

7814

2011-2012 Regular Sessions

I N A S S E M B L Y

May 17, 2011

Introduced by M. of A. TENNEY, BLANKENBUSH -- Multi-Sponsored by -- M.
of A. BARCLAY, McLAUGHLIN, PALMESANO -- read once and referred to the
Committee on Education

AN ACT to amend the education law, in relation to removing any portion
of incentive operating aid from the gap elimination adjustment

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph e of subdivision 1 of section 211-d of the educa-
2 tion law, as amended by section 1 of part A of chapter 58 of the laws of
3 2011, is amended to read as follows:
4 e. Notwithstanding paragraphs a and b of this subdivision, a school
5 district that submitted a contract for excellence for the two thousand
6 eight--two thousand nine school year shall submit a contract for excel-
7 lence for the two thousand nine--two thousand ten school year in
8 conformity with the requirements of subparagraph (vi) of paragraph a of
9 subdivision two of this section unless all schools in the district are
10 identified as in good standing and provided further that, a school
11 district that submitted a contract for excellence for the two thousand
12 nine--two thousand ten school year, unless all schools in the district
13 are identified as in good standing, shall submit a contract for excel-
14 lence for the two thousand eleven--two thousand twelve school year which
15 shall, notwithstanding the requirements of subparagraph (vi) of para-
16 graph a of subdivision two of this section, provide for the expenditure
17 of an amount which shall be not less than the product of the amount
18 approved by the commissioner in the contract for excellence for the two
19 thousand nine--two thousand ten school year, multiplied by the
20 district's gap elimination adjustment percentage. For purposes of this
21 paragraph, the "gap elimination adjustment percentage" shall be calcu-
22 lated as the sum of one minus the quotient of the sum of the school
23 district's net gap elimination adjustment for two thousand ten--two
24 thousand eleven computed pursuant to chapter fifty-three of the laws of

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD10829-02-1

1 two thousand ten, making appropriations for the support of government,
2 plus the school district's gap elimination adjustment for two thousand
3 eleven--two thousand twelve as computed pursuant to a chapter of the
4 laws of two thousand eleven, making appropriations for the support of
5 the local assistance budget, including support for general support for
6 public schools, divided by the total aid for adjustment computed pursu-
7 ant to a chapter of the laws of two thousand eleven, making appropri-
8 ations for the local assistance budget, including support for general
9 support for public schools. Provided, further, that such amount shall
10 be expended to support and maintain allowable programs and activities
11 approved in the two thousand nine--two thousand ten school year or to
12 support new or expanded allowable programs and activities in the current
13 year. PROVIDED, HOWEVER, THAT THE GAP ELIMINATION ADJUSTMENT SHALL NOT
14 BE APPLIED TO ANY PORTION OF FUNDS RECEIVED THROUGH INCENTIVE OPERATING
15 AID PURSUANT TO SECTION THIRTY-SIX HUNDRED TWO OF THIS CHAPTER.

16 S 2. Paragraph cc of subdivision 1 of section 3602 of the education
17 law, as added by section 25 of part A of chapter 58 of the laws of 2011,
18 is amended to read as follows:

19 cc. "Gap elimination adjustment percentage" shall mean the quotient of
20 the gap elimination adjustment amount set forth for each school district
21 as "GAP ELIMINATION ADJUSTMENT" under the heading "2011-12 ESTIMATED
22 AIDS" in the school aid computer listing produced by the commissioner in
23 support of the enacted budget for the two thousand eleven--two thousand
24 twelve school year and entitled "SA111-2", divided by the statewide
25 total of all such gap elimination adjustment amounts set forth for all
26 districts in such school aid computer listing. PROVIDED, HOWEVER, THAT
27 THE GAP ELIMINATION ADJUSTMENT SHALL NOT BE APPLIED TO ANY PORTION OF
28 FUNDS RECEIVED THROUGH INCENTIVE OPERATING AID PURSUANT TO THIS SECTION.

29 S 3. Subdivision 17 of section 3602 of the education law, as added by
30 section 37 of part A of chapter 58 of the laws of 2011, is amended to
31 read as follows:

32 17. Gap elimination adjustment. a. Notwithstanding any other provision
33 of law to the contrary, the commissioner shall reduce payments due to
34 each district for the two thousand eleven--two thousand twelve school
35 year and thereafter pursuant to section thirty-six hundred nine-a of
36 this article by an amount equal to the gap elimination adjustment
37 computed for such district, and such amount shall be deducted from
38 moneys apportioned for the purposes of payments made pursuant to such
39 section thirty-six hundred nine-a and if the reduction is greater than
40 the sum of the amounts available for such deductions, the remainder of
41 the reduction shall be withheld from payments scheduled to be made to
42 the district pursuant to section thirty-six hundred nine-a for the
43 following school year, and provided further that an amount equal to the
44 amount of such deduction shall be deemed to have been paid to the
45 district pursuant to this section for the school year in which such
46 deduction is made. The commissioner shall compute such gap elimination
47 adjustment and shall provide a schedule of such reduction in payments to
48 the state comptroller, the director of the budget, the chair of the
49 senate finance committee and the chair of the assembly ways and means
50 committee. PROVIDED HOWEVER, THAT THE GAP ELIMINATION ADJUSTMENT SHALL
51 NOT BE APPLIED TO ANY PORTION OF FUNDS RECEIVED THROUGH INCENTIVE OPER-
52 ATING AID PURSUANT TO THIS SECTION.

53 b. The gap elimination adjustment for the two thousand eleven--two
54 thousand twelve school year shall be computed as follows, PROVIDED
55 HOWEVER, THAT THE GAP ELIMINATION ADJUSTMENT SHALL NOT BE APPLIED TO ANY
56 PORTION OF FUNDS RECEIVED THROUGH INCENTIVE OPERATING AID PURSUANT TO

1 THIS SECTION, based on an updated electronic [date] DATA file containing
2 actual and estimated data relating to apportionments due and owing
3 during the current school year and projections of such apportionments
4 for the following school year to school districts and boards of cooper-
5 ative educational services from the general support for public schools,
6 growth and boards of cooperative educational services appropriations
7 produced pursuant to paragraph b of subdivision twenty-one of section
8 three hundred five of this chapter on February fifteenth of the base
9 year. The gap elimination adjustment for a district shall equal the
10 lesser of the district's percentage reduction and its TGFE check,
11 provided, however, that in the case of a district with a tax effort
12 ratio greater than four percent (0.04) and a combined wealth ratio for
13 total foundation aid computed pursuant to subparagraph two of paragraph
14 c of subdivision three of this section that is less than one and five-
15 tenths (1.5), the gap elimination adjustment for a district shall equal
16 the lesser of the percentage reduction, the TGFE check and the tax
17 effort reduction, and further provided that in the case of a school
18 district, other than a city school district of a city having a popu-
19 lation in excess of one hundred twenty-five thousand, with (A) an admin-
20 istrative efficiency ratio of less than one and eight-tenths percent
21 (0.018) and (B) an administrative expense per pupil of less than three
22 hundred forty-eight dollars (\$348), the gap elimination adjustment shall
23 be reduced by an amount equal to the administrative efficiency restora-
24 tion, and further provided that, where applicable, the gap elimination
25 adjustment shall be reduced by an amount equal to the sum of the needs-
26 based restoration plus the low wealth-high tax effort restoration plus
27 the enrollment adjustment award.

28 (i) The percentage reduction shall be the sum of (A) the product of
29 the total aid for adjustment, multiplied by six and four-tenths percent
30 (0.064), and (B) the product of four thousand four hundred dollars
31 (\$4,400) multiplied by the reduction factor, multiplied by the public
32 school district enrollment for the base year computed pursuant to
33 subparagraph two of paragraph n of subdivision one of this section,
34 provided, however, that such percentage reduction shall not be less than
35 the product of nine and one-half percent (0.095) multiplied by such
36 total aid for adjustment, and not more than the product of twenty-one
37 and four-tenths percent (0.214) multiplied by such total aid for adjust-
38 ment.

39 (ii) The tax effort reduction shall be the product of the total aid
40 for adjustment, multiplied by the quotient of twenty-three percent
41 (0.23) divided by the quotient of the tax effort ratio computed pursuant
42 to subparagraph three of paragraph a of subdivision sixteen of this
43 section divided by four and two hundred forty-seven thousandths percent
44 (0.04247), provided, however, that such tax effort reduction shall not
45 be less than the product of thirteen percent (0.13) multiplied by such
46 total aid for adjustment, and not more than the product of twenty-three
47 percent (0.23) multiplied by such total aid for adjustment.

48 (iii) The TGFE check shall be the product of the TGFE percentage and
49 the total general fund expenditures of such district in the base year.

50 (iv) The administrative efficiency restoration shall be the product of
51 seventy-five dollars (\$75), multiplied by the state sharing ratio,
52 multiplied by the total aidable foundation pupil units computed pursuant
53 to paragraph g of subdivision two of this section for the purposes of
54 computing total foundation aid.

55 (v) The needs-based restoration shall be the sum of (A) the product of
56 the needs-based grant, multiplied by the public school district enroll-

1 ment for the base year computed pursuant to subparagraph two of para-
2 graph n of subdivision one of such section thirty-six hundred two of
3 this part, plus (B) in the case of any district for which the quotient
4 of the Limited English proficient count for the base year computed
5 pursuant to paragraph o of subdivision one of this section divided by
6 the public school district enrollment for the base year computed pursu-
7 ant to subparagraph two of paragraph n of subdivision one of this
8 section, exceeds thirteen percent (0.13), the product of the total aid
9 for adjustment multiplied by seventy-five hundredths of a percent
10 (0.0075).

11 (vi) The low wealth-high tax effort restoration shall be, for any
12 school district with a tax effort ratio greater than six percent (0.06)
13 and a combined wealth ratio for total foundation aid that is less than
14 seven-tenths (0.7), the product of one hundred dollars (\$100.00) multi-
15 plied by the public school district enrollment for the base year
16 computed pursuant to subparagraph two of paragraph n of subdivision one
17 of this section.

18 (vii) The enrollment adjustment award shall be the product of five
19 hundred dollars (\$500.00) multiplied by the enrollment increase for any
20 eligible school district. An eligible school district shall be a school
21 district (A) with a combined wealth ratio for total foundation aid less
22 than three (3.0) and an enrollment increase greater than or equal to
23 forty-five, where, (B) for such school district, either the enrollment
24 increase is greater than one percent (0.01) of the public school
25 district enrollment for the base year or the combined wealth ratio for
26 total foundation aid is less than two (2.0). The enrollment increase
27 shall be as the positive difference of the estimated public school
28 district enrollment for the current year computed pursuant to subpara-
29 graph two of paragraph n of subdivision one of this section less the
30 public school district enrollment for the base year computed pursuant to
31 subparagraph two of paragraph n of subdivision one of this section.

32 (viii) For the purposes of such computation, (A) "total aid for
33 adjustment" shall mean the sum of the amounts set forth for each school
34 district as "FOUNDATION AID", "FULL DAY K CONVERSION", "BOCES + SPECIAL
35 SERVICES", "HIGH COST EXCESS COST", "PRIVATE EXCESS COST", "HARDWARE &
36 TECHNOLOGY", "SOFTWARE, LIBRARY, TEXTBOOK", "TRANSPORTATION INCL
37 SUMMER", "OPERATING REORG INCENTIVE", "CHARTER SCHOOL TRANSITIONAL",
38 "ACADEMIC ENHANCEMENT", "HIGH TAX AID" AND "SUPPLEMENTAL PUB EXCESS
39 COST" under the heading "2011-12 ESTIMATED AIDS" in the school aid
40 computer listing produced by the commissioner in support of the execu-
41 tive budget proposal for the two thousand eleven--two thousand twelve
42 school year;

43 (B) "the state sharing ratio" shall mean the state sharing ratio
44 computed for total foundation aid computed pursuant to paragraph g of
45 subdivision three of this section, but not less than ten percent (0.10);
46 and

47 (C) "reduction factor" shall mean the product of the positive remain-
48 der of one less the three-year average free and reduced price lunch
49 percent computed pursuant to subparagraph (ii) of paragraph p of subdi-
50 vision one of this section, multiplied by the combined wealth ratio for
51 total foundation aid computed pursuant to subparagraph two of paragraph
52 c of subdivision three of section thirty-six hundred two of this part;
53 and

54 (D) "needs-based grant" shall mean, (1) in the case of a district
55 determined to be a high need school district pursuant to clause (c) of
56 subparagraph two of paragraph c of subdivision six of this section for

1 the school aid computer listing produced by the commissioner in support
2 of the enacted budget for the two thousand seven--two thousand eight
3 school year and entitled "SA0708", having a need-resource category of
4 three or four, sixty-one dollars (\$61.00), and (2) in the case of a
5 district determined to be an average need school district pursuant to
6 clause (c) of subparagraph two of paragraph c of subdivision six of this
7 section for the school aid computer listing produced by the commissioner
8 in support of the enacted budget for the two thousand seven--two thou-
9 sand eight school year and entitled "SA0708", having a need-resource
10 category of five, fifty-four dollars (\$54.00).

11 (E) "administrative efficiency ratio" shall mean the quotient of the
12 sum of the expenditures related to the board of education, including
13 expenditures for the board of education, the district clerk's office,
14 the district meeting, auditing service, the treasurer's office, the tax
15 collector's office, legal services and the school census, plus expendi-
16 tures for central administration, including expenditures for the chief
17 school officer, the business office, the purchasing office, the person-
18 nel office, the records management officer, public information and
19 services, fees for fiscal agents and undistributed indirect costs,
20 divided by the total expenditures charged by a district to the general,
21 debt service, and special aid funds, excluding transfers from the gener-
22 al fund to the debt service and special aid funds, based on expenditures
23 reported by the district for the school year two years prior to the base
24 year, based on data on file for an electronic data file used to produce
25 the school aid computer listing produced by the commissioner in support
26 of the executive budget request; and

27 (F) "administrative expense per pupil" shall mean the quotient of the
28 sum of the expenditures related to the board of education, including
29 expenditures for the board of education, the district clerk's office,
30 the district meeting, auditing service, the treasurer's office, the tax
31 collector's office, legal services and the school census, plus expendi-
32 tures for central administration, including expenditures for the chief
33 school officer, the business office, the purchasing office, the person-
34 nel office, the records management officer, public information and
35 services, fees for fiscal agents and undistributed indirect costs,
36 charged by a district to the general, debt service, and special aid
37 funds, based on expenditures reported by the district for the school
38 year two years prior to the base year, divided by the public school
39 district enrollment for the base year computed pursuant to subparagraph
40 two of paragraph n of subdivision one of this section based on data on
41 file for an electronic data file used to produce the school aid computer
42 listing produced by the commissioner in support of the executive budget
43 request; and

44 (G) "TGFE percentage" shall mean,

45 (1) in the case of a district determined to be a high-need school
46 district pursuant to clause (c) of subparagraph two of paragraph c of
47 subdivision six of this section for the school aid computer listing
48 produced by the commissioner in support of the enacted budget for the
49 two thousand seven--two thousand eight school year and entitled
50 "SA0708",

51 (a) in the case of a city school district in a city with a population
52 in excess of one million inhabitants, four and five hundred thirty-seven
53 thousandths percent (0.04537),

54 (b) in the case of a city school district in a city with a population
55 of more than two hundred fifty thousand inhabitants and less than one

1 million inhabitants according to the two thousand federal census, four
2 and one-tenth percent (0.041),

3 (c) in the case of a city school district in a city with a population
4 of more than two hundred ten thousand inhabitants and less than two
5 hundred fifty thousand inhabitants according to the two thousand federal
6 census, four and thirteen hundredths percent (0.0413),

7 (d) in the case of a city school district in a city with a population
8 of more than one hundred seventy thousand inhabitants and less than two
9 hundred ten thousand inhabitants according to the two thousand federal
10 census, five and ninety-seven hundredths percent (0.0597),

11 (e) in the case of a city school district in a city with a population
12 of more than one hundred thousand inhabitants and less than one hundred
13 seventy thousand inhabitants according to the two thousand federal
14 census, five and fifty-three hundredths percent (0.0553),

15 (f) in the case of any other such school district which has a three-
16 year average free and reduced price lunch percent greater than seventy-
17 five percent (0.75) and which has an administrative efficiency ratio
18 less than one and fifty-five hundredths percent (0.0155), four and nine
19 hundredths percent (0.0409), and

20 (g) for all other such school districts, six and eight-tenths percent
21 (0.068), or

22 (2) in the case of all other school districts, eleven percent (0.11).

23 c. The gap elimination adjustment for the two thousand twelve--two
24 thousand thirteen school year and thereafter shall be equal to the gap
25 elimination adjustment for the base year, plus, in any year in which the
26 preliminary growth amount exceeds the allowable growth amount, the prod-
27 uct of the gap elimination adjustment percentage for such district and
28 the positive difference, if any, between the preliminary growth amount
29 less the allowable growth amount, as computed pursuant to subdivision
30 one of this section, and less the product of the gap elimination adjust-
31 ment percentage for such district and the gap elimination adjustment
32 restoration amount, if any, allocated pursuant to subdivision eighteen
33 of this section. PROVIDED, HOWEVER, THAT THE GAP ELIMINATION ADJUSTMENT
34 SHALL NOT BE APPLIED TO ANY PORTION OF FUNDS RECEIVED THROUGH INCENTIVE
35 OPERATING AID PURSUANT TO THIS SECTION.

36 S 4. This act shall take effect immediately; provided, however, that
37 the amendments to section 3602 of the education law made by section two
38 of this act shall take effect on the same date and in the same manner as
39 section 25 of part A of chapter 58 of the laws of 2011, takes effect;
40 provided, further, that the amendments to section 3602 of the education
41 law made by section three of this act shall take effect on the same date
42 and in the same manner as section 37 of part A of chapter 58 of the laws
43 of 2011, takes effect.