



Homer Central School District
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Date: February 26, 2013
To: Nancy Ruscio, Superintendent of Schools
From: Russ Hearton, Director of Business and Finance
Subject: Future recalculation of building aid

I have attached two sheets showing an overview of the rules that are impacting the recalculation of building aid, based on laws passed in 2001. The summary is provided courtesy of Questar State Aid Planning Service.

I have also attached a single sheet illustrating an estimate of how the recalculation of interest rates may impact Homer CSD in the future. The rates for each year will most likely be made available in the fall of each year. This year it was announced in early November of 2012. Therefore the estimate is based on this year's rate but is only an estimate. It shows a reduction in building aid of roughly \$158,000 for 2013-14 which would be from the current Governor's run of aids for 13-14. This would be an offset against additional aid that may be received as a result of legislative action later in March.

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Projected Building Aid Prospective Projects Homer CSD			
Building Aid Tier by	Annual Aid Prior to	Estimated Annual	Estimated Difference
2013-2014 BLD 10	\$2,277,542.44	\$2,118,905.59	(\$158,636.85)
2014-2015 BLD 10	\$2,277,542.44	\$2,118,905.59	(\$158,636.85)
2015-2016 BLD 10	\$2,277,542.44	\$2,118,905.59	(\$158,636.85)
2016-2017 BLD 10	\$2,277,542.44	\$2,118,905.59	(\$158,636.85)
2017-2018 BLD 10	\$784,864.21	\$707,497.31	(\$77,366.90)
2018-2019 BLD 10	\$784,864.21	\$707,497.31	(\$77,366.90)
2019-2020 BLD 10	\$784,864.21	\$707,497.31	(\$77,366.90)
2020-2021 BLD 10	\$784,864.21	\$707,497.31	(\$77,366.90)
2021-2022 BLD 10	\$784,864.21	\$707,497.31	(\$77,366.90)
2022-2023 BLD 10	\$0.00	\$0.00	\$0.00

Estimated created By QUESTAR SAP Service using current-year rate of 2.375% SAI for
 Project Numbers: 0002-007, 0003-003, 0006-005, 0008-004) because they had the same 15 year amortization.
 and then Project Numbers: 0007-005 by itself because it had a 20 year amortization.

Recalculation of Building Aid for Prospective and Retro Bonds

- Chapter 383 of Laws of 2001 requires SED to review and revise the interest rate used for a Building Aid project at least once during each ten year period of assumed amortization
 - Impacted projects will include all retro projects and most likely those that received SED approval prior to 7/1/03
 - The interest rate will be based on the statewide average interest rate for the 2011-12 school year (SA-132 and SA-135 data)
 - The revised interest rate will be applied only to remaining assumed semi-annual payments beginning in 2012-13
 - Projects funded with NYS Dormitory Authority will be assigned:
 - A new DASNY rate if the district refunds with DASNY
 - A new DASNY rate if the district does not refund at all
 - The 2011-12 statewide average rate will be used if the district refunds but not through DASNY
 - This will occur every year from now on
 - Projects with SED approval between 7/1/03-6/30/04 will be subject to revised interest rates in 2013-14 and so on...