

ANNUAL ESTIMATE OF THE TOTAL SUM OF MONEY NECESSARY TO SUPPORT OPERATION OF THE CITY SCHOOL DISTRICT

I. Description of the subject and purpose of the proposed item under consideration.

Pursuant to sections 2590-g and 2590-q of the New York State Education Law, each year the Panel for Educational Policy (the “Panel”) must approve the estimated total sum of money necessary for the operations of the New York City school district in the following school year (the “Estimated Budget”). These operations support primary and secondary education for over one million school-age children through a network of elementary, junior high, intermediate, and high schools as well as special education schools. The Department of Education’s operations provide basic instructional services and offers students special education and instruction for English language learners and career and technical training. Support services include free and subsidized transportation, breakfast and lunch services, and the operation and maintenance of approximately 1,500 schools.

On May 6, 2011, the New York City Department of Education (“DOE”) issued a public notice describing the 2011-2012 Estimated Budget. The DOE is now revising that Estimated Budget. The revisions are described in more detail in Section II below. The DOE expects that the Panel will vote on whether to temporarily adopt the Revised Estimated Budget at its June 27, 2011 meeting, and vote whether to permanently adopt the Revised Estimated Budget at its July 2011 meeting.

II. Identification of all revisions, including substantial revisions to the item.

On May 6, 2011, the New York City Department of Education (“DOE”) issued a public notice describing the 2011-2012 Estimated Budget. The estimated operating budget (not including education-related pension and debt service costs, which are budgeted for by different city agencies) for the Department of Education was \$19.218 billion, an increase of \$331 million over the current forecast for fiscal year 2011 of \$18.887 billion. City funds including pensions and debt service supported \$13.402 billion of the Department of Education’s expense budget in 2012, an increase of \$1.953 billion, or 17 percent. State funds supported \$8.570 billion, an increase of \$40 million. The balance of the Estimated Budget was supported by \$1.829 billion in Federal aid and \$63 million in other categorical funds. Including those funds budgeted in separate agencies, total funds budgeted on behalf of the Department of Education were proposed to increase from \$22.968 billion in the 2011 Forecast to \$23.864 billion in the 2012 Executive Budget (excluding inter-city revenues).

The DOE is now revising the original Estimated Budget. Under the Revised Estimated Budget, the total sum of money for the operation of the city school district (again not including education-related pension and debt service costs) is \$19.422 billion. This represents an increase of \$535 million over the current forecast for fiscal year 2011, and an increase of \$204 million over the original Estimated Budget. Under the Revised Estimated Budget, City funds including pensions and debt service support \$13.496 billion of the Department of Education’s expense budget in 2012, an increase of \$2.013 billion, or 17.5 percent, which represents a \$60 million increase as compared to the original Estimated Budget. State funds now support \$8.572 billion, an increase of \$2 million as compared to the original Estimated Budget. The balance of the Revised Estimated Budget is

supported by \$1.921 billion in Federal aid (an increase of \$92 million from the original Estimated Budget) and \$95 million (an increase of \$32 million from the original Estimated Budget) in other categorical funds. Including those funds budgeted in separate agencies, total funds budgeted on behalf of the Department of Education are proposed to increase from \$22.968 billion in the 2011 Forecast to \$24.084 billion (an increase of \$204.117 million original Estimated Budget) (excluding inter-city revenues).

III. Summary of all public comment received to date

The DOE has received eleven written comments. The below summarizes the comments received during the public comment period.

General Opposition to Budget Cuts

One commenter notes that our public schools need as much as help as they can get, and do not need teacher layoffs or any reduction in funding.

One commenter asserts that we as community have done so much to support children, and it is imperative that the city and state do their part as well.

Comments Regarding Subjects of Potential Cuts

Multiple commenters asserted that the DOE is prioritizing and spending too much on technology and testing, and consultants, and suggested redirecting spending to one or more of art, music, smaller class size, and teachers.

One commenter asserted that cutting teachers should be the last option considered, and suggested that the city cut sanitation, cut services, or raise taxes, but don't sacrifice the lives and education of our youth.

One commenter asked that the DOE not balance the budget by shortsightedly cutting teacher positions, and asked the DOE to consider alternatives raised by community groups.

Comments Regarding Potential Impact of Cuts

One commenter asserted that if the schools in NYC further eliminate teachers, the level of the public school system will drop dramatically again as overcrowded classrooms are not equipped to teach children sufficiently.

One commenter asserted that class overcrowding would be made worse by teacher layoffs.

One commenter stated that s/he was "heartsick" to hear that my younger son's kindergarten class in September is expected to have 28 children -- with one teacher, no assistant.

Comments Regarding Teacher Layoff Process

One commenter noted that our schools are our future and good teachers are key to good schools. The commenter asked that the City reconsider the “first in first out” policy towards layoffs.

One commenter asserted that principals and the school system need the ability to choose the teachers they believe are best, and that this should not be decided by an “antiquated” union rule.

IV. Information regarding where the full text of the proposed item may be obtained.

For more information, please see the proposed revised Estimated Budget, available at

<http://schools.nyc.gov/NR/rdonlyres/B2CE6F9B-8EFC-415F-B0DB-C3663B3B7D6E/107280/THEANNUALESTIMATEFY12linkdoc1.pdf>

V. Submission of further public comment.

Comments can be delivered by e-mail to Budget@schools.nyc.gov, by phone to (212) 374-6754, or by mail to the address set forth below.

VI. the name, office, address, email and telephone number of the city district representative, knowledgeable on the item under consideration, from whom information may be obtained concerning the item.

Name: Susan Olds
Division: Finance
Address: 52 Chambers St, New York, NY 10007
Email: Budget@schools.nyc.gov
Phone: 212-374-6754

VII. Date, time and place of the Panel for Educational Policy meeting at which the Panel will vote on the proposed item.

Vote on Emergency Adoption

June 27, 2011 at 6:00pm
Prospect Heights Campus
883 Classon Avenue
Brooklyn, NY 11225

Vote on Permanent Adoption

July 20, 2011
MS 131
100 Hester Street
New York, NY