S T A T E O F N E W Y O R K

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I N A S S E M B L Y

(PREFILED)

January 4, 2012

Introduced by M. of A. RUSSELL, LUPARDO -- read once and referred to the Committee on Education

AN ACT to amend the education law, in relation to eliminating certain minimum aid provisions for the computation of foundation aid and implement a regional cost index to reflect current cost differences among various regions in the state

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

Section 1. Paragraph s of subdivision 1 of section 3602 of the education law, as amended by section 11 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

s. "Extraordinary needs count" shall mean the sum of the product of the limited English proficiency count multiplied by fifty percent, plus, THE PRODUCT OF the poverty count AND ONE HUNDRED FIFTY PERCENT (1.50) and the sparsity count.

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

gg. "Allocable growth amount" shall mean the positive difference, if any, of the SUM OF THE allowable growth amount AND FOR DISTRICTS WHICH HAVE NOT ACHIEVED SUCCESSFUL SCHOOL DISTRICT STATUS AS DEFINED IN SUBPARAGRAPH ONE OF PARAGRAPH A OF SUBDIVISION FOUR OF THIS SECTION, THE INCREASE IN APPORTIONMENTS PURSUANT TO SUBDIVISION FOUR OF THIS SECTION OVER THE BASE YEAR less the sum of the competitive awards amount plus the preliminary growth amount.

S 3. Subparagraph 1 of paragraph h of subdivision 2 of section 3602 of the education law, as added by section 13 of part B of chapter 57 of the laws of 2007, is amended to read as follows:

(1) Total wealth foundation pupil units shall mean the sum of (i) average daily membership for the year UP TO FIVE YEARS prior to the base year WHICHEVER IS HIGHEST as computed in this section, plus (ii) the full-time equivalent enrollment of resident pupils attending public school elsewhere, less the full-time equivalent enrollment of nonresi-

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

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dent pupils, plus (iii) the full-time equivalent enrollment of resident pupils attending full-time in board of cooperative educational services (not otherwise specifically included). Native American pupils of a reservation attending public school, or pupils living on the United States military reservation at West Point attending public school, shall be deemed to be resident pupils of the district providing such school, for purposes of this paragraph. Where a school district has entered into a contract with state university pursuant to subdivision two of section three hundred fifty-five of this chapter under which the school district makes payment in the nature of tuition for the education of certain children residing in the district, such children for whom such tuition payments are made shall be deemed to be resident pupils of such district for the purposes of this paragraph.

S 4. The opening paragraph and paragraph a of subdivision 4 of section 3602 of the education law, as amended by section 26 of part A of chapter 58 of the laws of 2011, are amended to read as follows:

In addition to any other apportionment pursuant to this chapter, a school district, other than a special act school district as defined in subdivision eight of section four thousand one of this chapter, shall be eligible for total foundation aid equal to the product of total aidable foundation pupil units multiplied by the district's selected foundation aid, which shall be [the greater of five hundred dollars ($500) or] EQUAL TO THE foundation formula aid, provided, however that for the two thousand seven--two thousand eight through two thousand eight--two thousand nine school years, no school district shall receive total foundation aid in excess of the sum of the total foundation aid base for aid payable in the two thousand seven--two thousand eight school year computed pursuant to subparagraph (i) of paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that for the two thousand twelve--two thousand thirteen school year and thereafter, no school district shall receive total foundation aid in excess of the sum of the total foundation aid base for aid payable in the two thousand twelve--two thousand thirteen school year computed pursuant to paragraph j of subdivision one of this section, plus the phase-in foundation increase computed pursuant to paragraph b of this subdivision, and provided further that total foundation aid shall not be less than the product of [the total] foundation aid IN THE base [computed pursuant to paragraph j of subdivision one of this section] YEAR and [one hundred three] EIGHTY-FIVE percent subject to allocation pursuant to the provisions of subdivision eighteen of this section and any provisions of a chapter of the laws of New York as described therein, nor more than the product of such total foundation aid base and one hundred [fifteen] TWENTY-FIVE percent, and provided further that for the two thousand nine--two thousand ten through two thousand eleven--two thousand twelve school years, each school district shall receive total foundation aid in an amount equal to the amount apportioned to such school district for the two thousand eight--two thousand nine school year pursuant to this subdivision. Total aidable foundation pupil units shall be calculated pursuant to paragraph g of subdivision two of this section. For the purposes of calculating aid pursuant to this subdivision, aid for the city school district of the city of New York shall be calculated on a citywide basis.

a. Foundation formula aid. Foundation formula aid shall equal the remainder when the expected minimum local contribution is subtracted from the product of the foundation amount, the regional cost index, and

the pupil need index, or: (foundation amount x regional cost index x pupil need index)- expected minimum local contribution.

(1) The foundation amount shall [reflect] EQUAL the average per pupil cost of general education instruction in ALL successful school districts EXCLUDING ONLY THE HIGHEST DECILE SPENDING SUCCESSFUL SCHOOL DISTRICTS AND THE LOWEST DECILE SPENDING SUCCESSFUL SCHOOL DISTRICTS FROM CALCULATION OF SUCH AVERAGE, as determined by a statistical analysis of the costs of special education and general education in successful school districts PROVIDED THAT THE DEFINITION OF SUCH SUCCESSFUL SCHOOL DISTRICTS SHALL BE ALIGNED WITH PERFORMANCE DATA FOR SUCCESS AT POST-SECONDARY LEVELS AND WITH PERFORMANCE ON NATIONAL TESTING AND, FURTHER provided that the foundation amount shall be adjusted annually to reflect the percentage increase in the consumer price index as computed pursuant to section two thousand twenty-two of this chapter, provided that for the two thousand eight--two thousand nine school year, for the purpose of such adjustment, the percentage increase in the consumer price index shall be deemed to be two and nine-tenths percent (0.029), and provided further that the foundation amount for the two thousand seven--two thousand eight school year shall be five thousand two hundred fifty-eight dollars, and provided further that for the two thousand seven--two thousand eight through two thousand fifteen--two thousand sixteen school years, the foundation amount shall be further adjusted by the phase-in foundation percent established pursuant to paragraph b of this subdivision.

(2) The regional cost index shall reflect an analysis of labor market costs based on median salaries in professional occupations that require similar credentials to those of positions in the education field, but not including those occupations in the education field, provided that the regional cost indices for the two thousand seven--two thousand eight school year and thereafter shall be as follows:

Labor Force Region	Index
Capital District	[1.124] 1.149
Southern Tier	[1.045] 1.061
Western New York	[1.091] 1.103
Hudson Valley	[1.314] 1.392
Long Island/NYC	[1.425] 1.544
Finger Lakes	[1.141] 1.133
Central New York	[1.103] 1.130
Mohawk Valley	[1.000] 1.036
North Country	1.000

(3) The pupil need index shall equal the sum of one plus the extraordinary needs percent[, provided, however, that the pupil need index shall not be less than one nor more than two]. The extraordinary needs percent shall be calculated pursuant to paragraph w of subdivision one of this section.

(4) The expected minimum local contribution shall equal the lesser of (i) the product of (A) the quotient arrived at when the selected actual valuation is divided by total wealth foundation pupil units, multiplied by (B) the product of the local tax factor, multiplied by the income wealth index, or (ii) the product of (A) the product of the foundation amount, the regional cost index, and the pupil need index, multiplied by (B) the positive difference, if any, of one minus the state sharing ratio for total foundation aid. The local tax factor shall be established by May first of each year by determining the product, computed to four decimal places without rounding, of ninety percent multiplied by the quotient of the sum of the statewide average tax rate as computed by

the commissioner for the current year in accordance with the provisions of paragraph e of subdivision one of section thirty-six hundred nine-e of this part plus the statewide average tax rate computed by the commissioner for the base year in accordance with such provisions plus the statewide average tax rate computed by the commissioner for the year prior to the base year in accordance with such provisions, divided by three, provided however that for the two thousand seven--two thousand eight school year, such local tax factor shall be sixteen thousandths (0.016), and provided further that for the two thousand eight--two thousand nine school year, such local tax factor shall be one hundred fifty-four ten thousandths (0.0154). The income wealth index shall be calculated pursuant to paragraph d of subdivision three of this section, provided, however, that for the purposes of computing the expected minimum local contribution the income wealth index shall not be less than [sixty-five] TWENTY-FIVE percent [(0.65)] (0.25) and shall not be more than [two] THREE hundred percent [(2.0)] (3.0) and provided however that such income wealth index shall not be more than ninety-five percent (0.95) for the two thousand eight--two thousand nine school year. The selected actual valuation shall be calculated pursuant to paragraph c of subdivision one of this section. Total wealth foundation pupil units shall be calculated pursuant to paragraph h of subdivision two of this section.

S 5. Subdivision 18 of section 3602 of the education law, as added by section 37 of part A of chapter 58 of the laws of 2011, is amended to read as follows:

18. Allocable growth amount apportionment. Such amount shall be apportioned for a school year pursuant to a chapter of the laws of New York enacted for the state fiscal year in which such school year commences, and shall be allocated to purposes including but not limited to competitive grant awards made pursuant to subdivisions five and six of section thirty-six hundred forty-one of this article, the foundation aid phase-in amount or other foundation aid increase allocated pursuant to subdivision four of this section and the gap elimination adjustment restoration amount apportioned pursuant to subdivision seventeen of this section. In the event that a chapter of the laws of New York enacted for the state fiscal year in which such school year commences is not enacted, the allocations in support of subdivisions five and six of section thirty-six hundred forty-one of this article shall equal the allocations in support of such awards in the base year, and EXCEPT FOR THOSE DISTRICTS WHICH HAVE NOT ACHIEVED SUCCESSFUL SCHOOL DISTRICT STATUS AS DEFINED IN SUBPARAGRAPH ONE OF PARAGRAPH A OF SUBDIVISION FOUR OF THIS SECTION, the apportionments pursuant to subdivisions four and seventeen of this section for the current year shall equal NOT MORE THAN the apportionments for such subdivisions four and seventeen for the base year.

S 6. This act shall take effect immediately.