

C. Explanation of Allocation Method

Similar to Fiscal Year 2004, a school's budget allocation is determined in Fiscal Year 2005 by comparing its current "base budget" with formula amounts that are generated by applying the Basic Instructional Services formula and Special Needs/Academic Intervention Services Formula to school register data. The Base Budget is then adjusted to bring it more in line with the formula amounts and to generate the final Fiscal Year 2005 allocations. The amount by which the Base Budget is adjusted is defined by "corridor" rules. In Fiscal Year 2005, the corridor rules allow a school's Base Budget to increase no more than 2.56% or to decrease no more than 3%, with an absolute limit of \$200,000 on the amount of change. The following explains the main components of the allocation method.

Base Budget

A school's Base Budget is initially determined by taking a "snapshot" of certain allocation categories in Galaxy. On May 6, 2004, a snapshot was taken of the following allocation categories for all schools:

- Tax Levy: ASA, Instructional Programs (HS), Middle School ELA (HS), Special Needs Tax Levy (HS)
- Reimbursable: Special Needs AIDP, Special Needs ERSSA, Special Needs IDEA, Special Needs PCEN (SWP), State Magnet OTPS for new schools, State Magnet.

These allocation categories were selected because they mirror the funding that is generated through the Basic Instructional Services formula and Special Needs/Academic Intervention Services formula.

In Fiscal Year 2005, however, the scope of the Special Needs/Academic Intervention Service formula has been redefined due to the creation of several new, targeted allocation categories for mandated special needs. (See SAM #1 Section B – Summary of Major Fiscal Year 2005 Budget Changes

http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/b.pdf)

Consequently, the funding contained in the Fiscal Year 2004 Special Needs Allocation Categories as of May 6, 2004, are reduced by amounts commensurate with the cost of the special needs services that will be funded in Fiscal Year 2005 by the new, targeted special needs allocation categories.

Other adjustments are made to the Galaxy snapshot, including the removal of excess ASA allocations (e.g. for removals; OTPS, etc) and non-recurring allocations (e.g. planning grants, midyear 40% hold harmless, etc). Then, in order to make the Fiscal Year 2004 Base Budget comparable to the Fiscal Year 2005 Formula Allocations, the Base Budget is updated for changes in average and actual salaries, collective bargaining and fringe rate changes. Finally, the Base Budget is modified to reflect changes in the projected October, 2004, registers in comparison to the audited October, 2003, registers.

All these adjustments are done in order to ensure that the Fiscal Year 2004 Base Budget and the Fiscal Year 2005 Formula Allocations are “equivalent” and can be meaningfully compared. To see detailed Fiscal Year 2004 Base Budgets for schools, and, to get more information on the Base Budget calculations, please see SAM #1 Section T School Details – Base Budget Calculations http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/fy04base/default.asp

Allocation Formula

The Basic Instructional Services formula has three components: 1) School Overhead Allocation; 2) Base Teacher Allocation; and, 3) Basic Instructional Services Per Capita Allocation. For complete information about each of these components see Section D of SAM #1

http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/d.pdf

The School Overhead Allocation formula provides for minimum school overhead needs, such as Principal, School Secretary, etc. The Base Teacher Allocation funds the number of teachers needed to staff classes; the number of teachers is derived by dividing projected registers for each grade, by the class size for each grade, as specified by the formula. This allocation provides teachers for general education, special education inclusion, and special education self-contained classes. Finally, the Basic Instructional Services Per Capita Allocation is provided to support other basic school needs (such as materials and supplies) not covered by the school overhead and basic teacher components.

The Special Needs/Academic Intervention Services (SN/AIS) formula traditionally funds both IEP mandates of special education students and an array of non-special education supports. (For more details, please refer to SAM#1 Section E

http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/e.pdf) In

Fiscal Year 2005, SN/AIS will continue to provide this flexibility, but a significant portion of the funds traditionally allocated by this formula are being removed and placed in new, targeted allocations for special education mandates. (For more details, please see SAM #1 Section B

http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/b.pdf

The Special Needs/Academic Intervention Services (SN/AIS) formula for Fiscal Year 2005 is being changed to take account of the new, targeted allocations which will address many of the special education needs previously funded from this allocation. As a result, the weightings of the various components of the formula are being changed. The pupil weightings are shown below:

- General Education Student = 1.00
- Student scoring at Level 1 or below 55% on English or Math Regents = 2.00
- Free-lunch eligible pupils = 1.00
- Limited English Proficient student = .5
- Special Education Students = .5

Finally, the traditional per capita allocation to schools of State Magnet funds is included in the formula amounts. (Please see SAM #1 Section P for details
http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/p.pdf)

The Corridor

During this second year of transition to school-based budget allocations, we have, once again, utilized the corridor method to minimize budget changes from prior year budget allocations. This method recognizes that each school is unique, and, so compares the Fiscal Year 2005 formula allocation to the Fiscal Year 2004 Base Budget in order to compute the final Fiscal Year 2005 budget allocations. In Fiscal Year 2005, no school budget allocation was allowed to fall more than 3.0% (or \$200,000) below last year's Base Budget, and no school's budget was allowed to increase more than 2.56% (or \$200,000) above its Base Budget for Fiscal Year 2004.

The Allocation

The Allocation Computation Table (Section C1
http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/allocationmemo/fy04-05/datafiles/c1.xls) shows the application of the formula and the corridor to schools' base budgets, for *all* regional schools. To see detailed formula allocations for an *individual* school, please see SAM #1 Section S School Details – Allocations
http://www.nycenet.edu/offices/d_chanc_oper/budget/dbor/galaxy/galaxyba/schallo3.asp