

## State Aid Impact for Chautauqua Lake CSD and Ripley CSD *Updated December 2017*

### **New York State’s Funding for Education**

New York State’s funding formulas for education can be broken in to two main categories: General operating aids and expense-driven aids. The largest aid category continues to be Foundation Aid. The state is expected to pay \$17.172 billion in Foundation Aid in 2017-18.

Since the 2012-13 aid year, the amount of Foundation Aid paid to districts each year has included a base amount or the amount of Foundation Aid paid the prior year. On top of the base has then been a calculated increase, varying each year in the amount and the formulas used to determine such increase. Thus, many districts around the state are receiving a Foundation Aid payable amount each year that is different from their Foundation Aid Before Phase-In (which might be thought of as the Foundation “formula” amount). Some more, some less.

Selected TAFPU (Total Aidable Foundation Pupil Units) is the pupil count used in the Foundation Aid Before Phase-In calculation. Although this pupil count is from prior years (2014-15 and 2015-16 TAFPU counts are considered for 2017-18 aid) it continually reflects changes in student enrollment that districts are experiencing. However, the amount of Foundation Aid a district is receiving, and the change over the last few years, may not mirror the change in pupil counts.

The chart shows the Selected TAFPU for Ripley and Chautauqua Lake from the 2012-13 aid year to current as well as their Foundation Aid Payable amounts over that same period.

Aid Year	Ripley Selected TAFPU	Ripley Foundation Aid Payable	Chautauqua Lake Selected TAFPU	Chautauqua Lake Foundation Aid Payable
2012-13	395	\$4,057,707	858	\$4,009,856
2013-14	375	4,025,432	853	4,021,885
2014-15	292	4,059,648	968	4,056,071
2015-16	197	4,074,668	1,000	4,071,078
2016-17	169	4,158,357	1,001	4,109,144
2017-18	163	4,297,662	971	4,221,735

Both districts are receiving more in Foundation Aid paid in 2017-18 than in 2012-13 (between 5-6% for both) yet Chautauqua Lake’s Selected TAFPU has increased approximately thirteen percent while Ripley’s has declined by approximately fifty-eight percent.

## **Instructional Materials Aids**

Expense driven aids include Instructional Materials aids, Transportation, Building, BOCES aids and Aids for students with disabilities. Reimbursement is based on district expenditures and aid ratios. Aid ratios typically determine what percentage of expense or aid a district will receive and are based on a district's wealth and pupil counts.

Instructional Materials aids include Textbook, Software and Computer Hardware, and Library Materials aids. Textbook aid continues to be based on a resident pupil count and is impacted by a gain or loss of resident students without regard to which district they are attending. Software, Computer Hardware and Library Materials aids will still change to reflect the shift in students from one district to another.

## **Nonresident Tuition Calculation (NRT)**

Annually the New York State Education Department's State Aid unit produces a NRT output report which calculates the actual tuition rate for the prior year and an estimated tuition rate for the current year. The calculation uses actual and projected expenditures, revenues and pupils counts. The final audited tuition for a given year is not available until the following year.

Included in the revenues that are part of the NRT calculation is the state aid that the district receives and reports on its State Aid claim forms each year. This state aid amount is then proportionally distributed over the three NRT grade levels (Half-Day K, Full Day K-6, and 7-12) based on the number of students in each grade level. At the same time, expenses are being distributed over the same three grade levels using teacher salaries as the determinant. The difference between the net allowable expense per grade level and state aid per grade level is the net cost for each grade. For regular education students, this net cost is then divided by number of students to arrive at the NRT rate for each grade level (a per-student cost that can then be used for billing for non-resident students). For students with disabilities the calculation is similar but includes a weighting of 1.41.

## **NYS Comptroller's Office Audit**

In May of 2016 the NYS Comptroller's Office released an audit of Chautauqua Lake's nonresident tuition billing procedures for the period July 1, 2013 through November 19, 2015 (2016M-7). The objective of the audit was to determine if district officials identified and properly billed, collected, recorded and reported tuition for nonresident students.

The audit had three findings – Under-billing of Ripley by \$41,125 over that time period based on \$2.9 million of billings reviewed, one non-resident not billed for potentially \$14,438 in tuition and charged tuition rates not being compared to NYS-calculated NRT rates. However, the Comptroller's office did opine that the district's tuition rates appeared reasonable.

The district, in its reply, noted that it was implementing changes and new procedures to address the issues that the audit noted.