Description of the Formula

The following responses are applicable to FY 2011. Beginning July 1, 2011, the state will implement a new education financing formula. All current categories of aid will be suspended. The new formula will distribute aid on a per pupil basis and provide a core instructional amount for the basic education program, a student success factor to support student needs beyond the core amount, and categorical funding for high cost special education students, career and technical education, early childhood programs, and non-public and regional transportation.

The state’s current method of distributing aid uses a base appropriation equal to fiscal year (FY) 1998 aid. Funding increases and decreases are applied to this base, distributed through ten categorical distributions, and since FY 2000 have been adjusted to reflect minimum and maximum aid increases and decreases over the prior year’s funding level. The base appropriation is equal to funding levels enacted through the use of the old aid programs in place as of FY 1998. The ten categories of aid distribution include targeted, student equity, professional development, early childhood, student technology, language assistance, full day kindergarten, vocational equity, charter school, and group home aid.

District-Based Components

Density/Sparsity of Small Schools
Does not apply.

Grade Level Differences
Does not apply.

Declining Enrollment or Growth
Does not apply.

Capital Outlay and/or Debt Service
The Housing Aid program provides partial reimbursement of school construction projects. The reimbursement share ratio is based on a district’s wealth compared to the aggregate state wealth,
with a minimum share of 30%. The minimum increases to 35% for FY 2012 and 40% for FY 2013 and beyond. Incentive bonuses are built into the formula for energy conservation, handicapped accessibility, and asbestos abatement projects. Regional districts are also entitled to an additional incentive bonus. The Board of Regents and state legislature must approve all school construction projects prior to implementation.

**Transportation**
Does not apply.

**Student-Based Components**

**Special Education**
Does not apply.

**Compensatory Education**
Does not apply.

**English Language Learner/Bilingual Education**
The Student Language Assistance Investment fund targets state resources to assist students that require additional language educational services. Distribution is based on a district’s proportion of limited English proficiency students. Funding under this program is approximately $31.7 million.

**Gifted and Talented Education**
Does not apply.

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
In 2007, districts’ growth was limited to a statewide cap of 5.5% on each municipality’s tax levy. This percentage will be reduced annually until it reaches 4% in 2013.

**Property Assessment Ratios Used/Legal Standards for Property Assessment**
Full and fair cash value or a uniform percentage not exceeding 100% within the statewide caps noted above.

**Measure of Local Ability to Support Schools**
Equalized property valuation per pupil, adjusted for a median family income ratio, is used in the school housing aid program and in calculating a tax equity index.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All 36 districts are fiscally dependent. Voter approval is required for budget and tax increases. Majority vote is required for approval. There are no limits on the number of elections that can be held in one year. The source of local revenue for schools is property tax.

**State Support of Nonpublic Schools**
Reimbursement of certain non-public textbooks only.