2007-08 Enacted Budget also included a four-year phase-in of Foundation Aid. The 2009-10 Enacted Budget extended the phase-in to 2013-14 and froze 2009-10 and 2010-11 payable Foundation Aid to 2008-09 Foundation Aid levels. The 2011-12 Enacted Budget extended the phase-in to 2016-17 and froze 2011-12 payable Foundation Aid to 2008-09 Foundation Aid. The 2012-13 Enacted Budget phased in 2012-13 aid at 1.7 percent while the 2013-14 Enacted Budget provided no phase-in of 2013-14 aid except for the New York City School District at 5.23 percent. The 2014-15 Enacted Budget provided for phase-ins ranging from 4.31 percent to 7.0 percent. The 2015-16 Enacted Budget provided a number of phase-in factors, ranging from 1.0 percent to 14 percent. The 2016-17 Enacted Budget included phase-in factors that ranged between 0.47 percent and 13.6 percent. The 2017-18 Enacted Budget provided phase-in factors ranging from 4.87 to 19.108 percent (see details that follow).

District Foundation Aid per Pupil = [Foundation Amount X Pupil Need Index X Regional Cost Index] – Expected Minimum Local Contribution.

- The Foundation Amount is the cost of providing general education services. It is measured by determining instructional costs of districts that are performing well. It is adjusted annually to reflect the percentage increase in the consumer price index (CPI). For 2007-08 aid, the Foundation Amount was $5,258, and was further adjusted by the phase-in foundation percent (1.0768 for 2007-08). For 2017-18, the adjusted amount is: $6,340 x 1.013 x 1.0000, or $6,422.

- The Pupil Needs Index (PNI) recognizes the added costs of providing extra time and help for students to succeed. It is 1 + the Extraordinary Needs (EN) percent and ranges from 1 to 2. The EN% is based on:
<table>
<thead>
<tr>
<th>Lunch count X .65</th>
<th>Uses a 3-year average Free and Reduced-Price Lunch percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census count X .65</td>
<td>Uses 2000 Census percent of persons age 5-17 in poverty</td>
</tr>
<tr>
<td>English Language Learners count X .50</td>
<td>Uses base year pupils</td>
</tr>
<tr>
<td>Sparsity count</td>
<td>Provides a factor (\frac{(25 - \text{enrollment/square mile})}{50.9}) for districts with fewer than 25 pupils per square mile</td>
</tr>
</tbody>
</table>

- The Regional Cost Index (RCI) recognizes regional variations in purchasing power around the State, based on wages of non-school professionals. As currently provided in statute, the 2006 regional cost index by labor force region is:

<table>
<thead>
<tr>
<th>Region</th>
<th>RCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital District</td>
<td>1.124</td>
</tr>
<tr>
<td>Southern Tier</td>
<td>1.045</td>
</tr>
<tr>
<td>Western New York</td>
<td>1.091</td>
</tr>
<tr>
<td>Hudson Valley</td>
<td>1.314</td>
</tr>
<tr>
<td>Long Island/NYC</td>
<td>1.425</td>
</tr>
<tr>
<td>Finger Lakes</td>
<td>1.141</td>
</tr>
<tr>
<td>Central New York</td>
<td>1.103</td>
</tr>
<tr>
<td>Mohawk Valley</td>
<td>1.000</td>
</tr>
<tr>
<td>North Country</td>
<td>1.000</td>
</tr>
</tbody>
</table>

- The Expected Minimum Local Contribution is an amount districts are expected to spend as their fair share of the total cost of general education. It is the lesser of two calculations:

\[
\text{Selected Actual Value/pupil} \times \text{Tax Factor of } 0.0162^{15} \times \text{Income/pupil relative to the State average (which is capped between 0.65 and 2.0),}
\]

OR

\[
(\text{Foundation Amount} \times \text{PNI} \times \text{RCI}) \times (1 - \text{Foundation Aid State Sharing Ratio}).
\]

\(^{15}\) The tax factor is based on 90% of the three-year average tax rate in the state.
Total Foundation Aid = Selected Foundation Aid X Selected Total Aidable Foundation Pupil Units (TAFPU). Selected Foundation Aid is the district’s Foundation Aid per pupil, but no less than $500. TAFPU is described on page 29.

The 2017-18 Foundation Aid is the sum of the 2016-17 Foundation Aid Base (FAB) plus a Phase-in Foundation Increase plus an Additional Increase with a minimum increase equal to the Selected Minimum Increase. The Selected Minimum Increase is the greater of (1) the increase in Foundation Aid under the 2017-18 Executive Budget Proposal (BT1718) multiplied by 118 percent, (2) a 2.74 percent increase over 2016-17 Foundation Aid, or (3) for districts with a Census 2000 poverty rate greater than or equal to 11.9 percent, a 3.35 percent increase over 2016-17 Foundation Aid. The 2017-18 Foundation Aid can be no less than Total Foundation Aid multiplied by 44.75 percent. The 2017-18 Phase-in Foundation Increase is a phase-in factor multiplied by the positive difference of (1) the product of: Selected Total Aidable Foundation Pupil Units (TAFPU) multiplied by Selected Foundation Aid, minus (2) the 2016-17 FAB. The phase-in factor is as follows:

1. for the New York City School District, 17.77 percent;
2. for the Buffalo City School District, 12.69 percent;
3. for the Rochester City School District, 10.60 percent;
4. for the Syracuse City School District, 19.108 percent;
5. for the Yonkers City School District, 10.78 percent;
6. for school districts with a Census 2000 poverty rate greater than or equal to 26 percent, 10.3 percent;
7. for all other districts, 4.87 percent.

The Additional Increase is equal to the sum of Tiers A through D as follows:

**Tier A.** A district is eligible for Tier A aid if the district’s Combined Wealth Ratio (CWR) is less than 2.000 and either (A) the English language learner (ELL) count for 2016-17 divided by 2016-17 public school district enrollment is greater than 0.02 or (B) the increase in the ELL count between the 2015-16 and 2016-17 school years, divided by public school district enrollment for 2015-16 is greater than 0.001. Tier A aid is equal to the product of (A) the positive difference of two less CWR multiplied by (B) one hundred dollars ($100.00) multiplied by (C) the ELL count for 2016-17. New York City is not eligible for Tier A aid.

**Tier B.** A district is eligible for Tier B aid if (A) the amount titled “25% LIMIT CAP ON INCREASE” on the enacted 2007-08 run (SA0708) is less than zero and (B) the Foundation Aid CWR (FACWR) is greater than 1.0. Tier B Aid is the product of (A) the difference of total foundation aid less (1) the FAB and less (2) the increase
in Foundation Aid between 2016-17 and 2017-18 school years on the 2017-18 Executive Budget Proposal (BT1718) multiplied by (B) 10.20 percent.

**Tier C.** Districts designated as small city school districts or school districts whose boundaries include a portion of a small city, and have a FACWR less than 1.0, are eligible to receive Tier C Part 1 Aid equal to the product of 2016-17 public school district enrollment multiplied by $167.40. Districts with a sparsity factor greater than zero and a FACWR less than one 1.0 are eligible to receive Tier C Part 2 Aid equal to product of the 2016-17 public school district enrollment multiplied by $188.00. Districts eligible for apportionments under both Part 1 and Part 2, receive the greater of the two Parts.

**Tier D.** Districts with a selected poverty rate of greater than 18 percent are eligible to receive the product of the selected poverty rate multiplied by (1) 2016-17 school district public enrollment, and multiplied by (2) Tier D Aid per Pupil. Tier D Aid per Pupil is equal to $344.00 for the Big Four City School Districts. Tier D Aid per Pupil is equal to $0.29 for the New York City School District. Tier D Aid per Pupil is equal to $240.00 for all other eligible districts.

- District wealth is measured by:
  - Selected Actual Valuation of Taxable Real Property Per Pupil = Lesser of 2014 AV or the average of 2014 AV and 2013 AV.
  - Selected Adjusted Gross Income Per Pupil = Lesser of 2014 Income or the average of 2014 and 2013 Income.

- Annual Computations:
  - **Actual Value**
    Selected actual valuation of all districts divided by resident pupils of New York State to obtain State average selected AV/pupil.

    For 2017-18 Aid: $558,500

  - **Adjusted Gross Income**
    Selected adjusted gross personal income of all taxpayers, as reported on New York State income tax returns and including results of the statewide computerized income verification process, divided by resident pupils of State to obtain State average selected income/pupil.

    For 2017-18 Aid: $193,000
• State Sharing Ratio Calculation (1):
  ▸ Compare District Wealth Measures to State Average Wealth Measures
  ▸ Compute:

\[
\begin{align*}
\text{District Actual Value per Pupil} & = \frac{\text{District Actual Value}}{\text{District Population}} = \frac{558,500}{\text{District Population}} \\
\text{District Income per Pupil} & = \frac{\text{District Income}}{\text{District Population}} = \frac{193,000}{\text{District Population}}
\end{align*}
\]

This is the district's Combined Wealth Ratio for Foundation Aid (FACWR), a measure of district fiscal capacity based on income and actual value.

For Example:

- Average Wealth District  
  FACWR = 1.00  
  \[1.00\]
- Below Average Wealth  
  FACWR = Less than 1.00  
  \[.20\]
- Above Average Wealth  
  FACWR = Greater than 1.00  
  \[1.60\]
## Foundation Aid State Sharing Ratio

- **State Sharing Ratio Calculation (2):**

  **Basic Principle:** The poorer a district is compared to the State average, the greater the State Sharing Ratio. For high need/resource-capacity districts, the State Sharing Ratio is multiplied by 1.05.

<table>
<thead>
<tr>
<th>If the district's FACWR is:</th>
<th>Then the State Sharing Ratio is computed as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>.627 or less</td>
<td>1.37 - (1.23 * FACWR) with a maximum ratio of .90</td>
</tr>
<tr>
<td></td>
<td>Range .599 to .900</td>
</tr>
<tr>
<td>.627 - .800</td>
<td>1.00 - (.64 * FACWR)</td>
</tr>
<tr>
<td></td>
<td>Range .488 to .599</td>
</tr>
<tr>
<td>.800 - 1.336</td>
<td>.80 - (.39 * FACWR)</td>
</tr>
<tr>
<td></td>
<td>Range .279 to .488</td>
</tr>
<tr>
<td>Greater than 1.336</td>
<td>.51 - (.173 * FACWR) with a minimum ratio of zero</td>
</tr>
<tr>
<td></td>
<td>Range 0 to .279</td>
</tr>
</tbody>
</table>
Figure 4 - State Sharing Ratio for Foundation Aid as a Function of a District's Foundation Aid Combined Wealth Ratio (FACWR)
**Basic Principle:**  
Foundation Aid = Aid Per Pupil (Ability) \( \times \) No. of Pupils (Need)

Average Daily Membership (Full Day K-12)  
Weighting 1.00  
Plus

Average Daily Membership of 1/2 Day Kindergarten  
Weighting .50  
Plus

Pupils with Disabilities  
Weighting 1.41  
Plus

Pupils Declassified from Special Education  
Weighting .50  
Plus

Pupils in Summer School  
Weighting .12  
Plus

Dual Enrollment Pupils

**Sum = Total Aidable Foundation Pupil Units (TAFPU)**
For phasing-in Foundation Aid for 2007-08 and 2008-09, the 2006-07 Foundation Aid Base (FAB) is the sum of these aids and grants:

- Flex Aid
- Public Excess Cost Aid (excluding High Cost Aid)
- Limited English Proficiency Aid
- Sound Basic Education Aid
- Enrollment Adjustment Aid
- Supplemental Extraordinary Needs Aid
- Growth Aid
- Operating Reorganization Incentive Aid
- High Tax Aid
- Tax Limitation Aid
- Early Grade Class Size Reduction Grants
- Small Cities Aid
- Teacher Support Aid
- Improving Pupil Performance Grants
- Categorical Reading and Math Grants
- Magnet School Grants (including additional amounts)
- Fort Drum Grants
- Tuition Adjustment Aid

These Aids and Grants are also eliminated:

- Comprehensive Operating Aid
- Formula Operating Aid
- Educationally Related Support Services Aid
- Extraordinary Needs Aid
- Gifted and Talented Aid
- Minor Maintenance and Repair Aid
- Operating Standards Aid
- Summer School Aid
- Tax Effort Aid
- Tax Equalization Aid
- Transition Adjustment Factor
- Shared Services Savings Incentive
## SELECTED EXPENDITURE-BASED AIDS

<table>
<thead>
<tr>
<th>Aid ($ and # for major districts)</th>
<th>Formula/Calculation&lt;sup&gt;16&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Aid</td>
<td>Building Aid = Approved Expenditures x Building Aid Ratio.</td>
</tr>
<tr>
<td>$3,054.6 million</td>
<td>Approved Expenditures = assumed amortization of approved project costs or current year lease expenditures.</td>
</tr>
<tr>
<td>671 districts aided</td>
<td></td>
</tr>
<tr>
<td>674 districts eligible</td>
<td></td>
</tr>
</tbody>
</table>

Aid Ratio =

a) for projects with voter approval dates (VAD) before July 1, 2000, the highest of the Actual Value/RWADA aid ratios from 1981-82 through 2016-17.

AV/RWADA Aid Ratio = $1 – (.51 x RWADA wealth ratio), min 0.

b) for projects with VAD on or after July 1, 2000, generally the higher of the current AV/RWADA aid ratio or the aid ratio selected for 1999-00 building aid.

c) Other adjustments: up to 10 percent of additional aid is provided for projects with VAD on or after July 1, 1998; additional aid ratio option for certain low income wealth districts and up to 5 percent additional aid for high need/resource-capacity districts; aid provided for security devices, capital outlays that merit exception and, for 2016-17 and/or 2017-18 for building condition surveys.

Maximum aid ratio is 95 percent (98 percent in certain cases).

---

### SELECTED EXPENDITURE-BASED AIDS

| **Building Reorganization Incentive Aid** | Aid = Additional apportionment (incentive factor) of building aid for eligible building projects.  
$23.8$ million  
$77$ districts aided  
$93$ districts potentially eligible  
Incentive Factor = $.25 for districts that reorganized prior to July 1, 1983; .30 for districts reorganized since then.  
Maximum aid = the sum of building aid and reorganization building aid cannot exceed $95$ percent of the approved building expenditures ($98$ percent in certain cases). |
|---|---|
| **Transportation Aid** | Aid = Approved Capital and Non-capital Expenditures x Selected Aid Ratio.  
$1,831.7$ million  
$674$ districts aided  
$674$ districts eligible  
Non-capital expenditures = approved transportation operating expenditures and account for about $96$ percent of approved expenditures.  
Capital expenditures = assumed amortization of purchase, lease and equipment costs over five years, at a statewide average interest rate.  
Aid Ratio = highest of $3$ aid ratios plus a sparsity adjustment; .065 minimum; .90 maximum.  
$3$ aid ratio choices =  
a) $1.263 \times \text{State Sharing Ratio}$;  
b) $1.01 - (.46 \times \text{RWADA wealth ratio})$;  
c) $1.01 - (.46 \times \text{enrollment wealth ratio})$. |
<table>
<thead>
<tr>
<th><strong>SUMMER TRANSPORTATION AID</strong></th>
<th><strong>BOCES AID</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approved non-capital expenditures</strong></td>
<td>$893.8 million</td>
</tr>
<tr>
<td><strong>SUMMER TRANSPORTATION AID</strong></td>
<td><strong>665 districts aided</strong></td>
</tr>
<tr>
<td><strong>Districts aided</strong></td>
<td><strong>665 eligible districts</strong></td>
</tr>
<tr>
<td><strong>$5.0 million maximum</strong></td>
<td><strong>(4 districts have elected not to join a BOCES and the Big 5 city school districts are not eligible to join a BOCES; those districts are eligible to receive the separate Special Services Aid)</strong></td>
</tr>
<tr>
<td><strong>199 districts aided</strong></td>
<td><strong>Note: aid is calculated by district but is paid to the BOCES.</strong></td>
</tr>
<tr>
<td><strong>674 districts eligible</strong></td>
<td><strong>Operating Aid = Approved Expenditures x Selected Aid Ratio.</strong></td>
</tr>
<tr>
<td><strong>Aid = Approved non-capital expenditures x Selected Aid Ratio.</strong></td>
<td><strong>Expenditures = an allocation of the BOCES base year administrative and shared services expenditures to the school districts that are components of the respective BOCES. About 92 percent of aidable expenditures.</strong></td>
</tr>
<tr>
<td><strong>Non-capital expenditures = for transporting pupils to and from district-operated approved summer school programs.</strong></td>
<td><strong>Selected Aid Ratio = higher of:</strong></td>
</tr>
<tr>
<td><strong>Capital expenditures are included with the above Transportation Aid formula.</strong></td>
<td><strong>a) 1 – (.51 x AV/RWADA wealth ratio); or,</strong></td>
</tr>
<tr>
<td><strong>Aid Ratio = same as for Transportation Aid.</strong></td>
<td><strong>b) 1 – (.008 / district tax rate);</strong></td>
</tr>
<tr>
<td><strong>If State total of districts’ aid exceeds $5.0 million, each district’s aid is prorated to remain within a $5.0 million statewide appropriation.</strong></td>
<td><strong>minimum = .36; maximum = .90.</strong></td>
</tr>
</tbody>
</table>

**RENT AND CAPITAL AID = Approved Expenditures x Aid Ratio.**

**Expenditures = an allocation of the BOCES current year rent and capital expenditures to the school districts that are components of the BOCES.**
## SELECTED EXPENDITURE-BASED AIDS

<table>
<thead>
<tr>
<th>Public Excess Cost High Cost Aid</th>
<th>Aid Ratio = 1 – (.51 x AV/RWADA wealth ratio), minimum = .00; maximum = .90.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$607.1 million</td>
<td>Aid = (Approved Program Cost – Deduct) x Aid Ratio.</td>
</tr>
<tr>
<td>644 districts aided</td>
<td>Approved Program Cost = To be aidable, cost per student must exceed the</td>
</tr>
<tr>
<td>674 districts eligible</td>
<td>lesser of: $10,000 or (4 x 2014-15 Approved Operating Expenditure/Pupil).</td>
</tr>
<tr>
<td>Note: estimated expenditures</td>
<td>Deduct = 3 x 2014-15 AOE/pupil.</td>
</tr>
<tr>
<td>are based on district averages</td>
<td>Aid Ratio = 1 – (.51 x Combined Wealth Ratio); minimum = .25.</td>
</tr>
<tr>
<td>but actual expenditure is</td>
<td>Aid is in addition to Foundation Aid.</td>
</tr>
<tr>
<td>computed on a per pupil basis.</td>
<td>Costs are for students with disabilities educated in district or BOCES</td>
</tr>
<tr>
<td></td>
<td>programs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Excess Cost Aid</th>
<th>Aid = (Approved Program Cost – Deduct) x Aid Ratio.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$392.4 million</td>
<td>Approved Program Cost = Base year private school tuition per pupil for</td>
</tr>
<tr>
<td>547 districts aided</td>
<td>district pupils placed in private school programs for the disabled.</td>
</tr>
<tr>
<td>674 districts eligible</td>
<td>Included are expenditures at the State-operated schools: Batavia school</td>
</tr>
<tr>
<td>Note: estimated expenditures</td>
<td>for the blind and Rome school for the deaf.</td>
</tr>
<tr>
<td>are based on district averages</td>
<td>Deduct = base year tax levy per public school enrollment of resident</td>
</tr>
<tr>
<td>but actual expenditure is</td>
<td>pupils (including charter school enrollment).</td>
</tr>
<tr>
<td>computed on a per pupil basis.</td>
<td>Aid Ratio = 1 – (.15 x Combined Wealth Ratio); minimum = .50.</td>
</tr>
</tbody>
</table>
## APPENDIX A

### Description of 2016-17 Formula Aids to School Districts

<table>
<thead>
<tr>
<th>Aid Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foundation</strong></td>
<td>Unrestricted aid to school districts for school operation and maintenance. It replaces 30 aids and grants from 2006-07. Based on an adjusted foundation amount less an expected minimum local contribution. Formula recognizes regional cost, district need factors and fiscal capacity and is phased-in over time.</td>
</tr>
<tr>
<td><strong>Full-Day K Conversion</strong></td>
<td>One year unrestricted aid on a current year basis for approved programs in districts that agree to convert to full-day kindergarten programs. Equal to selected foundation aid per pupil. Legislation enacted in 2013 limits eligibility of this funding to only one such conversion.</td>
</tr>
<tr>
<td><strong>Universal Pre-Kindergarten</strong></td>
<td>Targeted per-pupil grant for approved programs. All districts are eligible but the amounts are phased-in over several years. Equalized by use of selected foundation aid per pupil. Note: Other pre-kindergarten programs are funded through sources outside of formula aids.</td>
</tr>
<tr>
<td><strong>Charter School Transitional</strong></td>
<td>Targets aid to the 23 districts most impacted by a concentration of charter schools in the past three years, either in comparison to the district's enrollment or budget. Aid is based on a partial reimbursement of the per-pupil basic tuition paid by the district to the charter school.</td>
</tr>
<tr>
<td><strong>High Tax</strong></td>
<td>Eligible districts receive a flat grant per enrolled pupil. Eligibility determined by residential levy exceeding a specified percent of adjusted gross income. Aid is frozen to the 2013-14 amount.</td>
</tr>
<tr>
<td><strong>Textbook</strong></td>
<td>Unequalized reimbursement of expenditures up to a flat grant per pupil maximum.</td>
</tr>
<tr>
<td><strong>Computer Software</strong></td>
<td>Unequalized reimbursement of expenditures up to a flat grant per pupil maximum.</td>
</tr>
<tr>
<td><strong>Library Materials</strong></td>
<td>Unequalized reimbursement of expenditures up to a flat grant per pupil maximum.</td>
</tr>
<tr>
<td><strong>Hardware and Technology</strong></td>
<td>Expenditure-based reimbursement up to an equalized ceiling amount per pupil for instructional computer hardware and educational technology equipment. Uses the district's current year building aid ratio which reflects its relative property wealth. Local share not required.</td>
</tr>
<tr>
<td><strong>BOCES</strong></td>
<td>Expenditure-based aid for districts that are components of BOCES to obtain services. Equalized by either the district's tax rate or relative property wealth per pupil.</td>
</tr>
<tr>
<td><strong>Special Services—Computer Administration</strong></td>
<td>Expenditure-based aid up to a maximum per pupil for computer expenditures. Equalized for district fiscal capacity. Only Big 5 Cities and other non-component districts of a BOCES are eligible.</td>
</tr>
<tr>
<td>Special Services—Career Education; Academic Improvement</td>
<td>Expenditure-based aid up to a maximum per pupil for career education expenditures. Equalized for district fiscal capacity. Only Big 5 Cities and other non-component districts of a BOCES are eligible.</td>
</tr>
<tr>
<td>Reorganization Incentive - Operating</td>
<td>Additional unrestricted operating aid for districts that reorganize after July 1, 2007. Depending on the year of reorganization, up to an additional 40 percent of 2006-07 formula operating aid is provided (the percent is scaled down after 5 years by 4% per year).</td>
</tr>
<tr>
<td>Excess Cost—Public High Cost</td>
<td>Additional wealth-equalized, per-pupil aid for students with disabilities in public school- or BOCES-run very high cost programs. Costs exceeding a threshold are reimbursed using an aid ratio based on district property and income wealth.</td>
</tr>
<tr>
<td>Supplemental Public Excess Cost Amount</td>
<td>Aid for eligible districts to accommodate changes in the way aid is provided for public excess cost pupils. Aid is frozen to the 2008-09 amount.</td>
</tr>
<tr>
<td>Excess Cost--Private</td>
<td>Wealth-equalized, per-pupil aid for students with disabilities that the public school places in private school settings or State-operated schools for the deaf or blind.</td>
</tr>
<tr>
<td>Transportation</td>
<td>Expenditure-based aid for approved operating expenditures for transportation of pupils. Property wealth equalized with a choice of aid ratios and sparsity adjusted. Starting in 2005-06, debt service expenditures are aided on an assumed amortization schedule.</td>
</tr>
<tr>
<td>Summer Transportation</td>
<td>Transportation aid was expanded to cover summer school programs to help students meet higher learning standards. Districts with approved programs are eligible for aid up to a maximum State total of $5 million.</td>
</tr>
<tr>
<td>Building</td>
<td>Expenditure-based aid for construction and financing of approved building projects. Choice of property wealth equalized aid ratios back to 1981-82, depending on date of voter approval. Up to an additional 10 percent incentive was provided for projects approved on or after July 1, 1998. Allowable construction cost adjusted for regional cost differences starting in 1998. Starting in 2002-03, debt service expenditures are aided on an assumed amortization schedule.</td>
</tr>
<tr>
<td>Reorganization Incentive - Building</td>
<td>An additional amount of building aid (25 or 30 percent, depending on year of reorganization) is provided for eligible building projects. A maximum of 95 percent of approved building expenditures can be aided in total by Building and Reorganization Building aid (98 percent for high needs districts for projects approved after 7/1/05). The district’s selected building aid ratio applies.</td>
</tr>
<tr>
<td>Supplemental Education Improvement Plan</td>
<td>A $17.5 million grant for the Yonkers School District.</td>
</tr>
<tr>
<td>Academic Achievement</td>
<td>A $1.2 million grant for the New York City School District.</td>
</tr>
<tr>
<td>Academic Enhancement</td>
<td>Aid for districts identified as in need of improvement for at least 5 years, based on Foundation Aid. Aid is frozen to the 2008-09 amount, plus $1,247,799 for the Albany City School District.</td>
</tr>
<tr>
<td>Expanding our Children's Education and Learning (EXCEL)</td>
<td>Starting with 2006-07, a total of $2.6 billion is available over multiple years for capital construction. The maximum allocations are: $1.8 billion for the New York City School District; $400 million for non-NYC high Need/Resource-Capacity districts, based on a flat grant per pupil; and $400 million for average and low Need/Resource-Capacity districts, based on a smaller flat grant per pupil.</td>
</tr>
<tr>
<td>Smart Schools Bond Act</td>
<td>In the November 2014 general election, voters approved the sale of State bonds up to $2 billion. Proceeds will be allocated to school districts statewide to provide access to classroom technology and high-speed internet connectivity to equalize opportunities for children to learn, to add classroom space to expand high-quality pre-kindergarten programs, to replace classroom trailers with permanent instructional space, and to install high-tech smart security features in schools.</td>
</tr>
</tbody>
</table>