

FY11 School Budget Allocations

Community Education Council Presentation

New York City Department of Education

FY 11 School Budget Allocations

Today's discussion will cover:

- Department of Education's Fiscal Year 2011 Budget Outlook

- DOE Fiscal history: Revenues and Budgets

- School Budgets & Fair Student Funding

- Next Steps

Mayor's Proposed Budget

- **Total \$23 billion; Operating \$18.8 billion**
- Does not incorporate a reduction in state education spending

- **Overall budget goes up \$ 666 million**
 - \$284 million increase for pension and debt
 - \$382 million increase for DOE mandates, compensation, & operations

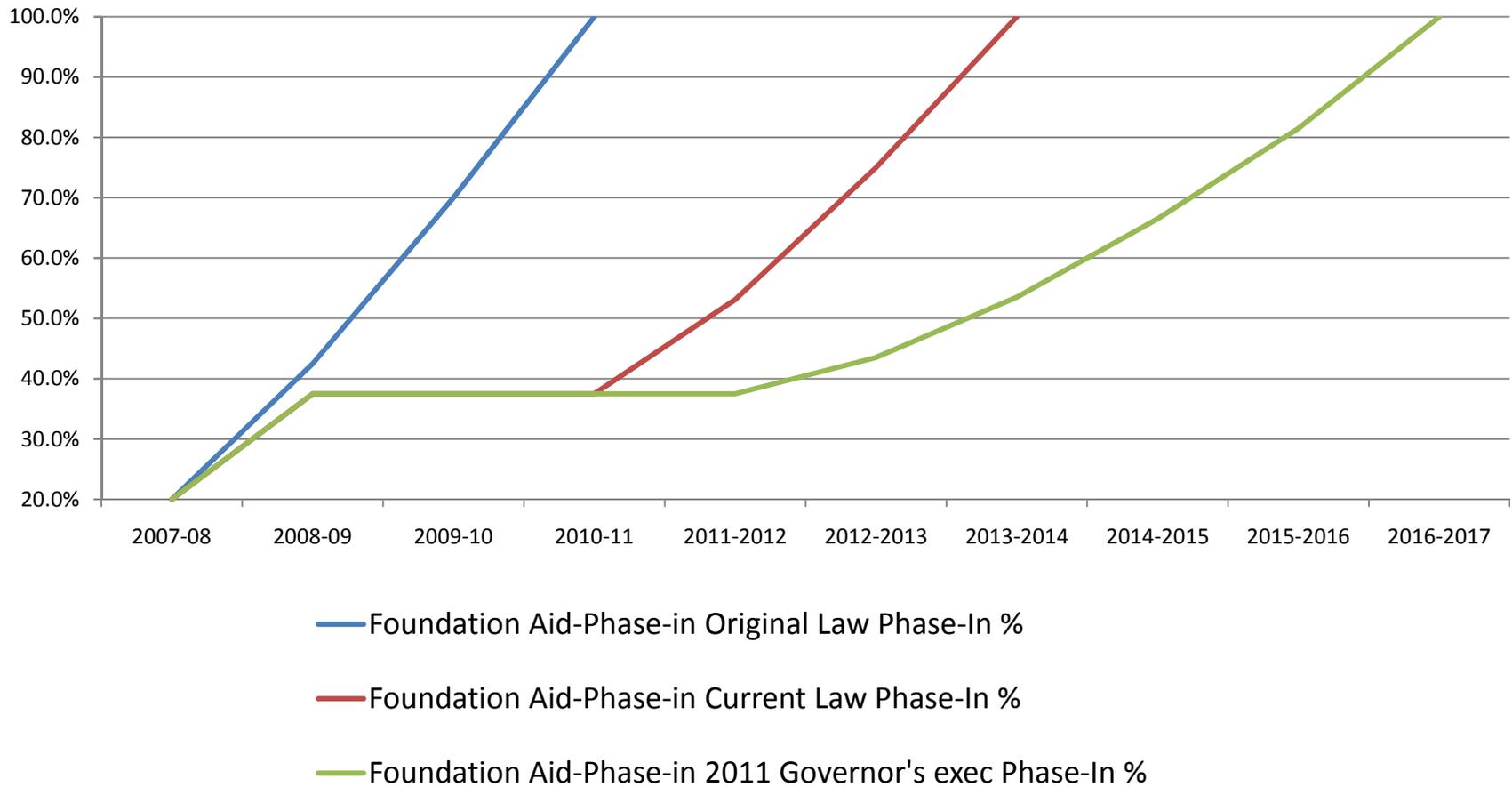
- **Includes \$357 million in savings by cutting back original expected increase in salaries of 4% to 2% for UFT and CSA members**

State Budget???????

- **Governor's Proposal: \$500 million cut**
- **State Legislature Proposal: \$260 million cut**

**Although the state budget was due April 1,
negotiations between Governor and
Legislature continue**

Changes to NYS Foundation Aid Phase-In Results in Fiscal Equity Deferred (C4E)



Loss in Federal Dollars in FY11

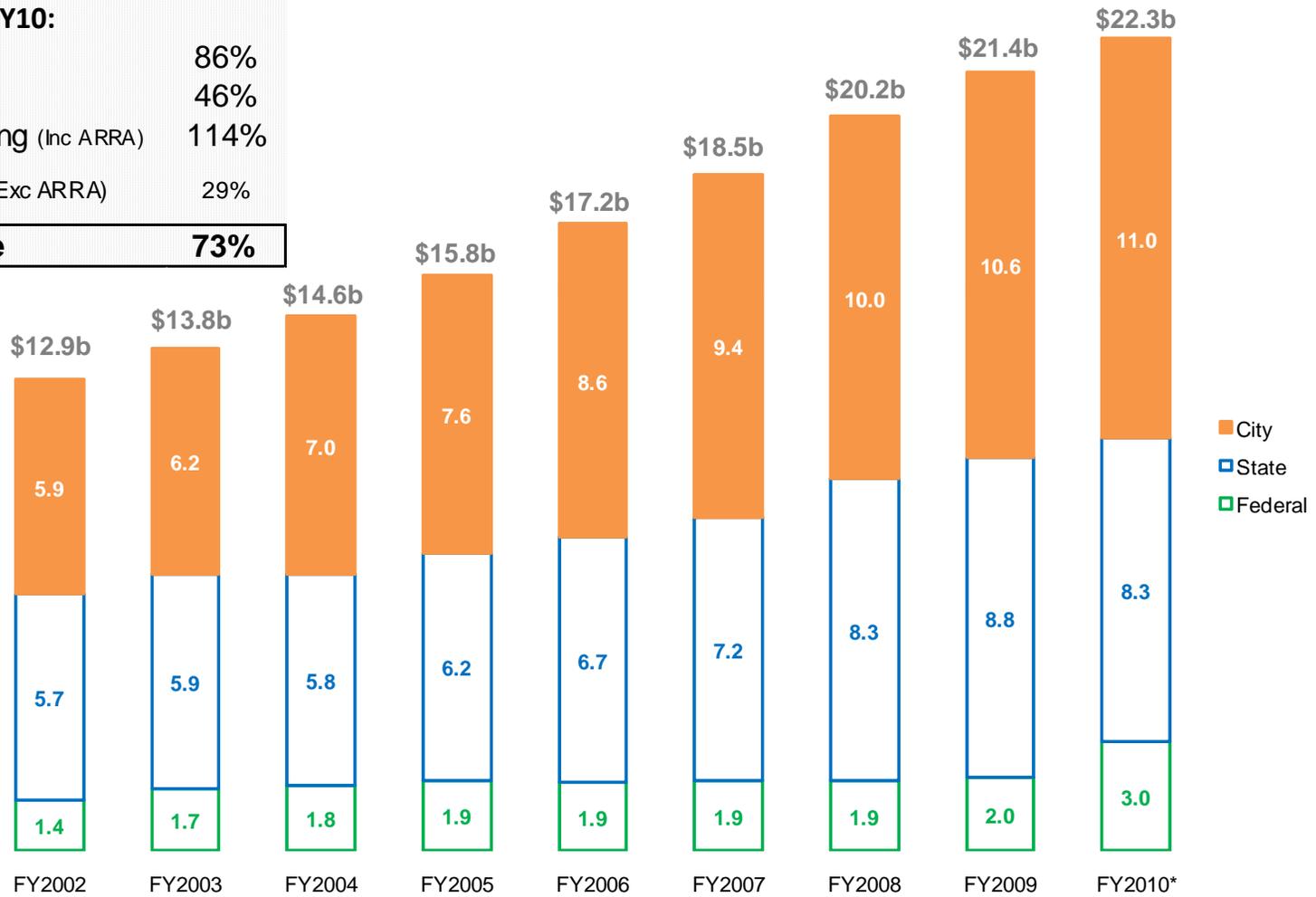
This coming year, fewer federal stimulus funds are available because NYS used so much to cover its shortfall

FEDERAL STIMULUS FUNDING (\$ millions)	FY10	FY11	FY11-10
ARRA: State Deficit Reduction Assessment	555,086	227,170	(327,915)

BUDGET STILL HIGHER THAN IN PREVIOUS YEARS DUE TO RECORD INCREASES IN CITY AND STATE FUNDING

Total funding of education has grown by over \$9 billion since 2002

From FY02 to FY10:	
City Funding	86%
State Funding	46%
Federal Funding (Inc ARRA)	114%
Federal Funding (Exc ARRA)	29%
Total Change	73%



* FY10 as of Jan Plan.

Rising Costs for Mandated and Contractual Expenditures

- **Register Growth** – For first time since 2001, school year 2009-2010 had growth in *total* pupil register of 14,282
 - ✓ Register Growth expected to continue in Fiscal Year 2011
- **Special Education** – Recent trends in increased demand and costs expected to continue in Fiscal Year 2011, beyond funds already added in January Plan budget.
- **Other Needs & Contractual Salary increases**- Additional operating costs, mandates, and rise in teacher salaries due to seniority and more educational credentials

Non-school Reductions

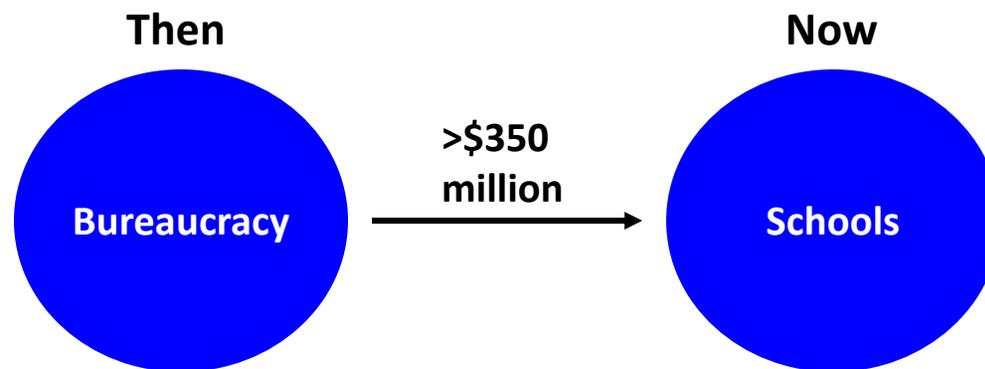
Central & Field budgets have absorbed nearly an 18% reduction, compared to just over 8% for schools

By June 30, 2010, the central and field offices , including maintenance and food support, will have reduced positions by 13% since January 2008.

PAST REDUCTIONS IN CENTRAL & FIELD OPERATIONS HAVE PUSHED MORE FUNDS TO THE SCHOOL BUDGETS

\$350 MILLION PLUS TO SCHOOLS FROM CUTS TO THE BUREAUCRACY SINCE 2002

- > **Phase I:** *Prior to 2007*, we sent more than \$190 million from the bureaucracy to schools and classrooms.
- > **Phase II:** Since then, we were able to redirect an additional \$174 million from the bureaucracy to schools and classrooms.
- > **Plus:** We have sent another \$56 million to the schools that principals can use to purchase the academic support services, provided by School Support Organizations, they consider best for their students.



Individual School Budgets in FY11 Will Decline

- State revenues are down, and costs are rising.
- We are making significant cuts to central and field
- However, given how big the expected cuts could be, we simply cannot fully protect schools from cuts

Schools Reductions: FY2008 – FY2010

- Districts 1-32 schools have absorbed the following reductions:
 - Teachers & Classroom Para's = \$144 M (4% of teacher/para budget)
 - Active Pedagogues (exc. D75) down 3,000 YOY as of December, 2009
 - OTPS = \$74 M (33% of OTPS budget)
 - Support Staff (Inc. layoff > 500 school aides) = \$32 M (9 % of support staff budget)
 - Before/After School Programs = \$26 M (33% before/after school budget)
 - Per Diem Staff = \$11M (13% of per diem budget)
 - Guidance/Pupil Support = \$7 M (5% of guidance/pupil support budget)
 - Unscheduled Balances = \$123 M
 - Surplus Roll Offset = \$95 M
 - Other (FY08 mid-year reduction) = \$96 M

Where can we cut?

Department of Education Budget	\$22.296 billion
NON-FLEXIBLE	\$11.972
Special Education	\$4.996
PENSIONS	\$2.397
DEBT	\$1.518
Transporation(SE & NYS funds)	\$0.804
ENERGY & LEASES	\$0.442
CHARTERS (NYS sets amount)	\$0.418
FOOD - NYS & Federal Funds	\$0.411
SAFETY	\$0.290
English Language Learners (Est.)	\$0.250
PRE-Kindergarten - state grant	\$0.231
NON PUBLIC SCHOOLS/FOSTER CARE	\$0.215
FLEXIBLE	\$10.32
General Education- DOE SCHOOLS	\$8.605
CENTRAL & FIELD	\$0.753
FACILITIES	\$0.673
Transportation - GE (\$NYC)	\$0.222
FOOD \$ NYC)	\$0.071
Amounts shown include fringe costs for personnel	

Despite its \$22 billion budget, DOE’s budget has many restrictions when it comes to budget reductions.

School Budget Allocation Formula

- ❑ Today you will be commenting on the Fair Student Funding Formula that drives over \$4.4 billion in tax levy to schools.
- ❑ Schools also receive state, federal and other local funds allocated using a variety of methods.
 - ✓ State and federal funding streams (“categorical”) often have externally determined allocation methodologies (e.g. C4E, Title I, etc.)
 - ✓ Mandate Support allocations are based upon individual pupil needs (e.g., IEP Para, Mandated Speech, etc)
 - ✓ Programmatic Allocations are targeted to support specific goals (e.g. Parent Coordinators, Children First, etc.)

Fair Student Funding Formula

- ❑ The New York City Department of Education (DOE) launched Fair Student Funding (FSF) in May, 2007.

- ❑ FSF consists of weights that generate school budgets that fund not only basic classroom costs, including special education and English language learner costs, but also provide additional funds to provide additional instructional support for the lowest performing students.

Fair Student Funding

- All schools receive a fixed “foundation” allocation (\$225,000) to pay for the principal, a secretary and minimum other administrative costs
- All schools receive grade weights to support basic instruction
- Schools with special education, English Language Learners, or low academic achievers, receive additional funding
- Specialized schools such as Career and Technical, Specialized Audition, Specialized Testing and Transfer schools receive additional funding

- The difference between what the Fair Student Funding formula calculated a school’s budget should be, when FSF began in 2007, and its actual historic budget at that time, is the “Hold Harmless” amount.

- Year-over-year budget reductions combined with a need to preserve stability in all schools have caused a delay in a full transition to schools receiving the budget amount calculated by FSF.

NO CHANGES TO FSF WEIGHTS IN FY11

	K-5	6-8	9-12
Grade Weights	1.00	1.08	1.03
Need Weights			
Academic Intervention	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
Special Education			
Less than 20%	0.56	0.56	0.56
20-60%	0.68	0.68	0.68
Greater than 60% (self-contained)	1.23	1.23	0.73
Greater than 60% (integrated)	2.28	2.28	2.52
Portfolio Weights	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

FSF: OPERATING COSTS VIA GRADE WEIGHTS

❑ The Fair Student Funding (FSF) formula sets basic operating budgets through the FSF grade weights

❑ **The grade weight funds schools' *basic operations*** outside of the Principal and Secretary (FSF Foundation allocation \$225,000), including:

- ✓ teachers
- ✓ teacher coverage for prep and admin periods
- ✓ Assistant Principals
- ✓ Counselors (non-mandated)
- ✓ Additional Secretaries
- ✓ School Aides
- ✓ non-mandated paraprofessionals
- ✓ after-school programs
- ✓ Supplies, equipment, contracts
- ✓ teacher absence coverage

FSF Formula	PER CAP	WEIGHT	GRADE SPAN
<i>Grade Weight</i>	4,003.35	1.00	K-5
	4,323.94	1.08	6-8
	4,123.06	1.03	9-12

NOTE: Per Capita amount shown reflects original FSF funding levels . This per capita is used in FSF allocations, but when budget reductions are applied, the “effective” per capita is lower than the amount shown.

FSF Legacy Teacher Supplement

In addition to hold harmless, schools receive additional funds to cover teachers' differentials and longevity that impacts the school's average teacher salary.

- Legacy teacher supplement given to help cover increasing costs of teachers hired prior to FSF and principal autonomy.
- Holds schools harmless for hiring decisions made before the new funding methodology and Open Market teacher hiring system.
- Almost all schools (except new schools) received this allocation
- Currently budgeted at \$95 million

FY11: NO CHANGE IN TITLE I METHOD

- ❑ To maximize Title I funds available through the American Recovery and Reinvestment Act (ARRA), the poverty percentage was reduced in Fiscal Year 2010 to a city-wide rate of 40% and 35% in Staten Island based upon the count of pupils eligible for free or reduced lunch.
- ❑ As a result of this change in FY10, 180 more schools were able to receive Title I funds supporting over 90,000 additional needy pupils.
- ❑ In FY11, DOE will continue to apply a city-wide rate of 40% and 35% in Staten Island based upon the count of pupils eligible for free or reduced lunch.

Impact on FY11 School Budgets

- The size of the overall DOE FY11 budget, determined by State and City funding, will determine by how much school budgets will be reduced in FY11.
- The DOE will continue to take cuts as much as possible in non-school areas in order to fully minimize reductions to school budgets
- In FY10, we used the federal Recovery Act funds to ensure that all schools' total budgets were decreased by the same percentage. Until we have a better indication of the overall DOE funding and the final funding streams, we do not know if there will be a range in percentage cuts across schools due to the difference in the mix of funding streams across schools.
- School allocations will continue to be based on Fair Student Funding and allocations required by federal and state mandates, such as Title I and C4E.

Public Comments

We value your input!

Please email your comments and questions on or before May 17, 2010 to

Email address: CECBudgetComment@schools.nyc.gov

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