



## ANALYSIS OF PUBLIC COMMENT ON THE BUDGET ALLOCATION FORMULA

Date: 06/14/2010

Public Comment Period: April 27-May 18, 2010

Date of Panel Vote: August 16, 2010

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### **SECTION I: The Budget Allocation Formula**

Description of the Regulation & Changes to the Regulation (as applicable)

The Chancellor's Regulation B-801 states: "Once the proposed allocation formulas have been completed, the Chancellor or his/her designee shall send the proposed allocation formulas to the Community Education Councils ("CECs") and Community Superintendents for review and comment. The Chancellor shall also inform the CECs and Community Superintendents whether and how the proposed allocation formulas differ from the allocation formulas in effect for the current year. After reviewing the comments and recommendations, if any, of the CECs and community superintendents, the Chancellor may make such changes to the allocation formulas as appropriate."

The Department of Education (DOE) will use the Fair Student Funding (FSF) formula (the same formula that has been utilized since introducing FSF in the 2007-08 school year) to allocate over \$4.4 billion of unrestricted dollars to the school-based budgets in FY11. The FSF formula distributes most of these dollars to schools to fund basic operations - a principal and minimal administrative staff, a teacher in every classroom at the UFT contractual class size/ Title I limit, with minimal supplies and support, and teachers/programs that meet the instructional needs of special education and English Language Learner (ELL) students. The other portion of FSF funds are allocated as supplemental dollars for work with the lowest performing students. The basic operating level is defined by the FSF grade weight, ELL weight, Special Education weights and portfolio weight (for the purposes of the operating threshold, the academic weight is excluded).

Over the last two years, significant budget cuts coupled with rising mandated costs, have resulted in a 25% reduction to all schools' FSF budgets. Through the implementation of Fair Student Funding, the DOE has moved relatively more dollars to historically under-funded schools, enabling them to manage recent budget reductions better than they would have under historical funding patterns. However, for a third of the schools, their Fair Student Funding budgets are now well below what is needed to cover basic operations with these dollars.

At the time school budgets were distributed on June 2, the DOE determined it was necessary to shift unrestricted dollars from schools where Fair Student Funding combined with other unrestricted funds are above a minimum percentage of the basic operating threshold and redirect

them to the severely under-funded schools. While funds from sources other than FSF have helped to support the operations of our schools in these declining budget times, we must bring these schools' unrestricted budgets closer to the basic-operating level before implementing another large cut in FY 11 and the much larger budget reduction currently expected for FY12. For FY11, the DOE has re-allocated the non FSF unrestricted Children First and American Recovery and Reinvestment Act Stabilization dollars among schools, to ensure that all schools have unrestricted funding that meets 86.1% of the basic operating level as determined by the FSF formula. (There was no reallocation of school's FSF funds.) We then worked to reduce all schools' total budgets by the same across-the-board percentage.

An overview of school funding for FY11 is outlined in the School Allocation Memorandum #1, which can be found in its entirety at:  
[http://schools.nyc.gov/offices/d\\_chanc\\_oper/budget/dbor/allocationmemo/fy10\\_11/FY11\\_PDF/sam01\\_01ab.html](http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy10_11/FY11_PDF/sam01_01ab.html)

Please see Appendix 11 for the Fair Student Funding Formula. Please also visit each school's website (click on the Statistics link) to view budget documents outlining the calculation of a school's Fair Student Funding allocation and other budget information.

## **SECTION II: SUMMARY OF ISSUES RAISED**

CEC meetings were held throughout the city from April 27<sup>th</sup> through May 18<sup>th</sup> to review the proposed budget formula for allocating school budgets in fiscal year 2011. Invitations were sent out via the CEC and PA list serves to provide relevant information on the timing and location of meetings. Community Superintendents were present and participated in each of the CEC budget formula presentations and their staff captured public comments via recording equipment and note-taking.

Below is a summary of the major comments/questions that arose during those meetings and our responses to date. To date, we have received over 140 comments/questions during these meetings. Six additional comments came to us via email. Approximately 100 of these are questions, 43 are issues, and the remaining 7 include alternative proposals (e.g. a request to implement a Gifted and Talented weight). District 29 had the highest number of comments/issues raised (with 30 comments/issues raised). *See Appendix 1 for number of comments/issues raised by district.*

**Major Topic Covered Included (in order of frequency):**

The topics listed here and enumerated in this section (Section II) represent both questions and issues raised to date. Topics in italics had 3 or fewer references and have not been covered in this report for now. Should we receive additional comments or questions on these topics, we can add responses as needed. Alternative proposals are covered in Sections III and IV.

- Presentation/Commenting Process
- Budget Cuts
- School Funding
  - FSF (Weights, Registers)
    - G&T
    - Academic
    - ELL
  - Title 1
  - School Safety
  - Foster Students
- Funding Sources
  - City
  - State
  - Federal
  - ARRA
- Central Budget/Staffing
- C4E/Class Size
- School Allocation Process
- Rubber Room/ATRs
- Teacher Status
  - Layoffs
  - Hiring Freeze
  - Teacher Raises
- Charter Schools
- Register Change
- Hold Harmless
- Flexible vs. Non Flexible Dollars
- *Capital Plan*
- *Legacy Teacher Supplement*
- *Student Metro cards*

**Below is a short description of the issues raised on each major topic and associated responses:**

**Presentation/Commenting Process:** Questions were raised regarding the overall intent and guidelines for the CEC budget meetings and some attendees expressed concern that the presentation was not available online or in printed form. In addition, many attendees asked to know who would read and respond to comments. They requested that their comments be reviewed and taken into account for decision-making purposes. Others also voiced frustration at the lack of clear answers to questions presented during the meetings and asked whether additional information sessions would be held and if so, when.

**Response:** *These meetings were held in accordance with Chancellor's Regulation B-801 which states: "Once the proposed allocation formulas have been completed, the Chancellor or his/her designee shall send the proposed allocation formulas to the community education councils ("CECs") and community superintendents for review and comment. The Chancellor shall also inform the CECs and community superintendents whether and how the proposed allocation formulas differ from the allocation formulas in effect for the current year. After reviewing the comments and recommendations, if any, of the CECs and community superintendents, the Chancellor may make such changes to the allocation formulas as appropriate."*

*An electronic copy of the presentation was provided to OFEA for distribution upon request. While there are no more information sessions scheduled at this time, a copy of the presentation was emailed out to all councils on May 20<sup>th</sup> and is now available online at the following location: <http://schools.nyc.gov/NR/rdonlyres/FFB51E10-8DE8-4DB8-AFCC-F0696AF30B20/0/cecpresentation.pdf>. There is also an email box at [CECBudgetComment@schools.nyc.gov](mailto:CECBudgetComment@schools.nyc.gov) where questions/ issues were submitted throughout the CEC meeting process.*

*The DOE will post the comments/ issues from the CECs and community superintendents, as well as those submitted via email or voicemail, on the topic of the FY11 school budget formula, and the responses from the DOE online at least 24 hours in advance of the meeting of the Panel for Educational Policy (PEP) where its members will vote on the budget allocation formula. PEP members will review these comments and questions before such vote.*

***Please see Appendix 2 for a copy of the CEC Meeting schedule including dates and locations***

**Budget Cuts:** Attendees posed numerous questions regarding the expected type and size of budget cut, and more precisely what programs/positions might be impacted and to what degree. In addition, they asked for more clarity regarding the dependency on the State budget for our budget decisions.

**Response:** *Given that there is no adopted state budget for fiscal year 2011 at this time, the budget situation remains uncertain. Based on the Governor's proposed budget, we are planning for a cut of \$500 million in State education aid. In addition to this assumed State cut, the Department's nondiscretionary costs (e.g., special education mandates, pension and other compensation obligations, etc.) are expected to grow by nearly \$1.2 billion in FY11 relative to FY10.*

*To cover a good portion of our growing expenses, the Mayor's Executive Budget increased City funding to the Department by more than \$800 million. At the same time, the Department is reducing non-school budgets relative to the Executive Budget by \$130 million. This includes another \$38 million cut to central/field budgets, on top of a nearly 20% reduction over the last two years. However, these additional dollars and non-school savings aren't enough to cover the combined effects of the \$500 million State cut and the \$1.2 billion growth in nondiscretionary costs. To avert the need to lay off 4,400 teachers for the coming year, subsequent to issuing his Executive Budget, the Mayor announced that, for the UFT and CSA (teachers and principals), he will no longer carry a budget reserve for a collective bargaining increase in salary for the next two years. (The Department's managerial/ administrative staff also will not receive an increase for this time period.) The City had budgeted a reserve to cover a 2% raise for UFT and CSA members for FY10, with an additional 2% for FY11. By forgoing these raises, the City will save an additional \$400 million for the 2010-2011 school year. These dollars will reduce school budget cuts to \$313 million. Overall, schools will take reductions to their total budgets not to exceed 4.16%.*

*An overview of school funding for FY11 is outlined in the School Allocation Memorandum #1, which can be found in its entirety at:*

*[http://schools.nyc.gov/offices/d\\_chanc\\_oper/budget/dbor/allocationmemo/fy10\\_11/FY11\\_PDF/am01\\_01ab.html](http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy10_11/FY11_PDF/am01_01ab.html)*

*To meet budget cuts in recent years, schools have cutback on such areas as after school programs, supplies, and professional development. Schools have also eliminated teaching positions and school based staff, such as school aides.*

*When determining how best to implement budget changes for school year 2010-2011, principals will consult with their SLTs per Chancellor's Regulation B-801 and A-655.*

**School Funding:** A number of questions and concerns were raised regarding the implementation of poverty, Academic, and ELL weights. Specifically, there was some confusion as to the use of poverty vs. academic weights, the cutoff dates for the registers used to determine which students receive extra need-based FSF funding, and the cutoffs for Title 1. Furthermore, some had questions about how funds were provided for foster students and school safety.

**Response:** *The principle underlying Fair Student Funding is to increase school level equity by providing all schools with the same funding for students with the same characteristics. Every student with the same characteristics will receive the same level of resources.*

- *For each student, the school will receive a base level of funding determined by the student's grade level, based on the FSF grade weight.*
- *For each English Language Learner student, the school will receive additional dollars based on the FSF English Language Learner weight.*
- *For each Special Education student, the school will receive additional dollars based on the FSF Special Education weights.*
- *For each low performing student, the school will receive additional dollars based on the FSF Academic Intervention weight.*
  - *Students get additional weights based on low achievement at entry to a school.*

- *In schools where achievement data is not available for most students upon enrollment—that is, all schools starting before 4<sup>th</sup> grade—we use poverty as a proxy for low achievement.) The State’s ELA and Math exams are given in 3<sup>rd</sup>-8<sup>th</sup> grades.*
- *School that begin in 4<sup>th</sup> grade or above*
  - *Well Below Standards: **0.50** (grades 6-8) and **0.40** (grades 4-5,9-12)*
  - *Below Standards: **0.35** (grades 6-8) and **0.25** (grades 4-5,9-12)*
- *Schools that begin in 3<sup>rd</sup> grade and below*
  - ***0.24** weight for students enrolled at schools that begin before grade 4 and who qualify for free lunch and/or receive public assistance*

*Timing for determining student characteristics: The Academic Intervention (academic need/poverty) and ELL weights are all based on actual pupil data, usually from the academic year prior to the year being funded, since more current information is unavailable. Thus, funds for these weights usually lag current pupil attributes by a year. FSF grade and Special Education weights are based on projected registers (which are adjusted after the audited register date of October 31).*

*Regarding Title I cutoffs, which define the proportion of pupils in poverty that a school must have in order to be eligible to receive Title I funds, the cutoff for Manhattan, Bronx, Brooklyn and Queens is 40% and Staten Island is 35%. The 35% is closer to Staten Island’s borough poverty average. The Federal NCLB Law allows school districts to set cutoffs, but no cutoff can be set below 35%.*

*Costs for safety and foster students are paid centrally and are not part of the school funding formula.*

**Funding Sources:** Many attendees inquired about school funding sources, asking for the breakdown of different sources of funds such as federal, state and local. In addition, some asked for further clarification on who makes the decisions regarding the amount of funding and its distribution (e.g. ARRA, lottery money, etc).

**Response:** *Below is chart outlining the expected sources of funds for the NYC Department of Education for fiscal year 2011:*

<b>Revenue Source</b>	<b>(\$ millions)</b>
New York City	11,904
New York State	8,297
Federal	2,577
Other Categorical	95
Intra-city Funds	9
<b>Total</b>	<b>22,882</b>

*The Governor and State legislators determine how much state funding the Department of Education will receive. The Mayor and City Council determine the amount of city funds allocated to the Department of Education.*

While all federal stimulus funds (America Recovery and Reinvestment Act: ARRA) will expire in FY12, some ARRA funding streams are already declining in FY11. ARRA Stabilization funds, provided to the Department through New York State, will decline by \$328 million in FY11 from current year levels because NYS used more of these funds in FY10 than originally planned in order to cover a portion of the state budget shortfall.

Lottery money is funneled from the State into the Department of Education’s budget in the form of Foundation Aid and also supports a portion of our textbook funding. In the FY10 Adopted Budget, lottery money accounted for approximately \$1Billion out of the total state appropriation for Foundation aid of approximately \$6.1 Billion. We also receive about \$19million in lottery funds as part of the \$73 million in textbook aid from the State).

**Central Budget/Staffing:** Many questions focused on the central office budget, organization, and staffing. Specific concerns were raised about the appointment of new deputy chancellors and Department statements about reductions of staff and funds from central budgets over the past years.

**Response:** Between fiscal year 2008 and fiscal year 2010, central and field offices cut more than \$116 million and 550 positions in order to lessen the impact of overall cuts to the department’s budget on schools. The 550 positions cut included 211 positions filled with active staff (approximately 100 staff were laid off during the reduction process) and 339 positions that were vacant at the time. Financial Status Reports, available on the DOE website (<http://schools.nyc.gov/Offices/DBOR/FSR/default.htm>) document the reduction in ACTIVE staff: In fiscal year 2008, active staff in central (UA453) and field (UA415) offices was 4,673. As of March, 2010, active staff in central and field offices are 4,449, a reduction of 224 employees, or 5%. These reports do not include data on vacant positions.

		Total	Total	Grand
		Total	Non-	Total
Financial Status Report		PEDs	PEDs	FT / FTEs
FY08	central & Field	1,233	3,439	4,673
FY10	central & Field	1,183	3,266	4,449
FY10-FY08		<b>(50)</b>	<b>(173)</b>	<b>(224)</b>
FY10-FY08		<b>-4%</b>	<b>-5%</b>	<b>-5%</b>

Also between fiscal years 2008 and 2010, central and administrative budgets absorbed cuts of \$116 million or nearly 20% of the FY08 adopted budget (adjusted to include \$22 million budget for state scoring costs and School Support Organization contracts.) A review of New York City Financial Management System (FMS) reports on DOE’s budgets for central and field offices (Units of Appropriation 415/6 and 453/4) shows a NET reduction from FY08 through FY10 of \$36 million, a 6% reduction. The net change between FY08 and FY10 include the cuts described above, but also include other changes to these budgets during this period. The table below itemizes these changes:

Funds for Collective Bargaining	\$	8,544,045
Funds for Programs (e.g. City Council funds; Go Pass)	\$	1,710,246
Funds to align FMS and FAMIS (with \$2m adjustment)	\$	41,511,952
Total Changes Other Than PEGs	\$	51,766,243
PEGs from Uas 415/416 & 453/454	\$	(95,590,364) *
FMS UA Budget Change FY10-FY08	\$	(43,824,121)
FY08 Budget Surplus	\$	7,789,308
Net Change FY10 - FY08	\$	(36,034,813)
* \$116 million PEG less \$20 million taken in other UA's (e.g. Fringe)		

*Finally, as part of an ongoing effort to focus and improve central administrative support of schools, the DOE has appointed the senior executives responsible for management of the DOE's programs and operations to the title of Deputy Chancellor while adding only two members to the senior executive team. These new executives will, respectively, oversee day-to-day operations of the Department and will coordinate DOE planning with the needs of communities across the City while overseeing the creation and siting of new schools and programs to manage efforts to ensure equity and consistency in enrollment at all schools.*

**C4E Dollars and Class Size:** A number of questions and concerns were raised about legal obligations related to the Campaign for Fiscal Equity lawsuit and associated dollars. Some attendees requested more transparency and accountability in the distribution and implementation of C4E dollars. Others suggested that DOE sue the State in court to force it meet its financial obligations under the Campaign for Fiscal Equity

**Response:** *NYC DOE has fully complied with all C4E portions of the Education laws as governed by the Commissioner's Regulations. C4E provides \$640 million to NYC not solely for class size reduction, but rather to implement six reform strategies, including: class size reduction, time on task, teacher and principal quality initiatives, middle school and high school restructuring, full-day pre-kindergarten, and model programs for English Language Learners. Please see the following link to view the allocation of C4E dollars in the state approved 2009-2010. <http://schools.nyc.gov/AboutUs/funding/c4e/approved0910plan>*

*The regulations require NYC to establish a class size reduction plan as prescribed by the commissioner after his/her consideration of the recommendation of an expert panel. However, the previous commissioner did not establish such a panel. In the interim, in 2007, NYC proposed a temporary plan for class size reduction to be achieved in FY 2012, contingent upon available funding. While the law does not specify amounts that must be allocated to class size reduction, the NYC DOE 2007 "interim plan" suggested a commitment of 25% of the C4E funds for class size reduction. NYC has exceeded this self-imposed commitment every year of C4E funding.*

*In addition to a \$500 million cut in education aid, the Governor's 2010-11 Executive Budget proposes to further delay the phase-in of Contract for Excellence funding to NYC so that full phase-in would not occur until 2017, instead of 2014 under the current plan. Under the original plan, set in 2007, NYC would have received 100% of the \$2.3 billion additional funding by 2011. To date, NYC has received \$997 million of the \$2.3b. New York City and its sub-entities are not permitted to sue the State.*

Note that while NYS has delayed fulfilling its financial responsibilities under Campaign for Fiscal Equity, NYC has increased its investments in the Department and met its financial obligations under the CFE.

The Governor’s Budget states that school districts with Contracts for Excellence funding are "required to maintain funding for existing Contract for Excellence programs less the percentage reduction in the Gap Elimination Adjustment", which is 6% for New York City. These funds will be taken via an across-the-board cut to the C4E discretionary dollars allocated to schools in FY09 as well as cuts to district-wide initiatives. **See Appendix 7 for more details on C4E.**

**School Allocation Process:** Some questions were asked concerning the timeline for the issuance of school allocations as well the range of possible per capitas. In addition, there were inquiries into the surplus roll program, including its existence for FY11 and associated requirements and timelines.

**Response:** School budgets were distributed to principals on June 2, at which time funding in the allocation categories representing the overwhelming majority of the total budgeted dollars was complete. Smaller allocation categories will be funded over the next few months as the funding is received or the data needed to determine if criteria for distribution is met, becomes available. The Statistics link on each school's DOE website leads to a link to the school’s Galaxy Budget Allocation page, which shows which allocation categories have been funded and which remain to be distributed over the next few months. Each school, depending on its grade level and mix of student attributes has a different set of funding streams (allocation categories).

The lowest FSF per capita possible for a student upon entry into a school would be approximately \$4003.35, before implementation of budget cuts and would be that for a student in K-5 with no applicable weights except the grade weight.

The highest FSF per capita possible for a student upon entry into a school with ALL attributes funded by FSF would be approximately \$19,400, before implementation of budget cuts. This per capita would result from the following combination of FSF weights:

Grade Weight: 9th-12th	\$ 4,123.07
Academic Weight: well below standards	\$ 1,600.93
ELL Weight	\$ 2,002.69
SE Weight:> 60%	\$ 10,088.52
Portfolio Weight: transfer school	\$ 1,600.93
<b>TOTAL FSF per capita</b>	<b>\$ 19,416.14</b>

For more information on FY11 School Allocations, click here for School Allocation Memorandum #1:

[http://schools.nyc.gov/offices/d\\_chanc\\_oper/budget/dbor/allocationmemo/fy10\\_11/FY11\\_PDF/am01\\_01a.pdf](http://schools.nyc.gov/offices/d_chanc_oper/budget/dbor/allocationmemo/fy10_11/FY11_PDF/am01_01a.pdf)

*For FY11, 678 schools rolled \$80 million. The rollover program is reevaluated every year and no determination has been made for FY11. See Appendix 8 for FY10's Rollover Guidelines as reference.*

**Rubber Room:** A number of people asked what will happen with the rubber room teachers in school year 2011. Will they be placed back into their schools?

**Response:** *Each situation will be looked at individually based on the nature of the accused misconduct or incompetence. In accordance with the agreement, employees who must be removed from their assignments will be placed in one of the following situation: remain in the school in an administrative capacity but out of the classroom, reassigned to a Central office for administrative duties, or suspended with pay*

*<http://schools.nyc.gov/NR/rdonlyres/DE11FD24-AF3C-4323-AC6E-DFAC53D43B05/0/RubberRoomAgreement.pdf>*

**Teacher Status: Layoffs/Hiring Freeze/Teacher Raises:** Numerous questions were posed regarding possible teacher layoffs and/or hiring freeze.

**Response:** *The Mayor announced that, for the UFT and CSA (teachers and principals), there will be no raises for the next two years in order to avert teacher layoffs and save 4,400 teaching jobs. (The Department's central staff will not receive any similar increases.) The City had budgeted in the Collective Bargaining reserve for a 2% raise for UFT and CSA members for this year, with an additional 2% next year. By forgoing the raises, the City will save an additional \$400 million for the 2010-2011 school year. These dollars will eliminate the need to lay off teachers for the coming year and reduce school budget cuts to \$313 million.*

*Teacher hiring restrictions remain in place. The only areas not subject to hiring restrictions at this time are Special Education, Speech and Bilingual Special Education and certain other bilingual subject areas. Schools in their 1<sup>st</sup>, 2<sup>nd</sup>, or 3<sup>rd</sup>, year of operation are permitted to hire externally for up to 40% of their teaching vacancies. Phase-in Gr. 6-12 schools with 2 or more years to phase-in may hire external candidates for up to 40% of the vacancies in their expansion grade. The new and phase-in schools exception does not apply to common branch teachers, early child hood teachers, or guidance counselors. Exceptions may be considered on a school by school basis.*

**Charter Schools:** There were a number of questions and issues raised regarding the impact of charter schools on the overall DOE budget

**Response:** *Currently, 4% of our city's students are in charters. 2% of our capital budget goes to charters. Charters represent 2% of our expense budget. In the FY11 DOE budget, there is an additional \$125 million to cover an increase in charter school enrollment of approximately 10,000 students. It is important to note that we would incur the costs for these students whether they were in a district public school or a charter public school. In fact, a recent IBO report illustrated how charters actually receive less money per student. Charters in a DOE facility receive \$305 less per student than DOE schools. Charters in private facilities receive \$3,017 less per student. Here is a link to the IBO report that quantifies these per capita differentials: <http://www.ibo.nyc.ny.us/iboreports/charterschoolsfeb2010.pdf>*

**Register Growth:** Some attendees asked about the register growth that we experienced this year and how this might impact budgets. There was also a concern raised about the incoming Haitian students and how we were planning to handle this student population.

**Response:** *In the current school year, public and charter schools enrolled 14,000 students more than in the prior year—and about half of them require special education services. This was the first general education enrollment increase in our public schools since at least 2001 and it is therefore difficult for us to determine if this growth will continue and if so, by how much. For the budget, we projected an additional 18,617 system-wide net student gain in FY11 (which does not include projected 9,341 student increase in Charter Schools). Of that, we project an 11,092 net student gain in General Education students and a net gain of over 7,000 in Special Education students.*

*Given unusual growth patterns, our goal is to ensure principals have sufficient funds to hire teachers for expected enrollment increases while mitigating the risk of hiring more teachers than necessary in the event enrollment increases do not materialize.*

- *Funding Policy*
  - *Schools are funded for projected Special Education growth using the same methodology as in FY10.*
  - *Schools will be fully funded for the general ed register growth but only 50% of the these growth funds are initially accessible*
  - *Remaining 50% of funds will be released when enrollment materializes or evidence is provided*
    - *Note that schools have sufficient funding to fully staff up even before all funds are released, (they schedule PS first and delay a portion of OTPS scheduling until after registration materializes)*
  - *Only applies to open schools (not new or phase outs)*
  - *Accessible funds capped at citywide average of 4.6%*
  - *Register Adjustments*
    - *Adjustments for projected versus actual registers will be conducted in early AND late fall*
    - *Schools that experience an enrollment decline below projections, funding will be decreased by the effective FSF per capita rather than the full FSF weight*
    - *Note: Any school that experienced FY10 register growth above projections was fully funded in FY11*

*The Department's budget includes an additional \$125 million in FY11 budget to cover an increase in charter school enrollment of nearly 10,000 students. It is important to note that we would incur the costs for these students whether they were in a district public school or a charter public school. In fact, a recent IBO report illustrated how charters actually receive less money per student.*

*To date, 689 students from Haiti have been assigned to our schools. The Enrollment Office staff meets with Haitian families who have arrived in NYC to find appropriate school placements for students and has provided materials to the Haitian Earthquake Resource*

Center at the Bedford Armory opened by the Office of Emergency Management. See Appendix 9 for more details on Haitian immigrant students.

**Hold Harmless: Questions regarding the definition of hold harmless and its relevance to the FY11 budget were posed.**

**Response:** When Fair Student Funding was implemented in school year 2007-2008, schools received hold harmless allocations if their historic funding levels exceeded their budget entitlements under the FSF formula. Other schools received incremental funding if their historic funding levels were lower than their budget entitlement under the FSF formula. Due to cumulative budget cuts since FY08, the distinction between schools with “hold harmless” or “incremental” allocations no longer accurately reflects a school’s current budget relative to its FSF formula entitlement. The table below illustrates this change.

School	Fiscal Year	FSF Entitlement*	FSF Allocation	FSF Increment	FSF Hold Harmless	Total FSF	Total FSF Vs Entitlement
<b>School A: Originally Under Formula</b>							
	2008	400,000	380,000	11,000	0	391,000	(9,000)
	2010	400,000	285,000	11,000	0	296,000	(104,000)
<b>School B: Originally Over Formula</b>							
	2008	400,000	400,000	0	50,000	450,000	50,000
	2010	400,000	300,000	0	50,000	350,000	(50,000)

\* For simplicity, FSF entitlement is not adjusted for register or average teacher salary change between 2008 and 2010

**SECTION III: SUMMARY OF SIGNIFICANT ALTERNATIVES PROPOSED**

*Few alternatives were proposed, but here is a summary of suggestions made to reduce the budget, increase revenues, and modify the distribution of available funds to schools and students:*

- *Cut Surveys*
- *Cut Quality Reviews*
- *Do not use an across the board cut but look at each school individually*
- *Implement a Gifted and Talented Weight*
- *Do not hire any more deputies at the Central office*
- *Sue the State to get outstanding C4E dollars*

#### **SECTION IV: EXPLANATION OF DOE ACCEPTANCE OR REJECTION OF ALTERNATIVES PROPOSED**

*Below is a list of the alternatives proposed and our responses. While many of these alternatives do not speak directly to the allocation formula, we have included them here to provide a more comprehensive response to the many issues that have come up as a result of the CEC budget presentations.*

- **Cut funding for School Surveys**
  - **Response:** *While a change in the budget situation may lead to a change in funding levels for the Learning Environment Survey, the Department of Education supports the continuation of school surveys as a tool to help school leaders understand what key members of the school community say about the learning environment at each school. The information captured by the survey is designed to support a dialogue among all members of the school community about how to make the school a better place to learn. Every year, all teachers, all parents, and students in grades 6 - 12 take the NYC School Survey. In 2009, the survey ranked among the largest surveys of any kind ever conducted nationally: 849,664 surveys out of a possible 1,451,750 were submitted. The survey results provide insight into a school's learning environment and a measure of diversification that goes beyond test scores on the Progress Report. NYC School Survey results contribute 10% of a school's Progress Report grade. The survey questions assess the community's opinions on academic expectations, communication, engagement, and safety and respect. School leaders can use survey results to better understand their own school's strengths and areas for targeted improvement.*
  
- **Cut funding for Quality Reviews**
  - **Response:** *The Department has reduced funding by over \$200,000 for Quality Reviews this year. But we remain committed to the continuation of the quality reviews in an effort to support a comprehensive evaluation of a school that goes beyond assessment statistics. The process is designed to ensure that the school is engaged in effective methods of accelerating student learning. As a result, the Quality Review focuses on the coherence of a school's systems, measuring how well it is organized to meet the needs of its students and adults, as well as monitor and improve its instructional and assessment practices.*
  
- **Do not use an across the board cut but look at each school individually**
  - **Response:** *While we have used an across the board cut to schools' total budgets, we have worked to strengthen each school's capacity to handle the budget cuts. Please see the discussion earlier related to adjusting school budgets related to the basic operating capacity. Also, please note that by taking an across the board cut, we are preserving the adjustments made towards a more equitable funding allocation via FSF.*

- **Implement a Gifted and Talented Weight**
  - **Response:** *The DOE funds Gifted and Talented classrooms for students that meet the G&T scoring criteria. Currently, most schools' total FSF funds are below the basic operating level.. Given this and the budget cuts over the last two years, there are not enough dollars available to fund an additional weight at this time.*
  
- **Change the cutoff for Title 1 to 35% for all boroughs**
  - **Response:** *The Title I cutoff percentage determines how many schools receive Title I funds. If the cutoff is lowered and more schools become eligible, schools currently receiving Title I funds will receive fewer dollar, unless overall funding is increased. In FY10, the DOE did lower the Title I cutoff, but schools already receiving Title I funds were not adversely impacted due to the influx of stimulus Title I funds. As no additional Title I funds are expected in school year 2010-2011, the department is not changing the cutoffs used in the current school year. This decision will keep title I funding levels at eligible schools relatively stable for FY11 which is particularly important in light of reductions to other funding streams.*
  
- **Do not hire any more Deputies at the Central office**
  - **Response:** *We will continue to staff positions as deemed necessary to meet our responsibilities and the demands of families, teachers, principals, students, external government entities, and any other key constituents.*
  - *Please see earlier discussion.*
  
- **Sue the State to get outstanding C4E dollars**
  - **Response:** *The City and its sub-entities are not permitted to sue the State.*
  
- **Reinstate Districts as they were before the 2003 reorganization so that parents and school principals can have someone to whom they can voice their concerns.**
  - **Response:** *Since the Department dissolved the district governance system, graduation rates have increased, students have made steady progress, educators are being held more accountable, and schools are safer. Under mayoral control, the position of parent coordinator was established to engage parents in their children's education and be the ombudsperson in the school. District Family Advocates support parents in resolving their issues and P311 is available to provide answers to parents' questions. Additionally, the current system allows parents greater insight into how schools are funded. School budgets are much more transparent, useful, and easy to understand. Today, each school's budget and allocations are posted on the school's DOE Web site. The information is updated daily to reflect any changes to the budget and funding allocations.*

**SECTION V. APPENDICES**

**APPENDIX 1: Summary of Number of Questions & Issues Raised By District/CEC #:**

<b>District #</b>	<b># of Questions &amp; Issues Raised</b>
1	0
2	14
3	3
4	1
5	1
6	27
7	4
8	11
9	2
10	2
11	2
12	5
13	1
14	2
15	1
16	12
17	1
18	3
19	2
20	1
21	1
22	1
23	1
24	1
25	1
26	5
27	3
28	0
29	30
30	0
31	0
32	7
N/A	4
<b>TOTAL</b>	<b>150</b>

## APPENDIX 2: CEC MEETING SCHEDULE

District	Date	Location
16	4.27.10	MS 35
2	4.28.10	333 7th Avenue
23	4.29.10	Bk Collegiate
32	4.29.10	IS 296
18	5.03.10	District Office
26	5.03.10	MS67
31	5.03.10	IS 61
7	5.04.10	MS 223
8	5.04.10	1230 Zerega Avenue
12	5.04.10	PS 150
13	5.04.10	PS 9
15	5.04.10	131 Livingston Street
19	5.04.10	PS/MS 174
3	5.05.10	JOA Complex
17	5.05.10	MS 61
27	5.05.10	MS 202
6	5.06.10	4360 Bway
21	5.06.10	IS 303
22	5.06.10	PS 207
28	5.06.10	TBD
20	5.10.10	District Office
11	5.11.10	PS 121
30	5.11.10	PS 70Q
29	5.11.10	PS/IS 147
25	5.11.10	
4	5.12.10	MS 45
10	5.12.10	PS 54
24	5.12.10	PS 58
5	5.13.10	Harlem Tech Center
14	5.13.10	JHS 71
9	5.18.10	306 Ft. Washington Ave
1		Did not host presentation

### **APPENDIX 3:**

#### **Statement of Mayor Michael R. Bloomberg on Decision to Eliminate Raises to Avoid Teacher Layoffs**

06/02/2010

“Earlier this morning in a conversation I had with United Federation of Teachers President Michael Mulgrew, I shared our Administration’s solution to the State budget impasse that has left us facing the possibility of substantial teacher layoffs: it is far better for our children and our teachers to save the jobs of over 4,400 teachers, rather than layoff those 4,400 teachers while granting raises to others.

“A month ago, the City released our Executive Budget for Fiscal Year 2011. It was based on the Governor’s proposed budget, which included huge reductions in State aid for education. We warned back then that if the State didn’t restore those cuts we’d be forced to lay off thousands of teachers. But yet another month has passed and the State Legislature has still not agreed on a final budget. Our schools simply can’t wait any longer. Principals are already far past the point in the calendar when they must plan for the upcoming school year, and they need to know what kind of resources they can count on.

“Laying off thousands of teachers is simply not the answer. It would devastate the school system and erase much of the great progress we’ve made – and all the hard work we’ve put into turning our schools around. There is simply nothing more important to a child’s education than a first-rate teacher. So I have decided to eliminate the two percent raises we had planned for our teachers and principals in each of the coming two years in order to save the jobs of some 4,400 teachers.

“Make no mistake: we’ve done everything possible to find cost savings, including substantial cuts in administrative spending. And we know that teachers and their families are facing tough times too, and that this will not be easy for them. But when it came to a choice between teacher raises or laying off teachers, I have chosen to protect our children and their futures. While other towns and cities around the country are closing schools and laying off teachers, our Administration is determined to do everything possible to keep our teachers where we need them: in the classroom.

“This was not an ideal decision, and it certainly does not solve all of our budget issues. In our conversation this morning, Michael Mulgrew and I agreed that we would go together to Albany and Washington to press our case to restore more education funding. Our City’s schools have come a long way in eight years, and we couldn’t have done it without our outstanding corps of teachers.”

## APPENDIX 4: LOTTERY PAYMENTS

New York State Education Department      JAN 2010  
Office of Management Services  
Local Assistance/State Aid

District Name: NYC CHANCELLOR'S OFFICE      District Code: 300000

### 2009-10 Combined Fixed & Individualized General Aid Payment Schedule with Spring Advance

1. 2009-10 General Aid Payable for Oct & Nov	\$5,926,933,685.00
2. 2009-10 General Aid Payable for Dec Payment	\$6,171,143,310.00
3. 2009-10 General Aid Jan-Jun (frozen 12/01/09)	\$6,170,853,497.00
4. 2009-10 Lottery VLT Grant	\$194,530,067.65
4a. 2009-10 Lottery VLT Grant Pursuant to Chapter 502	\$222,610,767.79

### ADVANCES and FALL PAYMENTS:

5. General Aid Advances (incl Ch121 L1996 amended)	\$0.00
6. Lottery Advances	\$0.00
7. Lottery Ratio Aid Payment	\$626,623,532.86
8. NYC & Yonkers SA-1 (Chap 57 Laws 2007)	\$202,436,763.00
9. Rochester Accrual (Chap 94 Laws 2002)	\$0.00
10. Public Pension Accrual (Chap 57 Laws 2007)	\$0.00
11. NYS Teacher Retirement Payments	\$0.00
12. October Gross Payment Amount	\$0.00
13. November Gross Payment Amount	\$318,098,473.89
14. December Gross Payment Amount	\$346,994,540.84
15. Balance 2009-10 S.3609-a General Aids due District	\$4,482,170,118.76
15a. Adjusted Balance 2009-10 S.3609-a Gen Aids due District	\$4,454,089,418.62

### BASIC DATA FOR INDIVIDUALIZED MONTHLY PAYMENTS:

A. 2008-09 Total General Fund Expense	17,886,522,645.00
B. 2008-09 Non S.3609-a General Fund Aids	1,661,431,006.00
C. 2008-09 TRS Obligation	0.00
D. 2008-09 Building Debt Service	839,626,638.00
E. 2009-10 Building Debt Service	991,296,723.00
F. 2009-10 Lottery + Fixed Payments	1,494,153,310.59
G. Net TGFE for Indv Payments (A-B-C-D+E-F)	14,882,608,413.41

### WINTER PAYMENTS:

16. January (01/04/10)	\$0.00
17. February (02/01/10)	\$0.00
18. March* (03/01/10)	\$0.00

SPRING ADVANCE:

- 19. Total April-June Payments before Spring Advance: \$4,454,089,418.62
- 20. Sust Spring Adv (Ln 19 x .259346440117) @ 03/31/10\*\* \$1,155,152,234.68

NET SPRING PAYMENTS after Spring Advance:

- 21. Net April Payment (04/01/10) \$322,415,501.25
- 22. Net May Payment (05/03/10) \$1,488,260,841.34
- 23. Net Estimated June Payment (06/01/10)\*\*\* \$1,488,260,841.35

\*If necessary the March payment may be reduced to ensure that no more than the State Fiscal Year appropriation for General Support for Public Schools is expended by 03/31/10. Any reduction would then be added to the June payment.

\*\*This Advance will have 50% of the Federal Share of Medicaid paid between 05/01/09 and 01/31/10 deducted from it. This amount is unknown at this time.

\*\*\*The June payment will be recalculated based on data on file as of 05/01/10. It will be based on the lesser of the district's calculated aid including Full Day K or the 'SA0910' run. This payment will also be reduced by 50% of the Federal Share of Medicaid Payments received between 02/01/10 and 04/30/10.

## **APPENDIX 6: DEPUTY CHANCELLOR APPOINTMENTS (Press Release)**

### **Chancellor Klein Appoints Sharon Greenberger as Chief Operating Officer of the Department of Education**

04/26/10

#### ***Former New York City Principal Marc Sternberg to Assume New Position of Deputy Chancellor for Portfolio Planning***

Schools Chancellor Joel I. Klein today appointed School Construction Authority President Sharon Greenberger as Chief Operating Officer of the Department of Education (DOE). Chancellor Klein also appointed Marc Sternberg, a founder and former principal of the Bronx Lab School, to serve in the new position of Deputy Chancellor of Portfolio Planning. These appointments are part of an ongoing effort by the Chancellor to focus and improve central administrative support of schools.

“With the worst fiscal crisis in 30 years as well as new school governance legislation, it is more important than ever to provide top-quality support to our schools as responsively and efficiently as possible,” Chancellor Klein said. “Our newest team members, Sharon Greenberger and Marc Sternberg, will help these efforts enormously. Both have years of experience working with the City’s schools, and I’m delighted that they will be joining the DOE.”

In her new role, Ms. Greenberger will oversee day-to-day operations and be responsible for coordinating the functions of DOE’s central offices. Lorraine Grillo, currently the School Construction Authority’s Executive Director, will serve as the Authority’s Interim Acting President.

Given the challenges of the current economic conditions, Photeine Anagnostopoulos, the DOE’s current Chief Operating Officer for Enterprise Operations, will draw on her financial expertise to fully focus on budgetary planning and operations as Deputy Chancellor for Finance & Technology.

Mr. Sternberg will coordinate DOE planning with the needs of communities across the City as he oversees the creation and siting of new schools and programs and manages efforts to ensure equity and consistency in enrollment at all schools. Mr. Sternberg founded the Bronx Lab School on the Evander Childs campus in 2004 and served as the school’s principal until June 2009. He currently serves as a White House fellow in the office of Education Secretary Arne Duncan. Chancellor Klein will make additional internal adjustments aimed at improving central administrative support of schools.

To integrate instructional planning more fully with the support teams that work directly with schools, Chancellor Klein also will merge the Division of Teaching and Learning with the Division of School Support. The newly formed Division of School Support and Instruction will work directly with principals and teachers to help schools develop curriculum and teach effectively. The consolidated division will be led by Deputy Chancellor Eric Nadelstern, who currently oversees the Division of School Support. Mr. Nadelstern has worked in the New York City public schools for 38 years, serving previously as a principal and superintendent.

As part of the DOE’s broader effort to bring the perspective of public school families and community partners to policy decisions, Chancellor Klein will create the new position of Deputy Chancellor for Community Engagement and appoint Santiago Taveras, who has served for the past year as Deputy Chancellor for Teaching and Learning, to that role. Mr. Taveras has worked in the City’s schools for 21 years, having previously served as a principal and superintendent.

Further, in an effort to ensure that titles of DOE divisions clearly reflect their primary functions, the Chancellor will implement several name changes:

- Division of School Support will become the Division of School Support and Instruction
- Division of Accountability and Achievement Resources will become the Division of Performance and Accountability
- The Chief Achievement Office will become the Division for Students with Disabilities and English Language Learners
- Division of Infrastructure and Planning will become the Division of Operations
- Division of Strategy and Innovation will become the Division of Talent, Labor, and Innovation
- Division of Enterprise Operations will become the Division of Finance and Technology

Each division head will also become a deputy chancellor.

These changes will be fully implemented by July 1.

## APPENDIX 7: C4E & CLASS SIZE

### Contracts for Excellence

- NYCDOE has by their own prioritization committed sizeable funds to class size reduction above and beyond what is called for in the law
- C4E provides \$600 million to NYC not solely for class size reduction, but rather to implement six reform strategies, including:
  - class size reduction
  - time on task
  - teacher and principal quality initiatives
  - middle school and high school restructuring
  - full-day pre-kindergarten
  - model programs for English Language Learners
- NYC DOE has fully complied with the all contracts for excellent portions of the Education laws as interpreted in the Commissioners Regulations.
- The regulations require NYC to establish a class size reduction plan as prescribed by the commissioner AFTER his/her consideration of the recommendation of an expert panel... The previous commissioner never established a panel. Thus, as an interim solution, in 2007, NYC proposed a temporary plan for class size reductions to be achieved by 2011, contingent upon available funding.
- The law does not specify amounts that must be allocated to class size reduction; the NYC DOE 2007 “interim plan” suggested a commitment of 25% of the C4E funds for class size reduction. NYC has exceeded this self-imposed commitment for every year of the funding.
- The 2007 “interim plan” was based upon a timeline for increasing allocations of C4E funds. However, that timeline has been delayed such that funds have not been made available in a timeline that matches the plan.
- The 2007 “interim plan” was also contingent upon maintenance of state and local funds. However, in the current national fiscal crisis, NYCDOE has experienced budget cuts for the past two years and anticipates further cuts in future years as the economy struggles to recover.
- Despite the reduction in anticipated C4E funds and more global budget cuts, NYCDOE has managed to avoid class size increases in most grades in 08-09 school year and to avoid class size increases of the magnitude experienced in other large urban districts such as LA. The availability of C4E funds has enabled NYCDOE to keep class sizes much lower than they would have otherwise been in this economic climate.
- Recognizing the fiscal realities of our times, on February 23, 2010, Commissioner Steiner and Chancellor Klein agreed to amend the Class Size Plan to focus on the 75 lowest-performing schools with the highest class sizes. We committed that class sizes and PTR in these target schools will increase by no more than 50% of the citywide average increase for schools with similar grade configurations.

## APPENDIX 8: SURPLUS ROLL PROGRAM

### ***What is the Surplus Rollover Program?***

This program will allow schools that have generated surpluses in select allocation categories in FY10 to transfer these surpluses into their FY11 budgets.

### ***How much can a school roll over?***

A school can roll over the entire balance in the allowable rollover allocation categories.

### ***When can a school apply for the program?***

The application period for schools will run until 2:30pm March 5, 2010 (*before batch begins.*)

There will be no exceptions made for locations that schedule their funds after batch has started.

*Schools are strongly urged to set aside their surplus rollover funds in the set aside line in Galaxy as soon as possible.*

Schools may need to make changes to their tables of organization after batch on March 5, so the system will remain open for all processing. However, none of those changes will be included in evaluating the eligibility criteria or in determining the amount a school will roll.

### ***Which schools can participate?***

All schools in districts 1-32, 79, and 97 which meet the eligibility requirements listed below may participate in the program.

### ***What are the eligibility requirements?***

Most of the criteria from last year remain in place. In addition, criteria related to specific allocation categories are being added, as well as a new requirement for absence coverage service provided by centrally funded ATRs and for O to Q grievance costs. New items are indicated by asterisks.

- No allocation categories are over-scheduled. Schools are held accountable for any allocation category overscheduled by more than \$100. TL ASA HH is exempt from this criterion.
- Per session budgets are greater than or equal to expenditures. The sum of per session bulk job balances for each, tax levy and reimbursable funded ACs, is positive. Tax levy and reimbursable ACs will not be combined for the purpose of evaluating this criterion. Therefore, tax levy balances must be greater than or equal to zero and reimbursable balances must be greater than or equal to zero. When the criterion is evaluated in October, the overtime budget and commitments will be evaluated in combination with per session.
- Total combined prep period and per diem budgets are greater than or equal to expenditures. The sum of per diem and prep period coverage bulk job balances for each, tax levy and reimbursable funded ACs, is positive. Tax levy and reimbursable funds will not be combined for the purpose of evaluating this criterion. Therefore tax levy balances must be greater than or equal to zero and reimbursable balances must be greater than or equal to zero.
- OTPS budgets are greater than or equal to OTPS expenditures. The sum of OTPS balances for each, tax levy and reimbursable funded ACs, is positive. Tax levy and reimbursable funds will not be combined for the purpose of evaluating this criterion. Therefore tax levy balances must be greater than or equal to zero and Reimbursable balances must be greater than or equal to zero.

- No “people without jobs” in active status as of February 11, 2010, remain without jobs in the school on March 5, 2010, and none remain at the end of the fiscal year on June 30, 2010.
- No “B-segments” are scheduled in TL ASA HH allocation category. Exempted from this criterion are all Hold Harmless items with the following reason codes: “pending line-of-duty injury”, or “reassigned pending investigation.” B-segments are jobs scheduled in Galaxy which have an end date prior to the current date. For example, on March 5, 2010, B-segments are all jobs with end dates through March 4. When schools are evaluated next October on this criterion for their budget status as of June 30, 2010, any job with TL ASA HH funding -- except those with the above reason code exemptions -- regardless of end date, will constitute a criterion failure and will result in a reduction to the second and final payment.
- No funds are scheduled at the end of the year in TL ASA for AA (Anticipated Allocations). This condition will only be implemented next October when schools are evaluated on their budget status as of June 30, 2010.
- No rolled open encumbrances from FY09 remain on the school’s Table of Organization. This condition will only be implemented next October when schools are evaluated on their budget status as of June 30, 2010.
- No funds scheduled in select allocation categories. They are:
  - \*TL Mid Year Hold Harmless
  - \*TL Temporary CFES
  - \*TL Temporary FY10 Shortfall
  - TL ASA Returns from Reassignment (This condition will only be implemented next October when schools are evaluated on their budget status as of June 30, 2010.)
- No add discrepancies (people with jobs not on the TO) in active status as of February 11, 2010 remain as a discrepancy on March 5, 2010 (and none remain at the end of the fiscal year on June 30, 2010).
- No location that rolls an FY10 or prior FY deficit into FY11 will be able to participate in the surplus rollover program.
- No person scheduled in the TL ASA Returns from Leave allocation category in active status as of February 11, 2010 remains scheduled in the allocation category on March 5, 2010, and no funds are scheduled at the end of the fiscal year on June 30, 2010.
- \*Absent teacher set aside required for ATRs covering absences Schools with centrally funded excessed teachers in the ATR (Absent Teacher Reserve) pool, are expected to use them as the first option to cover day-to-day or long-term teacher absences. Schools are required to set aside funds at 50% of the occasional per diem rate. A report will be distributed of actual absence data, so that your ISC/CFN can continue to work with you to establish an “absence coverage set aside” amount equal to 50% of the \$154 per diem rate times an estimated number of days of absence based upon historic absence data for your school. Adjustments may result in releasing funds from the set aside back to your school or increasing the set aside amount. If you have questions about this policy, please contact your ISC/CFN budget liaison. This condition will only be implemented next October when schools are evaluated on their budget status as of June 30, 2010.
- \*Costs for “O to Q” grievances must be covered As announced in the April 28, 2009 edition of the Principals’ Weekly Newsletter, beginning with school year 2008-2009

service and thereafter, schools are responsible where substitute teachers are not staffed into vacancies but serve in a vacant position or are covering for an appointed teacher. Principals must set aside funds for the potential grievance cost, using the new set aside title "O to Q Grievances Set Aside" in Galaxy. Your school's current roster of assignments should be reviewed, and you should work with your budget liaison to forecast any potential additional substitute expenses. The grievance cost is calculated by taking the difference between the O/Z daily rate paid to the teacher and full-time teacher rate at the salary step of the staff member. Failure by schools to cover these costs will be added to surplus roll failures and deducted from surplus amounts and/or prevent participation in the program. This requirement will be reviewed as of June 30, 2010. Your ISC/CFN will be in contact to work with you on covering costs where grievances have been identified for last school year. This condition will only be implemented next October when schools are evaluated on their budget status as of June 30, 2010.

Where charges in a school need to be paid by another location, schools must ensure that ISC/CFNs move allocations where appropriate. For allocation transfers that cannot be completed by the ISC/CFN, the ISC/CFN must submit an e-mail requesting the switch to DFPM to move funds by March 5, 2010. Requests to switch allocations after this date may not be completed until after the surplus roll deadline or with enough time for the schools to complete necessary scheduling actions. Additionally, the ISCs/CFN must ensure that school allocations in related services are sufficient to cover eligible students.

Schools and the ISC/CFN will need to be mindful of the deadline for fiscal year 2010 processing in Galaxy, which will likely *fall before* June 30, 2010. All transactions that schools need to complete in Galaxy to meet the surplus rollover criteria for June 30, 2010 will need to be finalized and approved, where applicable, by this earlier date. Schools should discuss year end financial processing deadlines with their ISC/CFN.

*From which allocation categories can surpluses be rolled over into FY11?*

Any surpluses in the following allocation categories can be rolled into FY11, pursuant to program guidelines. Additional allocation categories for Computer Maintenance and Subsidies have been added to the eligible list.

District 97 schools are subject to the restrictions specified in the Budget Methodology and Management Matrix issued by the Queens ISC/CFN. The ISC staff will assist schools in identifying eligible funds. District 79 schools will also need to consult with the ISC on additional restrictions.

**Eligible Allocation Categories:**

TL Children First CW
TL Children First Funding
TL Children First Funding HS
TL Computer Maintenance
TL Computer Maintenance HS
TL Fair Student Funding
TL Fair Student Funding HS
TL Fair Student Funding Incremental
TL Fair Student Funding Incremental HS
TL FSF General Hold Harmless
TL FSF General Hold Harmless HS
TL FSF Legacy Teacher Supplement
TL FSF Legacy Teacher Supplement HS
TL FSF Summer
TL FSF Summer HS
TL Host School HS
TL Instructional Programs
TL Instructional Programs CW
TL Instructional Programs HS
TL Instructional Programs HS D79
TL One-Time Allocations
TL One-Time Allocations HS
TL Project Arts CW
TL 2nd Year Subsidy
TL 2nd Year Subsidy HS
TL Salary Subsidy 2017
TL Salary Subsidy 2017 HS
TL Salary Subsidy 2018
TL Salary Subsidy 2018 HS

***How can a school set aside funds to roll over?***

Funds identified to roll over should be scheduled on the title “Surplus Rollover Set Aside” in one of the allocation categories listed above. The title has been added to the OTPS section of the table of organization, not the set-aside section, allowing schools to create and modify this title without assistance.

***What happens next?***

Once the application period is closed, Division of Financial Planning & Management (DFPM) staff will use a snapshot of the Galaxy condition from the start of the batch process on March 5,

2010 to determine whether the criteria identified above have been met. The ISC/CFNs will receive a report indicating which schools have met the criteria, and which schools have set aside funds but have not met the criteria.

On March 8, 2010 the funds identified to be rolled over will be removed from each school's budget for re-allocation in FY11. Schools that had funds removed but did not pass the criteria will have the opportunity to appeal (described below in the section "*How can a school appeal a decision to deny participation in the program?*") Appeals that are not approved or schools that do not appeal will have their funds restored to their available balances. Schools should contact their ISC/CFN if they require assistance scheduling their unrolled balances.

Note: On February 11, 2010 DFPM will e-mail to the ISC/CFN a report on schools that are meeting and not meeting the criteria based on the relevant data available. This will help the ISCs/CFN to work with the schools to meet the criteria within the deadlines of this program. School specific information will also be placed on the Principal Portal so that principals can review pass/fail criteria directly.

***When will a school that rolls over funds receive its money in FY11?***

Ninety percent of the funds rolled over will be added to the school's initial allocation for FY11. These funds will be added into the "TL One-Time Allocations" allocation category, and schools will be able to see the transaction in the allocation history. The remaining ten percent of rolled funds will be released to schools in the same allocation category once DFPM staff verifies that schools ended FY10 passing all of the aforementioned financial conditions. If the school fails any of the criteria above, the amount of the failed criteria will be deducted from the remaining ten percent and any balance left will be released to the school. This review will occur in October, 2010.

In June, 2010 DFPM will send reports on the schools that are participating in the surplus roll program, but which are at risk of not meeting one or more of the criteria that schools need to meet when their financial condition is evaluated for the end of the year. The ISC/CFN can use these reports to help schools take the necessary steps to finish the year passing all criteria.

***How can a school appeal a decision to deny participation in the program?***

If a school is denied participation in the program it can request that the decision be reconsidered through an appeal. The following is the process for submitting an appeal:

1. Schools should contact their respective ISC/CFN for guidelines on submitting documentation for appeals.
2. ISC/CFN staff will conduct an initial review of all appeals.
3. DFPM will conduct and review all appeals submitted by the ISC/CFN.

The deadline for appeals to be submitted to DFPM is close of business on March 12, 2010. Appeals may only be submitted by the ISC/CFN on behalf of the school.

## **APPENDIX 9: HAITIAN IMMIGRANT STUDENTS**

### Summary of Activities for Our Newly Arrived Haitian Immigrants

The Department of Education has been busy working with our newly arrived Haitian families and is deeply committed to the students who are coming to us, seeking school placements.

To that end, all Enrollment Offices across the city have been assisting families and will continue to do so as they arrive.

We have all our family facing documents at the Enrollment Offices translated into the 8 requisite languages, of which Haitian-Creole is one. We have translation and interpretation services available and at the Enrollment Office at 1780 Ocean Avenue where we have experienced the greatest influx of students, we have had on-site staff from the Office of English Language Learners in addition to our bilingual counselors to assist with the language needs of newly arrived families.

The Enrollment Office staff meets with families from Haiti to find appropriate school placements for students.

- Elementary school age students are sent to the school for which they are zoned. Students are placed in a grade that is age appropriate (grades K thru 5). In most cases these families make their way directly to the elementary schools in their communities.
- Middle school age students are sent to their zoned middle school, if there is one. If not, Student Enrollment finds another placement that is appropriate. Students are placed in a grade that is age appropriate (grades 6 thru 8). In many cases, students go directly to a middle school within their communities.
- High School students are registered at the Enrollment Office, which is the sole point of entry for all high schools except Alternative High Schools.

The Office of Student Enrollment has provided materials to the Haitian Earthquake Resource Center at the Bedford Armory opened by the Office of Emergency Management. For almost a full month, we had a staff member at the Armory to direct families who had enrollment questions or needs.

The Department of Education has created a code within our student data system to identify newly arrived Haitian Earthquake evacuees. Schools and Enrollment Offices are using the code which helps us track the number of students coming into the system and areas of concentration. The Office of English Language Learners (ELL Office) has also been working with our schools where programs already exist and where there may be a need to start a program. The ELL Office has prioritized Transitional Bilingual Education/Dual Language grant proposals for schools that propose a Haitian Bilingual or Dual Language program to encourage more native language options for Haitian students. The ELL Office has also expedited the identification and funding (through the Title III reserve) of newly-arrived Haitian ELLs, providing targeted resources directly to the schools that need them by providing special LAB-R pick-up and scan dates. Lastly, the ELL Office has deployed immigrant and out-of-district funding for schools in the City district serving high numbers of displaced students. Additional State funding, if provided (e.g., bilingual supplemental grant) could be targeted to schools, clustered in four districts, already receiving and serving Haitian students.

The Office of School and Youth Development (OSYD) too has been actively involved in working with families. Immediately following the earthquake, OSYD worked with DOHMH to identify community based organizations with cultural and linguistic competency to help our school communities. OSYD located written materials on crisis intervention and posted these

materials on the DOE website; conducted a workshop, in conjunction with the UFT, to provide support to school counselors. This had a dual purpose of sharing resources and providing care to the caregivers. OSYD collaborated with the Office of Emergency Management (OEM) to locate service providers, i.e. Red Cross, who could provide direct counseling in affected schools (Brooklyn and Queens) and reached out to principals of schools which have received clusters of newly admitted students since the crisis. OSYD supported schools in applying McKinney Vento protections to the newly admitted Haitian students as indicated by the Residency Questionnaire. On Friday, April 30, OSYD held a Parent Forum at PS 189 in Brooklyn. The goal was to create a comprehensive network of services to support the schools and develop a long term strategic plan to aid Haitian families, students and communities. OSYD worked in close collaboration with other DOE offices, including the Office of Student Enrollment, Office of Family Engagement and Advocacy, Office of School Health, Division of School Support, and the Office of English Language Learners, as well as external agencies including the Mayor's Office, Office of Emergency Management and the Human Resource Administration to focus on the schools that had the highest increase of newly admitted Haitian students. The event provided information and services to approximately 100 families.

The Department of Education has also been meeting monthly with representatives from various community groups - Flanbwayan , NYS Habetac, New York Immigration Coalition, Haitian Centers, to name a few and has met with Council Member Mathieu Eugene and been in contact with the office of Council Member Jumaane Williams.

To date, 689 students from Haiti have been assigned to our schools. We remain committed to working with our partners and assisting families who seek refuge in our city and educational opportunities in our schools.

## APPENDIX 11: FAIR STUDENT FUNDING FORMULA

### NO CHANGES TO FSF WEIGHTS IN FY11

	K-5	6-8	9-12
<b>Grade Weights</b>	1.00	1.08	1.03
<b>Need Weights</b>			
<b>Academic Intervention</b>	K-5	6-8	9-12
Poverty	0.24	—	—
Achievement—well below standards	—	0.50	0.40
Achievement—below standards	—	0.35	0.25
ELL	0.40	0.50	0.50
<b>Special Education</b>			
Less than 20%	0.58	0.58	0.58
20-80%	0.68	0.68	0.68
Greater than 80% (self-contained)	1.23	1.23	0.73
Greater than 80% (integrated)	2.28	2.28	2.62
<b>Portfolio Weights</b>	K-5	6-8	9-12
Specialized Audition schools	—	—	0.35
Specialized Selective schools	—	—	0.25
CTE schools	—	—	0.05-0.25
Transfer schools	—	—	0.40