The Education Dollar

A Look at Spending and Funding Trends

New York State Association of School Business Officials

Advancing the Business of Education

September 2015
Executive Summary

This annual study examines school district spending and funding over a ten-year period. The study identifies both a shift in the state and local shares of funding our public schools, the continued disparity in resources between high and low need districts, and the disproportionate long-term growth of school spending in non-general education categories.

In school year 2013-14, a total of $60 billion in federal, state and local resources was spent to support our 679 public school districts, equating to $21,812 per pupil for approximately three million students. Of this support, $9,026 per pupil came from the state. Over the past decade the local share (mostly property taxes) of school district revenue has grown four percent, while state and federal shares have declined two percent.

The disparity between high need and low need districts has remained virtually unchanged over the last five years. In 2007-08, low need districts spent $5,541 more per pupil than high need districts. In 2012-13 that disparity between low and high need spending dipped by only $183 to $5,358 more per pupil. These disparities continue to exist despite both recent school aid increases and higher tax rates in high need districts ($15.27 in high need and $13.22 in low need per thousand of property value).

Of all the spending categories studied, teacher pension costs grew the most at 181 percent over ten years, followed by spending on tuition (e.g. special education placements) at 94 percent, and health care at 72 percent. Spending on special education grew 26 percent over the six years for which information was available, while general education spending grew 15 percent. School districts spent about two and a half times more per pupil on special education than they did on general education and the classification rate of students with disabilities was unchanged at 13 percent.

Introduction

This report provides basic background on New York State school districts and analyzes the status of and trends in school funding and spending. It includes a description of the number and different type of school districts in New York State, funding sources for public schools, and focuses in detail on where the education dollar is spent and the growth in school spending over a ten-year period. It includes an analysis of instructional spending and students in general education and special education over a seven-year period.

School District Types

New York State provides public education to its children by way of 679 school districts and 37 regional education entities known as Boards of Cooperative Educational Services (BOCES). This includes:

- 650 K-12 school districts and 24 non-K-12 districts that employ eight or more teachers and are eligible for regular State Aid.
- All are fiscally independent (with independent taxing and borrowing authority) except New York City and the Big Four city school districts of Buffalo, Rochester, Syracuse, and Yonkers which are fiscally dependent on their city governments.
- 37 Boards of Cooperative Educational Services (BOCES) provide a range of programs and services to groups of two or more school districts other than New York City and the Big Four.
- Five districts with fewer than eight teachers are eligible to receive only Operating and Transportation Aids. These are not covered in this report.
New York State provides education to students in pre-kindergarten to grade 12. Total spending from the General and Special Aid funds totaled $60.1 billion in 2013-14. This includes $24.9 billion from state sources including state funding from the School Tax Relief (STAR) program. This amounts to an average spending of over $21,812 per student and an average state aid per student of $9,026.

**Figure 1. Total Funding and Funding per Student from State and Overall: 2013-14**

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Funding</th>
<th>Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>$24,889,551,635</td>
<td>$9,026</td>
</tr>
<tr>
<td>Overall</td>
<td>$60,147,077,072</td>
<td>$21,812</td>
</tr>
</tbody>
</table>

Education revenues come from three sources: local (54.5 percent), state (41.4 percent) and federal (4.2 percent). Figure 3 shows that over the past decade, the local share has grown 4.1 percent, the state share has declined 2.1 percent and federal aid has declined 2.0 percent, despite increased funds in 2009-10 and 2010-11 attributed to the American Reinvestment and Recovery Act of 2009.

**Figure 2. New York State Education Funding Sources: 2013-14**
Using 2013-14 school year data, local funding constitute 54.5 percent of education funding. About 90 percent derives from property taxes levied by boards of education on residential and commercial properties. Only New York City and the Big 4 cities have constitutional tax limits. The limits apply to the total municipal budget, of which the school budget is a part. Independent school districts and the Big 4 dependent city school districts have a tax levy cap that requires a super majority 60 percent or greater voter approval to override. The considerable reliance on local funding results in large spending disparities among school districts, and has long been considered a school finance challenge to providing equal educational opportunities for all school children.

New York’s diversity across its 679 school districts continues to pose problems for education reformers. NYSED ranked school district into deciles by student need in relation to resource capacity and compared the 10 percent highest need districts to the 10 percent of lowest need districts.

In 2007-08, there was a spending gap of more than $5,000 per student, despite the fact that the highest need districts were taxing themselves more, almost $3 per $1,000 of property value more than the low need districts. The highest need school districts had approximately $2,000 in property value for every student while the low need districts had more than $14,000 in property value for each student.

Comparing the same data in 2012-13, the spending gap between high and low need school districts has declined by $183. Taxes have increased for both groups of school districts, but high need school districts continue to tax more and spend less. The gap continues to increase, as property wealth grew approximately $600 per student in high need school districts and about $3,000 per student in low need school districts. Comparing the spending gap over time, NYSED reports “this expenditure gap generally decreased from 1993-94 until 1999-00, and, with few exceptions, has generally been increasing since the 2001-02 school year.” The highest need school districts tax at a higher rate, but tend to raise less and offer less.

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State revenues for education are provided to create a partnership between the state and local school districts for the improvement of education and help school districts offer equal educational opportunity to the public school children of the State. Eighty-eight percent of state revenues for education come from the state’s General Fund, primarily from income and sales taxes. State sales tax laws reserve four percent for New York State and permit counties and cities to levy up to an additional four percent. Approximately 12 percent of state education revenues comes from a special revenue fund supported by lottery receipts.

Examining state funding as a percent of total spending for public schools over time, the lowest level of state support was in 1944-45 at 31.5 percent. The highest level was in 2001-02 at 48.2 percent and current estimates for 2013-14 are 41.4 percent. However, these latter two numbers include aid from the School Tax Relief Program (STAR), first implemented in 1998-99. For 2013-14, STAR aid made up 5.6 percent of total education funding and amounted to $3.4 billion.

The School Tax Relief Program was enacted in 1997 and took effect with the 1998-99 school year. The state makes payments to school districts to compensate them for reduced property tax receipts. STAR began with the implementation of a state funded school property tax exemption for senior citizen homeowners. This was planned for a four-year phase-in, but subsequent legislation provided for full implementation for seniors in the first year (1998-99). The basic STAR exemption provides tax relief on the first $30,000 in property value for taxpayers in their primary residence who earn less than $500,000 a year. A middle class STAR Program—enacted in 2007 and discontinued in 2009—targeted additional tax relief to middle income homeowners. Enhanced STAR provides an increased benefit for the primary residences of senior citizens (age 65 and older) with qualifying incomes. It exempts the first $65,300 of the full value of a home from school taxes as of 2015-16 school tax bills (up from $64,200 in 2013-14).  

Although STAR funding is state funding that goes to school districts its purpose and distribution are different from school aid. School aid is state funding that goes to school districts to equalize educational opportunity. STAR is state funding that goes to school districts to reduce real property tax burden. School aid is distributed based on school district need factors (such as, fiscal capacity and student poverty) to provide a level playing field so that all students will have the opportunity to achieve the education to which the state constitution entitles them. STAR is distributed based on property wealth and as such provides more funds to wealthier parts of the state, thus having little impact on educational opportunity. Figure 5 shows that average and low need/resource capacity school districts receive more STAR per student than the four high need school district categories (New York City, Big 4, high need urban/suburban and high need rural).

Figure 5. STAR Per Student by School District Need/Resource Capacity: 2013-14

<table>
<thead>
<tr>
<th>District</th>
<th>STAR Aid</th>
<th>Enrollment</th>
<th>STAR Aid %</th>
<th>Enrollment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City</td>
<td>25%</td>
<td>40%</td>
<td>688</td>
<td>8%</td>
</tr>
<tr>
<td>Big 4</td>
<td>2%</td>
<td>5%</td>
<td>516</td>
<td>8%</td>
</tr>
<tr>
<td>High Need Urb/Sub</td>
<td>8%</td>
<td>8%</td>
<td>1,039</td>
<td>6%</td>
</tr>
<tr>
<td>High Need Rural</td>
<td>5%</td>
<td>6%</td>
<td>946</td>
<td>29%</td>
</tr>
<tr>
<td>Ave Need</td>
<td>40%</td>
<td>29%</td>
<td>1,486</td>
<td>13%</td>
</tr>
<tr>
<td>Low Need</td>
<td>21%</td>
<td></td>
<td>1,695</td>
<td></td>
</tr>
</tbody>
</table>

2 http://www.tax.ny.gov/pit/property/star/index.htm
Examining historical spending on New York State public schools, Figure 6 shows that total spending has increased gradually over the past two decades, from $24.9 billion in 1994-95 to $60.1 billion in 2013-14. The rate of growth, however, has changed. In the first 15 years of this period annual school spending grew at a rate of 5.6 percent annually. Since 2009-10 the rate slowed to 2.2 percent for the next five years.

Figure 6. New York State School District Spending: 1994-95 to 2013-14

The education dollar is spent mostly on salaries of instructional staff, which together with their fringe benefits account for 77 percent of every education dollar. The remaining 23 percent is spent on operation and maintenance of school buildings (six percent), debt service for school construction (five percent), student transportation (five percent), non-instructional fringe benefits (three percent), central administration including board of education expenses (two percent) and other, including expenses for tuition of resident students attending other school districts (two percent.).

Figure 7. New York State: Where the Education Dollar is Spent: 2013-14

Figure 8 shows that these percentages have been relatively consistent over the past decade with small changes. The percent of the education dollar devoted to instruction and operations and maintenance each declined one percentage point and the percent devoted to non-instructional fringe benefits increased two percent.
We examined these categories and the subcategories contained within them to determine which spending categories grew the most and least over the last decade. We looked at results for the state as a whole and for groups of school districts categorized by a measure of their student need in relation to resource capacity. The spending categories were taken from Annual Financial Report (ST3) data as aggregated by the New York State Education Department in its Fiscal Profiles.

Not all education expenses have grown at the same rate. Figure 9 shows that statewide, total school expenditures grew 40 percent over this 10-year period. The largest growth area was in teacher retirement (181 percent growth) and the smallest growth was tuition paid to other New York State school districts (excluding Special Act Districts), which declined 33 percent. Significant increases also occurred for the Other category (81 percent or an average of 8.1 percent per year) which includes primarily inter-fund transfers, such as transfers from the General Fund to the School Food Service Fund or Capital Fund and for Debt Service Principal which increased 63 percent, or an average of 6.3 percent a year over the decade.3

Exaining the largest areas of growth for school districts grouped by need/resource capacity category shows that teacher retirement was the largest growth area for all types of school districts. Expenditures for teacher retirement grew the most in low need school districts and the least in the New York City School District.

3 For a complete definition of these expenditure categories, see: http://www.oms.nysed.gov/faru/Profiles/18th/revisedAppendix.html
Figure 10 presents the change in spending over 10 years for school districts grouped by 10 regions as defined by the New York State Comptroller. Figure 11 shows a map of school districts and regions used to assess regional spending changes by New York State public school districts.

### Figure 10. School District Spending Change by Region: 2004-05 to 2013-14

<table>
<thead>
<tr>
<th>Category</th>
<th>State</th>
<th>Capital</th>
<th>Central</th>
<th>FL</th>
<th>LI</th>
<th>Hudson</th>
<th>Mohawk</th>
<th>NYC</th>
<th>Northern</th>
<th>Southern</th>
<th>Western</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Education</td>
<td>30%</td>
<td>17%</td>
<td>46%</td>
<td>32%</td>
<td>27%</td>
<td>23%</td>
<td>21%</td>
<td>54%</td>
<td>26%</td>
<td>22%</td>
<td>36%</td>
</tr>
<tr>
<td>Central Administration</td>
<td>15%</td>
<td>24%</td>
<td>34%</td>
<td>28%</td>
<td>20%</td>
<td>21%</td>
<td>24%</td>
<td>4%</td>
<td>21%</td>
<td>43%</td>
<td>26%</td>
</tr>
<tr>
<td>Teacher Salaries</td>
<td>24%</td>
<td>14%</td>
<td>10%</td>
<td>12%</td>
<td>31%</td>
<td>29%</td>
<td>8%</td>
<td>28%</td>
<td>13%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Pupil Personnel Services Salaries</td>
<td>25%</td>
<td>39%</td>
<td>33%</td>
<td>26%</td>
<td>33%</td>
<td>39%</td>
<td>18%</td>
<td>-56%</td>
<td>22%</td>
<td>22%</td>
<td>27%</td>
</tr>
<tr>
<td>Curriculum Dev. and Support Salaries</td>
<td>8%</td>
<td>20%</td>
<td>10%</td>
<td>19%</td>
<td>24%</td>
<td>23%</td>
<td>18%</td>
<td>-12%</td>
<td>19%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>BOCES</td>
<td>32%</td>
<td>23%</td>
<td>39%</td>
<td>35%</td>
<td>32%</td>
<td>37%</td>
<td>41%</td>
<td>NA</td>
<td>24%</td>
<td>40%</td>
<td>22%</td>
</tr>
<tr>
<td>Tuition Paid to other districts</td>
<td>-33%</td>
<td>-1%</td>
<td>15%</td>
<td>-56%</td>
<td>33%</td>
<td>45%</td>
<td>14%</td>
<td>-92%</td>
<td>86%</td>
<td>4%</td>
<td>47%</td>
</tr>
<tr>
<td>Other Tuition</td>
<td>94%</td>
<td>51%</td>
<td>49%</td>
<td>175%</td>
<td>108%</td>
<td>79%</td>
<td>67%</td>
<td>96%</td>
<td>-9%</td>
<td>285%</td>
<td>80%</td>
</tr>
<tr>
<td>Other Instructional Salaries</td>
<td>24%</td>
<td>17%</td>
<td>13%</td>
<td>20%</td>
<td>22%</td>
<td>19%</td>
<td>16%</td>
<td>36%</td>
<td>28%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Other Instructional Expenses</td>
<td>74%</td>
<td>36%</td>
<td>24%</td>
<td>12%</td>
<td>16%</td>
<td>8%</td>
<td>7%</td>
<td>126%</td>
<td>4%</td>
<td>0%</td>
<td>32%</td>
</tr>
<tr>
<td>Community Service</td>
<td>51%</td>
<td>-59%</td>
<td>-21%</td>
<td>-11%</td>
<td>20%</td>
<td>-44%</td>
<td>-19%</td>
<td>106%</td>
<td>28%</td>
<td>70%</td>
<td>17%</td>
</tr>
<tr>
<td>Operations and Maintenance</td>
<td>22%</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>22%</td>
<td>22%</td>
<td>5%</td>
<td>37%</td>
<td>20%</td>
<td>6%</td>
</tr>
<tr>
<td>Teacher Retirement</td>
<td>181%</td>
<td>215%</td>
<td>207%</td>
<td>221%</td>
<td>275%</td>
<td>257%</td>
<td>210%</td>
<td>149%</td>
<td>220%</td>
<td>198%</td>
<td>183%</td>
</tr>
<tr>
<td>Health</td>
<td>72%</td>
<td>61%</td>
<td>55%</td>
<td>66%</td>
<td>56%</td>
<td>56%</td>
<td>53%</td>
<td>118%</td>
<td>67%</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>Other Employee Benefits</td>
<td>30%</td>
<td>35%</td>
<td>33%</td>
<td>47%</td>
<td>42%</td>
<td>41%</td>
<td>26%</td>
<td>21%</td>
<td>34%</td>
<td>30%</td>
<td>17%</td>
</tr>
<tr>
<td>Other Undistributed</td>
<td>42%</td>
<td>10%</td>
<td>47%</td>
<td>25%</td>
<td>34%</td>
<td>58%</td>
<td>61%</td>
<td>52%</td>
<td>53%</td>
<td>48%</td>
<td>34%</td>
</tr>
<tr>
<td>Other</td>
<td>81%</td>
<td>118%</td>
<td>135%</td>
<td>116%</td>
<td>105%</td>
<td>52%</td>
<td>-20%</td>
<td>53%</td>
<td>201%</td>
<td>124%</td>
<td>-20%</td>
</tr>
<tr>
<td>Transportation</td>
<td>39%</td>
<td>22%</td>
<td>30%</td>
<td>32%</td>
<td>31%</td>
<td>35%</td>
<td>30%</td>
<td>59%</td>
<td>28%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Debt Service Principal</td>
<td>63%</td>
<td>61%</td>
<td>59%</td>
<td>57%</td>
<td>78%</td>
<td>78%</td>
<td>119%</td>
<td>26%</td>
<td>108%</td>
<td>129%</td>
<td>76%</td>
</tr>
<tr>
<td>Debt Service Interest</td>
<td>6%</td>
<td>4%</td>
<td>14%</td>
<td>1%</td>
<td>16%</td>
<td>3%</td>
<td>19%</td>
<td>8%</td>
<td>6%</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>40%</td>
<td>30%</td>
<td>29%</td>
<td>30%</td>
<td>39%</td>
<td>38%</td>
<td>30%</td>
<td>51%</td>
<td>35%</td>
<td>31%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Figure 10 shows that changes in spending on teacher retirement were greatest in every region of the state except the Southern region. Spending areas where school districts spent less over this period included Community Service (in the Capital, Central and Hudson regions), tuition paid to other districts (Finger Lakes, NYC and the state as a whole), other tuition (Northern region), debt service interest (Long Island) and other (Mohawk and Western regions). The spending category with the least change for the Southern region was other instructional expenses which did not change over this period.

Statewide total spending increased 40 percent over this period with considerable variability among the regions. Total spending change was lowest (25 to 30 percent) in the Western, Central, Capital, Finger Lakes and Mohawk regions. Total spending change was highest (51 percent) in New York City. Regions with a moderate amount of spending change over this period (31 to 39 percent) occurred in the Southern, Northern, Hudson and Long Island regions.
Figure 11. New York School Districts by Need/Resource Classification and Region
We examined the change in students with disabilities compared with the change in general education students and the change in instructional spending on general education compared with the change in special education spending.

**Figure 12. General and Special Education Expenditures: 2006-07 to 2012-13**

Figure 12 shows that both general education and special education expenditures grew from 2006-07 to 2012-13, the latest year for which data are available, although special education spending grew at a somewhat faster rate. Expenditures for general education grew 15 percent and expenditures for special education grew 26 percent.

**Figure 13. General and Special Education Cost per Student: 2006-07 to 2012-13**

Examining this growth per student shows that expenditures per student grew 19 percent for general education and 25 percent for special education. That is spending per student grew at a slightly faster rate for special education students. On a per student basis, school districts spent about two and a half times as much on special education as they did on general education.

**Figure 14. Ratio of Special to General Education Cost per Student: 2006-07 to 2012-13**

Inflation over this period was 17.4 percent. Examining these spending increases controlling for inflation shows that general education spending increased at a rate that was very close to the rate of inflation, while special education spending increased on average 1.3 percent more than inflation each year.

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The number of general education students declined three percent over this seven-year period and the number of special education students increased one percent.

Despite these changes, Figure 16 shows that the classification rate for students with disabilities remained a constant 13 percent over this period.

Figure 16 also shows that the balance between special and general education changed over this seven-year period. Although spending grew for both general and special education, the percent of instructional expenditures devoted to general education declined two percent and the percent devoted to special education grew two percent.
Conclusion

Despite several years of school aid increases, the state share of education funding remains below pre-recession levels, the disparity between high and low need districts remains virtually the same, and spending on non-general education programs continues to consume a disproportionate share of school district resources.

These facts demonstrate that both the amount of funding for public schools and how that funding is spent are equally important to providing a sound basic education to all students in the state.

The state not only needs to meet its constitutional and legal commitments (i.e. CFE decision) to fund public schools, but to do so in a manner that both insures the equitable allocation of resources as well as the efficient use of those resources.

Tax caps, local government efficiency plans and rebates do little to address the underlying cost drivers of school spending. As mentioned in this study, the largest share of school spending (77%) is instructional (i.e. teacher) costs and fringe benefits. The largest increases in school spending over a ten year period were teacher pensions, employee health care and special education. Most, if not all, of these costs drivers are mandated by the state.

In addition, the state should examine funding for non-instructional areas, such as pupil transportation and school construction, and develop a more efficient method of providing support, thus freeing up resources to fund instruction through Foundation Aid. School districts should review all school resources and ensure that every resource decision is made in a manner that helps accomplish their mission relating to student achievement. School business officials, the state’s Education CFO’s, can help guide this process.
Expenditures (GF, SAF, DSF):

**Board of Education.** This item consists of expenditures related to the Board of Education.

**Central Administration.** This item consists of expenditures for central administration.

**Teacher Salaries.** This item was intended to represent the salaries paid to K-12 teachers. This classification scheme is not perfect, since the .15 codes may include salary expenditures for certified personnel who are not necessarily teachers. This classification, however, does provide a reasonable approximation of total salary expenditures for K-12 teachers from the General Fund and Special Aid Fund.

**PPS Instr Salaries.** This item consists of General Fund and Special Aid Fund instructional salaries for pupil personnel services.

**Curriculum Development and Supervision.** This item consists of General Fund and Special Aid Fund expenditures for: 1) curriculum development and supervision (instructional salaries); and, 2) supervision of regular and special schools (instructional salaries).

**BOCES Instructional Expense.** This item consists of General Fund and Special Aid Fund expenditures of districts for instructional program services provided by a Board of Cooperative Educational Services (BOCES). Please note that this category does not include all services provided by a BOCES to a district.

**Tuition Paid to Other Districts.** This item consists of tuition paid to other New York State school districts (excluding Special Act Districts).

**Other Tuition.** This item represents any expenditures for tuition, which was not reflected in the above Tuition category.

**Other Instructional Salaries.** This item consists of General Fund and Special Aid Fund salary expenditures for individuals providing services to the instructional program of a district that have not been included in the salary categories previously defined (e.g., prekindergarten teachers, librarians, media specialists, paraprofessionals, teacher aides, secretaries and other support staff).

**Other Instructional Expenses.** This item consists of all other expenditures for the instructional program, which were not included in the instructional categories defined above. It includes expenditures associated with the instructional program excluding salaries (for example, expenditures for supplies, materials, equipment, interscholastic athletics, and co-curricular activities). The emphasis on technology and payments to charter schools have increased expenditures in this area.

**Community Service.** This item consists of General Fund and Special Aid Fund expenditures for community services which include: recreational programs (including transportation) sponsored by the board of education; youth programs approved by the State Division for Youth; facilities used for meetings of citizens, parent-teacher associations, lectures and other civic activities; and, job training partnership expenditures.

**Operation & Maintenance.** This item consists of General Fund and Special Aid Fund expenditures for the operation and maintenance of plant plus repair reserve expenditures.

**Teacher Retirement.** This item represents payments made for individuals belonging to a teacher retirement system. Some districts report a negative number for this item.

**Health.** This item consists of district expenditures from the General Fund for hospital, medical and dental coverage for employees.

**Other Employee Benefits.** This item represents employee benefits excluding teacher retirement and health insurance funded through the General Fund and Special Aid Fund. Some districts reported negative expenditures for one or more of the account codes used in this item.

**Other Undistributed.** This item consists of General Fund and Special Aid Fund expenditures for items such as: 1) central storeroom; 2) central printing and mailing; 3) central data processing; 4) special items (includes school association dues, judgments and claims, assessments on school property, tax refunds, BOCES administrative charges, and unclassified); 5) expenditures from other reserves; and 6) unallocated insurance.

**OTHER.** This category is primarily interfund transfers.
**SUBTOTAL.** For each year, this item was calculated as the sum of the expenditures for the categories described above.

**TRANSPORTATION.** Data displayed under this item consist of General Fund and Special Aid Fund expenditures for transportation (including bus purchases from current General Fund appropriations). Transportation expenditures are for transportation services, garage building (excluding capital expenditures), contract transportation and transportation provided by BOCES.

**DEBT SERVICE (PRI).** Expenditures charged to debt service include: principal and interest on long-term debt (which includes serial, statutory, term bonds and capital notes); installment purchase debt for public library, school construction, bus purchases, BOCES construction and other purposes; and, interest on short-term notes (which includes TANs, RANs, BANs, and Budget notes). Data displayed for this item represents expenditures for the payment of debt service principal.

**DEBT SERVICE (INT).** Data displayed for this item represent expenditures for the payment of debt service interest.

**GRAND TOTAL.** This item represents the total expenditures charged by a district to the General, Debt Service, and Special Aid Funds. Some districts reported negative expenditures for at least one of the transfers used. Totals may not add due to rounding.
Data Sources and Methods

This study reports primarily on data included in the New York State Education Department’s School District Fiscal Profiles. The profiles are published annually and summarize data provided by school districts in Annual Financial Reports (the ST3). Some data were also included from the NYSED’s Analysis of School District Finances and State Aid Primer which are published annually.

Information was presented in several instances by groupings of school districts, categorized by NYSED’s Need/Resource Capacity categories of school districts. Six categories are used, four high need groupings, average, and low need school districts. The categories are: New York City, the Big 4 city school districts, high need urban and suburban school districts, high need rural school districts, average need school districts, and low need school districts. The table below shows the number of school districts in each category used in this report. For a detailed description of the calculation of need/resource capacity categories, see:


### Need/Resource Capacity Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City (High)</td>
<td>1</td>
</tr>
<tr>
<td>Big 4 (High)</td>
<td>4</td>
</tr>
<tr>
<td>Urban/Suburban (High)</td>
<td>46</td>
</tr>
<tr>
<td>Rural (High)</td>
<td>151</td>
</tr>
<tr>
<td>Average</td>
<td>340</td>
</tr>
<tr>
<td>Low</td>
<td>132</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>674</strong></td>
</tr>
</tbody>
</table>
Acknowledgements

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