ANALYSIS OF SCHOOL FINANCES IN NEW YORK STATE SCHOOL DISTRICTS SCHOOL YEAR (SY) 2021-2022

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List of Tables

Preface

The *Analysis of School Finances in New York State School Districts* (Analysis) is an annual publication that provides a meaningful perspective to staff in the Division of the Budget, the Legislature, the Education Department, and school officials concerning school expenditures, State Aid, and local support. This edition of the Analysis summarizes the finances of the 673 major school districts in school year (SY) 2021-22 as well as public school expenditures and State Aid since SY 2007-08.

Part I begins with a review of historical school finances in New York State. Table 1 displays State Aid and total expenditures since SY 2007-08 and Appendix B contains those data for school years 1940-41 through SY 2006-07. The Analysis also reviews trends in revenues and expenditures from SY 2007-08 through SY 2021-22. (See Figures 1, 2, 3, and 4 and Tables 2 and 3.)

Part II focuses on district variations in per pupil expenditures and wealth. To summarize school district expenditures, Part II groups school districts by approved operating expenditures (AOE) per pupil deciles and describes the magnitude of the disparity between districts in the 10th and 90th percentiles for each year. Decile tables ranked by AOE per pupil, income per pupil, Need/Resource Index (N/RI), and Need/Resource Capacity Categories, demonstrate the degree to which variation in wealth and need are correlated with variation in expenditure or revenue per pupil. Part II uses several pupil counts as denominators in the per-pupil calculations. The various counts reflect features that make them pertinent to analysis of specific data elements. (See Tables 4, 5, 6, 7, 8, and 9.)

Part III reviews five-year trend data on full value, expenditures, State Aid, tax rates, and local revenue. The five-year trend tables display these items on a per pupil basis for the entire State, New York City (NYC), and the rest of State, which includes school districts outside New York City. (See Tables 10, 11, and 12.)

The glossary, Appendix A, and Appendix B at the end of this report describe pupil counts and other technical terms used in this Analysis.[1]

PART I: Financing Public Education in New York State

New York State's capacity to fund education has fluctuated over the years depending on State and national economic prosperity. Revenue from State sources as a percentage of total expenditures has varied from a SY 2001-02 peak of 48.2 percent to a low of 31.5 percent in SY 1944-45. (See Appendix B for Revenues from State Sources Compared with Total General and Special Aid Fund Expenditures, SY 1940-41 Through SY 2006-07.)

Table 1. Revenues from State Sources Compared with Total General and Special Aid Fund Expenditures, SY 2007-08 Through SY 2022-23 (in thousands)

School Year	STAR Credit	STAR Exemption	Other Revenue from State Sources	Total General and Special Aid Fund Expenditures	As Percent of Total Expenditures		
					STAR	State Revenues	Other Total State
2022-23*	$750,000	$1,800,000	$31,100,000	$87,700,000	2.9%	35.5%	38.4%
2021-22	$660,707	$1,901,268	$28,060,421	$83,049,059	3.1%	33.8%	36.9%
2020-21	$582,755	$2,026,185	$26,886,554	$76,352,147	3.4%	35.2%	38.7%

Foundation Aid Formula Three-Year Phase-In: SY 2021-22 to 2023-24

Figure 1. Foundation Aid, SY 2007-08 Through SY 2022-

Enrollment

Several State aid formulas, including Foundation Aid, incorporate an enrollment component, (e.g., some factor in enrollment increases/decreases or certain aids may be calculated using an amount per enrolled pupil).Therefore, enrollment has an impact on funding for school districts. Between SY 2007-08 and a projected SY 2022-23, enrollment has declined over 223,700 students, or 8.0 percent.

Between fall 2021 and fall 2022, total public enrollment decreased from 2,576,755 to 2,570,002 students, down 0.3 -

The increase is particularly notable when comparing the mostly pre-pandemic year, SY 2019-20, and the projected year, SY 2022-23. State revenues per enrolled pupil increased by $1,842, or 16.4 percent. Expenditures per enrolled student also increased, even more dramatically, by $6,297 or 22.6 percent.

Table 2. State Revenue Per Enrolled Pupil and Total General and Special Fund Aid, Expenditures Per Enrolled Pupil, SY 2007-08 Through SY 2022-23

School Year	State Revenue	Percent Increase in State Revenue	Total General and Special Aid Fund Expenditures	Percent Increase in Total Expenditures Over Prior Year
2022-23*	$13,093	10.2%	$34,124	5.9%

Total Revenue by Source

PART II: Comparisons of Per Pupil Expenditures and Wealth by District Rank

Part II provides a summary of school finances, highlighting the relationship between school district wealth and expenditures per pupil.

Table 4 compares Approved Operating Expenditures divided by Total Aidable Pupil Units (AOE per TAPU) by district percentiles.[3] The percentile values displayed (10th, 25th, 50th, 75th, and 90th) include all major school districts apart from New York City. New York City data are shown separately. The 10th decile contains low spending districts. The 90th decile contains high spending districts. Table 4 also displays the difference between the 90th and 10th percentiles. Between SY 2007-08 and SY 2021-22, the median AOE per TAPU has increased by about 62.7 percent while the expenditure gap over the same period has increased by 58.8 percent. [4]

Table 4. Distribution of Approved Operating Expenditures per Weighted Pupil, Major School Districts, SY 2007-08 Through SY 2021-22

School Year	New York City	Percentiles, All Major Districts (Excluding NYC)					10th and 90th Percentiles
		10th	25th	50th	[redacted]	90th	
[redacted]	$17,400	$13,563	$15,020	$16,935	$21,097	$25,540	$11,977

Table 6. SY 2021-22 Wealth, Expenditure, Revenue, and Aid Data Ranked by Income per TWPU Deciles for All Major Districts, Excluding New York City

Table 7. SY 2021-22 Wealth, Expenditure, Revenue, and Aid Data Ranked by Need/Resource Index Deciles for All Major Districts, Excluding New York City											
Need/Resource Index Deciles, upper limit shown (decile 1 = high need)		Decile Average									2021-22 Enrollment
		AOE per TAPU	Actual Valuation per TWPU	Total Expenditures per TAPU	STAR Revenue per TAPU	Other Revenue from State per TAPU	Income per TWPU	Tax Revenues per TAPU	Tax Rate per $1000 Full Value		
1	8.736	$15,151	$265,636	$24,412	$501	$17,107	$105,567	$2,600	9.77		[illegible]
2	3.185	$15,809	$365,668	$24,695	$988	$15,374	$134,225	$5,555	15.27		742,461
3	2.621	$15,576	$434,931	$23,826	$1,068	$13,978	$147,867	$6,412	14.85		[illegible]
4	2.165	$16,845	$498,131	$24,421	$1,174	$12,358	$169,672	$7,985	16.08		[illegible]
5	1.623	$17,258	$660,618	$25,286	$1,360	$11,120	$215,971	$9,650	14.65		523,435

Table 8 displays the same measures as Tables 5 and 6. Rather than ranking districts by deciles, Table 8 ranks districts by 2008 Need/Resource Capacity Categories (N/RC).[8] The Big 4 Cities (Buffalo, Rochester, Syracuse, and Yonkers) have the lowest average wealth measures per pupil, but have the highest average State revenue per pupil excluding STAR. Rural High Need districts and Urban/Suburban High Need districts' average per-pupil measures are distinct from average need and low need N/RC districts. Compared to the State averages, Average N/RC districts have lower wealth, spend less, and receive less State revenue (other than STAR); they raise less tax revenue but have a higher tax rate than the State average. Low N/RC districts' average property value and income per pupil is significantly higher than the State average; they receive less than half the average State Revenue per pupil excluding STAR, but receive nearly twice the STAR revenue per pupil. Low Need N/RC districts' Tax Rate is 97 percent of the State average but raises 156 percent of the average Tax Revenue per pupil.

Table 8. SY 2021-22 Average Wealth, Expenditure, Revenue, and Aid Data Classified by Need/Resource Categories for All Major Districts, Including New York City

2008 N/RC Category	Actual Valuation per TWPU	AOE per TAPU	Total Expenses per TAPU	STAR Revenue per TAPU	Other Revenue from State per TAPU	Income per TWPU	Tax Revenue per TAPU	Tax Rate per $1,000 Full Value

PART III: Changes in School Finances SY 2017-18 to SY 2021-22

This part contains longitudinal information concerning total pupils, key expenditure categories, school district taxes and other revenues, actual valuation, and personal income. Tables 9 through 11 present these items as Total State, New York City, and Rest of State and only include major districts.

Table 9 shows pupil counts over a five-year period. Pupil counts TWPU and TAPU, both gtes 9

Table 9. Selected Pupil Counts Used in School Aid Formulas, New York Major School Districts, SY 2017-18 Through SY 2021-22										
	SY 2017-18	SY 2018-19	% Change SY 2017-18 to SY 2018-19	SY 2019-20	% Change SY 2018-19 to SY 2019-20	SY 2020-21	% Change SY 2019-20 to SY 2020-21	SY 2021-22	% Change SY 2020-21 to SY 2021-22	5-year % Change SY 2017-18 to SY 21-22
I. Total Aidable Pupil Units (TAPU) for Expenditure										
New York City	1,468,580	1,485,143	1.1%	1,492,120	0.5%	1,414,819	-5.2%	1,338,987	-5.4%	-8.8%
Rest of State	1,958,663	1,945,593	-0.7%	1,939,485	-0.3%	1,861,981	-4.0%	1,824,166	-2.0%	-6.9%
Total State	3,427,243	3,430,736	0.1%	3,431,605	0.0%	3,276,800	-4.5%	3,163,153	-3.5%	-7.7%
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Table 10. Selected Fiscal Data, New York Major School Districts, SY 2017-18 Through SY 2021-22										
	SY 2017-18	**SY 2018-19**	**% Change SY 2017-18 to SY 2018-19**	**SY 2019-20**	**% Change SY 2018-19 to SY 2019-20**	**SY 2020-21**	**% Change SY 2019-20 to SY 2020-21**	**SY 2021-22**	**% Change SY 2020-21 to SY 2021-22**	**5-year % Change SY 2017-18 to SY 2021-22**
I. Total General and Special Aid Fund Expenditures, in thousands										
New York City	$31,129,547	$33,100,800	6.3%	$34,162,103	3.2%					

Table 11.

Glossary

Actual Valuation of Taxable Real Property (AV): Total assessed valuation of property on the tax rolls within the district adjusted by the State equalization rate determined for such rolls. Data are obtained from the NYS Office of Real Property Tax Services, through the Office of the State Comptroller.

Adjusted Average Daily Attendance (AADA): Adjusted Average Daily Attendance is the same as Average Daily Attendance (ADA) except half-day kindergarten ADA is weighted at 0.50 and is an average for the school year. Unadjusted ADA is the unweighted ADA for the school year.

Approved Operating Expenditures (AOE): Approved Operating Expenditures (AOE) are the operating expenditures for the day-to-day operation of the school as defined in Education Law. Not included are expenditures for building construction, transportation of pupils, some expenditures made to purchase services from a Board of Cooperative Educational Services or County Vocational Education and Extension Board, tuition payments to other districts, and expenditures for programs that do not conform to law or regulation. Money received as Federal aid revenue, proceeds of borrowing, and State aid for special programs are first deducted from total annual expenditures when approved operating expenditures are computed. For 1989-90, AOE was adjusted to include the TRS expenditure that would have been incurred without restructuring. Starting with 1992-93, AOE excludes expenditures for students with disabilities in private and State operated (Rome and Batavia) schools.

Average Daily Attendance (ADA): This pupil count is the average number of pupils present on each regular school day in each period, an average determined by dividing the total number of attendance days of all pupils by the number of days school was in session. ADA for a group of classes or schools in session for varying numbers of days is obtained by adding together the ADA for each group. In addition, adjustments are made for the adverse effects of religious holidays on attendance. Equivalent secondary attendance of students under 21 years of age who are not on a regular day school register is added to adjusted ADA in calculating TAPU and TWPU beginning (ng num)-2 (bTJ(w)2 (ho)Dia)4 (ddi)-2 (ng (s)-1 (t)-

Special Aid Fund: Since 1974-75, expenditures in this fund are for most of a school district's Federal funds for specific programs. Beginning with the 1987-88 school year, it also includes expenditures for certain State aid or grant programs. It includes expenditures for students with disabilities and for prekindergarten programs.

Students with Disabilities: Pupils resident of the district and attending special services or programs in public schools and BOCES with additional weightings assigned as follows: pupils attending special services or programs 60 percent or more of the school day, 1.7; pupils in special services or programs 20 percent or more of the school week, 0.9; and pupils in special services or programs two periods or more of the school week, 0.13. Beginning with school year 1988-89 (aid year), pupils receiving direct and indirect consultant teacher services are assigned an additional 0.8 weighting; beginning in 1994-95 (aid year), their weighting is increased to 0.9. In 1998-99 (aid year), the 0.13 weighting was eliminated.

Summer School ADA: This is the ADA of pupils attending approved programs of instruction operated by the district during the months of July and August of the base year in accordance with the Commissioner's Regulations. The summer school weighting is 0.12.

Tax Rate: The tax revenue of local tax and other revenue divided by the actual valuation of real property, 5.560 Td()T8.s tan (i)-2G gh T 1 (TcirEsx3 (t)-2 (v n 6 (i)(p r)3 de t,si rn913.79 erve d vi s5(r) (t cT

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Wealth School district wealth or fiscal capacity is determined by Actual Value per TWPU and/or Income per

Appendix A: Historic Changes in Pupil Units

For more than five decades, a data measure called "pupil units" has been used to compute expenditures. This data measure, however, has evolved its definition over time. This section describes the ways the data measure "pupil units" has changed in scope and use from 1974 to present.

Use of WADA Prior to 1974-75: Prior to school year 1974-75, expenditure per pupil was based on Weighted Average Daily Attendance (WADA) computed using full-time attendance in the best 4 of 8 or 5 of 10 attendance periods with half-day kindergarten weighted at 0.5 and secondary pupils at an additional 0.25.

TAPU Definitions from 1974-75 through 1979-80: From 1974-75 to 1977-78, the pupil count was Total Aidable Pupil Units (TAPU) based on full year attendance plus half-day kindergarten weighted at 0.5; dual enrollment ADA; pupils with special educational needs (PSEN) weighted at an additional 0.25; summer school pupils at an additional 0.12; evening school at an additional 0.50; students with disabilities weighted at an additional 1.0; and secondary pupils not weighted as PSEN or students with disabilities at an additional 0.25. Pupils with special educational needs are determined based on third and sixth grade math and reading Pupil Evaluation Program (PEP) tests. (See Glossary for year of test.)

In school years 1978-79 and 1979-80, pupil counts were based on TAPU except secondary school PSEN which had not previously received the secondary weighting including the PSEN, received an additional 0.15 secondary weighting. The PSEN weightings were based on 1974 and 1975 third- and sixth-grade math and reading PEP tests.

The 1980-81 school year was the first year of the new and separate formula for providing State aid for students with disabilities. Therefore, TAPU for payment of operating aid in school year 1980-81 did not contain a weighting for students with disabilities while the newly defined TA

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Pupil Units to Compute District Wealth Per Pupil: The pupil units used to compute school district wealth prior to school year 1978-79 were based on Resident Weighted Average Daily Attendance (RWADA) computed based on the best 4 of 8 or 5 of 10 attendance periods of the district. Beginning with the 1990-91 aid year (1988-89 attendance), all attendance periods are used. This pupil count is based upon resident pupils with half-day kindergarten pupils weighted at 0.5 and secondary pupils weighted at 1.25. The difference between RWADA and WADA is: RWADA is resident pupils attending public school and WADA is based on attendance of resident and non-resident pupils. RWADA continues to be used to calculate Building, Hardware, Transportation and BOCES Aids.

Pupil weightings included were as follows: half-day kindergarten at 0.5; secondary at an additional 0.25; PSEN at an additional 0.25; students with disabilities at an additional 1.00; and

Beginning with the 1985-86 school year, TWPU was based on full year attendance.

Beginning with the 1988-89 school year, PSEN weightings are based on third- and sixth grade reading and mathematics PEP test scores, averaged for Spring 1985 and Spring 1986. These scores are used to determine weightings to be included in TWPU. Beginning with the 1988-89 school year, Big Five occupational education pupils are duplicated for secondary weighting.

Beginning with school year 1993-94 (aid year), the attendance of pupils attending private- and State-operated (Rome and Batavia) schools for students with disabilities is excluded from Average Daily Attendance. Also, pupils attending private- and Stat- operated schools are excluded from receiving the additional 1.7 weighting.

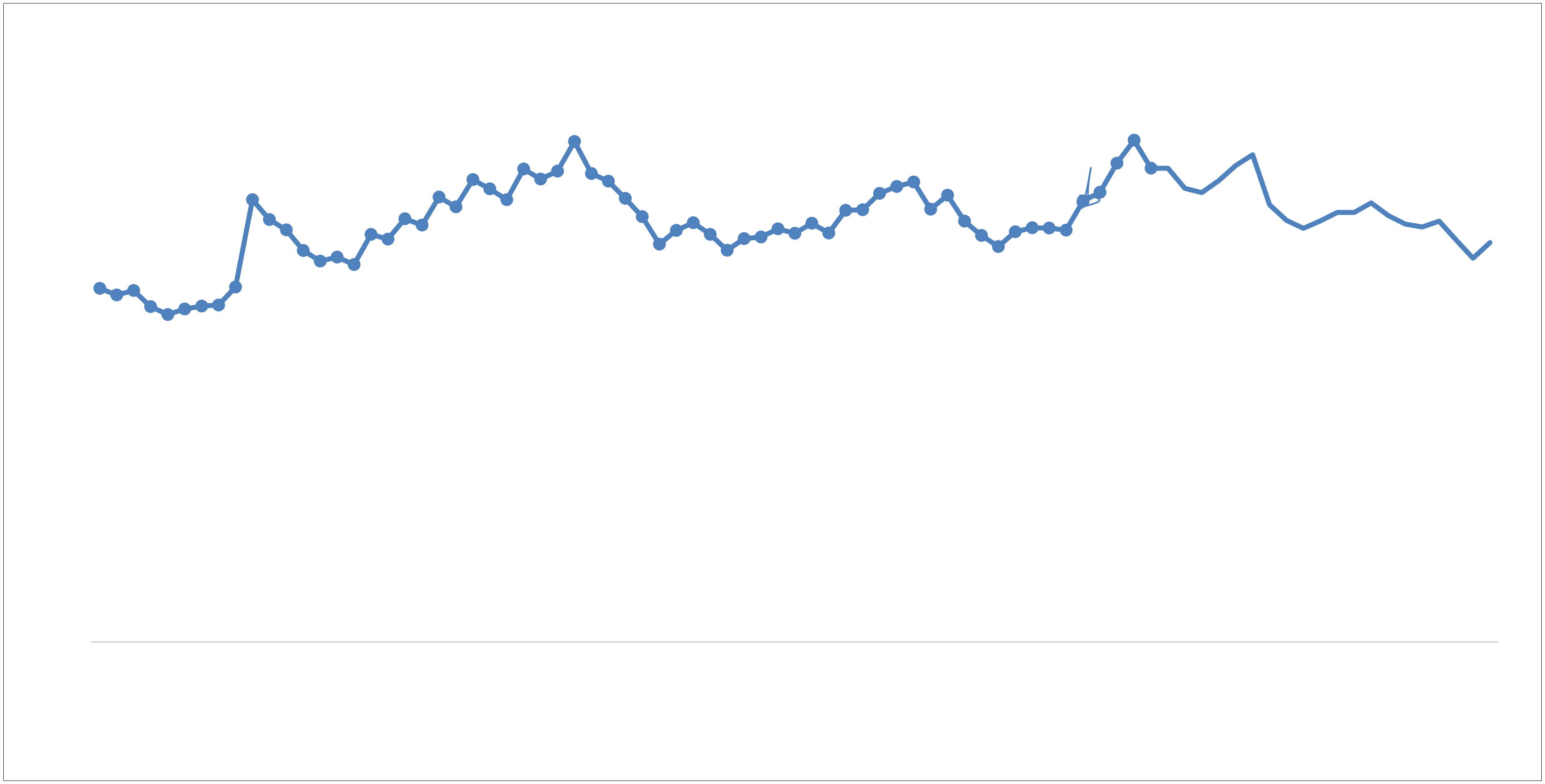
Beginning with school year 1997-98 (aid year), the TWPUs and RWADAs for the Rome, Plattsburgh, and Peru school districts (districts experiencing pupil losses due to federal military base closings) are limited to decreases of no more than 2.5 percent from the prior year. The Laws of 2002, 2007, 2012 and 2017 extended this provision until June 30, 2007, June 30, 2012, June 30, 2017, and June 30, 2027, respectively.

Charter schools were first authorized in 1999-00. To avoid negatively impacting TWPU and RWADA, charter school pupils are included in the basic pupil count (ADA).

In 2007-08 (aid year), enactment of the new Foundation Aid required creation of another wealth count, Total Wealth Foundation Pupil Units (TWFPU). TWFPU is based on resident adjusted Average Daily Membership (ADM) which weights half-day kindergarten ADM at .5 and eliminates additional weightings.

Table 12. Revenues from State Sources Compared with Total Expenditures for Public Elementary and Secondary Schools,

Figure 5. Revenues from State Sources as a Percent of Total Expenditures, Total State, SY 1940-41 Through SY 2022-23



Note: Data are estimated for SY 2022-23.