



New York State
EDUCATION DEPARTMENT

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SCHOOL DISTRICT REORGANIZATION: A PRIMER

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What is School District Reorganization?

Reorganization is the act of creating a new school district in an area where one or more school districts previously existed.

School Districts “reorganize” when one or more existing districts merge/consolidate to form a single, larger school district.



Why Reorganize?

School district organization in New York State is not permanently fixed, by design, to allow for necessary adjustments to meet the educational needs of area students, while also ensuring a sufficient tax-base to support the expenses related to that mission.

Acknowledging this, NY State Education Law §314 authorizes the Commissioner of Education to continue updating the “Master Plan for School District Reorganization in New York State,” originally commissioned in 1942 and revised in 1958.

Why Reorganize?

- Larger Student/Tax Base + Reorganization Incentive Operating Aid:
 - More resources
 - More educational programs
 - More support services
 - More opportunities
- Reorganization Incentive Building Aid:
 - Upgrade and improve buildings, grounds, and other school facilities



Types of Reorganization

Centralization

- New school district is created that includes the entire area of the school districts to be merged.
- Can be established through the merger of any types of school districts except city school districts.
- The districts must share a boundary line.



Types of Reorganization

Annexation by Non-City School Districts

- New district is not created. An annexed district is dissolved and becomes part of the annexing Central or Union Free school district.
- Common, Union Free and Central school districts can be annexed by a Central or Union Free school district if they share a boundary line.



Types of Reorganization

Annexation by City School Districts

- The district to be annexed will cease to exist and city will have responsibility for education of the whole area.
- School districts of any legal form outside the city district that share a border with the city district or with a district that is joining with the city district may be party to the reorganization.
- The resulting district becomes the “Enlarged City School District of...”

Types of Reorganization

Other Consolidation of Union Free or Common School Districts

- Two or more Common districts may be reorganized as a single new Common or as a single new Union Free.
- Two or more Union Free districts may be reorganized as a single new Union Free.
- A Union Free school district and a Common school district may be reorganized as a single new Union Free.



What About “Tuitioning?”

- With voter approval, districts may contract with one or more neighboring school districts to educate one or more grade levels.
- No additional State Aid available on Educational Contracts.



Starting the Reorganization Process

School districts in NY State are permitted to share services and expenses directly, in addition to utilizing a BOCES. Common shares can include extra curricular activities, intramural and NYSPHSAA athletics, performing arts groups, and even pedagogic expenses.

Over time, it may become an obvious next step to start discussing a permanent reorganization and merger...

Preliminary Reorganization Process

Step 1:

- Boards of Education of affected districts hold joint meetings to determine whether to undergo a formal reorganization study.
 - BOCES District Superintendent is available as an informed, neutral party to provide information and support.

Preliminary Reorganization Process

Step 2:

- If Boards of Education agree, a formal feasibility study on reorganization is commissioned.
 - School Districts are encouraged to apply for NY State Local Government Efficiency Grant(s) to offset costs associated with feasibility study.



Preliminary Reorganization Process

Step 3:

- Boards of Education maintain transparency and hold multiple public information meetings to help ensure a fully informed community.
 - Meeting dates, times, and discussion topics are made available to all voters in each district. Questions are encouraged, honest answers are provided.



Preliminary Reorganization Process

Step 4:

- Boards of Education hold non-binding “straw vote” to assess public support for reorganization.
 - The “Straw Vote” is not legally binding, but it is a necessary step in the public process. The Commissioner of Education will not order a statutory vote without clear evidence of public support.



Preliminary Reorganization Process

Step 5:

- BOCES District Superintendent formally reports results of “straw vote” to the Commissioner of Education, indicating whether or not to proceed further.
 - A BOCES DS letter to the Commissioner of Education in support of reorganization formally starts the statutory (legal) reorganization process.



Feasibility Study Will Include:

- Current and projected enrollments
- Current and projected professional staffing plans
- Options for education programs and curricula
- Options for transportation
- Projected fiscal implications of the reorganization:
State Aid, Expenditures, and Local Tax Impact



What's The Difference?

Centralization or Annexation

CENTRALIZATION	ANNEXATION
<ul style="list-style-type: none"> • Commissioner issues an Order “laying out” a new school district. 	<ul style="list-style-type: none"> • Commissioner issues an Order to dissolve and annex one district to another.
<ul style="list-style-type: none"> • Eligible voters of each district must request a vote by petition for centralization to occur. 	<ul style="list-style-type: none"> • Order is final after 60 days, <u>unless residents petition for a vote.</u>
<ul style="list-style-type: none"> • A second petition from each district is needed in order to vote in multiple locations. 	<ul style="list-style-type: none"> • Vote is not legally required and will only occur in districts that petition for a vote.
<ul style="list-style-type: none"> • A majority in favor at each voting location is needed to form a new district. 	<ul style="list-style-type: none"> • A majority in favor at any voting district is needed to finalize the annexation.
<ul style="list-style-type: none"> • If vote is in favor of reorganization, a new district is formed, and a new Board is elected. 	<ul style="list-style-type: none"> • If in favor of annexation, the annexed district is dissolved. No new Board is elected.



Reorganization Incentive Operating Aid (RIOA)

- RIOA is additional State Aid apportioned to a new district after a reorganization to support expenses resulting from the reorganization.
- RIOA is available for 14 years beginning with the first school year of operation as a reorganized district.

Reorganization Incentive Operating Aid (RIOA)

- Prior to 4/20/2024, RIOA was based on a fixed dollar amount—the 2006-07 State Operating Aid.
- The NYS Enacted Budget for FY2025 amended NYS Education Law 3602 to peg RIOA to “the total foundation aid base...calculated as of the effective date of the reorganization.”
- The new calculation is beneficial to most NYS districts; however, a long-dormant limit to RIOA could negatively impact the amount of Incentive Aid available to some school districts.
 - Districts may contact NYSED for more information.



RIOA Example – Prior to 7/1/2024

Johnsburg CSD and Minerva CSD

40% of the combined amount is provided for 5 years,
then reduced by 4% per year for the next 9 years:

2006-07 Selected Operating Aid															
Minerva	\$141,599														
Johnsburg	\$862,983														
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
School Year:		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
% Aid:		40%	40%	40%	40%	40%	36%	32%	28%	24%	20%	16%	12%	8%	4%
Minerva:		\$56,640	\$56,640	\$56,640	\$56,640	\$56,640	\$50,976	\$45,312	\$39,648	\$33,984	\$28,320	\$22,656	\$16,992	\$11,328	\$5,664
Johnsburg:		\$345,193	\$345,193	\$345,193	\$345,193	\$345,193	\$310,674	\$276,155	\$241,635	\$207,116	\$172,597	\$138,077	\$103,558	\$69,039	\$34,519
Total Incentive Aid for School Year:		\$401,833	\$401,833	\$401,833	\$401,833	\$401,833	\$361,650	\$321,466	\$281,283	\$241,100	\$200,916	\$160,733	\$120,550	\$80,367	\$40,183



RIOA Example – Reorganization After 7/1/2024

Johnsburg CSD and Minerva CSD

40% of the combined amount is provided for 5 years,
then reduced by 4% per year for the next 9 years:

2023-24 Foundation Aid Base															
Minerva	\$1,006,386														
Johnsburg	\$2,828,263														
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
School Year:		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38
% Aid:		40%	40%	40%	40%	40%	36%	32%	28%	24%	20%	16%	12%	8%	4%
Minerva:		\$402,554	\$402,554	\$402,554	\$402,554	\$402,554	\$362,299	\$322,044	\$281,788	\$241,533	\$201,277	\$161,022	\$120,766	\$80,511	\$40,255
Johnsburg:		\$1,131,305	\$1,131,305	\$1,131,305	\$1,131,305	\$1,131,305	\$1,018,175	\$905,044	\$791,914	\$678,783	\$565,653	\$452,522	\$339,392	\$226,261	\$113,131
Total Incentive Aid for School Year:		\$1,533,860	\$1,533,860	\$1,533,860	\$1,533,860	\$1,533,860	\$1,380,474	\$1,227,088	\$1,073,702	\$920,316	\$766,930	\$613,544	\$460,158	\$306,772	\$153,386



Reorganization Incentive Building Aid: New Buildings / Adding New Space

When adding new space, the highest district building aid ratio prior to reorganizing is increased by 30%, up to a maximum Aid Ratio of 95%. The Office of Facilities Planning calculates a **Maximum Cost Allowance for Building Aid (“MCA”)**, based on projected enrollment after reorganizing, for all new construction projects. **Costs above the MCA are not eligible for Building Aid.**

New projects must start within 10 years of a merger to take advantage of the enhanced Building Aid Ratio.



Reorganization Incentive Building Aid: Renovating Existing Facilities and Existing Capital Debt

- If the reorganized District renovates current buildings without adding new space, approved projects are aided at the enhanced Building Aid Ratio.
- Maximum Cost Allowance for existing buildings will not be reduced if no new space is added during renovation.
- Additionally, NYSED will adjust Building Aid payments for existing capital debt to match the higher of the two previous districts' building aid ratios (**Aid Ratio is not enhanced**).

Example Reorganization Timeline

- Winter: - Boards resolve to undergo feasibility study
- Spring: - Feasibility study begins in earnest
- Summer: - Final draft of study is presented to Boards of Education
- Early Fall: - Boards resolve to continue process
- Public meetings and info-sessions take place
- Straw Vote held in each district to gauge public support
- Fall/Winter: - Statutory Vote takes place
- July 1:** - **Earliest date a new district can begin operating**



Questions?



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