

FundEd: New York Report

A Detailed Look at New York's Funding Policies



New York



Funding Basics

Formula Type

New York has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students both by applying multipliers to that amount to generate supplemental funding for those students and by calculating supplemental funding amounts using formulas.

The categories of students generating supplemental funding in New York are English-language learners, low-income students, students with disabilities, students enrolled in career and technical education programs, and students in sparsely populated districts.

Base Amount

New York has a fixed base funding amount. For FY2018, the per-student base amount was \$6,422.

This means that an average student with no special needs or disadvantages would be funded at that level.

Local Revenue

Expected Local Share

New York expects school districts to contribute revenue to their public schools. The amount each district is expected to raise is based on a combination of its property values and its residents' income.

Each district must contribute the lesser of two per-pupil amounts, produced through two different formulas that both consider local property values and levels of local income. The first formula uses property wealth per student count, weighted for student need, and adjusts for local property wealth and local income levels in that district. The second formula uses state sharing ratios, which are adjusted slightly for high-need districts, and also accounts for local property wealth and local income levels. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the expected local contribution and provides the difference in the form of state education aid.

Property Tax Floors and Ceilings

New York sets a floor for local property tax rates. School districts must contribute the lesser of two per-pupil amounts calculated by the state, produced through two different formulas that both consider local property values and levels of local income.

In addition, year-on-year tax increases are limited to the lesser of 2% or the increase in the consumer price index, unless districts gain the approval of 60% of voters.

The state's five largest cities, where the city school district is wholly dependent on the municipality for funding, are limited to a share of assessed local property wealth for their total municipal budget, including education. New York City may only levy up to \$25.00 for every \$1,000 of assessed property wealth in total, where the property wealth is determined by a five-year average; The other four large cities may only levy \$20.00 for every \$1,000 of assessed property wealth.

Other Local Taxes for Education

School districts in New York may receive local revenue from property taxes, from consumer utility taxes, and from sales taxes imposed by other local taxing authorities.

City school districts with fewer than 125,000 inhabitants may levy a consumer utility tax of up to 3%. In 2014, twenty-four school districts did so, collecting \$34.1 million in total. School districts may not impose sales taxes, but some counties share their tax sales revenue with schools. Counties and municipalities may impose sales taxes in excess of the 4% sales tax imposed by the state, and five counties share their sales tax revenue with school districts.

Finally, the city school districts for the state's five largest cities are wholly dependent on their municipalities for funding, and these municipalities may levy sales taxes as well as local income taxes, business and financial taxes, and taxes on commercial rent.

District Characteristics

Grade Level

New York does not differentiate funding based on students' grade levels.

English-Language Learner

New York provides increased funding for English-language learners (ELLs). It does so primarily in the form of supplemental per-pupil funding for districts in an amount that corresponds to the concentration of ELLs in the district.

In New York, the student-based funding calculated for each district is first multiplied by an index that adjusts for regional cost of living and then by the Pupil Need Index, which is a compound adjustment that considers concentrations of ELLs along with concentrations of students from low-income households and the sparsity of the school district. The portion of this index related to ELLs multiplies the number of such students in the district by 0.5, and then divides the result by the total K-12 enrollment of the district. This percentage plus one becomes the effective multiplier that is applied to the district's cost-adjusted formula funding to provide for English-language learners.

In addition, the state provides grants to support bilingual education programs.

Poverty

New York provides increased funding to districts based on the concentrations of low-income students they serve. It does so primarily in the form of supplemental per-pupil funding for districts in an amount that corresponds to this concentration.

In New York, the student-based funding calculated for each district is first multiplied by an index that adjusts for regional cost of living, and then by the Pupil Need Index, which is a compound adjustment that considers concentrations of students from low-income households along with concentrations of English-language learners and the sparsity of the school district. The portion of this index related to poverty adds together 65% of the students eligible for free or reduced-price lunch under the National School Lunch Program and 65% of the students from households below the federal poverty level, and then divides the result by the total K-12 enrollment of the district. This percentage plus one becomes the effective multiplier that is applied to the district's cost-adjusted formula funding to provide for students from low-income households.

In addition, a district's wealth is taken into account in the calculation of several program-specific allocations. The Combined Wealth Ratio, an adjustment that takes into account both the value of the district's property and the income of residents of the district, is considered in the calculation of program-specific allocations, including aid for career and technical education programs, computer administration expenses, academic improvement initiatives, and high-cost special education services.

Special Education

New York funds special education using a single student weight system, providing the same amount of state funding for each student with disabilities, regardless of the severity of those disabilities. It does so by applying a multiplier of 2.41 to the per-student base amount for students with disabilities.

For the purposes of this supplemental funding calculation, student with disabilities are defined as those receiving special services or being educated in special environments for more than a given proportion of the school day or week. In addition, New York provides additional funding for students whose disability imposes costs exceeding the lesser of \$10,000 or four times the approved operating expense per pupil from two years prior. The additional aid paid by the state takes into consideration the wealth of the local district, and therefore the ability of local residents to support these costs.

Pupils in their first year in a full-time, regular education program after having been in a special education program receive transitional funding at a level equal to the per-student base amount multiplied by 1.5.

Gifted

New York does not provide increased funding for gifted and talented students.

Career and Technical Education

New York provides increased funding for career and technical education (CTE) programs. It does so through aid to Boards of Cooperative Educational Services (BOCES) intended to cover a portion of CTE expenditures and through increased funding for CTE programs for districts that are not a part of a BOCES.

New York provides aid to BOCES, which is provided to component districts based on a wealth adjusted share of approved administrative and shared services expenditures, including CTE expenditures. In addition, New York allocates CTE funding for districts not in BOCES in accordance with a formula that takes into account a measure of the district's wealth and the number of students participating in different CTE programs. The formula only considers CTE students in grades 10-12, and funds for students participating in trade, industrial, technical, agricultural or health programs at a higher level than for those participating in business and marketing programs. The district's wealth is considered in the formula through the use of its Combined Wealth Ratio, a measure of both property wealth and resident income. (See "Poverty" for a description of this ratio.)

Sparsity and/or Small Size

New York provides increased funding for sparse school districts. It does so in the form of supplemental per pupil funding for districts in an amount that corresponds to their levels of sparsity. The state also provides small school funding for schools with fewer than eight teachers, and uses a transportation funding system that considers the density of students in the district.

In New York, the student-based funding calculated for each district is first multiplied by an index that adjusts for regional cost of living, and then by the Pupil Need Index, which is a compound adjustment that considers the sparsity of the district along with concentrations of English-language learners and concentrations of students from low-income households in the district. The portion of this index related to sparsity considers the enrollment of the district and its number of students per square mile, producing a multiplier that is applied to the district's cost-adjusted formula funding.

Transportation funding is provided through a formula that reimburses a percentage of each district's transportation costs. The percentage is informed in part by a calculation that considers the number of students per square mile.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

