



Understanding State Aid

John Brucato
Assistant Superintendent for Finance & Operations
Briarcliff Manor UFSD

Dr. Ron Clamser, Jr.
Assistant Superintendent for Finance, Facilities and Operations
Dobbs Ferry UFSD



Agenda

- Financial Support for Public Schools
- What is State Aid?
- State Aid Categories
 - Foundation Aid
 - Expense Driven Aids
- Resources



Financial Support for Public Schools

Financial support for public schools in New York comes from 3 sources*:

- Federal government (approximately 5%)
- State formulas and grants (approximately 40%)
- Locally raised revenues (approximately 55%)

This presentation will focus on the 40% of state formulas and grants, commonly referred to as “State Aid”.

** Source: 23-24 NYS State Aid Handbook*



What is State Aid?

State Aid is the mechanism by which New York State fulfills its constitutional requirement to “adequately” fund a “sound basic education” for all students in New York.

- *Campaign for Fiscal Equity, Inc. vs State* (2001) - a state Supreme Court ruled that New York State had consistently violated the state constitution by failing to provide for a “sound basic education.”
- The New York State Court of Appeals, the state’s highest court, upheld this decision and ordered the state to ascertain the actual cost of providing a “sound basic education.”



What is State Aid?

The state constitution authorizes appropriations of up to 2 years for school aid, although this has never been done in practice.

- All school aid is determined annually by an act of the state legislature, through the state budget process.
 - Governor must annually submit proposed school aid appropriations to the legislature as part of the state's Executive Budget process.
 - Negotiations with the Governor (generally but not required)
 - Legislature enacts school aid appropriations through the Legislative Budget approval process.



What is State Aid?

Where does state aid come from:

- State General Fund
 - Income taxes
 - Sales taxes
- STAR (School Property Tax Relief)
 - Approximately 10%
 - Was 20% in 2010
- Special Revenue Fund (used to supplant rather than supplement)
 - State lottery, video lottery terminal, commercial gaming, mobile sports wagering
 - Cannabis



State Aid Categories

In general, there are 3 basic state aid categories:

- Foundation Aid
- Reimbursable Aids
- Grants-in-Aid



Foundation Aid

- Intended to distribute aid based upon cost of providing an adequate education per pupil
- First enacted in 2007-08 (in response to *Campaign for Fiscal Equity* ruling)
 - Initially a 4 year phase in
 - 2009-10 enacted budget extended the phase-in to 2013-14
 - froze 2009-10 & 2010-11 to the 2007-08 levels
- Preceded by “operation aid” and “comprehensive aid”
- Largest unrestricted aid category

Foundation Aid

Formula based

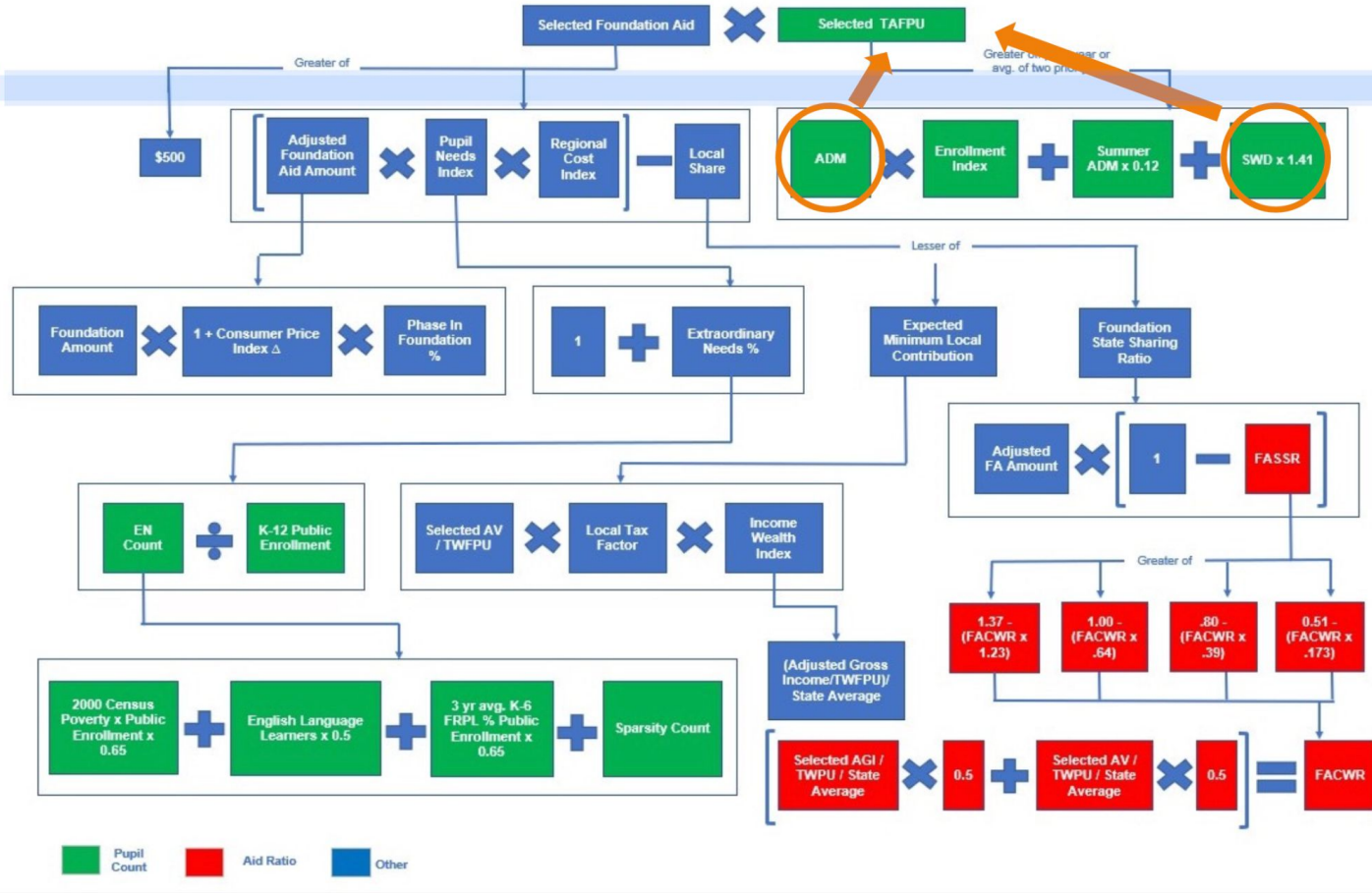
- Foundation Amount - an adequate education for each pupil
- Pupil Needs Index (PNI) - adjustment to factor students needing extra help & time
 - Includes extraordinary needs, poverty count, English language learned, free & reduced lunch, sparsity count, census, etc.
- Regional Cost Index (RCI)

Together, the 3 components constitute the *standard local cost of education* then deducts a fair local share (*Expected Minimum Local Contribution*)

- Includes local tax factor, local wealth factor, etc.

School District Foundation Aid per Pupil = Standard Local Cost of Education [Foundation Amount x PNI (Pupil Needs Index Factor) x RCI (Regional Cost Index Factor)] - Expected Minimum Local Contribution

Total Foundation Aid



Foundation Aid - Examples

MOD ED: 0070D	DB ED: 0070D	STATE OF NEW YORK	SA ED: 103	PY ED: 168	01/16/24	PAGE 144
COUNTY - WESTCHESTER	2024-25 EXECUTIVE BUDGET PROPOSAL				RUN NO. BT242-5	
2023-24 AND 2024-25 AIDS PAYABLE UNDER SECTION 3609 PLUS OTHER AIDS						
DISTRICT CODE	660802	660805	660809	660900	661004	661100
DISTRICT NAME	POCANTICO HILL	VALHALLA	PLEASANTVILLE	MOUNT VERNON	CHAPPAQUA	NEW ROCHELLE
SEE NOTE BELOW						
2023-24 BASE YEAR AIDS:						
FOUNDATION AID	704,956	4,717,617	7,221,419	83,975,448	4,281,404	58,548,736
FULL DAY K CONVERSION	0	0	0	0	0	0
UNIVERSAL PRE-KINDERGARTEN	43,200	178,200	194,400	3,234,816	0	2,153,987
BOCES	480,956	1,399,168	1,224,973	6,340,854	1,792,882	6,495,056
SPECIAL SERVICES	0	0	0	0	0	0
HIGH COST EXCESS COST	0	103,495	430,567	912,915	143,195	811,824
PRIVATE EXCESS COST	0	313,939	488,774	2,537,247	177,115	1,223,159
HARDWARE & TECHNOLOGY	0	9,104	18,284	106,812	28,816	132,719
SOFTWARE, LIBRARY, TEXTBOOK	29,762	114,523	129,485	660,556	289,579	932,226
TRANSPORTATION INCL SUMMER	115,295	973,865	451,450	4,616,544	2,793,399	7,733,174
BUILDING + BLDG REORG INCENT	193,103	937,420	2,500,822	9,584,546	2,975,494	4,342,160
OPERATING REORG INCENTIVE	0	0	0	0	0	0
CHARTER SCHOOL TRANSITIONAL	0	0	0	938,580	0	0
ACADEMIC ENHANCEMENT	0	0	0	2,045,117	0	0
HIGH TAX AID	22,343	806,693	183,316	305,348	0	663,963
SUPPLEMENTAL PUB EXCESS COST	0	0	0	0	29,997	0
TOTAL	1,589,615	9,554,024	12,843,490	115,258,783	12,511,881	83,046,004
2024-25 ESTIMATED AIDS:						
FOUNDATION AID	429,978	4,882,632	7,440,705	81,063,438	3,478,880	65,611,305
FULL DAY K CONVERSION	0	0	0	0	0	0
UNIVERSAL PRE-KINDERGARTEN	43,200	178,200	194,400	3,234,816	1,009,800	2,249,854
BOCES	348,738	1,119,270	912,470	5,317,547	1,533,567	5,685,398
SPECIAL SERVICES	0	0	0	0	0	0
HIGH COST EXCESS COST	0	88,125	536,423	2,125,813	252,576	927,065
PRIVATE EXCESS COST	0	400,464	478,594	2,532,169	164,696	1,263,047
HARDWARE & TECHNOLOGY	0	7,596	13,218	103,983	28,054	144,037
SOFTWARE, LIBRARY, TEXTBOOK	30,690	116,438	130,214	671,365	290,205	844,074
TRANSPORTATION INCL SUMMER	108,667	877,824	455,684	6,115,342	2,958,766	10,221,376
BUILDING + BLDG REORG INCENT	174,213	821,480	2,412,892	9,717,567	2,688,300	3,446,601
OPERATING REORG INCENTIVE	0	0	0	0	0	0
CHARTER SCHOOL TRANSITIONAL	0	0	0	791,892	0	0
ACADEMIC ENHANCEMENT	0	0	0	0	0	0
HIGH TAX AID	22,343	806,693	183,316	2,045,117	0	663,963
SUPPLEMENTAL PUB EXCESS COST	0	0	0	305,348	29,997	0
TOTAL	1,157,826	9,585,122	12,978,256	114,719,105	12,434,841	91,136,720
\$ CHG 24-25 MINUS 23-24	-431,789	31,098	134,766	-539,678	-77,040	8,090,716
% CHG TOTAL AID	-27.16	0.33	1.05	-0.47	-0.62	9.74
\$ CHG H/O BLDG, REORG BLDG AID	-412,899	147,038	222,696	-672,699	210,154	8,986,275
% CHG H/O BLDG, REORG BLDG AID	-29.57	1.71	2.15	-0.64	2.20	11.42
NOTE: STATE AID ESTABLISHED BY EXECUTIVE BUDGET FOR 11 DISTRICTS WITH INCOMPLETE DATA.						

- Mount Vernon
 - 3.47% (-\$2.9 million) reduction in Foundation Aid
 - Overfunded (next slide)
 - "Save harmless"
- New Rochelle
 - 12% (\$7 million) increase in Foundation Aid
 - Running "on formula"

Foundation Aid - Mount Vernon

- Full Phase in Amount < Current Year Aid
- Save Harmless
- Other Factors
 - 3.7% increase in adjusted foundation aid amount per pupil
 - 5% decrease in expected local minimum contribution
 - 16.2% increase in foundation aid per pupil amount

Foundation Aid History, 2007-08 through 2023-24

660000 ENTER 6- DIGIT BEDS CODE HERE (Don't know it? Click on the "BEDS Code List" tab)

School District: Mount Vernon

County: Westchester

Enacted State Budget/School Year	Formula Base	Current Year Aid	Full Phase-in Level (Total Foundation Aid)
2007-08	\$57,574,811 ⁽¹⁾	\$60,666,934	\$73,035,427 ⁽²⁾
2008-09	\$57,573,318 ⁽¹⁾	\$62,482,667	\$65,547,280 ⁽²⁾
2009-10	\$57,683,786 ⁽¹⁾	\$62,573,692	\$61,710,120 ⁽²⁾
2010-11	\$57,683,786 ⁽¹⁾	\$62,573,692	\$61,624,646 ⁽²⁾
2011-12	\$62,573,692 ⁽³⁾	\$62,573,692	\$75,341,053 ⁽²⁾
2012-13	\$62,573,692 ⁽³⁾	\$62,949,134	\$76,112,626 ⁽²⁾
2013-14	\$62,949,134 ⁽³⁾	\$63,137,981	\$90,590,743
2014-15	\$63,137,981 ⁽³⁾	\$63,925,733	\$81,415,299
2015-16	\$63,882,071 ⁽³⁾	\$64,998,380	\$87,378,369
2016-17	\$65,004,148 ⁽³⁾	\$68,383,639	\$90,224,193
2017-18	\$68,291,083 ⁽³⁾	\$71,193,961	\$88,093,729
2018-19	\$71,128,857 ⁽³⁾	\$73,226,195	\$80,306,533
2019-20	\$73,222,772 ⁽³⁾	\$75,989,804	\$79,397,148
2020-21	\$75,989,804 ⁽³⁾	\$75,989,804	\$77,226,785
2021-22	\$75,989,804 ⁽³⁾	\$79,140,640	\$73,629,297
2022-23	\$79,154,915 ⁽³⁾	\$81,529,562	\$73,608,455
2023-24	\$81,529,562 ⁽³⁾	\$83,975,448	\$74,123,975

First year of formula phase in

Foundation Aid - New Rochelle

- Full Phase in Amount > Current Year Aid
- Running on Formula
- Other Factors
 - 3.9% increase in adjusted foundation aid amount per pupil
 - 2.7% decrease in expected local minimum contribution
 - 11.3% increase in foundation aid per pupil amount

Foundation Aid History, 2007-08 through 2023-24

661100 ENTER 6- DIGIT BEDS CODE HERE (Don't know? IT Click on the "BEDS Code List" tab)

School District: New Rochelle

County: Westchester

Enacted State Budget/School Year	Formula Base	Current Year Aid	Full Phase-in Level (Total Foundation Aid)
2007-08	\$19,991,909 ⁽¹⁾	\$22,135,731	\$30,711,022 ⁽¹⁾
2008-09	\$19,906,049 ⁽¹⁾	\$22,825,011	\$27,689,949 ⁽¹⁾
2009-10	\$19,501,385 ⁽¹⁾	\$22,596,177	\$32,778,618 ⁽¹⁾
2010-11	\$19,501,385 ⁽¹⁾	\$22,596,177	\$33,245,353 ⁽¹⁾
2011-12	\$22,596,177 ⁽²⁾	\$22,596,177	\$38,784,060 ⁽¹⁾
2012-13	\$22,596,177 ⁽²⁾	\$22,861,335	\$38,193,750 ⁽¹⁾
2013-14	\$22,860,508 ⁽²⁾	\$22,929,089	\$40,388,907
2014-15	\$22,929,089 ⁽²⁾	\$23,730,458	\$41,522,346
2015-16	\$23,730,367 ⁽²⁾	\$24,583,778	\$41,693,134
2016-17	\$24,571,258 ⁽¹⁾	\$24,571,258	\$42,251,014
2017-18	\$24,571,258 ⁽²⁾	\$25,600,350	\$43,969,045
2018-19	\$25,611,023 ⁽²⁾	\$26,443,190	\$47,570,447
2019-20	\$26,442,875 ⁽²⁾	\$29,281,126	\$50,615,595
2020-21	\$29,190,007 ⁽¹⁾	\$29,190,007	\$52,416,858
2021-22	\$29,190,007 ⁽¹⁾	\$35,473,512	\$52,462,250
2022-23	\$35,544,303 ⁽²⁾	\$43,819,909	\$52,095,515
2023-24	\$43,817,853 ⁽²⁾	\$58,766,067	\$58,766,067

2021-22 First year of formula phase in



Major Reimbursable Aid Categories

- Transportation Aid
- Building Aid
- Excess Cost Aid
 - Public Excess High Cost Aid
 - Private Excess Cost Aid
 - Supplemental Public Excess Cost Aid
- BOCES Aid



Transportation Aid

- Between 6.5% - 90% reimbursement for prior year approved transportation expenses
- 2 categories:
 - Transportation Capital
 - Bus purchases
 - Transportation Non-Capital
 - Salaries & benefits for transportation staff
 - Operating and maintenance of transportation
 - Contractual, supplies, uniforms for transportation operations



Building Aid

- For capital construction purposes
- Building aid ratios between 0 - 90%
- Generally for instructional space only
- Amortization schedule:
 - 30 years for new buildings
 - 20 years for additional
 - 15 years for renovations
- Capital Outlay Projects \$100,000
- Security Cameras, Metal Detectors, Other Security Devices (under \$10,000)



Excess Cost Aids

2 categories of Excess Cost Aid to partially defray the expenses of educating students with disabilities who require care in public or private settings

- Public Excess High Cost Aid
 - For the additional costs required for students in resource-intensive public schools or BOCES
- Private Excess Cost Aid
 - Supports programs serving public school students placed in private school settings



BOCES Aid

- To help cover the cost of eligible services purchased from BOCES
 - Occupational education
 - Teacher training
 - Curriculum development
 - Administrative management services
- CTE salary cap - \$30,000



Other Aid Categories

- Universal Prekindergarten Aid (UPK)
- Full-day Kindergarten Conversion Aid
- Special Services Aid
- High Tax Aid
- Charter School Transition Aid
- Reorganization Operating Aid
- Hardware, Software & Technical Aid
- Textbook & Library Materials Aid



Instructional Materials Aids

- Enrollment driven
- Aid can be maximized between IMA categories
- Hardware & Technology
 - \$24.20/ student
- Software
 - \$14.98/student
- Library Materials
 - \$6.25/student
- Textbook
 - \$58.25/student



Misc. Aid

- **High Tax Aid**
 - High tax aid is provided by the state to school districts whose residents pay a comparatively high percentage of their income in property taxes. This aid often helps support districts with otherwise relatively low state aid levels.
- **UPK Funding (Universal Pre Kindergarten)**
- **Charter School Transitional Aid**
 - 3 year lookback on tuition paid to charter schools. Partial tuition reimbursement.



Resources

NYS Association of School Business Officials

<https://www.asbonewyork.org/>

NYS Education Department

<https://stateaid.nysed.gov/>

Questar III BOCES - State Aid and Financial Planning Service

<https://www.questar.org/services/financial/state-aid-financial-planning/>



Contact Information

John Brucato
Assistant Superintendent for Finance & Operations
Briarcliff Manor UFSD
ibrucato@briarcliffschools.org
(914) 432-8116

Dr. Ron Clamser, Jr.
Assistant Superintendent for Finance, Facilities and Operations
Dobbs Ferry UFSD
clamserr@dfsd.org
(914) 693-1500 ext. 3030