

## Overview of the School District Income Verification Process (SDIV)

Since 1980, personal income wealth has been used in the calculation of state aid to public school districts. From that time on, income wealth has been attributed to school districts based on the school district codes reported by residents on their personal income tax returns. Concern over the accuracy of taxpayer reported school district codes resulted in the creation of a statewide system for the assignment of school district codes to taxpayer addresses, the School District Income Verification (SDIV) Program.

First implemented in accordance with Chapter 50 of the Laws of New York State (1993), the SDIV Program has continued to demonstrate that a statewide computerized matching system is an appropriate and cost effective means of assigning school district codes to taxpayer address records. For school districts, the program serves as an effective free method to participate in the state aid distribution process along with the State Education Department, the Department of Taxation and Finance, and the Office of Real Property Services.

The SDIV process is comprised of four phases for which district responsibilities are limited to Phases 1 and 3. (Phases 2 and 4 cover the Office of Real Property Services (ORPS) and the Department of Taxation and Finance (DTF) activities and processes related to address and income verification.) **In conjunction with this year's Memorandum of Agreement between ORPS, TAX and SED, we are not requesting participation in Phase 1 Boundary Map Review.** Phase 3, address verification, will proceed as usual.

This year we are asking districts to indicate:

- Whether they wish to participate in the Address Review Phase (Phase 3).

If your district chooses to participate in any phase of this process, an instructional packet will be sent to guide your efforts during the subsequent phase. This year, we only seek to determine your participation status for Phase 3 involvement - and to update information about your SDIV representative(s), as needed.

The first phase begins with school district boundary review and correction; the third phase permits districts the opportunity to review computerized address assignments made by ORPS which warrant closer scrutiny. After receipt of updated Adjusted Gross Income figures from SED (determined by the Phase 3 process), districts may also submit a request to the SDIV Liaison Committee for a review of those address lists which they did not review during the regular process, provided that compelling evidence for the need can be documented. A detailed description of each of these phases can be found below.

### **Phase 1: School District Boundary Review/Correction (November - December 2007)**

Please note: In conjunction with this year's Memorandum of Agreement between SED, DTF and ORPS, we are not requesting participation in Phase 1.

Individual district responsibility during the Phase 1 process will vary, depending upon whether the boundaries depicted in the enclosed map are based upon approved county tax maps or conversely, whether the district's boundaries are based wholly or in part upon 1990 Census boundaries or other sources.

Currently, there are 688 districts in the State whose boundaries have already been fully computerized in digital form, based upon approved county tax maps (so-called digital tax map or

"DTM" boundaries). These districts must follow one set of instructions for correcting or modifying boundaries. Districts whose boundaries are based wholly upon less accurate, more generalized U.S. Census boundaries or other non-tax map source (so-called non-DTM boundaries) must follow another set of instructions should they wish to modify the boundaries as depicted for SDIV purposes. Districts which are of "mixed" status (only partially digital tax map) must complete both instruction sets, one for the digitized portion and the other for the non-digitized portion. If you have not had occasion to modify your map boundaries in recent years, it would be appropriate not to elect to participate in the Phase 1 process this year.

## **Phase 2: Assignment of School District Codes by ORPS (January - April 2008)**

The Department of Taxation and Finance (DTF) will provide to ORPS computerized lists of addresses and the school district code reported for each address by over seven million taxpayers. ORPS will use corrected boundary information received from school districts in Phase 1, tax assessment roll data, U.S. Postal Service address data and several computerized techniques to either verify or correct the school district codes for these addresses, by establishing the school district within which the address is properly located. ORPS will then prepare lists of addresses with assigned school district codes to be provided to all districts which have elected to participate in Phase 3.

No direct school district responsibilities are required for this phase.

## **Phase 3: School District Review of ORPS Assignments (April - July 2008)**

This phase is voluntary. However, school districts are strongly encouraged to participate in this particular phase, since it affords an excellent opportunity to examine the validity of those particular school district code assignments made as a result of Phase 2 processing which warrant the closest scrutiny. Thus, address records which could not be assigned any school district code or whose computerized school district assignment differs from the taxpayer-reported school district, i.e., additions and deletions, represent the bulk of the addresses to be reviewed during Phase 3.

Addresses in which the taxpayer reported school code is also confirmed by the SDIV assigned school code (so called "verified" addresses) are not included for review in the Phase 3 listing of addresses since these situations represent a minimal likelihood of error. Most importantly, the Phase 3 review of SDIV address assignments can be accomplished before the adjusted gross income data based upon these address assignment changes for your school district are aggregated and released publicly. In addition, should you have any questions about the adjusted gross income data following its public release, you will have the right to submit evidence which could justify a review of those addresses not available for review during the regular Phase 3 process. **This additional process is only available to those districts that participate in the regular Phase 3 review.**

## **Phase 4: Processing of School District Corrections (July - August 2008)**

ORPS will correct its files based on the valid Phase 3 changes submitted by District Superintendents. The results will be transmitted back to DTF, where income will be aggregated by school district (based on the corrected school district codes). Resulting income per school district will be available to SED for the purposes of calculating State Aid. No direct school district responsibilities are required for this phase.

**Review of Unreviewed Addresses (If necessary)  
(September-October 2008)**

Due to the streamlining of the entire SDIV timetable in past years, any anomalous late-filer addresses are already included in address lists sent to school districts as part of the regular address review. Since any participating district in the current SDIV process is now afforded the opportunity to review all anomalous addresses, including the late filers, Prior Year Review Process was no longer needed and was eliminated in statute.

While no formal Prior Year Process exists, districts may still submit a request to the SDIV Liaison Committee for a review of those address lists which were not reviewed during the regular process, provided that compelling evidence for the need can be documented. In considering such a decision, districts should be aware that the only address lists not previously reviewed by the districts are **verified addresses**, those addresses in which the school district designated by the taxpayer and the school district assignment independently made through computerized assignment processes were in agreement, i.e., those for which the greatest validity can be assumed.

Should you have any questions about the SDIV process or the school district responsibilities outlined, please contact Nicholas Berry of the SDIV Unit of ORPS at (518) 473-1642 or Matt Reilly of SED at (518) 474-6117.