



THE NEW YORK CITY DEPARTMENT OF EDUCATION
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School Allocation Memorandum No.1, FY 2004

TO: School Principals

DATE: June 16, 2003

FROM: Bruce E. Feig

SUBJECT: Preliminary Fiscal Year 2003-2004 School Allocations

CC: Regional Superintendents
Community School District Superintendents
Local Instructional Supervisors
Regional Operational Center Directors

I write to inform you that your preliminary school budget for the 2003/2004 school year is available on the Intranet at www.nycboe.net. We are pleased to deliver this preliminary information in a timely manner and trust that, unlike past years when the Department did not provide this information until weeks and sometimes months later, the provision of this preliminary information will make your budgeting process more efficient.

This budget is the first step in supplying schools with the resources to operate and support their basic instructional programs. It incorporates budget reductions that are required due to the City's difficult financial situation. The basic budget allocations that are posted and described below, however, are not the full budget allocations for your school because they do not include the substantial resources that are being provided to your school through the Children First reform initiatives, including trained Math and Literacy coaches, instructional materials, and Parent Coordinators.

Despite significant reductions in City and State resources for public education necessitated by budget shortfalls, the implementation of the Children First reform efforts has reduced administrative costs at every level in the school system and has enabled the Department to redirect resources to schools. Through the reorganization of the District Offices and the streamlining of Central Office operations, over \$250 million has been redirected to support instruction. As a result of the reorganization and the programs the

Department is providing to schools through Children First, the overall resources that schools are receiving, in the aggregate, has actually **increased** for next year.

School Year 2004 Basic Allocation

Your preliminary school year 2004 budget allocation was developed based upon your projected school register for the upcoming year and your school's average teacher salary. Sufficient resources are provided to maintain required class sizes. The basic allocation also provides resources for fixed school overhead, special education, English language learners, Project Arts and other per capita needs. District 85 schools moving to Instructional Leadership Division supervision are also allocated additional enrichment funds. It should also be understood that we recognize that the projected registers included here are tentative and may well change, in which case adjustments will be made accordingly.

During this transition year to a school-based budget allocation, we have utilized an allocation methodology that minimizes budget changes from district-based budget allocations in prior years. In recognition of the fact that each school is unique, this methodology compares the projected SY04 base budget allocation to your school's estimated SY03 base budget, adjusted for register changes, city-wide budget reductions, school-specific average salaries and funds that will be allocated in the future. No school budget was allowed to fall more than 2.5% below last year's adjusted level, and no school's budget was allowed to be more than 2.25% above its adjusted level from the prior year.

The budget reductions that have been imposed on the Department are significant and affect every school. These include the reductions in paraprofessional positions, reductions in school aides, elimination of the availability of one time surplus rollover funds, reductions in after-school programs, reductions in Teachers and Principals Choice programs, and reductions in Leadership Team per capitas. These reductions, however, are more than offset by the programmatic increases that are being provided to schools through the Children First programs.

Some additional funds will be allocated to schools at a later date. These deferred allocations include monies being held for register adjustments and special education services that are mandated for students during the course of the school year. This process of holding back some allocations is greatly reduced from prior years, but does set aside some funding to help manage changes that cannot be known at this time. In the purchasing area, computer maintenance services will be provided under a centralized contract with Dell, and schools will no longer have to bear those expenses in their budget.

Title I

The Department of Education has received approval from the federal government to change and differentiate the cut-off levels for Title I school eligibility. For SY 04, the school poverty cut-off level for eligibility will be the lower of 60 percent free lunch eligibility and the county's average free lunch eligibility percentage. This has the effect of lowering the school eligibility level from the current 62% city-wide to 60% in Manhattan, the Bronx and Brooklyn, 57.86% in Queens and 35.53% in Staten Island.

The plan for SY 04 also modifies last year's grandfathering provision, which allowed all previously eligible Title I schools that fell below the target percentage to receive continued funding for one year, provided their eligibility percentage was at least 57%. This modification for SY 04 will allow **all** schools falling below their respective county cutoff to receive a prorated share of funds for one year, regardless of their eligibility percentage. There is a chart posted on the web page that indicates all schools that are changing Title I status, according to these plans.

Additional Allocations Accompanying the Basic Allocation

Wherever possible, dollar amounts of additional allocations have been posted along with the basic allocation. These include funding for Title I, the Mayor's middle school ELA class size reduction program, and more.

These allocations supplement the basic allocation and are not adjusted by last year's budget.

Children First

As discussed above, new instructional resources -- beyond the basic allocations posted in the preliminary budget as well as the additional allocations -- will be provided to schools through the Children First reform initiatives. Funds to support the Children First reforms were not redirected from school resources. No reduction in your school's budget is due to Children First. Instead, the funds supporting Children First reforms are coming entirely from the redirection of resources from District and Central Offices and administration, new Title I and other reimbursable funds, NYSTL funds and savings from FY 03.

The resources provided as part of the Children First reforms will enable schools to improve classroom instruction, will strengthen professional development, will increase parent engagement and will create instructional environments that support student achievement. Schools that are introducing the new comprehensive curriculum in math and/or literacy will receive textbooks and classroom libraries consistent with the extent of their implementation of the curriculum.

To support the new curriculum, Math and Literacy coaches will be provided to schools. Schools with fewer than 400 students will be provided with half-time coaches and High Schools with Assistant Principals of English and/or math will rely on those staff to provide coaching support. Schools that are exempt from the new curriculum and High Schools that utilize Assistant Principals for coaching will receive comparable funding in lieu of coaching lines. All schools utilizing the new core curriculum will be given appropriate, intensive professional development aligned with that curriculum. In addition, each school will be provided with a Parent Coordinator.

Future Allocations

Additional funds, generally for specific programs, will be allocated in the near future and throughout the upcoming months. Allocations for these programs will go to schools as soon as there is sufficient information to appropriately place the resources. A listing of

resources that remain to be allocated is posted on the website. **If your school currently runs a program that is funded from these additional allocations, resources to fund those programs are not included in the basic allocation.**

Training, Support and Ongoing Assistance

The Regional Operations Centers will conduct training sessions for principals and school liaisons in June and July. Staff members of these Centers will be available to assist you in understanding your budget and in scheduling your 04 Budget in Galaxy. We expect that many of the questions you may have will be answered at the training sessions. A preliminary list of contacts for the Centers and their e-mail addresses is also posted on the website.

Approval of Budgets

Once you have had a chance to review your preliminary allocations, you are required to submit your proposed budgets to your Local Instructional Supervisor, who will assure appropriate approvals by the Community School District Superintendent and Regional Superintendent.

We are all facing a challenging and exciting year. While budget cuts are necessary in order to help balance the City's budget, our reorganization and the infusion of new resources to schools through Children First has helped us to increase resources to our schools even during a fiscal crisis. The Department has reduced administration and has focused new resources on improving classroom instruction, professional development and parent engagement. These school budgets reflect the priorities of instructional leadership and support our system-wide effort to increase student achievement.