

From: Donohue Beverly
Sent: Thursday, March 14, 2002 6:35 PM
To: &All Superintendents
Cc: &DBOR Finance; Shorris Anthony; Rizzo Judith; Klasfeld David; Blum Marjorie
Subject: FY2003 Budget Reductions
Importance: High

Memorandum

TO: All Superintendents
FROM: Beverly Donohue, Chief Financial Officer
SUBJECT: Fiscal Year 2003 Budget Reductions
DATE: March 12, 2002

The bad news contained in this memo will come as no surprise. Shortfalls in this year's State and City budgets required cuts to the Board's overall funding totaling \$405 million. Over \$290 million of these cuts continue into next year's budget as a baseline reduction. On top of this amount, the Mayor's February Financial Plan announced a \$358 million reduction for the Board of Education starting July 1, 2002. In addition, early indications of FY03 State budget shortfalls, as well as the Board's own "structural deficit," create a financial risk of up to an additional \$200 million. This week we received a letter from the City's budget director instructing that the Board submit a contingency plan to cut an additional \$115 million for next year in case some elements of the City's gap-closing program are not achieved. In short, between the continuing impact of this year's service cuts and the reductions and risks next year, we are facing a worst case scenario of losing next year almost a billion dollars in services to students compared to the funding levels of a year ago.

In seeking solutions to this extraordinary set of financial challenges, the priority is, as always, to maintain core instructional services for students to the extent possible. A new round of deep cuts to central offices has already begun. Each manager has been asked to find savings equal to one third of all funding. All centrally provided services are under review. The Chancellor has also asked that the senior superintendents be involved in an unprecedented way in structuring the solutions to this budget gap to ensure that the needs of schools are paramount.

After exhausting all central alternatives and assuming that some additional State aid will emerge from the State budget process, we are left with about \$190 million in reductions as well as the \$115 million contingency. There is no alternative source of savings left; these additional reduction proposals will have to come from funds under district control. As the Chancellor has outlined in his recent e-mail, a review of administrative and operational costs in district offices should come first, support services and professional development should come second, and direct student services in schools should be reduced last. Your budget process should specifically examine all non-instructional activities performed in schools as well as in your district offices to insure maximum classroom resources.

Your reduction programs will be part of the Board's overall target submitted to the Office of Management and Budget and incorporated in the Mayor's Executive Budget to be published in late April. The goal, therefore, is to complete the entire reduction exercise by the beginning of April. This timeline must include consultation with your senior superintendent and, for districts with liaisons, a review and approval of your submission by the appropriate liaison. Also, based on your district's response, you may be asked to meet with a team of central staff who will provide additional guidance in the development of your program.

In order that you may begin to work on planning for these reductions, here are some further considerations:

- We expect that City severance and/or early retirement programs will be open to at least some Board titles to facilitate reductions. No details are yet available. Teachers and other pedagogical titles will benefit from Board-wide redeployment efforts, since we expect to be hiring to replace teachers leaving the system.
- This year, given the financial climate, we did not structure a budget request process at the school level. However, in developing your reductions, please be mindful of the State requirement that principals and school leadership teams play a meaningful role in determining their budgets. Please inform your senior superintendent of the procedures you have gone through to meet this obligation.
- Please remember that the reduction targets you see here will be imposed on top of reductions already taken in the current year. The negative lump sums scheduled for the contingency and additional contingency exercises in the current year will be built into the initial allocations next year before accommodating this new round of cuts. In particular, Module 1 tax levy funds will be reduced by \$30 million across the board. Remember that, if your district used a rollover surplus to satisfy some of your cuts in FY02 and if you have no comparable surplus you expect to roll into FY03, the impact of these new reduction targets on services may be significantly magnified.
- Because of guidance from the federal government requiring a reduction in indirect cost rates, you should anticipate significantly less indirect cost funding and more direct categorical funding in your allocations next year. Also, we anticipate additional Title I funding and are exploring lowering the poverty threshold for Title I eligibility.
- We will make every effort to further decentralize instructional dollars so that superintendents can weigh reduction choices across a broader array of programs.
- Surplus funding of \$20 million recouped by central in past years will be removed from the summer school budget prior to allocation and there will be no further such recoupment at summer's end.
- Please remember that all reductions will be eventually removed from your budget as tax levy.
- With caveats concerning changing average teacher salaries, enrollment, surplus/deficit roll level and categorical funding, the best available assumption for next year's budget *prior* to taking your reduction is that your resources will be similar to this year's.

Attached to this e-mail, please find a PDF file containing district targets as well as a presentation providing a mock-up of the web site for entering reduction information. While the web site will not be available to enter data on-line until noon on Friday, March 22, you should be able to begin planning your reductions based on the information provided today. While the web site will be similar to the one utilized for last fall's contingency cuts, there are a few differences. The cost-factors for teachers will be based on FY2002 district average salary. Each district will enter information against two targets - a share of the initial \$190 million reduction and a share of the \$115 million contingency. Categories for classifying reductions have also changed slightly. We will send an e-mail message with access information when the web site is available.

Please complete entering data for your district's reduction program by 3:00 PM Wednesday March 27.

Thank you.



Budget Cuts 03.pdf



system.pdf

Budget Reductions for FY'03

Dist.	Preliminary Oct. 2001 Registers	Per Capita Cuts	Additional Contingency Cuts	TOTAL BUDGET CUTS
1	8,367	(\$1,540,194)	(\$937,706)	(\$2,477,900)
2	21,174	(3,897,701)	(2,373,012)	(6,270,713)
3	13,814	(2,542,875)	(1,548,162)	(4,091,037)
4	13,422	(2,470,716)	(1,504,230)	(3,974,946)
5	9,916	(1,825,333)	(1,111,306)	(2,936,639)
6	27,895	(5,134,900)	(3,126,248)	(8,261,148)
7	12,966	(2,386,776)	(1,453,125)	(3,839,901)
8	22,484	(4,138,845)	(2,519,826)	(6,658,671)
9	28,816	(5,304,437)	(3,229,466)	(8,533,903)
10	40,096	(7,380,855)	(4,493,638)	(11,874,493)
11	30,665	(5,644,800)	(3,436,687)	(9,081,487)
12	13,019	(2,396,532)	(1,459,065)	(3,855,597)
13	14,163	(2,607,119)	(1,587,275)	(4,194,394)
14	16,693	(3,072,840)	(1,870,818)	(4,943,658)
15	19,399	(3,570,960)	(2,174,084)	(5,745,044)
16	8,722	(1,605,542)	(977,492)	(2,583,034)
17	20,907	(3,848,552)	(2,343,089)	(6,191,641)
18	18,698	(3,441,920)	(2,095,522)	(5,537,442)
19	23,008	(4,235,303)	(2,578,552)	(6,813,855)
20	28,534	(5,252,527)	(3,197,862)	(8,450,389)
21	23,214	(4,273,223)	(2,601,639)	(6,874,862)
22	28,242	(5,198,775)	(3,165,137)	(8,363,912)
23	12,625	(2,324,005)	(1,414,909)	(3,738,914)
24	37,695	(6,938,880)	(4,224,553)	(11,163,433)
25	23,755	(4,372,810)	(2,662,270)	(7,035,080)
26	16,604	(3,056,457)	(1,860,843)	(4,917,300)
27	33,930	(6,245,820)	(3,802,602)	(10,048,422)
28	23,645	(4,352,562)	(2,649,942)	(7,002,504)
29	26,550	(4,887,313)	(2,975,511)	(7,862,824)
30	27,988	(5,152,019)	(3,136,670)	(8,288,689)
31	40,668	(7,486,148)	(4,557,743)	(12,043,891)
32	15,988	(2,943,064)	(1,791,807)	(4,734,871)
85	24,233	(4,460,800)	(2,715,840)	(7,176,640)
CityWide SE	18,870	(3,000,000)	(1,150,000)	(4,150,000)
MN HS	42,718	(7,863,511)	(4,787,491)	(12,651,002)
BX HS	38,107	(7,014,721)	(4,270,727)	(11,285,448)
BK HS	49,207	(9,058,004)	(5,514,726)	(14,572,730)
Chancellor HS	9,112	(1,677,333)	(1,021,200)	(2,698,533)
BASIS	40,607	(7,474,919)	(4,550,907)	(12,025,826)
QN HS	71,363	(13,136,471)	(7,997,793)	(21,134,264)
Alternative HS	33,781	(6,218,392)	(3,785,903)	(10,004,295)
Miscellaneous	3,075	(566,046)	(344,622)	(910,668)
TOTAL	1,034,735	(\$190,000,000)	(\$115,000,000)	(\$305,000,000)
CSD	729,196	(\$134,230,091)	(\$81,722,437)	(\$215,952,528)
CW	18,870	(\$3,000,000)	(\$1,150,000)	(\$4,150,000)
HS	286,669	(\$52,769,909)	(\$32,127,563)	(\$84,897,472)

Per Capita (\$184.08) (\$112.07) (\$296.15)

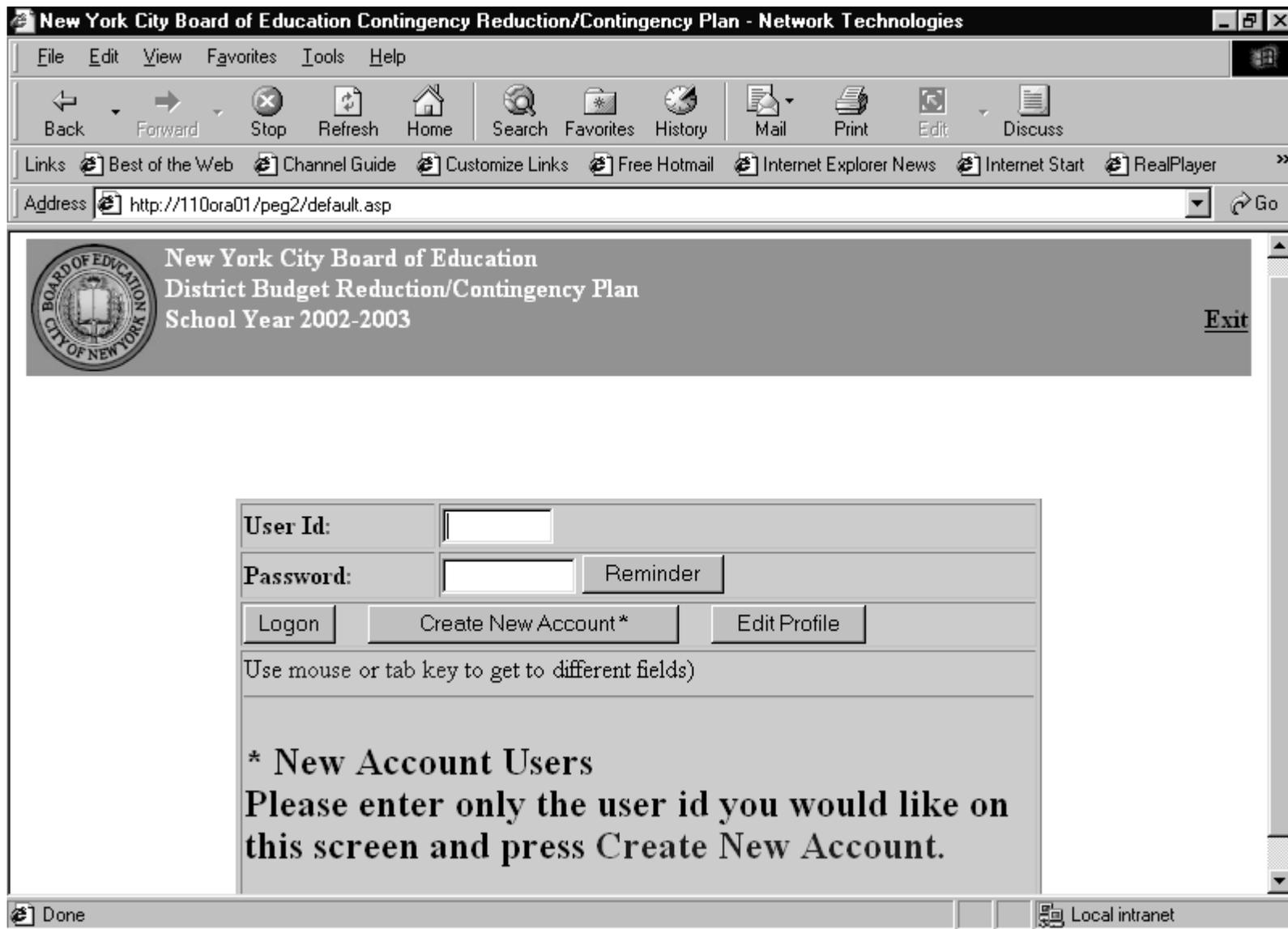
* Citywide Special Education receives a fixed reduction.

Intro to Budget Reduction/Contingency Plan System

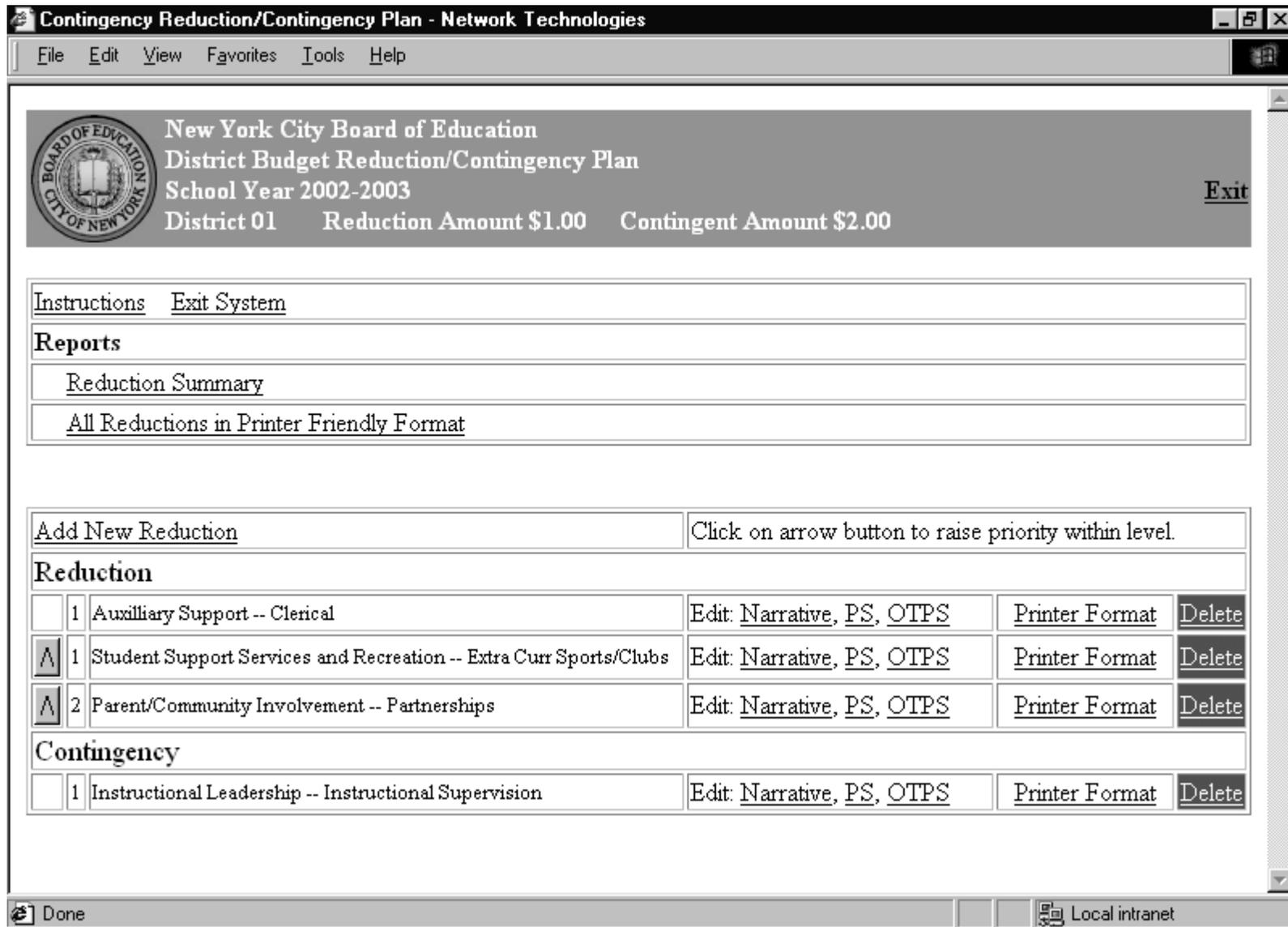
The following pages provide a preview of the categories and screens that make up this system.

These are the categories and subcategories that will be available on the system.

Categories	Subcategories		
Auxiliary Support	Clerical		
	General Classroom Support		
	Office Supplies		
Instructional Leadership	Curriculum Development		
	Instructional Technology		
	Professional Development		
Parent/Community Involvement	Parent Involvement		
	Working With Families		
	Partnerships		
	School Leadership Teams		
Student Support Services And Recreation	Extra Curr Sports/Clubs	SPED New Continuum	
	Counseling		
	Attendance		
	Safety		
Core Instruction	Art, Music, Theatre, Dance	Common Branch	English Language Arts
	ESL Program	Libraries	Literacy
	Math	Physical Education	Science
	Social Studies	Second Language	
District Office	Operations/Administration	Parent Involvement	
	Instruction/Professional Development		
	Special Education		
	Pupil Personnel Services (e.g.. Guidance, Attendance, Drug Prevention)		
In addition to these categories the data will further be classified by the following:			
Activity Time: Before, during, afterschool or summer			
Grades: Early Childhood, Elementary, Middle/JHS, High School			



Users log in here, there will be 2 users allowed per district



The initial screen will look similar to this. Reductions and contingencies will be entered here and reports generated.

Contingency Reduction/Contingency Plan - Network Technologies

File Edit View Favorites Tools Help

 New York City Board of Education
District Budget Reduction/Contingency Plan
School Year 2002-2003
District 01 Reduction Amount \$1.00 Contingency Amount \$2.00 [Exit](#)

Plan:

Category:

Sub-Category:

Impacts: Existing Program or Function Planned Program or Function

Activity Date: Sept-June Summer Both

Activity Time: Before School After School During School Weekend

Grades: Early Childhood Elementary Middle/JHS High School

Description:

Consequences:

Done Local intranet

Pull down menus and radio buttons are used to ease data entry. Description and Consequences are freeform text.

Contingency Reduction/Contingency Plan - Network Technologies

File Edit View Favorites Tools Help

 New York City Board of Education
District Budget Reduction/Contingency Plan
School Year 2002-2003
District 01 Reduction Amount \$1.00 Contingency Amount \$2.00 [Exit](#)

Plan: Contingency

Category: Core Instruction

Sub-Category: Art Music, Theatre, Dance

Impacts: Existing Program or Function Planned Program or Function

Activity Date: Sept-June Summer Both

Activity Time: Before School After School During School Weekend

Grades: Early Childhood Elementary Middle/JHS High School

Description: Cut after school performing arts program.

Consequences: Less art.

Save Cancel

Done Local intranet

This is an example of how a filled out screen might look. Pressing save will add or modify the data.

http://110ora01/peg2/dbr_d1e2.asp - Network Technologies

File Edit View Favorites Tools Help



New York City Board of Education
 District Budget Reduction/Contingency Plan
 School Year 2002-2003
 District 01 Reduction Amount \$1.00 Contingency Amount \$2.00

[Exit](#)

Student Support Services and Recreation -- Extra Curr Sports/Clubs			
FIXED RATE	Annual Rate	# of Positions	Total Dollars
Educational Paraprofessionals	\$ 19,925	\$ <input type="text" value="0"/>	\$ 0
Family Paraprofessionals	\$ 18,063	\$ <input type="text" value="0"/>	\$ 0
Guidance Counselor	\$ 35,281	\$ <input type="text" value="0"/>	\$ 0
Lab Technicians	\$ 23,388	\$ <input type="text" value="0"/>	\$ 0
Lab Technicians (Regular Subs)	\$ 24,688	\$ <input type="text" value="0"/>	\$ 0
Principal Assigned	\$ 75,546	\$ <input type="text" value="0"/>	\$ 0
Assistant Principal 10 month	\$ 51,934	\$ <input type="text" value="0"/>	\$ 0
Assistant Principal 12 month	\$ 60,681	\$ <input type="text" value="0"/>	\$ 0
SAPIS	\$ 25,669	\$ <input type="text" value="0"/>	\$ 0
School Aides	\$ 16,870	\$ <input type="text" value="0"/>	\$ 0

Done Local intranet

Typical district positions and an “average” salary are used to calculate PS savings (the numbers above are just illustrative).

http://110ora01/peg2/dbr_d1e2.asp - Network Technologies

File Edit View Favorites Tools Help

Lab Technicians (Regular Subs)	\$ 24,688	\$ 0	\$ 0
Principal Assigned	\$ 75,546	\$ 0	\$ 0
Assistant Principal 10 month	\$ 51,934	\$ 0	\$ 0
Assistant Principal 12 month	\$ 60,681	\$ 0	\$ 0
SAPIS	\$ 25,669	\$ 0	\$ 0
School Aides	\$ 16,870	\$ 0	\$ 0
School Secretary	\$ 25,845	\$ 0	\$ 0
Teacher	\$ 33,171	\$ 0	\$ 0
Non-Fixed Rate	Comments	Total Dollars	
Per-Session		\$	400000
Per-Diem		\$	0
Extended Use		\$	10000
Occasional Administrative Services		\$	0
Personnel Service Grand Total			\$ 410000

Save

Done Local intranet

More PS data can be entered then saved.

http://110ora01/peg2/dbr_d1e3.asp - Network Technologies

File Edit View Favorites Tools Help

 **New York City Board of Education**
District Budget Reduction/Contingency Plan
School Year 2002-2003
District 01 Reduction Amount \$1.00 Contingency Amount \$2.00 [Exit](#)

Student Support Services and Recreation -- Extra Curr Sports/Clubs

Object Code	Description	Comments	Total Dollars
100	supplies & materials - general (including printing supplies, testing materials, postage)	Basketballs	\$ 1000
199	data processing supplies		\$ 0
300	equipment and furniture		\$ 0
337	text books		\$ 0
338	library books		\$ 0
400	non-contractual services (including membership fees, advertising, leasing and rental of copying equipment, admission fees and parent activity funds)		\$ 0
402	telephone & other communications		\$ 0
451	local travel expenditures - general		\$ 0
600	contractual services - general (including maintenance and repair		\$ 0

Done Local intranet

OTPS savings need to be entered by object code.