



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE
OF NEW YORK / ALBANY, NY 12234**

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TO: District Superintendents
Superintendents of Schools
New York City Board of Education
School Board Presidents
New York State Educational Associations
School Business Officials
New York State Teacher Centers
Teacher Educators
Other Interested Persons

FROM: James A. Kadamus

SUBJECT: Regents 2003-04 Proposal on State Aid to School Districts:
Improving the Formulas to Help Students Meet State Learning
Standards

Attached for your information is the Regents proposal on State Aid to school districts for school year 2003-04. The Regents approved it on December 13, 2002. This proposal represents a significant departure from the current formula. It simplifies and improves the functioning of the aid system while increasing the link between State Aid and student achievement in difficult economic times. It provides for an increase of \$516 million, 3.5 percent, over school year 2002-03. For quick reference to the proposal, I refer you to the table of contents on page 6.

The proposal:

- ⇒ Consolidates eight aids and grants into a single Comprehensive Operating Aid, raises the aid ceiling, adds pre-k pupils, and adjusts aid for regional cost differences.
- ⇒ Provides a limit on aid increases and losses.
 - For districts for which the formulas result in an increase, increases will be limited. The limit will be greater for districts serving concentrations of pupils who need extra time and help.
 - For districts for which the formulas result in a loss,
 - Districts with average or above-average local effort are guaranteed at least 95 percent of what they received in the same aid categories in 2002-03.
 - Districts with less than average local effort will lose no more than 15 percent of what they received in the same aid categories in 2002-03.

- ⇒ Consolidates five aids into a new Gap Aid to provide extra time and help to meet State learning standards.
- ⇒ Consolidates three aids into a new Instructional Materials Aid to provide greater flexibility for school districts to meet their instructional materials needs, including loans to nonpublic school students.
- ⇒ Provides aid for the education of students with disabilities (Public Excess Cost Aid), adjusted to provide a greater incentive to districts to place students in integrated settings with their non-disabled peers. A transition adjustment is provided to guard against loss on a per-pupil basis.
- ⇒ Provides for an increase in Educationally Related Support Services Aid to help school districts with the costs of support services and curriculum modification to maintain students' placement in general education and avoid referral to special education.
- ⇒ Improves aids in support of career and technical education:
 - BOCES Aid will be continued and the millage aid ratio will be updated to better reflect local tax effort;
 - Special Services Aid for noncomponent school districts will be enhanced to provide for greater comparability with aid paid for career and technical education programs provided at BOCES.
- ⇒ Consolidates aid for summer school transportation with regular Transportation Aid.
- ⇒ Continues existing provisions for aid for school construction.
- ⇒ Provides Building Reorganization Incentive Aid for school construction projects approved by the voters within five years of school district consolidation.
- ⇒ Continues Operating Reorganization Incentive Aid but provides this only to newly consolidated districts where the Commissioner determines that the consolidation will improve student performance.

Exhibit A provides a breakdown of the dollar amounts requested. The proposal recommends an increase of \$516 million over the prior year. Exhibits B and C illustrate the impact of the proposal on school districts, grouped for high need school districts compared with all others and by need-resource capacity category. The proposal allocates 76 percent of the proposed increase to high need school districts. A technical supplement (Appendix C) provides a more detailed explanation of the elements of the State Aid proposal.

Exhibit A
2003-04 New York State Aid Proposal
(all figures in millions)

Program	2002-03	Regents Proposal	Change from Base
Comprehensive Operating Aid	<u>\$7,251</u>	<u>\$7,459</u>	<u>\$208</u>
Operating Aid	\$6,815	\$7,864	\$1,049
Tax Effort Aid	\$0	\$0	\$0
Tax Equalization Aid	\$0	\$0	\$0
Tax Limitation Aid	\$25	\$0	(\$25)
Operating Standards Aid	\$221	\$0	(\$221)
Gifted and Talented Aid	\$14	\$0	(\$14)
Minor Maintenance and Repair Aid	\$50	\$0	(\$50)
Improving Pupil Performance Grants	\$66	\$0	(\$66)
Transition Adjustment	\$60	(\$405)	(\$465)
Gap Aid Subtotal	<u>\$1,175</u>	<u>\$1,318</u>	<u>\$143</u>
Gap Aid	\$0	\$1,318	\$1,318
Extraordinary Needs Aid	\$725	\$0	(\$725)
Summer School Aid	\$44	\$0	(\$44)
Limited English Proficiency Aid	\$71	\$0	(\$71)
Universal PreKindergarten	\$201	\$0	(\$201)
Early Grade Class Size Reduction	\$134	\$0	(\$134)
Aids for Support of Students with Disabilities	<u>\$2,353</u>	<u>\$2,410</u>	<u>\$57</u>
Public Excess Cost Aid	\$2,118	\$2,148	\$30
Private Excess Cost Aid	\$161	\$172	\$11
Educationally Related Support Svcs.	\$74	\$90	\$16
BOCES/Career and Technical Education	<u>\$624</u>	<u>\$695</u>	<u>\$71</u>
BOCES Aid	\$497	\$497	\$0
Special Services - Computer Admin.	\$39	\$46	\$7
Special Services - Career Education	\$88	\$152	\$64
Instructional Materials Aid Subtotal	<u>\$255</u>	<u>\$266</u>	<u>\$11</u>
Textbook Aid	\$190	\$0	(\$190)
Computer Software Aid	\$46	\$0	(\$46)
Library Materials Aid	\$19	\$0	(\$19)
Instructional Materials Aid	\$0	\$266	\$266
Additional Computerized Aids	<u>\$2,427</u>	<u>\$2,497</u>	<u>\$70</u>
Computer Hardware Aid	\$28	\$42	\$14
Operating Growth Aid	\$31	\$12	(\$19)
Transportation Aid	\$992	\$1,134	\$142
Summer Transportation Aid	\$5	\$12	\$7
Building Aid	\$1,145	\$1,099	(\$46)
Building Reorganization Incentive Aid	\$15	\$1	(\$14)
Operating Reorg. Incentive Aid	\$20	\$21	\$1
Full Day Kindergarten Conversion Aid	\$17	\$8	(\$9)
Small City Aid	\$82	\$76	(\$6)
Teacher Support Aid	\$67	\$67	\$0
Academic Support Aid	\$25	\$25	\$0
Computerized Aids Subtotal	<u>\$14,085</u>	<u>\$14,645</u>	<u>\$560</u>
All Other Aids	\$460	\$416	(\$44)
Total General Support for Public	<u>\$14,545</u>	<u>\$15,061</u>	<u>\$516</u>

Exhibit B shows the proposed distribution of the aid increase to high need school districts and all others in contrast to the 2002-03 enacted increase. The Regents recommend that 76 percent of the increase in computerized aids for 2003-04 go to high need school districts, in contrast to the 68 percent that was allocated for school year 2002-03. Exhibit C shows the proposed distribution of the computerized aid per enrolled pupil for school districts grouped by student need and fiscal capacity. The Regents proposal recommends virtually no change for low-need districts and an aid increase for all other groups of districts.

Exhibit B Computerized State Aid Increases

How They Are Distributed

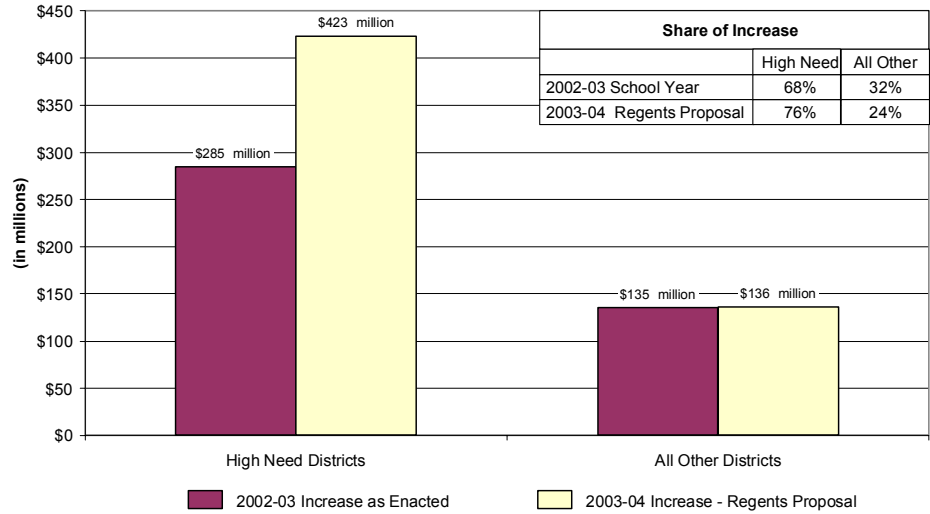
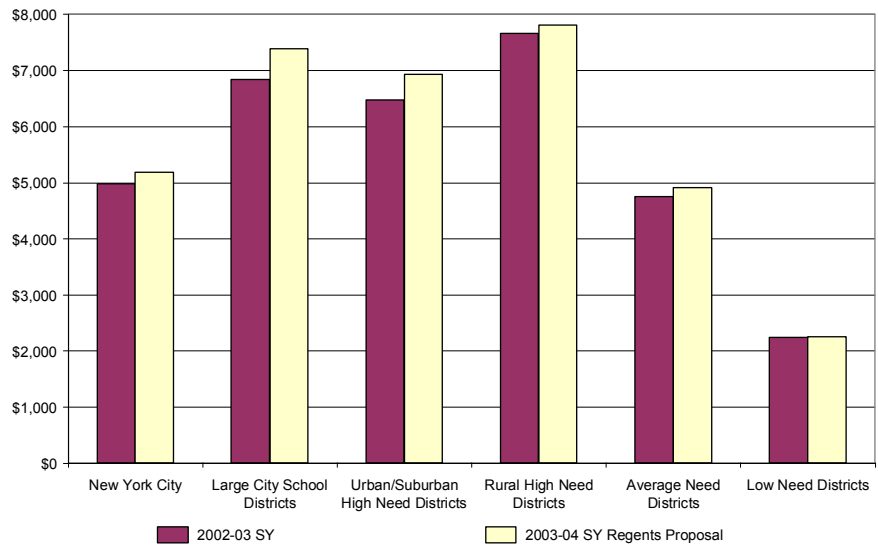


Exhibit C Distribution of Computerized Aid per Enrolled Pupil



State Aid and Improving Student Achievement In Difficult Times



*Proposal on
State Aid to School Districts
For School Year 2003-04*

State Aid Work Group
New York State Education Department
Albany, New York
January 2003

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Regents 2003-04 State Aid Proposal Conceptual Proposal

Introduction

As the movement towards higher standards for all students evolves, many successes are apparent. Performance on the grade 4 English Language Arts and mathematics examinations continues to be strong. Performance on the Grade 8 English Language Arts and mathematics examinations, while initially weaker, is showing signs of improvement, most noticeably a reduction in the number of students scoring at Level 1 while maintaining numbers of students at Levels 3 and 4. At the high school level, 89 percent of the 1997 cohort of high school students passed the Regents English exam; 87 percent passed the Regents mathematics exam. Students with disabilities have showed a steady increase in Regents test taking and passing: 65.5 percent passed English and 50 percent passed mathematics. These successes are happening all over the State, in poorer districts and wealthier districts, and with all groups of students.

Despite the many successes, a troubling resource and achievement gap persists. Students attending schools that have a high percentage of student poverty and limited local resources have a dual problem. First, they tend to have fewer resources. This is especially true in areas where high regional costs mean that a dollar for education buys fewer goods and services than in less costly areas of the State. Second, students attending such high need school districts consistently achieve at lower levels than students at schools with more affluent and less needy peers. These students are more likely to need extra instructional time, tutoring, and assistance from social service agencies, yet are less likely to receive those services.

If the move to higher standards is to be successful, it must facilitate success by all students regardless of the school they attend, family background, and educational needs. We must have the will to align our State resources to provide the financial support for all students to be successful. This Regents proposal moves our State a positive step in this direction.

Regents Goal

The Regents goal is to educate all of New York State's children to the level of the State's learning standards. To this end, the Regents have focussed on closing the gap between actual student achievement and that needed for all students to meet State learning standards. The Regents proposal on State Aid to school districts for school year 2003-04 is in the fourth year of a five-year proposal. It builds on previous years' efforts to improve the distribution of funding to close the achievement gap.

The Resource and Achievement Gap

Many factors contribute to the existence of a resource and achievement gap in New York State (see Table 1). These relationships result from the complex interactions of student poverty, achievement, school spending, and school funding.

Table 1. The Resource and Achievement Gap

- The concentration of student poverty is associated with many educational needs.
 - There is a large number of students in New York State's schools who have yet to meet State learning standards.
 - Districts with needier students tend to spend less.
 - Limited school district ability and willingness to raise local revenues results in limited educational offerings.
 - Less qualified teachers affect learning.
 - There is uneven support for career and technical education programs as a path to a high school diploma.
 - The cost of doing business varies around the State.
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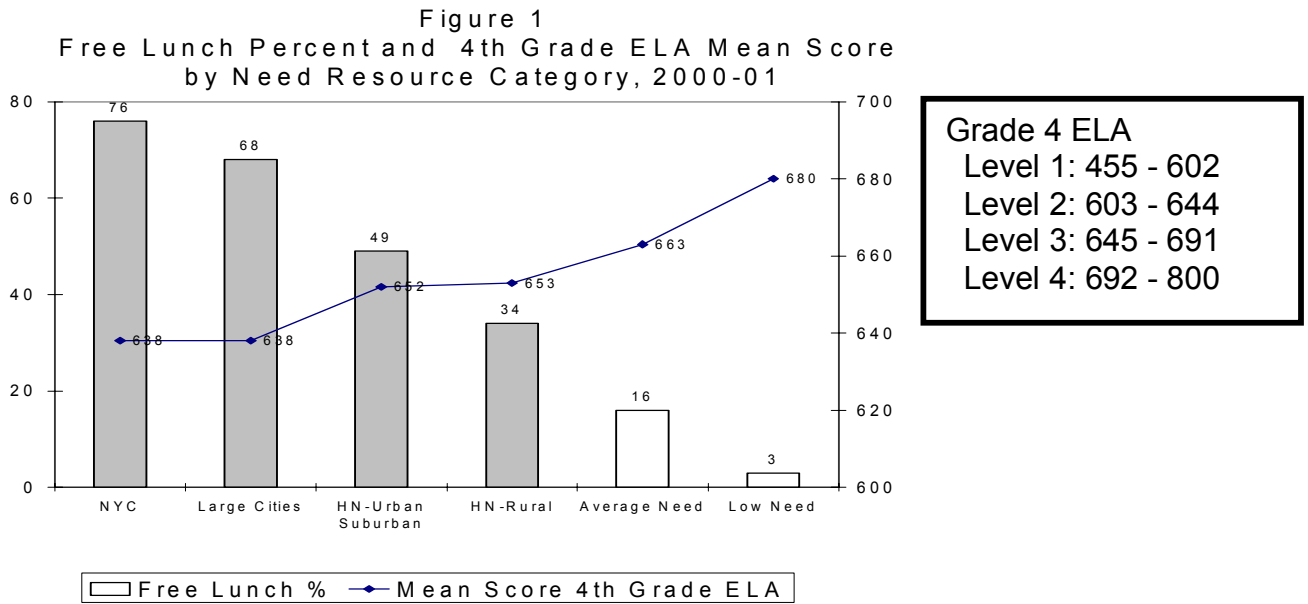
The balance of this section examines data illustrating these relationships by illuminating the resource and achievement gap.

The relationship between poverty and educational achievement is well established.¹ As student poverty in a school increases, academic performance declines. This is illustrated in Figure 1 in which all New York State school districts are grouped by need-resource capacity category.² The figure shows free lunch eligibility and grade 4 English language arts performance for each category. New York City and the large cities (Rochester, Buffalo, Syracuse and Yonkers) have the

¹ See the annual Chapter 655 reports (for example, New York State Board of Regents, June 2002), Arnot and Rowse, 1987, Evans, Oates and Schwab, 1992, Jencks and Phillips, 1998, and others.

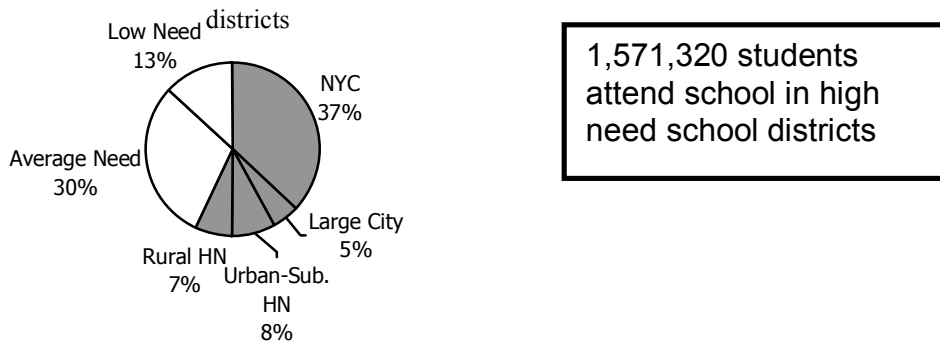
² Need-resource capacity categories group school districts into six categories based on their student poverty in relation to their ability to raise revenues locally. A detailed definition of need-resource capacity categories can be found in Appendix A.

highest poverty and among the worst achievement. As poverty declines, achievement improves.



The relationship between poverty and academic achievement is pervasive. It has been documented by numerous studies over four decades.³ This relationship is a critical policy concern because it affects large numbers of students. Figure 2 shows that a full 57 percent of the State's students are enrolled in high need school districts. This is approximately 1,571,320 students.⁴ While not all of these students come from poverty backgrounds, many of them do, and numerous research studies have

Figure 2
The percentage of students in high need school districts



³ See annual reports of the Chapter 655 Report (for example, New York State Board of Regents, June 2002), Arnot and Rowse, 1987, Evans, Oates and Schwab, 1992, and Jencks and Phillips, 1998.

⁴ New York State Board of Regents, June 2002, p.74.

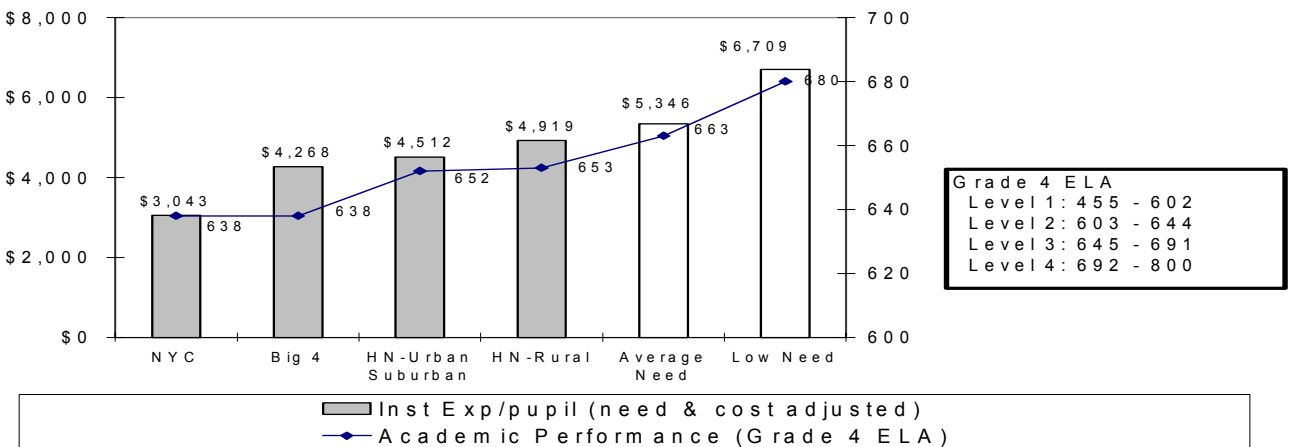
illustrated the negative impact of the concentration of student poverty on the achievement of all students, regardless of their individual poverty status.⁵

These numbers suggest that, in order to meet higher learning standards, New York State must be concerned about: what affects the achievement of students in schools with concentrations of student poverty; the resources that high need school districts have to support their educational program; and the effectiveness with which school districts use their resources. It suggests that the successful education of so large a group will have a significant impact on the economic vitality of the State by producing workers who can function in a competitive, international market and by reducing the costs of social services and criminal justice.

The large number of students in high need school districts makes their education a statewide policy concern.

That poverty affects student achievement is well known. What is less well known are the successes of schools in educating students from poverty backgrounds to high standards. While the debate on “does money matter?” still exists,⁶ it is now being recast by some as “*making* money matter” (emphasis

Figure 3
After Adjusting for Pupil Need and Regional Cost,
the Higher the School District Spending,
the Greater the Pupil Achievement



added).⁷ Money matters and how it is used makes a difference as well. Using New York State school data, we examined the relationship between school district spending and student achievement as measured by grade 4 English Language Arts test performance (see Figure 3). Spending data are adjusted in

⁵ See Arnot and Rowse, 1987; Evans, Oates and Schwab, 1992; Henderson, Mieszkowski and Sauvageau, 1978; Link and Mulligan, 1991; Rumberger and Willms, 1992; Shavit and Williams, 1985, Summers and Wolfe, 1977, Willms, 1986.

⁶ See for example Hanushek, E. (1966), and Ladd, H. F. and J.S. Hansen (2002).

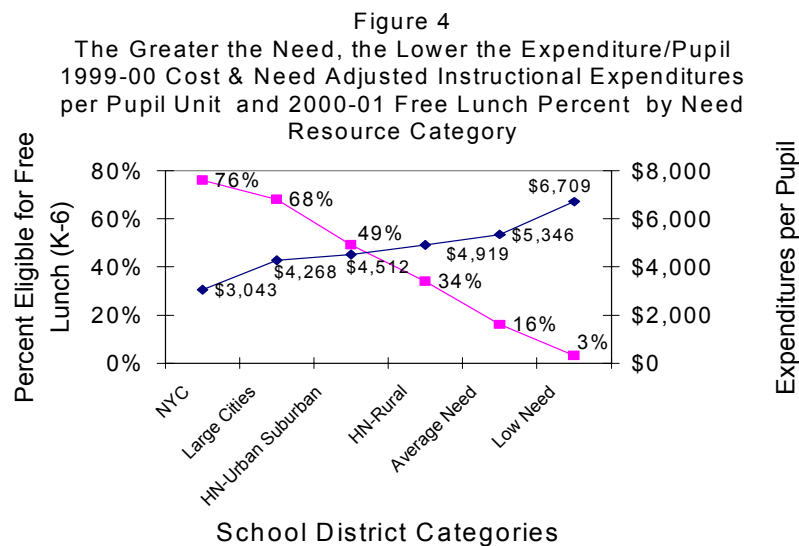
⁷ Ladd, H.F. and J.S. Hansen (2002).

two ways. First, dollars spent are adjusted by the Regents Regional Cost Index to reflect comparable purchasing power from one region of the State to another. Second, spending per pupil is further adjusted by providing an additional weighting for pupils from poverty backgrounds to reflect the additional services that such pupils require. The resulting cost and need-adjusted expenditures per pupil show a trend: the more the school district spends, the greater the pupil achievement.

Figure 3 shows that a distinct relationship exists between spending, student risk, and academic performance. These relationships exist even when different data are used. That is, the emphasis on need and cost is supported by data from New York schools.⁸

Examining the relationship between school spending and student poverty is also illuminating. Poverty is often used as a proxy or substitute measure for educational need. This is because of the high correlation between poverty and student achievement and because of the desire to use a measure that is not affected by the varying academic successes of school districts. As a result, poverty rather than achievement may be used as a proxy for educational need in aid formulas, because of the interest in providing incentives for school districts to improve student achievement.

Figure 4 shows that as educational need decreases, need and cost adjusted instructional expenditures per pupil increase. Need and academic performance are



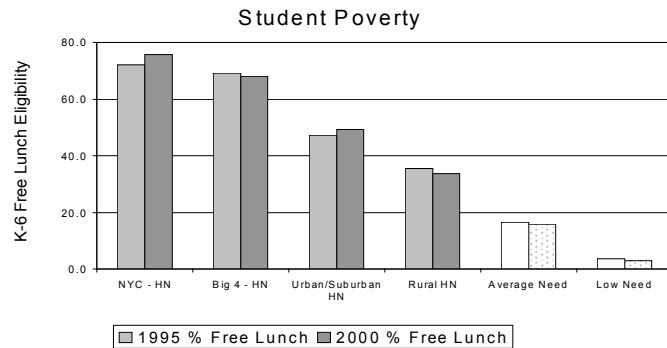
virtual mirror images of each other.

⁸ See Glasheen, R., 2002.

Figure 5 shows that educational need is high, especially in the New York City School District where more than three out of four students are at risk of not graduating from high school. In the Large City school districts more than two-thirds of the high school students face a similar risk. In some instances this need has increased in recent years. This represents a serious policy concern for New Yorkers.

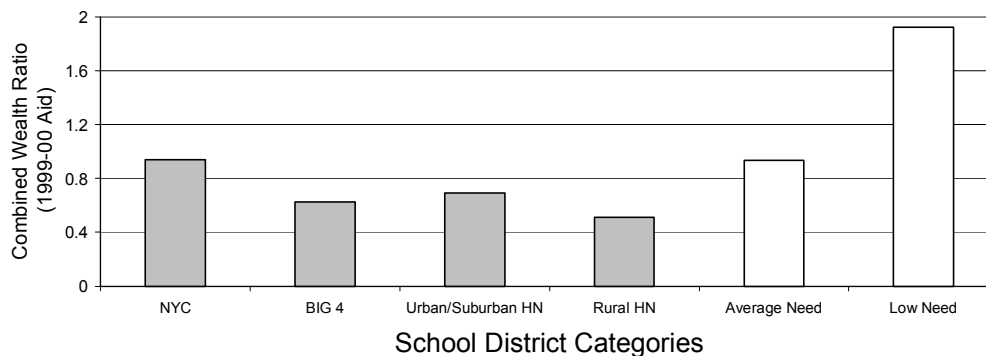
Figure 5
Students in Poverty are
Students at Risk of Not Graduating

Closing the achievement gap will require a concerted and sustained statewide effort



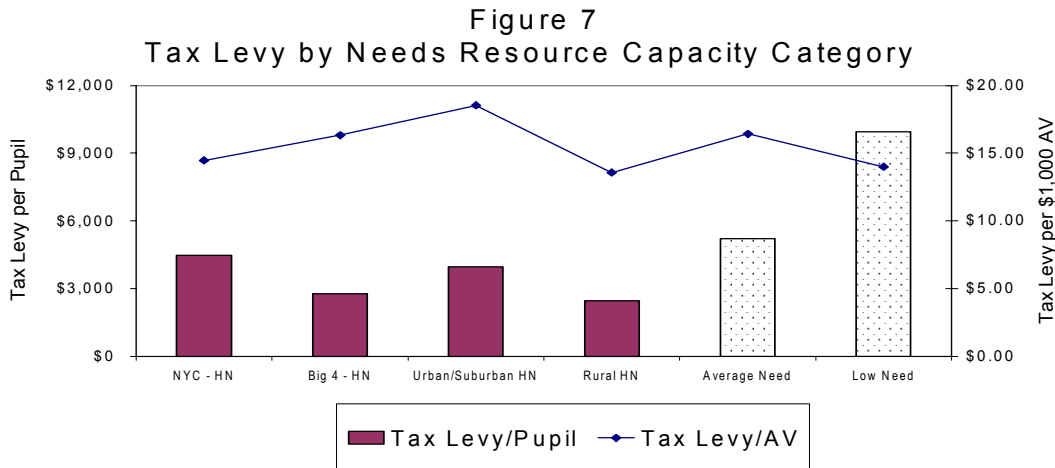
While the previous graphs looked at educational risk and the demand placed on school districts, the following charts examine school district fiscal capacity. Fiscal capacity refers to the ability of school districts to raise revenues locally. It is often assessed by a measure that represents an equal mix of property wealth per pupil and income per pupil in the district, known as the Combined Wealth Ratio.⁹ The ability of school districts to pay for education varies dramatically around the State. Since more than half of school revenue comes from local sources, these capacity differences can amount to big differences in educational programs available to students (see Figure 6).

Figure 6
Fiscal Capacity of Groups of School Districts



⁹ A measure of school district income and property value, the State average Combined Wealth Ratio is 1.0. State averages for 1999-00 Operating Aid were \$91,700 income per pupil and \$243,800 actual value per pupil.

We examined revenues raised and tax rates for different groups of school districts. Figure 7 shows the average dollars raised per pupil for each category of school district (tax levy per pupil displayed by the bars) and tax levy per \$1,000 of actual property value (expressed as a tax rate and shown with the line). Average and low need districts collect more local revenue per pupil while taxing at a comparable rate to the Big Five districts. Overall, the rural high need districts have some of the State's lowest tax rates and lowest local revenue per pupil. Further analysis of school district local effort shows that districts with higher student poverty



and limited fiscal capacity are more likely to have a local effort problem.¹⁰ From those findings, the Regents acknowledge local effort as a significant element in closing the achievement gap.

Recent research in Texas has documented the considerable impact of teachers on student achievement.¹¹ What constitutes a quality teacher is hard to define in terms of commonly available data such as educational level, years of experience or certification status. In fact, the positive effect of having a quality teacher for three years in a row was equal to the decline in achievement students suffered from economic disadvantage.

¹⁰ See New York State Board of Regent (September 2002).

¹¹ Rivkin, Hanushek and Kain.(2000).

Examination of New York State data reveals the following. Schools with the largest percentage of minority students have the largest percentage of teachers without appropriate certification (Figure 8). Looking at the percent of uncertified teachers by need-resource capacity category shows that more than one in four teachers teach without appropriate certification in New York City (Figure 9). In school districts outside the Big Five, the rate is one in 25.

Figure 8
 Uncertified Teachers for Schools Grouped According to the Percent of Minority Students

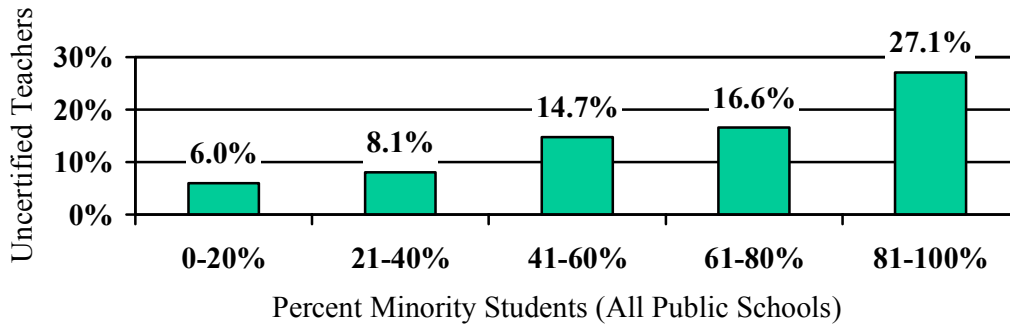
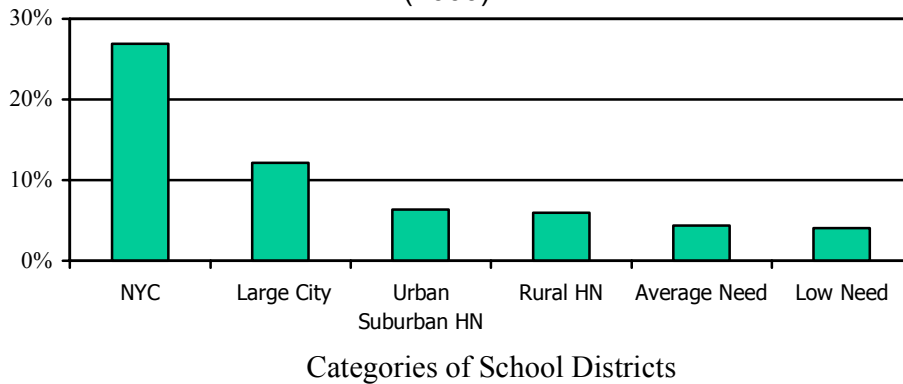


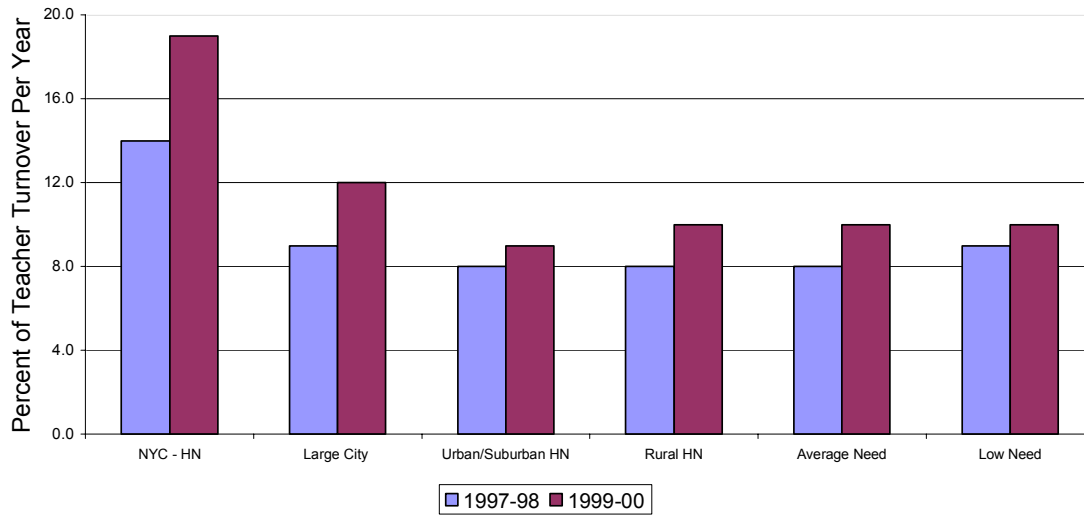
Figure 9
 The Percent of Uncertified Teachers--
 (2000)



While having a certificate in the subject area one teaches may not explain why some teachers have a greater impact on student achievement than others, the lack of appropriate certification is found in districts where overall student achievement is among the lowest.

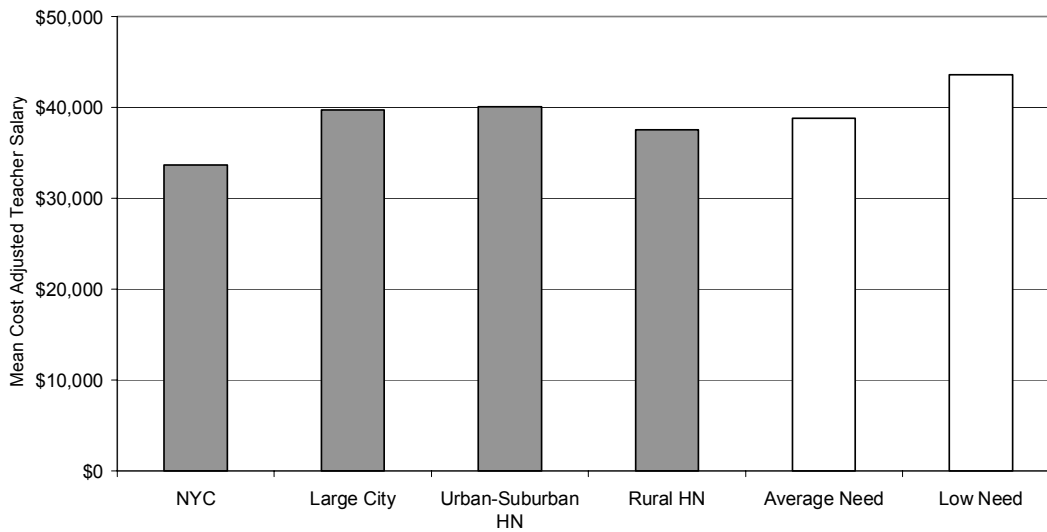
Figure 10 shows that teacher turnover has increased in all parts of the State, further contributing to the challenge of closing the achievement gap. It is at the highest levels in New York City.

Figure 10
 Teacher Turnover by Need/Resource Capacity
 Category of School Districts



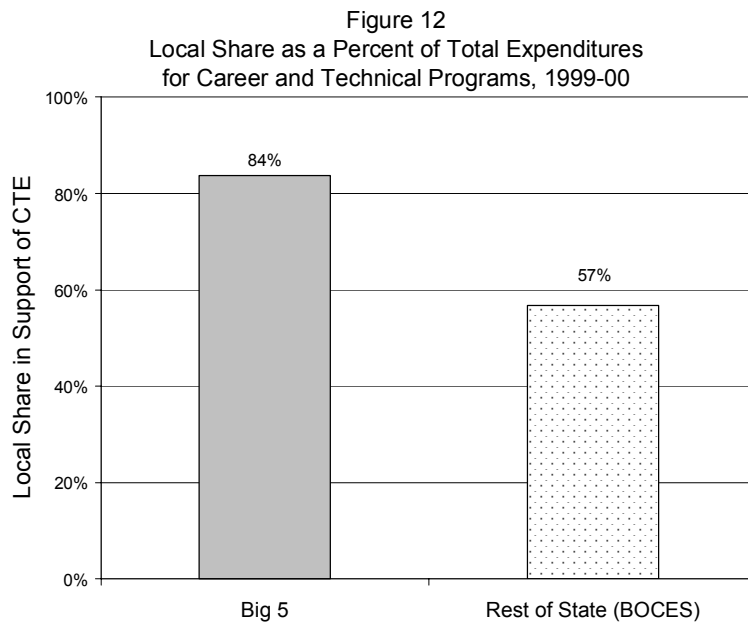
We examined teacher salaries by applying a cost index so as to make salaries comparable across regions of the State. Figure 11 shows that cost-adjusted teacher salaries are low in New York City compared to the rest of the State.

Figure 11
 Cost Adjusted Teacher Salaries by
 Need/Resource Capacity Category of School Districts



Quality career and technical education programs provide students with an alternative path to a high school diploma. Often such programs provide practical, hands-on learning experiences that create an alternative way of developing high level reading and computational skills. Alternative pathways to a high school diploma that maintain high academic standards may hold promise for many students who were in the past lost in the traditional program.¹² Examination of aid formulas to support career and technical education programs around the State reveals a higher level of reimbursement for programs in BOCES provided to school districts outside the Big

Five city school districts than in the Big Five. Conversely, the local share that the Big Five city school districts must exert to support CTE programs is greater (see Figure 12). With the considerable need for such programs in the Big Five, a similar level of reimbursement is important to provide a fiscal incentive for these programs.



The ability of school districts to meet student needs is affected by the cost of doing business in the region in which the district is located. Figure

13 shows that costs are about 52 percent higher in the New York City-Long Island region than in the North Country. New York State legislative commissions and blue-ribbon panels have noted this phenomenon¹³ and recommended that State Aid be adjusted to compensate for these cost differences. The State Aid dollar should purchase the same amount of goods and services around the State.¹⁴

¹² See for example Berryman, Flaxman and Inger, 1999; Grubb, Davis, Lurn, Plihal and Morgan, 1991; and Grubb and Stasz, 1991.

¹³ See Fleishmann, 1972, Rubin, 1982 and Salerno, 1988.

¹⁴ Reference is made to the need to cost adjust operating aids, which constitute the largest share of the aid pie. Other aids already include cost adjustments, namely Building Aid, Transportation Aid, Excess Cost Aids, etc.

Figure 13 Professional Cost Index for New York State by Labor Force Region		
Labor Force Region	Index Value	Purchasing Power of \$1,000 by Region
Capital District	1.250	\$800
Southern Tier	1,152	\$868
Western New York	1.155	\$866
Hudson Valley	1.475	\$678
Long Island/NYC	1.515	\$660
Finger Lakes	1.244	\$804
Central New York	1.218	\$821
Mohawk Valley	1.084	\$923
North Country	1.000	\$1,000

In conclusion, the additional needs of schools educating concentrations of students from poverty backgrounds are well supported. Yet school districts with concentrated poverty tend to spend less. They have limited capacity to raise revenues locally, raise fewer local revenues per pupil, lack certified teachers, have greater teacher turnover, and, in the case of New York City, have lower cost-adjusted teacher salaries. Aid formulas are less beneficial for the State's largest cities in supporting career and technical education as an alternative path to a high school diploma and in not recognizing regional cost differences in aid provided for school operation. These data lead us to the policy directions noted in Table 2.

Table 2. Policy Directions for Regents State Aid Proposal

- Focus on funding for high need school districts to close the achievement gap.
 - Strengthen student needs as a major State Aid factor.
 - Keep fiscal capacity as a major State Aid factor.
 - Treat local effort as a key policy concern, especially for high need school districts.
 - Treat recruitment and retention of teachers as a key policy concern.
 - Provide similar fiscal incentives for career and technical education programs around the State.
 - Provide State Aid in a manner that recognizes the cost of doing business.
-

Regents State Aid Principles

Principles for this year's proposal are:

- Equity: Target aid to districts that need the most help in educating their pupils to meet the standards.
- Transparency: Simplify the aid system to eliminate unnecessary duplication of data submissions and to make the formulas more understandable for school leaders and taxpayers.
- Predictability: Provide stability and sustainability in State funding.

Recommendations

Support for the Basic Educational Program

The State provides support for basic school operation and maintenance with Operating Aid and other aids. All aids for this purpose should be consolidated and distributed in a manner that compensates for school district ability to pay. The Regents recommend adjusting a Consolidated Operating Aid for differences in school district fiscal capacity and regional cost. Regardless of where a child lives, he or she should receive a level of support needed to provide for an acceptable level of educational attainment. To the extent that State Aid equalizes for different school district circumstances, it will also serve as an incentive for districts with little fiscal capacity and high costs to maintain effort for their educational programs. Although other purposes and aids are important to closing the student achievement gap, Operating Aid is the basic building block to support schools' educational programs. It must work effectively by adequately compensating for local needs. This will provide greater equity and transparency in funding.

Supplemental Aids for At-Risk Youth

Many students need additional instructional time at some point in their education. Students from poverty backgrounds or with limited English proficiency may have greater need for additional instruction to meet the same learning standards as their more economically advantaged peers. Research studies¹⁵ have documented the positive impact that a variety of 'extra time' educational programs have on the achievement of educationally disadvantaged students. Additional instruction can come in the form of before and after-school programs, programs for speakers of languages other than English, pre-kindergarten programs, and academic intervention services of an instructional and support service nature. Resources should be provided to assist in supporting the costs of

¹⁵ See for example, Summers and Wolfe, 1977; Jencks and Phillips, 1998; Mosteller, 1995; and Hanushek, 1998.

additional learning time needed to implement school improvement plans and to improve the recruitment and retention of qualified teachers and principals. Such aid should be responsive to different levels of pupil needs in districts.

The Regents State Aid proposal should:

- Continue to support aid for school improvement in schools with concentrations of students from poverty backgrounds and limited English proficiency; and
- Continue to support aid to help defray the cost of educationally related support and prevention programs and services.

Recommendations in this area will provide greater equity in funding. To the extent that aid streams are consolidated and formula components are simplified, greater transparency will also be accomplished.

Career and Technical Education (CTE)

A range of programs has for decades provided students with additional pathways to high school graduation. The prevailing philosophy for these pathways is that a single approach does not meet the needs of all learners. Career and technical education is one such pathway that has proven successful in motivating many students to high levels of academic success. Students in these programs benefit from instruction that they perceive as helping them prepare for the labor market, and therefore more readily accept the relevance of the academic content. Higher standards are achieved by focusing on practical tasks that often involve doing rather than mastery of academic concepts presented in isolation from the practical world. The Regents recommend that State Aid should:

- Support quality CTE programs that will help students achieve the standards for all districts;
- Encourage the cost-effective sharing of programs and resources among districts (including city school districts), BOCES and other service providers; and
- Provide more comparability in funding career and technical education programs between the Big Five city school districts and programs provided at BOCES in the rest of the State.

Instructional Materials Aid

This aid would provide more flexibility to help school districts meet expenditures for textbooks, computer software, library materials and on-line services. It would provide flexibility in funding to assist school districts in their different stages of moving to instructional materials and services in electronic

format. Although this aid is consolidated, schools need a well-equipped library to support students' achievement of the Regents learning standards. Therefore, it is critical that school districts use a portion of the consolidated funds (Textbook, Computer Software and Library Materials Aids) to purchase school library media program resources.

School Library Support

The consolidated Instructional Materials Aid would complement a proposed Public School Library Support Aid, advanced as a separate budget proposal by the New York State Education Department. This proposal is intended to respond to the needs of public school students in school districts with concentrations of student poverty for access to library materials and services provided by qualified staff.

Accountability

In May 2000, the Board of Regents adopted Commissioner's Regulations to implement a System of Accountability for Student Success (SASS), which expanded upon the Education Department's previous program of registration review for the lowest performing schools. SASS aligned accountability for schools with the accountability required for students. It established adequate yearly targets for all schools not meeting the standards, not just the worst performing schools, and it further integrated State and federal accountability programs. SASS established a mechanism by which schools could be determined to be in need of improvement or making rapid progress based upon performance trends over time. SASS anticipated many of the new accountability features of the federal No Child Left Behind legislation and will be the basis of the single statewide accountability system that No Child Left Behind requires all states to implement.

School accountability is a way to account for the State's investment in education. The System of Accountability for Student Success:

- Sets building targets to recognize differences in schools;
- Requires implementation of school improvement plans, supported by comprehensive planning, where student performance targets are hardest to achieve; and
- Provides greater flexibility for schools meeting the standards and greater oversight for schools with poor student achievement.

These accountability requirements for schools help to provide individual school and statewide measures of student achievement and to motivate additional progress in closing the gap between actual student achievement and that needed to meet State learning standards.

Ensure Maintenance of Local Effort for Education

The failure of school districts to either maintain local tax effort or to respond to State Aid increases by lowering tax rates has been a concern of the Regents. Despite fiscal incentives, maintenance of local effort can be a formidable challenge to some school districts. In New York State, a district's capacity to achieve a given spending level involves a state and local partnership. Any diminution of local tax effort in high need school districts, particularly if local tax effort is "inadequate" to begin with, poses a significant policy concern. Since local effort tends to be a greater problem for school districts with high pupil need and limited fiscal capacity, every effort must continue to be made to ensure that State Aid to school districts is reflective of school district fiscal capacity, pupil needs and costs.

State Aid formulas that recognize variations in wealth and provide incentives for low wealth districts to make greater tax effort can be effective in reducing the number of low taxing districts. In addition, the local effort requirement in place for the New York City School District should be improved and extended to the large four city school districts of Rochester, Syracuse, Buffalo and Yonkers.

Reduce Local Costs for School Construction through Mandate Relief

State Law, known as the Wicks Law, requires school districts to employ four separate contractors for projects of \$50,000 or more. For all but the largest of projects, a general contractor can effectively manage these separate functions. Although estimates vary, this change is expected to result in considerable savings in building costs for school districts.

The State should encourage the reduction of local costs by exempting school districts from the Wicks Law, thereby allowing a single general contractor for school construction projects in excess of \$50,000, rather than four separate contractors as currently required.

No Child Left Behind Act and State Aid

The federal No Child Left Behind Act supports and complements the Regents higher standards reform agenda. Key aspects of the Act are also fundamental to the Regents agenda. These include setting high standards, statewide testing and publication of results, setting adequate yearly progress targets for schools not meeting the standards, consequences to ensure that students have access to quality education in a safe and supportive environment, and the notion that no child will be left behind. While the federal law will provide New York State schools with some additional resources, these will be subject to "supplement, not supplant" requirements. That is, the new resources may not be used to support existing initiatives but must add to them. The federal resources

and requirements will help the Regents in their efforts to close the student achievement gap, but do not diminish the task or the demand on State resources appreciably.

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APPENDIX A
NEED/RESOURCE CAPACITY CATEGORY DEFINITIONS

The need/resource capacity index, a measure of a district's ability to meet the needs of its students with local resources, is the ratio of the estimated poverty percentage¹⁵ (expressed in standard score form) to the Combined Wealth Ratio¹⁶ (expressed in standard score form). A district with both estimated poverty and Combined Wealth Ratio equal to the State average would have a need/resource capacity index of 1.0. Need/Resource Capacity (N/RC) categories are determined from this index using the definitions in the table below.

Need/Resource Capacity Category	Definition
High N/RC Districts	
New York City	New York City
Large City Districts	Buffalo, Rochester, Syracuse, Yonkers
Urban-Suburban	All districts at or above the 70th percentile (1.1855) which meet one of the following conditions: 1) more than 100 students per square mile; or 2) have an enrollment greater than 2,500 and more than 50 students per square mile.
Rural	All districts at or above the 70th percentile (1.1855) which meet one of two conditions: 1) fewer than 50 students per square mile; or 2) fewer than 100 students per square mile and an enrollment of less than 2,500.
Average N/RC Districts	All districts between the 20th (0.7693) and 70th (1.1855) percentile on the index.
Low N/RC Districts	All districts below the 20th percentile (0.7693) on the index.

¹⁵**Estimated Poverty Percentage:** A weighted average of the 1998-99 and 1999-2000 kindergarten through grade 6 free-and-reduced-price-lunch percentage. (An average was used to mitigate errors in each measure.) The result is a measure that approximates the percentage of children eligible for free- or reduced-price lunches.

¹⁶**Combined Wealth Ratio:** The ratio of district wealth per pupil to State average wealth per pupil, used for 1998-99 aid.

APPENDIX B
Schedule of Reports and Topics
Development of the
Regents Proposal on State Aid
to School Districts for School Year 2003-04
Subcommittee on State Aid

Date	Reports/Topics
June 2002	Update on State budget Overview of State Aid to school districts Update on the Education Finance Research Consortium
July 2002	Reaffirm Regents goals for the 2003-04 proposal Discussion questions on State Aid
September 2002	Proposal introduction Analysis of pupil need
October 2, 2002	Meeting of Education Finance Advisory Group
October 2002	Analysis of local effort in support of education Review proposal directions, including aid to nonpublic school students
November 6, 2002	Meeting of Education Finance Advisory Group
November 2002	Review draft of conceptual proposal; discuss resolution on aid for nonpublic school students (Full Board)
December 11, 2002	Public Hearing on the Regents draft conceptual proposal on State Aid to school districts for school year 2003-04
December 2002	Action on final proposal with the dollar amount recommended and the overall distribution of aid
January 2003 – April 2003	Legislative advocacy

APPENDIX C
2003-04 Regents Proposal Technical Supplement
Formula Components

Consolidated Operating Aid

Operating: Operating Aid is the greater of \$400 or Aid Ratio Aid multiplied by Selected Total Aidable Pupil Units (TAPU). Aid Ratio Aid is the product of the State Sharing Ratio (greater of: $1.33 - (1.085 * \text{Combined Wealth Ratio})$ or $.915 - (0.56 * \text{Combined Wealth Ratio})$ or $0.53 - (0.238 * \text{Combined Wealth Ratio})$, with a maximum of 1.00) multiplied by \$4,600 (up from \$3,900) multiplied by a Regional Cost Index (see explanation following). Selected TAPU, Total Wealth Pupil Units (TWPU), and TAPU for Expense have been changed to be based on average daily membership (instead of average daily attendance), eliminate the 0.25 additional weightings for Pupils with Special Educational Needs and secondary pupils and add served prekindergarten pupils weighted at 0.5. Aid for New York City is on a citywide basis.

Tax Effort: Consolidated with Operating Aid.

Tax Equalization: Consolidated with Operating Aid.

Tax Limitation: Consolidated with Operating Aid.

Gifted & Talented: Consolidated with Operating Aid.

Minor Maintenance and Repair: Consolidated with Operating Aid.

Operating Standards Aid: Consolidated with Operating Aid.

Transition Adjustment: The base includes 2002-03 Comprehensive Operating, Tax Limitation, Gifted and Talented, Maintenance and Repair and Operating Standards aids. For those districts for whom the new formula is less beneficial, districts are guaranteed an Alternate (income) Pupil Wealth Ratio-adjusted due minimum based on what they received in 2002-03. The due minimum percentage starts at 95 percent and may be adjusted upward for districts with below average income per pupil. The adjustment equals $(\text{Alternate Pupil Wealth Ratio} - 0.50) * 0.10$ and cannot be less than 0.00 or greater than 0.05. The resulting due minimum amount is reduced by the local effort shortfall which is the difference between the local levy (without STAR) and the local levy that could be raised at a wealth-adjusted State average tax rate (\$15.44 multiplied by the Alternate Pupil Wealth Ratio). However, no district receives less aid than 85 percent of the base year aid. Caps on increases are modified by a Need/Resource Index which is limited to 1.8. District Operating Aid is capped at a need-adjusted 7.00 percent over 2002-03 aids. District *increases* in Operating

Aid over 2002-03 aids are capped at a need-adjusted 18.10 percent. The Need/Resource Index is the district's Extraordinary Needs Ratio (i.e., district Extraordinary Needs percent divided by the State average of 53.1 percent) divided by its CWR.

Gap Aid

Gap: This new aid equals a selected amount multiplied by the Aid Ratio ($1 - (.4 * \text{Income Wealth Ratio})$) multiplied by a pupil needs count composed of limited English proficient pupils, a poverty count (based on the percent of K-6 eligible applicants for the free lunch program), a sparsity count and served prekindergarten pupils. The selected amount is at least 12 percent of an aid ceiling of \$5,444 multiplied by the Regional Cost Index. The concentration factor equals 1 plus: the positive result of the district's needs percent minus 44.0 divided by 70.0.

Extraordinary Needs: Consolidated into Gap Aid.

Summer School: Consolidated into Gap Aid.

Limited English Proficiency: Consolidated into Gap Aid.

Universal Pre-Kindergarten: Consolidated into Gap Aid.

Early Grade Class Size Reduction: Consolidated into Gap Aid.

Aids for Support of Students with Disabilities

Excess Cost - Public: A district's 2001-02 Approved Operating Expense/TAPU for Expense is limited to a \$2,000 to \$8,250 range. The aid equals the allowed expense times the Aid Ratio ($1 - (.51 * \text{CWR})$), with a .25 minimum). Pupils are aided by district of attendance. A 1.30 weighting (down from 1.65) is provided for pupils who require special services or programs for 60 percent or more of the school day consistent with an Individualized Education Program (IEP). High Cost expense must exceed the lesser of \$10,000 or four times district AOE/TAPU for Expense. Declassification Aid is included based on 50 percent of the basic Public Excess Cost Aid per pupil. No district receives less than 95 percent of its 2002-03 aid per pupil however this cannot exceed 150 percent of formula aid. Excess cost aid for students in integrated settings is the product of excess cost aid per pupil multiplied by 120 percent (up from 50 percent) of the attendance of pupils who receive special education services or programs by qualified personnel, consistent

with an IEP, for 60 percent or more of the school day in a general education classroom with nondisabled students.

Excess Cost - Private: Aid is for public school students attending private schools for students with disabilities. Net tuition expense is multiplied by the Aid Ratio ($1 - (.15 * CWR)$, with a .5 minimum).

Educationally Related Support Services: The aid equals: a) \$379.85 (up from \$365) multiplied by the State Sharing Ratio (with a .25 minimum) multiplied by 9 percent of Selected TAPU; plus, b) \$616.25 (a reduction from \$635) multiplied by the Public Excess Cost Aid Ratio, multiplied by 20 percent (up from 15 percent) of the Selected TAPU multiplied by the Extraordinary Needs percent in excess of 40 percent (down from 60 percent).

Career and Technical Education

BOCES: BOCES Aid is included for administrative, shared services, rental and capital expenses. Save-harmless is continued. Approved expense for BOCES Administrative and Shared Services Aids is based on a salary limit of \$30,000. Aid is based on approved 2002-03 administrative and service expenses and the higher of the millage ratio or the Current AV/2001-02 TWPU Aid Ratio: ($1 - (.51 * \text{Pupil Wealth Ratio})$) with a .36 minimum and .90 maximum. The millage ratio factor is increased from 8 to 9 mills. Rent and Capital Aids are based on 2003-04 expenses multiplied by the Current AV/2001-02 TWPU Aid Ratio with a .00 minimum and a .90 maximum. Payable aid is the sum of these aids.

Special Services Computer Administration: Computer Administration Aid equals the Current AV/2001-02 TWPU Aid Ratio ($1 - (.51 * \text{Pupil Wealth Ratio})$) with a .36 minimum multiplied by approved expenses not to exceed the maximum of \$72.00 (up from \$62.30) multiplied by the Fall 2002 public school enrollment with half-day kindergarten weighted at 1.0.

Special Services Career Education: Career Education Aid equals the Current AV/2001-02 TWPU Aid Ratio ($1 - (.51 * \text{Pupil Wealth Ratio})$) with a .36 minimum multiplied by \$4,140 (up from \$3,720), multiplied by the 2002-03 Career Education pupils including the pupils in business and marketing sequences weighted at .50 (up from 0.13).

Instructional Materials Aid

Instructional Materials: This new aid is based on 2002-03 expenditures for software, library materials and textbook purchases. The maximum Instructional

Materials Aid equals \$80.00 per pupil multiplied by the combined 2002-03 public plus nonpublic enrollment for pupils attending school in the district plus district pupils attending full time BOCES and private school programs for students with disabilities plus pupils attending the State operated schools at Rome and Batavia and resident pupils placed in Special Act school districts. Aid cannot exceed approved expenditures.

Textbook: Consolidated into Instructional Materials Aid.

Computer Software: Consolidated into Instructional Materials Aid.

Library Materials: Consolidated into Instructional Materials Aid.

Other State Aids

Computer Hardware Aid: Aid for instructional computer hardware expenses (acquisition and limited repair and staff development expenses) is equal to the lesser of 2002-03 expenses or \$32.35 multiplied by the Selected TAPU multiplied by the Current AV/2000-01 TWPU Aid Ratio ($1 - (.51 * \text{Pupil Wealth Ratio})$). Expenses for Maintenance and Repair and Staff Development are limited to 30% (up from 20%) of maximum aid.

Operating Growth: The district's estimated enrollment-based Growth Index in excess of 1.0100 (up from 1.0040) multiplied by the estimated 2003-04 Operating Aid.

Transportation: Aid is based upon estimated approved transportation operating expense plus capital expenses as reported to the Commissioner by November 15, 2002 (except in cases of emergency) multiplied by the selected Transportation Aid Ratio with a .9 maximum and a .065 minimum. The selected Aid Ratio is the highest of 1.263 multiplied by the State Sharing Ratio or $1.01 - (.46 * \text{Pupil Wealth Ratio})$ or $1.01 - (.46 * \text{Enrollment Wealth Ratio})$, plus a sparsity adjustment. The sparsity adjustment is the positive result of 25 minus the district's 2001-02 enrollment per square mile, divided by 58.

Summer School Transportation: Transportation Aid for Summer School programs is based on estimated approved transportation operating expense plus capital expenses as reported to the Commissioner by November 15, 2002 (except in cases of emergency) multiplied by the selected Transportation Aid Ratio with a .9 maximum and a .065 minimum. Aid is no longer prorated to remain within a \$5.0 million appropriation.

Building: Aid is equal to the product of the estimated approved building expenses multiplied by the highest of the 1981-82 through the 2001-02 AV/RWADA Aid Ratios or the Current AV/TWPU Aid Ratio. For projects approved by voters on or

after July 1, 2000, expenses are multiplied by the higher of the Building Aid Ratio used for 1999-00 aid less .10 or the Current AV/TWPU Aid Ratio. Up to 10 percent of additional building aid is provided for projects approved by voters on or after July 1, 1998. Building expenses include certain capital outlay expenses, lease expenses, and an assumed debt service payment based on the useful life of the project and an average interest rate.

Building Reorganization Incentive: Building Reorganization Incentive Aid on capital outlay, lease and debt service is subjected to the same requirements as regular Building Aid however, aid is provided for reorganization projects only if approved by voters within five years of district consolidation and if the project is contained in the five year capital reorganization plan.

Operating Reorganization Incentive: Operating Reorganization Incentive Aid is included as in permanent law however, no newly consolidated districts will receive aid unless the Commissioner determines the consolidation will improve student performance.

Full Day Kindergarten Conversion: Districts with any half-day kindergarten or no kindergarten programs in 1996-97 and in the base year (2002-03), are eligible for aid equal to the estimated 2003-04 Operating Aid per Selected TAPU multiplied by any increase in full day kindergarten enrollment in 2003-04 over 2002-03.

Teacher Support Aid: A total of \$67.48 million is provided in aid to the Big Five City School Districts.

Academic Support Aid: A total of \$24.92 million is provided in aid to the Big Five City School Districts.

Small Cities Aid: Aid is provided as in permanent law, including the gradual phase-out of save-harmless.

Improving Pupil Performance Grants (IPP): This grant is eliminated for 2003-2004.

Regional Cost Adjustment Based on Professional Salaries 2003-04 Regents Proposal

A regional cost index was generated using an approach first developed by education finance researchers in the state of Oregon. Their method recognized that school districts are often the dominant purchasers of college educated labor in a community. As such, they exercise unusual market influence over the price they pay for such services – a phenomenon that may distort the usual “free-market” model. For this reason, teacher salaries were specifically *excluded* from the construction of the index, and selected professional salaries used as a proxy for regional cost.

The index includes 77 titles for which employment at the entry level typically requires a bachelor’s degree, and excludes teachers and categories that tend to be restricted to federal and state government. The wage data are provided by the Bureau of Labor Statistics and are drawn from the 1998 Occupational Employment Statistics (OES) Survey. The OES survey is an *establishment* survey and according to U.S. Department of Labor analysts, “wages and earnings tend to be more accurately reported in establishment surveys as they are based upon administrative records rather than recall by respondents.”¹⁷ Additionally, the survey is administered on a three-year cycle where each year one third of the establishments are surveyed and wage data are aggregated using a technique known as wage updating. Thus, the approximations of wages become increasingly accurate and are most precise in the third year. The RCI calculations are based on the third and most accurate data-year in the cycle, and thus inspire confidence that the results are a good representation of the variation in professional service costs around the state. The triennial nature of the data means that the RCI need only be updated in those years in which the most accurate data in the cycle are available.¹⁸

Method of Calculation

The index was calculated as the weighted median hourly wage for a given labor force region divided by the weighted median hourly wage for New York State (\$26.02). The index was truncated to three decimal places then divided by the North Country value of .687. Index values range from 1.000 for the North Country to 1.515 for the Long Island/New York City Region. The accompanying table lists the counties included in each labor force region. The weighted median wage for New York State and for each labor force region was calculated as follows:

¹⁷ “Interarea Comparisons of Compensation and Prices,” *Report on the American Workforce, 1997*, p. 73.

¹⁸ For a detailed discussion of regional cost and the construction of the Regents Cost Index see, *Recognizing High Cost Factors in the Financing of Public Education: A Discussion Paper and Update Prepared for the New York State Board of Regents SA (D) 1.1* (Sept., 2000) and the technical supplement entitled *Recognizing High Cost Factors in the Financing of Public Education: The Calculation of a Regional Cost Index* (Nov., 2000). Copies can be obtained by contacting the Fiscal Analysis and Research Unit at (518) 474-5213 or visiting their web site at <http://www.oms.nysed.gov/faru/articles.html>.

Weighted Median Hourly Wage = The sum of: (Title Weight * Median Hourly Wage) for all 77 titles making up the index.

1. Title Weight = the number of employees in a given title statewide divided by the number of employees in 77 titles statewide. Applying title weights to each labor force region prevents the index from being skewed by variations in occupational mix across regions.

2. Median Hourly Wage = median hourly wage rate reported for each title in each labor force region and statewide.

A separate index was created for each labor force region based on a subset of 47 of the 77 titles. These 47 occupations represent those titles where there were no missing data in any of the labor force regions. This index was then used to estimate the median hourly wage of titles with missing data in any given labor force region. This was done by multiplying the statewide median hourly wage for the title with missing data by the 47-title index for the specific labor force region for which the salary data was missing.

For the purpose of index construction, the New York City and Long Island labor force regions were treated as a single labor force region. The New York City/Long Island weighted median wage was calculated as follows:

NYC/LI Weighted Median Wage = The sum of (Title Weight * NYC/LI Median Hourly Wage) for all 77 titles making up the index

1. Title Weight = same as above.

2. NYC/LI Median Hourly Wage = for each title:

$$\frac{[(\# \text{ of emp LI} * \text{LI median hrly wage}) + (\# \text{ of emp NYC} * \text{NYC median hrly wage})]}{(\# \text{ of employees in LI} + \# \text{ of employees in NYC})}$$

Regional Cost Index
Counties in Labor Force Regions

Capital District

Albany
Columbia
Greene
Rensselaer
Saratoga
Schenectady
Warren
Washington

Central New York

Cayuga
Cortland
Onondaga
Oswego

Finger Lakes

Genesee
Livingston
Monroe
Ontario
Orleans
Seneca
Wayne
Wyoming
Yates

Hudson Valley

Dutchess
Orange
Putnam
Rockland
Sullivan
Ulster
Westchester

Long Island/New York City

Nassau
New York City
Suffolk

Mohawk Valley

Fulton
Herkimer
Madison
Montgomery
Oneida
Schoharie

North Country

Clinton
Essex
Franklin
Hamilton
Jefferson
Lewis
St. Lawrence

Southern Tier

Broome
Chemung
Chenango
Delaware
Otsego
Schuyler
Steuben
Tioga
Tompkins

Western New York

Allegany
Cattaraugus
Chautauqua
Erie
Niagara

**High Need School Districts
2003-04 School Year**

Albany County

010100	ALBANY
010500	COHOES
011200	WATERVLIET

Allegany County

020601	ANDOVER
020702	GENESEE VALLEY
020801	BELFAST
021601	FRIENDSHIP
022001	FILLMORE
022101	WHITESVILLE
022302	CUBA-RUSHFORD
022401	SCIO
022601	WELLSVILLE
022902	BOLIVAR-RICHBG

Broome County

030200	BINGHAMTON
030501	HARPURSVILLE
031301	DEPOSIT
031401	WHITNEY POINT
031502	JOHNSON CITY

Cattaraugus County

040204	WEST VALLEY
041101	FRANKLINVILLE
041401	HINSDALE
042302	CATTARAUGUS-LI
042400	OLEAN
042801	GOWANDA
043001	RANDOLPH
043200	SALAMANCA
043501	YORKSHIRE-PIONE

Cayuga County

050100	AUBURN
051101	PORT BYRON

Note: A High Need District is defined as one which is in the top 30 percent of a ranking of districts based on poverty and combined wealth ratios, and includes the Big 5 City school districts. See page 26 for additional detail.

Chautauqua County

060401	CASSADAGA VALL
060601	PINE VALLEY
060701	CLYMER
060800	DUNKIRK
061501	SILVER CREEK
061503	FORESTVILLE
061700	JAMESTOWN
062301	BROCTON
062401	RIPLEY
062601	SHERMAN
062901	WESTFIELD

Chemung County

070600	ELMIRA
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Chenango County

080101	AFTON
081003	UNADILLA
081200	NORWICH
081401	GRGETWN-SO-OTS
081501	OXFORD
082001	SHERBURNE-EARL

Clinton County

090201	AUSABLE VALLEY
090301	BEEKMANTOWN
090901	NORTHRN ADIRON
091200	PLATTSBURGH

Columbia County

101300	HUDSON
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Cortland County

110101	CINCINNATUS
110200	CORTLAND
110901	MARATHON

Delaware County

120401	CHARLOTTE VALL
120701	FRANKLIN
120906	HANCOCK
121401	MARGARETVILLE
121601	SIDNEY
121701	STAMFORD
121702	S. KORTRIGHT
121901	WALTON

Dutchess County

131500 POUGHKEEPSIE

Erie County

140600 BUFFALO
141800 LACKAWANNA

Essex County

150203 CROWN POINT
150901 MORIAH
151501 TICONDEROGA

Franklin County

160801 CHATEAUGAY
161201 SALMON RIVER
161501 MALONE
161601 BRUSHTON MOIRA
161801 ST REGIS FALLS

Fulton County

170301 WHEELERVILLE
170500 GLOVERSVILLE
170600 JOHNSTOWN
171001 OPPENHEIM EPHR

Herkimer County

210302 WEST CANADA VA
210501 ILION
210502 MOHAWK
210601 HERKIMER
210800 LITTLE FALLS
211003 DOLGEVILLE
211103 POLAND
211701 VAN HORNSVILLE
212001 BRIDGEWATER-W

Jefferson County

220301 INDIAN RIVER
220909 BELLEVILLE-HEN
221401 LA FARGEVILLE
222000 WATERTOWN
222201 CARTHAGE

Lewis County

230201 COPENHAGEN
230301 HARRISVILLE
230901 LOWVILLE
231101 SOUTH LEWIS

Livingston County

240901 MOUNT MORRIS

Madison County

250109 BROOKFIELD
250301 DE RUYTER
251501 STOCKBRIDGE VA

Monroe County

261600 ROCHESTER

Montgomery County

270100 AMSTERDAM
270301 CANAJOHARIE
270701 FORT PLAIN
271102 ST JOHNSVILLE

Nassau County

280201 HEMPSTEAD
280208 ROOSEVELT
280209 FREEPORT

New York City

300000 NEW YORK CITY

Niagara County

400400 LOCKPORT
400800 NIAGARA FALLS

Oneida County

410401 ADIRONDACK
410601 CAMDEN
411701 REMSEN
411800 ROME
412300 UTICA

Onondaga County

421800 SYRACUSE

Ontario County

430700 GENEVA

Orange County

441000 MIDDLETOWN
441600 NEWBURGH
441800 PORT JERVIS

Orleans County

450101 ALBION
450801 MEDINA

Oswego County

460102 ALTMAR PARISH
460500 FULTON
460701 HANNIBAL
461801 PULASKI
461901 SANDY CREEK

Otsego County

470202 GLBTSVLLE-MT U
470501 EDMESTON
470801 LAURENS
470901 SCHENEVUS
471101 MILFORD
471201 MORRIS
471601 OTEGO-UNADILLA
472001 RICHFIELD SPRI
472202 CHERRY VLY-SPR
472506 WORCESTER

Rensselaer County

490601 LANSINGBURGH
491200 RENSSELAER
491700 TROY

Rockland County

500402 EAST RAMAPO

St. Lawrence County

510101 BRASHER FALLS
510201 CANTON
510401 CLIFTON FINE
511101 GOUVERNEUR
511201 HAMMOND
511301 HERMON DEKALB
511602 LISBON
511901 MADRID WADDING
512001 MASSENA
512101 MORRISTOWN
512201 NORWOOD NORFOL
512300 OGDENSBURG
512404 HEUVELTON
512501 PARISHVILLE
513102 EDWARDS-KNOX

Schenectady County

530600 SCHENECTADY

Schoharie County

540801 GILBOA CONESVI
540901 JEFFERSON
541001 MIDDLEBURGH
541401 SHARON SPRINGS

Schuyler County

550101 ODESSA MONTOUR

Seneca County

560501 SOUTH SENECA
561006 WATERLOO CENT

Steuben County

570101 ADDISON
570201 AVOCA
570302 BATH
570401 BRADFORD
570603 CAMPBELL-SAVON
570701 CANISTEO
571501 GREENWOOD
571800 HORNELL
572301 PRATTSBURG
572702 JASPER-TRPSBRG

Suffolk County

580106 AMITYVILLE
580109 WYANDANCH
580232 WILLIAM FLOYD
580512 BRENTWOOD
580513 CENTRAL ISLIP

Sullivan County

590501 FALLSBURGH
590901 LIBERTY
591302 LIVINGSTON MAN
591401 MONTICELLO

Tioga County

600101 WAVERLY
600301 CANDOR
600402 NEWARK VALLEY
600801 SPENCER VAN ET
600903 TIOGA

Tompkins County

610501	GROTON
610901	NEWFIELD

Ulster County

622002	ELLENVILLE
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Warren County

630801	HADLEY LUZERNE
630918	GLENS FALLS CO
631201	WARRENSBURG

Washington County

640601	FORT EDWARD
641301	HUDSON FALLS
641701	WHITEHALL

Wayne County

650501	LYONS
651201	SODUS
651501	N. ROSE-WOLCOT
651503	RED CREEK

Westchester County

660900	MOUNT VERNON
661500	PEEKSKILL
662300	YONKERS

Yates County

680801	DUNDEE
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**SUMMARY OF AIDS AND GRANTS AS REQUESTED IN
THE 2003-04 REGENTS PROPOSAL ON SCHOOL AID**

Aid Category	2002-03 School Year	2003-04 School Year	Change Amount	Percent
	(-----Amounts in Millions-----)			
I. Consolidated Operating Aid				
Operating Aid	\$6,815.39	\$7,864.09	\$1,048.70	15.39
Tax Effort	0.00	0.00	0.00	NA
Tax Equalization	0.00	0.00	0.00	NA
Tax Limitation	25.00	0.00	-25.00	-100.00
Gifted & Talented	14.16	0.00	-14.16	-100.00
Minor Maintenance & Repair	49.97	0.00	-49.97	-100.00
Operating Standards	221.38	0.00	-221.38	-100.00
Plus: Cap on Losses	59.47	154.47	95.00	159.74
Less: Cap on Increases	0.00	-559.31	-559.31	NA
Improving Pupil Performance (IPP)	66.35	0.00	-66.35	-100.00
Sum	7,251.73	7,459.25	207.53	2.86
II. Gap Aid				
Gap	0.00	1,317.62	1,317.62	NA
Extraordinary Needs	725.42	0.00	-725.42	-100.00
Summer School	43.52	0.00	-43.52	-100.00
Limited English Proficiency	70.87	0.00	-70.87	-100.00
Universal Prekindergarten	200.91	0.00	-200.91	-100.00
Early Grade Class Size Reduction	134.56	0.00	-134.56	-100.00
Sum	1,175.29	1,317.62	142.33	12.11
III. Aids for Support of Students with Disabilities				
Public Excess Cost Aid	2,117.99	2,148.23	30.25	1.43
Private Excess Cost Aid	161.48	172.18	10.70	6.63
Educationally Related Support Services	73.67	90.00	16.33	22.17
Sum	2,353.13	2,410.41	57.28	2.43
IV. Career and Technical Education Aid				
BOCES	496.89	497.11	0.22	0.04
Special Services Computer Administration	39.41	45.39	5.98	15.17
Special Services Career Education	87.51	152.32	64.81	74.06
Sum	623.81	694.81	71.00	11.38
V. Instructional Materials Aid				
Instructional Materials	0.00	266.26	266.26	NA
Computer Software	45.48	0.00	-45.48	-100.00
Library Materials	19.22	0.00	-19.22	-100.00
Textbook	190.23	0.00	-190.23	-100.00
Sum	254.93	266.26	11.33	4.44

**SUMMARY OF AIDS AND GRANTS AS REQUESTED IN
THE 2003-04 REGENTS PROPOSAL ON SCHOOL AID**

Aid Category	2002-03 School Year	2003-04 School Year	Change Amount	Percent
	(-----Amounts in Millions-----)			
VI. Other State Aids				
Computer Hardware	27.50	41.75	14.24	51.79
Operating Growth	30.65	12.42	-18.24	-59.49
Transportation	992.40	1,145.82	153.42	15.46
Summer Transportation	5.00	0.00	-5.00	-100.00
Building Aid	1,144.49	1,098.75	-45.74	-4.00
Building Reorganization Incentive	15.37	0.65	-14.73	-95.79
Operating Reorganization Incentive	19.49	21.10	1.61	8.27
Full Day Kindergarten Conversion	17.40	7.94	-9.46	-54.37
Teacher Support	67.48	67.48	0.00	0.00
Academic Support	24.92	24.92	0.00	0.00
Small Cities	81.88	75.51	-6.37	-7.77
Sum	2,426.58	2,496.33	69.74	2.87
Calculated Aids Subtotal	14,085.47	14,644.69	559.21	3.97
VII. All Other Aids				
Bilingual Education	11.20	11.20	0.00	0.00
Education of OMH/OMR Pupils	22.00	22.00	0.00	0.00
Fort Drum	2.63	0.00	-2.63	-100.00
Homeless	3.78	3.78	0.00	0.00
DFY Transportation	0.23	0.00	-0.23	-100.00
Categorical Reading	63.95	63.95	0.00	0.00
Employment Preparation Edn. (EPE)	96.18	96.18	0.00	0.00
Incarcerated Youth	13.00	13.00	0.00	0.00
Magnet Schools	135.65	135.65	0.00	0.00
BOCES Spec Act, <8, contract	0.68	0.68	0.00	0.00
Bus Driver Safety Training Grants	0.40	0.40	0.00	0.00
Less: Local Contribution due for certain students	-18.00	-18.00	0.00	0.00
Comptroller Audits	0.25	0.00	-0.25	-100.00
County Vocational Ed. Extension Boards (CVEEB)	0.92	0.00	-0.92	-100.00
Learning Technology Grants	3.29	0.00	-3.29	-100.00
Native American Building	2.00	2.00	0.00	0.00
Shared Services Savings Incentive	0.20	0.00	-0.20	-100.00
Special Act Districts	2.20	2.20	0.00	0.00
Teachers for Tomorrow	25.00	0.00	-25.00	-100.00
Mentor Teacher	5.00	5.00	0.00	0.00
Teacher Centers	30.00	30.00	0.00	0.00
Tuition Adjustment Aid	1.18	1.18	0.00	0.00
Urban-Suburban Transfer	1.13	0.00	-1.13	-100.00
Prior Year Adjustments	57.00	47.00	-10.00	-17.54
Sum	459.84	416.21	-43.64	-9.49
Combined Total	\$14,545.32	\$15,060.89	\$515.57	3.54

ANALYSIS OF AID CHANGES UNDER THE 2003-04 REGENTS PROPOSAL TOTAL COMPUTERIZED AIDS

A. BY NEED/RESOURCE INDEX DECILES WITHOUT BIG 5

Decile	Need/Resource Index Decile Range	2002-03		2003-04		2002-03		Percent Change	% of Total Increase	Change per pupil
		Enrollment	AID	AID	BASE	Change	% of Total Increase			
1	0.000	203,330	405,296,645	409,245,843	(3,949,198)	-0.96	-0.71	(19)		
2	0.050	227,135	638,688,689	629,633,497	9,055,192	1.44	1.62	40		
3	0.126	242,270	928,684,206	903,591,900	25,092,306	2.78	4.49	104		
4	0.248	227,121	1,064,769,756	1,037,294,849	27,474,907	2.65	4.91	121		
5	0.474	178,460	831,637,917	804,522,657	27,115,260	3.37	4.85	152		
6	0.742	142,282	786,700,079	760,994,404	25,705,675	3.38	4.60	181		
7	1.089	117,220	775,765,157	753,198,884	22,566,273	3.00	4.04	193		
8	1.460	134,091	947,552,679	903,136,868	44,415,811	4.92	7.94	331		
9	1.978	108,704	839,975,498	809,307,128	30,668,370	3.79	5.48	282		
10	2.529	113,750	966,375,981	909,465,229	56,910,752	6.26	10.18	500		
STATE (Excl. BIG 5)		1,694,363	8,185,446,607	7,920,391,259	265,055,348	3.35	47.40	156		
New York City	1.702	1,050,612	5,482,499,839	5,260,124,062	222,375,777	4.23	39.77	212		
Big 4 Cities	1.521	130,113	976,739,312	904,957,829	71,781,483	7.93	12.84	552		
STATE		2,875,088	14,644,685,758	14,085,473,150	559,212,608	3.97	100.00	195		

B. BY NEED/RESOURCE CAPACITY CATEGORY

Need/Resource Capacity	2002-03		2003-04		2002-03		Percent Change	% of Total Increase	Change per pupil
	Enrollment	AID	AID	BASE	Change	% of Total Increase			
NYC	1,050,612	5,482,499,839	5,260,124,062	222,375,777	4.23	39.77	212		
Big 4	130,113	976,739,312	904,957,829	71,781,483	7.93	12.84	552		
Urban/Suburban High Need	226,531	1,553,221,947	1,450,047,110	103,174,837	7.12	18.45	455		
Rural High Need	180,979	1,417,985,753	1,392,367,574	25,618,179	1.84	4.58	142		
Average Need	884,296	4,323,752,783	4,190,416,095	133,336,688	3.18	23.84	151		
Low Need	402,557	890,486,124	887,560,480	2,925,644	0.33	0.52	7		
STATE	2,875,088	14,644,685,758	14,085,473,150	559,212,608	3.97	100.00	195		

ANALYSIS OF AID CHANGES UNDER THE 2003-04 REGENTS PROPOSAL
TOTAL COMPUTERIZED AIDS WITHOUT TRANSPORTATION, BUILDING AND BUILDING INCENTIVE

A. BY NEED/RESOURCE INDEX DECILES WITHOUT BIG 5

Decile	Need/Resource Index Decile Range	2002-03		2003-04		2002-03		Percent Change	% of Total Increase	Change per pupil
		Enrollment	AID	Enrollment	AID	BASE	BASE			
1	0.000	203,330	336,138,305	203,330	338,624,648	(2,486,343)	-0.73	-0.53	(12)	
2	0.050	227,135	519,721,451	227,135	511,180,974	8,540,477	1.67	1.81	38	
3	0.126	242,270	761,902,035	242,270	740,529,999	21,372,036	2.89	4.54	88	
4	0.248	227,121	881,656,986	227,121	852,037,936	29,619,050	3.48	6.29	130	
5	0.474	178,460	677,070,016	178,460	657,512,291	19,557,725	2.97	4.15	110	
6	0.742	142,282	644,443,778	142,282	625,704,943	18,738,835	2.99	3.98	132	
7	1.089	117,220	637,023,532	117,220	614,345,034	22,678,498	3.69	4.81	193	
8	1.460	134,091	805,978,015	134,091	761,142,793	44,835,222	5.89	9.51	334	
9	1.978	108,704	703,896,538	108,704	667,597,147	36,299,391	5.44	7.70	334	
10	2.529	113,750	831,148,371	113,750	776,948,464	54,199,907	6.98	11.50	476	
STATE (Excl. BIG 5)		1,694,363	6,798,979,027	1,694,363	6,545,624,229	253,354,798	3.87	53.76	150	
New York City	1.702	1,050,612	4,733,127,846	1,050,612	4,581,828,692	151,299,154	3.30	32.11	144	
Big 4 Cities	1.521	130,113	867,366,672	130,113	800,757,436	66,609,236	8.32	14.13	512	
STATE		2,875,088	12,399,473,545	2,875,088	11,928,210,357	471,263,188	3.95	100.00	164	

B. BY NEED/RESOURCE CAPACITY CATEGORY

Need/Resource Capacity	2002-03		2003-04		2002-03		Percent Change	% of Total Increase	Change per pupil
	Enrollment	AID	Enrollment	AID	BASE	BASE			
NYC	1,050,612	4,733,127,846	1,050,612	4,581,828,692	151,299,154	3.30	32.11	144	
Big 4	130,113	867,366,672	130,113	800,757,436	66,609,236	8.32	14.13	512	
Urban/Suburban High Need	226,531	1,379,567,019	226,531	1,282,180,396	97,386,623	7.60	20.67	430	
Rural High Need	180,979	1,161,589,275	180,979	1,127,803,901	33,785,374	3.00	7.17	187	
Average Need	884,296	3,519,030,817	884,296	3,399,157,571	119,873,246	3.53	25.44	136	
Low Need	402,557	738,791,916	402,557	736,482,361	2,309,555	0.31	0.49	6	
STATE	2,875,088	12,399,473,545	2,875,088	11,928,210,357	471,263,188	3.95	100.00	164	