



# FROM THE BENCH

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NEW YORK STATE COUNCIL OF SCHOOL SUPERINTENDENTS

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## EXCELing at Building Aid<sup>\*</sup>

Legislative enactment of EXCEL aid this year has brought excitement, hope and confusion. Superintendents are asking how this money may be used, when and its impact on regular building aid. This issue of *From the Bench* answers some of the more common questions surrounding EXCEL aid. It is not all inclusive. We encourage analysis of this along with two excellent guidance documents by SED's Office of Facilities Planning:

SED Field Memo 9/06: <http://www.emsc.nysed.gov/facplan/EXCEL/ExcelQ&A062606.htm>

SED 7/06 Field Memo [http://stateaid.nysed.gov/excel\\_memo\\_072806.pdf](http://stateaid.nysed.gov/excel_memo_072806.pdf)).

## EXCEL AID - MAJOR ISSUES

*Expanding our Children's Education and Learning (EXCEL)* was enacted through Chapter 61 of the Laws of 2006. New York City schools desperately needed facility money. To satisfy this need and a component of the CFE case, legislators responded. EXCEL aid was enacted to provide New York City and all school districts in the state needed building resources. Under the law, EXCEL money is available for:

1. **Education Technology:** *the primary purpose* must be to enhance the use of technology including educational content with new hardware;
2. **Health and Safety:** *the primary purpose* must address reduction or elimination of the risk of personal injury or harm to school occupants. This may include environmental remediation, elimination of fire or health code violations and ensuring adequate HVAC for buildings;
3. **Accessibility:** *the primary purpose* must be to enhance accessibility by those with disabilities;
4. **Physical capacity expansion or school construction:** *the primary purpose* is to expand the availability of adequate and appropriate instructional space in a building used primarily for instruction; and,
5. **Energy:** *the primary purpose* is to reduce energy costs/consumption.

At least 75 percent of project expenses must qualify in one or more of these categories. Any expenses (up to the total project cost) related to an approved project are eligible. The 75 percent rule further implies that 25 percent of project expense can be for other than EXCEL eligible costs including site work.

<sup>\*</sup> Portions of this document are derived in part from SED Facilities Planning Q&A found at <http://www.emsc.nysed.gov/facplan/EXCEL/ExcelQ&A062606.htm> (June 2006, revised Sept. 2006)

Applying this rubric, it is possible a district could utilize EXCEL moneys to pay the local portion of a large project. This is particularly the case in districts with high building aid ratios. EXCEL money could pay the entire cost of what would otherwise be the local share of the project. Similarly, a district could limit a building project to be EXCEL-eligible only. Again, this could result in no local share.

EXCEL aid does *not* expire. Chapter 61 does not sunset (legislative phrasing for a law which ceases to exist beyond a certain date). Nothing in the law prohibits a district from receiving EXCEL money in the current school year. The only way a district would not ultimately receive its EXCEL funds for eligible projects is if the legislature amended the law. Currently, there is no indication this will occur.

With that understanding, the Council advises districts to submit for EXCEL eligible projects sooner rather than later. The Governor's Budget Division has already noted that EXCEL has the potential to leverage large increases in Building Aid. If this potential begins to be realized, lawmakers may act to limit aid by capping or 'sunsetting' EXCEL. Presumably, approved projects would not be impacted, so act now.

### ***IMPLEMENTATION ISSUES***

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All public school districts (though not BOCES) may receive EXCEL money. Unlike traditional building aid, EXCEL is financed through the Dormitory Authority of the State of New York (DASNY). This makes the process a bit different, but not terribly so.

Every district has pre-determined EXCEL funds available to it. Districts will send voter approved projects to SED (Facilities Planning; SA-139) with EXCEL moneys listed as a source of funds. SED will confirm EXCEL eligibility and submit projects to DASNY. DASNY will periodically issue Bonds to fund the EXCEL apportionments certified by SED.

As a condition of disbursement to districts, DASNY will require documents substantiating costs for an approved EXCEL project. Moneys are paid once this is done. Districts will not be paid over the time the DA bond is issued (some in the field have suggested this.) Note, EXCEL funds cannot be used to reimburse principal and interest on bonds. However, EXCEL money financed through the DA may reimburse a district for expenses financed with the proceeds of the bond anticipation notes (BANs).

### ***CONCLUSION***

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EXCEL can greatly assist schools without a dramatic local tax impact. Schools are encouraged to take advantage of this program. SED is an excellent resource for additional information. Its two guidance documents and practical experience at Facilities Planning are invaluable. Those contemplating projects should reach out to SED and the Council for additional questions and assistance. Contact information is:

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